DOĞAN GAZETECİLİK A.Ş.

CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007 TOGETHER WITH INDEPENDENT AUDITOR'S REPORT (ORGINALLY ISSUED IN TURKISH)

Başaran Nas Bağımsız Denetim ve
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CONVENIENCE TRANSLATION INTO ENGLISH OF
INDEPENDENT AUDITOR'S REPORT
ORIGINALLY ISSUED IN TURKISH

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Doğan Gazetecilik A.Ş.

1. We have audited the accompanying consolidated financial statements of Doğan Gazetecilik A.Ş., its subsidiaries and its joint-venture (the "Group") which comprise the consolidated balance sheet as of 31 December 2007 and the consolidated statement of income, the consolidated statement of changes in 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 issued 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 the generally accepted auditing principles and standards issued by the CMB. Those principles require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance on whether the consolidated financial statements are free from material misstatement.

   An audit involves performing 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 entity's preparation and fair presentation of the consolidated 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Group 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 audit opinion.

Opinion

4. In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Doğan Gazetecilik A.Ş. as of 31 December 2007, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the financial reporting standards issued by the CMB (Note 2).

Additional paragraph for convenience translation into English

5. The financial reporting standards described in Note 2 (defined as "CMB Accounting Standards") to the consolidated financial statements differ from International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board with respect to the application of inflation accounting and presentation of primary financial statements and the notes to them. Accordingly, the accompanying consolidated financial statements are not intended to present the consolidated financial position, consolidated financial performance and consolidated cash flows in accordance with IFRS.

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

ORIGINALLY SIGNED
IN TURKISH

Gökhan Yüksel, SMMM
Partner

Istanbul, 27 March 2008

CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED FINANCIAL STATEMENS ORIGINALLY ISSUED IN TURKISH

DOĞAN GAZETECİLİK A.Ş.

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DOĞAN GAZETECİLİK A.Ş.

CONSOLIDATED BALANCE SHEETS AT 31 DECEMBER 2007 AND 2006

(Amounts expressed in New Turkish lira (YTL) unless otherwise indicated).

	Notes	31 December 2007	31 December 2006
ASSETS			
Current assets		**184.049.942**	**66.707.133**
Cash and cash equivalents	4	106.333.707	3.339.411
Marketable securities, net	5	-	-
Trade receivables, net	7	57.577.792	48.493.656
Finance lease receivables, net	8	-	-
Due from related parties, net	9	7.328.974	4.156.530
Other receivables, net	10	2.822.553	2.934.338
Biological assets, net	11	-	-
Inventories, net	12	5.920.228	5.540.704
Construction contract receivables, net	13	-	-
Deferred tax assets	14	1.254.071	845.896
Other current assets	15	2.812.617	1.396.598
Non-current assets		**95.518.436**	**98.187.064**
Trade receivables, net	7	-	-
Finance lease receivables, net	8	-	-
Due from related parties, net	9	-	-
Other receivables, net	10	58.930	50.644
Financial assets, net	16	134.636	135.138
Positive/negative goodwill, net	17	60.428.513	60.428.513
Investment properties, net	18	646.280	699.560
Property, plant and equipment, net	19	31.947.488	34.550.705
Intangible assets, net	20	895.383	904.830
Deferred tax assets	14	1.407.206	1.417.674
Other non-current assets	15	-	-
Total assets		**279.568.378**	**164.894.197**

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

CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED FINANCIAL STATEMENS ORIGINALLY ISSUED IN TURKISH

DOĞAN GAZETECİLİK A.Ş.

CONSOLIDATED BALANCE SHEETS AT 31 DECEMBER 2007 AND 2006

(Amounts expressed in New Turkish lira (YTL) unless otherwise indicated).

	Notes	31 December 2007	31 December 2006
LIABILITIES			
Current liabilities		**34.025.781**	**29.590.250**
Financial liabilities, net	6	-	-
Short-term portion of long-term financial liabilities, net	6	2.354.388	2.891.847
Financial lease liabilities, net	8	-	-
Other financial liabilities, net	10	-	-
Trade payables, net	7	5.484.169	3.838.504
Due to related parties, net	9	15.578.435	16.325.572
Advances received	21	-	-
Construction progress billings	13	-	-
Provisions	23	1.471.272	1.807.999
Deferred tax liabilities	14	-	-
Other current liabilities (net)	15	-	-
Other liabilities, net	10	9.137.517	4.726.328
Non-current liabilities		**3.697.931**	**6.510.587**
Financial liabilities, net	6	-	2.811.200
Financial lease liabilities, net	8	-	-
Other financial liabilities, net	10	-	-
Trade payables, net	7	-	-
Due to related parties, net 9		-	-
Advances received	21	-	-
Provisions	23	3.697.931	3.699.387
Deferred tax liabilities	14	-	-
Other non-current liabilities, net	10	-	-
MINORITY INTERESTS	**24**	**228.265**	**226.472**
SHAREHOLDERS' EQUITY		**241.616.401**	**128.566.888**
Share capital	25	100.000.000	78.000.000
Adjustment to share capital of affiliates	25	-	-
Capital reserves	26	127.970.057	45.910.057
Share premium		82.060.000	-
Revaluation funds		-	-
Revaluation funds of financial assets		-	-
Inflation adjustment to shareholders' equity		45.910.057	45.910.057
Profit reserves	27	3.907.475	3.751.062
Legal reserves		191.878	191.878
Status reserves		-	-
Extraordinary reserves		3.645.686	3.645.686
Investment and property sales gains to be transferred to the share capital		-	-
Translation reserves		69.911	(86.502)
Net income/(loss) for the year		8.833.100	(1.006.192)
Retained earnings/(Accumulated deficit)	28	905.769	1.911.961
Total shareholders' equity and liabilities		**279.568.378**	**164.894.197**
Commitments and contingent liabilities	31		

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

DOĞAN GAZETECİLİK A.Ş.

CONSOLIDATED STATEMENTS OF INCOME FOR THE YEARS ENDED 31 DECEMBER 2007 AND 2006

(Amounts expressed in New Turkish lira (YTL) unless otherwise indicated.)

	Notes	1 January- 31 December 2007	1 January- 31 December 2006
Revenues (net)	36	296.896.407	281.235.129
Cost of revenues (-)	36	(181.686.058)	(187.674.066)
Revenues from services	36	-	-
Other operating income (net)	36	-	-
Gross operating profit (loss)		**115.210.349**	**93.561.063**
Operating expenses (-)	37	(107.362.349)	(96.397.735)
Net operating profit/(loss)		**7.848.000**	**(2.836.672)**
Other operating income	38	13.494.823	8.270.903
Other operating expenses (-)	38	(8.405.041)	(3.835.742)
Financial expenses (-)	39	(1.818.178)	(1.180.344)
Operating income		**11.119.604**	**418.145**
Gain/(loss) on net monetary position	40	-	-
Income/(loss) before minority interest	24	**(1.793)**	**78.457**
Income/(loss) before taxation on income		**11.117.811**	**496.602**
Taxation on income	41	(2.284.711)	(1.502.794)
Taxation on income		**8.833.100**	**(1.006.192)**
Earnings/(loss) per share (YKr)		10,1	(1,3)

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

DOĞAN GAZETECİLİK A.Ş.

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEARS ENDED 31 DECEMBER 2007 AND 2006

(Amounts expressed in New Turkish lira (YTL) unless otherwise indicated.)

	Share capital	Share premium	Inflation adjustment to shareholder's Equity	Translation reserves	Legal reserves	Extraordinary reserves	Net profit/(loss) for the year	Retained earnings/ (accumulated deficit)	Total shareholder's equity
Balances at 1 January 2006	**78.000.000**	**-**	**45.910.057**	**286.834**	**-**	**-**	**6.727.508**	**(977.983)**	**129.946.416**
Cumulative translation differences	-	-	-	(373.336)	-	-	-	-	(373.336)
Net loss for the year	-	-	-	-	-	-	(1.006.192)	-	(1.006.192)
Transfers	-	-	-	-	191.878	3.645.686	(6.727.508)	2.889.944	-
Balances at 31 December 2006	**78.000.000**	**-**	**45.910.057**	**(86.502)**	**191.878**	**3.645.686**	**(1.006.192)**	**1.911.961**	**128.566.888**
Capital increase	22.000.000	-	-	-	-	-	-	-	22.000.000
Share premium	-	82.060.000	-	-	-	-	-	-	82.060.000
Cumulative translation differences	-	-	-	156.413	-	-	-	-	156.413
Net income for the year	-	-	-	-	-	-	8.833.100	-	8.833.100
Transfers	-	-	-	-	-	-	1.006.192	(1.006.192)	-
Balances at 31 December 2007	**100.000.000**	**82.060.000**	**45.910.057**	**69.911**	**191.878**	**3.645.686**	**8.833.100**	**905.769**	**241.616.401**

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

CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED FINANCIAL STATEMENS ORIGINALLY ISSUED IN TURKISH

DOĞAN GAZETECİLİK A.Ş.

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED 31 DECEMBER 2007 AND 2006

(Amounts expressed in New Turkish lira (YTL) unless otherwise indicated.)

	Notes	31 December 2007	31 December 2006
Net profit/(loss)		8.833.100	(1.006.192)
Adjustments :			
Depreciation	18,19	3.668.903	4.280.875
Amortisation	20	500.422	557.302
Net profit/ (loss) on disposal of property, plant and equipment, intangible assets and investment property		(224.973)	(171.579)
Deferred financial income	7	593.961	648.219
Unearned credit finance charged to related parties	9	(183.232)	(186.745)
Minority interest	24	1.793	(78.457)
Interest expenses	39	348.121	400.251
Interest income	38	(1.937.927)	(454.509)
Doubtful receivable provision	7	1.368.089	674.706
İzin karşılığı	10	379.735	-
Employment termination benefit provision	23	1.876.619	470.894
Currency translation differences		158.460	(377.985)
Tax expense/ (income)	41	2.284.711	1.502.794
Adjustments to reconcile net income to net cash from operating activities		**17.667.782**	**6.259.574**
Trade receivables		(11.046.186)	(3.833.052)
Receivables from related parties		(3.172.444)	(563.116)
Inventory		(379.524)	(776.221)
Other current assets		(535.192)	2.952.220
Trade payables		1.645.665	110.541
Payable to related parties		(563.905)	3.228.970
Other short-term debts		1.012.309	(798.651)
Other fixed assets		(8.286)	2.029
Employment termination benefits paid	23	(1.878.075)	(208.560)
Net cash provided from operating activities		**2.742.144**	**6.373.734**
Investing activities:			
Available for sale financial asset sale/(purchase)		502	(502)
Net tangible fixed asset purchase	19	(1.970.534)	(1.935.680)
Net intangible fixed asset purchase	20	(490.975)	(422.110)
Net profit/ (loss) on disposal of property, plant and equipment, intangible assets and investment property		1.181.054	314.825
Net cash outflow from investing activities		**(1.279.953)**	**(2.043.467)**
Financing activities:			
Decrease in bank credits		(3.373.647)	(2.502.783)
Capital increase		22.000.000	-
Share premium increase		82.060.000	-
Interest paid		(323.133)	(319.604)
Interest received		1.168.885	452.423
Net cash provided from financing activities		**101.532.105**	**(2.369.964)**
Net increase in the cash and cash equivalents		102.994.296	1.960.303
Cash and cash equivalents at the beginning of period	4	3.339.411	1.379.108
Cash and cash equivalents at the end of period	4	**106.333.707**	**3.339.411**

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

NOTE 1 - ORGANIZATION AND NATURE OF OPERATIONS

Doğan Gazetecilik A.Ş. ("the Company") and its Subsidiaries and Affiliates ("the Group") operate in the media sector; mainly in newspaper and magazine publishing, and undertake related distribution and sales activities.

The address of the registered office is as follows:

Doğan Gazetecilik A.Ş.
Yüzyıl Mahallesi Doğan Medya Center Bağcılar. İstanbul-Türkiye

Doğan Gazetecilik A.Ş. is registered in the Capital Markets Board ("CMB") and its shares have been quoted on the Istanbul Stock Exchange ("ISE") since 1993. The shares of the Company quoted on the ISE are 41,39% of the total shares. 22% of these shares have been sold to Deutsche Bank AG (Note 25).

The information regarding the "Subsidiaries" and the "Joint Venture" of the Company has been presented in Note 2 to the consolidated financial statements.

All Subsidiaries and Joint Venture of the Company are registered in Turkey apart from Milliyet Verlags, which is established in Germany.

Since the Company operates mainly in the media sector and the majority of the sales and assets of the Company are local, the financial information has not been reported on a segment basis. The Company is a member of Doğan Şirketler Grubu Holding A.Ş. ("Doğan Holding") through the investment of Doğan Yayın Holding A.Ş. ("Doğan Yayın"), which has a majority ownership in the Company.

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.1 Accounting Policies

The consolidated financial statements have been prepared in accordance with accounting and reporting principles published by the Capital Markets Board ("CMB"), namely "CMB Accounting Standards". The CMB published a comprehensive set of accounting principles in Communiqué No: XI-25 "The Accounting Standards in the Capital Markets". In the aforementioned communiqué, it has been stated that applying the International Financial Reporting Standards "IFRS" issued by the International Accounting Standards Board ("IASB") is accepted as an alternative to conform to the CMB Accounting Standards.

With the decision taken on 17 March 2005, the CMB has announced that effective from 1 January 2005 the application of inflation accounting is no longer required for companies operating in Turkey and preparing their financial statements in accordance with CMB Accounting Standards. Accordingly International Accounting Standard ("IAS") 29 ("Financial Reporting in Hyperinflationary Economies") issued by IASB, has not been applied in the consolidated financial statements for the accounting periods commencing from 1 January 2005.

These consolidated financial statements and the related notes have been prepared in accordance with the alternative application defined by the CMB mentioned above and formats required by the CMB.

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

The consolidated financial statements are prepared in New Turkish Lira ("YTL") based on the historical cost conversion except for the financial assets and liabilities which are expressed with their fair values. The Company, its Subsidiaries and Joint Venture incorporated in Turkey maintain their books of account and prepare their statutory financial statements in New Turkish Lira in accordance with the requirements of the Turkish Commercial Code (the "TCC"), tax legislation and the Uniform Chart of Accounts issued by the Ministry of Finance.

2.2 Financial statements of foreign Subsidiaries

The financial statements of Subsidiaries that operate in foreign countries are prepared according to the regulations of the countries where they operate and the necessary adjustments and reclassifications have been reflected in order to comply with basis of presentation that are explained in Note 2. The assets and liabilities of foreign Subsidiaries are translated into YTL using the relevant foreign exchange rates prevailing at the balance sheet date. The results of the foreign Subsidiaries are translated into YTL using average exchange rate for the period and are restated by applying the relevant conversion factors and are expressed as YTL at the purchasing power of the balance sheet date (for 31 December 2004). Exchange differences arising on translation of the opening net assets of foreign Subsidiaries and arising from using closing and average exchange rates are included in the shareholders' equity as cumulative translation adjustment.

2.3 Consolidation principles

The consolidated financial statements include the accounts of the parent company. Doğan Gazetecilik A.Ş. and its Subsidiaries and Joint Venture (collectively referred to as the "Group") on the basis set out in sections (a) - (d) below The financial statements of the companies included in the consolidation have been prepared at the date of the consolidated financial statements and are based on the statutory records which are maintained under the historical cost convention with adjustments and reclassifications including the restatement for changes in the general purchasing power of the Turkish lira for the purpose of fair presentation in accordance with IFRS and the application of uniform accounting policies and presentation specified in note 2.1.

(a) Subsidiaries

Subsidiaries are companies over which Doğan Gazetecilik A.Ş. has the power to control the financial and operating policies for the benefit of Doğan Gazetecilik A.Ş. either (a) through the power to exercise more than 50% of the voting rights relating to shares in the companies owned directly and indirectly by itself; or (b) although not having the power to exercise more than 50% of the voting rights, otherwise having the power to exercise control over the financial and operating policies. The results of Subsidiaries are included to the consolidated financial statements from their effective dates of acquisition.

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

(Amounts expressed in New Turkish lira (YTL) 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 2007 and 2006:

	Proportion of the voting power held by the Company 31 December 2007	Proportion of the voting power held by the Company 31 December 2006
Milliyet Verlags und Handels GmbH (“Milliyet Verlags”)	74,03	74,03
DYG İlan ve Reklam Hizmetleri A.Ş. (“DYG İlan”)	50,02	50,02
Milliyet Haber Ajansı A.Ş. (“Milha”)	66,99	66,99

Milliyet Verlags, which is situated in Germany undertakes newspaper distribution activities.

DYG undertakes advertising and marketing activities and Milha operates as a news agency.

(b) Financial assets at fair value through profit and loss

Financial assets at fair value through profit and loss in which the Group has controlling interests below 20%, or above 20% over which the Company 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 and for the periods which inflation accounting is applied are carried at cost and restated to the equivalent purchasing power at the balance sheet date less any provision for diminution in value (Note 16).

(c) Joint Ventures

Joint Ventures are companies in respect of which there are contractual arrangements through which an economic activity is undertaken subject to joint control by the Company and one or more other parties. The Group’s interest in Joint Ventures is accounted for by way of proportionate consolidation. By this method, the Group includes its share of assets, liabilities, income and expenditure of each Joint Venture in the relevant components of the financial statements.

The table below sets out the Joint Ventures included in the scope of consolidation and shows their shareholding structures at 31 December 2007 and 2006:

	Proportion of joint management 31 December 2007	Proportion of joint management 31 December 2006	Venturer
Birey Seçme ve Değerlendirme Danışmanlık Ltd. Şti (*)	50	50	Doğan Portal ve Elektronik Tic. A.Ş.

(*) Joint venture has been purchased in 2006.

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

(d) Minority interest

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.

The losses applicable to the minority in a consolidated subsidiary may exceed the minority interest in the equity of the subsidiary. The excess, and any 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. If the subsidiary subsequently reports profits, the majority interest is allocated all such profits until the minority's share of losses previously absorbed by the majority has been recovered.

2.4 Approval of the consolidated financial statement

The consolidated financial statements as of 31 December 2007 have been approved by the Board of directors on 27 March 2008.

2.5 Comparatives

Where necessary, comparative amounts have been reclassified to conform to changes in presentation in the current period so that the reclassification will result in a more appropriate presentation of events or transactions. In this context, YTL 1.529.995 has been reclassified to inventories from due from related parties and YTL 1.775.415 has been reclassified to cost of sales from sales.

No restatement has been performed for the financial statements of the previous periods.

2.6 Significant accounting estimates and decisions

Preparation of financial statements requires the use of estimates and assumptions that may affect the amount of assets and liabilities recognised as of the balance sheet date, contingent assets and liabilities disclosed and the amount of revenue and expenses reported. Although, these estimates and assumptions rely on the Group management’s best knowledge about current events and transactions, actual outcomes may vary from those estimates and assumptions.

2.7 Convenience translation into English of consolidated financial statements originally issued in Turkish

The financial reporting standards described in Note 2 (defined as “CMB Accounting Standards”) to the consolidated financial statements differ from International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board with respect to the application of inflation accounting and presentation of primary financial statements and the notes to them. Accordingly, the accompanying consolidated financial statements are not intended to present the consolidated financial position, consolidated financial performance and consolidated cash flows in accordance with IFRS.

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies used in the preparation of the consolidated financial statements have been summarised below:

3.1 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, associated companies and other companies within the Doğan Şirketlere Grubu Holding A.Ş. ("Doğan Holding") and Doğan Yayın Holding A.Ş. (“Doğan Yayın”) are considered and referred to as related parties (Note 9).

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 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 amortised cost. Trade receivables that deferred financial income are netted-off against and that are calculated by discounting amounts that will be collected from trade receivables are recorded at 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 7).

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. Additionally, the Group impairs the receivables for which there are no guarantees or special agreements and which are overdue for more than one year. 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.

3.3 Credit finance income/charges

Credit finance income/charges represent imputed finance income/charges on credit sales and purchases. Such income/charges calculated by using the effective interest method are recognised as financial income or expenses over the period of credit sale and purchases, and included under financial income and expenses.

In the event that a loan is deposited at a bank directly as cash supplied by a company, securities purchased in accordance with a repurchasing agreement with banks at a future date previously determined, are taken under guarantee by Republic of Turkey government bonds and treasury bills, and valued over their discounted values. Accrued interest represents the difference amount between the cash amount supplied by the Company and the future sales price, which corresponds to the current period. These loans, for which the original maturity as at the date the money was directly transferred to the bank is shorter than 3 months, are recognised at their cash values in line with the purpose of the cash flow statements.

3.4 Financial assets

Financial assets with fixed maturity and fixed payments schedule that the management has the intent and ability to hold to maturity are classified as “held-to-maturity. Financial assets intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates are classified as “available-for-sale”; these are included in non-current assets unless management has the express intention of holding the investment 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. Management determines the appropriate classification of its financial assets at the time of the purchase and re-evaluates such designations on a regular basis. All financial assets are initially recognised at cost, being the fair value of the consideration given and including acquisition charges associated with the investment. For the financial assets which the Company owns less than %20 of the shares are measured at their acquisition cost less the impairment amount if the fair value cannot be reliably estimated. Gains and losses resulting from the fair value changes of the financial assets which are classified as “available-for-sale” are reflected to financial statements at the year end.

(Amounts expressed in New Turkish lira (YTL) unless otherwise indicated.)

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.5 Inventories

Inventories are valued at the cost or net realisable value. Cost elements included in inventories are materials, labour and an appropriate amount of factory overheads. The cost of inventories is determined using the moving weighted average and weighted average methods. Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses (Note 12).

3.6 Investment properties

Buildings and land held to earn rent 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 amortised on a straight-line basis. Depreciation is calculated over the investment properties' book values.The depreciation periods for investment properties, which approximate the economic useful lives of such assets, are between 25 and 50 years.

At each balance sheet date, the Group evaluates whether an indication of impairment exists. Where an indication of impairment exists; 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 recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of the asset's net selling price or value in use (Note 18).

3.7 Property, plant, equipment and related depreciation

Property, plant and equipment are carried at cost less accumulated depreciation. They are amortised on a straight-line basis. The depreciation is calculated over tangible assets' purchasing power at the balance sheet date.

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

Buildings	25-50 years
Machinery and equipment	3-15 years
Furniture and fixtures	4-15 years
Motor vehicles	5-10 years
Special costs	5 years

At each balance sheet date, the Group evaluates whether an indication of impairment exists.Where an indication of impairment exists; property, plant and equipment are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised 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.

Gains or losses on disposals of property, plant and equipment are determined by comparing proceeds with carrying amounts and are included in operating profit.

Repair and maintenance expenses are charged to the income statement as they are incurred. Repair and maintenance expenditures are capitalized if they result in an enlargement or substantial improvement of the respective assets (Note 19).

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.8 Intangible assets, goodwill and amortisation

Intangible assets comprise computer of software programmes, established information systems and other identified rights. They are recorded at their acquisition cost and amortised using the straight-line method over their estimated useful lives for a period not exceeding 10 years. Where an indication of impairment exists, the carrying amount of any intangible asset is assessed and written down immediately to its recoverable amount (Note 20).

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 capitalised and amortised using the straight-line method over the useful life until 31 December 2004, if the acquisition is before 31 March 2004. Within the framework of IFRS 3 - "Business Combinations" amortisation accounting is not applied for goodwill related to acquisitions after 31 March 2004, and the carrying value of goodwill is reviewed and adjusted for permanent impairment where it is considered necessary. The carrying amount of negative goodwill related to the acquisition after 31 March 2004 is reviewed and accounted for as income in the related period. In accordance with IFRS 3, goodwill associated with transactions before 31 March 2004 is not amortised starting from the beginning of the first annual period beginning on or after 31 March 2004 (1 January 2005) and are reviewed for impairment annually (Note 17).

3.9 Taxes on income

Taxes include current period income taxes and deferred taxes. Current year tax liability consists of tax liability on period income calculated according to currently enacted tax rates and tax legislation in force as of balance sheet date and includes adjustments related to previous years' tax liabilities.

Deferred income tax is provided in full, using the liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying values in the consolidated financial statements. Currently enacted tax rates are used to determine deferred income tax.

In substance, temporary differences arise from the differences in the periods of the recognition of income and expenses in accordance with the accounting policies described in Note 2 and tax legislation.

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

Deferred tax assets and deferred tax liabilities related to income taxes levied by the same taxation authority are offset accordingly.

3.10 Bank borrowings

Bank borrowings are recognized initially at proceeds received, net of transaction costs incurred. Bank borrowings are subsequently stated at amortised cost using the effective yield method; any difference between the proceeds and redemption value is recognized in the income statement over the period of the borrowings (Note 6).

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.11 Employment termination benefits

The Group is required to pay termination benefits to employees who is retired, whose employment is terminated without due causes in Labour Law, in accordance with the Law related with The Arrangement of the Relationships within the Employees in Press Sector (employees in media sector) and other laws. The provision for employment termination benefits, as required by Turkish Labour Law, is recognised in these financial statements as the benefits are earned. The total provision represents the present value of future probable obligation of the Group arising from the retirement of its employees regarding the actuarial projections (Note 23).

3.12 Provisions

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

3.13 Share capital, dividends and share premium

Ordinary shares are classified as equity. Pro-rata capital increases to existing shareholders are accounted for at par value as approved. Dividends on ordinary shares are recognised in equity in the period in which they are declared. Share premium represents the difference between nominal value of the publicly held shares and their sales prices.

3.14 Foreign currency transactions and translation

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 at the exchange rates prevailing at the balance sheet dates. Exchange gains or losses arising from settlement and translation of foreign currency items have been included in the consolidated income statement.

3.15 Revenue recognition

Revenue from newspaper sales is recognised at the time of delivery of the newspapers by the distribution company to the vendor at the invoiced values. Revenue arising through advertising is recognised at the time of publishing, at the invoiced values. Revenue from unpublished part of advertisements are recognized as deferred income in balance sheet. The amount of recorded income should be measurable, economic benefits should arise as a result of the transactions, and the income should be accounted for with respect to the fair value of the receivable income If the sales transaction is including a financing transaction, the fair value of the sales amount should be calculated according to the receivables dates related to the sales. Net sales represent the invoiced value of goods shipped less sales returns and commission, and excluding sales taxes. 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. Newspaper sale returns are recorded at the time of sale, based on previous experience and other relevant factors. Sales premiums given to the customers based on the advertising revenue is accounted under “operating expenses”.

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Interest income:

Interest income is recognized on a time proportion basis that takes into account the effective yield on the asset.

Rental income:

Rental income of investment properties is recognized on an accrual basis.

Service income:

Service income consisting of building contribution shares, electricity, and heating is recognised on an accrual basis.

3.16 Barter agreements

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 that generates revenue. When goods are sold or services are rendered in exchange for dissimilar goods or services, the exchange is regarded as a transaction that generates revenue. The revenue is measured at the fair value of the goods or services received. When the fair values of goods and services received cannot be estimated reliably, 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 (Note 31).

3.17 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 42).

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

3.18 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, bank deposits and highly liquid assets, whose maturity at the time of purchase is less than three months (Note 4).

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.19 Financial instruments and financial risk management

The Group's activities expose it to a variety of financial risks including market risk (foreign currency risk, interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance of the Group.

Market Risk

Interest rate risk

The Group is exposed to interest rate risk through the impact of rate changes on interest bearing liabilities (Note 6). These exposures are managed by using natural hedges that arise from offsetting interest rate sensitive assets and liabilities.

As mentioned in Note 6, amount of borrowings with a floating rate is YTL 2.354.388. If interest rate on borrowings had been 1% higher/lower with all other variables held constant, interest expense would have been YTL 47.361 (31 December 2006: YTL 61.552) higher/lower

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 and assets to YTL. These risks are monitored and limited by the analysis of the foreign currency position.

As explained in the Note 29, the Group's foreign currency denominated assets exceed foreign currency denominated liabilities by YTL65.468.668 as of 31 December 2007 (31 December 2006: foreign currency denominated liabilities exceed foreign currency denominated assets by YTL4.740.310). Accordingly, changes in foreign exchange rates affect the financial performance of the Group. Management follows up the foreign exchange risk by analysing the foreign currency position (Note 29).

At 31 December 2007, had the US Dollar appreciated/depreciated by 10% against YTL, with all other variables held constant, net income for the period would have been YTL 6.544.413 higher/lower (31 December 2006: YTL 474.030 higher/lower).

Credit risk

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

(Amounts expressed in New Turkish lira (YTL) unless otherwise indicated.)

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

As of 31 December 2007 and 2006, borrowings of the Group are limited with the banks with high credit ratings. The Banks to which the Group owes as of 31 December 2007 and 2006 are as follows:

	31 December 2007	**31 December2006**
Akbank T.A.Ş.	2.354.388	2.891.847
Abn Amro	-	2.811.200
Total	**2.354.388**	**5.703.047**

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.

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

At 31 December 2007, the Group does not have long term financial liabilities and long term trade payables. (31 December 2006: no long term trade payables, long term financial liabilites amounting to YTL 2.811.200) (Note 6).

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 recapitalise or maintain the current capital structure, the Group can change dividend payment amount, announce new shares and in order to decrease borrowings the Group can sell assets.

The Group monitors capital using liability/capital ratio which is calculated by dividing net liability to total capital. Net liability amount is obtained from the deducting cash and cash equivalents from the total liability (includes financial liabilities, trade payables and payables due to related parties as stated in balance sheet). Total capital is the sum of equity and net liabilities as also stated in balance sheet.

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair value of the 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 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 realise 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:

Monetary assets

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

The fair values of certain financial assets carried at cost, including cash and amounts due from banks are considered to approximate their respective carrying values due to their short-term nature.

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

Monetary liabilities

Trading liabilities have been estimated at their fair values.

The fair values of short-term 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 denominated in foreign currencies, are translated at period-end exchange rates and accordingly their carrying amounts approximate their fair values.

3.20 Web page development costs

The Groups capitalises direct costs incurred in the development of its websites and recognised over the estimated useful lives. The costs incurred that relate to the planning and post implementation phases are expensed. Costs associated with repair and maintenance of the website is included in operating expenses in the consolidated interim statements of operations (Note 20).

3.21 Offsetting

Balances which are material as nature and amount are separately stated in consolidated financial statements, even if they are similar. Immaterial balances are cumulatively stated with respect to their natures and functions. When substance of an operation or event requires offsetting, it is not assessed as violation of offsetting principle that stating an operation or event via offsetting or an asset via offsetting impairment. Gains other than revenues which are described as generated from operations by the Group are stated with their net amounts, if this is suitable for substance of an operation or event.

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.22 Changes and errors in accounting policies and estimates

Material changes in accounting policies and material errors are corrected retrospect from previous periods' financial statements. If the accounting policy changes are only related with the current period, they are only reflected to the current period's financial statements; whereas if they are related with both the current and following periods, they are reflected to both periods in consideration of the definition of net income of the period.

3.23 Subsequent events

Subsequent events consist of all events between balance sheet date and date of authorization for validity, even if they have been existed after public explanation of an announcement about profit or other financial information.

The Company adjusts amounts in financial statements accordingly, when an operation or event to be adjusted exists after balance sheet date.

3.24 Reporting of cash flows

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

The cash flows raised from/ (used in) operating activities indicate cash flows due to the Group's operations.

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

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

Cash and cash equivalents include cash and bank deposits and the investments that are readily convertible into cash and highly liquid with less than three months to maturity (Note 4).

(Amounts expressed in New Turkish lira (YTL) unless otherwise indicated.)

NOTE 4 - CASH AND CASH EQUIVALENTS

The analysis of cash and cash equivalents at 31 December 2007 and 31 December 2006 is as follows:

	31 December 2007	**31 December 2006**
Cash	69.144	89.179
Banks		
- demand deposits	3.484.200	1.734.127
- time deposits	102.767.966	1.516.037
Other liquid assets	12.397	68
	106.333.707	**3.339.411**

At 31 December 2006, interest rates for local currency time deposits are 16%-18,5% (31 December 2006: 17%-18%), and interest rate for USD denominated time deposits are 5%-5,6% (31 Aralık 2006: None). Days to maturity for the time deposits open as of 31 December 2007 and 31 December 2006 are less than 30 days.

At 31 December 2007, cash and cash equivalents amounting to YTL 9.318 (31 December 2006: YTL 11.361) are held in blocked bank accounts as guarantees for bank borrowings.

NOTE 5 - MARKETABLE SECURITIES

None (31 December 2006: None).

(Amounts expressed in New Turkish lira (YTL) unless otherwise indicated.)

NOTE 6 - FINANCIAL LIABILITIES

	Interest Rate (%)		Original Balance		YTL	
	2007	2006	2007	2006	2007	2006
Short-term portion of long-term bank borrowings:						
- USD	Libor+2,25	Libor+2,25	2.021.454	2.057.376	2.354.388	2.891.847
Total short-term bank borrowings					**2.354.388**	**2.891.847**
Long-term bank borrowings:						
- USD	Libor+1,9	Libor+1,9	-	2.000.000	-	2.811.200
Total long-term bank borrowings					**-**	**2.811.200**

The exposure of the Group's borrowings to interest rate change and the contractual repricing dates at the balance sheet dates are as follows:

	2007	2006
6 months or less	2.354.388	5.703.047
	2.354.388	**5.703.047**

The fair value of current and non-current borrowings equals their carrying amount, as the impact of discount is not significant.

The redemption schedule of long-term bank borrowings is as follows:

Year	**31 December 2007**	**31 December 2006**
2008	-	2.811.200

(Amounts expressed in New Turkish lira (YTL) unless otherwise indicated.)

NOTE 7 - TRADE RECEIVABLES AND PAYABLES

Trade receivables, net

	31 December 2007	31 December 2006
Trade receivables	64.816.315	54.647.998
Cheques and notes receivable	955.434	725.784
	65.771.749	55.373.782
Provision for doubtful receivables	(7.599.996)	(6.231.907)
Deferred financial income	(593.961)	(648.219)
Trade receivables, net	**57.577.792**	**48.493.656**

In accordance with the factoring contract signed with Doğan Factoring, trade receivable amounting to YTL 52.165.083 (31 December 2006: YTL 43.404.710) regarding advertisement revenues is followed by Doğan Factoring. Effective interest rate related with the receivables followed by Doğan Factoring is %14 (2006: 13%).

Aging analysis for trade receivables:

As of 31 December 2007, trade receivables of YTL 15.295.419 (2006: YTL 10.878.592) have not been collected at their due dates. The management has considered no collection risk for the receivables no provision booked for due to guarantees obtained from the regarding customers.

Aging of past due receivables as of 31 December 2007 and 31 December 2006 is as follows:

	31 December 2007	31 December 2006
Up to 3 months	13.496.006	8.980.519
3 to 6 months	1.309.360	1.559.842
More than 6 months	490.053	338.231
	15.295.419	**10.878.592**

Movement of the “provision for doubtful receivables” during the period is as follows:

	31 December 2007	31 December 2006
At 1 January	6.231.907	5.557.201
Provisions booked (Note 38)	1.494.671	855.080
Collections	(126.582)	(180.374)
31 December	**7.599.996**	**6.231.907**

Trade payables, net

	31 December 2007	31 December 2006
Short-term trade payables	5.109.432	3.595.117
Cheques and notes payable	196.346	41.520
Other payables	178.391	201.867
Trade payables, net	**5.484.169**	**3.838.504**

(Amounts expressed in New Turkish lira (YTL) unless otherwise indicated.)

NOTE 8 - FINANCIAL LEASE RECEIVABLES AND LIABILITIES

None (31 December 2006: None).

NOTE 9 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES

i. Balances with related parties:

a) Due from related parties:

	31 December 2007	31 December 2006
Doğan Dağıtım Satış ve Pazarlama A.Ş. (“Doğan Dağıtım”)	2.667.049	513.109
Medyanet İletişim Reklam Paz. Turizm A.Ş. (“Medyanet”)	1.824.861	1.009.540
D Market Elektronik Hizm.Tic. A.Ş. (“D Market”)	741.939	186.768
Doğan TV Holding A.Ş. (“Doğan TV”)	616.819	6.551
Doğan Media International (“DMG”)	395.246	634.903
Doğan Müzik Kitap Satış Pazarlama A.Ş. (“Doğan Müzik Kitap”)	-	872.481
Doğan Kitapçılık A.Ş. (“Doğan Kitapçılık”)	-	209.026
Birey Seçme ve Değerlendirme Danışmanlık Ltd. Şti (“Birey İK”)	365.989	79.023
Other	717.071	645.129
	7.328.974	**4.156.530**

b) Due to related parties:

	31 December 2007	31 December 2006
Hürriyet Gazetecilik ve Matbaacılık A.Ş. (“Hürriyet”)	6.725.545	8.019.407
Hürriyet Zweigniderlassung (“Hürriyet Zweigniderlassung”)	3.067.743	2.876.395
Doğan Yayın Holding A.Ş. (“Yayın Holding”)	1.804.139	1.675.054
Kanal D	1.551.425	282.646
Milta Turizm İşletmeleri A.Ş. (“Milta Turizm”)	725.407	395.061
Işıl TV Yayıncılık Yapımcılık San. ve Tic. A.Ş. (“Star TV”)	548.163	1.212.841
Doğan İletişim Telekomünikasyon Elektronik Servis Hizmetleri Turizm ve Yayıncılık A.Ş. (“Doğan Online”)	326.880	879.976
Eko TV Televizyon Yayıncılık A.Ş. (“CNN Türk”)	218.097	332.156
Doğan Ofset Yayıncılık ve Matbaacılık A.Ş. (“Doğan Ofset”)	62.611	283.859
Other	731.657	554.922
	15.761.667	16.512.317
Less: Unearned credit finance charged to related parties	(183.232)	(186.745)
	15.578.435	**16.325.572**

c) Stock advances given to related parties

	31 December 2007	31 December 2006
Işıl İthalat İhracat Mümessillik A.Ş. (“Işıl İthalat İhracat”)	1.906.062	703.380
Doğan Dış Ticaret ve Mümessillik A.Ş. (“Doğan Dış Ticaret”)	-	826.615
	1.906.062	**1.529.995**

(Amounts expressed in New Turkish lira (YTL) unless otherwise indicated.)

NOTE 9 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Continued)

ii) Related party transactions:

a) Service and product sales:

	1 January- 31 December 2007	1 January- 31 December 2006
Doğan Dağıtım	105.998.622	116.089.484
Kanal D	4.266.392	6.001.825
Alp Görsel İletişim Hizmetleri A.Ş.	3.879.899	-
Star TV	2.413.366	2.962.211
DMG	2.377.121	2.555.820
Petrol Ofisi	1.708.779	2.843.432
Medyanet	1.424.892	2.772.643
Other	5.612.553	5.477.432
	127.681.624	**138.702.847**

b) Service and product purchases:

	1 January- 31 December 2007	1 January- 31 December 2006
Işıl İthalat İhracat	71.399.985	71.092.319
Doğan Dış Ticaret	29.557.231	36.469.162
Hürriyet	22.739.242	23.569.438
Other	12.825.492	12.429.950
	136.521.950	**143.560.869**

c) Other transactions:

Other income

	1 January- 31 December 2007	1 January- 31 December 2006
Kanal D	1.673.980	1.851.921
Other	359.510	223.776
	2.033.490	**2.075.697**

The Company has rented the part of building in which operates, to Kanal D for 7 years with a monthly rent of USD 106.530 beginning from 1 January 2003.

(Amounts expressed in New Turkish lira (YTL) unless otherwise indicated.)

NOTE 9 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Continued)

Financial (expense)/income, net

Doğan Factoring	(512.267)	(454.882)
Other	(27.858)	(261)
Financial expenses:	**(540.125)**	**(455.143)**

General administrative, marketing and selling expenses

	1 January - 31 December 2007	1 January- 31 December 2006
Doğan Dağıtım	22.723.282	22.353.674
Kanal D	9.194.415	7.010.819
Yayın Holding	3.719.853	4.638.479
Star TV	3.303.921	3.570.581
Medyanet (*)	2.374.634	-
D Yapım	1.240.819	2.224.706
Hürriyet	730.555	271.007
Other	2.757.726	5.504.559
	46.045.205	**45.573.825**

(*) Includes commission invoices issued by Medyanet related with internet advertisement sales.

Benefits provided to top management:

	1 January - 31 December 2007	1 January - 31 December 2006
Benefits provided to top management	**2.334.248**	**1.956.439**

NOTE 10 - OTHER RECEIVABLES AND PAYABLES

Other current receivables, net

	31 December 2007	31 December 2006
Transferred VAT	1.262.189	584.266
Personnel advances	484.917	757.917
Receivables from personnel	481.365	638.470
Advances given	409.946	772.103
Prepaid taxes and funds	184.136	181.582
	2.822.553	**2.934.338**

(Amounts expressed in New Turkish lira (YTL) unless otherwise indicated.)

NOTE 10 - OTHER RECEIVABLES AND PAYABLES (Continued)

Other non-current receivables, net

	31 December 2007	31 December 2006
Deposits and guarantees given	58.930	50.644
	58.930	**50.644**

Other current liabilities, net

	31 December 2007	31 December 2006
Taxes and funds payable	4.822.348	3.274.670
Deferred income	1.714.938	604.182
Payables to personnel	1.107.463	727.750
Provisions for promotion stocks (*)	1.039.317	-
Unused vacation accrual	379.735	-
Other	73.716	119.726
	9.137.517	**4.726.328**

(*) Provision booked regarding promotion campaigns launched by the Company in October and December 2007.

NOTE 11 - BIOLOGICAL ASSETS

None (31 December 2006: None).

NOTE 12 - INVENTORIES

	31 December 2007	31 December 2006
Promotion stocks	3.589.257	3.611.202
Advances given for the purchase of spare parts and raw material	1.906.062	1.529.995
Finished goods and merchandise	643.419	628.833
Raw materials and supplies	95.602	141.962
	6.234.340	5.911.992
Provision of impairment for inventories	(314.112)	(371.288)
	5.920.228	**5.540.704**

(Amounts expressed in New Turkish lira (YTL) unless otherwise indicated.)

NOTE 13 - BALANCES RELATED TO CONSTRUCTION CONTRACTS

None (31 December 2006: None).

NOTE 14 - DEFERRED TAX ASSETS AND LIABILITIES

The Group calculates deferred tax assets and liabilities based on the temporary differences between the IFRS financials specified in Note 2 and financials prepared according to Turkish tax legislation. In substance, differences arise from the differences in accounting periods for the recognition of income and expenses in accordance with IFRS specified in Note 2 and tax legislation.

Deferred income taxes are calculated using a principal tax rate of 20% on temporary differences that are expected to be realised or settled in the following periods (31 December 2006: %20).

The temporary differences and deferred income tax assets and deferred tax liabilities which have been calculated using the enacted tax rates at 31 December 2007 and 2006 are as follows:

	Total Temporary differences		Deferred tax assets/(liabilities)	
	2007	2006	2007	2006
Inflation adjustment of tangible and intangible assets	3.384.784	3.652.814	676.957	730.563
Provision for employment termination benefits	3.697.931	3.699.387	739.586	739.878
Unearned financial income	593.961	648.219	118.792	129.644
Provision for lawsuits	813.880	914.339	162.776	182.868
Provision for promotion stocks	1.039.317	-	207.863	-
Provision of impairment for inventories	314.112	371.288	62.772	74.208
Provision for doubtful receivables	1.686.151	1.562.062	337.231	312.413
Deferred internet revenue	919.104	-	183.821	-
Unusued vacation accrual	379.735	-	75.946	-
Prepaid expenses	660.894	660.894	132.179	132.179
Deferred tax assets			**2.697.923**	**2.301.753**
Unearned financial expenses	(183.232)	(186.745)	(36.646)	(38.183)
Deferred tax liabilities			**(36.646)**	**(38.183)**
Deferred tax assets, net			**2.661.277**	**2.263.570**

Deferred tax assets	**31 December 2007**	**31 December 2006**
Long term	1.407.206	1.417.674
Short term	1.290.717	884.079
Total	**2.697.923**	**2.301.753**

(Amounts expressed in New Turkish lira (YTL) unless otherwise indicated.)

NOTE 14 - DEFERRED TAX ASSETS AND LIABILITIES (Continued)

Deferred tax liabilities:	**31 December 2007**	**31 December 2006**
Long term	-	-
Short term	36.646	38.183
Total	**36.646**	**38.183**

Since each Company within the Group are separate legal entities, the deferred tax assets and liabilities have not been netted-off.

The movement of deferred tax assets for the years ended December is as follows:

	2007	**2006**
1 January	2.263.570	3.432.590
Deferred tax income/(expense) (Note 4l)	397.707	(1.169.020)
31 December	**2.661.277**	**2.263.570**

NOTE 15 - OTHER CURRENT/NON-CURRENT ASSETS AND LIABILITIES

Other current assets

	31 December 2007	**31 December 2006**
Prepaid expenses	2.120.407	1.682.617
Income accruals	1.410.812	432.583
	3.531.219	2.115.200
Provision for diminishing in value	(718.602)	(718.602)
	2.812.617	**1.396.598**

Provision for diminishing in value is related to the prepaid expenses.

(Amounts expressed in New Turkish lira (YTL) unless otherwise indicated.)

NOTE 16 - FINANCIAL ASSETS

	31 December 2007		31 December 2006	
		Share in Capital		Share in Capital
	YTL	(%)	YTL	(%)
Milliyet İnternet	82.287	30,50	82.287	30,50
Doğan Haber	51.590	2,65	51.590	2,65
DMG International SA	-	0,01	502	0,01
Ak Enerji	477	0,01	477	0,01
Doğan Dağıtım	275	0,04	275	0,04
Doğan Dış Ticaret	4	0,01	4	0,01
D&R	3	0,01	3	0,01
Other (11 subsidiaries)	649.737		649.737	
	784.373		784.875	
Provision for impairment	(649.737)		(649.737)	
	134.636		**135.138**	

Since Milliyet Internet, a current financial asset, has no material effect on the financial statements, it has not been recorded according to the equity method and is displayed with its indexed cost amount.

NOTE 17 - POSITIVE/NEGATIVE GOODWILL

	1 January 2007	Additions	Disposals	31 December 2007
Net book value	60.428.513	-	-	60.428.513

Goodwill consists of the acquisition premium amounting YTL 66,526,804 arising from the complete purchase of assets and liabilities of Simge Yayıncılık A.Ş by the Group on 31 December 2003.

Since 1 January 2005 in accordance with IFRS 3, the Group has ceased amortising goodwill (Note 38); however the Group has regularly reviewed the reported goodwill amount for impairment and has reflected any impairment in the financial statements. At 31 December 2007, there is no impairment on goodwill.

(Amounts expressed in New Turkish lira (YTL) unless otherwise indicated.)

NOTE 18 - INVESTMENT PROPERTIES

	1 January 2007	Additions	Disposals	31 December 2007
Cost	1.507.585	-	-	1.507.585
Accumulated depreciation	(808.025)	(53.280)	-	(861.305)
Net book value	**699.560**		**-**	**646.280**

	1 January 2006	Additions	Disposals	31 December 2006
Cost	1.626.408	-	(118.823)	1.507.585
Accumulated depreciation	(859.705)	(53.676)	105.356	(808.025)
Net book value	**766.703**			**699.560**

Per report of independent valuer, fair value of the investment property is YTL 1.890.000.

(Amounts expressed in New Turkish lira (YTL) unless otherwise indicated.)

NOTE 19 - PROPERTY, PLANT AND EQUIPMENT

	1 January 2007	Currency translation differences	Additions	Disposals	31 December 2007
Cost					
Land and land improvements	1.471.899	-	16.885	-	1.488.784
Buildings	40.116.475	-	509	-	40.116.984
Machinery and equipment	64.635.381	(6.092)	550.253	(43.090.782)	22.088.760
Motor vehicles	1.107.440	-	210.535	(217.528)	1.100.447
Furniture and fixtures	24.923.612	-	1.143.139	(18.056)	26.048.695
Special cost	879.337	-	49.213	-	928.550
	133.134.144	**(6.092)**	**1.970.534**	**(43.326.366)**	**91.772.220**
Accumulated depreciation					
Land and land improvements	1.264.879	-	30.560	-	1.295.439
Buildings	13.961.916	-	1.090.514	-	15.052.430
Machinery and equipment	62.153.020	(4.045)	461.430	(42.217.781)	20.392.624
Motor vehicles	473.586	-	158.089	(134.520)	497.155
Furniture and fixtures	19.874.180	-	1.859.081	(17.984)	21.715.277
Special cost	855.858	-	15.949	-	871.807
	98.583.439	**(4.045)**	**3.615.623**	**(42.370.285)**	**59.824.732**
Net book value	**34.550.705**				**31.947.488**

As of 31 December 2007, there are no collateral and mortgage on property, plant and equipment (31 December 2006: YTL 12.450.000).

YTL 1.236.770 (2006: YTL 1.725.362) of depreciation expense was included in production expenses and YTL 2.932.555 (2006: YTL3.115.525) was included in operating expenses.

(Amounts expressed in New Turkish lira (YTL) unless otherwise indicated.)

NOTE 19 - PROPERTY, PLANT AND EQUIPMENT (Continued)

	1 January 2006	Currency translation differences	Additions	Disposals	31 December 2006
Cost					
Land and land improvements	1.426.290	-	46.915	(1.306)	1.471.899
Buildings	40.066.475	-	50.000	-	40.116.475
Machinery and equipment	64.780.575	9.452	133.625	(288.271)	64.635.381
Motor vehicles	1.254.503	-	193.812	(340.875)	1.107.440
Furniture and fixtures	25.709.833	-	1.508.669	(2.294.890)	24.923.612
Special cost	876.678	-	2.659	-	879.337
	134.114.354	**9.452**	**1.935.680**	**(2.925.342)**	**133.134.144**
Accumulated depreciation					
Land and land improvements	1.211.857	-	53.022	-	1.264.879
Buildings	12.871.867	-	1.090.049	-	13.961.916
Machinery and equipment	61.454.343	4.803	975.652	(281.778)	62.153.020
Motor vehicles	528.275	-	166.350	(221.039)	473.586
Furniture and fixtures	20.269.061	-	1.897.865	(2.292.746)	19.874.180
Special cost	811.597	-	44.261	-	855.858
	97.147.000	**4.803**	**4.227.199**	**(2.795.563)**	**98.583.439**
Net book value	**36.967.354**				**34.550.705**

(Amounts expressed in New Turkish lira (YTL) unless otherwise indicated.)

NOTE 20 - INTANGIBLE ASSETS

	1 January 2007	Additions	Disposals	31 December 2007
Cost				
Rights	2.825.423	383.593	-	3.209.016
Other	2.191.641	107.382	-	2.299.023
	5.017.064	**490.975**	**-**	**5.508.039**
Accumulated amortisation				
Rights	2.408.129	51.362	-	2.459.491
Other	1.704.105	449.060	-	2.153.165
	4.112.234	**500.422**	**-**	**4.612.656**
Net book value	**904.830**			**895.383**

	1 January 2006	Purchases(*)	Additions	Disposals	31 December 2006
Cost					
Rights	2.448.009	141.792	235.622	-	2.825.423
Other	2.146.945	-	44.696	-	2.191.641
	4.594.954	**141.792**	**280.318**	**-**	**5.017.064**
Accumulated amortisation					
Rights	2.387.721	2.710	17.698	-	2.408.129
Other	1.164.501	-	539.604	-	1.704.105
	3.552.222	**2.710**	**557.302**	**-**	**4.112.234**
Net book value	**1.042.732**				**904.830**

(*) Balances arising from purchase of Birey Seçme ve Değerlendirme Danışmanlık Ltd. Şti are indicated in purchases column.

NOTE 21 - ADVANCES RECEIVED

None (31 December 2006: None).

NOTE 22 - RETIREMENT PLANS

None (31 December 2006: None).

(Amounts expressed in New Turkish lira (YTL) unless otherwise indicated.)

NOTE 23 - PROVISIONS

a) Short term provisions

	31 December 2007	31 December 2006
Provision for lawsuits (Note 31.c)	1.446.830	1.778.847
Corporate and income taxes	16.456	12.811
Other	7.986	16.341
	1.471.272	**1.807.999**

Movement of the “provision for lawsuits” during the period is as follows:

	2007	2006
1 January	1.778.847	1.808.480
Increase during the period	(332.017)	(29.633)
31 December	**1.446.830**	**1.778.847**

b) Long term provisions

Long term provision is composed of employee termination benefit liabilities.

Under the Turkish Labour Law, the Company 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) and whose employment is terminated without due cause, is called up for military service, or dies. Since the legislation was changed on 23 May 2002 there are certain transitional provisions relating to length of service prior to retirement.

At 31 December 2007 the amount payable consists of one month's salary limited to a maximum of YTL 2.087,92 (31 December 2006: YTL 1.857,44) for each year of service.

In addition, according to 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 30 days’ salary for each year of service. The monthly salary figure is calculated by adding all cash and non-cash payments received during the year and dividing by twelve.

The liability is not funded, as there is no funding requirement.

Provision for employment termination benefits is calculated by estimating the present value of the future probable obligation arising from the retirement of the employees of the Group.

Accounting Standards specified in Note 2 require actuarial valuation methods to be developed to estimate the enterprise's obligation under defined benefit plans. Accordingly the following actuarial assumptions were used in the calculation of the total provision:

	2007	2006
Discount rate	5,71%	5,71%
Turnover rate to estimate the probability of retirement	87%	88%

(Amounts expressed in New Turkish lira (YTL) unless otherwise indicated.)

NOTE 23 - PROVISIONS (Continued)

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 2.087,92 effective from 1 January 2008 (1 January 2007: YTL 1.960,69) has been taken into consideration in calculating the reserve for employment termination benefit of the Group.

Movements in the provision for employment termination benefits for the period ended 31 December 2007 and 2006 are as follows:

	2007	**2006**
1 January	3.699.387	3.437.053
Increase during the period	1.876.619	470.894
Paid during the period	(1.878.075)	(208.560)
31 December	**3.697.931**	**3.699.387**

NOTE 24 - MINORITY INTERESTS

	1 January 2007	**Minority interest (loss)/income**	**Transfers**	**31 December 2007**
DYG İlan	226.472	1.793	-	228.265
	226.472			**228.265**

	1 January 2006	**Minority interest (loss)/income**	**Transfers**	**31 December 2006**
DYG İlan	304.929	(78.457)	-	226.472
	304.929			**226.472**

NOTE 25 - SHARE CAPITAL/ADJUSTMENT TO SHARE CAPITAL

The Company 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 Ykr 1. There are no privileged shares. The Company's historical authorised and paid-in share capital at 31 December 2007 and 31 December 2006 was as follows:

	31 December 2007	**31 December 2006**
Limit on registered share capital (historical)	150.000.000	150.000.000
Historical authorised and paid-in share capital	100.000.000	78.000.000

(Amounts expressed in New Turkish lira (YTL) unless otherwise indicated.)

NOTE 25 - SHARE CAPITAL/ADJUSTMENT TO SHARE CAPITAL (Continued)

Companies in Turkey may exceed the limit for registered share capital in cases of the issuance of free capital shares to existing shareholders.

The shareholding structure of the company is as follows:

	%	31 December 2007	%	31 December 2006
Doğan Yayın Holding A.Ş.	58,09	58.089.243	74,47	58.089.243
Public offering	41,39	41.390.748	24,86	19.388.302
Other	0,52	520.009	0,67	522.455
	100,00	**100.000.000**	**100,00**	**78.000.000**
Adjustment to share capital		45.910.057		45.910.057
Total paid-in capital		**145.910.057**		**123.910.057**

Due to the increase of capital from YTL78.000.000 to YTL100.000.000, shares with nominal value of YTL22.000.000 were allocated to Deutsche Bank AG by Deutsche Securities Menkul Degerler A.Ş. with the transaction in İMKB wholesales market on 19 November 2007, through restricting new share purchase completely, each share with YTL1 nominal value having the price of USD4. This capital increase transaction was registered with Trade Registry on 6 December 2007 and was published in Trade Registry Gazette dated 12 December 2007 no 6956. Shares sold to Deutsche Bank AG were classified as public offering (Note 1).

Capital adjustment expresses the revaluation impact of cash additions to the paid up capital with year-end purchasing power.

Doğan Yayın Holding A.Ş. owns 11,68 % of shares offered to the public as of 31 December 2007 (31 December 2006: 5,29 %).

(Amounts expressed in New Turkish lira (YTL) unless otherwise indicated.)

NOTE 26 - CAPITAL RESERVES

Details of the capital reserves at 31 December 2007 and 2006 are as follows:

	31 December 2007	31 December 2006
Share premium	82.060.000	-
Inflation adjustment to shareholders' equity	45.910.057	45.910.057
	127.970.057	**45.910.057**

22.000.000 units of shares with a nominal value of YTL1, corresponding to 22% of the Company Capital were allocated to Deutsche Bank AG by Deutsche Securities Menkul Degerler A.Ş. with the transaction in IMKB wholesales market on 19 November 2007, through restricting new share purchase completely, each share with YTL1 nominal value having the price of USD4. Share premium arising in the amount of YTL82.060.000 was recognized in shareholder's equity (Note 25).

As of 31 December 2007 and 31 December 2006 details of the restatement difference of shareholders' equity are as follows:

31 December 2007

	Historical amount	Restated amount	Inflation adjustment to shareholder's equity
Share capital	100.000.000	145.910.057	45.910.057
	100.000.000	**145.910.057**	**45.910.057**

31 December 2006

	Historical amount	Restated amount	Inflation adjustment to shareholder's equity
Share capital	78.000.000	123.910.057	45.910.057
	78.000.000	**123.910.057**	**45.910.057**

NOTE 27 - PROFIT RESERVES

Details of profit reserves at 31 December 2007 and 2006 are as follows:

	31 December 2007	31 December 2006
Extraordinary reserves	3.645.686	3.645.686
Legal reserves	191.878	191.878
Translation reserve	69.911	(86.502)
	3.907.475	**3.751.062**

(Amounts expressed in New Turkish lira (YTL) unless otherwise indicated.)

NOTE 28 - RETAINED EARNINGS

The legal reserves consist of first and second reserves, appropriated in accordance with the Turkish Commercial Code (TCC). The TCC 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 TCC, 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.

Public companies distribute dividends according to CMB regulations as follows:

In accordance with the decision of Capital Markets Board on 8 January 2008 no 4/138 the minimum profit distribution ratio shall be applied as 20% (31 December 2006: 20%) in relation to publicly-listed joint stock partnerships as of 1 January 2008. Accordingly, it has been made possible that shares, issued in cash or through the addition of dividend to the capital upon the decision of the Company's general assembly, can be distributed to the partners free of charge or that the distribution can be partly made in cash and partly through the free distribution of shares. It has been further enabled that initial dividend amount be left to the partnership without distribution, if such amount is lower than the 5% of the existing paid-up/issued capital amount. Nevertheless, with regard to the joint stock partnerships, which have increased its capital without performing a dividend distribution as to the previous period and which separates its shares as "new" and "old", it has been made obligatory for those partnerships, which will distribute dividend out of its 2007 profits, to distribute the initial dividend amount in cash.

For the purposes of profit distribution in accordance with related CMB regulations, items of statutory shareholders’ equity such as “share capital, share premium, legal reserves, other reserves, special reserves and extraordinary reserves”, are presented at their historical amounts. The difference between the inflated and historical amounts of these items is presented in shareholders’ equity as “inflation adjustment to shareholders’ equity”.

Inflation adjustment to shareholders’ equity can only be netted-off against prior years’ losses and used as an internal source in capital increase where extraordinary reserves can be netted-off against prior years’ losses, used in distribution of bonus shares and distributions of dividends to shareholders.

In accordance with the Communiquè No: XI-25, at 31 December 2007 and 2006, the shareholders’ equity schedule, is as below:

	31 December 2007	**31 December 2006**
Share capital	100.000.000	78.000.000
Legal reserves	191.878	191.878
Extraordinary reserves	3.645.686	3.645.686
Inflation adjustment to shareholders’ equity	45.910.057	45.910.057
Translation reserve	69.911	(86.502)
Net income/loss for the period	8.833.100	(1.006.192)
Retained earnings	905.769	1.911.961
Share premium	82.060.000	-
Total Equity	**241.616.401**	**128.566.888**

(Amounts expressed in New Turkish lira (YTL) unless otherwise indicated.)

NOTE 29 - FOREIGN CURRENCY POSITION

YTL equivalents of foreign currency denominated assets and liabilities held by Group at 31 December 2007 and 31 December 2006 are as follows:

	31 December 2007	31 December 2006
Assets	67.823.056	962.738
Liabilities	(2.354.388)	(5.703.048)
Net foreign currency position	**65.468.668**	**(4.740.310)**

Original amounts of the foreign currency denominated assets and liabilities held by Group at 31 December 2007 and 31 December 2006 are as follows:

	31 December 2007			
	USD	**EURO**	**GBP**	**Total foreign currency**
Assets				
Cash and banks	67.798.521	11.150	13.385	67.823.056
Total	**67.798.521**	**11.150**	**13.385**	**67.823.056**
Liabilities				
Short term bank borrowings	2.354.388	-	-	2.354.388
Total	**2.354.388**	**-**	**-**	**2.354.388**
Net foreign currency position	**65.444.133**	**11.150**	**13.385**	**65.468.668**

	31 December 2006			
	USD	**EURO**	**GBP**	**Total foreign currency**
Assets				
Cash and banks	914.724	42.597	5.417	962.738
Total	**914.724**	**42.597**	**5.417**	**962.738**
Liabilities				
Short term bank borrowings	5.703.048	-	-	5.703.048
Total	**5.703.048**	**-**	**-**	**5.703.048**
Net foreign currency position	**(4.788.324)**	**42.597**	**5.417**	**(4.740.310)**

At 31 December 2007, assets and liabilities denominated in foreign currency have been translated into New Turkish lira using the following foreign exchange rates: 1,16470 YTL= 1 USD and 1,71020 YTL= 1 EUR (31 December 2006: 1,40560 YTL= 1 USD$ and 1,85150 YTL=1 EUR).

(Amounts expressed in New Turkish lira (YTL) unless otherwise indicated.)

NOTE 30 - GOVERNMENT GRANTS

None (31 December 2006: None)

NOTE 31 - COMMITMENTS AND CONTINGENT LIABILITIES

a) Guarantees given

There is no indemnity given as of 31 December 2007 (31 December 2006: None).

Total guarantees given to courts, customs offices, national lottery offices and other parties amount to YTL 3.981.760 as of 31 December 2007 (31 December 2006: YTL 4.350.774).

b) Barter agreements:

The Group, as a common practice in the media sector, has entered into barter agreements which involve the exchange of goods or services without cash collections or payments.

The Group has the right to use various types of goods and services amounting to YTL 2.647.304 (31 December 2006: 2.626.306) and is under the obligation to provide advertisement services amounting to YTL 351.645 (31 December 2006: YTL 752.942) of various types of services has been used in connection with the barter agreements as of 31 December 2007.

c) Lawsuits:

The nature and monetary values of the litigations against the Company at 31 December 2007 and 2006 are as follows:

	31 December 2007	**31 December 2006**
Legal cases	27.125.086	31.083.069
Business lawsuits	1.211.518	1.379.718
Lawsuits regarding trade relations	1.205.595	1.486.927
	29.542.199	**33.949.714**

A provision for lawsuits amounting to YTL 1.446.830 (31 December 2006: YTL 1.778.847) has been provided with reference to the opinions of the Group's lawyers and past experiences of management related to similar litigations against the Group (Note 23).

NOTE 32 - BUSINESS COMBINATIONS

31 December 2007:

None.

31 December 2006:

The Company acquired Birey ("Birey") Seçme ve Değerlendirme Danışmanlık Ltd. Şti in consideration of a total of USD180.502 in cash. Birey's 98 shares with a nominal value of YTL 2,450 were purchased from Ernst&Young İnsan Kaynakları Danışmanlık A.Ş for YTL 2,450 and 2 shares with a nominal value of YTL 50 were purchased from Ernst&Young Kurumsal Finansman Danışmanlık A.Ş for YTL 50. After the share transfer, the company has a 50% shareholding in Birey and accounted for it as joint ventures in consolidated financial statements (Note 2d).

NOTE 33 - SEGMENT REPORTING

None (31 December 2006: None).

NOTE 34 - SUBSEQUENT EVENTS

The Company announced the following explanation on 26 July 2007:

- Buying shares representing 40.16 % of the capital of Bağımsız Gazeteciler Yayıncılık A.Ş, which has the trade name and franchise right of Vatan Gazetesi in consideration of USD7.228.125

- Buying all of the shares representing the capital of in consideration of USD10.771.875, in view of the fact that almost all of the assets of Kemer Yayıncılık ve Gazetecilik A.Ş which has a 59.84% shareholding in Bağımsız Gazeteciler Yayıncılık A.Ş. consist of its participation in the Bağımsız Gazeteciler Yayıncılık A.Ş.

Taking into account that acquirer entity will strengthen its prevalent position in the market and in view of the matters argued in the defense 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 Authority 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 Doğan Group, or an enterprise Doğan 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,

(Amounts expressed in New Turkish lira (YTL) unless otherwise indicated.)

NOTE 34 - SUBSEQUENT EVENTS (Continued)

- if the brand and franchise right cannot be sold during this tender process, Doğan Group continues to own the brand Vatan Gazetesi and its franchise right for three years following the tender; Doğan Group meets the liabilities necessary for the brand's legal existence; Doğan Group does not use the said brand name and franchise on any periodicals; Doğan 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 Doğan Group possesses all kinds of usage rights on the brand, if the brand and franchise right cannot be still sold after this period expires.

Share transfer was concluded on 13 March 2008.

As a result of acquisition of Bağımsız Gazeteciler Yayıncılık A.Ş. and Kemer Yayıncılık ve Gazetecilik A.Ş., financial statements of the foregoing companies, for the period 1 January - 31 March 2008, will be included in the consolidated financial statements. Financial statements will comprise balance sheet at 31 March 2008 and income statement for the period between the acquisition date and the period end. This transaction will be accounted in accordance with IFRS 3 "Business Combinations" and the residual value between the consideration paid and the fair value of the assets, liabilities and contingent liabilities will be recorded as positive/negative goodwill.

NOTE 35 - DISCONTINUING OPERATIONS

None (31 December 2006: None)

NOTE 36 - OPERATING INCOME

	1 January- 31 December 2007	1 January - 31 December 2006
Domestic sales	287.717.349	271.608.442
Foreign sales	6.608.655	7.250.631
Other sales income	2.570.403	2.376.056
Sales income, net	**296.896.407**	**281.235.129**
Cost of goods sold	(181.686.058)	(187.674.066)
Operating income	**115.210.349**	**93.561.063**

The major reason of decrease in cost of goods sold is decrease in paper price.

(Amounts expressed in New Turkish lira (YTL) unless otherwise indicated.)

NOTE 37 - OPERATING EXPENSES

	1 January- 31 December 2007	1 January - 31 December 2006
Marketing, sales and distribution expenses	84.511.943	73.534.997
General administration expenses	22.850.406	22.862.738
	107.362.349	**96.397.735**

Marketing, selling and distribution expenses

	1 January- 31 December 2007	1 January - 31 December 2006
Advertisement expenses	22.999.422	16.589.723
Distribution expenses	22.904.550	23.286.355
Personnel expenses	13.565.895	10.170.284
Promotion expenses	7.547.154	12.108.445
Presentation and marketing expenses	3.982.953	2.522.391
Commission expense	2.374.634	-
Consulting expenses	2.171.252	2.256.756
Travel expense	1.320.935	863.197
Sponsorship expenses	1.077.829	1.668.414
Communication expenses	608.236	312.415
Packacing expense	269.389	232.717
Depreciation expenses	174.741	2.655
Other	5.514.953	3.521.645
	84.511.943	**73.534.997**

General administration expenses:

	1 January- 31 December 2007	1 January - 31 December 2006
Personnel expenses	12.767.641	10.733.121
Consulting expenses	3.664.706	4.894.863
Depreciation expenses	2.757.814	3.112.870
Transportation expenses	459.589	428.359
Communication expenses	383.418	474.743
Legal expenses	314.952	731.940
Maintenance expenses	310.613	357.801
Cleaning expense	174.045	200.143
Electricity expense	163.376	222.998
Other	1.854.252	1.705.900
	22.850.406	**22.862.738**

(Amounts expressed in New Turkish lira (YTL) unless otherwise indicated.)

NOTE 38 - OTHER OPERATING INCOME/(EXPENSES)

Other operating income:

	1 January- 31 December 2007	1 January - 31 December 2006
Foreign exchange gain	4.376.170	229.667
Interest income due to credit sales	3.999.637	4.760.777
Interest income	1.937.927	454.509
Rent income	1.736.727	2.096.677
Other	1.444.362	729.273
	13.494.823	**8.270.903**

Other operating expenses:

	1 January- 31 December 2007	1 January - 31 December 2006
Foreign exchange loss	(4.341.791)	(567.423)
Provision for doubtful receivables	(1.494.671)	(855.080)
Interest expense due to credit purchases	(1.089.350)	(1.200.898)
Other	(1.479.229)	(1.212.341)
	(8.405.041)	**(3.835.742)**

NOTE 39 - FINANCIAL EXPENSES

	1 January- 31 December 2007	1 January - 31 December 2006
Bank Fees	530.964	239.939
Factoring expenses	512.267	454.882
Interest expenses	348.121	400.251
Other	426.826	85.272
Financial expenses	**1.818.178**	**1.180.344**

NOTE 40 - GAIN ON NET MONETARY POSITION

None (31 December 2006: None).

(Amounts expressed in New Turkish lira (YTL) unless otherwise indicated.)

NOTE 41 - TAXATION

	31 December 2007	31 December 2006
Corporation and income taxes payable	2.682.418	333.774
Less: prepaid taxes	(2.665.962)	(320.963)
Tax Liability, net	**16.456**	**12.811**
Deferred tax liability	(36.646)	(38.183)
Deferred tax assets	2.697.923	2.301.753
Deferred tax liability, net	**2.661.277**	**2.263.570**

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

Corporate Income Tax Law numbered 5520 was published in the official gazette numbered dated 13 September 2006 and most clauses has came into effect from 1 January 2006 .The corporation tax rate of the fiscal year 2007 is 20% (2006: 20%). Corporation tax is payable at a rate of 20% on the total income of the Company after adjusting for certain disallowable expenses, exempt income and allowances. No further tax is payable unless the profit is distributed (except 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).

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 10%. 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 be 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 on 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 laws’ 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 in the year 2007.

NOTE 41 - TAXATION (Continued)

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 5 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.

Under the Turkish taxation system tax losses can be carried forward to offset against future taxable income for up to 5 years. Tax losses can not 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 Group are as follows:

Exemption for participation in domestic subsidiaries:

Dividends obtained from Turkish resident corporations and dividends received by founders' shares and bonus shares (dividends from investment fund participation certificates are excluded), and investment partnership shares are exempt from corporate tax.

Exemption for share premium

Profits from the sale of preferential right certificates and share premiums generated from the sale of shares at a price exceeding face values of those shares during incorporations or capital increases of joint stock companies are exempt from corporate tax.

Exemption of participation in 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 a 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 are subject to corporate income tax, or alike, in their country of legal or business centre at the rate of at least 15% (at corporate income tax rate applicable in Turkey for those companies whose principal activity is financial assurance or insurance).

Real property, investment equity, preferential rights, usufruct shares, founding shares, sales exemption:

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 are 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 5 years. The sales consideration has to be collected up until the end of the second calendar year following the year the sale was realized.

In additions to 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 corporate tax base.

(Amounts expressed in New Turkish lira (YTL) unless otherwise indicated.)

NOTE 41 - TAXATION (Continued)

The taxes on income for the years ended 31 December 2007 and 2006 is summarized as follows:

	1 January- 31 December 2007	1 January - 31 December 2006
Current period corporate tax	(2.682.418)	(333.774)
Deferred tax income/(expense) (Note 14)	397.707	(1.169.020)
Total tax income/(expense)	**(2.284.711)**	**(1.502.794)**

The reconciliation of the taxation on income in the consolidated interim income statement for the year ended 31 December 2007 and the tax calculated at the corporate tax rate based on the income before minority interests and taxation on income is as follows:

	2007	2006
Income before tax	11.119.604	429.728
20% provision for corporate tax calculated by effective tax rate	(2.223.921)	(85.946)
Expenses not deductible for tax purposes	(316.594)	(262.345)
Income not subject to tax	249.331	19.515
The effects of financial losses subject to discount in the current period	(164.548)	(139.177)
Effect of change in tax rate	-	(1.116.748)
Other	171.021	81.907
Current period tax expense	**(2.284.711)**	**(1.502.794)**

NOTE 42 - EARNINGS PER SHARE

	1 January- 31 December 2007	1 January - 31 December 2006
Net (loss)/income	8.883.100	(1.006.192)
Weighted average number of shares with face value of YTL 0,001 each	100.000.000	78.000.000
(Loss)/earnings per share (YKr) (1YKr for 1YTL share)	10,1	(1,3)

NOTE 43 - CONSOLIDATED STATEMENTS OF CASH FLOWS

Cash flow statements as of 31 December 2007 and 31 December 2006 are presented together with financial statements.

NOTE 44 - DISCLOSURE OF OTHER MATTERS WITH A MATERIAL EFFECT ON THE CONSOLIDATED FINANCIAL STATEMENTS REQUIRED FOR THE PURPOSE OF UNDERSTANDING AND INTERPRETING THE FINANCIAL STATEMENTS

None (31 December 2006: None).

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