

2008 Annual Report
Doğan Şirketler Grubu Holding A.Ş.



Contents



01 Contents
02 Vision and Mission



06 Message from the Chairman
08 Board of Directors



12 Milestones and Corporate Profile



16 Executive Board
18 Management Discussion and Analysis



26 Corporate Management
28 Human Resources

Energy 32



Media 36



Industry 42



Trade 46



Financial Services 50



Tourism 54



Social Responsibility 58



Corporate Governance Principles Compliance Report 62
Board of Auditors' Report 78
2008 Independent Auditors' Report 79

VISION

Target and effectively realize investments that contribute to transparency in society and welfare and stability of the individual in relevant commercial and industrial platforms in economic life.

MISSION

Monitor, innovate and implement state-of-the art commercial and technological products and applications in retail driven industries in Turkey and other prospective markets abroad; develop and maintain the necessary corporate assets to ensure proper execution of these objectives.



Strong





Message from the Chairman



Dear Shareholders,

The year 2008 is etched in world history as one of extraordinary economic, social and political events. Triggered by problems in the US mortgage market in the second half of 2007, the current crisis in the financial services sector is the most severe the world has ever faced. The negative impact of the crisis gradually spread to other sectors of the economy, despite many global monetary and fiscal policy measures taken to counteract its effects.

We sailed into 2009 facing many uncertainties. Many world economists forecast that the economic situation will worsen in 2009. In Turkey, we will have to confront the inescapable impact of the crisis on the real economy in the coming year.

At Doğan Holding, we view 2008 as a year in which we sustained our growth trajectory, increased our operating profitability, and achieved productivity targets in every major facet of our business. All objective indicators clearly support our assessment that we have managed our operations effectively.

We continued to grow and expand within our key strategic business areas, namely the media and energy sectors. We sharpened our ability to generate cash. We aggressively adopted measures across the Group in response to the crisis; we continuously monitored and controlled our costs. Efficiency is a more critical priority than ever for us, as it is for everyone. In fact, we already had plans in place to further enhance our efficiency and have adopted a strategy to rationalize our businesses.

We are one of the largest and most firmly rooted enterprises in Turkey. With commanding expertise in a broad range of disciplines, our highly skilled management team devised the appropriate strategies

and made great strides in planning for the next ten years, despite the current uncertainties. We will continue to move forward, with caution. Doğan Holding companies are strong and we maintain a positive outlook for our future.

The year 2009 is one of great distinction for Doğan Group: We will celebrate our 50th anniversary this year. Within our region especially, very few companies have 50 years of accumulated business know-how coupled with a rock-solid reputation. While we look back with pride at the success of our first half-century, we are also looking ahead and developing a roadmap to achieve sustainable growth for our next 50 years. We fully recognize that the geography we operate in does not offer a generous economic and political environment. The success of our Group lies in our awareness of these facts. We have the benefit of our experience built over the past 50 years while seizing the day and planning for the future.

With all the enthusiasm of taking a half-century of experience with us into the future, I would like to extend my gratitude to all our employees, business partners, customers, and national and international shareholders for contributing their energy, strength and support to make this a reality.

I wish a prosperous 2009 for both our country and Doğan Holding Group.

Aydın Doğan
Chairman

Board of Directors



Aydın DOĞAN
Chairman



İmre BARMANBEK
Deputy Chairperson



Dr. Vural AKIŞIK
Deputy Chairperson



Arzuhan DOĞAN YALÇINDAĞ
Member



Vuslat DOĞAN SABANCI
Member



Hanzade DOĞAN BOYNER
Member



Mehmet Ali YALÇINDAĞ
Member



Taylan BİLGEL
Member



Ali İhsan KARACAN
Member



Zekeriya YILDIRIM
Member



Dr. R. Nebil İLSEVEN
Member and CEO



Lasting



1959 Aydın Doğan registered with the Tax Office and commenced business. 1979 Milliyet newspaper acquired marking the entry into the media sector. 1980 Milpa and Doğan Holding founded. 1984 The first investment in the tourism sector made through Milta; Ray Sigorta acquired. 1993 Doğan Holding's IPO, The Group's first national TV channel Kanal D went on air. 1994 Dışbank and Hürriyet newspaper acquired. 1997 Doğan Yayın Holding established. 2000 51% stake in Petrol Ofisi acquired. 2005 Star TV acquired. Dışbank sold to Fortis Group. 2006 34% stake in Petrol Ofisi sold to OMV. Doğan Group and Deutsche Bank agreed

to set up a mortgage company. 2007 25% stake in Doğan TV sold to Axel Springer. Hürriyet acquired a 67.3% stake in Trader Media East (TME). Kanal D Romania, the first overseas television investment, went on air. Petrol Ofisi began to seek regional refinery and exploration opportunities in the petroleum and gas industries. 58.2% stake in Ray Sigorta sold to TBIH Financial Services. 2008 Vatan newspaper acquired. Petrol Ofisi A.Ş. became a partner in the natural gas production project offshore of Akçakoca. Doğan Holding's share capital increased to TL 2.45 billion.

Milestones and Corporate Profile

Chairman Aydın Doğan registered with the Mecidiyeköy Tax Office in 1959 and commenced business. He founded his first company, within the automotive industry, in 1961. This venture marked the very beginning of Doğan Group, which today is a key component and driving force of the Turkish economy.

Active in 12 countries

Having established strategic alliances with 10 international business concerns, Doğan Group has operations in 12 countries. A model for Turkey in every respect, the Group's first enterprise founded in the 1960s eventually became the country's largest national oil distribution company and its leader in media.

Doğan Group provides consumers with a broad range of offerings across Turkey with more than 18,000 employees at its direct participations, strategic alliances and commercial representative offices.

Doğan Holding employs an exemplary use of technology and modern management practices in all facets of its operations. Committed to providing added value to its stakeholders, Doğan Holding adopts best practices in its corporate governance and adheres to ethical values in all its operations.

The core values of innovation, consistency, flexibility, transparency, quality, social responsibility, customer-focus and teamwork together form the basis of Doğan Holding's corporate strategy.

Ten members of the Doğan Group of Companies including Doğan Holding are listed on the ISE (Istanbul Stock Exchange) National Market. Key information on these quoted companies and their respective performance in 2008 are presented below.



Doğan Şirketler Grubu Holding A.Ş.

Share price on 31 December 2008 0,63 TL

Number of Shares 2.450 Million

Market Cap 1.010 Million USD

ISE Ticker Symbol DOHOL

Doğan Yayın Holding A.Ş.

Share price on 31 December 2008 0,66 TL

Number of Shares 618,5 Million

Market Cap 267 Million USD

ISE Ticker Symbol DYHOL

Hürriyet Gazetecilik A.Ş.

Share price on 31 December 2008 0,65 TL

Number of Shares 460 Million

Market Cap 196 Million USD

ISE Ticker Symbol HURGZ

Doğan Gazetecilik A.Ş.

Share price on 31 December 2008 1,52 TL

Number of Shares 105 Million

Market Cap 104 Million USD

ISE Ticker Symbol DGZTE

Doğan Burda A.Ş.

Share price on 31 December 2008 1,22 TL

Number of Shares 18.3 Million

Market Cap 15 Million USD

ISE Ticker Symbol DOBUR

Milpa Ticari ve Sınai Ürünler Pazarlama Sanayi Ticaret A.Ş.

Share price on 31 December 2008 0,53 TL

Number of Shares 36,1 Million

Market Cap 13 Million USD

ISE Ticker Symbol MIPAZ

Petrol Ofisi A.Ş.

Share price on 31 December 2008 2,76 TL

Number of Shares 550 Million

Market Cap 993 Million USD

ISE Ticker Symbol PTOFS

Ditaş Doğan Yedek Parça ve İmalat A.Ş.

Share price on 31 December 2008 1,42 TL

Number of Shares 10 Million

Market Cap 9 Million USD

ISE Ticker Symbol DITAS

Çelik Halat ve Tel Sanayi A.Ş.

Share price on 31 December 2008 2,82 TL

Number of Shares 15 Million

Market Cap 28 Million USD

ISE Ticker Symbol CELHA

Ray Sigorta A.Ş.

Share price on 31 December 2008 1,30 TL

Number of Shares 77 Million

Market Cap 65 Million USD

ISE Ticker Symbol RAYSG



Productive



Executive Board

In 2008, Doğan Holding continued its focus on portfolio management by establishing strategic alliances, in addition to pursuing mergers and acquisitions opportunities that would create shareholder value.



Aydın DOĞAN
Chairman



Hanzade DOĞAN BOYNER
Member



İmre BARMANBEK
Member



Dr. Vural AKIŞIK
Member



Dr. R. Nebil İLSEVEN
Member

Management Discussion and Analysis

Global developments

The economic turmoil started in 2007 within the US housing market and subsequently spread to the country's financial services industry. In the third quarter of 2008 the situation sharply deteriorated, affecting the finance sector globally. While some of the world's leading financial institutions declared bankruptcy, many others were to survive only with government assistance. Meanwhile, the steady growth of recent years slowed and even turned negative in many major developed and emerging market countries. This was followed by global economic stagnation across countries and sectors.

The global crisis predictably affects Turkey and other countries where Doğan Şirketler Grubu Holding A.Ş. (Doğan Holding) and its subsidiaries operate. The economic crisis intensified in the final quarter of 2008 and its impact on the Turkish economy started thereafter; thus, the effect of these negative developments on 2008's results was limited. Having enjoyed uninterrupted growth over the past several years, the Turkish economy finished 2008 with an annual growth rate of 1.1% as a result of a record Gross Domestic Product (GDP) contraction of 6.2% in the fourth quarter. This negative growth trend in the Turkish economy, combined with global developments, strongly suggest that 2009 will be a tough year in all economic and commercial aspects.

With 2008 now behind us as a successful year in which we achieved our targets, our Group remains robust as we enter this challenging period ahead, thanks to our solid capital base and strong liquidity position; in addition, we lead the market across our business lines. Doğan Group will maintain its market share and profitability in its businesses despite the difficult global economic conditions, drawing upon the confidence derived from its strong foundation, coupled

with current, and future, proactive measures adopted across the Group.

Doğan Holding in 2008

In 2008, Doğan Holding continued its focus on portfolio management by establishing strategic alliances, in both its existing businesses and its target sectors for new investments, in addition to pursuing mergers and acquisitions opportunities that would create shareholder value. Key initiatives in 2008 include:

- Doğan Gazetecilik, a subsidiary of Doğan Yayın Holding A.Ş. (DYH) under which Doğan Group organized its media investments, acquired, directly and indirectly, all of the shares of the company that owns the brand name and franchise rights of Vatan daily newspaper on 19 March 2008 for USD 18 million.

- On 27 November 2008, Doğan Holding reached an agreement for the block sale of 78,117,483 shares in DYH for EUR 47 million to Commerz Film GmbH, a wholly-owned subsidiary of Axel Springer A.G. Upon completion of the TL 183.5 million rights issue (to be subscribed solely by Doğan Holding and the Doğan Family), for which DYH has made application to the Capital Markets Board of Turkey (CMB), the shares to be sold to Commerz Film GmbH will constitute 9.8% of DYH's share capital.

- Smile Holding A.Ş., a subsidiary of DYH, and Brightstar Corp., one of the world's leading companies in distribution and integrated supply chain solutions for the wireless industry, concluded an agreement to set up a joint venture under Smile Tedarik ve Ticaret A.Ş. (Brightstar Türkiye) where each party will hold a 50% stake.

- A subsidiary of DYH, Hürriyet, sold all of its shares in

Trader.com (Polska) Sp. Z.o.o., its wholly-owned indirect subsidiary based in Poland, to Agora SA, Poland's leading Media Corporation for USD 54.4 million.

- A joint venture of the Group, Petrol Ofisi A.Ş. resolved to acquire a 26.75% stake in a project covering eight sub-basin exploration licenses including natural gas production sites offshore of Akçakoca. The stake will be acquired from Toreador Türkiye Ltd. Şti. (TOREADOR) which holds a 36.75% share in the project. The deal was concluded in March 2009 and the acquisition price set at USD 55 million excluding VAT.

- Subsidiaries were set up in Ukraine and Russia for developing real estate investment projects. In addition, D Yapı Real Estate, Investment and Construction S.R.L., a subsidiary incorporated in Romania, a key country in the Group's regional investment strategy, acquired a 55,849.05 sqm parcel of land in Bucharest for EUR 49 million. A mixed-use commercial project is being developed on this land.

- Doğan Holding resolved to establish a company, SC Dogan Hospitals Investments and Management S.R.L., to evaluate and capitalize on investment opportunities in healthcare services, a developing area in Romania.

- After obtaining permission from the Banking Regulation and Supervision Agency (BRSA), DD Konut Finansman A.Ş., a joint venture of Doğan Group and Deutsche Bank, commenced operations in mortgage based house financing.

- In partnership with leading national and international concerns the Group has participated in tenders for the privatization of regional electricity distribution

companies Başkent Elektrik Dağıtım A.Ş. and Sakarya Elektrik Dağıtım A.Ş., and the İddaa Tender for the provision of fixed-odds and mutual betting on sports games by private companies. In addition, the Group has closely monitored new business opportunities including the competition held by Türkiye Elektrik Ticaret A.Ş. (TETAŞ) for identification of the company that will set up and operate a nuclear power plant in Turkey to sell electricity to TETAŞ.

- In 2008, Doğan Holding increased its shareholding in some of its publicly traded companies through purchases on the Istanbul Stock Exchange. Direct ownership as of 31 December 2007, 31 December 2008 and 9 April 2009 in those companies where Doğan Holding purchased new shares are as follows:

	31.12.2007	31.12.2008	09.04.2009
Doğan Yayın Holding	63,02%	72,76%	74,53%
Petrol Ofisi	53,50%	54,17%	54,17%
Çelik Halat	66,42%	78,46%	78,69%
Ditaş	58,26%	66,67%	73,59%
Hürriyet	0,00%	5,20%	11,09%

- Based on a Board of Directors resolution dated 12 September 2008, Doğan Holding resolved to raise its issued capital by 63.33% from TL 1.5 billion to TL 2.45 billion, with a bonus issue of TL 950 million to be fully funded from retained earnings. The shareholding structure as of 31 December 2008 is presented below:

Shareholder	Share (TL)	Percentage
Adilbey Holding A.Ş.	1.274.000.000	52,00 %
Publicly traded on ISE	840.109.932	34,29 %
Aydın Doğan and Doğan Family	331.211.023	13,52 %
Aydın Doğan Vakfı	4.679.045	0,19 %
TOTAL	2.450.000.000	100,00%

Management Discussion and Analysis

Financial position

Doğan Holding's total assets were up 17% over the previous year, to TL 10.6 billion from TL 9.1 billion, with total current assets of TL 5.7 billion and total non-current assets at TL 4.9 billion as of 31 December 2008. This increase in total assets is primarily due to a rise in cash and cash equivalents. Up 44% from the prior year, cash and cash equivalents and short-term financial investments totaled TL 3.5 billion as of year-end 2008. Cash provided from operations of TL 1.4 billion contributed to this sharp increase, while cash used for investing activities amounted to TL 734 million.

The Holding's ratio of total current assets to total assets rose to 54% at year-end 2008, up from the previous year's 51%. The ratio of total assets to total short-term liabilities (current ratio) stood at 1.9, while the ratio of total current assets excluding inventories to short-term liabilities (liquidity ratio) was 1.7 as of 31 December 2008.

Short-term bank borrowings increased to TL 1.0 billion from TL 0.3 billion and long-term bank borrowings rose from TL 1.3 billion to TL 1.8 billion as of year-end 2008. The current net cash position, defined as cash and cash equivalents plus short-term financial investments less short-term bank borrowings, increased by 14% over the prior year to TL 2.3 billion. Including long-term bank borrowings, the Holding's net cash position stood at TL 535 million as of 31 December 2008.

Doğan Holding's total majority shareholders' equity rose to TL 3.8 billion while total shareholders' equity including minority interests stood at YTL 4.7 billion as of year-end 2008.

Although 2008 saw the devaluation of the Turkish lira against major foreign currencies, especially in the final quarter of the year, thanks to measures taken in exchange rate risk management, Doğan Holding's net short position in foreign currency in USD terms sharply decreased from USD 1.0 billion end-of-year 2007 to USD 0.6 million as of 31 December 2008.

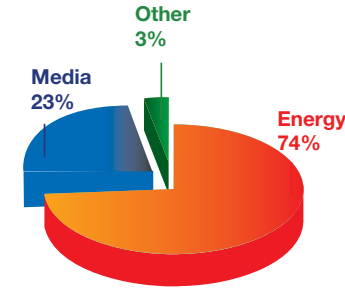
Doğan Holding's net cash year-end 2008 totaled TL 535 million on a consolidated basis, while its stand-alone net cash position amounted to TL 1.5 billion. The strong liquidity position and balanced capital structure of Doğan Holding ensure achievement of the Group's performance targets in the face of the global economic crisis.

Financial results

Doğan Holding's total revenues grew 22% over 2008 to TL 12.5 billion despite the worldwide economic crisis that began to affect Turkey in the last quarter of the year. Media investments generated 23% of total revenues while energy accounted for 74% and other investments contributed 3%. A breakdown of total sales revenues by sector in 2007 and 2008 follows:

TL Million	2008	2007	% Change
Media	2.873	2.550	13
Energy	9.312	7.207	29
Other	319	505	-37
Total Sales Revenues	12.504	10.262	22

**Doğan Holding - 2008
Consolidated Sales Revenue Breakdown**



Doğan Holding – Consolidated Sales Revenue



1) Ray Sigorta A.Ş. sales revenue of TL 389 Million and to eliminate consolidation basis changes TL 2 Billion of Petrol Ofisi sales revenue excluded.

2) Ray Sigorta A.Ş. sales revenue of TL 241 Million excluded.

Total consolidated revenues from media investments soared 13% year-on-year and amounted to TL 2.9 billion, with growth achieved by existing companies and as a result of the acquisition of TME on 29 March 2007 and the Turkish daily newspaper Vatan on 13 March 2008.

The financial statements of Petrol Ofisi, our joint venture in the energy sector, are consolidated on a proportionate basis within Doğan Holding's shareholding, namely at 53.5% and 54.2% for 2007 and 2008, respectively.

Petrol Ofisi, whose shares are also traded on the Istanbul Stock Exchange, increased its full-year sales revenues from TL 13.5 billion to TL 17.2 billion in 2008. Petrol Ofisi operates in a business where product sales prices are largely driven by global oil commodity prices and the TL/USD exchange rate. Accordingly, the increase in the company's TL sales revenues was mainly due to a rise in oil prices, as well as higher sales volumes and TL/USD exchange rates. Although the demand in the Turkish refined products market is estimated to have contracted due to the combined effect of increased product prices (in line with oil prices) in the first half of the year followed by the economic slow-down in the second half, Petrol Ofisi increased its total sales volume by 3.5% to 8.3 million tons in 2008. The company further strengthened its national market leader position by raising its market share from 35% to 36%.

The decline in reported sales revenues of the sectors combined under the other category arises mainly from an accounting change for Ray Sigorta. Ray Sigorta was fully consolidated on a line-by-line basis until the decrease of Doğan Holding's share to 20% in June 2007, after which date it was accounted for using the equity method. As a result of this accounting change,

Management Discussion and Analysis

the reported sales revenues fell by TL 241 million compared to 2007. Excluding the effect of this change for Ray Sigorta, the other category shows a 20% annual increase in sales revenues reported for the year.

In parallel with its growth in sales revenues in 2008, Doğan Holding achieved a 16% increase in its gross operating profit, which totaled TL 1.3 billion. Similarly, EBITDA rose by 20% to TL 682 million for the year, while the EBITDA margin stood at 5.5%.

The main reason behind the decrease in operating profit from TL 586 million for the prior year to TL 345 million in 2008 was the net effect of profit from the sale of subsidiaries and a tax settlement expense in 2007. Total profit from the sale of subsidiaries in 2007 was TL 694 million, which was derived from the sale of a 25% stake in Doğan TV to Axel Springer (TL 601 million) and also 58.2% of shares in Ray Sigorta to TBIH (TL 94 million). The 2008 other operating income figures include a total of TL 135 million for profit on sale of subsidiaries and negative goodwill arising from the acquisition of additional shares in Group companies. Additionally, the 2007 financial statements include TL 239 million as a Petrol Ofisi tax settlement expense (included within other operating expenses and losses). The combined effect of these income and expense items is a net decrease in operating profit by TL 320 million.

Doğan Holding reported net financial expense of TL 358 million in 2008 as opposed to net financial income of TL 237 million in 2007. This is primarily due to a net foreign exchange loss of TL 328 million in 2008, as compared to a net foreign exchange gain of TL 138 million in 2007. The reversal is a result of the devaluation of the Turkish Lira against the USD and Euro in 2008, in contrast to the TL's appreciation against the same currencies in 2007.

As a result, Doğan Holding closed 2008 posting TL 71 million in net profit after minority interests.

The net distributable profit of the Company is calculated as TL 50.370.338, after deduction of first legal reserves amounting to TL 21.688.822 under the requirements of Turkish Commercial Code ("TCC") and addition of TL 1.444.082 representing donations to the consolidated net profit of

TL 70.615.078. As per the Board of Directors decision dated 24 April 2009 on profit distribution, it has been resolved to propose at the ordinary general meeting no dividends to be distributed to our shareholders in conformity with Capital Market Board regulations.

Key financial indicators for 2008 are presented below:

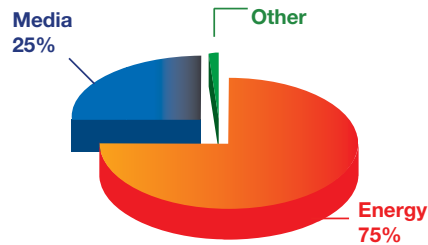
BALANCE SHEET SUMMARY (TL Million)				
	2006	2007	2008	% change vs. 2007
Current Assets	4.332	4.588	5.717	25
Non-current Assets	3.553	4.480	4.891	9
Total Assets	7.885	9.068	10.608	17
Current Liabilities	1.842	1.677	2.970	77
Non-Current Liabilities	1.875	2.428	2.933	21
Minority Interests	779	1.206	852	-29
Majority Shareholders' Equity	3.389	3.758	3.854	3

INCOME STATEMENT SUMMARY (TL Million)				
	2006	2007	2008	% change vs. 2007
Net Sales	11.984	10.262	12.505	22
Gross Profit	1.119	1.127	1.312	16
EBITDA	605	567	682	20
Net Profit After Tax and Minority Interest	893	395	71	-82

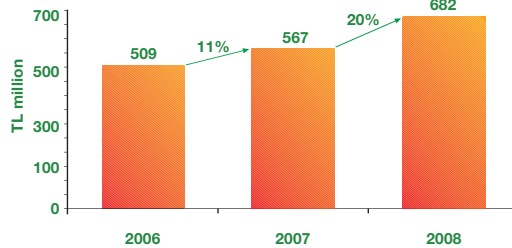
EBITDA: Earnings Before Interest, Taxes, Depreciation and Amortization

KEY RATIOS				
	2006	2007	2008	change vs. 2007
Gross Profit Margin (%)	9%	11%	10%	-0,5 basis points
EBITDA Margin (%)	5%	6%	6%	-0,1 basis points
Net Profit Margin (%)	7%	4%	1%	-3,3 basis points
Current Ratio	2,35	2,74	1,93	-0,81 points
Liquidity Ratio	2,07	2,39	1,68	-0,71 points
Total Liabilities/Total Assets	0,47	0,45	0,56	0,10 points
Total Liabilities/Shareholders' Equity and Minority Interests	0,89	0,83	1,25	0,43 points
Earnings per Share	0,59	0,26	0,03	-88%

Doğan Holding – 2008 Consolidated EBITDA Breakdown



Doğan Holding - Consolidated EBITDA





Grand



Corporate Management



Işıl DOĞAN/Tourism Group President



Serdar KIRMAZ/Financial Affairs Group President



Yahya ÜZDİYEN/Strategy Group President



Ahmet ÇAĞLAR/Industry Group President



Reha MÜSTECAPLIOĞLU/Audit Group President



Ateş AMİKLİOĞLU/Ankara Coordinator

Human Resources

Doğan Holding's human resources talent is its key to attaining its strategic goals. Recognizing the vital importance of this asset, Doğan Holding aims to create a fast-moving, agile, youthful and well-educated human resource pool that has a global perspective. Doğan Holding also offers fair and equal opportunities to all of its employees without any discrimination.

Human Resources Policy

Doğan Holding sees as its responsibility the provision of a safe and comfortable working environment built on mutual trust and communication, and strives to exercise due respect and care toward its employees regardless of race, nationality, religion, gender, or faith. Doğan Holding makes it a priority to establish and implement individual-based, performance evaluation systems and provide an appropriate environment for personal and professional development and continued life-long training of its employees.

The human resources processes adopted incorporate the shared values and strategies of Doğan Group's companies while recognizing industrial and region specific requirements, and include:

- Human Resources Planning
- Job Descriptions and Job Assessments
- Training
- Performance Appraisal and Compensation Management

Attracting and Recruiting Talent

Doğan Holding emphasizes personal objectives and the professional experience of personnel who are joining the Group. The goal is to match individual competence with the occupational requirements of the position. The Holding gives priority to candidates who are global-minded team players and who are also open to change and professional development.

Training and Development

Doğan Holding aims to ensure that its employees are provided the opportunity to continuously improve their professional competence, knowledge base and interpersonal skills both for their career within the Group and for their personal development.

Performance Development

Doğan Holding's human resources policy is based on the objective of contributing to the professional and

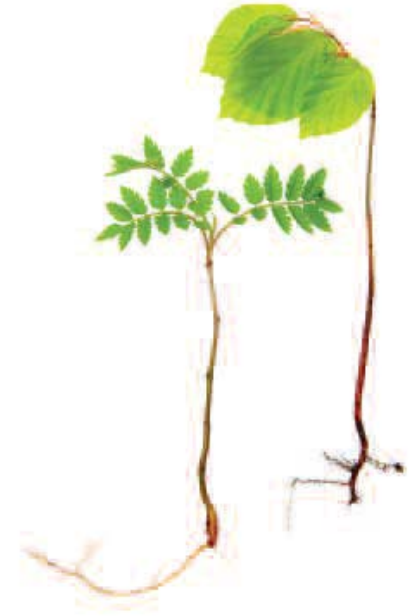
personal development of its employees. All employees are assessed via an objective Performance Evaluation System and appropriate training is provided for areas identified for further development.

Compensation Management

Through the use of a flexible system suitable for an ever-changing business and employment environment, the compensation structure of Doğan Holding is closely aligned with the market so that an appropriate wage is paid for each position.

As of 31 December 2008, 28% of the workforce employed at Doğan Holding and its participations are female. Some 42% of the employees are 26-35 years of age, while 48% of all employees hold a university degree.

Doğan Holding aims to maximize the loyalty of and added value creation by its workforce through prioritizing employee satisfaction.



INVESTMENTS

Energy

- Petrol Ofisi
- Electricity JV Companies

Media

- Doğan Yayın Holding

Industry

- Çelik Halat
- Ditaş
- Doğan Organik Ürünler

Trade

- Doğan Otomobilcilik
- Milpa
- Hürriyet Pazarlama

Financial Services

- Ray Sigorta
- DD Konut Finansmanı

Tourism

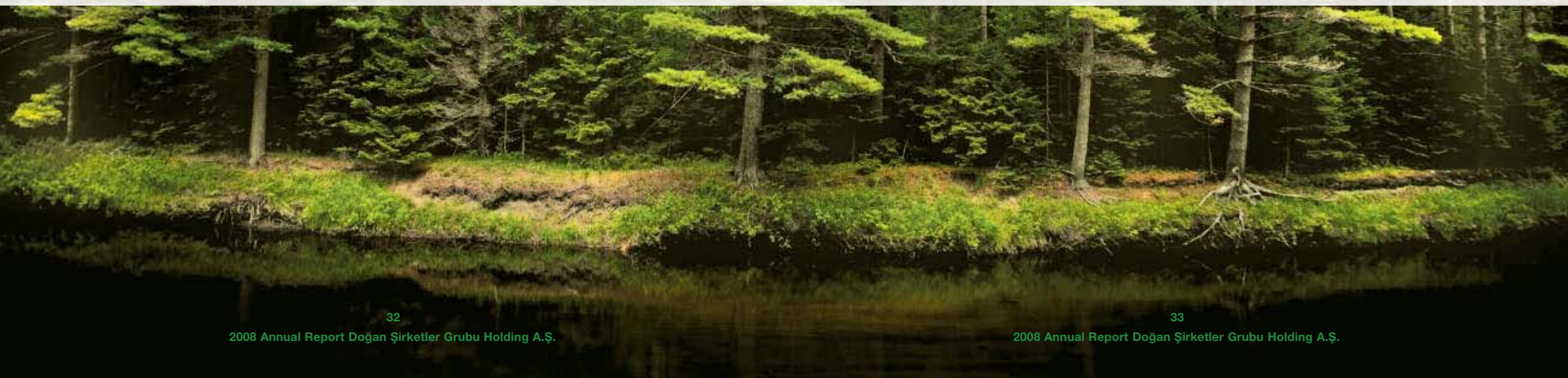
- Milta



ENERGY

PINE (Pinus): Efficiency, strength, eternity

- Petrol Ofisi
- Electricity JV Companies



Energy - Petrol Ofisi / Electricity JV Companies

Energy investments constitute a strategic business unit for Doğan Holding. Doğan Holding has focused on two specific areas in the energy sector: oil & gas and electricity. The goal is to become a regional power in these areas, and to further advance through energy investments while enhancing Turkey's position as an international platform within the sector.

Doğan Holding manages its oil and gas distribution and production activities jointly with its shareholder OMV under Petrol Ofisi. The Group's first energy investment, Petrol Ofisi is an oil distribution company with the most extensive nationwide network in Turkey.

Doğan Holding also invests in the electricity distribution and generation sectors. A participation of Doğan Holding, Doğan Enerji was incorporated to engage in the generation, transmission, distribution, domestic and foreign trading of energy supplied from any source on a wholesale or retail basis.

Petrol Ofisi

Turkey's leading institution in the fuel oil sector, Petrol Ofisi A.Ş. was founded in 1941 and became a joint stock company in 1983. The company is engaged in the local and international procurement, distribution, storage and sale of oil; sale of refinery by-products; production and blending of all types of lubricants and greases and their by-products; establishment of facilities for production and blending; and retailing, wholesaling, importing and exporting these products.

As of 31 December 2008, Petrol Ofisi conducts its operations through 3,309 fuel stations, one lubricant plant, nine fuel and two LPG terminals, one liaison office and 35 airport supply units. Having sold 4,946,575 m3 of retail white products (gasoline, diesel fuel, auto gas and gas oil), the company also commands a 26% market share of the more than 12,000 total stations in the sector where 45 companies were active as of year-end 2008.

With a 35% market share of total sales volume, Petrol Ofisi



is the leader of the Turkish fuel oil distribution sector. The breakdown of the company's market share by product reveals its leading position in the first 11 months of 2008 with 25% share in gasoline, 30% in diesel fuel, 21% in auto gas, 62% in black products, and 71% in jet fuel.

Petrol Ofisi has completed its fourth year supporting Daddy, Send Me to School, an ever-expanding campaign launched by Milliyet newspaper that paves the way for the schooling of thousands of children. The

company's support in the education of underprivileged students is also reflected in the Petrol Ofisi Schools renovated in Batman and Adana. Yet another educational initiative of the company is the donation of computers to schools across the country to improve the standards of the learning environment for children.

At the end of 2008, Petrol Ofisi signed a long-term strategic partnership with the Community Volunteers Foundation (TOG) to support Turkey's youth, who represent the bright future of our country, and their projects. Within that framework, 1,168 Petrol Ofisi employees all over Turkey will become Community Volunteers; the company also appealed to all its dealers and social stakeholders to join the Community Volunteers network. Under the partnership agreement, Petrol Ofisi will provide support to local social responsibility projects developed and implemented by the country's youth.

Petrol Ofisi A.Ş.	2008	2007
Shareholding Structure	54,17% Doğan Holding 41,58% OMV Aktiengesellschaft 4,25% Other	53,50% Doğan Holding 39,58% OMV Aktiengesellschaft 6,92% Other
Total Assets	TL 6.935,1 million	TL 5.786,2 million
Shareholders' Equity	TL 2.758,0 million	TL 2.650,5 million
Total Sales	TL17.202,2 million	TL13.479,7 million
Net Profit	TL 105,5 million	TL 310,7 million

Electricity Distribution and Generation

Closely monitoring the electricity supply issue Turkey faces and the investment environment provided by the government, Doğan Holding continued to pursue a range of electricity generation projects during 2008. These included hydroelectric power plants, nuclear power plants, utilization of local lignite sites for electricity generation purposes, thermal power plants fueled by imported coal, greenfield and existing natural gas power plants, wind power plants, and geothermal power plants.

The joint venture Doğan Holding set up with Unit and Doğuş groups concluded a construction agreement for

the Boyabat Dam and HEPP Project, which will have an installed capacity of 510 MW and for which the electricity generation license was obtained in 2007. Work on expropriation of the land for the project has started.

The execution of a construction agreement for the Aslancık Dam and HEPP Project, which will have an installed capacity of 120 MW and for which the electricity generation license was received in March 2008 are in the process of negotiations. Doğan Holding controls an equal stake in this project with Unit Group, Doğuş Group and Anadolu Group.

Through investments targeted within the Turkish electricity sector as a group and as part of different partnership structures, Doğan Holding aims to capture a 5% market share in the next five years in the generation segment. With plans to also become involved in distribution and wholesaling, Doğan Holding closely monitors investment opportunities that arise in the electricity sector both in Turkey and in neighboring countries.



DAPHNE (Laurus nobilis): Eternity, victory, virtue

MEDIA

• Doğan Yayın Holding

Media - Doğan Yayın Holding

Afocus of Doğan Holding's investment portfolio and its traditional core business, media assets has been organized under the Doğan Yen Holding A.Ş. (DYH) umbrella since 1997. Doğan Holding's target for its media assets is to maintain their leading position and compete in global markets. The unwavering approach adopted in this line of business is true, unbiased and quality news reporting.

Active in newspaper, magazine, book, radio and television publishing, production, printing, digital media, distribution, retailing and alternative telecom segments, DYH is the pioneering, leading and innovative powerhouse of the Turkish media industry.

Under the management model adopted by DYH, two main divisions coordinate the constantly expanding and evolving operations: Content Producers and Service Providers.

Content producers consist of newspapers, magazines, book publishers, TV channels, radio stations and a music company; service providers include distribution, retailing, production, the digital platform, internet and printing companies, as well as a factoring company.

Following the performance of previous years, DYH sustained its leadership position in the sector in 2008. DYH's total consolidated net advertising revenues grew 10% to TL 1.6 billion.,

Newspaper publishing

As of year-end 2008, DYH publishes eight dailies:

- Hürriyet (www.hurriyet.com.tr),
- Milliyet (www.milliyet.com.tr),
- Radikal (www.radikal.com.tr),
- Posta, Fanatik (www.fanatik.com.tr),
- Referans (www.referansgazetesi.com),
- Vatan (www.gazetevatan.com) and Hürriyet Daily News (www.hurriyetdailynews.com).

The company is also engaged in newspaper publishing in Europe via DMG International. These dailies are made available to readers in printed form as well as online.



A subsidiary of DYH and a newspaper company with a strong financial structure, Hürriyet acquired Trader Media East (TME), the leading classified advertising company in Eastern Europe and Russia, for USD 336.5 million. While transforming itself into a regional powerhouse through this initiative, Hürriyet also became a multinational and multi-cultural company. With the acquisition of TME, Hürriyet gained a powerful regional media asset that reaches over 350 million consumers.

After the acquisition, 23 brands and 256 publications were added to the DYH portfolio. Published under the Trader Media East umbrella and standing out in their respective locations are Iz Ruk v Ruki, the leading classified advertising newspaper in Russia and Eastern Europe (www.irr.ru); Expressz, the leading publishing concern in Hungary in the classified advertising market with five weekly magazines and a daily advertising newspaper (www.expressz.hu); and Oglasnik, Croatia's leading classified advertising publisher with a 60% market share in that country (www.oglasnik.hr).

TV & radio broadcasting and production and news agency

Four national channels, one of which is a news channel, are broadcast under the roof of Doğan Publishing and Broadcasting Group. The Doğan Group's national channels are Kanal D (www.kanald.com.tr), the Group's first investment in TV broadcasting; Star TV that joined the Group at year-end 2005 (www.startv.com.tr); TNT that started broadcasting as of 2008 as a joint venture of DYH and Time Warner (www.tnttv.com.tr); and CNN Türk,

another joint venture between Doğan Media Group and Time Warner set up on 11 October 1999 (www.cnnturk.com.tr).

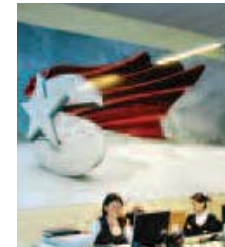
In 2006, the Group's TV broadcasting operations expanded with the addition of interactive channels. During 2008, the interactive channels that actively broadcast were Fix TV, Mixx TV and D Shopping.

Dogan TV initiated its D-Smart investment in the second half of 2006 and launched the service in February 2007. D-Smart is an interactive free-to-air broadcasting platform encompassing thematic channels, over 100 international and national channels and radio stations; pay TV packages including three movie channels, 21 family channels, 27 full package channels and three pay-per-view channels are also available to customers. A high definition (HD) offering on D-Smart was introduced in 2008. HD Smart includes four HD channels: Kanal D HD, Discovery HD, Eurosport HD and HD TV Smart.

The international division includes Kanal D Romania as well as Euro D and Euro Star that broadcast to Europe via satellite and cable. The latter two channels are particularly popular with the Turkish population in Germany.

The Group's radio stations are Radio D, CNN Türk Radio, Slow Türk, and Radio Moda.

D Productions (www.dproductions.com.tr) is involved in TV, movie, commercial and video clip production, programming and film distribution. Doğan Music



Media - Doğan Yayın Holding

Company (www.dmc.com.tr) is among the key players in the music production industry with a 15% market share.

With its experienced journalists and reporters, Doğan News Agency (DHA) aims to become a global news agency in video and audio news as well as in photojournalism. DHA has 34 regional offices and 600 journalists. DHA averages 6,000 news reports, 11,000 still photographs and 4,500 video news footage reports monthly, which are disseminated via satellite and electronically. Cooperating with internationally renowned and trusted news and photograph agencies such as the Associated Press, Reuters and Sipa Press, and undertaking onward delivery of important news and visual materials to subscribers of these agencies around the world, DHA has representative offices in 17 countries outside Turkey. (www.dha.com.tr)

Magazine and book publishing

Via Doğan Burda (DB) (www.doganburda.com.tr), DYH publishes 27 periodicals and 24 seasonal magazines. Doğan Egmont (www.doganegmont.com.tr), publisher of magazines for children and youth, and DB Popüler, publisher of women's magazines, are both included in the magazine group. In 2007, Doğan Egmont merged with Doğan Kitap (www.dogankitap.com.tr), a corporate publishing house deeply-rooted in the Turkish publishing world.

Internet publishing

DYH's market leading online publishing activities



include websites with academic and consumer interest content (e.g. human resources, real estate and automotive) as well as the websites of its newspapers. With the acquisition of Trader Media East, websites engaged in publishing in eight countries were also added to DYH's internet publishing portfolio.

IT

Affiliated with DYH, Doğan Platform is the Group's representative in the IT sector. Reorganized in May 2007, Doğan Platform includes Doğan Telekom, which is a service provider of corporate and individual internet access and mobile technologies. Birpa, which also operates under the Platform, offers call center services.

40

Distribution and retailing

Yaysat is responsible for the countrywide distribution of 25 national and 20 regional dailies; 46 weekly, 17 biweekly and 344 monthly domestic magazines; 293 other magazines published every two or three months and several times a year; and 535 international publications, 22 of which are newspapers. With 211 main distributors in Turkey and the Turkish Republic of Northern Cyprus, Yaysat reaches 26,000 sales points in low season and 28,000 in high season. (www.yaysat.com.tr)

Dergi Pazarlama Planlama (DPP) handles nearly 7 million periodicals per month to reach consumers at direct sales points nationwide through its distribution management, circulation planning and marketing activities. (www.dpp.com.tr)

D&R is involved in the retailing of culture and entertainment products via its far-reaching store chain and offers a wide variety of books, music, films, electronics, hobby related items, souvenirs, toys, accessories and stationery products in its 85 stores in 16 cities. (www.dr.com.tr)

Smile aims to become the sole point for fulfilling each and every need within the telecommunications, internet, media and entertainment world, including



semi-financial requirements such as bill payments and prepaid mobile phone card top-ups. As of year-end 2008, more than 525 Smile Shops, and over 2,000 kiosk sales points were in service across Turkey. (www.smileholding.com)

Printing

Doğan Ofset is a printing house equipped with cutting-edge technology and enjoying international competitive might. Closely following global printing industry developments, Doğan Ofset regularly invests in state-of-the-art technology. (www.doganofset.com.tr)

Also operating under the DYH umbrella, Doğan Printing Center (DPC) publishes 10 dailies and a series of periodicals. (www.dpc.com.tr)

	2008	2007
Shareholding Structure	72,76% Doğan Holding 24,27% Other 2,30% Doğan Family 0,67% Aydın Doğan Vakfı	63,02% Doğan Holding 34,01% Other 2,30% Doğan Family 0,67% Aydın Doğan Vakfı
Total Assets	TL 4.658,8 million	TL 4.064,1 million
Shareholders' Equity	TL 1.524,0 million	TL 1.910,6 million
Total Sales	TL 2.879,9 million	TL 2.559,4 million
Net Profit/(Loss)	TL -323,9 million	TL 616,8 million



41

OAK (Quercus): Protective, abundant, environmentalist

INDUSTRY

- Çelik Halat
- Ditaş
- Doğan Organik Ürünler

Industry - Çelik Halat / Ditaş / Doğan Organik Ürünler

One of the longest-standing investment areas of Doğan Holding, the Industry Group includes Çelik Halat ve Tel Sanayi A.Ş., Ditaş Doğan Yedek Parça ve İmalat A.Ş. and Doğan Organik Ürünler Sanayi ve Ticaret A.Ş. Active in the manufacturing sector, these companies add to the strength of Doğan Holding with their combined positive performance and growth. The Industry Group companies have a sustainable competitive advantage with their financial reliability, corporate discipline and high quality production – all attributes of members of the Doğan Group.

Çelik Halat

Setting up operations in 1962 and manufacturing steel ropes for the first time in 1968, Çelik Halat ve Tel Sanayi A.Ş. (Çelik Halat) is one of Doğan Holding's longest-established industrial investments. Today, the company produces steel ropes, industrial high carbon galvanized wires, finishing galvanized wires, monotrons, industrial spring wires, mattress spring wires, bead wires, and prestressed wires and strands. Çelik Halat services a wide range of sectors from automotive suppliers to white goods manufacturers, and from telecommunications to energy.

In 2008, Çelik Halat increased its production and initiated exports to European Union member countries upon the annulment of the anti-dumping duty applied by the EU for steel ropes, and expanded its customer portfolio. The company derived 75% of its sales from the domestic market and 25% from international markets over the year. During 2008, Çelik Halat established the necessary contacts to win back customers in Europe and increased its exports by 1,200 tons year-on-year. The company also raised its market share in prestressed wires and strands in parallel with the increase in railroad construction. Çelik Halat successfully added new customers to its portfolio from the Russian, Azerbaijani,

Canadian, US, Chinese, European and Middle Eastern markets and captured a year-over-year growth of 1,500, 1,100 and 1,950 tons in the production of steel ropes, prestressed strands and prestressed wires, respectively.

National and international certifications held by the company include the TSE EN ISO 9001:2000 Quality Management System Certificate; Lloyd's Register EMEA (Lloyd's) Steel Rope Product Certificate; Anglo Japanese American (AJA) BS EN ISO 9001:2000 QMS Certificate; permission to use the API logo, also endorsed by the American Petroleum Institute, the primary trade association for the world's petroleum industry; Q1 and ISO 9001:2000 QMS Certificate; and Red Strand Brand Registration Certificate.

Çelik Halat	2008	2007
Shareholding Structure	78,46% Doğan Holding 21,54% Other	66,42% Doğan Holding 33,58% Other
Total Assets	TL 70,9 million	TL 49,1 million
Shareholders' Equity	TL 34,2 million	TL 28,8 million
Total Sales	TL 101,1 million	TL 71,3 million
Net Profit	TL 5,4 million	TL 0,6 million

Ditaş

Ditaş Doğan Yedek Parça ve İmalat A.Ş. (Ditaş) was founded in 1972 for manufacturing elements such as rod ends, ball joints, tie rods, track control arms, torque rods, stabilizer links, and V Torque rods; the company commenced operations in 1978. Turkey's largest rod manufacturer at present, Ditaş joined Doğan Holding in 1990.

Ditaş designs, produces and sells rods and parts to the vehicle manufacturers (OEM) and spare parts (IAM)

markets within the automotive supplier industry. The company enjoys the pride of being preferred by 12 of the 17 OEMs in Turkey. Ditaş supplies parts to 42 companies in Turkey, and six OEM and 43 OES/IAM companies in foreign countries. The company has a production capacity of 4.5 million pieces of finished products, 5 million pieces of hot forged parts, and 20 million cold forged parts. Operating as a Class A supplier of Turkey's leading vehicle manufacturers, the company controls a 25% share of the Turkish OEM market. Ditaş holds numerous patents in its field of operations. Some 47% of the company's total sales consist of exports, a considerable contribution to the national economy. At the end of 2008, Ditaş separated its OEM and IAM functions to offer service more closely aligned with the different expectations of each segment, enhance customer satisfaction and create additional capacity.

The greatest strengths of Ditaş include its know-how, engineering systems, skilled workforce, integrated facility and its brand awareness. The company holds ISO/TS 16949:2001 and ISO/TS 14001:2004 certifications. Ditaş also earned Grade A certificates from the Koç Group OEM companies and the London Taxi company of the UK.

Ditaş	2008	2007
Shareholding Structure	66,67% Doğan Holding 33,33% Other	58,26% Doğan Holding 41,74% Other
Total Assets	TL 40,0 million	TL 43,2 million
Shareholders' Equity	TL 26,1 million	TL 27,1 million
Total Sales	TL 33,9 million	TL 32,7 million
Net Loss	TL -1,0 million	TL -0,5 million

Doğan Organik Ürünler

Doğan Organik Ürünler Sanayi ve Ticaret A.Ş. (Doğan Organik Ürünler) was established in Kelkit in 2002. A research study conducted by Doğan Holding, which sought to invest in the area, concluded that milk production and livestock-breeding was the best fit for the region and its people. With designation of the region as a pilot area for organic agriculture by the Ministry of Agriculture and Rural Affairs, the organic livestock-

breeding project was launched, and an organic production certificate was obtained in June 2005.

Doğan Organik is Turkey's one and only organic raw milk producer, the only raw material supplier of organic drinking milk sold in the domestic market and one of Europe's largest organic livestock farms.

During 2008, interest in organic food consumption grew, and the introduction of organic baked goods and baby food accelerated. This development was reflected in the 2008 targets of Doğan Organik and the company increased its organic raw milk production by 64% year-on-year. Total production of 6,561 tons for 2008 was composed of 5,781 tons of in-house production and 780 tons from contracted farmers. The company achieved all of its targets for 2008 by attaining the planned production quantity increase, growing raw milk production on the basis of contracted livestock-breeding, and adding new farmers to its portfolio.

A founding member of the Association of Organic Product Producers, the company shares its experiences in symposia and conferences on organic agriculture/livestock-breeding and food, and also undertakes training activities educating local farmers about organic agriculture and livestock-breeding.

In 2005, Doğan Organik was named one of the top 10 socially responsible investments in Europe by the European Union Directorate of Business Concerns. The company also was given the best investment in agriculture award in 2006 by FAO on World Food Day. In addition, Doğan Organik has an organic product and farming certification granted by a control and certification firm accredited by the European Union.



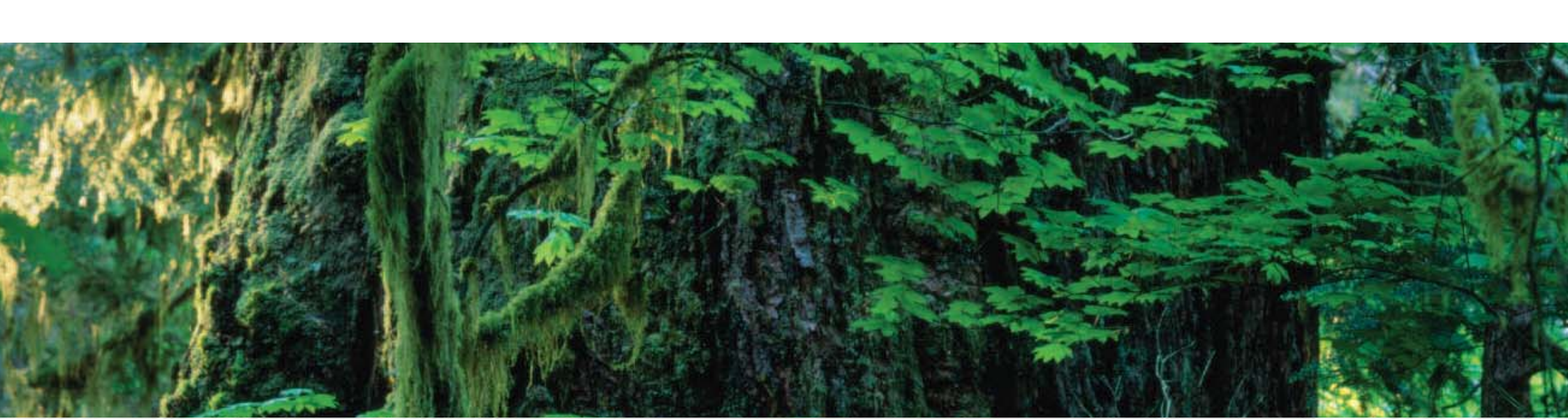
44

2008 Annual Report Doğan Şirketler Grubu Holding A.Ş.



45

2008 Annual Report Doğan Şirketler Grubu Holding A.Ş.



FIR (Abies): Enduring, Strong, deeply-rooted

TRADE

- Doğan Otomobilcilik
- Milpa
- Hürriyet Pazarlama



Trade - Doğan Otomobilcilik / Milpa / Hürriyet Pazarlama

As one of the first business areas that Doğan Group entered, the Trade Group today includes Doğan Oto, Milpa and Hürriyet Pazarlama. The operations of these three companies are built on the sales and marketing of products that are procured domestically or imported.

Generating cash resources for Doğan Holding while further enhancing its reputation, the Trade Group companies align their operations with the current consumer environment in Turkey and the world.

Doğan Oto

Offering sales and after-sales services for Ford vehicles as a 3S distributor of the sector leader Ford Otosan, Doğan Oto was founded as a general partnership company in 1963, and reorganized as a joint stock company in 1974. Acting as the dealer of Ford Otosan that maintains its strong position in the Turkish market as in other markets around the world, Doğan Oto's product portfolio includes Ford passenger cars and light, medium and commercial vehicles.

Ford Otosan, of which Doğan Oto is a dealer, has been the leader in the sector for the past five years. Ford controlled a 15% market share in 2008 attained with the sales of 72,500 vehicles. Serving a buyer profile consisting of economic classes A, B and C, Doğan Oto's customer portfolio numbers are nearly 30,000 loyal consumers. Having adopted a customer-focused approach, the company seeks to increase this number while continuing to offer quality service.

Holding a TS-12047 certificate, Doğan Oto adheres to specific guidelines relating to business management, site properties, technical equipment, working conditions and qualifications of workers and employees in its operations.

Milpa

Milpa Ticari ve Sınai Ürünler Paz. San. ve Tic. A.Ş. (Milpa) was established in 1980 to engage in the marketing of products demanded by Turkish consumers with affordable payment terms. Over the years, the company has earned a well-deserved level of reliability in



the sector built on the marketing of passenger cars, electronic equipment and other consumer products to hundreds of thousands of families.

In its 29-year history, the company has built a trust-based

relationship with its customers. Backed by the deeply-rooted and strong presence of Doğan Holding, Milpa recently broadened its core business of marketing activities and started to deal in property development. The company began in this new business area with a housing development project marketed under the name Milpark in 2008. Milpa's primary targets for 2009 now include realizing the sales of the entirety of Phase 1 of Milpark.

Aiming to create significant added value for the national economy with the projects it is developing, Milpa plans to implement existing projects and pursue new opportunities in 2009.

Milpa	2008	2007
Shareholding Structure	65,00% Doğan Holding 35,00% Other	65,00% Doğan Holding 35,00% Other
Total Assets	TL 87,8 million	TL 49,3 million
Shareholders' Equity	TL 32,2 million	TL 33,4 million
Total Sales	-	TL 3,3 million
Net Loss	TL -4,9 million	TL -1,9 million

Hürriyet Pazarlama

Hürriyet Ticari ve Sınai Ürünler Pazarlama Sanayi ve Ticaret A.Ş. (Hürriyet Pazarlama) was founded in 1995 and engaged only in marketing activities until it entered the real estate development sector in 2007. The company has since developed the Automall project. Hürriyet Pazarlama has reached 50,000 families to date through its various activities.

The Automall project has a total cost of approximately USD 80 million, including the building lot investment, and consists of commercial and housing units. With this project, Hürriyet Pazarlama injected a breath of fresh air into the real estate sector in 2008.

The company's priority target is to introduce and extend the same project in other cities in 2009. Drawing on its strength and experience combined with its fast and efficient decision-making ability, Hürriyet Pazarlama will continue to create value within the Doğan Holding Trade Group and in Turkey.





FINANCIAL SERVICES

TEAK (Tique): Flexibility, compatibility, strength

- Ray Sigorta
- DD Konut Finansmanı



Financial Services - Ray Sigorta / DD Konut Finansmanı

The financial services group of Doğan Holding includes Ray Sigorta A.Ş. which is enjoying 50 years of experience in the insurance business, DD Konut Finansmanı A.Ş. which is Turkey's first mortgage company operating under the Mortgage Law, and the Marbleton Property Fund operating out of Moscow, in which Doğan Holding is a limited liability partner.

Ray Sigorta

Ray Sigorta A.Ş. (Ray Sigorta) was founded in 1958 in Ankara to assume corporate insurance operations, and became a part of the Doğan Holding organization in 1992. In 2007, Doğan Holding sold 58.2% of Ray Sigorta's shares to TBIH Financial Services, whose primary equity owners are Kardan N.V., an international investment company, and Wiener Staedtsche Versicherung A.G. Vienna Insurance Group, Austria's largest insurance company. This development marked the beginning of the company's presence on an international platform. During 2008, cooperation was established with the group companies in reinsurance, coinsurance and fronting.

Operating in non-life insurance, Ray Sigorta's vision is to grow in the market by concentrating on alternative channels for retail insurance, and becoming the leader in productivity by adhering to competitive rules and outsourcing claims management.

During 2008, the company increased the number of its bundled products from 84 to 88 in the accident, fire, marine and engineering branches; debuted four different products in the individual healthcare segment; and added call center and internet users to its customer portfolio. The



year witnessed the most successful results of the past six years in technical profitability in non-life branches. The company also opened two new regional offices in 2008, increasing the total to nine, to establish closer ties with its customers. Ray Sigorta also introduced rational pricing with the transition to liberalized tariffs in the motor TPL branch. The company expects to see the results of this development in 2009 and 2010. With the launch of Rayexpress, Ray Sigorta stands as the first multi-channel insurance company trying out alternative distribution channels in the sector.

At the 12th edition of the competition held by the Web Marketing Association in 2008, Ray Sigorta received the Financial Services Standard of Excellence and Insurance Standard of Excellence awards. This marks the first time these awards were granted to an insurance company in Turkey. Ray Sigorta won yet another first prize in 2008 at the International Interactive Media Awards.



Ray Sigorta	2008	2007
Shareholding Structure	74,26% TBIH Financial Services N.V. 20,00% Doğan Holding 5,74% Other	74,26% TBIH Financial Services N.V. 20,00% Doğan Holding 5,74% Other
Total Assets	TL 270,9 million	TL 204,5 million
Shareholders' Equity	TL 62,2 million	TL 49,1 million
Net Profit/(Loss)	TL 0,6 million	TL -2,7 million

52

2008 Annual Report Doğan Şirketler Grubu Holding A.Ş.

DD Konut Finansmanı

DD Konut Finansmanı A.Ş. (DD Mortgage) was established in April 2006 as a joint venture of Doğan Yayın Holding and Doğan Holding. In July 2007, 49% of the shares in the company were sold to Deutsche Bank A.G. Upon enactment of Mortgage Law no. 5582 in March 2007, the company filed a license application with the Banking Regulation and Supervision Agency (BRSA); DD Mortgage commenced its mortgage related business upon obtaining the operating license from the BRSA in June 2008.

Now a joint venture of the Doğan Group and Deutsche Bank A.G., DD Mortgage capitalizes on the media and retailing muscle of Doğan Holding and the vast experience of Deutsche Bank in international financial markets.

DD Mortgage is the first mortgage company operating under the Mortgage Law in Turkey. Before starting operations, the company set up a dynamic technological infrastructure based specifically on mortgages, aiming to very quickly adapt to changes in the market and the regulatory environment. DD Mortgage expanded its service point network by adding building projects and real estate offices as its business partners; in addition, the Maçka Branch opened in July 2008.

DD Mortgage is a member of GYODER (Association of Real Estate Investment Companies) in Turkey, MBA (Mortgage Bankers Association) in the US and EMF (European Mortgage Federation) in Europe. The company participates in training programs held by MBA in the US, as well as in meetings and seminars held by GYODER and EMF.

Marbleton Property Fund

Marbleton Property Fund L.P. will pursue its investment activities as a joint venture with a prospective capital base of about USD 300 million. The European Bank for Reconstruction and Development (EBRD) and the International Finance Corporation



(IFC), a member of the World Bank Group, are among the participants, along with a number of private and public financial institutions. As a member of the Investment Consultancy Committee, which is composed of a limited number of partners, and with its 10% share in the total capital of Marbleton Property Fund L.P., Doğan Holding takes an active role in the activities of the Fund.

53

2008 Annual Report Doğan Şirketler Grubu Holding A.Ş.



TOURISM

PALM TREE (Chamaerops): Aesthetic, tropical, pleasure

• Milta



Tourism - Milta

Doğan Holding's tourism industry investments and operations are grouped under Milta Turizm İşletmeleri A.Ş. (Milta). Founded in 1984, Milta provides marina operations with Milta Bodrum Marina, hotel management services with Işıl Club, and travel agency operations with Işıl Tur. Doğan Holding's strategy within the sector is to align its investments with changes in the tourism market.

Milta Bodrum Marina

With 3,882 boats arriving and departing, Milta Bodrum Marina handles the heaviest traffic volume among all marinas in Turkey. The majority, about 65%, of the Marina's customer portfolio is composed of sail boat owners, with the remaining 35% made up of motor-yacht owners, charter companies and boat agencies combined.

The Marina remained the top choice of foreigners in 2008, as evidenced by the composition of the boat owners that stayed at the Marina. Some 19.04% of boats were owned by British customers, with 17.50% American, 11.80% German, 9.51% French, 5.46% Dutch and 4.37% Greek.

Using over 100% of its boat servicing capacity over the year, a 4% increase from 2007, the Marina's operational performance for 2008 was superior. The Marina's key competitive advantages include its broad range of services, town center location, and close proximity to the airport.

Despite the negative economic conditions, 2008 was a year of growth in the marina operations industry. While marinas in Turkey had a total capacity of 6,000 boats in 2007, this figure rose to 9,500 in 2008 with newly built marinas becoming operational. Milta Bodrum Marina provides 5.2% of this capacity with its ability to host 500 boats.

Milta Bodrum Marina earned the 5 Golden Anchors award as a result of an assessment by The Yacht Harbour Association, and thus achieved a key performance target for 2008. With this recognition, the Marina has effectively raised its stature in terms of service quality in the international arena. A current



member of The Yacht Harbour Association, the Marina received the Skelite in Tourism 2001 award from SKAL, and the Best Environmental Education Activity award in the marina category in 2006, 2007 and 2008.

Işıl Club

Among five-star hotels in Bodrum, Işıl Club is a key establishment achieving the highest level of customer satisfaction and is among the top-selling facilities, particularly within the Belgian market.

Işıl Club offers a wide range of services to its guests. The Club has a restaurant with a seating capacity of 600 offering exquisite culinary treats from Turkish and international cuisines; there is also a conference room for 170 and a multipurpose hall for 40. Other club amenities include a hairdressing salon, stores, swimming pool, kids' swimming pool, gym, Turkish bath, sauna, massage chambers, mini club for kids, archery range, three tennis courts, one volleyball and one multi-purpose sports court, water sports, outdoor shooting range and paintball field.

Having improved its product offering versatility and quality in the 2008 summer season, Işıl Club increased its number of overnight stays and revenues as compared with previous years.

Five-time winner of the Blue Flag, Işıl Club wins awards on many national and international platforms for its contributions to tourism and the environment.

Işıl Tur

Işıl Tur serves its customers in outbound tours, domestic hotel bookings, domestic and international airline ticketing, and Turkish railway ticket sales. An official sales agency for IATA, THY, Pegasus, Onur Air, Atlas Jet, Sun Express, Turkish Railways and Deniz

Line, Işıl Tur is also engaged in fleet and daily car rentals.

For Işıl Tur, 2008 was a year of success across all its business lines. The company achieved performance targets with more than 1,000 cars rented and also in terms of its ticket sales volume. Işıl Tur recorded 18% growth in overnight stays for corporate bookings and an 18% rise in individual bookings on a year-over-year basis.

Under its new initiatives in 2008, Işıl Tur partially commenced personnel transport. A new brand, Işıl Events, was created for events and occasions under the Işıl Tur roof in 2008; a website under the new brand went live during the reporting period. The company upgraded software on www.milta.com and www.erkenrezervasyon.com (early reservation) where online sales are conducted. Işıl Tur also made changes to its authorized sales agency network.

Within the scope of the 2010 İstanbul European Capital of Culture initiative, Işıl Tur started organizing daily sightseeing tours in İstanbul during 2008.

Işıl Tur holds TÜRSAB (Association of Turkish Travel Agencies), TÜRSAB Rent a Car and IATA certificates.





OLIVE TREE (Oleaceae): Peace, wisdom, intellect

SOCIAL RESPONSIBILITY

• Aydın Doğan Vakfı

Aydın Doğan Vakfı

Recognizing the responsibility it holds in creating a modern Turkey, Doğan Holding continues to work for the country and its youth. Doğan Holding shares its benefits with society through the Aydın Doğan Foundation.

Aydın Doğan Foundation

The Aydın Doğan Foundation was established on 15 April 1996 to pursue all types of initiatives that will contribute to the development of the society and the country in every respect. Engaged in a wide range of social welfare activities, the Foundation contributes to the fields of education, health, scientific research, sports, culture, and the arts. Since its debut, the Foundation has extended support for provision of high-quality education and training at institutions by organizing national and international competitions, granting awards, and building sports facilities and educational institutions. The Foundation's priorities are to maintain a robust administrative and financial structure, implement activities in line with its causes, and strengthen relationships at the international level.

The Aydın Doğan International Cartoon Competition

Open to professional and amateur cartoonists from all countries, the Aydın Doğan International Cartoon Competition attracts attention as Turkey's long-established contest of worldwide renown. Organized for the 25th time in 2008, the Competition attracted 2,665 cartoons of 971 artists from 79 countries. The jury, composed of Turkish and foreign experts, honored Ahmet Öztürklevant from Turkey with the first prize, while Agim Sulaj of Albania and Gerhard Gepp of Austria received the second and third place prizes, respectively.

Exhibitions abroad

Cartoons competing at the Aydın Doğan International Cartoon Competition are presented to the public all around Turkey, and in particular to students at universities. In 2008, the cartoon exhibition entitled Cartoon Art for World Peace, and composed of award-winning cartoons, was on display from 13 March until 11 April 2008 at the United Nations Building in New York. The exhibition was inaugurated following an opening speech delivered by Kiyotaka Akasaka, the Under-Secretary-General for Communications and Public Information of the United Nations.



Competition for Young Communication Majors

To contribute to the training of media employees and to encourage ongoing improvement in the field of communications, the Aydın Doğan Foundation organizes an annual Competition for Young Communications Majors. The award ceremony was held on 12 December 2008 for this year's edition, the 19th Competition for Young Communications Majors, and had 787 student participants from 24 universities, presenting 671 projects.

The Aydın Doğan Award

Organized for the 12th time in 2008, the Aydın Doğan Award set its theme for the year as Sculpture. Given to individuals who have contributed both to their professions and also to Turkey, the Aydın Doğan Award was presented to sculptor Seyhun Topuz. The jury selected Topuz for his contributions to the contemporary art of sculpting and for his meticulous works.

Education projects

Since its establishment, the Aydın Doğan Foundation has underwritten numerous educational projects to help create a modern and respected society in Turkey. Educational building projects carried out to date by the Foundation include: • Gümüşhane University Aydın Doğan Vocational School, Kelkit - Gümüşhane • Sema Işıl Doğan Elementary School, Gümüşhane • Atatürk University Aydın Doğan Private Elementary School, Erzurum • Aydın Doğan Elementary School, Göztepe - İstanbul • Yaşar-İrfani Doğan Industrial Vocational High

School, Kelkit - Gümüşhane • Milliyet Anatolia Teachers High School, Erzincan • Aydın Doğan Science and Arts Center, Afyon • Aydın Doğan Anatolian Communications Vocational High School, İstanbul • Galatasaray University Aydın Doğan Auditorium, İstanbul • TEGV Sema and Aydın Doğan Education Park, İstanbul

Kelkit Aydın Doğan Vocational School

With its foundation laid on 27 July 2002 and its academic life launched with 90 students on 28 September 2003, the Organic Agriculture Program offered at the Aydın Doğan Vocational School, coupled with the large number of enrolled students, is of utmost importance in securing the permanence and sustainability of agriculture in the region. In addition, a partnership model was organized to advance agriculture and livestock-breeding in the region by the Aydın Doğan Foundation, Doğan Organik Süt Sığırlılığı İşletmesi, Atatürk University, Ministry of Agriculture, Governor's Office of Gümüşhane, and Kaimakam's Office of Kelkit within the framework of the Project for Improving Organic Agriculture and Livestock-Breeding in Kelkit under the UNDP.

Dormitories for girls

Built by the Aydın Doğan Foundation within the scope of the Daddy, Send Me to School campaign, dormitories for girl students in Erzurum, Erzincan, Gümüşhane, Kelkit, Köse, Kürtün and Şiran opened and became operational.

TEGV Sema and Aydın Doğan Education Park

Affiliated with TEGV (Educational Volunteers of Turkey), the Fındıkzade Education Park opened in 1996. All educational areas in this park were renovated with contributions from the Aydın Doğan Foundation, which also assumed responsibility for the park's annual operating expenses. Having offered educational support to nearly 36,000 children since it first opened, the Sema and Aydın Doğan Education Park consists of five structures that include an administrative building, education building, guesthouse, volunteers' academy and a gymnasium in an open area of 27,000 square meters.

Sema Doğan Park in Gümüşhane

Designed to contribute to the cultural and social life in Gümüşhane, the Sema Doğan Park opened on 24 July 2008. The enclosed areas inside Sema



Doğan Park include a multi-use hall for events such as conferences, wedding ceremonies and concerts. Workshops are also housed in this enclosed section and serve a range of purposes that include improving local handicraft skills and increasing the commercial viability of women-produced handicrafts. In addition, a restaurant helps preserve the local cuisine for the future and further improves upon it. An outdoor amphitheater laid out in harmony with the natural slope of the land as in ancient times serves to hold movie screenings, theatrical plays, concerts, folklore performances and conferences; there are also play areas for children, as well as sports and picnic facilities.

Table of contents

1. **Declaration of Compliance with the Corporate Governance Principles**

PART I – SHAREHOLDERS

2. Shareholder Relations Unit
3. Shareholder's Right to Obtain and Evaluate Information
4. Information on General Assembly Meeting
5. Voting Rights and Minority Rights
6. Dividend Policy and Timing of Distribution
7. Transfer of Shares

PART II - PUBLIC DISCLOSURE AND TRANSPARENCY

8. Public Disclosure Policy
9. Material Disclosure
10. Company's Website and its Contents
11. Disclosure of Ultimate Controlling Individual(s)
12. Individuals with Access to Inside Information

PART III – STAKEHOLDERS

13. Informing the Stakeholder
14. Stakeholders Participation Management
15. Human Resource Policy
16. Relations with Customers and Suppliers
17. Social Responsibility

PART IV - BOARD OF DIRECTORS

18. The Structure and Formation of the Board of Directors and Independent Members
19. Qualifications of Board Members
20. Mission, Vision and Strategic Goals of the Company
21. Risk Management and Internal Control Mechanism
22. Authorities and Responsibilities of Board Members and Executives
23. Operating Principles of the Board of Directors
24. A Ban on Doing Business with the Company and Non-Compete Clause
25. Code of Ethics
26. The Number, Structure and Independence of Board Committees
27. Remuneration of the Board of Directors

1. DECLARATION OF COMPLIANCE WITH PRINCIPLES OF CORPORATE GOVERNANCE

Doğan Şirketler Grubu Holding A.Ş. (Doğan Holding or the Company) has embraced the concepts of fairness, transparency, accountability and responsibility and aims to fully adhere to these Principles of Corporate Governance. The ongoing pursuits regarding the Principles of Corporate Governance will continue within the year 2009.

No conflict of interest has arisen among interest holders due to principles that have yet to be implemented.

Details on the implementation of these principles in the operating cycle ending December 31, 2008 are as below:

PART I - SHAREHOLDERS

2. Shareholder Relations Unit

2.1. Exercise of shareholder rights is conducted in compliance with the relevant legislation, the Articles of Association and other inter-company rules. All necessary steps are taken to facilitate exercise of these rights.

2.2. The Shareholder Relations Unit was established to monitor relations between shareholders and the Company and to ensure that the requirements pertaining to shareholders' rights concerning access to information fully met. The Unit's primary duties are as follows:

- a) To ensure that shareholder records are kept accurately, safely and up to date;
- b) To respond shareholders' written requests for information about the Company except those that constitute a trade secret or privileged information;
- c) To ensure that the General Assembly meetings are held in accordance with relevant legislation, Company's Articles of Association and other inter-company rules;
- d) To prepare documents to be delivered to shareholders at General Assembly meetings;
- e) To keep the records of voting results and to ensure all reports related to the resolutions of General Assembly meeting to be sent to the shareholders;
- f) To supervise and to oversee all issues concerning public disclosure to make certain that they comply with the current legislation in all respects and Company's Public Disclosure Policy;
- g) To ensure capital markets financial activities are carried out;
- h) To ensure that investor relations activities are conducted.

Administratively this unit carries out its operations under the coordination of the CFO and the Shareholder Relations Unit will be linked functionally to the Corporate Governance Committee to be formed.

2.3. Representatives from the Investor Relations and Corporate Affairs, Financial Affairs and Legal departments operate under the CFO's oversight within the Shareholder Relations Unit.

2.4. The requests for information and inquiries received directly or indirectly from shareholders or institutional investors were responded in 2008. While meeting shareholders' demands, maximum care is exerted to ensure compliance with the applicable legislation and the Company's Articles of Association.

Adopting a proactive approach in its communication with shareholders, the Investor Relations and Corporate Affairs Department issues, in addition to public announcements and material disclosures, messages from management and information about the Company's corporate strategies to shareholders at regular meetings organized by institutional investors.

In order to provide information to foreign institutional investors, visits were organized in 2008 to London, Frankfurt, Boston and New York. At the same time, in February, March, April, July, September and October investor meetings were organized in Turkey which provides foreign institutional investors to meet company management.

Doğan Şirketler Grubu Holding A.Ş. Corporate Governance Principles Compliance Report 31.12.2008

The contact details of the Investor Relations Department operating under CFO are as follows:

Name	Title	Tel	E-mail
Serdar Kırmaz	Financial Affairs Group President (CFO)	(+90 216) 556 93 44	serdark@doganholding.com.tr
Özge Bulut Maraşlı	Head of Investor Relations and Corporate Communications Division	(+90 216) 556 92 56	ozgem@doganholding.com.tr
Cengaver Yıldızgöz	Investor Relations Senior Associate	(+90 216) 556 92 73	cengavery@doganholding.com.tr

In addition, the CEO informs the public about the Company's operational results through a yearly message published in the newspapers and presented on the Company's Website.

The Investors Relations Department, wherever possible, uses electronic means of communication and the Company's Website (www.doganholding.com.tr) in all its endeavors.

2.5. Utmost care is taken to meet requests and comply with the law and the Articles of Association. No written or verbal complaint reached the Company in 2008 concerning the exercise of shareholders rights, nor is the Company aware of any legal proceedings initiated against in this regards.

3. Shareholder's Right to Obtain and Evaluate Information

3.1. The Company does not discriminate among shareholders on the issue of exercise of shareholders' right to obtain and evaluate information.

3.2. Over 500 requests for information received from shareholders in 2008 primarily concerning financial and strategic developments announced by the Company were responded without delay under the supervision of Shareholder Relations Unit.

3.3. Financial information, news and presentations about the Company are available on the Company's Website. Shareholders submitting requests for information are directed to the Company Website where information and documentation are equally presented for the use of shareholders.

3.4. The Articles of Association currently do not recognize requests for the assignment of a special auditor to conduct audits only upon the request of shareholders holding more than a 5% stake in the Company. Meanwhile, no request for a special auditor has been submitted to the Company.

4. Information on General Assembly Meeting

4.1. The Company's General Assembly Meeting for 2007 was held on May 15, 2008. Invitations to the meetings were published, as stipulated in the Company's Articles of Association, in Milliyet newspaper and in the Turkish Trade Registry Gazette.

4.2. The method of holding General Assembly meetings ensures attendance of maximum number of shareholders.

4.3. General Assembly meetings are conducted in line with the principle of fairness so as to cause the least uncertainty and cost for participants.

4.4. The General Assembly Meeting was held in Istanbul to facilitate the attendance of shareholders.

4.5. Since the Company's capital is solely constituted by bearer shares, shareholders are not required to register their names on shareholders' lists within any specific time frame prior to attendance at Meetings.

Doğan Şirketler Grubu Holding A.Ş. Corporate Governance Principles Compliance Report 31.12.2008

4.6. Documents prepared for General Assembly Meeting, financial statements and reports including the 2007 Annual Report, internal audits and the Board of Directors' actions regarding 2007 activities were available to shareholders 15 days prior to the meeting. The Shareholder Relations Unit responded to questions from shareholders commencing from the date of announcement of invitation for General Assembly meeting.

4.7. The agenda is presented in a clear and concise manner so as to be easily understood by shareholders, with the opportunity to voice their opinions and ask questions.

4.8. The Board responded to shareholders' questions on agenda issues at the General Assembly meeting.

4.9. It was reported that a note of dissent concerning the donations made by the Company in 2007 was presented at General Assembly meeting and this note was included in the minutes of the General Assembly meeting in accordance with applicable legislation.

4.10. Voting at General Assembly meetings was conducted through open ballot.

4.11. General Assembly meeting decisions require the presence of shareholders or their proxies representing at least half of the Company's capital. 62,8% of the capital was present at the General Assembly meeting.

4.12. Minutes of the General Assembly meeting were available at Company headquarters and were faxed to shareholders upon request.

4.13. General Assembly meetings were attended by shareholders, Company employees and independent auditors, but not by other stakeholders or the media.

4.14. There is no provision in the Company's Articles of Association that requires decisions on matters such as spin-offs or the sale, purchase or leasing of material assets to be taken by the General Assembly.

5. Voting Rights and Minority Rights

5.1. The Company avoids practices that make it difficult to exercise voting rights; all shareholders are given the opportunity to exercise their voting rights in the easiest and most convenient manner.

5.2. There are no preferred stocks or different classes of shares in the Company.

5.3. Each share is entitled to one vote in the Company.

5.4. There is no Company regulation that restricts the exercise of shareholder voting rights for a certain time of period following the acquisition date of shares.

5.5. The Articles of Association do not contain any provision that prevents non-shareholders from voting as proxy as representative of a shareholder.

5.6. The shareholders made no proposals for the representation of minority shares from the Company.

5.7. The Articles of Association do not provide cumulative voting.

5.8. The share capital of the Company does not involve any cross-shareholdings.

5.9. Although the Article of Association permits dividend shares trade, there is no instance of the issuance of any dividend shares.

Doğan Şirketler Grubu Holding A.Ş. Corporate Governance Principles Compliance Report 31.12.2008

6. Dividend Policy and Timing of Distribution

6.1. There is no privilege to any individual in the distribution of dividends.

6.2. The Doğan Group of Companies Inc. makes its dividend payment determinations taking into account the Turkish Commercial Law and rates determined by the Capital Markets Board (CMB) and the General Meeting within the specified time period.

Accordingly:

Net profit can be calculated by deducting all Company expenditures, depreciation, premiums and bonuses, provisions for income taxes along with other financial obligations from total income.

After the losses (if any) from previous years and the amounts determined by the Capital Markets Board are deducted from net income, reserves set at 5% by the Turkish Commercial Law and other relevant regulations and the principle revenue share at the rate and amount determined by the Capital Markets Board are allocated.

The General Assembly is authorized to determine, in accordance with the dividend distribution policy of the Company, whether the remainder is to be considered money held in reserve or distributed.

One-tenth of the amount obtained by reducing the 5% of capital from the funds to be distributed among shareholders and other persons with a share in profits will be considered money in reserve as determined by Paragraph 3 of the second section of Article 466 of the Turkish Commercial Law.

According to the law, unless the required amount of funds is reserved, or unless the primary profit share to be distributed to the shareholders in the form of cash and/or shares is distributed, no decision on transferring profits to the next year or paying dividends to preferred shareholders or to other shareholders, members of the board or employees can be made.

6.3. The Company's dividend policy for 2008 and subsequent years has been defined as follows:

"The attributable profit shall be distributed in cash and/or as bonus shares in a way that will optimize the Company's financial position within the context of the legislation it is required to comply with, its growth strategy, investment and financing needs in the industry, as well as conditions in the national and international economy." This has been announced to the public in accordance with CMB Decision No. 4/67 dated January 27, 2006, disclosed in the Annual Report and communicated to shareholders at the General Assembly meeting on May 29, 2007.

6.4. It is also explained in independent auditor's reports and financial statements sent to the Istanbul Stock Exchange (ISE) that the distribution of dividends is carried out in accordance with the Turkish Trade Law and Capital Markets Board legislation.

7. Transfer of Shares

7.1. The Company's Articles of Association do not contain any provisions to impede transfer of shares.

7.2. All shareholders including minority and foreigner shareholders are treated equally.

PART II - PUBLIC DISCLOSURE AND TRANSPARENCY

8. Public Disclosure Policy

8.1. The aim of the Company's Public Disclosure Policy is to ensure the accurate, complete, comprehensible, interpretable and reliable disclosure of financial and non-financial information related to the Company with the exception of trade secret and undisclosed information to the public.

Doğan Şirketler Grubu Holding A.Ş. Corporate Governance Principles Compliance Report 31.12.2008

8.2. The Company holds meetings with the participation of investors, analysts and the media in addition to issuing Material Disclosures.

In conjunction with this, the CEO and members of the Board of Directors and executive committee attend these meetings to make presentations; and Company presentations, annual reports, financial statements are available on the Company's Website.

8.3. The Financial Affairs Group is responsible from material disclosures and monitoring all related issues associated with the disclosures. Those authorized to disseminate the Company's Public Disclosure Policy are:

Name	Title	Tel	E-mail
Serdar Kırmaz	Financial Affairs Group President (CFO)	(216) 556 93 44	serdark@doganholding.com.tr
Yener Şenok	Head of Fiscal Division	(216) 556 93 44	yeners@doganholding.com.tr
Özge Bulut Maraşlı	Head of Investor Relations and Corporate Affairs Division	(216) 556 92 56	ozgem@doganholding.com.tr
Alper Altıok	Accounting and Administrative Affairs Manager	(216) 556 92 46	alpera@doganholding.com.tr
Hande Özer	Financial Control Manager	(216) 556 92 59	handeo@doganholding.com.tr
Cengaver Yıldızgöz	Investor Relations Senior Associate	(216) 556 92 73	cengavery@doganholding.com.tr

All shareholders, including minority shareholders and foreign shareholders are treated equally.

8.4. The Company's Public Disclosure Policy was announced to the public in 2007 through the Company Website.

8.5. Members of the Board of Directors, executive committee and Shareholders who directly or indirectly own at least 5% of the Company's shares, are required to publicly announce their transactions in capital market instruments issued by the Company in accordance with the Capital Market Law.

8.6. The financial statements and accompanying notes for fiscal year 2008 have been prepared in consolidated basis and in accordance with Decision No. 11/467 of the CMB dated 17.04.2008 as well as International Financial Reporting Standards (IFRS) and reported publicly.

8.7. The 2008 Annual Report was prepared in compliance with Capital Markets legislation and Capital Markets Board (CMB) regulations and Corporate Governance principles announced by CMB.

9. Material Disclosure

9.1. The Company follows and applies Capital Markets legislation, CMB and ISE regulations, and CMB principles with regard to Corporate Governance.

9.2. The Company issued 105 material disclosures in 2008.

Two requests for additional material disclosures were received from CMB.

All material disclosures were made within the relevant timeframe.

9.3. The Company has determined and announced the individuals authorized to issue special announcements and these are made under their signature.

9.4. The Company is under no other obligation to inform the public since the Company has no shares listed on foreign stock exchanges.

Doğan Şirketler Grubu Holding A.Ş.

Corporate Governance Principles Compliance Report 31.12.2008

10. Company's Website and its Contents

10.1. The Company's Website, www.doganholding.com.tr, is actively used for public disclosures.

10.2. Periodic financial statements, independent auditor's reports and annual reports are available on the Website as required by the applicable CMB legislation, Number XI, 29.

10.3. An English-language version of the documents and information is also available for the convenience of foreign investors.

10.4. Information provided on the Website is as follows:

- a) Corporate
 - Managers (Board of Directors, Executive Board, Audit Committee and Audit Committee Members, Management team)
 - Corporate Governance
 - Vision & Mission
 - Shareholder Structure
 - Corporate Profile
 - Corporate Video
- b) Investments
 - Energy (Petrol Ofisi and Electric Investments)
 - Media
 - Industry
 - Trade
 - Financial Services
 - Tourism
- c) Investor Relations
 - Corporate Info
 - Corporate Governance (Shareholder Structure, Articles of Association, Statement of Preferred Shares, Board of Directors, Executive Board, Corporate Governance Compliance Report, Code of Ethics, Disclosure Policy, Dividend Policy)
 - Stock Profile (Interactive Share Charts, Analyst Reports)
 - Financial Statements
 - Annual Reports
 - General Assembly (General Assembly and Proceedings, Proxy Voting Form, Annual Reports, Shareholders' Meeting Minutes)
 - Latest IR News
 - Investor Presentations
 - Analyst Coverage
 - Frequently Asked Questions
 - Investor Contacts
 - Investor Relations Site Map
- d) Press Room
 - News
 - Press Releases
 - Executive Interviews
 - Visual Gallery
 - Press Contact

Doğan Şirketler Grubu Holding A.Ş.

Corporate Governance Principles Compliance Report 31.12.2008

- e) Corporate Social Responsibility
 - Doğan Group and CSR
 - Aydın Doğan Foundation
 - Dad, Send Me To School
 - End Domestic Violence
 - Liberty Is Our Right

- f) Human Resources
 - Human Resources Policy
 - Human Resources Profile
 - Job Application

10.5. Statements reflecting increases in the Company's capital, and dividend statements are to be available on the Company Website once preliminary works completed.

10.6. The Company letterhead clearly indicates the address of its Website.

11. Disclosure of Ultimate Controlling Individual(s)

11.1. Changes regarding the shareholding structure and/or the managerial control of the Company are announced to the public in accordance with Capital Markets legislation and CMB regulations.

11.2. The shareholder structure of the Company as of December 31, 2008 was as follows:

Shareholders	Share Capital (YTL)	Share (%)
Adilbey Holding A.Ş. *	1.274.000.000	52,00
Publicly-held at ISE	840.109.933	34,29
Aydın Doğan	188.907.064	7,72
İşil Doğan	40.291.777	1,64
Aydın Doğan Vakfı	4.679.046	0,19
Arzuhan Doğan Yalçındağ	25.503.045	1,04
Vuslat Doğan Sabancı	25.503.045	1,04
Hanzade V. Doğan Boyner	25.503.045	1,04
Y. Begümhan Doğan Faralyalı	25.503.045	1,04
Total Share Capital	2.450.000.000	100

The shareholder structure of the Company's ultimate controlling shareholder, Adilbey Holding A.Ş., as of December 31, 2008 was as follows:

Shareholders	Share Capital (YTL)	Share (%)
Aydın Doğan	72.800.000	26,0
İşil Doğan	41.440.000	14,8
Arzuhan Doğan Yalçındağ	41.440.000	14,8
Vuslat Doğan Sabancı	41.440.000	14,8
Hanzade V. Doğan Boyner	41.440.000	14,8
Y. Begümhan Doğan Faralyalı	41.440.000	14,8
Total Share Capital	280.000.000	100

Doğan Şirketler Grubu Holding A.Ş. Corporate Governance Principles Compliance Report 31.12.2008

11.3. To best of our knowledge, there were no voting agreements among shareholders in 2008 that aimed at increasing control over the management of the Company.

12. Individuals with Access to Inside Information

12.1. Board Directors, auditors, the Shareholder Relations Unit, top executives of the holdings and other persons who have access to inside information are prohibited from revealing knowledge that could be used to the advantage of third parties.

The names and titles of people who have potential access to such information that can be classified as commercial secret are presented below:

Name:	Position:
Aydın Doğan	Chairman of Board of Directors ("BOD")
İmre Barmanbek	Deputy Chairperson of BOD
Vural Akışık	Deputy Chairman of BOD
Ragıp Nebil İlseven	Board Member and CEO
Arzuhan Doğan Yalçındağ	Board Member
Vuslat Doğan Sabancı	Board Member
Hanzade Doğan Boyner	Board Member
Mehmet Ali Yalçındağ	Board Member
Zekeriya Yıldırım	Board Member
Taylan Bilgel	Board Member
Ali İhsan Karacan	Board Member
Yahya Üzdiyen	Strategy Group President
Reha Müstecaplıoğlu	Audit Group President
Serdar Kırmaz	Financial Affairs Group President (CFO)
Yener Şenok	Head of Fiscal Division
Cem Kölemenoglu	Head of Budgeting and Finance Division
Selma Uyguç	Head of Legal Division
Özge Bulut Maraşlı	Head of Investor Relations and Corporate Affairs Division
Melih Özaydin	Head of Strategic Planning and Business Development Division
Alper Altok	Accounting and Administrative Affairs Manager
Ali Rıza Karakullukçu	Audit Manager
Hande Özer	Financial Control Manager
Oktay Hatırmaz	Risk Management Manager

Certified Public Accountants and Company Auditors, Independent Audit Firm, Independent Auditors and Authorized Individuals

PART III - STAKEHOLDERS

13. Informing the Stakeholder

13.1. As is explained in detail in the first part of this report, Shareholders and investors are kept informed in accordance with Capital Markets legislation and CMB regulations.

Doğan Şirketler Grubu Holding A.Ş. Corporate Governance Principles Compliance Report 31.12.2008

13.2. The stakeholders of the Company i.e. shareholders, investors, financial institutions and suppliers can access Company information via the Website along with reports and presentations.

13.3. The Company also has an intranet site that is only accessible by employees.

14. Stakeholders Participation in Management

14.1. The Company is in a continuous communication with its stakeholders. All feedback received from the stakeholders is presented to senior management for evaluation after various procedures and solution proposals and policies are developed.

14.2. There is no regulation that provides for the stakeholders participation in the Company's management.

14.3. Employees are kept apprised of the general activities of the Company, and their suggestions are evaluated via the intranet site.

15. Human Resources Policy

15.1. The basic principles of the Company's human resources policy can be summarized as follows:

- The Company does not discriminate between its employees regarding race, ethnic origin, nationality or sex and treats all employees equally. The Company offers equal opportunity to people with the same working conditions. Remuneration is based on performance evaluation and an open door policy is employed at all times.
- Company executives and managers are selected from among candidates proven to possess the necessary professional qualifications.
- The Company's work environment is designed to maximize safety and efficiency.

15.2. The human resources department of the Company has been carrying out its work in accordance with the principles mentioned above.

15.3. Relations with employees are carried out by Human Resources Department. There are no unionized employees in the Company.

15.4. No complaints of discrimination have been received from any employee.

16. Relations with Customers and Suppliers

16.1. The actual activity of the Company is to invest in and form partnerships through its affiliates, subsidiaries and joint ventures (related companies) in its main areas of involvement of media, energy, telecommunications, tourism, insurance, industry and trade. The Group also provides finance, project development, organization, marketing, administrative consulting and internal auditing services to its subsidiaries. Since the Company is a holding, its customers and suppliers generally consist of business partners.

16.2. In addition to meeting the needs of our companies, the services provided them are designed to create value for the companies. Services are provided to business partners in accordance with market prices.

17. Social Responsibility

17.1. The Company is determined to protect natural resources and prevent pollution of the environment while carrying out its various activities.

17.2. Within the context of corporate social responsibility, the Company has invested in one of its subsidiaries, Doğan Organic Products in Kelkit, Gümüşhane, which has been recognized for its contributions to the region and pioneering activities in organic agriculture. The project, friendly to natural resources and highly observant of environmental principles and animal rights, contributes significantly to the

Doğan Şirketler Grubu Holding A.Ş.
Corporate Governance Principles Compliance Report 31.12.2008

development of the region with its "contractual farming" project. This investment is considered to be a leading regional development project in Turkey.

17.3. Doğan Holding, cognizant of its social responsibilities, participates in joint projects with nongovernmental organizations either through its subsidiaries or under the aegis of Doğan Holding. The Company encourages and promotes volunteerism and social responsibility.

17.4. In addition, the activities of the Aydın Doğan Foundation support the development of Turkey in several areas:

a) The Aydın Doğan Foundation was established in 1996 to undertake investments, engage in activities and support work conducive to the creation of a strong, modern and respected society in Turkey, to help people administer to their needs and solve their own problems, to provide the basic tools and give them the opportunity to access impartial and accurate information, and to develop the country's educational and cultural level. In order to achieve these aims, the Foundation contributes to development and improvement of education, culture, art, health, sports, science and the economy, supports and invests in projects in these fields.

b) Aware that eliminating the problems of education in Turkey is crucial to the achievement of the above goals, the Aydın Doğan Foundation engages in several educational investments in various regions of the country.

Some of the education projects of the Aydın Doğan Foundation were the Sema İşil Doğan Elementary School in Gümüşhane, the Atatürk University Elementary School in Erzurum, the Aydın Doğan Elementary School in İstanbul, The İrfani and Yaşar Doğan Industrial Vocational High School in Kelkit, the Milliyet Anatolian Teacher's High School in Erzincan, the Hürriyet Anatolian Hotel Administration Vocational School in Erzincan, the Aydın Doğan Communications School in İstanbul and the Gümüşhane University Kelkit Aydın Doğan Vocational School in Kelkit.

The Gümüşhane University Kelkit Aydın Doğan Vocational School, besides offering courses in accounting, electricity, electronics, computer programming and civil aviation, is Turkey's first and only school providing education in organic agriculture. The school's educational program cooperates with the Doğan Organic Facilities which engages in production in the same region.

The foundation spends 80% of its core budget on education. In this context, as part of "Daddy Send Me to School" project, in Erzurum, Aydın Doğan Dormitory for Girls of Nene Hatun High School for Girls; in Erzincan, Aydın Doğan Dormitory for Girls; in Kelkit, Hacı Hüsrev Doğan Dormitory for Girls; in Kürtün, Aydın Doğan Dormitory for Girls; and in Köse, Aydın Doğan Dormitory for Girls were built; and construction works of Aydın Doğan Dormitory for Girls in Şiran is going on.

c) As part of its social and cultural activities, the Aydın Doğan Foundation organizes national and international competitions such as the "Young Communications Experts Competition", the "Aydın Doğan Award," and the "Aydın Doğan International Cartoon Contest", which reaches 6500 artists from 130 countries and facilitates both Dogan Group's and Turkey's promotion in the world.

17.5. Doğan Holding Management is one of the founders of the Corporate Governance Association of Turkey (TKYD), an organization that works to create high-performance, competitive, well-managed corporations that generate maximum shareholder value. Closely interested in designing small-scale projects focusing on "people" and creating repeatable models, the foundation is also a member of the World Business Council for Sustainable Development, an organization that aims to contribute to growth in the least-developed regions of Turkey.

PART IV - BOARD OF DIRECTORS

18. The Structure and Formation of the Board of Directors and Independent Members

18.1. There are four non-executive, two independent and five executive members on the Board of Directors.

Doğan Şirketler Grubu Holding A.Ş.
Corporate Governance Principles Compliance Report 31.12.2008

18.2. Members of the Company's Board of Directors:

Name	Position	Executive/Non- executive/Independent Member
Aydın Doğan	Chairman	Executive
İmre Barmanbek	Deputy Chairperson	Executive
Vural Akışık	Deputy Chairperson	Executive
Ragıp Nebil İlseven	Member, CEO	Executive
Arzuhan Doğan Yalçındağ	Member	Non-executive
Vuslat Doğan Sabancı	Member	Non-executive
Hanzade Doğan Boyner	Member	Executive
Mehmet Ali Yalçındağ	Member	Non-Executive
Zekeriya Yıldırım	Member	Independent
Taylan Bilgel	Member	Independent
Ali İhsan Karacan	Member	Independent

18.3. The duties of Chairman of the Board of Directors and CEO are executed by two separate persons in this Company.

18.4. The independent Board Members kept their independence in 2008.

18.5. Company's Articles of Association stipulate that members of the Board of Directors be limited to a three-year term in office. Members are elected at the annual General Assembly meeting.

18.6. Some of the members of the Board of Directors also sit on the Board of Directors of subsidiary companies.

18.7. Brief personal and professional background of the Board members is available on the Company's Website.

19. Qualification of Board Members

19.1. The qualifications of Board Members are in compliance with the Capital Market Board's Principles of Corporate Governance as enumerated in Articles 3.1.1., 3.1.2. and 3.1.5. of Chapter IV.

19.2. Although there are no articles specifying qualifications for the members, the Company ensure that Board members:

- a) are preferably university graduates;
- b) possess a high level of competence and knowledge;
- c) are educated and experienced in Company management;
- d) are sufficiently competent to interpret the financial statements and reports;
- e) possesses basic knowledge of legal framework regulating the activities and transactions related to Company's field of activity;
- f) have never been convicted of violating regulations; and
- g) are able to attend board meetings.

20. Mission, Vision and Strategic Goals of the Company

20.1. Our vision is to target and effectively realize investments that contribute to transparency in society and welfare and stability of the individual in relevant commercial and industrial platforms in economic life. Our mission is to monitor, innovate and implement state-of-the-art commercial and technological products and applications in retail driven industries in Turkey and other prospective markets abroad; develop and maintain the necessary corporate assets to ensure proper execution of these objectives. The vision and mission of the Company is available on its Website and in its annual report

Doğan Şirketler Grubu Holding A.Ş.

Corporate Governance Principles Compliance Report 31.12.2008

20.2. The strategic goals determined by the executive committee of the Company in accordance with the plans of the Company are presented to the approval of the Board of Directors prior to authorization.

20.3. The Board of Directors and senior management of the Company continuously monitor the status of the Company against its strategic goals, through monthly meetings. The results of Company activities and its performance are evaluated in detailed reports.

21. Risk Management and the Internal Control Mechanism

21.1. The internal control task is monitored under the responsibility of Auditing Group Presidency reporting to the Board of Directors.

The main duty of the Auditing Group Presidency is to protect the rights and interests of Doğan Şirketler Grubu Holding A.Ş., its subsidiaries and shareholders, by developing mechanisms to reduce internal and external administrative risks, to inspect and audit operations and procedures to ensure compliance with Board decisions, plans, budgets, regulations, procedures, instructions, legislation and generally-accepted accounting principles.

The Auditing Group Presidency performs its auditing duties in accordance with the "International Auditing Standards" and the Internal Control Framework published by the Committee of Sponsoring Organizations (COSO).

The Information Technology department performs its auditing in accordance with the COBIT (Control Objectives for Information and Related Technology). Additionally, risk controls of the companies under the audit have been evaluated by a special software program.

21.2. The Audit Group identifies risks inherent in the activities of the Holding and its subsidiaries in an effort to contribute to the development of risk management and control systems and monitors the efficiency of the organizations' risk management. The Audit Group submits reports on financial and operational risks to the Board of Directors from data gathered through its audits. The Board of Directors also assesses risk and takes appropriate measures.

21.3. Since the Company is a holding company, the Company's primary focus is on the financial performance and financial risks of its affiliated companies. The management of financial risk is monitored under the responsibility of the Financial Affairs Group Presidency. Starting from 2009, Risk Management Department has been established under Financial Affairs Group in order to evaluate the financial risks from the standpoint of the company. The operational risks are monitored under the responsibility of the group presidents and the CEO.

21.4. In addition, regulations which form a significant part of the internal audit system have been drafted and put into effect.

22. Authorities and Responsibilities of Board Members and Executives

22.1. According to the Company's Articles of Association, the Board of Directors manages and represents the Company. The limit of authority of those authorized to represent the Company and to collect its revenues is published in the appropriate forums by the Board of Directors.

22.2. The authority to perform management tasks and representative authority can be assigned wholly or partially to individual members of the Board of Directors by the mandates of the General Meeting or by the Board of Directors.

22.3. The Board of Directors can appoint a CEO to carry out the management of the Company whose duration on the job may exceed theirs.

22.4. The main responsibilities of Board of Directors are presented below:

- To determine the Company's corporate mission;
- To approve the Company's vision, targets and strategies;
- To approve strategies on exit and penetration to a certain sector;

Doğan Şirketler Grubu Holding A.Ş.

Corporate Governance Principles Compliance Report 31.12.2008

- To approve establishment of companies as well as their purchase, sale, merging or closing down; participation in and withdrawal from partnerships;
- To buy and sell of real estate;
- To approve salary and bonus policies;
- To approve dividend distribution policies;
- To allocate to increase or to decrease the Company's capital;
- To approve borrowing policy;
- To approve ethics code governing companies and employees;
- To approve communication and information policies;
- To establish and to abolish administrative units ;
- To ensure the performance of administrative and financial auditing;
- To approve administrative activity procedures;
- To approve consolidated budget;
- To approve subsidiaries' budgets and the monitoring and assessment of their performance;
- To define authority and delegation;
- To elect the CEO and to make the assessment of his or her performance;
- To determine the Company's annual business plan and to approve organizational structure and budget and all other kinds of decisions impacting those;
- To monitor the Company's past performance, activities and goal appraisals, accordingly to prevent a reoccurrence of problems;
- To ensure that all activities of the Company are in compliance with Company's Articles of Association, internal rules and policies implemented;
- To ensure that financial statements comply with relevant legislation and international accounting standards; as well as ensuring their accuracy.
- To determine of the Company's approach to Shareholders and to public relations; to play a leadership role for the resolution of potential problems among Shareholders;
- To invite the General Assembly for an ordinary/unordinary meeting and to ensure those meetings are held in accordance with the law and the Articles of Association;
- To determine the annual reports that are submitted to the General Assembly ;
- To monitor and audit implementation of General Assembly meeting decisions;
- ab) To establish committees within the Company structure.

23. Operating Principles of the Board of Directors

23.1. The Board of Directors convenes as required for the Company business, but no less than once a month.

23.2. All decisions made by the Board of Directors are recorded in the registry book.

23.3. In accordance with Article 2.17.4 of Chapter IV of the CMB Principles of Corporate Governance, all Board members must be present in-person at the meetings where important matters concerning the operations of the Company are going to be discussed. The following agenda items can only be approved by the Board members who attend the Board meeting in person:

- Determination of fields of activity and approval of business and financial plans;
- Decision to invite the General Assembly to an ordinary/unordinary meeting;
- Determination of the annual report that is to be submitted to General Assembly;
- Election of the Chairman and Deputy Chairperson of the Board of Directors and the appointment of new members;
- Establishment and abolishment of administrative units;
- Appointing or removing a CEO;
- Establishment of committees;
- Merging, divesting and restructuring of the Company;

Doğan Şirketler Grubu Holding A.Ş.

Corporate Governance Principles Compliance Report 31.12.2008

- i) Determination of dividend policy and determination of dividends to be paid;
- j) Increasing and decreasing the Company's capital.

23.4. The Board customarily meets at Company headquarters but can convene in another venue upon decision of the Board of Directors.

23.5. The members of the Board of Directors are assured to access any type of information to carry out their tasks. Issues to be discussed at Board meetings are conveyed to members prior to each meeting along with the agenda.

23.6. The ordinary agenda of the Board of Directors includes items below, and more:

- a) Reading of the minutes of the previous meeting;
- b) Information on actions taken at the previous meeting;
- c) Economic developments;
- d) Legal developments;
- e) Company performance;
- f) Financial condition of the Company;
- g) General assessment.

Moreover, in the presence of the circumstances described below, such issues will also be on the Board's agenda:

- a) Developments in investment projects;
- b) Approval or rejection of investments;
- c) Changes in the market value of assets;
- d) Personnel salary policy;
- e) Evaluation of audits;
- f) Discussions of the annual budget and business plan;
- g) Determination of fiscal policy; and
- h) Determination of dividend distribution policy.

23.7. The Legal Affairs Division serves as Secretariat to the Board of Directors.

23.8. Since all decisions made by the Board of Directors have been the result of a unanimous vote, there has been no need to vote on differing proposals offered by members at the meetings. In addition because they are in constant contact, no questions were raised by members that required note in the registry.

23.9. The members of the Board of Directors have no privileged voting rights including the right to veto.

23.10. Travel and meeting expenses of the Board of Directors as well as the expenses for the special tasks related to the Board's activities and similar expenses are paid out of the Company's general budget without any restrictions.

24. A Ban on Doing Business with the Company and Non-Compete Clause

The required permission for members of the Board of Directors to carry out transactions specified in Articles 334 and 335 of the Turkish Commercial Law is granted through the resolution of the General Assembly.

25. Code of Ethics

The Company's code of ethics has been available on its web site.

Doğan Şirketler Grubu Holding A.Ş.

Corporate Governance Principles Compliance Report 31.12.2008

26. Number, Structure and Independence of Committees

26.1. The Company has established an Audit Committee to ensure that the Board of Directors successfully performs its tasks in accordance with Capital Markets Board legislation.

26.2. Members of the Audit Committee:

Taylan Bilgel: Member of the Board of Directors, independent member
Zekeriya Yıldırım: Member of the Board of Directors, non-executive member

26.3. Audit Committee members possess qualifications enabling them to perform their duties and were selected from among the non-executive members of the Board.

26.4. The Audit Committee conducts its activities regularly in accordance with Capital Markets regulations and the Capital Market Board's Corporate Governance Principles. In conjunction with this, in 2008:

- a) The Company's annual/interim financial statement and footnotes and independent auditor's reports were all examined prior to public release; and
- b) The opinion on the choice of independent auditor was delivered, and its contract with the Company was reviewed.

26.5. The Audit Committee holds meetings at least four times a year and presents its decisions to the Board of Directors in written format.

26.6. The Audit Committee is acting within the limits of its authority and responsibilities and advises the Board of Directors. However, final decisions are made by the Board of Directors.

26.7. Work is underway for the establishment of a Corporate Governance Committee.

27. Remuneration of the Board of Directors

27.1. According to the Company's Articles of Association remuneration to be paid the Board of Directors as compensation for their services is to be determined at the General Assembly.

27.2. The performance of the Company is in the main criteria to determine the remuneration of Board of Directors.

27.3. The members of the Board of Directors do not receive loans from the Company either in cash or in any other form. They are also not authorized to offer any guarantee in favor of or co-sign along with any member.

Doğan Şirketler Grubu Holding A.Ş.

Corporate Governance Principles Compliance Report 31.12.2008

BOARD of AUDITORS REPORT TO THE GENERAL ASSEMBLY of DOĞAN ŞİRKETLER GRUBU HOLDING A.Ş.

Company Name	: Doğan Şirketler Grubu Holding A.Ş.
Main Office	: Altunizade, Oymacı Sokak No:15 Üsküdar 34662 İstanbul
Issued Capital	: TL 2.000.000.000
Registered Capital	: TL 2.450.000.000
Scope of The Company	: Investment and execution of the local and multinational companies in the field of Trading, industry, agriculture, mining, energy, construction, transportation, financial services, banking, insurance, services, media and advertising
Name of the Auditors	: 1. Memduh Coşkun, 01.01.2008-31.12.2008. He is not a shareholder or a Company personnel. 2. Cem Soylu, 01.01.2008-31.12.2008. He is not a shareholder or a Company personnel.
Number of Board of Auditors Meetings	: 4 Board of Auditors Meetings were held in 2008
Scope of the inspections regarding the company accounts and books, investigation dates and results	: Cash, cheques, deeds and receipts have been counted and records and documents were controlled at the end of each quarter. No inconsistency was found within the established rules and regulations.
The Number and results of enumerations regarding Article 353/1-3 of Turkish Commercial Code	: Cash register was controlled four time in a year. No inconsistency was found within the established rules and regulations.
The Number and results of enumerations regarding Article 353/1-4 of Turkish Commercial Code	: No inconsistency with the established rules and regulations was observed in the inspections carried out at the end of each month.
Complaints and notifications on malpractice which have been received and transactions conducted in relation to above	:No complaints or notifications have been received by our Board for malpractice.

We have audited all records and transactions of Doğan Şirketler Grubu Holding A.Ş. related to 01.01.2008 ? 31.12.2008 period according to Turkish Commercial Code, Articles of Association, and other related rules and regulations and generally accepted accounting principles.

In our opinion, the accompanying Balance Sheet and Income Statement represent a true and fair view of the financial position and operational results of Doğan Şirketler Grubu Holding A.Ş. as of 31 December 2008 is in compliance with the related laws and Articles of Association.

Hereby, we request the approval of the Balance Sheet and Income Statement and the clearance of Board of Directors.

DENETİM KURULU

MEMDUH COŞKUNER
Member of the Board of Auditors

CEM SOYLU
Member of the Board of Auditors

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008 TOGETHER WITH INDEPENDENT AUDITOR'S REPORT

**CONVENIENCE TRANSLATION INTO ENGLISH OF
INDEPENDENT AUDITOR'S REPORT
ORIGINALLY ISSUED IN TURKISH**

INDEPENDENT AUDITOR'S REPORT

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

1. We have audited the accompanying consolidated financial statements of Doğan Şirketler Grubu Holding A.Ş. (the "Company"), its subsidiaries, its joint ventures (collectively referred as, the "Group") which comprise the consolidated balance sheet as of 31 December 2008 and the consolidated statement of income, the consolidated statement of changes in shareholders' equity and the consolidated statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

2. The Group management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the financial reporting standards endorsed by the Capital Markets Board ("CMB"). This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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

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

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

Opinion

4. In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Doğan Şirketler Grubu Holding A.Ş. as of 31 December 2008, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the financial reporting standards endorsed by the CMB (Note 2).

Emphasis of Matters

Without qualifying our opinion we draw attention to the following matters:

5. As explained in Notes 22 and 40, the financial periods between 2003 and 2006 of Doğan Yayın Holding A.Ş. ("Doğan Yayın"), a subsidiary of the Company, have been inspected by the Revenue Administration Department of the Turkish Ministry of Finance. As a result of the inspection, tax assessment reports have been issued and notified to Doğan Yayın in December 2008 and February 2009 in which tax charges and penalties at an aggregate amount of YTL 861,5 million have been imposed to Doğan Yayın. Doğan Yayın has started legal proceedings and filed a lawsuit against the related Tax Administration Department (the "Tax Administration") for the cancellation of these assessments. In addition, the Tax Administration has asked for a collateral in the amount of YTL 914,8 million against the significant portion of the tax charges, the penalties and their interest. Accordingly, Doğan Yayın gave 45,40% shares in one of its subsidiaries, Doğan TV Holding A.Ş., to the Tax Administration as collateral. Furthermore, as stated in Note 22, the Tax Administration has put Doğan Yayın's bank accounts and shares of its certain subsidiaries and a joint venture under sequestration. The Doğan Yayın management claims that the value of the shares of Doğan TV Holding A.Ş. that have been put under sequestration is higher than the Tax Administration's assessment and the management expects that the sequestration would be cancelled for the value of shares in excess of the assessment of the Tax Administration. Doğan Yayın has applied to the Tax Administration for this matter. No provision has been made in the accompanying consolidated financial statements for the year ended 31 December 2008 in consideration of the opinions of the legal advisors and tax experts of Doğan Yayın. Since the legal proceedings with respect to the lawsuits filed by Doğan Yayın have not been completed at the date of this report, there is significant uncertainty as to the outcome of the lawsuits.
6. As explained in Note 22 on 31 August 2006, as an outcome of a sector-wide inspection, the Energy Market Regulatory Authority ("EMRA") Control Board imposed administrative fines on the joint ventures of the Company, Petrol Ofisi A.Ş. ("POAŞ") and Erk Petrol Yatırımları A.Ş. ("Erk Petrol"), amounting to YTL 498,7 million and YTL 100,7 million, respectively, due to deliveries made to unlicensed dealers, along with 26 other companies in the sector. If the fines are upheld at the conclusion of this legal action, the impact on the Group's consolidated financial statements will be in the amount of YTL 325 million, calculated using the Company's total proportion of ownership interest of 54,17% in POAŞ and Erk Petrol. POAŞ and Erk Petrol have taken two different judicial actions for the cancellation of these fines and removal of the payment orders. The execution of fines was suspended by The Plenary Session of the Administrative Law Divisions of the Council of State on 25 January 2007. The lawsuits are still being discussed by the 13th Division of the Council of State substantially as at the date of this report. Therefore, no provision has been made in the accompanying consolidated financial statements due to the uncertainty of the final outcome of this matter.

Additional paragraph for convenience translation into English

7. The accounting principles described in Note 2 to the consolidated financial statements (defined as "CMB Financial Reporting Standards") differ from International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board with respect to the application of inflation accounting for the period between 1 January - 31 December 2005 and presentation of basic financial statements and the notes to them. Accordingly, the accompanying consolidated financial statements are not intended to present the financial position and results of operations in accordance with IFRS.

Başaran Nas Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.
a member of
PricewaterhouseCoopers



Haluk Yalçın, SMMM
Partner

İstanbul, 10 April 2009

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.**CONSOLIDATED FINANCIAL STATEMENTS
FOR PERIOD 1 JANUARY - 31 DECEMBER 2008**

CONTENTS	PAGE
CONSOLIDATED BALANCE SHEETS	84-85
CONSOLIDATED STATEMENTS OF INCOME	86
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY	87
CONSOLIDATED STATEMENTS OF CASH FLOW	88
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	89-196
NOTE 1 ORGANIZATION AND NATURE OF OPERATIONS	89-93
NOTE 2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS	94-123
NOTE 3 BUSINESS COMBINATIONS	124-126
NOTE 4 JOINT VENTURES	127-128
NOTE 5 SEGMENT REPORTING	129-133
NOTE 6 CASH AND CASH EQUIVALENTS	134
NOTE 7 FINANCIAL INVESTMENTS	135-136
NOTE 8 BORROWINGS	137-139
NOTE 9 OTHER FINANCIAL LIABILITIES	140
NOTE 10 TRADE RECEIVABLES AND PAYABLES	140-142
NOTE 11 OTHER RECEIVABLES AND PAYABLES	142-143
NOTE 12 RECEIVABLES AND PAYABLES FROM FINANCE SECTOR OPERATIONS	143
NOTE 13 INVENTORIES	144
NOTE 14 BIOLOGICAL ASSETS	145
NOTE 15 CONSTRUCTION CONTRACT RECEIVABLES	145
NOTE 16 INVESTMENTS ACCOUNTED FOR BY THE EQUITY METHOD	145
NOTE 17 INVESTMENT PROPERTY	146
NOTE 18 PROPERTY, PLANT AND EQUIPMENT	147-148
NOTE 19 INTANGIBLE ASSETS	149-151

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.**CONSOLIDATED FINANCIAL STATEMENTS
FOR PERIOD 1 JANUARY - 31 DECEMBER 2008**

CONTENTS	PAGE
NOTE 20 GOODWILL	151-153
NOTE 21 GOVERNMENT GRANTS	153
NOTE 22 PROVISIONS, CONTINGENT ASSETS AND LIABILITIES	154-162
NOTE 23 COMMITMENTS	163
NOTE 24 PROVISION FOR EMPLOYMENT TERMINATION BENEFITS	163-164
NOTE 25 RETIREMENT PLANS	165
NOTE 26 OTHER ASSETS AND LIABILITIES	165
NOTE 27 EQUITY	166-169
NOTE 28 SALES AND COST OF SALES	169
NOTE 29 RESEARCH AND DEVELOPMENT, MARKETING, SELLING AND DISTRIBUTION AND GENERAL ADMINISTRATIVE EXPENSES	170
NOTE 30 EXPENSES BY NATURE	170
NOTE 31 OTHER INCOME AND EXPENSES	170-171
NOTE 32 FINANCIAL INCOME	172
NOTE 33 FINANCIAL EXPENSES	172
NOTE 34 NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS	172
NOTE 35 TAX ASSETS AND LIABILITIES	173-178
NOTE 36 EARNINGS PER SHARE	179
NOTE 37 RELATED PARTY DISCLOSURES	179-181
NOTE 38 FINANCIAL RISK MANAGEMENT	181-193
NOTE 39 FINANCIAL INSTRUMENTS	194
NOTE 40 SUBSEQUENT EVENTS	195
NOTE 41 DISCLOSURE OF OTHER MATTERS	195
NOTE 42 CONSOLIDATED CASH FLOW STATEMENTS - CASH USED IN OPERATIONS	196

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

CONSOLIDATED BALANCE SHEETS AT 31 DECEMBER

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

	Notes	2008 USD (*)	2008	Restated 2007
ASSETS				
Current assets		3.780.589	5.717.384	4.588.044
Cash and cash equivalents	6	2.223.820	3.363.082	2.351.161
Financial investments	7	65.591	99.193	48.466
Trade receivables				
- Due from related parties	37	11.907	18.007	18.621
- Other trade receivables	10	771.852	1.167.272	1.368.391
Other receivables	11	23.798	35.990	36.835
Inventories	13	479.970	725.859	576.646
Biological assets	14	81	123	75
Other current assets	26	203.570	307.858	187.849
Non-current assets		3.234.202	4.891.083	4.480.405
Trade receivables	10	5.045	7.629	4.068
Other receivables	11	1.396	2.111	2.280
Inventories	13	15.592	23.579	-
Financial investments	7	836	1.264	6.080
Investments accounted for by the equity method	16	8.232	12.449	21.842
Investment properties	17	51.830	78.383	48.563
Property, plant and equipment	18	1.021.450	1.544.739	1.432.090
Intangible assets	19	871.362	1.317.761	1.247.261
Goodwill	20	1.066.035	1.612.165	1.542.921
Deferred income tax assets	35	78.398	118.561	84.437
Other non-current assets	26	114.026	172.442	90.863
TOTAL ASSETS		7.014.791	10.608.467	9.068.449

The consolidated financial statements for the year ended 31 December 2008 have been approved by the Board of Directors at 10 April 2009. These consolidated financial statements will be definitive following their approval in the General Assembly.

(*) As explained in the Note 2.1.3 to the consolidated financial statements, USD amounts shown in these consolidated financial statements have been included solely for the convenience of the reader and are translated from YTL, as a matter of arithmetic computation only, at the Central Bank of the Republic of Turkey official YTL exchange rate. Thus, USD amounts do not form a part of the consolidated financial statements prepared in accordance with generally accepted accounting standards issued by the Capital Market Board ("CMB") as at 31 December 2008.

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

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

CONSOLIDATED BALANCE SHEETS AT 31 DECEMBER

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

	Notes	2008 USD (*)	2008	Restated 2007
LIABILITIES				
Current liabilities		1.963.648	2.969.625	1.676.880
Borrowings and financial liabilities	8	726.186	1.098.211	355.126
Other financial liabilities	9	15.800	23.895	13.827
Trade payables				
- Due to related parties	37	1.069	1.616	2.903
- Other trade payables	10	868.617	1.313.609	851.512
Other payables	11	181.312	274.198	299.273
Current income tax liabilities	35	47.042	71.142	29.028
Provisions	22	55.319	83.659	62.350
Other current liabilities	26	68.303	103.295	62.861
Non-current liabilities		1.939.442	2.933.018	2.428.213
Borrowings and financial liabilities	8	1.345.889	2.035.388	1.569.679
Other financial liabilities	9	4.239	6.410	17.850
Trade payables	10	346.567	524.114	484.361
Other payables	11	51.537	77.939	55.982
Provisions	22	735	1.111	671
Provisions for employment benefits	24	20.041	30.308	26.726
Deferred income tax liabilities	35	170.434	257.748	272.944
SHAREHOLDERS'EQUITY		3.111.701	4.705.824	4.963.356
Equity attributable to equity holders of the company	27	2.548.108	3.853.502	3.757.575
Share capital	27	1.620.049	2.450.000	1.500.000
Adjustment to share capital	27	94.906	143.526	331.903
Share premium	27	417	630	630
Revaluation fund	27	96.686	146.218	185.652
Translation reserve	27	2.517	3.807	(21.505)
Restricted reserves	27	10.423	15.762	777.385
Retained earnings	27	676.416	1.022.944	588.266
Profit for the period		46.694	70.615	395.244
Minority interests		563.593	852.322	1.205.781
TOTAL LIABILITIES		7.014.791	10.608.467	9.068.449

Commitments 23

(*) As explained in the Note 2.1.3 to the consolidated financial statements, USD amounts shown in these consolidated financial statements have been included solely for the convenience of the reader and are translated from YTL, as a matter of arithmetic computation only, at the Central Bank of the Republic of Turkey official YTL 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 CMB as at 31 December 2008.

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 YEARS ENDED 31 DECEMBER

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

	Notes	2008 USD (*)	2008	Restated 2007
Sales	28	8.268.531	12.504.500	10.262.354
Cost of sales (-)	28, 30	(7.401.096)	(11.192.678)	(9.135.563)
Gross profit	28	867.435	1.311.822	1.126.791
Marketing, selling and distribution expenses (-)	29, 30	(347.735)	(525.879)	(439.037)
General and administrative expenses (-)	29, 30	(317.871)	(480.716)	(471.742)
Other income	31	132.060	199.715	752.022
Other expenses (-)	31	(104.183)	(157.556)	(382.060)
Operating profit		229.706	347.386	585.974
Share of profit/(loss) investments accounted for by the equity method	16	1.073	1.623	(1.477)
Financial income	32	834.069	1.261.362	837.455
Financial expenses (-)	33	(1.078.149)	(1.630.485)	(600.791)
(Loss)/profit before income taxes		(13.301)	(20.114)	821.161
Taxation on income	35	(38.167)	(57.720)	(155.933)
- Current income tax for the period		(83.579)	(126.396)	(169.771)
- Deferred tax income		45.412	68.676	13.838
(Loss)/profit for the period		(51.468)	(77.834)	665.228
Allocation of (loss)/profit for the period				
Attributable to minority interests		(98.162)	(148.449)	269.984
Attributable to equity holders of the company		46.694	70.615	395.244
Earnings per share for profit attributable to equity holders of the company	36	0,02	0,03	0,16

(*) As explained in the Note 2.1.3 to the consolidated financial statements, USD amounts shown in these consolidated financial statements have been included solely for the convenience of the reader and are translated from YTL, as a matter of arithmetic computation only, at the Central Bank of the Republic of Turkey official YTL 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 CMB as at 31 December 2008.

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

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED 31 DECEMBER**

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

	Notes	Share capital	Adjustment to share capital	Share premium	Revaluation fund	Translation reserve	Restricted reserves	Retained earnings	Net profit for the period	Equity attributable to equity holders of the company	Minority shareholders' interests	Total equity
Balances at 1 January 2007		1.500.000	331.903	630	232.079	(4.161)	11.331	426.128	891.629	3.389.539	778.896	4.168.435
Transfers		-	-	-	(46.427)	-	766.054	172.002	(891.629)	-	-	-
Currency translation differences		-	-	-	-	(24.944)	-	-	-	(24.944)	(42.991)	(67.935)
Capital increase		-	-	-	-	-	-	-	-	-	10.739	10.739
Business combinations		-	-	-	-	-	-	-	-	-	190.352	190.352
Transfer of joint venture balance sheet items		-	-	-	-	7.600	-	(7.600)	-	-	-	-
Dividend payment of subsidiaries		-	-	-	-	-	-	(2.264)	-	(2.264)	(1.199)	(3.463)
Net profit for the period		-	-	-	-	-	-	(2.264)	395.244	395.244	269.984	665.228
Balances at 31 December 2007	27	1.500.000	331.903	630	185.652	(21.505)	777.385	588.266	395.244	3.757.575	1.205.781	4.963.356
Balances at 1 January 2008		1.500.000	331.903	630	185.652	(21.505)	777.385	588.266	395.244	3.757.575	1.205.781	4.963.356
Transfers		-	-	-	(39.434)	-	-	434.678	(395.244)	-	-	-
Currency translation differences		-	-	-	-	25.312	-	-	-	25.312	35.795	61.107
Capital increase	27	950.000	(188.377)	-	-	-	(761.623)	-	-	-	5.298	5.298
Business combinations		-	-	-	-	-	-	-	-	-	(238.822)	(238.822)
Dividend payment of subsidiaries		-	-	-	-	-	-	-	-	-	(7.281)	(7.281)
Net profit/(loss) for the period		-	-	-	-	-	-	70.615	70.615	70.615	(148.449)	(77.834)
Balances at 31 December 2008	27	2.450.000	143.526	630	146.218	3.807	15.762	1.022.944	70.615	3.853.502	852.322	4.705.824

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

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

CONSOLIDATED STATEMENTS OF CASH FLOW FOR THE YEARS ENDED 31 DECEMBER

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

	Notes	2008 USD (*)	2008	2007
Operating activities:				
Cash provided in operations	42	964.918	1.459.245	146.930
Taxes paid		(55.731)	(84.282)	(170.978)
Employment termination benefit paid	24	(6.783)	(10.258)	(4.957)
Net cash provided by/(used in) operating activities		902.404	1.364.705	(29.005)
Investing activities:				
Purchase of investment property	17	(16.802)	(25.409)	-
Purchase of property, plant and equipment	18	(216.034)	(326.708)	(256.764)
Purchase of intangibles	19	(115.090)	(174.050)	(121.307)
Proceeds from sale of property, plant and equipment, intangibles and investment property		31.092	47.020	55.894
Cash out flow for acquisition of subsidiaries		(154.963)	(234.351)	(492.677)
Proceeds from disposal of subsidiary and joint venture shares		43.978	66.508	801.459
Change in other non-current assets and long-term liabilities		(57.445)	(86.875)	(20.349)
Net cash used in investing activities		(485.264)	(733.865)	(33.744)
Financing activities:				
Proceeds of issuance of share capital to minority interests		3.503	5.298	10.739
Dividends paid to minority interests		(4.815)	(7.281)	(1.199)
Change in financial liabilities, net		329.321	498.032	355.653
Letter of credits paid in trade payables		(88.079)	(133.202)	(413.517)
Letter of credits received in trade payables		-	-	200.793
Change in long term trade payables, net		29.629	44.808	136.347
Interest paid		(186.689)	(282.331)	(150.215)
Interest received		165.314	250.005	301.251
Dividends paid		-	-	(2.264)
Net cash provided by financing activities		248.184	375.329	437.588
Net increase in cash and cash equivalents		665.324	1.006.169	374.839
Cash and cash equivalents at the beginning of the period	6	1.548.942	2.342.465	1.967.626
Cash and cash equivalents at the end of the period	6	2.214.266	3.348.634	2.342.465

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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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008**

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

NOTE 1 - ORGANIZATION AND NATURE OF OPERATIONS

Doğan Şirketler Grubu Holding A.Ş. ("Doğan Holding", "Holding" or the "Company") was established on 22 October 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. At 31 December 2008, the shares quoted on the ISE represent 34,29% of the total shares (31 December 2007: 34,29%). At 31 December 2008, the principal shareholders and their respective shareholdings in Doğan Holding are as follows (Note 27):

	%
Doğan family and companies owned by Doğan family	65,52
Listed on ISE	34,29
Aydın Doğan Vakfı	0,19
	100,00

The address of the registered office is as follows:

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

The majority of Doğan Holding is organized in Turkey, and its continuing operations are in three main business segments:

- Media
- Energy
- Other

Other operations mainly comprise of trade, tourism, telecommunications, manufacturing and construction, none of which is of a sufficient size to be reported separately.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008

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

NOTE 1 - ORGANIZATION AND NATURE OF OPERATIONS (Continued)

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

Company Name	Country	Nature of business	Segment
Hürriyet Gazetecilik ve Matbaacılık A.Ş. ("Hürriyet")	Turkey	Newspaper publishing	Media
Doğan Daily News Gazetecilik ve Matbaacılık A.Ş. ("Doğan Daily News")	Turkey	Newspaper publishing	Media
Doğan Gazetecilik A.Ş. ("Doğan Gazetecilik")	Turkey	Newspaper publishing	Media
Bağımsız Gazeteciler Yayıncılık A.Ş. ("Bağımsız Gazeteciler")	Turkey	Newspaper publishing	Media
Kemer Yayıncılık ve Gazetecilik A.Ş. ("Kemer Yayıncılık")	Turkey	Newspaper publishing	Media
Milliyet Verlags und Handels GmbH ("Milliyet Verlags")	Germany	Newspaper publishing	Media
Doğan Media International GmbH ("DMG")	Germany	Newspaper publishing	Media
Hürriyet Medya Basım Hizmetleri ve Ticaret A.Ş. ("Hürriyet Medya Basım")	Turkey	Publishing and administrative services	Media
Doğan Ofset Yayıncılık ve Matbaacılık A.Ş. ("Doğan Ofset")	Turkey	Printing services	Media
DYG İlan ve Reklam Hizmetleri A.Ş. ("DYG İlan")	Turkey	Advertising	Media
Mozaik İletişim Hizmetleri A.Ş. ("Mozaik")	Turkey	Advertising	Media
Milliyet Haber Ajansı A.Ş. ("Mihla")	Turkey	News agency	Media
Doğan Haber Ajansı A.Ş. ("Doğan Haber")	Turkey	News agency	Media
Yaysat Yayın Satış Pazarlama ve Dağıtım A.Ş. ("Yaysat")	Turkey	Distribution	Media
Doğan Dağıtım Satış, Pazarlama ve Matbaacılık A.Ş. ("Doğan Dağıtım")	Turkey	Distribution	Media
Smile Dağıtım A.Ş. ("Smile Dağıtım")	Turkey	Distribution	Media
Doğan Dış Ticaret ve Mümessillik A.Ş. ("Doğan Dış Ticaret")	Turkey	Foreign trade	Media
İşıl İthalat ve İhracat Mümessillik A.Ş. ("İşıl İthalat İhracat")	Turkey	Foreign trade	Media
Referans Yayın Dağıtım ve Kurye Hizmetleri A.Ş. ("Referans")	Turkey	Distribution and courier services	Media
Emlaksimum Elektronik Yayıncılık ve Ticaret A.Ş. ("Emlaksimum")	Turkey	Internet services	Media
Milliyet İnternet Hizmet ve Ticaret A.Ş. ("Milliyet İnternet")	Turkey	Internet services	Media
Yenibirlik İnsan Kaynakları Hizmetleri Danışmanlık ve Yayıncılık A.Ş. ("Yenibir")	Turkey	Internet services	Media
Kemer Yayıncılık Pazarlama, Sanayi ve Ticaret A.Ş. ("Kemer Pazarlama")	Turkey	Internet services	Media
TME Teknoloji Proje Geliştirme Planlama ve Yazılım A.Ş. ("TME Teknoloji")	Turkey	Software services	Media
Hürriyet Zweigniederlassung GmbH ("Hürriyet Zweigniederlassung")	Germany	Newspaper printing	Media
Hürriyet Invest BV ("Hürriyet Invest")	Netherlands	Investment	Media
Trader Media East Ltd. ("TME")	Jersey	Investment	Media
International Ssuarts Holding B.V.	Netherlands	Investment	Media
Mirabridge International B.V.	Netherlands	Investment	Media
TCM Croatia Holding B.V.	Netherlands	Investment	Media
Trader Classified Media Croatia Holdings B.V.	Netherlands	Investment	Media
Trader East Holdings B.V.	Netherlands	Investment	Media
TCM Adria d.o.o.	Croatia	Investment	Media
Ssuarts Holding GmbH	Austria	Investment	Media
OOO Rektcentr	Russia	Investment	Media
Ssuarts Trading Ltd	Ukraine	Investment	Media
Publishing House Pennsylvania Inc	United States of America	Investment	Media
Smile Holding A.Ş. ("Smile Holding")	Turkey	Investment	Media
Doğan Platform Yatırımları A.Ş. ("Doğan Platform")	Turkey	Investment	Media
Doğan Yayın Holding A.Ş. ("Doğan Yayın")	Turkey	Investment	Media
Trader Hungary Tanacsado Kft	Hungary	Investment	Media
Fairworld International Limited ("Fairworld")	England	Foreign trade	Media
Falcon Purchasing Services Ltd. ("Falcon")	England	Foreign trade	Media
Marchant Resources ("Marchant")	British Virgin Islands	Charity	Media
Oglasnik d.o.o.	Croatia	Newspaper and internet publishing	Media
Oglasnik Nekretnine d.o.o.	Croatia	Newspaper and internet publishing	Media
Expressz Magyarorszag Rt	Hungary	Newspaper and internet publishing	Media
Szuperinfo Magyarorszag Kft	Hungary	Newspaper and internet publishing	Media
Siodemka Sp. Z.o.o.	Poland	Newspaper and internet publishing	Media
SP Belpronto OOO	Belarus	Newspaper and internet publishing	Media
OOO Pronto Rostov	Belarus	Newspaper and internet publishing	Media

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008

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

NOTE 1 - ORGANIZATION AND NATURE OF OPERATIONS (Continued)

Company Name	Country	Nature of business	Segment
SP Bel Pronto OOO BYR	Russia	Newspaper and internet publishing	Media
OOO Pronto Aktobe	Russia	Newspaper and internet publishing	Media
ZAO Avtohtshnab	Russia	Newspaper and internet publishing	Media
OOO Novoprint	Russia	Newspaper and internet publishing	Media
OOO Balt-Pronto Kaliningrad	Russia	Newspaper and internet publishing	Media
OOO Delta-M	Russia	Newspaper and internet publishing	Media
OOO Gratis	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
OOO Pronto Krasnodar	Russia	Newspaper and internet publishing	Media
OOO Pronto Krasnojarsk	Russia	Newspaper and internet publishing	Media
OOO Pronto Nizhnij Novgorod	Russia	Newspaper and internet publishing	Media
OOO Pronto Novosibirsk	Russia	Newspaper and internet publishing	Media
OOO Pronto Oka	Russia	Newspaper and internet publishing	Media
OOO Pronto Petersburg	Russia	Newspaper and internet publishing	Media
OOO Pronto Samara	Russia	Newspaper and internet publishing	Media
OOO Pronto Stavropol	Russia	Newspaper and internet publishing	Media
OOO Pronto UlanUde	Russia	Newspaper and internet publishing	Media
OOO Pronto Vladivostok	Russia	Newspaper and internet publishing	Media
OOO Pronto Volgograd	Russia	Newspaper and internet publishing	Media
OOO Pronto-Moscow	Russia	Newspaper and internet publishing	Media
OOO 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 Sever	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 Pronto Komi	Russia	Newspaper and internet publishing	Media
Informatsia Vilniusa	Lithuania	Newspaper and internet publishing	Media
ZAO Pronto Akzhol	Kazakhstan	Newspaper and internet publishing	Media
OOO Pronto-Akmola	Kazakhstan	Newspaper and internet publishing	Media
OOO Pronto Atyrau	Kazakhstan	Newspaper and internet publishing	Media
OOO Pronto Aktau	Kazakhstan	Newspaper and internet publishing	Media
SP Pronto Kiev	Ukraine	Newspaper and internet publishing	Media
Internet Posao d.o.o.	Croatia	Internet Publishing	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	Internet Publishing	Media
RU.com OOO	Russia	Internet Publishing	Media
OOO Partner-Soft	Russia	Internet Publishing	Media
Pronto Soft	Russia	Internet Publishing	Media
E-Prostir	Ukraine	Internet Publishing	Media
Expressz Garancia Központ Kft	Hungary	Marketing	Media
Hürriyet Ticari ve Sınai Ürünler Pazarlama Sanayi ve Ticaret A.Ş. ("Hürriyet Pazarlama")	Turkey	Marketing	Other
OOO Optoprint	Russia	Publishing services	Media
OOO Pronto Print	Russia	Publishing services	Media
OOO Rosprint	Russia	Publishing services	Media
OOO Rosprint Samara	Russia	Publishing services	Media
Impress Media Marketing BVI	Russia	Publishing	Media
Impress Media Marketing LLC	Russia	Publishing	Media

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008

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

NOTE 1 - ORGANIZATION AND NATURE OF OPERATIONS (Continued)

Company Name	Country	Nature of business	Segment
OOO Pronto TV	Russia	TV broadcasting	Media
Doğan TV Holding A.Ş. ("Doğan TV")	Turkey	TV broadcasting	Media
DTV Haber ve Görsel Yayıncılık A.Ş. ("Kanal D")	Turkey	TV broadcasting	Media
İşil Televizyon Yayıncılık A.Ş. ("İşil TV" veya "Star TV")	Turkey	TV broadcasting	Media
Alp Görsel İletişim Hizmetleri A.Ş. ("Alp Görsel")	Turkey	TV broadcasting	Media
Fun Televizyon Yayıncılık Yapımcılık Sanayi ve Ticaret A.Ş. ("Fun TV")	Turkey	TV broadcasting	Media
Tempo Televizyon Yayıncılık Yapımcılık Sanayi ve Ticaret A.Ş. ("Tempo TV")	Turkey	TV broadcasting	Media
Kanalspor Televizyon ve Radyo Yayıncılık A.Ş. ("Kanalspor")	Turkey	TV broadcasting	Media
Milenyum Televizyon Yayıncılık ve Yapımcılık A.Ş. ("Milenyum TV")	Turkey	TV broadcasting	Media
TV 2000 Televizyon Yayıncılık Yapımcılık Sanayi ve Ticaret A.Ş. ("TV 2000")	Turkey	TV broadcasting	Media
Moda Radyo ve Televizyon Yayıncılık Ticaret A.Ş. ("Moda Radyo")	Turkey	TV broadcasting	Media
Popüler Televizyon ve Radyo Yayıncılık A.Ş. ("Popüler TV")	Turkey	TV broadcasting	Media
D Yapım Reklamcılık ve Dağıtım A.Ş. ("D Yapım Reklamcılık")	Turkey	TV broadcasting	Media
Bravo Televizyon Yayıncılık Yapımcılık Sanayi ve Ticaret A.Ş. ("Bravo TV")	Turkey	TV broadcasting	Media
Doğa Televizyon ve Radyo Yayıncılık A.Ş. ("Doğa TV")	Turkey	TV broadcasting	Media
Altın Kanal Televizyon ve Radyo Yayıncılık A.Ş. ("Altın Kanal")	Turkey	TV broadcasting	Media
Stil Televizyon ve Radyo Yayıncılık A.Ş. ("Stil TV")	Turkey	TV broadcasting	Media
Selenit Televizyon ve Radyo Yayıncılık A.Ş. ("Selenit TV")	Turkey	TV broadcasting	Media
Elit Televizyon ve Radyo Yayıncılık A.Ş. ("Elit TV")	Turkey	TV broadcasting	Media
Trend Televizyon ve Radyo Yayıncılık A.Ş. ("D Çocuk")	Turkey	TV broadcasting	Media
Ekinoks Televizyon ve Radyo Yayıncılık A.Ş. ("GS TV")	Turkey	TV broadcasting	Media
Dönence Televizyon ve Radyo Yayıncılık A.Ş. ("Dönence TV")	Turkey	TV broadcasting	Media
Fleks Televizyon ve Radyo Yayıncılık A.Ş. ("Fleks TV")	Turkey	TV broadcasting	Media
Meridyen Televizyon ve Radyo Yayıncılık A.Ş. ("Meridyen TV")	Turkey	TV broadcasting	Media
Planet Televizyon ve Radyo Yayıncılık A.Ş. ("Planet TV")	Turkey	TV broadcasting	Media
Deniz Televizyon ve Radyo Yayıncılık A.Ş. ("HD TV")	Turkey	TV broadcasting	Media
Doğan Prodüksiyon Hizmetleri A.Ş. ("Doğan Prodüksiyon")	Turkey	TV broadcasting	Media
Doğan TV Digital Platform İşletmeciliği A.Ş. ("Doğan TV Dijital")	Turkey	TV broadcasting	Media
Kutup Televizyon ve Radyo Yayıncılık A.Ş. ("Kutup TV")	Turkey	TV broadcasting	Media
Galaksi Radyo Televizyon Yayıncılık Yapımcılık Sanayi ve Ticaret A.Ş. ("Galaksi TV")	Turkey	TV broadcasting	Media
Opal İletişim Hizmetleri A.Ş. ("Opal İletişim")	Turkey	TV broadcasting	Media
Koloni Televizyon ve Radyo Yayıncılık A.Ş. ("Koloni TV")	Turkey	TV broadcasting	Media
Atılğan Televizyon ve Radyo Yayıncılık A.Ş. ("Atılğan TV")	Turkey	TV broadcasting	Media
Atmosfer Televizyon ve Radyo Yayıncılık A.Ş. ("Atmosfer TV")	Turkey	TV broadcasting	Media
Gümüş Televizyon ve Radyo Yayıncılık A.Ş. ("Gümüş TV")	Turkey	TV broadcasting	Media
Platin Televizyon ve Radyo Yayıncılık A.Ş. ("Platin TV")	Turkey	TV broadcasting	Media
Yörünge Televizyon ve Radyo Yayıncılık A.Ş. ("Yörünge TV")	Turkey	TV broadcasting	Media
Lapis Televizyon ve Radyo Yayıncılık A.Ş. ("Lapis Televizyon")	Turkey	TV broadcasting	Media
Safir Televizyon ve Radyo Yayıncılık A.Ş. ("Safir Televizyon")	Turkey	TV broadcasting	Media
Tematik Televizyon ve Radyo Yayıncılık A.Ş. ("Tematik TV")	Turkey	TV broadcasting	Media
Akustik Televizyon ve Radyo Yayıncılık A.Ş. ("Akustik TV")	Turkey	TV broadcasting	Media
Ametist Televizyon ve Radyo Yayıncılık A.Ş. ("Ametist TV")	Turkey	TV broadcasting	Media
Süper Kanal TV Video Radyo Basın Yapım Yayın Tanıtım ve Haber Hizmetleri A.Ş. ("Süperkanal")	Turkey	TV broadcasting	Media
Uydu İletişim Basın Yayın A.Ş. ("Uydu")	Turkey	TV broadcasting	Media
Mobil Teknolojileri Araştırma Geliştirme A.Ş. ("Mobil")	Turkey	TV broadcasting	Media
Matis Reklam ve Pazarlama A.Ş. ("Matis TV")	Turkey	TV broadcasting	Media
Yonca Reklam ve Pazarlama A.Ş. ("Yonca TV")	Turkey	TV broadcasting	Media
İnci Televizyon ve Radyo Yayıncılık A.Ş. ("İnci TV")	Turkey	TV broadcasting	Media
Kuvars Televizyon ve Radyo Yayıncılık A.Ş. ("Kuvars TV")	Turkey	TV broadcasting	Media
Lal Televizyon ve Radyo Yayıncılık A.Ş. ("Lal TV")	Turkey	TV broadcasting	Media
Truva Televizyon ve Radyo Yayıncılık A.Ş. ("Truva TV")	Turkey	TV broadcasting	Media
Kayra Televizyon ve Radyo Yayıncılık A.Ş. ("Kayra TV")	Turkey	TV broadcasting	Media
Milas Televizyon ve Radyo Yayıncılık A.Ş. ("Milas TV")	Turkey	TV broadcasting	Media

CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008

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

NOTE 1 - ORGANIZATION AND NATURE OF OPERATIONS (Continued)

Company Name	Country	Nature of business	Segment
Prime Türk Europe GmbH ("Prime Türk")	Germany	TV broadcasting	Media
Osmose Media S.A ("Osmose Media")	Luxemburg	TV broadcasting	Media
Doğan Media International S.A. ("Kanal D Romanya")	Romania	TV broadcasting	Media
ZAO NPK	Russia	Call center	Media
Kisokos Directory Kereskedelmi es Szolgaltato Kft. ("Kisokos")	Hungary	Newspaper and internet publishing	Media
Radyo Kulübü Uluslararası Programlar A.Ş. ("D Radyo")	Turkey	Radio broadcasting	Media
Rapsodi Radyo ve Televizyon Yayıncılık A.Ş. ("Rapsodi Radyo")	Turkey	TV broadcasting	Media
Foreks Yayıncılık ve Reklamcılık A.Ş. ("CNN Türk Radyo")	Turkey	Radio broadcasting	Media
Doğan Müzik Yapım ve Ticaret A.Ş. ("DMC")	Turkey	Music and entertainment	Media
İnteraktif Medya Hizmetleri Geliştirme Paz. ve Tic. A.Ş. ("İnteraktif Medya")	Turkey	Interactive services	Media
Doğan Müzik Kitap Mağazacılık Pazarlama A.Ş. ("DMK")	Turkey	Retail	Media
Hür Servis Sosyal Hizmetler ve Ticaret A.Ş. ("Hürservis")	Turkey	Retail	Media
Pratik Ödeme Sistemleri A.Ş. ("Pratik Ödeme")	Turkey	Distribution	Media
Smile Tedarik ve Ticaret A.Ş. ("Smile Tedarik ")	Turkey	Procurement and logistics	Media
Smile Sigorta Aracılık Hizmetleri A.Ş. ("Smile Sigorta")	Turkey	Insurance	Media
Birpa Müşteri Hizmetleri ve Pazarlama A.Ş. ("Birpa")	Turkey	Customer services	Media
Doğan İletişim Elektronik Servis Hizmetleri ve Yayıncılık A.Ş. ("Doğan Online")	Turkey	Internet service provider	Media
Doğan Factoring Hizmetleri A.Ş. ("Doğan Factoring")	Turkey	Factoring	Media
Milpa Ticari ve Sınai Ürünler Pazarlama Sanayi ve Ticaret A.Ş. ("Milpa")	Turkey	Trading	Other
Milanur İnşaat Pazarlama Turizm Sanayi ve Ticaret Limited Şirketi ("Milanur")	Turkey	Construction	Other
Doğan Otomobilcilik Ticaret ve Sanayi A.Ş. ("Doğan Oto")	Turkey	Trading	Other
Enteralle Handels GmbH ("Enteralle Handels")	Germany	Trading	Other
Orta Anadolu Otomotiv Ticaret ve Sanayi A.Ş. ("Orta Anadolu Otomotiv")	Turkey	Trading	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
D-Tes Elektrik Enerjisi Tопtan Satış A.Ş. ("D Tes")	Turkey	Energy	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
D-Yapı Real Estate, Investment and Construction S.R.L. ("D Yapı Romanya")	Romania	Real estate	Other
TOV D-Yapı Real Estate Investment and Constructon ("TOV D-Yapı")	Ukraine	Real estate	Other
D Stroy Limited Şirketi ("D Stroy")	Russia	Real estate	Other
SC Doğan Hospitals Investments and Management SRL ("SC Doğan Hospitals")	Romania	Real estate	Other

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

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

CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008

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

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.1 Basis of presentation

2.1.1 Financial Reporting Standards

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 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 format, recommended by CMB announcement dated 17 April 2008, and disclosure format of "Nature And Level Of Risks Derived From Financial Instruments" as announced by CMB in the Weekly Bulletin dated 5 January 2009- 9 January 2009 and numbered 2009/2 by including the mandatory information. Accordingly, necessary reclassifications have been made in the comparative consolidated financial statements (Note 2.1.5).

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 YTL in accordance with the Turkish Commercial Code (the "TCC"), tax legislation and the Uniform Chart of Accounts issued by the Ministry of Finance. The foreign subsidiaries prepare their statutory financial statements in accordance with the laws and regulations in force in the countries in which they are registered.

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

CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008

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

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

2.1.2 Financial statements of subsidiaries 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.

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 consolidated financial statements have been included solely for the convenience of the reader and are translated from New Turkish lira ("YTL"), as a matter of arithmetic computation only, at the Central Bank of the Republic of Turkey official YTL exchange rate of YTL 1,5123 = USD 1,00 on 31 December 2008. Thus, US dollar amounts do not form a part of the consolidated financial statements prepared in accordance with generally accepted accounting standards issued by the CMB as 31 December 2008. Such translations should not be construed as a representation that the YTL amounts have been or could be converted into USD at this or any other rate.

2.1.4 Consolidation principles

- (a) These consolidated financial statements include the accounts of the parent company, Doğan Holding, its Subsidiaries and its Joint Ventures. 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 Accounting Standards. The result of operations of Subsidiaries, Joint Ventures and Associates 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, Joint Ventures and Associates 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 relating 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.

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008**

(Amounts expressed in thousands of New Turkish Lira ("YTL") unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

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

The table below sets out all Subsidiaries included in the scope of consolidation and shows their shareholding structure at 31 December is as follows:

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 ownership interest (%)	
	2008	2007	2008	2007	2008	2007	2008	2007
Hürriyet (1)	71,64	60,21	-	-	71,64	60,21	53,54	37,94
Doğan Daily News	94,25	94,25	-	-	94,25	94,25	50,46	35,76
Doğan Gazetecilik (1)	92,62	91,77	0,52	0,52	93,14	92,29	67,39	43,97
Bağımsız Gazeteciler (2)	100,00	-	-	-	100,00	-	67,39	-
Kemer Yayıncılık (2)	99,98	-	-	-	99,98	-	67,38	-
Milliyet Verlags	99,77	99,03	0,23	0,97	100,00	100,00	73,79	57,55
DMG	100,00	99,41	-	0,59	100,00	100,00	64,61	47,91
Hürriyet Medya Basım	100,00	100,00	-	-	100,00	100,00	53,54	37,94
Doğan Ofset	99,93	99,93	-	-	99,93	99,93	53,50	37,92
DYG İlan	100,00	100,00	-	-	100,00	100,00	66,23	48,47
Mozaik (4)	100,00	100,00	-	-	100,00	100,00	54,22	62,58
Milha	100,00	100,00	-	-	100,00	100,00	70,46	52,08
Doğan Haber	99,61	99,16	-	-	99,61	99,16	62,26	49,33
Yaysat	75,00	75,00	-	-	75,00	75,00	49,77	40,99
Doğan Dağıtım	100,00	100,00	-	-	100,00	100,00	72,75	63,00
Smile Dağıtım	100,00	100,00	-	-	100,00	100,00	72,76	63,02
Doğan Dış Ticaret	100,00	100,00	-	-	100,00	100,00	72,42	62,58
İşil İthalat İhracat	96,70	96,70	-	-	96,70	96,70	70,03	60,51
Referans	100,00	100,00	-	-	100,00	100,00	53,54	37,94
Emlaksimum	99,80	99,80	0,10	0,10	99,90	99,90	53,45	38,03
Milliyet İnternet	100,00	100,00	-	-	100,00	100,00	67,39	48,62
Yenibir	100,00	100,00	-	-	100,00	100,00	53,54	37,94
Kemer Pazarlama (2)	99,96	-	-	-	99,96	-	67,39	-
TME Teknoloji (3)	100,00	-	-	-	100,00	-	53,54	-
Hürriyet								
Zweigniederlassung	100,00	100,00	-	-	100,00	100,00	53,54	37,94
Hürriyet Invest	100,00	100,00	-	-	100,00	100,00	53,54	37,94
TME	67,30	67,30	-	-	67,30	67,30	36,03	25,45
International Ssuarts								
Holding B.V.	100,00	100,00	-	-	100,00	100,00	36,03	25,45
Mirabridge								
International B.V.	100,00	100,00	-	-	100,00	100,00	36,03	25,45
TCM Croatia Holding BV	100,00	100,00	-	-	100,00	100,00	36,03	25,45
Trader Classified								
Media Croatia								
Holdings B.V.	100,00	100,00	-	-	100,00	100,00	36,03	25,45
Trader East Holdings B.V.	100,00	100,00	-	-	100,00	100,00	36,03	25,45
TCM Adria d.o.o.	100,00	100,00	-	-	100,00	100,00	36,03	25,45
Ssuarts Holding GmbH	100,00	100,00	-	-	100,00	100,00	36,03	25,45
OOO Rektcentr	100,00	70,00	-	-	100,00	70,00	36,03	17,81
Ssuarts Trading Ltd	55,00	55,00	-	-	55,00	55,00	19,82	14,00
Publishing House								
Pennsylvania Inc	100,00	100,00	-	-	100,00	100,00	36,03	25,53
Smile Holding	100,00	100,00	-	-	100,00	100,00	72,76	63,02
Doğan Platform	100,00	100,00	-	-	100,00	100,00	72,76	63,01
Doğan Yayın (1)	72,76	63,02	2,97	2,97	75,73	65,99	72,76	63,02
Trader Hungary								
Tanacsado Kft (9)	-	100,00	-	-	-	100,00	-	25,45
Fairworld	100,00	100,00	-	-	100,00	100,00	72,42	62,58

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008**

(Amounts expressed in thousands of New Turkish Lira ("YTL") unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

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

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 ownership interest (%)	
	2008	2007	2008	2007	2008	2007	2008	2007
Falcon	100,00	100,00	-	-	100,00	100,00	72,42	62,58
Marchant	100,00	100,00	-	-	100,00	100,00	70,03	60,51
Oglasnik d.o.o.	100,00	100,00	-	-	100,00	100,00	36,03	25,53
Oglasnik								
Nekretnine d.o.o. (2)	100,00	-	-	-	100,00	-	36,03	-
Expressz								
Magyarország Rt (9)	-	100,00	-	-	-	100,00	-	25,45
Szuperinfo								
Magyarország Kft	100,00	100,00	-	-	100,00	100,00	36,03	25,45
Siodemka Sp. Z.o.o.	100,00	100,00	-	-	100,00	100,00	36,03	25,45
SP Belpronto OOO	60,00	60,00	-	-	60,00	60,00	21,62	15,27
OOO Pronto Rostov	100,00	100,00	-	-	100,00	100,00	36,03	25,45
SP Belpronto OOO BYR	60,00	60,00	-	-	60,00	60,00	21,62	15,27
OOO Pronto Aktobe	80,00	80,00	-	-	80,00	80,00	23,06	16,28
ZAO Avtotekhsnab	85,00	85,00	-	-	85,00	85,00	30,63	21,63
OOO Novoprint	100,00	100,00	-	-	100,00	100,00	36,03	25,45
OOO Balt-Pronto								
Kaliningrad	100,00	100,00	-	-	100,00	100,00	36,03	25,45
OOO Delta-M	55,00	55,00	-	-	55,00	55,00	19,82	14,00
OOO Gratis	90,00	90,00	-	-	90,00	90,00	32,43	22,90
OOO Pronto Baikal	100,00	100,00	-	-	100,00	100,00	36,03	25,45
OOO Pronto DV	100,00	100,00	-	-	100,00	100,00	36,03	25,45
OOO Pronto Ivanovo	86,00	86,00	-	-	86,00	86,00	30,99	21,88
OOO Pronto Kaliningrad	95,00	95,00	-	-	95,00	95,00	34,23	24,18
OOO Pronto Kazan	72,00	72,00	-	-	72,00	72,00	25,95	18,32
OOO Pronto Krasnodar	80,00	80,00	-	-	80,00	80,00	28,83	20,36
OOO Pronto Krasnojarsk	100,00	100,00	-	-	100,00	100,00	36,03	25,45
OOO Pronto Nizhnij								
Novgorod	90,00	90,00	-	-	90,00	90,00	32,43	22,90
OOO Pronto Novosibirsk	100,00	100,00	-	-	100,00	100,00	36,03	25,45
OOO Pronto Oka	100,00	100,00	-	-	100,00	100,00	36,03	25,45
OOO Pronto Petersburg	51,00	51,00	-	-	51,00	51,00	18,37	12,98
OOO Pronto Samara	89,90	89,90	-	-	89,90	89,90	32,39	22,88
OOO Pronto Stavropol	100,00	100,00	-	-	100,00	100,00	36,03	25,45
OOO Pronto UlanUde	90,00	90,00	-	-	90,00	90,00	32,43	22,90
OOO Pronto Vladivostok	90,00	90,00	-	-	90,00	90,00	32,43	22,90
OOO Pronto Volgograd	100,00	100,00	-	-	100,00	100,00	36,03	25,45
OOO Pronto-Moscow	100,00	100,00	-	-	100,00	100,00	36,03	25,45
OOO Tambukan	85,00	85,00	-	-	85,00	85,00	30,63	21,63
OOO Utro Peterburga	55,00	55,00	-	-	55,00	55,00	19,82	14,00
OOO Pronto Astrakhan	100,00	100,00	-	-	100,00	100,00	36,03	25,45
OOO Pronto Kemerovo	100,00	100,00	-	-	100,00	100,00	36,03	25,45
OOO Pronto Sever	90,00	90,00	-	-	90,00	90,00	32,43	22,90
OOO Pronto Smolensk	100,00	100,00	-	-	100,00	100,00	36,03	25,45
OOO Pronto Tula	100,00	100,00	-	-	100,00	100,00	36,03	25,45
OOO Pronto Voronezh	100,00	100,00	-	-	100,00	100,00	36,03	25,45
OOO Tambov-Info	100,00	100,00	-	-	100,00	100,00	36,03	25,45
OOO Pronto Obninsk	100,00	100,00	-	-	100,00	100,00	36,03	17,44
ZAO Pronto Akzhol	80,00	80,00	-	-	80,00	80,00	28,83	20,36
OOO Pronto-Akmola	100,00	100,00	-	-	100,00	100,00	36,03	25,45
OOO Pronto Atyrau	100,00	100,00	-	-	100,00	100,00	28,83	20,36
OOO Pronto Aktau	100,00	100,00	-	-	100,00	100,00	28,83	20,36

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008**

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

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

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 ownership interest (%)	
	2008	2007	2008	2007	2008	2007	2008	2007
SP Pronto Kiev	50,00	50,00	-	-	50,00	50,00	18,02	12,72
Internet Posao d.o.o.	100,00	100,00	-	-	100,00	100,00	25,22	12,47
Moje Delo spletni Marketing d.o.o.	100,00	100,00	-	-	100,00	100,00	36,03	14,00
Bolji Posao d.o.o. Serbia	55,00	55,00	-	-	55,00	55,00	19,82	14,00
Bolji Posao d.o.o. Bosnia	55,00	55,00	-	-	55,00	55,00	19,82	14,00
RU.com OOO	100,00	100,00	-	-	100,00	100,00	36,03	14,00
OOO Partner-Soft	100,00	90,00	-	-	100,00	90,00	36,03	22,90
Pronto soft	90,00	-	-	-	90,00	-	32,43	-
E-Prostir	50,00	50,00	-	-	50,00	50,00	18,02	12,72
Expressz Garancia Kőzpont Kft (9)	-	100,00	-	-	-	100,00	-	25,45
Hűriyet Pazarlama (1)	99,94	97,47	0,05	2,53	99,99	100,00	99,94	97,46
OOO Optoprint	100,00	100,00	-	-	100,00	100,00	36,03	25,45
OOO Pronto Print	54,00	54,00	-	-	54,00	54,00	19,46	13,74
OOO Rosprint	70,00	60,00	-	-	70,00	60,00	25,22	15,27
OOO Rosprint Samara	59,50	59,50	-	-	59,50	59,50	21,44	15,14
Impress Media Marketing BVI	100,00	100,00	-	-	100,00	100,00	36,03	17,44
Impress Media Marketing LLC	100,00	100,00	-	-	100,00	100,00	36,03	17,44
OOO Pronto TV	70,00	70,00	-	-	70,00	70,00	25,22	17,81
Doğan TV	74,51	74,51	-	-	74,51	74,51	54,22	46,96
Kanal D	94,81	94,81	-	-	94,81	94,81	51,40	44,52
İşıl TV	100,00	100,00	-	-	100,00	100,00	54,22	46,96
Alp Görsel	100,00	100,00	-	-	100,00	100,00	54,22	46,96
Fun TV	95,25	94,52	-	-	95,25	94,52	51,64	44,38
Tempo TV	95,25	94,52	-	-	95,25	94,52	51,59	44,38
Kanalspor	99,63	94,52	-	-	99,63	94,52	53,96	44,38
Milenyum TV	99,94	99,94	-	-	99,94	99,94	54,18	46,93
TV 2000	98,61	98,34	-	-	98,61	98,34	49,56	46,14
Moda Radyo	99,56	86,67	0,22	6,67	99,78	93,34	53,97	40,70
Popüler TV	96,00	95,38	1,33	1,54	97,33	96,92	52,00	44,79
D Yapım Reklamcılık	100,00	100,00	-	-	100,00	100,00	54,22	46,96
Bravo TV	99,60	99,60	-	-	99,60	99,60	53,95	46,77
Doğa TV	98,12	95,38	0,63	1,54	98,75	96,92	53,20	44,79
Altın Kanal	99,35	99,35	0,22	0,22	99,57	99,57	53,81	46,65
Stil TV	99,08	98,81	-	0,79	99,08	99,60	53,67	46,40
Selenit TV (6)	99,74	99,74	-	0,13	99,74	99,87	47,12	46,83
Elit TV	98,73	98,73	-	0,64	98,73	99,37	53,47	46,36
D Çocuk	99,12	100,00	-	-	99,12	100,00	53,68	43,63
GS TV	99,80	99,57	0,13	0,29	99,93	99,86	54,06	46,75
Dönence TV	96,80	95,38	2,13	3,08	98,93	98,46	52,43	44,79
Fleks TV	98,18	97,86	1,21	1,43	99,39	99,29	53,18	45,95
Meridyen TV	99,98	95,38	0,01	3,08	99,99	98,46	54,16	44,79
Planet TV	99,47	99,47	0,35	0,35	99,82	99,82	53,87	46,71
HD TV	99,72	99,72	-	-	99,72	99,72	54,01	46,82
OOO Pronto Komi	70,00	70,00	-	-	70,00	70,00	25,22	17,81
Informatsia Vilniusa	100,00	100,00	-	-	100,00	100,00	36,03	25,45
Doğan Prodüksiyon	100,00	100,00	-	-	100,00	100,00	54,22	46,96
Doğan TV Dijital	99,70	98,42	0,20	1,05	99,90	99,47	54,00	46,21
Kutup TV	99,69	99,69	0,21	0,21	99,90	99,90	53,99	46,81

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008**

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

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

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 ownership interest (%)	
	2008	2007	2008	2007	2008	2007	2008	2007
Galaksi TV	99,07	99,07	-	-	99,07	99,07	53,66	46,52
Opal İletişim (7)	99,92	99,92	-	-	99,92	99,92	54,17	46,92
Koloni TV	86,67	84,62	6,67	7,69	93,34	92,31	46,99	39,73
Atılğan TV	86,67	84,62	6,67	7,69	93,34	92,31	46,99	39,73
Atmosfer TV	86,67	84,62	3,33	3,85	90,00	88,47	46,94	39,73
Gümüş TV	92,86	92,86	1,79	1,79	94,65	94,65	50,29	43,60
Platin TV	91,30	91,30	2,17	2,17	93,47	93,47	49,45	42,87
Yörünge TV	98,39	97,06	0,40	0,74	98,79	97,80	53,29	45,57
Lapis Televizyon	99,65	88,46	0,12	3,85	99,77	92,31	54,02	41,54
Safir Televizyon	90,00	88,46	3,33	3,85	93,33	92,31	46,35	41,54
Tematik TV	90,00	88,46	3,33	3,85	93,33	92,31	48,79	41,54
Akustik TV	99,96	88,46	0,01	3,85	99,97	92,31	54,17	41,54
Ametist TV	99,96	88,46	0,01	3,85	99,97	92,31	54,19	41,54
Süper Kanal	99,53	96,00	-	-	99,53	96,00	53,91	45,08
Uydu	52,00	40,00	38,67	48,33	90,67	88,33	28,19	18,78
Mobil	75,00	75,00	-	-	75,00	75,00	40,66	35,22
Matis TV (3)	100,00	-	-	-	100,00	-	54,22	-
Yonca TV (3)	100,00	-	-	-	100,00	-	50,31	-
İnci TV (3)	86,67	-	3,33	-	90,00	-	46,94	-
Kuvars TV (3)	86,67	-	3,33	-	90,00	-	46,94	-
Lal TV (3)	86,67	-	3,33	-	90,00	-	46,94	-
Truva TV (3)	86,67	-	3,33	-	90,00	-	46,94	-
Kayra TV (3)	86,67	-	3,33	-	90,00	-	43,56	-
Milas TV (3)	86,67	-	3,33	-	90,00	-	43,56	-
Prime Türk (2)	100,00	-	-	-	100,00	-	54,22	-
Osmose Media (2)	100,00	-	-	-	100,00	-	54,22	-
Kanal D Romanya	74,90	74,90	-	-	74,90	74,90	48,39	35,89
ZAO NPK	100,00	100,00	-	-	100,00	100,00	32,81	25,45
Kisokos Directory kereskedelmi es Szolgaltato kft (9)	-	100,00	-	-	-	100,00	-	25,45
D Radyo	98,18	95,57	-	-	98,18	95,57	53,23	44,88
Rapsodi Radyo TV (5)	97,22	99,89	-	-	97,22	99,89	45,97	46,90
CNN Türk Radyo	95,60	95,60	-	-	95,60	95,60	51,83	44,89
DMC	99,94	99,94	0,02	0,02	99,96	99,96	54,18	46,93
İnteraktif Medya	75,00	75,00	-	-	75,00	75,00	38,55	35,22
DMK	100,00	100,00	-	-	100,00	100,00	72,76	63,02
Hürsenvis	100,00	100,00	-	-	100,00	100,00	53,54	37,94
Pratik Ödeme (8)	100,00	100,00	-	-	100,00	100,00	67,52	63,02
Smile Tedarik	100,00	100,00	-	-	100,00	100,00	72,76	63,02
Smile Sigorta	99,99	99,99	-	-	99,99	99,99	72,75	63,01
Birpa	99,95	99,95	0,02	0,02	99,97	99,97	72,72	62,98
Doğan Online	100,00	100,00	-	-	100,00	100,00	72,76	63,01
Doğan Factoring	100,00	100,00	-	-	100,00	100,00	72,05	62,11
Milpa	65,00	65,00	0,50	0,50	65,50	65,50	65,00	65,00
Milanur	100,00	99,99	-	0,01	100,00	100,00	65,01	65,00
Doğan Oto	99,76	99,76	0,24	0,24	100,00	100,00	99,76	99,76
Enteralle Handels	95,48	95,48	4,52	4,52	100,00	100,00	62,06	62,06
Orta Anadolu Otomotiv	85,00	85,00	-	-	85,00	85,00	84,95	82,84
Doğan Havacılık	100,00	100,00	-	-	100,00	100,00	88,86	86,97
Çelik Halat (1)	78,46	66,28	-	-	78,46	66,28	78,46	66,28
Ditaş Doğan (1)	66,67	53,33	-	-	66,67	53,33	66,67	53,33

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008**

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

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

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 ownership interest (%)	
	2008	2007	2008	2007	2008	2007	2008	2007
Milta Turizm	98,57	98,29	-	-	98,57	98,29	98,57	98,29
Doğan Organik	100,00	90,00	-	10,00	100,00	100,00	98,22	89,99
D Tes	99,60	99,60	-	-	99,60	99,60	64,74	64,74
Zigana	84,91	65,00	0,10	4,99	85,01	69,99	84,91	65,00
Çelik Enerji	100,00	99,75	-	-	100,00	99,75	99,85	66,22
Doğan Enerji	99,99	99,99	-	-	99,99	99,99	99,99	99,99
D-Yapı Romanya (2)	100,00	-	-	-	100,00	-	100,00	-
TOV D-Yapı (2)	100,00	-	-	-	100,00	-	100,00	-
D Stroy (2)	100,00	-	-	-	100,00	-	100,00	-
SC Doğan Hospitals (3)	100,00	-	-	-	100,00	-	100,00	-

- (1) The acquisition of a certain portion of this subsidiary's shares during the period led to an increase in Group's voting rights.
 (2) These subsidiaries were acquired in 2008.
 (3) These subsidiaries were established in 2008.
 (4) The registered name of Birleşik Birleşik Televizyon Reklam Pazarlama A.Ş. changed to Mozaik İletişim Hizmetleri A.Ş. in 2008.
 (5) The registered name of Hürriyet Radyo Prodüksiyon ve Yayın A.Ş. changed to Rapsodi Radyo ve Televizyon Yayıncılık A.Ş. in 2008.
 (6) The registered name of Dinamik Televizyon ve Radyo Yayıncılık A.Ş. changed to Selenit Televizyon ve Radyo Yayıncılık A.Ş. in 2008.
 (7) The registered name of Hür-Bim Görsel Yayıncılık A.Ş. was changed to Opal İletişim Hizmetleri A.Ş. in 2008.
 (8) The registered name of Smile Pratik Ödeme Sistemleri A.Ş. was changed to Pratik Ödeme Sistemleri A.Ş. in 2008.
 (9) These subsidiaries are legally combined under subsidiary Expressz Magyarorszag Rt.

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 year, 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 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. 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.

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008**

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

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

- (d) Investments in associated undertakings are accounted for by the equity method of accounting. These are undertakings over which the Group generally has between 20% and 50% of the voting rights; which Doğan Holding, its Subsidiaries and its Joint Ventures own by means of the voting rights they have along with the voting rights arising from the shares Doğan family holds; or over which the Group has significant influence, but no controlling power. Unrealised gains on transactions between the Group and its associated undertakings are eliminated to the extent of the Group's interest in the associated undertakings; unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Equity accounting is discontinued when the carrying amount of the investment in an associated undertaking reaches zero, unless the Doğan Holding has incurred obligations or guaranteed obligations in respect of the associated undertaking or significant influence of the Company ceases. The carrying amount of the investment at the date when significant influence ceases is regarded as cost thereafter (Note 16).

The table below sets out the associates accounted for using the equity method of accounting, the proportion of voting power held by Doğan Holding and its subsidiaries and effective ownership interests at 31 December:

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 ownership interest (%)	
	2008	2007	2008	2007	2008	2007	2008	2007
Ray Sigorta A.Ş. ("Ray Sigorta")	20,00	20,00	-	-	20,00	20,00	20,00	20,00

- (e) 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).

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.

- (f) The minority 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 minority 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 minority interest and are not included in the Group's net assets and profits attributable to shareholders of Doğan Holding.

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008**

(Amounts expressed in thousands of New Turkish Lira ("YTL") unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

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

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

Where necessary, comparative figures have been reclassified to conform to the changes in presentation in the current period.

The consolidated financial statements of the Group are prepared comparatively to enable the determination of the trends of the financial position and performance. The Group presented the balance sheet at 31 December 2008 comparatively with the balance sheet at 31 December 2007, the statement of income for the year ended 31 December 2008 comparatively with the statement of income for the year ended 31 December 2007, statement of cash flow and statement of changes in shareholders' equity for the period 1 January - 31 December 2008 comparatively with the financial statements for the period 1 January - 31 December 2007.

- As of 31 December 2008, Group has early adopted IFRS 8 "Operating Segments" standard (it has been started from the period ended 31 December 2007) that will be effective for the periods beginning on or after 1 January 2009 and accordingly restated 31 December 2007 segment reporting information to conform comparative financial statements. As a result of abovementioned restatement, companies at "Media" and "Other" segments were reclassified in respect to management reporting (Note 1). This restatement has no effect on reported net income (Note 5).
- Group has presented financial statements in thousands of New Turkish Lira ("YTL") as of 31 December 2008, in order to conform comparative financial statements, 31 December 2007 financial statements and related notes have been converted from New Turkish Lira ("YTL") to thousands of YTL.
- Sales premium amounting to YTL 20.259, which were presented as "Marketing, sales and distribution expenses" for the consolidated statement of income for the year ended 31 December 2007, have been reclassified to "Sales" and presented net and comparative with the consolidated statement of income for the year 31 December 2008. The reclassification has no effect on the reported net profit for the period ended.
- Advertisement agency commission expenses amounting to YTL 29.399 which were presented as "Cost of sales", have been reclassified to "Sales" in the consolidated statement of income for the year ended 31 December 2007 and presented in net and comparative with the consolidated statement of income for the year ended 31 December 2008. The reclassification has no effect on the reported net profit for the period ended.
- The foreign exchange gains and losses (Note 32 and 33) which were presented as net in the consolidated statement of income for the year ended 31 December 2007 are presented as gross in order to result in a more appropriate presentation with the statement of income for the year ended 31 December 2008. As a result of the reclassification financial income and expenses have been increased by YTL 373.944 respectively. The reclassification has no effect on the reported net profit for the year ended 31 December 2007.

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008**

(Amounts expressed in thousands of New Turkish Lira ("YTL") unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

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

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

Consolidated financial statements and accompanying notes have been presented in accordance with the format, recommended by CMB with its announcement dated 17 April 2008, and by including the mandatory information (Note 2.1.1). In this regard, necessary changes have been made in the financial statements of previous period in order to result in a more appropriate presentation with the consolidated financial statements as of 31 December 2008. All the reclassifications, details of which are summarized below; have been made in order to conform to the aforementioned recommended format.

- Financial investments: The items amounting to YTL 473, included as in "Cash and cash equivalents" and amounting to YTL 23.535, included as in "Other receivables" at 31 December 2007, have been reclassified to "Financial investments" in the current period.
- Trade receivables: The items amounting to YTL 3.981, included in "Leasing receivables" at 31 December 2007, have been reclassified to "Trade receivables" in the current period.
- Other receivables: The items amounting to YTL 23.980, included in "Trade receivables" at 31 December 2007, have been reclassified to "Other receivables" in the current period.
- Other current assets: The items amounting to YTL 18.241, included in "Inventories", and the items amounting to TRY 41.495, included in "Other receivables" at 31 December 2007, have been reclassified to "Other current assets" in the current period.
- Non current assets held for sale: The items amounting to YTL 4.387, included in "Other non-current assets" at 31 December 2007, have been reclassified to "Other trade receivables", "Other current assets" and "Other non-current assets" in the current period.
- Other long term receivables: The items amounting to YTL 2.007, included in "Trade Receivables" at 31 December 2007, have been reclassified to "Other Receivables" in the current period.
- Long term trade receivables: The items amounting to YTL 4.196, included in "Leasing receivables" at 31 December 2007, have been reclassified to "Trade receivables" in the current period.
- Property, plant and equipment: The items amounting to YTL 3.981 included in "Short-term trade receivables" and amounting to YTL 4.196 included in "Long-term trade receivables" which are furniture and fittings and purchased through financial leasing by Smile Dağıtım, a Subsidiary of the Group and utilized by dealers, are presented as "Property, Plant and Equipment" in the comparatively presented consolidated financial statements.

CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008

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

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

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

- Other non-current assets: The items amounting to YTL 1.906, included in "Property, plant and equipment" and the items amounting to YTL 3.196, included in "Other receivables" at 31 December 2007, have been reclassified to "Other non-current assets" in the current period.
- Borrowings: The items amounting to YTL 15.212, included in "Leasing payables" and the items amounting to YTL 15.853, included in "Trade payables" at 31 December 2007, have been reclassified to "Borrowings" in the current period.
- Long-term borrowings: The items amounting to YTL 27.501, included in "Leasing payables", the items amounting to YTL 103.432, included in "Other payables" and the items amounting to YTL 83.272, included in "Trade payables" at 31 December 2007, have been reclassified to "Long-term borrowings" in the current period.
- Other payables: The items amounting to YTL 4.295, included in "Advances received" at 31 December 2007, have been reclassified to "Other payables" in the current period.
- Other current liabilities: The items amounting to YTL 7.411, included in "Provisions" at 31 December 2007, have been reclassified to "Other current liabilities" in the current period.
- Current income tax liabilities: The items amounting to YTL 29.028, included in "Provisions" at 31 December 2007, have been reclassified to "Current income tax liabilities" in the current period.
- Other long-term liabilities: The items amounting to YTL 40.485, included in "Advances received" and the items amounting to YTL 11.071, included in "Trade payables" at 31 December 2007, have been reclassified to "Other long-term liabilities" in the current period.
- Provision for employment benefits: The items amounting to YTL 26.726, included in "Provisions" at 31 December 2007, have been reclassified to "Provision for/employment benefits" in the current period.
- Financial investments: The items amounting to YTL 6.080, included in "Financial assets" at 31 December 2007, have been reclassified to "Financial investments" in the current period.
- Investments accounted for by the equity method: The items amounting to YTL 21.842, included in "Financial assets" at 31 December 2007, have been reclassified to "Investments accounted for by the equity method" in the current period.
- Adjustment to share capital: The items amounting to YTL 331.903, included in "Inflation adjustment to shareholders' equity" at 31 December 2007, have been reclassified to "Adjustment to share capital" in the current period.

CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008

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

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

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

- Restricted reserves: The items amounting to YTL 15.762, included in "Legal reserves" and the items amounting to YTL 761.623, included in "Investment and property sales income to be added to the capital" at 31 December 2007, have been reclassified to "Restricted reserves" in the current period.
- Retained earnings: The items amounting to YTL 323.465, included in "Inflation adjustment to shareholders' equity", the items amounting to YTL 11.748, included in "Extraordinary reserves" and the items amounting to YTL 2.361, included in "Other reserves" at 31 December 2007, have been reclassified to "Retained earnings" in the current period.

2.1.6 Significant accounting estimates and decisions

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.

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. The significant accounting policies, other than Group accounting which is described in Note 2.1.4, followed in the preparation of these consolidated financial statements are summarized below:

2.2.1 Related parties

For the purpose of these consolidated financial statements, shareholders, key management personnel and Board members, in each case together with their families and companies controlled by or affiliated with them and Joint Ventures are considered and referred to as Related Parties (Note 37).

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008**

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

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

2.2.2 Marketable securities and financial investments

Group classifies its marketable securities and financial investments as "financial assets at fair value through profit or loss" and "available-for-sale investments".

"Financial assets at fair value through profit or loss" are either acquired for generating a profit from short-term fluctuations in price or dealer's margin, or are securities included in a portfolio in which a pattern of short-term profit making exists, independent from acquisition reason. Trading securities are initially recognized at cost of purchase including the transaction costs. Trading securities are subsequently re-measured at fair value. All related realized and unrealized gains and losses are included in the "financial income". Dividends received are recognized as dividend income in the consolidated statement of income.

"Available-for-sale investments" are included in non-current assets unless Group management has the intention of holding these investments for less than 12 months from the balance sheet date, or unless they will need to be sold to raise operating capital, in which case they are included in current assets. The appropriate classification of investments is determined at the time of the purchase and re-evaluated by management on a regular basis. Available-for-sale investments are initially recognized at cost. Available-for-sale investments are subsequently re-measured at fair value. Unrealized gains and losses arising from the changes in the fair values of available-for-sale investments are accounted directly in shareholders' equity rather than consolidated statement of income.

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 Holding 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, which includes the restatement of this cost before 1 January 2005 to the equivalent purchasing power at balance sheet day, less any provision for diminution in value.

2.2.3 Sale and repurchase agreements

Securities purchased under agreements to resell ("reverse repo") are recorded as reverse repurchase agreements (Note 6). The difference between sales and repurchase prices is treated as interest and amortized over the life of reverse repo agreements using the effective yield method.

2.2.4 Trade receivables and provision for doubtful receivables

Trade receivables that are created by the Group by way of providing goods or services directly to a debtor are carried at amortized cost. Trade receivables that deferred financial income is netted-off and calculated by discounting amounts that will be collected of trade receivables recorded in the original invoice value in the subsequent periods using the effective yield method. Short duration receivables with no stated interest rate are measured at original invoice amount unless the effect of imputing interest is significant (Note 10).

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008**

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

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

2.2.4 Trade receivables and provision for doubtful receivables (Continued)

A credit risk provision for trade receivables is established if there is objective evidence that the Group will not be able to collect all amounts due. The amount of the provision is the difference between the carrying amount and the recoverable amount, being the present value of all cash flows, including amounts recoverable from guarantees and collateral, discounted based on the original effective interest rate of the originated receivables at inception.

If the amount of the impairment subsequently decreases due to an event occurring after the write-down, the release of the provision is credited to other income.

2.2.5 Inventories

Inventories are valued at the lower of cost or net realizable value. Cost elements included in inventory are purchase costs and other costs necessary to prepare the asset for its intended use. Cost of inventories is determined on the moving weighted average basis and weighted average basis. Net realizable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses (Note 13).

Inventories related to Energy operating segment are valued at the lower of cost or net realisable value. Group management has identified that cost of inventories related to Energy operating segment is higher than their net realisable value as of 31 December 2008. The impairment calculation requires management to estimate the future cash flows expected to arise from sale of inventories and the estimated selling price less all estimated costs of completion and costs necessary to make the sale. Based on the estimate made by Group management, the cost of inventories related to Energy segment was reduced by YTL 37.256 and the expense was recorded to cost of sales.

2.2.6 Investment properties

Buildings and land held to earn rentals or for capital appreciation or both, rather than for use in the production or supply of goods or services, or for administrative purposes or sale in the ordinary course of business, are classified as investment property. Investment properties are carried at cost less accumulated depreciation. Investment properties (except land) are depreciated on a straight-line basis. Depreciation is calculated on the values of investment properties (Note 17). The depreciation periods for investment property, which approximate the economic useful lives of such assets, are between 5 and 50 years.

Investment properties are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of asset net selling price or value in use.

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008**

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

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

2.2.7 Property, plant and equipment

Property, plant and equipment is carried at cost less accumulated depreciation. Property, plant and equipment are depreciated on a straight-line basis (Note 18).

The depreciation periods for property, plant and equipment, which approximate the economic useful lives of such assets, are as follows:

Land improvements	2 - 50 years
Buildings	2 - 50 years
Machinery and equipment	2 - 28 years
Motor vehicles	2 - 17 years
Furniture and fixtures	2 - 50 years
Leasehold improvements	2 - 39 years
Other fixed assets	1 - 50 years

Property, plant and equipment is reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of asset net selling price or value in use.

Costs to property plant and equipment are included in the asset's carrying amount or recognized as a separate asset as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statements during the financial period in which they were incurred.

Gains or losses on disposals of property, plant and equipment with respect to their restated amounts are included in the other income and expense accounts, as appropriate.

Other tangible assets mainly consist of tanks, stations and station equipments.

2.2.8 Leases

Financial Lease

Tangible asset gained through financial leasing is capitalized at the lower of cost of the tax advantage of the asset at the beginning of the leasing period or the fair value after deducting incentives or the reduced minimum leasing payments on the date of the leasing. The capital element is treated as a reduction to the capitalized obligation under the lease and the interest element is charged to the statement of income. The property, plant and equipment acquired under finance leases are depreciated over the useful life of the asset.

Operational lease

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008**

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

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

2.2.9 Goodwill

Goodwill and negative goodwill arising on consolidation, indicating the difference between the purchase price and the attributable share of the Group in the fair value of the underlying net assets of the company acquired, are capitalized and amortized using the straight-line method over the useful life until 31 December 2004, if the acquisition is before 31 March 2004. Within framework of IFRS 3 "Business Combinations", amortization accounting is not applied for goodwill related to the acquisitions after 31 March 2004, and the carrying value of goodwill is reviewed and adjusted for permanent impairment where it is considered necessary (Note 20).

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

Any negative goodwill arising from the acquisitions after 31 March 2004 is recorded as income in the related period. According to IFRS 3, goodwill associated with the transactions before 31 March 2004 will not be amortized starting from the beginning of the first annual period beginning on or after 1 January 2005 and it will be reviewed annually for impairment. The carrying amount of negative goodwill arising from prior periods, which was presented in the consolidated financial statements, is adjusted to retained earnings as of 1 January 2005, in accordance with IFRS 3.

Gain and loss related with the sales of a subsidiary includes associated carrying value of the goodwill.

2.2.10 Intangible assets

Intangible assets comprise brand names, customer lists, terrestrial broadcasting permissions and licenses (frequency rights), other identified rights, computer software and television programme rights. The right of marina usage held by the Subsidiary, Milta Turizm, is amortized in 49 years in accordance with the agreement signed with Privatization Administration (Note 19).

Useful lives of certain brand names of the media segment are determined to be infinite (Note 19). Infinite lived intangible assets are not amortized and tested annually for impairment.

The terrestrial frequencies are limited in Turkey, accordingly, since 1994 no new national broadcasting company is allowed to operate. However, in the current practice, national broadcasting companies started broadcasting prior to 1994 continue to operate. The Turkish Radio and Television Supreme Council ("RTÜK") has not yet conducted a tender for terrestrial broadcasting permissions and licences (frequency rights). The subsidiaries of the Group operating in media segment currently do not have any conflicts or disagreements with RTÜK. Therefore, it has been concluded that terrestrial broadcasting permissions and licenses (frequency rights) have an infinite useful life. Infinite lived intangible assets are not amortized and tested annually for impairment.

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008**

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

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

2.2.10 Intangible assets (Continued)

Estimated useful lives of the finited lived intangible assets for the media segment are as follows:

Trademark	20 – 25 years
Customer lists	9 – 18 years
Other intangible rights	5 – 20 years

Useful lives acquired through the purchase of POAŞ shares, which is a joint venture of the Group under the energy segment, along with dealer and customer agreements of intangible assets in the consolidated financial statements have been ascertained as 15 years. The valuation method used to determine the fair value has been taken into consideration while applying the declining balance method of depreciation on the intangible assets. As the brand equity of POAŞ, which is similarly included on the consolidated financial statements through the stated purchases, has an indefinite useful life, it is not subject to amortisation and has been examined for any loss in value in the value assessment.

Television programme rights are carried at cost less accumulated amortization (Note 19).

Programme rights include Group's in-house productions and acquired broadcasting rights. These rights are amortized as discussed below:

- Soaps, in-house productions, domestic serials, game shows, music shows, child programmes, sport programmes and other events and documentaries are fully amortized upon the first transmission and are associated with cost of sales.
- Domestic and foreign movies and foreign series are amortized by taking into consideration the number of broadcast runs acquired.

Intangible assets are disclosed with their net value which is acquisition cost less accumulated amortization.

Intangible assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of asset net selling price or value in use.

2.2.11 Programme stocks

Programme stocks comprise internal and external productions that have been produced but not yet broadcasted. These programmes are charged to income statement upon the first transmission and included as cost of sales in the consolidated statement of income.

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008**

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

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

2.2.12 Taxes

Tax provision for the period consists of current year tax and deferred tax. Current year tax liability consists of tax liability which is calculated through the tax rates enacted by the balance sheet date of taxable profit of the profit and adjustment records related to previous year tax liabilities.

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

Significant temporary differences arise from the financial losses to be deducted, the provision of doubtful receivables, the provision of employment termination benefits, the restatement of property, plant and equipment and inventory over their historical cost, and from the differences of tax bases.

Deferred tax liabilities are recognized for all taxable temporary differences, whereas deferred tax assets resulting from deductible temporary differences are recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary difference can be utilized.

Deferred tax assets and deferred tax liabilities, related to income taxes levied by the same taxation authority, are offset when there is a legally enforceable right to set-off current tax assets against current tax liabilities (Note 35).

2.2.13 Provisions, contingent assets and liabilities

If the Group has liabilities from previous events, will probably sells its economically beneficial assets to pay these liabilities and estimates the cost of the liabilities and if this estimation is reliable; a provision is provided for the related liabilities and the provision is displayed on the financial statements. Contingent liabilities are revaluated continuously to determine the sales probability of the economically beneficial assets. If economically beneficial assets are going to be sold for certain in the future for the payment of the items displayed as contingent liabilities, a provision is provided and displayed in the financial statements for the related contingent liabilities except for the reliable value estimation of the economically beneficial assets which cannot be performed at the time when the sales probability of the economically beneficial assets is made.

Although the payment of the contingent liabilities is certain and the value estimation of the economically beneficial assets is not reliable, the Group displays related liabilities in the footnotes.

Assets resulted from previous events and existence of these assets confirmed with realization of one or more uncertain events which are not wholly controlled by the Group are assessed as contingent assets. If the probability of economical beneficial assets introduction to the entity is assessed as high, contingent assets are displayed in the notes.

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

CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008

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

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

2.2.14 Financial liabilities

Financial liabilities are recognised initially at proceeds received, net of transaction costs incurred. Financial liabilities are subsequently stated at amortised cost using the effective yield method. Any difference between the proceeds and redemption value is recognised in the consolidated statements of income over the period of the borrowings.

2.2.15 Eurobonds

Eurobonds are recognized initially at their fair value, being their issue proceeds net of transaction costs incurred. Eurobonds are subsequently stated at amortised cost using the effective yield method; any difference between the proceeds and redemption value is recognized in the consolidated income statement over the period of the Eurobonds. As of 31 December 2008, there are no issued Eurobonds by the Group.

2.2.16 Accounting of share sales purchases from minority interest

The Group applies "Parent Company Model" (for purchase and sale transactions of subsidiary's shares) for transactions when the control is not lost. Disposals to minority interests that are resulted in gains and losses, are recorded in the income statement (Note 31). Purchases from minority interests result in goodwill, being the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary (Note 3 and Note 20). Please refer to Note 2.2.34 for future significant changes in CMB Financial Reporting Standards.

2.2.17 Employment termination benefits

Employment termination benefits represent the present value of the estimated total reserve of the future probable obligation that arises on the retirement of the employees, employees who achieve the retirement age and employees whose employment is terminated without due cause, who are called up for military service or who die, calculated in accordance with the Turkish Labour Law and Press Labour Laws for companies in the media segment (Note 24).

2.2.18 Share capital and dividends

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

CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008

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

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

2.2.19 Foreign currency transactions

Functional currency

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

Foreign currency transactions and balances

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

Foreign Group companies

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

A significant portion of the Group's foreign operations are performed in Russia, Europe and Eastern Europe countries (Note 5). Foreign currencies and exchange rates at 31 December are summarized below:

Country	Currency unit	2008	2007
Euro zone	Euro	2,1408	1,7102
Russia	Ruble	0,0516	0,0475
Hungary	Forint	0,0080	0,0067
Croatia	Kuna	0,2927	0,2335
Ukraine	Grivna	0,2011	0,2266
Romania	Ley	0,5346	0,4465
England	Pound	2,1924	2,3259
Georgia	Lari	0,9091	0,7369
Bahamas	Bahamian Dollar	1,5421	1,1764

CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008

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

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

2.2.20 Revenue recognition

a) Media segment

Revenues include the invoiced value of sales of goods and services. Revenues are recognized on an accrual basis at the time deliveries or acceptances are made and risk and benefits are transferred, the amount of the revenue can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the Group, at the fair value of the consideration received or receivable. Net sales represent the invoiced value of goods shipped less sales returns and commission.

When the arrangement effectively constitutes a financing transaction, the fair value of the consideration is determined by discounting all future receipts using an imputed rate of interest. The difference between the fair value and the nominal amount of the consideration is recognized as interest income on a time proportion basis that takes into account the effective yield on the asset (Note 28).

Revenues from television, newspaper, magazine and other advertisements

Revenue from advertisement is recognized on an accrual basis at the time of broadcasting or printing the advertisement in the related media at the invoiced values.

Revenues from newspaper and magazine sales

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

Revenues from printing services

Income from printing arises from printing services given to third parties other than Group companies by using Group's printing facilities. Related income is recognized on an accrual basis at the time of services given.

b) Energy segment

Revenue is recognized on accrual basis at the fair value of the amount obtained or to be obtained based on the assumptions that delivery is realized, the income can be reliably determined and the inflow of the economic benefits related with the transaction to the Group is probable. Net sales are calculated after the sales returns and sales discounts are deducted.

CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008

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

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

2.2.20 Revenue recognition (Continued)

Revenue from sale of goods is recognized when all the following conditions are satisfied:

- The Group transfers the significant risks and rewards of ownership of the goods to the buyer,
- The Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold,
- The amount of revenue can be measured reliably,
- It is probable that the economic benefits associated with the transaction will flow to the entity,
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Accounting policy regarding the accounting of Special Consumption Tax ("SCT") which is required to be paid upon declaration to T.C. Ministry of Finance as an outcome of the sale of imported goods is through adding SCT amounts on sales and cost of sales respectively, this has not effect on gross and net profit.

c) Other segment

Revenue is recognized on the invoiced amount on an accrual basis at the time of deliveries or acceptances are made. Net sales represent the invoiced value of goods shipped less sales returns and commission. When the arrangement effectively constitutes a financing transaction, the fair value of the consideration is determined by discounting all future receipts using the effective yield method. The difference between the fair value and the nominal amount of the consideration is recognized as "financial income" on a time proportion basis that takes into account the effective yield on the asset.

Service and other revenues are recognized on accrual basis at the fair value of the amount obtained or to be obtained based on the assumptions that delivery is realized, the income can be reliably determined and the inflow of the economic benefits related with the transaction to the Group is probable.

Other revenues

Interest income is recognized on a time proportion basis and income accrual is ascertained by taking effective and remaining maturity interest rates into account.

Dividend income from investments is recognized when the shareholders' rights to receive payment have arisen.

2.2.21 Research and development costs

Research and development costs are recognized as an expense in the consolidated statement of income in the period in which they are incurred.

CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008

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

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

2.2.22 Barter agreements

The Group provides advertising services in return for advertisement and other products and services. When goods or services are exchanged or swapped for goods or services which are of a similar nature and value, the exchange is not regarded as a transaction which generates revenue. When goods are sold or services are rendered in exchange for dissimilar goods or services, the exchange is regarded as a transaction which generates revenue. The revenue is measured at the fair value of the goods or services received, adjusted by the amount of any cash or cash equivalents transferred. If the fair value of the goods or services received are not measured reliably, the revenue is measured at the fair value of the goods or services supplied, adjusted by the amount of any cash or cash equivalents transferred.

2.2.23 Liquid Assets

Cash and cash equivalents include cash and amounts due from banks, and short-term, highly liquid investments, which have insignificant risk of value in exchange with maturity periods of less than 12 months.

2.2.24 Cash and cash equivalents

Cash flow statements as integral part of financial statements are prepared so as to inform users of financial statements regarding the change in Group's net assets, financial structure and the ability to guide cash flow amounts and timing according to the changing conditions.

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with insignificant risk of value in exchange and original maturities of 3 months or less and marketable securities with original maturities of less than 3 months.

2.2.25 Earnings per share

Earnings per share disclosed in the consolidated statements of income are determined by dividing net profit by the weighted average number of shares that have been outstanding during the period concerned.

In Turkey, companies can increase their share capital by making a pro-rata distribution of shares ("Bonus Shares") to existing shareholders from retained earnings. For the purpose of earnings per share computations, such Bonus Share issuances are regarded as issued shares. Accordingly the weighted average number of shares used in earnings per share computations is derived by giving retroactive effect to the issuances of the shares without consideration (Note 36).

In case of dividend payment, earning per share is determined on existing number of shares (2.450.000.000) rather than the weighted average numbers of shares.

CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008

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

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

2.2.26 Segment reporting

As of 31 December 2007, Group has early adopted IFRS 8 "Operating Segments" standard that will be effective for the periods beginning on or after 1 January 2009. Industrial segment is an operational group that provides products and services which are exposed to different risks and benefits other than other industrial segments and for management reporting purposes, is composed of three main groups, namely "Media", "Energy" and "Other".

2.2.27 Accounting of derivative financial instruments and hedging transactions

2.2.27.a) Derivative financial instruments

Fair value is used when derivative financial instruments are recorded for the first time and valued at fair value in the following periods. The gain/loss on the hedging transactions calculation method depends on the properties of the hedged transaction. On the date the derivative agreement is done, the Group determines the derivative instrument at fair value hedges when hedging the exposure to changes in the fair value of a recognized asset or liability, or cash flow hedges when hedging the exposure to the variability in cash flows either attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction. The Group uses various hedging instruments to preserve the value of its petroleum inventories and cargo imports, to ensure a constant flow of income, and to minimize adverse price movements (Note 7).

2.2.27.b) Accounting for put-options

Under the terms of certain share purchase agreements, the Group may commit to acquire the interests owned by minority shareholders in subsidiaries, if these minority interests wish to sell their share of interests.

IAS 32, "Financial Instruments: Disclosure and Presentation", requires the value of such put option to be presented as a financial liability on the balance sheet for the discounted value of the expected exercise price of this option, not withstanding the ability of the Company to settle part of these obligations with its own shares and not cash. In addition, the share of minority shareholders in the net asset of the company subject to the put option is presented in "other financial liabilities" instead of "minority interests" in the consolidated balance sheet. The Group presents, on initial recognition, the difference between the exercise price of the option and the carrying value of the minority interests first as a reduction of minority interest and then as additional goodwill. The discount amount is recognized in financial expense in the subsequent period whereas any subsequent change in the fair value of the commitment is accounted for as goodwill (Note 20).

CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008

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

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

2.2.28 Minority interests

Minority interests present the shares of minority shareholders in the net assets and the results of the period for the Subsidiaries and are separately disclosed in the consolidated balance sheets and statements of income. When the losses applicable to the minority exceed the minority interest in the equity of the subsidiary, the excess loss and the further losses applicable to the minority are charged against the majority interest except to the extent that the minority has a binding obligation to, and is able to make good the losses.

2.2.29 Business combinations

The purchase method of accounting is used to account for the acquisition of subsidiaries. If the acquisition cost is higher than the fair value of the identifiable assets, liabilities and contingent liabilities acquired, the difference is accounted for as goodwill. Goodwill recognised in a business combination is not amortised, instead it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired.

If the acquisition cost is lower than the fair value of the identifiable assets, liabilities and contingent liabilities acquired, the difference is accounted for as income in the related period.

The Group applies "Parent Company Model" for purchase and sale transactions of a part or entire subsidiary's shares (Note 2.2.16).

2.2.30 Impairment of assets

The Group reviews all assets except goodwill and intangible assets with indefinite useful lives at each balance sheet date in order to see if there is a sign of impairment on the stated asset. If there is such a sign, carrying amount of the stated asset will be compared with the net realizable value which is the higher of value in use and fair value less cost to sell. Impairment exists if the carrying value of an asset or a cash generating unit including the asset is greater than its net realizable value. Impairment losses are recognized in the consolidated income statement.

The Group reviews goodwill and intangible assets that have indefinite useful life for Media and Energy segments at 31 December 2008 in order to see if there is an impairment on the stated assets and assumptions and models of impairment test are explained at Note 20. Impairment test evaluates if there is a sign of impairment for assets related to abovementioned segments.

CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008

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

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

2.2.31 Change in accounting policies, accounting estimates and errors

Changes in accounting policies or determined accounting errors are applied retrospectively and the financial statements of the previous year are adjusted. If estimated changes in accounting policies are for only one period, changes are applied to the current year but if the estimated changes are for the following periods, changes are applied both to the current and following periods prospectively.

2.2.32 Deferred financial income/expenses

Deferred financial income/expenses represent financial income and expenses on futures sales and purchases. Throughout the sales and purchases in the credit and purchases period, income and expenses are computed using an effective interest rate method and disclosed under financial income and expenses (Note 32 and 33).

2.2.33 Critical Accounting Estimates, Assumptions and Judgements

2.2.33.a) Critical accounting estimates and assumptions

Media segment:

(i) Probable liabilities related to the share sales agreement signed with Axel Springer

As explained in Note 22, the Group sold 90,854,185 shares, 25% of the share capital of Doğan TV Holding A.Ş., to Commerz-Film GmbH (formerly registered as Dreiundvierzigste Media Vermögensverwaltungsgesellschaft mbH), a 100% subsidiary of Axel Springer A.Ş., for EUR 375 million (YTL 694,312) (this amount is defined as "initial sales price") on 2 January 2007.

EUR 375 million, which is defined as initial sales price above, is subject to change based on to the circumstances explained below. As per the agreement, the initial sales price will be revised according to the "initial public offering" ("IPO") of the shares of Doğan TV Holding A.Ş. or "not". Besides, on 27 December 2008 as explained to public, within the confirmation with Axel Springer Group, the dates subjecting to recalculation of "initial sales price" have been postponed by 4 years. The mentioned confirmation has not yet become effective as defined conditions are expected to be realized.

In the event that shares of Doğan TV Holding A.Ş are offered to the public before the end of 2015 (formerly 2011), if the fair value of 25% shares held by Axel Springer determined by the public offering price (which will be determined by the quarterly average share price after IPO) exceeds the final sales price (the final sales price will be calculated by adding the interest accrued on the initial sales price on a Eurolibor basis before the public offering to the initial sales price), the excess shall be shared by Axel Springer and the Doğan Yayın evenly. If the fair value is less than the final sales price, the difference will be compensated to Axel Springer by the Group.

CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008

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

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

2.2.33 Critical Accounting Estimates, Assumptions and Judgements (Continued)

2.2.33.a) Critical accounting estimates and assumptions (Continued)

In the event that shares of Doğan TV Holding A.Ş. are not offered to the public before the end of 2015 (formerly 2011), if the fair value of Doğan TV Holding A.Ş., determined by valuation techniques in March 2016 (formerly 2012), is less than the final sales price, Axel Springer will be compensated for the difference by the Group.

In the event that the public offering of shares of Doğan TV Holding A.Ş. is realized between 2015 (formerly 2011) and 2018 (formerly 2014), the positive value arising between the fair value determined as of March 2016 (formerly 2012) and the public offering value will be shared equally, if this has a negative value no transaction will be performed.

The Group has currently determined the fair value of Doğan TV Holding A.Ş. as of the balance sheet date in order to ascertain whether the Group has a financial responsibility or not regarding the above-mentioned issue.

Cash flow projections for Doğan TV Holding A.Ş. for the years 2009 to 2018 for the purpose of determination of fair value have been prepared, and the fair value of Doğan TV Holding A.Ş. has been calculated by discounting the mentioned cash flows. The CMB Financial Reporting Standards suggest that projections on the basis of valuations shall be made covering a budget period of 5 years. The Company management believes that 10-year projections will result better considering the fluctuations in current market conditions and considering the entities which have been made significant investments within the Company are at the starting period of their operations.

The critical estimates and assumptions related to cash flow projections prepared in YTL within the scope of fair value determinations of Doğan TV Holding A.Ş. are explained below:

	2008 - 2013	2013 - 2018
Revenue increase in the budgeted period (1)	23,6%	14,8%

The EBITDA margin for the year ended 31 December 2008 is 1.0% and the EBITDA margin assumptions for the budgeted period are as follows

	2009	2012	2015	2018
EBITDA margin (2)	4,1%	26,0%	29,4%	32,4%

- (1) Compound annual growth rate (CAGR)
(2) Earnings before interest, taxes, depreciation, and amortisation

CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008

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

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

2.2.33 Critical Accounting Estimates, Assumptions and Judgements (Continued)

2.2.33.a) Critical accounting estimates and assumptions (Continued)

Cash flow projections are discounted with the rate of weighted average cost of capital. Annual discount rates are as follows:

Years	2010	2012	2014	2016	2018
Rate of weighted average cost of capital	17,6%	15,5%	14,1%	13,6%	13,5%

The fair value calculated through the discount rates and cash flow projections with significant assumptions mentioned above, there is no financial liability over the sale of 25% shares in Doğan TV Holding A.Ş. to Axel Springer AG group.

(ii) Intangible assets with indefinite useful lives

Group estimates that the useful lives of brand names and territorial broadcasting permissions and licenses (frequency rights) are infinite as further discussed in Note 2.2.10. If these intangible assets' useful lives had been finite (in case of useful lives of 20 years) amortization charge would have increased by YTL 17.501 and loss before income taxes from continuing operations would have increased by YTL 17.501.

(iii) Impairment of assets

As explained in Note 2.2.30, Group compares every cash generating unit's carrying amount with their net realisable value. According to effect of global economic crisis at cash generating units, impairment has been identified for goodwill related with Hungary and East Europe and trade mark and licence carried by Expressz Magyarorszag Rt., a subsidiary located in Hungary. Accordingly, if the estimated after tax discount rate for cash flow estimations is 1% lower than Group management estimation, the Group would have recognised a further impairment for intangible assets of YTL 4.050 and net loss before minority interest would be YTL 4.050 higher.

Energy segment:

(i) Intangible assets with indefinite useful lives

Group estimates the useful lives of trademarks of energy segment are infinite as further discussed in Note 2.2.10. If these intangible assets' useful lives had been finite (in case of useful lives of 20 years), amortization charge would have increased by YTL 6.977 and loss before taxes from continuing operations would have increased by YTL 6.977.

CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008

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

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

2.2.33 Critical Accounting Estimates, Assumptions and Judgements (Continued)

2.2.33.b) Critical accounting judgements

Group presents sales of prepaid phone cards (prepaid minutes) related with mobile telecommunication services and newspaper and magazine sales (excluding transactions with related parties and newspapers distributed through subscription system) as gross.

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

- The Group has latitude, within economic constraints, to set the selling price with the customer,
- The Group has general inventory risk. The Group purchases the newspapers and magazines from suppliers and sells them to its dealers through its distribution network. The Group returns the newspapers and magazines returned by its dealers to the original supplier. The general inventory risk is carried approximately for a week for newspaper and magazine sales,
- The Group has the credit risk associated with the transaction.

2.2.34 Amendments in International Financial Reporting Standards

a) Standards, amendments and interpretations effective from 2008

- International Financial Reporting Implementation Committee ("IFRIC") 11, "IFRS 2 - Group and Treasury Share Transactions"
- IFRIC 12, "Service Concession Arrangements"
- IFRIC 13, "Customer Loyalty Programmes"
- IFRIC 14, "IAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interaction"

The aforementioned interpretations do not have material effect on the consolidated financial statements.

b) Standards that have been early adopted by the Group

- IFRS 8 "Operating Segments" supersedes IAS 14 "Segment Reporting" and brings "Management Approach" in order to report segment information on the same basis as internally reporting. As of 31 December 2007, the Group has early adopted IFRS 8 "Operating Segments" that will be effective for the periods beginning on or after 1 January 2009 and reclassified the companies under "Media" and "Other" segments in respect to management reporting (Note 1 and Note 2.1.5).

CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008

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

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

2.2.34 Amendments in International Financial Reporting Standards (Continued)

c) Standards, amendments and interpretations that are not yet effective in 2008 and have not been early adopted

Effective from 1 January 2009:

- IAS 1 (Amendment), "Presentation of Financial Statements"
- IAS 19 (Amendment), "Employee Benefits"
- IAS 23 (Amendment), "Borrowing Costs"
- IAS 32 (Amendment), "Financial Instruments: Presentation"
- IAS 36 (Amendment), "Impairment of Assets"
- IAS 38 (Amendment), "Intangible Assets"
- IAS 39 (Amendment), "Financial Instruments: Recognition and Measurement"
- IFRS 1 (Amendment) "First-time Adoption of International Financial Reporting Standards" and IAS 27 "Consolidated and Separate Financial Statements"
- IFRS 2 (Amendment), "Share-based Payment"
- IFRIC 15, "Agreements for the Construction of Real Estate"
- IFRIC 16, "Hedges of a Net Investment in a Foreign Operation"

Effective from annual periods on or after 1 July 2009:

- IAS 27 (Amendment), "Consolidated and Separate Financial Statements"
- IAS 28 (Amendment), "Investments in Associates" (and accordingly amendments in IAS 32 "Financial Instruments: Presentation" and IFRS 7 "Financial Instruments - Disclosures")
- IAS 31 (Amendment), "Interests in Joint Ventures"
- IFRS 3 (Amendment), "Business Combinations"
- IFRS 5 (Amendment), "Non-current Assets Held for Sale and Discontinued Operations"
- IFRIC 17, "Distributions of Non-cash Assets to Owners"
- IFRIC 18, "Transfers of Assets from Customers"

Effects of the aforementioned amendments to the consolidated financial statements will be evaluated and applied starting from the effective dates.

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008**

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

NOTE 3 - BUSINESS COMBINATIONS

The details of the business combinations during the years ended 31 December 2008 and 2007 are as follows:

1 January - 31 December 2008

Vatan Newspaper

Doğan Gazetecilik, a subsidiary of the Group, acquired 40,16% shares of Bağımsız Gazeteciler, which owns Vatan Gazetesi brand and its franchise right, in consideration of YTL 8.534 (USD 7,2 million) and 100% shares representing the capital of Kemer Yayıncılık ve Gazetecilik A.Ş., which has a 59.84% shareholding in the share capital of Bağımsız Gazeteciler, taking into account the fact that almost all of Kemer Yayıncılık ve Gazetecilik A.Ş.'s assets are composed of its participation in Bağımsız Gazeteciler, in consideration of YTL 12.719 (USD 10,8 million) on 13 March 2008. The provisional purchase price allocation as at 31 March 2008 was subsequently completed at 30 June 2008. The acquisition resulted in goodwill amounting to YTL 62.865.

The statement of income of Bağımsız Gazeteciler has been included in the consolidated statement of income after 31 March 2008.

The fair values of acquired identifiable assets, liabilities, contingent liabilities and cost of acquisition are as follows:

	Net book value	Fair value
Trade receivables (net)	15.371	15.371
Due from related parties (net)	3.558	3.558
Other receivables	103	103
Inventories (net)	1.511	1.511
Non-current assets held for sale	1.086	1.086
Other current assets	1.672	1.672
Property, plant and equipment	2.193	2.193
Intangible assets	230	1.929
Deferred income tax asset	1.690	1.690
Trademark	-	57.782
Borrowings	(20.645)	(20.645)
Trade payables (net) (*)	(3.590)	(3.590)
Other payables	(633)	(633)
Provisions	(2.082)	(2.082)
Other liabilities	(56)	(56)
Provision for employment termination benefits	(1.179)	(1.179)
Deferred income tax liabilities	(120)	(12.016)
Fair value of net assets	(891)	46.694
Less: cost of acquisition (*)		109.559
Goodwill		62.865

(*) Cost of acquisition includes trade payables to Group amounting to YTL 88.306 in Bağımsız Gazeteciler solo financial statements as of the acquisition date, in addition to cash payment, details are explained above, amounting to YTL 21.253.

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008**

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

NOTE 3 - BUSINESS COMBINATIONS (Continued)

If the acquisition transaction had taken place on 1 January 2008, revenue would have increased by YTL 16.454 and profit attributable to equity holders of the Group would have decreased by YTL 10.532.

Other

As of 6 June 2008 Group acquired 100% of Oglasnik Nekretnine d.o.o ("Nekretnine") shares in cash consideration of TRY 609. The Group recognised YTL 626 positive goodwill for the assets acquired (Note 20).

Group acquired and consolidated 11,43%, 2,47%, 0,67%, 0,85%, 2,31%, 9,74%, 12,18% and 13,34% of the shares of Hürriyet, Hürriyet Pazarlama, POAŞ, Doğan Gazetecilik, DB, Doğan Yayın, Çelik Halat and Ditaş Doğan respectively during the year ended 31 December 2008. Since the Group has chosen "Parent Company Model" (Note 2.2.16) as accounting policy for business combinations, a goodwill amount of YTL 15.495 (Note 20) arose at Hürriyet Pazarlama, POAŞ and Çelik Halat share acquisition and negative goodwill amount of YTL 76.104 at Hürriyet, Doğan Gazetecilik, DB, Doğan Yayın and Ditaş Doğan share acquisition as a result of these transactions. This negative goodwill amount was accounted in "Other income" (Note 31).

Disposals:

As of 31 December 2008, the Group had sold the shares of Trader.com (Polska) Sp. Z.o.o, a subsidiary of the Group, located in Poland, sales gain amount was accounted in "Other income" item.

1 January - 31 December 2007

Acquisitions:

Trader Media East ("TME")

The Group acquired 67,3% of the shares of TME in consideration of YTL 435.385 at 29 March 2007. The provisional purchase price allocation during the interim reporting periods of 2007, was completed at 31 December 2007. The acquisition resulted in a goodwill amounting to YTL 240.237.

The statement of income of TME has been included in the consolidated statement of income after 31 March 2007.

The Group has finalised external valuation studies for the fair values of identifiable assets, liabilities and contingent liabilities acquired, the allocation of purchase prices relating to these business combinations and goodwill or negative goodwill arising as a result of the acquisition. The fair values of identifiable assets, liabilities and contingent liabilities acquired and acquisition costs are as follows:

Current assets	59.881
Non-current assets	682.379
Current liabilities	(253.559)
Non-current liabilities	(175.148)
Minority interests	(118.405)

Fair value of net assets **(195.148)**

Less: cost of acquisition 435.385

Goodwill (Note 20) **240.237**

CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008

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

NOTE 3 - BUSINESS COMBINATIONS (Continued)

If the acquisition transaction had taken place on 1 January 2007, revenue of the Group would have increased by YTL 96.002 and profit attributable to equity holders of the Group would have decreased by YTL 13.966.

Moje Delo d.o.o. ("Moje Delo")

TME, a subsidiary of the Group, acquired 55% of the shares of Moje Delo d.o.o. ("Moje Delo") operating in Slovenia in 2007. Acquisition cost is determined as EUR 2 million plus the net income of Moje Delo for the period 1 January - 31 December 2007. The upper limit for the conditional payment is determined as EUR 1 million. The acquisition resulted in goodwill amounting to YTL 11.071.

Süper Kanal TV Video Radyo Basın Yapım Yayın Tanıtım ve Haber Hizmetleri A.Ş.

Doğan TV, a subsidiary of the Group, acquired 48% of the shares of Süper Kanal TV Video Radyo Basın Yapım Yayın Tanıtım ve Haber Hizmetleri A.Ş., a joint venture for a nominal amount of YTL 4.515 in 2007. The acquisition resulted in goodwill amounting to YTL 4.972.

Hürriyet, Doğan Gazetecilik and Doğan Burda

Group acquired 0,21%, 9,69%, 1,86% and 0,77% of the shares of Hürriyet, Doğan Gazetecilik, DB and POAS, shares of which are publicly traded, respectively in consideration of YTL 52.778 in 2007. Goodwill amounting to YTL 29.514 arose as a result of these transactions since Group chose "Parent Company Model" as accounting policy for business combinations.

Doğan Gazetecilik

The effective ownership interest of the Group in Doğan Gazetecilik changed due to the change in shareholder structure in Doğan Gazetecilik, details are explained in Note 8, and Goodwill amounting to YTL 5.198 arose.

Disposals:

The Group has sold 90.854.185 shares with a nominal value of YTL 1 each, totalling EUR 375.000 representing 25% of the shared capital of Doğan TV, to Dreiundvierzigste Media Vermögensverwaltungsgesellschaft mbH, an associate of Axel Springer AG. Total gain on this sale amounts to YTL 601.201 and is classified in "Other income/expenses" in the consolidated statement of income (Note 31).

The Group signed an agreement with an international investment group Kardan N.V. along with TBIH Financial Services Group N.V. ("TBIH") where the main capital is owned by Austria's leading insurance company Wiener Staedtische Versicherung AG Vienna Insurance Group regarding the sale of 58,2% shares of the Group's subsidiary Ray Sigorta , where the Group has 78,2% shares of Ray Sigorta capital, amounting to USD 81.480. As of 8 June 2007, transfer of 58,2% shares of Ray Sigorta with a nominal value of YTL 23.280 is finalized and total amount is collected in cash. Total gain on this sale is YTL 93.227 and is classified as "Other income/expense" in consolidated statements of income (Note 31). Direct interest of the Group in Ray Sigorta capital is 20% after the transaction (Note 2.1.4d).

CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008

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

NOTE 4 - JOINT VENTURES

Doğan Holding has the following joint ventures (the "Joint Ventures"). 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
Petrol Ofisi A.Ş. ("POAŞ") (*)	Turkey	Distribution of petroleum products	Energy	OMV Aktiengesellschaft ("OMV")
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 Yayıncılık 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 Inc.
Doğan Teleshopping Pazarlama ve Ticaret A.Ş. ("Doğan Teleshopping")	Turkey	TV broadcasting	Media	Television Française 1
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
Turner Doğan Prodüksiyon ve Satış A.Ş. ("Turner Doğan")	Turkey	Radio broadcasting	Media	Turner Broadcasting Inc.
DD Konut Finansman A.Ş. ("DD Konut Finansman")	Turkey	Housing finance	Other	Deutsche Bank AG
Aslançık Elektrik Üretim ve Ticaret Ltd. Şti. ("Aslançık Elektrik")	Turkey	Energy	Other	Doğuş Holding A.Ş.
Boyabat Elektrik Üretim ve Ticaret Ltd. Şti. ("Boyabat Elektrik")	Turkey	Energy	Other	Doka Elektrik Üretim A.Ş. and Anadolu Endüstri Holding A.Ş.
İsedaş İstanbul Elektrik Dağıtım Sanayi ve Ticaret A.Ş. ("İsedaş")	Turkey	Energy	Energy	Doğuş Holding A.Ş.

(*) POAŞ has 52% shares in Kibns Türk Petrolleri Ltd. ("KIPET"), 100% shares in PO Petrofinance N.V. ("Petrofinance"), 100% shares in PO Oil Financing Ltd. ("PO Oil Financing"), 99,96% shares in Erk Petrol Yatırımları A.Ş. ("Erk Petrol"), 99,89% shares in Petrol Ofisi Alternatif Yakıtlar Toptan Satış A.Ş. ("PO Alternatif Yakıt"), 100% shares in PO Georgia LLC ("PO Georgia"), 99,99% shares in Petrol Ofisi Akdeniz Rafinerisi Sanayi ve Ticaret A.Ş. ("Akdeniz Rafinerisi"), 99,75% shares in Petrol Ofisi Gaz İletim A.Ş. ("PO Gaz İletim") and 99,96% shares in Petrol Ofisi Arama Üretim Sanayi ve Ticaret A.Ş.'de ("PO Arama Üretim") (All the subsidiaries of POAŞ are registered in Turkey except for KIPET in KKTC, Petrofinance in Holland and PO Oil Financing in Cayman Islands). As of 31 August 2007, the operations of PO International were ceased and those operations previously held by PO International are performed by POAŞ.

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

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 ownership interest (%)	
	2008	2007	2008	2007	2008	2007	2008	2007
POAŞ (1)	54,17	53,50	-	-	54,17	53,50	54,17	53,50
DB (1)	44,89	42,58	-	-	44,89	42,58	30,31	26,83
DB Popüler	44,87	42,58	-	-	44,87	42,58	30,30	26,82
Doğan Egmont	50,00	50,00	-	-	50,00	50,00	33,76	31,51
DPP	46,00	46,00	10,00	10,00	56,00	56,00	22,43	20,18
Ultra Kablolu	50,00	50,00	-	-	50,00	50,00	33,76	31,51
TNT	75,04	75,04	-	-	75,04	75,04	37,76	35,24
Doğan Teleshopping	50,00	50,00	-	-	50,00	50,00	25,15	23,48
Birey İK	50,00	50,00	50,00	50,00	100,00	100,00	31,46	21,98
Katalog	50,00	50,00	-	-	50,00	50,00	33,76	31,51
Turner Doğan	49,99	49,99	-	-	49,99	49,99	25,15	23,47
DD Konut Finansman	47,00	47,00	4,00	4,00	51,00	51,00	39,37	38,31
Aslançık Elektrik	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	40,00	40,00	5,00	5,00	45,00	45,00	40,00	40,00

(1) Acquisitions of shares of these joint ventures in the period cause an increase in voting power.

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008**

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

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:

	2008	2007
Current assets	1.925.967	1.398.762
Non-current assets	2.029.999	1.794.738
Total assets	3.955.966	3.193.500
Current liabilities	1.280.279	866.194
Non-current liabilities	1.093.503	835.751
Equity	1.582.184	1.491.555
Total liabilities and equity	3.955.966	3.193.500
	2008	2007
Revenues	9.402.882	7.274.995
Gross profit	682.697	495.264
Net profit for the period	46.729	166.123

NOTE 5 - SEGMENT REPORTING

a) External Revenues

	2008	Restated 2007
Media (*)	2.873.647	2.549.919
Energy	9.312.098	7.207.306
Other (*)	318.755	505.129
	12.504.500	10.262.354

b) (Loss)/Profit before income taxes

	2008	Restated 2007
Media (*)	(428.435)	764.826
Energy	3.485	161.274
Other (*)	404.836	(104.939)
	(20.114)	821.161

(*) Since the Group has early adopted IFRS 8 "Operating Segments" standard that will be effective for the periods beginning on or after 1 January 2009, accordingly segmental information was restated for "Media" and "Other" segments, reported as of 31 December 2007, was restated due to comparative principle.

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008**

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

NOTE 5 - SEGMENT REPORTING (Continued)

c) Segmental analysis for the year ended 31 December 2008;

	Media (*)	Energy	Other (*)	Inter segment elimination	Total
External revenues	2.873.647	9.312.098	318.755	-	12.504.500
Intra segment revenues	2.362.359	-	3.358	-	2.365.717
Inter segment revenues	6.285	7.109	40.669	-	54.063
Total revenues	5.242.291	9.319.207	362.782	-	14.924.280
Total cost of sales	(4.298.252)	(8.662.615)	(317.193)	-	(13.278.060)
Revenues	2.879.933	9.319.207	359.423	(54.063)	12.504.500
Cost of sales	(2.213.128)	(8.662.615)	(317.194)	259	(11.192.678)
Gross profit	666.805	656.592	42.229	(53.804)	1.311.822
Marketing, selling and distribution expenses	(343.627)	(170.583)	(11.802)	133	(525.879)
General administrative expenses	(363.332)	(113.315)	(60.573)	56.504	(480.716)
Other income/(expenses), net	5.922	(16.689)	52.953	(27)	42.159
Share of profit of investments	-	-	1.623	-	1.623
accounted for by the equity method	-	-	-	-	-
Financial income	176.578	429.913	666.128	(11.257)	1.261.362
Financial expenses	(570.781)	(782.433)	(285.722)	8.451	(1.630.485)
(Loss)/profit before income taxes	(428.435)	3.485	404.836	-	(20.114)
-before inter segment elimination					

(*) Doğan Yayın is the parent company of "Media" segment. Since Doğan Yayın has significant influence over DD Konut Finansman and Doğan Hava, these subsidiaries are accounted for using the equity method by Doğan Yayın while they are consolidated on a line-by-line basis by the Group. These subsidiaries are classified under "Other" segment by the Group.

CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008

(Amounts expressed in thousands of New Turkish Lira ("YTL") unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

NOTE 5 - SEGMENT REPORTING (Continued)

d) Segmental analysis for the year ended 31 December 2007;

	Restated Media (*)	Energy	Restated Other (*)	Inter segment elimination	Total
External revenues	2.549.919	7.207.306	505.129	-	10.262.354
Intra segment revenues	1.885.222	-	3.533	-	1.888.755
Inter segment revenues	9.524	4.446	40.210	-	54.180
Total revenues	4.444.665	7.211.752	548.872	-	12.205.289
Total cost of sales	(3.576.106)	(6.717.804)	(521.429)	-	(10.815.339)
Revenues	2.559.443	7.211.752	545.339	(54.180)	10.262.354
Cost of sales	(1.949.715)	(6.717.804)	(519.297)	51.253	(9.135.563)
Gross profit	609.728	493.948	26.042	(2.927)	1.126.791
Marketing, selling and distribution expenses	(266.371)	(154.320)	(18.346)	-	(439.037)
General administrative expenses	(279.484)	(139.251)	(54.548)	1.541	(471.742)
Other income/(expenses), net	548.745	(174.989)	(3.606)	(188)	369.962
Share of profit of investments	-	-	(1.477)	-	(1.477)
accounted for by the equity method	299.709	348.239	187.205	2.302	837.455
Financial income	(147.501)	(212.353)	(240.209)	(728)	(600.791)
Financial expenses	-	-	-	-	-
Profit/(loss) before income taxes	764.826	161.274	(104.939)	-	821.161
-before inter segment elimination					

(*) Doğan Yayın is the parent company of "Media" segment. Since Doğan Yayın has significant influence over DD Konut Finansman and Doğan Hava, these subsidiaries are accounted for using the equity method by Doğan Yayın while they are consolidated on a line-by-line basis by the Group. These subsidiaries are classified under "Other" segment by the Group.

CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008

(Amounts expressed in thousands of New Turkish Lira ("YTL") unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

NOTE 5 - SEGMENT REPORTING (Continued)

e) Segment assets

	2008	Restated 2007
Total assets		
Media	4.648.064	4.064.146
Energy	3.736.637	3.145.880
Other	2.230.076	1.900.198
Total	10.614.777	9.110.224
Less: segment elimination	(6.310)	(41.775)
Total assets per consolidated financial statements	10.608.467	9.068.449
Net assets		
Media	1.513.279	1.910.626
Energy	1.398.175	1.458.243
Other	1.891.624	1.450.131
Total	4.803.078	4.819.000
Less: segment elimination	(949.576)	(1.061.425)
Shareholders' equity	3.853.502	3.757.575
Minority interests	852.322	1.205.781
Total net assets per consolidated financial statements	4.705.824	4.963.356

CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008

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

NOTE 5 - SEGMENT REPORTING (Continued)

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

	2008	Restated 2007
Capital Expenditures		
Media	343.069	882.055
Energy	161.562	126.723
Other	83.814	43.018
Total	588.445	1.051.796

Depreciation and amortization charge

Media	214.349	183.266
Energy	137.115	144.389
Other	25.170	22.966
Total	376.634	350.621

g) Minority interests

	2008			2007		
	Doğan Family	Other	Total	Doğan Family	Other	Total
Media	93.377	733.014	826.391	93.377	1.079.057	1.172.434
Energy	-	1.245	1.245	-	276	276
Other	6.900	17.786	24.686	6.900	26.171	33.071
	100.277	752.045	852.322	100.277	1.105.504	1.205.781

CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008

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

NOTE 5 - SEGMENT REPORTING (Continued)

h) Non-cash expenses

Significant non-cash expenses included in segment results are as follows:

	2008			
	Media	Energy	Other	Total
Provision for doubtful receivables	49.824	9.003	2.651	61.478
Interest expense accrual	20.027	23.840	10	43.877
Impairment of inventories	3.672	37.256	-	40.928
Impairment of goodwill	29.861	-	-	29.861
Provision for lawsuits	16.666	3.542	325	20.533
Impairment of intangible assets	12.370	-	-	12.370
Provision for employment termination benefits	8.714	1.671	1.835	12.220
Provision for unused vacation	5.026	347	322	5.695
Impairment of investment property	5.197	-	-	5.197
Provision for impairment of programme stocks	3.214	-	-	3.214
	154.571	75.659	5.143	235.373

	2007			
	Media	Energy	Other	Total
Provision for doubtful receivables	20.259	19.943	5.481	45.683
Provision for lawsuits	20.623	5.630	371	26.624
Interest expense accrual	16.917	5.911	512	23.340
Provision for employment termination benefits	5.594	1.083	1.302	7.979
Provision for unused vacation	6.083	518	-	6.601
Impairment of inventories	1.156	-	-	1.156
Provision for impairment of programme stocks	622	-	-	622
Impairment of goodwill	2.336	-	-	2.336
	73.590	33.085	7.666	114.341

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008**

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

NOTE 6 - CASH AND CASH EQUIVALENTS

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

	2008	2007
Cash	2.181	1.930
Banks		
- demand deposits	50.074	76.571
- time deposits	3.295.566	2.260.924
Blocked bank deposits	12.644	11.372
Reverse repurchase agreements	2.010	-
Liquid funds	570	364
Government bonds and treasury bills	37	-
	3.363.082	2.351.161

At 31 December 2008, interest rates for YTL time deposits are between 2% and 22% (2007: 12%-19%) and interest rates for foreign currency time deposits are between 0% and 8% (2007: 2%-7%). As of 31 December 2008, reverse repurchase agreements are all short-term with periods of less than three months with an interest rate between 14% and 22% (2007: None).

Cash and cash equivalents amounting to YTL 12.577 (2007: YTL 9.892) at 31 December 2008 consists of credit card slip receivables. These receivables are blocked by banks approximately for one month period with respect to the agreements made.

At 31 December 2008, Group does not have blocked deposits that are provided to collateralize the letter of credit purchases (2007: YTL 1.474).

Cash and cash equivalents included in the consolidated statements of cash flows at 31 December are disclosed below.

	2008	2007	2006
Cash and cash equivalents	3.363.082	2.351.161	1.976.518
Accrued interest (-)	(14.448)	(8.696)	(8.892)
Cash and cash equivalents	3.348.634	2.342.465	1.967.626

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008**

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

NOTE 7 - FINANCIAL INVESTMENTS

a) Short term financial investments

	2008	2007
Fair value of inventory future contracts	33.896	-
Valuation of swap transactions	22.953	-
Government bonds and treasury bills	18.918	21.255
Corporate bonds	15.219	-
Guarantee deposits for derivative transactions	-	23.535
Equity stocks	-	2.839
Time deposits	-	837
Hedge foreign currency derivative instruments	8.194	-
Other	13	-
	99.193	48.466

The Group has used derivative instruments for the purpose of regular gross profit margin and avoiding loss in value inventories. Financial instruments whose maturities are 1 or 2 months are used for the import cargos, for oil inventories contracts with longer maturities are used. The maturities of all contracts are less than 1 year. Any gains or losses arising from these transactions, are included in cost of goods sold.

	2008		2007	
	Nominal	Change in fair Value	Nominal	Change in fair value
Inventory	139.850	33.896	150.735	(13.827)
	139.850	33.896	150.735	(13.827)

As of 31 December 2008, best purchase price on actual orders by the end of the second session 31 December 2008 are undertaken on determination of the fair value of government bonds and treasury bills. As of 31 December 2008, effective interest rate of government bonds and treasury bills is 17% (2007: 18%).

CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008

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

NOTE 7 - FINANCIAL INVESTMENTS (Continued)

b) Non-current financial investments

	2008		2007	
Available-for-sale investments, net	1.264		6.080	
	1.264		6.080	
Available-for-sale financial investments				
	2008		2007	
	YTL	%	YTL	%
Marbleton Property Fund L.P ("Marbleton")	5.406	9	2.272	9
Aks Televizyon Reklamcılık ve Filmcilik Sanayi ve Ticaret A.Ş. ("Show TV")	2.923	9	2.923	9
Other	1.264		885	-
Less: provision for impairment (*)	(8.329)		-	
	1.264		6.080	

(*)Available for sale financial investments are initially recognized at cost as of 31 December 2008 and there is impairment on Marbleton amounted to YTL 5.406 and on Show TV amounted to YTL 2.923.

NOTE 8 - BORROWINGS

Short term financial liabilities:	2008	2007
Short-term bank borrowings	699.026	192.991
Short-term portion of long-term borrowings	342.987	131.070
Interest bearing payables to suppliers	28.530	15.853
Financial lease liabilities	27.668	15.212
	1.098.211	355.126
Long term financial liabilities:	2008	2007
Long-term bank borrowings	1.786.323	1.355.474
Financial liabilities related with options	139.350	103.432
Interest bearing payables to suppliers	86.095	83.272
Financial lease liabilities	23.620	27.501
	2.035.388	1.569.679

CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008

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

NOTE 8 - BORROWINGS (Continued)

i) Borrowings

Breakdown of borrowings and eurobonds at 31 December are as follows:

	2008			2007		
	YTL	Foreign currency	Total	YTL	Foreign currency	Total
Short-term borrowings and eurobond						
Short-term borrowings	345.851	353.175	699.026	125.303	67.688	192.991
Short-term portion of long-term borrowings	24.724	318.263	342.987	125	126.790	126.915
Eurobond	-	-	-	-	4.155	4.155
Total short-term borrowings and eurobond	370.575	671.438	1.042.013	125.428	198.633	324.061
	2008			2007		
	YTL	Foreign currency	Total	YTL	Foreign currency	Total
Long-term borrowings and eurobond						
Long-term borrowings	272.887	1.513.436	1.786.323	400	1.246.028	1.246.428
Eurobond	-	-	-	-	109.046	109.046
Total long-term borrowings and eurobond	272.887	1.513.436	1.786.323	400	1.355.074	1.355.474

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

Years	2008	2007
2009	-	626.010
2010	673.247	274.751
2011	559.333	147.940
2012	302.624	257.244
2013	197.912	43.613
2014 and over	53.207	5.916
Total	1.786.323	1.355.474

Weighted average of effective interest rates for YTL, USD and EUR short-term borrowings are 22%, 6% and 6%, respectively (2007: 16%, 7% and 6%).

Weighted average of effective interest rates for USD and EUR long-term borrowings are 7% and 6%, respectively (2007: 7% and 5%).

At 31 December 2008, the amount of borrowings with floating interest rates is YTL 1.155.287 (31 December 2007: YTL 1.104.778).

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008**

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

NOTE 8 - BORROWINGS (Continued)

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+1,4% and Libor+3,5% (London Interbank Offered Rate).

Hürriyet, a subsidiary of the Group, obtained a long-term bank borrowing amounting to USD 240,9 million in order to partially finance the acquisition of TME shares in 2007, and Doğan TV, a subsidiary of the Group, obtained a long-term bank borrowing amounting to 146,7 million in order to partially finance the acquisition of Star TV Ticari ve İktisadi Bütünlüğü in 2005 and for financing its working capital needs. Hürriyet and Doğan TV have to meet general commitments and financial covenants with respect to these long-term borrowings (financial covenants mainly related to ratio of earnings before interest, taxes and depreciation and amortization ("EBITDA") to net debt amount). Unless these covenants are met, the financial institution may immediately demand the repayment of the borrowings totally or partially with accumulated interest. Companies meet these financial covenants.

Eurobond

The issue and sale procedures of Eurobond performed by PO Oil Financing Limited, a Subsidiary of POAŞ, were completed by 22 July 2004 and the Eurobond issued with a nominal value of USD 175.000 (USD 94.806 with the Holding's ownership interest) is registered at Luxembourg Stock Exchange. The Eurobond issued has a maturity of five years; beginning on 22 July 2004 and maturing on 22 July 2009. The Eurobond has a fixed interest rate of 9,75% and the interest will be paid semi-annually. As of 24 December 2008, Eurobond closed with payment before maturity date (31 December 2007: YTL 7.766 (with Doğan Holding's ownership interest YTL 4.155) and long-term portion of the bonds amount to YTL 203.823 (with Doğan Holding's ownership interest YTL 109.046)).

Share pledges:

11,3% shares of Doğan Yayın (70.000.000 shares), 13,3% shares of Hürriyet (61.000.000 shares) and 49% shares of Kanal D (24.500.000 shares) and 67,3% shares of TME (33.649.091 shares) were pledged to financial institutions in respect of the long-term borrowings of the Group.

ii) Financial liabilities related with options:

At 19 November 2007 during the capital increase of Doğan Gazetecilik, the Group sold 22.000.000 shares each having face value of YTL 1 and corresponding to 28% of Doğan Gazetecilik's share capital amounting to YTL 78.000, to Deutsche Bank AG in ISE Wholesale Market in consideration of USD 4 per share (initial price) (YTL 4,73), by limiting the existing shareholders' share purchase rights. There are put and call option agreements between Group and Deutsche Bank AG upon the shares of Doğan Gazetecilik. Maturities of both agreements are 5 years 3 months and end at 19 February 2013. In this case, the values of shares that are subject to the call option at the exercise date will be determined according to calculations. According to the put option agreement mentioned above, since Group has a liability of giving another entity cash or another financial asset (in the case the put option is exercised by Deutsche Bank AG), USD 88 million is presented as a financial liability in the consolidated financial statements.

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008**

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

NOTE 8 - BORROWINGS (Continued)

iii) Financial leasing payables

The Group acquired property, plant and equipment through finance leases.

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

	2008	2007
2009	-	13.291
2010	12.200	6.367
2011	6.143	4.559
2012	2.906	2.047
2013	1.550	1.237
2014 and over	821	-
	23.620	27.501

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 long-term trade payables in USD, EUR, CHF are 3,4%, 4,5% and 3,0%, respectively (31 December 2007: USD 5,5%, EUR 4,7%, CHF 3,8%).

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

	2008	2007
2009	-	20.361
2010	21.889	16.410
2011	21.985	16.070
2012	21.665	15.814
2013	18.634	13.467
2014 and over	1.922	1.150
	86.095	83.272

Interest bearing payables to suppliers have floating interest rates and YTL 86.095 (2007: YTL 79.104) of the borrowings will be repriced within 6 months.

CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008

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

NOTE 9 - OTHER FINANCIAL LIABILITIES

The details of other financial liabilities at 31 December is as follows

Other short-term financial liabilities:	2008	2007
Financial liabilities due to put options (Note 22 b.i)	13.686	-
Guarantee deposit payables for derivative transactions	10.209	-
Fair value hedge transaction accruals (Note 7)	-	13.827
	23.895	13.827
Other long-term financial liabilities:	2008	2007
Financial liabilities due to put options (Note 22 b.i)	6.043	17.850
Interest rate swap contracts	367	-
	6.410	17.850

NOTE 10 - TRADE RECEIVABLES AND PAYABLES

	2008	2007
Short-term trade receivables		
Trade receivables, net of unearned finance income	1.048.188	1.087.635
Notes receivables and cheques, net of unearned finance income	295.251	403.160
Other	712	279
	1.344.151	1.491.074
Less: provision for doubtful receivables (-)	(176.879)	(122.683)
	1.167.272	1.368.391
Long-term trade receivables	2008	2007
Trade receivables, net of unearned finance income	7.349	3.760
Notes receivables and cheques, net of unearned finance income	280	308
	7.629	4.068

CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008

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

NOTE 10 - TRADE RECEIVABLES AND PAYABLES (Continued)

Movement of the provisions for doubtful receivables for the years ended as of 31 December is as follows:

	2008	2007
1 January	122.683	92.666
Increase in provision	61.478	45.683
Collections	(17.849)	(7.681)
Business combinations	9.860	(8.094)
Currency translation differences	84	(266)
Change in consolidation scope	623	375

31 December	176.879	122.683
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Short-term trade payables:

	2008	2007
Trade payables, net of unincurred credit finance charges (*)	1.297.491	827.989
Notes payable, net of unincurred credit finance charges	15.485	22.215
Other	633	1.308
	1.313.609	851.512

Long-term trade payables

	2008	2007
Trade payables, net of unincurred credit finance charges (*)	524.114	484.361
	524.114	484.361

(*) There are letter of credits, purchased from several banks, of POAŞ, joint venture of the Group, in short and long-term trade payables due to fuel purchases.

The non-interest bearing letters of credit amounts to YTL 677.864 (USD 448.234) (2007: YTL 110.981 (USD 95.287)). The interest bearing letters of credit (interest bearing) amounts to YTL 93.151 (USD 61.596) and weighted average interest rate is 6,31% (2007: YTL 141.129 (USD 121.172) with interest rates of 5,52%).

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008**

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

NOTE 10 - TRADE RECEIVABLES AND PAYABLES (Continued)

The long-term USD letters of credit (non-interest bearing) amounts to YTL 523.773 (USD 346.342) (31 December 2007: YTL 416.548 (USD 357.644)). There are no interest bearing letters of credits (2007: YTL 67.353 (USD 57.828) with interest rate 6,31%).

Non-interest bearing letter of credits are recognized at fair value at initial recognition. In subsequent periods these letter of credits are measured at amortized cost, using the effective interest rate method. Effective interest rates used for long-term and short-term non-interest bearing letters of credit are 4,02%and 4,70% respectively (2007: 5,25% and 5,78%).

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

	2008	2007
2009	-	353.435
2010	501.325	130.926
2011 and over	22.789	-
	524.114	484.361

NOTE 11 - OTHER RECEIVABLES AND PAYABLES

	2008	2007
Other short-term receivables		
Special Consumption Tax ("SCT") Exemption (1)	30.339	22.155
Deposits and guarantees given	1.531	445
Receivables from Privatization Administration ("PA")	-	2.454
Other miscellaneous receivables	4.120	11.781
	35.990	36.835

Other long-term receivables

Deposits and guarantees given	1.557	2.007
Other miscellaneous receivables	554	273
	2.111	2.280

- (1) SCT exemption amount consists of exemption certificates, obtained for SCT exempted good deliveries and could be used in purchases from Türkiye Petrol Rafinerileri A.Ş. ("Tüpraş") but not be used yet.

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008**

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

NOTE 11 - OTHER RECEIVABLES AND PAYABLES (Continued)

	2008	2007
Other short-term liabilities		
Taxes and withholding payables	222.995	196.380
Order advances received	20.371	2.196
Payables to personnel	8.659	15.483
Fuel purchase certificates (1)	3.661	55.697
Deposits and guarantees received	1.084	2.099
Other	17.428	27.418

	274.198	299.273
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Other long-term liabilities

Advances received	49.351	40.485
Payables to Public Waterworks Administration (DSİ) (2)	15.137	-
Deposits and guarantees received	11.404	11.071
Other long-term liabilities	2.047	4.426

	77.939	55.982
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- (1) At 31 December 2008 and 31 December 2007, the fuel purchase certificates shown in current liabilities are the certificates issued for future consumption but not used by the customers.
- (2) Payables to DSİ are related with transfer of construction investment and water using right of Boyabat Hydroelectric Power Plant from DSİ to Boyabat Elektrik.

NOTE 12 - RECEIVABLES AND PAYABLES FROM FINANCIAL SECTOR OPERATIONS

None (2007: None).

CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008

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

NOTE 13 - INVENTORIES

	2008	2007
Short-term inventories		
Finished goods and merchandise (*)	456.703	427.785
Raw materials and supplies (**)	202.168	101.952
Semi-finished goods	9.049	9.331
Promotion stocks	13.175	9.837
Other inventories	49.709	29.769
	730.804	578.674
Less: provision for impairment on inventories	(4.945)	(2.028)
	725.859	576.646

(*) The Group identified that cost of fuel inventories is higher than their net realizable value as of 31 December 2008 and YTL 37.256 impairment provision is accounted under "Finished and trading goods".

(**) At 31 December 2008 raw materials and supplies amounting to YTL 100.099 is related with the land purchase cost for real estate construction developments of the Group.

Other inventories mainly consist of fuel in transit and lubricants.

Movement of impairment of inventories is as follows:

	2008	2007
1 January	2.028	5.407
Current year charge	3.672	1.156
Provision released	(755)	(4.535)

31 December **4.945** **2.028**

	2008	2007
Long-term inventories		
Finished goods and merchandise	23.579	-
	23.579	-

CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008

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

NOTE 14 - BIOLOGICAL ASSETS

As of 31 December 2008, biological assets amount to YTL 123 (2007: YTL 75).

NOTE 15 - CONSTRUCTION CONTRACT RECEIVABLES AND PROGRESS BILLING

Group has no construction contract receivables and construction progress billings (2007: None).

NOTE 16 - INVESTMENTS ACCOUNTED FOR BY THE EQUITY METHOD

Associates

	2008		2007	
	YTL	%	YTL	%
Ray Sigorta	12.449	20	8.426	20
Boyabat Elektrik	-	-	13.416	33
	12.449		21.842	

2008	Assets	Liabilities	Net Sales	Profit
Ray Sigorta	270.943	208.698	151.460	644
2007	Assets	Liabilities	Net Sales	Loss
Ray Sigorta	196.883	155.469	150.039	(2.672)

The movements in associates during the years ended as of 31 December are as follows:

	2008	2007
1 January	21.842	-
Reclassification in consolidation scope	(13.416)	4.783
Capital increase in associates	2.400	18.536
Share of gains/(losses) of associates	1.623	(1.477)
31 December	12.449	21.842

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008**

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

NOTE 17 - INVESTMENT PROPERTY

	1 January 2008	Additions	Disposals	Transfer (1)	Change in consolidation scope	Provision for impairment	31 December 2008
Cost:							
Land and land improvements	32.629	679	(3.298)	953	9	-	30.972
Buildings	31.339	24.730	(9.641)	21.393	790	(5.197)	63.414
	63.968	25.409	(12.939)	22.346	799	(5.197)	94.386

Accumulated Depreciation:

Land and land improvements	148	3	-	-	8	-	159
Buildings	15.257	753	(905)	378	361	-	15.844
	15.405	756	(905)	378	369	-	16.003

Net book value **48.563** **78.383**

	1 January 2007	Additions	Disposals	Transfer (2)	Change in consolidation scope	Provision for impairment	31 December 2007
Cost:							
Land and land improvements	38.347	-	(5.725)	-	7	-	32.629
Buildings	14.236	-	(3.449)	18.936	621	995	31.339
	52.583	-	(9.174)	18.936	628	995	63.968

Accumulated Depreciation:

Land and land improvements	139	3	-	-	6	-	148
Building	7.219	433	-	7.331	274	-	15.257
	7.358	436	-	7.331	280	-	15.405

Net book value **45.225** **48.563**

(1) Transfers amounting to YTL 21.968 are related with tangible assets (Note 18).

(2) Transfers amounting to YTL 11.605 are related with tangible assets (Note 18).

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008**

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

NOTE 18 - PROPERTY, PLANT AND EQUIPMENT

Movement for property, plant and equipment and related depreciation for the year ended 31 December 2008 is as follows:

	1 January 2008	Additions	Disposals	Transfers (1)	Business combinations	Disposal of subsidiary(2)	Change in consolidation scope	Currency translation differences	Provision for impairment	31 December 2008
Cost:										
Land and land improvements	245.008	4.905	(8.565)	8.343	-	-	1.195	2.311	-	253.197
Buildings	418.767	6.463	(1.050)	(17.593)	10	-	1.738	5.443	-	413.778
Machinery and equipment	1.313.329	47.106	(12.670)	20.429	1	-	4.116	9.347	-	1.381.658
Motor vehicles	100.737	10.110	(3.901)	1.069	518	-	102	674	-	109.309
Furniture and fixtures	244.135	29.754	(12.413)	912	1.185	(2.750)	439	1.280	(4.336)	258.206
Leasehold improvements	287.415	8.220	(3.648)	81.305	830	(66)	2.288	72	-	376.416
Other fixed assets	292.975	3.981	(1.458)	52.911	-	-	3.578	-	-	351.987
Construction in progress	26.260	216.169	(2.023)	(172.538)	(5)	(85)	157	(112)	-	67.823
	2.928.626	326.708	(45.728)	(25.162)	2.539	(2.901)	13.613	19.015	(4.336)	3.212.374
Accumulated depreciation:										
Land and land improvements	36.870	5.488	(1.216)	-	-	-	417	-	-	41.559
Buildings	96.321	11.014	(323)	(378)	-	-	132	665	-	107.431
Machinery and equipment	927.117	71.675	(7.274)	-	-	-	3.489	3.330	-	998.337
Motor vehicles	34.934	17.583	(2.742)	-	-	-	59	230	-	50.064
Furniture and fixtures	174.700	21.182	(9.370)	-	-	(1.751)	341	979	(434)	185.647
Leasehold improvements	101.338	33.513	(1.890)	-	-	(28)	482	27	-	133.442
Other fixed assets	125.256	24.456	(130)	-	-	-	1.573	-	-	151.155
	1.496.536	184.911	(22.945)	(378)	-	(1.779)	6.493	5.231	(434)	1.667.635
Net book value	1.432.090									1.544.739

(1) Transfers amounting to YTL 21.968 are related to investment property (Note 17) and transfers amounting to YTL 2.816 are related to intangible assets (Note 19).

(2) The Group sold all the shares held in Trader.com (Polska) Sp. Z o.o, an indirect subsidiary with a controlling rate of 100%, to the media group Agora SA resident in Poland on 25 June 2008 (Note 31).

Machinery and equipment, furniture and fixtures, motor vehicles and leasehold improvements include finance leased assets amounting to YTL 51.036 YTL 669 YTL 848 and YTL 29.749 respectively, at 31 December 2008. The accumulated depreciation related to finance leased assets amounts to YTL 59.693 at 31 December 2008.

At 31 December 2008, mortgages on property, plant and equipment amounts to YTL 15.364 (Note 29).

CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008

(Amounts expressed in thousands of New Turkish Lira ("YTL") unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

NOTE 18 - PROPERTY, PLANT AND EQUIPMENT (Continued)

Movement for property, plant and equipment and related depreciation for the year ended 31 December 2007 is as follows:

	1 January 2007	Classifications (1)	Additions	Disposals	Transfers	Addition of subsidiaries(2)	Disposal of subsidiaries (3)	Change in consolidation scope (4)	Currency translation differences	31 December 2007
Cost:										
Land and land improvements	232.938	2.652	282	(542)	5.936	2.218	(2)	2.425	(899)	245.008
Buildings	433.202	58	3.351	(120)	(13.434)	14.869	(17.132)	782	(2.809)	418.767
Machinery and equipment	1.287.886	(5.235)	29.854	(64.388)	52.119	12.683	-	4.929	(4.519)	1.313.329
Motor vehicles	102.238	-	12.505	(53.117)	37.757	2.807	(1.172)	130	(411)	100.737
Furniture and fixtures	239.403	(224)	24.986	(24.451)	-	10.217	(6.089)	434	(179)	244.135
Leasehold improvements	213.745	6	67.223	(1.088)	7.878	102	(2.142)	1.641	30	287.415
Other fixed assets	264.376	2.853	32.054	(4.478)	(5.261)	-	-	3.431	-	292.975
Construction in progress	26.982	-	86.509	(3.490)	(84.857)	919	-	229	(2)	26.260
	2.800.770	110	256.764	(151.654)	145	43.815	(26.536)	14.001	(8.789)	2.928.826
Accumulated Depreciation:										
Land and land improvements	29.405	2.080	5.552	(510)	(28)	-	-	371	-	36.870
Buildings	95.145	65	11.750	(256)	(7.331)	-	(2.911)	110	(251)	96.321
Machinery and equipment	917.611	(6.470)	70.896	(58.697)	453	-	-	4.260	(936)	927.117
Motor vehicles	42.598	-	14.736	(21.902)	-	-	(553)	71	(16)	34.934
Furniture and fixtures	183.743	(64)	17.620	(22.715)	(633)	-	(4.437)	310	876	174.700
Leasehold improvements	76.931	(33)	26.378	(386)	-	-	(1.891)	324	15	101.338
Other fixed assets	95.396	4.530	24.362	(422)	-	-	-	1.390	-	125.256
	1.440.829	108	171.294	(104.888)	(7.539)	-	(9.792)	6.836	(312)	1.496.536
Net book value	1.359.941									1.432.090

- (1) Classifications between property, plant and equipment are performed through reviewing property, plant and equipment under the Energy segment within the year.
- (2) TME is acquired during 2007 by a subsidiary of the Group, Hürriyet. Amounts related to this transaction are shown under "Acquisition" column.
- (3) Ray Sigorta is disposed by the Group in 2007, amounts related to this transaction are shown under "Disposal of Subsidiaries" column.
- (4) The movements are related to the rate changes of the subsidiary of the Group, Super Kanal, and Joint Ventures, DB, Katalog Yayın and POAŞ.

Machinery and equipment, furniture and fixtures, motor vehicles and leasehold improvements include finance leased assets amounting to YTL 47.651, YTL 403, YTL 916 and YTL 25.467 respectively, at 31 December 2007. The accumulated depreciation related to finance leased assets amounts to YTL 54.600 at 31 December 2007.

At 31 December 2007, mortgages on property, plant and equipment amounts to YTL 13.917.

CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008

(Amounts expressed in thousands of New Turkish Lira ("YTL") unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

NOTE 19 - INTANGIBLE ASSETS

Movement for intangible assets and related amortization for the years ended at 31 December 2008 and 2007 are as follows:

	1 January 2008	Additions	Business combinations	Disposal of subsidiaries (**)	Disposals	Transfers (*)	Impairment (***)	Change in consolidation scope	Currency translation differences	31 December 2008
Cost:										
Dealer contracts	492.981	-	-	-	-	-	-	6.210	-	499.191
Brand names of energy segment	137.821	-	-	-	-	-	-	1.736	-	139.557
Customer contracts	40.336	-	-	-	-	-	-	508	-	40.844
Customer list	252.682	-	-	(310)	-	-	-	-	22.042	274.414
Brand names of media segment	368.752	553	57.782	(1.964)	-	-	(12.370)	-	27.486	440.239
Terrestrial broadcasting permission and license	57.406	-	-	-	-	-	-	-	-	57.406
Other	240.395	90.396	1.957	(5.882)	(16.745)	2.816	-	217	8.776	321.950
	1.590.373	90.949	59.739	(8.138)	(16.745)	2.816	(12.370)	8.671	58.304	1.773.601
Accumulated amortization:										
Dealer contracts	190.626	65.031	-	-	-	-	-	2.401	-	258.058
Customer contracts	23.398	6.378	-	-	-	-	-	294	-	30.010
Customer list	11.834	17.584	-	(216)	-	-	-	-	220	29.422
Brand names of media segment	9.946	1.294	-	-	-	-	-	-	32	10.672
Other	167.001	40.620	-	(1.463)	(2.645)	-	-	151	5.008	208.672
	402.145	130.907	-	(1.679)	(2.645)	-	-	2.846	5.260	536.834
Programme rights	59.033									80.994
Net book value	1.247.261									1.317.761

Movement for programme rights in 2008:

	1 January 2008	Additions	Disposals	Amortisation	Currency translation differences	Programme rights and provision for impairment	31 December 2008
Programme rights	59.033	83.101	-	(60.060)	2.134	(3.214)	80.994

- (*) Transfer amounting to YTL 2.817 is related to tangible assets (Note 18)
- (**) The Group sold all the shares held in Trader.com (Polska) Sp. Z o.o, an indirect subsidiary with a controlling rate of 100%, to the media group Agora SA resident in Poland on 25 June 2008 (Note 31).
- (***) Impairment is related with trademarks with indefinite useful lives and licenses of the Group's subsidiary Expressz Magyarország Rt, which is located in Hungary.

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008**

(Amounts expressed in thousands of New Turkish Lira ("YTL") unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

NOTE 19 - INTANGIBLE ASSETS (Continued)

	1 January 2007	Classifications	Additions	Addition of subsidiaries(1)	Disposals	Transfers (2)	Change in consolidation scope (3)	Currency translation differences	31 December 2007
Cost:									
Dealer contracts	487,536	-	-	-	-	-	5,445	-	492,981
Brand names of energy segment	135,836	-	-	-	-	-	1,985	-	137,821
Customer contracts	39,966	-	-	-	-	-	370	-	40,336
Customer list	-	-	-	280,374	-	-	-	(27,692)	252,682
Brand names of media segment	76,984	-	25	321,625	-	-	-	(31,882)	368,752
Terrestrial broadcasting permission and license	57,406	-	-	-	-	-	-	-	57,406
Other	195,652	(109)	22,864	27,911	(2,450)	695	55	(4,223)	240,395
	995,380	(109)	22,889	629,910	(2,450)	695	7,855	(63,797)	1,590,373
Accumulated depreciation:									
Dealer contracts	115,013		75,613	-	-	-	-	-	190,626
Customer contracts	14,645		8,693	-	-	-	-	-	23,338
Customer list	-		12,096	-	-	-	-	(262)	11,834
Brand names of media segment	4,445		4,923	-	-	-	-	(22)	9,346
Other	155,759	(108)	13,352	-	(823)	208	113	(1,500)	167,001
	289,862	(108)	114,677	-	(823)	208	113	(1,784)	402,145
Programme rights	27,231								59,033
Net book value	732,749								1,247,261

Movement for programme rights in 2007:

	1 January 2007	Additions	Disposals	Amortisation	Currency translation differences	31 December 2007
Programme rights	27,231	98,418	(141)	(64,214)	(2,261)	59,033

(1) TME is acquired during 2007 by a subsidiary of the Group, Hüriyet. Amounts related to this transaction are shown under "addition of subsidiaries" column.
(2) YTL 477 of transfer is related with tangible assets (Note 18).

(3) The movements are related to the rate changes of the subsidiary of the Group, Super Kanal, and joint ventures, DB, Katalog Yayın and POAŞ.

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008**

(Amounts expressed in thousands of New Turkish Lira ("YTL") unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

NOTE 19 - INTANGIBLE ASSETS (Continued)

Intangible assets with infinite useful lives

As at 31 December 2008, it is determined that brand names for media segment with carrying value of YTL 292.613 and brand name of the energy segment amounting to YTL 139.557 have infinite useful lives (2007: YTL 265.966 brand name of the media segment and YTL 137.821 brand name of the energy segment). The utilization period of brand names with infinite useful life, as expected by the Group, is determined based on the stability of the industry, changes in market demands as to the products and services provided through assets, control period over the assets and legal or similar restrictions on their utilization.

The terrestrial frequencies are limited in Turkey; accordingly, since 1994 no new national broadcasting company is allowed to operate, and in the current practice, national broadcasting companies started broadcasting prior to 1994 continue to operate. RTÜK has not yet conducted a tender for terrestrial broadcasting permissions and licenses (frequency rights). The subsidiaries of the Group operating in media segment currently do not have any conflicts or disagreements with RTÜK or any other governmental authority regarding frequency usage. Therefore, it has been concluded that terrestrial broadcasting permissions and licenses (frequency rights) amounting to YTL 57.406 have an infinite useful life.

NOTE 20 - GOODWILL

The movements in goodwill as of 31 December 2008 are as follows:

	2008	2007
1 January	1,542.921	1,282.031
Business combinations (Note 3)	78.986	290.992
Currency translation differences	24.552	(27.838)
Disposal	(192)	-
Goodwill impairment (*)	(29.861)	(2.336)
Other (**)	(4.241)	72

31 December	1.612.165	1.542.921
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(*) The goodwill amounting to YTL 20.425 that is allocated to Subsidiaries in Hungary and Eastern Europe have been impaired due to the significant impact of global economic crisis on Media segment. As further discussed in Note 3, Doğan Gazetecilik, a subsidiary of the Group, acquired 40,16% shares of Bağımsız Gazeteciler, which owns Vatan Gazetesi brand and its franchise right, on March 2008; and 100% shares representing the capital of Kemer Yayıncılık ve Gazetecilik A.Ş., which has a 59,84% shareholding in the share capital of Bağımsız Gazeteciler, taking into account the fact that almost all of Kemer Yayıncılık ve Gazetecilik A.Ş.'s assets are composed of its participation in Bağımsız Gazeteciler. As of 31 December 2008, deferred tax assets have been calculated for carry forward tax losses which were not calculated in the scope of purchase price allocation at 31 March 2008. Deferred tax assets related to carry forward tax losses added to financial statements following purchase price allocation amounting to YTL 9.436 are also expensed from goodwill in accordance with CMB Financial Reporting Standards.

(**) Relates to the changes in fair value of put options (Note 2.2.27).

CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008

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

NOTE 20 - GOODWILL (Continued)

31 December 2008

Doğan Gazetecilik, a subsidiary of the Group, acquired 40,16% shares of Bağımsız Gazeteciler, which owns Vatan Gazetesi brand and its franchise right, in consideration of YTL 8.534 (USD 7,2 million) on 13 March 2008; and 100% shares representing the capital of Kemer Yayıncılık ve Gazetecilik A.Ş., which has a 59,84% shareholding in the share capital of Bağımsız Gazeteciler, in consideration of YTL 12.719 (USD 10,8 million). As explained in details in Note 3, the acquisition resulted in a goodwill amounting to YTL 62.865.

Group acquired 11,43%, 2,48%, 0,67%, 0,85%, 2,31%, 9,74%, 12,18% and 13,34% of the shares of Hürriyet, Hürriyet Pazarlama, POAŞ, Doğan Gazetecilik, DB, Doğan Yayın, Çelik Halat and Ditaş Doğan shares during the year ended at 31 December 2008. Since the Group applies the "Parent Company Model" for business combinations, Hürriyet Pazarlama, POAŞ and Çelik Halat share purchases resulted in goodwill amounting to YTL 15.495 recorded to consolidated financials.

TME, a subsidiary of Group, acquired all the shares of Oglasnik Nekretnine d.o.o ("Nekretnine") in consideration of YTL 609 on 6 June 2008. The acquisition resulted in goodwill amounting to YTL 626.

31 December 2007

Hürriyet, a subsidiary of the Group, has acquired 67,3% of shares of Trader Media East Limited ("TME") on 29 March 2007. TME mainly operates in classified ad publishing business through the instrumentality of its daily and weekly newspapers, magazines and websites those are foremost focused on real estate, automotive and human resources and mainly operates in Russia and Eastern Europe countries. As it has been disclosed in details in Note 3, the acquisition resulted in a goodwill amounting to YTL 240.237.

TME, which became a subsidiary as a result of the acquisition, acquired 55% of the shares of Moje Delo d.o.o. ("Moje Delo") operating in Slovenia in 2007 as further discussed in Note 3. The acquisition resulted in a goodwill amounting to YTL 11.071.

Group acquired 0,21%, 9,69%, 1,86% and 0,77% and of the shares of Hürriyet, Doğan Gazetecilik, and Doğan Burda, shares of which are publicly traded, in consideration of YTL 52.778. Since the Group applies the "Parent Company Model" for business combinations, the acquisition resulted in a goodwill amounting to YTL 29.514.

Doğan TV, a subsidiary of the Group, acquired 48% of the shares at an amount of 4.515 of Süper Kanal TV Video Radyo Basın Yapım Yayın Tanıtım ve Haber Hizmetleri A.Ş., a joint venture of the Group. The acquisition resulted in a goodwill amounting to YTL 4.972.

At 19 November 2007 during the capital increase of Doğan Gazetecilik, the Group sold 22.000.000 shares each having face value of YTL 1 and corresponding to 28% of Doğan Gazetecilik's share capital, to Deutsche Bank AG in ISE Wholesale Market in consideration of USD 4 per share (initial price) (YTL 4,73), by limiting the existing shareholders' share purchase rights. Stated transaction is accounted as financial liability on consolidated financial statements. As a result of the transaction, the Group's effective ownership interest on Doğan Gazetecilik has changed and the transaction resulted in a goodwill amounting to YTL 5.198.

CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008

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

NOTE 20 - GOODWILL (Continued)

Energy Segment

The Group is preparing its cash flow projections in USD based on the latest financial budget which is approved by the management. In preparing cash flows, for the next five years 5% per annum and for subsequent years zero percent per annum estimated growth rate was used as of 31 December 2008. The Company used a rate of 10,36% in order to discount cash flow projections. As a result of assessment, the recoverable amount of goodwill exceeded its carrying amount and there is no impairment as of 31 December 2008.

Media Segment

Cash flow projections of media segment at the lower value has been prepared as covering the years of 2009 – 2018, publishing segment has been prepared as covering the years of 2009 – 2013.

The key assumptions used for the value-in-use calculations for the impairment test are as follows:

	EBITDA margin (1)	Discount rate (2)
Broadcasting (EBITDA 2008: 12,9%)	27,4%	19,0% - 13,5%
Publishing		
Russia	28,7%	14,3%
Turkey	19,4%	16,1%

- (1) The average EBITDA budgeted over projection period.
(2) Weighted average cost of capital ("WACC"), (for broadcasting, decreasing weighted capital ratio is applied.).

NOTE 21 - GOVERNMENT GRANTS

None (2007: None).

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008**

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

NOTE 22 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

	2008	2007
Short-term provisions		
Provision for lawsuits	34.229	26.847
Provision for withholding tax	20.905	13.922
Provision for unused vacations	16.997	9.675
Advertisement expense accruals	11.528	11.906
	83.659	62.350
Long -term Provisions	2008	2007
Other provisions	1.111	671
	1.111	671

a. Court cases:

Law cases against the Group amounting to YTL 120.217 at 31 December 2008 (2007: YTL 126.335).

Provision in the amount of YTL 34.229 (2007: YTL 26.847) was recorded after consideration of the legal consultations and post experiences regarding the legal, labour, trade and administrative lawsuits against the Group.

b. Derivatives, future contracts, and options of share purchases

i) Options of Share Purchases

In accordance with the acquisition of Impress Media Marketing LLC by OOO Pronto Moscow, a subsidiary of the Group, in January 2007, OOO Pronto Moscow is committed to purchase (if minority shareholders prefer to exercise their put option) minority's shares of 31,5% without having a time constraint and depending on realization of various clauses. The price of the commitment calculated using valuation methods as of 31 December 2008 is YTL 5.624 (2007: YTL 4.159) (Note 9).

In accordance with the acquisition of 70% shares of Oglasnik d.o.o, a subsidiary of the Group, Oglasnik d.o.o is committed to purchase (if minority shareholders prefer to exercise their put option) minority's shares of 30%. The price of the commitment calculated using valuation methods as of 31 December 2008 is YTL 12.467 (2007: YTL 7.446) and the commitment is valid until July 2009 (Note 9).

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008**

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

NOTE 22 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

i) Options of Share Purchases (Continued)

Hürriyet, a subsidiary of the Group, has acquired 55% of the shares of Moje Delo d.o.o. which operates in Slovenia. Hürriyet has determined the upper limit of net profit payable as EUR 1 million and paid during the year. Hürriyet has offered to minority shareholders right to sell valid between January 2009 and January 2012 and right to buy valid between January 2011 and January 2014. Fair values of the named options will be determined after the calculation over net financial liability and EBITDA of Moje Delo. Fair value of the put option determined by valuation methods as of 31 December 2008 is YTL 1.638 (2007: YTL 6.245) (Note 9).

Changes in the fair value of the put options are associated with goodwill.

Pricing of the commitments (put options for minority interests) will be performed over the revenues or EBITDA amounts of the related companies.

Put options have been disclosed as "Other short and long-term financial liabilities" in the consolidated balance sheet as of 31 December 2008 and 2007.

ii) Derivative instruments

1) Derivative instruments against interest rate risk

As of 31 December 2008, TME, a subsidiary of the Group, entered into Collar and CAP agreements to hedge the interest rate risk amounted to USD 83.000 and USD 37.000, respectively. Accordingly, at the value and due dates defined in the agreements, if the LIBOR rate is below the floor rate, the Group compensates for the difference between floor rate and the actual rate to the counter bank. Similarly, if the LIBOR rate is above the ceiling rate, the counter bank compensates for the difference to the Group.

As of 31 December 2008 fixed floor and ceiling interest rates are between 2,8% and 5,6% (2007: 3,9% and 6,9%) and primarily floating interest rates are Libor.

2) Foreign currency swap agreements

As further explained in Note 8, the Group established a Euro swap transaction regarding to a bank credit amounting to USD 80.283 of long term bank borrowing amounting to USD 240.850 of which include three payments in 2012 and 2013 as of 31 December 2008. Revenue amounting to YTL 8.194 is recognized from foreign currency swap agreements as of 31 December 2008.

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008**

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

NOTE 22 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

c. Other:

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

Doğan Holding entered into share sell-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 are handed over to Fortis Bank on 4 July 2005.

In accordance with the stated agreement warranties and declarations have been made to Fortis Bank by the Holding and other real and legal sellers ("Sellers") regarding the financial structure of Dışbank, its employees, fundamental intellectual rights, current contractual relationships, compliance of operations with the legislation and ownership of shares. If the abovementioned warranties and declarations are not true, there are clauses for compensating Fortis Bank by the Sellers.

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

Fortis Bank does not accept any responsibility due to grounds of materiality for tax lawsuits some of which are previously announced to public and for amounts related to loans under legal follow-up amounted USD 6.000 and YTL 4.178 at the closing date of Agreement.

ii) Penalty Imposed by the Energy Market Regulatory Authority:

With its Notifications No: 25049 and 25057, both dated 31 August 2006, the Energy Market Regulatory Authority (EMRA) imposed administrative fines on POAŞ and Erk Petrol, Joint Ventures of the Group, amounting to YTL 498.693 and YTL 100.739 (with Doğan Holding's ownership interest YTL 270.165 and YTL 54.575) respectively for deliveries made to unlicensed dealers. POAŞ and Erk Petrol have taken two different judicial actions in order to employ their legal rights for the cancellation of the fines and removal of payment orders.

Request for Cancellation of EMRA Fine Process

In line with the regulations, POAŞ and Erk Petrol filed court cases with the 13th Division of Council of State on 18 September 2006 for the cancellation of the EMRA resolution and the stay of execution of the fines. On 17 November 2006, 13th Division of Council of State ruled for the stay of execution of YTL 11.431 (with Doğan Holding's ownership interest YTL 6.193) portion of the total fine of POAŞ and rejected the request for stay of the execution for YTL 487.262 (with Doğan Holding's ownership interest YTL 263.972). Similarly stay of YTL 1.429 (with Doğan Holding's ownership interest YTL 774) portion of the total fine of Erk was ruled for and request for the stay of execution of YTL 99.310 (with Doğan Holding's ownership interest YTL 53.801) was rejected.

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008**

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

NOTE 22 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

ii) Penalty Imposed by the Energy Market Regulatory Authority (Continued):

Request for Cancellation of EMRA Fine Process (Continued)

On 7 December 2006, POAŞ and Erk Petrol appealed the ruling of the 13th Division of Council of State to the Plenary Session of Administrative Divisions of Council of State, denying motion for stay of execution for administrative fines imposed on POAŞ and Erk Petrol.

On 25 January 2007, Plenary Session of Administrative Divisions of Council of State suspended the execution of all of the fines imposed against POAŞ and Erk Petrol. Reasoned decision regarding the stay of the execution has been communicated to POAŞ and Erk Petrol on 28 February 2007.

Stay of the execution has been grounded on two reasons. These are;

- 1) Transfer of fuels to unlicensed dealers should be evaluated as "Disobeying legal obligations" which is mentioned in third item of 19th clause of Petroleum Market Law, instead of violation of second item of 7th clause.
- 2) Fines should be imposed by taking the beginning date of violation as the notification date of EMRA, which is 12 April 2005, instead of 20 March 2005.

Applying fine separately for each dealer to which shipments made; imposing a single fine by considering fuel supply to unlicensed dealers as a single action; beginning date of fuel supply that is subjected to fine; whether it is lawful to impose a fine since there is not a regulation that restrains distribution license of owners from supplying fuel to their own unlicensed dealers; and amount of fines for shipments are also included in the decision. The case is still in the discussion process by 13th Department of the State Council.

Request for Cancellation of Payment Orders Process

In the second judicial process, lawsuits were filed with İstanbul Administrative Court for the cancellation of the payment orders and the suspension of the execution, upon the communication of the payment orders issued for fines imposed by EMRA to the Company and Erk by Boğaziçi Tax Office on 2 November 2006.

Simultaneously, POAŞ and Erk Petrol applied to the Ministry of Finance for payment in installments of the administrative fines to avoid cash-out flows during the judicial process and since the approval of this claim required submission of guarantee, 8 real-estates amounting YTL 204.892 (with Doğan Holding's ownership interest YTL 110.999) and inventory amounting YTL 280.960 (with Doğan Holding's ownership interest YTL 152.209) are given as guarantee for POAŞ and 33 real-estates amounting YTL 89.054 (with Doğan Holding's ownership interest YTL 48.245) and inventory amounting YTL 11.268 (with Doğan Holding's ownership interest YTL 6.104) are given as guarantee for Erk Petrol. Ministry of Finance has accepted that the fines to be paid in 18 monthly installments, starting in December 2006 and the first two being in smaller amounts. TRY 5.207 (with Doğan Holding's ownership interest YTL 2.821) has been paid (YTL 2.966 (with Doğan Holding's ownership interest YTL 1.607) through set-off and the remaining YTL 2.241 (with Doğan Holding's ownership interest YTL 1.214) in cash) as the December 2006 installment.

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008**

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

NOTE 22 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

ii) Penalty Imposed by the Energy Market Regulatory Authority (Continued):

Request for Cancellation of Payment Orders Process (Continued)

Consistent with the decision of the 13th Division of Council of State, İstanbul 7. Administrative Court decided to grant a stay of execution for YTL 11.431 (with Doğan Holding's ownership interest YTL 6.193) portion of the payment orders for POAŞ and YTL 1.429 (with Doğan Holding's ownership interest YTL 774) portion of the payment orders for Erk Petrol but rejected the request for stay of execution concerning the remainder of the payment orders. Notification of the decision was received on 16 January 2007. Following this decision, an application was filed at İstanbul District Administrative Court for the annulment of the rejection decision and for motion for stay of the total payment order.

Following the decision of the Plenary Session of the Administrative Divisions of Council of State, İstanbul District Administrative Court has ruled for the acceptance of POAŞ's and Erk Petrol's motion for stay without guarantee, after the annulment of the decision of the İstanbul 7th Administrative Court for the denial of the request for stay. Payments were not made after 1st installment, because execution of the payment orders was suspended.

In one of the cases filed by a petroleum distribution company against EMRA, the 13th Division of Council of State, ruled for the annulment of the penalties on the ground that the deliveries are made to dealers of the distribution company; the law does not have a clause that restricts deliveries to unlicensed dealers and there are no clauses of penalty or restrictions on such activities. The reasons of the decision include that obtaining a dealership license is the responsibility of the dealer; fuel distribution companies are not obligated to control or inspect the licenses of the dealers and also it is the failure of EMRA that the license process has not been completed in the time frame set by the law. It is highly probable that the ruling would be similar to this case, for the cases filed by POAŞ and Erk Petrol. Uncertainty over the judicial process and final decision of the court cases continues as of the announcement date of the consolidated financial statements for the period ended 31 December 2008. Accordingly, no provision has been provided for this matter in the accompanying consolidated financial statements.

iii) Commitments and contingent liabilities related to the sales agreement of Doğan TV shares:

The Group sold 90.854.185 shares, 25% of the share capital of Doğan TV Holding A.Ş., to Commerz-Film GmbH (formerly registered as Dreiundvierzigste Media Vermögensverwaltungsgesellschaft mbH), a 100% subsidiary of Axel Springer A.Ş., for EUR 375 million (YTL 694.312) (this amount is defined as "initial sales price") on 2 January 2007. Gain on sale of subsidiary shares amounting to YTL 601.201 with respect to this transaction is included in other income for the period ended 31 December 2007 (Note 31).

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008**

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

NOTE 22 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

iii) Commitments and contingent liabilities related to the sales agreement of Doğan TV shares (Continued)

EUR 375 million, which is defined as initial sales price above, is subject to change based on to the circumstances explained below. As per the agreement, the initial sales price will be revised according to the "initial public offering" ("IPO") of the shares of Doğan TV Holding A.Ş. or "not". Besides, on 27 December 2008 as explained to public, within the confirmation with Axel Springer Group, the dates subject to recalculation of "initial sales price" have been postponed by 4 years. The mentioned confirmation has not yet become effective as defined conditions are expected to be realized.

In the event that shares of Doğan TV Holding A.Ş. are offered to the public before the end of 2015 (formerly 2011), if the fair value of 25% shares held by Axel Springer determined by the public offering price (which will be determined by the quarterly average share price after IPO) exceeds the final sales price (the final sales price will be calculated by adding the interest accrued on the initial sales price on a Eurolibor basis before the public offering to the initial sales price), the excess shall be shared by Axel Springer and the Doğan Yayın evenly. If the fair value is less than the final sales price, the difference will be compensated to Axel Springer by the Group.

In the event that shares of Doğan TV Holding A.Ş. are not offered to the public before the end of 2015 (formerly 2011), if the fair value of Doğan TV Holding A.Ş., determined by valuation techniques in March 2016 (formerly 2012), is less than the final sales price, Axel Springer will be compensated for the difference by the Group.

In the event that the public offering of shares of Doğan TV Holding A.Ş. is realized between 2015 (formerly 2011) and 2018 (formerly 2014), the positive value arising between the fair value determined as of March 2016 (formerly 2012) and the public offering value will be shared equally, if this has a negative value no transaction will be performed.

The Group has currently determined the fair value of Doğan TV Holding A.Ş. as of the balance sheet date in order to ascertain whether the Group has a financial responsibility or not regarding the above-mentioned issue. As explained in Note 2.2.33, it has been revealed that there is no financial liability over the sale of 25% shares in Doğan TV Holding A.Ş. to Axel Springer AG.

iv) Vatan Newspaper

Doğan Gazetecilik, a subsidiary of Doğan Holding, acquired 40,16% shares of Bağımsız Gazeteciler, which owns Vatan Gazetesi brand and its franchise right, in consideration of YTL 8.534 (USD 7,2 million) on 13 March 2008; and 100% shares representing the capital of Kemer Yayıncılık ve Gazetecilik A.Ş., which has a 59,84% shareholding in the share capital of Bağımsız Gazeteciler, taking into account the fact that almost all of Kemer Yayıncılık ve Gazetecilik A.Ş.'s assets are composed of its participation in Bağımsız Gazeteciler, in consideration of YTL 12.719 (USD 10,8 million) (Note 3).

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008**

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

NOTE 22 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

iv) Vatan Newspaper (Continued)

Taking into account that acquirer entity will strengthen its prevalent position in the market and in view of the matters argued in the defence of the bankrupt company, the Competition Authority permitted the transaction via its decision taken on 10 March 2008 following the application made to the Competition Board regarding the above mentioned transactions, provided that:

- following two years after obtainment of permission, brand name Vatan Gazetesi and franchise rights will be transferred by releasing them of any obligations and debts, to persons or entities excluding the Group, or an enterprise the Group directly or indirectly controls (which has already been established, or which is to be established), and the relevant transfer is subject to approval of Competition Authority regardless of the deficiencies in the Communiqué No.1997/1.
- if the brand Vatan Gazetesi and its franchise right cannot be sold under the above-mentioned conditions within two years from the date on which the permission is given, the brand and franchise right will be sold via tender under the supervision of Competition Authority within two months from the end of the second year.
- if the brand and franchise right cannot be sold during this tender process, the Group continues to own the brand Vatan Gazetesi and its franchise right for three years following the tender; the Group meets the liabilities necessary for the brand's legal existence; Doğan Group does not use the mentioned brand name and franchise on any periodicals; the Group evaluates any demands or requests as being subject to the approval of Competition Board pursuant to article 4.1 in the case of any demand towards the said brand and franchise right during the relevant period; and the Group possesses all kinds of usage rights on the brand, if the brand and franchise right cannot be still sold after this period expires.

Subsequent to the decision of the Competition Authority dated 26 September 2008 a lawsuit has been filed with the Council of State for the cancellation of the conditions of the decision applied to the Group and a stay of execution. In its decision dated 13 February 2009, the Council of State ruled for a stay of execution of the conditions in the decision of the Competition Authority dated 10 March 2008. Accordingly, the decision of the Competition Authority related to the share purchase of Bağımsız Gazeteciler and Kemer Yayıncılık by Doğan Gazetecilik A.Ş. is valid however the execution of case-related conditions in the decision has been stopped.

v) Tax penalty and law suits

Media segment:

The financial periods between 2003 and 2006 of Doğan Yayın, a subsidiary of the Group, have been inspected by the tax auditors of Revenue Administration Department of the Turkish Ministry of Finance. According to the tax assessment reports, the tax penalty was calculated as YTL 861,5 million in total, of which YTL148,7 million was the tax charges and YTL712,8 million was the tax penalty, and was levied against Doğan Yayın in December 2008 and February 2009.

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008**

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

NOTE 22 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

v) Tax penalty and law suits (Continued)

Media segment (Continued):

In tax assessment reports, the following subjects were essentially criticised according to corporate tax, value added tax and stamp tax.

- Although Doğan TV Holding A.Ş., a subsidiary of Doğan Yayın Holding A.Ş., sold shares representing 25% of its capital to Dreiundvierzigste Media Vermögensverwaltungsgesellschaft mbH, a 100% subsidiary of Axel Springer AG, and the transfer of the shares was completed on 2 January 2007 and accounted for accordingly, it was argued that the "exemption on the sales revenue of participation shares", as specified by Article 5/1-e of the Corporate Tax Law, could not be benefited from, based on the argument that the sales transaction was performed in the year 2006 and should have been accounted in the records of 2006. The levied tax penalty charges are YTL 772,5 million in total, of which YTL 115,3 million is tax charges, YTL 345,9 million is tax penalty charges calculated at three times of the corporate tax, and YTL 311,3 million is tax penalty charges calculated at three times of the temporary tax due to the deduction period being overdue.
- For the period subject to tax inspection, it is claimed that it is not possible to deduct the interest and foreign exchange expenses (financial expenses) of the loans used for the purchase of the subsidiary shares from the corporate income and that these should be added to the corporate income in accordance with the last paragraph of Article 8 of Corporate Tax Law No. 5422. The levied tax penalty charges regarding to this claim are YTL 30,9 million in total.
- In the tax assessment report, it is claimed that the loss resulting from the sale of the shares of Doğan Raks Satış Pazarlama ve Dağıtım A.Ş. should not be deducted from the corporate income but should be added to the corporate income due to transactions in contravention of Tax Procedural Law. The levied tax penalty charges regarding to this claim are YTL 13,7 million in total.
- For the period subject to tax inspection, the application of value added tax exception on the subsidiary shares sale is not possible according to temporary Article No. 10 of Value Added Tax Law No. 3065, which refers to Corporate Tax Law No. 5422, therefore it is claimed that a value added tax calculation is required for the sale of subsidiary shares, even if they are represented as shares by the Company, in accordance with the application of temporary Article 28 of the Corporate Tax Law No. 5422 and temporary Article No. 10 of Value Added Tax Law, regarding the sale of subsidiary shares that do not carry exceptional conditions. The levied tax penalty charges regarding to this claim are YTL 28,3 million in total.
- The levied tax penalty charges regarding stamp tax, other corporation tax and value added tax claims are YTL 16,1 million in total.

Doğan Yayın has started legal action and filed lawsuits against the Tax Administration Department ("Tax Administration") for the cancellation of the levied tax and penalty notifications.

The Tax Administration has asked for a collateral in the amount of YTL 914,8 million against the significant portion of the tax charges, the penalties and their interest. Accordingly, the Group gave 45,40% shares in one of its subsidiaries, Doğan TV Holding A.Ş., to the Tax Administration as collateral.

CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008

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

NOTE 22 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

v) Tax penalty and law suits (Continued)

Media segment (Continued):

Furthermore the Tax Administration has put shares of the Group's subsidiaries representing 66,56% of the capital of Hürriyet Gazetecilik ve Matbaacılık A.Ş., 70,76% of the capital of Doğan Gazetecilik A.Ş. and the Group's joint venture representing 44,89% of the capital of Doğan Burda Dergi Yayıncılık ve Pazarlama A.Ş. and 45,40% of the capital of Doğan TV Holding A.Ş. under sequestration. The fiscal and administrative rights of these shares will be continued to be used by the Group.

The Company management claims that the value of the shares of Doğan TV Holding A.Ş. that have been put under sequestration is higher than the public receivables and expects that the sequestration would be cancelled for the value of shares in excess of the assessment of the Tax Administration and the Company has applied to the Tax Administration for this matter.

The Company did not book any provision for tax penalty in these consolidated financial statements as at 31 December 2008 in accordance with the opinions of its legal advisors and tax specialists. The legal process related to the lawsuits filed by Doğan Yayın Holding A.Ş. has not been completed by the date of these financial statements.

Energy segment:

As a result of the tax inspection conducted on the accounts of POAŞ, a Joint Venture of the Group, for the year 2003, tax/penalty notifications including YTL 12.828 (with Doğan Holding's ownership interest 6.949 YTL) of tax charges and a YTL 30.093 (with Doğan Holding's ownership interest 16.303 YTL) of tax penalty charges have been communicated to the Group on 25 December 2008 by the Boğaziçi Corporate Tax Office. On 20 January 2009, the Group has filed for arbitration and as of the date of issuance of the financial statements for the year ended 31 December 2008, no date for arbitration meeting has been communicated to the Group. For the tax and penalties, the right of appeal in court stays until the resolution of the arbitration process and the Group will appeal at court if no settlement is reached in arbitration. Until settlement in arbitration process or until the decision of the tax court in case of appeal, no payment will be made.

Tax/penalty notifications for the years 2003-2007 including a YTL 9.917 (with Doğan Holding's ownership interest 5.372 YTL) of tax charges and a YTL 13.810 (with Doğan Holding's ownership interest 7.482 YTL) of tax penalty charges, which are sent out by Boğaziçi Corporate Tax Office and Large Taxpayers Tax Office with respect to the inspection reports prepared in relation to the investigation carried out by the tax inspectors of the Ministry of Finance, have been communicated to POAŞ, a joint venture of the Group, on 22-23 July 2008. Tax assessment reports, which form a basis for the notifications, are grounded on the claim that advance rental payments with respect to the usufruct contracts signed between the fuel distributors and the dealers are subject to withholding tax deeming the usufruct contracts as rental agreements. A lawsuit was filed at the İstanbul Tax Court with respect to the mentioned assessment reports and the tax/penalty notifications on 11 September 2008. The judicial process continues and during this process, no payment will be made.

Uncertainty over the tax penalties and court cases of Energy segment continues as of the date of these consolidated financial statements for the period ended 31 December 2008. Accordingly, no provision has been accounted for in these financial statements.

CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008

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

NOTE 23 - COMMITMENTS

Commitments and contingencies, from which the management does not anticipate any significant losses or liabilities, are summarized below.

Commitments given

	2008	2007
Letters of guarantee (*)	564.198	410.467
Subsidiary shares given as a guarantee	103.649	124.949
Guarantee notes	498	7.419
	668.345	542.835

The Group provided bail and mortgages to third parties for financial liabilities and trade payables of its Subsidiaries, Joint Ventures and related parties in the amounts of YTL 336.997 (2007: YTL 298.810) and YTL 15.364 (2007: YTL 13.917).

(*) Doğan TV, a subsidiary of Group, has given letter of guarantee amounting to EUR 136,5 million to UEFA (Union Européenne de Football Association or Union of European Football Associations) for broadcasting rights of UEFA Champions League, UEFA Super Cup and UEFA Cup matches for the years between 2009 and 2012.

POAŞ, a joint venture of the Group, signed an agreement with Gümrük ve Turizm İşletmeleri ("GTİ") in May 2008 to make sales of fuel and lubricants at border gates for 20 years. As part of this agreement, the Group committed to pay commissions to GTİ over sales revenue, after the commencement of sales at assigned areas.

Barter agreements:

The Group, as a common practice in the media segment, entered into Barter agreements. These agreements involve the exchange of goods or services without cash collections or payments. As of 31 December 2008, the Group has an advertisement commitment of YTL 8.410 (2007: YTL 4.969), and a right to obtain service and goods in the amount of YTL 11.693 (2007: YTL 9.295).

NOTE 24 - PROVISION FOR EMPLOYMENT TERMINATION BENEFITS

	2008	2007
Long Term Provisions		
Provision for employment termination benefits	30.308	26.726
	30.308	26.726

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008**

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

NOTE 24 - PROVISION FOR EMPLOYMENT TERMINATION BENEFITS (Continued)

Termination benefits provision

Under the Turkish Labour Law, the Holding is required to pay termination benefits to each employee who has completed one year of service and who achieves the retirement age (58 for women and 60 for men), whose employment is terminated without due cause, is called up for military service or who dies. Since the legislation was changed on 23 May 2002 there are certain transitional provisions relating to length of service prior to retirement. The amount as of 31 December 2008 payable consists of one month's salary limited to a maximum of YTL 2,17 (2007: 2,03 YTL) for each year of service.

In addition, according to the Press sector regulations, companies should make payments to personnel who work for a minimum of 5 years and whose employment is terminated without due cause. The maximum payable amount is a 30 day salary for each year.

Employment termination benefit is not funded, as there is no funding requirement.

The provision has been calculated by estimating the present value of the future probable obligation of the Holding arising from the retirement of the employees.

IAS 19 "Employee Benefits" requires that actuarial valuation methods be developed to estimate the employee termination benefit provision. The following actuarial assumptions have been used in the calculation of the total provision.

	2008	2007
Discount rate	6,26%	5,71%
Turnover rate to estimate the probability of retirement	87%	93%

The principal assumption is that the maximum liability for each year of service will increase in line with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. As the maximum liability is revised semi-annually, the maximum amount of YTL 2,26 at 1 January 2009 will be taken into consideration in calculating the reserve for employment termination benefit (1 January 2008: YTL 2,09).

Movements in the reserve for employment termination benefits during the years ended as of 31 December are as follows:

	2008	2007
1 January	26.726	24.755
Disposal of subsidiary	-	(1.569)
Change in scope of consolidation	84	66
Disposals	(10.258)	(4.957)
Current year charge	12.220	7.979
Actuarial loss	356	452
Business combinations	1.180	-
31 December	30.308	26.726

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008**

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

NOTE 25 - RETIREMENT PLANS

None (2007: None).

NOTE 26 - OTHER ASSETS AND LIABILITIES

	2008	2007
Other current assets		
Value Added Tax ("VAT") receivable	73.697	49.535
Advances given	62.690	59.736
Prepaid taxes and funds	52.993	3.555
Prepaid expenses	40.622	39.225
Programme stocks	36.629	13.474
Tax receivables	15.975	4.702
Income accruals	8.764	9.590
Special consumption tax to be offset	3.719	7.585
Other current assets	15.269	781

310.358 188.183

Impairment for programme stocks (2.500) (334)

307.858 187.849

	2008	2007
Other non-current assets		
Advances given and prepayments (1)	120.663	74.316
Prepaid expenses (2)	47.423	13.893
Other non-current assets	4.356	2.654

172.442 90.863

- (1) As of 31 December 2008, advances given and prepayments amounting to YTL 63.266 consists of the prepayments made by Doğan TV for UEFA Championship qualifying matches, UEFA Cup qualifying matches, UEFA Cup home matches and preferential right of sales of season tickets of certain Turkcell Super League teams.
- (2) The Group signed an agreement with Gümrük ve Turizm İşletmeleri ("GTİ") in May 2008 to make sales of fuel and lubricants at border gates for 20 years. The payment of YTL 29.755 which was made as part of this agreement is presented as prepaid expenses.

	2008	2007
Other current liabilities		
Deferred income	49.719	22.627
Provision for expenses	32.145	24.482
Expense accruals	13.520	7.794
Provision for broadcasted programs	7.911	7.958
103.295 62.861		

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008**

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

NOTE 27 - EQUITY

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

	2008	2007
Limit on registered share capital (historical)	2.000.000	2.000.000
Share capital	2.450.000	1.500.000

The main shareholder of Doğan Holding is Doğan Family. The shareholder structures of the Holding at 31 December are summarized as follows:

	Share %	2008	Share %	2007
Adilbey Holding	52,00	1.274.000	52,00	780.000
Aydın Doğan	7,72	188.907	7,72	115.658
İşıl Doğan	1,64	40.292	1,64	24.668
Arzuhan Doğan Yalçındağ	1,04	25.503	1,04	15.614
Vuslat Doğan Sabancı	1,04	25.503	1,04	15.614
Hanzade V. Doğan Boyner	1,04	25.503	1,04	15.614
Y. Begümhan Doğan Faralyalı	1,04	25.503	1,04	15.614

Total Doğan family and companies

owned by Doğan family	65,52	1.605.211	65,52	982.782
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Istanbul Stock Exchange	34,29	840.110	34,29	514.353
Aydın Doğan Vakfı	0,19	4.679	0,19	2.865

	100	2.450.000	100	1.500.000
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Adjustment to share capital		143.526		331.903
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Total share capital		2.593.526		1.831.903
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Adjustment to share capital represents the restatement effect of cash contributions to share capital at year-end equivalent purchasing power.

The issued share capital of Doğan Holding was increased by YTL 950.000 to YTL 2.450.000 through YTL 761.623 from investment and property sales income to be added to the capital and YTL 188.377 from adjustment to share capital as of 19 December 2008.

There are no privileged shares.

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008**

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

NOTE 27 - EQUITY (Continued)

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.

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 arising 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.

Following the capital increase, the Company's restricted reserves amount to YTL 15.762 (2007: YTL 777.385) and is composed of first legal reserves in total as of 31 December 2008.

Revaluation Funds

Revaluation fund is composed by accounting of increase in revaluation of identifiable intangible assets achieved by business combination in stages. Revaluation fund is amortised at every reporting period regarding to useful lives of identifiable intangible assets and amortisation is transferred to retained earnings.

CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008

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

NOTE 27 - EQUITY (Continued)

Dividend Distribution

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

In accordance with the CMB Decision dated 9 January 2009, concerning allocation basis of profit from operations of 2008, minimum profit distribution shall be applied as 20% (2007: 20%). According to the Board's decision and Communiqué No: IV-27 issued by CMB 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 made from 2008 operations are required to distribute the initial amount in cash.

In addition, according to the aforementioned Board decision dated 9 January 2009, the restrictions on the distributions of the profit derived from the subsidiaries, joint ventures and associates of entities who are required to prepare consolidated financial statements where no profit distribution decision is taken in the general assemblies of such subsidiaries joint ventures and associates is abolished. It is decided that as long as the entities can provide the necessary amount from their statutory reserves, the distributable profit can be calculated based on the net income declared at the publicly announced consolidated financial statements in the accordance with Communiqué XI No:29.

Accordingly, if the amount of dividend distributions calculated in accordance with the net distributable profit requirements of the CMB does not exceed the statutory net distributable profit, the total amount of distributable profit shall be distributed. If it exceeds the statutory net distributable profit, the total amount of the statutory net distributable profit shall be distributed. It is stated that dividend distributions should not be made if there is a loss in either the consolidated financial statements prepared in accordance with CMB regulations or in the statutory financial statements.

In accordance with the Board Decision dated 9 January 2009, the total amount of net income after the deduction of accumulated losses at statutory records and reserves that can be subject to dividend distribution shall be disclosed in the notes to the financial statements which will be prepared and publicly announced in accordance with Communiqué XI No:29. The concerning amount for Doğan Holding is YTL 1.356.616.

CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008

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

NOTE 27 - EQUITY (Continued)

In accordance with the abovementioned factors, the shareholders equity of the Group is as below:

	2008	2007
Share capital	2.450.000	1.500.000
Adjustment to share capital	143.526	331.903
Share premium	630	630
Revaluation fund	146.218	185.652
Translation reserve	3.807	(21.505)
Restricted reserves assorted from profit	15.762	777.385
- Legal reserves	15.762	15.762
- Investment and property sales income to be added to the capital	-	761.623
Retained earnings	1.022.944	588.266
- Extraordinary reserves	11.748	11.748
- Other reserves	2.361	2.361
- Inflation adjustment differences to legal, extraordinary and other reserves, share premiums	323.465	323.465
- Retained earnings	685.370	250.692
Net income for the period	70.615	395.244
Total shareholders' equity	3.853.502	3.757.575

NOTE 28 - SALES AND COST OF SALES

	2008	2007
Domestic Sales	11.433.198	10.303.492
Foreign Sales	2.068.043	876.352
Sales Returns	(391.546)	(407.345)
Sales Discount	(605.195)	(510.145)
Net sales	12.504.500	10.262.354
Cost of sales (-)	(11.192.678)	(9.135.563)
Gross profit	1.311.822	1.126.791

Revenue and cost of sales

The segment details of revenue and cost of sales for the years ended as of 31 December is disclosed in Note 5 - "Segment Reporting".

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008**

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

**NOTE 29 - RESEARCH AND DEVELOPMENT EXPENSES, MARKETING, SALES AND DISTRIBUTION
EXPENSES, GENERAL ADMINISTRATIVE EXPENSES**

	2008	2007
Selling, marketing and distribution expenses	525.879	439.037
General administrative expenses	480.716	471.742
Operating expenses	1.006.595	910.779

NOTE 30 - EXPENSES BY NATURE

Cost of sales, marketing, selling and distribution expenses and general administrative expenses by nature for the years ended at 31 December are as follows:

	2008	2007
Cost of trade goods sold	9.294.247	7.332.411
Personnel expenses	642.343	580.979
Raw material and supplies	533.959	380.665
General production overhead	518.978	467.121
Depreciation expense	376.634	350.621
Advertising expenses	102.807	97.915
Other	730.305	836.630
	12.199.273	10.046.342

NOTE 31 - OTHER INCOME/EXPENSES

	2008	2007
Other income:		
Profit from purchase of subsidiary share (*)	76.104	-
Gain on sales of subsidiaries (**)	58.676	694.428
Tax agreement income	14.146	-
Gain on sales of property, plant and equipment and intangible assets	4.619	3.025
Other income	46.170	54.569
	199.715	752.022

(*) Increase in Hürriyet, Doğan Gazetecilik, DB, Doğan Yayın and Ditaş Doğan shares of the Group resulted in profit from purchase of subsidiary shares amounting to YTL 76.104 as of 31 December 2008 (Note 3).

(**) As of 31 December 2008, gain on sales of subsidiaries is derived from the share sales of Trader.com (Polska) Sp. Z.o.o located in Poland, a subsidiary of the Group. As of 31 December 2007, YTL 601.201 of the gain on sales of subsidiaries is derived from the share sales of Doğan TV, a subsidiary of the Group and YTL 93.227 of the gain on sales of subsidiaries is derived from the share sales of Ray Sigorta, a subsidiary of the Group.

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008**

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

NOTE 31 - OTHER INCOME/EXPENSES (Continued)

	2008	2007
Other expenses:		
Provision for doubtful receivables	(61.478)	(45.683)
Provision for lawsuits	(16.991)	(26.624)
Fixed asset selling loss	(6.516)	(4.842)
Fines and penalties paid (*)	(6.088)	(238.824)
Commission expenses	(2.467)	(2.505)
Other expenses	(64.016)	(63.582)
	(157.556)	(382.060)

(*) On 27 December 2002, POAŞ merged with İş Doğan Petrol Yatırımları A.Ş. ("İş Doğan"), which was the majority shareholder of POAŞ, in accordance with the Turkish Commercial Code article No:451 and Corporate Tax Law articles No:37, 38 and 39 after the approval the CMB has given at the meeting numbered 61/1705 and dated 24 December 2002. As a result of this legal merger, the assets and liabilities of İş Doğan were transferred to POAŞ and İş Doğan was dissolved.

At 12 March 2007, tax review reports for the years 2002, 2003, 2004, 2005 and 2006 and notifications for the tax assessment amounting to YTL 359.993 for corporate tax liability, YTL 265.516 for prepaid tax liability and a tax penalty amounting to YTL 625.509 were communicated to POAŞ.

On the material disclosure performed by Doğan Holding at 6 March 2007 regarding the tax and the tax penalty, it has been declared that OMV, other joint venture of POAŞ, will not be exposed to any additional tax liability taking place before the date of the sale whereas if POAŞ faces such a burden, Doğan Holding will bear the entire liability burden of OMV.

The Company has filed an application for arbitration with Ministry of Finance for the above mentioned tax and tax penalty. Negotiations between the representatives of Ministry of Finance and the Company have been finalized through a settlement. In this context, a total of YTL 238.824 is paid regarding OMV's liabilities together with Doğan Holding's liabilities with the Holding's ownership interest and is classified under "Tax Dispute provision expense" on other expenses in the consolidated financial statements. Accordingly Doğan Holding has no outstanding liability related with this tax audit on POAŞ.

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008**

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

NOTE 32 - FINANCIAL INCOME

Financial income for the years ended at 31 December is as follows:

Financial income:	2008	2007
Foreign exchange gain	962.122	511.617
Interest income on bank deposits	255.756	266.077
Due date difference on credit sales	28.388	36.159
Amortized cost valuation income	14.517	22.068
Other interest and commissions	579	1.534
	1.261.362	837.455

NOTE 33 - FINANCIAL EXPENSE

Financial expense for the years ended at 31 December is as follows:

Financial expense:	2008	2007
Interest expense on short-term and long-term borrowings	(303.295)	(200.537)
Foreign exchange loss	(1.289.493)	(373.944)
Due date difference on credit purchases	(9.069)	(9.376)
Other	(28.628)	(16.934)
	(1.630.485)	(600.791)

NOTE 34 - NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

Non-current assets held for sale amounting to YTL 4.387 at 31 December 2007 are presented as other trade receivables, other current assets and other non-current assets in the consolidated balance sheet at 31 December 2008 due to cancellation at the sale of brand name of Kisokos Directory Kereskedelmies Szolgaltato Kft. ("Kisokos"), a subsidiary of TME.

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008**

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

NOTE 35 - TAX ASSETS AND LIABILITIES

	2008	2007
Corporate and income taxes payable	71.142	29.028
Deferred tax liabilities, net	139.187	188.507
Total	210.329	217.535

Doğan Holding, Subsidiaries and Joint Ventures recognize 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.

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

	Cumulative temporary differences		Deferred Tax assets/(liabilities)	
	2008	2007	2008	2007
Differences between the tax base and carrying value of property, plant and equipment and intangible assets	1.516.846	1.499.908	(259.670)	(275.332)
Other	53.074	20.640	(10.835)	(5.621)
Deferred tax liabilities	1.569.920	1.520.548	(270.505)	(280.953)
Carry forward tax losses	493.152	325.565	102.235	64.395
Provision for doubtful receivables	79.809	52.793	15.662	10.449
Provision for employment termination benefits	30.308	26.726	6.197	5.246
Deferred financial income of trade receivables	7.990	7.197	1.651	1.439
Lease payables	6.977	9.153	1.953	2.484
Other	20.269	42.650	3.620	8.433
Deferred tax assets	638.505	464.084	131.318	92.446
Deferred tax liabilities, net			(139.187)	(188.507)

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.

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008**

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

NOTE 35 - TAX ASSETS AND LIABILITIES (Continued)

The Group recognized deferred income tax assets of YTL 493.152 for the year ended 31 December 2008 (2007: YTL 325.565) over carry forward tax losses in the consolidated financial statements prepared in accordance with CMB Financial Reporting Standards. The maturities of these losses at 31 December are as follows:

	2008	2007
2008	-	119.657
2009	-	1.357
2010	40.184	42.819
2011	61.575	69.969
2012	22.434	72.943
2013 and over	368.959	18.820
	493.152	325.565

As of 31 December 2008, deferred tax rate is 20% for corporations operating in Turkey (2007: 20%).

Deferred tax assets are reflected into records for all deductible temporary differences to the extent of possibility of tax profit to be formed at profitable level. As of 31 December 2008, carry forward tax losses for which no deferred tax asset is recognized are with an amount of YTL 593.550 (2007:265.963).

As of 31 December 2008, tax rates (%) used on tax computations regarding the tax regulations per countries are as follows:

Country	Tax rates (%)	Country	Tax rates (%)
Germany	28,0	Ukraine	25,0
Romania	16,0	Hungary	16,0
England	30,0	Russia	24,0
Croatia	20,0		

Movements for net deferred taxes for the years ended at 31 December are as follows:

	2008	2007
1 January	(188.507)	(63.867)
Business combinations	(10.327)	(152.118)
Income for the period	68.676	13.838
Currency translation differences	(10.266)	15.348
Change in the scope of consolidation	440	(913)
Disposal of subsidiaries	797	(795)
31 December	(139.187)	(188.507)

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008**

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

NOTE 35 - TAX ASSETS AND LIABILITIES (Continued)

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 2008 is 20% (2007: 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, investment allowance, etc) 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 corporations, which have a place of business in Turkey, or resident corporations are not subject to withholding tax. Otherwise, dividends paid are subject to withholding tax at the rate of 15%. An increase in capital via issuing bonus shares is not considered as a profit distribution and thus does not incur withholding tax.

Corporations are required to pay advance corporation tax quarterly at the rate of 20% on their corporate income. Advance tax is to be declared by the 14th day of the second month following each calendar quarter end and is payable by the 17th of the second month following each calendar quarter end. Advance tax paid by corporations is credited against the annual corporation tax liability. The balance of the advance tax paid may be refunded or used to set off against other liabilities to the government.

In accordance with Tax Law No.5024 "Law Related to Changes in Tax Procedural Law, Income Tax Law and Corporate Tax Law" that was published in the Official Gazette on 30 December 2003 to amend the tax base for non-monetary assets and liabilities, effective from 1 January 2004, income and corporate taxpayers will prepare the statutory financial statements by adjusting the non-monetary assets and liabilities for the changes in the general purchasing power of the Turkish Lira. In accordance with the aforementioned law's provisions, in order to apply inflation adjustment, the cumulative inflation rate (SIS-WPI) over the last 36 months and 12 months must exceed 100% and 10%, respectively. Inflation adjustment has not been applied as these conditions were not fulfilled after 2005.

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

Tax returns are open for five years from the beginning of the year that follows the date of filing during which time the tax authorities have the right to audit tax returns, and the related accounting records on which they are based, and may issue re-assessments based on their findings.

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008**

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

NOTE 35 - TAX ASSETS AND LIABILITIES (Continued)

Under the Turkish taxation system, 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 periods.

There are numerous exemptions in the Corporate Tax Law concerning the corporations. Those related to the Company are as follows:

Exemption for participation in subsidiaries

Dividend income from participation in the shares of capital of another full 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

The participation income of corporations participating in 10% or more of the capital of a limited liability or joint stock company which does not have its legal or business centre in Turkey (except for corporations whose principal activity is financial leasing or investment of marketable securities) 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 or business centre at the rate of at least 15% (at the corporate income tax rate applicable in Turkey for those companies whose principal activity is financial assurance or insurance).

Exemption for sale of participation shares and property

A 75% portion of the gains derived from the sale of preferential rights, usufruct shares and founding shares from investment equity and real property which has remained in assets for more than two full years is exempt from corporate tax. To be entitled to the exemption, the relevant gain is required to be held in a fund account in the liabilities and it must not be withdrawn from the entity for a period of five years. The sales consideration has to be collected up until the end of the second calendar year following the year the sale was realized.

Brokerage houses and real estate companies who are dealing with the trading and leasing of real estate cannot benefit from this exemption.

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 temporary article 69 of the Income Tax Law, income and corporate taxpayers can deduct the following amounts from their income related to the years 2006, 2007 and 2008 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:

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008**

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

NOTE 35 - TAX ASSETS AND LIABILITIES (Continued)

- 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. 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.

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.

The details of the effective tax laws in Russian Federation and Hungary where the Group performs a significant part of its operations are given below:

Russian Federation

The corporate tax rate effective in Russian Federation is 24% (2007: 24%). To be effective starting from 1 January 2009, the corporate tax rate is changed as 20%.

Russian tax legislation is subject to different interpretations and changed over frequently. The interpretation of tax legislation by tax authorities with regard to operations of TME may not be similar with management. Therefore the transactions may be interpreted in a different manner and TME can be exposed to additional payment of tax, penalty or interest with an amount that can be considered crucial.

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

According to Russian Federation's tax system, financial losses can be carried forward for 10 years to be deducted from future taxable income Maximum amount that can be deducted in any year is limited to 30% of the taxable income (2007: 30%). Rights related to tax losses that have not been utilized in the related periods will be lost.

Technically, tax refund is applicable; however a refund is generally obtained following a legal procedure.

Consolidated tax reporting or tax payment of parent companies or subsidiaries is not allowed.

Dividend payments that are paid to foreign shareholders are subject to 15% withholding tax. Based on bilateral tax agreements, this rate can be decreased.

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008**

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

NOTE 35 - TAX ASSETS AND LIABILITIES (Continued)

Hungary

The corporate tax rate effective in Hungary is 16% (2007: 16%).

According to Hungarian tax system, carrying of fiscal losses does not generally have a time constraint. In order to carry the fiscal losses, the permission of tax authority is required, when the company has net losses before tax or when its net sales are less than the half of total of cost of net sales and operating expenses or when the company has losses in the last two fiscal years.

Effective from 1 January 2007, share premiums are exempted from tax if they have been held by the selling party at least for two years before the completion of the transaction.

Effective from 1 January 2008 this period has been reduced to one year. Capital losses and provisions for impairments from recorded shares are not treated as an allowance during the calculation of corporate tax.

Effective from 1 January 2004, the interest and royalty payments are not subject to withholding tax. Effective from 1 January 2006 dividend payments are not subject to withholding tax.

The taxes on income reflected to the consolidated income statement for the years ended at 31 December are summarized below:

	2008	2007
Current	(126.396)	(169.771)
Deferred	68.676	13.838
Taxes on income	(57.720)	(155.933)

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

	2008	2007
Income before tax	(20.114)	821.161
Tax calculated at 20% tax rate	4.023	(164.232)
Difference due to the different tax rates applicable in different countries	18.231	(5.875)
Expenses not deductible for tax purposes	(30.688)	(20.651)
Income not subject to tax	29.975	104.325
Utilization of previously unrecognized tax losses	1.712	22.073
Tax losses for which no deferred income tax asset was recognized	(59.105)	(36.897)
Adjustment effects	(14.191)	(16.861)
Tax effect of tax penalty settlement	-	(48.189)
Withholding tax related to the dividend payment in Russia	(6.876)	(1.335)
Other	(801)	11.709
Current year tax	(57.720)	(155.933)

75% of the gain on sale of subsidiary shares, explained in details in Note 31, arising from the sale of 25% shares of Doğan TV Holding A.Ş. is exempt from the corporate income tax according to the corporate income tax laws at 31 December 2007.

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008**

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

NOTE 36 - EARNINGS PER SHARE

Earnings per share based on share groups are as follows:

	2008	2007
Profit attributable to equity holders of the Group	70.615	395.244
Weighted average number of shares with face value of YTL 1 each	2.450.000	2.450.000
Earning per share (YTL)	0,03	0,16

NOTE 37 - RELATED PARTY DISCLOSURES

i) Amounts due from and due to related parties:

Due from related parties:	2008	2007
Medyanet İletişim Reklam Pazarlama ve Turizm A.Ş. ("Medyanet")	9.302	5.061
D Yapı ve İnşaat Sanayi ve Ticaret A.Ş. ("D Yapı")	2.939	4.440
Doğan Portal ve Elektronik Ticaret A.Ş.	1.930	2.504
Çankaya Bel Pet Limited Şirketi	884	426
D Elektronik Şans Oyunları ve Yayıncılık A.Ş. ("D Elektronik Şans Oyunları")	840	455
D Market Elektronik Hizmetler ve Ticaret A.Ş. ("D Market")	723	1.131
Doğan Elektronik Aracılık Hizmetleri Satış Pazarlama ve Yayıncılık A.Ş.	16	2.963
Other	1.373	1.641
	18.007	18.621
Due to related parties:		
Ray Sigorta	448	393
Yeni Ortadoğu Otomotiv Ticaret A.Ş.	236	31
D Yapı	-	1.577
Çevresel Kimya Sanayi ve Ticaret A.Ş.	-	739
Other	932	163
	1.616	2.903

CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008

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

NOTE 37 - RELATED PARTY DISCLOSURES (Continued)

ii) Transactions with related parties:

<u>Service and product purchases:</u>	2008	2007
Raw materials purchases	-	121.389
Other product and service purchases	10.897	13.157
	10.897	134.546

The Group made its paper and other raw material purchases through Fairworld International Limited ("Fairworld"), a related party until 1 July 2007 (a subsidiary beginning from 1 July 2007). Beginning from 1 July 2007, Fairworld is consolidated on a line-by-line basis and accordingly the intercompany transactions subsequent to this date are eliminated in consolidation.

Service and product sales:

Service and product sales	27.934	18.589
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Financial income and expenses:

Financial income	772	114
Financial expense	(327)	(6)
	445	108

Purchases of fixed assets:

	2008	2007
Doğan Portal Elektronik Ticaret A.Ş.	17.400	-
Medyanet A.Ş.	1.728	747
D Market	655	343
D Yapı	228	4.266
Ortadoğu Otomotiv	464	1.409
Yeni Ortadoğu Otomotiv	237	-
Other	103	3
	20.815	6.768

Sales of fixed assets:

Ortadoğu Otomotiv	-	5.920
	-	5.920

CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008

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

NOTE 37 - RELATED PARTY DISCLOSURES (Continued)

Benefits provided to board members and key management personnel

Group determined member of the board of the directors and member of the executive council as board members and 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 as below;

To the Board members and key management personnel	17.452	22.745
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NOTE 38 - 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 (Media, Energy and Other) and individual subsidiaries and joint ventures 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 mainly exposed to foreign currency risk in USD and EUR, and the effect of other currencies is not material.

	2008	2007
Foreign currency assets	2.874.167	1.724.444
Foreign currency liabilities	(3.909.315)	(2.836.068)
Net asset/liability position of off-balance sheet derivatives	138.510	-
Net foreign currency position	(896.638)	(1.111.624)

CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008

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

NOTE 38 - FINANCIAL RISK MANAGEMENT (Continued)

Net foreign currency position

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

2008	YTL Equivalent	US Dollar	Euro	Other
1. Trade Receivables	173.693	120.305	25.706	27.682
2a. Monetary Financial Assets Cash, Banks included)	2.556.908	2.387.346	146.097	23.465
2b. Non-Monetary Financial Assets	7	7	-	-
3. Other	62.053	21.624	12.409	28.020
4. Current Assets (1+2+3)	2.792.661	2.529.282	184.212	79.167
5. Trade Receivables	9.738	5.272	2.028	2.438
6a. Monetary Financial Assets	-	-	-	-
6b. Non-Monetary Financial Assets	233	-	233	-
7. Other	71.535	12	71.462	61
8. Non-Current Assets (5+6+7)	81.506	5.284	73.723	2.499
9. Total Assets (4+8)	2.874.167	2.534.566	257.935	81.666
10. Trade Payables	979.190	906.174	56.483	16.533
11. Financial Liabilities	682.973	505.749	172.849	4.375
12a. Other Monetary Financial Liabilities	57.533	23.505	1.111	32.917
12b. Other Non-Monetary Financial Liabilities	230	68	162	-
13. Current Liabilities (10+11+12)	1.719.926	1.435.496	230.605	53.825
14. Trade Payables	523.743	523.728	-	15
15. Financial Liabilities	1.658.622	1.437.269	215.229	6.124
16a. Other Monetary Financial Liabilities	7.024	2.107	196	4.721
16b. Other Non-Monetary Financial Liabilities	-	-	-	-
17. Non-Current Liabilities (14+15+16)	2.189.389	1.963.104	215.425	10.860
18. Total Liabilities (13+17)	3.909.315	3.398.600	446.030	64.685
19. Net asset / liability position of Off-balance sheet derivatives (19a-19b)	138.510	135.170	3.340	-
19.a Off-balance sheet foreign currency derivative assets	138.641	135.170	3.471	-
19.b. Off-balance sheet foreign currency derivative liabilities	131	-	131	-
20. Net foreign currency asset liability position (9-18+19)	(896.638)	(728.864)	(184.755)	16.981
21. Net foreign currency asset / liability position of monetary items (1+2a+5+6a-10-11-12a-14-15-16a)	(1.168.746)	(885.609)	(272.037)	(11.100)
22. Fair value of foreign currency hedged financial assets	22.951	-	-	-
23. Exports	2.068.043	-	-	-
24. Imports	1.909.180	-	-	-

CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008

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

NOTE 38 - FINANCIAL RISK MANAGEMENT (Continued)

2007

	YTL Equivalent	US Dollar	Euro	Other
1. Trade Receivables	247.665	190.766	37.444	19.455
2a. Monetary Financial Assets Cash, Banks included)	1.425.523	1.330.951	56.214	38.358
2b. Non-Monetary Financial Assets	-	-	-	-
3. Other	41.566	12.257	4.396	24.913
4. Current Assets (1+2+3)	1.714.754	1.533.974	98.054	82.726
5. Trade Receivables	4.414	4.410	4	-
6a. Monetary Financial Assets	-	-	-	-
6b. Non-Monetary Financial Assets	-	-	-	-
7. Other	5.276	5.276	-	-
8. Non-Current Assets (5+6+7)	9.690	9.686	4	-
9. Total Assets (4+8)	1.724.444	1.543.660	98.058	82.726
10. Trade Payables	486.061	405.534	51.372	29.155
11. Financial Liabilities	366.984	303.926	40.019	23.039
12a. Other Monetary Financial Liabilities	33.514	33.514	-	-
12b. Other Non-Monetary Financial Liabilities	-	-	-	-
13. Current Liabilities (10+11+12)	886.559	742.974	91.391	52.194
14. Trade Payables	567.240	500.662	22.230	44.348
15. Financial Liabilities	1.378.888	1.272.054	99.388	7.446
16a. Other Monetary Financial Liabilities	3.381	3.381	-	-
16b. Other Non-Monetary Financial Liabilities	-	-	-	-
17. Non-Current Liabilities (14+15+16)	1.949.509	1.776.097	121.618	51.794
18. Total Liabilities (13+17)	2.836.068	2.519.071	213.009	103.988
19. Net asset / liability position of Off-balance sheet derivatives (19a-19b)	-	-	-	-
19.a Off-balance sheet foreign currency derivative assets	-	-	-	-
19.b. Off-balance sheet foreign currency derivative liabilities	-	-	-	-
20. Net foreign currency asset liability position (9-18+19)	(1.111.624)	(975.411)	(114.951)	(21.262)
21. Net foreign currency asset / liability position of monetary items (1+2a+5+6a-10-11-12a-14-15-16a)	(1.158.466)	(992.944)	(119.347)	(46.175)
22. Fair value of foreign currency hedged financial assets	-	-	-	-
23. Exports	876.352	-	-	-
24. Imports	860.428	-	-	-

CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008

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

NOTE 38 - FINANCIAL RISK MANAGEMENT (Continued)

As of 31 December foreign currency denominated asset and liability balances were converted with the following exchange rates; TL 1,5123 = USD 1 and TL 2,1408 = EURO 1 (2007: TL 1,1647 = USD 1 and TL 1,7102 = EURO 1)

2008

	Profit / Loss		Equity	
	Appreciation of Foreign currency	Devaluation of Foreign currency	Appreciation of Foreign currency	Devaluation of Foreign currency
If USD appreciated against TL by 10%				
1- US Dollar net asset/(liability)	(72.886)	72.886	-	-
2- Part of hedged from US Dollar risk (-)	-	-	-	-
3- US Dollar net effect-gain/(loss) (1+2)	(72.886)	72.886	-	-
If Euro appreciated against TL by 10%				
4- Euro net asset/(liability)	(18.476)	18.476	-	-
5- Part of hedged from Euro risk (-)	-	-	-	-
6- Euro net effect-gain/(loss) (4+5)	(18.476)	18.476	-	-
If other foreign currency appreciated against TL by 10%				
7- Other foreign currency net asset/(liability)	1.698	(1.698)	-	-
8- Part of hedged other foreign currency risk (-)	-	-	-	-
9- Other foreign currency net effect-gain/(loss) (7+8)	1.698	(1.698)	-	-
Total (3+ 6+9)	(89.664)	89.664	-	-

CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008

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

NOTE 38 - FINANCIAL RISK MANAGEMENT (Continued)

2007

	Profit / Loss		Equity	
	Appreciation of Foreign currency	Devaluation of Foreign currency	Appreciation of Foreign currency	Devaluation of Foreign currency
If USD appreciated against TL by 10%				
1- US Dollar net asset/(liability)	(97.541)	97.541	-	-
2- Part of hedged from US Dollar risk (-)	-	-	-	-
3- US Dollar net effect-gain/(loss) (1+2)	(97.541)	97.541	-	-
If Euro appreciated against TL by 10%				
4- Euro net asset/(liability)	(11.495)	11.495	-	-
5- Part of hedged from Euro risk (-)	-	-	-	-
6- Euro net effect-gain/(loss) (4+5)	(11.495)	11.495	-	-
If other foreign currency appreciated against TL by 10%				
7- Other foreign currency net asset/(liability)	(2.126)	2.126	-	-
8- Part of hedged other foreign currency risk (-)	-	-	-	-
9- Other foreign currency net effect-gain/(loss) (7+8)	(2.126)	2.126	-	-
Total (3+ 6+9)	(111.162)	111.162	-	-

a.2) Interest Rate risk

- Media

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

- Energy and Other

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

CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008

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

NOTE 38 - FINANCIAL RISK MANAGEMENT (Continued)

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

	2008	2007
Financial instruments with fixed interest rate		
Assets which difference between fair value less cost to sell with book value booked at statements of income	3.297.576	2.260.924
Financial liabilities	3.179.949	1.347.556
Financial instruments with floating interest rate		
Financial liabilities	1.248.438	1.313.260

Based on the current balance sheet as of 31 December 2008, if there is 1% decrease/ increase in the floating interest rates of financial liabilities for the Media, Energy 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 YTL 10.494 (2007: the net loss before minority and taxation of the Group is going to decrease/increase by YTL 10.759).

a.3) Price Risk

- Energy

The Group is exposed to price risk due to the differences between petroleum product stocks value and the product prices traded in international commodity market which subsequently affects sales price adversely. In order to avoid the negative price fluctuations on sales price, the Group entered into fair value hedge contracts. Gain/loss arising from fair value hedging transactions is added to cost of goods sold. YTL 140.309 of gain on these transactions is included in cost of goods sold in 2008 (2007: YTL 36.568 loss).

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.

CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008

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

NOTE 38 - FINANCIAL RISK MANAGEMENT (Continued)

c) Credit risk

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

- Media

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.

- Energy

The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. Collection risk mainly arises from trade receivables. The risk is managed through the credit limits up to the guarantees received from the dealers. The Group monitors the usage of the credit limits and evaluates customer credibility continuously through taking financial position of the customers with their past experiences and other aspects into consideration. Trade receivables are evaluated based on the Energy segment policies and procedures and presented net-off of provision for doubtful receivables accordingly.

Credit valuation is continuously performed from trade receivable account of the customers; receivables are insured if necessary.

- Other

The Group has adopted a policy of only dealing with creditworthy counterparties (excluding related parties) and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults.

CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008

(Amounts expressed in thousands of New Turkish Lira ("YTL") unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

NOTE 38 - FINANCIAL RISK MANAGEMENT (Continued)

The Group's credit risk of financial instruments as of 31.12.2008 is as follows:

31 December 2008	Trade Receivables		Other Receivables		Cash and cash equivalents	Derivative Instruments
	Related Party	Other	Related Party	Other		
Maximum net credit risk as of balance sheet date	18.007	1.174.901	-	-	3.360.294	56.849
- <i>The part of maximum risk under guarantee with collateral</i>	-	190.511	-	-	601	-
A. Net book value of financial assets that are not past due/impaired	18.007	913.762	-	-	3.360.294	56.849
B. Net book value of financial assets that are renegotiated, if not that will be accepted as past due or impaired	-	39.226	-	-	-	-
C. Carrying value of financial assets that are past due but not impaired	-	204.001	-	-	-	-
- The part under guarantee with collateral etc.	-	-	-	-	-	-
D. Net book value of impaired assets	-	17.912	-	-	-	-
- Past due (gross carrying amount)	-	194.791	-	-	-	-
- Impairment (-)	-	(176.879)	-	-	-	-
- The part of net value under guarantee with collateral	-	17.511	-	-	-	-
- Not over due (gross carrying amount)	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-
- The part of net value under guarantee with collateral	-	-	-	-	-	-
E. Off-balance sheet items with credit risk	-	-	-	-	-	-

CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008

(Amounts expressed in thousands of New Turkish Lira ("YTL") unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

NOTE 38 - FINANCIAL RISK MANAGEMENT (Continued)

The Group's credit risk of financial instruments as of 31.12.2007 is as follows:

31 December 2007	Trade Receivables		Other Receivables		Cash and cash equivalents	Derivative Instruments
	Related Party	Other	Related Party	Other		
Maximum net credit risk as of balance sheet date	18.621	1.372.459	-	-	2.348.867	-
- <i>The part of maximum risk under guarantee with collateral</i>	-	223.028	-	-	-	-
A. Net book value of financial assets that are not past due/impaired	18.621	1.200.349	-	-	2.348.867	-
B. Net book value of financial assets that are renegotiated, if not that will be accepted as past due or impaired	-	5.213	-	-	-	-
C. Carrying value of financial assets that are past due but not impaired	-	150.793	-	-	-	-
- The part under guarantee with collateral etc.	-	-	-	-	-	-
D. Net book value of impaired assets	-	16.104	-	-	-	-
- Past due (gross carrying amount)	-	138.787	-	-	-	-
- Impairment (-)	-	(122.683)	-	-	-	-
- The part of net value under guarantee with collateral	-	16.274	-	-	-	-
- Not over due (gross carrying amount)	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-
- The part of net value under guarantee with collateral	-	-	-	-	-	-
E. Off-balance sheet items with credit risk	-	-	-	-	-	-

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008**

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

NOTE 38 - FINANCIAL RISK MANAGEMENT (Continued)

Based on industry dynamics and characteristics, the Group does not foresee any collection risk for overdue amounts up to 30 days. Interest is charged for trade receivables which are overdue more than 1 month for media and other segments and 90 days for Energy segment and these receivables are restructured and considered recoverable because there are letter of guarantees, mortgages and other guarantees obtained. Overdue trade receivables is a result of the industry characteristic as mentioned above and is not significantly different from previous periods.

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:

	2008		2007	
	Trade Receivables	Other Receivables	Trade Receivables	Other Receivables
From due date				
Past due 1-30 days	84.197	-	78.920	-
Past due 1-3 months	60.255	-	25.322	-
Past due 3-12 months	46.472	-	39.089	-
Past due 1-5 years	13.077	-	7.462	-
Past due more than 5 years	-	-	-	-
The part under guarantee				
with collateral	-	-	-	-

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. When the amount payable or receivable is not fixed, the amount disclosed has been determined by reference to the projected interest rates as illustrated by the yield curves existing at the reporting date.

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008**

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

NOTE 38 - FINANCIAL RISK MANAGEMENT (Continued)

d) Liquidity risk (Continued)

	Carrying value	Total cash outflow according to contract	Less than 3 Months	3-12 Months	1-5 Years	More than 5 years
2008						
Non-derivative financial liabilities						
Bank borrowings (Note 8)	2.828.336	3.196.050	528.450	657.366	1.889.971	120.263
Finance lease liabilities (Note 8)	51.288	55.517	25.444	4.094	25.979	-
Trade payables (Note 10)	1.837.723	1.891.937	492.102	843.896	555.939	-
Other financial liabilities (Note 9)	30.305	33.334	12.669	12.122	8.543	-
	4.747.652	5.176.838	1.058.665	1.517.478	2.480.432	120.263

Derivative financial liabilities

Derivative cash inflow	57.401	356.499	206.608	5.318	144.573	-
Derivative cash outflow	-	(314.966)	(178.507)	(11.343)	(125.116)	-
Derivative cash outflow, net	57.401	41.533	28.101	(6.025)	19.457	-

	Carrying value	Total cash outflow according to contract	Less than 3 Months	3-12 Months	1-5 Year	More than 5 years
2007						
Non-derivative financial liabilities						
Bank borrowings (Note 8)	1.679.535	1.819.946	152.345	265.998	1.335.443	66.160
Finance lease liabilities (Note 8)	42.713	47.268	10.136	7.643	13.503	15.987
Trade payables (Note 10)	1.335.873	1.379.660	620.916	227.063	531.680	-
Other financial liabilities (Note 9)	31.677	35.374	1.968	12.859	20.547	-
	3.089.798	3.282.248	785.365	513.563	1.901.173	82.147

Derivative financial liabilities

Derivative cash inflow	-	157.852	157.852	-	-	-
Derivative cash outflow	(13.827)	(171.679)	(171.679)	-	-	-
Derivative cash outflow, net	(13.827)	(13.827)	(13.827)	-	-	-

CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008

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

NOTE 38 - FINANCIAL RISK MANAGEMENT (Continued)

e) Fair value of financial instruments

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

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

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

Monetary assets

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

The fair values of certain financial assets carried at cost, including cash and cash equivalents are considered to approximate their respective carrying values due to their short-term nature.

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

Monetary liabilities

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

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

Trade payables are disclosed at their fair values.

CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008

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

NOTE 38 - FINANCIAL RISK MANAGEMENT (Continued)

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).

	31 December 2008	31 December 2007
Total debts	4.972.938	3.263.581
Less: Cash and cash equivalents	(3.348.634)	(2.342.465)
Net debt	1.624.304	921.116
Equity	3.853.502	3.757.575
Total equity	5.477.806	4.678.691
Gearing ratio	30%	20%

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008**

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

NOTE 39 - 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 have been determined by the Group and its subsidiaries and joint ventures, using available market information and appropriate valuation methodologies. 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 were used to estimate the fair value of the financial instruments for which it is practicable to estimate fair value:

Financial assets

The fair value of the foreign currency denominated amounts, which are translated by using the Exchange rates prevailing at period-end, is considered to approximate their fair value.

The fair values of certain financial assets carried at cost including cash and due from banks, deposits with banks and other financial assets are considered to approximate their respective carrying values 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 trade receivables are carried at amortized cost using the effective yield method less provision for doubtful receivables, and hence are considered to approximate their fair values.

Financial liabilities

The fair value of short-term funds borrowed 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 period-end exchange rates and accordingly their carrying amounts approximate their fair values.

Trade payables are stated at their fair values and accordingly their carrying amounts approximate their fair values.

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008**

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

NOTE 40 - SUBSEQUENT EVENTS

- i. In accordance with the Article 1 of the Law numbered 5083 concerning the "Currency of the Republic of Turkey" and according to the Decision of The Council of Ministers dated April 4, 2007 and No: 2007/11963, the prefix "New" used in the "New Turkish Lira" and the "New Kuruş" will be removed as of January 1, 2009. When the prior currency, New Turkish lira ("YTL"), values are converted into TL and Kr, one YTL (YTL1) and one YKr (YKr1) shall be equivalent to one TL (TL1) and one Kr (Kr1).

All references made to New Turkish Lira or Lira in laws, other legislation, administrative transactions, court decisions, legal transactions, negotiable instruments and other documents that produce legal effects as well as payment and exchange instruments shall be considered to have been made to TL at the conversion rate indicated above. Consequently, effective from 1 January 2009, the TL replaces the YTL as a unit of account in keeping and presenting of books, accounts and financial statements.

- ii. As explained in detail in Note 22, within the scope of tax penalty charges in March 2009, in addition to putting bank accounts of Doğan Yayın under sequestration, the Tax Administration has put shares of the Group's subsidiaries representing 66,56% of the capital of Hürriyet Gazetecilik ve Matbaacılık A.Ş., 70,76% of the capital of Doğan Gazetecilik A.Ş. and the Group's joint venture representing 44,89% of the capital of Doğan Burda Dergi Yayıncılık ve Pazarlama A.Ş. and 45,40% of the capital of Doğan TV Holding A.Ş. under sequestration. The fiscal and administrative rights of these shares will be continued to be used by the Group.

- iii. As further explained in Note 3, subsequent to the decision of the Competition Authority dated 26 September 2008 a lawsuit has been filed with the Council of State for the cancellation of the conditions of the decision applied to the Group and a stay of execution. In its decision dated 13 February 2009, the Council of State ruled for a stay of execution of the conditions in the decision of the Competition Authority dated 10 March 2008. Accordingly, the decision of the Competition Authority related to the share purchase of Bağımsız Gazeteciler and Kemer Yayıncılık by Doğan Gazetecilik A.Ş. is valid however the execution of case-related conditions in the decision has been stopped.

- iv. The consolidated financial statements for the year ended 31 December 2008 have been approved by the Board of Directors at 10 April 2009. These consolidated financial statements will be definitive following their approval in the General Assembly.

NOT 41 - DISCLOSURE OF OTHER MATTERS

None (2007: None).

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008**

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

NOTE 42 - CONSOLIDATED CASH FLOW STATEMENTS - CASH USED IN OPERATIONS

	Notes	2008	2007
(Loss)/Profit before income taxes from continuing operations		(20.114)	821.161
Adjustments:			
Depreciation and amortization	17-18-19	376.634	350.621
Provision for employment termination benefits	24	12.220	7.979
Interest expenses/ (income), net	32-33	47.539	(65.540)
Currency translation differences		16.842	31.008
(Income)/loss on sale of property, plant and equipment		1.897	1.817
Impairment of investment property, tangible and intangible assets	17-18-19	24.683	(995)
Provision for net realised values		40.173	(3.378)
Provision for doubtful receivables	31	61.478	45.683
Foreign exchange loss from loans and letter of credits		688.473	(171.405)
Other provisions		21.749	398
Profit arising from the sale of Subsidiaries and Joint Ventures	31	(58.676)	(694.428)
		1.212.898	322.921
Changes in working capital (excluding the effects of acquisitions and disposals):			
Change in financial investments and investments accounted for by the equity method		(45.031)	226.402
Change in trade receivables and due from related parties, net		155.623	(280.599)
Change in inventories, net		(211.502)	(64.681)
Change in trade payables and due to related parties, net		482.797	(160.077)
Change in insurance technical reserves, net		-	(5.412)
Change in other payables/receivables, net		(135.540)	108.376
		246.347	(175.991)
Net cash provided by operating activities		1.459.245	146.930

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