DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

CONVENIENCE TRANSLATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND REVIEW REPORT FOR THE INTERIM PERIOD 1 JANUARY - 30 JUNE 2014 INTO ENGLISH

(ORIGINALLY ISSUED IN TURKISH)

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

REVIEW REPORT ON THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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

Introduction

We have reviewed the accompanying consolidated statement of financial position of Doğan Şirketler Grubu Holding A.Ş. (the "Company") and its subsidiaries (together will be referred as the "Group") as of 30 June 2014 and the related consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. Management Group management is responsible for the preparation and fair presentation of this consolidated interim financial information in accordance with Turkish Accounting Standards. Our responsibility is to express a conclusion on this consolidated interim financial information based on our review.

Scope of Review

We conducted our review in accordance with Independent Auditing Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of consolidated interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Independent Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial information does not present fairly, in all material respects, the financial position of ABC A.Ş. and its subsidiaries as of 30 June 2014, and of its their financial performance and its their cash flows for the six-month period then ended in accordance with Turkish Accounting Standards.

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

İstanbul, 18 August 2014

Saim Üstündağ
Partner

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 30 JUNE 2014

CONTENTS **PAGE**

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

CONSOLIDATED BALANCE SHEETS AT 30 JUNE 2014 AND 31 DECEMBER 2013

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

ASSETS	Notes	USD* 30 June 2014	*Reviewed* 30 June 2014	*Audited* 31 December 2013
Current Assets		**1.799.750**	**3.821.589**	**3.977.821**
Cash and cash equivalents	6	984.974	2.091.494	2.216.361
Financial investments	7	47.633	101.143	136.465
Trade Receivables				
- Due from related parties	33	9.374	19.904	13.976
- Other trade receivables	9	447.452	950.120	788.342
Other Receivables				
-Due from related parties	33	3.914	8.311	5.785
-Other receivables	10	27.787	59.002	109.724
Derivative instruments	21	-	-	839
Inventories	11	120.232	255.301	273.817
Prepaid expenses	20	45.001	95.555	59.316
Biological assets	12	154	328	219
Other current assets	19	98.367	208.872	299.126
Sub-total		**1.784.888**	**3.790.030**	**3.903.970**
Non-current assets held for sale	30	14.862	31.559	73.851
Non-current assets		**1.666.906**	**3.539.509**	**3.610.152**
Trade Receivables	9	1.353	2.874	2.724
Other Receivables	10	13.100	27.816	22.687
Financial Investments	7	11.169	23.716	3.043
Investments accounted by the equity method	4	155.704	330.621	340.637
Investment property	13	108.515	230.420	226.164
Property, plant and equipment	14	402.183	853.995	901.284
Intangible assets				
- Goodwill	15	237.388	504.069	520.005
- Other intangible assets	15	489.040	1.038.428	1.055.844
Prepaid expenses	20	19.007	40.361	38.165
Deferred tax assets	31	56.807	120.625	132.903
Other non-current assets	19	172.640	366.584	366.696
Total assets		**3.466.656**	**7.361.098**	**7.587.973**

The consolidated financial statements for the interim period ended 30 June 2014 have been approved by the Board of Directors on 18 August 2014.

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 30 JUNE 2014 AND 31 DECEMBER 2013

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

LIABILITIES	**Notes**	**USD* 30 June 2014**	***Reviewed* 30 June 2014**	***Audited* 31 December 2013**
Current Liabilities		**1.043.784**	**2.216.370**	**2.024.293**
Short-term borrowings	8	314.142	667.049	612.530
Short-term portion of long-term borrowings	8	260.352	552.832	426.418
Other financial liabilities	8	87.603	186.017	199.365
Trade payables				
- Due to related parties	33	21.027	44.648	38.527
- Other trade payables	9	247.308	525.134	498.152
Payables related to employee benefits	22	15.327	32.545	26.399
Derivative instruments	21	-	-	2.440
Deferred income	20	22.039	46.798	66.447
Other payables	10	17.738	37.665	53.912
Current income tax liabilities	31	7.322	15.548	17.663
Short-term provisions				
- Short-term provisions for employment benefits	22	26.362	55.977	41.373
- Other short-term provisions	17	20.811	44.189	31.581
Other current liabilities		-	-	208
Sub-total		**1.040.031**	**2.208.402**	**2.015.015**
Liabilities related to non-current assets held for sale	30	3.753	7.968	9.278
Non-Current Liabilities		**595.817**	**1.265.159**	**1.563.245**
Long-term borrowings	8	456.761	969.886	1.059.439
Other financial liabilities	8		-	183.182
Other payables	10	6.592	13.997	14.310
Deferred income	20	2.362	5.016	3.563
Long-term provisions				
-Long-term provisions for employment benefits	22	49.636	105.397	103.521
Deferred tax liability	31	80.404	170.731	199.145
Other non-current liabilities		62	132	85
EQUITY		**1.827.055**	**3.879.569**	**4.000.435**
Equity attributable to equity holders of the parent company	**23**	**1.492.476**	**3.169.125**	**3.250.187**
Share capital	23	1.153.810	2.450.000	2.450.000
Adjustments to share capital	23	67.592	143.526	143.526
Premiums/discounts related to shares	23	297	630	630
Other comprehensive income or expenses that will not be reclassified subsequently to profit or loss				
- Gain on revaluation of investment property	23	472	1.002	1.002
- Actuarial gains on defined retirement benefit plans	23	(13.929)	(29.577)	(29.577)
Other comprehensive income or expenses that may be reclassified subsequently to profit or loss				
- Currency translation differences		67.241	142.780	143.215
- Gain/(loss) on revaluation and reclassification	23	723	1.535	(1.153)
Restricted reserves	23	561.126	1.191.495	1.142.663
Accumulated losses	23	(305.619)	(648.951)	(561.979)
Net loss for the period		(39.237)	(83.315)	(38.140)
Non-controlling interests		**334.579**	**710.444**	**750.248**
Total liabilities		**3.466.656**	**7.361.098**	**7.587.973**
Commitments	18			

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 PROFIT OR LOSS FOR THE PERIOD 30 JUNE 2014

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

	Notes	*USD(*)* 1 January- 30 June 2014	Reviewed 1 January- 30 June 2014	Unreviewed 1 April- 30 June 2014	Reviewed (restated) 1 January- 30 June 2013	Unreviewed (restated) 1 April- 30 June 2013
Continued Operations						
Revenue	24	840.399	1.784.504	958.648	1.708.536	932.783
Cost of sales (-)	24	(645.063)	(1.369.728)	(706.288)	(1.221.723)	(641.549)
Gross Profit	**24**	**195.336**	**414.776**	**252.360**	**486.813**	**291.234**
General administrative expenses (-)	25-26	(80.042)	(169.961)	(77.179)	(184.954)	(97.824)
Marketing, sales and distribution expenses (-)	25-26	(115.202)	(244.619)	(123.308)	(218.417)	(115.544)
Other income from operating activities	27	66.074	140.301	61.672	213.436	141.983
Other expenses from operating activities (-)	27	(37.782)	(80.227)	(37.822)	(84.880)	(53.434)
Share of loss on investments accounted for by the equity method	4	(14.751)	(31.322)	(5.375)	(62.661)	(55.118)
Operating Profit		**13.633**	**28.948**	**70.348**	**149.337**	**111.297**
Income from investment activities	28	15.946	33.860	(8.311)	132.739	105.369
Expenses from investment activities (-)	28	(32.435)	(68.873)	(36.741)	(43.017)	(25.518)
Operating profit / (loss) before finance (expense)/income		**(2.856)**	**(6.065)**	**25.296**	**239.059**	**191.148**
Finance income	29	35.031	74.384	7.467	6.681	651
Finance expense (-)	29	(72.094)	(153.084)	(26.034)	(232.240)	(168.105)
Profit / (Loss) Before Taxation		**(39.919)**	**(84.765)**	**6.729**	**13.500**	**23.694**
Tax expense from continued operations	31	**(9.445)**	**(20.054)**	**(16.859)**	**(62.350)**	**(46.751)**
Tax expense for the period		(16.097)	(34.179)	(15.732)	(71.105)	(49.392)
Deferred tax income		6.652	14.125	(1.127)	8.755	2.641
Loss for the period from continued operations		**(49.364)**	**(104.819)**	**(10.130)**	**(48.850)**	**(23.057)**
Discontinued operations period loss		**-**	**-**	**-**	**(550)**	**201**
Loss For The Period		**(49.364)**	**(104.819)**	**(10.130)**	**(49.400)**	**(22.856)**
Distribution of Loss For The Period						
Non-controlling interests		(10.127)	(21.504)	11.938	(21.968)	(16.383)
Owners of the parent		(39.237)	(83.315)	(22.068)	(27.432)	(6.473)
Loss Per Share Attributable to Equity Holders of the Parent Company	32	(0,034)	(0,034)	(0,009)	(0,011)	(0,003)

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

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 JUNE 2014

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

	USD(*) 1 January- 30 June 2014	Reviewed 1 January- 30 June 2014	Unreviewed 1 April- 30 June 2014	Reviewed (restated) 1 January- 30 June 2013	Unreviewed (restated) 1 April- 30 June 2013
Loss for the period	**(49.364)**	**(104.819)**	**(10.130)**	**(49.400)**	**(22.856)**
OTHER COMPREHENSIVE INCOME					
Accumulated other comprehensive income and loss that will be reclassified as profit or loss					
Change in currency translation reserves	(7.450)	(15.820)	(1.240)	18.508	23.725
Revaluation of financial assets available for sale and / or classification gains / losses	1.266	2.688	4.380	(8.958)	(4.924)
OTHER COMPREHENSIVE (EXPENSE) / INCOME	**(6.184)**	**(13.132)**	**3.140**	**9.550**	**18.801**
TOTAL COMPREHENSIVE EXPENSE	**(55.548)**	**(117.951)**	**(6.990)**	**(39.850)**	**(4.055)**
Allocation of Total Comprehensive Expense for the Period					
Attributable to non-controlling interests	(17.372)	(36.889)	715	(24.196)	(11.801)
Attributable to equity holders of the Parent Company	(38.176)	(81.062)	(7.705)	(15.654)	7.746

(*) As explained in the Note 2.1.8 to the consolidated financial statements, USD amounts shown in these consolidated financial statements have been included solely for the convenience of the reader and are translated from TL, as a matter of arithmetic computation only, at the Central Bank of the Republic of Turkey official TL exchange rate. Thus, USD amounts do not form a part of the consolidated financial statements prepared in accordance with generally accepted accounting standards issued by the Capital Market Board ("CMB") as at 30 June 2014.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIODS ENDED 1 JANUARY- 30 JUNE 2014 AND 2013

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

				Accumulated other comprehensive income or loss that will not be reclassified as profit or loss			**Accumulated other comprehensive income or loss that will be reclassified as profit or loss**			**Accumulated income/loss**				
	Notes	**Share Capital**	**Adjustments to share capital**	**Gains on revaluation of investment property**	**Actuarial loss on defined retirement benefit plans**	**Share premium /discounts**	**Gain/(loss) on revaluation and reclassification of financial assets available for sale**	**Currency translation reserves**	**Restricted reserves**	**Retained earnings (losses)**	**Net income/ (loss) for the period**	**Equity attributable to holders of the company**	**Non-controlling interest**	**Total shareholder's equity**
Balances at 1 January 2013 (reported previously)	**23**	**2.450.000**	**143.526**	**1.002**	**-**	**2.362**	**2.092**	**53.688**	**1.204.043**	**(831.377)**	**155.670**	**3.181.006**	**907.120**	**4.088.126**
Effect of changes in accounting policy		-	-	-	**(25.381)**	**(1.732)**	-	**(88)**	-	**27.113**	-	**(88)**	**(3.555)**	**(3.643)**
Balances at 1 January 2013 Balances (restated)	**23**	**2.450.000**	**143.526**	**1.002**	**(25.381)**	**630**	**2.092**	**53.600**	**1.204.043**	**(804.264)**	**155.670**	**3.180.918**	**903.565**	**4.084.483**
Transfers		-	-	-	-	-	-	-	(61.380)	217.050	(155.670)	-	-	-
Effect of mergers for entities under common control (Note 3)		-	-	-	-	-	-	-	-	(7.640)	-	(7.640)	(472)	(8.112)
Share acquisition from non-controlling interests		-	-	-	-	-	-	-	-	-	-	-	(1.099)	(1.099)
Change in subsidiary effective share ratio		-	-	-	-	-	-	-	-	-	-	-	2.580	2.580
Dividend payment of subsidiaries to non group companies		-	-	-	-	-	-	-	-	-	-	-	(8.469)	(8.469)
Other(1)		-	-	-	-	-	-	-	-	-	-	-	(467)	(467)
Total comprehensive income/ (expense)		-	-	-	-	-	*(8.958)*	*20.736*	-	-	*(27.432)*	(15.654)	(24.196)	*(39.850)*
- Currency translation differences		-	-	-	-	-	-	*20.736*	-	-	-	*20.736*	*(2.228)*	*18.508*
- Change in the financial asset fair value reserve net		-	-	-	-	-	*(8.958)*	-	-	-	-	*(8.958)*	-	*(8.958)*
- Net loss for the period		-	-	-	-	-	-	-	-	-	*(27.432)*	*(27.432)*	*(21.968)*	*(49.400)*
Balances as of 30 June 2013	**23**	**2.450.000**	**143.526**	**1.002**	**(25.381)**	**630**	**(6.866)**	**74.336**	**1.142.663**	**(594.854)**	**(27.432)**	**3.157.624**	**871.442**	**4.029.066**

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

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIODS ENDED 1 JANUARY- 30 JUNE 2014 AND 2013

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

				Accumulated other comprehensive income or loss that will not be reclassified as profit or loss			Accumulated other comprehensive income or loss that will be reclassified as profit or loss			Accumulated income/loss				
	Notes	Share Capital	Adjustments to share capital	Gains on revaluation of investment property	Actuarial loss on defined retirement benefit plans	Share premium /discounts	Gain/(loss) on revaluation and reclassification of financial assets available for sale	Currency translation reserves	Restricted reserves	Retained earnings (losses)	Net income/ (loss) for the period	Equity attributable to holders of the company	Non-controlling interest	Total shareholder's equity
Balances at 1 January 2014	**23**	**2.450.000**	**143.526**	**1.002**	**(29.577)**	**630**	**(1.153)**	**143.215**	**1.142.663**	**(561.979)**	**(38.140)**	**3.250.187**	**750.248**	**4.000.435**
Transfers		-	-	-	-	-	-	-	13.407	(51.547)	38.140	-	-	-
Share acquisition from non-controlling interests		-	-	-	-	-	-	-	-	-	-	-	(387)	(387)
Dividend payment of subsidiaries to non group companies		-	-	-	-	-	-	-	-	-	-	-	(2.347)	(2.347)
Share transfer of entities under common control		-	-	-	-	-	-	-	-	-	-	-	(158)	(158)
Venture capital fund		-	-	-	-	-	-	-	35.425	(35.425)	-	-	-	-
Other (1)		-	-	-	-	-	-	-	-	-	-	-	(23)	(23)
Total comprehensive income/ (expense)		-	-	-	-		2.688	(435)	-	-	(83.315)	(81.062)	(36.889)	(117.951)
- Currency translation differences		-	-	-	-	-	-	*(435)*	-	-	-	*(435)*	*(15.385)*	*(15.820)*
- Change in the financial asset fair value reserve net		-	-	-	-	-	*2.688*	-	-	-	-	*2.688*	-	*2.688*
- Net loss for the period		-	-	-	-	-	-	-	-	-	*(83.315)*	*(83.315)*	*(21.504)*	*(104.819)*
Balances at 30 June 2014	**23**	**2.450.000**	**143.526**	**1.002**	**(29.577)**	**630**	**1.535**	**142.780**	**1.191.495**	**(648.951)**	**(83.315)**	**3.169.125**	**710.444**	**3.879.569**

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

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

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE INTERIM PERIODS ENDED 1 JANUARY- 30 JUNE 2014 AND 2013

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

	Notes	*USD(*)* 1 January - 30 June 2014	*Reviewed* 1 January - 30 June 2014	*Restated Reviewed* 1 January - 30 June 2013
A. Cash flow provided by/(used in) operating activities		**(4.143)**	**(8.798)**	**423.002**
(Loss)/gain before tax from continuing operations		(39.919)	(84.765)	12.950
Adjustments regarding profit/loss for the period		**101.014**	**214.494**	**427.432**
Adjustments regarding depreciation and amortization	14,15,26	68.645	145.760	124.334
Adjustments regarding provisions		24.817	52.697	43.367
Adjustments regarding interest income and expenses		10.226	21.714	53.054
Unearned finance income and expense(net) due to sales and purchases with maturity	27	(8.508)	(18.065)	(22.156)
Adjustments regarding unrealized changes in currency translation differences		(1.577)	(3.348)	2.631
Adjustments regarding gains/losses in fair value		828	1.757	1.307
Adjustments regarding gain/losses on disposal of property, plant and equipment and intangible assets	28	(201)	(428)	10.556
Share of gain on associates accounted by using the equity method	4	15.162	32.196	63.189
Unrealized foreign exchange expense / (income) due to financial borrowings		(8.660)	(18.388)	147.974
Loss /(gain) on sale of share of subsidiaries		282	599	3.176
Change in working capital		**(81.767)**	**(173.623)**	**(86.582)**
Increase in other current and non-current assets and prepaid expenses		(8.999)	(19.108)	(1.897)
Increase/(decrease) in other short term and long term liabilities and deferred revenue		383	814	13.204
Increase (decrease) in other financial liabilities		5.224	11.093	6.841
Decrease / (increase) in inventories		7.972	16.928	(20.777)
Increase in trade receivables		(90.921)	(193.061)	(162.326)
Increase in payables regarding employee benefits		2.894	6.146	225
Decrease in other receivables regarding operations		(8.174)	(17.358)	23.093
Increase/ (decrease) in trade payables		15.590	33.103	68.739
Decrease in other payables regarding operations		(5.736)	(12.180)	(13.684)
Cash provided by operating activities		**(20.672)**	**(43.894)**	**353.800**
Employment termination benefits paid	22	(2.452)	(5.207)	(6.900)
Tax paid		(15.149)	(32.168)	(43.445)
Collections from doubtful receivables and reversed provisions	9	2.039	4.330	13.611
Interest received		32.091	68.141	105.936

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

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE INTERIM PERIODS ENDED 1 JANUARY- 30 JUNE 2014 AND 2013

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

	Notes	*USD(*)* 1 January - 30 June 2014	*Reviewed* 1 January - 30 June 2014	*Restated Reviewed* 1 January - 30 June 2013
B. Cash Used in Investing Activities		**(106.844)**	**(226.872)**	**(363.375)**
Proceeds from sale of property, plant and equipment and intangible assets		29.126	61.846	46.061
Decrease in financial investments		18.374	39.016	(59.210)
Cash outflow derived from acquisition of property, plant, equipment, intangible assets and investment properties	13,14,15	(70.104)	(148.858)	(151.375)
Payments on financial borrowings related with the options		(91.209)	(193.674)	(146.573)
Change on share of non-controlling interest		(74)	(158)	(1.099)
Dividends paid to non-controlling interest		(1.105)	(2.347)	(8.469)
Decrease in derivative liabilities		(754)	(1.601)	-
Increase on associates accounted by using the equity method		(10.446)	(22.180)	(28.806)
Cash provided from sale of subsidiary and real estate		28.457	60.425	2.969
Acquisition of subsidiary share, net		(9.109)	(19.341)	(16.873)
C. Cash Provided by / Used in Financing Activities		**52.959**	**112.454**	**(406.412)**
Increase/ (Decrease) in financial borrowings, (net)		52.543	111.570	(97.728)
Interest paid		(36.100)	(76.655)	(52.749)
Decrease in financial borrowings related to options		-	-	(215.912)
Decrease in blocked deposits		36.516	77.539	(40.023)
NET DECREASE IN CASH AND CASH EQUIVALENTS (A+B+C)		**(58.028)**	**(123.216)**	**(346.785)**
D. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	**6**	**1.040.316**	**2.209.007**	**2.130.865**
E. CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+B+C+D)	**6**	**982.288**	**2.085.791**	**1.784.080**

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

NOTE 1 - ORGANIZATION AND NATURE OF OPERATIONS

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

Doğan Holding is registered with the Capital Markets Board ("CMB") and its shares have been quoted on Borsa İstanbul ("Borsa İstanbul") since June 21, 1993. Within the frame of Resolution No.21/655 dated 23 July 2010 of CMB; according to the records of Central Registry Agency, the 32,32% shares of Doğan Holding are to be considered in circulation as of 30 June 2014 (31 December 2013: 32,36%) (Note 23).

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

Burhaniye Mahallesi Kısıklı Caddesi No: 65
Üsküdar 34696 İstanbul

Doğan Holding's principal activities are in Turkey and its activities are presented under four segments for reporting purposes as of 30 June 2014:

- Media
- Retail
- Energy
- Other

"Other" operations mainly comprise of subsidiaries operates in trade, tourism, agriculture and manufacturing sectors.

As of 30 June 2014, the Group has 8.690 employees in domestic and 11.651 employees including the personnel of foreign subcontractors (31 December 2013: 8.512 in domestic, including foreign 11.999). The Company has 200 employees (31 December 2013: 210 employees).

Merger of Doğan Yayın Holding with Dogan Şirketler Grubu Holding A.Ş. by "Take Over"

Doğan Yayın Holding and Doğan Holding announced to public with board of directory resolution in 14 April 2014 that all assets and liabilities of Doğan Yayın Holding are to be "taken over" by Doğan Holding as a whole, and to be merged under the umbrella of Doğan Holding has been aproved at the extraordinary general asse mbly meetings of Doğan Yayın Holding on 6 August 2014 and Doğan Holding on 7 August 2014 (Note 36).

NOTE 1 - ORGANIZATION AND NATURE OF OPERATIONS (Continued)

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

Subsidiaries	Country	Nature of business	Segment
Doğan Yayın Holding A.Ş. (“Doğan Yayın Holding or DYH”)	Turkey	Holding	Media
Hürriyet Gazetecilik ve Matbaacılık A.Ş. (“Hürriyet”)	Turkey	Newspaper publishing	Media
Hürriyet Medya Basım Hizmetleri ve Ticaret A.Ş. (“Hürriyet Medya Basım”)	Turkey	Printing and administrative services	Media
Doğan Ofset Yayıncılık ve Matbaacılık A.Ş. (“Doğan Ofset”)	Turkey	Magazine and book printing	Media
Doğan Gazetecilik A.Ş. (“Doğan Gazetecilik”)	Turkey	Newspaper publishing	Media
Doğan Dağıtım Satış Pazarlama Matbaacılık Ödeme Aracılık ve Tahsilat Sistemleri A.Ş. (“Doğan Dağıtım”)	Turkey	Distribution	Media
Doğan Dış Ticaret ve Mümessillik A.Ş. (“Doğan Dış Ticaret”)	Turkey	Import and export	Media
Doğan Haber Ajansı A.Ş. (“Doğan Haber”)	Turkey	News agency	Media
Doğan Gazetecilik İnternet Hizmetleri ve Ticaret A.Ş. (“Doğan Gazetecilik Internet”)	Turkey	Internet services	Media
Yenibiriş İnsan Kaynakları Hizmetleri Danışmanlık ve Yayıncılık A.Ş. (“Yenibir”)	Turkey	Internet services	Media
Hürriyet Zweigniederlassung GmbH (“Hürriyet Zweigniederlassung”)	Germany	Newspaper printing	Media
Doğan Media International GmbH (“DMI”)	Germany	Newspaper publishing	Media
Hürriyet Invest B.V. (“Hürriyet Invest”)	Netherland	Investment	Media
Fairworld International Limited (“Fairworld”)	England	Foreign Trade	Media
Falcon Purchasing Services Ltd. (“Falcon”)	England	Foreign Trade	Media
Trader Media East Ltd. (“TME”)	Jersey	Investment	Media
TCM Adria d.o.o.	Crotia	Investment	Media
Mirabridge International B.V.	Netherland	Investment	Media
Publishing International Holding B.V.	Netherland	Investment	Media
Pronto Invest B.V.	Netherland	Investment	Media
OOO RUKOM	Russia	Internet publishing	Media
OOO Pronto Aktobe	Kazakhstan	Newspaper and internet publishing	Media
OOO Delta-M	Russia	Newspaper and internet publishing	Media
OOO Pronto Baikal	Russia	Newspaper and internet publishing	Media
Job.ru LLC	Russia	Internet publishing	Media
OOO Pronto DV	Russia	Newspaper and internet publishing	Media
OOO Pronto Ivanovo	Russia	Newspaper and internet publishing	Media
OOO Pronto Kaliningrad	Russia	Newspaper and internet publishing	Media
OOO Pronto Kazan	Russia	Newspaper and internet publishing	Media
OOO Pronto Krasnodar	Russia	Newspaper and internet publishing	Media
OOO Pronto Nizhny Novgorod	Russia	Newspaper and internet publishing	Media
OOO Pronto Novosibirsk	Russia	Newspaper and internet publishing	Media
OOO Pronto Oka	Russia	Newspaper and internet publishing	Media
OOO Pronto Samara	Russia	Newspaper and internet publishing	Media
OOO Pronto UlanUde	Russia	Newspaper and internet publishing	Media
OOO Pronto Vladivostok	Russia	Newspaper and internet publishing	Media
OOO Pronto Moscow	Russia	Newspaper and internet publishing	Media
OOO Tambukan	Russia	Newspaper and internet publishing	Media
OOO Utro Peterburga	Russia	Newspaper and internet publishing	Media
OOO Pronto Kemerovo	Russia	Newspaper and internet publishing	Media
OOO Pronto Smolensk	Russia	Newspaper and internet publishing	Media
OOO Pronto Tula	Russia	Newspaper and internet publishing	Media
OOO Pronto Voronezh	Russia	Newspaper and internet publishing	Media
OOO Tambov-Info	Russia	Newspaper and internet publishing	Media
OOO SP Belpronto	Belarus	Newspaper and internet publishing	Media
OOO Pronto Rostov	Russia	Newspaper and internet publishing	Media
ZAO Pronto Akzhol	Kazakhstan	Newspaper and internet publishing	Media
TOO Pronto Akmola	Kazakhstan	Newspaper and internet publishing	Media
OOO Pronto Atyrau	Kazakhstan	Newspaper and internet publishing	Media
OOO Pronto Aktau	Kazakhstan	Newspaper and internet publishing	Media
SP Pronto Kiev	Ukraine	Newspaper and internet publishing	Media
OOO Partner-Soft	Russia	Internet publishing	Media
Pronto Soft	Belarus	Internet publishing	Media
TOV E-Prostir	Ukraine	Internet publishing	Media
Impress Media Marketing LLC	Russia	Publishing	Media
OOO Rektcentr	Russia	Investment	Media
Publishing House Pennsylvania Inc.	USA	Investment	Media
Pronto Ust Kamenogorsk	Kazakhstan	Newspaper publishing	Media
Nartek Bilişim Turizm ve Pazarlama Hizmetleri Ticaret A.Ş. (“Nartek”)	Turkey	Internet publishing	Media

NOTE 1 - ORGANIZATION AND NATURE OF OPERATIONS (Continued)

Subsidiaries	Country	Nature of business	Segment
Doğan İnternet Yayıncılığı ve Yatırım A.Ş. ("Doğan İnternet Yayıncılığı")	Turkey	Internet publishing	Media
Doğan TV Holding A.Ş. ("Doğan TV Holding")	Turkey	Tv publishing	Media
DTV Haber ve Görsel Yayıncılık A.Ş. ("Kanal D")	Turkey	Tv publishing	Media
Kanal D Yapımcılık Reklamcılık ve Dağıtım A.Ş. ("Kanal D Yapımcılık")	Turkey	Tv publishing	Media
Mozaik İletişim Hizmetleri A.Ş. ("Mozaik" or "D-smart")	Turkey	Tv publishing	Media
Doruk Televizyon ve Radyo Yayıncılık A.Ş. ("Doruk Televizyon" or "CNN Türk")	Turkey	Tv publishing	Media
Doğan TV Digital Platform İşletmeciliği A.Ş. ("Doğan TV Dijital")	Turkey	Tv publishing	Media
Fun Televizyon Yapımcılık Sanayi ve Ticaret A.Ş. ("Fun TV")	Turkey	Tv publishing	Media
Tempo Televizyon Yayıncılık Yapımcılık Sanayi ve Ticaret A.Ş. ("Tempo TV")	Turkey	Tv publishing	Media
Kanalspor Televizyon ve Radyo Yayıncılık A.Ş. ("Kanalspor")	Turkey	Tv publishing	Media
Milenyum Televizyon Yayıncılık ve Yapımcılık A.Ş. ("Milenyum TV")	Turkey	Tv publishing	Media
TV 2000 Televizyon Yayıncılık Yapımcılık Sanayi ve Ticaret A.Ş. ("TV 2000")	Turkey	Tv publishing	Media
Popüler Televizyon ve Radyo Yayıncılık A.Ş. ("Popüler TV")	Turkey	Tv publishing	Media
D Yapım Reklamcılık ve Dağıtım A.Ş. ("D Yapım Reklamcılık")	Turkey	Tv publishing	Media
Bravo Televizyon Yayıncılık Yapımcılık Sanayi ve Ticaret A.Ş. ("Bravo TV")	Turkey	Tv publishing	Media
Doğa Televizyon ve Radyo Yayıncılık A.Ş. ("Doğa TV")	Turkey	Tv publishing	Media
Altın Kanal Televizyon ve Radyo Yayıncılık A.Ş. ("Altın Kanal")	Turkey	Tv publishing	Media
Stil Televizyon ve Radyo Yayıncılık A.Ş. ("Stil TV")	Turkey	Tv publishing	Media
Selenit Televizyon ve Radyo Yayıncılık A.Ş. ("Selenit TV")	Turkey	Tv publishing	Media
Trend Televizyon ve Radyo Yayıncılık A.Ş. ("Trend TV" or "D Çocuk")	Turkey	Tv publishing	Media
Ekinoks Televizyon ve Radyo Yayıncılık A.Ş. ("Ekinoks TV")	Turkey	Tv publishing	Media
Fleks Televizyon ve Radyo Yayıncılık A.Ş. ("Fleks TV")	Turkey	Tv publishing	Media
Kutup Televizyon ve Radyo Yayıncılık A.Ş. ("Kutup TV")	Turkey	Tv publishing	Media
Galaksi Radyo ve Televizyon Yayıncılık Yapımcılık Sanayi ve Ticaret A.Ş. ("Galaksi TV")	Turkey	Tv publishing	Media
Koloni Televizyon ve Radyo Yayıncılık A.Ş. ("Koloni TV")	Turkey	Tv publishing	Media
Atılgan Televizyon ve Radyo Yayıncılık A.Ş. ("Atılgan TV")	Turkey	Tv publishing	Media
Yörünge Televizyon ve Radyo Yayıncılık A.Ş. ("Yörünge TV")	Turkey	Tv publishing	Media
Tematik Televizyon ve Radyo Yayıncılık A.Ş. ("Tematik TV")	Turkey	Tv publishing	Media
Süper Kanal Televizyon ve Radyo Yayıncılık A.Ş. ("Süperkanal")	Turkey	Tv publishing	Media
Uydu İletişim Basın Yayın A.Ş. ("Uydu")	Turkey	Tv publishing	Media
Eko TV Televizyon ve Radyo Yayıncılık A.Ş. ("Eko TV")	Turkey	Tv publishing	Media
Doğan Uydu Haberleşme Hizmetleri ve Telekomünikasyon Ticaret A.Ş. ("Doğan Uydu Haberleşme")	Turkey	Tv publishing	Media
Doğan Teleshopping Pazarlama ve Ticaret A.Ş. ("Doğan Teleshopping" or "Her Eve Lazım")	Turkey	Tv publishing	Media
Rapsodi Radyo ve Televizyon Yayıncılık A.Ş. ("Rapsodi Radyo")	Turkey	Radio publishing	Media
Doğan Müzik Yapım ve Ticaret A.Ş. ("DMC")	Turkey	Music and entertainment	Media
İnteraktif Medya Hizmetleri Geliştirme Pazarlama ve Ticaret A.Ş. ("İnteraktif Medya")	Turkey	Interactive services	Media
Primeturk GmbH ("Prime Turk")	Germany	Marketing	Media
Osmose Media S.A ("Osmose Media")	Luxembourg	Marketing	Media
Doğan Media International S.A. ("Kanal D Romanya")	Romania	Tv publishing	Media
Doğan Müzik Kitap Mağazacılık ve Pazarlama A.Ş. ("DMK")	Turkey	Retail	Retail
Hür Servis Sosyal Hizmetler ve Ticaret A.Ş. ("Hürservis")	Turkey	Retail	Retail
Doğan Faktoring A.Ş. ("Doğan Faktoring")	Turkey	Factoring	Media
Doğan Platform Yatırımları A.Ş. ("Doğan Platform")	Turkey	Investment	Media
Milpa Ticari ve Sınai Ürünler Pazarlama Sanayi ve Ticaret A.Ş. ("Milpa")	Turkey	Trade	Other
Enteralle Handels GmbH ("Enteralle Handels")	Germany	Trade	Other
Orta Anadolu Otomotiv Ticaret ve Sanayi A.Ş. ("Orta Anadolu Otomotiv")	Turkey	Trade	Other
Çelik Halat ve Tel Sanayii A.Ş. ("Çelik Halat")	Turkey	Production	Other
Ditaş Doğan Yedek Parça İmalat ve Teknik A.Ş. ("Ditaş Doğan")	Turkey	Production	Other
Milta Turizm İşletmeleri A.Ş. ("Milta Turizm")	Turkey	Tourism	Other
Doğan Organik Ürünler Sanayi ve Ticaret A.Ş. ("Doğan Organik")	Turkey	Agriculture	Other
Doğan Enerji Yatırımları Sanayi ve Ticaret A.Ş. ("Doğan Enerji")	Turkey	Energy	Energy
Galata Wind Enerji A.Ş.("Galata Wind")	Turkey	Energy	Energy
SC D-Yapı Real Estate, Investment and Construction S.A. ("D Yapı Romanya")	Romania	Real estate	Other
D Stroy Limited ("D Stroy")	Russia	Trade	Other

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

NOTE 1 - ORGANIZATION AND NATURE OF OPERATIONS (Continued)

Subsidiaries	Country	Nature of business	Segment
DHI Investment B.V. ("DHI Investment")	Netherland	Investment	Other
D-Tes Elektrik Enerjisi Toptan Satış A.Ş. ("D-Tes")	Turkey	Energy	Energy
Ditas America LLC ("Ditas America")	USA	Trade	Other
Ditas Trading (Shanghai) Co. Ltd. ("Ditas Trading")	People's Republic of China	Trade	Other
M Investment 1 LLC ("M Investment")	USA	Real estate	Other

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

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.1 Basis of presentation

2.1.1 Financial Reporting Standards

Public Oversight, Accounting and Auditing Standards Authority ("POA"), published the "Financial Statement Samples and User Guide", to be prepared in the scope of TAS in accordance with the "Turkey Accounting / Financial Reporting Standards" in the Official Gazette No. 28652 dated 20 May 2013 for the companies that are obliged to apply Turkish Accounting Standarts ("TAS") except for the financial instutions such as banks, insurance companies, capital market institutions operating under the scope of Banking Act 5411, the Capital Market Law No. 6362, No. 5684, No. 4683 of the Insurance Law, Private Pension Savings and Investment. The consolidated financial statements of the Group as of 30 June 2014 have been prepared in accordance with the standards described above.

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

Upon the CMB's resolution dated 7 June 2013 and 20/670, for capital market institutions, except for the corporations whose capital market instruments are traded on a stock exchange and investment funds, housing finance and asset finance funds within the scope of Communique No: II-14.1, formats are declared in the weekly bulleting numbered 2013/19 starting from the interim periods 30 June 2013 at 7 June 2013.

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

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

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

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

2.1 Basis of presentation (continued)

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

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

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

- Assets and liabilites for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- Income and expenses for each statement of profit or loss are translated at average exchange rates; and all resulting exchange differences are recognised as a separate component of equity and statements of comprehensive income (currency translation differences).

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

2.1.3 Consolidation principles

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

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

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

2.1 Basis of presentation (continued)

2.1.3 Consolidation principles (continued)

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

(a) Subsidiaries

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

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

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

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

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

2.1 Basis of presentation (continued)

2.1.3 Consolidation principles (continued)

(a) Subsidiaries (continued)

The table below sets out the proportion of voting power held by Doğan Holding, Doğan Family and its subsidiaries and effective ownership interests at 30 June 2014 and 31 December 2013:

	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 (%)	
June	**30 June**	**31 December**	**30 June**	**31 December**	**30 June**	**31 December**	**30 June**	**31 December**
Subsidiaries	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**
Hürriyet	77,65	77,65	-	-	77,65	77,65	64,35	64,35
Doğan Gazetecilik	92,76	92,76	0,52	0,52	93,28	93,28	74,23	74,23
DMI	100,00	100,00	-	-	100,00	100,00	73,37	73,37
Hürriyet Medya Basım	100,00	100,00	-	-	100,00	100,00	64,35	64,35
Doğan Ofset(1)	99,93	99,93	-	-	99,93	99,93	64,30	64,30
Mozaik	100,00	100,00	-	-	100,00	100,00	69,09	66,63
Doğan Haber	99,94	99,94	-	-	99,94	99,94	71,66	71,66
Doğan Dağıtım	100,00	100,00	-	-	100,00	100,00	80,02	80,02
Doğan Dış Ticaret	98,80	98,80	-	-	98,80	98,80	78,80	78,80
Doğan Gazetecilik Internet	100,00	100,00	-	-	100,00	100,00	74,23	74,23
Yenibir	100,00	100,00	-	-	100,00	100,00	64,35	64,35
Hürriyet Zweigniederlassung	100,00	100,00	-	-	100,00	100,00	64,35	64,35
Hürriyet Invest	100,00	100,00	-	-	100,00	100,00	64,35	64,35
TME	74,29	74,29	-	-	74,29	74,29	47,80	47,80
Mirabridge International B.V.	100,00	100,00	-	-	100,00	100,00	47,80	47,80
Publishing International Holding B.V.	100,00	100,00	-	-	100,00	100,00	47,80	47,80
Job.ru LLC	100,00	100,00	-	-	100,00	100,00	47,80	47,80
Pronto Invest B.V.	100,00	100,00	-	-	100,00	100,00	47,80	47,80
TCM Adria d.o.o.	100,00	100,00	-	-	100,00	100,00	47,80	47,80
OOO Rektcentr	100,00	100,00	-	-	100,00	100,00	47,80	47,80
Publishing House Pennsylvania Inc.	100,00	100,00	-	-	100,00	100,00	47,80	47,80
Doğan Platform	100,00	100,00	-	-	100,00	100,00	80,02	80,02
Doğan Yayın Holding	80,02	80,02	1,90	1,90	81,92	81,92	80,02	80,02
Fairworld (2)	100,00	100,00	-	-	100,00	100,00	78,80	78,80
Falcon	100,00	100,00	-	-	100,00	100,00	78,80	78,80
Oglasnik d.o.o. (3)	-	100,00	-	-	-	100,00	-	47,80
Expressz Magyarorszag Media Kft (4)	-	100,00	-	-	-	100,00	-	47,80
OOO SP Belpronto	60,00	60,00	-	-	60,00	60,00	28,68	28,68
OOO Pronto Rostov (5)	100,00	100,00	-	-	100,00	100,00	47,80	47,80
OOO Pronto Aktobe	80,00	80,00	-	-	80,00	80,00	30,59	30,59
OOO Delta-M	55,00	55,00	-	-	55,00	55,00	26,29	26,29
OOO Pronto Baikal	100,00	100,00	-	-	100,00	100,00	47,80	47,80
OOO Pronto DV	100,00	100,00	-	-	100,00	100,00	47,80	47,80
OOO Pronto Ivanovo	100,00	100,00	-	-	100,00	100,00	47,80	47,80
OOO Pronto Kaliningrad	95,00	95,00	-	-	95,00	95,00	45,41	45,41
OOO Pronto Kazan	72,00	72,00	-	-	72,00	72,00	34,42	34,42
OOO Pronto Krasnodar	80,00	80,00	-	-	80,00	80,00	38,24	38,24

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

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

2.1 Basis of presentation (continued)

2.1.3 Consolidation principles (continued)

(a) Subsidiaries (continued)

Subsidiaries	Proportion of voting power held by Doğan Holding and its subsidiaries (%) 30 June 2014	31 December 2013	Proportion of voting power held by Doğan family members (%) 30 June 2014	31 December 2013	Total proportion of voting power held (%) 30 June 2014	31 December 2013	Proportion of effective ownership interest (%) 30 June 2014	31 December 2013
OOO Pronto Nizhny Novgorod	90,00	90,00	-	-	90,00	90,00	43,02	43,02
OOO Pronto Novosibirsk	100,00	100,00	-	-	100,00	100,00	47,80	47,80
OOO Pronto Oka (6)	100,00	100,00	-	-	100,00	100,00	47,80	47,80
OOO Pronto Samara	100,00	100,00	-	-	100,00	100,00	47,80	47,80
OOO Pronto UlanUde	90,00	90,00	-	-	90,00	90,00	43,02	43,02
OOO Pronto Vladivostok	90,00	90,00	-	-	90,00	90,00	43,02	43,02
OOO Pronto Moscow	100,00	100,00	-	-	100,00	100,00	47,80	47,80
OOO Pronto Neva (7)	-	100,00	-	-	-	100,00	-	47,80
OOO Tambukan	85,00	85,00	-	-	85,00	85,00	40,63	40,63
OOO Utro Peterburga (6)	55,00	55,00	-	-	55,00	55,00	26,29	26,29
OOO Pronto Kemerovo (5)	100,00	100,00	-	-	100,00	100,00	47,80	47,80
OOO Pronto Smolensk	100,00	100,00	-	-	100,00	100,00	47,80	47,80
OOO Pronto Tula (5)	100,00	100,00	-	-	100,00	100,00	47,80	47,80
OOO Pronto Voronezh (5)	100,00	100,00	-	-	100,00	100,00	47,80	47,80
OOO Tambov-Info	100,00	100,00	-	-	100,00	100,00	47,80	47,80
OOO Pronto Obninsk(8)	-	10,00	-	-	-	100,00	-	4,78
TOO Pronto Akmola	100,00	100,00	-	-	100,00	100,00	47,80	47,80
OOO Pronto Atyrau	100,00	100,00	-	-	100,00	100,00	38,24	38,24
OOO Pronto Aktau	100,00	100,00	-	-	100,00	100,00	38,24	38,24
ZAO Pronto Akzhol	80,00	80,00	-	-	80,00	80,00	38,24	38,24
SP Pronto Kiev	50,00	50,00	-	-	50,00	50,00	23,90	23,90
Bolji Posao d.o.o. Serbia(9)	-	100,00	-	-	-	100,00	-	47,80
Bolji Posao d.o.o. Bosnia(9)	-	100,00	-	-	-	100,00	-	47,80
OOO RUKOM (10)	100,00	100,00	-	-	100,00	100,00	47,80	47,80
OOO Partner-Soft (11)	90,00	90,00	-	-	90,00	90,00	43,02	43,02
Pronto Soft	90,00	90,00	-	-	90,00	90,00	43,02	43,42
TOV E-Prostir	50,00	50,00	-	-	50,00	50,00	23,90	23,90
Prime Turk	100,00	100,00	-	-	100,00	100,00	69,09	66,63
Osmose Media	100,00	100,00	-	-	100,00	100,00	68,96	66,48
Impress Media Marketing LLC	97,00	97,00	-	-	97,00	97,00	46,37	46,37
Pronto Ust Kamenogorsk	100,00	100,00	-	-	100,00	100,00	38,24	38,24
Doğan TV Holding (12)	84,94	82,45	0,14	0,14	85,08	82,59	68,96	66,48
Kanal D	94,97	94,88	5,03	5,12	100,00	100,00	65,50	63,07
Kanal D Yapımcılık	100,00	100,00	-	-	100,00	100,00	65,50	63,07
Alkım İletişim(13)	-	100,00	-	-	-	100,00	-	66,48
Alp Görsel(14)	-	100,00	-	-	-	100,00	-	66,48
Fun TV	100,00	100,00	-	-	100,00	100,00	69,09	66,63
Tempo TV	100,00	100,00	-	-	100,00	100,00	68,96	66,48
Kanalspor	100,00	100,00	-	-	100,00	100,00	69,09	66,63
Milenyum TV	100,00	100,00	-	-	100,00	100,00	69,09	66,63
TV 2000	100,00	100,00	-	-	100,00	100,00	69,09	66,63
Popüler TV	100,00	100,00	-	-	100,00	100,00	69,09	66,63
D Yapım Reklamcılık	100,00	100,00	-	-	100,00	100,00	68,96	66,48
Bravo TV	100,00	100,00	-	-	100,00	100,00	69,09	66,63

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

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

2.1 Basis of presentation (continued)

2.1.3 Consolidation principles (continued)

(a) Subsidiaries (continued)

	Proportion of voting power held by Doğan Holding and its subsidiaries (%)		Proportion of voting power held by Doğan family members (%)		Total proportion of voting power held (%)		Proportion of effective ownership interest (%)	
Subsidiaries	**30 June 2014**	**31 December 2013**	**30 June 2014**	**31 December 2013**	**30 June 2014**	**31 December 2013**	**30 June 2014**	**31 December 2013**
Doğa TV	100,00	100,00	-	-	100,00	100,00	69,09	66,63
Altın Kanal	100,00	100,00	-	-	100,00	100,00	69,09	66,63
Stil TV	100,00	100,00	-	-	100,00	100,00	69,09	66,63
Selenit TV	100,00	100,00	-	-	100,00	100,00	69,09	66,63
D Çocuk	100,00	100,00	-	-	100,00	100,00	69,09	66,63
Ekinoks TV	100,00	100,00	-	-	100,00	100,00	69,09	66,63
Fleks TV	100,00	100,00	-	-	100,00	100,00	69,09	66,63
Doğan TV Dijital	100,00	100,00	-	-	100,00	100,00	69,09	66,63
Kutup TV	100,00	100,00	-	-	100,00	100,00	69,09	66,63
Galaksi TV	100,00	100,00	-	-	100,00	100,00	69,09	66,63
Koloni TV	100,00	100,00	-	-	100,00	100,00	68,96	66,48
Atılgan TV	100,00	100,00	-	-	100,00	100,00	68,96	66,48
Yörünge TV	100,00	100,00	-	-	100,00	100,00	69,09	66,63
Doruk Televizyon	100,00	100,00	-	-	100,00	100,00	68,96	66,48
Tematik TV	100,00	100,00	-	-	100,00	100,00	68,96	66,48
Süper Kanal	100,00	100,00	-	-	100,00	100,00	68,96	66,48
Uydu	100,00	100,00	-	-	100,00	100,00	69,09	66,63
Eko TV	95,03	95,03	-	-	95,03	95,03	65,53	63,17
Kanal D Romanya	100,00	100,00	-	-	100,00	100,00	68,96	73,37
NetD Dijital Yayıncılık[15]	-	100,00	-	-	-	100,00	-	66,48
Doğan Uydu Haberleşme	100,00	100,00	-	-	100,00	100,00	68,96	66,48
Doğan Teleshopping	100,00	100,00	-	-	100,00	100,00	68,96	66,48
Rapsodi Radyo	100,00	100,00	-	-	100,00	100,00	68,96	66,48
DMC	100,00	100,00	-	-	100,00	100,00	68,96	66,48
İnteraktif Medya	100,00	100,00	-	-	100,00	100,00	68,96	66,48
DMK	100,00	100,00	-	-	100,00	100,00	100,00	100,00
Hürservis	100,00	100,00	-	-	100,00	100,00	100,00	100,00
Doğan Faktoring	100,00	100,00	-	-	100,00	100,00	79,42	79,42
Nartek	60,00	60,00	-	-	60,00	60,00	38,61	38,61
Doğan İnternet Yayıncılığı	100,00	100,00	-	-	100,00	100,00	80,02	80,02
Milpa	86,27	86,27	0,16	0,16	86,43	86,43	86,27	86,27
Enteralle Handels[16]	100,00	100,00	-	-	100,00	100,00	86,27	86,27
Orta Anadolu Otomotiv	85,00	85,00	-	-	85,00	85,00	85,00	85,00
Çelik Halat	78,69	78,69	-	-	78,69	78,69	78,69	78,69
Ditaş Doğan	73,59	73,59	-	-	73,59	73,59	73,59	73,59
Milta Turizm	100,00	100,00	-	-	100,00	100,00	100,00	100,00
Doğan Organik	100,00	100,00	-	-	100,00	100,00	100,00	100,00
Doğan Enerji	100,00	100,00	-	-	100,00	100,00	100,00	100,00
Nakkaştepe Elektrik[17]	-	100,00	-	-	-	100,00	-	100,00
Galata Wind	100,00	100,00	-	-	100,00	100,00	100,00	100,00
Akdeniz Elektrik [18]	-	100,00	-	-	-	100,00	-	100,00

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

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

2.1 Basis of presentation (continued)

2.1.3 Consolidation principles (continued)

(a) Subsidiaries (continued)

Subsidiaries	Proportion of voting power held by Doğan Holding and its subsidiaries (%) 30 June 2014	31 December 2013	Proportion of voting power held by Doğan family members (%) 30 June 2014	31 December 2013	Total proportion of voting power held (%) 30 June 2014	31 December 2013	Proportion of effective ownership interest (%) 30 June 2014	31 December 2013
D-Yapı Romanya	100,00	100,00	-	-	100,00	100,00	100,00	100,00
D Stroy(19)	100,00	100,00	-	-	100,00	100,00	73,59	100,00
DHI Investment	100,00	100,00	-	-	100,00	100,00	100,00	100,00
D-Tes	100,00	100,00	-	-	100,00	100,00	100,00	100,00

(1) The related subsidiary was sold as of 18 July 2014.
(2) The related subsidiary was liquidated as of 30 July 2014.
(3) The related subsidiary was sold as of 28 February 2014.
(4) The related subsidiary was sold as of 7 April 2014.
(5) The related subsidiary is in liquation process as of 2013.
(6) The related subsidiary ceased its operations before 2010.
(7) The related subsidiary was liquidated as of 21 February 2014.
(8) 90% shares of of the related subsidiary in December 2013, and remaining 10% was sold in January 2014.
(9) The related subsidiary was sold as of 21 March 2014.
(10) The related subsidiary ceased its operations in 2012.
(11) The related subsidiary has started liquidation process in 2012.
(12) According to the statutory records of Group, proportion of effective ownership interest of Doğan TV Holding is 68,96%. Nevertheless, in consequence of the option explained in Note 17, by considering the additional share proportion in accordance with TAS 32 “Financial Instruments: Disclosure and Presentation” the rate is calculated as 71,90%.
(13) The related subsidiary merged with Doğan TV Holding as of 27 March 2014.
(14) The related subsidiary merged with Alkım İletişim as of 28 February 2014.
(15) The related subsidiary merged with Kanal D as of 30 April 2014.
(16) The related subsidiary is in liquidation process, which started on 31 December 2011.
(17) The related subsidiary merged with D-Tes as of 27 January 2014.
(18) The related subsidiary merged with Galata Wind as of 27 January 2014.
(19) The related subsidiary was sold to Ditaş as of 20 March 2014.

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

2.1 Basis of presentation (continued)

2.1.3 Consolidation principles (continued)

b) Joint Ventures

Joint ventures are companies in respect of which there are contractual arrangements through which an economic activity is undertaken subject to joint control by Doğan Holding and one or more other parties. Joint ventures were consolidated using the proportional consolidation method until 31 December 2012.

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

(c) Associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but do not have control or joint control over those policies. Investments in joint ventures are accounted for using the equity method of accounting. Such entities are companies in which Doğan Holding and its subsidiaries have 20% - 50% of the voting rights of the Group's overall voting power, where the Group has significant influence without any controlling power over the operations. Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in its joint ventures; unrealized losses are also eliminated if there is no indication of the assets transferred. Increases or decreases in the net assets of associates are increased or decreased proportionally as the Group's share in the consolidated financial statements and presented under the "Share of loss/gain on investments accounted for by using the equity method" account in the statement of profit or loss.

Where the investment's share of losses exceeds the Group's share (including any long-term investments that, in substance, form part of the Group's net investment in the associate), the exceeding portion of losses are not recognized. Consideration of additional loss is only possible in case the Group has been exposed to legal liability or has made to payments in the name of subsidiary.

Unrealized gains on transactions between the Group and its associates are restated in proportion to the Group's share in the associate and unrealized losses are also restated when there is no indication of impairment of the transferred asset. As long as the Group does not undertake any liability related to associates, when book value of the associates is zero equity method is no longer applied

(d) Non-controlling interests

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

(e) Financial investments

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

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

2.1 Basis of presentation (continued)

2.1.4 Offsetting

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

2.1.5 Comparative information and restatement of previously reported financial statements

The consolidated financial statements of the Group are prepared comparatively with the previous period to identify the financial position and performance trends. The group presents comperatively its consolidated balance sheet as of 30 June 2014 with 31 December 2013. Income statement, other comprehensive income, cash flow and change in equity as of 30 June 2014, are presented comperatively with the financial statements of the interim period 1 January-30 June 2013. In the current period, in case of a necessity, prior period financial statements are reclassified in order to comply with the presentation of its current period consolidated financial statements and significant changes are explained.

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

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

Amendments in the standard TFRS 10 is required to be applied retrospectively.Subsidiaries TOV E-Prostir and SP Pronto Kiev, which were accounted within the framework of TAS 27 by the Group, have been included to consolidate financial statements by equity method as of 1 January 2012 in line with TFRS 10, and prior year financial statements were restated. Effect to the financial statements of the related change is summarized in the table below.

Also, the Group classified its subsidiaries operating in Hungary and Croatia as discontinued operations. In order to comply with current period financial statements, operations of aforementioned entities are classified as discontinued operations on prior year income statement and other compherensive income statement.

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

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

2.1 Basis of presentation (continued)

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

1 January – 30 June 2013	**Previously reported**	**Adjustments related to consolidation method change and discontinued operations**	**Restated**
Revenue	1.717.467	(8.931)	1.708.536
Cost of sales (-)	(1.226.365)	4.642	(1.221.723)
Gross profit	**491.102**	**(4.289)**	**486.813**
Marketing expenses (-)	(219.620)	1.203	(218.417)
General administrative expenses (-)	(188.498)	3.544	(184.954)
Other income from operating activities	213.436	-	213.436
Other expenses from operating activities (-)	(84.880)	-	(84.880)
Share of loss on associates accounted by using the equity method	(62.925)	264	(62.661)
Operating profit	**148.615**	**722**	**149.337**
Income from investing activities	132.739	-	132.739
Expense from investing activities	(43.017)	-	(43.017)
Operating profit before finance expenses	**238.337**	**722**	**239.059**
Finance income	6.681	-	6.681
Finance expenses (-)	(231.898)	(342)	(232.240)
Profit from continued operations before tax	**13.120**	**380**	**13.500**
Continued Operations Tax Expense/Income	**(62.350)**		**(62.350)**
Current tax expense (-)/income	(71.105)	-	(71.105)
Deferred tax income / (expense)	8.755	-	8.755
Net period loss from continued operations	**(49.230)**	**380**	**(48.850)**
Net period loss from discontinued operations	**-**	(550)	(550)
Loss fort he period	**(49.230)**	**(170)**	**(49.400)**
Allocation of profit /loss for the period:			
Non-controlling interests	(21.798)	(170)	(21.968)
Equity holders of the Parent Company	**(27.432)**	**-**	**(27.432)**

The preparation of consolidated financial statements require the use of estimations and assumptions that may have an effect over the assets and liabilities reported at the balance sheet date, contingent assets and liabilities disclosures and income and expenses reported during the accounting period. The estimates and assumptions are based on the best available information on the current circumstances and operations; however, they may differ from the actual results. If changes in accounting estimates only relate to one period, the change is reflected in the current period in which the change is made, if they relate to future periods, the change is both reflected in the current period in which the change is made and prospectively for future periods. Accounting estimates in the current period, except new arrangements explained above, are consistent with the accounting estimates used in preparation of 31 December 2013 consolidated financial statements.

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

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

2.1 Basis of presentation (continued)

2.1.7 New and Revised Turkish Financial Reporting Standards

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

(a) Standards effective from 1 January 2014 and have effect on the financial statements of the Group

None.

(b) Standards effective from 1 January 2014 and have no effect on the financial statements of the Group

TFRS 10, 11, TAS 27 (Amendments)	*Investment Companies*
TAS 32 (Amendments)	*Offsetting Financial Assets and Financial Liabilities*
TAS 36 (Amendments)	*Recoverable Value Disclosures for Non-Financial Assets*
TAS 39 (Amendments)	*Novation of Derivatives and Continuation of Hedge Accounting*
TFRS Interpretation 21	*Fees and Taxes*

(c) New and revised standards and interpretations not yet effective and have not been adopted early by the Group

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

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

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

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

2.2 Summary of Significant Accounting Policies

Related parties

For the purpose of these consolidated financial statements, related parties are referred to as legal entities in which Doğan Holding directly or indirectly has participation, including any entities under common control; real persons and/or legal entities that have direct or indirect individual or joint control over the company and their close family members (relatives up to second-degree) and legal entities having direct or indirect individual or joint control by them and legal entities having significant effect over the Company or their key management personnel; Company's affiliates, subsidiaries and members of the Board of Directors, key management personnel and their close family members (relatives up to second-degree) and real persons and/or legal entities that are directly or indirectly controlled individually or jointly (Note 33).

Cash and cash equivalents

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

Sales and repurchase agreements

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

Trade receivables and provision for doubtful receivables

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

Provision is allocated for receivables when the Group has an objective indication over the collectability. The amount of the provision is the difference between the carrying amount and the recoverable amount. Recoverable amount is the present value of all cash flows, including amounts recoverable from guarantees and collaterals discounted based on using the original effective interest rate of the trade receivable occurred. Group management considers to book provision for doubtful receivables for administrative and/ or legal follow-up, unsecured and collection possibility of the receivables which has maturity out of the Group's commercial term.

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

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

2.2 Summary of Significant Accounting Policies (continued)

Inventories

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

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

Promotion stocks

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

Programme stocks

Programme stocks comprise internal and external productions that have been produced but not yet broadcasted as of the report date. Programme stocks are recognised at acquisition or production cost and they are not subject to amortization. These programmes are charged to the statement of profit or loss upon the first transmission and included in cost of sales in the consolidated statement of profit or loss (Note 24). If the estimated income from programme stocks is lower than the carrying value, carrying value is discounted to net realizable value. Licence periods, remaining number of publishing rights, industry dynamics and sales forecasts are being considered in determining of impairment of programme stocks.

Financial instruments

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

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

2.2 Summary of Significant Accounting Policies (continued)

Financial instruments (continued)

"Financial assets at fair value through profit or loss" are financial assets that have been acquired principally for the purpose of taking advantage of fluctuations in price and other similar elements or independent from initial recognition financial assets held for trading which are part of a portfolio that has a recent actual pattern of short-term profit-taking. A financial asset is classified in this category if it is primarily acquired for the purpose of selling in the short-term. Financial assets at fair value through profit or loss are initially carried at cost including transaction costs at the balance sheet. Subsequent to recognition, the financial assets are carried at fair value. Realized or unrealized gains and losses are recognized in "financial income / expenses". Dividends received, are recognized as dividend income in the consolidated statement of profit or loss. Financial assets considered as derivative instruments that are not designated for the purpose of hedging instruments are classified as financial assets at fair value thorough profit or loss (Note 21). As of 30 June 2014, the Group does not have any financial assets whose fair value differences are recognized as in profit or loss.

"Held-to-maturity investments" are non-derivative financial assets with fixed or determinable payments that the Group intends and is able to hold to maturity and that do not meet the definition of loans and receivables and are not designated on initial recognition as assets at fair value through profit or loss or as available for sale. Held-to-maturity investments are carried at amortized cost using the effective interest method less impairment, if any. The Group has no held to maturity investments as of 30 June 2014 and 31 December 2013.

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

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

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

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

2.2 Summary of Significant Accounting Policies (continued)

Derivative financial instruments

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

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

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

Investment property

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, at the end of each year when there is an indication of impairment, investment properties are stated at fair value which reflects the market conditions. Gains or losses arising from changes in the fair values of investment properties are included in the profit or loss in the period in which they arise. As of 31 December 2012, the Group decided to adopt fair value method for their investment properties which were previously accounted under the cost method and restated its financial statements according to TAS 8.

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

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

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

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

2.2 Summary of Significant Accounting Policies (continued)

Property, plant and equipment and related depreciation

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

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

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

Gains or losses on disposals of property, plant and equipment are determined with respect to the difference between collections received and carrying amounts of property, plant and equipment and are included in the related income and expense accounts, as appropriate.

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

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

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

2.2 Summary of Significant Accounting Policies (continued)

Financial Leases

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

Operating leases

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

Goodwill

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

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

Intangible assets and related amortization

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

Registered subscriber acquisition costs paid by D-smart are capitalized over the subscription commitment period by the Group beginning from 1 January 2012 and capitalized amounts are recognized under intangible assets account. Weighted average term for subscription acquisition costs is 2 years.

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

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

2.2 Summary of Significant Accounting Policies (continued)

Intangible assets and related amortization (continued)

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

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

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

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

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

Web page development costs

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

Television program rights

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

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

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

2.2 Summary of Significant Accounting Policies (continued)

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

At each balance sheet date, the Group evaluates whether there are any indications that an asset other than goodwill or infinite life intangible assets may be impaired. When an indication of impairment exists, carrying value of the assets is compared with the net realizable value which is the higher of value in use and fair value less costs to sell. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Impairment exists if the carrying value of an asset or a cash generating unit including that asset is greater than its recoverable amount which is the higher of value in use or fair value less costs to sell. Impairment losses are recognised in the consolidated statement of profit or loss. Analysis regarding the impairment is presented in Note 2.3.1.

Taxation on income

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

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

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

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

Financial borrowings and borrowing costs

Borrowings are recognised initially at the proceeds received, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost using the effective interest method. Any difference between proceeds, net of transaction costs, and the redemption value is recognised in the profit or loss as finance expense over the period of the borrowings (Note 8). The borrowing costs which are directly related with the acquisition, manufacturing or production of a specialty good (means that a long period of time is required to make available for sale and use as purposed) are capitalized as a part of the related asset (Note 14).

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

2.2 Summary of Significant Accounting Policies (continued)

Financial liabilities subject to non-controlling put options

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

Employment termination benefits

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

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

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

Provisions, contingent assets and liabilities

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

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

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

2.2 Summary of Significant Accounting Policies (continued)

Provisions, contingent assets and liabilities (continued)

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

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

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

Share capital and dividends

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

Revenue recognition

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

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

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

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

2.2 Summary of Significant Accounting Policies (continued)

Revenue recognition (continued)

a) Media and Retail segment

Revenue from advertisements

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

Revenues from circulation, magazine sales and distribution

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

Newspaper sales returns and provisions:

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

Returns on magazine sales and provisions:

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

Revenue from printing services

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

b) Energy segment

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

c) Other segment

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

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

2.2 Summary of Significant Accounting Policies (continued)

Revenue recognition (continued)

c) Other segment (continued)

Housing construction projects (Revenue proceeds from buyers)

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

Vehicle Sale

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

Other revenue

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

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

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

Barter agreements

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

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

2.2 Summary of Significant Accounting Policies (continued)

Revenue recognition (continued)

Business combinations

Business combinations are accounted in accordance with TFRS 3. Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary/associate at the date of acquisition. If the purchase amount is less than the fair value of provisions, contingent assets and liabilities, the subjected difference is identified with comprehensive statement of profit or loss. Goodwill recognised in a business combination is not amortized, instead it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired. If the acquisition cost is lower than the fair value of the identifiable assets, liabilities and contingent liabilities acquired, the difference is accounted for as income in the related period. There are no business combinations which will significantly affect the consolidated financial statements as of and for the year ended 30 June 2014.

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

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

Foreign currency transactions

Functional currency

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

Foreign currency transactions and balances

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

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

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

2.2 Summary of Significant Accounting Policies (continued)

Foreign currency transactions (continued)

Foreign Group companies

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

A significant portion of the Group's foreign operations are performed in Russia, Europe and Slovenia ("Russia and Eastern Europe ("EE"). Foreign currencies and exchange rates at 30 June 2014 and 31 December 2013 are summarized below:

Foreign Group companies

Country	Currency Unit	30 June 2014	31 December 2013
Eurozone	Euro	2,8919	2,9365
Russia	Ruble	0,0631	0,0652
Ukraine	Grivna	0,1796	0,2670
Romania	New Lei	0,6553	0,6549
Kazakhstan	Tenge	0,0116	0,0139
Belarus	Belarusian Ruble	0,0002	0,0002

Segment Reporting

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

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

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

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

2.2 Summary of Significant Accounting Policies (continued)

Earning/ (loss) per share

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

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

Non-current assets held for sale and discontinued operations

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

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

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

Government grants

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

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

Subsequent events

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

In the case that events not requiring a correction to be made occur subsequent to the balance sheet date, those events are disclosed in the notes of consolidated financial statements.

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

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

2.2 Summary of Significant Accounting Policies (continued)

Statement of cash flows

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

The cash flows raised from operating activities indicate cash flows due to the Group's media and other sales operations.

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

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

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

2.3 Critical Accounting Estimates, Assumptions and Decisions

2.3.1. Critical accounting estimates and assumptions

a) Estimated impairment of goodwill

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

Group's goodwill impairment analysis resulting from one of its subsidiary TME, carried out in the scope described in detail below for the interim period ended 30 June 2014.

The recoverable amounts of cash generating units, was determined through calculating the amout that will be generated from operating activities. In these calculations, the five-year period covering the financial budget based on the after-tax cash flow projections are based and EBITDA (budgeted interest, tax, depreciation and amortization, impairment charges and other non-operating expenses EBITDA) estimates in this computation plays an important role.

Subsequent five-year period, the ratio of EBITDA to estimated cash flows and discount rates are listed below:

	EBITDA margin (%)	Discount rate (%)
TME	30	14,3

Group management, has recorded goodwill impairment in the amount of TL 12.719 which ended on 30 June 2014 interim consolidated financial statements for indirect subsidiary TME. (Note 15, 28). Goodwill impairment has been mostly realized due to increase in discount rate that used in the Goodwill impairment test.

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

2.3 Critical Accounting Estimates, Assumptions and Decisions (continued)

2.3.1. Critical accounting estimates and assumptions(continued)

a) Estimated impairment of goodwill (continued)

Considering the calculations made in the current period; the cash-generating unit in the cash flow projections applied to the after-tax discount rate, if the after tax discount rate 1% higher realized from management's estimate, the Group for goodwill 59.180 (31 December 2013: TL 25.962) a further impairment provision will be record and taxes and minority loss before income amount of TL 59.180 (31 December 2013: TL 25.962) would be required to increase the amount.

If the cash-generating unit in the cash flow projections applied to EBITDA ratio is lower than 5%, management's estimate, the Group for goodwill TL 59.391 further impairment provision will be recorded and taxes and minority interest loss before in the financial statements, amount TL 59.391 to increase the case would be.

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

As of November 2011, the Group management has considered the VAT principle amounting to TL 454.281 imposed as a consequence of share exchanges and transfers recognized in the statutory accounts of Doğan TV Holding, D Yapım, Doğan Prodüksiyon ve Alp Görsel and restructured within the scope of Law no: 6111 in the year 2011 as input VAT through issuance of "recourse VAT invoice" by each entity who transfers the shares to the respective entity, sequentially with the amount of corresponding VAT imposed. In this context, input VAT amounting to TL 145.328, TL 222.662 and TL 86.291 have been recognized in the statutory records of D Yapım, Doğan Prodüksiyon and Alp Görsel, respectively.
Based on the nature of the transaction and considering the precautionary principle, the Group management elects not to recognize the input VAT amounting to TL 454.281 as an asset in the consolidated financial statements as it will be used in future tax periods. Accordingly, where practible, input VAT that can be offset against the recourse VAT in the related taxation periods can be recognized in the statement of income in the respective periods (Note 27). Deductible VAT amount is TL 446.579 in statutory accounts as of 30 June 2014.

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

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

d) Useful lives of intangible assets

Useful lives of some trademarks are expected to be infinite by the Group management. Where useful lives of related intangible assets are infinite (in case of 20 years), amortization of such intangible assets' would increase by TL 7.218 (30 June 2013: TL 6.839) and profit before tax and non-controlling interests would decrease by TL 7.218 (30 June 2013: TL 6.839).

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

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

2.3 Critical Accounting Estimates, Assumptions and Decisions (continued)

2.3.1. Critical accounting estimates and assumptions (continued)

d) Useful lives of intangible assets(continued)

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

- if useful lives were 10% higher, amortization would decrease by TL 979 and profit before tax and non-controlling interests would increase by TL 979 (30 June 2013: TL 676); or

- if useful lives were 10% lower, amortization would increase by TL 1.197 and profit before tax and non-controlling interests would decrease by TL 1.197 (30 June 2013: TL 828).

2.3.2 Critical accounting judgments

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

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

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

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

NOTE 3 - BUSINESS COMBINATIONS

Current period business combinations

There is no significant business combination within the interim period ended by 30 June 2014.

Prior period business combinations

Within the interim period ended by 30 June 2013, the Group acquired Doğan İnternet Yayıncılığı ve Yatırım A.Ş., an entity under common control, in consideration of TL 10.928. The difference amounting to TL 7.640 between net asset value and the cash paid was recognized in related account under equity attributable to the parent.

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

The closure conditions determined by "Share Purchase and Sale Agreement" are performed by the closure date 10 May 2013 after paying TL 8.369 which is 75% of the revised conveyance/sale price, remaining 25% of sale and conveyance price was revised and finalized as TL 10.039 according to independently audited "Closing Date Finalized Financial Statements", and the rest of the selling price which is TL 1.670 was paid on 24 July 2013, so acquisition and conveyance operation was finalized. The difference amounting to TL 15.429 between net book value of Elektronik Bilgi İletişim Hizmetleri Reklamcılık ve Ticaret A.Ş. and purchase price was recognized as positive goodwill in the consolidated financial statements as of 30 June 2013 (Note 15).

In accordance with TFRS 3 Business Combinations standard, study of determining the fair value of identifiable assets and liabilities in order to recognize by using acquisition method, and accordingly the study of allocation of the acquisition cost study to tangible and intangible assets ("Purchase price allocation study") were concluded as of 31 December 2013 and TL 15.429 recorded as internet domain name and customer relations, which was carried as positive goodwill as of 30 June 2013. As explained in detail in the related note of financial report as of 31 December 2013, after the study of allocation of relevant purchase price cost, since there is no difference between fair value of acquired net assets and purchase price of EBİ, positive or negative goodwill have not been recognized to the records. EBİ was merged with DMK on 2 October 2013.

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

NOTE 4 – INVESTMENTS ACCOUNTED FOR BY THE EQUITY METHOD

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

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

The table below sets out the Joint Ventures, the proportion of voting power held by Doğan Holding, its subsidiaries and Doğan family and effective ownership interests at 30 June 2014 and 31 December 2013:

Subsidiaries	Proportion of voting power held by Doğan Holding and its subsidiaries (%) 30 June 2014	31 December 2013	Proportion of voting power held by Doğan family members (%) 30 June 2014	31 December 2013	Total proportion of voting power held (%) 30 June 2014	31 December 2013	Proportion of effective ownership interest (%) 30 June 2014	31 December 2013
Doğan Burda	44,89	44,89	0,27	0,27	45,16	45,16	35,92	35,92
DPP	46,00	46,00	10,00	10,00	56,00	56,00	36,81	36,81
ASPM Holding B.V.	37,89	37,88	-	-	37,89	37,88	24,38	24,38
Doğan Egmont	50,00	50,00	-	-	50,00	50,00	40,01	40,41
Ultra Kablolu [(1)]	50,00	50,00	-	-	50,00	50,00	40,01	40,41
Katalog [(2)]	50,00	50,00	-	-	50,00	50,00	40,01	40,41
Boyabat Elektrik	33,00	33,00	-	-	33,00	33,00	33,00	33,00
Aslancık Elektrik	33,33	33,33	-	-	33,33	33,33	33,33	33,33
Gas Plus Erbil	50,00	50,00	-	-	50,00	50,00	50,00	50,00
İsedaş [(3)]	45,00	45,00	-	-	45,00	45,00	45,00	45,00
DD Konut Finansman[(4)]	47,00	47,00	4,00	4,00	51,00	51,00	47,00	47,00
Nakkaştepe Gayrimenkul	50,00	50,00	-	-	50,00	50,00	50,00	50,00
Kandilli Gayrimenkul	50,00	50,00	-	-	50,00	50,00	50,00	50,00

(1) The related joint venture has ceased its operations as of November 2006.
(2) The related joint venture has ceased its operations as of September 2009.
(3) Liquidation process of the related joint venture has been stopped as of 2 June 2014.
(4) Trade name of the related joint venture has been changed as "DD Finansman A.Ş." as of 8 July 2014.

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

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

Summary of financial statements, currents assets, non-current assets, current and non-current liabilities,summary of income statement, for period and equity attributable to Doğan Holding of the joint ventures consolidated by using the equity method in the condensed consolidated financial statements, are as follows:

	30 June 2014	**31 December 2013**
Current assets	374.302	719.751
Non-current assets	3.459.144	3.155.125
Total assets	**3.833.446**	**3.874.876**
Short-term liabilities	747.742	806.135
Long-term liabilities	2.358.863	2.299.122
Total liabilities	**3.106.605**	**3.105.257**
Net assets	**726.841**	**769.619**
Group's share in net assets of investment accounted or by the equity method	**330.621**	**340.637**

Income Statement:	**1 January- 30 June 2014**	**1 April- 30 June 2014**	**1 January- 30 June 2013**	**1 April- 30 June 2013**
Revenue	202.667	101.462	183.504	62.101
Cost of sales (-)	(176.425)	(90.790)	(130.959)	(61.300)
Gross operating profit	**26.242**	**10.672**	**52.545**	**801**
General administration expenses (-)	(22.018)	(11.340)	(19.993)	5.711
Marketing,sales and distribution expenses (-)	(27.436)	(13.830)	(25.579)	(12.503)
Other operating (expenses)/income,net	(3.724)	(3.434)	(12.287)	(11.710)
Financial (expenses)/income, net	(52.165)	30.938	(219.778)	(175.625)
Profit/ (loss) before income taxes	**(79.101)**	**13.006**	**(225.092)**	**(193.326)**
Tax expense for the period	(2.195)	(15.742)	(2.139)	(1.983)
Deferred tax income/ (expense)	(32.219)	(33.431)	16.708	9.981
Net loss fort he period	**(113.515)**	**(36.167)**	**(210.523)**	**(185.328)**
Group's share in net loss of the investments by equity method	**(31.322)**	**(5.375)**	**(62.661)**	**(55.118)**

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

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

Financial Liabilities

	30 June 2014	**31 December 2013**
Boyabat Elektrik	2.003.004	1.994.812
Aslancık Elektrik	320.908	343.529
DD Konut Finansman	343.180	313.154
Other	9.668	4.944
Total	**2.676.760**	**2.656.439**

Financial borrowings

Boyabat Elektrik

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

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

Aslancık Elektrik

Group's joint venture Aslancık Elektrik's construction of 120 MWm /93 MWe installed capacity hydro energy production facility in Giresun, Doğankent began in 2010 Based on the loan agreement signed on 24 January 2011, in total USD 160.000 of loan was provided to Aslancık Elektrik. In this context, Aslancık Elektrik used USD 160.000 amounted bank loan until 31 December 2013, and in accordance with re-payment schedule, payments reaching to maturity are made.

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

Fixed Assets

	30 June 2014	**31 December 2013**
Boyabat Elektrik	1.952.877	1.943.746
Aslancık Elektrik	407.560	391.689
DD Konut Finansman	1.273	1.486
Other	4.274	1.835
Total	**2.365.984**	**2.338.756**

Total amount related to the effective rate of the Group's share of deprecation and amortization of investments accounted for by the equity method is TL 12.403 (30 June 2013: TL 10.413).

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

NOTE 5 - SEGMENT REPORTING

a) External revenue

	1 January- 30 June 2014	1 April- 30 June 2014	1 January- 30 June 2013	1 April- 30 June 2013
Media	1.278.405	695.340	1.345.386	741.131
Retail	236.205	112.040	177.978	84.573
Energy	137.491	81.131	73.016	40.249
Other	132.403	70.137	112.156	66.830
	1.784.504	**958.648**	**1.708.536**	**932.783**

b) Profit /(loss) before income taxes

	1 January- 30 June 2014	1 April- 30 June 2014	1 January- 30 June 2013	1 April- 30 June 2013
Media	(43.685)	56.914	(14.898)	9.335
Retail	2.254	777	1.835	916
Energy	(10.476)	9.490	(30.753)	(32.929)
Other	(32.858)	(60.452)	57.316	46.372
	(84.765)	**6.729**	**13.500**	**23.694**

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

NOTE 5 - SEGMENT REPORTING (Continued)

c) Segmental analysis for the interim period ended 1 January -30 June 2014

	Media	Retail	Energy	Other	Inter segment elemination	Total
External revenue	1.278.405	236.205	137.491	132.403	-	1.784.504
Internal revenue	567.058	789	17.696	14.042	-	599.585
Inter segment revenue	9.998	-	7.507	18.547	-	36.052
Total revenue	**1.855.461**	**236.994**	**162.694**	**164.992**	**-**	**2.420.141**
Total cost of sales	**(1.480.548)**	**(148.452)**	**(132.366)**	**(124.107)**	**-**	**(1.885.473)**
Revenue	1.288.403	236.205	144.998	150.950	(36.052)	1.784.504
Cost of sales	(986.770)	(147.663)	(118.493)	(124.897)	8.095	(1.369.728)
Gross profit	**301.633**	**88.542**	**26.505**	**26.053**	**(27.957)**	**414.776**
General administrative expenses	(156.653)	(6.108)	(2.654)	(32.866)	28.320	(169.961)
Marketing selling and distribution expenses	(143.544)	(80.889)	(12.828)	(7.630)	272	(244.619)
Share of gain/ (loss) on investments accounted for by using equity method	3.411	-	-	(34.733)	-	(31.322)
Other income/(expense) from operations, net	49.021	316	(2.638)	13.375	-	60.074
Income/(expense) from investing activities, net	(22.746)	-	(6.254)	(6.013)	-	(35.013)
Financial income	8.584	496	37.915	27.389	-	74.384
Financial expenses	(83.391)	(103)	(50.522)	(18.433)	(635)	(153.084)
Profit/ (Loss) before income taxes	**(43.685)**	**2.254**	**(10.476)**	**(32.858)**	**-**	**(84.765)**

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

NOTE 5 - SEGMENT REPORTING (Continued)

c) Segmental analysis for the interim period ended 1 April- 30 June 2014;

	Media	Retail	Energy	Other	Inter segment elemination	Total
External revenue	695.340	112.040	81.131	70.137	-	958.648
Internal revenue	275.294	-	3.466	10.967	-	289.727
Inter segment revenue	5.493	-	3.823	5.545	-	14.861
Total revenue	**976.127**	**112.040**	**88.420**	**86.649**	**-**	**1.263.236**
Total cost of sales	**(729.691)**	**(68.562)**	**(74.211)**	**(69.981)**	**-**	**(942.445)**
Revenue	700.833	112.040	84.954	75.682	(14.861)	958.648
Cost of sales	(497.556)	(67.773)	(72.657)	(70.770)	2.468	(706.288)
Gross profit	**203.277**	**44.267**	**12.297**	**4.912**	**(12.393)**	**252.360**
General administrative expenses	(76.231)	(2.798)	(1.196)	(9.691)	12.737	(77.179)
Marketing selling and distribution expenses	(71.795)	(40.835)	(6.684)	(4.195)	201	(123.308)
Share of gain/ (loss) on investments accounted for by using equity method	2.337	-	-	(7.712)	-	(5.375)
Other income/(expenses) from operations, net	20.859	194	(1.836)	3.811	-	23.850
Income/ (Expense) from investing activities	(22.178)	-	0	(22.874)	-	(45.052)
Financial income	7.328	52	17.371	(14.697)	(1.765)	7.467
Financial expenses	(6.683)	(103)	(10.462)	(10.006)	1.220	(26.034)
Profit/ (Loss) before income taxes	**56.914**	**777**	**9.490**	**(60.452)**	**-**	**6.729**

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NOTE 5 - SEGMENT REPORTING (Continued)

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

	Media	Retail	Energy	Other	Inter segment elemination	Total
External revenue	1.345.386	177.978	73.016	112.156	-	1.708.536
Internal revenue	718.033	1.919	2.591	3.294	-	725.837
Inter segment revenue	8.687	3.363	587	17.114	-	29.751
Total revenue	**2.072.106**	**183.260**	**76.194**	**132.564**	**-**	**2.464.124**
Total cost of sales	**(1.492.346)**	**(109.737)**	**(60.492)**	**(105.962)**	**-**	**(1.768.537)**
Revenue	1.354.073	174.615	70.425	139.174	(29.751)	1.708.536
Cost of sales	(951.820)	(107.818)	(57.901)	(113.331)	9.147	(1.221.723)
Gross profit	**402.253**	**66.797**	**12.524**	**25.843**	**(20.604)**	**486.813**
General administrative expenses	(153.012)	(4.565)	(3.007)	(44.317)	19.947	(184.954)
Marketing selling and distribution expenses	(150.777)	(61.859)	(70)	(6.368)	657	(218.417)
Share of gain/ (loss) on investments accounted for by using equity method	1.199	-	-	(63.860)	-	(62.661)
Other income/(expenses) from operations, net	21.559	352	(6)	117.982	(11.331)	128.556
Income/ (Expense) from investing activities	26.648	-	-	51.743	11.331	89.722
Financial income	-	(1.145)	6.469	9.798	(8.441)	6.681
Financial expenses	(162.768)	2.255	(46.663)	(33.505)	8.441	(232.240)
Profit/ (Loss) before income taxes	**(14.898)**	**1.835**	**(30.753)**	**57.316**	**-**	**13.500**

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

NOTE 5 - SEGMENT REPORTING (Continued)

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

	Media	Retail	Energy	Other	Inter segment elemination	Total
External revenue	741.131	84.573	40.249	66.830	-	932.783
Internal revenue	378.630	1.061	1.692	789	-	382.172
Inter segment revenue	4.725	2.868	376	4.496	-	12.465
Total revenue	**1.124.486**	**88.502**	**42.317**	**72.115**	**-**	**1.327.420**
Total cost of sales	**(789.711)**	**(49.804)**	**(36.289)**	**(58.165)**	**-**	**(933.969)**
Revenue	745.856	80.715	37.447	81.230	(12.465)	932.783
Cost of sales	(501.243)	(48.233)	(33.698)	(64.029)	5.654	(641.549)
Gross profit	**244.613**	**32.482**	**3.749**	**17.201**	**(6.811)**	**291.234**
General administrative expenses	(75.754)	(2.453)	(1.092)	(24.852)	6.327	(97.824)
Marketing selling and distribution expenses	(81.740)	(30.878)	(66)	(3.344)	484	(115.544)
Share of gain/ (loss) on investments accounted for by using equity method	366	-	-	(55.484)	-	(55.118)
Other income/(expenses) from operations, net	13.873	(527)	(215)	86.749	(11.331)	88.549
Income/ (Expense) from investing activities	24.045	-	(10)	44.485	11.331	79.851
Financial income	-	(2.906)	(11)	10.449	(6.881)	651
Financial expenses	(116.068)	5.198	(35.284)	(28.832)	6.881	(168.105)
Profit/ (Loss) before income taxes)	**9.335**	**916**	**(32.929)**	**46.372**	**-**	**23.694**

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NOTE 5 - SEGMENT REPORTING (Continued)

d) Segment assets

	30 June 2014	31 December 2013
Total assets		
Media	3.757.882	3.787.930
Retail	219.932	217.682
Energy	388.570	1.108.106
Other	5.983.710	5.637.478
	10.350.094	**10.751.196**
Less: segment elimination(1)	(2.988.996)	(3.163.223)
Total assets per consolidated financial statements	**7.361.098**	**7.587.973**
Shareholder's equity		
Media	1.418.973	1.492.720
Retail	59.106	61.228
Energy	540.737	536.002
Other	5.559.043	3.842.369
Total	**7.577.859**	**5.932.319**
Less: segment elimination(2)	(3.698.290)	(1.931.884)
Total shareholders' equity per consolidated financial statements	**3.879.569**	**4.000.435**
Non-controlling interests	(710.444)	(750.248)
Total shareholder's equity	**3.169.125**	**3.250.187**

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

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

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NOTE 5 - SEGMENT REPORTING (Continued)

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

	1 January-30 June 2014	1 April-30 June 2014	1 January-30 June 2013	1 April-30 June 2013
Purchases				
Media				
Retail	121.367	64.189	112.013	61.286
Energy	8.296	1.632	3.753	2.974
Other	2.249	2.194	21.940	20.010
Purchases	14.969	5.681	13.669	3.600
Total	**146.881**	**73.696**	**151.375**	**87.870**
Amortization and depreciation				
Media	118.734	59.679	98.818	52.570
Retail	3.806	1.936	3.383	1.676
Energy	11.945	5.958	11.136	5.787
Other	11.356	1.598	10.997	5.522
Total	**145.841**	**69.171**	**124.334**	**65.555**

f) Non-cash expenses (net):

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

	2014				
	Media	**Retail**	**Energy**	**Other**	**Total**
Interest expense accruals	19.757	490	234	882	21.363
Provision for doubtful receivables (Note 9)	20.790	-	-	65	20.855
Provision for goodwill impairment (Note 15)	12.719	-	-	-	12.719
Provision for employment termination benefits (Note 22)	7.066	453	40	1.387	8.946
Provision expense for lawsuits	2.604	-	-	5.352	7.956
Provision for unused vacation liabilities	8.528	-	-	(2.376)	6.152
Provision for impairment on inventories (Note 11)	1.447	-	-	113	1.560
Change in fair value of investment properties (Note 13)	1.757	-	-	-	1.757
	74.688	**943**	**274**	**5.423**	**81.308**

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NOTE 5 - SEGMENT REPORTING (Continued)

f) <u>Non-cash expenses (net) (continued):</u>

	2013				
	Media	**Retail**	**Energy**	**Other**	**Total**
Provision for doubtful receivable (Note 9)	23.448	-	-	545	23.993
Interest expense accruals	16.491	278	654	-	17.423
Provision for employment termination benefits (Note 22)	6.201	312	32	1.155	7.700
Provision for unused vacation liabilities	4.052	-	-	7	4.059
Provision expense for lawsuits	743	-	-	2.737	3.480
Provision for impairment on inventories (Note 11)	2.043	-	-	350	2.393
	52.978	**590**	**686**	**4.794**	**59.048**

NOTE 6 – CASH AND CASH EQUIVALENTS

The details of cash and cash equivalents at 30 June 2014 and 31 December 2013 are as follows:

	30 June 2014	**31 December 2013**
Cash	2.083	2.318
Banks		
- demand deposits	213.562	221.924
- time deposits	1.768.986	1.772.662
Other current assets	106.863	219.457
	2.091.494	**2.216.361**

As of 30 June 2014 the effective interest rates of USD, EUR and TL denominated time deposits are between 0,55% and 6,00% (31 December 2013: 0,35% and 6,00%), 0,2% and 6,75% (31 December 2013: 0,2% and 6,75%) and 5,00% and 11,80% (31 December 2013: 5,98% and 10,16%), respectively and its maturity is shorter than 3 months.

As of 30 June 2014, other current assets consist of credit card slip receivables amounting to TL 63.158 (31 December 2013:72.152) and blocked deposits, mainly belonging to Doğan Holding due to bank borrowings of the Group's subsidiaries, amounting to TL 43.705 (31 December 2013: TL 147.305). As of 30 June 2014, regarding the amendment agreement signed with the date of 28 February 2012 between the Company and Commerz-Film GmbH and Hauptstadtsee 809. V V GmbH, EUR 50.000 (TL 146.825) was blocked related to share purchase option of Doğan TV Holding.

Cash and cash equivalents disclosed in the consolidated statements of cash flows for the periods ended 30 June 2014, 31 December 2013, 30 June 2013 and 31 December 2012 are as follows:

	30 June 2014	**31 December 2013**	**30 June 2013**	**31 December 2012**
Cash and cash equivalents	2.091.494	2.216.361	1.797.485	2.160.698
Accrued interest (-)	(5.703)	(7.354)	(13.405)	(29.833)
Cash and cash equivalents	**2.085.791**	**2.209.007**	**1.784.080**	**2.130.865**

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

NOTE 7 - FINANCIAL INVESTMENTS

a) Short-term financial investments

	30 June 2014	31 December 2013
Government bonds and treasury bills	101.143	136.465
	101.143	**136.465**

Government bonds and treasury bills dominated in TL, USD and Euro, and interest rates are 11,90%, 7,80% and 7,88% (31 December 2013: TL 9,58%, USD 6,46%, EUR 5,64%).

b) Long-term available for sale financial assets

	30 June 2014		31 December 2013	
	TL	%	TL	%
M Investment (1)	19.341	100	-	-
Aks Televizyon Reklamcılık ve Filmcilik Sanayi ve Ticaret A.Ş. ("Aks TV")	2.923	9	2.923	9
POAŞ (2)	860	<1	803	<1
Anten Teknik Hizmetler ve Verici Tesis İşletme A.Ş.	800	<1	800	<1
Other (3)	2.715	<1	1.440	<1
Less: provision for impairment (4)	(2.923)		(2.923)	
	23.716		**3.043**	

(1) The entity has been established by the Group's subsidiary Milta on 14 April 2014 for real estate investments in America. Since it has not started to operate as of 30 June 2014, it has not consolidated by full consolidation method

(2) After the removal of restriction on shares, "Restricted shares" which correspond to 0,03% of POAŞ's capital (calculated as 192.500 (exact) shares as of the current situation) are decided to be transferred to OMV Enerji Holding A.Ş in a total cash consideration of EUR 600.000. Since the related share transfer has not been realized as of 30 June 2014, 192.500 shares that Group shares are recognized at fair value, which is calculated by using the market price of shares

(3) The entities establihed for sales and marketing of the products, produced by the Group's subsidiary Ditaş, in America and and Asia-Pacific countries; Ditaş America established on 30 May 2014 and Ditaş Trading 19 June 2014 have not been consolidated by full consolidation method since they have not started to operate as of 30 June 2014.

(4) As of 30 June 2014 long term financial invesment except POAŞ are carried at the cost value. There is TL 2.923 impairment on Aks TV. (31 December 2013: 2.923).

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

NOTE 8 – SHORT AND LONG TERM FINANCIAL BORROWINGS

a) Financial borrowing

The details of financial borrowings at 30 June 2014 and 31 December 2013 are as follows:

Short-term financial borrowings:	**30 June 2014**	**31 December 2013**
Short term bank borrowings	652.534	595.843
Interest bearing payables to suppliers	4.388	6.436
Finance lease borrowings	10.127	10.251
Total	**667.049**	**612.530**

Short-term portion of long-term financial borrowings:	**30 June 2014**	**31 December 2013**
Short-term portion of long-term bank borrowings	552.832	426.418
Total	**552.832**	**426.418**

Long-term financial borrowings:	**30 June 2014**	**31 Decenber 2013**
Long term bank borrowings	966.631	1.046.356
Interest bearing payables to suppliers	-	4.693
Finance lease borrowings	3.255	8.390
Total	**969.886**	**1.059.439**

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

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

Details of the bank borrowings as of 30 June 2014 and 31 December 2013 are as follows:

	30 June 2014			31 December 2013		
	Interest rate per annum (%)	Original foreign currency	TL	Interest rate per annum (%)	Original foreign currency	TL
Short-term bank borrowings:						
TL denominated bank borrowings	0 - 13,45%	237.230	237.230	0 - 10,30%	131.454	131.454
USD denominated bank borrowings	2,63 - 5,23%	129.292	274.539	3,25 - 5,45%	160.724	343.033
EUR denominated bank borrowings	0,12 - 5,17%	48.676	140.765	3,50 - 5,08%	41.327	121.356
Sub-total			**652.534**			**595.843**
Short-term portion of long-term bank borrowings:						
TL denominated bank borrowings	11,2 - 13,75%	8.928	8.928	11,20%	2.890	2.890
USD denominated bank borrowings	2,75 - 6,25%	231.093	490.703	3 - 6,45%	186.575	398.207
EUR denominated bank borrowings	3,25 - 5,71%	18.397	53.201	3,25 - 5,71%	8.623	25.321
Sub-total			**552.832**			**426.418**
Total short-term bank borrowings			**1.205.366**			**1.022.261**
Long-term bank borrowings:						
TL denominated bank borrowings	2,6 - 13,75%	132.979	132.979	9,75 - 11,20%	104.124	104.124
USD denominated bank borrowings	0,01 - 6,25%	184.861	392.534	3,25 - 6,25%	242.138	516.795
EUR denominated bank borrowings	3,25 - 5,71%	152.536	441.118	3,25 - 5,71%	144.879	425.437
Total long-term bank borrowings			**966.631**			**1.046.356**

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

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

The redemption schedule of long-term bank borrowings as of 30 June 2014 and 31 December 2013 is as follows:

	30 June 2014	**31 December 2013**
2014	-	26.425
2015	53.952	312.675
2016	480.103	500.022
2017	175.427	207.234
2018	91.201	-
2019 and after	165.948	-
	966.631	**1.046.356**

The floating rate bank borrowings of the Group denominated in USD have interest rates fluctuating between 3-month Libor + 5,9% and 6-month Libor + 0,5 % (31 December 2013: Libor +0,85 and Libor+ 5,00%).

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

Commitments and financial terms about borrowings

Media

OOO Pronto Moscow's, one of the indirect subsidiaries of the Group, bank loan which is classified under the long-term financial liabilities amounting to USD 70.000 with 6,25% interest rate and maturity date of 20 April 2016. Deposit amounting to USD 70.000 has been blocked as collateral in accordance with the loan agreement of Doğan Holding. (Note 19).

Other

<u>Galata Wind</u>

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

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

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

Finance lease liabilities:

The Group acquired property, plant and equipment through finance leases. As of 30 June 2014, total lease payment commitments of the Group relating to such short and long term lease agreements amount to TL 13.382 (31 December 2013: TL 18.641).

The redemption schedules of long-term leasing payables at 30 June 2014 and 31 December 2013 are summarized below.

	30 June 2014	31 December 2013
2015 and after	3.255	8.390
	3.255	**8.390**

Allocation of borrowings with fixed and floating interest rates of the Group as of 30 June 2014 and 31 December 2013 are as follows:

	30 June 2014	31 December 2013
Loans with fixed interest rates (Note 34)	1.197.228	988.748
Loans with floating interest rates (Note 34)	988.151	1.098.510
Total	**2.185.379**	**2.087.258**

Interest bearing payables to suppliers

Interest bearing payables to suppliers are related to the machinery and equipment purchases of Hürriyet and, a subsidiary of Doğan Yayın Holding. Interest rates of these short and long-term payables in EUR 2,05% (31 December 2013: EUR 1,60%).

The maturity analysis of long-term interest bearing payables to suppliers at 30 June 2014 and 31 December 2013 as follows:

	30 June 2014	31 December 2013
2015 and after	-	4.693
Total	**-**	**4.693**

As of 30 June 2014, the Group's short-term financial liabilities to suppliers issued at variable interest rates are amounting to TL 4.388 (31 December 2013: TL 6.436), long-term financial liabilities at variable interest is not avaivable (31 December 2013: TL 2.226) (Note 34). As of 30 June 2014, short-term and long-term financial liabilities to suppliers at fixed rate is not avaivable (31 December 2013: 2.467 TL)

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

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

Interest bearing payables to suppliers (continued)

The exposure of the Group's financial liabilities to suppliers to the risk of interest rate changes and the contractual repricing dates are as follows:

	30 June 2014	31 December 2013
6 months and less	4.388	8.662
Between 1-5 year	-	2.467
Total	**4.388**	**11.129**

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

b) Other financial liabilities

As of 30 June 2014 and 31 December 2013 details of other financial liabilities are presented below.

Other short term financial liabilities:	**30 June 2014**	**31 December 2013**
Financial liabilities due to call and put options (Note 17)	181.744	199.365
Factoring payables	4.273	-
	186.017	**199.365**

Other long term financial liabilities:	**30 June 2014**	**31 December 2013**
Financial liabilities due to call and put options (Note 17)	-	183.182
	-	**183.182**

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

NOTE 9 - TRADE RECEIVABLES AND PAYABLES

Short-term trade receivables	**30 June 2014**	**31 December 2013**
Trade receivables	1.163.885	987.793
Notes and cheques receivable	28.389	33.323
Income accruals	6.068	5.981
Total	**1.198.342**	**1.027.097**
Less: unearned financial income due to sales with maturity	(5.625)	(6.595)
Less: provision for doubtful receivables (-)	(242.597)	(232.160)
Total	**950.120**	**788.342**

In the media segment of the Group, the average maturity of not overdue trade receivables, followed by Doğan Faktoring, is between 69 and 103 days as of the balance sheet date (31 December 2013: 67-101 days).

In the media segment of the Group, the average maturity of not overdue trade receivables is 45 days as of the balance sheet date (31 December 2013: 45 days).

In the other segment of the Group, the average maturity of not overdue trade receivables is between 30 and 90 days as of the balance sheet date (31 December 2013: 30-90 days). Average discount rate calculated as annual compound of trade receivables is 12,01% (31 December 2013: 12,01%).

Long-term trade receivables	**30 June 2014**	**31 December 2013**
Notes and cheques receivable [(1)]	3.611	3.507
Unearned financial income due to sales with maturity	(737)	(783)
	2.874	**2.724**

(1) Notes receivables consist of sales with maturity of Milpa's Automall, Veneris and Milpark Projects a subsidiary of the group in 2012, 2013 and 2014.

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

NOTE 9 - TRADE RECEIVABLES AND PAYABLES (Continued)

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

	2014	2013
1 January	(232.160)	(201.844)
Provision booked in the current period (Note 27)	(20.855)	(23.993)
Reclassified to assets held for sale	5.509	-
Collections and cancelled provisions	4.330	13.611
Currency translation differences	579	63
30 June	**(242.597)**	**(212.163)**

Guarantees for trade receivables

As of 30 June 2014, trade receivables of amounting to TL 240.720 (31 December 2013: TL 181.702), were past due but not impaired. The Group does not foresee any collection risk for these overdue receivables due to sector dynamics and circumstances (Note 34).

As of 30 June 2014, the Group has letters of guarantee, guarantee notes, guarantee cheques,bails, receivable insurance, pledges and mortgages amounting to TL 92.928 (31 December 2013: TL 47.596) related to trade receivables amounting to TL 952.994 (31 December 2013: TL 791.066).

The guarantees received for the total trade receivables of the Group consist of bank guarantee letter amounting to TL 4.782 (31 December 2013: TL 5.233), bails and mortgages amounting to TL 41.535 (31 December 2013: TL 32.739), checks and notes amounting to TL 18.905 (31 December 2013: TL 9.624), receivable insurance amounting to TL 25.240, vehicle plege amounting to TL 2.466 (31 December 2013: None). In these guarantees, bank guarantee letter amounting to TL 40, bails and mortgages amounting to TL 21.624, cheques and notes amounting to TL 10.285, receivable insurance amounting to TL 5.322 and vehicle plege amounting to TL 1.754 was received overdue but not impaired receivables. (31 December 2013: bank guarantee letter amounting to TL 1.344, bails and mortgages amounting to TL 19.552, cheques and notes amounting to TL 7.487, receivable insurance amounting to 4.356 was received overdue but not impaired receivables. (Note 34).

Short-term trade payables

	30 June 2014	31 December 2013
Trade payables	447.171	435.289
Provision for liabilities and expenses	53.046	57.828
Notes payables and cheques	17.372	3.965
Provision for broadcasted programmes	7.348	2.237
Other	367	51
Less: deferred financial expense due to purchase with maturity	(170)	(1.218)
Total	**525.134**	**498.152**

The average maturity of not over due trade payables is between 30 and 90 days as of 30 June 2014 (31 December 2013: 30-90 days).

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

NOTE 10 – OTHER RECEIVABLES AND PAYABLES

	30 June 2014	31 December 2013
Other short-term receivables		
Notes receivables [(1) (2)]	55.072	105.020
Deposits and guarantees given	1.927	3.498
Other miscellaneous receivables	2.003	1.206
	59.002	**109.724**
Other long-term receivables		
Notes receivable [(1) (3) (4)]	15.857	11.456
TEIAS power transmision line receivables [(5)]	8.575	8.000
Deposits and guarantees given	3.384	3.226
Other miscellaneous receivables	-	5
	27.816	**22.687**

(1) TL 25.295 (31 December 2013: TL 31.443) of short-term notes receivables and (31 December 2013: TL 10.243 long term notes receivables) of long-term notes receivables are composed from the sales of shares of Bağımsız Gazeteciler and all Milliyet brand, royalties and internet domain names to DK Gazetecilik ve Yayıncılık A.Ş at 2 May 2011. Notes receivables are shown at discounted amounts. The discount amount as of 30 June 2014 is TL 344 (31 December 2013: TL 883).

(2) Hürriyet, a subsidiary of the Group, sold the properties that consist of 58.609,45 m2 land and buildings, including the building that has been used as company headquarters for 28 years (Hürriyet Media Towers) in Bağcılar, Istanbul in 2012 to Nurol Gayrimenkul Yatırım Ortaklığı in consideration of USD 127.500 (TL 225.994), excluding late interest. USD 17.500 of the consideration was paid in cash and the remaining portion which amounts to USD 110.000 is payable in 32 equal installments as of 6 March 2012 by applying 3,5% interest rate for the remaining installment portions. As of 30 June 2014, USD 13.750 (TL 29.197) of the related consideration is recognized as short-term notes receivables and cheques. (31 December 2013: USD 34.375 (TL 73.367)). Interest amount that is collectible in relation to principal amount is USD 6.396, and USD 5.191 (TL 11.022) of the related amount, excluding VAT, has been collected in 2012 and 2013 and is recognized as other income from operating activities in the accompanying financial statements in the current period. Interest accrual calculated by using the effective interest rate in the current period amounts to USD 38 (TL 80) and is recognized as short-term notes receivables and cheques and finance income in the accompanying financial statements. (31 December 2013: USD 99 (TL 210))

(3) Long-term notes receivable amounting to TL 979 (31 December 2013: TL 1.213) consist of the notes receivables of other subsidiaries.

(4) "Superficies Right" of Milta Turizm, a subsidiary of the Group, registered on 23 December 2013 to the deed, for 49 years beginning from 11 April 1985 on 92.476m2 sized surface in Göynük village of Kemer, Antalya has been sold to Ceylan İşletme İnşaat Turizm Yatırım Nakliyat Gıda İçecek Sanayi ve Ticaret A.Ş. for EUR 20.000 on 18 February 2014 by negotiation. EUR 15.000 will be paid upfront and the remaining EUR 5.000 will be collected in four equal installments (EUR 1.250) beginning from 31 August 2015 until 31 August 2018. As of 30 June 2014, related notes were accounted with discount of TL 14.812 under long term other receivables.

(5) The amount consists of the receivables of Akdeniz Elektrik and Galata Wind from the power transmission line of TEİAŞ.

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

NOTE 10 – OTHER RECEIVABLES AND PAYABLES (Continued)

Other Short Term Payables	30 June 2014	31 December 2013
Taxes and funds payable	33.030	51.083
Deposits and guarantees received	1.928	482
Other short term payables	2.707	2.347
	37.665	**53.912**

Other Long Term Payables	30 June 2014	31 December 2013
Deposits and guarantees received	13.930	13.658
Other long term payables	67	652
	13.997	**14.310**

NOTE 11 - INVENTORIES

Short term inventory	30 June 2014	31 December 2013
Finished goods and merchandise (1)	161.120	173.772
Raw materials and supplies	71.720	84.856
Semi-finished goods	13.106	9.822
Promotion stocks	8.143	5.037
Other inventories	10.460	8.386
	264.549	**281.873**
Provision for impairment of inventory	(9.248)	(8.056)
	255.301	**273.817**

(1) As of 30 June 2014 TL 24.080 (31 December 2013: TL 26.701) of finished goods consists of the inventories related to housing projects run by subsidiary Milpa.

As of 30 June 2014, TL 81 (31 December 2013: TL 206) depreciation and amortization expense have been reflected to the inventories.

Promotional materials consist of books, CDs, DVD and electronic educational products that were provided with the newspapers. Determining whether the promotion stocks is impaired or not and, if impaired, assessment of the amount is carried out by Group management. In this context, impairment amount is determined by considering the purchase date, current condition of stocks and rates identified by Group management.

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

NOTE 11 - INVENTORIES (Continued)

The movements of the provision for impairment of inventories for the interim periods ended 30 June 2014 and 2013 are as follows:

	2014	**2013**
1 January	(8.056)	(7.547)
Provision booked in the current period (Note 27)	(1.560)	(2.393)
Reversal of provision for inventories	368	387
30 June	**(9.248)**	**(9.553)**

NOTE 12 - BIOLOGICAL ASSETS

Biological assets of Doğan Organik, a Group's subsidiary, amounted to TL 328 as of 30 June 2014 (31 December 2013: TL 219).

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

NOTE 13 - INVESTMENT PROPERTY

The movements in investment property during the interim periods ended 30 June 2014 and 30 June 2013 are as follows.

	1 January 2014	Additions	Disposals	Transfers	Loss resulted from fair value change	Currency translation differences	30 June 2014
Land	170.683	-	-	-	-	3.893	174.576
Building	55.481	10.955	(8.835)	-	(1.757)	-	55.844
Net book value	**226.164**						**230.420**

	1 January 2013	Additions	Disposals	Transfers	Reversal of impairment provision	Currency translation differencies	30 June 2013
Arsalar	146.113	626	-	-	1.473	3.221	151.433
Binalar	83.263	13.576	(17.705)	-	636	-	79.770
Net book value	**229.376**						**231.203**

The group has generated a rent income of TL 570 from investment properties (30 June 2013: TL 1.092). Direct operating costs in the current period resulting from investment properties is TL 488 (30 June 2013: TL 620). There is no collateral or mortgage on investment properties of the Group.

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

NOTE 14 - PROPERTY, PLANT AND EQUIPMENT

Movements of the property, plant and equipment for the interim periods ended 30 June 2014 and 30 June 2013 are as follows:

	1 January 2014	Additions	Disposals	Transfers[1]	Disposal of subsidiary	Classified as asset held for sale	Impairment	Currency Translation differences	30 June 2014
Cost:									
Land and land improvements	114.745	42	(10)	-	-	(2.767)	-	(127)	111.883
Buildings	139.353	729	(950)	-	-	-	-	(1.643)	137.489
Machine and equipments	1.174.622	7.369	(2.318)	3.464	-	(74.764)	-	588	1.108.961
Motor vehicles	112.944	6.336	(4.239)	-	-	(84)	-	(428)	114.529
Furniture and fixtures	428.281	32.888	(10.932)	-	-	(1.039)	-	(1.038)	448.160
Leasehold tangible assets improvements	136.920	2.877	-	-	-	(299)	-	(30)	139.468
Other non-current assets	9.546	490	(35)	-	-	-	-	-	10.001
Construction in progress	9.135	5.834	(6.698)	(3.957)	-	(2)	-	831	5.143
	2.125.546	**56.565**	**(25.182)**	**(493)**	**-**	**(78.955)**	**-**	**(1.847)**	**2.075.634**
Accumulated depreciation:									
Land and land improvements	5.467	136	(21)	-	-	-	-	-	5.582
Buildings	79.568	2.677	(196)	-	-	-	-	(1.392)	80.657
Machine and equipments	777.905	32.758	(3.061)	-	-	(60.336)	-	(910)	746.356
Motor vehicles	58.029	5.539	(2.247)	-	-	(84)	-	(340)	60.897
Furniture and fixtures	221.732	26.691	(3.365)	-	-	(942)	-	(1.074)	243.042
Leasehold tangible assets improvements	80.729	3.879	-	-	-	(281)	-	(173)	84.154
Other non-current assets	832	124	(5)	-	-	-	-	-	951
	1.224.262	**71.804**	**(8.895)**	**-**	**-**	**(61.643)**		**(3.889)**	**1.221.639**
Net book value	**901.284**								**853.995**

There is a mortgage of TL 18.797 on property,plant and equipment as of 30 June 2014. (31 December 2013: TL 19.087). Net book value of property,plant and equipment acquired by leasing is TL 48.032 (31 December 2013: TL 45.540) and accumulated depreciation of such assets is TL 38.886 (31 December 2013: TL 34.359) as of 30 June 2014.

(1) Net amount transferred consists of classification from tangible assets to intangible assets.

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

NOTE 14 - PROPERTY, PLANT AND EQUIPMENT (Continued)

	1 January 2013	Additions	Disposals	Transfers[1]	Acquisiton of subsidiary	Classified as asset held for sale	Disposal of subsidiary[2]	Currency Translation differences	30 June 2013
Cost:									
Land and land improvements	115.756	269	(1)	148	-	-	-	724	116.896
Buildings	137.542	32	-	(466)	-	-	-	1.382	138.490
Machine and equipments	1.108.171	37.209	(5.052)	15.800	342	-	-	3.302	1.159.772
Motor vehicles	104.479	7.926	(3.326)	-	-	-	-	183	109.262
Furniture and fixtures	370.937	33.124	(13.262)	(655)	3.591	-	(163)	325	393.897
Leasehold tangible assets improvements	125.724	3.664	(94)	469	297	-	-	96	130.156
Other non-current assets	9.548	-	-	-	24	-	-	-	9.572
Construction in progress	43.954	6.419	(26.396)	(15.296)	583	-	-	(236)	9.028
	2.016.111	**88.643**	**(48.131)**	**-**	**4.837**	**-**	**(163)**	**5.776**	**2.067.073**
Accumulated depreciation:									
Land and land improvements	5.094	184	-	-	-	-	-	-	5.278
Buildings	71.819	2.724	-	-	-	-	-	653	75.196
Machine and equipments	704.224	31.166	(3.523)	-	202	-	-	2.772	734.841
Motor vehicles	51.666	5.232	(1.334)	-	-	-	-	(179)	55.385
Furniture and fixtures	184.998	25.825	(4.524)	-	2.483	-	(150)	320	208.952
Leasehold tangible assets improvements	70.677	4.949	(94)	-	-	-	-	69	75.601
Other non-current assets	721	35	-		-	-	-	-	756
	1.089.199	**70.115**	**(9.475)**	**-**	**2.685**	**-**	**(150)**	**3.635**	**1.156.009**
Net book value	**926.912**								**911.064**

(1) Group's subsidiary Hürriyet has stated that TL 469 of fixed assets is required to be classified from buildings to leasehold improvements as a result of reviewing tangible assets.

(2) Moje Delo, spletni marketing d.o.o subsidaries of the Group,has been disposed of shares in 2013.

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

NOTE 15 – INTANGIBLE ASSETS

	1 January 2014	Additions	Disposals	Transfers	Currency translation differences	Classified as asset held for sale	Consolidation change effect	30 June 2014
Cost:								
Customer list	341.351	-	-	-	(35.714)	-	-	305.637
Trade names and licenses (Media)	318.688	-	-	-	(12.794)	-	-	305.894
Electricity production license	355.044	-	-	-	-	-	-	355.044
Other	461.548	30.003	(2.904)	(8.521)	(3.281)	(545)	-	476.300
	1.476.631	**30.003**	**(2.904)**	**(8.521)**	**(51.789)**	**(545)**	**-**	**1.442.875**
Accumulated amortization:								
Customer list	144.206	8.238	-	-	(29.651)	-	-	122.793
Trade names and licenses (Media)	21.763	770	-	-	(332)	-	-	22.201
Electricity production license	13.747	3.824	-	-	-	-	-	17.571
Other	317.542	26.404	(2.635)	(9.014)	(807)	(401)	-	331.089
	497.258	**39.236**	**(2.635)**	**(9.014)**	**(30.790)**	**(401)**	**-**	**493.654**
Television program rights	76.471							89.207
Net book value	**1.055.844**							**1.038.428**

Movement of Television program rights for 2014 is as follows:

	1 January 2014	Additions	Discontinued operations	Depreciation	Currency translation differences	Provision for impairment of program rights and inventory	30 June 2014
Television program rights	76.471	49.358	-	(34.801)	(5)	(1.816)	89.207

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

NOTE 15 – INTANGIBLE ASSETS (Continued)

	1 January 2013	Additions	Disposals	Classified as asset held for sale	Currency translation differences	Disposal of subsidiary	Acquisiton of subsidiary	30 June 2013
Cost:								
Customer list	310.305	-	-	-	2.299	-	-	312.604
Trade names and licenses(Media)	295.435	-	-	-	4.869	-	-	300.304
Electricity production license	355.044	-	-	-	-	-	-	355.044
Other	401.354	18.604	(1.695)	-	3.378	(878)	5.965	426.728
	1.362.138	**18.604**	**(1.695)**	**-**	**10.546**	**(878)**	**5.965**	**1.394.680**
Accumulated amortization:								
Customer list	108.192	9.347	-	-	1.398	-	573	119.510
Trade names and licenses(Media)	19.200	727	-	-	29	-	-	19.956
Electricity production license	4.611	3.824	-	-	-	-	-	8.435
Other	281.083	22.859	(1.439)	-	2.851	(379)	3.291	308.266
	413.086	**36.757**	**(1.439)**	**-**	**4.278**	**(379)**	**3.864**	**456.167**
Television program rights	56.988							69.653
Net book value	**1.006.040**							**1.008.166**

Movement of Television program rights for 2013 is as follows:

	1 January 2013	Additions	Depreciation	Currency translation differences	Program rights and inventories provision for impairment	30 June 2013
Television program rights	56.988	29.926	(17.679)	418	-	69.653

(1) Moje Delo,spletni marketing d.o.o subsidaries of the Group,has been disposed of shares in 2013.

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

NOTE 15 – INTANGIBLE ASSETS (Continued)

Intangible assets with indefinite useful lives

As of 30 June 2014, the Group has determined that brand names with carrying value of TL 288.710 have indefinite useful lives (31 December 2013: TL 291.484) (Note 2). The utilization period of brand names with indefinite useful lives, as expected by the Group, is determined based on the stability of the industry, changes in market demands as to the products and services provided through assets, control period over the assets and legal or similar restrictions on their utilization.

Movement of the goodwill for the interim periods ended 30 June 2014 and 2013 is as follows:

	2014	**2013**
1 January	520.005	518.957
Goodwill impairment (Note 2, 28) (-)	(12.719)	-
Currency translation differences	(3.217)	1.000
Acquisition of subsidiary (Note 3)	-	15.429
Disposal of subsidiary(1)	-	(6.458)
Other(2)	-	(5.201)
30 June	**504.069**	**523.727**

(1) The Group disposed its subsidiary shares, Moje Delo Spletni Marketing d.o.o in 2013 in accordance with legistlation in Slovenia.
(2) Other relates to the changes in the fair value of put options.

NOTE 16 - GOVERNMENT GRANTS

- The Group, obtained six investment incentives certificate for the imported equipments amounting to USD 13.805 and domestic equipments amounting to TL 1.502 for the modernization of its printing plants in Istanbul, Ankara, Izmir, Adana, Antalya and Trabzon on 28 October, 2, 4 November and 30 December 2011. The agreements are valid for two years and equipment imported within the scope of the certificate is exempt from Customs Duty and VAT. The investments amounting to USD 13.595 for imported equipments and TL 1.502 for domestic equipments are realized within these certificates as of 30 June 2014 (31 December 2013:Imported equipments USD 13.595 and domestic equipments TL 1.502).

- Ditaş, a subsidiary of the Group, benefits from the tax and insurance premium incentive both under the scope of Social Security and General Health Insurance Law (Law 5510) and Support on Research and Development (Law 5746). In this context, the incentive of the insurance premium and amounting to TL 331 (30 June 2013: TL 278) is recorded against the labour expense under cost of goods sold in the financial statements.

NOTE 17 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

Short-term provisions	**30 June 2014**	**31 December 2013**
Provision for lawsuits	28.117	31.189
Classification of put option (1) (Note 8)	16.072	-
Other	-	392
	44.189	**31.581**

(1) Liabilitiy of TL 16.072 related to put option in arbitration procedure as of the reporting period has been classified to this account, which were recognized under other financial liabilities in the past periods.

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

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

(a) Law Cases

The amount of lawsuits against the Group is TL 82.730 as of 30 June 2014 (31 December 2013: TL 80.623).

	30 June 2014	31 December 2013
Legal cases	69.248	65.797
Commercial cases	2.924	5.552
Business cases	9.100	7.664
Other	1.458	1.610
Total	**82.730**	**80.623**

A provision for lawsuits filed against the Group whose details are given above amounting to TL 28.117 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 2013: TL 31.581). Legal cases mainly consist of pecuniary and non-pecuniary damages and lawsuits filed against Doğan Yayın Holding and its subsidiaries and lawsuits initiated by the Radio and Television Supreme Council.

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

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

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

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

Doğan Yayın Holding:

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

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

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

Doğan Yayın Holding (continued):

In the event that "Axel Shares" are offered to public by 30 June 2017 and if quarterly share value of "Axel Shares" in average subsequent to public offering is higher than the original selling price, both the difference resulting from the quarterly share value of "Axel Shares" in average subsequent to public offering and the amount of which will be calculated by reducing interest over the original selling price (as measured by using an annual combined 12 months Euro Libor as of 2 January 2007) to the original selling price would be equally shared between the Axel Springer Group and Doğan Yayın Holding.

In the event that "Axel Shares" are not offered to public by 30 June 2017 and if the fair value of Doğan TV Holding , which will be calculated by using certain valuation techniques as at 31 December 2015, is less than the amount of which will be calculated by adding interest over the original selling price (as measured by using an annual combined 12 months Euro Libor as of 2 January 2007) to the original selling price, both the fair value of Doğan TV Holding, which will be calculated by using certain valuation techniques as at 31 December 2015, and the difference of the original selling price and the amount calculated by adding interest over the difference would be paid by Doğan Yayın Holding to the Axel Springer Group. If "Axel Shares" are not listed by the end of 30 June 2017, the fair value based on the above-mentioned techniques would be reassessed, payments would be made to the Axel Springer Group in accordance with the related calculations, and as detailed below Axel Springer Group's call option of its entire or some portion of "Axel Shares" to Doğan Holding and Doğan Holding's put option for the related shares would continue to be in effect.

In the event that Axel Springer group shares are offered to the public between 30 June 2017 and 30 June 2020, any positive difference between the initial public offering value and the initial sales price remeasured as of 31 December 2015 (it will be remeasured using 12 months Euro Libor rates on annual compound basis starting from 2 January 2007) including interest calculated from the difference (it will be calculated using the annual Euro Libor rates on annual compound basis effective from 1 July 2017) will be apportioned equally, whereas no transaction will take place for any negative difference.

The Group prepared 2014-2020 cash flow projections of Doğan TV Holding to determine whether it assumes any liabilities with regards to Doğan Yayın Holding's "initial sale price" regarding the agreement as of 31 December 2013.According to various scenarios of public offerings on different dates, cash flow statements were discounted as 5-year periods and present value of Doğan TV Holding was calculated. Group management has not conducted a new analysis as of the balance sheet date, and no liability was recorded in the consolidated financial statements in connection with the sale of Axel Shares to Axel Springer, which equals to 12,43% of Doğan TV Holding equity based on cash flow projections dated 31 December 2013 mentioned above, calculated fair value framework, initial public offering scenarios, contract terms and future uncertainities being considered.

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

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

Doğan Yayın Holding (continued) :

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

Doğan Holding:

DTV Put Option I

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

- Axel Springer Group has a sale option and Doğan Holding has a committment to purchase 33.843.238 (exact) number of shares for a consideration of EUR 50.000 after January 2013, 33.843.238 (exact) number of shares for a consideration of EUR 50.000 after January 2014 and 34.183.593 (exact) number of shares for a consideration of EUR 50.000 in each period after January 2015 (DTV Put Option I). Axel Springer Group has an option to sell some or all of the related shares.

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

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

As of 31 January 2014, Doğan Holding acquired 33.843.238 (exact) registered group B shares which equals to 2,48844% of paid in capital of Doğan TV Holding second tier for EUR 50.000 as stated above with TL 1 of nominal value in consideration of EUR 62.470 in total. After the related share purchase, Doğan Holding's direct share on Doğan TV Holding became 4,97689%.

The Group's purchase commitment in respect of TAS 32 "Financial Instruments: Disclosure and Presentation", a portion of the liability in the Group's own equity instead of cash, regardless of ability to pay the amount on the balance sheet at amortized over the estimated value of the financial be submitted as a liability. In this respect, as of 30 June 2014 "DTV Option I" covered liabilities in the accompanying consolidated balance sheet at amortized amount of TL 181.744 (31 December 2013: TL 366.392). The entire stated amount is presented (31 December 2013: TL 183.210) as a part of the "short-term financial liabilities", and as of 30 June 2014 no "long-term financial liabilities" is left (31 December 2013: TL 183.182) (Note 8).

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

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

<u>Doğan Holding (continued):</u>

DTV Put Option II:

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

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

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

As per the Amendment Agreement dated 31 October 2011, the Axel Springer Group has also requested two guarantee letters amounting to 50.000 EUR each in order to guarantee the liabilities of Doğan Holding under the "DTV Put Option I". Two guarantee letters each amounting to EUR 50.000 were given by Doğan Holding as of 10 February 2012, and two guarantee letters were expired after the acquisitions on January 2013 and January 2014. Also on same date 3rd guarantee letter amounting to EUR 50.000 was given for 34.183.593 (exact) share to be used from January 2015.

(c) Put Options:
Oglasnik d.o.o. Option

There is controversy between TCM Adria d.o.o, a subsidiary of the Group, which has 70% shares of Oglasnik d.o.o and owners of remaining 30% and non controlling interests about put option of non controlling interest'shares to TCM Adria d.o.o and/or to the Group, the arbitration process is still ongoing in Zagreb Arbitration Court. As of 30 June 2014 in line with the precautionary principle of the accounting, the liability related to "option" that already exists in accompanying financial statements, the amount of TL 16.072 calculated over Croation Kuna is classified in "other short term provsion" (Note 8). (31 December 2013: TL 16.155 in "other financial liabilities") In case the arbitration process would result in favor of the Group, the liability will disappear; otherwise, interest difference of 12% to this amount will be calculated.

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

d) Doğan TV Dijital İletişim A.Ş.

As of 25 July 2014, the Company has been informed that the Information and Communication Technologies Authority's decision issued on 21 April 2014 regarding the investigation performed on one of the indirect subsidiaries of the Group, Doğan TV Dijital İletişim A.Ş, was published on the Authority's website. The outcome of the decision published on the Authority's website includes approximately TL 10 Million of administrative sanction and TL 8 Million of refund to subscribers; however, since the Group has not received any written notification from the Information and Communication Technologies Authority regarding the issue as of the reporting date, no provision has been allocated in the accompanying consolidated financial statements.

(e) Other

Milpa:

The Land of Ömerli

Under the revenue sharing and/or costruction for flat for land basis agreement signed with the landowners in relation to the Milpa's, one of the subsidiaries of the Group, 2.093.941 m^2 of land which is classified as investment property in the consolidated financial statements, with the parcel no: 1154 in Kurtdoğmuş village, in Pendik in İstanbul, there is an annotation about the construction agreement. The related land is situated at the Habitat Park Area and Recreation Area in the İstanbul Environmental Plan which was approved on 15 June 2009 with a scale of 1/100.000. The remaining parcel no: 1155, which is 144.266 m2, is situated at the Forest Land. In addition, the related parcels are situated at the soil classification section of Kurtdoğmuş, Emirli, Kurnaköy, Ballıca and Göçbeyli villages organized in İstanbul Metropolitan Area East Side Pendik, İstanbul in accordance with the Soil Conservation and Land Use Law No: 5403. Parcel no: 1154 in full and small part of parcel no: 1155 are situated at the Marginal Agricultural Area eligible for non-agricultural use and significant part of parcel no: 1155 is situated at the Military Area.

144.266 m^2 of the land was removed from forestry land with a court decision taken in 2005. The Forestry Directorate appealed the decision at the 20th Chamber of the High Court and the objection was accepted on 24 June 2008 and these decisions (removing from forestry land) are sent to the Pendik Court of First Instance for re-evaluation. The Court reiterated its initial decision on 8 October 2009. The Ministry of Forestry appealed the Court's decision and the related case file was re-sent to the Civil Department No: 20 of the Court of Appeal and re-transferred to the Pendik Court of First Instance Aforesaid Court follows the Supreme Court 20th Civil Chamber's reversal decision and has postponed the trial date to 23 September 2014 with the purpose of re-exploration and evaluation of Forestry Ministry's claims.

With the 1/100.000 scale environmental plan released on 17 July 2009, the related land was classified as a habitat and recreation area. Milpa appealed this plan with the İstanbul Metropolitan Municipality within the legal deadline and is waiting for related responses.

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

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

NOTE 18 - COMMITMENTS

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

	30 June 2014					**31 December 2013**				
	TL Equivalent	**TL**	**USD**	**EURO**	**Other**	**TL Equivalent**	**TL**	**USD**	**EURO**	**Other**
A. CPM's given in the name of its own legal personality										
Guarantees (1)	346.902	118.177	33.271	54.662	-	500.475	97.284	37.119	110.325	-
Pledge	131.075	-	61.729	-	-	228.221	-	69.101	27.495	-
Mortgage (2)	18.797	-	-	6.500	-	19.087	-	-	6.500	-
B. CPM's given on behalf of the fully consolidated companies						-	-	-	-	-
Guarantees (1) (3)	984.184	41.386	333.058	81.463	-	1.682.172	36.149	530.070	175.275	-
Pledge	-	-	-	-	-	-	-	-	-	-
Mortgage	-	-	-	-	-	-	-	-	-	-
C. CPM's given on behalf of third parties for ordinary course of business										
Guarantees	-	-	-	-	-	-	-	-	-	-
Pledge	-	-	-	-	-	-	-	-	-	-
Mortgage	-	-	-	-	-	-	-	-	-	-
D. Total amount of other CPM's given					-	-	-	-	-	-
i) Total amount of CPM's given on behalf of the majority shareholder (5)	200.504	-	-	69.333	-	-	-	-	-	-
ii) Total Amount of CPM's given on behalf of third parties	-	-	-	-	-	-	-	-	-	-
Which are not in scope of B and C	-	-	-	-	-	-	-	-	-	-
iii) Total Amount of CPM's given on behalf of third parties	-	-	-	-	-	-	-	-	-	-
Which are not in scope of C	-	-	-	-	-	-	-	-	-	-
Total	**1.681.462**					**2.429.955**				

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

(2) There is a mortgage amounting to TL 18.797 over the tangible fixed assets of Group's subsidiary Hürriyet as of 30 June 2014 (31 December 2013: TL 19.087).

(3) Doğan Holding has bail amounting to USD 49.867 given to credit institutions within the scope of Aslancık Elektrik's hydroelectric power plant construction that is planned to be completed in 2013 (31 December 2013: USD 52.800).The entity gave bail amounting to USD 60.706 for Boyabat Elektrik's long term project financing bank loan (31 December 2013: USD 78.018).

(4) 33,33% shares of Aslancık Elektrik (45.000.000 (exact) shares), 33% shares of Boyabat (6.996.000 (exact) shares), 100% of Galata Wind (68.700 (exact) shares) and 100% of D-Tes (141.500.000 (exact) shares) were given as pledges to financial instutions due to the Group's long term borrowings and are not included in the table above.

(5) There is letter of guarantee of Galata amounting to EUR 69.333 given as collateral for the loan used by D-Tes. (31 December 2013: None)

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

NOTE 18 - COMMITMENTS (Continued)

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

Other CPM given by the Group to equity ratio is 0% as of 30 June 2014 (31 December 2013: 0%). The details of letter of guarantees and guarantee notes given by the Group are as follows:

	30 June 2014		**31 December 2013**	
	Original currency	**TL equivalent**	**Original currency**	**TL equivalent**
Letters of guarantees – EUR(1)	161.333	466.559	241.407	708.892
Letters of guarantees - TL	119.326	119.326	97.591	97.591
Letters of guarantees - USD	32.783	69.611	37.119	79.223
Guarantee notes – TL	1.277	1.277	25.634	25.634
Guarantee notes – EUR	806	2.331	7.043	20.682
Guarantee notes – USD	1.402	2.977	-	-
Total		**662.081**		**932.022**

(1) Doğan TV Holding, one of the subsidiaries of Doğan Yayın Holding, has given letters of guarantees amounting to EUR 35.000 to UEFA (Union Européenne de Football Association or Union of European Football Associations) in 2008 for broadcasting rights of UEFA Champions League, UEFA Super Cup and UEFA Cup games for the period 2012-2015.

Explanied as in Note 18, as per the amendment signed on 31 October 2011, the Axel Springer Group has also requested two guarantee letters amounting to EUR 50.000 each in order to secure the liabilities of Doğan Holding under the "DTV Put Option I". Two guarantee letters amounting to EUR 50.000 each were given by Doğan Holding as at 10 February 2012. In addition, Doğan Holding has also given a third guarantee letter amounting to EUR 50.000 in consideration of 34.183.593 shares in the same period to be used as of January 2015. Two of the bank guarantee letters which were given related with the "put option" amounting to EUR 50.000 exercised in January 2013 and January 2014 were released and accordingly, the number of guarantee letters given to the bank regarding the put option decreased to 1.

In addition, Galata's letter of guarantee amounting to EUR 69.333 exists on behalf of the loan which is used by D-tes, and Hürriyet has letter of guarantee amounting to EUR 3.055. Remaing EUR 3.945 consist of letter of guarantees given by other Group companies.

(b) Guarantees and mortgages given

The details of guarantees of Doğan Holding and its shareholders' given for the borrowings and trade payables of the Group companies and related parties as of 30 June 2014 and 31 December 2013 are as follows:

	30 June 2014		**31 December 2013**	
	Original Currency	**TL equivalent**	**Original Currency**	**TL equivalent**
Bails - EUR	43.319	125.274	37.150	109.091
Bails – USD(1)	332.144	705.275	530.070	1.131.328
Bails - TL	38.743	38.743	9.989	9.989
Mortgages - EUR	6.500	18.797	6.500	19.087
Mortgages – TL	217	217	217	217
Total		**888.306**		**1.269.712**

(1) Guarantees given for Milta, Milpa, Hürriyet, Boyabat Elektrik and Aslancık Elektrik has decreased with the amount of USD 77.305 by loan repayments during the period and guarantees given for Mozaik, Doğan TV Holding and Doğan Egmont was decreased with the amount of USD 120.621.

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

NOTE 18 - COMMITMENTS (Continued)

(c) Barter agreements

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

As of 30 June 2014, the Group has a commitment for the publication of advertisements amounting to TL 5.029 (31 December 2013: TL 10.525) in exchange for purchasing goods and services and has an option to purchase goods and services amounting to TL 24.748 (31 December 2013: TL 32.496) in exchange of the goods or services sold.

NOTE 19 - OTHER ASSETS AND LIABILITIES

	30 June 2014	31 December 2013
Other current assets		
Blocked deposits (1)	146.587	227.116
Value Added Tax ("VAT") receivables	19.780	27.554
Prepaid taxes	14.842	21.668
Work advances	6.724	7.608
Personnel advances	5.648	5.886
Programme stocks	8.214	4.044
Other	8.942	7.204
	210.737	**301.080**
Provision for impairment on programme stocks	(1.081)	(1.081)
Provision for other doubtful receivables	(784)	(873)
	208.872	**299.126**

	30 June 2014	31 December 2013
Other non-current assets		
Blocked deposits (2)	236.632	233.642
Value Added Tax ("VAT") receivables	129.350	132.484
Deposits and guarantees given	194	229
Other	408	341
	366.584	**366.696**

(1) As of 30 June 2014, regarding the amendment agreement signed with the date of 28 February 2012 between the Company and Commerz-Film GmbH and Hauptstadtsee 809. V V GmbH, EUR 50.000 (TL 144.595) was blocked related to share purchase option of Doğan TV Holding. (31 December 2013: Doğan Holding's time deposit amounting to USD 70.000 (TL: 149.401) TME; EUR 14.000 (TL 41.111), DMI; TL 11, Akdeniz Elektrik; TL 1, Galata Wind and additionally, Group's subsidiary Hürriyet's credit pledge of USD 17.144 (36.592 TL) were blocked (Note 17).

(2) As of 30 June 2014, Doğan Holding has blocked deposits amounting to USD 110.500 (TL 234.636) on behalf of TME and Mozaik's bank loans (31 December 2013: As guaranty for Mozaik's loans, Doğan Holding's time deposit amounting to USD 40.500 (TL 86.439); TL 359 of Çelik Halat and within the scope of 28 February 2012 dated amendment agreement signed between, the Company and Commerz-Film GmbH and Hauptstadtsee 809. V V GmbH, time deposit amounting to EUR 50.000 (TL 146.825) have been blocked and all of the amount were accounted under other non-current asset; additionally TL 19 for Hürriyet).

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

NOTE 20- PREPAID EXPENSES AND DEFERRED INCOMES

Details of prepaid expenses and deferred incomes for the periods ended 30 June 2014 and 31 December 2013 are as follows:

Short term prepaid expenses	**30 June 2014**	**31 December 2013**
Prepaid expenses (1)	32.576	28.653
Advances given	62.979	30.663
	95.555	**59.316**

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

Long term prepaid expenses	**30 June 2014**	**31 December 2013**
Advances given and prepayments (1) (2)	27.255	29.215
Prepaid expenses for the following years	12.680	8.555
Advances given for fixed asset purchases	426	395
	40.361	**38.165**

(1) Advances given and prepayments amounting to TL 24.297 (31 December 2013: TL 25.708) consist of prepayments made by Doğan TV Holding, one of the subsidiaries of Doğan Yayın Holding, for UEFA (Union Européenne de Football Association or Union of European Football Associations) Champions League qualifying games and UEFA Cup qualifying games of certain Spor Toto Super League teams between 2008 and 2020. In accordance with the agreements, prepayments made for the related games will be refunded to Doğan TV Holding in the cancellation of games.

(2) TL 3.180 (31 December 2013: TL 3.180) of the advances given and prepayments includes the expenses caused by the landowners and advances given to the landowners who passed their shares of the real estate Project in the land of Ömerli by Milpa which is a subsidiary of the Group for the part of the proceeds. %25 of the revenues of the project which Milpa is planning to develop, about the houses and offices will be committed and set-off to the landowners revenue-sharing or flat received from contractor for landownership by the proportion of their shares.

Short term deferred income	**30 June 2014**	**31 December 2013**
Deferred income	34.736	50.198
Advances received	12.062	16.249
	46.798	**66.447**

Long term deferred income	**30 June 2014**	**31 December 2013**
Deferred income	5.016	3.563
	5.016	**3.563**

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

NOTE 21 - DERIVATIVE INSTRUMENTS

	30 June 2014		31 December 2013	
	Asset	Liability	Asset	Liability
Derivative swap instruments				
Swap transactions in foreign exchange	-	-	-	2.440
Interest rate swap transactions	-	-	839	-
Total	**-**	**-**	**839**	**2.440**

(a) Foreign currency swap transactions

There is no open swap transactions (31 December 2013: USD 20.000) of the Group as of 30 June 2014 (31 December 2013: TL 2.440 financial liability)

(b) Interest rate swap transactions

There is no interest rate swap agreement of the Group as of 30 June 2014 (31 December 2013: TL 839 financial asset)

NOTE 22 - PROVISION FOR EMPLOYMENT BENEFITS

a) Payables regarding benefits provided to employees

The details of payables regarding employee benefits as of 30 June 2014 and 31 December 2013 are as follows:

	30 June 2014	31 December 2013
Social security payables	11.125	11.704
Payables to personnel	21.420	14.695
	32.545	**26.399**

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

NOTE 22 – PROVISION FOR EMPLOYMENT BENEFITS (Continued)

b) Short term provision within employment benefits

Details of short term provision within employment benefits for the period of 30 June 2014 and 31 December 2013 are as follows;

	30 June 2014	31 December 2013
Unused vacation provision	47.525	41.343
Premium provision	8.452	30
	55.977	**41.373**

c) Long term provision within employment benefits

Details of long term provision within employment benefits for the period of 30 June 2014 and 31 December 2013 are as follows;

	30 June 2014	31 December 2013
Provision for employment termination benefits	105.397	103.521
	105.397	**103.521**

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

Under the Turkish Labour Law, the Group is required to pay termination benefits to each employee who has completed one year of service and whose employment is terminated without due cause, or who is called up for military service, dies and achieves the retirement age. At 30 June 2014 the amount payable maximum equals to one month of salary is TL 3.438,22 (exact) (31 December 2013: TL 3.254,45 (exact)) for each year of service.

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

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

NOTE 22 – PROVISION FOR EMPLOYMENT BENEFITS (Continued)

c) Long term provision within employment benefits (continued)

Provision for employment termination benefits is not subject to any legal funding. Provision for employment termination benefits is calculated by estimating the present value of the future probable obligation arising from the retirement of the employees of the Group. In 2012, the Group has decided to early adopt the amendments to TAS 19 (Employee Benefits) which is applicable as of 1 January 2013 and recognized all actuarial gains and losses in other comprehensive income statement.

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

- discount rate is applied as 9,70% (31 December 2013: 9,70%), inflation rate applied as 6,40% (31 December 2013: 6,40%) and rate of increase in real wages applied as 6,40% (31 December 2013: 6,40%) in the calculation.

- the calculation is made based on the maximum salary rate of TL 3.438,22 effective as of 30 June 2014 (31 December 2013: TL 3.254,44).

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

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

	2014	**2013**
1 January	103.521	94.375
Current period service cost and net interest expense from continued operations	8.946	7.700
Payments during the period from continued operations	(5.207)	(6.900)
Reclassified to assets held for sale	(1.863)	-
30 June	**105.397**	**95.175**

Total costs excluding the actuarial loss regarding employment benefits are presented in consolidated statement of profit or loss prepared as of 30 June 2014. As of 30 June 2014, no actuarial losses have been recorded (30 June 2013: None). As of 30 June 2014 there has not been calculated actuarial gain/loss, since actuarial assumptions affecting variables and parameters, accounting and personnel movements (net) does not change significantly.

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

NOTE 23 – EQUITY

Doğan Holding adopted the registered paid-in capital system and set a limit on its registered paid-in capital representing registered type shares with a nominal value of TL 1.
Doğan Holding's authorized, historical and issued capital at 30 June 2014 and 31 December 2013 are as follows:

	30 June 2014	**31 December 2013**
Limit on registered capital	4.000.000	4.000.000
Issued capital	2.450.000	2.450.000

There are no privileged shares of Doğan Holding.

The ultimate shareholders of Doğan Holding are Aydın Doğan and Doğan Family (Işıl Doğan, Arzuhan Yalçındağ, Vuslat Sabancı, Hanzade V. Doğan Boyner and Y.Begümhan Doğan Faralyalı) and the shareholders of Holding and the historical values of shares in equity at 30 June 2014 and 31 December 2013 are as follows:

Shareholder	**Share %**	**30 June 2014**	**Share %**	**31 December 2013**
Adilbey Holding A.Ş.	52,68	1.290.679	52,68	1.290.679
Doğan Family	14,48	354.664	14,48	354.664
Publicly traded on Borsa İstanbul (1)	32,84	804.657	32,84	804.657
Issued capital	**100**	**2.450.000**	**100**	**2.450.000**
Adjustment to issued capital		143.526		143.526
Total		**2.593.526**		**2.593.526**

(1) In accordance with the Capital Markets Board's (the "CMB") Resolution No: 21/655 issued on 23 July 2010, it is regarded that 32,32% of the shares (31 December 2013: 32,36%) are outstanding as of 30 June 2014 based on the Central Registry Agency's ("CRA") records.

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

Share Premiums

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

Restricted reserves

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

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

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NOTE 23 – EQUITY (Continued)

Restricted reserves (continued)

The details of restricted reserves as of 30 June 2014 and 31 December 2013 are as follows:

Restricted reserves	**30 June 2014**	**31 December 2013**
General legal reserves	137.570	124.163
Venture capital fund	35.425	-
Gain on sale of subsidiary's shares	1.018.500	1.018.500
Total	**1.191.495**	**1.142.663**

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

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

i. Investment Property Revaluation Reserves:

Real estates recognized as property, plant and equipment in prior periods, can be transferred to investment property due to changes in use. The Group has reclassified some of its properties in 2012 as investment property and has chosen to account such investment properties at fair value. Accordingly, fair value increase at the initial transfer amounting to TL 1.002 is recognized as revaluation reserve under shareholders equity.

ii. ***Actuarial losses in defined benefit plans***

Provision for employment termination benefits is calculated by estimating the present value of the future probable obligation arising from the retirement of the employees of the Group. In 2012, the Group has decided to early adopt the amendments to TAS 19 which is applicable as of 1 January 2013 and recognized all actuarial gains and losses in other comprehensive income. Actuarial loss recognized under equity in the balance sheet amounts to TL 29.577 (31 December 2013: 29.577 TL)

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

i. Financial Assets Revaluation Reserves

Financial assets revaluation reserves occurred by accounting on net book values after reflecting deferred tax impact of unearned gains and losses composed of changes of fair values of assets held for sale. The amount of revaluation gain of assets held for sale presented under equity in balance sheet is TL 1.535 in the current period (31 December 2013: TL 1.153 loss).

Capital Reserves and Retained Earnings

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

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

NOTE 23 – EQUITY (Continued)

Capital Reserves and Retained Earnings (continued)

- If the difference is due to the "Issued Capital" and not yet been transferred to capital, it should be classified under "Capital adjustment difference to share capital";
- If the difference is due to "Restricted Reserves" and "Share Premium" and the amount has not been subject to dividend distribution or capital increase yet, it shall be classified under "Retained Earnings/ Losses". Other equity items are carried at the amounts valued in accordance with CMB's Financial Reporting Standards.

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

Dividend Distribution

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

On the other hand,

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

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

In Doğan Holding's regular general meeting as of 31 March 2014, by followings have been taken into consideration: Capital Market Regulations, Capital Market Law, CMB Regulations/Decisions, Corporate Tax, Income Tax, Tax Procedure Law and other relevant legal regulations and articles of incorporation of company and publicly announced "Dividend policy";

- Within the scope of the requirements of the CMB based on the audited consolidated financial statements prepared for the period 1 January 2013 – 31 December 2013 in accordance with Turkish Accounting Standards (TAS) and Turkish Financial Reporting Standards (TFRS) , the Capital Markets Board ("CMB")'s No. II-14.1 "Principles of Financial Reporting in Capital Markets" ("Communiqué No. II-1.14"), the Group's "Consolidated Net Loss for the Period" is calculated as TL 38.140, considering its "current period tax expense", "deferred tax expense" and "net loss on discontinued operations". After the deduction of "accumulated loss" of TL 437.186 which is calculated based on the Dividend Distribution guide issued by CMB on 27 January 2014 with weekly bulletin numbered 2014/2 and addition of donations amounting to TL 788, and deduction of "Legal Reserve" amounting to TL 13.407 calculated in accordance with TCC Legislation No.519, it is noted that a "Donations included Net Loss for Period" of TL 487.945 has been incurred and decided not to distribute any profits for the period 1 January 2013 - 31 December 2013 based on the CMB's profit distribution requirements and the matter to be submitted to the General Assembly,

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NOTE 23 – EQUITY (Continued)

Dividend Distribution (continued)

- To state that there is an amount of "Net Period Profit" of TL 334.530 in the accounting period between January 1, 2013 and December 31, 2013 according to the legal records made as per Turkish Commercial Code and Tax Procedure Law; that the "Net Profit for the period" of TL 334.530 is to be deducted for the accumulated losses of TL 66.387 that are in our records; and that, out of the "Net Profit for the period" of TRY 268.143 left after the deduction, an amount of TL 13.407 is reserved as "General Legal Reserves" and TL 254.736 is reserved as "Extraordinary Reserves".

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. As of the balance sheet date, the Company's gross amount of resources that may be subject to the profit distribution based on the statutory records amounts to TL 1.740.628. (31 December 2013: TL 1.781.968).

The shareholders equity of Doğan Holding is as below:

	30 June 2014	**31 December 2013**
Share capital	2.450.000	2.450.000
Adjustment to share capital	143.526	143.526
Share premium	630	630
Gains on revaluation of investment property	1.002	1.002
Actuarial losses in defined benefit plans	(29.577)	(29.577)
Translation reserve	142.780	143.215
Revaluation of financial assets available for sale and/ or classification gains / losses	1.535	(1.153)
Restricted reserves assorted from profit	1.191.495	1.142.663
- General legal reserves	*137.570*	*124.163*
- Gain on sale of equity participations	*1.018.500*	*1.018.500*
- Venture capital fund	*35.425*	-
Retained loss	(648.951)	(561.979)
Net loss for the period	(83.315)	(38.140)
Total shareholders' equity	**3.169.125**	**3.250.187**

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NOTE 24- REVENUE AND COST OF SALES

	1 January- 30 June 2014	1 April- 30 June 2014	1 January- 30 June 2013	1 April- 30 June 2013
Domestic sales	1.768.460	940.450	1.738.348	973.130
Sales abroad	242.765	138.848	170.797	65.950
Sales returns	(211.549)	(110.814)	(186.921)	(98.623)
Sales discount	(15.172)	(9.836)	(13.688)	(7.674)
Net sales	**1.784.504**	**958.648**	**1.708.536**	**932.783**
Cost of sales (-)	(1.369.728)	(706.288)	(1.221.723)	(641.549)
Gross profit	**414.776**	**252.360**	**486.813**	**291.234**

Sales income and cost of sales

The details of operating revenue for the interim periods ended 30 June 2014 and 2013 are disclosed in Note 5 – “Segment Reporting”.

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

	1 January- 30 June 2014	1 April- 30 June 2014	1 January- 30 June 2013	1 April- 30 June 2013
General administrative expenses	(169.961)	(77.179)	(184.954)	(97.824)
Selling, marketing and distribution expenses	(244.619)	(123.308)	(218.417)	(115.544)
Operating expenses	**(414.580)**	**(200.487)**	**(403.371)**	**(213.368)**

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NOTE 26 - EXPENSES BY NATURE

The details of cost of sales, marketing, selling and distribution expenses and general administrative expenses for the interim periods ended 30 June 2014 and 2013 are as follows:

	1 January-30 June 2014	**1 April-30 June 2014**	**1 January-30 June 2013**	**1 April-30 June 2013**
Cost of trade goods sold	(510.674)	(262.304)	(334.457)	(146.629)
Personnel expenses	(314.109)	(150.178)	(332.053)	(172.677)
General production overhead	(279.290)	(127.461)	(256.937)	(134.082)
Raw material and supplies	(144.360)	(75.695)	(191.733)	(124.415)
Depreciation and amortization(1)	(145.760)	(72.986)	(124.334)	(65.555)
Advertisement expenses	(33.076)	(19.858)	(49.852)	(44.586)
Rent expenses	(46.177)	(22.826)	(33.405)	(16.835)
Transportation, storage and travel expenses	(32.262)	(16.455)	(28.908)	(14.958)
Consulting expenses	(21.319)	(10.143)	(20.714)	(11.711)
Telecommunication service expenses	(16.035)	(8.042)	(19.152)	(10.046)
Promotion expenses	(8.562)	(5.209)	(13.674)	(10.263)
RTSC share in advertisement	(9.217)	(5.379)	(10.667)	(6.118)
Outsource expense	(9.857)	(4.946)	(10.295)	(3.145)
Satellite usage fees	(14.018)	(7.198)	(10.058)	(8.613)
Communication expenses	(2.075)	(1.100)	(5.591)	(1.745)
Agency commision expenses	(6.478)	(3.351)	(5.184)	(2.048)
Various taxes	(8.233)	(4.206)	(4.521)	(1.478)
Other	(182.806)	(109.438)	(173.559)	(80.013)
	(1.784.308)	**(906.775)**	**(1.625.094)**	**(854.917)**

(1) As of 30 June 2014, TL 81 (30 June 2013: TL 217) of depreciation and amortization expenses and, redemption is reflected in stocks.

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NOTE 27 - OTHER INCOME AND EXPENSES FROM OPERATING ACTIVITIES

	1 January- 30 June 2014	1 April- 30 June 2014	1 January- 30 June 2013	1 April- 30 June 2013
Other operating income				
Foreign exchange gains	60.588	23.293	109.928	90.671
Unearned finance income due to sales with maturity	22.832	11.246	32.812	14.749
Interest income on bank deposit	27.274	15.853	49.075	25.405
Reversed provisions	8.260	4.996	8.543	4.059
Usage of VAT discount	3.023	1.443	2.363	1.250
Rent income	3.221	1.300	3.520	1.636
Discounted interest income	2.533	2.533	-	-
Other operating income	12.570	1.008	7.195	4.213
	140.301	**61.672**	**213.436**	**141.983**

	1 January- 30 June 2014	1 April- 30 June 2014	1 January- 30 June 2013	1 April- 30 June 2013
Other operating expense				
Foreign exchange losses	(33.940)	(16.334)	(15.539)	(11.077)
Provision for doubtful receivables(Note 9)	(20.855)	(10.059)	(23.993)	(15.946)
Unearned finance expense due to purchases with maturity	(4.767)	(2.369)	(10.656)	(3.468)
Provision for lawsuits	(7.956)	(2.229)	(3.480)	851
Other penalties and compensations paid	(1.413)	(609)	(2.477)	(1.606)
Tax and reserve expenses	-	-	(2.626)	-
Provision for impairment on inventory (Note 11)	(1.560)	(1.142)	(2.393)	(2.078)
Other operating expenses	(9.736)	(5.080)	(23.716)	(20.110)
	(80.227)	**(37.822)**	**(84.880)**	**(53.434)**

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NOTE 28 - INCOME AND EXPENSES FROM INVESTING ACTIVITIES

Income from investing activities

	1 January-30 June 2014	1 April-30 June 2014	1 January-30 June 2013	1 April-30 June 2013
Foreign exchance gains	3.301	(20.525)	106.496	94.102
Interest income of securities	6.242	289	13.668	4.321
Interest income of bank deposit	20.566	10.223	7.621	3.733
Gain on sale of property, plant and equipment	3.016	1.696	2.189	1.028
Reversal of provision for impairment of investment property	-	-	2.765	2.185
Gain on sale of subsidiary shares [1]	735	6	-	-
	33.860	**(8.311)**	**132.739**	**105.369**

(1) As of 28 February 2014, the Group transferred its subsidiary, Oglasnik d.o.o. to non-controlling interests for 2 Kuna (TL 0,8) (Note 30).

Expense from investing activities

	1 January-30 June 2014	1 April-30 June 2014	1 January-30 June 2013	1 April-30 June 2013
Foreign exchance losses	(33.904)	(22.285)	(6.238)	1.153
Exchange loss related to share purchase committment	(8.843)	6.032	(21.912)	(24.015)
Interest expense related to share purchase committment	(1.345)	(667)	(2.122)	(1.371)
Exchange losses on sale of property, plant and equipment and assets held for sale	(2.588)	(1.559)	(12.745)	(4.822)
Loses arising from changes of the fair value of investment properties (Note 13)	(1.757)	(1.757)	-	-
Goodwill impairment (Note 15)	(12.719)	(12.719)	-	-
Loss of subsidiary share[1]	(1.334)	(1.334)	-	-
Provision for impairment of goodwill regarding non-current assets held for sale	(1.486)	(1.486)	-	3.537
Loss on marketable securities' sales	(4.897)	(966)	-	-
	(68.873)	**(36.741)**	**(43.017)**	**(25.518)**

(1) As of 7 April 2014, the Group transferred its subsidiary, Expressz Magyarorszag Media Kft.to non-controlling interests for 1 Euro (TL 2,9264) (Note 30).

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NOTE 29 - FINANCE INCOME AND EXPENSE

The details of finance income for the interim periods ended 30 June 2014 and 2013 are as follows:

Financial income	**1 January- 30 June 2014**	**1 April- 30 June 2014**	**1 January- 30 June 2013**	**1 April- 30 June 2013**
Foreign exchange gains	73.982	7.065	6.681	651
Interest income	402	402	-	-
	74.384	**7.467**	**6.681**	**651**

The details of finance expenses for the interim periods ended 30 June 2014 and 2013 are as follows:

Financial expense	**1 January- 30 June 2014**	**1 April- 30 June 2014**	**1 January- 30 June 2013**	**1 April- 30 June 2013**
Foreign exchance losses	(71.072)	9.304	(124.657)	(97.939)
Interest expense on bank borrowings	(76.198)	(32.765)	(87.838)	(55.676)
Bank commission expenses	(4.451)	(2.310)	(7.370)	(3.103)
Other	(1.363)	(263)	(12.375)	(11.387)
	(153.084)	**(26.034)**	**(232.240)**	**(168.105)**

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NOTE 30 - ASSETS AS HELD FOR SALE AND DISCONTINUED OPERATIONS

i. Financial Non-Current Asset Sale

Group's subsidiary Doğan Ofset Yayıncılık ve Matbaacılık A.Ş. has been sold to Marsaş Baskı ve Ambalaj Sanayi Ticaret A.Ş. for EUR 4.579 on 18 June 2014. Regarding this sale, the subsidiary subject to the sale has been classified as financial asset held for sale in the interim period financial statements as of 30 June 2014.

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

Assets and Liabilities	**30 June 2014**
Cash and cash equivalents	642
Trade receivables	7.681
Inventories	2.204
Other receivable and other current assets	241
Tangible and Intangible assets	14.689
Provision related to disposal of net assets	(1.486)
Deferred tax asset	249
Total assets classified as asset as held for sale	**24.220**
Financial borrowings	2.753
Trade payables	1.302
Deferred tax liability	1.864
Other payables	2.049
Total liabilities classified as asset as held for sale	**7.968**

ii. Sale of Property, Plant and Equipment

In addition, the Group, has agreed to sell its land of 17.725,69 m2 located in the district of İstanbul, Esenyurt for US Dollars 9 million and land of 35.191,58 m2 located in district of İzmir, Gaziemir for TL 16.000 on 19 September 2013 (Note 36). As a result of this agreement, the land has been reclassified as asset held for sale.

Assets	**30 June 2014**
Property, plant and equipment	7.339
Total assets classified as asset as held for sale	**7.339**

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

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

iii. Disposal of subsidiary

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

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

Assets and Liabilities	**31 December 2013**
Cash and cash equivalents	1.009
Trade receivables	894
Other receivable and other current assets	969
Intangible assets	27.265
Tangible assets	2.442
Provision related to disposal of net assets	(23.301)
Total assets classified as asset as held for sale	**9.278**
Trade payables	2.440
Other financial liabilities	1.012
Other payables	34
Deferred tax liability	5.760
Other long term liabilities	32
Total liabilities classified as asset as held for sale	**9.278**

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

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

iii. Disposal of subsidiary (continued)

As of November 2013, Hürriyet, a subsidiary of the Group, has decided to dispose of its subsidiaries operating in Hungary and classified the assets and liabilities of these companies as non-current assets as held for sale and therefore disclosed separately in the balance sheet. As of 28 February 2014, the Group transferred its subsidiary, Expressz Magyarorszag Media Kft. to non-controlling interests for EUR 1.

Net book value of assets discarded	**30 June 2014**
Current assets	
Cash and cash equivalents	869
Trade receivables	745
Other receivables	322
Other current assets	471
Non-current assets	
Tangible and intangible assets	29.686
Provision related to disposal of net assets	(22.589)
Short term liabilities	
Trade payables	2.488
Other payables	770
Other short term liabilities	37
Long term liabilities	
Deferred tax liabilities	5.577
Other long term liabilities	33
Disposal of net assets	**599**
Sale value:	
Charges paid in cash and cash equivalents	-
Net cash inflow from sale:	
(Minus) disposal of cash and cash equivalents	(869)
Total amount of cash equivalent	(869)
Loss of subsidiary sale (Note 28)	**(599)**

iv. Property, plant and equipment classified as asset as held for sale

In addition, Hürriyet, one of the subsidiaries of the Group, has agreed to sell its land of 17.725,69 m2 located in the district of İstanbul, Esenyurt for US Dollars 9 million. As a result of this agreement, the land has been reclassified as asset held for sale.

Assets	**31 December 2013**
Property, plant and equipment	4.685
Total assets classified as asset as held for sale	**4.685**

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

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

v. Discontinued operations

The below mentioned assets are classified as discontinued operations as of 30 June 2013:

Net result of discontinued operations	**30 June 2013**
Sales	5.180
Cost of sales (-)	(2.897)
General administrative expenses (-)	(3.113)
Marketing, selling and distribution expenses (-)	(892)
Other income from operating activities	1.118
Other expenses from operating activities (-)	(67)
Finance expenses (-)	65
Loss for the period before income taxes	(606)
Tax income	56
Loss after tax from discontinued operations	**(550)**

NOTE 31 – INCOME TAXES

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

Corporate tax

Corporate tax liabilities for the periods ended 30 June 2014 and 31 December 2013 are as follows:

	30 June 2014	**31 December 2013**
Provision for period income tax	30.053	112.259
Prepaid taxes	(14.505)	(94.596)
Taxes Payable	**15.548**	**17.663**

	30 June 2014	**31 December 2013**
Corporate and income taxes payable	15.548	17.663
Deferred tax liabilities, net	50.106	66.242
Total	**65.654**	**83.905**

NOTE 31 – INCOME TAXES (Continued)

Corporate tax (continued)

Turkey

The Corporate Tax Law has been amended as of 13 June 2006 by Law No: 5520. The majority of the clauses of Law No: 5520 are effective as of 1 January 2006. Corporate tax rate for the fiscal year 2014 is 20% (2013: 20%) for Turkey. Corporate tax is payable at a rate of 20% on the total income of the Group after adjusting for certain disallowable expenses, corporate income tax exemptions (investment allowance, etc.) and corporate income tax deductions (such as research and development expenditures deduction). No further tax is payable unless there is dividend distribution.

Dividends paid to non-resident companies having representative offices in Turkey and resident companies are not subject to withholding tax. Dividends paid to companies except for those companies are subject to 15% of withholding tax. An increase in capital via issuing bonus shares is not considered as a profit distribution and thus does not incur withholding tax.

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

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

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

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

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

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

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

NOTE 31 – INCOME TAXES (Continued)

Corporate tax (continued)

Turkey (Continued)

As of 30 June 2014, the Company has offset its financial losses attributable to the calculation of offsetting of tax asset against deductible financial losses or current tax provision in accordance with the above-mentioned principles.

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

Exemption for participation in subsidiaries

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

Issued premiums exemption

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

Exemption for participation into foreign subsidiaries

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

Exemption for sale of participation shares and property

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

Russian Federation

The corporate tax rate effective in the Russian Federation is 20% (2013: 20%).

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

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

NOTE 31 – INCOME TAXES (Continued)

Corporate tax (continued)

Russian Federation (continued)

According to the Russian Federation's tax legislation, financial losses can be carried forward for 10 years to be deducted from future taxable income. Restriction on the deductible financial losses has been revoked as of 2007. Maximum amount that can be deducted in any year is limited to 30% of the taxable income (2013:30%). Rights related to tax losses that have not been utilized in the related years are expired.

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

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

The tax rates at 30 June 2014 applicable in the foreign countries, where the significant part of the Group's operations are performed, are as follows:

Tax Country	**Tax rates (%)**
Germany [(1)]	28,0
Ukraine [(2)]	18,0
Slovenia	17,0
Belarus	18,0
Kazakhstan	20,0
Netherlands [(3)]	25,0

(1) Corporate tax rate is applied as 15% for Germany. With an additional solidarity tax of 5,5% and municipal commerce tax varying in between 14% and 17% is also applied over the corporate tax.
(2) From 1 January 2014 tax rate decreased from 19% to 18%. In 2015 it will decrease to 17% and to 16% in 2016.
(3) Tax rate is 20% for the tax base up to initial EUR 200.000, 25% for over EUR 200.000.

Deferred Taxes

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

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

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

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

NOTE 31 - INCOME TAXES (Continued)

Deferred Taxes (continued)

The composition of cumulative temporary differences and the related deferred tax assets and liabilities in respect of items for which deferred tax has been provided at 30 June 2014 and 31 December 2013 using the enacted tax rates is as follows:

	Cumulative Temporary differences		**Deferred tax assets/ (liabilities)**	
	30 June 2014	**31 December 2013**	**30 June 2014**	**31 December 2013**
Differences between the tax base and carrying value of property, plant and equipment and intangible assets	100.420	80.854	20.084	16.171
Carry forward tax losses	256.594	273.439	51.319	54.688
Provision for doubtful receivables	86.235	85.452	17.247	17.090
Provision for employment termination benefits and unused vacation	152.330	144.894	30.466	28.979
Derivative financial liabilities	-	2.440	-	488
Deferred financial income of trade receivables	3.085	2.638	617	528
Other	97.785	142.723	19.557	28.545
Deferred tax assets			**139.290**	**146.489**
Differences between the tax base and carrying value of property, plant and equipment and intangible assets	(921.360)	(963.056)	(184.272)	(192.611)
Fair value of ınvestment property	(32.100)	(23.649)	(1.605)	(4.730)
Derivative financial assets	-	(839)	-	(168)
Other	(17.595)	(76.111)	(3.519)	(15.222)
Deferred tax liabilities			**(189.396)**	**(212.731)**
Deferred tax liabilities, net			**(50.106)**	**(66.242)**

Conclusions of netting has been reflected to consolidated balance sheet of the Group, since separate taxpayer companies Doğan Holding, subsidiaries and joint ventures has booked their deferred tax assets and liabilities by netting in their financial statements that were prepared in accordance with the POA Financial Reporting Standards. Temporary differences and deferred tax assets and liabilities shown above have been prepared on the basis of gross values.

The Group recognized deferred tax assets over TL 256.594 of carry forward tax losses in the consolidated financial statements prepared in accordance with the CMB's Financial Reporting Standards at 30 June 2014 (31 December 2013: TL 317.372). As of 30 June 2014 and 31 December 2013, the maturity analysis of carry forward tax losses is as follows:

	30 June 2014[(1)]	**31 December 2013**
2014	(39.685)	(87.256)
2015	(65.723)	(44.483)
2016	(64.984)	(63.208)
2017 and after	(86.202)	(122.425)
	(256.594)	**(317.372)**

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

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

NOTE 31 - INCOME TAXES (Continued)

Deferred Taxes (continued)

Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized. As of 30 June 2014, the Group does not recognize deferred tax from carry forward tax losses amounted to TL 876.856 (31 December 2013: TL 1.128.603).

Movements for net deferred taxes for the interim periods ended at 30 June 2014 and 2013 are as follows:

	2014	**2013**
1 January	(66.242)	(87.226)
Deferred tax asset/(liability) resulted by fair value increase on financial asset	672	1.792
Current year income	14.125	8.755
Currency translation differences	5.207	934
Other	(3.618)	2.291
Reclassified to non-current assets held for sale	(250)	-
30 June	**(50.106)**	**(73.454)**

The taxes on income reflected to the consolidated statement of profit or loss for the periods ended 30 June 2014 and 2013 are summarized below:

	1 January-30 June 2014	**1 April-30 June 2014**	**1 January-30 June 2013**	**1 April-30 June 2013**
Current	(34.179)	(15.732)	(71.105)	(49.392)
Deferred tax income/(expense)	14.125	(1.127)	8.755	2.641
Total Tax	**(20.054)**	**(16.859)**	**(62.350)**	**(46.751)**

The reconciliation of the taxation on income in the consolidated statement of profit or loss for periods ended 30 June 2014 and 2013 and the tax calculated at the corporate tax rate based on the income before minority interests and taxation on income are as follows:

	2014	**2013**
Profit / (loss) before income taxes from continued operations	(84.764)	13.500
Current period tax expense calculated at 20%	16.953	(2.700)
Effect of financial loss subject to deduction in current period	(2.254)	(492)
Expenses non- deductible / not subject to tax	(12.320)	(20.561)
Incomes not subject to tax	3.156	243
Carry forward losses for which no deferred tax asset was recognized	(17.917)	(37.310)
Reversal of previous year financial losses from which deferred tax was not calculated previously	441	1.741
Adjustment effects	(8.421)	1.577
Withholding tax payment related to the operations abroad	-	(164)
Other	308	(4.684)
Tax expense	**(20.054)**	**(62.350)**

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

NOTE 32 - EARNING/ (LOSS) PER SHARE

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

	2014		**2013**	
	1 January-30 June	**1 April-30 June**	**1 January-30 June**	**1 April-30 June**
Net loss for the period	(83.315)	(22.068)	(27.432)	(6.473)
Weighted average number of shares with face value of TL 1 each	2.450.000	2.450.000	2.450.000	2.450.000
Loss per share (TL)	**(0,034)**	**(0,009)**	**(0,011)**	**(0,003)**
Net profit/ (loss) for the period from discontinuing operations	-	-	(550)	201
Net loss for the period from continuing operations	(83.315)	(22.068)	(27.432)	(6.473)
Weighted average number of shares with face value of TL 1 each	2.450.000	2.450.000	2.450.000	2.450.000
Loss per share from continuing operations (TL)	**(0,034)**	**(0,009)**	**(0,011)**	**(0,003)**
Earning/ (loss) per share from discontinuing operations (TL)	**-**	**-**	**(0,0002)**	**0,0001**

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

NOTE 33 - RELATED PARTY DISCLOSURES

For the purpose of accompanying consolidated financial statements, related parties are referred to as legal entities in which Doğan Holding directly or indirectly has participation, including any entities under joint control; real persons and/or legal entities that have direct or indirect control or joint control over the Company and their close family members (immediate family members) and legal entities having direct or indirect control or joint control by them and legal entities having significant effect over the Company or their key management personnel; Company’s affiliates, subsidiaries and members of the BOD, key management and their close family member (immediate family members) and real persons and/or legal entities that are directly or indirectly controlled individually or jointly. As of 30 June 2014 and 31 December 2013, related party balances and transactions are described below:

i) Balances of related parties:

Short term receivables due from related parties:

	30 June 2014	31 December 2013
Boyabat Elektrik[(1)]	9.499	-
Delüks Elektronik Hizmetler ve Tic A.Ş. [(2)]	3.604	3.334
D Market Elektronik Hizmetler ve Ticaret A.Ş. (“D Market”) [(3)]	1.991	3.332
Doğan Elektronik Turizm Satış Pazarlama Hiz.ve Yay A.Ş. [(3)]	1.070	1.037
Ortadoğu Otomotiv Ticaret A.Ş. (“Ortadoğu Otomotiv”) [(1)]	967	862
Katalog Yayın ve Tanıtım Hizmetleri A.Ş. [(4)]	-	805
Doğan Portal ve Elektronik Ticaret A.Ş. (“Doğan Portal”)	54	711
Altıncı Cadde Elektronik Ticaret A.Ş. [(3)]	827	931
D Elektronik Şans Oyunları Yayıncılık A.Ş. [(3)]	566	1.070
Gas Plus Erbil	253	291
Doğan ve Egmont Yayıncılık ve Yapımcılık Ticaret A.Ş. (“Doğan Egmont”)	165	212
Other	908	1.391
Total	**19.904**	**13.976**

(1) Receivables related to electricity sale of the Group.
(2) Receivables related to vehicle rent service of the Group.
(3) Receivables related to advertisement sale of the Group.
(4) Receivables related to print service of the Group.

Current non-trade receivables due from related parties:

	30 June 2014	31 December 2013
Gümüştaş Madencilik ve Ticaret A.Ş [(1)]	4.484	4.395
Kandilli Gayrimenkul Yat. Yön.İnş.ve Tic.A.Ş. (“Kandilli”) [(2)]	3.827	-
Boyabat Elektrik [(3)]	-	1.390
Total	**8.311**	**5.785**

(1) The balance consists of loan used by relevant related party from the Group.
(2) The balance is Group’s financing receivables from relevant related party.
(3) Debt is given for project finance.

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

NOTE 33 - RELATED PARTY DISCLOSURES (Continued)

i) Balances of related parties (Continued):

Current trade payables - due to related parties:	**30 June 2014**	**31 December 2013**
Doğan Burda Dergi Yayıncılık ve Pazarlama A.Ş. ("Doğan Burda") [1]	35.880	33.785
Doğan ve Egmont Yayıncılık ve Yapımcılık Ticaret A.Ş. ("Doğan Egmont") [2]	8.394	3.695
Other	374	1.047
Total	**44.648**	**38.527**

[1] The balance is the gross amount of the printing magazines purchase and receivables followed by Doğan Faktoring.
[2] Payables related to printing magazine and book purchase of the Group.

ii) Transactions with related parties:

Service/ product purchases:

	2014		**2013**	
	1 January-30 June	**1 April-30 June**	**1 January-30 June**	**1 April-30 June**
Boyabat Elektrik Üretim ve Ticaret A.Ş. [1]	24.531	12.063	25.364	25.364
Doğan Burda Dergi Yayıncılık ve Pazarlama A.Ş. ("Doğan Burda") [2]	18.256	10.266	18.119	9.357
Doğan ve Egmont Yayıncılık ve Yapımcılık Ticaret A.Ş. ("Doğan Egmont") [3]	13.209	6.943	7.697	3.586
Ortadoğu Otomotiv Ticaret A.Ş [4]	7.384	3.762	5.818	2.550
Dergi Pazarlama Planlama ve Ticaret A.Ş. ("DPP")	2.446	1.258	2.852	1.457
Adilbey Holding A.Ş.	1.871	868	697	538
Other	1.117	681	7.836	5.004
Total	**68.814**	**35.841**	**68.383**	**47.856**

[1] The payables of the Group to Boyabat Elektrik Üretim ve Ticaret A.Ş. consist of the electricity purchases.
[2] The payables of the Group to Doğan Burda consist of the magazine purchases.
[3] The payables of the Group to Dogan Egmont consist of book and magazine purchases.
[4] The payables of the Group to Ortadoğu Otomotiv Ticaret A.Ş. consist of rental services purchases.

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

NOTE 33 - RELATED PARTY DISCLOSURES (Continued)

i) Balances of related parties (Continued):

Product and service sales to related parties:

	2014		2013	
	1 January-30 June	**1 April-30 June**	**1 January-30 June**	**1 April-30 June**
Doğan Burda Dergi Yayıncılık ve Pazarlama A.Ş. ("Doğan Burda") (1)	11.370	6.063	11.129	5.692
Doğan ve Egmont Yayıncılık ve Yapımcılık Ticaret A.Ş. ("Doğan Egmont") (1)	4.816	2.874	4.595	2.026
Ortadoğu Otomotiv Ticaret A.Ş. ("Ortadoğu Otomotiv") (2)	4.091	2.129	-	-
D-Market Elektronik Hizmetler ve Ticaret A.Ş. (3)	3.646	2.227	2.595	1.758
Delüks Elektronik Hizmetler ve Ticaret A.Ş.	36	16	2.205	504
Gas Plus Erbil Ltd.	1.228	1.228	568	568
D Elektronik Şans Oyunları ve Yayıncılık A.Ş.	63	31	492	492
Adilbey Holding A.Ş.	146	71	205	205
Other	1.893	721	2.556	639
Total	**27.289**	**15.360**	**24.345**	**11.884**

(1) The balance consists of raw material, printing and distribution services.
(2) Product and service sales of the Group to Ortadoğu Otomotiv Ticaret A.Ş. consist of the electricity sales.
(3) Product and service sales of the Group to D-Market Elektronik Hizmetler ve Ticaret A.Ş. consist of the raw material sales.

Financial Income:

	2014		2013	
	1 January-30 June	**1 April-30 June**	**1 January-30 June**	**1 April-30 June**
Boyabat Elektrik Üretim ve Ticaret A.Ş.	-	-	8.528	6.141
Delüks Elektronik Hizmetler ve Ticaret A.Ş.	196	181	55	37
D Elektronik Şans Oyunları ve Yayıncılık A.Ş.	-	-	20	16
Other	32	30	15	1
	228	**211**	**8.618**	**6.195**

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

NOTE 33 - RELATED PARTY DISCLOSURES (Continued)

ii) Transactions with related parties (Continued):

Purchases of property, plant and equipment and intangible assets:

	1 January-30 June 2014	1 April-30 June 2014	1 January-30 June 2013	1 April-30 June 2013
D-Market Elektronik Hizmet ve Tic.A.Ş.	13	3	27	18
Doğan Portal ve Elektronik Tic. A.Ş	720	683	-	-
Total	**733**	**686**	**27**	**18**

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

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

	1 January-30 June 2014	1 April-30 June 2014	1 January-30 June 2013	1 April-30 June 2013
Salaries and other short term benefits	5.872	2.884	6.310	3.315
Post-employment benefits	-	-	-	-
Other long term benefits	-	-	-	-
Termination benefits	-	-	-	-
Share based payments	-	-	-	-
Total	**5.872**	**2.284**	**6.310**	**3.315**

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NOTE 34 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Finansal Enstruments and Financial risk management

The Group's activities expose it to a variety of financial risks; these risks are credit risk, market risk including the effects of changes in debt and equity market prices, foreign currency exchange rates, fair value interest rate risk and cash flow interest rate risk, and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance of the Group. The Group use derivative financial instruments in a limited manner to hedge these exposures.

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

a) Market Risk

a.1) Foreign currency risk

The Group is exposed to foreign exchange risk through the impact of rate changes on the translation of foreign currency liabilities to local currency. These risks are monitored and limited by analyzing foreign currency position. TL equivalents of foreign currency denominated monetary assets and liabilities on 30 June 2014 and 31 December 2013 before consolidation adjustments and reclassifications are as follows:

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

	30 June 2014	**31 December 2013**
Assets	2.099.581	2.480.267
Liabilities	(2.106.538)	(2.004.626)
Off-balance sheet net derivative liabilities	-	(2.572)
Net foreign currency position	**(60.957)**	**473.069**

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

NOTE 34 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

a.1) Foreign currency risk (Continued):

Sensitivity analysis for currency risk as of 30 June 2014 and 31 December 2013 and foreign currency denominated asset and liability balances are summarized below:

30 June 2014

	TL Equivalent	**USD**	**EUR**	**Other**
1. Trade receivables	137.229	60.737	51.669	24.823
2a. Monetary Financial Assets (Cash,Banks included)	1.796.213	1.228.632	536.527	31.054
2b. Non-Monetary Financial Assets	6	6	-	-
3. Other	144.655	-	144.651	4
4. Current Assets (1+2+3)	**2.078.103**	**1.289.375**	**732.847**	**55.881**
5. Trade receivables	-	-	-	-
6a. Monetary Financial Assets	21.478	11	104	21.363
6b. Non-Monetary Financial Assets	-	-	-	-
7. Other	-	-	-	-
8. Non-Current Assets (5+6+7)	**21.478**	**11**	**104**	**21.363**
9. Total Assets (4+8)	**2.099.581**	**1.289.386**	**732.951**	**77.244**
10. Trade Payables	106.971	54.482	33.107	19.382
11. Financial Liabilities	1.002.240	766.814	235.426	-
12a. Other Monetary Financial Liabilities	62.749	1.671	24.311	36.767
12b. Other Non-Monetary Financial Liabilities	5.108	27	525	4.556
13. Current Liabilities (10+11+12)	**1.177.068**	**822.994**	**293.369**	**60.705**
14. Trade Payables	-	-	-	-
15. Financial Liabilities	980.753	392.534	588.219	-
16a. Other Monetary Financial Liabilities	2.717	35	2.681	1
16b. Other Non-Monetary Financial Liabilities	-	-	-	-
17. Non-Current Liabilities (14+15+16)	**983.470**	**392.569**	**590.900**	**1**
18. Total Liabilities (13+17)	**2.160.538**	**1.215.563**	**884.269**	**60.706**
19. Net asset/liability position of Off balance sheet derivatives (19a-19b)	**-**	**-**	**-**	**-**
19a. Off balance sheet foreign Currency derivative assets	**-**	**-**	**-**	**-**
19b. Off balance sheet foreign Currency derivative liabilities	**-**	**-**	**-**	**-**
20. Net Foreign currency asset/(liability) position (9-18+19)	**(60.957)**	**73.823**	**(151.318)**	**16.538**
21. Net foreign currency asset/liability position of monetary items (1+2a+5+6a-10-11-12a-14-15-16a)	**(200.510)**	**73.844**	**(295.444)**	**21.090**

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

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

a.1) Foreign currency risk (Continued):

31 December 2013

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

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

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

a.1) Foreign currency risk (Continued)

As of 30 June 2014 and 31 December 2013, foreign currency denominated asset and liability balances were converted with the following exchange rates: TL 2,1234 = USD 1 and TL 2,8919= EUR 1 (2013: TL 2,1343 = USD 1 and TL 2,9365 = EUR 1).

30 June 2014	**Income/ Loss**	
	Foreign currency appreciate	**Foreign currency depreciate**
	If the USD had changed by 10% against the TL	
1- USD net (liabilities)/assets	7.382	(7.382)
2- Hedging amount of USD (-)	-	-
3- USD net effect on (loss)/income (1+2)	**7.382**	**(7.382)**
	If the EUR had changed by 10% against the TL	
4- EUR net (liabilities)/assets	(15.132)	15.132
5- Hedging amount of USD (-)	-	-
6- USD net effect on (loss)/income (4+5)	**(15.132)**	**15.132**
	If the Other Currencies had changed by 10% against the TL	
7- Other net (liabilities)/assets	1.654	(1.654)
8- Hedging amount of Other (-)	-	-
9- Other net effect on (loss)/income) (7+8)	**1.654**	**(1.654)**
TOTAL (3+6+9)	**(6.096)**	**6.096**

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

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

a.1) Foreign currency risk (Continued):

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

a.2) Interest rate risk

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

Borrowings issued at floating rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rate expose the Group to fair value interest rate risk. As of 30 June 2014 and 31 December 2013, the Group's borrowings at floating rates are predominantly denominated in USD and EUR.

- Other

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

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

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

a.2) Interest rate risk (Continued)

On 30 June 2014, if interest rates on USD denominated borrowings had been higher/lower by 100 basis points with all other variables held constant, loss before income taxes would have been TL 2.759 (30 June 2013: TL 2.754) higher, mainly as a result of high interest expense on floating rate borrowings.

On 30 June 2014, if interest rates on Euro denominated borrowings had been higher 100 basis points with all other variables held constant, loss before income taxes would have been TL 2.201 (30 June 2013: TL 1.063) higher/lower, mainly as a result of high interest expense on floating rate borrowings.

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

	30 June 2014	**31 December 2013**
Financial instruments with fixed rate		
Financial assets		
- Banks (Note 6)	1.768.986	1.772.662
- Financial investments (Note 7)	124.859	139.508
Financial liabilities (Note 8)	1.197.228	991.215
Financial instruments with floating rate		
Financial liabilities (Note 8)	992.539	1.107.172

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

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

a.2) Interest rate risk (Continued)

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

	30 June 2014			31 December 2013		
	USD	**EUR**	**TL**	**USD**	**EUR**	**TL**
Assets						
Cash and cash equivalents	0,50-4,27	0,50-4,72	4,8-13,15	0,35-6,00	0,20 -6,75	5,98-10,16
Financial investments	7,80	7,88	11,90	6,53	5,64	10,63
Liabilities						
Financial Liabilities	1,00-6,45	0,97-5,71	0-14	3,00-6,55	3,25-5,71	0-10,20

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

30 June 2014	**Up to 3 Months**	**3 months-1 year**	**1-5 years**	**More than 5 years**	**Free of Interest**	**Total**
Assets						
Cash and cash equivalents (Note 6)	1.768.986	-	-	-	322.508	2.091.494
Financial investments (Note 7)	-	-	101.143	-	23.716	124.859
Total	**1.768.986**	**-**	**101.143**	**-**	**346.224**	**2.216.353**
Short and long term financial Liabilities (Note 8) (1)	-	1.219.881	969.886	-	-	2.189.767
Other financial liabilities (Note 8)	-	186.017	-	-	-	186.017
Total	**-**	**1.405.598**	**969.886**	**-**	**-**	**2.375.784**

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

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

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

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

b) Credit risk

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

The Group's credit risk of financial instruments as of 30 June 2014 is as follows:

	Trade receivables		Other receivables		Cash and Cash equivalents
	Related Party	**Other**	**Related Party**	**Other**	
Maximum net credit risk as of balance sheet date	**19.904**	**952.994**	**8.311**	**86.818**	**1.982.548**
- The part of maximum risk under guarantee with collatarel	**-**	**92.928**	**-**	**15.117**	**-**
A. Net book value of neither past due nor impaired financial assets	19.904	712.274	8.311	86.818	1.982.548
- Guaranteed amount by collateral	-	53.903	-	15.117	-
B. Book value of restructured otherwise accepted as past due and impaired financial assets	-	-	-	-	-
C. Net book value of past due but not impaired assets (Note 9)	-	240.720	-	-	-
- Guaranteed amount by collateral (Note 9)	-	39.025	-	-	-
D. Impaired asset net book value					
- Past due (gross amount) (Note 9, Note 19)	-	242.597	-	1.456	-
- Impairment (-) (Note 9, Note 19)	-	(242.597)	-	(1.456)	-
- Net value collateralized or guaranteed part of net value	-	-	-	-	-
- Not overdue (gross amount)	-	-	-	-	-
- Impairment (-)	-	-	-	-	-
- Net value collateralized or guaranteed part of net value	-	-	-	-	-

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

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

b) Credit risk (continued)

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

	Trade receivables		**Other receivables**		**Cash and Cash equivalents**
	Related Party	**Other**	**Related Party**	**Other**	
Maximum net credit risk as of balance sheet date	**13.976**	**791.066**	**5.785**	**132.411**	**1.994.586**
- The part of maximum risk under guarantee with collatarel	**-**	**47.596**	**-**	**78**	**-**
A. Net book value of neither past due nor impaired financial assets	13.976	609.364	5.785	132.411	1.994.586
- Guaranteed amount by collateral	-	14.857	-	78	-
B. Book value of restructured otherwise accepted as past due and impaired financial assets	-	-	-	-	-
C. Net book value of past due but not impaired assets (Note 9)	-	181.702	-	-	-
- Guaranteed amount by collateral (Note 9)	-	32.739	-	-	-
D. Impaired asset net book value	-	-	-	-	-
- Past due (gross amount) (Note 9, Note 19)	-	232.160	-	1.545	-
- Impairment (-) (Note 9, Note 19)	-	(232.160)	-	(1.545)	
- Net value collateralized or guaranteed part of net value	-		-	-	-
- Not overdue (gross amount)	-	-	-	-	-
- Impairment (-)	-	-	-	-	-
- Net value collateralized or guaranteed part of net value	-	-	-	-	-

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

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

b) Credit risk (continued)

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

	30 June 2014		31 December 2013	
	Related Party	**Other Receivables**	**Related Party**	**Other Receivables**
1-30 days overdue	-	135.485	-	66.637
1-3 months overdue	-	54.615	-	64.463
3-12 months overdue	-	36.590	-	37.296
1-5 years overdue	-	14.030	-	13.306
Total	**-**	**240.720**	**-**	**181.702**
Guaranteed amount by collateral				
Media	-	33.703	-	28.383
Retail	-	-	-	-
Energy	-	-	-	-
Other	-	5.322	-	4.356
Total	**-**	**39.025**	**-**	**32.739**

c) Liquidity risk

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

As of 30 June 2014 and 31 December 2013, undiscounted cash flows of financial liabilities based on the agreement maturities are as follows:

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

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

c) Liquidity risk (continued)

30 June 2014	**Book Value**	**Contractual undiscounted cash flow**	**Less than 3 months**	**3-12 months**	**1-5 years**	**Over 5 years**
Non-derivative financial liabilities						
Short and long term financial borrowings (Note 8)	2.189.767	2.389.101	622.442	669.875	940.691	156.093
Trade payables (Note 9)	525.134	525.667	436.591	89.076	-	-
Other financial liabilities (Note 8)	186.017	187.576	4.273	183.303	-	-
Other payables (Note 10)	51.662	51.662	22.776	14.889	13.997	-
Trade payables to related parties (Note 33)	44.648	44.648	-	44.648	-	-
Short-term provisions regarding employee benefits (Note 22)	55.977	55.977	-	55.977	-	-
Payables regarding employee benefits (Note 22)	32.545	32.545	-	32.545	-	-
Deferred income (Note 20)	51.814	51.814	46.798	-	5.016	-
Other short term provisions(Note 17)	44.189	44.189	-	44.189	-	
	3.181.753	**3.383.179**	**1.132.880**	**1.134.502**	**959.704**	**156.093**
Derivative financial liabilities						
Derivative cash inflow (Note 21)	-	-	-	-	-	-
Derivative cash outflow (Note 21)	-	-	-	-	-	-
Derivative cash inflow/outflow, net	**-**	**-**	**-**	**-**	**-**	**-**

31 December 2013	**Book Value**	**Contractual undiscounted cash flow**	**Less than 3 months**	**3-12 months**	**1-5 years**	**Over 5 years**
Non-derivative financial liabilities						
Short and long term financial borrowings (Note 8)	2.098.387	2.323.923	530.908	562.567	1.064.522	165.926
Trade payables (Note 9)	498.152	503.841	358.455	144.101	1.285	-
Other financial liabilities (Note 8)	382.547	436.758	202.042	19.950	214.766	-
Other payables (Note 10)	68.222	69.184	39.015	15.011	14.196	962
Trade payables to related parties (Note 33)	38.527	38.527	38.476	51	-	-
Short-term provisions regarding employee benefits (Note 22)	41.373	41.373	-	41.373	-	-
Payables regarding employee benefits (Note 22)	26.399	26.399	-	26.399	-	-
Deferred income (Note 20)	70.010	70.010	66.447	-	3.563	-
Other short term provisions(Note 17)	31.581	31.581	-	3.059	28.522	-
	3.255.198	**3.541.596**	**1.235.343**	**812.511**	**1.326.854**	**166.888**
Derivative financial liabilities						
Derivative cash inflow (Note 21)	839	839	839	-	-	-
Derivative cash outflow (Note 21)	(2.440)	(2.440)	(2.440)	-	-	-
Derivative cash inflow/outflow, net	**(1.601)**	**(1.601)**	**(1.601)**	**-**	**-**	**-**

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

d) Fair value of financial instruments

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

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

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

Monetary assets

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

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

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

Monetary liabilities

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

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

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

e) Capital risk management

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

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

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

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

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

e) Capital risk management (continued)

The net liability/ total equity ratio on 30 June 2014 and 31 December 2013 is summarized below:

	30 June 2014	**31 December 2013**
Total liability [(1)]	3.295.250	3.368.290
Less: Cash and cash equivalents (Note 6)	(2.091.494)	(2.216.361)
Net liability	1.203.756	1.151.929
Equity attributable to equity holders of the parent company	3.169.125	3.250.187
Total equity	4.372.881	4.402.116
Net liability/Total equity ratio	**28%**	**26%**

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

NOTE 35 - FINANCIAL INSTRUMENTS

Fair value of financial instruments

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

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

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

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

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

NOTE 35 - FINANCIAL INSTRUMENTS (Continued)

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

		Fair value at reporting date		
Financial assets	**30 June 2014**	**1. Level TL**	**2. Level TL**	**3. Level TL**
Financial assets at FVTPL				
trading securities				
Trading derivatives				
Derivative Instruments (Note 21)	-	-	-	-
Bonds and bills (Note 7)	101.143	101.143	-	-
Total	**101.143**	**101.143**	**-**	**-**
Financial liabilities				
Financial liabilities at FVTPL				
trading securities				
Trading derivatives				
Derivative Instruments (Note 21)	-	-	-	-
Other financial liabilities	-	-	-	-
Total	**-**	**-**	**-**	**-**

		Fair value at reporting date		
Financial assets	**31 December 2013**	**1. Level TL**	**2. Level TL**	**3. Level TL**
Financial assets at FVTPL				
trading securities	-	-	-	-
Trading derivatives	-	-	-	-
Derivative Instruments (Note 21)	839	-	839	-
Bonds and bills (Note 7)	136.465	136.465	-	-
Total	**137.304**	**136.465**	**839**	**-**
Financial liabilities				
Financial liabilities at FVTPL				
trading securities				
Trading derivatives				
Derivative Instruments (Note 21)	2.440	-	2.440	-
Other financial liabilities (Note 8, 17)	16.155			16.155
Total	**18.595**	**-**	**2.440**	**16.155**

NOTE 36 - SUBSEQUENT EVENTS

Merger of Doğan Yayın Holding with Dogan Şirketler Grubu Holding A.Ş. by "Take Over"

Doğan Şirketler Grubu Holding A.Ş. Extraordinary General Assembly Meeting ("General Assembly Meeting"), in which merger of our subsidiary Doğan Yayın Holding A.Ş. by "take over" with all assets and liabilities under the umbrella of our Company was discussed held on 7 August 2014. The merger transaction was approved in the General Assembly Meeting. There are 10 negative votes for the 5th agenda item of the General Assembly Meeting in which "Merger Transaction" including "Merger Agreement" and "Merger Report" are discussed and since there is no dissention recorded; in Doğan Şirketler Grubu Holding A.Ş regarding "Merger Transaction", in the scope of the following and any other relevant legislation, "Use of retirement right" will not be applicable: 24^{th} article named "Retirement right" of Capital Markets Law no 6362 and 9^{th} article named "Use of retirement right" of II-23.1 "Communique on Common Principles and Retirement Right Regarding the Significant Transactions" of Capital Market Board, and 10^{th} article named "Price of using retirement right". In addition, amendment of the 8^{th} article of our Articles of Association with the heading "Share Issue" was approved in the General Meeting.

Share sales of Doğan Ofset Yayıncılık ve Matbaacılık A.Ş.

Percentage of Shares held in the capital of subsidiary sold shares of Doğan Ofset Yayıncılık ve Matbaacılık A.Ş. in which it holds 99,93% participation amounting to TL 24.982 of capital has been sold to Fulya Kavak and Marsaş Baskı ve Ambalaj Sanayi Ticaret A.Ş. on 18 July 2014 was sold the amount of Euro 4.579.

More specifically; according to Capital Markets Board II-23-1 "Communique Regarding Common Terms On Material Transactions And Shareholder's Right To Dissociate's" Article 6 with the heading "Materiality"

a. Net asset value (15.223 TL) of the Financial Asset (Subsidiary) based on most updated financial statements disclosed to public (31 March 2014) is 1.11% of the consolidated asset total (1.366.671 TL) of the Company;

b. Share certificate sales and transfer price of the Financial Asset (Subsidiary) as of the Board Decision date regarding the signing of the Share Purchase and Sale Agreement (9 Jully 2014) is 13.231 TL and this amount is 4.03% of the Company Value (328.197 TL) calculated as an arithmentic average of daily weighted average stock exchange prices for the 6 months prior to the date of this board decision

c. Contribution of Financial Asset's (Subsidiary) to the consolidated revenues in the most updated annual financial statements disclosed to public is 42.639 TL and 5.29% of the Company's total revenues (805.575 TL) as of 31 December 2013. Confirming that all 3 ratios are below 50%, the transaction regarding the sale and transfer of the share certificates of the Financial Asset (Subsidiary) is not evaluated as "material transaction" within the scope of the Capital Markets Board II-23-1 "Communique Regarding Common Terms On Material Transactions And Shareholder's Right To Dissociate.

Other matters related with sales and transfer transaction is explained in detail at Public Disclosure Platform via material event disclosure on 18 July 2014 by the Group's subsidiary Hurriyet.

NOTE 36 - SUBSEQUENT EVENTS (Continued)

Disposal of Tangible Asset

Land Sale of Gaziemir

Hürriyet, one of the subsidiaries of the Group sold its land of 35.191,58 m2 located in the district of İzmir, Gaziemir for TL 16.000 to third party, Ali Muhib Özerinç and Salim Şafak Özerinç on 4 July, 2014. Book value of the land in financial statements has been disclosed as TL 2.767 and income of sale is expected to the amount of TL 13.233 in the consolidated financial statements for the period.

Land Sale of Esenyurt

Hürriyet, one of the subsidiaries of the Group, has agreed to sell its land of 17.725,69 m2 located in the district of İstanbul, Esenyurt for USD 9.300 to third party LC Waikiki Mağazacılık Hizmetleri Ticaret A.Ş. on 10 July 2014. Book value of the land in financial statements has been disclosed as TL 4.572 in assets held for sale. Income of sale is expected to the amount of TL 15.144 in the consolidated financial statements for the period.

Provision for lawsuit

Regarding the damage compensation occurred against our subsidiary Çelik Halat amounting to TL 4.360 resulted from the lawsuit filed against the company due to rope slippage occuring on 20 January 2001 in Yenikuyu Facility that belongs to Kozlu Taşkömürü İşletme Müessesi Müdürlüğü which is a member of Türkiye Taşkömürü Kurumu Genel Müdürlüğü("TTK"), approved by 2.Civil Court of Zonguldak and the Supreme Court,first payment with the amount of TL 1.000 was paid to Zonguldak 1.Executive Office on 15 August 2014 as a result of interviews with TTK in order to make the payments with installments. Second and third installments will be paid on 15th day of each sequent month with the same amount and the last installment will be paid on 15 November 2014. Correction request regarding the court decision approved by Supreme Court and every legal right have being used. Regarding the case provision of TL 2.238 has been booked in financial statements prepared as of 30 June 2014, legal proceedings are covered by product liability insurance amounting to USD 1.000. Legal notice will be made to the Insurance Company for the amount to be paid.

Approval of Financial Statements

Consolidated financial statements prepared for the period ended as of 30 June 2014 are approved by the Management as at 18 August 2014. The financial statements cannot be changed or modified by others other than the Management.

NOTE 37 - DISCLOSURE OF OTHER MATTERS AFFECTING CONSOLIDATED FINANCIAL STATEMENTS SIGNIFICANTLY TO BE DISCLOSED

None.