

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**CONVENIENCE TRANSLATION INTO ENGLISH OF
CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD 1 JANUARY - 31 MARCH 2011**

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

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

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

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

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

| | Notes | USD (*) 31 March 2011 | Unaudited 31 March 2011 | Audited 31 December 2010 |
|-------------------------------|-------|--------------------------|----------------------------|-----------------------------|
| ASSETS | | | | |
| Current assets | | 3.087.973 | 4.781.109 | 4.772.149 |
| Cash and cash equivalents | 6 | 2.236.434 | 3.462.670 | 3.464.537 |
| Financial investments | 7 | 101.186 | 156.666 | 198.152 |
| Trade receivables | | | | |
| - Due from related parties | 27 | 6.747 | 10.446 | 11.168 |
| - Other trade receivables | 9 | 455.700 | 705.561 | 656.128 |
| Other receivables | | 8.383 | 12.979 | 13.991 |
| Inventories | | 144.350 | 223.497 | 216.179 |
| Biological assets | | 30 | 47 | 25 |
| Other current assets | 17 | 135.143 | 209.243 | 211.969 |
| Non-current assets | | 2.177.755 | 3.371.818 | 3.261.178 |
| Trade receivables | 9 | 64.373 | 99.669 | 88.928 |
| Other receivables | | 1.376 | 2.131 | 2.126 |
| Inventories | | 11.648 | 18.034 | 17.941 |
| Financial investments | 7 | 5.345 | 8.275 | 8.314 |
| Investment properties | 10 | 94.664 | 146.568 | 141.800 |
| Property, plant and equipment | 11 | 612.329 | 948.069 | 929.330 |
| Intangible assets | 12 | 573.770 | 888.368 | 859.335 |
| Goodwill | 13 | 589.457 | 912.657 | 896.653 |
| Deferred income tax assets | 26 | 73.185 | 113.313 | 96.991 |
| Other non-current assets | 17 | 151.608 | 234.734 | 219.760 |
| TOTAL ASSETS | | 5.265.728 | 8.152.927 | 8.033.327 |

The consolidated financial statements for the interim period ended 31 March 2011 have been approved by the Board of Directors at 13 May 2011.

(*) As explained in the Note 2.1.3 to the condensed consolidated financial statements, USD amounts shown in these consolidated financial statements have been included solely for the convenience of the reader and are translated from TRY, as a matter of arithmetic computation only, at the Central Bank of the Republic of Turkey official TRY exchange rate. Thus, USD amounts do not form a part of the consolidated financial statements prepared in accordance with generally accepted accounting standards issued by the Capital Market Board ("CMB") as at 31 March 2011.

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

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

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

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

| | Notes | USD (*) 31 March 2011 | Unaudited 31 March 2011 | Audited 31 December 2010 |
|---|-----------|--------------------------|----------------------------|-----------------------------|
| LIABILITIES | | | | |
| Current liabilities | | 1.323.795 | 2.049.632 | 1.833.917 |
| Borrowings and financial liabilities | 8 | 704.456 | 1.090.709 | 1.024.341 |
| Other financial liabilities | | 43.944 | 68.038 | 66.550 |
| Trade payables | | | | |
| - Due to related parties | 27 | 305 | 473 | 1.197 |
| - Other trade payables | 9 | 259.195 | 401.312 | 395.148 |
| Other payables | | 47.200 | 73.080 | 80.540 |
| Current income tax liabilities | 26 | 21.934 | 33.961 | 76.462 |
| Provisions | 15 | 37.289 | 57.734 | 89.010 |
| Other current liabilities | 17 | 209.472 | 324.325 | 100.669 |
| Non-current liabilities | | 1.159.261 | 1.794.884 | 1.578.368 |
| Borrowings and financial liabilities | 8 | 701.473 | 1.086.090 | 1.085.676 |
| Other financial liabilities | | 168.142 | 260.334 | 238.693 |
| Trade payables | 9 | 719 | 1.114 | 1.114 |
| Other payables | | 37.393 | 57.895 | 77.900 |
| Provisions for employment benefits | | 33.232 | 51.454 | 46.895 |
| Other non-current liabilities | 17 | 119.315 | 184.735 | - |
| Deferred tax liabilities | 26 | 98.987 | 153.262 | 128.090 |
| SHAREHOLDERS' EQUITY | | 2.782.672 | 4.308.411 | 4.621.042 |
| Equity Attributable to Equity Holders of the Company | 18 | 2.385.094 | 3.692.841 | 3.864.544 |
| Share capital | 18 | 1.582.381 | 2.450.000 | 2.450.000 |
| Adjustment to share capital | 18 | 92.699 | 143.526 | 143.526 |
| Share premium | 18 | 407 | 630 | 630 |
| Revaluation fund | 18 | 370 | 573 | 13.918 |
| Translation reserve | 18 | 15.710 | 24.324 | (3.939) |
| Restricted reserves | | | | |
| assorted from profit | 18 | 450.099 | 696.888 | 696.888 |
| Retained earnings | 18 | 372.532 | 576.792 | (92.683) |
| Net (loss)/profit for the period | | (129.104) | (199.892) | 656.204 |
| Non-controlling interests | | 397.578 | 615.570 | 756.498 |
| TOTAL LIABILITIES | | 5.265.728 | 8.152.927 | 8.033.327 |

Commitments

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(*) As explained in the Note 2.1.3 to the condensed consolidated financial statements, USD amounts shown in these consolidated financial statements have been included solely for the convenience of the reader and are translated from TRY, as a matter of arithmetic computation only, at the Central Bank of the Republic of Turkey official TRY exchange rate. Thus, USD amounts do not form a part of the consolidated financial statements prepared in accordance with generally accepted accounting standards issued by the Capital Market Board ("CMB") as at 31 March 2011.

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

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR 1 JANUARY – 31 MARCH 2011 AND 2010 INTERIM PERIODS**

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

| | | USD (*) 1 January 31 March 2011 | Unaudited 1 January 31 March 2011 | Unaudited 1 January 31 March 2010 |
|--|--------------|--|--|--|
| | Notes | | | |
| Continued Operations | | | | |
| Sales | 19 | 452.162 | 700.083 | 642.836 |
| Cost of sales (-) | 19-21 | (353.301) | (547.017) | (516.812) |
| Gross operating profit | 19 | 98.861 | 153.066 | 126.024 |
| Marketing, selling and distribution expenses (-) | 20-21 | (59.070) | (91.458) | (90.009) |
| General administrative expenses (-) | 20-21 | (58.868) | (91.145) | (76.092) |
| Other income | 22 | 14.051 | 21.755 | 11.498 |
| Other expenses (-) | 22 | (229.674) | (355.605) | (12.883) |
| Operating loss | | (234.701) | (363.387) | (41.462) |
| Financial income | 23 | 128.752 | 199.346 | 83.813 |
| Financial expenses (-) | 24 | (98.753) | (152.900) | (80.736) |
| Loss before taxation from continued operations | | (204.702) | (316.941) | (38.385) |
| Tax expenses | | | | |
| from continued operations | 26 | (27.508) | (42.590) | (8.031) |
| Current tax expense | | (27.289) | (42.251) | (15.756) |
| Deferred tax (expenses)/income | | (219) | (339) | 7.725 |
| Loss for the period from continued operations | | (232.210) | (359.531) | (46.416) |
| Discontinued operations | | | | |
| Profit after tax from discontinued operations (**) | 25 | - | - | 11.340 |
| Loss for the period | | (232.210) | (359.531) | (35.076) |
| Allocation of loss for the period | | | | |
| Attributable to non-controlling interests | | (103.106) | (159.639) | (25.210) |
| Attributable to equity holders of the company | | (129.104) | (199.892) | (9.866) |
| Loss per share for loss attributable to equity holders of the company | | (0,053) | (0,082) | (0,004) |
| Total loss from continuing operations for loss attributable to equity holders of the company | | (0,053) | (0,082) | (0,018) |

(*) As explained in the Note 2.1.3 to the condensed consolidated financial statements, USD amounts shown in these condensed consolidated financial statements have been included solely for the convenience of the reader and are translated from TRY, as a matter of arithmetic computation only, at the Central Bank of the Republic of Turkey official TRY exchange rate. Thus, USD amounts do not form a part of the condensed consolidated financial statements prepared in accordance with generally accepted accounting standards issued by the Capital Market Board (“CMB”) as at 31 March 2011.

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

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR 1 JANUARY – 31 MARCH 2011 AND 2010 INTERIM PERIODS**

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

| | USD (*) 1 January 31 March 2011 | Unaudited 1 January 31 March 2011 | Unaudited 1 January 31 March 2010 |
|---|--|--|--|
| Loss for the Period | (232.210) | (359.531) | (35.076) |
| <u>Other Comprehensive Income:</u> | | | |
| Change in Financial Assets Fair Value Reserve | (48) | (74) | (923) |
| Change in Translation Reserves | 30.977 | 47.961 | 10.513 |
| Other Comprehensive Income (After Income Tax) | 30.929 | 47.887 | 9.590 |
| Total Comprehensive Expense | (201.281) | (311.644) | (25.486) |
| <u>Allocation of Total Comprehensive Expense</u> | | | |
| Attributable to non-controlling interests | (90.383) | (139.941) | (15.353) |
| Attributable to Equity Holders of the Company | (110.898) | (171.703) | (10.133) |

(*) As explained in the Note 2.1.3 to the condensed consolidated financial statements, USD amounts shown in these condensed consolidated financial statements have been included solely for the convenience of the reader and are translated from TRY, as a matter of arithmetic computation only, at the Central Bank of the Republic of Turkey official TRY exchange rate. Thus, USD amounts do not form a part of the condensed consolidated financial statements prepared in accordance with generally accepted accounting standards issued by the Capital Market Board (“CMB”) as at 31 March 2011.

(**) This income occurs as the result of shares in the capital of “POAŞ” which is a joint venture of Doğan Şirketler Grubu Holding A.Ş. comprising of 312.665.847,814 units of shares in total with the total amount of 312.665.847,814 TRY including 116.315.847,814 units of Class A bearer shares with the nominal value of 1 TRY (One TRY) per share and 196.350.000 units of Class A registered shares with the nominal value of 1 TRY (One TRY) per share, which totally corresponds to 54,14% of the capital of “POAŞ” be sold to OMV Energy Holding paid in cash for prices of 499.700.000,-Euro and 694.583.000,-USD on 22 December 2010. The operating results of Petrol Ofisi A.Ş. have been consolidated with the proportional consolidation until the date of the completion of the share transfer process which is 22 December 2010 and were classified as “discontinued operations”(Note 25) in the consolidated statement of income for the periods ended 31 March 2010 in accordance with the principles of comparison of 31 March 2011.

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

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR 1 JANUARY – 31 MARCH 2011 AND 2010 INTERIM PERIODS**

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

| | Note | Share capital | Adjustment to share capital | Share premium | Financial assets fair value reserve | Non-current assets revolution fund | Translation reserve | Restricted reserves | Retained earnings / accumulated losses | Net profit/ (loss) for the period | Equity attributable to equity holders of the company | Non- controlling interests | Total shareholder's equity |
|--|-----------|------------------|-----------------------------------|------------------|--|---|------------------------|------------------------|---|---|--|----------------------------------|----------------------------------|
| Balances at 1 January 2010 | 18 | 2.450.000 | 143.526 | 630 | 12.456 | 113.942 | (7.063) | 37.451 | 837.276 | (114.113) | 3.474.105 | 767.147 | 4.241.252 |
| Transfers | | - | - | - | - | (6.615) | - | - | (107.498) | 114.113 | - | - | - |
| Capital increase | | - | - | - | - | - | - | - | - | - | - | 792 | 792 |
| Consolidation rate change effect | | - | - | - | - | - | - | - | - | - | - | (1.416) | (1.416) |
| Financial liabilities subject to put option of non-controlling interest | | - | - | - | - | - | - | - | (165.035) | - | (165.035) | (21.722) | (186.757) |
| Effective rate change of subsidiaries | | - | - | - | - | - | - | - | (30.762) | - | (30.762) | 30.762 | - |
| Total comprehensive loss | | - | - | - | (923) | - | 656 | - | - | (9.866) | (10.133) | (15.353) | (25.486) |
| - Change in financial asset fair value reserve, net | | - | - | - | (923) | - | - | - | - | - | (923) | - | (923) |
| - Currency translation differences | | - | - | - | - | - | 656 | - | - | - | 656 | 9.857 | 10.513 |
| - Net loss for the period | | - | - | - | - | - | - | - | - | (9.866) | (9.866) | (25.210) | (35.076) |
| Balances at 31 March 2010 | 18 | 2.450.000 | 143.526 | 630 | 11.533 | 107.327 | (6.047) | 37.451 | 533.981 | (9.866) | 3.268.175 | 760.210 | 4.028.385 |
| 1 Balances at 1 January 2011 | 18 | 2.450.000 | 143.526 | 630 | 13.918 | - | (3.939) | 696.888 | (92.683) | 656.204 | 3.864.544 | 756.498 | 4.621.042 |
| Transfers | | - | - | - | - | - | - | - | 656.204 | (656.204) | - | - | - |
| Sales of financial assets | | - | - | - | (13.271) | - | - | - | 13.271 | - | - | - | - |
| Dividend paid | | - | - | - | - | - | - | - | - | - | - | (829) | (829) |
| Other (*) | | - | - | - | - | - | - | - | - | - | - | (158) | (158) |
| Total comprehensive loss | | - | - | - | (74) | - | 28.263 | - | - | (199.892) | (171.703) | (139.941) | (311.644) |
| - Change in financial asset fair value reserve, net | | - | - | - | (74) | - | - | - | - | - | (74) | - | (74) |
| - Currency translation differences | | - | - | - | - | - | 28.263 | - | - | - | 28.263 | 19.698 | 47.961 |
| - Net loss for the period | | - | - | - | - | - | - | - | - | (199.892) | (199.892) | (159.639) | (359.531) |
| Balances at 31 March 2011 | 18 | 2.450.000 | 143.526 | 630 | 573 | - | 24.324 | 696.888 | 576.792 | (199.892) | 3.692.841 | 615.570 | 4.308.411 |

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

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

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR 1 JANUARY- 31 DECEMBER 2011 AND 2010 INTERIM PERIODS**

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

| | Notes | USD (*) 1 January 31 March 2011 | Unaudited 1 January 31 March 2011 | Unaudited 1 January 31 March 2010 |
|--|----------|---------------------------------------|---|---|
| Operating activities: | | | | |
| Cash provided in operations | 32 | 17.995 | 27.861 | 369.520 |
| Taxes paid | | (54.739) | (84.752) | (12.319) |
| Employment termination benefit paid | | | - | (1.999) |
| Net cash (used in)/provided by operating activities | | (36.744) | (56.891) | 355.202 |
| Investing activities: | | | | |
| Purchase of investment property | 10 | (1.932) | (2.992) | (3.707) |
| Purchase of property, plant and equipment | 11 | (34.587) | (53.551) | (34.414) |
| Purchase of intangible assets | 12 | (11.159) | (17.277) | (23.998) |
| Proceeds from sale of investment property, property, plant and equipment, intangible assets | | 7.825 | 12.115 | 16.138 |
| Proceeds from disposal of financial investment | | 23.397 | 36.225 | - |
| Proceeds from disposal of joint ventures | | - | - | (1.416) |
| Change in other non-current assets and long-term liabilities | | 6.556 | 10.150 | (209.277) |
| Net cash used in investing activities | | (9.901) | (15.330) | (256.674) |
| Financing activities: | | | | |
| Proceeds of issuance of share capital to non-controlling interests | | - | - | 792 |
| Dividends paid to non-controlling interests | | (535) | (829) | - |
| Change in borrowings, net | | 43.132 | 66.782 | (108.364) |
| Letter of credits paid in trade payables | | - | - | (84.050) |
| Change in long-term trade payable, net | | - | - | 108.235 |
| Interest paid | | (20.195) | (31.268) | (49.727) |
| Interest received | | 19.135 | 29.626 | 24.681 |
| Net cash provided by / (used) in financing activities | | 41.537 | 64.311 | (108.433) |
| Net decrease in cash and cash equivalents | | (5.109) | (7.910) | (9.905) |
| Cash and cash equivalents at the beginning of the period | 6 | 2.233.953 | 3.458.829 | 2.034.716 |
| Cash and cash equivalents at the end of the period | 6 | 2.228.844 | 3.450.919 | 2.024.811 |

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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.

**SELECTED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 31 MARCH 2011**

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

NOTE 1 - ORGANIZATION AND NATURE OF OPERATIONS

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

Doğan Holding is registered with the Capital Markets Board ("CMB") and its shares have been quoted on the Istanbul Stock Exchange ("ISE") since 21 June 1993. Within the frame of Resolution No: 21/655 dated 23 July 2010 of CMB; according to the records of Central Registry Agency, the %27,04 shares of Doğan Holding are to be considered in "circulation" as of 31 March 2011.

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

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

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

- Media
- Other

In the consolidated financial statements of 31 March 2011, "energy" segment is not reported as a separate segment because the share transfer is completed on 22 December 2010. In the consolidated financial statements for the period ended 31 March 2011, POAŞ was reclassified as "discontinued operations" (Note 25) in the consolidated income statements for the period ended 31 March 2010 in accordance with the comparative principle.

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

**CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS
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DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**SELECTED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 31 MARCH 2011**

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

NOTE 1 - ORGANIZATION AND NATURE OF OPERATIONS (Continued)

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

| Subsidiaries | Country | Nature of business | Segment |
|--|------------------------|--------------------------------------|---------|
| 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 Yayın Holding A.Ş. (“Doğan Yayın Holding or DYH”) | Turkey | Holding | Media |
| Doğan Ofset Yayıncılık ve Matbaacılık A.Ş. (“Doğan Ofset”) | Turkey | Printing services | Media |
| Milliyet Haber Ajansı A.Ş. (“Milha”) | 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”) (1) | Turkey | Distribution | Media |
| Doğan Dış Ticaret ve Mümessillik A.Ş. (“Doğan Dış Ticaret”) | Turkey | Import and export | Media |
| İşıl İthalat İhracat Mümessillik A.Ş. (“İşıl İthalat İhracat”) | Turkey | Import and export | Media |
| Tasfiye Halinde Refeks Dağıtım ve Kurye Hizmetleri A.Ş. (“Refeks”) | Turkey | Distribution and courier services | Media |
| Doğan Haber Ajansı A.Ş. (“Doğan Haber”) | Turkey | News Agency | Media |
| E Tüketici İnternet ve Danışmanlık Hizmetleri Elektronik Yayıncılık A.Ş. (“E Tüketici”) | Turkey | Internet services | Media |
| Milliyet İnternet Hizmetleri ve Ticaret A.Ş. (“Milliyet İnternet”) | Turkey | Internet services | Media |
| Yenibiriş İnsan Kaynakları Hizmetleri Danışmanlık ve Yayıncılık A.Ş. (“Yenibir”) | Turkey | Internet services | Media |
| Bağımsız Gazeteciler Yayıncılık A.Ş. (“Bağımsız Gazeteciler”) | Turkey | Newspaper publishing | Media |
| Kemer Yayıncılık ve Gazetecilik A.Ş. (“Kemer Yayıncılık”) | Turkey | Newspaper publishing | Media |
| Kemer Yayıncılık Pazarlama, Sanayi ve Ticaret A.Ş. (“Kemer Pazarlama”) | Turkey | Internet services | Media |
| TME Teknoloji Proje Geliştirme ve Yazılım A.Ş. (“TME Teknoloji”) | Turkey | Software services | Media |
| Hürriyet Zweigniederlassung GmbH (“Hürriyet Zweigniederlassung”) | Germany | Newspaper printing | Media |
| Milliyet Verlags und Handels GmbH (“Milliyet Verlags”) | Germany | Newspaper publishing | Media |
| Doğan Media International GmbH (“DMİ”) | Germany | Newspaper publishing | Media |
| Hürriyet Invest B.V. (“Hürriyet Invest”) | The Netherlands | Investment | Media |
| Fairworld International Limited (“Fairworld”) | England | Foreign Trade | Media |
| Falcon Purchasing Services Ltd. (“Falcon”) | England | Foreign Trade | Media |
| Marchant Resources Ltd. (“Marchant”) | British Virgin Islands | Foreign Trade | Media |
| Trader Media East Ltd. (“TME”) | Jersey | Investment | Media |
| Oglasnik d.o.o. | Croatia | Newspaper and internet publishing | Media |
| TCM Adria d.o.o. | Croatia | Investment | Media |
| Internet Posao d.o.o. | Croatia | Internet Publishing | Media |
| Expressz Magyarorszag Media Zrt | Hungary | Newspaper and internet publishing | Media |
| Mirabridge International B.V. | The Netherlands | Investment | Media |
| Pronto Invest B.V. | The Netherlands | Investment | Media |
| Moje Delo spletni marketing, d.o.o | Slovenia | Internet Publishing | Media |
| Bolji Posao d.o.o. Serbia | Serbia | Internet Publishing | Media |
| Bolji Posao d.o.o. Bosnia | Bosnia Herzegovania | Internet Publishing | Media |
| OOO RUKOM | Russia | Internet Publishing | Media |
| OOO Pronto Aktobe | Kazakhstan | Newspaper and internet publishing | Media |
| OOO Pronto Kurgan | Russia | Newspaper and internet publishing | Media |
| OOO Novoprint | Russia | Newspaper and internet publishing | Media |
| OOO Delta-M | Russia | Newspaper and internet publishing | Media |
| OOO Pronto Baikal | Russia | Newspaper and internet publishing | Media |
| OOO Pronto DV | Russia | Newspaper and internet publishing | Media |
| OOO Pronto Ivanovo | Russia | Newspaper and internet publishing | Media |
| OOO Pronto Kaliningrad | Russia | Newspaper and internet publishing | Media |
| OOO Pronto Kazan | Russia | Newspaper and internet publishing | Media |

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

NOTE 1 - ORGANIZATION AND NATURE OF OPERATIONS (Continued)

| Subsidiaries | Country | Nature of business | Segment |
|---|------------|-----------------------------------|---------|
| OOO Pronto Krasnodar | Russia | Newspaper and internet publishing | Media |
| OOO Pronto Krasnoyarsk | Russia | Newspaper and internet publishing | Media |
| OOO Pronto Nizhnij Novgorod | Russia | Newspaper and internet publishing | Media |
| OOO Pronto Novosibirsk | Russia | Newspaper and internet publishing | Media |
| OOO Pronto Oka | Russia | Newspaper and internet publishing | Media |
| OOO Pronto St. Petersburg | Russia | Newspaper and internet publishing | Media |
| OOO Pronto Samara | Russia | Newspaper and internet publishing | Media |
| OOO Pronto Stavropol | Russia | Newspaper and internet publishing | Media |
| OOO Pronto UlanUde | Russia | Newspaper and internet publishing | Media |
| OOO Pronto Vladivostok | Russia | Newspaper and internet publishing | Media |
| OOO Pronto Volgograd | Russia | Newspaper and internet publishing | Media |
| OOO Pronto Moscow | Russia | Newspaper and internet publishing | Media |
| OOO Pronto Neva | Russia | Newspaper and internet publishing | Media |
| OOO Tambukan | Russia | Newspaper and internet publishing | Media |
| OOO Utro Peterburga | Russia | Newspaper and internet publishing | Media |
| OOO Pronto Astrakhan | Russia | Newspaper and internet publishing | Media |
| OOO Pronto Kemerovo | Russia | Newspaper and internet publishing | Media |
| OOO Pronto Smolensk | Russia | Newspaper and internet publishing | Media |
| OOO Pronto Tula | Russia | Newspaper and internet publishing | Media |
| OOO Pronto Voronezh | Russia | Newspaper and internet publishing | Media |
| OOO Tambov-Info | Russia | Newspaper and internet publishing | Media |
| OOO Pronto Obninsk | Russia | Newspaper and internet publishing | Media |
| OOO 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 |
| OOO Pronto-Akmola | Kazakhstan | Newspaper and internet publishing | Media |
| OOO Pronto Atyrau | Kazakhstan | Newspaper and internet publishing | Media |
| OOO Pronto Aktau | Kazakhstan | Newspaper and internet publishing | Media |
| SP Pronto Kiev | Ukraine | Newspaper and internet publishing | Media |
| OOO Rosprint | Russia | Publishing services | Media |
| OOO Rosprint Samara | Russia | Publishing services | Media |
| OOO Partner-Soft | Russia | Internet Publishing | Media |
| Pronto Soft | Belarus | Internet Publishing | Media |
| TOV E-Prostir | Ukraine | Internet Publishing | Media |
| Impress Media Marketing LLC | Russia | Publishing | Media |
| OOO Pronto TV | Russia | TV broadcasting | 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 |
| Tipeez İnternet Hizmetleri A.Ş. | Turkey | Internet Publishing | Media |
| Nartek Bilişim Pazarlama Hizm. Tic. A.Ş. (“Nartek”) | Turkey | Internet Publishing | Media |
| Doğan TV Holding A.Ş. (“Doğan TV”) | Turkey | TV publishing | Media |
| DTV Haber ve Görsel Yayıncılık A.Ş. (“Kanal D”) | Turkey | TV publishing | Media |
| İşıl Televizyon ve Yayıncılık A.Ş. (“İşıl TV” or “Star TV”) | Turkey | TV publishing | Media |
| Mozaik İletişim Hizmetleri A.Ş. (“Mozaik” or “D-smart”) | Turkey | TV publishing | Media |
| Doruk Televizyon ve Radyo Yayıncılık A.Ş. (“Doruk Televizyon” or “CNN Türk”) | Turkey | TV publishing | Media |
| Doğan TV Digital Platform İşletmeciliği A.Ş. (“Doğan TV Dijital”) | Turkey | TV publishing | Media |
| Alp Görsel İletişim Hizmetleri A.Ş. (“Alp Görsel”) | Turkey | TV publishing | Media |
| Fun Televizyon Yapımcılık Sanayi ve Ticaret A.Ş. (“Fun TV”) | Turkey | TV publishing | Media |
| Tempo Televizyon Yayıncılık Yapımcılık Sanayi ve Ticaret A.Ş. (“Tempo TV”) | Turkey | TV publishing | Media |
| Kanalspor Televizyon ve Radyo Yayıncılık A.Ş. (“Kanal Spor”) | Turkey | TV publishing | Media |
| Milenyum Televizyon Yayıncılık ve Yapımcılık A.Ş. (“Milenyum TV”) | Turkey | TV publishing | Media |
| TV 2000 Televizyon Yayıncılık Yapımcılık Sanayi ve Ticaret A.Ş. (“TV 2000”) | Turkey | TV publishing | Media |

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NOTE 1 - ORGANIZATION AND NATURE OF OPERATIONS (Continued)

| Subsidiaries | Country | Nature of business | Segment |
|--|------------|-------------------------|---------|
| Moda Radyo ve Televizyon Yayıncılık Ticaret A.Ş. (“Moda Radyo”) | Turkey | Radio broadcasting | Media |
| Popüler Televizyon ve Radyo Yayıncılık A.Ş. (“Popüler TV”) | Turkey | TV publishing | Media |
| D Yapım Reklamcılık ve Dağıtım A.Ş. (“D Yapım Reklamcılık”) | Turkey | TV publishing | Media |
| Bravo Televizyon ve Radyo Yayıncılık A.Ş. (“Bravo TV”) | Turkey | TV publishing | Media |
| Doğa Televizyon ve Radyo Yayıncılık A.Ş. (“Doğa TV”) | Turkey | TV publishing | Media |
| Altın Kanal Televizyon ve Radyo Yayıncılık A.Ş. (“Altın Kanal”) | Turkey | TV publishing | Media |
| Stil Televizyon ve Radyo Yayıncılık A.Ş. (“Stil TV”) | Turkey | TV publishing | Media |
| Selenit Televizyon ve Radyo Yayıncılık A.Ş. (“Selenit TV”) | Turkey | TV publishing | Media |
| Elit Televizyon ve Radyo Yayıncılık A.Ş. (“Elit TV”) | Turkey | TV publishing | Media |
| Trend Televizyon ve Radyo Yayıncılık A.Ş. (“Trend TV” or “D Çocuk”) | Turkey | TV publishing | Media |
| Ekinoks Televizyon ve Radyo Yayıncılık A.Ş. (“Ekinoks TV”) | Turkey | TV publishing | Media |
| Dönence Televizyon ve Radyo Yayıncılık A.Ş. (“Dönence TV”) | Turkey | TV publishing | Media |
| Fleks Televizyon ve Radyo Yayıncılık A.Ş. (“Fleks TV”) | Turkey | TV publishing | Media |
| Meridyen Televizyon ve Radyo Yayıncılık A.Ş. (“Meridyen TV”) | Turkey | TV publishing | Media |
| Planet Televizyon ve Radyo Yayıncılık A.Ş. (“Planet TV”) | Turkey | TV publishing | Media |
| Deniz Televizyon ve Radyo Yayıncılık A.Ş. (“Deniz TV” or “HD TV”) | Turkey | TV publishing | Media |
| Doğan Prodüksiyon Hizmetleri A.Ş. (“Doğan Prodüksiyon”) | Turkey | TV publishing | Media |
| Kutup Televizyon ve Radyo Yayıncılık A.Ş. (“Kutup TV”) | Turkey | TV publishing | Media |
| Galaksi Radyo ve Televizyon Yayıncılık Sanayi ve Ticaret A.Ş. (“Galaksi TV”) | Turkey | TV publishing | Media |
| Opal İletişim Hizmetleri A.Ş. (“Opal İletişim”) | Turkey | TV publishing | Media |
| Koloni Televizyon ve Radyo Yayıncılık A.Ş. (“Koloni TV”) | Turkey | TV publishing | Media |
| Atılğan Televizyon ve Radyo Yayıncılık A.Ş. (“Atılğan TV”) | Turkey | TV publishing | Media |
| Atmosfer Televizyon ve Radyo Yayıncılık A.Ş. (“Atmosfer TV”) | Turkey | TV publishing | Media |
| Gümüş Televizyon ve Radyo Yayıncılık A.Ş. (“Gümüş TV”) | Turkey | TV publishing | Media |
| Platin Televizyon ve Radyo Yayıncılık A.Ş. (“Platin TV”) | Turkey | TV publishing | Media |
| Yörünge Televizyon ve Radyo Yayıncılık A.Ş. (“Yörünge TV”) | Turkey | TV publishing | Media |
| Safir Televizyon ve Radyo Yayıncılık A.Ş. (“Safir Televizyon”) | Turkey | TV publishing | Media |
| Tematik Televizyon ve Radyo Yayıncılık A.Ş. (“Tematik TV”) | Turkey | TV publishing | Media |
| Akustik Televizyon ve Radyo Yayıncılık A.Ş. (“Akustik TV”) | Turkey | TV publishing | Media |
| Ametist Televizyon ve Radyo Yayıncılık A.Ş. (“Ametist TV”) | Turkey | TV publishing | Media |
| Süper Kanal Televizyon Video Radyo Basın Yapım Yayın Tanıtım ve Haber Hizmetleri A.Ş. (“Süperkanal”) | Turkey | TV publishing | Media |
| Uydu İletişim Basın Yayın A.Ş. (“Uydu”) | Turkey | TV publishing | Media |
| Mobil Teknolojileri Araştırma Geliştirme A.Ş. (“Mobil”) | Turkey | Interactive services | Media |
| Matis Reklam ve Pazarlama A.Ş. (“Matis TV”) | Turkey | TV publishing | Media |
| Yonca Pazarlama ve Dağıtım A.Ş. (“Yonca TV”) | Turkey | TV publishing | Media |
| İnci Televizyon ve Radyo Yayıncılık A.Ş. (“İnci TV”) | Turkey | TV publishing | Media |
| Kuvars Televizyon ve Radyo Yayıncılık A.Ş. (“Kuvars TV”) | Turkey | TV publishing | Media |
| Lal Televizyon ve Radyo Yayıncılık A.Ş. (“Lal TV”) | Turkey | TV publishing | Media |
| Truva Televizyon ve Radyo Yayıncılık A.Ş. (“Truva TV”) | Turkey | TV publishing | Media |
| Kayra Televizyon ve Radyo Yayıncılık A.Ş. (“Kayra TV”) | Turkey | TV publishing | Media |
| Milas Televizyon ve Radyo Yayıncılık A.Ş. (“Milas TV”) | Turkey | TV publishing | Media |
| Anemon İletişim Hizmetleri A.Ş. (“Anemon”) | Turkey | TV publishing | Media |
| Yosun İletişim Hizmetleri A.Ş. (“Yosun”) | Turkey | TV publishing | Media |
| Denizati İletişim Hizmetleri A.Ş. (“Denizati”) | Turkey | TV publishing | Media |
| Protema Yapım Reklamcılık ve Dağıtım A.Ş. (“Protema Yapım”) | Turkey | TV publishing | Media |
| Doğan Teleshopping Pazarlama ve Ticaret A.Ş. (“Doğan Teleshopping” or “Her Eve Lazım”) | Turkey | TV publishing | Media |
| Radyo Kulübü Uluslararası Programlar A.Ş. (“D Radyo”) | Turkey | Radio broadcasting | Media |
| Rapsodi Radyo ve Televizyon Yayıncılık A.Ş. (“RapsodiRadyo”) | Turkey | Radio broadcasting | Media |
| Foreks Yayıncılık ve Reklamcılık A.Ş. (“CNN Türk Radyo”) | Turkey | Radio broadcasting | Media |
| Doğan Müzik Kitap Mağazıcılık ve Pazarlama A.Ş. (“DMC”) | Turkey | Music and entertainment | Media |
| İnteraktif Medya Hizmetleri Geliştirme Paz. ve Tic. 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 GmbH (“Kanal D Romanya”) | Romania | TV publishing | Media |

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NOTE 1 - ORGANIZATION AND NATURE OF OPERATIONS (Continued)

| Subsidiaries | Country | Nature of business | Segment |
|--|-----------------|---------------------------|----------------|
| Doğan Müzik Kitap Mağazacılık ve Pazarlama A.Ş. (“DMK”) | Turkey | Retail | Media |
| Hür Servis Sosyal Hizmetler ve Ticaret A.Ş. (“Hürservis”) | Turkey | Retail | Media |
| Aras Prodüksiyon ve Satış A.Ş. (“Aras Prodüksiyon”) | Turkey | Radio broadcasting | Media |
| Birpa Müşteri Hizmetleri ve Pazarlama A.Ş. (“Birpa”) | Turkey | Customer services | Other |
| Doğan İletişim Elektronik Servis Hizmetleri ve Yayıncılık A.Ş. (“Doğan İletişim”) | Turkey | Internet service provider | Other |
| Doğan Factoring Hizmetleri A.Ş. (“Doğan Factoring”) | Turkey | Factoring | Other |
| Doğan Platform Yatırımları A.Ş. (“Doğan Platform”) | Turkey | Investment | Other |
| Milpa Ticari ve Sınai Ürünler Pazarlama Sanayi ve Ticaret A.Ş. (“Milpa”) | Turkey | Trade | Other |
| Doğan Otomobilcilik Ticaret ve Sanayi A.Ş. (“Doğan Oto”) | Turkey | Trade | Other |
| Enteralle Handels GmbH (“Enteralle Handels”) | Germany | Trade | Other |
| Orta Anadolu Otomotiv Ticaret ve Sanayi A.Ş. (“Orta Anadolu Otomotiv”) | Turkey | Trade | Other |
| Doğan Havacılık Sanayi ve Ticaret A.Ş. (“Doğan Havacılık”) | Turkey | Aviation | Other |
| Çelik Halat ve Tel Sanayi A.Ş. (“Çelik Halat”) | Turkey | Production | Other |
| Ditaş Doğan Yedek Parça İmalat ve Teknik A.Ş. (“Ditaş Doğan”) | Turkey | Production | Other |
| Milta Turizm İşletmeleri A.Ş. (“Milta Turizm”) | Turkey | Tourism | Other |
| Doğan Organik Ürünler Sanayi ve Ticaret A.Ş. (“Doğan Organik”) | Turkey | Agriculture | Other |
| Zigana Elektrik Dağıtım Sanayi ve Ticaret A.Ş. (“Zigana”) | Turkey | Energy | Other |
| Çelik Enerji Üretim A.Ş. (“Çelik Enerji”) | Turkey | Energy | Other |
| Doğan Enerji Yatırımları Sanayi ve Ticaret A.Ş. (“Doğan Enerji”) | Turkey | Energy | Other |
| SC D-Yapı Real Estate, Investment and Construction S.A. (“D Yapı Romanya”) | Romania | Real Estate | Other |
| TOV D-Yapı Real Estate Investment and Construction (“TOV D-Yapı”) | Ukraine | Real Estate | Other |
| D Stroy Limited Şirketi (“D Stroy”) | Russia | Real Estate | Other |
| SC Doğan Hospitals Investments and Management SRL (“SC Doğan Hospitals”) | Romania | Real Estate | Other |
| DHI Investment B.V. (“DHI Investment”) | The Netherlands | Investment | Other |

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

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

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NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.1 *Basis of presentation*

2.1.1 Financial Reporting Standards

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

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

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

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

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

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

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

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

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

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

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

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

2.1.3 US dollar convenience translation

US dollar (“USD”) amounts shown in the condensed consolidated financial statements have been included solely for the convenience of the reader and are translated from Turkish lira (“TRY”), as a matter of arithmetic computation only, at the Central Bank of the Republic of Turkey official TRY exchange rate of TRY 1,5483 = USD 1,00 on 31 March 2011. Thus, USD amounts do not form a part of the condensed consolidated financial statements prepared in accordance with generally accepted accounting standards issued by the CMB. Such translations should not be construed as a representation that the TRY amounts have been or could be converted into USD at this or any other rate.

2.1.4 Consolidation principles

These consolidated financial statements in accordance with the principals stated below from (a) to (e) include the accounts of the parent company, Doğan Holding, its Subsidiaries and its Joint Ventures. (Altogether is referred as “Group”). During the preparation of financial statements of the companies included in the consolidation, the necessary adjustments and classifications to the bookings made according to the historical cost principal are made in accordance with the financial statement preparation principals stated in Note 2.1.1 and the accounting policies and presentation model implied by the Group.

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

- (a) These consolidated financial statements include the accounts of the parent company, Doğan Holding, its subsidiaries and its joint ventures (Altogether is referred as “Group”). The financial statements of the companies included in the consolidation are based on the accounting principles and presentation basis applied by the Group in accordance with CMB Financial Reporting Standards. The result of operations of subsidiaries and joint ventures are included or excluded in these consolidated financial statements subsequent to the date of acquisition or date of sale respectively. Where necessary, accounting policies for subsidiaries and joint ventures have been changed to ensure consistency with the policies adopted by the Group.
- (b) Subsidiaries are companies in which Doğan Holding has the power to control the financial and operating policies for the benefit of Doğan Holding either (1) through the power to exercise more than 50% of voting rights related to shares in the companies as a result of shares owned directly and indirectly by itself and/or by certain Doğan family members and companies whereby Doğan Holding exercises control over the voting rights of (but does not have the economic benefit of) the shares held by them; or (2) although not having the power to exercise more than 50% of the voting rights, through the exercise of actual dominant influence over the financial and operating policies. Proportion of ownership interest represents the effective shareholding of the Group through the shares held directly by Doğan Holding and indirectly by its Subsidiaries.

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

2.1.4 Consolidation principles (Continued)

The table below sets out all Subsidiaries included in the scope of consolidation and shows voting power and effective ownership proportions held by Doğan Holding and its Subsidiaries and Doğan Family at 31 March 2011 and 31 December 2010 is as follows:

| Subsidiaries | Proportion of voting power held by Doğan Holding and its subsidiaries (%) | | Proportion of voting power held by Doğan family members (%) | | Total Proportion of voting power held (%) | | Proportion of effective ownership interest (%) | |
|------------------------------------|---|------------------|---|------------------|---|------------------|--|------------------|
| | 31 March 2011 | 31 December 2010 | 31 March 2011 | 31 December 2010 | 31 March 2011 | 31 December 2010 | 31 March 2011 | 31 December 2010 |
| Hürriyet | 77,65 | 77,65 | - | - | 77,65 | 77,65 | 60,70 | 60,70 |
| Doğan Gazetecilik (1) | 70,76 | 70,76 | 0,52 | 0,52 | 71,28 | 71,28 | 52,74 | 52,74 |
| Bağımsız Gazeteciler | 100,00 | 100,00 | - | - | 100,00 | 100,00 | 52,74 | 52,74 |
| Kemer Yayıncılık | 99,98 | 99,98 | - | - | 99,98 | 99,98 | 52,73 | 52,73 |
| Milliyet Verlags (2) | 99,88 | 99,88 | 0,12 | 0,12 | 100,00 | 100,00 | 73,66 | 73,66 |
| DMI | 100,00 | 100,00 | - | - | 100,00 | 100,00 | 68,66 | 68,66 |
| Hürriyet Medya Basım | 100,00 | 100,00 | - | - | 100,00 | 100,00 | 60,69 | 60,69 |
| Doğan Ofset | 99,93 | 99,93 | - | - | 99,93 | 99,93 | 60,65 | 60,65 |
| Mozaik | 100,00 | 100,00 | - | - | 100,00 | 100,00 | 59,59 | 59,41 |
| Milha | 100,00 | 100,00 | - | - | 100,00 | 100,00 | 59,03 | 59,03 |
| Doğan Haber | 99,85 | 99,85 | - | - | 99,85 | 99,85 | 66,92 | 66,92 |
| Doğan Dağıtım | 100,00 | 100,00 | - | - | 100,00 | 100,00 | 74,41 | 74,41 |
| Doğan Dış Ticaret | 100,00 | 100,00 | - | - | 100,00 | 100,00 | 74,29 | 74,29 |
| Işıl İthalat İhracat | 96,70 | 96,70 | - | - | 96,70 | 96,70 | 71,84 | 71,84 |
| Refeks | 100,00 | 100,00 | - | - | 100,00 | 100,00 | 60,69 | 60,69 |
| E Tüketici | 99,80 | 99,80 | 0,10 | 0,10 | 99,90 | 99,90 | 60,56 | 60,56 |
| Milliyet İnternet | 100,00 | 100,00 | - | - | 100,00 | 100,00 | 53,00 | 53,00 |
| Yenibir | 100,00 | 100,00 | - | - | 100,00 | 100,00 | 60,70 | 60,70 |
| Kemer Pazarlama | 99,96 | 99,96 | - | - | 99,96 | 99,96 | 52,72 | 52,72 |
| TME Teknoloji | 100,00 | 100,00 | - | - | 100,00 | 100,00 | 60,69 | 60,69 |
| Hürriyet Zweigniederlassung | 100,00 | 100,00 | - | - | 100,00 | 100,00 | 60,70 | 60,70 |
| Hürriyet Invest | 100,00 | 100,00 | - | - | 100,00 | 100,00 | 60,70 | 60,70 |
| TME (3) | 71,14 | 67,30 | - | - | 71,14 | 67,30 | 43,18 | 43,18 |
| Mirabridge International B.V. | 100,00 | 100,00 | - | - | 100,00 | 100,00 | 43,18 | 43,18 |
| Pronto Invest B.V. | 100,00 | 100,00 | - | - | 100,00 | 100,00 | 43,18 | 43,18 |
| TCM Adria d.o.o. | 100,00 | 100,00 | - | - | 100,00 | 100,00 | 43,18 | 43,18 |
| OOO Rektcentr | 100,00 | 100,00 | - | - | 100,00 | 100,00 | 43,18 | 43,18 |
| Pennsylvania Publishing House Inc. | 100,00 | 100,00 | - | - | 100,00 | 100,00 | 43,18 | 43,18 |
| Doğan Platform | 100,00 | 100,00 | - | - | 100,00 | 100,00 | 74,53 | 74,53 |
| Doğan Yayın Holding | 74,53 | 74,53 | 2,48 | 2,48 | 77,01 | 77,01 | 74,53 | 74,53 |
| Fairworld | 100,00 | 100,00 | - | - | 100,00 | 100,00 | 74,29 | 74,29 |
| Falcon | 100,00 | 100,00 | - | - | 100,00 | 100,00 | 74,29 | 74,29 |
| Marchant | 100,00 | 100,00 | - | - | 100,00 | 100,00 | 71,84 | 71,84 |
| Oglasnik d.o.o. (3) | 100,00 | 100,00 | - | - | 100,00 | 100,00 | 43,18 | 43,18 |

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DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**SELECTED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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(Amounts expressed in thousands of Turkish lira ("TRY") unless otherwise indicated. Currencies other than TRY are expressed in thousands unless otherwise indicated.)

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

2.1.4 Consolidation principles (Continued)

| Subsidiaries | Proportion of voting power held by Doğan Holding and its subsidiaries (%) | | Proportion of voting power held by Doğan family members (%) | | Total Proportion of voting power held (%) | | Proportion of effective ownership interest (%) | |
|--|---|------------------|---|------------------|---|------------------|--|------------------|
| | 31 March 2011 | 31 December 2010 | 31 March 2011 | 31 December 2010 | 31 March 2011 | 31 December 2010 | 31 March 2011 | 31 December 2010 |
| Expressz Magyarország | | | | | | | | |
| Media Zrt | 100,00 | 100,00 | - | - | 100,00 | 100,00 | 43,18 | 43,18 |
| OOO Belpronto | 60,00 | 60,00 | - | - | 60,00 | 60,00 | 25,91 | 25,91 |
| OOO Pronto Rostov | 100,00 | 100,00 | - | - | 100,00 | 100,00 | 43,18 | 43,18 |
| OOO Pronto Aktobe | 80,00 | 80,00 | - | - | 80,00 | 80,00 | 27,64 | 27,64 |
| OOO Pronto Kurgan (4) | - | 85,00 | - | - | - | 85,00 | - | 36,71 |
| OOO Novoprint | 100,00 | 100,00 | - | - | 100,00 | 100,00 | 43,18 | 43,18 |
| OOO Delta-M | 55,00 | 55,00 | - | - | 55,00 | 55,00 | 23,75 | 23,75 |
| OOO Pronto Baikal | 100,00 | 100,00 | - | - | 100,00 | 100,00 | 43,18 | 43,18 |
| OOO Pronto DV | 100,00 | 100,00 | - | - | 100,00 | 100,00 | 43,18 | 43,18 |
| OOO Pronto Ivanovo | 100,00 | 100,00 | - | - | 100,00 | 100,00 | 43,18 | 43,18 |
| OOO Pronto Kaliningrad | 95,00 | 95,00 | - | - | 95,00 | 95,00 | 41,02 | 41,02 |
| OOO Pronto Kazan | 72,00 | 72,00 | - | - | 72,00 | 72,00 | 31,09 | 31,09 |
| OOO Pronto Krasnodar | 80,00 | 80,00 | - | - | 80,00 | 80,00 | 34,54 | 34,54 |
| OOO Pronto Krasnoyarsk | 100,00 | 100,00 | - | - | 100,00 | 100,00 | 43,18 | 43,18 |
| OOO Pronto Nizhnij Novgorod | 90,00 | 90,00 | - | - | 90,00 | 90,00 | 38,87 | 38,87 |
| OOO Pronto Novosibirsk | 100,00 | 100,00 | - | - | 100,00 | 100,00 | 43,18 | 43,18 |
| OOO Pronto Oka (5) | 100,00 | 100,00 | - | - | 100,00 | 100,00 | 43,18 | 43,18 |
| OOO Pronto Petersburg | 51,00 | 51,00 | - | - | 51,00 | 51,00 | 22,02 | 22,02 |
| OOO Pronto Samara | 89,90 | 89,90 | - | - | 89,90 | 89,90 | 38,82 | 38,82 |
| OOO Pronto Stavropol | 100,00 | 100,00 | - | - | 100,00 | 100,00 | 43,18 | 43,18 |
| OOO Pronto UlanUde | 90,00 | 90,00 | - | - | 90,00 | 90,00 | 38,87 | 38,87 |
| OOO Pronto Vladivostok | 90,00 | 90,00 | - | - | 90,00 | 90,00 | 38,87 | 38,87 |
| OOO Pronto Volgograd | 100,00 | 100,00 | - | - | 100,00 | 100,00 | 43,18 | 43,18 |
| OOO Pronto-Moscow | 100,00 | 100,00 | - | - | 100,00 | 100,00 | 43,18 | 43,18 |
| OOO Pronto Neva | 100,00 | 100,00 | - | - | 100,00 | 100,00 | 43,18 | 43,18 |
| OOO Tambukan | 85,00 | 85,00 | - | - | 85,00 | 85,00 | 36,71 | 36,71 |
| OOO Utro Peterburga (5) | 55,00 | 55,00 | - | - | 55,00 | 55,00 | 23,75 | 23,75 |
| OOO Pronto Astrakhan | 100,00 | 100,00 | - | - | 100,00 | 100,00 | 43,18 | 43,18 |
| OOO Pronto Kemerovo | 100,00 | 100,00 | - | - | 100,00 | 100,00 | 43,18 | 43,18 |
| OOO Pronto Smolensk | 100,00 | 100,00 | - | - | 100,00 | 100,00 | 43,18 | 43,18 |
| OOO Pronto Tula | 100,00 | 100,00 | - | - | 100,00 | 100,00 | 43,18 | 43,18 |
| OOO Pronto Voronezh | 100,00 | 100,00 | - | - | 100,00 | 100,00 | 43,18 | 43,18 |
| OOO Tambov-Info | 100,00 | 100,00 | - | - | 100,00 | 100,00 | 43,18 | 43,18 |
| OOO Pronto Obninsk | 100,00 | 100,00 | - | - | 100,00 | 100,00 | 43,18 | 43,18 |
| OOO Pronto-Akmola | 100,00 | 100,00 | - | - | 100,00 | 100,00 | 43,18 | 43,18 |
| OOO Pronto Atyrau | 100,00 | 100,00 | - | - | 100,00 | 100,00 | 34,54 | 34,54 |
| OOO Pronto Aktau | 100,00 | 100,00 | - | - | 100,00 | 100,00 | 34,54 | 34,54 |
| ZAO Pronto Akzhol | 80,00 | 80,00 | - | - | 80,00 | 80,00 | 34,54 | 34,54 |
| SP Pronto Kiev | 50,00 | 50,00 | - | - | 50,00 | 50,00 | 21,59 | 21,59 |
| Intemet Posao d.o.o. | 100,00 | 100,00 | - | - | 100,00 | 100,00 | 30,23 | 30,23 |
| Moje Delo spletni Marketing d.o.o. (3) | 100,00 | 100,00 | - | - | 100,00 | 100,00 | 43,18 | 43,18 |
| Bolji Posao d.o.o. Serbia | 100,00 | 100,00 | - | - | 100,00 | 100,00 | 23,75 | 23,75 |
| Bolji Posao d.o.o. Bosnia | 100,00 | 100,00 | - | - | 100,00 | 100,00 | 23,75 | 23,75 |
| OOO RUKOM | 100,00 | 100,00 | - | - | 100,00 | 100,00 | 43,18 | 43,18 |

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

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

2.1.4 Consolidation principles (Continued)

| Subsidiaries | Proportion of voting power held by Doğan Holding and its subsidiaries (%) | | Proportion of voting power held by Doğan family members (%) | | Total Proportion of voting power held (%) | | Proportion of effective ownership interest (%) | |
|------------------------|---|---------------------|---|---------------------|---|---------------------|--|---------------------|
| | 31 March 2011 | 31 December 2010 | 31 March 2011 | 31 December 2010 | 31 March 2011 | 31 December 2010 | 31 March 2011 | 31 December 2010 |
| OOO Partner-Soft | 100,00 | 100,00 | - | - | 100,00 | 100,00 | 43,18 | 43,18 |
| Pronto soft | 90,00 | 90,00 | - | - | 90,00 | 90,00 | 38,87 | 38,87 |
| TOV E-Prostir | 50,00 | 50,00 | - | - | 50,00 | 50,00 | 21,59 | 21,59 |
| Prime Turk | 100,00 | 100,00 | - | - | 100,00 | 100,00 | 59,41 | 59,41 |
| Osmose Media | 100,00 | 100,00 | - | - | 100,00 | 100,00 | 59,41 | 59,41 |
| OOO Rosprint | 100,00 | 100,00 | - | - | 100,00 | 100,00 | 43,18 | 43,18 |
| OOO Rosprint Samara | 100,00 | 100,00 | - | - | 100,00 | 100,00 | 43,18 | 43,18 |
| Impress Media | | | | | | | | |
| Marketing LLC (3) | 100,00 | 100,00 | - | - | 100,00 | 100,00 | 43,18 | 43,18 |
| OOO Pronto TV | 100,00 | 100,00 | - | - | 100,00 | 100,00 | 43,18 | 43,18 |
| Pronto Ust Kamenogorsk | 90,00 | 90,00 | - | - | 90,00 | 90,00 | 34,54 | 34,54 |
| Doğan TV | 79,71 | 79,71 | - | - | 79,71 | 79,71 | 59,41 | 59,41 |
| Kanal D | 94,81 | 94,81 | - | - | 94,81 | 94,81 | 56,33 | 56,33 |
| Işıl TV | 100,00 | 100,00 | - | - | 100,00 | 100,00 | 59,41 | 59,41 |
| Alp Görsel | 100,00 | 100,00 | - | - | 100,00 | 100,00 | 59,41 | 59,41 |
| Fun TV | 97,12 | 97,12 | - | - | 97,12 | 97,12 | 57,70 | 57,70 |
| Tempo TV | 96,83 | 96,83 | - | - | 96,83 | 96,83 | 57,64 | 57,48 |
| Kanalspor | 99,75 | 99,75 | 0,12 | 0,12 | 99,88 | 99,88 | 59,39 | 59,21 |
| Milenyum TV | 99,96 | 99,96 | - | - | 99,96 | 99,96 | 59,39 | 59,39 |
| TV 2000 | 99,07 | 99,07 | 0,46 | 0,46 | 99,53 | 99,53 | 58,98 | 58,81 |
| Moda Radyo | 99,82 | 99,74 | 0,09 | 0,09 | 99,91 | 99,83 | 59,31 | 59,25 |
| Popüler TV | 96,00 | 96,00 | 1,33 | 1,33 | 97,33 | 97,33 | 57,15 | 56,98 |
| D Yapım Reklamcılık | 100,00 | 100,00 | - | - | 100,00 | 100,00 | 59,41 | 59,41 |
| Bravo TV | 99,73 | 99,73 | - | - | 99,73 | 99,73 | 59,38 | 59,20 |
| Doğa TV | 98,12 | 98,12 | 0,63 | 0,63 | 98,75 | 98,75 | 58,42 | 58,25 |
| Altın Kanal | 99,35 | 99,35 | 0,22 | 0,22 | 99,57 | 99,57 | 59,15 | 58,97 |
| Stil TV | 99,39 | 99,39 | 0,31 | 0,31 | 99,70 | 99,70 | 59,17 | 58,99 |
| Selenit TV | 99,81 | 99,81 | 0,06 | 0,06 | 99,87 | 99,87 | 59,42 | 59,24 |
| Elit TV | 99,05 | 99,05 | 0,32 | 0,32 | 99,37 | 99,37 | 58,97 | 58,79 |
| D Çocuk | 99,41 | 99,41 | 0,30 | 0,30 | 99,71 | 99,71 | 59,18 | 59,01 |
| Ekinoks TV | 99,87 | 99,80 | 0,07 | 0,07 | 99,94 | 99,87 | 59,46 | 59,24 |
| Dönence TV | 97,87 | 97,87 | 1,07 | 1,07 | 98,94 | 98,94 | 58,26 | 58,09 |
| Fleks TV | 98,79 | 98,79 | 0,60 | 0,60 | 99,39 | 99,39 | 58,81 | 58,64 |
| Meridyen TV | 99,98 | 99,98 | 0,01 | 0,01 | 99,99 | 99,99 | 59,54 | 59,36 |
| Planet TV | 99,65 | 99,65 | 0,17 | 0,17 | 99,82 | 99,82 | 59,32 | 59,15 |
| HD TV | 99,81 | 99,81 | 0,10 | 0,10 | 99,91 | 99,91 | 59,42 | 59,24 |
| Ekin Radyo | 100,00 | 100,00 | - | - | 100,00 | 100,00 | 59,40 | 59,40 |
| Doğan Prodüksiyon | 100,00 | 100,00 | - | - | 100,00 | 100,00 | 59,41 | 59,41 |
| Doğan TV Dijital | 99,80 | 99,80 | 0,10 | 0,10 | 99,90 | 99,90 | 59,42 | 59,24 |
| Kutup TV | 99,79 | 99,79 | 0,11 | 0,11 | 99,90 | 99,90 | 59,41 | 59,23 |
| Galaksi TV | 99,20 | 99,20 | - | - | 99,20 | 99,20 | 59,06 | 58,88 |
| Opal İletişim | 99,93 | 99,92 | - | - | 99,93 | 99,92 | 59,37 | 59,36 |
| Koloni TV | 90,00 | 90,00 | 3,34 | 3,34 | 93,34 | 93,34 | 53,47 | 53,47 |
| Atılğan TV | 90,00 | 90,00 | 3,33 | 6,67 | 93,33 | 96,67 | 53,47 | 53,47 |
| Atmosfer TV | 86,67 | 86,67 | 3,33 | 3,33 | 90,00 | 90,00 | 51,60 | 51,44 |
| Gümüş TV | 92,86 | 92,86 | 1,79 | 1,79 | 94,65 | 94,65 | 55,28 | 55,12 |
| Platin TV | 91,30 | 91,30 | 2,17 | 2,17 | 93,47 | 93,47 | 54,36 | 54,19 |
| Yörünge TV | 98,39 | 98,39 | 0,40 | 0,40 | 98,79 | 98,79 | 58,58 | 58,40 |
| Doruk Televizyon | 99,91 | 99,91 | 0,03 | 0,03 | 99,94 | 99,94 | 59,35 | 59,35 |

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

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

2.1.4 Consolidation principles (Continued)

| Subsidiaries | Proportion of voting power held by Doğan Holding and its subsidiaries (%) | | Proportion of voting power held by Doğan family members (%) | | Total Proportion of voting power held (%) | | Proportion of effective ownership interest (%) | |
|-----------------------|---|------------------|---|------------------|---|------------------|--|------------------|
| | 31 March 2011 | 31 December 2010 | 31 March 2011 | 31 December 2010 | 31 March 2011 | 31 December 2010 | 31 March 2011 | 31 December 2010 |
| Safir Televizyon | 90,00 | 90,00 | 3,33 | 3,33 | 93,33 | 93,33 | 53,58 | 53,42 |
| Tematik TV | 90,00 | 90,00 | 3,33 | 3,33 | 93,33 | 93,33 | 53,47 | 53,47 |
| Akustik TV | 99,96 | 99,96 | 0,01 | 0,01 | 99,97 | 99,97 | 59,54 | 59,36 |
| Ametist TV | 99,96 | 99,96 | 0,01 | 0,01 | 99,97 | 99,97 | 59,57 | 59,39 |
| Süper Kanal | 99,65 | 99,65 | 0,12 | 0,12 | 99,77 | 99,77 | 59,33 | 59,15 |
| Uydu | 58,67 | 58,67 | 32,00 | 32,00 | 90,67 | 90,67 | 34,92 | 34,83 |
| Mobil (6) | 99,99 | 99,99 | - | - | 99,99 | 99,99 | 59,41 | 59,41 |
| Matis TV | 100,00 | 100,00 | - | - | 100,00 | 100,00 | 59,59 | 59,41 |
| Yonca TV | 100,00 | 100,00 | - | - | 100,00 | 100,00 | 59,41 | 59,41 |
| İnci TV | 86,67 | 86,67 | 3,33 | 3,33 | 90,00 | 90,00 | 51,60 | 51,44 |
| Kuvars TV | 86,67 | 86,67 | 3,33 | 3,33 | 90,00 | 90,00 | 51,60 | 51,44 |
| Lal TV | 86,67 | 86,67 | 3,33 | 3,33 | 90,00 | 90,00 | 51,60 | 51,44 |
| Truva TV | 86,67 | 86,67 | 3,33 | 3,33 | 90,00 | 90,00 | 51,60 | 51,44 |
| Kayra TV | 86,67 | 86,67 | 3,33 | 3,33 | 90,00 | 90,00 | 51,60 | 51,44 |
| Milas TV | 86,67 | 86,67 | 3,33 | 3,33 | 90,00 | 90,00 | 51,60 | 51,44 |
| Kanal D Romanya | 79,92 | 74,90 | - | - | 79,92 | 74,90 | 51,43 | 51,43 |
| Anemon | 99,99 | 99,99 | - | - | 99,99 | 99,99 | 59,40 | 59,40 |
| Yosun | 99,99 | 99,99 | - | - | 99,99 | 99,99 | 59,40 | 59,40 |
| Denizati | 99,99 | 99,99 | - | - | 99,99 | 99,99 | 59,40 | 59,40 |
| Protema Yapım | 99,99 | 99,99 | 0,01 | 0,01 | 100,00 | 100,00 | 59,41 | 59,41 |
| Doğan Teleshopping | 99,99 | 99,99 | - | - | 99,99 | 99,99 | 59,38 | 59,38 |
| ZAO NPK | 100,00 | 100,00 | - | - | 100,00 | 100,00 | 43,18 | 43,18 |
| D Radyo | 99,39 | 98,79 | - | - | 99,39 | 98,79 | 59,05 | 58,69 |
| Rapsodi Radyo | 99,07 | 98,14 | - | - | 99,07 | 98,14 | 58,86 | 58,31 |
| CNN Türk Radyo | 95,91 | 95,76 | - | - | 95,91 | 95,76 | 56,98 | 56,89 |
| DMC | 99,96 | 99,96 | 0,01 | 0,01 | 99,97 | 99,97 | 64,22 | 64,22 |
| İnteraktif Medya | 100,00 | 100,00 | - | - | 100,00 | 100,00 | 59,41 | 59,41 |
| DMK | 100,00 | 100,00 | - | - | 100,00 | 100,00 | 74,53 | 74,53 |
| Hürservis | 100,00 | 100,00 | - | - | 100,00 | 100,00 | 72,95 | 72,95 |
| Birpa (7) | - | 99,98 | - | 0,01 | - | 99,99 | - | 74,52 |
| Doğan İletişim | 100,00 | 100,00 | - | - | 100,00 | 100,00 | 74,53 | 74,53 |
| Doğan Factoring | 100,00 | 100,00 | - | - | 100,00 | 100,00 | 74,08 | 74,08 |
| Aras Prodüksiyon (8) | 99,99 | 49,99 | - | - | 99,99 | 49,99 | 59,41 | 29,70 |
| Nartek (9) | 60,00 | 60,00 | - | - | 60,00 | 60,00 | 36,42 | 36,42 |
| Milpa | 86,27 | 86,27 | 0,22 | 0,22 | 86,49 | 86,49 | 86,27 | 86,27 |
| Doğan Oto | 99,76 | 99,76 | 0,24 | 0,24 | 100,00 | 100,00 | 99,76 | 99,76 |
| Enteralle Handels | 100,00 | 100,00 | - | - | 100,00 | 100,00 | 86,27 | 86,27 |
| Orta Anadolu Otomotiv | 85,00 | 85,00 | - | - | 85,00 | 85,00 | 84,80 | 84,80 |
| Doğan Havacılık | 100,00 | 100,00 | - | - | 100,00 | 100,00 | 91,34 | 91,34 |
| Çelik Halat | 78,69 | 78,69 | - | - | 78,69 | 78,69 | 78,69 | 78,69 |
| Ditaş Doğan | 73,59 | 73,59 | - | - | 73,59 | 73,59 | 73,59 | 73,59 |
| Milta Turizm | 98,68 | 98,68 | 1,32 | 1,32 | 100,00 | 100,00 | 98,68 | 98,68 |
| Doğan Organik | 100,00 | 100,00 | - | - | 100,00 | 100,00 | 98,57 | 98,57 |
| Zigana | 84,91 | 84,91 | - | - | 84,91 | 84,91 | 84,91 | 84,91 |
| Çelik Enerji | 100,00 | 100,00 | - | - | 100,00 | 100,00 | 99,88 | 99,88 |
| Doğan Enerji | 100,00 | 100,00 | - | - | 100,00 | 100,00 | 100,00 | 100,00 |
| D-Yapı Romanya | 100,00 | 100,00 | - | - | 100,00 | 100,00 | 100,00 | 100,00 |
| D Stroy | 100,00 | 100,00 | - | - | 100,00 | 100,00 | 100,00 | 100,00 |
| SC Doğan Hospitals | 100,00 | 100,00 | - | - | 100,00 | 100,00 | 100,00 | 100,00 |

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

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

2.1.4 Consolidation principles (Continued)

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

- (1) According to the statutory records of Doğan Gazetecilik, proportion of effective ownership interest of Doğan Yayın is 52,74%. Nevertheless, in consequence of the option explained in Note 8, the operational results of Doğan Gazetecilik and its subsidiaries are included into the consolidation by the Group with the rate of 69,13% by considering the additional share proportion in accordance with IAS 32 "Financial Instruments: Presentation".
- (2) The company is in the liquidation process as of 27 December 2010.
- (3) Related rates include put-options regarding non-controlling shares explained in Note 15.
- (4) The shares of related subsidiary were sold in 2011.
- (5) The related subsidiaries have ceased its operations before the year 2010.
- (6) The operations have been terminated as of 28 July 2010.
- (7) As of March 2011, Birpa was merged with Mozaik in accordance with the relevant legislation.
- (8) 50% shares of Turner Doğan Prodüksiyon ve Satış A.Ş., which was accounted as joint venture as of 31 December 2009, was purchased by Doğan TV Holding A.Ş. for TRY 25. Regarding to the purchase, Turner Doğan Prodüksiyon ve Satış A.Ş. has been accounted as subsidiary. As of March 2011, the business name of the company is changed as Aras Prodüksiyon.
- (9) The Group has acquired the shares of Nartek Bilişim Pazarlama Hizmetleri A.Ş. ("Nartek") in August 2010, and Nartek has been consolidated to the accompanying consolidated financial statements as a subsidiary as of 31 December 2010.

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

- (c) Joint Ventures are companies in respect of which there are contractual arrangements through which an economic activity is undertaken subject to joint control by Doğan Holding and one or more other parties. Doğan Holding exercises such joint control through the power to exercise voting rights relating to shares in the companies as a result of shares owned directly and indirectly by itself or by certain Doğan family members and companies whereby Doğan Holding exercises control over the voting rights of (but does not have the economic benefit of) the shares held by them. The Group's interest in Joint Ventures is accounted for by the way of proportionate consolidation. Through this method, the Group includes its share of assets, liabilities, shareholders' equity, income and expenditure of each Joint Venture in the relevant components of the financial statements.
- (d) Available-for-sale equity investments in which the Group, together with Doğan family members, has an interest below 20%, or above 20% over which the Group does not exercise a significant influence, or which are immaterial and that do not have quoted market price in active markets and whose fair values cannot be measured reliably, are carried at cost less any provision for diminution in value (Note 7).

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

2.1.4 Consolidation principles (Continued)

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

- (e) The non-controlling shareholders' share in the net assets and results for the period for Subsidiaries are separately classified in the consolidated balance sheets and statements of income as "non-controlling interest".

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

The results of subsidiaries acquired or disposed of during the year have been included in the consolidated statement of comprehensive income after the date of purchase or until the date of disposal.

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

The consolidated financial statements of the Group are prepared comparatively to enable the determination of the trends of the financial position and performance. The Group presented the balance sheet at 31 March 2011 comparatively with the balance sheet at 31 December 2010, the consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of cash flow and consolidated statement of changes in shareholders' equity for the three month period 31 March 2011 comparatively with the related financial statements for the interim period 1 January – 31 March 2010.

TRY 186.756 portion of "changes in other non-current assets and long-term liabilities" out of TRY 209.277, which was presented under investing activities in the statement of cash flows for the period ended 31 March 2010, is reclassified under operating activities after reassessment of the management in the current period. In addition, "change in long-term trade payables" and "letter of credits paid in trade payables" accounts presented under financing activities amounting to TRY 108.235 and TRY 84.050, respectively are reclassified under operating activities after reassessment of the management in the current period. As a result of these reclassifications, total net cash flows provided from operating activities of the Group decreased from TRY 355.202 to TRY 192.631 and net cash flows used in investing activities decreased from TRY 256.674 to TRY 69.918, while net cash flows used in financing activities increased from TRY 108.433 to TRY 132.618.

2.1.6 Significant accounting estimates

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

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

2.1.7 Offsetting

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

2.2 *Summary of significant accounting policies*

Accounting policies for Subsidiaries and Joint Ventures have been changed to ensure consistency with the policies adopted by the Group, where necessary. Significant accounting policies of the Group applied for the condensed consolidated financial statements for the interim period ended as of 31 March 2011 are same with the policies declared in consolidated financial statements as of 31 December 2010, these policies are applied consistently.

2.3 *New and revised International Financial Reporting Standards:*

The following new and revised Standards and Interpretations have been adopted by the Group and have affected the amounts reported and disclosures in these financial statements. Details of other standards and interpretations adopted in these financial statements but that have had no material impact on the financial statements are set out in this section.

(a) Standards and Interpretations affecting the presentation of financial statements and explanations of disclosures:

IAS 1 *Presentation of Financial Statements* (as part of Improvements to IFRSs issued in 2010)

The amendments to IAS 1 clarify that an entity may choose to present the required analysis of items of other comprehensive income either in the statement of changes in equity or in the notes to the financial statements. The amendments have been applied retrospectively.

b) The standards, interpretations and changes to existing standards which are valid from 2011 and do not affect financial statements of the Group:

IAS 24 (2009) 'Related Party Disclosures'

In November 2009, IAS 24 "Related Party Disclosures" was revised. The revision to the standard provides government-related entities with a partial exemption from the disclosure requirements of IAS 24. The revised standard is mandatory for annual periods beginning on or after 1 January 2011. The Group has not yet considered the potential impact of the adoption of this revised standard.

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

2.3 New and revised International Financial Reporting Standards(Continued):

b) The standards, interpretations and changes to existing standards which are valid from 2011 and do not affect financial statements of the Group (continued):

IAS 32 (Amendments) Financial Instruments: Presentation and IAS 1 Presentation of Financial Statements

The amendments to IAS 32 and IAS 1 are effective for annual periods beginning on or after 1 February 2010. The amendments address the accounting for rights issues (rights, options or warrants) that are denominated in a currency other than the functional currency of the issuer. Previously, such rights issues were accounted for as derivative liabilities. However, the amendment requires that, provided certain conditions are met, such rights issues are classified as equity regardless of the currency in which the exercise price is denominated. The Group has not yet considered the potential impact of the adoption of this revised standard.

IFRS 1 (Amendments) First-time Adoption of IFRS – Additional Exemptions

Amendments to IFRS 1 which are effective for annual periods on or after 1 July 2010 provide limited exemption for first time adopters to present comparative IFRS 7 fair value disclosures.

IFRIC 14 (Amendments) Pre-payment of a Minimum Funding Requirement

Amendments to IFRIC 14 are effective for annual periods beginning on or after 1 January 2011. The amendments affect entities that are required to make minimum funding contributions to a defined benefit pension plan and choose to pre-pay those contributions. The amendment requires an asset to be recognised for any surplus arising from voluntary pre-payments made. The Group thinks that this change has no impact on the financial statements.

IFRIC 19 ‘Extinguishing Financial Liabilities with Equity Instruments’

IFRIC 19 is applicable for annual periods beginning on or after 1 July 2010. IFRIC 19 addresses only the accounting by the entity that issues equity instruments in order to settle, in full or part, a financial liability. The Group has not yet considered the potential impact of the adoption of this revised standard.

‘Annual Improvements’ May 2010

Further to the above amendments and revised standards, the IASB has issued Annual Improvements to IFRS’s in May 2010 that cover 7 main standards/interpretations as follows: IFRS 1 First-time Adoption of International Financial Reporting Standards; IFRS 3 Business Combinations; IFRS 7 Financial Instruments: Disclosures; IAS 1 Presentation of Financial Statement; IAS 27 Consolidated and Separate Financial Statements; IAS 34 Interim Financial Reporting and IFRIC 13 Customer Loyalty Programmes. With the exception of amendments to IFRS 3 and IAS 27 which are effective on or after 1 July 2010, all other amendments are effective on or after 1 January 2011. The Group has not yet considered the potential impact of the adoption of this revised standard.

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

2.3 New and revised International Financial Reporting Standards(Continued):

(c) Standards and Interpretations that are not yet effective as of yet and have not been early adopted by the Company:

IFRS 1 (Amendments) First-time Adoption of IFRS – Additional Exemptions

On 20 December 2010, IFRS 1 is amended to provide relief for first-time adopters of IFRSs from having to reconstruct transactions that occurred before their date of transition to IFRSs and provide guidance for entities emerging from severe hyperinflation either to resume presenting IFRS financial statements or to present IFRS financial statements for the first time. The amendment above will be effective for annual periods beginning on or after 1 July 2011. These amendments are not relevant to the Group, as it is an existing IFRS preparer.

IFRS 7 Financial Instruments: Disclosures

In October 2010, IFRS 7 Financial Instruments: Disclosures is amended by IASB as part of its comprehensive review of off balance sheet activities. The amendments will allow users of financial statements to improve their understanding of transfer transactions of financial assets (for example, securitizations), including understanding the possible effects of any risks that may remain with the entity that transferred the assets. The amendments also require additional disclosures if a disproportionate amount of transfer transactions are undertaken around the end of a reporting period. The amendment will be effective for annual periods beginning on or after 1 July 2011. The Group has not yet considered the potential impact of the adoption of this revised standard.

IFRS 9 ‘Financial Instruments: Classification and Measurement’

In November 2009, the first part of IFRS 9 relating to the classification and measurement of financial assets was issued. IFRS 9 will ultimately replace IAS 39 Financial Instruments: Recognition and Measurement. The standard requires an entity to classify its financial assets on the basis of the entity’s business model for managing the financial assets and the contractual cash flow characteristics of the financial asset, and subsequently measure the financial assets as either at amortized cost or at fair value. The new standard is mandatory for annual periods beginning on or after 1 January 2013. The Group has not yet considered the potential impact of the adoption of this revised standard.

IAS 12 ‘Income Taxes’

In December 2010, IAS 12 the standard of “Income Taxes” is amended. IAS 12 requires an entity to measure the deferred tax relating to an asset depending on whether the entity expects to recover the carrying amount of the asset through use or sale. It can be difficult and subjective to assess whether recovery will be through use or through sale when the asset is measured using the fair value model in IAS 40 Investment Property. The amendment provides a practical solution to the problem by introducing a presumption that recovery of the carrying amount will, normally be, be through sale. The amendment will be effective for annual periods beginning on or after 1 January 2012. The Group has not yet considered the potential impact of the adoption of this revised standard.

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NOTE 3 - BUSINESS COMBINATIONS

The details of the business combinations during as of 31 March 2011 and 2010 are as follows:

1 January – 31 March 2011

There is no business combination that has significant effect on the financial statements in the current period.

1 January – 31 March 2010

As of the balance sheet date, in order to be used in the outstanding balance of EUR 385 million of scheduled capital increase, TRY 200.444 of capital advance, which is not expected to be paid back, is considered as part of a net investment in Doğan TV as of 31 March 2010, considering substance over form principle. The acquisition of some portion of shares of the subsidiaries under the control of Doğan Yayın through non-controlling interests is accounted for under equity and no goodwill is recognized in accordance with IAS 27 (revised) effective for accounting periods beginning after 1 July 2009. Accordingly, as a result of the above-mentioned accounting treatment, there has been an increase by TRY 30.762 in the non-controlling interests and a decrease by the same amount in the equity attributable to equity holders of the Company.

NOTE 4 - JOINT VENTURES

Joint Ventures of Doğan Holding are shown below. The countries the Joint Ventures are registered in, the nature of their businesses and the respective business segments of the Joint Ventures and Joint Venture Partners are as follows:

| Joint Ventures | Country | Nature of business | Segment | Joint venture partner |
|---|-----------------|---------------------|---------|--|
| ASPM Holding B.V. | The Netherlands | Europe | Media | Autoscout24 GmBh |
| OOO Autoscout24 | Russia | Europe | Media | Autoscout24 GmBh |
| Doğan Burda Dergi Yayıncılık ve Pazarlama A.Ş. ("DB") | Turkey | Magazine publishing | Media | Burda GmbH |
| DB Popüler Dergiler Yayıncılık A.Ş. ("DB Popüler") | Turkey | Magazine publishing | Media | Burda GmbH |
| Doğan ve Egmont Yayıncılık ve Yapımcılık Ticaret A.Ş. ("Doğan Egmont") | Turkey | Magazine publishing | Media | Egmont |
| Dergi Pazarlama Planlama ve Ticaret A.Ş. ("DPP") | Turkey | Planning | Media | Burda RCS Int. GmbH |
| Ultra Kablolu Televizyon ve Telekomünikasyon Sanayi ve Ticaret A.Ş. ("Ultra Kablolu") | Turkey | Telecommunication | Media | Koç Holding A.Ş. |
| Eko TV Televizyon Yayıncılık A.Ş. ("TNT") | Turkey | TV broadcasting | Media | Turner Broadcasting Int. |
| Birey Seçme ve Değerlendirme Danışmanlık Ltd. Şti. ("Birey İK") | Turkey | Internet services | Media | Doğan Portal ve Elektronik Ticaret A.Ş. |
| Katalog Yayın ve Tanıtım Hizmetleri A.Ş. ("Katalog") | Turkey | Guide publishing | Media | Seat Pagine Gialle SPA |
| Tipeez İnternet Hizmetleri A.Ş. | Turkey | Internet publishing | Media | Twee Holdings LP. |
| DD Konut Finansman A.Ş. ("DD Konut Finansman") | Turkey | Housing finance | Other | Deutsche Bank AG |
| Aslancık Elektrik Üretim ve Ticaret Ltd. Şti. ("Aslancık Elektrik") | Turkey | Energy | Other | Doğuş Holding A.Ş. |
| D-Tes Elektrik Enerjisi Tüptan Satış A.Ş. ("D Tes") | Turkey | Energy | Other | Unit Investment N.V.ve Anadolu Endüstri Holding A.Ş. |
| Boyabat Elektrik Üretim ve Ticaret Ltd. Şti. ("Boyabat Elektrik") | Turkey | Energy | Other | Doğuş Holding A.Ş. |
| İsedaş İstanbul Elektrik Dağıtım Sanayi ve Ticaret A.Ş. ("İsedaş") | Turkey | Energy | Other | Unit Investment N.V. Doğuş Holding A.Ş. |
| Gas Plus Erbil Ltd. ("Gas Plus Erbil") | Turkey | Energy | Other | Tekfen İnşaat A.Ş. ve Çukurova Holding A.Ş. |
| | | | | Newage Alzaroomi Limited |

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NOTE 4 - JOINT VENTURES (Continued)

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

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

- (1) The operations have been terminated as of November, 2006.
- (2) The operations have been terminated as of September, 2009.
- (3) The Group has acquired the shares of Tipeez İnternet Hizmetleri A.Ş ("Tipeez") on 16 April and as of 31 December 2010, it has been included to the scope of consolidation as a joint venture.

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NOTE 4 - JOINT VENTURES (Continued)

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

| | 31 March 2011 | 31 December 2010 |
|-------------------------------------|----------------------|-------------------------|
| Current assets | 31.540 | 74.898 |
| Non-current assets | 462.422 | 404.210 |
| Total assets | 493.962 | 479.108 |
| Current liabilities | 43.396 | 81.457 |
| Non-current liabilities | 287.172 | 257.764 |
| Equity | 163.394 | 139.887 |
| Total liabilities and equity | 493.962 | 479.108 |

| | 31 March 2011 | 31 March 2010 |
|---------------------------|----------------------|----------------------|
| Revenues | 2.992 | 1.789.305 |
| Gross profit | 784 | 133.917 |
| Net profit for the period | 99 | 19.621 |

NOTE 5 - SEGMENT REPORTING

a) External revenues

| | 31 March 2011 | 31 March 2010 |
|-------|----------------------|----------------------|
| Media | 639.185 | 601.901 |
| Other | 60.898 | 40.935 |
| | 700.083 | 642.836 |

b) (Loss)/profit before income taxes

| | 31 March 2011 | 31 March 2010 |
|-------------------------------------|----------------------|----------------------|
| Media | (378.189) | (51.499) |
| Other | 61.248 | 13.177 |
| Discontinued operations elimination | - | (63) |
| | (316.941) | (38.385) |

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NOTE 5 - SEGMENT REPORTING (Continued)

c) The analysis of sectoral information for the period ended 31 March 2011;

| | Media (*) | Other (*) | Inter segment elimination | Total |
|---|------------------|------------------|--------------------------------------|------------------|
| External revenues | 639.185 | 60.898 | | 700.083 |
| Intra segment revenues | 424.180 | 1.518 | | 425.698 |
| Inter segment revenues | 3.737 | 10 | | 3.747 |
| Total revenues | 1.067.102 | 62.426 | | 1.129.528 |
| Total cost of sales | (846.173) | (59.395) | | (905.568) |
| Revenues | 642.922 | 60.908 | (3.747) | 700.083 |
| Cost of sales | (487.629) | (59.388) | - | (547.017) |
| Gross profit | 155.293 | 1.520 | (3.747) | 153.066 |
| Marketing, selling and distribution expenses | (91.610) | (2.902) | 3.054 | (91.458) |
| General administrative expenses | (76.516) | (15.245) | 616 | (91.145) |
| Other income/(expenses), net | (338.314) | 4.385 | 79 | (333.850) |
| Financial income | 41.152 | 158.198 | (4) | 199.346 |
| Financial expenses | (68.194) | (84.708) | 2 | (152.900) |
| (Loss)/profit before income taxes | (378.189) | 61.248 | - | (316.941) |

(*) Doğan Havacılık, which is accounted for using the equity method by Doğan Yayın, 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) The analysis of sectoral information for the period ended 31 March 2010;

| | Media (*) | Energy | Other (*) | Inter segment elimination | Total |
|--|------------------|---------------|-----------------|------------------------------|------------------|
| External revenues | 601.901 | - | 40.935 | - | 642.836 |
| Intra segment revenues | 408.785 | - | 1.207 | - | 409.992 |
| Inter segment revenues | 311 | - | 7.058 | - | 7.369 |
| Total revenues | 1.010.997 | - | 49.200 | - | 1.060.197 |
| Total cost of sales | (811.753) | - | (47.504) | - | (859.257) |
| Revenues | 602.212 | - | 47.993 | (7.369) | 642.836 |
| Cost of sales | (469.462) | - | (47.502) | 152 | (516.812) |
| Gross profit | 132.750 | - | 491 | (7.217) | 126.024 |
| Marketing, selling and distribution expenses | (88.090) | - | (2.247) | 328 | (90.009) |
| General administrative expenses | (72.990) | - | (9.890) | 6.788 | (76.092) |
| Other income/(expenses), net | (2.776) | - | 1.281 | 110 | (1.385) |
| Share of profit of investments accounted for by equity method | - | - | - | - | - |
| Financial income | 30.550 | - | 53.185 | 78 | 83.813 |
| Financial expenses | (50.943) | - | (29.643) | (150) | (80.736) |
| (Loss)/profit before income taxes | | | | | |
| Before inter segment elimination | (51.499) | - | 13.177 | (63) | (38.385) |
| Profit after tax from discontinued operations | | 11.277 | - | 63 | 11.340 |

(*) Doğan Havacılık, which is accounted for using the equity method by Doğan Yayın, 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)

d) Segment assets

| | 31 March 2011 | 31 December 2010 |
|---|------------------|------------------|
| <u>Total assets</u> | | |
| Media | 3.951.888 | 3.883.535 |
| Other | 4.226.613 | 4.187.100 |
| | 8.178.501 | 8.070.635 |
| Less: segment elimination | (25.574) | (37.308) |
| Total assets per consolidated financial statements | 8.152.927 | 8.033.327 |
| <u>Shareholder's Equity</u> | | |
| Media | 879.114 | 1.246.119 |
| Other | 3.430.777 | 3.592.608 |
| Total | 4.309.891 | 4.838.727 |
| Less: segment elimination | (617.050) | (974.183) |
| Shareholders' equity | 3.692.841 | 3.864.544 |
| Non-controlling interests | 615.570 | 756.498 |
| Total net shareholder's equity per consolidated financial statements | 4.308.411 | 4.621.042 |

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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

| | 31 March 2011 | 31 March 2010 |
|------------------------------------|---------------|---------------|
| <u>Capital expenditures</u> | | |
| Media | 31.366 | 36.328 |
| Discontinued operation | - | 16.266 |
| Other | 42.454 | 9.525 |
| Total | 73.820 | 62.119 |

Depreciation and amortization charge

| | | |
|------------------------|---------------|---------------|
| Media | 52.130 | 55.155 |
| Discontinued operation | - | 34.136 |
| Other | 8.832 | 5.481 |
| Total | 60.962 | 94.772 |

f) Non-controlling interests

| | 31 March 2011 | | | 31 December 2010 | | |
|-------|-------------------------|----------------|----------------|-------------------------|----------------|----------------|
| | Doğan Family | Other | Total | Doğan Family | Other | Total |
| Media | 89.456 | 469.159 | 558.615 | 91.077 | 607.526 | 698.603 |
| Other | 6.869 | 50.086 | 56.955 | 6.920 | 50.975 | 57.895 |
| | 96.325 | 519.245 | 615.570 | 97.997 | 658.501 | 756.498 |

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NOTE 6 - CASH AND CASH EQUIVALENTS

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

| | 31 March 2011 | 31 December 2010 |
|-------------------------------|----------------------|-------------------------|
| Cash | 2.353 | 2.100 |
| Banks | | |
| - demand deposits | 64.765 | 67.938 |
| - time deposits | 3.281.322 | 3.324.617 |
| Blocked bank deposits | 110.385 | 66.495 |
| Reverse repurchase agreements | 3.845 | 3.387 |
| | 3.462.670 | 3.464.537 |

At 31 March 2011, interest rates for TRY time deposits are between 5,25% and 9,10% (31 December 2010: 6,0%-10,2%) and interest rates for foreign currency time deposits are between 0,20% and 4,75% (31 December 2010: 0,20%-3,90%) and maturity is less than 3 months.

All of the blocked bank deposits at 31 March 2011 and 31 December 2010 consist of credit card slip receivables. The average maturity of the related credit card slip receivables is less than one month.

Cash and cash equivalents included in the consolidated statements of cash flows at 31 March 2011 and 31 December 2010 is disclosed below.

| | 31 March 2011 | 31 December 2010 | 31 March 2010 | 31 December 2009 |
|----------------------------------|----------------------|-------------------------|----------------------|-------------------------|
| Cash and cash equivalents | 3.462.670 | 3.464.537 | 2.033.303 | 2.055.639 |
| Accrued interest (-) | (11.751) | (5.708) | (8.492) | (20.923) |
| Cash and cash equivalents | 3.450.919 | 3.458.829 | 2.024.811 | 2.034.716 |

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NOTE 7 - FINANCIAL INVESTMENTS

a) Current financial investments

| | 31 March 2011 | 31 December 2010 |
|-------------------------------------|----------------------|-------------------------|
| Government bonds and treasury bills | 75.601 | 82.904 |
| Time deposits | 80.679 | 89.782 |
| Valuation of swap transactions (*) | - | 110 |
| Other | 386 | 272 |
| | 156.666 | 173.068 |

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

Available-for-sale financial assets

| | 31 March 2011 | | 31 December 2010 | |
|-----------------|----------------------|----------|-------------------------|----------|
| | TRY | % | TRY | % |
| Ray Sigorta (*) | - | - | 25.084 | 10 |
| | - | - | 25.084 | - |

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

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NOTE 7 - FINANCIAL INVESTMENTS (Continued)

b) Non-current financial investments

| | 31 March 2011 | | 31 December 2010 | |
|--|----------------------|----------|-------------------------|----------|
| Available-for-sale financial assets | 8.219 | | 8.314 | |
| | 8.219 | | 8.314 | |
| Available-for-sale financial investments | 31 March 2011 | | 31 December 2010 | |
| | TRY | % | TRY | % |
| Marbleton Property Fund L.P ("Marbleton") | 15.443 | 9 | 15.443 | 9 |
| Aks Televizyon Reklamcılık ve Filmcilik Sanayi ve Ticaret A.Ş. ("Aks TV") | 2.923 | 9 | 2.923 | 9 |
| POAŞ (*) | 1.325 | 0,03 | 1.269 | 0,03 |
| Other | 349 | - | 444 | - |
| Less: provision for impairment (**) | (11.765) | | (11.765) | |
| | 8.275 | | 8.314 | |

(*) After the removal of restriction on shares, "Restricted shares" which correspond to 0,03% of POAŞ's capital (calculated as 192.500 shares in the current period) are decided to be transferred to OMV Enerji Holding A.Ş in a total cash consideration of EUR 600.000. Since the related share transfer has not been realized as of 31 March 2011, 192.500 shares that Group owns are recognized at fair value, which is calculated by using the market price of shares.

(**) As of 31 March 2011, available for sale financial assets except POAŞ are carried at the cost value. There are TRY 8.842 and TRY 2.923 impairment on Marbleton and Aks TV, respectively (31 December 2010: TRY 8.842 and TRY 2.923).

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NOTE 8 – FINANCIAL LIABILITIES

| Short term financial liabilities: | 31 March 2011 | 31 December 2010 |
|--|----------------------|-------------------------|
| Short-term bank borrowings | 670.752 | 596.544 |
| Short-term portion of long-term borrowings | 384.188 | 392.445 |
| Interest bearing payables to suppliers | 27.458 | 26.563 |
| Financial lease liabilities | 8.311 | 8.789 |
| | 1.090.709 | 1.024.341 |

| Long term financial liabilities: | 31 March 2011 | 31 December 2010 |
|--|----------------------|-------------------------|
| Long-term bank borrowings | 843.280 | 841.217 |
| Financial liabilities related with options | 165.882 | 163.468 |
| Interest bearing payables to suppliers | 51.742 | 54.991 |
| Financial lease liabilities | 25.186 | 26.000 |
| | 1.086.090 | 1.085.676 |

i) Borrowings

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

| | 31 March 2011 | | | 31 December 2010 | | |
|--|----------------------|-------------------------|------------------|-------------------------|-------------------------|----------------|
| | TRY | Foreign currency | Total | TRY | Foreign currency | Total |
| Short-term borrowings | | | | | | |
| Short-term borrowings | 282.301 | 388.451 | 670.752 | 269.188 | 327.356 | 596.544 |
| Short-term portion of long-term borrowings | 11.134 | 373.054 | 384.188 | 8.287 | 384.158 | 392.445 |
| Total short-term borrowings | 293.435 | 761.505 | 1.054.940 | 277.475 | 711.514 | 988.989 |

| | 31 March 2011 | | | 31 December 2010 | | |
|-----------------------------------|----------------------|-------------------------|----------------|-------------------------|-------------------------|----------------|
| | TRY | Foreign currency | Total | TRY | Foreign currency | Total |
| Long-term borrowings | | | | | | |
| Long-term borrowings | 35.565 | 807.715 | 843.280 | 22.196 | 819.021 | 841.217 |
| Total long-term borrowings | 35.565 | 807.715 | 843.280 | 22.196 | 819.021 | 841.217 |

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NOTE 8 - FINANCIAL LIABILITIES (Continued)

i) Borrowings (Continued)

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

| Years | 31 March 2011 | 31 December 2010 |
|----------------|----------------------|-------------------------|
| 2012 | 234.571 | 265.437 |
| 2013 | 311.573 | 333.732 |
| 2014 | 109.543 | 79.740 |
| 2015 and after | 187.593 | 162.308 |
| | 843.280 | 841.217 |

Weighted average of effective interest rates for TRY, USD and EUR short-term borrowings are 11%, 4% and 4%, respectively (31 December 2010: 11%, 4% and 4%).

Weighted average of effective interest rates for TRY, USD and EUR long-term borrowings are 9%, 4% and 3%, respectively (31 December 2010: 10%, 4% and 3%).

At 31 March 2011, the amount of borrowings with floating interest rates is TRY 1.459.157 (31 December 2010: TRY 1.458.188).

The floating rate bank borrowings denominated in USD which represents a significant portion of total bank borrowings of the Group, have interest rates fluctuating between Libor + 0,2% and Libor + 7,75% (London Interbank Offered Rate).

Hürriyet, a subsidiary of Doğan Holding, obtained a long-term bank borrowing in order to partially finance the acquisition of TME shares in 2007. Hürriyet has to meet general commitments and financial covenants with respect to these long-term borrowings. The Group has to maintain a net debt ratio on the basis of EBITDA and shareholders' equity identified by the bank for the last 12 months consolidated financial statements.

Group committed not to enter any merger, split, restructuring process to change the partnership structure and activity of the TME. New mergers and the purchase of new shares, making new joint ventures contract of Hürriyet except permissible mergers and transactions have been restricted.

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

Loan agreement is terminated and loan is redeemed in case of any control change(s) in TME or any violations/illegal conducts of the contract terms.

The loan agreement is terminated and TME is obligated to repay the loan if TME sells or disposes more than 10% of its consolidated net assets or change in shareholder's equity related to 10% of consolidated net assets.

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NOTE 8 - FINANCIAL LIABILITIES (Continued)

i) Borrowings (Continued)

In connection with the long term bank loans used by OOO Pronto Moscow, the Group has some obligations for financial and operational commitments and liabilities against the bank. Under the same loan agreement, OOO Pronto Moscow has given a royalty pledge of TRY 231.773 in regards to one of its rights namely "İZ RUK V RUKI" ("*Из рук в руку*"). The related bank loan is revised on 15 April 2011 (Note 30).

Share pledges

11,3% shares of Doğan Yayın Holding (113.169.526 shares), 13,3% shares of Hürriyet (73.200.000 shares), 49% shares of Kanal D (24.500.000 shares) and 67,3% shares of TME (33.649.091 shares) were given as pledges to financial institutions in respect of the long-term borrowings of the Group.

ii) Financial borrowings related with options

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

There are put and call option agreements between Doğan Yayın Holding and Deutsche Bank AG upon the shares of Doğan Gazetecilik. According to the call option agreement, Doğan Yayın Holding has the call option from Deutsche Bank AG for 21.945.000 shares of Doğan Gazetecilik, and according to the put option agreement, Deutsche Bank AG has the put option to Doğan Yayın Holding for 23.100.000 shares of Doğan Gazetecilik. Maturities of both agreements are 5 years 3 months and end at 19 February 2013. It is possible to use the call option after 19 November 2010. In this case, shares that are subject to call option will be measured based on the price calculations that will be made at the exercise date of call options.

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

iii) Finance lease liabilities:

The Group acquired property, plant and equipment through finance leases. As at 31 March 2011 total lease payment commitments of the Group relating to such lease agreements amount to TRY 33.497 (2010: TRY 34.789).

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NOTE 8 - FINANCIAL LIABILITIES (Continued)

iii) Financial leasing payables(Continued)

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

| | 31 March 2011 | 31 December 2010 |
|----------------|----------------------|-------------------------|
| 2012 | 6.112 | 6.644 |
| 2013 | 6.450 | 6.731 |
| 2014 | 6.897 | 6.897 |
| 2015 and after | 5.727 | 5.728 |
| | 25.186 | 26.000 |

iv) Interest bearing payables to suppliers:

Interest bearing payables to suppliers are related to the machinery and equipment purchases of Hürriyet, a subsidiary of the Group. Effective interest rates of short and long-term trade payables in USD, EUR, CHF are 0,9%, 1,6% and 1,3%, respectively (31 December 2010: USD 0,8%, EUR 1,6%, CHF 1,2%).

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

| | 31 March 2011 | 31 December 2010 |
|------|----------------------|-------------------------|
| 2012 | 21.612 | 26.013 |
| 2013 | 23.702 | 22.940 |
| 2014 | 6.428 | 6.038 |
| | 51.742 | 54.991 |

Interest bearing payables to suppliers have floating interest rates. Changes in interest rate risk of financial obligations to suppliers and contractual repricing dates are as follows:

| | 31 March 2011 | 31 December 2010 |
|----------------------|----------------------|-------------------------|
| 6 months and shorter | 78.604 | 81.421 |
| 6-12 months | 596 | 133 |
| Total | 79.200 | 81.554 |

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NOTE 9 - TRADE RECEIVABLES AND PAYABLES

| <u>Short-term trade receivables</u> | 31 March 2011 | 31 December 2010 |
|---|----------------------|-------------------------|
| Trade receivables, net of unearned finance income | 853.071 | 801.237 |
| Notes receivables and cheques, net of unearned finance income | 49.993 | 48.553 |
| Total | 903.064 | 849.790 |
| Less: provision for doubtful receivables (-) | (197.503) | (193.662) |
| | 705.561 | 656.128 |

| <u>Long-term trade receivables</u> | 31 March 2011 | 31 December 2010 |
|---|----------------------|-------------------------|
| Trade receivables, net of unearned finance income | 99.360 | 88.563 |
| Notes receivables and cheques, net of unearned finance income | 309 | 365 |
| | 99.669 | 88.928 |

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NOTE 9 - TRADE RECEIVABLES AND PAYABLES (Continued)

Movement of the provisions for doubtful receivables is as follows:

| | 2011 | 2010 |
|---|----------------|----------------|
| 1 January | 193.662 | 222.119 |
| Increase in provision | 3.873 | 4.149 |
| Provisions of discontinued operations during the period | - | 621 |
| Collections and cancelled provision | (1.359) | (18.607) |
| Currency translation differences | 1.327 | (141) |
| 31 March | 197.503 | 208.141 |

| <u>Short-term trade payables</u> | 31 March 2011 | 31 December 2010 |
|---|----------------------|-------------------------|
| Trade payables, net of unincurred credit finance charges (*) | 390.506 | 384.534 |
| Notes payable, net of unincurred credit finance charges | 9.476 | 9.062 |
| Other | 1.330 | 1.552 |
| | 401.312 | 395.148 |

| <u>Long-term trade payables</u> | 31 March 2011 | 31 December 2010 |
|---|----------------------|-------------------------|
| Trade payables, net of unincurred credit finance charges(*) | 1.114 | 1.114 |
| | 1.114 | 1.114 |

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

| Year | 31 March 2011 | 31 December 2010 |
|----------------|----------------------|-------------------------|
| 2012 | 1.114 | 1.114 |
| 2013 and after | - | - |
| | 1.114 | 1.114 |

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NOTE 10 - INVESTMENT PROPERTY

Movement of the investment properties for the three-month interim periods ended as of 31 March 2011 and 2010 is as follows:

| | 2011 | 2010 |
|-----------------------------------|----------------|---------------|
| 1 January | 141.800 | 92.583 |
| Additions | 2.992 | 3.707 |
| Accumulated depreciation | (841) | (339) |
| Disposal | (3.239) | (8.929) |
| Currency translation differences | 6.049 | - |
| Reversal of Impairment Provisions | (193) | 2.609 |
| 31 March | 146.568 | 89.631 |

There is not any collateral and mortgage on investment property of the Group.

The Group has rent income amounting to TRY 678 from investment properties (2010: TRY 776).

NOTE 11 - PROPERTY, PLANT AND EQUIPMENT

Movement of the property, plant and equipment for the three-month periods interim ended as of 31 March 2011 and 2010 is as follows:

| | 2011 | 2010 |
|----------------------------------|----------------|------------------|
| 1 January | 929.330 | 1.610.907 |
| Additions | 53.551 | 34.414 |
| Accumulated depreciation | (33.356) | (49.659) |
| Disposal | (10.079) | (5.332) |
| Transfers (1) | 3.566 | (682) |
| Currency translation differences | 5.057 | (912) |
| 31 March | 948.069 | 1.588.736 |

(1) Transfer amounting to TRY 3.682 is related to advances given. Transfer amounting to TRY 116 is related to intangible assets (Note:12).

As of 31 March 2011, mortgages on property, plant and equipment amounts to TRY 25.974 (31. December 2010: TRY 25.113).

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NOTE 12 -INTANGIBLE ASSETS

The movements in intangible assets for the three-months interim periods ended 31 March 2011 and 2010 are as follows:

| | 2011 | 2010 |
|----------------------------------|----------------|------------------|
| 1 January | 859.335 | 1.311.453 |
| Addition | 17.277 | 23.998 |
| Amortization | (26.765) | (44.774) |
| Disposal | (100) | (1.159) |
| Transfers | 116 | 682 |
| Consolidation rate change effect | - | (7.606) |
| Currency translation differences | 38.505 | 16.080 |
| 31 March | 888.368 | 1.298.674 |

NOTE 13- GOODWILL

The movements in goodwill during the three-months interim periods ended 31 March 2011 and 2010 are as follows:

| | 2011 | 2010 |
|----------------------------------|----------------|------------------|
| 1 January | 896.653 | 1.715.569 |
| Additions | - | 831 |
| Currency translation differences | 14.497 | 6.535 |
| Other(*) | 1.507 | - |
| 31 March | 912.657 | 1.722.935 |

(*) The changes in fair value of put options are shown as other.

NOT 14 - GOVERNMENT GRANTS

The subsidiary of the Group, Hürriyet, obtained six Investment Incentives Certificate for the imported equipments amounting to USD 25.035 and domestic equipments amounting to TRY 152 due to the modernization of its printing plants in Istanbul, Ankara, Izmir, Adana, Antalya and Trabzon on 23, 27 and 31 July 2008. 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 amounted to USD 19.213 and TRY 152 are realized within these certificates as at 31 March 2011 (31 December 2010: USD 19.213). Investment incentives (except Trabzon) are extended till 19 June – 3 July 2011. Document taken for Trabzon has been cancelled due to giving up from the investment amounting nearly USD 1.032.

Ditaş, a subsidiary of the Group, benefits from the tax and insurance premium incentive under the scope of law 5084 Investment and Employment Promotion and Amending some laws. In this context, the incentive of the insurance premium amounting TRY 149 (31 March 2010: TRY 91) is reflected in the financial statements as income from other operations (Note 31). As of 31 March 2011, Ditaş does not have any receivables from energy expenses in the scope of incentive (31 December 2010: None).

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NOTE 15 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

| Short-term provisions | 31 March 2011 | 31 December 2010 |
|-------------------------------|----------------------|-------------------------|
| Provision for withholding tax | 28.089 | 28.102 |
| Provision for lawsuits | 25.510 | 27.386 |
| Provision for tax penalty | 4.020 | 33.522 |
| Other | 115 | - |
| | 57.734 | 89.010 |

(a) Tax penalty and law suits:

Doğan Holding – Tax penalty and law suits

As a result of the tax investigations made by the Revenue Controllers of the Ministry of Finance for the years 2005, 2006, 2007 and 2008, TRY 18.173 of tax charge consisting of Corporation Tax, Value Added Tax, Withholding Tax and Stamp duty and TRY 43.407 of tax loss penalty are served to the Group on 24 December 2010, and as of 29 December 2010, a settlement has been made before the assessment. In accordance with the settlement, parties agreed on the TRY 10.664 of total tax amount consisting of TRY 6.773 of tax charge and TRY 3.891 of default interest for all periods reviewed in the assessment. On 30 March 2011, as a result of the application filed based on Law No: 6111 "Restructuring of some receivables and Social Security and General Health Insurance Law and Other Law Amending Certain Laws and Decrees", the related tax amount of TRY 7.971 reassessed and will be paid on 31 May 2011. TRY 7.971 provision has been provided in the financial statements as of 31 March 2011.

The Company decides to make use of the requirements set out in relation to "tax base increase" and "undue and on trial tax liabilities in dispute" 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. Therefore, the Company and its 13 number of subsidiaries included in the scope have increased the tax basis for the years 2006, 2007, 2008 and 2009 in accordance with the requirements set out in relation to "Tax Base Increase" in Law No: 6111 and accordingly the Company's and its included in the scope subsidiaries' payable amount together are calculated as TRY 6.418. On the other hand, the Company has reconciled its tax dispute by restructuring its total TRY 749 of "uncertain and on trial tax liabilities in dispute" (consisting of TRY 280 of tax charge and TRY 469 of tax penalty) in accordance with Article 3 of Law No:6111 and, accordingly, the Company's cash outflow will be TRY 220 in total. TRY 6.638 provision has been provided in the financial statements and classified under short term liabilities as of 31 March 2011 (Note 22).

Doğan Yayın Holding – Tax penalty and law suits

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

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

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NOTE 15 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

Doğan Yayın Holding – Tax penalty and law suits (Continued)

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

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

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

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NOTE 15 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

Doğan Yayın Holding – Tax penalty and law suits (Continued)

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

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

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

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

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

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

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

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NOTE 15 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

Doğan Yayın Holding – Tax penalty and law suits (Continued)

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

Doğan Yayın Holding has filed for an application under Law No: 6111 in relation to TRY 89.882 portion of its "undue and on trial tax liabilities in dispute" amounting to TRY 862.388 in total and accordingly, Doğan Yayın Holding is required to pay TRY 18.463 of the related amount. The Group is still working on a solution on the remaining portion of "undue and on trial tax liabilities in dispute" amounting to TRY 772.507; the deadline of the file for application is 31 May 2011. The related cash amount is payable by the end of 30 June 2011, at the latest, is TRY 18.463 and it is recognized under short-term liabilities in the financial statements (Note 22).

In this respect, TRY 14.859 of provision provided for the related lawsuits by the Group in prior periods is reversed in the current period. The Group is assessing the outcome of any potential file for application of TRY 772.507 of the remaining portion under Law No: 6111.

Doğan Yayın Holding has no ongoing tax assessments except from those that are explained above.

Hürriyet – Tax penalties and lawsuits

Hürriyet has filed a lawsuit for the cancellation of the tax charges/tax notifications totaling TRY 30.895 imposed for the 2004, 2005 and 2006 periods by the respective tax office regarding Hürriyet . As publicly disclosed on 19 April 2011, Hürriyet plans to make use of the requirements set out in relation to "undue and on trial tax liabilities in dispute" and "Tax Base Increase" in Law No: 6111. As required by Law No: 6111, the Company has restructured TRY 24.950 portion of its total "undue and on trial tax liabilities in dispute" of TRY 30.895 and reconciled its dispute with the tax office; accordingly, the Company's payable amount is calculated as TRY 3.827. The related amount should be payable by the end of 30 June 2011, at the latest. The Company has provided TRY 3.827 of provision and the related amount is classified as short-term liabilities in the accompanying financial statements prepared as of 31 March 2011 (Note 22).

Hürriyet, however, was unable to make use of the requirements set out in Law No: 6111 because it has made the payment of TRY 5.945 of tax charges/tax notifications imposed in relation to the lawsuit filed against the Company.

No provision has been provided for the tax lawsuits filed against Hürriyet in the financial statements prepared as of 31 March 2011 (31 December 2010: TRY 7.294).

There is no ongoing tax examinations in Hürriyet except for the ones explained above.

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NOTE 15 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

Doğan TV – Tax penalties and lawsuits

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

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

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

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

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

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

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

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NOTE 15 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

Doğan TV – Tax penalties and lawsuits (Continued)

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

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

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

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

As of the report date, the lawsuits related to Doğan TV, D Yapım, Doğan Prodüksiyon ve Alp Görsel are summarized in the table below:

Doğan TV

| | Tax Court Decision | Appealed in the Council of State | Overruled by the Council of State | Approved by the Council of State | Still under discussion in the Council of State |
|-------------------------------|-----------------------------------|---|--|---|---|
| Result of lawsuit | | | | | |
| Resulted in favor | 334.236 | 334.236 | - | 2.389 | 331.847 (*) |
| Resulted against | 1.630.913 | 1.630.913 | 1.301.356 | - | 329.557 (*) |
| Ongoing lawsuits (pending) | 35.884 | - | - | - | - |
| Total | 2.001.033 | 1.965.149 | 1.301.356 | 2.389 | 661.404 |

(*) The amount resulted against the Company, but still is in under discussion in the Council of State (TRY 321.004) is related to a tax penalty of the tax charge which was also under legal proceeding and finalized in favor of the Company in relation to advanced corporate income tax for 2006 (TRY 321.004).

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NOTE 15 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

Doğan TV – Tax penalties and lawsuits (Continued)

As of the report date, Doğan TV expects to make use of the requirements set out in relation to “undue and on trial tax liabilities in dispute” and “Tax Base Increase” in Law No: 6111.

As summarized in the above table, Doğan TV has filed for an application under Law No: 6111 in relation to TRY 1.411.794 portion of its “undue and on trial tax liabilities in dispute” amounting to TRY 2.001.032 in total and accordingly, Doğan TV is required to pay TRY 275.825 of the related amount. The Company is still working on a solution on the remaining portion of “undue and on trial tax liabilities in dispute” amounting to TRY 589.238. TRY 656 portion of the related amount of TRY 275.825 is payable in cash and the remaining amount in 18 equal installments in 36 months beginning from 30 June 2011. Out of TRY 239.951 of the provision amount provided in the financial statements prepared as of 31 March 2011, TRY 88.615 of the related provision amount is recognized at discounted amount under short-term liabilities and the remaining portion of TRY 151.336 is recognized under long-term liabilities (Note 22).

D Yapım

| Result of lawsuit | Tax Court Decision | Appealed in the Council of State | Overruled by the Council of State | Approved by the Council of State | Still under discussion in the Council of State |
|----------------------------|---------------------------|---|--|---|---|
| Resulted in favor | 222.864 | 222.864 | - | 222.804 | 60 |
| Resulted against | 891.217 | 891.217 | 891.217 | - | - |
| Ongoing lawsuits (pending) | - | - | - | - | - |
| Total | 1.114.081 | 1.114.081 | 891.217 | 222.804 | 60 |

Doğan Prodüksiyon

| Result of lawsuit | Tax Court Decision | Appealed in the Council of State | Overruled by the Council of State | Approved by the Council of State | Still under discussion in the Council of State |
|----------------------------|---------------------------|---|--|---|---|
| Resulted in favor | 862.972 | 862.972 | - | 862.912 | 60 |
| Resulted against | - | - | - | - | - |
| Ongoing lawsuits (pending) | - | - | - | - | - |
| Total | 862.972 | 862.972 | - | 862.912 | 60 |

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NOTE 15 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

Doğan TV – Tax penalties and lawsuits (Continued)

Alp Görsel

| | Tax | Appealed | Overruled | Approved | Still |
|-------------------------------|-----------------|-----------------------|-----------------------|-----------------------|-------------------------|
| Result of lawsuit | Court | in the Council | by the Council | by the Council | under discussion |
| | Decision | of State | of State | of State | in the Council |
| | | of State | of State | of State | of State |
| Resulted in favor | 60 | - | - | - | 60 |
| Resulted against | 1.881 | 1.881 | 1.881 | - | - |
| Ongoing lawsuits (pending) | - | - | - | - | - |
| Total | 1.941 | 1.881 | 1.881 | - | 60 |

Under the legal processes summarized in the above table, no payment has been made to any of the Tax Offices as there are no lawsuits resulted against Doğan TV, D Yapım, Doğan Prodüksiyon and Alp Görsel as of the report date.

Doğan TV, its subsidiaries and joint ventures do not have any ongoing tax assessments except from those that are explained above.

As summarized in the above table, Doğan TV and its associates/subsidiaries are still working on a solution of tax assessments in relation to “undue and on trial tax liabilities in dispute” under Law No: 6111 and the deadline of the file for application is 31 May 2011.

Doğan TV Digital – Tax penalties and lawsuits

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

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NOTE 15 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

Doğan TV Digital – Tax penalties and lawsuits (Continued)

Doğan TV Digital is also working on a solution of tax assessments in relation to “undue and on trial tax liabilities in dispute” under Law No: 6111 and the deadline of the file for application is 31 May 2011.

In the current period, Doğan TV Digital has no tax assessments other than those explained above.

The Group Management has provided a provision of TRY 4.020, (less TRY 15 paid for the above lawsuits) for the related lawsuits in the consolidated financial statements as of 31 March 2011 (31 December 2010: TRY 4.020).

Doğan Dış Ticaret and İşıl İthalat İhracat – Tax penalties and lawsuits

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

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

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

Doğan Dış Ticaret ve İşıl İthalat İhracat expects to make use of the requirements set out in relation to “undue and on trial tax liabilities in dispute” and “Tax Base Increase” in Law No: 6111. All the necessary applications for the restructuring of the above tax assessments in relation to “undue and on trial tax liabilities in dispute” are filed under Law No: 6111. TRY 5.649 of tax liability arising from the related transaction should be payable in cash by the end of 30 June 2011, and the related provision amount is recognized under short-term liabilities in the Group’s consolidated financial statements (Note 22).

Except for the above mentioned tax assessments, Doğan Dış Ticaret and İşıl İthalat İhracat have no ongoing tax assessments.

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NOTE 15 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

Doğan Gazetecilik – Tax penalty and lawsuits

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

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

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

Doğan Gazetecilik expects to make use of the requirements set out in relation to "undue and on trial tax liabilities in dispute" and "Tax Base Increase" in Law No: 6111. All the necessary applications for the restructuring of the above tax assessments in relation to "undue and on trial tax liabilities in dispute" amounting to TRY 725 are filed under Law No: 6111. TRY 461 of tax liability arising from the related transaction should be payable in cash by the end of 30 June 2011, and the related provision amount is recognized under short-term liabilities in the Group's consolidated financial statements (Note 22).

Except for the above mentioned tax assessments, Doğan Gazetecilik has no ongoing tax assessments.

(b) Lawsuits:

The law suits against the Group as of 31 March 2011 amounted to TRY 79.871(31 December 2010: TRY 83.487)

A provision for lawsuits amounting to TRY 25.110 has been provided with reference to the opinions of the Group's legal advisors and past experience of management related to similar litigations against the Group (31 December 2010: TRY 27.386). Legal cases mainly consist of pecuniary and non-pecuniary damages and lawsuits initiated by the Radio and Television Supreme Council.

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NOTE 15 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

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

Doğan Yayın Holding sold 90.854.185 of its shares, representing the 25% of the paid in capital of Doğan TV, to Commerz-Film GmbH (formerly registered as Dreiundvierzigste Media Vermögensverwaltungsgesellschaft mbH), a 100% subsidiary of Axel Springer A.Ş., in consideration of EUR 375.000 (TRY 694.312) (this amount is defined as "initial sale price") on 2 January 2007. According to the agreement, the initial sale price will be revised based on the "initial public offering" of Doğan TV.

Upon the agreement signed between Doğan Holding, Doğan Yayın Holding, Doğan TV and Commerz-Film GmbH on 19 November 2009, the timing of the recalculation of the initial sale prices is postponed for a four-year period without reservations.

Specific conditions of the agreement signed on 19 November 2009 that are mentioned below are effective as of 19 February 2010.

- Axel Springer Group has the sales options for 3,3% of its shares in Doğan TV amounting to EUR 50.000 subsequent to January 2013 and the other 3,3% of its shares amounting to EUR 50.000 subsequent to January 2014 to Doğan Holding and Doğan Holding has a purchase commitment accordingly. Axel Springer Group may exercise the sales options fully or partially
- Axel Springer Group has a sale option for some or all of its shares in Doğan TV either at EUR 4,1275 (exact) or the highest fair value to be determined per share by using specific valuation techniques and Doğan Holding has a purchase commitment accordingly. In order to exercise this option, the following conditions must be met:
 - Doğan TV shares should not be offered to public by 30 June 2017,
 - There should be direct or indirect control change over Doğan Holding, Doğan Yayın Holding or Doğan TV,
 - In addition to the existing ones, Doğan Yayın Holding's assets should be given as guarantees or a lien should be put over those assets that might have significant unfavorable effects on the operations of Doğan Yayın Holding.

The initial price of EUR 375.000 as defined in the agreement mentioned above will be revised depending on the "initial public offering" of Doğan TV as follows.

In the event that shares of Doğan TV are offered to public by 30 June 2017, if the fair value of 25% (currently 19,9%) of shares held by Axel Springer Group determined by the public offering price (which will be determined using the three-month average share price after the offering) is higher than the initial sale price including the interest calculated from this difference (it will be calculated using the annual Euro Libor rates on the annual compound basis effective from 2 January 2007), the difference will be equally apportioned between Doğan Yayın Holding and Axel Springer. If the fair value is lower, the difference will be paid to Axel Springer Group by Doğan Yayın Holding.

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NOTE 15 - 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 shares of Doğan TV are not offered to public by 30 June 2017, if the fair value of Doğan TV, as determined by specific valuation techniques as of 31 December 2015, is less than the initial sales price including interest calculated from this difference (it will be calculated using the annual Euro Libor rates on the annual compound basis effective from 2 January 2007), the difference will be paid to Axel Springer Group by Doğan Yayın Holding.

In the event that Doğan TV 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 sale price remeasured as of 31 December 2015 (it will be remeasured using the annual Euro Libor rates on the annual compound basis effective from 2 January 2007) including interest calculated from the difference (it will be calculated using the 12 month Euro Libor rates on the annual compound basis effective from 1 July 2017) will be shared equally, whereas no transaction will take place for any negative difference.

In relation to the above transaction, Doğan Yayın Holding has determined the current fair value of Doğan TV as of 31 December 2010 in order to identify whether it has any future financial liability.

There are not any financial liabilities arising from the share acquisition, which represents 19,9 % of shares in Doğan TV's capital by the Axel Springer Group.

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. Axel Springer Group may exercise the sale options fully or partially. In regards to the purchase commitment of Axel Springer Group which amounts to EUR 100.000, IAS 32 "Financial Instruments: Disclosure and Presentation" requires the presentation of a liability at amortized cost as a financial liability in the balance sheet, irrespective of the Group's ability to settle some of the portion of the liability in the Group's own equity instruments instead of cash. In this respect, as of 31 March 2011, non-controlling interests that are subject to call options are carried at amortized cost amounting to TRY 236.834 under the "other long term financial liabilities" account rather than "non-controlling interests" account in the consolidated balance sheet.

The above-mentioned purchase commitments are presented under the "Other short term and long term financial liabilities" account in the consolidated balance sheets prepared as of 31 March 2011 and 31 December 2010.

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NOTE 15 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

(d) Put options:

In January 2007, OOO Pronto Moscow, a subsidiary of Hürriyet, acquired the majority shares of Impress Media Marketing LLC ("Impress Media"). Accordingly, the Group has the right to purchase 13% of non-controlling shares from non-controlling shareholders without a time constraint, provided that certain conditions are met. Additionally, the Group has signed a new put option agreement valid between August 2011 and August 2015 for the remaining non-controlling shares of 10%. Net fair value of such option shall be calculated based on Impress Media's EBITDA or net sales revenue. Group, pursuant to an agreement signed in September of 2010, has had the option to purchase the remaining 3% share in the capital. The fair value of the option will be determined based on calculation over Impress Media EBITDA, according to gradually increase of Impress Media EBITDA, shall be had the option to the rate of 14% of the shares sold, to the rate of 14% of the purchase the new shares. As of 31 March 2011, the short-term portion of the fair value of the put option is TRY 878 (31 December 2010: TRY 764), long-term portion is nil as of 31 March 2011 (31 December 2010: None).

Hürriyet has granted a put option, on the 30% shares outstanding during the acquisition of 70% interest of the shares in its subsidiary Oglasnik d.o.o in Croatia. As of 31 March 2011, the fair value of the option is calculated as TRY 12.386 (USD 8.000) based on various valuation techniques and assumptions and classified in "Other short-term financial liabilities" (31 December 2010: TRY 12.366 (USD 8.000)).

Hürriyet has acquired a 55% share in Moje Delo d.o.o. ("Moje Delo") in Slovenia. The Group paid an earn-out amounting to EUR 1 million during the period. The Group has granted a put option to the selling shareholders on the remainder of the shares exercisable from January 2009 to January 2012 and has a call option exercisable from January 2011 to January 2014. Exercise price shall be calculated based on EBITDA and the net financial debt of Moje Delo. The fair value of the put option is TRY 2.261 as of 31 March 2011 (31 December 2010: TRY 700) and classified in "Short-term financial liabilities".

Based on a protocol signed by Hürriyet in the current period, the put option liability in relation to the 3,84% shares of non-controlling interests in Trader Media East Limited is exercisable until 2013. The "put option" exercise price is USD 13 (exact). Hürriyet will make a payment of USD 1.000 for each year the put option right is not exercised until 2013. Considering facts that the protocol signed in the current period has not derived any cash outflows in prior periods or in the current period and probable cash outflows will likely occur in 2013, Hürriyet has presented TRY 38.650 of put option liability under the "Other Financial Liabilities" account in the accompanying consolidated financial statements as of and for the period then ended 31 December 2010; and accordingly has recognized foreign currency translation difference and loss for the period by increasing TRY 253 and TRY 678 and its non-controlling interest and retained earnings/accumulated losses by decreasing TRY 22.767 and TRY 15.458, respectively. As of 31 March 2011, the value of this call option is TRY 38.708.

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NOTE 15 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

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

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

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

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

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

(f) Improvements at the Competition Authority

Upon the Competitive Board's notification issued on 17 September 2009, Doğan Yayın Holding, Hürriyet, Doğan Gazetecilik, Bağımsız Gazeteciler and Doğan Daily News were informed that they are subject to an investigation in order to determine whether these companies have violated any provisions of Law 4054 in relation to "Advertisement area sales" in the print media. The Group has made an objection to the initial response session of the ongoing investigation claiming that Doğan Yayın Holding's operations are not in the form of "Advertisement area sales" in the printed media and Doğan Daily News is not an operating company. Based on the investigation undertaken by the Competition Authority as of 5 April 2011, Hürriyet, Doğan Gazetecilik and Bağımsız Gazetecilik are charged with an administrative penalty fee of TRY 3.805, TRY 2.316 and TRY 444, respectively. On the other hand, the Authority did not charge any administrative penalty for Doğan Daily News (a dormant company) and Doğan Yayın Holding, to avoid imposing multiple charges. The Group has provided a total of TRY 4.923 of provision in relation to the charges in the accompanying financial statements. The total amount consists of TRY 2.853 of provision for Hürriyet and TRY 2.070 of provision for Doğan Gazetecilik and Bağımsız Gazetecilik.

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NOTE 15 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

(g) Derivative financial instruments:

1) Derivative instruments against foreign exchange risk

Hürriyet, one of the subsidiaries of the Group, as of 31 December 2010, the Group has made a swap transaction amounting to USD 40.180 related with bank borrowings. As of 31 March 2011 the financial liability related to this transaction amounted to TRY 6.455. (31 December 2010: TRY 3.754).

2) Derivative instruments against interest risk

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

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

3) Interest rate swap transactions

Hürriyet, one of the subsidiaries of the Group, has an interest rate swap agreement to convert floating interest (Libor) rate to fixed interest rate for its loan amounting to USD 80.283. According to the agreement, interest expense of loan depending on 6 months libor rate, is fixed until 5 July 2011. Financial liability recognised as of 31 March 2011 regarding these agreements amounted to TRY 329 (31 December 2010: TRY 783).

Doğan TV, one of the subsidiaries of the Group, has an interest rate swap agreement to convert floating interest rate to fixed interest rate for its loan amounting to USD 77.778 as of 31 December 2010. According to the agreement, interest expense of loan is fixed until 23 May 2014. Financial liability recognised as of 31 March 2011 regarding these agreements amounted to TRY 4.267 (31 December 2010: TRY 4.206).

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NOTE 15 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

(h) 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 95 number of subsidiaries set out in relation to "Tax Base Increase" in Law No: 6111 "Restructuring of some receivables and Social Security and General Health Insurance Law and Other Law Amending Certain Laws and Decrees" ("Law No:6111"), which has become effective upon the issuance in the Official Gazette No: 27857 (I.Bis) on 25 February 2011. The Group has increased the tax basis for the 2006, 2007, 2008 and 2009 periods in accordance with the requirements set out in relation to "Tax Base Increase" in Law No: 6111 and accordingly the Group's payable amount is calculated as TRY 78.888 in total including its interests (TRY 77.127 net amount). Therefore, the Group has recognized TRY 78.888 of liability in the accompanying financial statements prepared as of 31 March 2011. TRY 68.390 portion of the liability is classified as short-term liability while the remaining portion of TRY 10.498 is classified long-term liability (Note 17).

(i) Other

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

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

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

Other:

The land owned by Milpa, a subsidiary of the Group, located in Kurtdoğan village, Pendik district, İstanbul province, classified as investment property in the consolidated financial statements, 144.266 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 Forestry Directorate reappealed the decision and the file sent back to the 20th Chamber of the High Court. The decision of the High Court is still pending.

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NOTE 15 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

Other (Continued):

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

According to the expert report, made in compliance with the Communiqué No IV-1 of Capital Market Board, by Taksim Kurumsal Değerleme ve Danışmanlık A.Ş. as of 3 February 2010, taking into account that the land was classified in the habitat and recreation area, the sales price of the related property was determined by TRY 44.765 (3 February 2010: TRY 44.765). This amount has been determined for the entire land and the share of Milpa is 54,79% in the land.

The change of the construction plan for the related land and the appeal against this change is still pending as of the date of these consolidated financial statements and the uncertainty about the fair value of the land will be reconsidered in the following periods in the context of developments regarding the legal proceedings.

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NOTE 16 - COMMITMENTS

Collateral, pledge and mortgages given:

Collateral, pledges and mortgages “CPM” given by Parent Company, Doğan Holding, as of 31 March 2011 and 31 December 2010 are as follows:

| | 31 March 2011 | | | | | 31 December 2010 | | | | |
|--|------------------|---------|-----------|---------|-----------|------------------|---------|-----------|---------|-----------|
| | TRY Equivalent | TRY | USD | Euro | Other | TRY Equivalent | TRY | USD | Euro | Other |
| A. CPM’s given in the name of its own legal personality | | | | | | | | | | |
| Guarantee ⁽¹⁾ | 115.893 | 101.223 | 7.032 | 1.632 | 131 | 115.111 | 101.493 | 6.966 | 1.386 | 3 |
| Pledge ⁽²⁾⁽³⁾ | 344.950 | 113.177 | - | - | 4.255.692 | 329.055 | 113.177 | - | - | 4.255.692 |
| Mortgage ⁽⁴⁾ | 25.974 | 11.794 | - | 6.500 | - | 25.113 | 11.794 | - | 6.500 | - |
| B. CPM’s given on behalf of the fully consolidated companies | | | | | | | | | | |
| Guarantee ⁽¹⁾⁽⁵⁾ | 2.326.148 | 225.093 | 1.111.625 | 174.150 | - | 2.262.918 | 220.089 | 1.053.001 | 202.474 | - |
| Pledge | - | - | - | - | - | - | - | - | - | - |
| Mortgage | - | - | - | - | - | - | - | - | - | - |
| C. CPM’s given behalf of third parties for ordinary course of business | | | | | | | | | | |
| Guarantee | - | - | - | - | - | - | - | - | - | - |
| 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 to on behalf of third parties which are not in scope of B and C | - | - | - | - | - | - | - | - | - | - |
| iii) Total amount of CPM’s given to on behalf of third parties which are not in scope of B and C | - | - | - | - | - | - | - | - | - | - |
| Total | 2.812.965 | | | | | 2.732.197 | | | | |

- (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) As of 31 March 2011, one of the subsidiaries of the Group, OOO Pronto Moscow has liens amounting to TRY 231.773 (31 December 2010: TRY 215.878) over the rights of name, “IZ RUK V RUKI” (“Из рук в руки”) within the context of loan agreement.
- (3) As explained in detail in Note 8, 11,3% shares of Doğan Yayın Holding (113.169.526 shares), 13,3% shares of Hürriyet (73.200.000 shares), 49% shares of Kanal D (24.500.000 shares) and 67,3% shares of TME (33.649.091 shares) were given as pledges to financial institutions in respect of the long-term borrowings of the Group and are not included in the table above.
- (4) There are mortgages amounting to TRY 15.624 on property plant and equipment of Hürriyet, one of the subsidiaries of the Group, as of 31 March 2011 (31 December 2010: TRY 14.763).
- (5) Guarantee is related with the long-term project financing loan amounting to 750.000 USD which is taken together with the other shareholders (Note 4) of Boyabat Elektrik as joint and several guarantor within the hydroelectric power plant project which is under Boyabat Elektrik execution and planned to be completed by the end of 2012. The duration of the guarantee is limited to the construction completion date.

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NOTE 16 – COMMITMENTS (Continued)

Tax office put shares of Doğan Yayın Holding in its subsidiaries 66,56% of Hürriyet shares (367.415.960 shares); 70,76% of Doğan Gazetecilik shares (74.297.743 shares); and 36,14% Doğan TV shares (164.998.528 shares), 44,89% of its joint venture Doğan Burda shares (8.779.736 shares); under sequestration; and, those shares are not included to the above table. Also, total shares of D Yapım (1.124.682.616 shares), Doğan Prodüksiyon (1.087.582.624 shares) and Alp Görsel (1.068.595.605 shares) all of which are owned by Doğan TV are given as guarantees to the Tax Offices; and they are not included to the above table.

Other CPM given by the Group to equity ratio is 0,0% as of 31 March 2011 (31 December 2010: 0,0%).

| | 31 March 2011 | | 31 December 2010 | |
|-------------------------------|------------------------------|---------------------------|------------------------------|---------------------------|
| | Original currency | TRY equivalent | Original currency | TRY equivalent |
| Letters of guarantees - EUR | 73.211 | 159.717 | 84.330 | 172.802 |
| Letters of guarantees - TRY | 103.269 | 103.269 | 103.897 | 103.897 |
| Letters of guarantees - USD | 14.594 | 22.596 | 14.525 | 22.455 |
| Letters of guarantees - Other | 131 | 222 | 3 | 7 |
| Guarantee notes - TRY | 204 | 204 | 204 | 204 |
| Guarantee notes - EUR | 25 | 55 | 25 | 52 |
| Total | | 286.063 | | 299.417 |

Doğan TV, one of the subsidiaries of Doğan Yayın Holding, has given letters of guarantees amounting to EUR 71.500 to UEFA (Union Européenne de Football Association or Union of European Football Associations) in 2008 for broadcasting rights of UEFA Champions League, UEFA Super Cup and UEFA Cup games for the period 2009-2012. In addition, until 2012 in relation to these games Doğan TV has a payment obligation for the amount of total EUR 46.000.

(b) Barter agreements

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

As of 31 March 2011, the Group has a commitment for the publication of advertisements amounting to TRY 16.005 in exchange for purchasing goods and services (2010: TRY 8.232) and has an option to purchase goods and services amounting to TRY 15.255 in exchange of the goods or services sold (2010: TRY 12.854).

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NOTE 16 – COMMITMENTS (Continued)

(c) Guarantees and mortgages given

The details of guarantees given by Doğan Holding and its shareholders for the borrowings and trade payables of the Group companies and related parties as of 31 March 2011 and 31 December 2010 are as follows:

| | 31 March 2011 | | 31 December 2010 | |
|-----------------|------------------------------|---------------------------|------------------------------|---------------------------|
| | Original currency | TRY equivalent | Original currency | TRY equivalent |
| Bails - EUR | 102.546 | 223.714 | 119.505 | 244.879 |
| Bails - USD | 1.104.063 | 1.709.421 | 1.045.443 | 1.616.254 |
| Bails – TRY | 222.843 | 222.843 | 217.479 | 217.479 |
| Mortgages - EUR | 6.500 | 14.180 | 6.500 | 13.319 |
| Mortgages - TRY | 11.794 | 11.794 | 11.794 | 11.794 |
| Total | | 2.181.952 | | 2.103.725 |

NOTE 17 - OTHER ASSETS AND LIABILITIES

| | 31 March 2011 | 31 December 2010 |
|--|----------------------|-------------------------|
| Other current assets: | | |
| Programme stocks | 31.330 | 52.675 |
| Value Added Tax ("VAT") receivables | 55.683 | 50.739 |
| Prepaid expenses | 47.218 | 40.287 |
| Advances given | 42.631 | 35.396 |
| Income accruals | 5.459 | 8.514 |
| Prepaid taxes | 9.195 | 7.077 |
| Tax receivable | 207 | 1.616 |
| Other | 20.020 | 18.165 |
| | 211.743 | 214.469 |
| Less: provision for impairment on programme stocks | (2.500) | (2.500) |
| | 209.243 | 211.969 |

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NOTE 17 - OTHER ASSETS AND LIABILITIES (Continued)

| | 31 March 2011 | 31 December 2010 |
|-------------------------------------|----------------------|-------------------------|
| Other non-current assets: | | |
| Value Added Tax ("VAT") receivables | 120.817 | 110.598 |
| Advances given and prepayments (1) | 84.390 | 83.869 |
| Long term restricted deposits (2) | 15.483 | 15.460 |
| Prepaid expenses | 11.654 | 9.780 |
| Other | 2.390 | 53 |
| | 234.734 | 219.760 |

(1) Advances given and prepayments amounting to TRY 36.633 (31 December 2010: TRY 36.947) 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) As of 31 March 2011, time deposit amounting to USD 10.000 has been blocked as collateral for loans used by subsidiaries of the Group. Due to the restructuring of the loan, the blocked deposit has been solved as of 5 May, 2011 (Note 30) .

| | 31 March 2011 | 31 December 2010 |
|---|----------------------|-------------------------|
| Other current liabilities: | | |
| Provision for tax liability in dispute | 125.206 | - |
| Tax base increase liability | 74.808 | - |
| Deferred revenue | 47.353 | 52.283 |
| Provision for unused vacation liability | 29.309 | 27.497 |
| Expense provisions | 39.212 | 12.276 |
| Competition Authority penalty | 4.923 | - |
| Provision for broadcasted programmes | 2.812 | 6.815 |
| Expense accruals | 702 | 1.798 |
| | 324.325 | 100.669 |

| | 31 March 2011 | 31 December 2010 |
|--|----------------------|-------------------------|
| Other non-current liabilities: | | |
| Provision for tax liability in dispute | 151.336 | - |
| Tax base increase liability | 10.498 | - |
| Other long term liabilities | 22.901 | - |
| | 184.735 | - |

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NOTE 18 - EQUITY

Doğan Holding adopted the registered paid in capital system available to companies registered with the CMB and set a limit on its registered paid in capital representing registered type shares with a nominal value of TRY 1. Doğan Holding's historical, authorized and issued paid in capital at 31 March 2011 and 31 December 2010 is as follows:

| | 31 March 2011 | 31 December 2010 |
|--|----------------------|-------------------------|
| Limit on registered paid in capital (historical value) | 4.000.000 | 4.000.000 |
| Authorized and issued paid in capital (historical value) | 2.450.000 | 2.450.000 |

The ultimate shareholder of Doğan Holding is Doğan Family. The shareholder structures of the Holding at 31 March 2011 and 31 December 2010 are summarized as follows:

| | Shares % | 31 March 2011 | Shares % | 31 December 2010 |
|---|-----------------|----------------------|-----------------|-------------------------|
| Adilbey Holding A.Ş. | 52,00 | 1.274.000 | 52,00 | 1.273.999 |
| Aydın Doğan | 10,08 | 246.993 | 10,08 | 246.993 |
| Işıl Doğan | 1,64 | 40.292 | 1,64 | 40.292 |
| Arzuhan Yalçındağ | 0,78 | 19.049 | 0,78 | 19.049 |
| Vuslat Sabancı | 0,46 | 11.353 | 0,46 | 11.353 |
| Hanzade V. Doğan Boyner | 0,93 | 22.703 | 0,93 | 22.703 |
| Y. Begümhan Doğan Faralyalı | 0,04 | 975 | 0,04 | 975 |
| Total Doğan family and companies owned by Doğan family | 65,93 | 1.615.364 | 65,93 | 1.615.364 |
| Istanbul Stock Exchange | 38,88 | 829.957 | 38,88 | 829.957 |
| Aydın Doğan Vakfı | 0,19 | 4.679 | 0,19 | 4.679 |
| Total issued capital | 100 | 2.450.000 | 100 | 2.450.000 |
| Adjustment to paid-in capital | | 143.526 | | 143.526 |
| Total | | 2.593.526 | | 2.593.526 |

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NOTE 18 – EQUITY (Continued)

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

There are no privileged shares.

Restricted Reserves Assorted From Profit

Restricted Reserves are appropriated from retained earnings because of legal or contractual requirements; or because of specified purposes other than profit distribution (for example: in order to utilize the tax advantage of sales of equity participations).

The legal reserves consist of first and second reserves, appropriated in accordance with the Turkish Commercial Code. The Turkish Commercial Code stipulates that the first legal reserve is appropriated out of statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the Company's paid-in share capital. The second legal reserve is appropriated at the rate of 10% per annum of all cash distributions in excess of 5% of the paid-in share capital. Under the Turkish Commercial Code, the legal reserves can only be used to offset losses and are not available for any other usage unless they exceed 50% of paid-in share capital. Related amount is classified in "Restricted Reserves Assorted From Profit" accordance with CMB Financial Reporting Standards ,as of 31 March 2011 that amount is TRY 696.888 (31 December 2010: TRY 696.888). There is no restriction to add these reverses except first reserves to equity.

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

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

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

Other equity items shall be carried at the amounts calculated based on CMB Financial Reporting Standards. Inflation adjustment to share capital can only be added to equity.

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NOTE 18 – EQUITY (Continued)

Financial assets fair value reserves

Financial assets fair value reserve is derived from unrealised gains and losses arising from net changes in fair value of securities classified as available – for – sale with deferred tax effect.

Dividend Distribution

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

Based on CMB Decree No. 02/51, dated 27 January 2010, there is no mandatory minimum profit distribution requirement for the quoted entities at the stock exchange for profits arising from operations in 2009. In this context, the entities are to distribute their profits under the scope of CMB Communiqué No. IV-27, their articles of association and their previously publicly declared profit distribution policies.

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

In case of deciding to distribute dividends from the profit, regarding allocation basis of profit of publicly owned companies, the distribution of the relevant amount may be realised as cash or as bonus shares or partly as cash and bonus shares; and in the event that the first dividend amount to be specified is less than 5% of the paid-up capital, the relevant amount can be retained within the company. However, companies that made capital increases before distributing dividends related to the prior period and whose shares are therefore classified as "old" and "new" and that will distribute dividends from the profit are required to distribute the initial amount in cash.

Based on the consolidated financial statements ended at 31 December 2010, the Company's "Net Profit for the Period" is calculated as TRY 656.204, considering its "current tax expenses", "deferred tax income" and "non-controlling interests" in accordance with the resolution issued in its Board of Directors' meeting held on 8 April 2011. Also, the Company has decided to make a disclosure to its shareholders that the Company has not generated any distributable profits for the period 1 January 2010 - 31 December 2010 based on the CMB's profit distribution requirements after the deduction of: "1st Legal Reserves" amounting to TRY 62.902; accumulated losses amounting to TRY 92.683; and "sale proceeds of joint venture shares" amounting to TRY 690.349, which is classified as undistributable under a "special fund" account in "equity", in accordance with Article 466/1 of TCC, considering the "Contributions made in 2010" (TRY 1.053), and presented its resolution to the General Assembly.

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 in accordance with Communiqué Serial XI, No: 29. 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 TRY 586.456. Yet, the Ordinary General Assembly of 2010 has not conducted by the Company, and the transfers to equity has not completed from previous years profits, with these reason there is no change in distributable profit presentation under legal reserves.

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NOTE 18 – EQUITY (Continued)

The shareholders equity of the Group is as below:

| | 31 March 2011 | 31 December 2010 |
|--|----------------------|-------------------------|
| Share capital | 2.450.000 | 2.450.000 |
| Adjustment to share capital | 143.526 | 143.526 |
| Share premium | 630 | 630 |
| Increase in fair value of | | |
| available for sale financial assets, net | 573 | 13.918 |
| Translation reserve | 24.324 | (3.939) |
| Restricted reserves assorted from profit | 696.888 | 696.888 |
| - <i>Legal reserves</i> | 64.837 | 64.837 |
| - <i>Inflation adjustment differences to legal, extraordinary and other reserves, share premiums</i> | 632.051 | 632.051 |
| Retained earnings / Accumulated losses | 576.792 | (92.683) |
| Net income/ (loss) for the period | (199.892) | 656.204 |
| Total shareholders' equity | 3.692.841 | 3.864.544 |

(*)The related income consists of the sale of shares in the capital of Petrol Ofisi A.Ş., one of the Doğan Şirketler Grubu Holding A.Ş.'s jointly controlled entity, comprising of 312.665.847,814 units of shares in total with the nominal value of TRY 312.665.847,814 (full) including 116.315.847,814 units of Class A bearer shares with the nominal value of TRY 1 (full) per share and 196.350.000 units of Class A registered shares with the nominal value of TRY 1 (full) per share, which totally corresponds to 54,14% of the paid-in capital of Petrol Ofisi A.Ş. to OMV Enerji Holding A.Ş. on 22 December 2010 in consideration of full and cash payment of Euro 499.700.000 (full) and USD 694.583.000 (full) of the nominal value of shares amounting to TRY 312.665.847,814 (full). TRY 690.349.152,69 (full) of the related "gain on disposal of shares in subsidiaries" which is exempt from Corporate Tax recognized in the statutory/individual records prepared in accordance with the provisions of Turkish Commercial Code ("TCC") and Tax Procedure Law ("TPL") will be retained by Doğan Holding in a special fund under equity within five years in accordance with the requirements set out in Corporate Tax Law (Under the "CMB" Financial Reporting Standards, the related amount corresponds to TRY 782.702.250 (full) and will not be subject to profit distribution.

NOTE 19 - SALES AND COST OF SALES

| | 1 January- 31 March 2011 | 1 January- 31 March 2010 |
|---------------------|---|---|
| Domestic Sales | 622.220 | 714.096 |
| Foreign Sales | 211.843 | 76.770 |
| Sales returns | (102.155) | (101.843) |
| Sales discount | (31.825) | (46.187) |
| Net sales | 700.083 | 642.836 |
| Cost of sales (-) | (547.017) | (516.812) |
| Gross profit | 153.066 | 126.024 |

Sales income and cost of sales

The segment details of revenue and cost of sales for the periods ended as of 31 March 2011 and 2010 is disclosed in Note 5 - "Segment Reporting".

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**NOTE 20 - RESEARCH AND DEVELOPMENT EXPENSES, MARKETING, SALES AND
DISTRIBUTION EXPENSES, GENERAL ADMINISTRATIVE EXPENSES**

| | 1 January- 31 March 2011 | 1 January- 31 March 2010 |
|---|---|---|
| Selling, marketing and distribution expenses | 91.458 | 90.009 |
| General administrative expenses | 91.145 | 76.092 |
| Operating expenses | 182.603 | 166.101 |

NOTE 21 - EXPENSES BY NATURE

The details of cost of sales, marketing, selling and distribution expenses and general administrative expenses for the interim periods ended as at 31 March 2011 and 2010 are as follows:

| | 1 January- 31 March 2011 | 1 January- 31 March 2010 |
|-----------------------------|---|---|
| Personnel expenses | 148.553 | 126.169 |
| Cost of trade goods sold | 117.070 | 118.903 |
| General production overhead | 126.321 | 130.586 |
| Raw material and supplies | 109.602 | 86.781 |
| Depreciation expense | 60.830 | 60.636 |
| Advertising expenses | 18.854 | 18.342 |
| Other | 148.390 | 141.496 |
| | 729.620 | 682.913 |

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NOTE 22 - OTHER INCOME/EXPENSES

| | 1 January- 31 March 2011 | 1 January- 31 March 2010 |
|---|---|---|
| Other income: | | |
| Profit from sales of available for sale financial asset (*) (Note 7) | 11.278 | - |
| Reversal of provision of tax penalties | 3.616 | - |
| Terminated provisions | 3.458 | 4.834 |
| Gain on sales of property, plant and equipment and intangible assets | 1.303 | 779 |
| Scrap sales income | 602 | - |
| Rent income | 244 | - |
| Other income | 1.254 | 5.885 |
| | 21.755 | 11.498 |

(*) Profit generates from the sales of its 10% shares in Ray Sigorta, one of the available for sale financial assets of Group, (Note 7).

| | 1 January- 31 March 2011 | 1 January- 31 March 2010 |
|--|---|---|
| Other operating expenses: | | |
| Provision expense of tax liability in dispute | (249.885) | - |
| Provision expense of tax base increase (Note 15) | (85.306) | - |
| Provision of Competition authority penalty | (4.923) | - |
| Provision for doubtful receivables (Note 9) | (3.873) | (4.149) |
| Provision of tax penalties | - | - |
| Other penalties and compensations paid | (2.046) | (432) |
| Loss on sale of property, plant and equipment | (2.336) | (313) |
| Provision for lawsuits | (1.630) | (1.281) |
| Union indemnity expenses | - | (114) |
| Other expenses | (5.606) | (6.594) |
| | (355.605) | (12.883) |

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NOTE 23 - FINANCIAL INCOME

The details of financial income for the interim periods ended 31 March 2011 and 2010 are as follows:

| Financial income: | 1 January- 31 March 2011 | 1 January- 31 March 2010 |
|-------------------------------------|---|---|
| Foreign exchange gains | 133.185 | 45.507 |
| Interest income on bank deposits | 47.085 | 20.117 |
| Due date difference on credit sales | 14.524 | 16.419 |
| Amortized cost valuation income | 2.552 | 412 |
| Other interest and commissions | 2.000 | 1.358 |
| | 199.346 | 83.813 |

NOTE 24 - FINANCIAL EXPENSE

The details of financial expenses for the interim periods ended 31 March 2011 and 2010 are as follows:

| Financial expenses: | 1 January- 31 March 2011 | 1 January- 31 March 2010 |
|--|---|---|
| Foreign exchange loss | (112.147) | (37.429) |
| Interest expense on short-term and long-term borrowings | (31.268) | (27.052) |
| Due date difference on credit purchases | (7.511) | (161) |
| Other | (1.974) | (16.094) |
| | (152.900) | (80.736) |

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NOTE 25 - NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

Group transferred its 54,14% shares in the capital of POAŞ on 22 December 2010. POAŞ's operation results and the profit from the sale of shares for the three-months period ended 31 March 2010, presented as follows;

| | 1 January - 31 March 2010 |
|--|--------------------------------------|
| Sales | 1.762.879 |
| Cost of sales (-) | (1.637.768) |
| Gross profit | 125.111 |
| Marketing, selling and distribution expenses (-) | (43.660) |
| General and administrative expenses (-) | (21.074) |
| Research and development expenses | (214) |
| Other income/expense (net) | (3.921) |
| Financial income/expense (net) | (36.270) |
| Profit/loss before tax From discontinued operations | 19.972 |
| Tax Income from discontinued operations | (8.632) |
| Current income tax expense | (6.883) |
| Deferred tax (expenses)/income | (1.749) |
| Net profit after tax for Discontinued operations | 11.340 |

Net cash used in discontinued operations:

| | 1 January - 31 March 2010 |
|---------------------------------------|--------------------------------------|
| Net cash provided by operations | 94.099 |
| Net cash used in investing activities | (11.055) |
| Net cash used in financing activities | (103.292) |
| Net cash outflow | (20.248) |

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NOTE 26 - TAX ASSETS AND LIABILITIES

| | 31 March 2011 | 31 December 2010 |
|------------------------------------|----------------------|-------------------------|
| Corporate and income taxes payable | 33.961 | 76.462 |
| Deferred tax liabilities, net | 39.949 | 31.099 |
| Total | 73.910 | 107.561 |

Turkey

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

Turkish Corporate Tax Law has been amended by Law No.5520 dated 13 June 2006. Most of the articles of this new Law No.5520 have come into force effective from 1 January 2006. Accordingly, the corporation tax rate of the fiscal year 2011 is 20% (2010: 20%). Corporation tax is payable at a rate of 20% on the total income of the companies after adjusting for certain disallowable expenses, corporate income tax exemptions (participation exemption) and corporate income tax deductions (like research and development expenses deduction). (Except for withholding tax at the rate of 19,8% on the investment incentive allowance utilized within the scope of the Income Tax Law transitional article 61).

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

Dividends paid to non-resident 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. In accordance with the provisions of the aforementioned Law provisions, in order to apply inflation adjustment, the cumulative inflation rate (TURKSTAT WPI) over the last 36 months and 12 months must exceed 100% and 10%, respectively. Inflation adjustment has not been applied as the related threshold has not been met as of 2005.

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NOTE 26- TAX ASSETS AND LIABILITIES (Continued)

Turkey(Continued)

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

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

Under the Turkish tax legislation, tax losses can be carried forward to offset against future taxable income for up to five years. Tax losses cannot be carried back to offset profits from previous years. As publicly disclosed on 19 April 2011, the Company plans to make use of the requirements set out in relation to "Tax Base Increase" in Law No: 6111 "Restructuring of some receivables and Social Security and General Health Insurance Law and Other Law Amending Certain Laws and Decrees"; therefore, 50% of losses attributable to the periods that are subject to tax base increase will not be offset against the income to be obtained in 2010 and subsequent periods.

As of 31 March 2011, the Company has offset its financial losses attributable to the calculation of offsetting of tax asset against deductible financial losses or current tax provision in accordance with the above-mentioned principles.

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

Exemption for participation in subsidiaries

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

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).

Exemption for sale of participation shares and property

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

Brokerage houses and real estate companies engaged in trading and the leasing of real estates cannot benefit from the exemption.

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NOTE 26- TAX ASSETS AND LIABILITIES (Continued)

Turkey(Continued)

Exemption for investment allowance

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

- a) In the scope of the investment incentive certificates prepared related to the applications before 24 April 2003, investments to be made after 1 January 2006 in the scope of the certificate for the investments started in accordance with the additional 1st, 2nd, 3rd, 4th, 5th and 6th articles prior to the abrogation of Income Tax Law No.193, with Law No. 4842.
- b) In the scope of the abolished 19th article of Income Tax Law No.193, the investment allowance amounts to be calculated in accordance with the legislation in force at 31 December 2005 for investments which were started before 1 January 2006 and which display an economic and technical integrity may deduct from income for only 2006, 2007 and 2008 fiscal years. The effective tax rate will be 30% in the case of applying the investment allowance exemption. The Group calculated the tax provision using the rate 30% for its Subsidiaries and Joint Ventures that applied this exemption.
- c) The expression of "just belongs to 2006, 2007 and 2008" in the 193 numbered Income Tax Law's temporary 69th clause is cancelled due to the Supreme Court's 2009/ 144 numbered decision, published in the official journal at 8 January 2010. The 6009 numbered laws 5. Clause and use of investment allowance exemption is restated which was published and effectuated at 1 August 2010 and 27659 numbered official journal. With the new regulation, the discounted amount of investment allowance exemption that will be used in tax base determination is anticipated as not to exceed 25% profit of the related year. Corporation tax will be calculated from the remaining earnings by the tax ratio in force.

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

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

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

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NOTE 26- TAX ASSETS AND LIABILITIES (Continued)

The composition of cumulative temporary differences and the related deferred income tax assets and liabilities in respect of items for which deferred tax has been provided at 31 March 2011 and 31 December 2010 using the enacted tax rates, is as follows:

| | Cumulative temporary differences | | Deferred Tax assets/(liabilities) | |
|--|---|-------------------------|--|-------------------------|
| | 31 March 2011 | 31 December 2010 | 31 March 2011 | 31 December 2010 |
| Differences between the tax base and carrying value of property, plant and equipment and intangible assets | (711.760) | (680.940) | (131.164) | (136.527) |
| Accrued expenses of swap and fair value protection | (127) | (360) | (25) | (72) |
| Other | (28.295) | (4.383) | (4.891) | (1.026) |
| Deferred tax liabilities | | | (136.080) | (137.625) |
| Carry forward tax losses | 276.091 | 337.342 | 55.238 | 67.469 |
| Provision for doubtful receivables | 34.296 | 35.170 | 8.268 | 8.278 |
| Provision for employment termination benefits | 51.454 | 46.895 | 10.291 | 9.379 |
| Lease payables | 749 | 948 | 214 | 271 |
| Other | 111.540 | 99.748 | 22.120 | 21.129 |
| Deferred tax assets | | | 96.131 | 106.526 |
| Deferred tax liabilities, net | | | (39.949) | (31.099) |

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

The Group recognised deferred tax assets over TRY 276.091 of carry forward tax losses in the consolidated financial statements prepared in accordance with the CMB's Financial Reporting Standards as at 31 March 2011 (31 December 2010: TRY 337.342). The maturity analysis of carry forward tax losses is as follows:

| | 31 March 2011 (*) | 31 March 2011 (**) | 31 December 2010 |
|----------------|------------------------------|-------------------------------|-------------------------|
| 2011 | 8.324 | 8.754 | 29.594 |
| 2012 | 16.899 | 16.899 | 48.644 |
| 2013 | 242.812 | 252.290 | 245.310 |
| 2014 | 2.560 | 2.560 | 8.333 |
| 2015 and after | 5.496 | 5.597 | 5.461 |
| | 276.091 | 286.100 | 337.342 |

(*) Maximum discountable amounts for the accumulated financial losses of the related period are presented in accordance with the requirements of Law No: 6111.

(**) Those amounts represent the actual accumulated loss amounts as of 31 March 2011 before the application of Law No: 6111.

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NOTE 26- TAX ASSETS AND LIABILITIES (Continued)

As of 31 March 2011, deferred tax rate is 20% for corporations operating in Turkey (2010: 20%).

Deferred tax assets are reflected into records for all deductible temporary differences to the extent of possibility of tax profit to be formed at profitable level. As of 31 March 2011, carry forward tax losses for which no deferred tax asset is recognized are with an amount of TRY 883.379 (31 December 2010: TRY 832.179).

Because the consolidated financial statements consist of selected footnotes(condensed financial statements) and there is no change in the current legislation as of 31 December 2010,the Group is operating in Turkey and there are no arrangements about the other countries.

As of 31 March 2011, tax rates (%) used on tax computations regarding the tax regulations per countries are as follows:

| Country | Tax rates (%) | Country | Tax rates (%) |
|----------------|--------------------------|------------------|--------------------------|
| Germany | 30,0 - 33,0 | Ukraine | 25,0 |
| Romania | 16,0 | Hungary (*) | 19,0 |
| England | 28,0 | Russia | 20,0 |
| Croatia | 20,0 | Belarus | 24,0 |
| Kazakhstan | 20,0 | Netherlands (**) | 25,5 |

(*) In basis of taxation, the first 500.000 Hungarion Forinti part subject to 10%, above of it 19%.

(**) As of 1 January 2011 tax rate has fallen to 25% and corporate tax base for the first 200.000 Euro is taxed by 20%.

Movements for net deferred taxes for the interim periods ended at 31 March 2011 and 2010 are as follows:

| | 2011 | 2010 |
|---|-----------------|------------------|
| 1 January | (31.099) | (154.782) |
| Deffered tax effect of financial assets fair value increase | - | - |
| Current year's expense/income | (339) | 7.725 |
| Discontinued operation current period income | - | (1.749) |
| Currency translation differences | (8.511) | (2.197) |
| Other | - | (845) |
| 31 March | (39.949) | (151.848) |

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NOTE 26- TAX ASSETS AND LIABILITIES (Continued)

The taxes on income reflected to the consolidated income statement for the periods ended at 31 March 2011 and 2010 are summarized below:

| | 31 March 2011 | 31 March 2010 |
|------------------------|----------------------|----------------------|
| Current | (42.251) | (15.756) |
| Deferred | (339) | 7.725 |
| Taxes on income | (42.590) | (8.031) |

The reconciliation of the taxation on income in the consolidated income statement for interim periods ended 31 March 2011 and 2010 and the tax calculated at the corporate tax rate based on the income before minority interests and taxation on income are as follows:

| | 31 March 2011 | 31 March 2010 |
|--|----------------------|----------------------|
| Profit before taxation from continued operations | (316.634) | (38.385) |
| Tax calculated at 20% tax rate | 63.327 | 7.677 |
| Expense accruals of tax liability in dispute and tax base increase | (68.682) | - |
| Expenses not deductible for tax purposes | (12.427) | (16.360) |
| Income not subject to tax | 3.876 | 10.970 |
| Tax losses for which no deferred income tax asset was recognized | (10.062) | (5.021) |
| Adjustment effects | (2.344) | - |
| Withholding tax related to the dividend payment in Russia | (181) | (631) |
| Difference due to the different tax rates applicable in different countries | - | (283) |
| Other | (16.097) | (4.383) |
| Current year tax | (42.590) | (8.031) |

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NOTE 27 - RELATED PARTY DISCLOSURES

The company's ultimate shareholder Doğan Family and other group companies controlled by Doğan Family are defined related party. Related party balances and transactions are listed as below:

i) Amounts due from and due to related parties:

| | 31 March 2011 | 31 December 2010 |
|---|----------------------|-------------------------|
| <u>Current trade receivables - Due from related parties:</u> | | |
| Medyanet İletişim Reklam | | |
| Pazarlama ve Turizm A.Ş. ("Medyanet") (*) | 4.336 | 5.724 |
| D Elektronik Şans Oyunları ve | | |
| Yayınçılık A.Ş. ("D Elektronik Şans Oyunları") | 1.358 | 1.567 |
| D Market Elektronik Hizmetler ve Ticaret A.Ş. ("D Market") | 1.122 | 405 |
| Doğan Portal ve Elektronik Ticaret A.Ş. | 957 | 293 |
| Doğan Elektronik Turizm Satış Pazarlama Hizmetleri ve Yayınçılık A.Ş. | 130 | 20 |
| Diğer | 2.543 | 3.159 |
| | 10.446 | 11.168 |

(*) Group's receivable from Medyanet is advertising sales made over Medyanet.

| | | |
|--|----------------------|-------------------------|
| <u>Current trade payables - Due to related parties:</u> | 31 March 2011 | 31 December 2010 |
| Ortadoğu Otomotiv Ticaret A.Ş. ("Ortadoğu Otomotiv") | 147 | - |
| Yeni Ortadoğu Otomotiv Ticaret A.Ş. ("Yeni Ortadoğu Otomotiv") | - | 191 |
| Ray Sigorta | - | 8 |
| Other | 326 | 998 |
| | 473 | 1.197 |

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NOTE 27 - RELATED PARTY DISCLOSURES (Continued)

ii) Transactions with related parties:

| <u>Service and product purchases:</u> | 1 January- 31 March 2011 | 1 January- 31 March 2010 |
|--|---|---|
| Service and product purchases | 1.342 | 1.213 |
| | 1.342 | 1.213 |

Service and product sales:

| | | |
|---------------------------|-------|-------|
| Service and product sales | 5.294 | 5.513 |
|---------------------------|-------|-------|

Financial income and expenses:

| | | |
|-------------------|-----------|------------|
| Financial expense | 94 | 137 |
| | 94 | 137 |

Purchases of property, plant and equipment and intangible assets:

| | | |
|----------|----------|------------|
| D Market | 4 | 155 |
| | 4 | 155 |

Sales of property, plant and equipment and intangible assets:

| | | |
|----------------------------|----------|----------|
| D Elektronik Şans Oyunları | 1 | - |
| | 1 | - |

Benefits provided to board members and key management personnel

Doğan Holding determined member of the board of the directors, consultant of the board, group presidents, chief legal counsel, division heads, coordinators as key management personnel. Benefits provided to board members and key management personnel are wage, premium, health insurance and transportation. Total of the benefits provided to board members and key management personnel is as below;

| | 31 March 2011 | 31 March 2010 |
|------------------------------------|----------------------|----------------------|
| Fees and other short-term benefits | 1.269 | 1.043 |
| Post-employment benefits | - | - |
| Other long-term benefits | - | - |
| Benefits due to layoffs | - | - |
| Share-based payments | - | - |
| Total | 1.269 | 1.043 |

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NOTE 28 - FINANCIAL RISK MANAGEMENT

Financial instruments and financial risk management

The Group's activities expose it to a variety of financial risks. These risks are interest rate risk, funding risk, credit risk, liquidity risk, foreign currency exchange rates and price risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance of the Group.

Financial risk management is carried out by each segment (in the current period media and other, in previous years media, energy and other) and individual joint ventures, subsidiaries and associates operating in these segments, within the limits of general principles approved by their Board of Directors.

a) Market Risk

a.1) Foreign currency risk

The Group is exposed to the foreign exchange risk through the impact of rate changes in the translation of foreign currency denominated liabilities to the local currency. These risks are monitored and limited by analyzing foreign currency position.

The Group is exposed to foreign exchange risk arising primarily from the USD and Euros.

| | 31 March 2011 | 31 December 2010 |
|---|----------------------|-------------------------|
| Foreign currency assets | 2.825.669 | 2.980.612 |
| Foreign currency liabilities | (1.881.930) | (2.033.596) |
| Net asset position of off-balance sheet derivatives | (32.237) | 12.424 |
| Net foreign currency position | 911.502 | 959.440 |

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NOTE 28 - FINANCIAL RISK MANAGEMENT (Continued)

Net foreign currency position

Below table summarizes the Group's foreign currency position risk as of 31 March 2011 and 31 December 2010. The carrying amount of foreign currency denominated assets and liabilities are as follows:

31 March 2011

| | TRY Equivalent | USD | Euro | Other |
|--|-----------------------|------------------|------------------|-----------------|
| 1. Trade Receivables | 87.237 | 36.322 | 42.441 | 8.474 |
| 2a. Monetary Financial Assets (Cash, Banks included) | 2.682.107 | 1.657.455 | 995.696 | 28.956 |
| 2b. Non-Monetary Financial Assets | - | - | - | - |
| 3. Other | 30.141 | 26.344 | 245 | 3.552 |
| 4. Current Assets (1+2+3) | 2.799.485 | 1.720.121 | 1.038.382 | 40.982 |
| 5. Trade Receivables | - | - | - | - |
| 6a. Monetary Financial Assets | 15.632 | 15.545 | 87 | - |
| 6b. Non-Monetary Financial Assets | - | - | - | - |
| 7. Other | 10.552 | 28 | 10.524 | - |
| 8. Non-Current Assets (5+6+7) | 26.184 | 15.573 | 10.611 | - |
| 9. Total Assets (4+8) | 2.825.669 | 1.735.694 | 1.048.993 | 40.982 |
| 10. Trade Payables | 110.708 | 32.919 | 97.273 | 10.516 |
| 11. Financial Liabilities | 784.496 | 547.560 | 222.301 | 14.635 |
| 12a. Other Monetary Financial Liabilities | 68.569 | 42.106 | 11.827 | 14.636 |
| 12b. Other Non-Monetary Financial Liabilities | 312 | 8 | 304 | - |
| 13. Current Liabilities (10+11+12) | 994.085 | 622.593 | 331.705 | 39.787 |
| 14. Trade Payables | - | - | - | - |
| 15. Financial Liabilities | 847.211 | 776.783 | 44.126 | 26.302 |
| 16a. Other Monetary Financial Liabilities | 38.803 | 38.755 | - | 48 |
| 16b. Other Non-Monetary Financial Liabilities | 1.831 | 1.388 | 443 | - |
| 17. Non-Current Liabilities (14+15+16) | 887.845 | 816.926 | 44.569 | 26.350 |
| 18. Total Liabilities (13+17) | 1.881.930 | 1.439.519 | 376.274 | 66.137 |
| 19. Net asset / liability position of | | | | |
| Off-balance sheet derivatives (19a-19b) | (32.237) | (36.912) | 6.741 | (2.066) |
| 19.a Off-balance sheet foreign | | | | |
| currency derivative assets | (1.793) | (8.534) | 6.741 | - |
| 19b. Off-balance sheet foreign | | | | |
| currency derivative liabilities | 30.444 | 28.378 | - | 2.066 |
| 20. Net foreign currency | | | | |
| asset liability position (9-18+19) | 911.502 | 259.263 | 679.460 | (27.221) |
| 21. Net foreign currency asset / liability | | | | |
| position of monetary items | | | | |
| (1+2a+5+6a-10-11-12a-14-15-16a) | 905.189 | 271.199 | 662.697 | (28.707) |
| 22. Fair value of foreign currency | | | | |
| hedged financial assets | - | - | - | - |
| 23. Exports | 211.843 | 58.871 | 141.504 | 11.471 |
| 24. Imports | 79.554 | 30.598 | 47.204 | 1.751 |

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NOTE 28 - FINANCIAL RISK MANAGEMENT (Continued)

31 December 2010

| | TRY Equivalent | USD | Euro | Other |
|--|-----------------------|------------------|------------------|-----------------|
| 1. Trade Receivables | 92.666 | 47.579 | 37.732 | 7.355 |
| 2a. Monetary Financial Assets (Cash, Banks included) | 2.846.543 | 1.710.066 | 1.112.143 | 24.334 |
| 2b. Non-Monetary Financial Assets | - | - | - | - |
| 3. Other | 14.618 | 8.624 | 2.446 | 3.548 |
| 4. Current Assets (1+2+3) | 2.953.827 | 1.766.269 | 1.152.321 | 35.237 |
| 5. Trade Receivables | 245 | 9 | 236 | - |
| 6a. Monetary Financial Assets | 15.693 | 15.475 | 70 | 148 |
| 6b. Non-Monetary Financial Assets | - | - | - | - |
| 7. Other | 10.995 | 473 | 10.522 | - |
| 8. Non-Current Assets (5+6+7) | 26.933 | 15.957 | 10.828 | 148 |
| 9. Total Assets (4+8) | 2.980.760 | 1.782.226 | 1.163.149 | 35.385 |
| 10. Trade Payables | 139.211 | 32.359 | 97.342 | 9.510 |
| 11. Financial Liabilities | 738.076 | 490.978 | 230.587 | 16.511 |
| 12a. Other Monetary Financial Liabilities | 77.912 | 41.342 | 3.566 | 33.004 |
| 12b. Other Non-Monetary Financial Liabilities | 391 | 205 | 186 | - |
| 13. Current Liabilities (10+11+12) | 955.590 | 564.884 | 331.681 | 59.025 |
| 14. Trade Payables | - | - | - | - |
| 15. Financial Liabilities | 1.037.480 | 946.550 | 62.546 | 28.384 |
| 16a. Other Monetary Financial Liabilities | 38.695 | 38.650 | - | 45 |
| 16b. Other Non-Monetary Financial Liabilities | 1.831 | 1.388 | 443 | - |
| 17. Non-Current Liabilities (14+15+16) | 1.078.006 | 986.588 | 62.989 | 28.429 |
| 18. Total Liabilities (13+17) | 2.033.596 | 1.551.472 | 394.670 | 87.454 |
| 19. Net asset / liability position of Off-balance sheet derivatives (19a-19b) | 12.424 | 70.351 | (54.413) | (3.514) |
| 19.a Off-balance sheet foreign currency derivative assets | 81.021 | 70.351 | 10.284 | 386 |
| 19b. Off-balance sheet foreign currency derivative liabilities | 68.597 | - | 64.697 | 3.900 |
| 20. Net foreign currency asset liability position (9-18+19) | 959.588 | 301.105 | 714.066 | (55.583) |
| 21. Net foreign currency asset / liability position of monetary items (1+2a+5+6a-10-11-12a-14-15-16a) | 923.773 | 223.250 | 756.140 | (55.617) |
| 22. Fair value of foreign currency hedged financial assets | | | | |
| 23. Exports | 339.318 | 117.639 | 191.717 | 29.962 |
| 24. Imports | 211.285 | 122.557 | 88.514 | 214 |

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NOTE 28 - FINANCIAL RISK MANAGEMENT (Continued)

As of 31 March 2011 and 31 December 2010 foreign currency denominated asset and liability balances were converted with the following exchange rates; TRY 1,5483 = USD 1 and TRY 2,1816 = EURO 1 (2010: TRY 1,5460 = USD 1 and TRY 2,0491 = EURO 1).

31 March 2011

| | Profit/Loss | |
|---|--|---|
| | Appreciation of foreign currency | Appreciation of foreign currency |
| | If USD appreciated against TRY by 10% | |
| 1- USD net asset/(liability) | 25.926 | (25.926) |
| 2- Part of hedged from USD risk (-) | - | - |
| 3- USD net effect-gain/(loss) (1+2) | 25.926 | (25.926) |
| | If Euro appreciated against TRY by % 10 | |
| 4- Euro net asset/(liability) | 67.946 | (67.946) |
| 5- Part of hedged from Euro risk (-) | - | - |
| 6- Euro net effect-gain/(loss) (4+5) | 67.946 | (67.946) |
| | If other foreign currency appreciated against TRY by 10% | |
| 7- Other foreign currency net asset/(liability) | (2.722) | 2.722 |
| 8- Part of hedged other foreign currency risk (-) | - | - |
| 9- Other foreign currency net effect-gain/(loss) (7+8) | (2.722) | 2.722 |
| Total (3+6+9) | 91.150 | (91.150) |

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NOTE 28 - FINANCIAL RISK MANAGEMENT (Continued)

31 December 2010

| | Profit/Loss | |
|---|--|---|
| | Appreciation of foreign currency | Depreciation of foreign currency |
| | If USD appreciated against TRY by 10% | |
| 1- USD net asset/(liability) | 30.110 | (30.110) |
| 2- Part of hedged from USD risk (-) | - | - |
| 3- USD net effect-gain/(loss) (1+2) | 30.110 | (30.110) |
| | If Euro appreciated against TRY by % 10 | |
| 4- Euro net asset/(liability) | 71.407 | (71.407) |
| 5- Part of hedged from Euro risk (-) | - | - |
| 6- Euro net effect-gain/(loss) (4+5) | 71.407 | (71.407) |
| | If other foreign currency appreciated against TRY by 10% | |
| 7- Other foreign currency net asset/(liability) | (5.558) | 5.558 |
| 8- Part of hedged other foreign currency risk (-) | - | - |
| 9- Other foreign currency net effect-gain/(loss) (7+8) | (5.558) | 5.558 |
| Total (3+6+9) | 95.959 | (95.959) |

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.

- Other

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

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NOTE 28 - FINANCIAL RISK MANAGEMENT (Continued)

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

| | 31 March 2011 | 31 December 2010 |
|---|----------------------|-------------------------|
| Financial instruments with fixed interest rate | | |
| Assets which difference between fair value less cost to sell with book value booked at statements of income | 467.836 | 511.359 |
| Financial liabilities | 403.954 | 718.141 |
| Financial instruments with floating interest rate | | |
| Financial liabilities | 1.459.157 | 1.458.188 |

Based on the current balance sheet as of 31 March 2011, if there is 1% decrease/ increase in the floating interest rates of financial liabilities for the Media, and Other segments of the Group and if the other variables are kept constant; the net loss before minority and taxation of the Group is going to increase/decrease by TRY 14.592 (2010: the net loss before minority and taxation of the Group is going to increase/decrease by TRY 14.582).

a.3) Price Risk

- Energy

The Group is exposed to price risk due to the differences between petroleum product stocks value and the product prices traded in international commodity market which subsequently affects sales price adversely. In order to avoid the negative price fluctuations on sales price, the Group entered into fair value hedge contracts. Income/expense that is occurred from these transactions were included in cost of sales until the operation is discontinued in this sector on 22 December 2010. As of interim period ended 31 March 2011, no loss (2010: TRY 3.663) generated from these transactions were included to cost of sales of discontinued operations. Group will not be exposed to price risk for future period as a result of exiting energy segment by disposing its joint venture interest in POAŞ in the prospective period.

b) Funding risk

The Group's ability to fund the existing and prospective debt requirements for each segment is managed by maintaining the availability of adequate committed funding lines from high quality lenders.

c) Credit risk

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

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Credit risk, is the risk of inability to meet the terms of agreements of counterparties of the Group. Risks are monitored by credit ratings and by limiting the aggregate risk to any individual counterparty. As the entities comprising customer base are numerous and spread on different business areas, credit risk is diversified.

- Other

These risks are responded by, mitigating the average risk in each agreement against the counter party (excluding related parties) and obtaining sufficient collateral where appropriate.

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NOTE 28 - FINANCIAL RISK MANAGEMENT (Continued)

The Group’s credit risk of financial instruments as of 31 March 2011 is as follows:

| | Trade Receivables | | Other Receivables | | Cash and cash equivalents | Derivative Instruments |
|--|--------------------------|----------------|--------------------------|---------------|----------------------------------|-------------------------------|
| | Related Party | Other | Related Party | Other | | |
| Maximum net credit risk as of balance sheet date | 10.446 | 805.230 | - | 15.110 | 3.460.317 | - |
| <i>- The part of maximum risk under guarantee with collateral</i> | <i>-</i> | <i>64.764</i> | <i>-</i> | <i>366</i> | <i>-</i> | <i>-</i> |
| A. Net book value of financial that are not past due/impaired | 10.446 | 592.327 | - | 15.110 | 3.460.317 | - |
| B. Net book value of financial assets that are renegotiated, If not that will be accepted as past due or impaired | - | 1.908 | - | - | - | - |
| C. Carrying value of financial assets that are past due but not impaired | - | 210.995 | - | - | - | - |
| - The part under guarantee with collateral etc. | - | 24.591 | - | - | - | - |
| D. Net book value of impaired assets | - | - | - | - | - | - |
| - Past due (gross carrying amount) | - | 192.980 | - | 672 | - | - |
| - Impairment (-) | - | (192.980) | - | (672) | - | - |
| - The part of net value under guarantee with collateral | - | - | - | - | - | - |
| - Not over due (gross carrying amount) | - | 682 | - | - | - | - |
| - Impairment (-) | - | (682) | - | - | - | - |
| - The part of net value under guarantee with collateral | - | - | - | - | - | - |
| E. Off-balance sheet items with credit risk | - | - | - | - | - | - |

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NOTE 28 - FINANCIAL RISK MANAGEMENT (Continued)

The Group's credit risk of financial instruments as of 31 December 2010 is as follows:

| | <u>Trade Receivables</u> | | <u>Other Receivables</u> | | <u>Cash and cash</u> | <u>Derivative</u> |
|---|--------------------------|----------------|--------------------------|---------------|----------------------|--------------------|
| | <u>Related Party</u> | <u>Other</u> | <u>Related Party</u> | <u>Other</u> | <u>equivalents</u> | <u>Instruments</u> |
| Maximum net credit risk as of balance sheet date | 11.168 | 745.056 | - | 16.117 | 3.462.437 | - |
| <i>- The part of maximum risk under guarantee with collateral</i> | <i>-</i> | <i>67.852</i> | <i>-</i> | <i>481</i> | <i>-</i> | <i>-</i> |
| A. Net book value of financial that are not past due/impaired | 11.168 | 558.845 | - | 16.117 | 3.462.437 | - |
| B. Net book value of financial assets that are renegotiated, If not that will be accepted as past due or impaired- | - | - | - | - | - | - |
| C. Carrying value of financial assets that are past due But not impaired | - | 186.211 | - | - | - | - |
| - The part under guarantee with collateral etc. | - | 27.670 | - | - | - | - |
| D. Net book value of impaired assets | - | - | - | - | - | - |
| - Past due (gross carrying amount) | - | 191.556 | - | 2.879 | - | - |
| - Impairment (-) | - | (191.556) | - | (2.879) | - | - |
| - The part of net value under guarantee with collateral | - | - | - | - | - | - |
| - Not over due (gross carrying amount) | - | 2.106 | - | - | - | - |
| - Impairment (-) | - | (2.106) | - | - | - | - |
| - The part of net value under guarantee with collateral | - | - | - | - | - | - |
| E. Off-balance sheet items with credit risk | - | - | - | - | - | - |

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NOTE 28 - FINANCIAL RISK MANAGEMENT (Continued)

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

| | 31 March 2011 | | 31 December 2010 | |
|---------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| | Trade Receivables | Other Receivables | Trade Receivables | Other Receivables |
| From due date | | | | |
| Past due 1-30 days | 88.215 | - | 93.419 | - |
| Past due 1-3 months | 63.801 | - | 31.362 | - |
| Past due 3-12 months | 40.309 | - | 44.806 | - |
| Past due 1-5 years | 16.416 | - | 14.773 | - |
| Past due more than 5 years | 2.254 | - | 1.851 | - |
| Under guarantee with collateral | 24.591 | - | 27.670 | - |

d) Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash and marketable securities, the availability of funding from an adequate amount of committed credit facilities and the ability to close out market positions.

Due to the dynamic nature of the underlying businesses, the Group aims to maintain flexibility in funding by maintaining availability under committed credit lines for each segment of the Group.

The following table presents the maturity of Group's derivative and non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of non-derivative financial liabilities based on the earliest date on which the Group can be required to pay. The table includes interest to be paid on stated liabilities. Derivative financial liabilities are presented according to undiscounted net cash inflow and cash outflow. The table has been drawn up based on the undiscounted net cash inflows/outflows on the derivative instrument that settle on a net basis and the undiscounted gross inflows and outflows on those derivatives that require gross settlement.

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NOTE 28 - FINANCIAL RISK MANAGEMENT (Continued)

| 31 March 2011 | Carrying value | Total cash outflow according to contract | Less than 3 Months | 3-12 Months | 1-5 Years | More than 5 years |
|---|-----------------------|---|---------------------------|--------------------|------------------|--------------------------|
| Non-derivative financial liabilities | | | | | | |
| Bank borrowings (Note 8) | 2.176.799 | 2.362.743 | 487.888 | 774.295 | 965.008 | 135.552 |
| Trade payables (Note 9) | 402.426 | 402.452 | 376.333 | 25.812 | 307 | - |
| Other financial liabilities | 315.056 | 323.460 | 1.317 | 49.381 | 272.762 | - |
| | 2.894.281 | 3.088.655 | 865.538 | 849.488 | 1.238.077 | 135.552 |
| Derivative financial liabilities | | | | | | |
| Derivative cash inflow | - | 64.781 | 10.374 | 52.400 | 2.007 | - |
| Derivative cash outflow | (13.316) | (76.947) | (11.665) | (60.973) | (4.309) | - |
| Derivative cash inflow/outflow, net (Note 9) | (13.316) | (12.166) | (1.291) | (8.573) | (2.302) | - |
| 31 December 2010 | Carrying value | Total cash outflow according to contract | Less than 3 Months | 3-12 Months | 1-5 Years | More than 5 years |
| Non-derivative financial liabilities | | | | | | |
| Bank borrowings (Note 8) | 2.110.017 | 2.595.251 | 507.257 | 894.980 | 1.076.836 | 116.178 |
| Trade payables (Note 9) | 396.262 | 396.276 | 389.993 | 5.573 | 710 | - |
| Other financial liabilities | 295.556 | 301.782 | 2.733 | 54.229 | 244.820 | - |
| | 2.801.835 | 3.293.309 | 899.983 | 954.782 | 1.322.366 | 116.178 |
| Derivative financial liabilities | | | | | | |
| Derivative cash inflow | - | 64.649 | 10.352 | 52.290 | 2.007 | - |
| Derivative cash outflow | (9.687) | (73.216) | (10.967) | (57.940) | (4.309) | - |
| Derivative cash inflow/outflow, net | (9.687) | (8.567) | (615) | (5.650) | (2.302) | - |

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:

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NOTE 28 - FINANCIAL RISK MANAGEMENT (Continued)

e) Fair value of financial instruments (Continued)

Monetary assets

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

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

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

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NOTE 28 - FINANCIAL RISK MANAGEMENT (Continued)

f) Capital risk management (Continued)

| | 31 March 2011 | 31 December 2010 |
|--|----------------------|-------------------------|
| Total debts | 2.579.698 | 2.507.476 |
| Less: Cash and cash equivalents (Note 6) | (3.450.919) | (3.458.829) |
| Net debt | (871.221) | (951.353) |
| Equity | 3.692.785 | 3.864.544 |
| Total equity | 2.821.564 | 2.913.191 |
| Gearing ratio | -31% | -33% |

NOTE 29 - 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.

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NOTE 29 - FINANCIAL INSTRUMENTS (Continued)

Based on the fair value hierarchy, financial assets and liabilities are categorized as follow:

| | 31 March 2011 | Fair value at reporting date | | |
|-------------------------------------|---------------------|------------------------------|----------------|----------------|
| | | Level 1 TRY | Level 2 TRY | Level 3 TRY |
| Financial assets | | | | |
| Financial assets at FVTPL | | | | |
| Trading securities | 75.601 | 75.601 | - | - |
| Derivative instruments | - | - | - | - |
| Available-for-sale financial assets | - | - | - | - |
| Equity investment | - | - | - | - |
| Toplam | 75.601 | 75.601 | - | - |
| Financial liabilities | | | | |
| Financial liabilities at FVTPL | | | | |
| Trading securities | - | - | - | - |
| Derivative instruments | 13.316 | - | 13.316 | - |
| Other financial liabilities | - | - | - | - |
| Total | 13.316 | - | 13.316 | - |
| | | | | |
| | 31 December 2010 | Fair value at reporting date | | |
| | | Level 1 TRY | Level 2 TRY | Level 3 TRY |
| Financial assets | | | | |
| Financial assets at FVTPL | | | | |
| Trading securities | 82.904 | 82.904 | - | - |
| Derivative instruments | - | - | - | - |
| Available-for-sale financial assets | - | - | - | - |
| Equity investment | - | - | - | - |
| Total | 82.904 | 82.904 | - | - |
| Financial liabilities | - | - | - | - |
| Financial liabilities at FVTPL | | | | |
| Trading securities | - | - | - | - |
| Derivative instruments | 9.687 | 9.687 | - | - |
| Other financial liabilities | - | - | - | - |
| Total | 9.687 | 9.687 | - | - |

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NOTE 30 - SUBSEQUENT EVENTS

- The Group management decided to make use of the requirements set out in relation to "Tax Base Increase" in Law No: 6111 "Restructuring of some receivables and Social Security and General Health Insurance Law and Other Law Amending Certain Laws and Decrees" ("Law No:6111"), which has become effective upon the issuance in the Official Gazette No: 27857 (I.Bis) on 25 February 2011. The Group has increased the tax basis for the 2006, 2007, 2008 and 2009 periods in accordance with the requirements set out in relation to "Tax Base Increase" in Law No: 6111 and accordingly the Group's payable amount is calculated as TRY 85.306 in total including its interests (TRY 83.545 net amount excluding interest). TRY 71.809 portion of the related amount is payable in cash and the remaining amount is in 18 equal installments in 36 months beginning from 30 June 2011. Therefore, the Group has recognized TRY 85.306 of liability in the accompanying financial statements prepared as of 31 March 2011. TRY 74.808 portion of the liability is classified as short-term liability while the remaining portion of TRY 10.498 is classified long-term liability (Note 17).
- Doğan Şirketler Grubu Holding A.Ş. decided to make use of the requirements set out in relation to "tax base increase" and "undue and on trial tax liabilities in dispute" 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. Therefore "undue and on trial tax liabilities in dispute" amounting to TRY 748 has been restructured and reconciled its dispute accordingly. After this restructuring Company's payable amount is calculated as TRY 219. In addition, the Company has increased the tax basis for the 2006, 2007, 2008 and 2009 periods in accordance with the requirements set out in relation to "Tax Base Increase" in Law No: 6111 and accordingly the Company's payable amount is calculated as TRY 1.368. Payments will be made on 30 June 2011, and in relation TRY 1.587 provision has been provided in the financial statements as of 31 March 2011 (Note 22).
- Doğan Yayın Holding has filed for an application under Law No: 6111 in relation to TRY 89.882 portion of its "undue and on trial tax liabilities in dispute" amounting to TRY 862.388 in total and accordingly, Doğan Yayın Holding is required to pay TRY 18.463 of the related amount. The Group is still working on a solution on the remaining portion of "undue and on trial tax liabilities in dispute" amounting to TRY 772.507; the deadline of the file for application is 31 May 2011. The related cash amount is payable by the end of 30 June 2011, at the latest, is TRY 18.463 and it is recognized under short-term liabilities in the financial statements (Note 22).
- Doğan TV has filed for an application under Law No: 6111 in relation to TRY 1.411.794 portion of its "undue and on trial tax liabilities in dispute" amounting to TRY 2.001.032 in total and accordingly, Doğan TV is required to pay TRY 275.825 of the related amount. The Company is still working on a solution on the remaining portion of "undue and on trial tax liabilities in dispute" amounting to TRY 589.238. TRY 656 portion of the related amount of TRY 275.825 is payable in cash and the remaining amount is payable in 18 equal installments in 36 months beginning from 30 June 2011. Out of TRY 239.951 of the provision amount provided in the financial statements prepared as of 31 March 2011, TRY 88.615 of the related provision amount is recognized at discounted amount under short-term liabilities and the remaining portion of TRY 151.336 is recognized under long-term liabilities (Note 22).

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NOTE 30 - SUBSEQUENT EVENTS

- As required by Law No: 6111, Hürriyet has restructured TRY 24.950 portion of its total “undue and on trial tax liabilities in dispute” of TRY 30.895 and reconciled its dispute with the tax office; accordingly, the Company’s payable amount is calculated as TRY 3.827. The related amount should be paid in cash by the end of 30 June 2011, at the latest. (Note 22).
- Doğan Dış Ticaret ve İşıl İthalat İhracat expects to make use of the requirements set out in relation to “undue and on trial tax liabilities in dispute” and “Tax Base Increase” in Law No: 6111. All the necessary applications for the restructuring of the above tax assessments in relation to “undue and on trial tax liabilities in dispute” are filed under Law No: 6111. TRY 5.649 of tax liability arising from the related transaction should be paid in cash by the end of 30 June 2011, and the related provision amount is recognized under short-term liabilities in the Group’s consolidated financial statements (Note 22).
- Doğan Gazetecilik expects to make use of the requirements set out in relation to “undue and on trial tax liabilities in dispute” and “Tax Base Increase” in Law No: 6111. All the necessary applications for the restructuring of the above tax assessments in relation to “undue and on trial tax liabilities in dispute” amounting to TRY 725 is filed under Law No: 6111. TRY 461 of tax liability arising from the related transaction should be paid in cash by the end of 30 June 2011, and the related provision amount is recognized under short-term liabilities in the Group’s consolidated financial statements (Note 22).
- Based on the investigation undertaken by the Competition Authority as of 5 April 2011, Hürriyet, Doğan Gazetecilik and Bağımsız Gazetecilik are charged with an administrative penalty fee of TRY 3.805, TRY 2.316 and TRY 444, respectively. On the other hand, the Authority did not charge any administrative penalty for Doğan Daily News (an inactive company) and Doğan Yayın Holding, to avoid imposing multiple charges. The Group has provided a total of TRY 4.923 of provision in relation to the charges in the accompanying financial statements (Note 22).
- Under the requirements of the CMB’s Communiqué Serial: XI, No: 29, based on the audited consolidated financial statements prepared for the period 1 January 2010 - 31 December 2010 in accordance with International Accounting Standards and International Financial Reporting Standards and the presentation requirements of the CMB, the Company’s “Net Profit for the Period” is calculated as TRY 656.204, considering its “current tax expenses”, “deferred tax income” and “non-controlling interests” in accordance with the resolution issued in its Board of Directors’ meeting held on 8 April 2011. Also, the Company has decided to make a disclosure to its shareholders that the Company has not generated any distributable profits for the period 1 January 2010 - 31 December 2010 based on the CMB’s profit distribution requirements after the deduction of: “1st Legal Reserves” amounting to TRY 62.902; accumulated losses amounting to TRY 92.683; and “sale proceeds of participation shares” amounting to TRY 690.349, which is classified as undistributable under a “special fund” account in “equity”, in accordance with Article 466/1 of TCC, considering the “Contributions made in 2010” (TRY 1.053), and presented its resolution to the General Assembly. In addition, the Company has submitted the following to the approval of the General Assembly; to determine the calculated TRY 1.258.039 of “Profit for the Period” in its statutory/individual financial records prepared for the period 1 January 2010 - 31 December 2010 in accordance with the Turkish Commercial Code (“TCC”) and Tax Procedure Law (“TPL”); and to transfer TRY 504.788 of the remaining “extraordinary reserve” amount after providing TRY 62.902 of “1st Legal Reserves” and deducting TRY 690.349 of “sale proceeds of joint venture shares”, which is classified as undistributable under a “special fund” account in “equity”, over the Profit for the Period” in accordance with Article 466/1 of TCC.

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NOTE 30 - SUBSEQUENT EVENTS (Continued)

- The Capital Market Board has approved the application performed by Board of Directors of Doğan Yayın Holding, a subsidiary of the Group, filed for the listing of shares to be issued in relation to a 100% of cash increase of its issued capital from TRY 1.000.000 to TRY 2.000.000 within TRY 2.000.000 of its registered capital cap upon the Group's resolution issued on 8 April 2011. The CMB's resolution (Resolution no: 2011/18) was disclosed in the weekly Newsletter.
- During the meeting of Board of Directors of the Company conducted as of 8 April 2011, it has been decided that to use all of pre-emptive rights in Doğan Yayın Holding's paid-in capital cash increase from its current level TRY 1.000.000 to TRY 2.000.000 and it is committed to use the unused pre-emptive rights by Doğan Holding, based on decision dated 08.04.2011 of Board of Directors of Doğan Yayın Holding, a subsidiary that is participated 74,53% in its share. During the meeting of Board of Directors conducted as of 8 April 2011, it has been decided that based on decision dated 08.04.2011 of Board of Directors of Doğan Yayın Holding, a subsidiary that is participated 74,53% in its share.
- The sale of all brand rights, royalties and domain names (milliyet.com.tr; milliyet.com; milliyetemlak.com.tr etc.) attributable to the Milliyet Newspaper, published by Doğan Gazetecilik A.Ş. - a direct subsidiary of the Group - in consideration of USD 47.960 plus VAT; 2) 1.289.996 shares of Bağımsız Gazeteciler Yayıncılık A.Ş. (with a nominal value of TRY 0,1) of which includes all brand rights, royalties and domain names of the Vatan Newspaper and of which 99,99% of its shares are owned by Doğan Gazetecilik A.Ş. within the capital of TRY 129.000 in consideration of USD 26.000 to DK Gazetecilik ve Yayıncılık A.Ş., a joint venture formed by the Demirören Group and Karacan Group is completed upon the completion of share transfer agreement.

The payment schedule will be as follows: an advance payment of USD 13.034 at the sign date of the agreement [20 April 2011] (collected) and payment of USD 13.034 in cash [TRY 20.000] no later than 31 May 2011 and the remaining balance will be paid in monthly 40 equal installments beginning from 2012. Libor +2,5, Libor +3,5, Libor +4,5 and Libor +5,5 interest rates will be applied for each installments in 2012, 2013, 2014 and 2015, respectively, as of the closing date. The applicable Libor interest rate is the 6 months Libor rate and the interest rate will be fixed for 6 months period upon the semiannual calculation.

All rights and liabilities attributable to Milliyet Gazetesi and its web-site (www.milliyet.com.tr) were the responsibility of Doğan Gazetecilik A.Ş. by the end of 2 May 2011, and as of 2 May 2011, they are the responsibility of DK Gazetecilik ve Yayıncılık A.Ş.

The transfer of all employees, including their rights, associated with the brand rights, royalties and domain names attributable to the Milliyet Newspaper to DK Gazetecilik ve Yayıncılık A.Ş. is in process as of today. Their May 2011 salaries are paid by Doğan Gazetecilik A.Ş. and the paid amount will be collected from DK Gazetecilik ve Yayıncılık A.Ş. In case of any termination of employment contract by DK Gazetecilik ve Yayıncılık A.Ş. and/or Bağımsız Gazeteciler Yayıncılık A.Ş. following the transfer, Doğan Gazetecilik A.Ş.'s potential liability is limited with 15% of the total liability amount.

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2011**

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

NOTE 30 - SUBSEQUENT EVENTS (Continued)

On the other hand, Doğan Gazetecilik A.Ş. and DK Gazetecilik ve Yayıncılık A.Ş., have a mutual understanding on the share transfer, net of any liability/incumbrance and receivable items of Bağımsız Gazeteciler Yayıncılık A.Ş., as of the closing balance sheet date of 2 May 2011 will be (finalize as of 25 May 2011). If this is impracticable, they have agreed to offset the first installment liabilities recoverable from receivables against the share transfer consideration or if receivables exceed liabilities, the balance between the receivables and liabilities will be added to the sales amount.

Following the share transfer of Bağımsız Gazeteciler Yayıncılık A.Ş., the Company management anticipates "participation share sale loss" in the consolidated IFRS financial statements under the CMB and it is still working on the calculation of the related amount. The expected amount will be disclosed with the effect of changes of the disposal of assets and liabilities associated with all brand rights, royalties and domain names attributable to the Milliyet Newspaper in the consolidated financial statements and notes prepared as of 30 June 2011.

- OOO Pronto Moscow's, one of the Group's indirect subsidiary, bank borrowing of USD 70.000 which is classified under long-term financial borrowings as of 31 March 2011 has been restructured at 15 April 2011. On 21 April 2011, Pronto Moscow made a repayment of the amount classified under long-term financial borrowings as of 31 March 2011 and blocked deposit amounting to US USD 10.000 has been released on 3 May 2011 upon the repayment. The restructured loan is payable in 2 years with an option of 1+1 extension and can be used for 4 years. Interest payments will be payable quarterly at the end of each quarter. The interest rate is fixed with a 6,75% per annum. Doğan Holding's USD 70.000 of deposit is blocked against the loan guarantee based on the restructured loan agreement.
- The financial statements as of 31 March 2011 have been approved by the Board of Directors at 13 May 2011. Other than Board of Directors has no authority to change financial statements.

NOTE 31 - DISCLOSURE OF OTHER MATTERS

None.

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**SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS
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(Amounts expressed in thousands of Turkish lira ("TRY") unless otherwise indicated. Currencies other than TRY are expressed in thousands unless otherwise indicated.)

NOTE 32 - CONSOLIDATED CASH FLOWS STATEMENT - CASH USED IN OPERATIONS

| | Notes | 31 March 2011 | 31 March 2010 |
|--|--------------|----------------------|----------------------|
| Loss before taxation from continued operations | | (316.941) | (38.385) |
| Profit before taxation from discontinued operations | | - | 19.972 |
| Adjustments: | | | |
| Depreciation and amortization | 10-11-12 | 60.962 | 94.772 |
| Provision for employment termination benefits | | 4.559 | 2.917 |
| Interest expenses, net | | (21.300) | 25.046 |
| Currency translation differences | | 15.782 | (8.148) |
| Fair value changes in derivative financial instruments | | (2.370) | - |
| Profit on sale of property, plant and equipment | 22 | 1.303 | (718) |
| Impairment provision/(reversal) of investment property, plant and equipment and intangible assets, net | 10 | 193 | (2.609) |
| Reversal of net realizable value | | (8.923) | (2.934) |
| Provision for doubtful receivables, net | 9 | 2.514 | - |
| Foreign exchange (gain)/ loss from loans and letter of credits | | - | 6.962 |
| Tax liabilities in dispute | 22 | 249.885 | - |
| Provision expense of tax base increase | 22 | 85.306 | - |
| Profit arising from the sale of financial investment | 22 | (11.278) | - |
| Other provisions | | (31.276) | 1.514 |
| | | 28.416 | 98.389 |
| Changes in working capital (excluding the effects of acquisitions and disposals): | | | |
| Change in financial investments and investments accounted for by the equity method, net | | 27.914 | 68.698 |
| Change in trade receivables, net | | (61.966) | (23.713) |
| Change in inventories, net | | 1.490 | 19.367 |
| Change in long-term trade payables, net | | 5.440 | 261.649 |
| Change in other payables/receivables, net | | 26.567 | (54.870) |
| | | (555) | 271.131 |
| Net cash provided in operating activities | | 27.861 | 369.520 |

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