

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.**

**CONVENIENCE TRANSLATION INTO ENGLISH OF  
CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE INTERIM PERIOD 1 JANUARY – 30 JUNE 2011**

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

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

### *Introduction*

1. We have reviewed the accompanying condensed consolidated financial statements of Doğan Şirketler Grubu Holding A.Ş. (the “Company”), its subsidiaries and its joint ventures (collectively referred as, the “Group”) which comprise the consolidated balance sheet as of 30 June 2011 and the condensed consolidated statement of income, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of changes in shareholders’ equity and the condensed consolidated statement of cash flows for the six-month interim period then ended. The Group management’s responsibility for the preparation and fair presentation of these consolidated interim financial statements in accordance with the financial reporting standards published by the Capital Market Board (the “CMB”). Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

### *Scope of Review*

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

### *Basis for Qualified Conclusion*

3. As explained in Note 15, Hürriyet Gazetecilik ve Matbaacılık A.Ş., one of the subsidiaries of the Company, has recognized a financial liability arising from the put option on 3,84% shares of Trader Media East Limited owned by “non-controlling interests”, through a protocol signed in 2010 by increasing other financial liabilities by TRY 39,3 million, decreasing non-controlling interests by TRY 8,4 million and also decreasing retained earnings/accumulated losses by TRY 30,9 million in the accompanying condensed consolidated financial statements as of and for the six-month period ended 30 June 2010.

However, as explained in the said protocol, such put option liability of “non-controlling interests” amends the relevant provisions of the contract signed in 28 December 2006 which became effective as of 31 March 2007 as a consequence of the acquisition of Trader Media East Limited’s majority shares by the Group and which has not been accounted by the Group in the accompanying financial statements until the current period. Therefore, these contracts, which are recorded in the Group’s financial statements for the first time in 2010, should be recognized as a put option liability of “non-controlling interests” during acquisition of Trader Media East Limited’s shares by the Group in 2007, and the accompanying condensed consolidated financial statements should be restated retrospectively.

If the said put option liability of “non-controlling interests” had been recognized retrospectively in the accompanying condensed consolidated financial statements, the opening shareholders’ equity figure as of 1 January 2010 presented in the accompanying comparative consolidated statement of changes in shareholders’ equity for the interim period 1 January-30 June 2010 would have been less by TRY 37,1 million.

*Qualified Conclusion*

4. Based on our review, except for the effects of the matter described in paragraph 3 above to the accompanying condensed consolidated interim financial statements presented for comparative purposes, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements do not present fairly, in all material aspects in accordance with the financial reporting standards issued by the Capital Market Board.

*Emphasis of Matter:*

As explained in Note 15, prior accounting periods of some of the Group’s direct and indirect subsidiaries’ were subject to tax assessments. Based on the results of the tax assessment reports, the related subsidiaries were served with tax penalties and notifications by their respective tax authorities. The Group has applied for tax negotiation for the related notifications and penalties however both parties could not reach an agreement on the related issue. Therefore, the Group has filed lawsuits against the respective tax authorities in relation to the related notifications and penalties imposed following the tax assessment. As of the balance sheet date, the Group management makes use of the requirements set out in Law No: 6111 “Restructuring of Specific Receivables and Social Insurance and General Health and Amendments to Some Laws and Requirements” (“Law No:6111”), which has become effective upon the issuance in the Official Gazette No: 27857 (I.Bis) on 25 February 2011 in relation to ongoing lawsuits filed for the 2003, 2004, 2005, 2006, 2007 and 2008 accounting periods. Accordingly, in the current period, TRY 866.189 (thousand) of tax payable in relation to pending and ongoing tax lawsuits and TRY 95.510 (thousand) of tax base increase is recognized as expense in the accompanying condensed consolidated financial statements. Our conclusion is not qualified in respect of this matter.

İstanbul, 25 August 2011

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

Saim Üstündağ  
Partner

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.**

**CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE INTERIM PERIOD 1 JANUARY - 30 JUNE 2011**

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

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.**

**CONSOLIDATED BALANCE SHEETS  
AT 30 JUNE 2011 AND 31 DECEMBER 2010**

(Amounts expressed in thousands of Turkish lira ("TRY") unless otherwise indicated.)

	Notes	USD (*) 30 June 2011	<i>Reviewed</i> 30 June 2011	<i>Audited</i> 31 December 2010
<b>ASSETS</b>				
<b>Current assets</b>		<b>2.943.787</b>	<b>4.798.961</b>	<b>4.772.149</b>
Cash and cash equivalents	6	1.894.919	3.089.097	3.464.537
Financial investments	7	102.541	167.162	198.152
Trade receivables				
- Due from related parties	27	1.421	2.317	11.168
- Other trade receivables	9	551.881	899.676	656.128
Other receivables		17.498	28.526	13.991
Inventories		139.835	227.959	216.179
Biological assets		14	23	25
Other current assets	17	234.954	383.022	211.969
Assets held for sale		724	1.179	
<b>Non-current assets</b>		<b>2.203.956</b>	<b>3.592.889</b>	<b>3.261.178</b>
Trade receivables	9	69.472	113.254	88.928
Other receivables		42.249	68.875	2.126
Inventories		11.101	18.097	17.941
Financial investments	7	5.042	8.220	8.314
Investment properties	10	91.114	148.534	141.800
Property, plant and equipment	11	650.989	1.061.243	929.330
Intangible assets	12	533.368	869.496	859.335
Goodwill	13	538.971	878.631	896.653
Deferred income tax assets	26	51.192	83.453	96.991
Other non-current assets	17	210.458	343.086	219.760
<b>TOTAL ASSETS</b>		<b>5.147.743</b>	<b>8.391.850</b>	<b>8.033.327</b>

The consolidated financial statements for the interim period ended 30 June 2011 have been approved by the Board of Directors at 25 August 2011.

(\*) As explained in the Note 2.1.3 to the condensed consolidated financial statements, USD amounts shown in these consolidated financial statements have been included solely for the convenience of the reader and are translated from TRY, as a matter of arithmetic computation only, at the Central Bank of the Republic of Turkey official TRY exchange rate. Thus, USD amounts do not form a part of the consolidated financial statements prepared in accordance with generally accepted accounting standards issued by the Capital Market Board ("CMB") as at 30 June 2011.

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

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

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.**

**CONSOLIDATED BALANCE SHEETS  
AT 30 JUNE 2011 AND 31 DECEMBER 2010**

(Amounts expressed in thousands of Turkish lira ("TRY") unless otherwise indicated.)

	Notes	USD (*) 30 June 2011	Reviewed 30 June 2011	Audited 31 December 2010
<b>LIABILITIES</b>				
<b>Current liabilities</b>		<b>1.314.566</b>	<b>2.143.005</b>	<b>1.833.917</b>
Borrowings and financial liabilities	8	592.159	965.338	1.024.341
Other financial liabilities		36.521	59.536	66.550
Trade payables				
- Due to related parties	27	2.496	4.069	1.197
- Other trade payables	9	298.033	485.854	395.148
Other payables		47.740	77.826	80.540
Current income tax liabilities	26	54.497	88.841	76.462
Provisions	15	28.860	47.048	89.010
Other current liabilities	17	253.353	413.016	100.669
Liabilities held for sale		907	1.477	
<b>Non-current liabilities</b>		<b>1.343.850</b>	<b>2.190.745</b>	<b>1.578.368</b>
Borrowings and financial liabilities	8	656.048	1.069.490	1.085.676
Other financial liabilities		176.864	288.324	238.693
Trade payables	9	185	301	1.114
Other payables		39.796	64.875	77.900
Provisions for employment benefits		26.882	43.823	46.895
Other non-current liabilities	17	348.774	568.571	-
Deferred tax liability	26	95.301	155.361	128.090
<b>SHAREHOLDERS' EQUITY</b>		<b>2.489.327</b>	<b>4.058.100</b>	<b>4.621.042</b>
<b>Equity Attributable to Equity Holders of the Company</b>	<b>18</b>	<b>1.991.126</b>	<b>3.245.933</b>	<b>3.864.544</b>
Share capital	18	1.502.883	2.450.000	2.450.000
Adjustment to share capital	18	88.042	143.526	143.526
Share premium	18	386	630	630
Revaluation fund	18	(796)	(1.298)	13.918
Translation reserve	18	32.040	52.231	(3.939)
Restricted reserves				
assorted from profit	18	889.547	1.450.139	696.888
Retained earnings/accumulated (loss)	18	(108.244)	(176.459)	(92.683)
Net (loss)/profit for the period		(412.732)	(672.836)	656.204
<b>Non-controlling interests</b>		<b>498.201</b>	<b>812.167</b>	<b>756.498</b>
<b>TOTAL LIABILITIES</b>		<b>5.147.743</b>	<b>8.391.850</b>	<b>8.033.327</b>

Commitments

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(\*) As explained in the Note 2.1.3 to the condensed consolidated financial statements, USD amounts shown in these consolidated financial statements have been included solely for the convenience of the reader and are translated from TRY, as a matter of arithmetic computation only, at the Central Bank of the Republic of Turkey official TRY exchange rate. Thus, USD amounts do not form a part of the consolidated financial statements prepared in accordance with generally accepted accounting standards issued by the Capital Market Board ("CMB") as at 30 June 2011.

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

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

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.**

**CONSOLIDATED STATEMENTS OF INCOME**

**FOR THE INTERIM PERIODS ENDED 1 JANUARY-30 JUNE 2011 AND 2010**

(Amounts expressed in thousands of Turkish lira ("TRY") unless otherwise indicated.)

	Notes	USD (*) 2011	<i>Reviewed</i> 1 January - 30 June 2011	<i>Unaudited</i> 1 April - 30 June 2011	<i>Reviewed</i> 1 January - 30 June 2010	<i>Unaudited</i> 1 April - 30 June 2010
<b>Continued Operations</b>						
Sales	19	916.089	1.493.409	827.789	1.325.896	721.856
Cost of sales (-)	19-21	(667.668)	(1.088.433)	(569.443)	(1.014.292)	(524.651)
<b>Gross operating profit</b>	<b>19</b>	<b>248.421</b>	<b>404.976</b>	<b>258.346</b>	<b>311.604</b>	<b>197.205</b>
Marketing, selling and distribution expenses (-)	20-21	(102.599)	(167.257)	(91.414)	(158.253)	(84.279)
General administrative expenses (-)	20-21	(110.495)	(180.129)	(93.284)	(154.731)	(82.821)
Other income	22	22.990	37.479	16.625	32.935	21.681
Other expenses (-)	22	(595.498)	(970.781)	(622.489)	(19.585)	(7.014)
<b>Operating loss</b>		<b>(537.181)</b>	<b>(875.712)</b>	<b>(532.216)</b>	<b>11.970</b>	<b>44.772</b>
Financial income	23	278.692	454.323	255.702	187.999	104.684
Financial expenses (-)	24	(203.149)	(331.174)	(179.426)	(175.979)	(96.853)
<b>Loss before taxation from continued operations</b>		<b>(461.638)</b>	<b>(752.563)</b>	<b>(455.940)</b>	<b>23.990</b>	<b>52.603</b>
<b>Tax expenses from continued operations</b>	<b>26</b>	<b>(83.846)</b>	<b>(136.686)</b>	<b>(94.233)</b>	<b>(44.018)</b>	<b>(35.432)</b>
Current tax expense		(65.182)	(106.260)	(64.009)	(50.033)	(34.277)
Deferred tax (expenses)/income		(18.664)	(30.426)	(30.224)	6.015	(1.155)
<b>Loss for the period from continued operations</b>		<b>(545.484)</b>	<b>(889.249)</b>	<b>(550.173)</b>	<b>(20.028)</b>	<b>17.171</b>
<b>Discontinued operations</b>						
Profit after tax from discontinued operations	25	(5.810)	(9.471)	10.984	(10.579)	(12.702)
<b>Net (loss) for the period</b>		<b>(551.294)</b>	<b>(898.720)</b>	<b>(539.189)</b>	<b>(30.607)</b>	<b>4.469</b>
<b>Distribution of (loss) for the period</b>						
Attributable to non-controlling interests		(138.562)	(225.884)	(66.245)	(16.439)	8.771
<b>Attributable to equity holders of the company</b>		<b>(412.732)</b>	<b>(672.836)</b>	<b>(472.944)</b>	<b>(14.168)</b>	<b>(4.302)</b>
Earnings /(loss) per share for profit attributable to equity holders of the company		(0,169)	(0,275)	(0,193)	(0,006)	(0,002)
Total loss from continuing operations for profit attributable to equity holders of the company		(0,166)	(0,271)	(0,198)	(0,001)	(0,003)

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

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

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.**

**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE INTERIM PERIODS ENDED 30 JUNE 2011 AND 2010**

(Amounts expressed in thousands of Turkish lira ("TRY") unless otherwise indicated.)

	<i>USD (*)</i> <b>1 January - 30 June 2011</b>	<i>Reviewed</i> <b>1 January - 30 June 2011</b>	<i>Unaudited</i> <b>1 April - 30 June 2011</b>	<i>Reviewed</i> <b>1 January - 30 June 2010</b>	<i>Unaudited</i> <b>1 April - 30 June 2010</b>
<b>(Loss) / income for the Period</b>	<b>(551.294)</b>	<b>(898.720)</b>	<b>(539.189)</b>	<b>(30.607)</b>	<b>4.469</b>
<b><u>Other Comprehensive Income:</u></b>					
Change in Financial Assets					
Fair Value Reserve	(1.193)	(1.945)	(1.871)	3.317	4.240
Change in Translation Reserves	58.319	95.072	47.111	(18.166)	(28.679)
<b>Other Comprehensive Income (After Income Tax)</b>	<b>57.126</b>	<b>93.127</b>	<b>45.240</b>	<b>(14.849)</b>	<b>(24.439)</b>
<b>Total Comprehensive Expense</b>	<b>(494.168)</b>	<b>(805.593)</b>	<b>(493.949)</b>	<b>(45.456)</b>	<b>(19.970)</b>
<b><u>Allocation of Total Comprehensive Expense</u></b>					
Attributable to non-controlling interests	(114.699)	(186.982)	(47.041)	(15.145)	208
Attributable to equity holders of the company	(379.469)	(618.611)	(446.908)	(30.311)	(20.178)

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



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

**CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY  
FOR THE INTERIM PERIODS ENDED 1 JANUARY-30 JUNE 2011 AND 2010**

(Amounts expressed in thousands of Turkish lira ("TRY") unless otherwise indicated.)

	Note	Share capital	Adjustment to share capital	Share premium	Financial assets fair value reserve	Non-current assets revaluation fund	Translation reserve	Restricted reserves	Retained earnings / accumulated losses	Net profit/ (loss) for the period	Equity attributable to equity holders of the company	Non-controlling interests	Total shareholder's equity
<b>Balances at 1 January 2010</b>	<b>18</b>	<b>2.450.000</b>	<b>143.526</b>	<b>630</b>	<b>12.456</b>	<b>113.942</b>	<b>(7.063)</b>	<b>37.451</b>	<b>837.276</b>	<b>(114.113)</b>	<b>3.474.105</b>	<b>767.147</b>	<b>4.241.252</b>
Transfers		-	-	-	-	(13.230)	-	1.516	(102.399)	114.113	-	-	-
Participation to subsidiary's capital increase of non-controlling interest		-	-	-	-	-	-	-	-	-	-	50.430	50.430
Divident paid												(20.074)	(20.074)
Consolidation rate change effect		-	-	-	-	-	-	-	-	-	-	(442)	(442)
Financial liabilities subject to put option non-controlling interest		-	-	-	-	-	-	-	(223.144)	-	(223.144)	(30.158)	(253.302)
Effective rate change of subsidiaries		-	-	-	-	-	-	-	(54.893)	-	(54.893)	54.893	-
Total comprehensive loss		-	-	-	3.317	-	(19.460)	-	-	(14.168)	(30.311)	(15.145)	(45.456)
- Change in financial asset fair value reserve, net		-	-	-	3.317	-	-	-	-	-	3.317	-	3.317
- Currency translation differences		-	-	-	-	-	(19.460)	-	-	-	(19.460)	1.294	(18.166)
- Net loss for the period		-	-	-	-	-	-	-	-	(14.168)	(14.168)	(16.439)	(30.607)
<b>Balances at 30 June 2010</b>	<b>18</b>	<b>2.450.000</b>	<b>143.526</b>	<b>630</b>	<b>15.773</b>	<b>100.712</b>	<b>(26.523)</b>	<b>38.967</b>	<b>456.840</b>	<b>(14.168)</b>	<b>3.165.757</b>	<b>806.651</b>	<b>3.972.408</b>
<b>Balances at 1 January 2011</b>	<b>18</b>	<b>2.450.000</b>	<b>143.526</b>	<b>630</b>	<b>13.918</b>	<b>-</b>	<b>(3.939)</b>	<b>696.888</b>	<b>(92.683)</b>	<b>656.204</b>	<b>3.864.544</b>	<b>756.498</b>	<b>4.621.042</b>
Transfers		-	-	-	-	-	-	753.251	(97.047)	(656.204)	-	-	-
Participation to subsidiary's capital increase of non-controlling interest		-	-	-	-	-	-	-	-	-	-	246.924	246.924
Sales of financial assets		-	-	-	(13.271)	-	-	-	13.271	-	-	-	-
Divident paid		-	-	-	-	-	-	-	-	-	-	(1.664)	(1.664)
Financial liabilities subject to put option of non-controlling interest		-	-	-	-	-	-	-	-	-	-	(2.011)	(2.011)
Other (*)		-	-	-	-	-	-	-	-	-	-	(598)	(598)
Total comprehensive loss		-	-	-	(1.945)	-	56.170	-	-	(672.836)	(618.611)	(186.982)	(805.593)
- Change in financial asset fair value reserve, net		-	-	-	(1.945)	-	-	-	-	-	(1.945)	-	(1.945)
- Currency translation differences		-	-	-	-	-	56.170	-	-	-	56.170	38.902	95.072
- Net loss for the period		-	-	-	-	-	-	-	-	(672.836)	(672.836)	(225.884)	(898.720)
<b>Balances at 30 June 2011</b>	<b>18</b>	<b>2.450.000</b>	<b>143.526</b>	<b>630</b>	<b>(1.298)</b>	<b>-</b>	<b>52.231</b>	<b>1.450.139</b>	<b>(176.459)</b>	<b>(672.836)</b>	<b>3.245.933</b>	<b>812.167</b>	<b>4.058.100</b>

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

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

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

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.**

**CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE  
INTERIM PERIODS ENDED 1 JANUARY-30 JUNE 2011 AND 2010**

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

	Notes	USD(*) 1 January 30 June 2011	Reviewed 1 January 30 June 2011	Reviewed 1 January 30 June 2010
<b>Operating activities:</b>				
Cash provided in operations	32	(234.458)	(382.214)	230.328
Taxes paid		(61.601)	(100.422)	(45.471)
Employment termination benefit paid		(3.233)	(5.270)	(3.749)
<b>Net cash (used in)/provided by operating activities</b>		<b>(299.292)</b>	<b>(487.906)</b>	<b>181.108</b>
<b>Investing activities:</b>				
Purchase of investment property	10	(3.992)	(6.507)	(7.674)
Purchase of property, plant and equipment	11	(111.811)	(182.274)	(139.674)
Purchase of intangible assets	12	(25.739)	(41.959)	(43.068)
Proceeds from sale of investment property, property, plant and equipment, intangible assets		9.077	14.798	58.909
Proceeds from disposal of financial investment		22.221	36.225	-
Proceeds from disposal of joint ventures		16.822	27.424	(425)
Change in other non-current assets and long-term liabilities		30.514	49.741	(59.364)
<b>Net cash used in investing activities</b>		<b>(62.908)</b>	<b>(102.552)</b>	<b>(191.296)</b>
<b>Financing activities:</b>				
Proceeds of issuance of share capital to non-controlling interests		151.469	246.924	50.430
Dividends paid to non-controlling interests		(1.021)	(1.664)	(20.074)
Change in borrowings, net		(40.059)	(65.304)	(46.210)
Interest paid		(37.973)	(61.904)	(70.687)
Interest received		59.168	96.457	69.656
<b>Net cash provided by / (used) in financing activities</b>		<b>131.584</b>	<b>214.509</b>	<b>(16.885)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(230.616)</b>	<b>(375.949)</b>	<b>(27.073)</b>
Cash and cash equivalents at the beginning of the period	6	2.121.721	3.458.829	2.034.716
<b>Cash and cash equivalents at the end of the period</b>	<b>6</b>	<b>1.891.105</b>	<b>3.082.880</b>	<b>2.007.643</b>

(\*) As explained in the Note 2.1.3 to the condensed consolidated financial statements, USD amounts shown in these consolidated financial statements have been included solely for the convenience of the reader and are translated from TRY, as a matter of arithmetic computation only, at the Central Bank of the Republic of Turkey official TRY exchange rate. Thus, USD amounts do not form a part of the consolidated financial statements prepared in accordance with generally accepted accounting standards issued by the Capital Market Board ("CMB") as at 30 June 2011.

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

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**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.**

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

**NOTE 1 - ORGANIZATION AND NATURE OF OPERATIONS**

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

Doğan Holding is registered with the Capital Markets Board (“CMB”) and its shares have been quoted on the Istanbul Stock Exchange (“ISE”) since 21 June 1993. Within the frame of Resolution No: 21/655 dated 23 July 2010 of CMB; according to the records of Central Registry Agency, the %27,48 shares of Doğan Holding are to be considered in “circulation” as of 30 June 2011.

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

Burhaniye Mahallesi Kısıklı Caddesi No: 65  
Üsküdar 34696 İstanbul

Doğan Holding’s principal activities are in Turkey and its activities are presented under three segments for reporting purposes until the completion of share transfer of the joint venture, Petrol Ofisi A.Ş and its subsidiaries (“Petrol Ofisi” or “POAŞ”) which are forming the part of “energy” segment, on the date of 22 December 2010 and after that the activities are presented under two segments:

- Media
- Other

In the consolidated financial statements of 30 June 2011, “energy” segment is not reported as a separate segment because the share transfer is completed on 22 December 2010. In the consolidated financial statements for the period ended 30 June 2010, POAŞ was reclassified as “discontinued operations” (Note 25) in the consolidated income statements for the period ended 30 June 2010 in accordance with the comparative principle.

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

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**NOTE 1 - ORGANIZATION AND NATURE OF OPERATIONS (Continued)**

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

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

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**NOTE 1 - ORGANIZATION AND NATURE OF OPERATIONS (Continued)**

Subsidiaries	Country	Nature of business	Segment
OOO Pronto Krasnodar	Russia	Newspaper and internet publishing	Media
OOO Pronto Krasnoyarsk	Russia	Newspaper and internet publishing	Media
OOO Pronto 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 Peterburg	Russia	Newspaper and internet publishing	Media
OOO Pronto Samara	Russia	Newspaper and internet publishing	Media
OOO Pronto Stavropol	Russia	Newspaper and internet publishing	Media
OOO Pronto UlanUde	Russia	Newspaper and internet publishing	Media
OOO Pronto Vladivostok	Russia	Newspaper and internet publishing	Media
OOO Pronto Volgograd	Russia	Newspaper and internet publishing	Media
OOO Pronto Moscow	Russia	Newspaper and internet publishing	Media
OOO Pronto Neva	Russia	Newspaper and internet publishing	Media
OOO Tambukan	Russia	Newspaper and internet publishing	Media
OOO Utro Peterburga	Russia	Newspaper and internet publishing	Media
OOO Pronto Astrakhan	Russia	Newspaper and internet publishing	Media
OOO Pronto Kemerovo	Russia	Newspaper and internet publishing	Media
OOO Pronto Smolensk	Russia	Newspaper and internet publishing	Media
OOO Pronto Tula	Russia	Newspaper and internet publishing	Media
OOO Pronto Voronezh	Russia	Newspaper and internet publishing	Media
OOO Tambov-Info	Russia	Newspaper and internet publishing	Media
OOO Pronto Obninsk	Russia	Newspaper and internet publishing	Media
OOO Belpronto	Belarus	Newspaper and internet publishing	Media
OOO Pronto Rostov	Russia	Newspaper and internet publishing	Media
ZAO Pronto Akzhol	Kazakhstan	Newspaper and internet publishing	Media
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 Rosprint	Russia	Publishing services	Media
OOO Rosprint Samara	Russia	Publishing services	Media
OOO Partner-Soft	Russia	Internet Publishing	Media
Pronto Soft	Belarus	Internet Publishing	Media
TOV E-Prostir	Ukraine	Internet Publishing	Media
Impress Media Marketing LLC	Russia	Publishing	Media
OOO Pronto TV	Russia	TV broadcasting	Media
OOO Rektcentr	Russia	Investment	Media
ZAO NPK	Russia	Call Center	Media
Publishing House Pennsylvania Inc.	USA	Investment	Media
Pronto Ust Kamenogorsk	Kazakhstan	Newspaper publishing	Media
Tipeez İnternet Hizmetleri A.Ş.	Turkey	Internet Publishing	Media
Nartek Bilişim Pazarlama Hizm. Tic. A.Ş. (“Nartek”)	Turkey	Internet Publishing	Media
Doğan TV Holding A.Ş. (“Doğan TV”)	Turkey	TV publishing	Media
DTV Haber ve Görsel Yayıncılık A.Ş. (“Kanal D”)	Turkey	TV publishing	Media
İşıl Televizyon ve Yayıncılık A.Ş. (“İşıl TV” or “Star TV”)	Turkey	TV publishing	Media
Mozaik İletişim Hizmetleri A.Ş. (“Mozaik” or “D-smart”)	Turkey	TV publishing	Media
Doruk Televizyon ve Radyo Yayıncılık A.Ş. (“Doruk Televizyon” or “CNN Türk”)	Turkey	TV publishing	Media
Doğan TV Digital Platform İşletmeciliği A.Ş. (“Doğan TV Dijital”)	Turkey	TV publishing	Media
Alp Görsel İletişim Hizmetleri A.Ş. (“Alp Görsel”)	Turkey	TV publishing	Media
Fun Televizyon Yapımcılık Sanayi ve Ticaret A.Ş. (“Fun TV”)	Turkey	TV publishing	Media
Tempo Televizyon Yayıncılık Yapımcılık Sanayi ve Ticaret A.Ş. (“Tempo TV”)	Turkey	TV publishing	Media
Kanalspor Televizyon ve Radyo Yayıncılık A.Ş. (“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

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**NOTE 1 - ORGANIZATION AND NATURE OF OPERATIONS (Continued)**

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

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

**NOTE 1 - ORGANIZATION AND NATURE OF OPERATIONS (Continued)**

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

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

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

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**NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS**

**2.1 Basis of presentation**

**2.1.1 Financial Reporting Standards**

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

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

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

In accordance with the CMB’s Communiqué No: XI-29 entities are free to prepare their interim financial statements as full set or condensed set in compliance with IAS 34 “Interim Financial Reporting”. In this respect, Group preferred to prepare interim condensed consolidated financial statements, these condensed consolidated financial statements are prepared accordance with the Financial Reporting Standards of CMB.

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

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



**CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS  
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(Amounts expressed in thousands of Turkish Lira (“TRY”) unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

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

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

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

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

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

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

**2.1.3 US dollar convenience translation**

US dollar (“USD”) amounts shown in the condensed consolidated financial statements have been included solely for the convenience of the reader and are translated from Turkish lira (“TRY”), as a matter of arithmetic computation only, at the Central Bank of the Republic of Turkey official TRY exchange rate of TRY 1,6302 = USD 1,00 on 30 June 2011. Thus, USD amounts do not form a part of the condensed consolidated financial statements prepared in accordance with generally accepted accounting standards issued by the CMB. Such translations should not be construed as a representation that the TRY amounts have been or could be converted into USD at this or any other rate.

**2.1.4 Consolidation principles**

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

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

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

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

**2.1.4 Consolidation principles(Continued)**

The table below sets out all Subsidiaries included in the scope of consolidation and shows voting power and effective ownership proportions held by Doğan Holding and its Subsidiaries and Doğan Family at 30 June 2011 and 31 December 2010 is as follows:

Subsidiaries	Proportion of voting power held by Doğan Holding and its subsidiaries (%)		Proportion of voting power held by Doğan family members (%)		Total Proportion of voting power held (%)		Proportion of effective ownership interest (%)	
	30 June 2011	31 December 2010	30 June 2011	31 December 2010	30 June 2011	31 December 2010	30 June 2011	31 December 2010
Hürriyet	77,65	77,65	-	-	77,65	77,65	60,95	60,70
Doğan Gazetecilik (1)	70,76	70,76	0,52	0,52	71,28	71,28	53,01	52,74
Bağımsız Gazeteciler (2)	-	100,00	-	-	-	100,00	-	52,74
Kemer Yayıncılık	99,98	99,98	-	-	99,98	99,98	53,00	52,73
Milliyet Verlags (3)	99,88	99,88	0,12	0,12	100,00	100,00	73,90	73,66
DMI	100,00	100,00	-	-	100,00	100,00	69,00	68,66
Hürriyet Medya Basım	100,00	100,00	-	-	100,00	100,00	60,95	60,69
Doğan Ofset	99,93	99,93	-	-	99,93	99,93	60,91	60,65
Mozaik	100,00	100,00	-	-	100,00	100,00	59,90	59,41
Milha (4)	100,00	100,00	-	-	100,00	100,00	59,29	59,03
Doğan Haber	99,85	99,85	-	-	99,85	99,85	67,41	66,92
Doğan Dağıtım	100,00	100,00	-	-	100,00	100,00	74,80	74,41
Doğan Dış Ticaret	100,00	100,00	-	-	100,00	100,00	74,68	74,29
Işıl İthalat İhracat	96,70	96,70	-	-	96,70	96,70	72,21	71,84
Refeks	100,00	100,00	-	-	100,00	100,00	60,95	60,69
E Tüketici	99,80	99,80	0,10	0,10	99,90	99,90	60,82	60,56
Milliyet İnternet (4)	100,00	100,00	-	-	100,00	100,00	53,28	53,00
Yenibir	100,00	100,00	-	-	100,00	100,00	60,95	60,70
Kemer Pazarlama(2)	-	99,96	-	-	-	99,96	-	52,72
TME Teknoloji	100,00	100,00	-	-	100,00	100,00	60,95	60,69
Hürriyet								
Zweigniederlassung	100,00	100,00	-	-	100,00	100,00	60,95	60,70
Hürriyet Invest	100,00	100,00	-	-	100,00	100,00	60,95	60,70
TME (5)	71,14	67,30	-	-	71,14	67,30	43,36	43,18
Mirabridge								
International B.V.	100,00	100,00	-	-	100,00	100,00	43,36	43,18
Pronto Invest B.V.	100,00	100,00	-	-	100,00	100,00	43,36	43,18
TCM Adria d.o.o.	100,00	100,00	-	-	100,00	100,00	43,36	43,18
OOO Rektcentr	100,00	100,00	-	-	100,00	100,00	43,36	43,18
Publishing House								
Pennsylvania Inc.	100,00	100,00	-	-	100,00	100,00	43,36	43,18
Doğan Platform	100,00	100,00	-	-	100,00	100,00	74,92	74,53
Doğan Yayın Holding	74,92	74,53	2,40	2,48	77,32	77,01	74,92	74,53
Fairworld	100,00	100,00	-	-	100,00	100,00	74,68	74,29
Falcon	100,00	100,00	-	-	100,00	100,00	74,68	74,29
Marchant	100,00	100,00	-	-	100,00	100,00	72,21	71,84
Oglasnik d.o.o. (5)	100,00	100,00	-	-	100,00	100,00	43,36	43,18

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

**2.1.4 Consolidation principles(Continued)**

Subsidiaries	Proportion of voting power held by Doğan Holding and its subsidiaries (%)		Proportion of voting power held by Doğan family members (%)		Total Proportion of voting power held (%)		Proportion of effective ownership interest (%)	
	30 June 2011	31 December 2010	30 June 2011	31 December 2010	30 June 2011	31 December 2010	30 June 2011	31 December 2010
Expressz Magyarország								
Media Zrt	100,00	100,00	-	-	100,00	100,00	43,36	43,18
OOO Belpronto	60,00	60,00	-	-	60,00	60,00	26,01	25,91
OOO Pronto Rostov	100,00	100,00	-	-	100,00	100,00	43,36	43,18
OOO Pronto Aktobe	80,00	80,00	-	-	80,00	80,00	27,75	27,64
OOO Pronto Kurgan (6)	-	85,00	-	-	-	85,00	-	36,71
OOO Novoprint	100,00	100,00	-	-	100,00	100,00	43,36	43,18
OOO Delta-M	55,00	55,00	-	-	55,00	55,00	23,85	23,75
OOO Pronto Baikal	100,00	100,00	-	-	100,00	100,00	43,36	43,18
OOO Pronto DV	100,00	100,00	-	-	100,00	100,00	43,36	43,18
OOO Pronto Ivanovo	100,00	100,00	-	-	100,00	100,00	43,36	43,18
OOO Pronto Kaliningrad	95,00	95,00	-	-	95,00	95,00	41,19	41,02
OOO Pronto Kazan	72,00	72,00	-	-	72,00	72,00	31,22	31,09
OOO Pronto Krasnodar	80,00	80,00	-	-	80,00	80,00	34,69	34,54
OOO Pronto								
Krasnoyarsk	100,00	100,00	-	-	100,00	100,00	43,36	43,18
OOO Pronto Nizhny								
Novgorod	90,00	90,00	-	-	90,00	90,00	39,03	38,87
OOO Pronto Novosibirsk	100,00	100,00	-	-	100,00	100,00	43,36	43,18
OOO Pronto Oka (7)	100,00	100,00	-	-	100,00	100,00	43,36	43,18
OOO Pronto Peterburg (8)	51,00	51,00	-	-	51,00	51,00	22,11	22,02
OOO Pronto Samara (9)	100,00	89,90	-	-	100,00	89,90	43,36	38,82
OOO Pronto Stavropol	100,00	100,00	-	-	100,00	100,00	43,36	43,18
OOO Pronto UlanUde	90,00	90,00	-	-	90,00	90,00	39,03	38,87
OOO Pronto Vladivostok	90,00	90,00	-	-	90,00	90,00	39,03	38,87
OOO Pronto Volgograd	100,00	100,00	-	-	100,00	100,00	43,36	43,18
OOO Pronto-Moscow	100,00	100,00	-	-	100,00	100,00	43,36	43,18
OOO Pronto Neva	100,00	100,00	-	-	100,00	100,00	43,36	43,18
OOO Tambukan	85,00	85,00	-	-	85,00	85,00	36,86	36,71
OOO Utro Peterburga (7)	55,00	55,00	-	-	55,00	55,00	23,85	23,75
OOO Pronto Astrakhan	100,00	100,00	-	-	100,00	100,00	43,36	43,18
OOO Pronto Kemerovo	100,00	100,00	-	-	100,00	100,00	43,36	43,18
OOO Pronto Smolensk	100,00	100,00	-	-	100,00	100,00	43,36	43,18
OOO Pronto Tula	100,00	100,00	-	-	100,00	100,00	43,36	43,18
OOO Pronto Voronezh	100,00	100,00	-	-	100,00	100,00	43,36	43,18
OOO Tambov-Info	100,00	100,00	-	-	100,00	100,00	43,36	43,18
OOO Pronto Obninsk	100,00	100,00	-	-	100,00	100,00	43,36	43,18
TOO Pronto-Akmola	100,00	100,00	-	-	100,00	100,00	43,36	43,18
OOO Pronto Atyrau	100,00	100,00	-	-	100,00	100,00	34,69	34,54
OOO Pronto Aktau	100,00	100,00	-	-	100,00	100,00	34,69	34,54
ZAO Pronto Akzhol	80,00	80,00	-	-	80,00	80,00	34,69	34,54
SP Pronto Kiev	50,00	50,00	-	-	50,00	50,00	21,68	21,59
Intemet Posao d.o.o.	100,00	100,00	-	-	100,00	100,00	30,35	30,23
Moje Delo spletni								
Marketing d.o.o. (5)	100,00	100,00	-	-	100,00	100,00	43,36	43,18
Bolji Posao d.o.o. Serbia	100,00	100,00	-	-	100,00	100,00	23,85	23,75
Bolji Posao d.o.o. Bosnia	100,00	100,00	-	-	100,00	100,00	23,85	23,75
OOO RUKOM	100,00	100,00	-	-	100,00	100,00	43,36	43,18

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

**2.1.4 Consolidation principles(Continued)**

Subsidiaries	Proportion of voting power held by Doğan Holding and its subsidiaries (%)		Proportion of voting power held by Doğan family members (%)		Total Proportion of voting power held (%)		Proportion of effective ownership interest (%)	
	30 June 2011	31 December 2010	30 June 2011	31 December 2010	30 June 2011	31 December 2010	30 June 2011	31 December 2010
OOO Partner-Soft	100,00	100,00	-	-	100,00	100,00	39,03	43,18
Pronto soft	90,00	90,00	-	-	90,00	90,00	39,03	38,87
TOV E-Prostir	50,00	50,00	-	-	50,00	50,00	21,68	21,59
Prime Turk	100,00	100,00	-	-	100,00	100,00	59,72	59,41
Osmose Media	100,00	100,00	-	-	100,00	100,00	59,72	59,41
OOO Rosprint	100,00	100,00	-	-	100,00	100,00	43,36	43,18
OOO Rosprint Samara	100,00	100,00	-	-	100,00	100,00	43,36	43,18
Impress Media								
Marketing LLC (5)	100,00	100,00	-	-	100,00	100,00	43,36	43,18
OOO Pronto TV	100,00	100,00	-	-	100,00	100,00	43,36	43,18
Pronto Ust Kamenogorsk	90,00	90,00	-	-	90,00	90,00	34,69	34,54
Doğan TV	79,71	79,71	0,39	-	80,10	79,71	59,72	59,41
Kanal D	94,81	94,81	5,19	-	100,00	94,81	56,62	56,33
Işıl TV	100,00	100,00	-	-	100,00	100,00	59,72	59,41
Alp Görsel	100,00	100,00	-	-	100,00	100,00	59,72	59,41
Fun TV	97,12	97,12	-	-	97,12	97,12	57,99	57,70
Tempo TV	96,83	96,83	-	-	96,83	96,83	57,95	57,48
Kanalspor	99,75	99,75	0,12	0,12	99,88	99,88	59,70	59,21
Milenyum TV	99,96	99,96	-	-	99,96	99,96	59,70	59,39
TV 2000	99,07	99,07	0,46	0,46	99,53	99,53	59,29	58,81
Moda Radyo	99,82	99,74	0,09	0,09	99,91	99,83	59,62	59,25
Popüler TV	96,00	96,00	1,33	1,33	97,33	97,33	57,45	56,98
D Yapım Reklamcılık	100,00	100,00	-	-	100,00	100,00	59,72	59,41
Bravo TV	99,73	99,73	-	-	99,73	99,73	59,69	59,20
Doğa TV	98,12	98,12	0,63	0,63	98,75	98,75	58,73	58,25
Altın Kanal	99,35	99,35	0,22	0,22	99,57	99,57	59,46	58,97
Stil TV	99,39	99,39	0,31	0,31	99,70	99,70	59,48	58,99
Selenit TV	99,81	99,81	0,06	0,06	99,87	99,87	59,73	59,24
Elit TV	99,05	99,05	0,32	0,32	99,37	99,37	59,28	58,79
D Çocuk	99,41	99,41	0,30	0,30	99,71	99,71	59,49	59,01
Ekinoks TV	99,87	99,80	0,07	0,07	99,94	99,87	59,77	59,24
Dönence TV	97,87	97,87	1,07	1,07	98,94	98,94	58,57	58,09
Fleks TV	98,79	98,79	0,60	0,60	99,39	99,39	59,12	58,64
Meridyen TV	99,98	99,98	0,01	0,01	99,99	99,99	59,85	59,36
Planet TV	99,65	99,65	0,17	0,17	99,82	99,82	59,63	59,15
HD TV	99,81	99,81	0,10	0,10	99,91	99,91	59,73	59,24
Ekin Radyo	100,00	100,00	-	-	100,00	100,00	59,71	59,40
Doğan Prodüksiyon	100,00	100,00	-	-	100,00	100,00	59,72	59,41
Doğan TV Dijital	99,80	99,80	0,10	0,10	99,90	99,90	59,84	59,24
Kutup TV	99,79	99,79	0,11	0,11	99,90	99,90	59,72	59,23
Galaksi TV	99,20	99,20	-	-	99,20	99,20	59,37	58,88
Opal İletişim	99,93	99,92	-	-	99,93	99,92	59,68	59,36
Koloni TV	90,00	90,00	3,34	3,34	93,34	93,34	53,75	53,47
Atılğan TV	90,00	90,00	3,33	6,67	93,33	96,67	53,75	53,47
Atmosfer TV	86,67	86,67	3,33	3,33	90,00	90,00	51,87	51,44
Gümüş TV	92,86	92,86	1,79	1,79	94,65	94,65	55,57	55,12
Platin TV	91,30	91,30	2,17	2,17	93,47	93,47	54,64	54,19
Yörünge TV	98,39	98,39	0,40	0,40	98,79	98,79	58,88	58,40
Doruk Televizyon	99,91	99,91	0,03	0,03	99,94	99,94	59,66	59,35

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

**2.1.4 Consolidation principles(Continued)**

Subsidiaries	Proportion of voting power held by Doğan Holding and its subsidiaries (%)		Proportion of voting power held by Doğan family members (%)		Total Proportion of voting power held (%)		Proportion of effective ownership interest (%)	
	30 June 2011	31 December 2010	30 June 2011	31 December 2010	30 June 2011	31 December 2010	30 June 2011	31 December 2010
Safir Televizyon	90,00	90,00	3,33	3,33	93,33	93,33	53,86	53,42
Tematik TV	90,00	90,00	3,33	3,33	93,33	93,33	53,75	53,47
Akustik TV	99,96	99,96	0,01	0,01	99,97	99,97	59,85	59,36
Ametist TV	99,96	99,96	0,01	0,01	99,97	99,97	59,88	59,39
Süper Kanal	99,65	99,65	0,12	0,12	99,77	99,77	59,64	59,15
Uydu	58,67	58,67	32,00	32,00	90,67	90,67	35,10	34,83
Mobil (10)	99,99	99,99	-	-	99,99	99,99	59,72	59,41
Matis TV (11)	100,00	100,00	-	-	100,00	100,00	59,90	59,41
Yonca TV	100,00	100,00	-	-	100,00	100,00	59,72	59,41
İnci TV (12)	86,67	86,67	3,33	3,33	90,00	90,00	51,87	51,44
Kuvars TV	86,67	86,67	3,33	3,33	90,00	90,00	51,87	51,44
Lal TV	86,67	86,67	3,33	3,33	90,00	90,00	51,87	51,44
Truva TV (13)	86,67	86,67	3,33	3,33	90,00	90,00	51,87	51,44
Kayra TV (14)	86,67	86,67	3,33	3,33	90,00	90,00	51,87	51,44
Milas TV (12)	86,67	86,67	3,33	3,33	90,00	90,00	51,87	51,44
Kanal D Romanya	79,92	74,90	-	-	79,92	74,90	55,14	51,43
Anemon	99,99	99,99	-	-	99,99	99,99	59,72	59,40
Yosun	99,99	99,99	-	-	99,99	99,99	59,72	59,40
Denizati	99,99	99,99	-	-	99,99	99,99	59,72	59,40
Protema Yapım	99,99	99,99	0,01	0,01	100,00	100,00	59,72	59,41
Doğan Teleshopping	99,99	99,99	-	-	99,99	99,99	59,70	59,38
ZAO NPK	100,00	100,00	-	-	100,00	100,00	43,36	43,18
D Radyo	99,39	98,79	-	-	99,39	98,79	59,36	58,69
Rapsodi Radyo	99,07	98,14	-	-	99,07	98,14	59,17	58,31
CNN Türk Radyo	95,91	95,76	-	-	95,91	95,76	57,28	56,89
DMC	99,96	99,96	0,01	0,01	99,97	99,97	64,55	64,22
İnteraktif Medya	100,00	100,00	-	-	100,00	100,00	59,72	59,41
DMK	100,00	100,00	-	-	100,00	100,00	74,92	74,53
Hürservis	100,00	100,00	-	-	100,00	100,00	73,33	72,95
Birpa (15)	-	99,98	-	0,01	-	99,99	-	74,52
Doğan İletişim	100,00	100,00	-	-	100,00	100,00	74,92	74,53
Doğan Factoring	100,00	100,00	-	-	100,00	100,00	74,46	74,08
Aras Prodüksiyon (16)	99,99	49,99	-	-	99,99	49,99	59,72	29,70
Nartek	60,00	60,00	-	-	60,00	60,00	36,57	36,42
Milpa	86,27	86,27	0,22	0,22	86,49	86,49	86,27	86,27
Doğan Oto	99,76	99,76	0,24	0,24	100,00	100,00	99,76	99,76
Enteralle Handels	100,00	100,00	-	-	100,00	100,00	86,27	86,27
Orta Anadolu Otomotiv	85,00	85,00	-	-	85,00	85,00	84,80	84,80
Doğan Havacılık	100,00	100,00	-	-	100,00	100,00	91,44	91,34
Çelik Halat	78,69	78,69	-	-	78,69	78,69	78,69	78,69
Ditaş Doğan	73,59	73,59	-	-	73,59	73,59	73,59	73,59
Milta Turizm	98,68	98,68	1,32	1,32	100,00	100,00	98,68	98,68
Doğan Organik	100,00	100,00	-	-	100,00	100,00	98,57	98,57
Zigana	85,01	84,91	-	-	85,01	84,91	85,01	84,91
Çelik Enerji	100,00	100,00	-	-	100,00	100,00	99,88	99,88
Doğan Enerji	100,00	100,00	-	-	100,00	100,00	100,00	100,00
D-Yapı Romanya	100,00	100,00	-	-	100,00	100,00	100,00	100,00
D Stroy	100,00	100,00	-	-	100,00	100,00	100,00	100,00
SC Doğan Hospitals	100,00	100,00	-	-	100,00	100,00	100,00	100,00

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

**2.1.4 Consolidation principles(Continued)**

<b>Subsidiaries</b>	<b>Proportion of voting power held by Doğan Holding and its subsidiaries (%)</b>		<b>Proportion of voting power held by Doğan family members (%)</b>		<b>Total Proportion of voting power held (%)</b>		<b>Proportion of effective ownership interest (%)</b>	
	<b>30 June 2011</b>	<b>31 December 2010</b>	<b>30 June 2011</b>	<b>31 December 2010</b>	<b>30 June 2011</b>	<b>31 December 2010</b>	<b>30 June 2011</b>	<b>31 December 2010</b>
DHI Investment	100,00	100,00	-	-	100,00	100,00	100,00	100,00

- (1) According to the statutory records of Doğan Gazetecilik, proportion of effective ownership interest of Doğan Yayın is 53,01%. Nevertheless, in consequence of the option explained in Note 8, the operational results of Doğan Gazetecilik and its subsidiaries are included into the consolidation by the Group with the rate of 69,50% by considering the additional share proportion in accordance with IAS 32 “Financial Instruments: Presentation”.
- (2) The sale and transfer procedures of Bağımsız Gazeteciler and Kemer Yayıncılık Pazarlama have been completed as of 2 May 2011.
- (3) The company is in the liquidation process as of 27 December 2010.
- (4) Corporate titles of Milliyet Haber Ajansı A.Ş. and Milliyet İnternet Hizmetleri ve Ticaret A.Ş. have been changed and registered as Posta Haber Ajansı A.Ş and Doğan Gazetecilik İnternet Hizmetleri ve Ticaret A.Ş., respectively on 1 July 2011.
- (5) Related rates include put-options regarding non-controlling shares explained in Note 15.
- (6) The shares of related subsidiary were sold in 2011.
- (7) The related subsidiaries have ceased their operations before the year 2010.
- (8) The related subsidiary has been classified as held for sale.
- (9) The related subsidiary purchased 10,1% shares from non-controlling interests in 2011.
- (10) The operations have been ceased as of 28 July 2010.
- (11) The company is in the liquidation process as of 8 April 2011.
- (12) Related companies are in the liquidation process as of 11 April 2011.
- (13) The company is in the liquidation process as of 6 April 2011.
- (14) The company is in the liquidation process as of 11 April 2011.
- (15) As of March 2011, the company was merged with Mozaik in accordance with the relevant legislation.
- (16) 50% shares of Aras Prodüksiyon ve Satış A.Ş., which was accounted as joint venture as of 31 December 2009, was purchased by Doğan TV Holding A.Ş. for TRY 25. Regarding to the purchase, Aras Prodüksiyon ve Satış A.Ş. has been accounted as subsidiary and started to be included in the consolidated financial statements.

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

**2.1.4 Consolidation principles (Continued)**

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

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

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

**2.1.4 Consolidation principles (Continued)**

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

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

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

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

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

The consolidated financial statements of the Group are prepared comparatively to enable the determination of the trends of the financial position and performance. The Group presented the balance sheet at 30 June 2011 comparatively with the balance sheet at 31 December 2010, the consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of cash flow and consolidated statement of changes in shareholders’ equity for the three month period 30 June 2011 comparatively with the related financial statements for the interim period 1 January – 30 June 2010.

**2.1.6 Significant accounting estimates**

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



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

**2.1.7 Offsetting**

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

**2.2 Summary of significant accounting policies**

Accounting policies for Subsidiaries and Joint Ventures have been changed to ensure consistency with the policies adopted by the Group, where necessary. Significant accounting policies of the Group applied for the condensed consolidated financial statements for the interim period ended as of 30 June 2011 are same with the policies declared in consolidated financial statements as of 31 December 2010, these policies are applied consistently. The condensed consolidated interim financial statements prepared for the interim period 1 January – 30 June 2011 should be read in conjunction with the annual consolidated financial statements for the year 2010.

**2.3 New and revised International Financial Reporting Standards:**

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

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

None.

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

These standards, amendments and interpretations do not have a significant impact on the Group's financial performance or financial condition.

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

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

**IFRS 7 Financial Instruments: Disclosures (as part of Improvements to IFRSs issued in 2010)**

The amendment encourages qualitative disclosures in the context of the quantitative disclosure required to help users to form an overall picture of the nature and extent of risks arising from financial instruments. The amendment also clarifies the required level of disclosure around credit risk and collateral held and provides relief from disclosure of renegotiated loans. The amendments have been applied retrospectively.

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

**2.3 New and revised International Financial Reporting Standards (continued)**

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

**IAS 24 (2009) ‘Related Party Disclosures’**

In November 2009, IAS 24 “Related Party Disclosures” was revised. The revision to the standard provides government-related entities with a partial exemption from the disclosure requirements of IAS 24. The revised standard is mandatory for annual periods beginning on or after 1 January 2011.

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

The amendments to IAS 32 and IAS 1 are effective for annual periods beginning on or after 1 February 2010. The amendments address the accounting for rights issues (rights, options or warrants) that are denominated in a currency other than the functional currency of the issuer. Previously, such rights issues were accounted for as derivative liabilities. However, the amendment requires that, provided certain conditions are met, such rights issues are classified as equity regardless of the currency in which the exercise price is denominated.

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

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

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

Amendments to IFRIC 14 are effective for annual periods beginning on or after 1 January 2011. The amendments affect entities that are required to make minimum funding contributions to a defined benefit pension plan and choose to pre-pay those contributions. The amendment requires an asset to be recognized for any surplus arising from voluntary pre-payments made.

**IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments**

IFRIC 19 is effective for annual periods beginning on or after 1 July 2010. IFRIC 19 addresses only the accounting by the entity that issues equity instruments in order to settle, in full or part, a financial liability.

**Annual Improvements May 2010**

Further to the above amendments and revised standards, the IASB has issued Annual Improvements to IFRSs in May 2010 that cover 5 main standards/intepretations as follow: IFRS 1 *First-time Adoption of International Financial Reporting Standards*; IFRS 3 *Business Combinations*; IAS 27 *Consolidated and Separate Financial Statements*; IAS 34 *Interim Financial Reporting* and IFRIC 13 *Customer Loyalty Programmes*. With the exception of amendments to IFRS 3 and IAS 27 which are effective on or after 1 July 2010, all other amendments are effective on or after 1 January 2011.

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

**2.3 New and revised International Financial Reporting Standards (continued)**

(c) The following new standards, new interpretations and amendments to standards and interpretations that are not effective and have not been early adopted by the Group.

**IFRS 1 (amendments) *First-time Adoption of IFRS***

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

**IFRS 7 *Financial Instruments: Disclosures***

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

**IFRS 9 *Financial Instruments: Classification and Measurement***

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

**IAS 12 *Income Taxes***

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

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

**2.3 New and revised International Financial Reporting Standards (continued)**

*(c) The following new standards, new interpretations and amendments to standards and interpretations that are not effective and have not been early adopted by the Group (continued)*

**IFRS 10 Consolidated Financial Statements**

IFRS 10 replaces the consolidation guidance in IAS 27 Consolidated and Separate Financial Statements and IFRIC-12 Consolidation — Special Purpose Entities by introducing a single consolidation model for all entities based on control, irrespective of the nature of the investee (i.e., whether an entity is controlled through voting rights of investors or through other contractual arrangements as is common in special purpose entities).

Under IFRS 10, control is based on whether an investor has 1) power over the investee that is subject to consolidation; 2) exposure, or rights, to variable returns from its involvement with the investee that is subject to consolidation; and 3) the ability to use its power over the investee that is subject to consolidation to affect the amount of the returns. The new standard is mandatory for annual periods beginning on or after 1 January 2013. The Group has not yet considered the potential impact of the adoption of this revised standard.

**IFRS 11 Joint Arrangements**

IFRS 11 introduces new accounting requirements for joint arrangements, replacing IAS 31 Interests in Joint Ventures. The option to apply the proportional consolidation method when accounting for jointly controlled entities is removed. Additionally, IFRS 11 eliminates jointly controlled assets to now only differentiate between joint operations and joint ventures. A joint operation is a joint arrangement whereby the parties that have joint control have rights to the assets and obligations for the liabilities. A joint venture is a joint arrangement whereby the parties that have joint control have rights to the net assets. The new standard is mandatory for annual periods beginning on or after 1 January 2013. The Group has not yet considered the potential impact of the adoption of this revised standard.

**IFRS 12 Disclosure of Interest In Other Entities**

IFRS 12 requires extensive disclosures relating to an entity’s interests in subsidiaries, joint arrangements, associates and unconsolidated structured entities. An entity is required to disclose information that helps users of its financial statements evaluate the nature of and risks associated with its interests in other entities and the effects of those interests on its financial statements. The new standard is mandatory for annual periods beginning on or after 1 January 2013. The Group has not yet considered the potential impact of the adoption of this revised standard.

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

**2.3 New and revised International Financial Reporting Standards (continued)**

*(c) The following new standards, new interpretations and amendments to standards and interpretations that are not effective and have not been early adopted by the Group(continued)*

**IAS 27 *Separate Financial Statements* (2011)**

The requirements relating to separate financial statements are unchanged and are included in the amended IAS 27. The other portions of IAS 27 are replaced by IFRS 10.

**IAS 28 *Investments in Associates and Joint Ventures* (2011)**

IAS 28 is amended for conforming changes based on the issuance of IFRS 10, IFRS 11 and IFRS 12.

**IFRS 13 *Fair Value Measurements***

On 12 May 2011, IASB issued IFRS 13 Fair Value Measurement, which establishes a single source of guidance for fair value measurement under IFRSs. IFRS 13 defines fair value, provides guidance on its determination and introduces consistent requirements for disclosures on fair value measurements. The Standard does not include requirements on when fair value measurements is required; it prescribes how fair value is to be measured if another Standard requires it. The new standard is mandatory for annual periods beginning on or after 1 January 2013. The Group has not yet considered the potential impact of the adoption of this revised standard.

**IAS 1 *Presentation of Financial Statements* (2011) – *Presentation of Items of Other Comprehensive Income***

The amendments to IAS 1 provides guidance on the presentation of items contained in other comprehensive income (OCI) and their classification within OCI. The new standard is mandatory for annual periods beginning on or after 1 July 2012. The Group has not yet considered the potential impact of the adoption of this revised standard.

**IAS 19 *Employee Benefits* (2011) (the “amendments”)**

The amendments to IAS 19 change the accounting for defined benefit plans and termination benefits. The new standard is mandatory for annual periods beginning on or after 1 January 2013. The Group has not yet considered the potential impact of the adoption of this revised standard.

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**NOTE 3 - BUSINESS COMBINATIONS**

The details of the business combinations during as of 30 June 2011 and 2010 are as follows:

**1 January – 30 June 2011**

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

**1 January – 30 June 2010**

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

**NOTE 4 - JOINT VENTURES**

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

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

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**NOTE 4 - JOINT VENTURES (Continued)**

The table below sets out the Joint Ventures, the proportion of voting power held by Doğan Holding, its subsidiaries and Doğan family and effective ownership interests at 30 June 2011 and 31 December 2010:

Company Name	Proportion of voting power held by Doğan Holding and its subsidiaries (%)		Proportion of voting power held by Doğan family members (%)		Total Proportion of voting power held(%)		Total proportion of effective ownership interest (%)	
	30 June 2011	31 December 2010	30 June 2011	31 December 2010	30 June 2011	31 December 2010	30 June 2011	31 December 2010
ASPM Holding B.V.	51,00	51,00	-	-	51,00	51,00	22,11	22,02
OOO Autoscout24	51,00	51,00	-	-	51,00	51,00	22,11	22,02
DB	44,89	44,89	-	-	44,89	44,89	33,63	33,46
DB Popüler	44,87	44,87	-	-	44,87	44,87	33,62	33,44
Doğan Egmont	50,00	50,00	-	-	50,00	50,00	37,46	37,27
DPP	46,00	46,00	10,00	10,00	56,00	56,00	34,42	34,24
Ultra Kablolu (1)	50,00	50,00	-	-	50,00	50,00	37,46	37,27
TNT	75,04	75,04	-	-	75,04	75,04	44,82	44,58
Birey İK	50,00	50,00	50,00	50,00	100,00	100,00	26,51	26,37
Katalog (2)	50,00	50,00	-	-	50,00	50,00	37,46	37,27
Tipeez	30,00	30,00	-	-	30,00	30,00	18,29	18,21
DD Konut Finansman	47,00	47,00	4,00	4,00	51,00	51,00	47,00	47,00
Aslancık Elektrik	33,33	33,33	-	-	33,33	33,33	33,33	33,33
D Tes	25,00	25,00	-	-	25,00	25,00	25,00	25,00
Boyabat Elektrik	33,00	33,00	-	-	33,00	33,00	33,00	33,00
İsedaş	45,00	45,00	-	-	45,00	45,00	45,00	45,00
Gas Plus Erbil	50,00	50,00	-	-	50,00	50,00	50,00	50,00

(1) The operations have been terminated as of November, 2006.

(2) The operations have been terminated as of September, 2009.

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**NOTE 4 - JOINT VENTURES (Continued)**

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

	<b>30 June 2011</b>	<b>31 December 2010</b>
Current assets	91.178	74.898
Non-current assets	605.061	404.210
<b>Total assets</b>	<b>696.239</b>	<b>479.108</b>
Current liabilities	148.188	81.457
Non-current liabilities	327.765	257.764
Equity	220.286	139.887
<b>Total liabilities and equity</b>	<b>696.239</b>	<b>479.108</b>

  

	<b>1 January- 30 June 2011</b>	<b>1 April- 30 June 2011</b>	<b>1 January- 30 June 2010</b>	<b>1 April- 30 June 2010</b>
Revenues	48.715	28.393	4.118.798	2.329.493
Gross profit	19.246	19.252	267.206	133.289
Net profit for the period	(4.446)	(4.543)	4.868	(14.753)

**NOTE 5 - SEGMENT REPORTING**

**a) External revenues**

	<b>1 January - 30 June 2011</b>	<b>1 April- 30 June 2011</b>	<b>1 January- 30 June 2010</b>	<b>1 April- 30 June 2010</b>
Media	1.368.124	763.402	1.238.742	675.637
Other	125.285	64.387	87.154	46.219
	<b>1.493.409</b>	<b>827.789</b>	<b>1.325.896</b>	<b>721.856</b>

**b) (Loss)/profit before income taxes**

	<b>1 January- 30 June 2011</b>	<b>1 April- 30 June 2011</b>	<b>1 January- 30 June 2010</b>	<b>1 April- 30 June 2010</b>
Media	(950.716)	(592.845)	(34.289)	7.438
Other	198.153	136.905	57.101	43.921
Discontinued operations elimination	-	-	1.178	1.244
	<b>(752.563)</b>	<b>(455.940)</b>	<b>23.990</b>	<b>52.603</b>



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**NOTE 5 - SEGMENT REPORTING (Continued)**

c) The analysis of sectoral information for the period ended 30 June 2011;

	<b>Media (*)</b>	<b>Other (*)</b>	<b>Inter segment elimination</b>	<b>Total</b>
External revenues	1.368.124	125.285	-	1.493.409
Intra segment revenues	858.522	4.888	-	863.410
Inter segment revenues	7.073	167	-	7.240
<b>Total revenues</b>	<b>2.233.719</b>	<b>130.340</b>	<b>-</b>	<b>2.364.059</b>
<b>Total cost of sales</b>	<b>(1.672.881)</b>	<b>(119.508)</b>	<b>-</b>	<b>(1.792.389)</b>
Revenues	1.375.197	125.452	(7.240)	1.493.409
Cost of sales	(968.990)	(119.443)	-	(1.088.433)
<b>Gross profit</b>	<b>406.207</b>	<b>6.009</b>	<b>(7.240)</b>	<b>404.976</b>
Marketing, selling and distribution expenses	(167.469)	(5.402)	5.614	(167.257)
General administrative expenses	(153.784)	(27.872)	1.527	(180.129)
Other income/(expenses), net	(927.839)	(5.574)	111	(933.302)
Financial income	66.966	387.371	(14)	454.323
Financial expenses	(174.797)	(156.379)	2	(331.174)
<b>(Loss)/profit before income taxes</b>	<b>(950.716)</b>	<b>198.153</b>	<b>-</b>	<b>(752.563)</b>

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

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**NOTE 5 - SEGMENT REPORTING (Continued)**

c) Segmental analysis for the three- month period between 1 April and 30 June 2011;

	<b>Media (*)</b>	<b>Other (*)</b>	<b>Inter segment elimination</b>	<b>Total</b>
External revenues	763.402	64.387	-	827.789
Intra segment revenues	434.342	3.370	-	437.712
Inter segment revenues	3.336	157	-	3.493
<b>Total revenues</b>	<b>1.201.080</b>	<b>67.914</b>	<b>-</b>	<b>1.268.994</b>
<b>Total cost of sales</b>	<b>(968.990)</b>	<b>(60.113)</b>	<b>-</b>	<b>(1.029.103)</b>
Revenues	766.738	64.544	(3.493)	827.789
Cost of sales	(509.388)	(60.055)	-	(569.443)
<b>Gross profit</b>	<b>257.350</b>	<b>4.489</b>	<b>(3.493)</b>	<b>258.346</b>
Marketing, selling and distribution expenses	(91.474)	(2.500)	2.560	(91.414)
General administrative expenses	(81.568)	(12.627)	911	(93.284)
Other income/(expenses), net	(595.937)	(9.959)	32	(605.864)
Financial income	26.539	229.173	(10)	255.702
Financial expenses	(107.755)	(71.671)	-	(179.426)
<b>(Loss)/profit before income taxes</b>	<b>(592.845)</b>	<b>136.905</b>	<b>-</b>	<b>(455.940)</b>

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

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**NOTE 5 - SEGMENT REPORTING (Continued)**

c) Sectoral information analysis for the period 1 January – 30 June 2010;

	Media (*)	Energy	Other (*)	Inter segment elimination	Total
External revenues	1.238.742	-	87.154	-	1.325.896
Intra segment revenues	795.785	-	22.118	-	817.903
Inter segment revenues	1.671	-	9.187	-	10.858
<b>Total revenues</b>	<b>2.036.198</b>	-	<b>118.459</b>	-	<b>2.154.657</b>
<b>Total cost of sales</b>	<b>(1.552.380)</b>	-	<b>(113.010)</b>	-	<b>(1.665.390)</b>
Revenues	1.240.413	-	96.342	(10.859)	1.325.896
Cost of sales	(903.510)	-	(111.920)	1.138	(1.014.292)
<b>Gross profit</b>	<b>336.903</b>	-	<b>(15.578)</b>	<b>(9.721)</b>	<b>311.604</b>
Marketing, selling and distribution expenses	(153.185)	-	(6.561)	1.493	(158.253)
General administrative expenses	(141.365)	-	(22.779)	9.413	(154.731)
Other income/(expenses), net	(14.991)	-	28.267	74	13.350
Share of profit of investments accounted for by equity method	-	-	-	-	-
Financial income	58.126	-	129.995	(122)	187.999
Financial expenses	(119.777)	-	(56.243)	41	(175.979)
<b>(Loss)/profit before income taxes Before inter segment elimination</b>	<b>(34.289)</b>	-	<b>57.101</b>	<b>1.178</b>	<b>23.990</b>
<b>Profit after tax from discontinued operations</b>	-	<b>7.977</b>	-	<b>(1.178)</b>	<b>6.799</b>

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

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**NOTE 5 - SEGMENT REPORTING (Continued)**

c) Segmental analysis for the three- month period between 1 April and 30 June 2010;

	Media (*)	Energy	Other (*)	Inter segment elimination	Total
External revenues	675.637	-	46.219	-	721.856
Intra segment revenues	387.000	-	20.911	-	407.911
Inter segment revenues	1.360	-	2.129	-	3.489
<b>Total revenues</b>	<b>1.063.997</b>	<b>-</b>	<b>69.259</b>	<b>-</b>	<b>1.133.256</b>
<b>Total cost of sales</b>	<b>(767.798)</b>	<b>-</b>	<b>(65.506)</b>	<b>-</b>	<b>(833.304)</b>
Revenues	676.997	-	48.349	(3.490)	721.856
Cost of sales	(461.219)	-	(64.418)	986	(524.651)
<b>Gross profit</b>	<b>215.778</b>	<b>-</b>	<b>(16.069)</b>	<b>(2.504)</b>	<b>197.205</b>
Marketing, selling and distribution expenses	(81.130)	-	(4.314)	1.165	(84.279)
General administrative expenses	(72.557)	-	(12.889)	2.625	(82.821)
Research and development expenses	-	-	-	-	-
Other income/(expenses), net	(12.283)	-	26.986	(36)	14.667
Share of profit of investments accounted for by equity method	-	-	-	-	-
Financial income	28.074	-	76.810	(200)	104.684
Financial expenses	(70.444)	-	(26.600)	191	(96.853)
<b>Loss/profit before income taxes</b>	<b>7.438</b>	<b>-</b>	<b>43.924</b>	<b>1.241</b>	<b>52.603</b>
<b>Profit after tax from discontinued operations</b>	<b>-</b>	<b>(3.300)</b>	<b>-</b>	<b>(1.241)</b>	<b>(4.541)</b>

(\*) Doğan Havacılık, which is accounted for using the equity method by Doğan Yayın, parent company of Media Segment, is consolidated on a line-by-line basis by the

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Group since it is controlled by the Group and it is reported in “Other” segment.

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NOTE 5 - SEGMENT REPORTING (Continued)

d) Segment assets

	30 June 2011	31 December 2010
<b><u>Total assets</u></b>		
Media <sup>(1)</sup>	4.660.835	3.883.535
Other	5.562.225	5.209.101
	<b>10.223.060</b>	<b>9.092.636</b>
Less: segment elimination <sup>(2)</sup>	(1.831.210)	(1.059.309)
<b>Total assets per consolidated financial statements</b>	<b>8.391.850</b>	<b>8.033.327</b>
<b><u>Shareholder's Equity</u></b>		
Media <sup>(1)</sup>	1.272.707	1.246.119
Other	4.560.637	4.396.923
<b>Total</b>	<b>5.833.344</b>	<b>5.643.042</b>
Less: segment elimination <sup>(3)</sup>	(1.775.244)	(1.022.000)
<b>Shareholders' equity</b>	<b>4.058.100</b>	<b>4.621.042</b>
Non-controlling interests	(812.167)	(756.498)
<b>Total net shareholder's equity per consolidated financial statements</b>	<b>3.245.933</b>	<b>3.864.544</b>

- 1) Doğan Havacılık, which is accounted for using the equity method by Doğan Yayın, parent company of Media Segment, is consolidated on a line-by-line basis by the Group since it is controlled by the Group and it is reported in “Other” segment. Carrying amount of this equity method in the consolidated financial statements of Doğan Yayın is offset against the total assets and total equity of Media Segment.
- 2) Segment elimination balance consists of the elimination of investment balance of Doğan Yayın within the total assets of the Group and also the receivable and payable elimination balances between Media and Other segments.
- 3) Segment elimination balance represents the elimination between the adjusted capital amount of Doğan Yayın within the total equity of the Group against the investment balance of Doğan Yayın owned by the Group.

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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**

	<b>1 January- 30 June 2011</b>	<b>1 April- 30 June 2011</b>	<b>1 January- 30 June 2010</b>	<b>1 April- 30 June 2010</b>
<b><u>Capital expenditures</u></b>				
Media	78.789	47.423	75.878	39.550
Discontinued operation	-	-	43.597	27.331
Other	151.951	109.497	70.941	61.415
<b>Total</b>	<b>230.740</b>	<b>156.920</b>	<b>190.416</b>	<b>128.296</b>

**Depreciation and amortization charge**

Media	100.498	49.632	106.013	52.219
Discontinued operation	1.685	421	71.193	35.696
Other	14.548	5.716	12.698	7.217
<b>Total</b>	<b>116.731</b>	<b>55.769</b>	<b>189.904</b>	<b>95.132</b>

**f) Non-controlling interests**

	<b>30 June 2011</b>			<b>31 December 2010</b>		
	<b>Doğan Family</b>	<b>Other</b>	<b>Total</b>	<b>Doğan Family</b>	<b>Other</b>	<b>Total</b>
Media	81.704	674.018	755.722	91.077	607.526	698.603
Other	6.847	49.598	56.445	6.920	50.975	57.895
	<b>88.551</b>	<b>723.616</b>	<b>812.167</b>	<b>97.997</b>	<b>658.501</b>	<b>756.498</b>

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**NOTE 6 - CASH AND CASH EQUIVALENTS**

The breakdown of cash and cash equivalents at 30 June 2011 and 31 December 2010 are as follows:

	<b>30 June 2011</b>	<b>31 December 2010</b>
Cash	3.170	2.100
Banks		
- demand deposits	64.287	67.938
- time deposits	2.991.550	3.324.617
Blocked bank deposits	24.847	66.495
Reverse repurchase agreements	5.243	3.387
	<b>3.089.097</b>	<b>3.464.537</b>

At 30 June 2011, interest rates for TRY time deposits are between 5,50% and 11,50% (31 December 2010: 6,0%-10,2%) and interest rates for foreign currency time deposits are between 1,00% and 6,00% (31 December 2010: 0,20%-3,90%) and maturity is less than 3 months.

All of the blocked bank deposits at 30 June 2011 and 31 December 2010 consist of credit card slip receivables. The average maturity of the related credit card slip receivables is less than one month.

Cash and cash equivalents included in the consolidated statements of cash flows at 30 June 2011, 2010 and 30 June 2011 and 2010 is disclosed below.

	<b>30 June 2011</b>	<b>31 December 2010</b>	<b>30 June 2010</b>	<b>31 December 2009</b>
Cash and cash equivalents	3.089.097	3.464.537	2.010.605	2.055.639
Accrued interest (-)	(6.217)	(5.708)	(2.962)	(20.923)
<b>Cash and cash equivalents</b>	<b>3.082.880</b>	<b>3.458.829</b>	<b>2.007.643</b>	<b>2.034.716</b>



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**NOTE 7 - FINANCIAL INVESTMENTS**

**a) Current financial investments**

	<b>30 June 2011</b>	<b>31 December 2010</b>
Government bonds and treasury bills	79.250	82.904
Time deposits	86.670	89.782
Valuation of swap transactions	1.235	110
Other	7	272
	<b>167.162</b>	<b>173.068</b>

Government bonds and treasury bills dominated in USD and effective interest rate of government bonds and treasury bills is 7,50% (31 December 2010: 7,50%). Average annual effective interest rate of USD denominated time deposits ranged from 1% to 5% (31 December 2010: 1%-5%). As of 30 June 2011 average annual effective interest rate of TRY denominated time deposits is 8,40% (31 December 2010: 8,40%).

**Available-for-sale financial assets**

	<b>30 June 2011</b>		<b>31 December 2010</b>	
	<b>TL</b>	<b>%</b>	<b>TL</b>	<b>%</b>
Ray Sigorta (*)	-	-	25.084	10
	-	-	<b>25.084</b>	-

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

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**NOTE 7 - FINANCIAL INVESTMENTS (Continued)**

**b) Non-current financial investments**

	<b>30 June 2011</b>	<b>31 December 2010</b>
Available-for-sale financial assets	8.220	8.314
	<b>8.220</b>	<b>8.314</b>
<b>Available-for-sale financial investments</b>		
	<b>30 June 2011</b>	<b>31 December 2010</b>
	<b>TL</b>	<b>TL</b>
	<b>%</b>	<b>%</b>
Marbleton Property Fund L.P (“Marbleton”)	15.443	15.443
Aks Televizyon Reklamcılık ve Filmcilik Sanayi ve Ticaret A.Ş. (“Aks TV”)	2.923	2.923
POAŞ (*)	1.143	1.269
Other	476	444
Less: provision for impairment (**)	(11.765)	(11.765)
	<b>8.220</b>	<b>8.314</b>

(\*) After the removal of restriction on shares, “Restricted shares” which correspond to 0,03% of POAŞ’s capital (calculated as 192.500 shares in the current period) are decided to be transferred to OMV Enerji Holding A.Ş in a total cash consideration of EUR 600.000. Since the related share transfer has not been realized as of 30 June 2011, 192.500 shares that Group owns are recognized at fair value, which is calculated by using the market price of shares.

(\*\*) As of 30 June 2011, available for sale financial assets except POAŞ are carried at the cost value. There are TRY 8.842 and TRY 2.923 impairment on Marbleton and Aks TV, respectively (31 December 2010: TRY 8.842 and TRY 2.923).

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**NOTE 8 – FINANCIAL LIABILITIES**

<b>Short term financial liabilities:</b>	<b>30 June 2011</b>	<b>31 December 2010</b>
Short-term bank borrowings	628.960	596.544
Short-term portion of long-term borrowings	297.298	392.445
Interest bearing payables to suppliers	30.652	26.563
Financial lease liabilities	8.428	8.789
	<b>965.338</b>	<b>1.024.341</b>

<b>Long term financial liabilities:</b>	<b>30 June 2011</b>	<b>31 December 2010</b>
Long-term bank borrowings	818.566	841.217
Financial liabilities related with options	176.969	163.468
Interest bearing payables to suppliers	48.513	54.991
Financial lease liabilities	25.442	26.000
	<b>1.069.490</b>	<b>1.085.676</b>

**i) Borrowings**

Breakdown of borrowings at 30 June 2011 and 31 December 2010 are as follows:

	<b>30 June 2011</b>			<b>31 December 2010</b>		
	<b>TRY</b>	<b>Foreign currency</b>	<b>Total</b>	<b>TRY</b>	<b>Foreign currency</b>	<b>Total</b>
<b>Short-term borrowings</b>						
Short-term borrowings	184.410	444.550	628.960	269.188	327.356	596.544
Short-term portion of long-term borrowings	10	297.288	297.298	8.287	384.158	392.445
<b>Total short-term borrowings</b>	<b>184.420</b>	<b>741.838</b>	<b>926.258</b>	<b>277.475</b>	<b>711.514</b>	<b>988.989</b>

	<b>30 June 2011</b>			<b>31 December 2010</b>		
	<b>TRY</b>	<b>Foreign currency</b>	<b>Total</b>	<b>TRY</b>	<b>Foreign currency</b>	<b>Total</b>
<b>Long-term borrowings</b>						
Long-term borrowings	3.833	814.733	818.566	22.196	819.021	841.217
<b>Total long-term borrowings</b>	<b>3.833</b>	<b>814.733</b>	<b>818.566</b>	<b>22.196</b>	<b>819.021</b>	<b>841.217</b>

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**NOTE 8 - FINANCIAL LIABILITIES (Continued)**

**i) Borrowings (Continued)**

The redemption schedules of long-term borrowings at 30 June 2011 and 31 December 2010 are summarized below:

<b>Years</b>	<b>30 June 2011</b>	<b>31 December 2010</b>
2012	117.502	265.437
2013	258.223	333.732
2014	208.055	79.740
2015 and after	234.786	162.308
	<b>818.566</b>	<b>841.217</b>

Weighted average of effective interest rates for TRY, USD and EUR short-term borrowings are 11%, 4% and 5%, respectively (31 December 2010: 11%, 4% and 4%).

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

At 30 June 2011, the amount of borrowings with floating interest rates is TRY 1.139.193 (31 December 2010: TRY 1.458.188).

The floating rate bank borrowings denominated in USD which represents a significant portion of total bank borrowings of the Group, have interest rates fluctuating between Libor + 0,2% and Libor + 5,75% (London Interbank Offered Rate).

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

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

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

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

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

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**NOTE 8 - FINANCIAL LIABILITIES (Continued)**

**i) Borrowings (Continued)**

OOO Pronto Moscow, one of the indirect subsidiaries of the Group, has restructured its bank loan classified under the long-term financial liabilities as of 31 December 2010, amounting to USD 70.000, as at 15 April 2011. As of 31 December 2010, OOO Pronto Moscow has repaid the related amount that was classified under the long term liabilities account as at 21 April 2011 and the related repayment has released the blockage amount of USD 10.000 on 3 May 2011 (Note 23). Under the loan restructuring agreement, Doğan Holding's USD 70.000 of deposit amount has been blocked as a guarantee against the related loan.

**Share pledges**

11,3% shares of Doğan Yayın Holding (113.169.526 shares), 13,3% shares of Hürriyet (73.200.000 shares), 49% shares of Kanal D (24.500.000 shares) and 67,3% shares of TME (33.649.091 shares) and 33% shares of Boyabat (4.752.000 shares) were given as pledges to financial institutions in respect of the long-term borrowings of the Group.

**ii) Financial borrowings related with options**

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

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

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

**iii) Finance lease liabilities:**

The Group acquired property, plant and equipment through finance leases. As at 30 June 2011 total lease payment commitments of the Group relating to such lease agreements amount to TRY 33.870 (2010: TRY 34.789).

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**NOTE 8 - FINANCIAL LIABILITIES (Continued)**

**iii) Financial leasing payables(Continued)**

The redemption schedules of long-term leasing payables at 30 June 2011 and 31 December 2010 are summarized below:

	<b>30 June 2011</b>	<b>31 December 2010</b>
2012	4.136	6.644
2013	7.236	6.731
2014	7.718	6.897
2015 and after	6.352	5.728
	<b>25.442</b>	<b>26.000</b>

**iv) Interest bearing payables to suppliers:**

Interest bearing payables to suppliers are related to the machinery and equipment purchases of Hürriyet, a subsidiary of the Group. Effective interest rates of short and long-term trade payables in USD, EUR, CHF are 0,7%, 2,2% and 1,2%, respectively (31 December 2010: USD 0,8%, EUR 1,6%, CHF 1,2%).

The maturity analysis of long-term interest bearing payables to suppliers at 30 June 2011 and 31 December 2010 is as follows:

	<b>30 June 2011</b>	<b>31 December 2010</b>
2012	14.808	26.013
2013	26.783	22.940
2014	6.922	6.038
	<b>48.513</b>	<b>54.991</b>

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

	<b>30 June 2011</b>	<b>31 December 2010</b>
6 months and shorter	78.722	81.421
6-12 months	443	133
<b>Total</b>	<b>79.165</b>	<b>81.554</b>

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**NOTE 9 - TRADE RECEIVABLES AND PAYABLES**

<b><u>Short-term trade receivables</u></b>	<b>30 June 2011</b>	<b>31 December 2010</b>
Trade receivables (net of unearned finance income)	1.026.928	801.237
Notes receivables and cheques (net of unearned finance income)	59.415	48.553
<b>Total</b>	<b>1.086.343</b>	<b>849.790</b>
Less: provision for doubtful receivables (-)	(186.667)	(193.662)
	<b>899.676</b>	<b>656.128</b>
<b><u>Long-term trade receivables</u></b>	<b>30 June 2011</b>	<b>31 December 2010</b>
Trade receivables (net of unearned finance income)	111.941	88.563
Notes receivables and cheques (net of unearned finance income)	1.313	365
	<b>113.254</b>	<b>88.928</b>

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**NOTE 9 - TRADE RECEIVABLES AND PAYABLES (Continued)**

Movement of the provisions for doubtful receivables is as follows:

	<b>2011</b>	<b>2010</b>
1 January	193.662	222.119
Increase in provision	6.378	20.683
Provisions of discontinued operations during the period	1.247	654
Terminated provision related with discontinued operations	(9.103)	-
Collections and cancelled provision	(8.081)	(15.797)
Currency translation differences	2.564	(1.383)
<b>30 June</b>	<b>186.667</b>	<b>226.276</b>

**Short-term trade payables**

	<b>30 June 2011</b>	<b>31 December 2010</b>
Trade payables (net of unincurred credit finance charges)	476.834	384.534
Notes payable (net of unincurred credit finance charges)	7.465	9.062
Other	1.555	1.552
	<b>485.854</b>	<b>395.148</b>

**Long-term trade payables**

	<b>30 June 2011</b>	<b>31 December 2010</b>
Trade payables (net of unincurred credit finance charges)	301	1.114
	<b>301</b>	<b>1.114</b>

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

<b>Year</b>	<b>30 June 2011</b>	<b>31 December 2010</b>
2012	301	1.114
	<b>301</b>	<b>1.114</b>



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**NOTE 10 - INVESTMENT PROPERTY**

Movement of the investment properties for the six-month interim periods ended as of 30 June 2011 and 2010 is as follows:

	<b>2011</b>	<b>2010</b>
1 January	141.800	92.583
Additions	6.507	7.674
Accumulated depreciation	(980)	(932)
Disposal	(7.079)	(14.262)
Discontinued operations (*)	(159)	-
Currency translation differences	8.884	-
Reversal of Impairment Provisions	(439)	2.546
<b>30 June</b>	<b>148.534</b>	<b>87.609</b>

(\*) Discontinued operations include the Group's disposed assets that are related to the brand sales of Bağımsız Gazeteciler and Milliyet effected on 2 May 2011 (Note 25).

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

The Group has rent income amounting to TRY 1.356 from investment properties (2010: TRY 776 ).

**NOTE 11 - PROPERTY, PLANT AND EQUIPMENT**

Movement of the property, plant and equipment for the six-month periods interim ended as of 30 June 2011 and 2010 is as follows:

	<b>2011</b>	<b>2010</b>
1 January	929.330	1.610.907
Additions	182.274	139.674
Accumulated depreciation	(63.890)	(100.502)
Disposal	(8.379)	(13.413)
Transfers (1)	12.965	(1.741)
Discontinued operations (2)	(1.127)	-
Changes in scope of consolidation	-	1.236
Currency translation differences	10.070	(5.014)
<b>30 June</b>	<b>1.061.243</b>	<b>1.631.147</b>

(1) Transfer amounting to TRY 13.081 is related to advances given. Transfer amounting to TRY 116 is related to intangible assets (Note:12).

(2) Discontinued operations include the Group's disposed assets that relates to the brand sales of Bağımsız Gazeteciler and Milliyet effective on 2 May 2011 (Note 25).

As of 30 June 2011, mortgages on property, plant and equipment amounts to TRY 25.620 (31. December 2010: TRY 25.113). The net carrying amount of the property, plant and equipment of the Group acquired thorough finance leases as of 30 June 2011 is TRY 61.106. The accumulated depreciation as of 30 June 2011 is TRY 29.612.

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**NOTE 12 -INTANGIBLE ASSETS**

The movements in intangible assets for the six-months interim periods ended 30 June 2011 and 2010 are as follows:

	<b>2011</b>	<b>2010</b>
1 January	859.335	1.311.453
Addition	41.959	43.068
Amortization	(51.861)	(88.470)
Disposal	(104)	(5.342)
Transfers	116	1.741
Change in the scope of consolidation	-	(7.603)
Discontinued operations (*)	(51.952)	-
Disposal from joint venture	-	(16.377)
Impairment (-)	(2.288)	-
Currency translation differences	74.291	(6.287)
<b>30 June</b>	<b>869.496</b>	<b>1.232.183</b>

(\*) Discontinued operations include the Group’s disposed assets that relates to the brand sales of Bağımsız Gazeteciler and Milliyet effective on 2 May 2011(Note 25).

**NOTE 13- GOODWILL**

The movements in goodwill during the six-months interim periods ended 30 June 2011 and 2010 are as follows:

	<b>2011</b>	<b>2010</b>
1 January	896.653	1.715.569
Additions	-	425
Currency translation differences	28.293	1.856
Discontinued operations (*)	(47.757)	-
Other (**)	1.442	-
<b>30 June</b>	<b>878.631</b>	<b>1.717.850</b>

(\*) %99,99 of its shareholding in the Group’s subsidiary, Bağımsız Gazeteciler, was disposed of on 2 May 2011. TRY 47.757 of goodwill arising from the acquisition of Bağımsız Gazeteciler is derecognized from the financial statements (Note 25).

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

**NOTE 14 - GOVERNMENT GRANTS**

The subsidiary of the Group, Hürriyet, obtained six Investment Incentives Certificate for the imported equipments amounting to USD 25.035 and domestic equipments amounting to TRY 152 due to the modernization of its printing plants in Istanbul, Ankara, Izmir, Adana, Antalya and Trabzon on 23, 27 and 31 July 2008. The agreements are valid for two years and equipment imported within the scope of the certificate is exempt from Customs Duty and VAT. The investments amounted to USD 19.213 and TRY 152 are realized within these certificates as at 30 June 2011 (31 December 2010: USD 19.213). Part of investment incentives (except Trabzon) amounting to USD 24.130 are extended till 19 June – 3 July 2011. Document taken for Trabzon has been cancelled due to giving up from the investment amounting nearly USD 1.032.

Ditaş, a subsidiary of the Group, benefits from the tax and insurance premium incentive under the scope of law 5084 Investment and Employment Promotion and Amending some laws. In this context, the incentive of the insurance premium amounting TRY 298 (30 June 2010: TRY 279 ) is reflected in the financial statements as income from other operations (Note 31). As of 30 June 2011, Ditaş does not have any receivables from energy expenses in the scope of incentive (31 December 2010: None).

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**NOTE 15 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES**

<b>Short-term provisions</b>	<b>30 June 2011</b>	<b>31 December 2010</b>
Provision for withholding tax	29.252	28.102
Provision for lawsuits	17.347	27.386
Provision for tax penalty	-	33.522
Other	449	-
	<b>47.048</b>	<b>89.010</b>

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

***Doğan Holding – Tax penalty and law suits***

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

The Company decides to make use of the requirements set out in relation to “tax base increase” and “undue and on trial tax liabilities in dispute” in Law No: 6111 “Restructuring of some receivables and Social Security and General Health Insurance Law and Other Law Amending Certain Laws and Decrees” (“Law No: 6111”), which has become effective upon the issuance in the Official Gazette No: 27857 (I.Bis) on 25.02.2011. Therefore, the Company and its 14 number of subsidiaries included in the scope have increased the tax basis for the years 2006, 2007, 2008 and 2009 in accordance with the requirements set out in relation to “Tax Base Increase” in Law No: 6111 and accordingly the Company’s and its included in the scope subsidiaries’ payable amount together are calculated as TRY 6.016 (with group effective ownership interest TRY 5.936). On the other hand, the Company has reconciled its tax dispute by restructuring its total TRY 749 of “uncertain and on trial tax liabilities in dispute” (consisting of TRY 280 of tax charge and TRY 469 of tax penalty) in accordance with Article 3 of Law No:6111 and, accordingly, the Company’s cash outflow will be TRY 220 in total. TRY 6.235 (with group effective ownership interest TRY 6.155) tax liability that results from the restructuring of “uncertain and on trial tax liabilities in dispute” is paid in cash as of 30 June 2011.

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

***Doğan Yayın Holding – Tax penalty and law suits***

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Doğan Yayın Holding has filed for an application under Law No: 6111 in relation to TRY 89.882 portion of its “undue and on trial tax liabilities in dispute” amounting to TRY 862.388 in total and accordingly, Doğan Yayın Holding A.Ş. is required to pay TRY 18.463 of the related amount. TRY 18.463 was paid in cash on 27 June 2011 and TRY 14.859 of provision provided for the related lawsuits by the management in prior periods is reversed in the current period and presented by offsetting against the consideration paid in the accompanying financial statements.

In regards to the remaining portion of TRY 772.507 of “undue and on trial tax liabilities in dispute”, which was concluded in favor of Doğan Yayın Holding A.Ş. on 14 July 2011 upon the court ruling of the respective Tax Court and Council of State, Tax Office’s application on the rectification of court ruling has been also dismissed by the Council of State. The related lawsuit is finally finalized in favor of the Group. Accordingly, Doğan Yayın Holding A.Ş. has no ongoing tax disputes that are subject to litigation in regards to any claims made under the Law No: 6111.

Therefore, sequestration of the Tax Office over Doğan Yayın Holding’s shares on its subsidiaries 66,56% of Hürriyet (367.415.960 shares), 70,76% of Doğan Gazetecilik (74.297.743 shares), 44,89% of Doğan Burda, its joint venture, (8.779.736 shares) and 36,14% of Doğan TV (for the current period - 12,81%) (164.998.528 shares) is released in the current period.

***Hürriyet Gazetecilik ve Matbaacılık A.Ş. – Tax penalties and lawsuits***

Hürriyet Gazetecilik ve Matbaacılık A.Ş. has filed a lawsuit for the cancellation of the tax charges/tax notifications totaling TRY 30.895 imposed for the 2004, 2005 and 2006 periods by the respective tax office regarding Hürriyet Gazetecilik ve Matbaacılık A.Ş. As publicly disclosed on 19 April 2011, Hürriyet Gazetecilik ve Matbaacılık A.Ş. plans to make use of the requirements set out in relation to “undue and on trial tax liabilities in dispute” and “Tax Base Increase” in Law No: 6111. As required by Law No: 6111, the Company has restructured TRY 27.101 portion of its total “undue and on trial tax liabilities in dispute” of TRY 30.895 and reconciled its dispute with the tax office; accordingly, the Company’s payable amount is calculated as TRY 3.827. The related amount was paid on 30 June 2011 in accordance with the requirements of the related legislation. The Company has offset TRY 3.827 of which is a part of TRY 7.294 of the provision amount provided for the prior period’s ongoing lawsuits against the related amount and the remaining portion, which amounts to TRY 3.467, is recognized under other operating income.

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

***Doğan TV Holding – Tax penalties and lawsuits***

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

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

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

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

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

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

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

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

***Doğan TV Holding – Tax penalties and lawsuits***

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

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

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

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

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



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

***Doğan TV Holding – Tax penalties and lawsuits(continued)***

Doğan TV Holding has filed for an application under Law No: 6111 in relation to its “undue and on trial tax liabilities in dispute” amounting to TRY 2.001.032 in total, and accordingly, Doğan TV Holding is required to pay TRY 494.961 of the related amount. TRY 494.961 is payable in 18 equal installments within 36 months starting from 30 June 2011. TRY 430.768 of provision is provided in the financial statements prepared as of 30 June 2011 and out of TRY 400.610 of the remaining liability provided in the financial statements prepared as of 30 June 2011, TRY 130.104 of the related liability amount is recognized at discounted amount under short-term liabilities and the remaining portion of TRY 270.506 is recognized under long-term liabilities (Note 17).

D Yapım Reklamcılık ve Dağıtım A.Ş. has filed for an application under Law No: 6111 in relation to its “undue and on trial tax liabilities in dispute” amounting to TRY 1.114.081 in total, and accordingly, D Yapım Reklamcılık ve Dağıtım A.Ş. is required to pay TRY 332.377 of the related amount. TRY 332.377 is payable in 18 equal installments within 36 months starting from 30 June 2011. TRY 289.048 of provision is provided in the financial statements prepared as of 30 June 2011 and out of TRY 270.407 of the remaining liability provided in the financial statements prepared as of 30 June 2011, TRY 87.818 of the related liability is recognized at discounted amount under short-term liabilities and the remaining portion of TRY 182.589 is recognized under long-term liabilities (Note 17).

Doğan Prodüksiyon Hizmetleri A.Ş. has filed for an application under Law No: 6111 in relation to its “undue and on trial tax liabilities in dispute” amounting to TRY 862.972 in total, and accordingly, Doğan Prodüksiyon Hizmetleri A.Ş. is required to pay TRY 128.744 of the related amount. TRY 128.744 is payable in 18 equal installments within 36 months starting from 30 June 2011. TRY 111.952 of provision is provided in the financial statements prepared as of 30 June 2011 and out of TRY 104.794 of the remaining liability provided in the financial statements prepared as of 30 June 2011, TRY 34.033 of the related liability amount is recognized at discounted amount under short-term liabilities and the remaining portion of TRY 70.761 is recognized under long-term liabilities (Note 17).

In addition to the above-mentioned accounting treatments, Alp Görsel İletişim Hizmetleri A.Ş. has also filed for an application under Law No: 6111 in relation to its “undue and on trial tax liabilities in dispute” and made TRY 6 of cash payment as of 30 June 2011 accordingly (Note 17).

As all payments to be made under Tax no: 6111 are based on an installment plan, shares representing the entire shares of D Yapım (1.124.682.616 shares), of Doğan Prodüksiyon (1.087.582.624 shares) and of Alp Görsel (1.068.595.605 shares), 43 properties belonging to third parties and a bank letter of guarantee are still in the custody of Tax Offices held as “collaterals”.

***Doğan TV Digital – Tax penalties and lawsuits***

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

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

***Doğan TV Digital – Tax penalties and lawsuits(continued)***

Doğan TV Digital has filed for an application under Law No: 6111 in relation to its “undue and on trial tax liabilities in dispute” amounting to TRY 4.674 in total, and accordingly, Doğan TV Digital Platform İşletmeciliği is required to pay TRY 2.510 of the related amount. The related amount was paid in cash on 28 June 2011. The Company has offset TRY 2.510 of which is a part of TRY 4.020 of the provision amount provided for the prior year’s ongoing lawsuits against the related amount and the remaining portion, which amounts to TRY 1.510, is recognized under other operating income.

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

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

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

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

Doğan Dış Ticaret and İşıl İthalat İhracat expects to make use of the requirements set out in relation to “undue and on trial tax liabilities in dispute” and “Tax Base Increase” in Law No: 6111. All the necessary applications for the restructuring of the above tax assessments in relation to “undue and on trial tax liabilities in dispute” are filed under Law No: 6111. TRY 5.650 of tax liability arising from the related transaction was paid in cash on 30 June 2011.

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

***Doğan Gazetecilik – Tax penalty and lawsuits***

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

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

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

Doğan Gazetecilik expects to make use of the requirements set out in relation to “undue and on trial tax liabilities in dispute” and “Tax Base Increase” in Law No: 6111. All the necessary applications for the restructuring of the above tax assessments in relation to “undue and on trial tax liabilities in dispute” amounting to TRY 725 is filed under Law No: 6111. TRY 461 of tax liability arising from the related transaction was paid in cash on 30 June 2011.

***(b) Lawsuits:***

The details of litigations against Group are amount of TRY 85.636 (31 December 2010: TRY 83.487). A provision for lawsuits amounting to TRY 17.347 has been provided with reference to the opinions of the Group’s legal advisors and past experience of management related to similar litigations against the Group (31 December 2010: TRY 27.386). Legal cases mainly consist of pecuniary and non-pecuniary damages and lawsuits initiated by the Radio and Television Supreme Council.

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

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

Doğan Yayın Holding which is a subsidiary of the Group sold 90.854.185 shares (“Axel shares”), 25% of the paid in capital of Doğan TV, to Commerz-Film GmbH (formerly registered as Dreiundvierzigste Media Vermögensverwaltungsgesellschaft mbH), a 100% subsidiary of Axel Springer AG, for EUR 375.000 (TRY 694.312, this amount is defined as “initial sales price”) on 2 January 2007. According to the agreement the initial sales price will be revised based on whether the “initial public offering” (“IPO”) of the shares of Dogan TV or “not”.

With the agreement signed on 19 November 2009 between Dogan Holding, Dogan Yayın, Dogan TV and Commerz-Film GmbH; the dates that the recalculation of the initial sales prices will be based on are postponed for a six-year period without reservations

Certain conditions at the agreement dated 19 November 2009 mentioned below become effective after 19 February 2010.

- Axel Springer Group has sale options for 3,3% of its shares in Doğan TV amounting to EUR 50.000 subsequent to January 2013 and the other 3,3% of its shares amounting to EUR 50.000 subsequent to January 2014 to Doğan Holding and Doğan Holding has the commitment to purchase these shares. Axel Springer Group may exercise the sale options fully or partially. Payables will include interests payments of annual combined 12 months Euro Libor plus 100 base points as of 2 January 2007.
- 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. 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,
  - 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.

EUR 375.000, which is defined above as the initial sale price, can be amended based on the circumstances explained below. As per the agreement, the initial sale price may be subject to revision as the following depending on the “initial public offering” of Doğan TV.

In the event that shares of Doğan TV Holding 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 EUR Libor rates on annual compound basis effective from 2 January 2007), 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.

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

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

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

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

In accordance with the agreement signed on 19 November 2009, Doğan Yayın Holding shall make a TRY cash capital increase in Doğan TV that corresponds to EUR 385.000, and as a result of the capital increase, Doğan TV shares owned by Commerz-Film GmbH shall be diluted to 19,9% from 25%. In January 2010 and May 2010, the premium capital increase of Doğan TV, was completed in two steps. As a result of the capital increase, the shares of Doğan Yayın Holding and Commerz-Film GmbH at Doğan TV were 79,71% and 19,9% respectively.

For the above matter ,Doğan Yayın Holding has determined the fair value of Doğan TV as of 31 December 2010 in order to identify whether it will assume any future financial liability and made detailed disclosures in its financial statements (Note 2) as of 31 December 2010. In accordance with the fair value calculation, there are not any financial liabilities arising from the share acquisition, which represents 19,9% of Doğan TV’s capital, by the Axel Springer Group.

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

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

In addition, the Group would indemnify any unprovisioned liability arising from tax assessments prior to the closing date of sale agreement as required in the share acquisition and transfer “Agreement”. Accordingly, the Group has indemnified TRY 165.523 of liability arising from Doğan TV and its subsidiaries’ undue and on trial tax liabilities in dispute under Law No:6111 which represents the portion corresponding to Axel Springer Group’s current ownership percentage (19,9%). The related liability portion is recognized under the non-controlling shares account in the accompanying financial statements prepared as of 30 June 2011.

In addition to the above matter, Axel Springer Group has sale options for 3,3% of its shares in Doğan TV Holding amounting to EUR 50.000 subsequent to January 2013 and the other 3,3% of its shares amounting to EUR 50.000 subsequent to January 2014 to Doğan Holding and Doğan Holding has the commitment to purchase these shares. Axel Springer Group may exercise the sale options fully or partially. In regards to the purchase commitment of Axel Springer Group which amounts to a total of EUR 100.000, IAS 32 “Financial Instruments: Disclosure and Presentation” requires the presentation of a liability at amortized cost as a financial liability in the balance sheet, irrespective of the Group’s ability to settle some of the portion of the liability in the Group’s own equity instruments instead of cash. In this respect, as of 31 March 2011, non-controlling interests that are subject to call options are carried at amortized cost amounting to TRY 251.507 under the “other long term financial liabilities” account rather than “non-controlling interests” account in the consolidated balance sheet.

The above-mentioned purchase commitments are presented under the “Other short term and long term financial liabilities” account in the consolidated balance sheets prepared as of 30 June 2011 and 31 December 2010.

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

***(d) Put options:***

In January 2007, OOO Pronto Moscow, a subsidiary of Hürriyet, acquired the majority shares of Impress Media Marketing LLC (“Impress Media”). Accordingly, the Group has the right to purchase 13% of non-controlling shares from non-controlling shareholders without a time constraint, provided that certain conditions are met. Additionally, the Group has signed a new put option agreement valid between August 2011 and August 2015 for the remaining non-controlling shares of 10%. Net fair value of such option shall be calculated based on Impress Media's EBITDA or net sales revenue. Group, pursuant to an agreement signed in September of 2010, has had the option to purchase the remaining 3% share in the capital. The fair value of the option will be determined based on calculation over Impress Media EBITDA, according to gradually increase of Impress Media EBITDA, shall be had the option to the rate of 14% of the shares sold, to the rate of 14% of the purchase the new shares. As of 30 June 2011, the short-term portion of the fair value of the put option is TRY 924 (31 December 2010: TRY 764), long-term portion is nil as of 30 June 2011 (31 December 2010: None).

Hürriyet has granted a put option, on the 30% shares outstanding during the acquisition of 70% interest of the shares in its subsidiary Oglasnik d.o.o in Croatia. Discussions concerning the use of this option as of the reporting date of these financial statements are still ongoing. As of 30 June 2011, the fair value of the option is calculated as TRY 13.042 (USD 8.000) based on various valuation techniques and assumptions and classified in “Other short-term financial liabilities” (31 December 2010: TRY 12.366 (USD 8.000)).

Hürriyet has acquired a 55% share in Moje Delo d.o.o. (“Moje Delo”) in Slovenia. The Group paid an earn-out amounting to EUR 1 million during the period. The Group has granted a put option to the selling shareholders on the remainder of the shares exercisable from January 2009 to January 2012 and has a call option exercisable from January 2011 to January 2014. Exercise price shall be calculated based on EBITDA and the net financial debt of Moje Delo. The fair value of the put option is TRY 2.429 as of 30 June 2011 (31 December 2010: TRY 700) and classified in “Short-term financial liabilities”.

Based on a protocol signed by Hürriyet in 2010, the put option liability in relation to the 3,84% shares of non-controlling interests in Trader Media East Limited is exercisable until 2013. The “put option” exercise price is USD 13 (exact). Hürriyet will make a payment of USD 1.000 for each year the put option right is not exercised until 2013. Hürriyet has recognized a financial liability arising from the put option on 3,84% shares of Trader Media East Limited owned by “non-controlling interests”, through a protocol signed during the current period by increasing other financial liabilities by TRY 39.367 million, decreasing non-controlling interests by TRY 9.251 and also decreasing retained earnings/accumulated losses by TRY 30.116 in the accompanying consolidated financial statements as of and for the period ended 30 June 2010. As of 30 June 2011, fair value of this call option is TRY 40.752.

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

***(e) Developments at the Radio and Television Supreme Council (“RTSC”)***

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

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

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

In addition, Article 19(d) of the “Establishment and Broadcasting Services of Radio and Television Companies” Communiqué effective as of 3 March 2011 allows a real or a legal entity to participate, directly or indirectly, in a media service provider with a maximum of four terrestrial broadcast licenses.

Moreover, total annual commercial communication revenue of a media provider having a real or a legal entity’s direct or indirect participation in multiple media service providers cannot exceed 30% of the sector’s total commercial communication revenue. A real or legal entity that exceed the related total commercial communication revenue rate is required to dispose of or transfer its shares to bring their participation rate to the required limit within 90 days as required by the Supreme Council, or otherwise, the real or legal entity is imposed to an administrative penalty fee of TRY 400 for each month that is subject to the ruling violation. In practice, principles and procedures of the related execution is prescribed by the Supreme Council. The Group management is assessing the potential effects of the article as of the report date.

***(f) Improvements at the Competition Authority***

Upon the Competitive Board’s notification issued on 17 September 2009, Doğan Yayın Holding, Hürriyet, Doğan Gazetecilik, Bağımsız Gazetecilik and Doğan Daily News were informed that they are subject to an investigation in order to determine whether these companies have violated any provisions of Law 4054 in relation to “Advertisement area sales” in the print media. The Group has made an objection to the initial response session of the ongoing investigation claiming that Doğan Yayın Holding’s operations are not in the form of “Advertisement area sales” in the printed media and Doğan Daily News is not an operating company. Based on the investigation undertaken by the Competition Authority as of 5 April 2011, Hürriyet, Doğan Gazetecilik and Bağımsız Gazetecilik are charged with an administrative penalty fee of TRY 3.805, TRY 2.316 and TRY 444, respectively. On the other hand, the Authority did not charge any administrative penalty for Doğan Daily News (a dormant company) and Doğan Yayın Holding, to avoid imposing multiple charges. The Group has provided a total of TRY 4.923 of provision in relation to the charges in the accompanying financial statements. The total amount consists of TRY 2.853 of provision for Hürriyet and TRY 2.070 of provision for Doğan Gazetecilik and Bağımsız Gazetecilik. TRY 1.189 of this amount is related with the discontinued operations.



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

***(g) Derivative Financial Instruments:***

***1) Derivative instruments against foreign exchange risk***

Hürriyet, one of the subsidiaries of the Group, has made a Euro swap transaction regarding the last three installments of its long-term bank borrowing agreement amounted to USD 133.807, due in 2012 and 2013 amounting to USD 80.283. The Group has made a swap transaction amounting to USD 40.180 related with bank borrowings. The financial liability related to this transaction amounted to TRY 8.899 (31 December 2010: TRY 3.754).

***2) Derivative instruments against interest risk***

Hürriyet, one of the subsidiaries of the Group, entered into four collar agreements (31 December 2010: six CAP and collar amounting to USD 27.750) totaling to USD 14.000 to hedge the interest rate risk arising from borrowings as of 30 June 2011. The agreements have fixed base and cap rates. Accordingly, at the dates defined in agreements, if the LIBOR rate is below the base rate, the Group has to compensate for the difference between the base rate and the actual rate. Similarly, if the LIBOR rate is above the cap rate, banks will compensate the difference to the Group.

As of 30 June 2011, fixed base and cap rates change between 3,0% and 5,6% (31 December 2010: 3,0% - 5,6%) and the main floating interest rate is LIBOR. Financial liability recognised as of the balance sheet date regarding these agreements amounted to TRY 68 (31 December 2010: TRY 65).

***3) Interest rate swap transactions***

Hürriyet, one of the subsidiaries of the Group, has an interest rate swap agreement to convert floating interest (Libor) rate to fixed interest rate for its loan amounting to USD 80.283. According to the agreement, interest expense of loan depending on 6 months libor rate, is fixed until 5 July 2011. Financial liability recognised as of 30 June 2011 regarding these agreements amounted to TRY 307 (31 December 2010: TRY 783).

DTV Holding, one of the subsidiaries of the Group, has an interest rate swap agreement to convert floating interest rate to fixed interest rate for its loan. According to the agreement, interest expense of loan is fixed until 23 May 2014. Financial liability recognised as of 30 June 2011 regarding these agreements amounted to TRY 3.819 (31 December 2010: TRY 4.206).

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

***(h) The Group’s decision on the requirements set out in relation to “Tax Base Increase” in Law No: 6111 “Restructuring of some receivables and Social Security and General Health Insurance Law and Other Law Amending Certain Laws and Decrees”***

The Group management plans to make use of the requirements set out in relation to “Tax Base Increase” in Law No: 6111 “Restructuring of some receivables and Social Security and General Health Insurance Law and Other Law Amending Certain Laws and Decrees” (“Law No:6111”), which has become effective upon the issuance in the Official Gazette No: 27857 (I.Bis) on 25 February 2011. The Group has increased the tax basis for the 2006, 2007, 2008 and 2009 periods in accordance with the requirements set out in relation to “Tax Base Increase” in Law No: 6111 and accordingly the Group’s payable amount is calculated as TRY 81.563 in total including its interests (TRY 77.142 net amount). TRY 47.672 portion of the related amount is paid in cash as of 30 June 2011 and the remaining amount is payable in 18 equal installments in 36 months. As of 30 June 2011, the Group has provided TRY 77.142 of provision in the financial statements and out of TRY 27.588 of the provision amount provided in the financial statements prepared as of 30 June 2011, TRY 8.960 of the remaining liability is recognized at discounted amount under short-term liabilities and the remaining portion of TRY 18.628 is recognized under long-term liabilities (Note 17).

***(i) Other***

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

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

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

***Milpa:***

The land owned by Milpa, a subsidiary of the Group, located in Kurtdoğan village, Pendik district, İstanbul province, classified as investment property in the consolidated financial statements, 144.266 m<sup>2</sup> of the land was removed from forestry land with a court decision taken in 2005. The Forestry Directorate appealed the decision at the 20th Chamber of the High Court and the objection was accepted on 24 June 2008 and these decisions (removing from forestry land) are sent to the Pendik Court of First Instance for re-evaluation. The Court reiterated its initial decision on 8 October 2009. The Forestry Directorate reappealed the decision and the file sent back to the 20th Chamber of the High Court. The decision of the High Court is still pending.

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

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

***Milpa (Continued):***

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

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

***Petrol Ofisi A.Ş.:***

Under the agreement entered into with the Group (The “Company”, “Vendor”) and OMV (The “Buyer”) in regards to the share transfer of POAŞ on 22 December 2010, the Company may be required to assume some of the certain liabilities which may arise from the following conditions set out briefly subsequent to the share transfer:

“Except for any losses and/or tax payables of the Buyer and/or any Group companies arising from any claims made by any authorities in regards to events or conditions occurred subsequent to the closing date and any statements and warranties in regards to restricted property rights and Vendor conditions, each contract party agrees and commits to indemnify any losses, damages and liabilities (Losses) arising from the violation of any statements and warranties and assume any losses, damages and liabilities (Losses) of the contract party that is exposed to such breach within 3 years of time. The Vendor commits to pay an indemnity that will not exceed USD 175.000.000 (exact)– 54,14% of the related Losses and/or Tax payables- to the Buyer for any losses and/or tax payables of the Vendor and/or any Group companies arising from any restrictions of a Group company or any claims made by any authorities against a Group company in regards to events or conditions occurred subsequent to the closing date, except for any losses derived from negligence or any violations of statements and warranties in regards to restricted property rights and Vendor conditions. The related liability is terminated after the occurrence of other conditions unless the Buyer files an application in writing to the Vendor within 6 (six) weeks following the notification of the Authority’s definite and unappealable verdict to the Buyer/Group Company. Except for any claims based on unrecognized liabilities as of signing date derived prior to third party signatures, the Vendor shall not undertake any third party claims.”

As a result of POAŞ’s decision on making use of the tax base increase requirements set out in Law No: 6111, tax base increase amount attributable to 2008 and 2009 of the consideration made by POAŞ is assumed by the Group in proportion to the Group’s share capital under the contract terms summarized above and TRY 12.432 was paid to OMV accordingly on 14 July 2011. The related amount is recognized as short-term liabilities in the consolidated financial statements prepared for the period ended as of 30 June 2011.

As the result of POAŞ decided to benefit from the arbitrament related to tax liabilities in dispute under Law No: 6111, the tax penalty amount which belongs to year 2003 and paid by POAŞ, is referred to the Group by the share proportion owned by the Group at this date, according to the agreement specified above. USD 2.012 equivalent of TRY 3.285, is paid to OMV on 29 June 2011.

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**NOTE 16 - COMMITMENTS**

**Collateral, pledge and mortgages given:**

Collateral, pledges and mortgages (CPM) given by Parent Company, Doğan Holding, as of 30 June 2011 and 31 December 2010 are as follows:

	30 June 2011					31 December 2010				
	TRY Equivalent	TRY	USD	Euro	Other TRY	TRY Equivalent	TRY	USD	Euro	Other
A. CPM's given in the name of its own legal personality										
Guarantee <sup>(1)</sup>	121.339	107.883	7.032	757	128	115.111	101.493	6.966	1.386	3
Pledge <sup>(2) (5)</sup>	113.177	113.177	-	-	-	329.055	113.177	-	-	4.255.692
Mortgage <sup>(3)</sup>	27.064	11.794	-	6.500	-	25.113	11.794	-	6.500	-
B CPM's given on behalf of the fully consolidated companies										
Guarantee <sup>(1) (4)</sup>	2.179.662	78.177	1.109.252	124.801	-	2.262.918	220.089	1.053.001	202.474	-
Pledge	-	-	-	-	-	-	-	-	-	-
Mortgage	-	-	-	-	-	-	-	-	-	-
C. CPM's given behalf of third parties for ordinary course of business										
Guarantee	-	-	-	-	-	-	-	-	-	-
Pledge	-	-	-	-	-	-	-	-	-	-
Mortgage	-	-	-	-	-	-	-	-	-	-
D. Total amount of other CPM's given										
i) Total amount of CPM's given on behalf of the majority shareholder	-	-	-	-	-	-	-	-	-	-
ii) Total amount of CPM's given to on behalf of third parties which are not in scope of B and C	-	-	-	-	-	-	-	-	-	-
iii) Total amount of CPM's given to on behalf of third parties which are not in scope of B and C	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>2.441.242</b>					<b>2.732.197</b>				

- (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) Total shares of D Yapım (1.124.682.616 shares), Doğan Produksiyon (1.087.582.624 shares) and Alp Görsel (1.068.595.605 shares) all of which are owned by Doğan TV are given as guarantees to the Tax Offices; and they are not included to the above table. Also 33% shares of Boyabat (3.630.000 shares) were given as pledges to financial institutions in respect of the long-term borrowings of the Group is not included above table (Note: 8)
- (3) There are mortgages amounting to TRY 25.620 on property plant and equipment of Hürriyet, one of the subsidiaries of the Group, as of 30 June 2011 (31 December 2010: TRY 25.113).
- (4) Guarantee is related with the long-term project financing loan amounting to 750.000 USD which is taken together with the other shareholders (Note 4) of Boyabat Elektrik as joint and several guarantor within the hydroelectric power plant project which is under Boyabat Elektrik execution and planned to be completed by the end of 2012. The duration of the guarantee is limited to the construction completion date.
- (5) As explained in detail in Note 8, 11,3% shares of Doğan Yayın Holding (226.354.060 shares), 13,3% shares of Hürriyet (73.200.000 shares), 49% shares of Kanal D (24.500.000 shares) and 67,3% shares of TME (33.649.091 shares) were given as pledges to financial institutions in respect of the long-term borrowings of the Group and are not included in the table above.

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**NOTE 16 – COMMITMENTS (Continued)**

Other CPM given by the Group to equity ratio is 0,0% as of 30 June 2011 (31 December 2010: 0,0%).

	<b>30 June 2011</b>		<b>31 December 2010</b>	
	<b>Original currency</b>	<b>TRY equivalent</b>	<b>Original currency</b>	<b>TRY equivalent</b>
Letters of guarantees - EUR	56.357	132.357	84.330	172.802
Letters of guarantees - TRY	109.712	109.712	103.897	103.897
Letters of guarantees - USD	14.003	22.827	14.525	22.455
Letters of guarantees - Other	128	250	3	7
Guarantee notes - TRY	204	204	204	204
Guarantee notes - EUR	25	59	25	52
<b>Total</b>		<b>265.409</b>		<b>299.417</b>

Doğan TV, one of the subsidiaries of Doğan Yayın Holding, has given letters of guarantees amounting to EUR 71.500 to UEFA (Union Européenne de Football Association or Union of European Football Associations) in 2008 for broadcasting rights of UEFA Champions League, UEFA Super Cup and UEFA Cup games for the period 2009-2012. In addition, until 2012 in relation to these games Doğan TV has a payment obligation for the amount of total EUR 23.000.

**(b) Barter agreements**

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

As of 30 June 2011, the Group has a commitment for the publication of advertisements amounting to TRY 13.028 in exchange for purchasing goods and services (2010: TRY 8.232) and has an option to purchase goods and services amounting to TRY 18.338 in exchange of the goods or services sold (2010: TRY 12.854).

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**NOTE 16 – COMMITMENTS (Continued)**

***(c) Guarantees and mortgages given***

The details of guarantees given by Doğan Holding and its shareholders for the borrowings and trade payables of the Group companies and related parties as of 30 June 2011 and 31 December 2010 are as follows:

	<b>30 June 2011</b>		<b>31 December 2010</b>	
	<b>Original currency</b>	<b>TRY equivalent</b>	<b>Original currency</b>	<b>TRY equivalent</b>
Bails - EUR	69.176	162.509	119.505	244.879
Bails - USD	1.102.281	1.796.939	1.045.443	1.616.254
Bails – TRY	76.144	76.144	217.479	217.479
Mortgages - EUR	6.500	15.270	6.500	13.319
Mortgages - TRY	11.794	11.794	11.794	11.794
<b>Total</b>		<b>2.062.656</b>		<b>2.103.725</b>

**NOTE 17 - OTHER ASSETS AND LIABILITIES**

	<b>30 June 2011</b>	<b>31 December 2010</b>
<b>Other current assets:</b>		
Restricted deposits	131.231	-
Programme stocks	58.210	52.675
Value Added Tax (“VAT”) receivables	50.436	50.739
Prepaid expenses	37.490	40.287
Advances given	43.058	35.396
Income accruals	7.221	8.514
Prepaid taxes	28.709	7.077
Tax receivable	2.871	1.616
Other	26.296	18.165
	<b>385.522</b>	<b>214.469</b>
Less: provision for impairment on programme stocks	(2.500)	(2.500)
	<b>383.022</b>	<b>211.969</b>

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**NOTE 17 - OTHER ASSETS AND LIABILITIES (Continued)**

	<b>30 June 2011</b>	<b>31 December 2010</b>
<b>Other non-current assets:</b>		
Value Added Tax ("VAT") receivables	135.068	110.598
Advances given and prepayments (1)	80.539	83.869
Long term restricted deposits (2)	114.114	15.460
Prepaid expenses	5.015	9.780
Other	8.350	53
	<b>343.086</b>	<b>219.760</b>

(1) Advances given and prepayments amounting to TRY 36.633 (31 December 2010: TRY 36.947) consist of prepayments made by Doğan TV Holding, one of the subsidiaries of Doğan Yayın Holding, for UEFA (Union Européenne de Football Association or Union of European Football Associations) Champions League qualifying games and UEFA Cup qualifying games of certain Spor Toto Super League teams between 2008 and 2020. In accordance with the agreements, prepayments made for the related games will be refunded to Doğan TV Holding in the cancellation of games.

(2) Hürriyet, subsidiary of the Group, has time deposit amounting to USD 10.000 which has been blocked as collateral for loans used by subsidiaries of the Group. Due to the restructuring of the loan, the blocked deposit has been solved as of 3 May, 2011 (Note 30). As of the 30 June 2011, Company's US\$ 70.000 of deposit amount has been blocked as a guarantee against the related loan used by TME.

	<b>30 June 2011</b>	<b>31 December 2010</b>
<b>Other current liabilities:</b>		
Provision for tax liability in dispute regarding 6111 law	251.955	-
Tax base increase liability regarding 6111 law	21.391	-
Deferred revenue	44.308	52.283
Provision for unused vacation liability	26.061	27.497
Expense provisions	58.201	12.276
Competition Authority penalty (*)	4.590	-
Provision for broadcasted programmes	5.872	6.815
Expense accruals	-	1.798
Other	638	-
	<b>413.016</b>	<b>100.669</b>

(\*)TRY 333 and TRY 559 of the competition authority penalty of Bağımsız Gazeteciler and Milliyet brand has been classified into discontinued operations.

	<b>30 June 2011</b>	<b>31 December 2010</b>
<b>Other non-current liabilities:</b>		
Provision for tax liability in dispute regarding 6111 law	523.856	-
Tax base increase liability regarding 6111 law	18.628	-
Other long term liabilities	26.087	-
	<b>568.571</b>	<b>-</b>

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**NOTE 18 - EQUITY**

Doğan Holding adopted the registered paid in capital system available to companies registered with the CMB and set a limit on its registered paid in capital representing registered type shares with a nominal value of TRY 1. Doğan Holding’s historical, authorized and issued paid in capital at 30 June 2011 and 31 December 2010 is as follows:

	<b>30 June 2011</b>	<b>31 December 2010</b>
Limit on registered paid in capital (historical value)	4.000.000	4.000.000
Authorized and issued paid in capital (historical value)	2.450.000	2.450.000

The ultimate shareholder of Doğan Holding is Doğan Family. The shareholder structures of the Holding at 30 June 2011 and 31 December 2010 are summarized as follows:

	<b>Shares %</b>	<b>30 June 2011</b>	<b>Shares %</b>	<b>31 December 2010</b>
Adilbey Holding A.Ş.	52,00	1.274.000	52,00	1.274.000
Doğan Family	13,93	341.364	13,93	341.364
Aydın Doğan Vakfı	0,19	4.679	0,19	4.679
Istanbul Stock Exchange (*)	33,88	829.957	33,88	829.957
<b>Total issued capital</b>	<b>100</b>	<b>2.450.000</b>	<b>100</b>	<b>2.450.000</b>
Adjustment to paid-in capital		143.526		143.526
<b>Total</b>		<b>2.593.526</b>		<b>2.593.526</b>

(\*) In accordance with the Capital Markets Board’s (the “CMB”) Resolution No: 21/655 issued on 23 July 2010, it is regarded that 27,48% of the shares are outstanding as of 30 June 2011 based on the Central Registry Agency’s (“CRA”) records.



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**NOTE 18 – EQUITY (Continued)**

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

There are no privileged shares.

**Restricted Reserves Assorted From Profit**

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

The legal reserves consist of first and second reserves, appropriated in accordance with the Turkish Commercial Code. The Turkish Commercial Code stipulates that the first legal reserve is appropriated out of statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the Company’s paid-in share capital. The second legal reserve is appropriated at the rate of 10% per annum of all cash distributions in excess of 5% of the paid-in share capital. Under the Turkish Commercial Code, the legal reserves can only be used to offset losses and are not available for any other usage unless they exceed 50% of paid-in share capital. Related amount is classified in “Restricted Reserves Assorted From Profit” accordance with CMB Financial Reporting Standards ,as of 30 June 2011 that amount is TRY 1.450.139 (31 December 2010: TRY 696.888). There is no restriction to add these reverses except first reserves to equity.

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

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

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

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

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**NOTE 18 – EQUITY (Continued)**

***Financial assets fair value reserves***

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

***Dividend Distribution***

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

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

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

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

Based on the consolidated financial statements ended at 31 December 2010, the Company’s “Net Profit for the Period” is calculated as TRY 656.204, considering its “current tax expenses”, “deferred tax income” and “non-controlling interests” in accordance with the resolution issued in its Board of Directors’ meeting held on 19 July 2011. Also, the Company has decided to make a disclosure to its shareholders that the Company has not generated any distributable profits/(loss) TRY 188.677 for the period 1 January 2010 - 31 December 2010 based on the CMB’s profit distribution requirements after the deduction of: “1st Legal Reserves” amounting to TRY 62.902; accumulated losses amounting to TRY 92.683; and “sale proceeds of joint venture shares” amounting to TRY 690.349, which is classified as undistributable under a “special fund” account in “equity”, in accordance with Article 466/1 of TCC, considering the “Contributions made in 2010” (TRY 1.053), and presented its resolution to the General Assembly.

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**NOTE 18 – EQUITY (Continued)**

The CMB’s requires the disclosure of total amount of net profit in the statutory records and other resources which may be subject to profit distribution in the financial statements that are prepared in accordance with Communiqué Serial XI, No: 29 and to be announced to public. As of 31 December 2010, the Company’s gross amount of resources that may be subject to the profit distribution based on the statutory records amounts to TRY 523.554.

The shareholders equity of the Group is as below:	<b>30 June 2011</b>	<b>31 December 2010</b>
Share capital	2.450.000	2.450.000
Adjustment to share capital	143.526	143.526
Share premium	630	630
Increase in fair value of		
available for sale financial assets, net	(1.298)	13.918
Translation reserve	52.231	(3.939)
Restricted reserves assorted from profit	1.450.139	696.888
- <i>Legal reserves</i>	127.739	64.837
- <i>Inflation adjustment differences to legal, extraordinary and other reserves, share premiums (*)</i>	1.322.400	632.051
Retained earnings / Accumulated losses	(176.459)	(92.683)
Net income/ (loss) for the period	(672.836)	656.204
<b>Total shareholders’ equity</b>	<b>3.245.933</b>	<b>3.864.544</b>

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

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**NOTE 19 - SALES AND COST OF SALES**

	<b>1 January- 30 June 2011</b>	<b>1 April- 30 June 2011</b>	<b>1 January- 30 June 2010</b>	<b>1 April- 30 June 2010</b>
Domestic sales	1.365.277	777.520	1.473.118	797.818
Foreign sales	405.289	193.446	163.266	86.496
Sales returns	(205.468)	(103.313)	(203.412)	(101.569)
Sales discount	(71.689)	(39.864)	(107.076)	(60.889)
<b>Net sales</b>	<b>1.493.409</b>	<b>827.789</b>	<b>1.325.896</b>	<b>721.856</b>
Cost of sales (-)	(1.088.433)	(569.443)	(1.014.292)	(524.651)
<b>Gross profit</b>	<b>404.976</b>	<b>258.346</b>	<b>311.604</b>	<b>197.205</b>

*Sales income and cost of sales*

The segment details of revenue and cost of sales for the periods ended as of 30 June 2011 and 2010 is disclosed in Note 5 - “Segment Reporting”.

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

	<b>1 January- 30 June 2011</b>	<b>1 April- 30 June 2011</b>	<b>1 January- 30 June 2010</b>	<b>1 April- 30 June 2010</b>
Selling, marketing and distribution expenses	167.257	91.414	158.253	84.279
General administrative expenses	180.129	93.284	154.731	82.821
<b>Operating expenses</b>	<b>347.386</b>	<b>184.698</b>	<b>312.984</b>	<b>167.100</b>

**NOTE 21 - EXPENSES BY NATURE**

The details of cost of sales, marketing, selling and distribution expenses and general administrative expenses for the interim periods ended as at 30 June 2011 and 2010 are as follows:

	<b>1 January- 30 June 2011</b>	<b>1 April- 30 June 2011</b>	<b>1 January- 30 June 2010</b>	<b>1 April- 30 June 2010</b>
Personnel expenses	268.912	134.511	243.184	131.359
Cost of trade goods sold	273.886	156.816	230.885	111.982
General production overhead	257.412	131.091	266.270	135.684
Raw material and supplies	186.740	88.315	137.679	64.493
Depreciation expense	114.783	55.841	118.481	59.130
Advertising expenses	35.387	20.793	35.434	21.674
Other	298.699	166.774	295.343	167.429
	<b>1.435.819</b>	<b>754.141</b>	<b>1.327.276</b>	<b>691.751</b>

As of 30 June 2011, depreciation amount of TRY 1.685 which is related to disposal of subsidiary and brand (30 June 2010: TRY 71.193 related to disposal of subsidiary, brand and joint venture) is reclassified under discontinued operations. As of 30 June 2011, TRY 263 (30 June 2010: TRY 230) of depreciation and amortization amount is recorded under inventory.

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**NOTE 22 - OTHER INCOME/EXPENSES**

	<b>1 January- 30 June 2011</b>	<b>1 April- 30 June 2011</b>	<b>1 January- 30 June 2010</b>	<b>1 April 30 June 2010</b>
<b>Other income:</b>				
Profit from sales of available for sale financial asset (*) (Note 7)	11.278	-	(1.255)	(1.150)
Reversal of provision of tax penalties	5.276	1.660	-	-
Terminated provisions	10.507	7.936	14.767	9.933
Gain on sales of property, plant and equipment and intangible assets	1.949	646	2.680	1.910
Scrap sales income	1.836	1.234	-	-
Rent income	292	48	-	-
Other income	6.341	5.101	16.743	10.988
	<b>37.479</b>	<b>16.625</b>	<b>32.935</b>	<b>21.681</b>

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

	<b>1 January- 30 June 2011</b>	<b>1 April- 30 June 2011</b>	<b>1 January- 30 June 2010</b>	<b>1 April 30 June 2010</b>
<b>Other operating expenses:</b>				
Provision expense of tax liability in dispute (1)	(844.993)	(595.327)	-	-
Provision expense of tax base increase (2)	(91.482)	(10.204)	-	-
Provision of Competition Authority penalty (3)	(4.031)	-	-	-
Provision for doubtful receivables (Note 9) (4)	(6.378)	(3.633)	(1.750)	2.309
Other penalties and compensations paid	(3.434)	(1.359)	(739)	(307)
Loss on sale of property, plant and equipment	(2.554)	(304)	(711)	(424)
Provision for lawsuits	(5.948)	(5.099)	(6.809)	(5.719)
Other expenses	(11.961)	(6.563)	(9.576)	(2.873)
	<b>(970.781)</b>	<b>(622.204)</b>	<b>(19.585)</b>	<b>(7.014)</b>

(1) Tax liability in dispute under law 6111 is shown net of TRY 21.196 amount of reversal of provisions for the previous years' tax lawsuits.

(2) Tax base increase expense of TRY 4.027 under law 6111 is recognized under the discontinued operations.

(3) TRY 892 of fine imposed by the Competition Authority is recognized under the discontinued operations.

(4) TRY 1.247 of provision for doubtful trade receivables is recognized under the discontinued operations.

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**NOTE 23 - FINANCIAL INCOME**

The details of financial income for the interim periods ended 30 June 2011 and 2010 are as follows:

<b>Financial income:</b>	<b>1 January- 30 June 2011</b>	<b>1 April- 30 June 2011</b>	<b>1 January- 30 June 2010</b>	<b>1 April- 30 June 2010</b>
Foreign exchange gains	326.542	193.224	115.716	70.431
Interest income on bank deposits	96.966	49.899	41.756	21.641
Due date difference on credit sales	24.192	9.959	28.212	11.903
Amortized cost valuation income	4.695	2.693	1.140	892
Other interest and commissions	1.928	(73)	1.175	(183)
	<b>454.323</b>	<b>255.702</b>	<b>187.999</b>	<b>104.684</b>

**NOTE 24 - FINANCIAL EXPENSE**

The details of financial expenses for the interim periods ended 30 June 2011 and 2010 are as follows:

<b>Financial expenses:</b>	<b>1 January- 30 June 2011</b>	<b>1 April- 30 June 2011</b>	<b>1 January- 30 June 2011</b>	<b>1 April- 30 June 2010</b>
Foreign exchange loss	(251.693)	(139.693)	(99.567)	(62.470)
Interest expense on short-term and long-term borrowings	(55.271)	(24.003)	(47.890)	(20.838)
Due date difference on credit purchases	(13.032)	(5.642)	(17.353)	(18.188)
Other	(11.178)	(10.088)	(11.169)	4.643
	<b>(331.174)</b>	<b>(179.426)</b>	<b>(175.979)</b>	<b>(96.853)</b>

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

**a) Sale of POAŞ Shares**

Group transferred its 54,14% shares in the capital of POAŞ on 22 December 2010. POAŞ's operation results and the profit from the sale of shares for the six-months period ended 30 June 2010, presented as follows;

	<b>1 January- 30 June 2010</b>	<b>1 April- 30 June 2010</b>
Sales	4.105.802	2.342.923
Cost of sales (-)	(3.844.494)	(2.206.726)
<b>Gross profit</b>	<b>261.308</b>	<b>136.197</b>
Marketing, selling and distribution expenses (-)	(88.802)	(45.142)
General and administrative expenses (-)	(43.502)	(22.428)
Research and development expenses	(264)	(50)
Other income/expense (net)	(31.207)	(27.287)
Financial income/expense (net)	(86.249)	(49.979)
<b>Profit/loss before tax From discontinued operations</b>	<b>11.284</b>	<b>(8.689)</b>
<b>Tax Income from discontinued operations</b>		
Current income tax expense	(17.199)	(10.316)
Deferred tax (expenses)/income	12.714	14.463
<b>Net profit after tax for Discontinued operations</b>	<b>6.799</b>	<b>(4.542)</b>

**Net cash used in discontinued operations:**

	<b>1 January- 30 June 2010</b>
Net cash provided by operations	140.315
Net cash used in investing activities	(32.288)
Net cash used in financing activities	(65.989)
<b>Net cash outflow</b>	<b>42.038</b>

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**NOTE 25 - NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED  
OPERATIONS (Continued)**

**b) *Sale of Bağımsız Gazeteciler and brand sale of Milliyet***

The Group's filed application in relation to the transfer of all brands, royalties and internet domain names (milliyet.com.tr; milliyet.com; milliyetmlak.com.tr etc.) pertaining to the Milliyet Newspaper in consideration of USD 47.960 (TRY 73.595) plus VAT and its 1.289.996 shares of Bağımsız Gazeteciler Yayıncılık A.Ş. with a nominal value of TRY 100 each, comprising all brands, royalties and domain names pertaining to the Vatan Newspaper, in which it holds 99,99% participation amounting to TRY 129.000 of capital in consideration of USD 26.000 (TRY 39.897) to DK Gazetecilik ve Yayıncılık A.Ş., a joint venture company formed by Demirören and Karacan Group was approved by the Competition Authority on 28 April 2011 and the related transfer transactions were completed as of 2 May 2011 upon the satisfaction of all closing conditions.

The Group and DK Gazetecilik ve Yayıncılık A.Ş. have a mutual understanding of the following:: transferring of all personnel related to all brands, royalties and internet domain names pertaining to the Milliyet Newspaper with all their rights; share transfer of Bağımsız Gazeteciler Yayıncılık A.Ş. as of the closing balance sheet date prepared on 2 May 2011 by offsetting any of its liabilities/encumbrances and any receivables; if such treatment is inapplicable, offsetting liabilities that cannot be recoverable from receivables against the share transfer consideration by the deduction of liabilities against the first installment payments, or if receivables are higher than liabilities, addition of difference amount between liabilities and receivables to the sale price; restricting the total liability that may arise from termination pay, retirement pay and leave of absence to 15% in the termination of employment contracts by DK Gazetecilik ve Yayıncılık A.Ş. and Bağımsız Gazeteciler Yayıncılık A.Ş. during the share transfer period. As a result of this mutual understanding, TRY 3.577 and TRY 1.765 of discount have been applied to the Milliyet Newspaper and Bağımsız Gazeteciler Yayıncılık A.Ş., respectively, over the sale price as the cost of termination of employment contracts. In addition, TRY 3.269 of discount has been applied over the sale price of Bağımsız Gazeteciler Yayıncılık A.Ş. as a liability amount that cannot be recoverable from receivables.

The payment schedule will include TRY 20.000 of advance payment at the sign date of the contract (20 April 2011), TRY 20.000 of cash payment no later than 31 May 2011 and 40 monthly installments of the remaining portion starting from 2012. For installment payments in 2012, 2013, 2014 and 2015, as of closing date, Libor+2,5, Libor+3,5, Libor+4,5 and Libor+5,5 interest rate will be applied, respectively. Libor interest rate is applied for 6 months and this rate is calculated every six months and is determined on a fix rate basis for the following six-month period.

TRY 20.000 of cash payment was made on 31 May 2011, less any discounts applied and closing balance sheet reconciliations mentioned above. As mentioned above, the payment of the remaining USD 47.893 is planned as receiving 40 bonds consisting a short term payment of USD 7.184 and long term payments of USD 40.709. Notes receivables that are received related to disposal transaction amounting to TRY 12.584 and TRY 67.031 are accounted under short term and long term other receivables respectively at the consolidated financial statements prepared as of 30 June 2011.



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

b) *Sale of Bağımsız Gazeteciler and brand sale of Milliyet (continued)*

Operating results and sale proceeds of subsidiaries up until the disposal of Bağımsız Gazeteciler and Milliyet are detailed as follows:

	30 April 2011	30 June 2010
Sales	48.026	81.669
Cost of sales (-)	(37.769)	(54.048)
<b>Gross profit</b>	<b>10.257</b>	<b>27.621</b>
Marketing, sales and distribution expenses (-)	(18.451)	(30.705)
General administration expenses (-)	(6.434)	(8.755)
Research and development expense (-)	-	-
Other operating income/ expenses (net)	(6.905)	(3.771)
Financial income/ expenses (net)	(797)	(2.296)
<b>Loss before income tax from discontinued operations</b>	<b>(22.330)</b>	<b>(17.906)</b>
<b>Tax (expense)/ income from discontinued operations</b>	<b>(59)</b>	<b>528</b>
Current year tax charge	-	-
Deferred tax charge	(59)	528
<b>Net loss from discontinued operations prior to sale proceeds from the disposal of brand and subsidiary shares</b>	<b>(22.389)</b>	<b>(17.378)</b>
Gain on sale of brand and subsidiary shares	19.459	-
Sales income tax expense	(6.541)	-
<b>Discontinued operations</b>		
Net income from discontinued operations (after income taxes)	<b>(9.471)</b>	<b>(17.378)</b>
<b>Cash used in Discontinued operations:</b>		
	<b>1 January - 30 April 2011</b>	<b>1 January 30 June 2010</b>
Net cash (used in)/ provided from operating activities	(1.376)	700
Net cash provided from/ (used in) investing activities	464	(781)
Net cash provided by/ (used in) financing activities	502	(19)
<b>Net cash outflow</b>	<b>(410)</b>	<b>(100)</b>

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

b) *Sale of Bağımsız Gazeteciler and brand sale of Milliyet (continued)*

Gain on sale of brand and subsidiary shares

30 June 2011

Amount received	93.655
Carrying value of net assets	(74.196)
<b>Sales income</b>	<b>19.459</b>

Net amount received from sale of brand and subsidiary shares

Cash and cash equivalents received	27.424
Notes receivables received	66.231
Less: Cash and cash equivalents of sold subsidiary	(187)
	<b>93.468</b>

Net book value of assets disposed

30 April 2011

<b>Current assets</b>	<b>4.516</b>
Cash and cash equivalents	187
Trade receivables	1.848
Inventories	1.345
Other current assets	1.136
<b>Non-current assets</b>	<b>102.598</b>
Property, plant and equipment	1.127
Intangible assets	51.951
Goodwill	47.757
Investment property	159
Other non-current assets	1.604
<b>Current liabilities</b>	<b>18.518</b>
Financial borrowings	3.252
Trade payables	3.708
Other taxes and funds payables	3.547
Provisions	2.930
Other current liabilities	5.081
<b>Non-current liabilities</b>	<b>14.400</b>
Other payables	6
Provision for employee termination benefits	11.092
Deferred tax liability	3.302

Net assets disposed of from scope of consolidation

74.196

Gain from sale

19.459

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**NOTE 25 - NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED  
OPERATIONS (Continued)**

**c) *OOO Pronto Peterburg:***

The Group has launched legal procedures required to exit 34% owned subsidiary of the company OOO Pronto Peterburg. Related activities at the company are being continued at OOO Pronto Neva in Saint Petersburg.

As of 30 June 2011, assets held for sale and the breakdowns of asset and liabilities classified into liabilities regarding assets held for sale are as follows:

	<b>30 June 2011</b>
<b>Assets</b>	<b>1.179</b>
Cash and cash equivalents	143
Trade receivables	1.736
- Due from related parties	1.353
- Other trade receivables	383
Other receivables	88
Inventories	47
Other current assets	162
Property, plant and equipment	147
Intangible assets	25
Deferred tax asset	184
Receivables disposed of from the scope of consolidation	(1.353)
<b>Liabilities</b>	<b>1.477</b>
Trade payables	2.945
- Due to related parties	2.537
- Other trade payables	408
Other payables	216
Provisions	310
Other current liabilities	543
Payables disposed of from the scope of consolidation	(2.537)

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**NOTE 26 - TAX ASSETS AND LIABILITIES**

	<b>30 June 2011</b>	<b>31 December 2010</b>
Corporate and income taxes payable	88.841	76.462
Deferred tax liabilities, net	71.908	31.099
<b>Total</b>	<b>160.749</b>	<b>107.561</b>

***Turkey***

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

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

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

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

Companies calculate corporate tax quarterly at the rate of 20% over their corporate income and these amounts are disclosed by the end of 10th day and paid by the end of the 17th day of the second month following each calendar quarter-end. Advance taxes paid in the period are offset against the following period's corporate tax liability. If there is an outstanding advance tax balance as a result of offsetting, the related amount may either be refunded in cash or used to offset against for other payables to the government.

Tax Law No: 5024 "Amendments in Tax Procedural Law, Income Tax Law and Corporate Tax Law" published in the Official Gazette on 30 December 2003 requires income tax and corporate taxpayers whose earnings are determined based on the balance sheet to prepare their statutory financial statements by adjusting the non-monetary assets and liabilities for the changes in the general purchasing power of the Turkish Lira effective from 1 January 2004. In accordance with the provisions of the aforementioned Law provisions, in order to apply inflation adjustment, the cumulative inflation rate (TURKSTAT WPI) over the last 36 months and 12 months must exceed 100% and 10%, respectively. Inflation adjustment has not been applied as the related threshold has not been met as of 2005.

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.

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**NOTE 26- TAX ASSETS AND LIABILITIES (Continued)**

**Turkey(Continued)**

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

As of 30 June 2011, the Company has offset its financial losses attributable to the calculation of offsetting of tax asset against deductible financial losses or current tax provision in accordance with the above-mentioned principles.

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

*Exemption for participation in subsidiaries*

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

*Exemption for participation into foreign subsidiaries*

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

*Exemption for sale of participation shares and property*

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

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

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**NOTE 26- TAX ASSETS AND LIABILITIES (Continued)**

**Turkey(Continued)**

*Exemption for investment allowance*

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

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

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

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

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

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**NOTE 26- TAX ASSETS AND LIABILITIES (Continued)**

The composition of cumulative temporary differences and the related deferred income tax assets and liabilities in respect of items for which deferred tax has been provided at 30 June 2011 and 31 December 2010 using the enacted tax rates, is as follows:

	<b>Cumulative temporary differences</b>		<b>Deferred Tax assets/(liabilities)</b>	
	<b>31 June 2011</b>	<b>31 December 2010</b>	<b>31 June 2011</b>	<b>31 December 2010</b>
Differences between the tax base and carrying value of property, plant and equipment and intangible assets	(676.111)	(680.940)	(134.478)	(136.527)
Accrued expenses of swap and fair value protection	(1.208)	(360)	(242)	(72)
Other	(41.627)	(4.383)	(11.095)	(1.026)
<b>Deferred tax liabilities</b>			<b>(145.815)</b>	<b>(137.625)</b>
Carry forward tax losses	96.291	337.342	40.146	67.469
Provision for doubtful receivables	44.050	35.170	7.269	8.278
Provision for employment termination benefits	43.823	46.895	8.765	9.379
Lease payables	412	948	118	271
Other	87.245	99.748	17.609	21.129
<b>Deferred tax assets</b>			<b>73.907</b>	<b>106.526</b>
<b>Deferred tax liabilities, net</b>			<b>(71.908)</b>	<b>(31.099)</b>

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

The Group recognised deferred tax assets over TRY 276.091 of carry forward tax losses in the consolidated financial statements prepared in accordance with the CMB's Financial Reporting Standards as at 30 June 2011 (31 December 2010: TRY 337.342). The maturity analysis of carry forward tax losses is as follows:

	<b>30 June 2011 (*)</b>	<b>31 December 2010</b>
2011	9.278	29.594
2012	16.575	48.644
2013	52.572	245.310
2014	2.901	8.333
2015 and after	14.965	5.461
	<b>96.291</b>	<b>337.342</b>

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

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**NOTE 26- TAX ASSETS AND LIABILITIES (Continued)**

As of 30 June 2011, deferred tax rate is 20% for corporations operating in Turkey (2010: 20%).

Deferred tax assets are reflected into records for all deductible temporary differences to the extent of possibility of tax profit to be formed at profitable level. As of 30 June 2011, carry forward tax losses for which no deferred tax asset is recognized are with an amount of TRY 1.301.589 (31 December 2010: TRY 832.179).

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

As of 30 June 2011, tax rates (%) used on tax computations regarding the tax regulations per countries are as follows:

<b>Country</b>	<b>Tax rates (%)</b>	<b>Country</b>	<b>Tax rates (%)</b>
Germany	28,0	Ukraine (***)	25,0
Romania	16,0	Hungary (*)	19,0
England	28,0	Russia	20,0
Croatia	20,0	Belarus	24,0
Kazakhstan	20,0	The Netherlands (**)	25,5

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

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

(\*\*\*) Tax rate decreased to 23% as of 1 April 2011.

Movements for net deferred taxes for the interim periods ended at 30 June 2011 and 2010 are as follows:

	<b>2011</b>	<b>2010</b>
1 January	(31.099)	(154.782)
Deffered tax effect of financial assets fair value increase	-	-
Current period's income/expense	(30.426)	7.725
Discontinued operation deferred tax expense	(59)	(1.749)
Currency translation differences	(15.033)	(2.197)
Disposal of subsidiary	3.302	-
Other	1.407	(845)
<b>30 June</b>	<b>(71.908)</b>	<b>(151.848)</b>



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**NOTE 26- TAX ASSETS AND LIABILITIES (Continued)**

The taxes on income reflected to the consolidated income statement for the periods ended at 30 June 2011 and 2010 are summarized below:

	<b>1 January- 30 June 2011</b>	<b>1 April- 30 June 2011</b>	<b>1 January- 30 June 2010</b>	<b>1 April- 30 June 2010</b>
Current	(106.260)	(64.009)	(50.033)	(34.277)
Deferred	(30.426)	(30.224)	6.015	(1.155)
<b>Taxes on income</b>	<b>(136.686)</b>	<b>(94.233)</b>	<b>(44.018)</b>	<b>(35.432)</b>

The reconciliation of the taxation on income in the consolidated income statement for interim periods ended 30 June 2011 and 2010 and the tax calculated at the corporate tax rate based on the income before minority interests and taxation on income are as follows:

	<b>30 June 2011</b>	<b>30 June 2010</b>
Profit before taxation from continued operations	(752.563)	23.990
Tax calculated at 20% tax rate	150.513	(4.798)
Provision for tax liability in dispute and tax base increase liability regarding 6111 law	(188.596)	-
Carry forward losses utilized	724	2.772
Expenses not deductible for tax purposes	(23.553)	(16.450)
Income not subject to tax	5.492	6.597
Reversal of previous year losses from which deferred tax is calculated	(34.752)	-
Tax losses for which no deferred income tax asset was recognized	(30.942)	(27.436)
Adjustment effects	(8.111)	2.784
Withholding tax related to the dividend payment abroad	(6.053)	(2.204)
Difference due to the different tax rates applicable in different countries	4.625	(428)
Other	(6.033)	(4.855)
<b>Current period tax</b>	<b>(136.686)</b>	<b>(44.018)</b>

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**NOTE 27 - RELATED PARTY DISCLOSURES**

For the purpose of those consolidated financial statements, related parties are referred to as shareholders, the ultimate parent shareholder, Aydın Doğan, and Doğan Family, other group companies that are controlled by these individuals, and affiliates, subsidiaries and entities that are controlled by key management personnel, members of board of directors and their close family members. As of the balance sheet date, the details of due to/from related parties and related party transactions for the interim period ended as of 30 June 2011 are summarized as below:

**i) Amounts due from and due to related parties:**

	<b>30 June 2011</b>	<b>31 December 2010</b>
<b><u>Current trade receivables - Due from related parties:</u></b>		
D Market Elektronik Hizmetler ve Ticaret A.Ş. (“D Market”)	888	405
Doğan Portal ve Elektronik Ticaret A.Ş.	178	293
D Elektronik Şans Oyunları ve Yayıcılık A.Ş. (“D Elektronik Şans Oyunları”)	650	1.567
Ortadoğu Otomotiv Ticaret A.Ş. (“Ortadoğu Otomotiv”)	178	75
Aydın Doğan Vakfı	26	14
Gümüştaş Madencilik ve Ticaret A.Ş.	14	16
Medyanet İletişim Reklam Pazarlama ve Turizm A.Ş. (“Medyanet”) (*)	-	5.724
Doğan Elektronik Turizm Satış Pazarlama Hizmetleri ve Yayıcılık A.Ş.	-	20
Other	383	3.054
	<b>2.317</b>	<b>11.168</b>

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

	<b>30 June 2011</b>	<b>31 December 2010</b>
<b><u>Current non- trade payables - Due to related parties:</u></b>		
Gümüştaş Madencilik ve Ticaret A.Ş.	3.097	-
	<b>3.097</b>	<b>-</b>

	<b>30 June 2011</b>	<b>31 December 2010</b>
<b><u>Current trade payables - Due to related parties:</u></b>		
Ortadoğu Otomotiv Ticaret A.Ş. (“Ortadoğu Otomotiv”)	3.754	-
Yeni Ortadoğu Otomotiv Ticaret A.Ş. (“Yeni Ortadoğu Otomotiv”)	-	191
Ray Sigorta	-	8
Mesiar Medya Sigorta ve Aracılık Hizmetleri A.Ş.	-	79
Other	315	919
	<b>4.069</b>	<b>1.197</b>

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**NOTE 27 - RELATED PARTY DISCLOSURES (Continued)**

**ii) Transactions with related parties:**

**Service and product purchases:**

	<b>1 January- 30 June 2011</b>	<b>1 April- 30 June 2011</b>	<b>1 January- 30 June 2010</b>	<b>1 April- 30 June 2010</b>
Service and product purchases	3.064	1.871	7.231	6.018
	<b>3.064</b>	<b>1.871</b>	<b>7.231</b>	<b>6.018</b>

**Service and product sales:**

Service and product sales	11.540	6.235	18.048	12.535
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**Financial income and expenses:**

Financial income	(94)	-	(357)	(220)
Financial expense	-	-	8	8
	<b>(94)</b>	<b>-</b>	<b>(349)</b>	<b>(212)</b>

**Purchases of property, plant and equipment and intangible assets:**

D Market	-	-	459	304
Medyanet A.Ş	20	-	-	-
	<b>20</b>	<b>-</b>	<b>459</b>	<b>304</b>

**Sales of property, plant and equipment and intangible assets:**

Medyanet A.Ş	(74)	(74)	-	-
	<b>(74)</b>	<b>(74)</b>		

**Benefits provided to board members and key management personnel**

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

	<b>1 January- 30 June 2011</b>	<b>1 April- 30 June 2011</b>	<b>1 January- 30 June 2010</b>	<b>1 April- 30 June 2010</b>
Fees and other short-term benefits	2.129	1.087	2.528	1.259
Post-employment benefits	-	-	-	-
Other long-term benefits	-	-	-	-
Benefits due to layoffs	-	-	-	-
Share-based payments	-	-	-	-
<b>Total</b>	<b>2.129</b>	<b>1.087</b>	<b>2.528</b>	<b>1.259</b>

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**NOTE 28 - FINANCIAL RISK MANAGEMENT**

***Financial instruments and financial risk management***

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

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

***a) Market Risk***

***a.1) Foreign currency risk***

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

The Group is exposed to foreign exchange risk arising primarily from the USD and Euros, the effects of other currencies are immaterial.

	<b>30 June 2011</b>	<b>31 December 2010</b>
Foreign currency assets	2.826.115	2.980.760
Foreign currency liabilities	(1.718.690)	(2.033.596)
Net asset position of off-balance sheet derivatives	(32.317)	12.424
<b>Net foreign currency position</b>	<b>1.075.108</b>	<b>959.588</b>

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**NOTE 28 - FINANCIAL RISK MANAGEMENT (Continued)**

**Net foreign currency position**

Below table summarizes the Group's foreign currency position risk as of 30 June 2011 and 31 December 2010. The carrying amount of foreign currency denominated assets and liabilities are as follows:

**30 June 2011**

	<b>TRY Equivalent</b>	<b>USD</b>	<b>Euro</b>	<b>Other</b>
1. Trade Receivables	135.165	82.788	42.250	10.127
2a. Monetary Financial Assets (Cash, Banks included)	2.657.986	1.676.377	951.772	29.837
2b. Non-Monetary Financial Assets	-	-	-	-
3. Other	23.692	22.656	318	718
<b>4. Current Assets (1+2+3)</b>	<b>2.816.843</b>	<b>1.781.821</b>	<b>994.340</b>	<b>40.682</b>
5. Trade Receivables	9.094	6.841	2.253	-
6a. Monetary Financial Assets	130	63	15	52
6b. Non-Monetary Financial Assets	-	-	-	-
7. Other	48	22	26	-
<b>8. Non-Current Assets (5+6+7)</b>	<b>9.272</b>	<b>6.926</b>	<b>2.294</b>	<b>52</b>
<b>9. Total Assets (4+8)</b>	<b>2.826.115</b>	<b>1.788.747</b>	<b>996.634</b>	<b>40.734</b>
10. Trade Payables	167.484	32.905	125.736	8.843
11. Financial Liabilities	747.357	572.141	158.212	17.004
12a. Other Monetary Financial Liabilities	106.303	44.771	21.728	39.804
12b. Other Non-Monetary Financial Liabilities	225	26	196	3
<b>13. Current Liabilities (10+11+12)</b>	<b>1.021.369</b>	<b>649.843</b>	<b>305.872</b>	<b>65.654</b>
14. Trade Payables	9.447	3.280	6.167	-
15. Financial Liabilities	643.766	546.021	72.428	25.317
16a. Other Monetary Financial Liabilities	40.806	40.755	-	51
16b. Other Non-Monetary Financial Liabilities	3.302	2.262	1.040	-
<b>17. Non-Current Liabilities (14+15+16)</b>	<b>697.321</b>	<b>592.318</b>	<b>79.635</b>	<b>25.368</b>
<b>18. Total Liabilities (13+17)</b>	<b>1.718.690</b>	<b>1.242.161</b>	<b>385.507</b>	<b>91.022</b>
<b>19. Net asset / liability position of</b>				
<b>Off-balance sheet derivatives (19a-19b)</b>	<b>(32.317)</b>	<b>28.948</b>	<b>(59.320)</b>	<b>(1.945)</b>
<b>19a Off-balance sheet foreign</b>				
<b>currency derivative assets</b>	<b>80.345</b>	<b>65.493</b>	<b>14.852</b>	<b>-</b>
<b>19b Off-balance sheet foreign</b>				
<b>currency derivative liabilities</b>	<b>112.662</b>	<b>36.545</b>	<b>74.172</b>	<b>1.945</b>
<b>20. Net foreign currency</b>				
<b>asset liability position (9-18+19)</b>	<b>1.075.108</b>	<b>575.534</b>	<b>551.807</b>	<b>(52.233)</b>
<b>21. Net foreign currency asset / liability</b>				
<b>position of monetary items</b>				
<b>(1+2a+5+6a-10-11-12a-14-15-16a)</b>	<b>1.087.212</b>	<b>526.196</b>	<b>612.019</b>	<b>(51.003)</b>
<b>22. Fair value of foreign currency</b>				
<b>hedged financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>23. Exports</b>	<b>405.283</b>	<b>77.072</b>	<b>312.405</b>	<b>15.806</b>
<b>24. Imports</b>	<b>121.324</b>	<b>23.072</b>	<b>93.519</b>	<b>4.733</b>

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**NOTE 28 - FINANCIAL RISK MANAGEMENT (Continued)**

**31 December 2010**

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

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**NOTE 28 - FINANCIAL RISK MANAGEMENT (Continued)**

As of 30 June 2011 and 31 December 2010 foreign currency denominated asset and liability balances were converted with the following exchange rates; TRY 1,6302 = USD 1 and TRY 2,3492 = EURO 1 (2010: TRY 1,5460 = USD 1 and TRY 2,0491 = EURO 1).

30 June 2011	Profit/Loss	
	Appreciation of foreign currency	Appreciation of foreign currency
	If USD appreciated against TRY by 10%	
1- USD net asset/(liability)	57.533	(57.533)
2- Part of hedged from USD risk (-)	-	-
<b>3- USD net effect-gain/(loss) (1+2)</b>	<b>57.533</b>	<b>(57.533)</b>
	If Euro appreciated against TRY by % 10	
4- Euro net asset/(liability)	55.181	(55.181)
5- Part of hedged from Euro risk (-)	6.914	(6.914)
<b>6- Euro net effect-gain/(loss) (4+5)</b>	<b>62.095</b>	<b>(62.095)</b>
	If other foreign currency appreciated against TRY by 10%	
7- Other foreign currency net asset/(liability)	(5.223)	5.223
8- Part of hedged other foreign currency risk (-)	-	-
<b>9- Other foreign currency net effect-gain/(loss) (7+8)</b>	<b>(5.223)</b>	<b>5.223</b>
<b>Total (3+6+9)</b>	<b>114.405</b>	<b>(114.405)</b>

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**NOTE 28 - FINANCIAL RISK MANAGEMENT (Continued)**

**31 December 2010**

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

***a.2) Interest rate risk***

- Media

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

- Other

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



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**NOTE 28 - FINANCIAL RISK MANAGEMENT (Continued)**

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

	<b>30 June 2011</b>	<b>31 December 2010</b>
<b>Financial instruments with fixed interest rate</b>		
Assets which difference between fair value less cost to sell with book value booked at statements of income	856.981	511.359
Financial liabilities	876.398	718.141
<b>Financial instruments with floating interest rate</b>		
Financial liabilities	1.139.193	1.458.188

Based on the current balance sheet as of 30 June 2011, if there is 1% decrease/increase in the floating interest rates of financial liabilities for the Media, and Other segments of the Group and if the other variables are kept constant; the net loss before minority and taxation of the Group is going to increase/decrease by TRY 11.392 (31 December 2010: the net loss before minority and taxation of the Group is going to increase/decrease by TRY 14.582).

**a.3) Price Risk**

- Energy

The Group was exposed to price risk due to the differences between petroleum product stocks value and the product prices traded in international commodity market which subsequently affects sales price adversely until the date of 22 December 2010 at which POAŞ shares are transferred. In order to avoid the negative price fluctuations on sales price, the Group entered into fair value hedge contracts. Income/expense that is occurred from these transactions were included in cost of sales until the operation is discontinued in this sector on 22 December 2010, as of 30 June 2011 this amount is TRY 3.527.

**b) Funding risk**

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

**c) Credit risk**

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

- Media

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

- Other

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

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**NOTE 28 - FINANCIAL RISK MANAGEMENT (Continued)**

The Group's credit risk of financial instruments as of 30 June 2011 is as follows:

	<b>Trade Receivables</b>		<b>Other Receivables</b>		<b>Cash and cash equivalents</b>	<b>Derivative Instruments</b>
	<b>Related Party</b>	<b>Other</b>	<b>Related Party</b>	<b>Other</b>		
<b>Maximum net credit risk as of balance sheet date</b>	<b>2.317</b>	<b>1.012.930</b>	<b>-</b>	<b>97.401</b>	<b>3.085.927</b>	<b>-</b>
<i>- The part of maximum risk under guarantee with collateral</i>	<i>-</i>	<i>66.216</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
A. Net book value of financial that are not past due/impaired	1.465	835.590	-	97.401	3.085.927	-
B. Net book value of financial assets that are renegotiated, If not that will be accepted as past due or impaired	-	317	-	-	-	-
C. Carrying value of financial assets that are past due but not impaired	852	177.023	-	-	-	-
- The part under guarantee with collateral etc.	-	26.323	-	-	-	-
D. Net book value of impaired assets	-	-	-	-	-	-
- Past due (gross carrying amount)	-	186.667	-	672	-	-
- Impairment (-)	-	(186.667)	-	(672)	-	-
- The part of net value under guarantee with collateral	-	-	-	-	-	-
- Not over due (gross carrying amount)	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-
- The part of net value under guarantee with collateral	-	-	-	-	-	-
E. Off-balance sheet items with credit risk	-	-	-	-	-	-

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**NOTE 28 - FINANCIAL RISK MANAGEMENT (Continued)**

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

	<b>Trade Receivables</b>		<b>Other Receivables</b>		<b>Cash and cash equivalents</b>	<b>Derivative Instruments</b>
	<b>Related Party</b>	<b>Other</b>	<b>Related Party</b>	<b>Other</b>		
<b>Maximum net credit risk as of balance sheet date</b>	<b>11.168</b>	<b>745.056</b>	<b>-</b>	<b>16.117</b>	<b>3.462.437</b>	<b>-</b>
<i>- The part of maximum risk under guarantee with collateral</i>	<i>-</i>	<i>67.852</i>	<i>-</i>	<i>481</i>	<i>-</i>	<i>-</i>
A. Net book value of financial that are not past due/impaired	11.168	558.849	-	16.117	3.462.437	-
B. Net book value of financial assets that are renegotiated, If not that will be accepted as past due or impaired-	-	-	-	-	-	-
C. Carrying value of financial assets that are past due But not impaired	-	186.207	-	-	-	-
- The part under guarantee with collateral etc.	-	27.670	-	-	-	-
D. Net book value of impaired assets	-	-	-	-	-	-
- Past due (gross carrying amount)	-	191.556	-	2.879	-	-
- Impairment (-)	-	(191.556)	-	(2.879)	-	-
- The part of net value under guarantee with collateral	-	-	-	-	-	-
- Not over due (gross carrying amount)	-	2.106	-	-	-	-
- Impairment (-)	-	(2.106)	-	-	-	-
- The part of net value under guarantee with collateral	-	-	-	-	-	-
E. Off-balance sheet items with credit risk	-	-	-	-	-	-

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**NOTE 28 - FINANCIAL RISK MANAGEMENT (Continued)**

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

	<b>30 June 2011</b>		<b>31 December 2010</b>	
	<b>Trade Receivables</b>	<b>Other Receivables</b>	<b>Trade Receivables</b>	<b>Other Receivables</b>
From due date				
Past due 1-30 days	96.097	-	93.415	-
Past due 1-3 months	42.641	-	31.362	-
Past due 3-12 months	24.973	-	44.806	-
Past due 1-5 years	13.716	-	14.773	-
Past due more than 5 years	448	-	1.851	-
Under guarantee with collateral	26.323	-	27.670	-

***d) Liquidity risk***

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

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

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

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**NOTE 28 - FINANCIAL RISK MANAGEMENT (Continued)**

<b>30 June 2011</b>	<b>Carrying value</b>	<b>Total cash outflow according to contract</b>	<b>Less than 3 Months</b>	<b>3-12 Months</b>	<b>1-5 Years</b>	<b>More than 5 years</b>
<b>Non-derivative financial liabilities</b>						
Bank borrowings (Note 8)	2.034.828	2.205.736	550.698	481.046	1.004.666	169.326
Trade payables (Note 9)	486.155	486.176	415.456	70.720	-	-
Due to related parties (Note 27)	4.069	4.069	4.069	-	-	-
Other financial liabilities	334.621	339.496	2.825	58.895	277.776	-
	<b>2.859.673</b>	<b>3.035.477</b>	<b>973.048</b>	<b>610.661</b>	<b>1.282.442</b>	<b>169.326</b>
<b>Derivative financial liabilities</b>						
Derivative cash inflow	135	63.218	17.970	44.136	1.112	-
Derivative cash outflow	(13.239)	(74.421)	(19.241)	(52.628)	(2.552)	-
<b>Derivative cash inflow/outflow, net (Note 9) -(13.104)</b>		<b>(11.203)</b>	<b>(1.271)</b>	<b>(8.492)</b>	<b>(1.440)</b>	<b>-</b>
<b>31 December 2010</b>	<b>Carrying value</b>	<b>Total cash outflow according to contract</b>	<b>Less than 3 Months</b>	<b>3-12 Months</b>	<b>1-5 Years</b>	<b>More than 5 years</b>
<b>Non-derivative financial liabilities</b>						
Bank borrowings (Note 8)	2.110.017	2.595.251	507.257	894.980	1.076.836	116.178
Trade payables (Note 9)	396.262	396.276	389.993	5.573	710	-
Due to related parties (Note 27)	1.197	1.197	1.197	-	-	-
Other financial liabilities	295.556	301.782	2.733	54.229	244.820	-
	<b>2.803.032</b>	<b>3.294.506</b>	<b>901.180</b>	<b>954.782</b>	<b>1.322.366</b>	<b>116.178</b>
<b>Derivative financial liabilities</b>						
Derivative cash inflow	-	64.649	10.352	52.290	2.007	-
Derivative cash outflow	(9.687)	(73.216)	(10.967)	(57.940)	(4.309)	-
<b>Derivative cash inflow/outflow, net</b>	<b>(9.687)</b>	<b>(8.567)</b>	<b>(615)</b>	<b>(5.650)</b>	<b>(2.302)</b>	<b>-</b>

***e) Fair value of financial instruments***

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

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

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

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FOR THE INTERIM PERIOD ENDED 30 JUNE 2011**

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

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**NOTE 28 - FINANCIAL RISK MANAGEMENT (Continued)**

***e) Fair value of financial instruments (Continued)***

*Monetary assets*

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

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

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

*Monetary liabilities*

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

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

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

***f) Capital risk management***

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

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

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

**CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS  
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**NOTE 28 - FINANCIAL RISK MANAGEMENT (Continued)**

*f) Capital risk management (Continued)*

	<b>30 June 2011</b>	<b>31 December 2010</b>
Total debts	2.525.052	2.507.476
Less: Cash and cash equivalents (Note 6)	(3.082.880)	(3.458.829)
Net debt	(557.828)	(951.353)
Equity	3.245.933	3.864.544
Total equity	2.688.105	2.913.191
<b>Gearing ratio</b>	<b>-21%</b>	<b>-33%</b>

**NOTE 29 - FINANCIAL INSTRUMENTS**

**Fair value of financial instruments**

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

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

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**NOTE 29 - FINANCIAL INSTRUMENTS (Continued)**

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

		Fair value at reporting date		
		Level 1	Level 2	Level 3
	30 June	TRY	TRY	TRY
<b>Finansal assets</b>				
Financial assets at FVTPL	-	-	-	-
Trading securities	-	-	-	-
Derivative instruments	135	-	135	-
Available-for-sale financial assets				
Equity investments	79.250	79.250	-	-
<b>Total</b>	<b>79.385</b>	<b>79.250</b>	<b>135</b>	<b>-</b>
<b>Financial liabilities</b>				
Financial liabilities at FVTPL	-	-	-	-
Trading securities	-	-	-	-
Derivative instruments	13.239	13.239	-	-
Other financial liabilities	-	-	-	-
<b>Total</b>	<b>13.239</b>	<b>13.239</b>	<b>-</b>	<b>-</b>
		Fair value at reporting date		
		Level 1	Level 2	Level 3
	31 December	TRY	TRY	TRY
<b>Finansal assets</b>				
Financial assets at FVTPL	-	-	-	-
Trading securities	-	-	-	-
Derivative instruments	-	-	-	-
Available-for-sale financial assets	-	-	-	-
Equity investment	82.904	82.904	-	-
<b>Total</b>	<b>82.904</b>	<b>82.904</b>	<b>-</b>	<b>-</b>
<b>Financial liabilities</b>				
Financial liabilities at FVTPL	-	-	-	-
Trading securities	-	-	-	-
Derivative instruments	9.687	9.687	-	-
Other financial liabilities	-	-	-	-
<b>Total</b>	<b>9.687</b>	<b>9.687</b>	<b>-</b>	<b>-</b>



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**NOTE 30 - SUBSEQUENT EVENTS**

- In regards to the remaining portion of TRY 772.507 of “undue and on trial tax liabilities in dispute”, which was concluded in favor of Doğan Yayın Holding on 14 July 2011 upon the court ruling of the respective Tax Court and Council of State, Tax Office’s application on the rectification of court ruling has been also dismissed by the Council of State. The related lawsuit is finally finalized in favor of the Group. Accordingly, Doğan Yayın Holding has no ongoing tax disputes that are subject to litigation in regards to any claims made under the Law No: 6111. Therefore, sequestration of the Tax Office over Doğan Yayın Holding’s shares on its subsidiaries; 66,56% of Hürriyet (367.415.960 shares), 70,76% of Doğan Gazetecilik (74.297.743 shares), 44,89% of Doğan Burda, an entity under common control, (8.779.736 shares) and 36,14% of Doğan TV (for the current period - 12,81%) (164.998.528 shares) is released in the current period.
- Shares that represent 25% of Doğan TV’s capital were transferred to Commerz-Film GmbH, which holds the entire shareholding of Axel Springer AG, on 2 January 2007. In accordance with the “Agreement” made in regards to the share transfer, the effect the liability assumed by Doğan TV under the Law No: 6111 over the share value will be paid to Commerz-Film GmbH by compensating the amount in proportion to the capital share. In this regard, the compensation amount was calculated as TRY 165.523 and the related payment was made on 17 August 2011. Accordingly, Commerz-Film GmbH has participated in the paid in capital increase of Doğan TV from TRY 456.554 to TRY 1.288.328 in proportion to its capital share by using its all new call option rights at a “nominal value”. The related capital increase has been registered on 17 August 2011 and as a result of the increase, Commerz-Film GmbH’s participation in Doğan TV (19,90%) will remain unchanged.
- The consolidated financial statements for the period ended 30 June 2011 were approved by the Board of Directors on 25 August 2011. Other than Board of Directors has no authority to change financial statements.

**NOTE 31 - DISCLOSURE OF OTHER MATTERS**

None.

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

		<b>1 January- 30 June 2011</b>	<b>1 January- 30 June 2010</b>
	<b>Notes</b>		
(Loss)/profit before taxation from continued operations		(752.563)	23.990
(Loss)/profit before taxation from discontinued operations		(2.871)	(6.623)
<b>Adjustments:</b>			
Depreciation and amortization	10-11-12	116.731	189.904
Provision for employment termination benefits		13.290	6.103
Interest expenses, net		(53.551)	39.283
Currency translation differences		22.434	(12.061)
Fair value changes in derivative financial instruments		(4.672)	-
Profit on sale of property, plant and equipment	22	605	(1.912)
Impairment provision/(reversal) of investment property, plant and equipment and intangible assets, net	10-12	2.727	(2.546)
Sales gain of subsidiaries	25	(19.459)	-
Reversal of net realizable value		(8.923)	2.497
Provision for doubtful receivables, net	9	6.378	21.337
Foreign exchange (gain)/ loss from loans and letter of credits		-	(13.614)
Tax base increase liability regarding 6111 law	22	91.482	-
Provision for tax liability in dispute regarding 6111 law	22	844.993	-
Profit arising from the sale of financial investment	22	(11.278)	-
Other provisions		(41.962)	20.027
		<b>203.361</b>	<b>266.385</b>
<b>Changes in working capital (excluding the effects of acquisitions and disposals):</b>			
Change in financial investments and investments accounted for by the equity method, net		4.055	91.747
Change in trade receivables, net		(269.822)	(244.672)
Change in inventories, net		(4.356)	(79.297)
Change in trade payables, net		97.286	(188.509)
Diğer borçlar/alacaklardaki değişim, net		(153.373)	109.841
Change in long-term trade payables, net		(813)	274.833
Paid tax base increase liability Regarding to 6111 law		(52.678)	-
Paid provision for tax liability in dispute Regarding 6111 law		(90.378)	-
Tax paid		(115.496)	-
		<b>(585.575)</b>	<b>(36.057)</b>
<b>Net cash provided in operating activities</b>		<b>(382.214)</b>	<b>230.328</b>