

DOĐAN řİRKETLER GRUBU HOLDİNG A.ř.

**CONVENIENCE TRANSLATION INTO ENGLISH OF
CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AND REVIEW REPORT FOR THE INTERIM
PERIOD 1 JANUARY – 30 JUNE 2013**

(ORIGINALLY ISSUED IN TURKISH)

**CONVENIENCE TRANSLATION OF THE REVIEW REPORT AND THE
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

**REVIEW REPORT ON THE CONDENSED CONSOLIDATED INTERIM
FINANCIAL STATEMENTS**

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

Introduction

We have reviewed the accompanying condensed consolidated financial statements of Doğan Şirketler Grubu Holding A.Ş. (the “Company”), its subsidiaries and its joint ventures (collectively referred as, the “Group”) which comprise the condensed consolidated balance sheet as of 30 June 2013 and the condensed consolidated statement of profit or loss, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of changes in shareholders’ equity and the condensed consolidated statement of cash flows for the six-month period then ended and a summary of significant accounting policies and other explanatory notes. The Group management’s responsibility for the preparation and fair presentation of these consolidated interim financial statements in accordance with the financial reporting standards published by the Public Oversight Accounting and Auditing Standards Authority (the “POA”). Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with auditing standards published by the Capital Market Board. A review of interim condensed financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards published by the Capital Market Board and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion based on our review.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim condensed financial statements do not present fairly, in all material aspects, the financial position of Doğan Şirketler Grubu Holding A.Ş., its subsidiaries and its joint ventures as at 30 June 2013, and its financial performance and cash flows for the six-month interim period then ended in accordance with the Turkish Accounting Standards issued by the POA.

İstanbul, 25 August 2013

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

Saim Üstündağ
Partner

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIODS ENDED 1 JANUARY – 30 JUNE 2013

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

REVIEWED CONSOLIDATED BALANCE SHEETS AT 30 JUNE 2013

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

		<i>USD(*)</i>	<i>Reviewed</i>	<i>Restated Audited</i>	<i>Restated Audited</i>
ASSETS	Notes	30 June 2013	30 June 2013	31 December 2012	31 December 2011
Current assets		2.128.100	4.096.165	4.128.121	4.937.006
Cash and cash equivalents	6	936.857	1.803.263	2.165.978	3.454.433
Financial investments	7	117.157	225.503	177.043	191.672
Trade receivables					
- Trade receivables from related parties	31	6.718	12.930	18.960	8.685
- Trade receivables from non-related parties	9	445.911	858.289	704.514	650.132
Other receivables					
- Other receivables from related parties	31	31.992	61.578	71.249	3.702
- Other receivables from non-related parties	10	235.649	453.577	420.781	46.350
Financial derivative instruments	20	-	-	882	-
Inventories		132.096	254.259	231.904	249.837
Prepaid expenses	19	31.641	60.903	44.446	39.664
Biological Assets	11	73	140	208	74
Other current assets	18	190.006	365.723	292.156	211.770
Sub-total		2.128.100	4.096.165	4.128.121	4.856.319
Non-current assets classified for sale		-	-	-	80.687
Non-current assets		1.837.936	3.537.661	3.660.847	3.095.111
Trade receivables	9	1.436	2.764	2.217	274
Other receivables	10	31.183	60.022	106.240	417.005
Inventories		-	-	-	18.096
Financial investments	7	989	1.903	2.216	5.730
Investments accounted for by the equity method	4	171.864	330.804	361.571	253.069
Investment property	12	120.118	231.203	229.376	180.242
Property, plant and equipment	13	473.329	911.064	926.912	668.999
Intangible assets					
- Goodwill	14	272.094	523.727	518.957	539.951
- Other intangible assets	14	523.777	1.008.166	1.006.040	661.291
Prepaid expenses	19	15.650	30.124	30.369	45.571
Deferred tax asset	30	59.997	115.482	109.098	75.884
Other non-current assets	18	167.499	322.402	367.851	228.999
Total assets		3.966.036	7.633.826	7.788.968	8.032.117

The consolidated financial statements for the interim period ended 30 June 2013 have been approved by the Board of Directors on 25 August 2013.

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

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

REVIEWED CONSOLIDATED BALANCE SHEETS AT 30 JUNE 2013

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

LIABILITIES	Notes	USD(*) 30 June 2013	Reviewed 30 June 2013	Restated Audited 31 December 2012	Restated Audited 31 December 2011
Current liabilities		1.040.538	2.002.828	2.138.848	1.914.978
Short-term borrowings	8	346.468	666.882	853.651	455.741
Short-term portion of long-term borrowings	8	222.568	428.398	323.287	400.544
Other financial liabilities	8	88.948	171.208	379.458	69.328
Trade payables					
- Trade payables to related parties	31	11.797	22.707	17.849	24.887
- Trade payables to non-related parties	9	245.307	472.167	371.567	426.240
Payables regarding employee benefits	21	13.929	26.810	26.585	30.027
Derivative instruments	20	2.191	4.217	1.683	4.930
Deferred income	19	30.320	58.359	35.956	49.712
Other payables	10	19.572	37.672	52.182	57.480
Income tax payable	30	19.477	37.489	9.829	38.770
Short-term provisions					
- Short-term provisions regarding employee benefits	21	21.136	40.683	36.624	31.904
- Other short-term Provisions	16	18.588	35.779	30.170	44.048
Other current liabilities		237	457	7	281.367
Non-current liabilities		830.228	1.598.021	1.561.994	2.227.562
Long-term borrowings	8	589.651	1.134.960	956.322	925.794
Other financial liabilities	8	80.821	155.564	289.164	650.097
Other payables	10	7.191	13.842	13.307	14.242
Deferred income	19	4.850	9.335	12.364	47.222
Long-term provisions					
- Long-term provision regarding employee benefits	21	49.447	95.175	94.375	46.975
- Other long-term provisions		-	-	-	507
Deferred tax liability	30	98.159	188.936	196.324	137.742
Other non-current liabilities		109	209	138	404.983
EQUITY		2.095.270	4.032.977	4.088.126	3.889.577
Equity attributable to equity holders of the Parent Company	22	1.640.540	3.157.712	3.181.006	3.069.867
Paid-in capital	22	1.272.860	2.450.000	2.450.000	2.450.000
Adjustment to issued capital	22	74.567	143.526	143.526	143.526
Share Premium	22	327	630	630	630
Accumulated other comprehensive income or loss that will not be reclassified in profit or loss					
-Gains on revaluation of investment property		521	1.002	1.002	-
- Actuarial gains on defined retirement benefit plans		(13.186)	(25.381)	(25.381)	-
Accumulated other comprehensive income or loss that will be reclassified in profit or loss					
-Currency translation differences		38.666	74.424	53.688	67.538
- Gain/(loss) on revaluation and reclassification		(3.567)	(6.866)	2.092	(4.056)
Restricted reserves	22	593.653	1.142.663	1.204.043	1.181.749
Accumulated losses	22	(309.049)	(594.854)	(804.264)	(15.785)
Net profit/ (loss) for the period		(14.252)	(27.432)	155.670	(753.735)
Non-controlling interests		454.730	875.265	907.120	819.710
Total liabilities		3.966.036	7.633.826	7.788.968	8.032.117
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The accompanying notes form an integral part of these consolidated financial statements.

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**REVIEWED CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE
PERIOD 30 JUNE 2013**

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

	Notes	USD(*) 1 January- 30 June 2013	Reviewed 1 January- 30 June 2013	Unreviewed 1 April- 30 June 2013	Reviewed (restated) 1 January- 30 June 2012	Unreviewed (restated) 1 April- 30 June 2012
Continued Operations						
Revenue	23	892.283	1.717.467	937.473	1.539.744	816.361
Cost of sales (-)	23	(637.139)	(1.226.365)	(643.880)	(1.104.170)	(557.634)
Gross Profit / (Loss) from business activities	23	255.144	491.102	293.593	435.574	258.727
General administrative expenses (-)	24-25	(97.931)	(188.498)	(99.079)	(187.998)	(98.176)
Marketing, sales and distribution expenses (-)	24-25	(114.100)	(219.620)	(116.174)	(187.169)	(104.876)
Other income from operating activities	26	110.887	213.436	141.375	200.832	61.757
Other expenses from operating activities (-)	26	(44.098)	(84.880)	(53.434)	(248.385)	(55.826)
Share of gain on investments accounted for by the equity method		(32.692)	(62.925)	(54.955)	18.223	(63)
Operating Profit / (Loss)		77.210	148.615	111.326	31.077	61.543
Income from investment activities	27	68.962	132.739	105.369	272.484	96.939
Expenses from investment activities (-)	27	(22.349)	(43.017)	(25.518)	(75.658)	(25.601)
Operating profit / (loss) before finance expense		123.823	238.337	191.177	227.903	132.881
Finance income	28	3.471	6.681	651	52.304	(3.140)
Finance expense (-)	28	(120.479)	(231.898)	(167.763)	(97.588)	(64.709)
Profit / (Loss) Before Taxation		6.815	13.120	24.065	182.619	65.032
Tax (expense) / income from continued operations	30	(32.393)	(62.350)	(46.751)	(50.631)	(12.634)
Current income tax expense		(36.942)	(71.105)	(49.392)	(62.174)	(25.375)
Deferred tax (expense) / income		4.549	8.755	2.641	11.543	12.741
Profit / (Loss) For The Period		(25.578)	(49.230)	(22.686)	131.988	52.398
Profit / (Loss) For The Period		(25.578)	(49.230)	(22.686)	131.988	52.398
Distribution of Profit For The Period						
Non-controlling interests		(11.326)	(21.798)	(10.621)	41.798	(14.188)
Owners of the parent		(14.252)	(27.432)	(12.065)	90.190	66.586
Earnings / (Loss) Per Share		-	(0,011)	(0,005)	0,037	0,027

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

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**REVIEWED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE INTERIM PERIODS 1 JANUARY-30 JUNE 2013**

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

	<i>USD(*)</i>	Reviewed	Unreviewed	Reviewed	Unreviewed
	1 January- 30 June 2013	1 January- 30 June 2013	1 April- 30 June 2013	(restated) 1 January- 30 June 2012	(restated) 1 April- 30 June 2012
Profit / (loss) for the period	(25.578)	(49.230)	(22.686)	131.988	52.398
OTHER COMPREHENSIVE (EXPENSE) / INCOME					
Accumulated other comprehensive income and loss that will be classified in profit or loss					
Change in currency translation reserves	9.617	18.508	23.714	(56.680)	(72.841)
Revaluation of financial assets available for sale and / or classification Gains / Losses	(4.654)	(8.958)	(4.924)	1.601	2.536
OTHER COMPREHENSIVE (EXPENSE) / INCOME	4.963	9.550	18.790	(55.079)	(70.305)
TOTAL COMPREHENSIVE (EXPENSE)/INCOME	(20.615)	(39.680)	(3.896)	76.909	(17.907)
Allocation of Total Comprehensive (Expense)/ (Income for the Period					
Attributable to non-controlling interests	(12.482)	(24.026)	(11.642)	25.600	(46.633)
Attributable to equity holders of the Parent Company	(8.133)	(15.654)	7.746	51.309	28.726

(*) 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 30 June 2013.

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

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**REVIEWED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE INTERIM PERIODS ENDED
1 JANUARY-30 JUNE 2013**

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

				Accumulated other comprehensive income or loss that will not be reclassified in profit or loss			Accumulated other comprehensive income or loss that will not be reclassified in 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	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														
(previously reported)	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	23	-	-	-	-	-	-	-	-	-	-	-	(2.295)	(2.295)
Balances at 1 January 2012	23	2.450.000	143.526	-	-	630	(4.056)	67.538	1.181.749	(15.785)	(753.735)	3.069.867	819.710	3.889.577
Transfers from retained earnings	23	-	-	-	-	-	-	-	22.294	(776.029)	753.735	-	-	-
Changes in Non-controlling interest option		-	-	-	-	-	-	-	-	21.374	-	21.374	25.762	47.136
Share increase out of group by subsidiaries		-	-	-	-	-	-	-	-	-	-	-	1.840	1.840
Acquisition of subsidiary share		-	-	-	-	-	-	-	-	(32.224)	-	(32.224)	(13.588)	(45.812)
Other		-	-	-	-	-	-	-	-	-	-	-	1.089	1.089
Dividend payment		-	-	-	-	-	-	-	-	-	-	-	(8.711)	(8.711)
Total comprehensive income/expense		-	-	-	-	-	1.601	(66.191)	-	-	90.190	25.600	51.309	76.909
- Currency translation differences		-	-	-	-	-	-	(66.191)	-	-	-	(66.191)	9.511	(56.680)
- Change in the financial asset fair value reserve net		-	-	-	-	-	1601	-	-	-	-	1.601	-	1.601
- Net loss for the period		-	-	-	-	-	-	-	-	-	90.190	90.190	41.798	131.988
Balances at 30 June 2012	23	2.450.000	143.526	-	-	630	(2.455)	1.347	1.204.043	(802.664)	90.190	3.084.617	877.411	3.962.028

⁽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.

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**REVIEWED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE INTERIM PERIODS ENDED
1 JANUARY-30 JUNE 2013**

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

				Accumulated other comprehensive income or loss that will not be reclassified in profit or loss			Accumulated other comprehensive income or loss that will not be reclassified in 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	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 (previously reported)	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	23	-	-	-	(25.381)	-	-	-	-	25.381	-	-	-	-	
Balances at 1 January 2013	23	2.450.000	143.526	1.002	(25.381)	630	2.092	53.688	1.204.043	(804.264)	155.670	3.181.006	907.120	4.088.126	
Transfers from retained earnings	23	-	-	-	-	-	-	-	(61.380)	217.050	(155.670)	-	-	-	
Effect of acquisition of entities under common control (Note 3)		-	-	-	-	-	-	-	-	(7.640)	-	(7.640)	(472)	(8.112)	
Change in subsidiary effective share rate		-	-	-	-	-	-	-	-	-	-	-	2.580	2.580	
Acquisition of subsidiary share from out of non- controlling interest		-	-	-	-	-	-	-	-	-	-	-	(1.099)	(1.099)	
Other		-	-	-	-	-	-	-	-	-	-	-	(369)	(369)	
Dividend payment		-	-	-	-	-	-	-	-	-	-	-	(8.469)	(8.469)	
Total comprehensive income/expense		-	-	-	-	-	(8.958)	20.736	-	-	(27.432)	(15.654)	(24.026)	(39.680)	
- Currency translation differences		-	-	-	-	-	-	20.736	-	-	-	20.736	(2.228)	18.508	
- Change in the financial asset fair value reserve net		-	-	-	-	-	(8.958)	-	-	-	-	(8.958)	-	(8.958)	
- Net loss for the period		-	-	-	-	-	-	-	-	-	(27.432)	(27.432)	(21.798)	(49.230)	
Balances at 30 June 2013	23	2.450.000	143.526	1.002	(25.381)	630	(6.866)	74.424	1.142.663	(594.854)	(27.432)	3.157.712	875.265	4.032.977	

⁽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.

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**REVIEWED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE INTERIM
PERIODS ENDED 1 JANUARY-30 JUNE 2013**

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

		<i>USD(*)</i>	<i>Reviewed Current period</i>	<i>Restated Reviewed</i>
	<i>Notes</i>	<i>1 January- 30 June 2013</i>	<i>1 January - 30 June 2013</i>	<i>Prior period 1 January - 30 June 2012</i>
A. Net cash provided by/(used in) operating activities		113.257	217.999	(947.812)
Net profit/(loss) for the period		6.816	13.120	182.619
Adjustments regarding profit/loss for the period		222.149	427.592	(221.113)
Adjustments regarding depreciation and amortization expenses	13,14,25	64.596	124.334	103.927
Adjustments regarding provisions		22.531	43.367	18.942
Finance expense for tax liability in dispute and tax base increase regarding 6111 law		-	-	32.935
Adjustments regarding interest income and expenses		27.563	53.054	(38.234)
Unearned finance expense due to purchases with maturity		5.536	10.656	22.476
Adjustments regarding unrealized changes in currency translation differences		1.538	2.961	(3.928)
Adjustments regarding gains/losses in fair value	12,20	679	1.307	(4.205)
Adjustments regarding gain/losses on disposal of property, plant and equipment and intangible assets	27	5.484	10.556	(141.998)
Share of gain on associates accounted by using the equity method	4	32.692	62.925	(18.223)
Unearned finance expense due to sales with maturity	26	(17.047)	(32.812)	(53.564)
Unrealized foreign exchange expense/ (income) due to financial borrowings		76.927	148.068	(117.160)
Annulment indemnity of put option agreement of Turner		-	-	(45.767)
Loss from withdrawal from 2. and 3. section of Milpark project		-	-	25.049
Loss / (gain) on sale of share of subsidiaries		1.650	3.176	(1.363)
Adjustments regarding profit / loss reconciliation		-	-	-
Change in working capital		(96.622)	(185.979)	(833.357)
Decrease / (increase) in financial investments		(51.555)	(99.233)	(260.393)
(Increase) / decrease in other current and non-current assets and prepaid expenses		(1.092)	(2.102)	82.938
Increase/(decrease) in other short term and long term liabilities and deferred revenue		6.860	13.204	1.829
Increase /(decrease) in other liabilities		3.554	6.841	(218.192)
Tax liability in dispute paid regarding 6111 law		-	-	(125.825)
Tax base increase paid regarding 6111 law		-	-	(4.474)
Decrease / (increase) in inventories		(10.762)	(20.714)	8.370
Increase in trade receivables		(84.418)	(162.487)	(182.991)
Increase/(decrease) in employee termination benefits		117	225	(9.768)
Increase/ decrease in receivables from finance sector operations		-	-	-
Decrease / (increase) in other receivables regarding operations		11.998	23.093	(15.238)
Increase/ (decrease) in trade payables		35.936	69.169	(126.583)
Increase/ (decrease) in other payables regarding operations		(7.260)	(13.975)	16.970
Net cash provided by operating activities		132.343	254.733	(871.851)
Employment termination benefits paid	21	(3.585)	(6.900)	(5.882)
Tax paid		(22.571)	(43.445)	(73.525)
Collections from doubtful receivables	9	7.071	13.611	3.446

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

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**REVIEWED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE INTERIM
PERIODS ENDED 1 JANUARY-30 JUNE 2013**

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

		<i>USD(*)</i> <i>1 January-</i> <i>30 June 2013</i>	<i>Reviewed</i> <i>Current period</i> <i>1 January-</i> <i>30 June 2013</i>	<i>Restated</i> <i>review</i> <i>Prior period</i> <i>1 January-</i> <i>30 June 2012</i>
B. Net cash (used in) / provided from investing activities		(157.852)	(303.833)	(491.977)
Proceeds from sale of property, plant and equipment and intangible assets		23.930	46.061	88.473
Acquisition of property, plant and equipment and intangible assets	12,13,14	(78.645)	(151.375)	(154.282)
Changes on long term investments		(14.793)	(28.474)	(69.666)
Payments on financial borrowings related with the options		(76.150)	(146.573)	-
Change on share of non-controlling interest		(571)	(1.099)	1.840
Dividends paid to non-controlling interest		(4.400)	(8.469)	(8.711)
Cash provided from sale of subsidiary	29	1.543	2.969	3.264
Acquisition of subsidiary share		(8.766)	(16.873)	(352.895)
C. Net cash used in financing activities		(135.314)	(260.453)	246.602
Decrease in financial borrowings		(50.773)	(97.728)	203.780
Decrease on financial borrowings related with options		(112.174)	(215.912)	-
Interest received		55.037	105.936	97.180
Interest paid		(27.405)	(52.749)	(54.358)
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS BEFORE THE EFFECT OF CURRENCY TRANSLATION RESERVES (A+B+C)		(179.908)	(346.287)	(1.193.187)
D. THE EFFECT OF CURRENCY TRANSLATION RESERVES ON CASH AND CASH EQUIVALENTS				
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C+D)		(179.908)	(346.287)	(1.193.187)
E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	6	1.109.801	2.136.145	3.443.973
F. CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+B+C+D+E)	6	929.893	1.789.858	2.250.786

- (*) 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 30 June 2013.

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

CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

SELECTED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2013

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

NOTE 1 - ORGANIZATION AND NATURE OF OPERATIONS

Doğan Şirketler Grubu Holding A.Ş. (“Doğan Holding”, “Holding” or the “Group”) was established on September 22, 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. As of 30 June 2013, %32,65 shares of Doğan Holding are offered to the public (31 December 2012: %31,97). Within the frame of Resolution No.21/655 dated 23 July 2010 of CMB; according to the records of Central Registry Agency, the %34,29 shares of Doğan Holding are to be considered in circulation (Note 22).

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

Burhaniye Mahallesi Kısıklı Caddesi No: 65
Üsküdar 34696 İstanbul

Doğan Holding’s principal activities are in Turkey and its activities are presented under three segments for reporting purposes as of 30 June 2013:

- Media
- Retail
- 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 mainly comprise of trade, tourism, agriculture, manufacturing, energy and real estate. These companies are not considered as separate reportable segments since the effects of the operating results are below materiality when compared with consolidated results.

As of 30 June 2013, the Group has 9.722 employees in domestic (31 December 2012: 9.520 in domestic, including foreign 13.756) and 13.722 employees including the personnel of foreign subcontractors. The Company has 260 employees (31 December 2012: 276).

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

**SELECTED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 30 JUNE 2013**

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

NOTE 1 - ORGANIZATION AND NATURE OF OPERATIONS (Continued)

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

Subsidiaries	Country	Nature of business	Segment
Doğan Yayın Holding A.Ş. (“Doğan Yayın Holding or DYH”)	Turkey	Holding	Media
Hürriyet Gazetecilik ve Matbaacılık A.Ş. (“Hürriyet”)	Turkey	Newspaper publishing	Media
Hürriyet Medya Basım Hizmetleri ve Ticaret A.Ş. (“Hürriyet Medya Basım”)	Turkey	Printing and administrative services	Media
Doğan Ofset Yayıncılık ve Matbaacılık A.Ş. (“Doğan Ofset”)	Turkey	Printing services	Media
Posta Haber Ajansı A.Ş. (“Posta Haber”)	Turkey	News agency	Media
Doğan Gazetecilik A.Ş. (“Doğan Gazetecilik”)	Turkey	Newspaper publishing	Media
Doğan Dağıtım Satış Pazarlama Matbaacılık Ödeme Aracılık ve Tahsilat Sistemleri A.Ş. (“Doğan Dağıtım”)	Turkey	Distribution	Media
Doğan Dış Ticaret ve Mümessillik A.Ş. (“Doğan Dış Ticaret”)	Turkey	Import and export	Media
Doğan Haber Ajansı A.Ş. (“Doğan Haber”)	Turkey	News agency	Media
Doğan Gazetecilik İnternet Hizmetleri ve Ticaret A.Ş. (“Doğan Gazetecilik İnternet”)	Turkey	Internet services	Media
Yenibiriş İnsan Kaynakları Hizmetleri Danışmanlık ve Yayıncılık A.Ş. (“Yenibir”)	Turkey	Internet services	Media
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 Novoprint	Russia	Newspaper and internet publishing	Media
OOO Delta-M	Russia	Newspaper and internet publishing	Media
OOO Pronto Baikal	Russia	Newspaper and internet publishing	Media
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 Krasnoyarsk	Russia	Newspaper and internet publishing	Media
OOO Pronto Nizhny Novgorod	Russia	Newspaper and internet publishing	Media
OOO Pronto Novosibirsk	Russia	Newspaper and internet publishing	Media
OOO Pronto Oka	Russia	Newspaper and internet publishing	Media
OOO Pronto Samara	Russia	Newspaper and internet publishing	Media
OOO Pronto Stavropol	Russia	Newspaper and internet publishing	Media
OOO Pronto UlanUde	Russia	Newspaper and internet publishing	Media
OOO Pronto Vladivostok	Russia	Newspaper and internet publishing	Media
OOO Pronto 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

CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

SELECTED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2013

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

NOTE 1 - ORGANIZATION AND NATURE OF OPERATIONS (Continued)

Subsidiaries	Country	Nature of business	Segment
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	Ukrayna	Newspaper and internet publishing	Media
OOO Rosprint Samara	Russia	Printing services	Media
OOO Partner-Soft	Russia	Internet publishing	Media
Pronto Soft	Belarus	Internet publishing	Media
TOV E-Prostir	Ukrayna	Internet publishing	Media
Impress Media Marketing LLC	Russia	Publishing	Media
OOO Rektcentr	Russia	Investment	Media
ZAO NPK	Russia	Call center	Media
Publishing House Pennsylvania Inc.	USA	Investment	Media
Pronto Ust Kamenogorsk	Kazakhstan	Newspaper publishing	Media
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 Yayıncılık Reklamcılık ve Dağıtım A.Ş. (“Kanal D Yayıncılık”)	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 Yayıncılık Sanayi ve Ticaret A.Ş. (“Fun TV”)	Turkey	Tv publishing	Media
Tempo Televizyon Yayıncılık Yayıncılık Sanayi ve Ticaret A.Ş. (“Tempo TV”)	Turkey	Tv publishing	Media
Kanal Spor Televizyon ve Radyo Yayıncılık A.Ş. (“Kanal Spor”)	Turkey	Tv publishing	Media
Milenyum Televizyon Yayıncılık ve Yayıncılık A.Ş. (“Milenyum TV”)	Turkey	Tv publishing	Media
TV 2000 Televizyon Yayıncılık Yayıncılık 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 Yayıncılık ve Dağıtım A.Ş. (“D Yayıncılık”)	Turkey	Tv publishing	Media
Bravo Televizyon Yayıncılık Yayıncılık 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 Yayıncılık Sanayi ve Ticaret A.Ş. (“Galaksi TV”)	Turkey	Tv publishing	Media
Koloni Televizyon ve Radyo Yayıncılık A.Ş. (“Koloni TV”)	Turkey	Tv publishing	Media
Atılğan Televizyon ve Radyo Yayıncılık A.Ş. (“Atılğan TV”)	Turkey	Tv publishing	Media
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 Yayıncılık A.Ş. (“Eko TV”)	Turkey	Tv publishing	Media
Denizati İletişim Hizmetleri A.Ş. (“Denizati”)	Turkey	Tv publishing	Media
Tasfiye Halinde Protea Yayıncılık Reklamcılık ve Dağıtım A.Ş. (“Protea Yayıncılık”)	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

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

**SELECTED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 30 JUNE 2013**

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

NOTE 1 - ORGANIZATION AND NATURE OF OPERATIONS (Continued)

Subsidiaries	Country	Nature of business	Segment
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 broadcasting	Media
Doğan Müzik Yapım ve Ticaret A.Ş. (“DMC”)	Turkey	Music and entertainment	Media
İnteraktif Medya Hizmetleri Geliştirme Pazarlama ve Ticaret A.Ş. (“İnteraktif Medya”)	Turkey	Interactive services	Media
Ekin Radyo ve Televizyon Yayıncılığı A.Ş. (“Ekin Radyo”)	Turkey	Radio broadcasting	Media
Primetürk GmbH (“Prime Türk”)	Germany	Marketing	Media
Osmose Media S.A (“Osmose Media”)	Luxembourg	Marketing	Media
Doğan Media International S.A. (“Kanal D Romanya”)	Romanya	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
Elektronik Bilgi İletişim Hizmetleri Reklamcılık ve Ticaret A.Ş. (“EBİ”)	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
Doğan Otomobilcilik Ticaret ve Sanayi A.Ş. (“Doğan Oto”)	Turkey	Trade	Other
Enteralle Handels GmbH (“Enteralle Handels”)	Germany	Trade	Other
Orta Anadolu Otomotiv Ticaret ve Sanayi A.Ş. (“Orta Anadolu Otomotiv”)	Turkey	Trade	Other
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	Production	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	Other
Nakkaştepe Elektrik Üretim ve Yatırımları Sanayi ve Ticaret A.Ş. (“Nakkaştepe Elektrik”)	Turkey	Energy	Other
Galata Wind Enerji A.Ş. (“Galata Wind”)	Turkey	Energy	Other
Akdeniz Elektrik Üretim A.Ş. (“Akdeniz Elektrik”)	Turkey	Energy	Other
SC D-Yapı Real Estate, Investment and Construction S.A. (“D Yapı Romanya”)	Romania	Real estate	Other
D Stroy Limited (“D Stroy”)	Russia	Real estate	Other
DHI Investment B.V. (“DHI Investment”)	Netherlands	Investment	Other

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

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

CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

SELECTED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2013

(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

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/IFRS 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 Standards (“TAS”) and Turkish Financial Reporting Standards (“IFRS”) except for the financial institutions 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 30 June 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 / IFRS.

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 Communiqué 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.

CMB allows the publicly-traded companies to present the financial statements in full set or condensed presentation in accordance with TAS 34 “Interim Financial Reporting” standard. The Group has preferred to disclose its interim consolidated financial statements as of 30 June 2013 in condensed format. The descriptions and disclosures which are needed in the financial statements prepared annually complying with TAS/IFRS are summarized appropriately in accordance with TAS 34 or not mentioned.

In compliance with the TAS 34, entities have preference in presenting their interim consolidated financial statements whether full set or condensed. In this framework, Group preferred to present its interim consolidated financial statements in condensed.

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 CMB Financial Reporting Standards

CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

SELECTED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2013

(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)

2.1.2 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.

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

- Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- Income and expenses for each 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 standard as of 31 December 2012

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.

**CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS
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**SELECTED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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(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)

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

(a) Subsidiaries

Subsidiaries are companies in which Doğan Holding has power to control the financial and operating policies for the benefit of Doğan Holding either (a) through the power to exercise more than 50% of voting rights relating to shares in the companies as a result of shares owned directly and indirectly by itself or (b) although not having the power to exercise more than 50% of the voting rights, through the exercise of actual dominant influence over the financial and operating policies. Proportion of ownership interest represents the effective shareholding of the Group through the shares held by Doğan Holding and indirectly by its subsidiaries. In the consolidated financial statements, interests owned by Doğan family members are treated as non-controlling interests and excluded from net asset and profit of the Group.

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.

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(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 30 June 2013 and 31 December 2012:

Subsidiaries	Proportion of Voting power held by Doğan Holding and its subsidiaries (%)		Proportion of voting power held by Doğan family members (%)		Total proportion of voting power held (%)		Proportion of effective ownership interest (%)	
	30 June 2013	31December 2012	30 June 2013	31December 2012	30 June 2013	31December 2012	30 June 2013	31December 2012
Hürriyet	77,65	77,65	-	-	77,65	77,65	61,50	61,40
Doğan Gazetecilik	70,76	70,76	0,52	0,52	71,28	71,28	70,26	53,49
Milliyet Verlags ⁽¹⁾	-	99,88	-	0,12	-	100,00	-	74,31
DMI	100,00	100,00	-	-	100,00	100,00	69,70	69,57
Hürriyet Medya Basım	100,00	100,00	-	-	100,00	100,00	61,50	61,40
Doğan Ofset	99,93	99,93	-	-	99,93	99,93	61,46	61,36
Mozaik	100,00	99,87	-	0,11	100,00	99,98	63,20	60,54
Posta Haber	100,00	100,00	-	-	100,00	100,00	70,26	55,19
Doğan Haber	99,94	99,94	-	-	99,94	99,94	69,04	68,02
Doğan Dağıtım	100,00	100,00	-	-	100,00	100,00	75,74	75,55
Doğan Dış Ticaret	96,52	100,00	-	-	96,52	100,00	72,86	75,34
Doğan Gazetecilik Internet	100,00	100,00	-	-	100,00	100,00	70,30	53,72
Yenibir	100,00	100,00	-	-	100,00	100,00	61,50	61,40
Hürriyet Zweigniederlassung	100,00	100,00	-	-	100,00	100,00	61,50	61,40
Hürriyet Invest	100,00	100,00	-	-	100,00	100,00	61,50	61,40
TME	74,29	67,30	-	-	74,29	67,30	45,61	45,61
Mirabridge International B.V.	100,00	100,00	-	-	100,00	100,00	45,61	45,61
Publishing International Holding B.V.	100,00	100,00	-	-	100,00	100,00	45,61	45,61
Job.ru LLC	100,00	100,00	-	-	100,00	100,00	45,61	45,61
Pronto Invest B.V.	100,00	100,00	-	-	100,00	100,00	45,61	45,61
TCM Adria d.o.o.	100,00	100,00	-	-	100,00	100,00	45,61	45,61
OOO Rektcentr	100,00	100,00	-	-	100,00	100,00	45,61	45,61
Publishing House Pennsylvania Inc.	100,00	100,00	-	-	100,00	100,00	45,61	45,61
Doğan Platform	100,00	100,00	-	-	100,00	100,00	75,74	74,59
Doğan Yayın Holding	75,74	75,59	2,40	2,40	78,14	77,99	75,74	74,59
Fairworld	100,00	100,00	-	-	100,00	100,00	72,86	75,34
Falcon	100,00	100,00	-	-	100,00	100,00	72,86	75,34
Oglasnik d.o.o. ⁽²⁾	100,00	100,00	-	-	100,00	100,00	45,61	45,61
Expressz Magyarorszag Media Kft	100,00	100,00	-	-	100,00	100,00	45,61	45,61
OOO SP Belpronto	60,00	60,00	-	-	60,00	60,00	27,37	27,37
OOO Pronto Rostov	100,00	100,00	-	-	100,00	100,00	45,61	45,61
OOO Pronto Aktobe	80,00	80,00	-	-	80,00	80,00	29,19	29,19
OOO Novoprint ⁽³⁾	100,00	100,00	-	-	100,00	100,00	45,61	45,61
OOO Delta-M	55,00	55,00	-	-	55,00	55,00	25,08	25,08
OOO Pronto Baikal	100,00	100,00	-	-	100,00	100,00	45,61	45,61
OOO Pronto DV	100,00	100,00	-	-	100,00	100,00	45,61	45,61
OOO Pronto Ivanovo	100,00	100,00	-	-	100,00	100,00	45,61	45,61
OOO Pronto Kaliningrad	95,00	95,00	-	-	95,00	95,00	43,33	43,33
OOO Pronto Kazan	72,00	72,00	-	-	72,00	72,00	32,84	32,84
OOO Pronto Krasnodar	80,00	80,00	-	-	80,00	80,00	36,49	36,49

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(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)

Subsidiaries	Proportion of Voting power held by Doğan Holding and its subsidiaries (%)		Proportion of voting power held by Doğan family members (%)		Total proportion of voting power held (%)		Proportion of effective ownership interest (%)	
	30 June 2013	31December 2012	30 June 2013	31December 2012	30 June 2013	31December 2012	30 June 2013	31December 2012
OOO Pronto								
Krasnoyarsk ⁽⁴⁾	100,00	100,00	-	-	100,00	100,00	45,61	45,61
OOO Pronto Nizhny								
Novgorod	90,00	90,00	-	-	90,00	90,00	41,05	41,05
OOO Pronto Novosibirsk	100,00	100,00	-	-	100,00	100,00	45,61	45,61
OOO Pronto Oka ⁽⁵⁾	100,00	100,00	-	-	100,00	100,00	45,61	45,61
OOO Pronto Samara	100,00	100,00	-	-	100,00	100,00	45,61	45,61
OOO Pronto Stavropol ⁽⁶⁾	100,00	100,00	-	-	100,00	100,00	45,61	45,61
OOO Pronto UlanUde	90,00	90,00	-	-	90,00	90,00	41,05	41,05
OOO Pronto Vladivostok	90,00	90,00	-	-	90,00	90,00	41,05	41,05
OOO Pronto Moscow	100,00	100,00	-	-	100,00	100,00	45,61	45,61
OOO Pronto Neva	100,00	100,00	-	-	100,00	100,00	45,61	45,61
OOO Tambukan	85,00	85,00	-	-	85,00	85,00	38,77	38,77
OOO Utro Peterburga ⁽⁵⁾	55,00	55,00	-	-	55,00	55,00	25,08	25,08
OOO Pronto Kemerovo	100,00	100,00	-	-	100,00	100,00	45,61	45,61
OOO Pronto Smolensk	100,00	100,00	-	-	100,00	100,00	45,61	45,61
OOO Pronto Tula	100,00	100,00	-	-	100,00	100,00	45,61	45,61
OOO Pronto Voronezh	100,00	100,00	-	-	100,00	100,00	45,61	45,61
OOO Tambov-Info	100,00	100,00	-	-	100,00	100,00	45,61	45,61
OOO Pronto Obninsk	100,00	100,00	-	-	100,00	100,00	45,61	45,61
OOO Pronto Pskov ⁽⁷⁾	-	100,00	-	-	-	100,00	-	41,05
TOO Pronto Akmola	100,00	100,00	-	-	100,00	100,00	45,61	45,61
OOO Pronto Atyrau	100,00	100,00	-	-	100,00	100,00	36,49	36,49
OOO Pronto Aktau	100,00	100,00	-	-	100,00	100,00	36,49	36,49
ZAO Pronto Akzhol	80,00	80,00	-	-	80,00	80,00	36,49	36,49
SP Pronto Kiev	50,00	50,00	-	-	50,00	50,00	22,80	22,80
Moje Delo spletni								
Marketing d.o.o. ^{(2) (8)}	-	100,00	-	-	-	100,00	-	45,61
Bolji Posao d.o.o. Serbia	100,00	100,00	-	-	100,00	100,00	45,61	25,08
Bolji Posao d.o.o. Bosnia	100,00	100,00	-	-	100,00	100,00	45,61	25,08
OOO RUKOM ⁽⁹⁾	100,00	100,00	-	-	100,00	100,00	45,61	45,61
Sklad Dela								
Prekmurje NGO ⁽⁸⁾	-	100,00	-	-	-	100,00	-	25,08
OOO Partner-Soft ⁽³⁾	90,00	90,00	-	-	90,00	90,00	41,05	41,05
Pronto Soft	90,00	90,00	-	-	90,00	90,00	41,05	41,05
TOV E-Prostir	50,00	50,00	-	-	50,00	50,00	22,80	22,80
Prime Turk	100,00	100,00	-	-	100,00	100,00	63,20	60,54
Osmose Media	100,00	100,00	-	-	100,00	100,00	63,05	60,44
OOO Rosprint Samara ⁽¹⁰⁾	100,00	100,00	-	-	100,00	100,00	45,61	45,61
Impress Media								
Marketing LLC ⁽²⁾	100,00	100,00	-	-	100,00	100,00	45,61	45,61
Pronto Ust Kamenogorsk	100,00	100,00	-	-	100,00	100,00	36,49	36,49
Doğan TV Holding ⁽¹¹⁾	82,45	79,96	0,14	0,14	82,59	80,10	63,05	60,44
Kanal D	94,85	94,85	5,14	5,14	99,99	99,99	59,80	57,33
Kanal D Yapımcılık	100,00	100,00	-	-	100,00	100,00	59,80	57,33
Alp Görsel	100,00	100,00	-	-	100,00	100,00	63,05	60,44
Fun TV	100,00	96,41	-	2,14	100,00	98,55	63,20	58,37
Tempo TV	99,27	99,27	0,42	0,42	99,69	99,69	62,59	60,10
Kanalspor	100,00	100,00	-	-	100,00	100,00	63,20	60,54
Milenyum TV	100,00	100,00	-	-	100,00	100,00	63,20	60,54

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

2.1.3 Consolidation principles (Continued)

(a) Subsidiaries (Continued)

Subsidiaries	Proportion of Voting power held by Doğan Holding and its subsidiaries (%)		Proportion of voting power held by Doğan family members (%)		Total proportion of voting power held (%)		Proportion of effective ownership interest (%)	
	30 June 2013	31December 2012	30 June 2013	31December 2012	30 June 2013	31December 2012	30 June 2013	31December 2012
TV 2000	100,00	100,00	-	-	100,00	100,00	63,20	60,54
Popüler TV	100,00	100,00	-	-	100,00	100,00	63,20	60,54
D Yapım Reklamcılık	100,00	100,00	-	-	100,00	100,00	63,05	60,44
Bravo TV	100,00	100,00	-	-	100,00	100,00	63,20	60,54
Doğa TV	100,00	100,00	-	-	100,00	100,00	63,20	60,54
Altın Kanal	100,00	100,00	-	-	100,00	100,00	63,20	60,54
Stil TV	100,00	100,00	-	-	100,00	100,00	63,20	60,54
Selenit TV	100,00	99,88	-	0,06	100,00	99,94	63,20	60,46
D Çocuk	100,00	100,00	-	-	100,00	100,00	63,20	60,54
Ekinoks TV	100,00	100,00	-	-	100,00	100,00	63,20	60,54
Fleks TV	100,00	100,00	-	-	100,00	100,00	63,20	60,54
Doğan TV Dijital	100,00	100,00	-	-	100,00	100,00	65,31	63,08
Kutup TV	100,00	100,00	-	-	100,00	100,00	63,20	60,54
Galaksi TV	100,00	100,00	-	-	100,00	100,00	63,20	60,54
Koloni TV	100,00	90,00	-	3,33	100,00	93,33	63,05	54,40
Atılğan TV	100,00	90,00	-	3,33	100,00	93,33	63,05	54,40
Yörünge TV	100,00	99,19	-	0,40	100,00	99,59	63,20	60,05
Doruk Televizyon	99,92	99,92	0,05	0,05	99,97	99,97	63,00	60,40
Tematik TV	100,00	86,67	-	6,67	100,00	93,34	63,05	52,39
Süper Kanal	99,91	99,91	0,03	0,03	99,94	99,94	63,00	60,39
Uydu	100,00	64,67	-	32,00	100,00	96,67	63,20	39,14
Eko TV	95,01	95,01	0,02	0,02	95,03	95,03	59,90	57,43
Kanal D Romanya	100,00	100,00	-	-	100,00	100,00	69,70	69,57
Denizati	100,00	100,00	-	-	100,00	100,00	63,05	60,44
Tasfiye Halinde								
Protéma Yapım ⁽¹²⁾	99,99	99,99	-	-	99,99	99,99	63,05	60,44
NetD Dijital Yayıncılık	100,00	100,00	-	-	100,00	100,00	63,05	60,44
Doğan Uydu Haberleşme	100,00	100,00	-	-	100,00	100,00	63,05	60,44
Doğan Teleshopping	100,00	100,00	-	-	100,00	100,00	63,05	60,44
ZAO NPK ⁽³⁾	100,00	100,00	-	-	100,00	100,00	45,61	45,61
Rapsodi Radyo	100,00	99,25	-	0,34	100,00	99,59	63,05	59,99
DMC	100,00	100,00	-	-	100,00	100,00	63,05	60,44
İnteraktif Medya	100,00	99,99	-	0,01	100,00	100,00	63,05	60,44
Ekin Radyo ⁽¹³⁾	100,00	-	-	-	100,00	-	63,05	-
DMK	100,00	100,00	-	-	100,00	100,00	100,00	100,00
Hürservis	100,00	100,00	-	-	100,00	100,00	95,61	95,60
EBİ ⁽¹⁴⁾	100,00	-	-	-	100,00	-	100,00	-
Doğan Faktoring	100,00	100,00	-	-	100,00	100,00	75,26	75,11
Nartek	60,00	60,00	-	-	60,00	60,00	36,90	36,84
Doğan İnternet Yayıncılığı	100,00	-	-	-	100,00	-	75,74	-
Milpa	86,27	86,27	0,22	0,22	86,49	86,49	86,27	86,27
Doğan Oto ⁽¹⁶⁾	100,00	99,80	-	0,20	100,00	100,00	100,00	99,80
Enteralle Handels	100,00	100,00	-	-	100,00	100,00	86,27	86,27
Orta Anadolu Otomotiv	85,00	85,00	-	-	85,00	85,00	85,00	84,83
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	98,68
Doğan Organik	100,00	100,00	-	-	100,00	100,00	100,00	98,57
Zigana ⁽¹⁵⁾	-	85,01	-	-	-	85,01	-	85,01

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

2.1.3 Consolidation principles (Continued)

(a) Subsidiaries (Continued)

Subsidiaries	Proportion of Voting power held by Doğan Holding and its subsidiaries (%)		Proportion of voting power held by Doğan family members (%)		Total proportion of voting power held (%)		Proportion of effective ownership interest (%)	
	30 June 2013	31 December 2012	30 June 2013	31 December 2012	30 June 2013	31 December 2012	30 June 2013	31 December 2012
Doğan Enerji	100,00	100,00	-	-	100,00	100,00	100,00	100,00
Nakkaştepe Elektrik	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	99,98	99,98	-	-	99,98	99,98	99,97	99,97
D-Yapı Romanya	100,00	100,00	-	-	100,00	100,00	100,00	100,00
D Sroy	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

- (1) The related subsidiary is liquidated as of 11 June 2013.
- (2) Related rates include call-options regarding non-controlling shares explained in Note 15.
- (3) The related subsidiary is in the liquidation process as of 2012.
- (4) The related subsidiary is in the liquidation process as of 2011.
- (5) The related subsidiary has ceased its operations before the year 2010.
- (6) The merging process of the related subsidiary with OOO Pronto Rostov has been finalized as of April 2013.
- (7) The related subsidiary was sold as of 26 April 2013.
- (8) The related subsidiary was sold as of 23 April 2013.
- (9) The related subsidiary has ceased its operations in 2012.
- (10) The merging process with Pronto Samara and the related subsidiary has started as of January 2013.
- (11) According to the statutory records of Group, proportion of effective ownership interest of Doğan TV Holding is 63.05%. In addition, in consequence of the option explained in Note 15, the operational results of Doğan TV Holding and its subsidiaries are included into the consolidation by the Group with the rate of 68,47% by considering the additional share proportion in accordance with TAS 32 "Financial Instruments: Presentation".
- (12) The related subsidiary is in the liquidation process as of 26 October 2012.
- (13) With the termination of the transfer of shares contract signed on 13 December 2011, the transfer of share transaction has been terminated as of 7 February 2013.
- (14) Purchasing process of shares representing total equity of the related subsidiary by another subsidiary of the company (DMK) has been finalized as of 10 May 2013.
- (15) By the request in accordance to TTK's temporary 7th article, Zigana Elektrik Dağıtım Sanayi ve Ticaret A.Ş. has been deleted from trade register entry.
- (16) The merging process of the related subsidiary with Milta Turizm İşletmeleri A.Ş. has been finalized as of 31 July 2013.

(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.

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(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)

(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. Unrealized gains arising from the transactions with the Group and its associates are written off proportionally as the Group’s interest whereas unrealized losses are written off when there is no indication of impairment of the transferred asset. Increases or decreases in the net assets of associates are increased or decreased proportionally as the Group’s share in the consolidated financial statements and presented under the “Share of loss on investments accounted for by using the equity method” account in the statement of 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. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate. Unrealized gains on transactions between the Group and its associates are restated in proportion to the Group’s share in the associate and unrealized losses are also restated when there is no indication of impairment of the transferred asset. Equity method is not applied when the carrying amount of the investment in a joint venture reaches zero to the extent that the Group assumes no liabilities or obligations or in respect of the joint venture or the Group has no significant influence over the related joint venture. The Group doesn’t have any associates as of 30 June 2013 and 31 December 2012.

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

The consolidated financial statements of the Group are prepared comparatively with the previous period to identify the financial position and performance trends. In order to maintain consistency, with current year consolidated financial statements, comparative information is reclassified and significant changes are disclosed if necessary. In the current 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 nature, amount and reason for the reclassifications are described in note 2.1.6:

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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

Changes in accounting policies arising from the first time adoption of a new TAS/TFRS are applied retrospectively or prospectively in accordance with the respective TASs/TFRSs 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. Except the reclassifications stated in Note 2.1.5 and changes in TFRS 11 which become effective from 1 January 2013 Accounting policies applied in 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.

As a result of management’s decision made based on the Group management’s evaluation, the Group management decided to measure their investment properties at fair value which were previously carried at cost less accumulated depreciation and impairment charges, if any under the cost method in the consolidated financial statements. The effect of these changes are reflected in the consolidated financial statements as of 1 January 2010 and consolidated financial statements were restated accordingly in accordance with “TAS 8 Accounting Policies, Changes in Accounting Estimates and Errors” (“TAS 8”). As a result of this amendment, as of 30 June 2012 and 31 December 2011, the investment properties of the Group have increased by TL 41.322 and TL 42.437; effects of this amendment to the shareholders’ equity and net loss for the period of the Group are TL 36.907 , TL 29.848 , TL 981 and TL 3.453 respectively.

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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)

- a. As explained in Note 2.1.7, amendments to TFRS 11 should be applied retrospectively. Jointly controlled entities recognized under TAS 31 are considered as joint ventures and have been accounted for 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 financial statements is summarized in the following table:

31 DECEMBER 2012	Previously reported	Adjustment regarding joint ventures	CMB reclassifications	Restated
ASSETS				
Cash and cash equivalents	2.242.262	(76.284)	-	2.165.978
Financial investments	173.674	3.369	-	177.043
Trade receivables				
- Trade receivables from related parties	13.974	4.986	-	18.960
- Other trade receivables	727.320	(29.487)	6.681	704.514
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)	-	231.904
Assets related to the current taxes	-	-	-	-
Prepaid expenses	-	-	44.446	44.446
Biological Assets	208	-	-	208
Other current assets	374.640	(31.357)	(51.127)	292.156
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	-	361.571
Investment properties	336.225	(106.849)	-	229.376
Property, plant and equipment	1.648.983	(722.071)	-	926.912
Intangible assets				
- Goodwill	518.957	-	-	518.957
- 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

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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	Adjustment regarding joint ventures	CMB 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)	17.310	371.567
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)	(34.179)	52.182
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
Payables related to the current taxes	-	-	-	-
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)	-	4.088.126

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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	Adjustment regarding joint ventures	CMB reclassifications	Restated
ASSETS				
Cash and cash equivalents	3.468.486	(14.053)	-	3.454.433
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)	3.286	650.132
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)	-	249.837
Assets related to the current taxes	-	-	-	-
Prepaid expenses	-	-	39.664	39.664
Biological assets	74	-	-	74
Other current assets	268.410	(13.690)	(42.950)	211.770
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	-	253.069
Investment properties	191.038	(10.796)	-	180.242
Tangible assets	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 tangible assets	373.929	(99.359)	(45.571)	228.999

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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	Adjustment regarding joint ventures	CMB 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)	18.068	426.240
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)	(30.027)	57.480
Current tax liabilities	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)	-	3.889.577

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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)

30 JUNE 2012	Previously reported	Adjustment regarding fair value	Adjustment regarding joint ventures	CMB reclassifications	Restated
Revenue	1.564.566	-	(24.822)	-	1.539.744
Cost of sales (-)	(1.111.194)	-	7.024	-	(1.104.170)
Gross profit	453.372	-	(17.798)	-	435.574
General administrative expenses (-)	(195.662)	(2.015)	9.679	-	(187.998)
Marketing, sales and distribution expenses (-)	(194.795)	-	7.626	-	(187.169)
Other income from operating activities	225.060	(118)	(1.573)	(22.537)	200.832
Other expenses from operating activities (-)	(75.695)	-	1.657	(174.347)	(248.385)
Share of loss on associates accounted by using the equity method	-	-	18.223	-	18.223
Operating profit/ (loss)	212.280	(2.133)	17.814	(196.884)	31.077
Income from investing activities	-	-	-	272.484	272.484
Expense from investing activities	-	-	-	(75.658)	(75.658)
Operating profit/ (loss) before finance expenses	212.280	(2.133)	17.814	(58)	227.903
Finance income	321.357	-	27.001	(296.054)	52.304
Finance expenses (-)	(345.363)	-	(48.337)	296.112	(97.588)
Profit/ (loss) from continued operations before tax	188.274	(2.133)	(3.522)	-	182.619
Current tax expense	(63.392)	-	1.218		(62.174)
Deferred tax income/(expense)	8.087	-	3.456		11.543
Net profit/ (loss) from continued operations	132.969	(2.133)	1.152	-	131.988
Profit/(Loss) for the period	132.969	(2.133)	1.152	-	131.988
Allocation of profit/loss for the period					
Non-controlling interests	41.798	-	-	-	41.798
Attributable to equity holders of the Parent Company	91.171	(2.133)	1.152	-	90.190

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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)

- b. Group has started to capitalize subscriber acquisition costs in the current period. Registered subscriber acquisition costs paid by D-smart are capitalized over the subscription commitment period beginning from 1 January 2012 and capitalized amounts are recognized under intangible assets account.

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.

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

New and revised Standards on consolidation, joint arrangements, associates and disclosures

In May 2011, a package of five Standards on consolidation, joint arrangements, associates and disclosures was issued, including TFRS 10, TFRS 11, TFRS 12, TAS 27 (as revised in 2011) and TAS 28 (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.

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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. Amendments to TAS 19 are required to be applied retrospectively. Accordingly, the Group management has evaluated the effect of changes in accounting policies to financial statements prepared for the interim period as of 30 June 2012 and decided that restatement of prior financial statements is not needed as calculated effects after tax are below the materiality level.

TAS 1 (Amendments)
TFRS 13

*Clarification of the Requirements for Comparative Information
Fair Value Measurement*

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

2.1.7 New and Revised Turkish Financial Reporting Standards (Continued)

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

TFRS 7 (Amendments)	Disclosures – Transfers of Financial Assets
TAS 12 (Amendments)	Deferred Taxes – Recovery of Underlying Assets
TFRS 10	Consolidated Financial Statements
TFRS 11	Joint Arrangements
TFRS 12	Disclosure of Interests in Other Entities
TFRS 7	(Amendments) Disclosures – Offsetting Financial Assets and Financial Liabilities
TFRS 10, TFRS 11 and TFRS 12 (Amendments)	Consolidated Financial Statements, Joint Arrangements and Disclosures of Interests in Other Entities: Transition Guide
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

(c) 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	<i>Financial Instruments</i>
TFRS 9 and TFRS 7 (Amendments)	<i>Mandatory Effective Date of TFRS 9 and Transition Disclosures</i>
TAS 32 (Amendments)	<i>Offsetting Financial Assets and Financial Liabilities</i>

The above standards will be applicable for 2014 and the following years, the Group has not had an opportunity to consider the potential impact of the application of these standards over its financial statements. The applications of these standards in question 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 1,9248 = USD 1,00 on 30 June 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.

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NOTE 3 - BUSINESS COMBINATIONS

Current period business combinations

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 is recognized under equity.

Elektronik Bilgi İletişim Hizmetleri Reklamcılık ve Ticaret A.Ş.'s (“EBİ”) which is the subsidiary of the Group, DMK has completed purchase 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 subsidiary 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 2012. After paying TL 8.368 which is 75 % of the revised sale price, 25% of sale and conveyance price has been revised as TL 10.039 by independently audited conclusive financial statements. The rest of the selling price which is TL 1.670, has been paid by 24 July 2013 and purchasing and conveyance operation has been finalised. Difference amounting to TL 15.429 between Elektronik Bilgi İletişim Hizmetleri Reklamcılık ve Ticaret A.Ş.’s net book value and purchasing price is recorded as positive goodwill (Note 14).

Prior period business combinations

The 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 of 1 July 2013 without any compensation transfer. TFRS 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 31 December 2012. The details of the remeasurement are summarized below:

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NOTE 3 - BUSINESS COMBINATIONS (Continued)

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	%75,03
Fair value of net assets attributed to the Group	44.630
Decrease in carrying amount after remeasurement recognised as other 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 4.331 TL. After these transactions, the share and voting rights of the Group in Eko TV increased to 57,43%. TL 624 loss as a result of this transaction is journalized under equity since there is no change in controlling party in accordance with TAS 27 (revised).

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**SELECTED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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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	Entrepreneurial 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
Tasfiye Halinde DB Popüler Dergiler Yayıncılık A.Ş. ("DB Popüler")	Turkey	Magazine printing	Burda GmbH
ASPM Holding B.V.	Netherlands	Internet publishing	Autoscout24 GmbH
OOO Autoscout24	Russia	Internet publishing	Autoscout24 GmbH
Doğan ve Egmont Yayıncılık ve Yapımcılık Ticaret A.Ş. ("Doğan Egmont")	Turkey	Magazine publishing	Egmont
Ultra Kablolu Televizyon ve Telekomünikasyon Sanayi ve Ticaret A.Ş. ("Ultra Kablolu")	Turkey	Telecommunication	Koç Holding A.Ş. Doğan Portal ve
Birey Seçme ve Değerlendirme Danışmanlık Ltd. Şti. ("Birey İK")	Turkey	Internet services	Elektronik Ticaret 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.
D-Tes Elektrik Enerjisi Toptan Satış A.Ş. ("D Tes")	Turkey	Energy	Doğuş Holding A.Ş. Unit Investment N.V.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.

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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 30 June 2013 and 31 December 2012:

Subsidiaries	Proportion of voting power held by Doğan Holding and its subsidiaries (%)		Proportion of voting power held by Doğan family members (%)		Total proportion of voting power held (%)		Proportion of effective ownership interest (%)	
	30 June	31 December	30 June	31 December	30 June	31 December	30 June	31 December
	2013	2012	2013	2012	2013	2012	2013	2012
Boyabat Elektrik	33,00	33,00	-	-	33,00	33,00	33,00	33,00
Doğan Burda	44,89	44,89	0,49	0,49	45,38	45,38	34,00	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	34,84	34,76
Gas Plus Erbil	50,00	50,00	-	-	50,00	50,00	50,00	50,00
DB Popüler ⁽¹⁾	44,87	44,87	0,01	0,01	44,88	44,88	33,99	33,92
ASPM Holding B.V.	37,88	37,88	-	-	37,88	37,88	23,26	23,26
OOO Autoscout24 ⁽²⁾	37,88	37,88	-	-	37,88	37,88	23,26	23,26
Doğan Egmont	50,00	50,00	-	-	50,00	50,00	37,87	37,80
Ultra Kablolu ⁽³⁾	50,00	50,00	-	-	50,00	50,00	37,87	37,80
Birey İK	50,00	50,00	50,00	50,00	100,00	100,00	35,13	26,74
Katalog ⁽⁴⁾	50,00	50,00	-	-	50,00	50,00	37,87	37,80
Tipeez Internet Hizmetleri A.Ş. ⁽⁵⁾	-	30,00	-	-	-	30,00	-	18,42
Aslancık Elektrik	33,33	33,33	-	-	33,33	33,33	33,33	33,33
D Tes	25,00	25,00	-	-	25,00	25,00	25,00	25,00
İsedaş ⁽⁶⁾	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) At the Annual General Meeting held on 25 March 2013, it has been decided to liquidate DB Popüler Dergiler Yayıncılık A.Ş. due to the absence of any benefit from the operations of the Company. The company is in the liquidation process as of 2 April 2013.
- (2) The related joint venture is in the liquidation process as of February 19, 2013.
- (3) Operations have been terminated as of October, 2006.
- (4) Operations have been terminated as of September, 2009.
- (5) The related joint venture is sold as of 25 June 2013.
- (6) The related joint venture is in the liquidation process as of August 19, 2011.

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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:

	30 June 2013	31 December 2012
Current assets	531.294	339.549
Non-current assets	3.332.839	3.199.894
Total assets	3.864.133	3.539.443
Current liabilities	896.200	897.454
Non-current liabilities	2.161.515	1.721.909
Total liabilities	3.057.715	2.619.363
Net assets	806.418	920.080
Group's share in net assets of investment accounted for by the equity method	330.804	361.571

Statements of Profit or Loss	1 January- 30 June 2013	1 April- 30 June 2013	1 January- 30 June 2012	1 April- 30 June 2012
Revenue	183.504	62.101	52.013	(928)
Cost of sales (-)	(130.959)	(61.300)	(30.528)	7.873
Gross Profit / (Loss) from business activities	52.545	801	21.485	6.945
General administrative expenses (-)	(19.993)	5.711	(14.005)	(4.883)
Marketing, sales and distribution expenses (-)	(25.579)	(12.503)	(11.953)	1.992
Other income / (expense) from operating activities	(12.287)	(11.710)	(2.067)	(563)
Finance income / (expenses)	(219.778)	(175.625)	69.208	68.243
Profit / (Loss) Before Taxation	(225.092)	(193.326)	62.668	71.734
Current income tax expense	(2.139)	(1.983)	(1.224)	(663)
Deferred tax (expense) / income	16.708	9.981	(11.389)	5.678
Net profit/(loss) for the continued activities	(210.523)	(185.328)	50.055	76.749
Net profit/(loss) for the period	(62.925)	(54.955)	18.223	(63)

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

Financial Liabilities

	30 June 2013	31 December 2012
Boyabat Elektrik	1.732.295	1.334.678
Aslancık Elektrik	308.081	244.781
DD Konut Finansman	328.177	297.909
Other	1.981	9.473
Total	2.370.534	1.886.841

Financial Liabilities

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 loan 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 , entire shares of Boyabat Elektrik were pledged on behalf of consortium 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 and scheduled to be completed in 2013. 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 30 June 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.

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

Fixed Assets

	30 June 2013	31 December 2012
Boyabat Elektrik	1.925.637	1.914.617
Aslancık Elektrik	353.985	274.942
DD Mortgage	1.601	1.801
Other	2.921	6.139
Total	2.284.144	2.197.499

Total amount of depreciation and amortization related with investments accounted for by the equity method is TL 10.413 (30 June 2012:TL 557).

NOTE 5 - SEGMENT REPORTING

a) External revenues

	1 January- 30 June 2013	1 April- 30 June 2013	1 January- 30 June 2012	1 April- 30 June 2012
Media	1.354.317	745.821	1.258.207	673.270
Retail	176.596	83.191	155.854	74.742
Other	186.554	108.461	125.683	68.349
	1.717.467	937.473	1.539.744	816.361

b) Profit /(loss) before income taxes

	1 January- 30 June 2013	1 April- 30 June 2013	1 January- 30 June 2012	1 April- 30 June 2012
Media	(15.278)	9.706	252.906	68.850
Retail	(578)	(1.497)	1.350	(2.096)
Other	28.976	15.856	(71.637)	(1.722)
	13.120	24.065	182.619	65.032

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NOTE 5 - SEGMENT REPORTING (continued)

c) Segmental analysis for the period ended 1 January - 30 June 2013;

	Media	Retail	Other	Inter segment elimination	Total
External revenues	1.354.317	176.596	186.554	-	1.717.467
Internal revenues	718.033	1.919	5.885	-	725.837
Inter segment revenues	8.687	1.444	19.620	-	29.751
Total revenues	2.081.037	179.959	212.059	-	2.473.055
Total cost of sales	(1.492.346)	(113.193)	(162.997)	-	(1.768.536)
Revenues	1.363.004	178.040	206.174	(29.751)	1.717.467
Cost of sales	(956.462)	(111.274)	(167.776)	9.147	(1.226.365)
Gross profit	406.542	66.766	38.398	(20.604)	491.102
General administrative expenses	(156.556)	(5.534)	(46.355)	19.947	(188.498)
Marketing selling and distribution expenses	(151.980)	(62.055)	(6.242)	657	(219.620)
Share of gain/ (loss) on investments accounted for by using equity method	935	-	(63.860)	-	(62.925)
Other income/(expenses), net	21.559	1.007	117.321	(11.331)	128.556
Income/ (Expense) from investment properties	26.648	341	51.402	11.331	89.722
Financial income	-	1.152	(224.609)	(8.441)	(231.898)
Financia expenses	(162.426)	(2.255)	162.921	8.441	6.681
(Loss)/ Profit before income taxes	(15.278)	(578)	28.976	-	13.120

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NOTE 5 - SEGMENT REPORTING (continued)

c) Segmental analysis for the period ended 1 April - 30 June 2013;

	Media	Retail	Other	Inter segment elimination	Total
External revenues	745.821	83.191	108.461	-	937.473
Internal revenues	378.630	1.061	2.481	-	382.172
Inter segment revenues	4.725	949	6.791	-	12.465
Total revenues	1.129.176	85.201	117.733	-	1.332.110
Total cost of sales	(787.400)	(53.260)	(90.997)	-	(931.657)
Revenues	750.546	84.140	115.252	(12.465)	937.473
Cost of sales	(503.574)	(51.689)	(94.271)	5.654	(643.880)
Gross profit	246.972	32.451	20.981	(6.811)	293.593
General administrative expenses	(77.009)	(3.422)	(24.975)	6.327	(99.079)
Marketing selling and distribution expenses	(82.370)	(31.074)	(3.214)	484	(116.174)
Share of gain/ (loss) on investments accounted for by using equity method	529	-	(55.484)	-	(54.955)
Other income/(expenses), net	13.265	831	82.307	(8.462)	87.941
Income/ (Expense) from investment properties	24.045	81	47.263	8.462	79.851
Financial income	-	450	(161.332)	(6.881)	(167.763)
Financia expenses	(115.726)	(814)	110.310	6.881	651
(Loss)/ Profit before income taxes	9.706	(1.497)	15.856	-	24.065

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NOTE 5 - SEGMENT REPORTING (continued)

c) Segmental analysis for the period ended 1 January - 30 June 2012:

	Media⁽¹⁾	Retail	Other	Inter segment elimination	Total
External revenues	1.258.207	155.854	125.683	-	1.539.744
Internal revenues	765.797	1.651	3.241	-	770.689
Inter segment revenues	12.194	960	15.801	-	28.955
Total revenues	2.036.198	158.465	144.725	-	2.339.388
Total cost of sales	(1.483.314)	(103.111)	(128.499)	-	(1.714.924)
Revenues	1.270.401	156.814	141.484	(28.955)	1.539.744
Cost of sales	(891.396)	(101.461)	(121.021)	9.708	(1.104.170)
Gross profit	379.005	55.353	20.463	(19.247)	435.574
General administrative expenses	(162.953)	(3.870)	(40.125)	18.950	(187.998)
Marketing selling and distribution expenses	(130.889)	(51.533)	(5.416)	669	(187.169)
Share of gain/ (loss) on investments accounted for by using equity method	2.467	-	15.756	-	18.223
Other income/(expenses), net	29.127	444	(72.111)	(5.013)	(47.553)
Income/ (Expense) from investment properties	184.411	64	21.572	(9.221)	196.826
Financial income	44.210	1.466	8.678	(2.050)	52.304
Financia expenses	(92.472)	(574)	(20.454)	15.912	(97.588)
(Loss)/ Profit before income taxes	252.906	1.350	(71.637)	-	182.619

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

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NOTE 5 - SEGMENT REPORTING (continued)

c) Segmental analysis for the period ended 1 April - 30 June 2012;

	Media	Retail	Other	Inter segment elimination	Total
External revenues	673.270	74.742	68.349	-	816.361
Internal revenues	397.774	1.651	2.104	-	401.529
Inter segment revenues	8.176	454	8.578	-	17.208
Total revenues	1.079.220	76.847	79.031	-	1.235.098
Total cost of sales	(725.365)	(51.023)	(75.147)	-	(851.535)
Revenues	681.446	75.196	76.927	(17.208)	816.361
Cost of sales	(450.286)	(49.373)	(67.683)	9.708	(557.634)
Gross profit	231.160	25.823	9.244	(7.500)	258.727
General administrative expenses	(86.217)	(1.924)	(22.053)	12.018	(98.176)
Marketing selling and distribution expenses	(74.117)	(25.476)	(2.520)	(2.763)	(104.876)
Share of gain/ (loss) on investments accounted for by using equity method	7.137	-	(7.200)	-	(63)
Other income/(expenses), net	6.878	540	401	(1.888)	5.931
Income/ (Expense) from investment properties	53.802	-	31.026	(13.490)	71.338
Financial income	(6.720)	(1.541)	5.776	(655)	(3.140)
Financia expenses	(62.747)	482	(16.722)	14.278	(64.709)
(Loss)/ Profit before income taxes	69.176	(2.096)	(2.048)	-	65.032

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NOTE 5 - SEGMENT REPORTING (continued)

d) Segment assets

	30 June 2013	31 December 2012
<u>Total assets</u>		
Media ⁽¹⁾	3.873.934	3.922.143
Retail	164.129	155.177
Other	5.763.482	5.754.255
	9.801.545	9.831.575
Less: segment elimination ⁽¹⁾	(2.167.719)	(2.042.607)
Total assets per consolidated financial statements	7.633.826	7.788.968
<u>Shareholder's Equity</u>		
Media	1.363.828	1.420.467
Retail	46.177	51.335
Other	4.564.892	4.548.198
Total	5.974.897	6.020.000
Less: segment elimination ⁽²⁾	(1.941.920)	(1.931.874)
Total shareholders' equity per consolidated financial statements	4.032.977	4.088.126
Non-controlling interests	(875.265)	(907.120)
Total shareholder's equity	3.157.712	3.181.006

(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.

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NOTE 5 - SEGMENT REPORTING (continued)

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

	1 January- 30 June 2013	1 April- 30 June 2013	1 January- 30 June 2012	1 April- 30 June 2012
<u>Purchases</u>				
Media	112.013	61.286	127.380	61.227
Retail	34.954	27.521	10.208	5.418
Other	4.408	3.600	16.694	9.832
Total	151.375	92.407	154.282	76.477
<u>Amortisation and depreciation</u>				
Media	98.818	52.570	87.605	44.074
Retail	3.383	1.676	3.658	1.985
Other	22.350	11.407	12.952	7.257
Total	124.551	65.653	104.215	53.316

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NOTE 6 - CASH AND CASH EQUIVALENTS

The details of cash and cash equivalents at 30 June 2013 and 31 December 2012 are as follows:

	30 June 2013	31 December 2012
Cash	3.496	2.401
Banks		
-Demand deposits	194.820	62.890
- Time deposits ⁽¹⁾	1.527.895	1.906.516
Other cash and cash equivalents	77.052	194.171
	1.803.263	2.165.978

⁽¹⁾ As explained in detail in Note 8, regarding the usage of "put option" by Deutsche Bank AG as of 19 February 2013 and Doğan Yayın Holding's purchase of the 22% shares of Doğan Gazetecilik in consideration of USD 122.323, a portion of the payment has been made thorough time deposits.

As of 30 June 2013, 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, 5% and 3,63% (31 December 2012: 0,1% and 6%), 0,4% and 4,32% (31 December 2012: 0,25% and 6,75%) and 3,78% and 9,06% (31 December 2012: 3% and 12,3%), respectively and its maturity is shorter than 3 months.

As of 30 June 2013, other current assets consist of credit card slip receivables amounting to TL 66.258 (31 December 2012: TL 49.068) and blocked deposits amounting to TL 10.794 (31 December 2012: TL 145.142).

Cash and cash equivalents disclosed in the consolidated statements of cash flows for the periods ended 30 June 2013, 31 December 2012 and 30 June 2012 are as follows.

	30 June 2013	31 December 2012	30 June 2012	31 December 2011
Cash and cash equivalents	1.803.263	2.165.978	2.260.273	3.454.433
Less: accrued interest	(13.405)	(29.833)	(9.487)	(10.460)
Cash and cash equivalents	1.789.858	2.136.145	2.250.786	3.443.973

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NOTE 7 - FINANCIAL INVESTMENTS

a) Short-term financial investments

	30 June 2013	31 December 2012
Government bonds and treasury bills	225.503	177.043
	225.503	177.043

Government bonds and treasury bills dominated in TL, US Dollar and Euro, and interest rates are %9,58 and 6,01% and 5,64%, respectively (31 December 2012: US Dollar 5,17%, TL:9,48%).

b) Long-term financial investments

	30 June 2013		31 December 2012	
	TL	%	TL	%
Marbleton Property Fund L.P ("Marbleton") ⁽¹⁾	8.809	9	8.809	9
Aks Televizyon Reklamcılık ve Filmcilik Sanayi ve Ticaret A.Ş. ("Aks TV")	2.923	9	2.923	9
POAŞ ⁽²⁾	943	<1	897	<1
Anten Teknik Hizmetler ve Verici Tesis İşletme A.Ş.	800	<1	787	<1
Other	160	<1	532	<1
Less: provision for impairment ⁽³⁾	(11.732)		(11.732)	
	1.903		2.216	

- (1) The investment portfolio of Marbleton is sold and converted into cash in the current period and US Dollar 1.968 for TL 3.345 cash was obtained as of 31 December 2012
- (2) After the removal of restriction on shares, "Restricted shares" which correspond to 0,03% of POAŞ's capital (calculated as 192.500 shares as of the current situation) are decided to be transferred to OMV Enerji Holding A.Ş in a total cash consideration of EUR 600.000. Since the related share transfer has not been realized as of 30 June 2013, 192.500 shares that Group owns are recognized at fair value, which is calculated by using the market price of shares.
- (3) As of 30 June 2013 available for sale financial assets except POAŞ are carried at the cost value. There are TL 8.809 and TL 2.923 impairment on Marbleton and Aks TV, respectively (31 December 2012: TL 8.809 and TL 2.923).

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NOTE 8 – SHORT AND LONG TERM FINANCIAL BORROWINGS

The details of financial borrowings at 30 June 2013 and 31 December 2012 are as follows:

Short-term financial borrowings:	30 June 2013	31 December 2012
Short term bank borrowings	638.136	811.263
Interest bearing payables to suppliers	19.959	34.193
Finance lease borrowings	8.787	8.195
Total	666.882	853.651
Short-term portion of long-term bank borrowings	30 June 2013	31 December 2012
Short-term portion of long-term bank borrowings	428.398	323.287
Total	428.398	323.287
Long-term financial borrowings:	30 June 2013	31 December 2012
Long term bank borrowings	1.117.763	934.905
Interest bearing payables to suppliers	5.923	6.929
Finance lease borrowings	11.274	14.488
Total	1.134.960	956.322

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

Details of the bank borrowings as of 30 June 2013 and 31 December 2012 are as follows:

	30 June 2013			31 December 2012		
	Interest rate per annum (%)	Original foreign currency	TL	Interest rate per annum (%)	Original foreign currency	TL
TL denominated bank borrowings	5,00-8,5	197.556	197.558	0-12	181.322	181.322
USD denominated bank borrowings	3,25-6,5	174.868	336.586	3,5-6,4	295.676	527.072
EUR denominated bank borrowings	1,10-5,05	41.370	103.992	4,5-5,78	43.742	102.869
Sub-total			638.136			811.263
Short-term portion of long-term bank borrowings:						
TL denominated bank borrowings	10,40	4.350	4.350	4-13,125	1.106	1.106
USD denominated bank borrowings	0-9,23	205.031	394.643	2,65-5,85	160.916	286.849
EUR denominated bank borrowings	1,8-5,12	11.698	29.405	1,3-6,5	15.024	35.332
Sub-total			428.398			323.287
Total short-term bank borrowings			1.066.534			1.134.550
Long-term bank borrowings:						
TL denominated bank borrowings	0-9,75	582	582	-	-	-
USD denominated bank borrowings	3,85-6,25	397.080	764.299	4,13-6,12	367.542	655.180
EUR denominated bank borrowings	1,8-5,12	140.383	352.882	1,8-5,11	118.946	279.725
Total long-term bank borrowings			1.117.763			934.905

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

The redemption schedule of long-term bank borrowings as of 30 June 2013 and 31 December 2012 is as follows

	30 June 2013	31 December 2012
2014	408.453	-
2015	145.014	495.626
2016	261.775	439.279
2017 and after	302.521	-
	1.117.763	934.905

As of 30 June 2013, the floating rate bank borrowings of the Group denominated in USD have interest rates fluctuating between Libor + 0,95% and Libor + 6,25% (December 31, 2012: Libor + 0,95% and + 6,89%), TL-denominated floating rate loans with interest rates of Libor + 2,0% Libor + 2,06%, (December 31, 2012: LIBOR + 2,15% to LIBOR + 2,75%), and the Euro denominated floating rate of Euribor + 0,95% of loans with interest rates of Euribor + 6,0% (December 31, 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. At 30 June 2013, bank borrowings with floating interest rates amounted to TL 1.554.378 (31 December 2012: TL 1.629.371).

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 financial liabilities as of 30 June 2013 and 31 December 2012 amounting to USD 70.000 with a maturity date of April 2014. The related loan will be restructured in December 2013 with the one year extension option in the contract to April 2015. Also, interest rate applied has decreased to 6,25% from 6,40% as of 31 December 2012.

Other

Akdeniz and Galata Wind

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 1.10. 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 an capital increase. DSCR calculations will be made every six months.

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

Share Pledges

As of the balance sheet date, 15% shares of Doğan Yayın Holding (300.000.000 (exact) shares), 20,87% shares of Kanal D (10.747.548 (exact) shares) 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. 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 are 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 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 are 5 years 3 months and both of them 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 regard, Doğan Yayın Holding, one of the subsidiaries of the Group, has no outstanding liability as of 30 June 2013.

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

Finance lease liabilities:

The Group acquired property, plant and equipment through finance leases. As of 30 June 2013, total lease payment commitments of the Group relating to such short and long term lease agreements amount to TL 20.061 (31 December 2012: TL 22.683).

The redemption schedules of long-term leasing payables at 30 June 2013 and 31 December 2012 are summarized below.

	30 June 2013	31 December 2012
2013		-
2014	4.579	8.130
2015 and after	6.695	6.358
	11.274	14.488

Distribution of financial borrowings with fixed and floating interest rates as of 30 June 2013 ve 31 December 2012 are as follow:

	30 June 2013	31 December 2012
Loans with fixed interest rates	649.980	462.767
Loans with floating interest rates	1.554.378	1.629.371
Total	2.204.358	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, CHF are 1,49%, 1,08 respectively (31 December 2012: USD 0,91%, EUR 1,22%, CHF 1,07%).

The maturity analysis of long-term interest bearing payables to suppliers at 30 June 2013 and 31 December 2012 as follows:

	30 June 2013	31 December 2012
2014	1.906	5.146
2015 and after	4.017	1.783
Total	5.923	6.929

The Group's short-term financial liabilities to suppliers issued at variable interest rates are amounting to TL 16.142 (31 December 2012: TL 34.193) and long-term financial liabilities TL 7.628 as of 30 June 2013 (31 December 2012: TL 6.929). Long term fixed rate bank loans are amounting to TL 2.112 (31 December 2012: -).

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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:

	30 June 2013	31 December 2012
6 months and less	23.770	41.122
Between 1-5 years	2.112	-
Total	25.882	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 30 June 2013 and 31 December 2012 are presented below details of other financial liabilities.

Other short term financial liabilities:	30 June 2013	31 December 2012
Share purchase commitment (Note 16)	171.208	162.849
Financial loan regarding to options		216.190
Factoring payables	-	419
	171.208	379.458

Other long term financial liabilities:	30 June 2013	31 December 2012
Share purchase commitment (Note 16)	155.564	289.164
	155.564	289.164

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NOTE 9 - TRADE RECEIVABLES AND PAYABLES

<u>Short-term trade receivables</u>	30 June 2013	31 December 2012
Trade receivables	1.031.621	870.012
Notes and cheques receivable	33.876	35.110
Income accruals	9.715	6.681
Total	1.075.212	911.803
Less: unearned financial income due to sales with maturity	(4.760)	(5.445)
Less: provision for doubtful receivables	(212.163)	(201.844)
Total	858.289	704.514

In the media segment of the Group, the average maturity of not overdue trade receivables is between 68 and 95 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 10,03% (31 December 2012: 10,03%).

<u>Long-term trade receivables</u>	30 June 2013	31 December 2012
Notes and cheques receivable ⁽¹⁾	3.459	2.800
Unearned financial income due to sales with maturity	(695)	(583)
	2.764	2.217

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

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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 26)	23.993	14.678
Collections and cancelled provisions	(13.611)	(3.446)
Currency translation differences	(63)	(1.274)
Consolidation rate change	-	306
30 June	212.163	186.474

Guarantees for trade receivables

As of 30 June 2013, trade receivables of amounting to TL 217.882 (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 30 June 2013, the Group has letters of guarantee, guarantee notes, guarantee cheques, bails, receivable insurance and mortgages amounting to TL 60.155 (31 December 2012: TL 64.939) related to trade receivables amounting to TL 850.027 (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 3.092 (31 December 2012: TL 20.992), bails and mortgages amounting to TL 48.629 (31 December 2012: TL 37.196), receivable insurance amounting to TL 2.917 (31 December 2012: TL -) and cheques and bonds amounting to TL 5.517 (31 December 2012: TL 6.821). Bank guarantee letter amounting to TL 286, bails and mortgages amounting to TL 16.952, cheques and bonds amounting to TL 2.862, receivable insurance amounting to TL 2.917 (31 December 2012: bank guarantee letter amounting to TL 3.620, bails and mortgages amounting to TL 18.544, cheques and bonds amounting to TL 4.330 (Note 32).

Short-term trade payables

	30 June 2013	31 December 2012
Trade payables	415.492	349.330
Provision for liabilities and expenses	50.237	16.234
Provision for broadcasted programmes	5.287	1.076
Notes payables	1.556	6.637
Other	418	288
Less: deferred financial expense due to purchase with maturity	(823)	(1.998)
	472.167	371.567

The average maturity of not over due trade payables is between 30 to 65 days as of 30 June 2013 (31 December 2012: 30-80 days).

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NOTE 10 – OTHER RECEIVABLES AND PAYABLES

	30 June 2013	31 December 2012
Other short-term receivables		
Notes receivables ^{(1) (2) (3)}	447.050	417.212
Deposits and guarantees given	1.515	1.583
Other miscellaneous receivables	5.012	1.986
	453.577	420.781
Other long-term receivables		
Notes receivable ^{(1) (2) (3) (4)}	48.344	95.557
TEİAŞ power transmission line receivables ⁽⁵⁾	8.550	8.383
Deposits and guarantees given	3.128	2.300
	60.022	106.240

- (1) TL 28.596 (31 December 2012: TL 26.681) of short-term notes receivables and TL 20.449 (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 30 June 2013 is TL 645 (31 December 2012: TL 734).
- (2) Excluding the accrued interest, TL 338.765 (USD 176 million) of long term notes receivables as of 30 June 2013 (31 December 2012: TL 313.738) 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. 3,58% of annual interest rate is applied to the related amount. The maturity of the receivable is 2 November 2013. Doğuş Holding A.Ş. has become the guarantor for the related receivable.
- (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, İstanbul in 2012 year to Nürol 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 June 2012 by applying 3,5% interest rate for the remaining installment portions. As of 30 June 2013, USD 41.250 (TL 79.398) of the related consideration is recognized as short-term notes receivables and cheques and USD 13.750 (TL 26.466) is recognized as long term notes receivables and cheques in the accompanying consolidated financial statements. Interest amount that is collectible in relation to principal amount is USD 6.396. USD 1.552 (TL 2.751) of the related amount, excluding VAT, has been collected and is recognized as finance income 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 151 (TL 291) 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 1.429 (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.

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NOTE 10 – OTHER RECEIVABLES AND PAYABLES (continued)

	30 June 2013	31 December 2012
Other Short Term Payables		
Taxes and funds payable	33.125	51.333
Deposits and guarantees received	510	702
Other short term payables	4.037	147
	37.672	52.182

	30 June 2013	31 December 2012
Other Long Term Payables		
Deposits and guarantees received	13.245	13.032
Other long term payables	597	275
	13.842	13.307

NOTE 11 - BIOLOGICAL ASSETS

Biological assets of Doğan Organik a Group's subsidiary amounted to TL 140 as of 30 June 2013 (31 December 2012: TL 208).

NOTE 12 - INVESTMENT PROPERTY

The movements in investment property during the interim periods ended 30 June 2013 and 2012 are as follows.

	2013	2012
1 January	229.376	180.242
Additions	14.202	17.196
Disposals	(17.705)	(11.729)
Currency translation differences	3.221	(6.213)
Adjustment of fair value	2.109	(1.022)
30 June	231.203	178.474

With the decision taken by the Group management as a result of the assessment, decided to present their investment properties from fair value amounts which were presented from their cost values less any accumulated depreciation and any accumulated impairment losses, if any, in the prior period consolidated financial statements (Note 2.1.6). 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 management does not anticipate a significant change on the fair values of investment properties as of 30 June 2013.

The group has rent income amounting to TL 1.092 from investment properties (30 June 2012: TL 1.579). Direct operating costs in the current period resulting from investment property is TL 620 (30 June 2012: TL 262). There is no collateral or mortgage on investment properties of the Group as of 30 June 2013.

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NOTE 13 - PROPERTY, PLANT AND EQUIPMENT

a) Property, Plant and Equipment

Movement of the property, plant and equipment for the interim periods ended as of 30 June 2013 and 2012 are as follows:

	2013	2012
1 January	926.912	668.999
Additions to construction in progress	6.419	17.936
Other additions	82.224	82.382
Depreciation (-)	(70.115)	(63.699)
Disposals (-)	(38.656)	(25.699)
Transfers	175	2.040
Addition of subsidiary	2.152	244.405
Disposal of subsidiary ⁽¹⁾	(13)	(43)
Currency translation differences	1.966	(3.563)
30 June	911.064	922.758

⁽¹⁾ The Group has disposed of its shares in its subsidiary, Moje Delo, spletni marketing d.o.o in 2013 (Note 29).

There is mortgage amounting to TL 16.339 (31 December 2012: TL 15.286) on the property, plant and equipment as of 30 June 2013. The carrying amount of the property, plant and equipment of the Group acquired through finance leases as of 30 June 2013 is TL 47.996 (31 December 2012: 50.939). The accumulated depreciation as of 30 June 2013 is TL 31.354 (31 December 2012: 25.994).

There is no financial expenses monitored in costs consists of interest expense and fx loss which capitalized under construction in progress in term of 30 June 2013 and 2012.

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NOTE 14 - INTANGIBLE ASSETS

(b) Intangible Assets

Movement for intangible assets and related amortization for the interim periods ended at 30 June 2013 and 2012 are as follows:

	2013	2012
1 January	949.052	596.995
Additions	18.604	23.984
Amortization (-)	(36.757)	(21.219)
Disposals (-)	(256)	(2.758)
Addition of subsidiary	2.101	(3.182)
Disposal of subsidiary	(499)	-
Transfers (-)	-	2
Currency translation differences	6.268	(42.269)
30 June	938.513	551.553

Movement of television program rights during the interim periods 30 June 2013 and 2012 are as follows:

	2013	2012
1 January	56.988	64.296
Additions	29.926	12.784
Amortization of television programme rights	(17.679)	(19.297)
Provision for impairment of television programme rights	-	(183)
Currency translation differences	418	(459)
30 June	69.653	57.141

TL 217 (30 June 2012:TL 288) of depreciation and amortization amount of tangible and intangible assets has reflected to inventories as of 30 June 2013.

Intangible assets with indefinite useful lives

As of 30 June 2013, the Group has determined that brand names with carrying value of TL 271.626 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 interim periods ended as of 30 June 2013 and 2012 is as follows:

	2013	2012
1 January	518.957	539.951
Addition of subsidiary (Note 3)	15.429	-
Disposal of subsidiary ⁽¹⁾	(6.458)	-
Currency translation difference	998	3.299
Other ⁽²⁾	(5.201)	2.341
30 June	523.727	545.591

(1) Group, has disposed its shares in Moje Delo, spletni marketing,d.o.o. subsidiary in accordance to legal regulations of Slovenia in 2013.

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

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NOTE 15 - 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 30 June 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 278 (30 June 2012: TL 328) 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 TL 1.358 of Investments have been done to equipments by Ditaş are in incentive scope. (31 December 2012: 791 TL)

NOTE 16 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

Short-term provisions	30 June 2013	31 December 2012
Provision for lawsuits	29.083	28.712
Other	6.696	1.458
	35.779	30.170

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NOTE 16 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (continued)

(a) Law Cases:

The amount of litigations against Group are TL 61.489 as of 30 June 2013 (31 December 2012: TL 62.574).

	30 June 2013	31 December 2012
Legal cases	61.489	62.574
Commercial cases	7.661	14.650
Business cases	7.312	6.309
Other	1.933	1.549
Total	78.395	85.082

A provision for lawsuits filed against the Group whose details are given above amounting to TL 29.083 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.

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NOTE 16 - 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

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

-In the agreement dated November 19, 2009, Axel Springer Group has sale options for 3,3% of its shares in Doğan TV Holding amounting to EUR 50.000 subsequent to January 2013 and the other 3,3% of its shares amounting to EUR 50.000 subsequent to January 2014 to Doğan Holding and Doğan Holding has the commitment to purchase these shares ("DTV Put Option I"). Axel Springer Group may exercise the sale options fully or partially. Payables will include interests' payments of annual combined 12 months Euro Libor plus 100 base points as of 2 January 2007. Under the amendment agreement dated 31 October 2011, existing "DTV Put Option I" terms are revised and accordingly, the related terms require the put options exercisable for the periods subsequent to January 2013 and January 2014 in consideration of EUR 50.000 to cover only 33.843.238 shares in each period. The Amendment also allows Axel Springer another put option exercisable for 34.183.593 shares for the period subsequent to January 2015 in consideration of EUR 50.000. As of 31 January 2013, Doğan Holding acquired 33.843.238 shares (which equals 2,48844% of first tier paid in capital in consideration of EUR 50.000 as stated above) with TL 1 of nominal value in consideration of EUR 61.572 in total.

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NOTE 16 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (continued)

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

The Purchase Commitment of the Doğan Holding, TAS 32 Financial Instruments: “Public Disclosure & Presentation” under the Standard, the Group is required to present the related liability amount at discounted value as a financial liability at the balance sheet rather than representing in cash, irrespective of the Group’s acquisition ability via its own shares. Accordingly, liabilities under “DTV Put Option I” carried at the discounted amount in the accompanying consolidated balance sheet amounts to TL 311.205 as of 30 June 2013 (31 December 2012: TL 433.806). The related amount includes TL 155.641 of other short term financial liabilities (31 December 2012: TL 144.642) and TL 155.564 of other long term financial liabilities (31 December 2012: TL 289.164) (Note 8).

- 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.

On the other side, with the amendment agreement dated 31 October 2011, EUR 4,1275 (exact) per share is updated as EUR 1,46269 (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 EUR 50.000 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 at 10 February 2012. Guarantee letter amounting to EUR 50.000 after the purchase is released in January 2013. In addition, a third guarantee letter amounting to EUR 50.000 in consideration of 34.183.593 (exact) shares were given in the same period to be used as of January 2015.

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

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NOTE 16 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (continued)

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

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.

“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.

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NOTE 16 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (continued)

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

For the above matter, Group has determined the fair value of Doğan TV Holding as of 31 December 2012 in order to identify whether it will assume any future financial liability. In accordance with the fair value calculation, there are not any financial liabilities arising from the share acquisition, which represents 19,9% of Doğan TV Holding's capital, by the Axel Springer Group.

(d) *Put Options:*

OOO Pronto Moscow Option

In January 2007, OOO Pronto Moscow, a subsidiary of Hürriyet, a subsidiary of the Group, acquired the majority shares of Impress Media Marketing LLC ("Impress Media"). Accordingly, the Group has the right to purchase 13% of non-controlling shares from non-controlling shareholders without a time constraint, provided that certain conditions are met. The Group has purchased shares as of 25 May, 2012 regarding non-controlling share of 10% by making a payment of TL 970 (USD 528) and the related liability is settled accordingly (31 December 2012: TL 970). Group still has the option to purchase the remaining 3% share in the capital of Impress Media. The fair value of the option is determined based on calculation over Impress Media EBITDA and as of 30 June 2013, the short-term portion of the fair value of the put option is TL 167 and is recognized under other short-term financial liabilities account (31 December 2012: TL 155) (Note 8).

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 30 June 2013, the fair value of the option is calculated as TL 15.398 (USD 8.000) based on various valuation techniques and assumptions and classified in "Other short-term financial liabilities" (31 December 2012: TL 14.261 (USD 8.000)) (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 lawsuit has been filed against the Group amounting to EUR 3.645 by the non-controlling interest shareholders regarding the fact that they couldn't exercise put option. The third trial was made on 3 July 2012 and the arbitration process is still ongoing.

Moje Delo d.o.o Option

Hürriyet, a subsidiary of the Group, has acquired a 55% share in Moje Delo d.o.o. ("Moje Delo") in Slovenia, in 2007. The Group has granted a put option to the selling shareholders on the shares exercisable from April 2013 to October 2013 (6 months). The result of total consideration to be calculated cannot be less than EUR 1.000. If the outcome of the calculation were to be less than the specified amount, the Group would make a payment of EUR 1.000. Group has also call option right for the non-controlling shares on hand from the non-controlling shareholders which is effective from October 2013. Exercise price shall be calculated based on EBITDA and the net financial debt of Moje Delo. As of 31 March 2013, the fair value of the put option is TL 2.650 and is classified in liabilities related to asset held for sale in the consolidated financial statements (Note 29). (31 December 2012: fair value of related put option is TL 3.792 and is classified in other short-term financial liabilities). As of 30 June 2013, the Group has disposed of it shares in its subsidiary, Moje Delo, spletni marketing d.o.o.

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NOTE 16 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (continued)

(d) Put Options(continued)

TME purchase of additional shares

The Group has acquired 6,98% shares corresponding to 3.490.691 (exact) Global Depository Certificates of Trader Media East Limited in consideration of USD 26.250 (TL 45.813) in accordance with the valuation report issued by an independent valuation company as of 7 March 2012.

Amount regarding the removal of the put option liability mentioned above and additional share purchase transactions is recognized under equity in the financial statements as transactions of shareholders are considered as shareholder transactions in accordance with Paragraph 109 of TAS 1 "Presentation of Financial Statements".

(e) Improvements at the Competition Authority:

Upon the Competitive Board's notification issued on 17 September 2009, Doğan Yayın Holding, Hürriyet, Doğan Gazetecilik, Bağımsız Gazetecilik and Doğan Daily News were informed that they are subject to an investigation in order to determine whether these companies have violated any provisions of Law 4054 in relation to "Advertisement area sales" in the print media. The Group has made an objection to the initial response session of the ongoing investigation claiming that Doğan Yayın Holding's operations are not in the form of "Advertisement area sales" in the printed media and Doğan Daily News is not an operating company.

Based on the investigation undertaken by the Competition Authority as of 5 April 2011, Hürriyet, Doğan Gazetecilik and Bağımsız Gazetecilik are charged with an administrative penalty fee of TL 3.805, TL 2.316 and TL 444, respectively. On the other hand, the Authority did not charge any administrative penalty for Doğan Daily News (a dormant company) and Doğan Yayın Holding, to avoid imposing multiple charges. For the annulment of this decision, a lawsuit has been filed before the council of state.

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NOTE 16 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (continued)

(f) Other

Milpa:

The Land of Ömerli

Under the revenue sharing and/or construction 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 Kurtdoğan 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 Kurtdoğan, Emirli, Kurnaköy, Ballica 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:115 is situated at the Military Area.

144.266 m² 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 19 September 2013 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, Kurtdoğan 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.

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NOTE 17 - COMMITMENTS

Collaterals, pledges and mortgages (CPM) given by the Group at 30 June 2013 and 31 December 2012 is as follows:

	30 June 2013					31 December 2012				
	TL Equivalent	TL	USD	EUR	Other	TL Equivalent	TL	USD	EUR	Other
A. CPM's given in the name of its own legal personality										
Guarantees ⁽¹⁾	405.076	110.377	18.875	102.433	2.656	489.551	71.739	29.124	155.229	2.709
Pledge	230.918	-	83.844	27.663	-	226.354	226.354	-	-	-
Mortgage ⁽²⁾	16.339	-	-	6.500	-	395.536	-	213.312	6.500	-
B. CPM's given on behalf of the fully consolidated companies										
Guarantees ^{(1) (3)}	1.762.778	158.173	686.006	109.559	4.317	3.417.325	175.080	1.429.350	288.031	8.710
Pledge	2	-	2	-	-	-	-	-	-	-
Mortgage	-	-	-	-	-	-	-	-	-	-
C. CPM's given on behalf of third parties for ordinary course of business										
Guarantees	38.606	-	20.057	-	-	-	-	-	-	-
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	2.453.719					4.528.766				

(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 16.339 over the tangible fixed assets of Group's subsidiary Hürriyet as of 30 June 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 75.508 for Boyabat Elektriks long term Project financing bank loan.

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NOTE 17 - COMMITMENTS (Continued)

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

Other CPM given by the Group to equity ratio is 0% as of 30 June 2013 (31 December 2012: 0%). The details of letter of guarantees and guarantee notes given by the Group are as follows:

	30 June 2013		31 December 2012	
	Original Currency	TL equivalent	Original currency	TL equivalent
Letters of guarantees - EUR	166.514	418.567	230.622	542.354
Letters of guarantees - TL	111.361	111.361	73.193	73.193
Letters of guarantees - USD	18.875	36.331	29.940	53.371
Letters of guarantees - Other	2.656	896	2.709	843
Guarantee notes - TL	25.709	25.709	25.750	25.750
Guarantee notes - EUR	43	109	782	1.839
Guarantee notes - USD	131.650	253.400	134.960	240.580
Total		846.373		937.930

Doğan TV Holding, one of the subsidiaries of Doğan Yayın Holding, has given letters of guarantees amounting to EUR 60.000 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.

Explained 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 total 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 30 June 2013 and 31 December 2012 are as follows:

	30 June 2013		31 December 2012	
	Original Currency	TL equivalent	Original Currency	TL equivalent
Bails - EUR	45.434	114.207	211.856	498.223
Bails - USD	574.413	1.105.630	1.293.573	2.305.923
Bails - TL	131.479	131.479	147.875	147.875
Bails - CHF	-	-	8.634	16.925
Bails - Other	4.317	8.773	-	-
Mortgages - EUR	6.500	16.339	6.500	15.286
Mortgages - USD	-	-	213.312	380.250
Total		1.376.428		3.364.482

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NOT 17 - 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 30 June 2013, the Group has a commitment for the publication of advertisements amounting to TL 14.855 (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 33.283 (31 December 2012: TL 34.259) in exchange of the goods or services sold.

NOTE 18 - OTHER ASSETS AND LIABILITIES

	30 June 2013	31 December 2012
Other Current Assets		
Blocked deposits ⁽¹⁾	295.928	214.809
Value Added Tax ("VAT") receivables	21.834	23.334
Prepaid taxes	6.563	18.858
Work advances	15.013	12.121
Personnel advances	10.975	9.655
Programme stocks	6.537	9.120
Other	10.760	6.087
	367.610	293.984
Provision for impairment on programme stocks	(1.081)	(1.081)
Provision for other doubtful receivables	(806)	(747)
	365.723	292.156
	30 June 2013	31 December 2012
Other non-current assets		
Blocked deposits ^{(1) (2)}	194.361	235.458
Value Added Tax ("VAT") receivables	127.703	132.017
Deposits and guarantees given	142	117
Long term restricted deposits ⁽²⁾	18	17
Other	178	242
	322.402	367.851

⁽¹⁾ As of 30 June 2013, Doğan Holding's time deposit amounting to USD 70.000 (TL: 134.736) has been blocked to be guarantee for the loans used by TME and accounted under other current assets. (As of 31 December 2012, Doğan Holding's time deposit amounting to USD 25.500 (TL 45.456)) and EUR 14.000 (TL 35.192) has been blocked to be guarantee for the loans used by DMI. (As of 31 December 2012 Doğan Holding's time deposit amounting 70.000 USD (TL 124.782) has been blocked to be guarantee for the loans used by TME and accounted under other current assets. Short term time deposits of Akdeniz Elektrik and Galata Wind amounting TL 5 and TL 122 accounted under other current assets.) 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 50.000 EUR (TL 125.685) has been blocked to be guarantee regarding Doğan TV Holding shares' purchase option and accounted under current assets. (As of 31 December 2012, Dogan Holding's time deposit amounting to USD 70.000 (TL 124.782) has been blocked to be guarantee for the loans used by TME and accounted under other current assets). Galata Wind's time deposit amounting to TL 315 accounted under other current assets.

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NOTE 18 - OTHER ASSETS AND LIABILITIES (Continued)

- (2) 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 125.685) has been blocked to be guarantee regarding Doğan TV Holding shares' purchase option. (As of 31 December 2012, Doğan Holding's time deposit amounting to USD 100.000 (TL 235.170) has been blocked to be guarantee regarding Doğan TV Holding shares' purchase option.) Also, Doğan Holding has given guarantee amount of USD 35.500 (TL 68.330) regarding to the loans used by Mozaik and the guarantee amount has been accounted under noncurrent assets. Additionally, long term blocked deposits of Çelik Halat amount of TL 346 accounted under other non current assets. (31 December 2012: Çelik Halat: TL 288, Hurriyet: TL 17 (As of 31 December 2012, Short term time deposits of Akdeniz Elektrik and Galata Wind amounting TL 5 and TL 122 accounted under other current assets.)

NOTE 19 – PREPAID EXPENSES AND DEFERRED INCOMES

Details of prepaid expenses and deferred incomes for the interim periods ended as of 30 June 2013 and 2012 are as follows:

Short term prepaid expenses	30 June 2013	31 December 2012
Prepaid expenses ⁽¹⁾	41.444	23.840
Advances given	19.459	20.606
30 June	60.903	44.446

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

Long term prepaid expenses	30 June 2013	31 December 2012
Advances given and prepayments ^{(1) (2)}	22.735	23.645
Prepaid expenses for the following years	7.338	6.538
Advances given for fixed asset purchases	51	186
30 June	30.124	30.369

- (1) Advances given and prepayments amounting to TL 19.529 (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 the cancellation of 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 revenues of the project which Milpa is planning to develop, about the houses and offices will be committed and set-off to the landowners revenue-sharing or flat received from contractor for landownership by the proportion of their shares..

Short term deferred income	30 June 2013	31 December 2012
Deferred income	46.589	28.362
Advances received	11.770	7.594
	58.359	35.956

Long term deferred income	30 June 2013	31 December 2012
Deferred income	9.335	12.364
	9.335	12.364

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NOTE 20 - DERIVATIVE INSTRUMENTS

	30 June 2013		31 December 2012	
	<u>Asset</u>	<u>Liability</u>	<u>Asset</u>	<u>Liability</u>
Derivative swap instruments:				
Swap transactions in foreign exchange	-	3.461	573	-
Interest rate swap transactions	-	756	309	1.683
Total	-	4.217	882	1.683

(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 in the current period and recognised financial asset amounting to TL 3.461 from the fair value amounts of open swap transactions as of 30 June 2013 (31 December 2012: TL 882 financial liability).

The group has right to buy USD 1.000.000 every week on Mondays based of 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 bank borrowings to convert to Euro (Euribor) floating interest rate. Finance expense amounting to TL 183 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 22.222 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 liability recognised as of 30 June 2013 regarding these agreements amounted to TL 756 (31 December 2012: TL 1.683). No financial income is recognised during the period regarding these agreements (31 December 2012: None).

(c) Interest range swap transactions

Group does not have any interest range swap transactions as of 30 June 2013 and 31 December 2012.

NOTE 21 - PROVISION FOR EMPLOYMENT BENEFITS

a) Payables regarding benefits provided to employees

The details of payables regarding employee benefits at 30 June 2013 and 31 December 2012 are as follows;

	30 June 2013	31 December 2012
Social security payables	16.842	9.751
Payables to personnel	9.968	16.834
	26.810	26.585

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NOTE 21 – PROVISION FOR EMPLOYMENT BENEFITS (Continued)

b) Short term provision within employment benefits

Details of short term provision within employment benefits for the period of 30 June 2013 and 31 December 2012 are as follows;

	30 June 2013	31 December 2012
Unused vacation provision	40.683	36.624
	40.683	36.624

c) Long term provision within employment benefits

Details of long term provision within employment benefits for the period of 30 June 2013 and 31 December 2012 are as follows;

	30 June 2013	31 December 2012
Provision for employment termination benefits	95.175	94.375
	95.175	94.275

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 after completing 25 years of service (20 years for women) and achieves the retirement age (58 for women and 60 for men). At 30 June 2013 the amount payable maximum equals to one month of salary is TL 3.129,25 (exact) (31 December 2012: TL 3.033,98 (exact)) for each year of service.

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

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NOTE 21 – PROVISION FOR EMPLOYMENT BENEFITS (Continued)

c) Long term provision within employment benefits (continued)

Provision for employment termination benefits is calculated by estimating the present value of the future probable obligation arising from the retirement of the employees of Doğan Yayın Holding and its subsidiaries, joint ventures and associates registered in Turkey. CMB's Financial Reporting Standards require developments on the actuarial valuation methods to estimate the Group's employee termination benefit liability under defined benefit plans. Accordingly, the following actuarial assumptions were used in accordance with the report prepared by the actuarial firm in the calculation of the total provision.

- discount rate is applied as 7,69% (31 December 2012: 7,69%), inflation rate applied as 4,98% (31 December 2012: 4,98%) and rate of increase in real wages applied as 4,98% in the calculation.
- the calculation is made based on the maximum salary rate of TL 3.129,25 effective as of 30 June 2013 (31 December 2012: TL 3.033,98).
- age of retirement is based on the minimum retirement age.
- CSO 1980 mortality table is used for male and female mortality rates.

The movements in the provision for employment termination benefits for the periods ended 30 June 2013 and 31 December 2012 are as follows:

	30 June 2013	31 December 2012
1 January	94.375	46.975
Current period service cost from continued operations	7.700	7.949
Payments during the period from continued operations	(6.900)	(5.882)
Disposal of subsidiary	-	136
30 June	95.175	49.178

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NOTE 22 - 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 30 June 2013 and 31 December 2012 are as follows:

	30 June 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 shareholder 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 30 June 2013 and 31 December 2012 are as follows:

Shareholder	Share %	30 June 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 32,65 % of the shares (31 December 2012: 31,97 %) are outstanding as of 30 June 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.

Restricted reserves

Restricted reserves are reserved from the prior period profit due to legal or contractual obligations or for certain purposes other than the profit distribution (for example, to obtain the tax advantage of gain on sale of associates).

The legal reserves consist of first and second reserves, appropriated in accordance with the Turkish Commercial Code (TCC). The first legal reserve is appropriated out of statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the Company’s issued capital. The second legal reserve is appropriated at the rate of 10% per annum of all cash distributions in excess of 5% of the issued capital. Under the TCC, the legal reserves can only be used to offset losses and are not available for any other usage unless they exceed 50% of issued capital. The afore-mentioned amounts shall be classified in “Restricted Reserves” in accordance with the CMB’s Financial Reporting Standards.

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NOTE 22 – EQUITY (Continued)

Restricted reserves (continued)

The details of restricted reserves at 30 June 2013 and 31 December 2012 are as follows:

Restricted reserves	30 June 2013	31 December 2012
Gain on sale of subsidiary's shares	124.163	124.163
Legal reserves	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 aren't reclassified in accumulated other comprehensive income and expenses are summarized below.

i) Investment Property 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 25.381.

Accumulated Other Comprehensive Expenses Reclassified by Profit or Loss

i) Financial Assets Revaluation Reserves

Financial assets revaluation reserves occurred by accounting on net book values after reflecting deferred tax impact of unearned gains and losses composed of changes of fair values of assets held for sale. The amount stated in the current period of balance sheet under equity as Gain/(loss) on revaluation and reclassification, amounting to TL 6.866.

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NOTE 22 - EQUITY (Continued)

Capital Reserves and Retained Earnings

Subsequent to the first inflation adjusted financial statements, equity items such as; "Capital, Emission Premiums, 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. All equity inflation adjustments are only available for bonus shares or loss deduction; and carrying value of extraordinary reserves are only available for cash profit distribution or loss deduction.

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

- If the difference is due to the inflation adjustment of "Paid-in Capital" and not yet been transferred to capital, it should be classified under "Inflation Adjustment To Share Capital,
- If the difference is due to the inflation adjustment of "Restricted Reserves" and "Share Premium" and the amount has not been 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 can only be included to capital.

Dividend Distribution

Listed companies of whose shares traded on the ISE, are required to distribute their dividends in accordance with the following criteria set out by the CMB:

Upon the CMB's Resolution No: 02/51 issued on 27 January 2010, there is no minimum level of dividend distribution requirement for the listed companies at the stock exchange for profits arising from operations in 2009. In this respect, companies will distribute their profits under the scope of the requirements of the CMB's Communiqué No. IV-27, their own articles of association and their own publicly disclosed profit distribution policies.

Also, based on the CMB's resolution no: 7/242 issued on 25 February 2005, if all of the profit distribution amount determined in accordance with the regulation set out on the CMB's minimum profit distribution requirement over the net distributable profit calculated based on the CMB regulations can be recovered from the distributable profit amount in the Turkish Commercial Code (TCC)/Tax Procedures Law (TPL) records, the related amount will be fully distributed, or otherwise all the net distributable profit in the Turkish Commercial Code (TCC)/Tax Procedures Law (TPL) records will be distributed accordingly. No dividend distribution will be made if financial statements or statutory records prepared in accordance with the CMB standards reflect any loss amount for the period.

At the Annual General Meeting of Doğan Holding held on 3 July 2013, by taking into account Turkish Commercial Code (TCC), Capital Markets Law (CMB) and Capital Market Regulations, Corporate Tax, Income Tax, other relevant legislations and relevant legislations of the Articles of Association of the Company and "dividend distribution policy" disclosed to the public;

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NOTE 22 - EQUITY (Continued)

Dividend Distribution(Continued)

- Within the scope of the requirements of the CMB's Communiqué Serial:XI, No.29, 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, "Net Loss for Period" is calculated as TL 671.634. Therefore, the Group has 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 01 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 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.

The CMB's 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 1.460.845.

The shareholders equity of Doğan Holding is as below:

	30 June 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	(25.381)	(25.381)
Translation reserve	74.424	53.688
Revaluation of financial assets available for sale and / or classification gains / losses	(6.866)	2.092
Restricted reserves assorted from profit	1.142.663	1.204.043
- <i>Legal reserves</i>	124.163	124.163
- <i>Gain on sale of equity participations</i>	1.018.500	1.079.880
Retained (loss)	(594.854)	(804.264)
Net income/(loss) for the period	(27.432)	155.670
Total shareholders' equity	3.157.712	3.181.006

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NOTE 23- REVENUE AND COST OF SALES

	1 January- 30 June 2013	1 April- 30 June 2013	1 January- 30 June 2012	1 April- 30 June 2012
Domestic sales	1.747.279	977.820	1.484.736	797.365
Sales abroad ⁽¹⁾	170.797	65.950	272.487	121.025
Sales returns	(186.921)	(98.623)	(212.729)	(99.805)
Sales discount	(13.688)	(7.674)	(4.750)	(2.224)
Net sales	1.717.467	937.473	1.539.744	816.361
Cost of sales (-)	(1.226.365)	(643.880)	(1.104.170)	(557.634)
Gross profit	491.102	293.593	435.574	258.727

⁽¹⁾ Because the sales abroad amount consists of the sales of the subsidiaries of the Group abroad, it differs from the export amount in the foreign currency position table in the Note 33.

Sales income and cost of sales

The details of operating revenue for the years ended 30 June 2013 and 2012 are disclosed in Note 5 – "Segment Reporting".

NOTE 24 - RESEARCH AND DEVELOPMENT EXPENSES, MARKETING, SALES AND DISTRIBUTION EXPENSES, GENERAL ADMINISTRATIVE EXPENSES

	1 January- 30 June 2013	1 April- 30 June 2013	1 January- 30 June 2012	1 April- 30 June 2012
General administrative expenses	(188.498)	(99.079)	(187.998)	(98.176)
Selling, marketing and distribution expenses	(219.620)	(116.174)	(187.169)	(104.876)
Operating expenses	(408.118)	(215.253)	(375.167)	(203.052)

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NOTE 25 - EXPENSES BY NATURE

The details of cost of sales, marketing, selling and distribution expenses and general administrative expenses for the year ended as at 30 June 2013 and 2012 are as follows:

	1 January- 30 June 2013	1 April- 30 June 2013	1 January- 30 June 2012	1 April- 30 June 2012
Cost of trade goods sold	(334.457)	(146.629)	(378.659)	(186.753)
Personnel expenses	(332.053)	(172.677)	(293.407)	(150.942)
General production overhead	(256.937)	(134.082)	(163.848)	(85.467)
Raw material and supplies	(191.733)	(124.415)	(164.039)	(132.026)
Depreciation and amortization ⁽¹⁾	(124.334)	(65.555)	(103.927)	(53.147)
Advertisement expenses	(49.852)	(44.586)	(40.767)	(27.478)
Rent expenses	(33.405)	(16.835)	(33.782)	(17.139)
Transportation, storage and travel expenses	(28.908)	(14.958)	(30.622)	(15.289)
Consulting expenses	(20.714)	(11.711)	(22.712)	(12.285)
Telecommunication service expenses	(19.152)	(10.046)	(21.273)	(11.298)
Promotion expenses	(13.674)	(10.263)	(13.918)	(8.534)
RTUK share in advertisement	(10.667)	(6.118)	(10.252)	(6.119)
Outsourced benefits	(10.295)	(3.145)	(10.392)	(4.666)
Satellite usage fees	(10.058)	(8.613)	(11.905)	(5.926)
Communication expenses	(5.591)	(1.745)	(5.893)	(3.374)
Agency commission expenses	(5.184)	(2.048)	(7.381)	(3.732)
Various taxes	(4.521)	(1.478)	(4.678)	(2.431)
Other	(182.948)	(84.229)	(161.882)	(34.080)
	(1.634.483)	(859.133)	(1.479.337)	(760.686)

- (1) As of 30 June 2013, TL 217 (30 June 2012: TL 288) of depreciation and amortization expenses and, redemption is reflected in stocks.

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NOTE 26 - OTHER INCOME AND EXPENSES FROM OPERATING ACTIVITIES

	1 January- 30 June 2013	1 April- 30 June 2013	1 January- 30 June 2012	1 April- 30 June 2012
Other operating income				
Foreign exchange gains from operating activities	109.928	90.671	44.312	(9.443)
Unearned finance income due to sales with maturity	32.812	14.749	53.564	26.595
Interest income on bank deposit	49.075	25.405	80.952	31.591
Reversed provisions	8.543	4.059	6.955	2.412
Usage of vat discount (Not 2.3.1 b)	2.363	1.250	2.328	2.328
Rent income	3.520	1.636	1.754	368
Other operating income	7.195	3.605	10.967	7.906
	213.436	141.375	200.832	61.757
Other operating expense				
Foreign exchange losses from operating activities	(15.539)	(11.077)	(130.079)	19.199
Provision for doubtful receivables (Note 9)	(23.993)	(15.946)	(14.678)	(11.672)
Unearned finance expense due to purchases with maturity	(10.656)	(3.468)	(22.476)	(8.793)
Provision for lawsuits	(3.480)	851	(7.563)	(5.640)
Other penalties and compensations paid	(2.477)	(1.606)	(3.668)	(2.284)
Tax and reserve expenses	(2.626)	-	-	-
Milpark termination agreement expenses	-	-	(25.049)	(25.049)
Tax liability in dispute finance expense regarding 6111 law	-	-	(31.804)	(14.914)
Tax base increase finance expense regarding 6111 law	-	-	(1.131)	(531)
Other operating expenses	(26.109)	(22.188)	(11.937)	(6.142)
	(84.880)	(53.434)	(248.385)	(55.826)

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NOT 27 – INCOME AND EXPENSES FROM INVESTING ACTIVITIES

The details of income and expenses from investing activities for the interim periods ended 30 June 2013 and 2012 are as follows.

	1 January- 30 June 2013	1 April- 30 June 2013	1 January- 30 June 2012	1 April- 30 June 2012
Exchange gain of investing operations	106.496	94.102	55.731	34.262
Interest income of securities	13.668	4.321	305	238
Interest income of bank deposit	7.621	3.733	15.192	8.924
Fixed asset sales income ⁽¹⁾	2.189	1.028	152.954	8.934
Reversal of provision for impairment of investment property	2.765	2.185	1.172	(217)
Annulment indemnity of put option agreement of Turner	-	-	45.767	45.767
Gain on sale of subsidiary shares	-	-	1.363	(969)
	132.739	105.369	272.484	96.939

(1) As of 30 June 2012 TL 142.905 of fixed asset sales income consists of gain of fixed asset sale of Hürriyet building to Nurol Real Estate Investment Company Inc. on 1 February 2012.

	1 January- 30 June 2013	1 April- 30 June 2013	1 January- 30 June 2012	1 April- 30 June 2012
Foreign exchange losses	(28.150)	(22.862)	(62.165)	(14.606)
Loss on sale of assets	(12.745)	(4.822)	(10.960)	(8.999)
Impairment on property, plant and equipment and intangible assets (Note 14)	-	-	(183)	(183)
Acquisitions of share related with the options liability	(2.122)	(1.371)	(2.350)	(1.813)
Provision for impairment of goodwill regarding non-current assets held for sale	-	3.537	-	-
	(43.017)	(25.518)	(75.658)	(25.601)

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NOTE 28 - FINANCE INCOME AND EXPENSE

The details of finance income for the interim periods ended 30 June 2013 and 2012 are as follows:

Financial Income	1 January- 30 June 2013	1 April- 30 June 2013	1 January- 30 June 2012	1 April- 30 June 2012
Foreign exchange gains	6.681	651	52.304	(3.140)
Total	6.681	651	52.304	(3.140)

The details of finance expenses for the interim periods ended 30 June 2013 and 2012 are as follows:

Financial expense	1 January- 30 June 2013	1 April- 30 June 2013	1 April- 30 June 2012	1 April- 30 June 2012
Foreign exchange losses	(124.657)	(97.939)	(31.147)	(26.692)
Interest expense on bank borrowings	(87.838)	(55.676)	(52.337)	(28.594)
Bank commission expenses	(7.370)	(3.103)	(5.192)	(1.614)
Other	(12.033)	(11.045)	(8.912)	(7.809)
	(231.898)	(167.763)	(97.588)	(64.709)

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NOTE 29- DISPOSAL OF SUBSIDIARY

The Group has disposed of its 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	30 June 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	
Trade payables	678
Other payables	71
Other current liabilities	425
Net assets disposed	(79)
Loss on sale of subsidiary	
Group's share in net assets disposed (%55)	(44)
Goodwill (Note 14)	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 of	(268)
Total amount of cash proceeds	2.969

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NOTE 30- TAX ASSETS AND LIABILITIES

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

Corporate tax

Corporate tax liabilities for the periods ended 30 June 2013 and 31 December 2012 are as follows:

	30 June 2013	31 December 2012
Provision for period income tax	72.733	84.179
Prepaid taxes	(35.244)	(74.350)
Taxes Payable	37.489	9.829

	30 June 2013	31 December 2012
Corporate and income taxes payable	37.489	9.829
Deferred tax liabilities, net	73.454	87.226
Total	110.943	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 2012 is 20% (2011: 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 10th 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.

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NOTE 30- TAX ASSETS AND LIABILITIES (Continued)

Turkey (Continued)

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

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

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

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 30 June 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).

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NOTE 30 - TAX ASSETS AND LIABILITIES (Continued)

Turkey (Continued)

Exemption for sale of participation shares and property

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

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:

<u>Country</u>	<u>Tax rates(%)</u>	<u>Country</u>	<u>Tax rates(%)</u>
Germany ⁽¹⁾	28,0	Ukraina ⁽³⁾	19,0
Romania	16,0	Hungary ⁽²⁾	19,0
England	28,0	Slovenia ⁽⁴⁾	17,0
Croatia	20,0	Belarus	18,0
Kazakhstan	20,0	Netherland ⁽⁵⁾	25,0

- (1) Corporate tax rate is applied as 15% for Germany. An additional solidarity tax of 5,5% and municipal commerce tax varying in between 14% and 17% is also applied over the corporate tax.
- (2) Tax rate has decreased from 23% to 21% as of 1 January 2012. As of 2013 tax rate has decreased to 19% and as of 1 January 2014 it will decrease to 16%.
- (3) Tax rate is 10% for the tax base up to initial 500 million Hungarian Forint, 19% for over 500 million Hungarian Forint.
- (4) Tax rate decreased from 18% to 17% as of 1 January 2013.
- (5) Tax rate is 20% for the tax base up to initial 200.000 EUR, 25% for over 200.000 EUR.

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NOTE 30- TAX ASSETS AND LIABILITIES (Continued)

Deferred Taxes

The Group recognises deferred tax assets and liabilities based upon temporary differences arising between their financial statements as reported under the 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 30 June 2013 and 31 December 2012 using the enacted tax rates is as follows:

	Cumulative temporary differences		Deferred tax assets/ (liabilities)	
	30 June 2013	31 December 2012	30 June 2013	31 December 2012
Differences between the tax base and carrying value of property, plant and equipment and intangible assets	106.418	101.490	21.284	20.298
Carry forward tax losses	221.812	198.835	44.362	39.767
Provision for doubtful receivables	58.535	57.115	11.707	11.423
Provision for employment termination benefits	135.858	130.999	27.172	26.200
Derivative financial liabilities	4.217	1.683	644	337
Deferred financial income of trade receivables	179	518	36	104
Other	120.870	76.017	24.373	15.203
Deferred tax assets			129.578	113.332
Differences between the tax base and carrying value of property, plant and equipment and intangible assets	(964.703)	(979.378)	(192.941)	(196.524)
Fair value of Investment Property	(31.120)	(366.651)	(6.224)	(1.889)
Derivative financial assets	-	(882)	-	(176)
Other	(19.333)	(10.289)	(3.867)	(1.969)
Deferred tax liabilities			(203.032)	(200.558)
Deferred tax liabilities, net			(73.454)	(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 Standarts. Temporary differences and deferred tax assets and liabilities shown above has been prepared on the basis of gross values.

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NOTE 30- TAX ASSETS AND LIABILITIES (Continued)

The Group recognised deferred tax assets over TL 221.812 of carry forward tax losses in the consolidated financial statements prepared in accordance with the CMB's Financial Reporting Standards as at 30 June 2013 (31 December 2012: TL 198.835). As of 30 June 2013 and 31 December 2012, the maturity analysis of carry forward tax losses is as follows:

	30 June 2013⁽¹⁾	31 December 2012
2013	(4.225)	(4.260)
2014	(84.976)	(90.552)
2015	(39.490)	(22.171)
2016	(69.929)	(33.524)
2017 and after	(23.192)	(48.328)
	(221.812)	(198.835)

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

Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized. As of 30 June 2013, the Group does not recognise deferred tax from carry forward tax losses amounted to TL 1.152.583 (31 December 2012: TL 1.064.493).

Movements for net deferred taxes for the periods ended at 30 June 2013 and 2012 are as follows:

	2013	2012
1 January	(87.226)	(61.858)
Deferred tax effect of financial assets fair value increase	1.792	(183)
Current year (expense)/income	8.755	11.543
Currency translation differences	934	7.710
Acquisition of subsidiary	-	4.155
Disposal of subsidiary	-	16
Other	2.291	-
30 June	(73.454)	(38.617)

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NOTE 30 - TAX ASSETS AND LIABILITIES (Continued)

The taxes on income reflected to the consolidated statement of profit or loss for the periods ended at 30 June 2013 and 2012 are summarized below:

	1 January- 30 June 2013	1 April- 30 June 2013	1 January- 30 June 2012	1 April- 30 June 2012
Current tax expense	(71.105)	(49.392)	(62.174)	(25.375)
Deferred tax income	8.755	2.641	11.543	12.741
Total Tax	(62.350)	(46.751)	(50.631)	(12.634)

The reconciliation of the taxation on income in the consolidated statement of profit or loss for periods ended 30 June 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	13.120	182.619
Tax calculated at 20%	(2.624)	(36.524)
Tax liability in dispute and tax base increase liability regarding 6111	-	(6.587)
Effect of financial losses which subject to deduction in current period	(492)	834
Expense not subject to tax	(20.561)	(17.481)
Income not subject to tax	243	39.307
Carry forward losses for which no deferred tax asset was recognized	(37.310)	(42.715)
Reversal of previous year losses from which deferred tax was calculated previously	-	7.266
Deferred tax effect of previously unrecognized carry forward tax losses	1.741	-
Sale of subsidiaries	-	(3.589)
Difference due to the different tax rates applicable in different countries	-	2.683
Adjustment effects	1.577	-
Withholding tax payment related to the operations abroad	(164)	(6.372)
Other	(4.760)	12.547
Tax expense	(62.350)	(50.631)

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NOTE 31 - RELATED PARTY DISCLOSURES

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. As of the balance sheet date, the details of due to/from related parties and related party transactions for the periods ended as of 30 June 2013 and 31 December 2012 are summarized as below:

i) Amounts due from and due to related parties:

Current trade receivables due from related parties:

	30 June 2013	31 December 2012
Delüks Elektronik Hizmetler ve Tic A.Ş. ⁽²⁾	2.983	270
D Elektronik Şans Oyunları Yayıncılık A.Ş.	2.240	-
D Market Elektronik Hizmetler ve Ticaret A.Ş. ("D Market")	2.004	1.145
Ortadoğu Otomotiv Ticaret A.Ş. ("Ortadoğu Otomotiv")	969	729
Katalog Yayın ve Tanıtım Hizmetleri A.Ş.	822	820
Doğan Portal ve Elektronik Ticaret A.Ş. ("Doğan Portal")	670	985
Doğan ve Egmont Yayıncılık ve Yapımcılık Ticaret A.Ş. ("Doğan Egmont")	504	-
Gas Plus Erbil	227	-
Doğan Elektronik Turizm Satış Pazarlama Hiz.ve Yay A.Ş.	86	620
Gümüştaş Madencilik	43	10
Aydın Doğan Vakfı	12	14
Doğan İnternet Yayıncılığı ve Yatırım A.Ş. ⁽¹⁾	9	9.404
Nakkaştepe Gayrimenkul	-	2.125
Tipeez İnternet Hizmetleri A.Ş. ("Tipeez")	-	1.710
Other	2.361	1.128
Total	12.930	18.960

(1) Medyanet and Doğan İnternet Yayıncılığı ve Yatırım A.Ş. has been merged as of 8 February 2013. Transactions regarding these two entities are added together for all periods. The receivables of the Group from Doğan İnternet Yayıncılığı ve Yatırım A.Ş. consist of the internet advertising sales made from the websites.

(2) Receivables of the Group from Delüks Elektronik Hizmetler ve Ticaret A.Ş. consist of the supply of goods.

	30 June 2013	31 December 2012
<u>Current non-trade receivables due from related parties:</u>		
Boyabat Elektrik ⁽¹⁾	52.906	67.767
Gümüştaş Madencilik ve Ticaret A.Ş.	3.860	-
Doğan ve Egmont Yayıncılık ve Yapımcılık Ticaret A.Ş. ("Doğan Egmont") ⁽²⁾	4.812	3.482
Total	61.578	71.249

(1) Debt is given for project finance.

(2) The group has current non-trade receivables amounting to USD 2.500 from Doğan Egmont as of 30 June 2013. USD interest rate applied to above mentioned receivable is 3,65%.

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NOTE 31 - RELATED PARTY DISCLOSURES

i) Amounts due from and due to related parties (continued)

<u>Current trade payables - due to related parties</u>	30 June 2013	31 December 2012
Doğan Burda Dergi Yayıncılık ve Pazarlama A.Ş. (“Doğan Burda”) ⁽¹⁾	10.962	10.391
Boyabat Elektrik Üretim ve Ticaret A.Ş.	5.166	-
Doğan ve Egmont Yayıncılık ve Yapımcılık Ticaret A.Ş. (“Doğan Egmont”) ⁽²⁾	4.948	4.482
Doğanlar Sigorta Aracılık Hizmetleri A.Ş.	335	96
Adilbey Holding A.Ş.	97	26
Doğan İnternet Yayıncılığı ve Yatırım A.Ş.	24	9
Ortadoğu Otomotiv Ticaret A.Ş. (“Ortadoğu Otomotiv”)	9	-
D market	-	7
Other	1.166	2.838
Total	22.707	17.849

⁽¹⁾ Payables of the Group to Doğan Burda consist of the distribution services of the magazines.

⁽²⁾ Payables of the Group to Doğan Egmont consist of the distribution services of the magazines

ii) Transactions with related parties:

Service/ product purchases:

	2013		2012	
	1 January- 30 June	1 April- 30 June	1 January- 30 June	1 April- 30 June
Boyabat Elektrik Üretim ve Ticaret A.Ş. ⁽¹⁾	25.364	25.364	-	-
Doğan Burda Dergi Yayıncılık ve Pazarlama A.Ş. (“Doğan Burda”) ⁽²⁾	18.119	9.357	19.315	10.930
Doğan ve Egmont Yayıncılık ve Yapımcılık Ticaret A.Ş. (“Doğan Egmont”) ⁽³⁾	7.697	3.586	6.672	3.415
Ortadoğu Otomotiv Ticaret A.Ş. ⁽⁴⁾	5.818	2.550	6.105	4.778
Dergi Pazarlama Planlama ve Ticaret A.Ş. (“DPP”)	2.852	1.457	2.805	1.428
Doğanlar Sigorta Aracılık Hizmetleri	1.716	158	-	-
Adilbey Holding A.Ş.	697	538	-	-
Other	7.836	5.004	4.892	4.104
Total	70.099	48.014	39.789	24.655

⁽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 raw material and service purchases

⁽³⁾ Product and service purchases of the Group from Doğan Egmont consist of the raw material and service purchases

⁽⁴⁾ Consist of rent expenses of Trump Tower.

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NOTE 31 - RELATED PARTY DISCLOSURES(Continued)

ii) Transactions with related parties (Continued):

Service/ product sales:

	2013		2012	
	1 January- 30 June	1 April- 30 June	1 January- 30 June	1 April- 30 June
Doğan Burda Dergi Yayıncılık ve Pazarlama A.Ş. ("Doğan Burda") ⁽¹⁾	11.129	5.692	11.716	6.420
Doğan ve Egmont Yayıncılık ve Yapımcılık Ticaret A.Ş. ("Doğan Egmont") ⁽²⁾	4.595	2.026	4.840	2.389
D-Market Elektronik Hizmetler ve Ticaret A.Ş.	2.595	1.758	1.954	1.742
Delüks Elektronik Hizmetler ve Ticaret A.Ş. ⁽³⁾	2.205	504	-	-
Gas Plus Erbil Ltd.	568	568	-	-
D Elektronik Şans Oyunları ve Yayıncılık A.Ş.	492	492	-	-
Adilbey Holding A.Ş.	205	205	-	-
Doğan İnternet Yayıncılığı ve Yatırım A.Ş. ⁽⁴⁾	-	-	7.840	4.825
Other	2.556	639	2.137	1.896
Total	24.345	11.884	28.487	17.272

(1) Product and service sales of the Group to Doğan Burda consist of the raw material and service sales.

(2) Product and service sales of the Group to Doğan Egmont consist of the raw material and service sales.

(3) Product and service sale of the Group to Delüks Elektronik Hizmetler ve Ticaret A.Ş. consists of the product sales.

(4) Medyanet and Doğan İnternet Yayıncılığı ve Yatırım A.Ş. has been merged as of 8 February 2013. Transactions regarding these two entities are added together for all periods. The receivables of the Group from Medyanet consist of the internet advertising sales made from the websites.

Financial Income:

	2013		2012	
	1 January- 30 June	1 April- 30 June	1 January- 30 June	1 April- 30 June
Boyabat Elektrik Üretim ve Ticaret A.Ş.	8.528	6.141	-	-
Delüks Elektronik Hizmetler ve Ticaret A.Ş.	55	37	-	-
D Elektronik Şans Oyunları ve Yayıncılık A.Ş.	20	16	21	11
Doğan Elektronik Turizm Satış Pazarlama Hizmetleri ve Yayıncılık A.Ş.	-	-	52	9
Ortadoğu Otomotiv Ticaret A.Ş.	-	-	9	9
Other	15	1	8	5
Total	8.618	6.195	90	34

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NOTE 31 - 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.	27	5
D Yapı İnşaat Sanayi ve Ticaret A.Ş.	-	490
Other	-	7
	27	502

Sales of property, plant and equipment and intangible assets:	2013	2012
Delüks Elektronik Hizmetler ve Ticaret A.Ş.	-	7
	-	7

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- 30 June 2013	1 April- 30 June 2013	1 January- 30 June 2012	1 April- 30 June 2012
Salaries and other short term benefits	6.310	3.315	5.722	3.040
Post-employment benefits	-	-	-	-
Other long term benefits	-	-	-	-
Termination benefits	-	-	-	-
Share based payments	-	-	-	-
Total	6.310	3.315	5.722	3.040

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NOTE 32 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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 30 June 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 Euros, the other currencies have no material impact.

	30 June 2013	31 December 2012
Assets	2.761.459	2.936.296
Liabilities	(2.503.193)	(2.539.395)
Off-balance sheet net derivative liabilities	57.212	47.289
Net foreign currency position	315.478	444.190

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NOTE 32 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

a. 1) Foreign currency risk (Continued):

Sensitivity analysis for currency risk as of 30 June 2013 and 31 December 2012 and foreign currency denominated asset and liability balances are summarized below:

30 June 2013

	TL Equivalent	USD	EUR	Other
1. Trade receivables	275.876	60.716	65.878	149.282
2a.Monetary Financial Assets (Cash, Banks included)	1.876.588	1.286.323	546.277	43.988
3. Other	296.123	135.211	160.912	-
4. Current Assets (1+2+3)	2.448.587	1.482.250	773.067	193.270
5. Trade receivables	57.145	56.517	628	-
6a.Monetary Financial Assets	61.712	54.963	6.578	171
6b.Non-Monetary Financial Assets	-	-	-	-
7. Other	194.015	68.330	125.685	-
8. Non-Current Assets (5+6+7)	312.872	179.810	132.891	171
9. Total Assets (4+8)	2.761.459	1.662.060	905.958	193.441
10.Trade Payables	166.246	102.204	53.683	10.359
11.Financial Liabilities	1.047.255	727.548	310.915	8.792
12a.Other Monetary Financial Liabilities	198.240	827	5.028	192.385
12b.Other Non-Monetary Financial Liabilities	404	393	11	-
13. Current Liabilities (10+11+12)	1.412.145	830.972	369.637	211.536
14. Trade Payables	-	-	-	-
15. Financial Liabilities	1.085.981	745.817	340.164	-
16a.Other Monetary Financial Liabilities	40	-	-	40
16b.Other Non-Monetary Financial Liabilities	5.027	-	5.027	-
17.Non-Current Liabilities (14+15+16)	1.091.048	745.817	345.191	40
18. Total Liabilities (13+17)	2.503.193	1.576.789	714.828	211.576
19. Net asset/liability position of Off balance sheet derivatives(19a-19b)	57.212	96.191	(38.979)	-
19.a.Off balance sheet foreign Currency derivative assets	96.191	96.191	-	-
19b. Off balance sheet foreign Currency derivative liabilities	38.979	-	38.979	-
20. Net foreign currency asset liability position (9-18+19)	315.478	181.462	152.151	(18.135)
21. Net foreign currency asset/liability position of monetary items (1+2a+5+6a-10-11-12a-14-15-16a)	(226.441)	(117.877)	(90.429)	(18.135)
22 Fair value of foreign currency hedged financial assets	-	-	-	-

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NOTE 32 - 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	-	-	-	-

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NOTE 32 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

a. 1) Foreign currency risk (Continued):

As of 30 June 2013 and 31 December 2012, foreign currency denominated asset and liability balances were converted with the following exchange rates: TL 1,9248 = USD 1 and TL 2,5137 = EUR 1 (2012: TL 1,7826 = USD 1 and TL 2,3517 = EUR 1)

30 June 2013

	Income/ Loss	
	Foreign currency appreciate	Foreign currency depreciate
If the USD had changed by %10 against the TL		
1- USD net (liabilities)/assets	18.146	(18.146)
2- Hedging amount of USD (-)	-	-
3- USD net effect on (loss)/income (1+2)	18.146	(18.146)
If the EUR had changed by %10 against the TL		
4- EUR net (liabilities)/assets	15.215	(15.215)
5- Hedging amount of EUR (-)	-	-
6- EUR net effect on (loss)/income (4+5)	15.215	(15.215)
If the Other Currencies had changed by %10 against the TL		
7- Other net (liabilities)/assets	(1.814)	1.814
8- Hedging amount of Other (-)	-	-
9- Other net effect on (loss)/income (7+8)	(1.814)	1.814
TOTAL(3+6+9)	31.547	(31.547)

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NOTE 32 - 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 30 June 2013 and 31 December 2012, the Group's borrowings at floating rates are predominantly denominated in US Dollars and Euros.

- 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.

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NOTE 32 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

a.2) Interest rate risk (Continued)

At 30 June 2013, if interest rates on US dollar denominated borrowings had been higher/lower by 100 basis points with all other variables held constant, loss before income taxes would have been TL 2.754 (30 June 2012: TL 4.055) higher/lower, mainly as a result of high interest expense on floating rate borrowings.

At 30 June 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 1.063 (30 June 2012: TL 428) 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:

	30 June 2013	31 December 2012
Financial instruments with fixed rate		
Financial assets		
- Banks (Note 6)	1.527.895	1.906.516
- Financial investments (Note 7)	225.503	177.043
Financial liabilities (Note 8)	649.980	462.767
Financial instruments with floating rate		
Financial liabilities (Note 8)	1.580.260	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.

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NOTE 32 - 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:

	30 June 2013			31 December 2012		
	USD	EUR	TL	USD	EUR	TL
Assets						
Cash and cash equivalents	0,50-3,63	0,40-4,32	3,78-9,06	0,10-6,00	0,25-6,75	3,00-12,30
Financial investments	6,01	5,64	9,58	5,17	-	9,48
Liabilities						
Financial Liabilities	3,00-6,50	1,10-5,05	5-10,40	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:

30 June 2013	Up to 3 Months	3 months- 1 year	1-5 years	More than 5years	Free of interest	Total
Assets						
Cash and cash equivalents (Note 6)	1.527.895	-	-	-	275.368	1.803.263
Financial investments (Note 7)	-	225.503	-	-	1.903	227.406
Total	1.527.895	225.503	-	-	277.271	2.030.669
Short and long term financial Liabilities (Note 8) ⁽¹⁾	-	1.095.280	1.134.960	-	-	2.230.240
Other financial liabilities (Note 8)	-	171.208	155.564	-	-	326.772
Total	-	1.266.488	1.290.524	-	-	2.557.012
31 December 2012	Up to 3 Months	3 months- 1 year	1-5 years	More than 5years	Free of interest	Total
Assets						
Cash and cash equivalents (Note 6)	1.906.516	-	-	-	259.462	2.165.978
Financial investments (Note 7)	-	177.043	-	-	2.216	179.259
Total	1.906.516	177.043	-	-	261.678	2.345.237
Liabilities						
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	-	1.556.396	1.245.486	-	-	2.801.882

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

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NOTE 32- FINANCIAL RISK MANAGEMENT (Continued)

The Group's credit risk of financial instruments as of 30 June 2013 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	12.930	861.053	61.578	513.599	1.803.263
- The part of maximum risk under guarantee with collatarel	-	60.155	-	338.765	-
A. Net book value of neither past due nor impaired financial assets	12.930	643.171	61.578	513.599	1.803.263
- Guaranteed amount by collateral	-	37.139	-	338.765	-
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)	-	217.882	-	-	-
- Guaranteed amount by collateral (Note 9)	-	23.016	-	-	-
D. Impaired asset net book value	-	-	-	-	-
- Past due (gross amount) (Note 9)	-	212.163	-	672	-
- Impairment (-) (Note 9)	-	(212.163)	-	(672)	-
- Net value collateralized or guaranteed part of net value	-	-	-	-	-
- Not over due (gross amount)	-	-	-	-	-
- Impairment (-)	-	-	-	-	-
- Net value collateralized or guaranteed part of net value	-	-	-	-	-

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NOTE 32 - FINANCIAL RISK MANAGEMENT (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	706.731	71.249	527.021	2.165.978
- 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	561.267	71.249	527.021	2.165.978
- Guaranteed amount by collateral	-	37.645	-	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 over due (gross amount)	-	-	-	-	-
- Impairment (-)	-	-	-	-	-
- Net value collateralized or guaranteed part of net value	-	-	-	-	-

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NOTE 32 - 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:

	30 June 2013		31 December 2012	
	Related Party	Other Receivables	Related Party	Other Receivables
1-30 days overdue	-	101.040	-	58.294
1-3 months overdue	-	61.017	-	45.010
3-12 months overdue	-	44.142	-	32.834
1-5 years overdue	-	11.683	-	9.326
Total	-	217.882	-	145.464
Guaranteed amount by collateral				
Media	-	19.962	-	20.753
Retail	-	-	-	-
Other	-	3.054	-	5.741
Total	-	23.016	-	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 30 June 2013 and 31 December 2012, undiscounted cash flows of financial liabilities based on the agreement maturities are as follows:

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NOTE 32 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

d) Liquidity risk (Continued)

30 June 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)	2.230.240	2.327.070	548.534	553.615	1.059.640	165.281
Trade payables (Note 9)	472.167	519.324	369.430	149.894	-	-
Other financial liabilities (Note 8)	326.772	331.832	-	172.569	159.263	-
Other payables	51.514	56.532	22.699	19.872	13.961	-
Trade payables to related parties (Note 31)	22.707	22.707	782	782	-	-
Short-term provisions regarding						
employee benefits (Note 21)	40.683	40.683	-	40.683	-	-
Payables regarding employee benefits (Note 21)	26.810	26.810	-	26.810	-	-
Deferred income (Note 19)	67.694	67.694	58.359	-	9.335	-
Derivative instruments (Note 20)	4.217	-	-	4.217	-	-
Other short term provisions	35.779	35.779	-	35.779	-	-
	3.278.583	3.428.431	999.804	1.004.221	1.242.199	165.281

Derivative financial liabilities

Derivative cash inflow (Note 20)	146	590	14	576	-	-
Derivative cash outflow (Note 20)	(4.363)	(45.371)	(1.013)	(2.612)	(41.746)	-
Derivative cash inflow/outflow, net	(4.217)	(44.781)	(998)	(2.036)	(41.746)	-

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)	371.567	388.198	284.252	103.946	-	-
Other financial liabilities (Note 8)	668.622	689.347	345.228	48.207	295.912	-
Other payables	65.489	66.941	58.962	255	7.724	-
Trade payables to related parties (Note 31)	17.849	17.849	17.821	28	-	-
Short-term provisions regarding						
employee benefits (Note 21)	36.624	36.624	-	36.624	-	-
Payables regarding employee benefits (Note 21)	26.585	26.585	-	26.585	-	-
Deferred income (Note 19)	48.320	48.320	35.956	-	12.364	-
Derivative instruments (Note 20)	1.683	-	-	1.683	-	-
Other short term provisions	30.170	30.170	-	30.170	-	-
	3.400.169	3.530.684	1.198.713	950.332	1.195.532	187.790

Derivative financial liabilities

Derivative cash inflow (Note 20)	882	33.683	33.373	257	53	-
Derivative cash outflow (Note 20)	(1.683)	(1.692)	-	(1.415)	(277)	-
Derivative cash inflow/outflow, net	(801)	31.991	33.373	(1.158)	(224)	-

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

**SELECTED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 30 June 2013**

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

NOTE 32 - 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 uncollectibility are estimated to be at their fair values.

Monetary liabilities

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

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

Trade payables are disclosed at their amortised cost using the effective interest rate method and accordingly their carrying amounts approximate their fair values.

f) Capital risk management

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

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

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

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

**SELECTED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 30 June 2013**

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

NOTE 32 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

f) Capital risk management (Continued)

The net liability/total equity ratio at 30 June 2013 and 31 December 2012 is summarized below:

	30 June 2013	31 December 2012
Total liability ⁽¹⁾	3.370.207	3.493.006
Less: Cash and cash equivalents (Note 6)	(1.803.263)	(2.165.978)
Net liability	1.566.944	1.327.028
Equity	3.157.712	3.181.006
Total equity	4.724.656	4.508.034
Gearing ratio	%33	%29

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

NOTE 33 - FINANCIAL INSTRUMENTS

Fair value of financial instruments

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

- Level 1: The fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices
- Level 2: The fair value of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions;
- Level 3: The fair value of the financial assets and financial liabilities is determined in accordance with the unobservable current market data.

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

**SELECTED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 30 June 2013**

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

NOTE 33 - FINANCIAL INSTRUMENTS (Continued)

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

		<u>Fair value at reporting date</u>		
	30 June 2013	Level 1 TL	Level 2 TL	Level 3 TL
Financial assets				
Financial assets at FVTPL				
Trading securities				
Trading derivatives				
Derivative Instruments	-	-	-	-
Available-for-sale financial assets	-	-	-	-
Bonds and bills (Note 7)	225.503	225.503	-	-
Total	225.503	225.503	-	-

Financial liabilities

Financial liabilities at FVTPL				
Trading securities				
Trading derivatives				
Derivative instruments (Note 20)	4.217	-	4.217	-
Other financial liabilities	15.566	-	-	15.566
Total	19.783	-	4.217	15.566

		<u>Fair value at reporting date</u>		
	31 December 2012	Level 1 TL	Level 2 TL	Level 3 TL
Financial assets				
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

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

**SELECTED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 30 June 2013**

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

NOTE 34 - SUBSEQUENT EVENTS

Transactions Regarding the Acquisition of Preliminary License Option Tender

Per stay of execution decision of 8 Administrative Court of Ankara dated 11 July 2013 and No: 2013/495 E., National (T1) Tender Announcement of Terrestrial Digital Television Broadcasting License in which indirect subsidiaries of Doğan Yayın Holding also participated in, has been decided to be suspended with a decision published in the Official Gazette No. 28595 dated 22 March 2013. For the implementation of the aforementioned judgment, the Supreme Board meeting held on 14 August 2013; auctions for the national terrestrial digital television broadcasting license which has been made on 16-17-18 April 2013, are decided to be suspended and guarantees deposited for these auctions by the organizations which have participated in the auctions, should be returned upon demand.

Approval of Financial Statements

The consolidated financial statements for the period ended 30 June 2013 were approved by the Board of Directors on 25 August 2013. Other than Board of Directors has no authority to change financial statements.