

DOĞAN GAZETECİLİK ANNUAL REPORT 2010

Leader in the printed and digital press



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Dođan Gazetecilik, comprising top media brands such as Milliyet, Posta, Vatan, and Fanatik and their news portals, as well as coordinated digital media channels, continued to be a leading player in the sector in 2010. While the Company's market shares in the two basic revenue categories of the sector were 22% in the circulation market and 20% in the newspaper-advertising market, EBITDA rose in 2010 to TL 12.7 million. Carrying brand awareness of its newspapers into the Internet channel, the Company's leadership in Internet news broadcasting significantly increased its earnings in this area in 2010.

MAJOR FINANCIAL HIGHLIGHTS

The changes in the main items on the Company's Income Statement as of December 31, 2010, as compared with 2009, are set out below:

CONSOLIDATED (TL THOUSAND)	DEC 31, 2010	DEC 31, 2009	%
SALES	353,869	349,192	1.3
COST OF SALES (-)	(221,969)	(230,046)	(3.5)
GROSS PROFIT	131,899	119,146	10.7
GENERAL ADMINISTRATIVE/MARKETING, SALES, DISTRIBUTION EXPENSES (-)	(133,390)	(122,760)	8.7
REVENUES AND EXPENSES FROM OTHER ACTIVITIES, NET	(4,908)	(9,600)	(48.9)
OPERATING LOSS	(6,399)	(13,214)	(51.6)
FINANCIAL INCOME/EXPENSES, NET	(1,383)	(3,203)	(56.8)
LOSS BEFORE TAX	(7,782)	(16,417)	(52.6)
TAXATION ON INCOME/EXPENSE	(8,846)	293	
MINORITY INTEREST	99	(132)	
EQUITY HOLDERS' PERIOD LOSS	(16,529)	(16,255)	2

Compared with 2009, circulation revenues decreased by approximately 3.9% and advertising revenues increased by 5.5%. Total sales revenues increased by a net of 1.3%.

CONSOLIDATED (TL THOUSAND)	DEC 31, 2010	DEC 31, 2009	%
NEWSPRINT COSTS	90,990	113,492	(20)
PRINTING AND OTHER COSTS	130,979	116,554	12
TOTAL SALES COSTS	221,969	230,046	(4)

A decrease of 15% in real terms occurred in the average USD-indexed unit-ton prices of newsprint in 2010 compared to the previous year. There was also a 1.4% decrease in the amount of paper used.

CONSOLIDATED (TL THOUSAND)	DEC 31, 2010	DEC 31, 2009	%
GENERAL ADMINISTRATIVE EXPENSES	29,892	27,222	10
MARKETING, SALES AND DISTRIBUTION EXPENSES	103,498	95,538	8
GENERAL ADMINISTRATIVE/MARKETING, SALES, DISTRIBUTION EXPENSES	133,390	122,760	9

In the period January-December 2010 and compared to the same period of the year before, general administrative expenses increased by 10%, marketing, sales and distribution expenses increased by 8% and total operational expenses increased by 9%. Concurrent with these results, the profit-before-taxes margin was recorded as -2.2%.

The changes in the main items of the assets and liabilities of the Company's Balance Sheet in the last two periods are shown below:

ASSETS (CONSOLIDATED TL THOUSAND)	DEC 31, 2010	DEC 31, 2009	%
CURRENT ASSETS	91,887	96,724	(5)
NON-CURRENT ASSETS	220,985	233,029	(5)
TOTAL ASSETS	312,872	329,752	(5)

LIABILITIES AND SHAREHOLDERS' EQUITY (CONSOLIDATED TL THOUSAND)	DEC 31, 2010	DEC 31, 2009	%
SHORT-TERM LIABILITIES	91,512	97,162	(6)
LONG-TERM LIABILITIES	13,364	7,669	74
TOTAL LIABILITIES	104,876	104,831	
MINORITY INTEREST	285	384	(26)
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY	207,710	224,538	(7)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	312,872	329,752	(5)

MAJOR HIGHLIGHTS (TL THOUSAND)	DEC 31, 2010	DE 31, 2009
OPERATING LOSS	(6,399)	(13,214)
EBITDA	12,745	5,523
EQUITY HOLDERS' PERIOD LOSS	(16,529)	(16,255)
NUMBER OF EMPLOYEES	1,085	1,323
NUMBER OF PAGES PUBLISHED DAILY (AVERAGE)	183	168

The Company did not record significant investment expenses in the period January-December 2010. Fixed asset expenses (for various technical equipment, computers, furnishings, etc.) amounted to TL 2,032,950. This item did not benefit from investment tax credit.

The Company's net cash position, which constituted a net debt of TL 18,784,093 at the end of 2009, stood at a net debt of TL 27,781,183 at the end of December 2010.

FINANCIAL RATIOS

Doğan Gazetecilik recorded a significant improvement in operational profitability performance (EBITDA) in 2010. The EBITDA figure, which was TL 5.5 million in 2009, reached TL 12.7 million this year.

The Company's financial structure and profitability ratios were as follows:

LIQUIDITY RATIOS			PROFIT/LOSS RATIOS (%)		
	DEC 31, 2010	DEC 31, 2009		DEC 31, 2010	DEC 31, 2009
CURRENT RATIO	1.00	1.00	EBITDA/NET SALES	3.6	1.6
ACID-TEST RATIO	0.93	0.93	PERIOD LOSS/NET SALES	(4.7)	(4.7)
LIQUIDITY RATIOS	0.87	0.80	PERIOD LOSS/SHAREHOLDERS' EQUITY	(8.0)	(7.2)

CAPITAL STRUCTURE ANALYSIS RATIOS (%)			ACTIVITY ANALYSIS RATIOS		
	DEC 31, 2010	DEC 31, 2009		DEC 31, 2010	DEC 31, 2009
DEBT/SHAREHOLDERS' EQUITY	50	47	INVENTORY TURNOVER RATE	32.97	38.06
SHORT-TERM DEBT/TOTAL DEBT	87	93	ACCOUNTS RECEIVABLES TURNOVER	4.68	4.70
DEBT/TOTAL ASSETS	34	32	ACCOUNTS PAYABLE TURNOVER	4.75	3.73

AFFILIATES

Consolidated information on the Company's affiliates and subsidiaries and share ratios as of December 31, 2010 and December 31, 2009 are as follows:

AFFILIATE AND SUBSIDIARY	SHARE RATIOS (%) DECEMBER 31, 2010	AFFILIATE AND SUBSIDIARY	SHARE RATIOS (%) DECEMBER 31, 2009
KEMER YAYINCILIK VE GAZETECİLİK A.Ş.	99.98		99.98
BAĞIMSIZ GAZETECİLER YAYINCILIK A.Ş.	99.99		99.99
KEMER YAYINCILIK PAZARLAMA SAN.TİC A.Ş.	99.96		99.96
DYG İLAN VE REKLAM HİZMETLERİ A.Ş. ⁽¹⁾	-		50.02
MİLLİYET HABER AJANSI A.Ş.	81.62		66.99
MİLLİYET İNTERNET HİZMETLERİ VE TİC. A.Ş.	98.81		99.83
BİREY SEÇME VE DEĞERLENDİRME DAN. LTD. ŞTİ ⁽²⁾	50.00		50.00

(1) As of December 31, 2010, DYG İlan ve Reklam Hizmetleri A.Ş. terminated its corporate existence by transfer to Milliyet İnternet and in compliance with the provisions of relevant laws. Following the merger, the company began to operate under the title of DYG İlan, Milliyet İnternet Hizmetleri ve Ticaret A.Ş..

(2) Affiliate subject to joint administration.

THE PUBLISHING SECTOR IN THE WORLD AND TURKEY

The fact that, news portals are updated faster and more frequently compared with traditionally printed newspapers is set forth as the most important factor in the popularity of following the news online.

From clay tablets to websites

The foundations of newspapers and their role in society were laid during the Roman Empire, when news reports were written on clay tablets displayed on public walls. Since the fifteenth century, when the first printed newspapers were produced in Europe, newspapers gradually became an integral part of the fabric of social life across the world. With the invention of radio and television and, more recently, the widespread use of the Internet in daily life, the print media and newspapers have had to continually explore new avenues, responding to fast-changing competition, in order to maintain their position in today's media world.

In parallel with the most recent transformation experienced in the media world with the increasingly central role played by television and the Internet, income from advertising in the printed press as well as circulation figures has declined. Additionally, regional differences in newspaper sales, readership reach and advertising revenue figures are steadily becoming more pronounced. In the last five years, for example, newspaper circulation increased by 13% in Asia and by 30% in Africa, but decreased in North America by 11% and in Europe by 8%.*

Moreover, in societies with high living standards where television-viewing rates are low, the brand value of well-established printed newspapers is finding its way into the websites of these newspapers, arousing steadily growing interest. In the last five years, there has been a 400% increase in traffic on newspaper websites worldwide.

Increasing revenues earned from the Internet each year

Contrary to the once commonly held belief that the Internet would destroy newspaper revenues, newspapers have in fact successfully integrated the Internet into their business models, importing the power of their brands into the digital environment and thus creating new sources of income. Newspaper websites as news sources are among the most frequently visited websites around the world. Although the revenues earned from the Internet have not reached desired levels, it is clear that, relative to the progress of technological developments, websites represent a major potential for future revenues.

An examination of global newspaper website reader profiles reveals that 88% of readers are business owners, 84% shop online, 66% read the news only from this medium and 58% benefit from online banking services.

The fact that news portals are updated faster and more frequently compared with traditionally printed newspapers is set forth as the most important factor in the popularity of following the news online.

Turkey's most popular websites

As the standard of living increases in our country, the Turkish population is leaning more toward alternative entertainment channels, causing a drop in television ratings. Meanwhile, total newspaper sales have exceeded 4.5 million. Although television continues to be the primary advertising medium, newspapers continue to maintain their share in the market. In line with the general trend around the world, newspaper web pages are the most frequently visited in Turkey and Doğan

Gazetecilik websites are the leading online news providers in the country.

Reaching 44% of daily newspaper readership

Despite legislation in 2003 that imposed major restrictions on promotional activity, newspaper sales have continued to increase in recent years. Sales, which averaged 3.7 million in 2001 and 2002, reached 4.5 million in 2004, climbing to 5 million in 2005 and exceeding 5 million in 2006. After maintaining this level in subsequent years, in 2010, the sales figure was recorded as 4.6 million. The stability in newspaper circulation, despite the ban on promotional activity demonstrates that newspapers are in fact an indispensable communication channel for Turkish readers. Actual readership figures, the indication that a newspaper is read by more than one person, have shown major increases in Turkey in recent years, in parallel to the public's rising level of awareness. In this context, the newspapers of Doğan Gazetecilik, one of media world's leaders, reach an average of 4.7 million readers daily, representing 48% of the country's total newspaper readership.

In response to the sector's changing dynamics around the world, the Turkish press is searching for new directions. In this quest, Turkish newspapers have accelerated their efforts to develop new concepts, using their current brands in alternative promotional mediums such as the Internet and corporate sponsorship deals.

* World Association of Newspaper and News Publishers, World Press Trends 2010 Data

FROM PAST TO PRESENT: DOĞAN GAZETECİLİK A.Ş.

According to the results of the Turkish National Readership Survey, which has established that total average daily readership is 10,694,000, 44% of the newspapers sold in Turkey are Doğan Gazetecilik newspapers, giving the Company the competitive edge of sustaining the highest reach in the sector.*

1950 - The launch of Milliyet

On May 3, 1950, Ali Naci Karacan launched the newspaper Milliyet thereby establishing the foundations of Doğan Gazetecilik, one of Turkey's most prominent press and publishing companies. Starting out as a new publication of the Nuri Akça Printing House, Milliyet breathed new life into the newspaper-publishing district of Babiali. The newspaper adopted the strong principles of accuracy and reliability in reporting introduced by its Editor-in-Chief, Abdi İpekçi. Thus, it raised the standards of the Turkish press while simultaneously embracing. Abdi İpekçi's assassination on February 1, 1979 was a tragic turning point in the history of the paper. After this incident, the Karacan Family, owners of Milliyet for 30 years, turned the newspaper over to Aydın Doğan on July 20 the same year. The newspapers Posta, Fanatik and Radikal were launched on January 23, 1995, November 20, 1995 and October 13, 1996, respectively.

2003 – Milliyet and Simge merge to form Doğan Gazetecilik A.Ş.

At the end of 2003, after Milliyet merged, through acquisition, with Simge Yayıncılık ve Dağıtım A.Ş., then publishing the Posta, Radikal and Fanatik newspapers, the name of Milliyet Gazetecilik A.Ş. was changed to Doğan Gazetecilik A.Ş. The newspaper, Vatan, launched in September 2002, became part of the Doğan Gazetecilik A.Ş. organization on March 13, 2008.

Milliyet, Posta, Fanatik and Vatan

For 60 years, Milliyet has presented to its audience consistent image as a “reliable newspaper” that has reflected its unwavering editorial policy, founded on fundamental principles of journalism strongly combined with popular content. With its stance of always being near the people, the newspaper Posta has the broadest readership. Pioneering codes of ethics in the world of sports, Fanatik has always been a leading innovator in sports news. Vatan, with its aim of conveying to readers the diverse voices of all population segments columnists representing a broad range of opinions, is one of the Turkish press's rising star brands. A part of the Doğan Gazetecilik organization until 2010, the newspaper Radikal was sold on August 31, 2010.

Doğan Gazetecilik accounts for approximately one-quarter of the total Turkish publishing sector. According to data for 2010, an average of one million of the 4.6 million newspapers sold daily nationwide (almost 22%) are Doğan Gazetecilik newspapers.

According to the results of the Turkish National Readership Survey*, which has established that total average daily readership is 10,694,000, 44% of the newspapers sold in Turkey are Doğan Gazetecilik A.Ş. newspapers, giving the Company the competitive edge of sustaining the highest reach in the sector.

A pioneer in the Internet advertising market

Doğan Gazetecilik websites are reinforcing their leadership positions with substantial ongoing investments in Internet news publishing as well as with solutions offered for the classified advertisements market, making the Company a pioneer in the Internet advertising sector.

*The Turkish National Readership Survey, conducted by the Turkish Joint Industry Committee for National Readership Survey (BİAK) assesses 23 newspapers published in Turkey. This survey is a significant resource in providing comprehensive data on newspaper readership.

DOĞAN GAZETECİLİK A.Ş. IN 2010

Doğan Gazetecilik A.Ş., publishes Turkey's most popular newspapers, Milliyet, Posta, Vatan and Fanatik with their supplements and prepares the news portals' content of all these newspapers.

As a subsidiary of the Doğan Media Group, the fundamental activities of Doğan Gazetecilik A.Ş. encompass preparing daily newspapers as well as weekly, monthly magazines and other periodicals, implementing advertising business in the press and publishing sectors, distribution and sales of newspapers, magazines and books, and digital media operations.

Turkey's most widely read newspapers

Doğan Gazetecilik A.Ş. publishes Turkey's most widely read newspapers--Milliyet, Posta, Vatan and Fanatik--and their supplements. At the same time, Doğan Gazetecilik A.Ş. prepares Internet editions of these newspapers for online publication.

Doğan Gazetecilik A.Ş. operates from a facility in Istanbul's Bağcılar district, built on an open area of 39,000 square meters with an enclosed area of 33,000 square meters. An area of 18,000 square meters of the facility is leased to Doğan TV. Doğan Gazetecilik A.Ş. utilizes 22,000 square meters of the property. Preparing news reports and editorials and pre-print technical operations for the newspapers and magazines take place at Company headquarters in Istanbul and at representative offices in Ankara, Izmir, Adana and Antalya.

In 2010, the newspaper Radikal, which was a part of the Doğan Gazetecilik portfolio, was sold to Hürriyet Gazetecilik A.Ş.

A powerful and reliable news network

In addition to its own reporters, Doğan Gazetecilik also runs a strong and reliable news network comprising 650 reporters, operating from 35 Doğan News Agency offices both in and outside of Turkey. Distribution of all printed materials in Turkey prepared by Doğan Gazetecilik is handled by Doğan Dağıtım A.Ş.

Human resources: Qualified, innovative and open to change

With a typical employee profile of well-qualified and innovative individuals who are open to change, Doğan Gazetecilik's human resources are regarded as the Company's most valued asset.

Doğan Gazetecilik A.Ş. Human Resources Division performed the following activities in 2010:

- The Company's organization charts for 2010 were updated.
- Employees were encouraged to participate in in-house training programs.
- Promotions and appointments to new or vacant staff positions were either made from the ranks of Company personnel or from among candidates adequately qualified with the knowledge and skills compatible with the corporate culture.
- Orientation programs were held for new recruits.
- A new position, the Media Trainee, was created to ensure that Doğan Gazetecilik recruits qualified young professionals. The position was adopted for two separate functions, Newspapers and Digital Media.
- Efforts to register savings through personnel optimization, which had been initiated in previous years, continued in 2010.

2010 SALES

Circulation

The average daily sales figures for Doğan Gazetecilik A.Ş. newspapers and cover prices for January to December in 2010 are shown in the table below.

Circulation revenues for Doğan Gazetecilik newspapers for the period January-December 2010 decreased by approximately 3.9%, from TL 167,587 to TL 161,083 on a year-on-year basis. Net average daily circulation figures were as follows:

NET AVERAGE DAILY CIRCULATION (*)

	2010	2009	MARKET SHARE 2010 (%)
MİLLİYET	176,000	203,000	3.82
POSTA	495,000	542,000	10.72
FANATİK	183,000	202,000	3.97
VATAN	151,000	194,000	3.26
TOTAL	1,005,000	1,181,000	21.77

(*) Excluding Radikal Newspaper, figures of the Press and Advertising Organization

SALES PRICES FOR THE NEWSPAPERS IN 2010

	DECEMBER 2010 SALES PRICE (KURUŞ/WEEKDAY/WEEKEND)	JANUARY 2010 SALES PRICE (KURUŞ/WEEKDAY/WEEKEND)
POSTA	40-45/50	40-45/50
MİLLİYET	50/75	40-50/60-75
FANATİK	50/50	50/50
VATAN	50/75	50/75

>> DOĞAN GAZETECİLİK A.Ş. IN 2010

According to the results of the Turkish National Readership Survey for the period December 2009-November 2010, Doğan Gazetecilik newspapers are read by an average of 4.7 million readers every day, representing a reach of 44% of the country's total newspaper readership.*

Newspaper Advertising Revenues

Financial tables prepared according to International Financial Reporting Standards (IFRS) reveal that Doğan Gazetecilik's advertising revenues increased by 5.5% in 2010 over the year before, rising from TL 178,266 to TL 188,070.

Newspaper Reach

According to data published by the Turkish National Readership Survey for the period December 2009-November 2010, Doğan Gazetecilik newspapers reaches 44% of daily newspaper readership, meaning an average of 4.7* million readers every day.

Comprising the newspapers Milliyet, Posta, Fanatik and Vatan, Doğan Gazetecilik A.Ş. reaches an average daily readership of 4.7 million throughout Turkey every day, enjoying all the advantages of sustaining the widest reach in the country's entire publishing sector. Other results from the same study show that the average number of daily newspaper readers is 10,694,000, which means that Doğan Gazetecilik achieves a 44% total daily reach, giving the Company a competitive edge in the sector.

The readership profile of Doğan Gazetecilik is also striking in terms of the different target audiences its readers represent. Every day, 3,239,000 readers in the ABC₁ socioeconomic group prefer to read at least one of the Doğan Gazetecilik newspapers. Of these readers, 1,645,000 are in the AB group. The select reader profile that is apparent in the Doğan Gazetecilik brands leaves competitors behind in the educational and age categories as well.

*Every day, an average of 4,724,000 people read at least one Doğan Gazetecilik A.Ş. newspaper.

DAILY REACH AND READERSHIP

	PERIODS 8-11 CUMULATIVE DECEMBER 2008-NOVEMBER 2009	PERIODS 12-3 CUMULATIVE DECEMBER 2009-NOVEMBER 2010
REPRESENTATION	40,937,000	41,756,000
AVERAGE DAILY READERS	12,359,000	10,694,000
DOĞAN GAZETECİLİK'S DAILY REACH	5,804,000	4,724,000
DOĞAN GAZETECİLİK'S SHARE IN DAILY REACH (%)	46.96	44.17

NEWSPAPERS' DAILY REACH (UNITS)

	PERIODS 8-11 CUMULATIVE DECEMBER 2008-NOVEMBER 2009	PERIODS 12-3 CUMULATIVE DECEMBER 2009-NOVEMBER 2010
MİLLİYET	1,145,000	1,069,000
POSTA	3,628,000	2,825,000
FANATİK	1,289,000	948,000
VATAN	728,000	580,000

Internet

In 2010, www.milliyet.com.tr continued to be one of the most popular websites.

The Doğan Gazetecilik organization includes most of the well-known brands in digital media. Maintaining its leadership in digital media with the power of its brands and its readership's support, Doğan Gazetecilik newspaper has several websites: milliyet.com.tr, fanatik.com.tr, posta.com.tr, gazetevatan.com as well as its vertical-content classified ad websites milliyetmlak.com and arabam.com.

Doğan Gazetecilik's greatest advantage in digital media is its innovative approach, which enables the Company to follow the current technologies and publishing trends. The Company achieved a technological edge over others in the sector with the innovative outdoor digital TV setups as well as the mobile smart telephone and tablet PC applications it initiated during the year. In the digital media projects that were launched in 2010, Doğan Gazetecilik drew strength from the principle, "Wherever the reader is, that is where our publications will be." The Company accordingly focused on building up the needed mobile communication platforms so it can be right beside the reader at all times. As a result of these efforts, Doğan Gazetecilik's inventory of mobile applications accounted for 30% of Turkey's entire mobile inventory. Attaining a 44.4% reach in mobile accessibility, the Company maintained its leadership in this area as well. Acting with the conviction that Internet and newspaper news networks are not rivals but complementary and integrated components of a joint synergy, Doğan Gazetecilik will continue to take rapid strides in expanding Internet services in 2011.

MESSAGE FROM THE CHAIRPERSON

In 2010, a year marked by economic recovery, the Company's increasing advertising revenues, and revenues sustained through the stable levels of circulation of Company newspapers, have resulted in producing a gross profit for Doğan Gazetecilik that rose from TL 119.1 million to TL 131.9 million.

The financial crisis that began in the US at the end of 2008 and soon taking hold of all world markets, showed a diminished impact in 2010 thanks to coordinated efforts of central banks around the globe. Over the year, the entire world entered a state of gradual recovery.

Turkey passed the challenging test of withstanding the crisis. It did so with the strength gained from economic stability packages based on strict monetary policies that the country had implemented since the beginning of the 2000's and a banking system restructured on a strong legal and financial foundation. After the peak of the crisis in 2009, a period in which the Turkish economy had constricted by 4.7%, the economy exceeded the expectations of the international economic community in 2010, recording a growth of 8.9%, the greatest rate of growth in the OECD.

Doğan Gazetecilik, too, succeeded in managing the crisis with effective management strategies and discretionary measures. Reaching 44% of newspaper readers daily, as the leader of the printed press, the Company's stable levels of circulation and increasing advertising revenues produced a gross profit that rose from TL 119.1 million to TL 131.9 million in 2010. During the year, the newspaper Radikal was sold and Vatan was brought into the main headquarters building owned by Doğan Gazetecilik. The coming period is certain to reflect the positive effects of these measures. Additionally, the performance of the Doğan Gazetecilik organizations exceeding sector averages was impressive. Posta became Turkey's most popular newspaper in 2010, reaching 26% of total daily readership and reflecting its steady rise in circulation with a 22.2% growth rate in revenues from advertising. Meanwhile, Milliyet, another major Doğan Gazetecilik brand portfolio, increased its non-group advertising revenues by 18%.

Closely monitoring the technological transformations taking place in the press and publishing sector as part of its long-term strategic goals, Doğan Gazetecilik achieved some "firsts" in Turkey in the area of Internet news publishing. Brand awareness of the newspapers Milliyet, Vatan, Posta and Fanatik spilled over into the channel of the Internet and created websites that drew in the largest number of hits in Turkey. Today milliyet.com.tr, with its two million unique visitors [unit of website traffic], is one of Turkey's most frequented news websites. The milliyet.com.tr sports web pages and fanatik.com.tr are Turkey's two most frequented sports websites. Besides the Internet editions of the Doğan Newspapers, the Company's classified ad websites place it in a distinctive position in the advertising sector. Of these, arabam.com ranks first among online automobile pages and milliyetemlak.com is particularly impressive with its comprehensive hold on the real estate sector, ranking second in its own category.

Always acting from the perspective that corporate projects of social responsibility are an integral part of the Company's primary operations, Doğan Gazetecilik, has been carrying out the "Daddy Send Me to School" campaign since 2005. In 2010, a series of social events were held, with the participation of Turkey's foremost art and entertainment figures, adding an uninterrupted flow of support to the campaign. Under the campaign, to date, 10,524 young girls have received scholarships and 32 girls' dormitories have been built.

Carrying the banners of the most popular brands of Turkey's print media, Doğan Gazetecilik will continue to forge ahead uncompromisingly in its pursuit of accurate and honest news reporting, strengthened by its readers' support, the dedicated efforts of its employees, and the trust of its shareholders. I would like to thank all of our stakeholders, without whose support over the years we could not have achieved the position we hold today.

With my best regards,



HANZADE V. DOĞAN BOYNER
CHAIRPERSON

MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

Maintaining its 20% share of the advertising market, Doğan Gazetecilik continued to stake a claim in the sector as a market maker in this area.

Embracing media brands such as Milliyet, Posta, Vatan, and Fanatik, as well as the websites of these newspapers and complementary digital media channels, Doğan Gazetecilik achieved a substantial market share and operational profitability figures (EBITDA) targeted for 2010.

During 2010, Doğan Gazetecilik's daily readership market figure was approximately one million, representing a share of 22% in what is also known as the circulation market.

In another important area of operation, advertising, the Company also displayed performance that met expectations. Maintaining its 20% share of the advertising market, Doğan Gazetecilik continued to stake a claim in the sector as a market maker in this area. Despite keen competition and new players in the market making themselves felt with their high-volume investments, it is quite satisfying to note that, in particular, Posta increased its market share from 8.1% to 8.7%.

As is well known, Doğan Gazetecilik is a media corporation that acts with the strong intention of sustaining the unmistakable leadership it has achieved in the digital media over the years. In fact, we can rightly say that in 2010, we reaped the results of our investments in this area, as seen from our 22% increase in advertising revenues. Our news websites enjoyed an average of 2.8 million unique visitors (uv) a day as of December 2010.

Doğan Gazetecilik substantially improved its profitability performance (EBITDA) in 2010.

EBITDA, which stood at TL 5.5 million in 2009, was recorded as TL 12.7 million this year.

The main reasons for improving operational performance (EBITDA) can be cited as follows: consolidation into a single location of some activities we had conducted at different locations; reviewing processes resulting in a workforce reduction of approximately 11%; the sale of Radikal in response to difficulties in synchronizing its content with other products in the portfolio and our inability to create a

new concept with added value; termination of printing and distributing abroad of some of our newspapers, and the carrying of this content onto digital media; growth in our advertising revenues; the fall in newspaper raw material prices.

The net loss on the balance sheet mainly stems from the valuation adjustments made in Bağımsız Gazetecilik A.Ş., the enterprise responsible for Vatan's operations, and changes in the assumptions used in calculating seniority pay at Doğan Gazetecilik. Both elements appear as losses on the balance sheet whereas they represent no actual cash outflow.

Our expectations for 2011 can be summarized as follows: We foresee that the growth of the newspaper advertising market will move into two-digit figures and that Doğan Gazetecilik will maintain its strong market share. To synchronize with the rapid growth in the advertising market in the digital channel, we have allowed for a 40% growth in our news websites. At the same time, we expect our newspaper circulation to shrink by 3% but plan to optimize our position to sustain our clear market leadership.

In particular, because of significant increases in newspaper raw material costs and assuming that we will not pass this increase on to the readership market, we have also planned to achieve savings through a strict and critical review of all newspapers, pages, supplements and activities that do not add to brand value.

We are thus determined to sustain the trend of upward motion that we initiated with our operational profitability performance in 2010.

Our roadmap for the next three years will guide our transition from a leading print media corporation that encompasses digital media channels to a media leader in its own right that creates sustainable added value and manifests itself with strong brands, each combining print media and digital channels.

Thank you for your trust in us.

My best regards,



F. SERVET TOPALOĞLU
CHIEF EXECUTIVE OFFICER

DIRECTORS



By resolution of the Company's Board of Directors, dated May 12, 2010, No. 2010-15, the following appointments and job assignments were made.

BOARD OF DIRECTORS

HANZADE V. DOĞAN BOYNER
CHAIRPERSON

MEHMET ALİ YALÇINDAĞ
DEPUTY CHAIRPERSON

SONER GEDİK
BOARD MEMBER

F. SERVET TOPALOĞLU
BOARD MEMBER

TAYFUN DEVECİOĞLU
BOARD MEMBER

ZAFER MUTLU
BOARD MEMBER

HAKKI ALP BAYÜLKEN
INDEPENDENT BOARD MEMBER

EXECUTIVE COMMITTEE

F. SERVET TOPALOĞLU
CHIEF EXECUTIVE OFFICER (CEO)

BİLEN BÖKE
EXECUTIVE COMMITTEE MEMBER, CHIEF
FINANCIAL OFFICER (CFO)

VİKİ HABİF
EXECUTIVE COMMITTEE MEMBER,
CHIEF ADVERTISING OFFICER, MİLLİYET,
FANATİK (CAO)



NESLİHAN TOKCAN

EXECUTIVE COMMITTEE MEMBER,
CHIEF ADVERTISING OFFICER, POSTA,
VATAN (CAO)

TİJEN MERGEN

EXECUTIVE COMMITTEE MEMBER,
MARKETING AND BUSINESS DEVELOPMENT
OFFICER (CMO)*

* Resigned on November 1, 2010.

EDITORS-IN-CHIEF

TAYFUN DEVECİOĞLU

EDITOR-IN-CHIEF, MİLLİYET

M. RIFAT ABABAY

EDITOR-IN-CHIEF, POSTA

M. NECİL ÜLGEN

EDITOR-IN-CHIEF, FANATİK

İSMAİL TURGUT YUVACAN

EDITOR-IN-CHIEF, VATAN

AUDIT COMMITTEE

ERDEM SEÇKİN

AUDIT COMMITTEE MEMBER

EREM TURGUT YÜCEL

AUDIT COMMITTEE MEMBER

BOARD OF DIRECTORS

HANZADE V. DOĞAN BOYNER CHAIRPERSON

Ms. Hanzade Doğan Boyner is a graduate of London School of Economics. Immediately after obtaining her BSc in Economics in 1995, Ms. Doğan Boyner joined Goldman Sachs London as a financial analyst in the CMT department.

She obtained her MBA in Finance and Marketing from Columbia University in 1999 and the same year she moved to Turkey. Ms. Doğan Boyner founded Doğan Online; Turkey's leading Internet company with various portals and commerce sites.

In 2006, Ms. Doğan Boyner took an active role in the formation of a strategic partnership between Doğan Holding and OMV, the leading oil and gas company in Central Europe, on Petrol Ofisi regarding refining, exploration and production. She served as a Board Member there between 2006 and 2010 and became the Chairperson in February 2010. Leading the sale of the majority stake of Doğan Holding in Petrol Ofisi to OMV, she resigned from her Chair Position in December 2010.

Currently, besides following Group's other business in energy sector, Ms. Boyner serves as a Board Member at Doğan Holding and as the Chairperson of Doğan Gazetecilik, which has 4 strong newspaper brands in its portfolio: Milliyet, Posta, Vatan and Fanatik.

She serves as a Vice President at World Association of Newspapers; is a member of Brookings Institute International Advisory Council, Association of Turkish Businessmen and Industrialists, Foreign Economic Relations Board, Young Presidents Organization and Association of Woman Entrepreneurs.

A part from her business initiatives she is also the founder and the leader of the most successful 'social mobilization' project called "Daddy, Send Me To School". The campaign aims to overcome the barriers against the education of girls in Turkey. The campaign managed to give 10,000 scholarships and build 32 girls' dormitories.

As the chairwomen of the jury committee to choose the most successful entrepreneur in Turkey under the umbrella of Ernst and Young, Ms. Doğan Boyner was also one of the seven jury members in Monte Carlo choosing the "World Entrepreneur of The Year" where 32 companies from 32 different countries has competed. Ms. Doğan Boyner has been published by Fortune magazine in 2007 as one of the two women in Turkey who has a prominent position in the world.

Ms. Doğan Boyner is married and has one child.

MEHMET ALİ YALÇINDAĞ VICE CHAIRPERSON

Mehmet Ali Yalçındağ was born in Istanbul in 1964. He graduated with high honors from the American College London in 1989. Joining the Doğan Group in 1990, Yalçındağ was appointed Assistant General Manager at Doğan Dış Ticaret. In 1991, he became a member of the Doğan Holding Executive Committee and in 1992 he was appointed Assistant General Manager of Milliyet newspaper. Yalçındağ took an active part in the establishment of Simge Group in 1994, thus contributing to the launch of four new newspapers, including Posta, Fanatik and Radikal. In 1996, the media enterprises of the Doğan Group were merged under Doğan Yayın Holding and Yalçındağ was appointed Vice President of the Executive Committee of this company. Yalçındağ has supported all efforts to create areas of synergy to best serve the publishing enterprises at Doğan Yayın Holding. In this context, he has worked in various key capacities for the establishment of Doğan Ofset through the integration of all dry press facilities, as well as on the setting up of DPC to gather all newspaper-printing facilities under one roof. He has also participated in the establishment of Doğan Factoring, an enterprise that manages the receivables of all Group companies. Yalçındağ later established the news agency Doğan Haber Ajansı, placing all news departments under the control of a single administrative body. He helped form partnerships with the Egmont Group for children's books, with the Burda Media Group

for magazines and with Time Warner for the establishment of a news channel. With the inclusion of Star TV in 2005 into the Group, Yalçındağ worked on incorporating all the enterprises involved in television and radio broadcasting into the Doğan TV network.

CEO of Doğan Yayın Holding since 1999, Yalçındağ is also Turkish Chairperson of the International Advertising Association (IAA), Chairperson of the Turkish Advertising Council and member of TÜSİAD (Turkish Industrialists' and Businessmen's Association), Galatasaray Sports Club and WEF Media Managers.

Mehmet Ali Yalçındağ is married and the father of two.

SONER GEDİK BOARD MEMBER

Born in Eskişehir in 1958, Soner Gedik studied Economics and Public Finance at Ankara University. Successfully passing the Finance Ministry's entry examination for tax auditors in 1981, Gedik was appointed to the ranks of Certified Public Accountants and, in 1985, became an accounting specialist, finishing first in his class. Gedik worked as a public servant for the next six years, auditing leading private and state enterprises and reinforcing his financial skills and experience. He later joined Hürriyet Holding A.Ş. Finance Division as a financial consultant to the Group CEO. Appointed Vice President of the Executive Committee in 1989, Soner Gedik served first as Group Board Member and later as Deputy General Manager of Hürriyet Holding. Playing a major role in the foundation of Doğan Yayın Holding in 1998, Soner Gedik served as CFO and Deputy Chairperson. Gedik is currently a Board Member of all Doğan Yayın Holding companies and as of January 2011, he is currently Board Member at Doğan Şirketler Grubu Holding A.Ş.

F. SERVET TOPALOĞLU

BOARD MEMBER

Born in Istanbul in 1959, F. Servet Topaloğlu graduated from Technische Universität Darmstadt Management Engineering/ Department of Mechanics. Starting his career in Mercedes-Türk as a project engineer in 1985, Servet Topaloğlu moved to Siemens Türkiye organization in 1987, starting as logistics manager, and left as Assistant General Manager in 1997. Topaloğlu then moved into the retail sector, served as Founding CEO and Board Member in Real Hipermarketleri between 1997 and 2002; CEO and Vice Chairperson of Board of Directors of Tansaş between 2002 and 2005, and as General Manager Responsible from Supermarkets in Carrefour between 2005 and 2006.

Topaloğlu, who has been the CEO of Doğan Gazetecilik since February, 1, 2010, also serves as a Board Member for a number of retail and FMCG companies and is President of the Advisory Committee of Trade Council of Shopping Centers and Retailers (AMPD).

Servet Topaloğlu is married and the father of two.

TAYFUN DEVECİOĞLU

BOARD MEMBER

Born in Istanbul in 1963, Tayfun Devicioğlu graduated from Lycée de Galatasaray and Istanbul University, Faculty of Economics, Department of International Relations. He started his career as a journalist in 1987 in Gelişim Yayınları. He worked as an economics and finance reporter in newspapers and magazines including Söz, Ekonomik Panorama, Cumhuriyet and Milliyet. He served as the Managing Economics Editor in Yeni Yüzyıl and Editor-in-Chief in Liberal Bakış.

After serving as the News and Publication Coordinator in Sabah and Ankara Representative of the same newspaper, he became the Editor-in-Chief of Sabah in March 2000.

In 2002, he assumed the position of Editor-in-Chief of Vatan, which was launched in September that year. Since October 2009, he has been working as the Editor-in-Chief of Milliyet. He has been serving as a Board Member of Doğan Gazetecilik since March 2010.

ZAFER MUTLU

BOARD MEMBER

Born in İzmit in 1956, Zafer Mutlu is a graduate of the Ankara Economic Trade Sciences Academy, School of Journalism and Public Relations. He started his career in journalism as a parliamentary reporter at Vatan in 1976. Later, he worked at Anka Agency and at the newspapers Dünya and Günaydın. In 1985, he joined Sabah and became Editor-in-Chief in 1986. Mutlu served as Vice Chairperson of the Board and President of the Publishing Group at Sabah and other newspapers and magazines within the body of Medya Holding A.Ş. and Satel A.Ş., a private television channel established in 1992.

Zafer Mutlu was appointed Chairperson of Vatan Newspaper/Bağımsız Gazeteciler Yayıncılık A.Ş., launched on September 4, 2002. He has been Board Member at Doğan Gazetecilik A.Ş. since May 2008.

HAKKI ALP BAYÜLKEN CPA, YMM

INDEPENDENT BOARD MEMBER

Born in Izmir in 1940, Hakkı Alp Bayülken graduated from Robert High School in 1960 and from Robert College in 1964 with a degree in Business Administration. Receiving an MBA from University of Texas in 1966, Bayülken completed his military service in the Automated Data Processing Center at General Staff Headquarters in Ankara. Returning to the US in 1968, Bayülken joined Arthur Andersen and became a CPA in 1972. In 1975, he established Arthur Andersen's offices in Turkey and was appointed General Manager in 1978. Going back to the US in 1980, Bayülken began working at Arthur Young and then returned to open the Arthur Young offices in Turkey in 1983. Arthur Young, where Bayülken was General Manager, merged in 1990 with Ernst & Whinney. In 1999, Bayülken handed over the company with its staff of 200 to his successor and began to teach Financial Accounting, Managerial Accounting, Financial Statement Analysis and Auditing at Koç University. As a chartered accountant, he participated in committees that prepared Turkey's auditing standards and principles. He has also written articles on various professional topics for journals.

EXECUTIVE COMMITTEE

F. SERVET TOPALOĞLU
CHIEF EXECUTIVE OFFICER
 (See Board of Directors)

BİLEN BÖKE
EXECUTIVE COMMITTEE MEMBER,
CHIEF FINANCIAL OFFICER (CFO)
 Born in Ankara in 1963, Bilen Böke is a 1985 graduate of Ankara University Political Science Faculty, Department of Economics. Joining the Ministry of Finance as an Assistant Certified Public Accountant the same year, Böke became a Certified Public Accountant in 1988. Completing his MBA in the US at Fairleigh Dickinson University from 1992 to 1994, Böke also served as Vice President of the European Union and International Relations Bureau of the Ministry of Finance and then as Assistant General Director of Communications at the Transport and Communications Ministry. In 1998, Böke began to work at Anadolu Endüstri Holding in the capacity of Assistant Coordinator of Financial Affairs and as Finance Manager at Anadolu Honda Otomobilcilik A.Ş. Since October 2000, he has been the Financial Affairs Group President and Executive Committee Member at Doğan Gazetecilik A.Ş.

VİKİ HABİF
EXECUTIVE COMMITTEE MEMBER,
ADVERTISING GROUP PRESIDENT OF
MİLLİYET, FANATİK

Viktoria Habif completed her junior and senior high school education at Robert College, later graduating from Strasbourg University Social Sciences Faculty, Department of Advertising. After three years spent studying cinematography at Tel-Aviv University, Habif returned to Turkey, where she began her business career at the advertising agency Grafika Lintas. Working at the Güzel Sanatlar-Saatchi&Saatchi agency as Assistant General Manager, Habif then served as Vice President in charge of all customers at Cenajans Grey. From 1997 to 1999, she was General Manager of Sabah Newspaper Media Group. Joining the Doğan Group in 1999, Habif became Advertising Group President for Simge Newspapers (Radikal, Posta, Fanatik, Finansal Forum). She has been Advertising Group President for the newspapers Milliyet and Fanatik and is also an Executive Committee Member.

NESLİHAN TOKCAN
EXECUTIVE COMMITTEE MEMBER, CHIEF
ADVERTISING OFFICER, POSTA, VATAN

After attending TED Ankara College, Neslihan Tokcan graduated from Middle East Technical University Administrative Sciences Faculty, Department of Business Administration. Tokcan worked at various companies until 1990. In that year he joined the staff of Marie Claire magazine as Advertising Manager, later becoming the magazine's Editor-in-Chief. Starting in 1995, she worked as Editor-in-Chief of Naturel Magazine, Advertising Division President of the Hürriyet Magazine Group, then General Manager of ReKpa, the company founded with the merger of the Milliyet and Hürriyet magazine groups. In the period 1999-2005, she served as General Manager of the DBR Magazine Group, founded under the partnership of the German Burda, the Italian Rizzoli groups, and the Doğan Group. Tokcan published the magazines Elle and Hello in Turkey in that period, and also served in the Executive Committee of the Worldwide Magazine Media Association (FIPP). She is currently Chief Advertising Officer of Posta and Vatan and a Member of the Doğan Gazetecilik Executive Committee.

Neslihan Tokcan is the mother of a son and a daughter.

EDITORS-IN-CHIEF

TAYFUN DEVECİOĞLU

EDITOR-IN-CHIEF, MILLİYET (SEE BOARD OF DIRECTORS)

(See Board of Directors)

İSMAİL TURGUT YUVACAN

EDITOR-IN-CHIEF, VATAN

İsmail Turgut Yuvacan was born in Istanbul in 1971. He graduated in 1997 from Istanbul University, Faculty of Communications, Department of Journalism. He began his professional life in 1992 as an Economics Reporter at the newspaper Sabah.

Subsequently, Yuvacan was Editor for the same newspaper, then as Yeni Binyıl Editor. Later he was Editor and then Assistant Editor-in-Chief at Vatan. Working as Editor-in-Chief of Vatan since 2009, Yuvacan is married and the father of two.

RIFAT ABABAY

EDITOR-IN-CHIEF, POSTA

Rifat Ababay was born in 1957 in Balıkesir. After his elementary education in Balıkesir, Ababay attended Saint Joseph French Boy's School in Istanbul in middle school, then graduated from the French Saint Michel Lyceé. A graduate of Uludağ University, Department of Tourism and Hotel Management, Atabay started out as a journalist in 1979. Building his professional career in journalism at Aktüel Yayıncılık, Gelişim Yayınları, Hürriyet and Sabah, respectively, in 1994 Ababay joined the founding team of the newspaper Posta. Serving at Posta as Editor-in-Chief since 1996, Ababay is married and the father of two.

M. NECİL ÜLGEN

EDITOR-IN-CHIEF, FANATİK

M. Necil Ülgen was born in Istanbul in 1966. He completed his elementary, middle and high school education at Istanbul Şişli Terakki High School. After graduating from Istanbul University, Faculty of Political Science, Ülgen started as a journalist at the newspaper Sabah in 1991. After working at Fotomaç and then at Sabah's London Representative Office, Ülgen was appointed Sports Editor of Posta, which was founded in 1994. In 1995, Ülgen launched Fanatik, afterwards he worked as Sports Editor at Radikal and Milliyet. M. Necil Ülgen has been Editor-in-Chief of Fanatik since 1996. He is married and the father of two.

AUDIT COMMITTEE

EREM TURGUT YÜCEL

AUDIT COMMITTEE MEMBER

Born in Istanbul in 1962, Erem Turgut Yücel graduated in 1984 from Istanbul University School of Law. Yücel worked at Hürriyet Newspaper Legal Offices from 1986 to 1989, served as attorney and manager at T. Emlak Bankası for three years, and returned to Hürriyet at the beginning of 1993. He was appointed Legal Offices Manager in 1996 and Doğan Holding Legal Coordinator in 2003. He also served on the Board of Directors of the Istanbul Bar over the period 2002-2004.

ERDEM SEÇKİN

AUDIT COMMITTEE MEMBER

Born in 1965 in Kırklareli, Erdem Seçkin graduated from Lycée de Galatasaray and in 1989 from Marmara University's English-language Economics Department. Seçkin began his career in 1990 as a customer representative at Pfizer Pharmaceuticals, later appointed to the position of Assistant Finance Manager. After serving in this capacity for four years, Seçkin left Pfizer and continued his career at Japan Tobacco International (JTI). During the following eleven years at JTI, Seçkin served as Finance Manager, Finance and Customer Loans manager, Budget and Planning Manager and latterly as CFO. In 2005, Seçkin joined the Doğan TV Group as Group President in Charge of Financial and Legal Affairs and Vice President of the Executive Committee.

Erdem Seçkin is married with one child. He is fluent in English and French.

DOĞAN GAZETECİLİK BROADCASTING AND PUBLISHING PRINCIPLES

Doğan Gazetecilik's fundamental broadcasting and publishing principle is to uncover and convey objective information to the public without distortion, exaggeration or outside influence, in the shortest time, and as completely as possible.

1. The primary function of journalism is to uncover and convey objective information to the public without distortion, exaggeration or outside influence and in the shortest time.
2. Journalists must keep their professional work free of all and any personal benefit and influential relationships and may not take on active positions in any kind of political party. Employees working in broadcasting and publishing divisions that deal with economy and finance at Doğan Yayın Holding may not be shareholders or engage in direct or indirect trading of shares on stock exchanges.
3. Journalists may not employ methods or adopt attitudes that might cast even a shadow of a doubt on their professional integrity. DYH employees may not travel with third parties or accept invitations without the permission of their division heads.
4. No gifts or favors may be accepted from persons or organizations that are or are considered to be the subject of the printed or broadcast media, which are in violation of professional ethics and customary tradition.
5. No one shall be denigrated, censured or discriminated against in broadcasts or in print because of race, gender, social status or affiliation, religious beliefs or physical handicaps.
6. No broadcast or publication shall restrict freedom of thought, conscience or expression, nor discredit general concepts of ethics, religious feeling or the basic foundations of the institution of the family.
7. No nicknames or epithets that intimidate, ridicule, libel or slander individuals or institutions beyond the reasonable limits of criticism shall be used. Columnists responsible for offensive, slanderous or libelous articles that are made the subject of litigation shall personally pay for 20% of the compensation decreed by the court.
8. No one may be pronounced "guilty" until judged so by decree of the courts.
9. News items within the realm of investigative journalism shall not be published without research and documentation that can verify the truthfulness of such news. Journalists who publish or broadcast false information under the auspices of Doğan Yayın Holding shall be subject to sanctions ranging from "censure" to "termination of employment."
10. No one may be accused of actions considered crimes by law unless logical and plausible reasons are set forth.
11. The private lives of individuals - with the exception of situations where the lifestyle of the particular individual is such that it can be construed as an explicit or tacit approval of news coverage and warranting public interest - shall not be the subject of broadcasting or publication.

12. Until it is in the public interest, news shall not be produced by methods that would be regarded as an invasion of privacy, such as the use of hidden cameras, hidden sound recordings or trespassing on private property.

13. Relatives and close friends of suspects or criminals shall not be exposed to the public unless they have an involvement with the particular incident or there is reason for their exposure in order to have the incident correctly understood.

14. “Off the record” information shall not be published or broadcast unless doing so shall be unquestionably beneficial to the public interest.

15. Maximum respect and care shall be exercised to maintain the confidentiality of news sources, except in cases where the source is intentionally attempting to mislead the public.

16. Journalists must act in a balanced, factual and impartial manner in the investigation, preparation and publication/broadcasting of a news item. a) The views of the accused party shall be provided in news coverage. The same news item shall also report cases where the concerned party has not responded or has not been able to be reached. b) No summary or change shall be made in quoted material published or broadcast that makes

the statement of the party concerned unintelligible or that makes said party a subject of ridicule. Dates and sources shall be clearly stated in all published or broadcast quotations. c) All public opinion polls shall be broadcast or published accompanied by a clear statement of the name of the institution conducting the poll, the organization that requested and financed it, the date on which the poll was conducted, the number of respondents and the methodology used in the research.

17. Restraint will be used in the broadcasting or publication of material that encourages or incites violence, that adversely affects children, or that provokes hatred and animosity between individuals, societies and nations

18. Advertorials shall be clearly identified in a manner that leaves no doubt as to their being advertising material.

19. News embargoes shall be strictly adhered to.

20. Respect shall be shown the right to respond to and refute erroneous broadcasts or publications and the appropriate action taken. Doğan Yayın Holding press organizations shall establish regularly activated mechanisms to correct mistakes.

We, as Milliyet, have been fulfilling our duty towards Turkey for the last 60 years. These efforts will continue for as long as the newspaper exists.





MİLLİYET OPERATIONS IN 2010

MESSAGE FROM MİLLİYET'S EDITOR-IN-CHIEF

Witness to 60 years

"Milliyet is one of Turkey's most well-established and valuable institutions. Throughout the 60 years in which it has been published, Milliyet has contributed greatly to this country, to the Turkish people, to Turkish society. Milliyet has played a significant role in the intellectual development of many generations of Turks. In many homes, reading Milliyet has been an institution, a legacy of parents passing the flag on to their children. Reading Milliyet has always been a privileged opportunity. This newspaper has always fulfilled its duty towards Turkey and will continue to do so in the future."

These words are an excerpt from the book entitled "Witness to 60 Years" which we prepared in commemoration of the 60th anniversary of Milliyet's establishment... They are in the message from Aydın Doğan, the founder of the Doğan Group of Companies...

This short excerpt of a few sentences is to my mind the simplest and most realistic description of Milliyet. The most striking sentence is the last one: "This newspaper has always fulfilled its duty towards Turkey and will continue to do so in the future."

Yes, we at Milliyet have fulfilled our duty towards Turkey over the last 60 years. These efforts will continue for as long as the newspaper exists.

Turkey is going through a major transformation. This process, of course, brings with it challenges, controversies.

We at Milliyet are aware that we have an important duty in this process...

To be a platform where all views can be represented so that the process of change can bring optimal benefits to all of Turkey...

To make the voice of every individual in society, the just demands of everyone be heard by everyone else in the country to ensure more prosperity, wider freedoms and a meticulously working democracy in the country...

Milliyet is taking up the challenge of adapting to the dynamics of this period of transformation in Turkey. Our efforts go into bringing to life changes, but at a cautious pace, without harming any of Milliyet's fundamental values, its constitution.

We are transforming the newspaper from its image of being a "cold and high-brow" newspaper to becoming a "warm and cordial" newspaper.

We are transforming the concept of the newspaper from "Looking down at some sections of society from a lofty position" to a newspaper that is equally close to every segment of the population.

We are directing ourselves at Turkey's dynamic youth without disturbing the ranks of those who have been loyal Milliyet readers for decades.

We are working to create richer and more informative content in politics, diplomacy, sports, economics, and in world news.

We are trying to focus more on problems of the environment, culture and the arts, education.

All of these efforts are being strongly implemented as we try to maintain our financial independence and progress with a philosophy in line with the basic principles of business life.

We at Milliyet worked in 2010 to fulfill our duty as best we could towards the Turkish population.

All of us at Milliyet are aware of what our responsibilities will be in 2011.



TAYFUN DEVECİOĞLU
MİLLİYET
EDITOR-IN-CHIEF

FUNDAMENTAL PHILOSOPHY OF MİLLİYET

High-esteem: Milliyet fulfills impeccably the universal rules of journalism by reflecting its core values in its products in the best way possible. The information it provides is reliable. This approach makes it the most trusted newspaper in Turkey.

Being a source of reference: Milliyet is a source of reference for all news-related information. Milliyet is the source of reference for opinion leaders, business people, foreign missions, politicians, bureaucratic and academic circles, the arts community and researchers.

Broadening the reader's horizons and progressiveness: Milliyet presents all its content in the most appropriate manner. Its progressive approach in supporting social and individual development broadens the reader's horizons. Milliyet is a newspaper that closely monitors, quickly assimilates and reflects developments in the economy, politics, sports and in all other areas of life as rapidly as possible.

Being indispensable to readers and creating intellectual loyalty: Milliyet provides in-depth coverage in every area. It carefully scrutinizes and examines the data it obtains before accepting it as true. Its news reports are customized and its analysis and commentary are probing. Each news story undergoes a detailed analysis and no interpretation is made until the facts are presented in full transparency. Milliyet does not confuse courage with aggression.

Behaving equally to and respecting everyone: Milliyet is not prejudiced towards any segment of the society. It approaches each and every layer of society without discrimination and strives to share the problems and joys of everyone. It is not arrogant but sincere.

Defending modern values: Milliyet believes that the values of democracy and republic constitute an inseparable whole. It is on the side of a secular and democratic state of law. It supports the full membership of Turkey in the EU. It respects human rights, the environment and animal rights; it makes every effort to raise standards in these areas. Creating a "clean society" is a fundamental cause for Milliyet.

WHEN WE SAY “MİLLİYET”

Milliyet, winner of more than 250 awards to date, 18 of which have been on an international level, has been a trail-blazing leader in the Turkish press.



“We have only one goal; to deserve your trust each and every morning.”

This statement clearly reflects the goal that Milliyet has pursued for more than 60 years as a leading player in the press and publishing sector. The slogan, right under the Milliyet logo - “Basında Güven” (Reliability in the Press) highlights this goal.

Milliyet, with the responsible and ethical reporting standards that it has always upheld, has worked to exemplify the principle of “Reliability in the Press.” Guided by a half century of tradition, the newspaper has successfully reached a wide audience in every period of its publishing life, without compromising quality in any way. Milliyet’s success has proven that a newspaper can become the spokesperson for the masses without resorting to populism.

Milliyet, winner of more than 250 awards to date, 18 of which have been on an international level, has been a trail-blazing leader in the Turkish press. As the first newspaper in the Turkish press to feature education, economics, international news, humor and sports pages,

Milliyet is particularly recognized as setting the standards for sports journalism. The Milliyet Sports Service won the “International Fair Play Award” in 1997 for its clean sports coverage and its accurate news and honest reporting, a first in Turkey.

One of the most important developments in global journalism over the last 20 years has been the opening up of newspapers to reader inspection. Milliyet was the first newspaper in Turkey to introduce a “Reader Representation” or “Ombudsman” page. Milliyet continues actively to represent Turkey in the World Association of Newspapers (WAN), established in 1958, to protect freedom of the press and develop cooperation between member organizations. Milliyet is proud to have hosted the 57th WAN Congress in Istanbul in 2004.

www.milliyet.com.tr is the most popular and the most trusted news portal in Turkey, with close to two million visitors every day.

Pursuing its goal of maintaining readers’ trust with its world-class quality standards, Milliyet became the first newspaper in Turkey to set up a regular website, www.milliyet.com.tr, launched on November 26, 1996.

Since the day it was established, milliyet.com.tr has continued to be the most popular news portal in Turkey, with close to two million visitors every day.

Milliyet has reinforced its reputation as a reference newspaper by offering supplements of rich content such as Milliyet Sanat (Arts), Milliyet Kitap (Book), Milliyet Emlak (Real Estate). Milliyet Sanat, which has been closely followed by art circles since 1972, is the most respected publication in its field in Turkey. In addition, the book supplement that Milliyet recently launched has also received positive acclaim from literary and cultural circles.

Our Source of Pride: The “Daddy Send Me to School” Campaign

Milliyet has taken on many important social responsibility projects since its foundation. Some of the innovative projects undertaken throughout Milliyet’s lifespan so far have been the “Turkish Elementary Schools Quiz Contest,” and the “Sports Person of the Year”

and “Journalism Awards”. The most important social responsibility project to be completed in the last fifty years has been the “Daddy Send Me to School” campaign, launched on April 23, 2005 to raise funds for Anatolian girls deprived of educational opportunities. The campaign has accounted for more than TL 34 million of support to date. Thirty-two girls’ dormitories, as well as eleven village schools were built with these funds in many regions of Turkey. A total of 10,524 girls were also provided with scholarships.

A newspaper that stands out with readership quality...

According to the December 2009-November 2010 results of the Turkish National Readership Survey, an important tool used by an independent research company to assess and create common unit data for all newspapers published in Turkey, 56% of Milliyet readers belong to the AB group, identified as the leading upper social segment of Turkish society. The percentage of Milliyet readers in the ABC1 group, the group with high buying power, is 83%. This rate is the highest readership rate among nationally distributed newspapers. A major portion of Milliyet’s readers, 73%, are at least high school graduates. On a nationwide scale, Milliyet readership represents a higher proportion of the educated population than readers of other national newspapers. Among Milliyet readers, 42% have university or more advanced degrees. Another important characteristic of Milliyet’s readership profile is that it comprises young adults. Seventy percent of Milliyet readers are in the 21-54 age group.

Reflecting general readership trends in Turkey, Milliyet readers are predominantly male. On the other hand, the 31% that accounts for the newspaper’s female readership gives Milliyet the distinction of having the second-largest female readership among Turkish newspapers.

Milliyet’s daily lifestyle supplement, CADDE, reaches 720,000 readers. Milliyet Cumartesi appeals to 1,079,000 readers on Saturdays and Milliyet Pazar to 1,067,000 readers on Sundays. The weekend supplements and CADDE attract an equal number of male and female readers.

SUPPLEMENTS



MİLLİYET CADDE

CADDE, published daily, not only offers tabloid news, but culture, the arts and world news as well as two pages each on health and television content. Regarded as Milliyet's "second newspaper," the supplement has been a refreshing addition to the Turkish newspaper-publishing sector.

CADDE takes the pulse of city life and popular culture featuring such writers as Mehveş Evin, Ali Eyüboğlu, Vedat Milor, Çağdaş Ertuna, Cem Dizdar, Vedat Özdemiroğlu, Sina Koloğlu, and PuCCa with their comments on the special stories that make up the day's agenda. Also on the roster of feature writers is one of the world's most recognized movie critics, Roger Ebert from the Chicago Sun-Times, with his exemplary commentaries that provide insight for other cinema critics in the Turkish press. With a particular interest in technology, CADDE reports on the latest technologies and the newest gadgets that make life easier, providing this information to readers significantly ahead of other leading dailies.

CADDE, with prominent experts such as Dilara Koçak, Hasan İnsel, Başak Demiriz, and Eser Alptekin, along with two pages of health content every day, asserts itself in the field of health and wellbeing. CADDE includes two series of articles daily and shares with its readers the best possible sources of information on a wide range of subjects, from career choices to sexuality.

CADDE also offers a four-page Istanbul city life guide, entitled "CADDE 34."



MİLLİYET CUMARTESİ- MİLLİYET PAZAR

Milliyet Newspaper weekend supplements, Milliyet Cumartesi (Saturday) and Milliyet Pazar (Sunday), provide a rich variety of content including the latest fashion news, tips on personal care, site reviews, literary and the arts news, commentaries from respected writers, current interviews and success stories. Prepared by Deniz Alphan and team, Milliyet Cumartesi enjoys a highly educated readership from the upper socioeconomic segment of the population. Both reflecting an equal gender distribution, the Cumartesi supplement has a circulation of 1,079,000 and the Pazar supplement a circulation of 1,067,000.



MİLLİYET SANAT

Published without interruption as a monthly magazine since 1972, Milliyet Sanat's quality content and loyal readership has made the periodical one of the most highly esteemed brands in arts and culture publications. Followed closely in art circles, Milliyet Sanat will continue to play an active role in developing art awareness in Turkey and in contributing to the promotion of art appreciation in younger generations.



MİLLİYET KİTAP

Milliyet Kitap (Book), the newspaper's book supplement, greets Milliyet readers every month as a content-rich resource that followers of culture and the arts, along with avid readers, find hard to put down. Every edition of Milliyet Kitap offers Milliyet's loyal book readers a featured discussion of a literary topic, book reviews by expert writers, and commentaries on the world of culture and the arts.

SUPPLEMENTS



ÖSS POZİTİF - SBS POZİTİF

A pioneer of education in the Turkish press, Milliyet offers a free supplement on Thursdays for students preparing for the university entrance exam. Prepared by a panel of experts, ÖSS Pozitif features trial exams, question solutions and tips from different branch teachers. Always the press world's keenest supporter of students, Milliyet also offers a supplement for students preparing for the level placement test (SBS) every Wednesday.



MİLLİYET AKADEMİ

Milliyet Akademi Eğitim ve Gençlik (Education and Youth) Newspaper was launched on June 4, 2010 under the direction of Abbas Güçlü. Appearing now as a tabloid-size newspaper, Milliyet Akademi is distributed with Milliyet on Fridays, featuring the latest news, interviews and research on education, careers, personal development, science and technology. Every week, a different university is presented to readers in the "An Academic Look into the Universities" section. The supplement also includes pages on the "Academy Club" to which young readers can contribute photographs, articles or poems, and a section called--"Genç Ajanda" or "Young People's Agenda"-- on current events that interest young people.



MİLLİYET EMLAK

Published on Fridays and distributed as a free supplement of Milliyet, Milliyet Emlak (Real Estate) features global home and home life trends, new living spaces, real estate prices, payment plans, transportation possibilities and other topics. The supplement also includes suggestions and evaluations by real estate investment consultants, attracting a wide readership with its comprehensive content. Milliyet Emlak is a publication that serves to inspire competitors and a reference in their efforts in the same line of interest.



MİLLİYET OTOMOBİL

Milliyet Otomobil (Automobile), another free supplement, distributed with Milliyet on the last Tuesday of every month, is a popular source for automobile enthusiasts. Prepared under the direction of Levent Köprülü, Milliyet Otomobil features comprehensive information on the world of automobiles, including the latest models, test drives, campaigns, recommendations, motor sports, advanced driving techniques, new technology, travel information and news from the motorcycle world.



MİLLİYET TELEVİZYON

Distributed free of charge with Milliyet on Saturdays, Milliyet Televizyon fills an important gap in the sector as a comprehensive and impartial television supplement.

Milliyet Televizyon includes in-depth reviews of TV programs and also reports ratings data. With its quality approach, Milliyet Televizyon is a publication that raises the bar in this area of the Turkish press.



BULMACA

The Bulmaca (Crossword Puzzle) supplement, distributed together with Milliyet every Saturday and Sunday, appeals to both experts and beginners. The global craze Sudoku is also featured in the Bulmaca supplement for Milliyet readers.



MİÇO MAGAZINE

Miço Magazine is a weekly publication that appeals to an audience of children aged 7 to 14. The magazine does not cater to reading matter that promotes popular culture, horror, violence or suspense. It is the first magazine in Turkey that has carved out a favored place for itself not only in children's hearts with the activities it promotes in the schools, but also within the parents-school-children triangle as a reliable source that has contributed to the growth of three generations. The magazine sponsors about 200 school events a year and has been published since 1978 under the direction of Yalvaç Ural. It is the only link in the chain of Milliyet children's and other supplements on music, art and current events that has survived without interruption for 38 years, continuously performing the task of educating and guiding children of reading age.



MİLLİYET ANKARA

Milliyet Ankara started to be published and distributed in the province of Ankara on October 8, 2010. The newspaper presents the articles of Milliyet Ankara News Director Serpil Çevikcan once a week and of Milliyet News Coordinator Ayhan Aydemir six days a week. Also featured are the columns of Tolga Şardan and Gökçer Tahincioğlu from the newspaper's Ankara News Headquarters, Psychologist Dilek Türkoğlu, Attorney Oya Aydın and Ali İnandım.

In the last period, the Newspaper has published a special one-page feature on a different sector every day, providing information under the headings of food, decoration, education or entertainment.



MİLLİYET AKDENİZ

Published in the Mediterranean region since June 14, 2004, Milliyet Akdeniz is a regional daily supplement.

Milliyet is distributed in the provinces of Antalya, Burdur, Isparta, and Afyon. Milliyet Akdeniz reaches readers along the Mediterranean coast, from Gazipaşa to Kaş.

The Milliyet Akdeniz supplement features the writings of Oktay Pirim, Abdullah Tekin, Pınar Özel, Süha Abacıoğlu, and Cankat Akdemir on different days. The supplement occasionally provides featured pages on health, automotives, fairs, shopping and education.



MİLLİYET EGE

Milliyet Ege's publication in the Aegean region started on August 26, 2002. The newspaper is on top of the news every day in the Aegean.

Milliyet Ege, with its featured articles by veteran writers and its experienced staff of journalists, is the Aegean Region's most effective newspaper, providing comprehensive news on topics from politics to economy, art and culture to sports.

The "Çözüm Hattı" (Hotline) section of the newspaper, which brings urban issues to light, the "Emeklilik Rehberi" (Retirement Guide), dealing with retirement problems, the "Ped" (Pet) and Health pages all contribute to the rich and powerful content of the newspaper.

SOCIAL ACTIVITIES

Every year, Milliyet organizes a series of events on the occasion of the Cannes Lions International Advertising Festival, to promote the festival in Turkey and to promote Turkey at Cannes Lions.

REPRESENTING TURKEY AT THE CANNES LIONS INTERNATIONAL ADVERTISING FESTIVAL AND AT EUROBEST, THE EUROPEAN ADVERTISING FESTIVAL



Representing Turkey at the Cannes Lions International Advertising Festival and at Eurobest, the European Advertising Festival

Representing Turkey at the Cannes Lions International Advertising Festival and at Eurobest, the European Advertising Festival, Milliyet promotes Turkish advertising, and Turkey itself, on an international level, both at Cannes where it has represented Turkey since 2002 and Eurobest.

The Cannes Lions International Advertising Festival, the most important occasion on the advertising calendar, is a showcase for creativity and developments in all aspects of the communications sector. Every year, more than 50 seminars are organized in a global event where some 10,000 professionals from 90 countries gather. The festival's results are avidly watched by the global advertising

community and awards are presented in the categories of film, press, outdoors, radio, Internet, media, direct marketing, promotions and activation, design, public relations, film craft, Titanium & Integrated and creative campaigns.

Milliyet organizes a series of events every year on the occasion of the Cannes Lions International Advertising Festival, to promote the festival in Turkey and to promote Turkey at Cannes Lions. Among the activities organized in Turkey are the "Young Lions" and "Young Marketers" competitions, aimed at encouraging young talent in the communications and advertising sector, the Milliyet Press Advertising Contest, the Cannes Lions Award-Winning Works Exhibit, and the Lions Sharing Meetings.

Ever since 2005, Milliyet has occupied a stand at the busiest location of the festival, promoting Turkey to the world's most prestigious communications and advertising professionals. From this stand, Milliyet distributes to all delegates at the festival, free of charge, a specially prepared festival edition of the newspaper.

At the 57th Cannes Lions Festival, held during June 20-26, 2010, Turkey was represented by two jury members in the press and outdoors categories. Turkey was among the finalists with 41 entries and won eight Lions, one of them a "Gold" prize, from among the 24,232 works competing for the world's most prestigious awards. Turkish advertising professionals show great interest in the festival, in which Turkey was represented this year by 420 works and more than 100 delegates.

In its belief that today's youth will take an active and important part in integration of the Turkish advertising sector with Europe, Milliyet aims to make Turkey one of the European top countries in advertising creativity.

THE EUROBEST EUROPEAN ADVERTISING FESTIVAL



The Eurobest European Advertising Festival

First held as an advertising competition in 1988 and transformed into a festival three years ago, the Eurobest European Advertising Festival provides an opportunity for in-depth discussions on the European and global advertising sectors. Hosted by a different European city each year, this year's Festival brought together in Hamburg more than 800 advertising, communications and marketing professionals on December 6-8, 2010.

The Eurobest 2010 competition included 14 categories (press, outdoors, film, radio, direct marketing, sales promotion, media, Internet, design, public relations, integrated, mobile and press, film craft) for which 4,339 works from 37 countries vied for recognition. Turkey was represented at Eurobest 2010 with 146 works.

The festival also included two jury members from Turkey. Three of the finalists selected from the 26 works contributed by Turkey won awards, once again enhancing Turkey's prestige in the international advertising sector.

In its belief that today's youth will take an active and important part in the integration of the Turkish advertising sector with Europe, Milliyet aims to make Turkey one of the top countries in Europe in advertising creativity. In this context, ever since it has become Turkey's representative in 2002, Milliyet has encouraged young minds in the sector to participate in Eurobest, continuing at the same time its efforts to invest in projects that will shape the sector's future.

ACTIVITIES

The goal of the Entrepreneur of the Year competition, which was held for the seventh time in 2009 through the joint efforts of Milliyet and Ernst & Young Turkey, is to publicly acknowledge the outstanding performance of leading entrepreneurs in Turkey and support their exemplary model.

ENTREPRENEUR OF THE YEAR IN TURKEY COMPETITION



Entrepreneur of the Year in Turkey Competition

The Ernst & Young Entrepreneur of the Year Award, initiated in 1986 to recognize the achievement of creative and productive entrepreneurs, is distinguished as the “world’s first and only comprehensive business award program.” The competition was first organized in Turkey in 2004 through the collaboration of Milliyet and Ernst & Young, Turkey.

The Entrepreneur of the Year Competition’s goal, which was held for the seventh time in 2009 through the joint efforts of Milliyet and Ernst & Young Turkey, is to publicly acknowledge the outstanding performance of leading entrepreneurs in Turkey and support their exemplary model for the benefit of the business professionals of tomorrow and to contribute to keeping the spirit of entrepreneurship alive in the country.

The competition provides numerous benefits to the companies represented, presenting opportunities for international business contacts, certification of company growth and development, boosting employee motivation and acting as a model for other enterprises in the market.

The award winner of 2010, Can Çelebioğlu and Canan Çelebioğlu (Çelebioğlu Holding), represented Turkey at the World Entrepreneur of the Year Competition in Monte Carlo.

MİLLİYET’S FOUNDING ANNIVERSARY



Milliyet’s Founding Anniversary

Founded on May 3, 1950, Milliyet Newspaper celebrated its Founding Anniversary in May 2010, as it does every year. The Abdi İpekçi and Örsan Öymen Awards were presented at the celebrations on the occasion. In addition, seniority awards were given to employees who had worked at the newspaper for 55-45-35-30-25-20 and 10 years.

Always proud to support the principle of “Reliability in the Press,” as an expression of its half-century commitment to this tenet, Milliyet offers the “Abdi İpekçi Journalism Award.”

ABDI İPEKÇİ JOURNALISM AWARD



Abdi İpekçi Journalism Award

Always proud to support the principle of “Reliability in the Press,” as an expression of its more than half-century commitment to this tenet, Milliyet offers the “Abdi İpekçi Journalism Award.” With an awareness of its responsibility to society, the newspaper honors dedicated journalists who uphold the highest ethical standards. In 2010, awards went to Nedim Şener, for his news story, “The Hrant Dink Murder File,” and in the category of photography, to Selahattin Sönmez for his photograph “The Tearful Resistance of İpekçi,” published in the Hürriyet Daily News.

ÖRSAN ÖYMEN AWARD



Örsan Öymen Award

Each year, in dedication to the memory of the veteran journalist, the late Örsan Öymen, Milliyet recognizes a journalist who has created added value in research in science, art, culture, communications, history or politics with the “Research Study of the Year Award.” In 2010, the winner of the Research Award was Family Court Judge Eray Karınca, for research on violence and the discrimination against women in Turkey. The Örsan Öymen Research Study of the Year Award in 2011 will focus on the topic of Crimes Against Children.

SPORTSPERSON OF THE YEAR AWARDS



Sportsperson of the Year Awards

The Sportsperson of the Year Award, now in its 57th year, is one of Turkey’s oldest awards surveys. Every year, sportspersons are selected in nine categories by Milliyet readers. The winner is presented the Sportsperson of the Year Award at a special ceremony. The 57th Sportsperson of the Year voted for by Milliyet readers was Nevin Yanıt, gold-medal winner at the European Athletics Championship.

Haldun Taner Short Story Award

Milliyet has always been appreciated by readers for the importance it places on the promotion of literature. Through the Haldun Taner Short Story Award, Milliyet seeks to bring new literary talents into the limelight. Presented in memory of the leading playwright and story writer of the Republican era, Haldun Taner, in 2010, the 24th award went to Yekta Kopan for his book of short stories entitled, “Bir de Baktım Yoksun” (I Looked and You Weren’t There). Many famous literary figures attended the ceremony at the Pera Museum.

*Now for the seventh year,
Posta continues to be “Turkey’s
Best-Selling Newspaper.”*





POSTA OPERATIONS IN 2010

MESSAGE FROM POSTA'S EDITOR-IN-CHIEF

First published on January 23, 1995, Posta is the first newspaper in Turkey to create its very own unique readership, generating a completely brand new market.

With its positive and humanistic approach, Posta addresses both Turkey's urban and rural populations and appeals equally to men and women. Posta is also the favorite of young readers. Its readers belong to the middle and upper income brackets.

With average daily net sales of close to 500,000 newspapers, Posta's dealership sales are Turkey's biggest. The Posta supplements – Cumartesi Postası (Saturday Post), Pazar Postası (Sunday Post), Posta Ankara, Posta Ege (Aegean), Posta Akdeniz (Mediterranean), Posta Çukurova, Posta Eskişehir, Posta Bursa, Posta Anadolu (Anatolia) and Maxi Bulmaca – enjoy wide popularity.

Posta maintained a steady rise in popularity in recent years which led it, at the end of 2003, to leadership in

the sector as Turkey's best-selling and most widely read newspaper. Now for the seventh year, Posta continues to be "Turkey's Best-Selling Newspaper."

Also exhibiting a rapid growth in advertising, Posta's advertising revenues expanded in 2010 by 22% over the previous year, as the newspaper continued to increase its share in the newspaper advertising market.

In 2010, Posta continued its regionally based investments by opening offices in Gaziantep, Eskişehir, Kayseri and by recording an increase of 21% in advertising revenue turnover.

As a result, Posta in 2010 reinforced its position as one of the top three newspapers with the highest revenues.

Posta will continue to be the number one newspaper in the country in future years, with its combination of news, easy-to-read style and economical cover price.



M. RIFAT ABABAY
POSTA
EDITOR-IN-CHIEF

FUNDAMENTAL PHILOSOPHY OF POSTA

1. Posta appears consistently every day as the same kind of newspaper in terms of content and format. It does not confuse the reader.
2. Posta thinks like the public, writes in the public's language, summarizing news without resorting to complicated explanations.
3. Posta can provide more news as it skillfully summarizes the news. Its motto: "Just reading Posta will provide all the news."
4. Posta makes an effort not to be pessimistic. It proudly shares the news of every positive event in Turkey with its readers.
5. It does not mislead or deceive the public. If it makes a mistake, it publishes a correction the next day without fail.
6. Posta columnists express their opinions freely.

WHEN WE SAY “POSTA”

Posta continued to be clearly ahead of competitors in 2010 in terms of performance and its dealership sales were the biggest in Turkey.



Making its debut in 1995, Posta, with its innovative and original news reporting style, quickly became one of Turkey's most popular newspapers.

Posta continued to be clearly ahead of competitors in 2010 in terms of performance and its dealership sales were the biggest in Turkey. In the period December 2009 – November 2010, results from the Turkish National Readership Survey coordinated by the Turkish Joint Industry Committee for National Readership Survey (BİAK) confirm that Posta is the newspaper with the highest number of readers in Turkey with a 2,825,000 daily circulation. Posta's undisputed leadership is better understood by the difference in circulation with its nearest competitor is 695,000 readers. Another striking outcome of the study is that Posta is at the top in reach figures for both male and female readers. Posta has the highest circulation figures in the ABC₁ group, with 814,000 readers, and holds second place in the AB group, with 788,000 readers. Posta has the highest net number of readers in Turkey. The net number of readers representing those reading only Posta was 1,181,000 in 2010. Net readers of Posta account for 42% of the newspaper's

daily circulation.

With its supplements, Cumartesi Postası (Saturday Post), Pazar Postası (Sunday Post), Posta Ege (Aegean), Posta Akdeniz (Mediterranean), Posta Çukurova, Posta Eskişehir, Posta Bursa, Posta Anadolu (Anatolia) and Maxi Bulmaca (Puzzle), Posta can meet the expectations of its broad customer base.

Posta aims to be the number one selling newspaper in Turkey in future years as well with distinguishing itself by its scope of news content, easy-to-read style and price advantage. Increasing its advertising revenue in 2010 by 22% from this perspective, Posta's main challenge is to increase its advertising revenue in the print media in the coming years.

SUPPLEMENTS



PAZAR POSTASI

Pazar Postası (Sunday Post) is an entertaining supplement offering colorful highlights over the weekend, which is distributed free of charge on Sundays with Posta. It tracks events in the entertainment world, provides travel information and reviews various restaurants.



CUMARTESİ POSTASI

"Looking at life through women's eyes," Cumartesi Postası (Saturday Post) comes free of charge with Posta on Saturdays. New products, special interviews, fashion, decoration, food, mother-and-child issues and beauty are this supplement's features.



POSTA ÇUKUROVA-GAP

Distributed on Sundays together with Posta, Posta Çukurova-GAP is the Çukurova region's "weekend newspaper." Besides its travel recommendations and food suggestions, the supplement provides regional news, offering readers a pleasant weekend surprise with a different guest interview every week.



POSTA AKDENİZ

Posta Akdeniz keeps watch over the Mediterranean Region, particularly over the region's tourism, providing entertainment, feature stories and the latest on social life. Published as a free supplement to Posta on Sundays, Posta includes a variety of columns to light up the weekend, from health to food and drink, from fashion to entertainment. The interview page provides a voice for guests and covers topics that interest the region.



POSTA BURSA

Posta Bursa is delivered as a supplement to Posta on Saturdays and Sundays in the city of Bursa, the delightful touristic location with its many historical sites and natural wonders. Posta Bursa was only offered on Saturdays in the past but now the newspaper, with its enriched content, is available to readers, free of charge, on both days of the weekend. Posta Bursa provides information on a range of topics, from health to urban investments, from art to current events of human interest.



POSTA EGE

Distributed to readers every day with Posta, this supplement for the Aegean Region is a clear-cut leader both in the region and within the Izmir metropolis, according to circulation reports. Informing readers about new investments, new projects in the Aegean Region and Izmir, the supplement is also a guide to news from the markets and the shop windows.

The most popular newspaper in the region according to BİAK data, Posta Ege offers its readers various alternatives to following up on the news and becoming informed in every field, from politics to everyday life, from the arts to sports.

SUPPLEMENTS



POSTA ESKİŞEHİR

Reaching readers in Eskişehir, Anatolia's rising star, every Saturday along with Posta, Posta Eskişehir features every topic that may interest the city's inhabitants. Reviewing the events of the week through a critical lens, Posta Eskişehir also offers content pages on activities in arts and culture.



POSTA ANADOLU

Distributed as a free supplement to Posta every Sunday, Posta Anadolu reaches readers in Central Anatolia, offering news on a range of topics, from politics to tourism, as well as reviewing the past week's events. With its columnists and commentary writers, Posta Anadolu informs readers about the city they live in.



MAXİ BULMACA

Distributed every day with Posta free of charge, this puzzle supplement is the puzzle lover's favorite pastime.

ACTIVITIES

Posta supports important congresses in the retailing sector with special projects.



The Posta Band

Posta has been travelling to meet different reader groups with the band of professional musicians since 2006. In the summer months, the Posta Band held concerts in Çeşme, Bodrum, Kuşadası, Altınoluk and Ayvalık.

Retailing Days

As the press sponsor of the event for the past seven years, Posta held "Retailing Days" for the tenth time in 2010. The support it has given to celebrating the retailing business has earned Posta the title of "Retailing Newspaper," allowing it to differentiate itself in the media sector. Close to 3,000 visitors stop at the Posta stands and participate in the activities organized at this important event.

Retail Debate between Brands (TAY) Sponsorship

The aim of TAY, organized under the main sponsorship of Posta, the Retailing Newspaper, is to build a new wave of excitement in the sector that enriches retail sales consultants' self-development and personal motivation.

	POSTA AVERAGE ANNUAL SALES (AMOUNT) (2000-2010)*	POSTA'S MARKET SHARE (%) (2000-2010)*
2001	389,264	10.48
2002	406,507	11.15
2003	441,103	11.42
2004	535,208	11.83
2005	641,420	12.82
2006	635,444	12.38
2007	634,833	12.29
2008	632,714	12.47
2009	542,738	11.50
2010	494,909	10.72

*Press Advertising Institute data

POSTA'S ANNUAL SALES IN MAJOR CITIES (PROVINCIAL TOWNS EXCLUDED)

	2008	2009	2010
ANKARA METROPOLITAN AREA	46,511	38,761	34,496
ISTANBUL METROPOLITAN AREA	186,171	161,521	145,483
IZMIR METROPOLITAN AREA	51,877	45,422	41,717

Vatan broke new ground again in 2010 with its news stories, article series and interviews. Most of the time, it was the Vatan reader who learned the news first, before the rest of the Turkish public...







VATAN OPERATIONS IN 2010

MESSAGE FROM VATAN'S EDITOR-IN-CHIEF

The “arm-chair crisis” with Israel, the Balyoz coup plan, the Baykal turmoil in CHP, the Mavi Marmara attack, the September 12 referendum, the “de facto” rescinding of the prohibition on headscarves in the universities in October, the mining disaster... Moreover, towards the end of the year, the WikiLeaks documents that shook Turkey and the rest of the world ...

While Turkey left behind these events of 2010, Vatan carried its concept of journalism to yet another level.

This year, for the 5th time in nine years, Vatan won the 2010 Sedat Simavi Award of the Turkish Association of Journalists, an award recognized in Turkey as the “Oscar” of the press. Additionally, our Economics journalist Kerim Ülker won the Journalist of the Year Award for his news report on the “Massacre of Trees” by former Minister of Forestry Osman Pepe.

Vatan again broke new ground in 2010 with its news stories, article series and interviews. Most of the time, it was the Vatan reader who learned the news first, before the rest of the Turkish public.

In 2010, Turkey and the rest of the world managed to patch up the wounds of caused by the global economic crisis. We presented the details of this process to our readers through the eyes of our specialized economist writers and reporters.

Vatan brings together some of the youngest sports journalists in Turkey under its roof. The sports pages prepared “without being a fan” by our sports team in 2010 were the first spots to be perused by the sports community in the newspaper every morning.

Our supplements, focused on all aspects of lifestyle, are clearly distinguished by their outstanding interviews of people making news in the last week.

One of Vatan’s features that differentiates it from competitors is its strong staff of writers. Devoting their entire day to their newspaper columns, our writers brought forward our preeminence in this field.

Vatan will continue to be one of the strongest representatives of the Turkish press with its powerful staff of top writers. It will challenge controversial issues while keeping an equal distance from all powerful affiliations, unwaveringly pursuing the news and providing an opportunity for the voices of all sectors of the population to be heard.



İSMAİL TURGUT YUVACAN
VATAN
EDITOR-IN-CHIEF

FUNDAMENTAL PHILOSOPHY OF VATAN

1. Continuing in its perspective of adherence to the principle of democracy and to the tenets of the Republic, respect for human rights, support of Turkey's full membership in the European Union and compliance with professional press ethics.
2. Being uncompromisingly loyal to the principles of its foundation, continuing its path through journalism in pursuit of the motto, "Without breaking away from the people and fearing no one."
3. Developing the institution of correspondent relations in the coming period, focusing on the training of the newspaper's editorial staff, targeting enhanced content and quality.
4. Taking advantage of the new business areas and opportunities presented by the digital age and concentrating on developing the news portal gazetevatan.com.
5. Accelerating efforts to achieve integration between the newspaper staff and the content-providers of the news portal in line with the new working principles of today's journalism.
6. Targeting the publication of basic health references that every family should have in their libraries as part of an effort to provide readers with significant educational and cultural works.
7. Initiating an effort to address the dynamic segment of the population by publishing works particularly for young adults and women as one of the three newspapers with the highest AB socioeconomic group readership profile.
8. Increasing supplements that highlight different sectors, such as automotive, the real estate market and tourism; contributing to raising standards of quality, helping to widen the horizons of participants in a range of different industries and providing readers with suitable investment and purchasing opportunities.



WHEN WE SAY “VATAN”

Vatan is the third-ranking national newspaper with the highest readership (55%) in the AB group. Vatan’s female readers have made it the newspaper with the highest female readership (33%).



The Turkish National Readership Survey figures for the period December 2009–November 2010 reveal that Vatan readers read the newspaper regularly 6–7 days a week. In terms of the time readers allot to perusing the newspaper, it is striking that although Vatan has fewer pages than Hürriyet, the 40-minute reading time is equal to Hürriyet’s. This reading time is also 8 minutes more than what readers allot to reading Sabah. Vatan’s readership profile is largely made up of young adults. Of Vatan readers, 65% are in the age group 21–54 and 66% have at least high school diplomas. Readers who are university graduates or possessing more advanced degrees, make up 42% of the readership. In terms of socioeconomic demographics, 80% of Vatan readers belong to the higher and middle social strata. In this respect, Vatan is the third-ranking national newspaper with the highest readership (55%) in the AB group. Vatan’s female readers have made it the newspaper with the highest female readership (33%).

Ever since it was launched in September 2002, and despite its relatively short history, Vatan has carved out a distinctive place for itself. It has done so with its bold approach of uncovering corruption and challenging controversial issues, while keeping an equal distance from all powerful affiliations. It unwaveringly pursues the news and provides an opportunity for the voices of all segments of the population to be heard. Vatan, and the diverse voices of its journalists, will continue to be one of the strongest representatives of the Turkish press.

SUPPLEMENTS



BİZİM KAHVE

The Vatan Saturday supplement, Bizim Kahve (Our Café), targets working, educated, urban women readers. Interviews with the stars of popular TV series and the new faces on the screen, and current news about music and cinema are some of the topics that Bizim Kahve features.

While Cem Ceminay writes about the “panorama of the week” with an ironic tone, Vatan Book Supplement Director Buket Aşçı interviews a different author each week. Renowned nutrition expert Yasemin Bradley offers readers sound dietary advice and Ayşe Aydın’s column on children’s health issues is another favorite spot for Bizim Kahve readers. İpek Çelebioğlu contributes to the supplement with fashion articles and Esen Hünel offers recipes from popular modern cuisines.



PAZAR VATAN

Addressing a wide readership audience every Sunday, Pazar Vatan features Ayşe Aydın and Elif Ergü’s interviews on political or human interest topics that carry over into the following week.

Pazar Vatan follows up on the media with its strong staff of writers. “Mekânlar ve İnsanlar” (Places and People) is a very popular column by Reha Muhtar, one of Turkey’s most successful news anchormen. Muhtar draws the interest of readers with his comments on the featured venue of the week and relationships between the sexes. Another legendary name in the Turkish press, Leyla Umar, contributes to Pazar Vatan with her column of memoirs. Selahattin Duman also writes for Pazar Vatan from time to time.

Pazar Vatan launched the first “pharmaceuticals” column in the Turkish press. Dr. Seyfullah Dağistanlı, an expert in medicine, vitamins, food supplements and the side-effects of medication, provides “life-saving” advice to Pazar Vatan readers.

One feature of the supplement Pazar Vatan is its focus on gourmet foods and eating. Turkey’s prominent expert in this field is Engin Akın, who adds his own flavor to Pazar Vatan with extraordinary recipes, as well as information about regional cuisines. Also at Pazar Vatan are Teoman Hünel, with his commentaries on travel and the art of drinking, and Süha Derbent, with his pleasant articles on the back page.

Fanatik's commitment to promoting amputee football and other branches of sports for the physically challenged is striking evidence of the newspaper's effort to be not just a "football," but an "all sports" newspaper.







FANATİK OPERATIONS IN 2010

MESSAGE FROM FANATİK'S EDITOR-IN-CHIEF

Only with Fanatik

Fanatik complies with the tenets of its fundamental philosophy, working to establish a tradition of accurate and ethical sports reporting, always committing itself to achieving "firsts." With our news flow in 2010, we continued to give direction to the country's sports audience, supporting what is done right and contributing to the eradication of all that is inappropriate.

Following the publication of our news series, "İşte futbol ailesi" (There you have it—the Family of Football"), the Turkish Football Federation took measures by initiating the stipulation of various "additional clauses" to current laws. Fanatik in this way succeeded once more in guiding the football community in its functions.

With the interview we held with the undisputed Number 1 player in world football, Messi, Fanatik not only did a service for Turkey but also contributed to Turkey's prestige in world football circles. Prior to the interview with Messi, Fanatik had also conducted an interview with another important player of equal distinction, Cristiano Ronaldo.

These examples can be expanded upon but the strong and clear message delivered by these efforts is encapsulated in the fact that Fanatik's membership in ESM (European Sports Media) as the only Turkish newspaper with this privilege is a matter of great prestige. This distinction has to do with taking our place among the leading sports newspapers and magazines that are members of this organization as representatives of the UK, Spain,

Germany, the Netherlands, Belgium, Denmark, Russia, Portugal and other countries. The honor of representing Turkey in the organization has been given to Fanatik. The criteria upon which ESM makes its selection are brand value, seriousness of purpose, ethical and accurate reporting principles, and the quality of setting the standard in terms of publishing policies...

The well-handled news stories that we ran during the transfer process of the clubs brought results. The interviews conducted in Europe with the transferred football players before they came to Istanbul displayed the strength of Fanatik reporting. The headline news stories and interviews published by Fanatik reflect the current agenda not only of printed but also of the visual media and the Internet. This reinforces yet again Fanatik's position as a "standard setting sports newspaper." Many TV and radio programmers defer to our writers and reporters to receive critical feedback on sensitive issues.

During the year, we had a parting of ways with two leading names in sports, Hakan Şükür and Seren Yalçın. This turn of events, however, created some major financial savings for the newspaper. That there was no negative outcome in terms of circulation proved Fanatik's resilience. With the combination of the special news stories contributed by our reporters and the creative thinking of our young and dynamic staff of editors, each page of Fanatik is as meticulously prepared as will be found in any "first page news."



M. NECİL ÜLGEN
FANATİK
EDITOR-IN-CHIEF

The featured stories of the year: a full two pages devoted every day to the Universiade 2011 Winter Olympics held in Turkey; our first page headline story of Vakıfbank's championship in the Volleyball European Games, held for the first time in Turkey (this while the league matches were still going on in football); Fanatik's commitment to promoting amputee football and other branches of sports for the physically challenged all present striking evidence of the newspaper's effort to be not just a "football" but an "all sports newspaper."

FUNDAMENTAL PHILOSOPHY OF FANATİK

1. Fanatik newspaper refrains from speculative reporting and aims to carry out honest and scrupulous journalism.
2. The newspaper's mission is to work to establish sports ethics and awareness in the community and to produce publications in pursuit of this aim.
3. Fanatik provides quality content for its readers, not only focused on football but on all branches of sport.
4. It is equidistant from all clubs and sports organizations.



WHEN WE SAY “FANATİK”

Fanatik appeals not only to the readership of most of the sports enthusiasts on the bleachers, but also to a wide audience outside of this community.



The only sports newspaper in the Doğan Gazetecilik group of newspapers, Fanatik is Turkey's seventh most popular newspaper, according to the figures announced for the period December 2009-November 2010 by the Turkish National Readership Survey, which is coordinated by BİAK. Every day, 923,000 men read Fanatik. A proportion of 60% of the newspaper's readers are in the 15-34 age group. In terms of socioeconomic demographics, 60% of Fanatik readers belong to the ABC1 group with higher buying power; 73% are in the C1C2 group. These ratios represent the highest readership figures among sports newspapers in the sector.

Fanatik appeals not only to the readership of most sports enthusiasts on the bleachers, but also to a wide audience outside of this community. Seeing Fanatik as the only sports magazine to lie side by side with other daily politically oriented newspapers on the desks of businessmen, executives and especially opinion leaders in the world of sports is a phenomenon that can only be explained because Fanatik has already reached its goal of being a sports newspaper that reaches all segments and areas of interest of the population...

Fanatik's İddaa supplement, distributed on Tuesdays and Fridays (16-24-32 pages), and on Saturdays and Sundays (8-16 pages) is an indispensable source of news and reference for betting enthusiasts.

The daily four-page horse-racing supplement supplied with the newspaper has also taken its place as Turkey's most popular and reliable source of information in this area. The secret to this success is that all of the supplement team's members are from the racing community. The system initiated by our editor Ömer Morovaoğlu, whom we unfortunately lost at an early age, makes success inevitable. Some big changes are being planned for the next period...

Turkey's most prestigious sports newspaper, Fanatik, can also be accessed on the website www.fanatik.com.tr. The website receives a daily average of 1.5 million hits and the surveys featured on the site attract enormous interest.

INTERNET

Since the first day of its launching on November 26, 1996, as Turkey's first regularly published Internet newspaper, milliyet.com.tr continues to be a clear leader among competitors.

MİLLİYET



Milliyet.com.tr

Turkey's most visited news portal!

Since the first day of its launching on November 26, 1996, as Turkey's first regularly published Internet newspaper, milliyet.com.tr continues to be a clear leader among competitors. In this sense, the website has played a key role in developing digital news reporting in Turkey.

From the first day of its inception, milliyet.com.tr has achieved many "firsts" in the field of Internet news reporting in Turkey. With its quality-brand content and channel sponsorships, the website set a benchmark for digital news reporting on the medium of the Internet. In addition, it carried its reporting to mobile and outdoor channels, reaching its target audience from a variety of news media.

With its differentiated and quality content that meets all the expectations of Internet users, milliyet.com.tr gathers 2 million unique visitors per day, making it Turkey's most widely followed news portal.

Responsibly adhering accurate, impartial and quality news reporting, milliyet.com.tr continued to sustain its leadership in 2010, entering an average of 400 new reports in 35 categories each day. A monthly average of 200,000 website readers responds with their online comments. The average time visitors spend on the web pages is over 20 minutes. The revamped format of the web pages in 2010 now provides readers with easier-to-read visuals. The website also broke new ground with new and successful applications during the year that emphasized its focus on the slogan, "Wherever the reader is, that is where

our publications will be." One of these applications, "milliyet.com.tr mobile" has been designed to be right by the reader's side at all times. The application reaches a monthly page viewing of 10 million and enjoys the attention of 1 million unique visitors. The milliyet.com.tr iPhone application was downloaded by 150,000 people in 2010. The website has also been enthusiastically received by iPad users. In the first month of the iPad application, 15,000 users downloaded the website. Thus, the milliyet.com.tr iPad application became the AppStore's most popular free application starting from Day 1.

Offering news reports on the outdoor channel, milliyet.com.tr news is now accessible on the LED screens of the Istanbul Metro and the digital screens of the district of Beyoğlu, providing Istanbulites with breaking news every hour of the day.

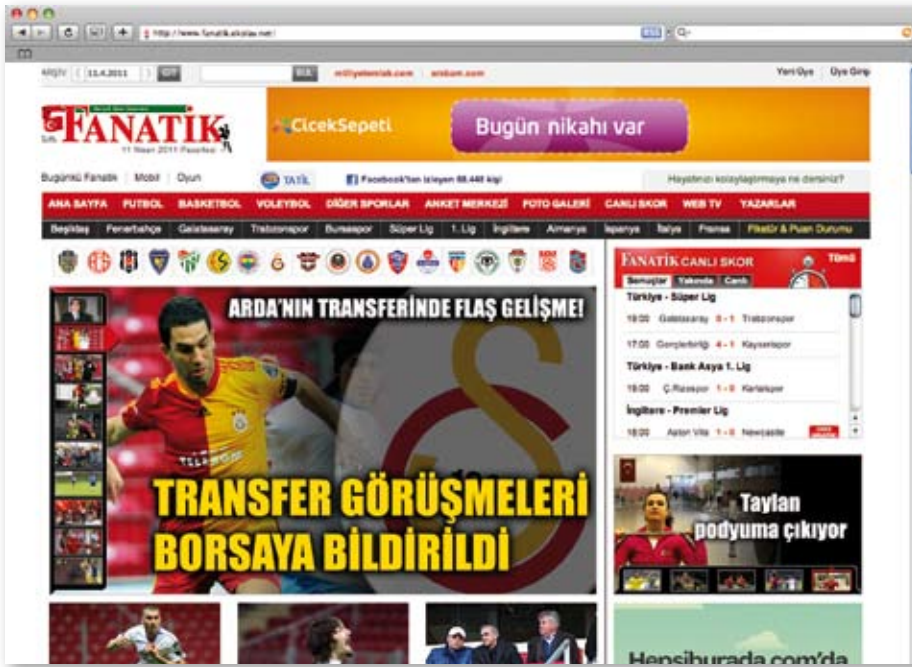
The website milliyet.com.tr launched a series of vertical commercial channels in 2010, offering the power of content to advertisers to create high-return sponsorship projects that provide maximum benefit. In this context, new income models in the categories of vacationing, housing and personal care proved to be very productive.

The milliyet.com.tr website also developed projects in 2010 conforming with current technological innovations and achieving high performance in this respect. Monitoring advertisers' expectations and demands as well as visitors to the site, milliyet.com.tr reached a growth rate of 10.69% in advertising sales revenue in 2010. The website plans to continue its achievements in 2010 with new projects in the upcoming period.

>> INTERNET

With a page-viewing record of over 300 million per month in 2010, fanatik.com.tr and its 10 million unique visitors achieved a 16% growth over previous year, increasing revenues by 48%.

FANATİK



Turkey's best sports website!

Launched as part of the Doğan On-Line websites in May 2000, fanatik.com.tr has continued its operations in the Doğan Gazetecilik organization since 2008. Initiating many new and innovative ideas in 2010, the website surpassed all expectations in terms of advertising sales and visitor hit averages. According to Comscore, fanatik.com.tr is the sports website that received the most visitors in Turkey. Its strong content management continues to give it an edge over competitors. With a page-viewing record of over 300 million per month in 2010, fanatik.com.tr and its 10 million unique visitors achieved a 16% growth over the previous year, increasing revenues by 48%.

The website fanatik.com.tr offers visitors interactive content. Website visitors can ask questions during a live broadcast, access striking photographs, review special

files and then share their views with other readers on leading stories.

Also offering enjoyable online contests and games, the Fanatik website continues to be one of Turkey's most important sports news sources on the Internet, just as it is in the printed media. Following up on new technologies and offering these innovations to website users, the revamped version of fanatik.com.tr, with its "live narration and live score module," gave the website a distinctive competitive edge in 2010. The live score module met with the great interest of Internet users, providing the opportunity to follow up on the scores of all league matches in synchronization with the rest of the world. In particular, the application used by betting enthusiasts increased total page viewing figures by 25% on average per month, one of the year's impressive achievements.

Fanatik Mobile for instant news and scores

Launched in 2009, Fanatik Mobile was on a rapid rise in 2010. Integrating live scores into the site contributed significantly to this performance. Providing breaking sports news and instant scores from leading league matches around the world, Fanatik Mobile has left many newspapers and news portals behind with its close to 1.5 million unique visitors and over 20 million page viewings per month.

Fanatik.com.tr has attracted wide attention from both users and advertisers for its powerful content broadcasting and its special project sponsorship of the FIFA 2010 World Cup and the FIBA 2010 World Championship via its microsites. The Fanatik Web TV project that came to life in 2009 has started to be watched by larger audiences, proving to be a productive and alternative channel for advertisers. With an average monthly video viewing figure of 6 million, Fanatik Web TV functions as an attractive channel for advertisers. With the statistics project that will be embraced in 2011 with the integration of updated data, fanatik.com.tr will implement the new statistical database newspaper reporting system that is becoming increasingly important in the sector, thus providing a basic source of reference information for sports lovers.

The website posta.com.tr is founded on the principle that “Every corner of the country is a source of news.” Meticulously monitoring events in 81 provinces in 7 regions, posta.com.tr connects the farthest parts of the country to each other with this approach to news reporting.

POSTA



Posta.com.tr **“Your Entry Page into Life!”**

From its launching in October 2009, posta.com.tr has offered readers rapid and exciting access to all news related to life and living. The website has steadily grown and reinforced its place in Internet news reporting. Besides being a political arena where everything that happens is followed up closely, the website is also attuned to Turkey’s pulse in terms of news of magazine interest.

The website posta.com.tr is founded on the principle that “Every corner of the country is a source of news.” Meticulously monitoring events in 81 provinces in 7 regions, posta.com.tr connects the farthest parts of the country to each other with this approach to news reporting. Inspired by its slogan, “Your Entry Page into Life,” posta.com.tr carries all the details of life and living onto its pages, providing readers with specialized viewpoints in many topics, from politics to economics, from law to health, from sports to sexuality. The vacation content, adopted in 2010 as a commercial advertising model, contributed greatly to website revenues. The success of posta.com.tr is a result of the determination to perpetuate the momentum that has been gathered with its efforts so far.

>> INTERNET

Launched in October 2002, the website gazetevatan.com has performed true to its slogan, “The Internet’s fastest rising news portal,” with its news reliability, speedy reporting, innovations and the unique channels that it has initiated. The news portal grew an astounding 20 times its original size in three years.

VATAN



Gazetevatan.com

The slogan, “The Internet’s fastest rising news portal,” which the website adopted some time ago, is a dramatic affirmation of gazetevatan.com’s extraordinary success.

According to the Internet rating institution, Alexa.com, gazetevatan.com is among Turkey’s top four most visited news portals today.

Launched in October 2002, the website gazetevatan.com has performed true to its slogan, “The Internet’s fastest rising news portal,” with its news reliability, speedy reporting, innovations and the unique channels that it has initiated. The news portal grew an astounding 20 times its original size in three years. Enjoying a largely educated audience, the interactive

website gazetevatan.com is one of four leading newspapers receiving the most hits. Increasing the number of its visitors in 2010 by 6%, the website’s unique visitor figure has reached a daily 750,000. With more than 12 million pages viewed daily, gazetevatan.com has proven itself by expanding 32%.

This rapid and rising trend stems from a bolder, more adventurous, faster approach to the medium of the Internet. It is full of surprises and depends upon a more interactive platform. Taking advantage of the new available technologies and pursuing projects that broaden its broadcasting perspective, gazetevatan.com closely monitors the expectations and demands of online visitors as well as advertisers. Responding to readers’ needs

for non-news reports outside the scope of its main website, gazetevatan.com includes 45 vertical channels. In 2010, an average of 250 news entries were made to the site daily. The total number of news items reached 340,000 and total comments rose to 4.5 million. Using a site format that boasts of a rich and easy-to-read content, gazetevatan.com is perused by visitors for an average of 15 minutes a day.

In 2010, the content infrastructure of the site for the topic of health was enhanced. This section, together with the finance and cinema sections, has an enthusiastic following. The Real Estate Test Drive section is organized so that, just as buyers test cars before buying them, buyers looking for homes can access this portal to learn everything about any particular project offer. The website’s interactive content was also expanded with the new additions of the membership system, comments section and blog pages. At the same time, the website gazetevatan.com experienced significant growth through the Facebook and Twitter social networks.

Also closely following the technological developments in the mobile channel, gazetevatan.com’s iPhone application was downloaded by 10,000 people in just the first week of its launching, another impressive accomplishment. The website gazetevatan.com reinforced its achievements not only by providing readers with high quality content but also through an increase of 20% in its advertising revenue. The site will continue to invest in new projects to benefit from new technologies in mobile channels.

As of the end of 2010, milliyetemlak.com had further strengthened its leading position among real estate portals, reaching a portfolio of 600,000 ads and a unique visitor figure of 1,300,000 per month.



Milliyetemlak.com

The website milliyetemlak.com was launched in 2005 as a pioneering real estate portal to meet all the needs of users in buying, selling and renting properties online. Constantly developing its functions, milliyetemlak.com.tr provides a one-stop platform with comprehensive content and interactive functions that answer all the needs of real estate website users. In addition to individual services, the site also provides services in a variety of categories. Among these categories are Real Estate Agencies, Construction Firms, Branded Residence Projects and Construction/ Decoration. Keeping user satisfaction as a top priority, milliyetemlak.com determines user needs and continually works to devise

projects that focus on these elements. As of the end of 2010, milliyetemlak.com had further strengthened its leading position among real estate portals, boasting a portfolio of 600,000 ads and reaching a unique visitor figure of 1,300,000 per month.

Offering website visitors a range of alternatives in the sector—from sales and sub-rentals to construction company projects, big and small, that have introduced new concepts to the market—the website also responds to questions asked on the editorial pages. Included in the content is a section devoted to comparative analyses of home loans.

The website milliyetemlak.com provides everyone interested in the real estate market with the opportunity to manage their time wisely and access different possible alternatives. In 2010, many new projects were launched, among them a new category exclusive to branded residence projects and construction companies seeking to further enhance and integrate content and advertising. Layar's Augmented Reality application, designed to bring users an innovative way of searching the classified ads was added to the website, giving milliyetemlak.com a definite edge over competitors.

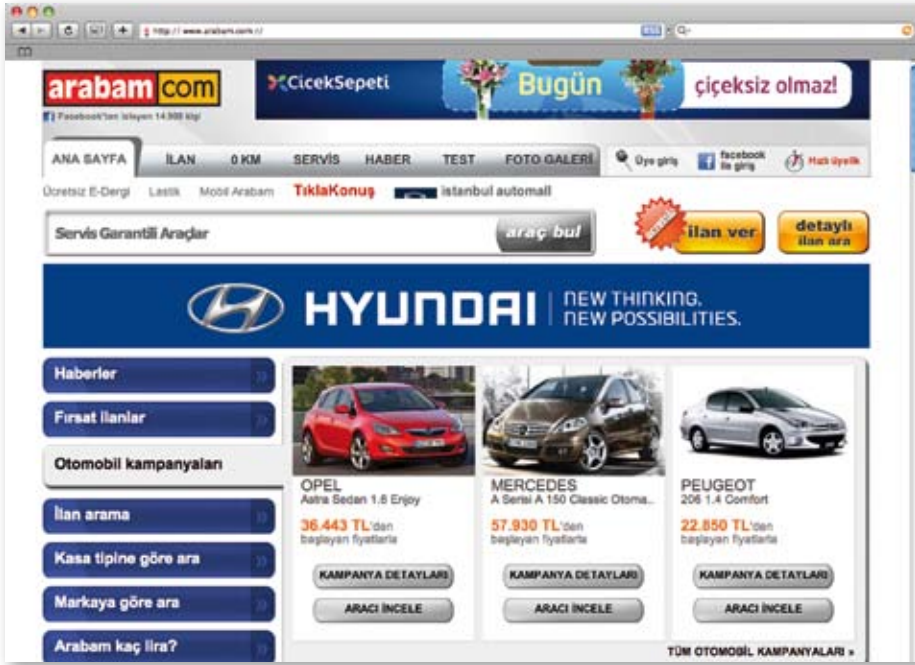
Realage.com.tr

The website realage.com.tr, launched in Turkey as a version of the website initiated by the world renowned Dr. Mehmet Öz, continues to reach readers as Turkey's biggest and most comprehensive medical health website.

Identifying itself with the slogan, "Your Guide to a Healthy Life," realage.com.tr is visited by an average of 50,000 readers per month. At the end of 2010, the website had 1.2 million registered, active members.

>> INTERNET

With a portfolio of hundreds of thousands of automobile ads, arabam.com is visited by an average of 3.5 million Internet users every month.



Arabam.com

Turkey's most popular automobile website-- arabam.com!

Beginning its online publishing life in 2000, arabam.com pioneered the concept in Turkey of carrying classified car advertisements into the Internet medium. It quickly becoming the sole address of choice for car lovers. With a portfolio of hundreds of thousands of automobile ads, arabam.com is visited by an average of 3.5 million Internet users every month. The "Second-hand" section that conveniently and rapidly brings together individual sellers and buyers as well as car showrooms, the "Zero-km." section where visitors can look for the brand new car of their dreams, and the arabam.com Layar's Augmented Reality application brings a new dimension to the concept of looking for a car. The e-magazine arabam.com offers updated news on test drives, comparative sales analyses and

comprehensive files on top matters in the world of automobiles. In 2010, the website homepage was revised and a headline format was adopted. During the year, arabam.com achieved a growth of 47%.

Additionally, arabam.com was installed with a system that allows faster membership procedures with a Facebook user's name and password. Another application that differentiates arabam.com from competitors is the "TıklaKonuş" (Click and Speak) service that keeps undesirable people from accessing the telephone numbers of those who place ads. The system allows buyers and sellers to communicate without making their telephone numbers known. Equipped with the latest online technologies, arabam.com will continue to be Turkey's favorite automobile website in the coming period as well.

Arakibulaki.com

arakibulaki.com is a classified ad portal that is visited daily by thousands of people buying and selling tens of thousands of products and services in 22 categories, from toys to mobile phones, from antiques to state-of-the-art computers.

Visitors to arakibulaki.com are able to access information on products of interest, engage in market research, share not only their products, but also their knowledge and experience with other online visitors to the site.

arakibulaki has more than 200,000 registered members and more than 350,000 ads on its pages. The average number of the visitors accessing the website reached 170,000 per month.

Hangisinegitsek.com

Based on a concept of "lifestyle," this site provides its visitors with comprehensive information on tourism, vacation spots, hotels, restaurants, entertainment and travel with its motto, "Wherever there is to go, whatever there is to see." The website also incorporates the sites hangiotel.com and hangirestoran.com, providing information about hotels and restaurants, respectively.

hangisinegitsek.com aims to become an online reference source on travel, entertainment, food/drink and social events for organizing all kinds of events.

The website hangiotel.com provides an impartial platform of reliable information for Internet users wishing to vacation in Turkey.

The website hangirestoran.com is visited every month by 65,000 users wishing to obtain detailed and updated information on restaurants, including menus and prices. The website boasts of a monthly unique visitor figure of 57,000.

CORPORATE SOCIAL RESPONSIBILITY

The “Daddy Send Me to School” campaign, launched on April 23, 2005, is the biggest and most current link in Milliyet’s traditional chain of corporate social responsibility projects.

MİLLİYET

The mission to vocalize the problems of Turkey nationwide

Since its debut in 1950, Milliyet Newspaper has always acted with great responsibility toward its social environment. Ever since the “A Bridge for the Zap River” campaign, initiated by former Editor-in-Chief, the late Abdi İpekçi, Milliyet has made bringing the problems of Turkey’s farthest regions onto the country’s agenda its mission.

Some milestones in Milliyet’s history in the realm of social responsibility projects include the Çanakkale Monument Campaign, started in 1958, the Varto Earthquake Victims and Gediz Earthquake Houses and Village Schools Relief Campaigns. The Clean Society Campaign, which left its mark on the year 1996, is one of the most influential campaigns that Milliyet has run under the principle of “Reliability in the Press,” a tenet it has upheld for 60 years.

With the Turkish Beauty Contest in 1966, the Turkish Elementary Schools Quiz Contest, which started the same year, the Turkish High Schools Popular Western Music and Folk Dancing contests in 1967 and many more, Milliyet has placed its name on Turkey’s culture and art scene. In 1972, Milliyet launched the Turkish Puzzle, Sportsperson of the Year and Journalism Awards.

The problems and expectations of the Turkish people are on the pages of Milliyet

From the beginning, Milliyet writers have always acted professionally with an awareness of their position as an integral part of the society in which they live. As early as 1958, Milliyet writers organized a “Milliyet Caravan” to travel through all parts of Anatolia. More recently, from 2001 to 2005, Milliyet writers took the campaign dubbed, “The Milliyet Truck—Here We Come,” to all regions of Turkey, bringing the problems and expectations of the regional inhabitants into the pages of their columns.

The “Daddy Send Me to School” campaign: The biggest step in the social responsibility tradition

The “Daddy Send Me to School” campaign, launched on April 23, 2005, is the biggest and most current link in Milliyet’s traditional chain of corporate social responsibility projects. Within the scope of the campaign, structural problems regarding school attendance of girls were assessed. Several activities were organized to increase social awareness as well as to provide financial aid.

First conceptualized by Doğan Gazetecilik Board Deputy Chairperson Hanzade Doğan Boyner, this wide-ranging, effective campaign first focused on determining the 15 Turkish provinces that needed priority assistance.

In addition to the donation of TL 1 million made by Milliyet, the campaign’s pioneer, many other organizations supported the campaign to provide dormitories, classrooms and scholarships.



>> CORPORATE SOCIAL RESPONSIBILITY

As the symbol of reliability in the press, Milliyet received the enthusiastic support of its readers throughout the “Daddy Send Me to School Campaign.”



A nationwide education mobilization

The chief objective of the “Daddy Send Me to School” campaign is to mobilize all resources for the purpose of education and achieve school attendance by every girl in Turkey. The campaign has been formulated as a three-dimensional project that will focus on activities geared to provide financial aid, increase social awareness and overcome structural problems.

The projects that have been undertaken since the beginning of the campaign are the following:

- Milliyet and various other organizations built 32 dormitories. Additionally, scholarships were awarded to 10,524 girls and the construction of 11 primary school buildings was completed.
- Under the joint efforts of Milliyet and AÇEV, educational seminars were organized for 500 parents in five provinces on the topic “My Child and I.”

- A two-day training program was held for the principals of Regional Elementary Boarding Schools and Regional Elementary Schools with Lodgings.
- The Kamil Koç Bus Company contributed to the “Daddy Send Me to School” Campaign by furnishing the social rooms of the newly built dormitories.
- Music courses were provided for boarding female students.
- A multifaceted program of cooperation was achieved with the universities. Within the framework of Sabancı University’s Social Sensitivity course, visits were made to the Kars Centrum Vakıfı Girls’ Dormitory and Sarıkamış Milliyet Girls’ Dormitory. Işık University, too, has added a Social Responsibility course to its curriculum and participated in various activities at the Mardin Milliyet Girls’ Dormitory.

More than 300,000 individual donors and TL 32 million in donations

In cooperation with the Turkish Family Health and Planning Foundation, girls boarding at the dormitories were offered seminars in “Hygiene and Health.” In addition, Eczacıbaşı İpek Kağıt sponsored a series of seminars on “Our Body and our Health.” Other supporting education training programs for dormitory heads and supervising teachers have been organized each year in Istanbul in cooperation with the Ministry of Education.

With its campaigns over the years, Milliyet has successfully fulfilled its responsibilities in creating public awareness and increasing social consciousness. Milliyet news coverage and support was instrumental in the appointment of women as administrators at the girls’ dormitories and in structural issues such as changes to be made in scholarship regulations. As the symbol of reliability in the press, Milliyet received the enthusiastic support of its readers throughout the campaign. A wide range of individuals and organizations gave their wholehearted support to the “Daddy Send Me to School Campaign”—from the children who sent in their allowances, to Limak Holding, which built a dormitory; from Hacı Ömer Sabancı Foundation to the governorships; from the Union of Chambers and Exchanges in Turkey to Petrol Ofisi; from the Metro Group to Garanti Bank; from the Enka Foundation to the Oriflame Company. ÇYDD (Association in Support of Contemporary Living) has been one of Milliyet’s staunchest and most effective partners in this campaign. Besides ÇYDD, Türk Üniversiteli Kadınlar Derneği (Association of University Graduate Women of Turkey), Türkiye Aile Sağlığı ve Planlama Vakfı (Turkish Family Health and Planning Foundation), Anne Çocuk Eğitim Vakfı (Mother & Child Education Foundation), as

well as the Ministry of National Education and other civil administrations were also effective contributors to the campaign.

The campaign set the stage for a large-scale mobilization of resources in which TL 34 million was collected. The fact that over 300,000 individuals made personal donations demonstrates how close the campaign cut through to the collective conscience of the Turkish people.

Many girls were channeled into the schools

Influenced by Milliyet’s news stories, many families that had kept their daughters out of school started enrolling them in the schools. The added value generated by the campaign was augmented by the efforts of school administrators, who after taking part in the training sessions, visited the villages to encourage the enrollment of girls. It is believed that the actual number of girls channeled into the school this way is much higher than the official figure.

In 2010, a special auction was held to celebrate the fifth anniversary of the “Daddy Send Me to School Campaign.” Leading Turkish painters and other artists donated their works to the event. The auction result at the end of the evening was a collective donation of TL 2 million, a sum that would adequately meet the cost of building three girls’ dormitories. Another event that took place in 2010 on the occasion of the fifth anniversary of the education mobilization campaign was an exhibition of photographs by eight famous film directors on the theme of “Girls and Education.” The photographs were offered for sale to benefit the campaign. Revenues from the project, which was headed by Çağan Irmak, will be used in the coming period in the construction of a girls’ dormitory to be built in Batman.

Contribution to Girls’ Social Life

Every year, a contest is organized for girls living in the dormitories and the students receiving scholarships as part of the “Daddy Send Me to School Campaign” program. Elementary and Middle School students are evaluated within their own groups as they participate with their drawings, poems and prose. All students submitting their works receive prizes. Those that are selected as the best are hosted in Istanbul, where

they receive their awards at an anniversary ceremony. The first three winners in the drawing, poem and prose categories in the elementary school and middle school groups come to Istanbul with their parents or teachers to receive the awards. They return to their hometowns, exceedingly motivated by the event. The theme for the contest in 2010 was “The Power of Women.” Prize-winning students received their awards at the ceremony held on April 21, 2010.

The fourth of the education workshops that we organized to bring about solutions for the problems experienced in the educational system was held in Istanbul on December 24, 2010. This year, problems centering on “The Role of Teachers in the Process of Education” were discussed at the workshop, which was attended by officials of the Ministry of National Education, Deans of the University Education Departments, academics, leaders of civil organizations, teachers, teacher candidates and representatives of Milliyet Newspaper. The outcome statement, drawn up at the conclusion of the workshop, was published and announced in Milliyet for the benefit of all parties concerned, including Ministry officials, the general public, and all workshop participants.

One of the activities that continues within the scope of the “Daddy Send Me to School Campaign” has been the training programs organized in Istanbul for dormitory principals. The principals, deputy principals or advisors of all dormitories built as part of the campaign participate in this program, in which different topics to benefit the participants are selected each year. Held in cooperation with the Ministry of National Education, the program offers teachers a week’s stay in Istanbul, where they attend a course given by qualified educators. The trainees completing the course, a joint effort of the Ministry and Milliyet Newspaper, are presented with certificates, an added qualification on their career records.

One of the proudest acknowledgements of Milliyet’s 60-year history

The success achieved by “Daddy Send Me to School,” which has turned into a genuine social movement, was made possible not only because of the determination of

Milliyet’s administration but also through the resolute efforts of the members of the newspaper committee involved in the campaign. It is one of the proudest acknowledgements of Milliyet’s 60-year history to be able to say that the campaign’s success lies in the sensitivity and creativity of each Milliyet employee and reader. The campaign has become as integral a part of Milliyet’s identity as the principle it upholds of “Reliability in the Press.”

POSTA

Support For the Physically Challenged

Posta places particular emphasis on the problems of the physically challenged. The newspaper’s sensitivity in this matter can be seen in its news content and in the events, it organizes with an eye to increasing public awareness. Reflecting its own awareness in this matter in its news stories, Posta also organized two wheel-chair campaigns that led to the distribution of wheelchairs: 500 on March 30, 1996 and 400 on November 1, 1999. Since December 18, 2000, TESYEV (Support and Education Foundation for the Physically Challenged of Turkey) Founding President Yavuz Kocaömer has been writing a column called “Çengelli İğne” (Safety Pin) in the Monday edition of the newspaper. Safety Pin is the only column in the Turkish press that features the problems of the physically challenged, reporting on their activities and events, including sporting

events. FANATİK

The only sports newspaper in the Doğan Gazetecilik organization, Fanatik is dedicated to promoting the highest standards in sports reporting. The newspaper’s “Fan-etic” (Fan-Ethics) page, which serves this aim, earned the distinction of being the first sports newspaper to win the “Fair-Play Award” of the International Olympics Committee. In the belief that the mission of this page has been fulfilled, its publication has been suspended, but the continued implementation of the philosophy and applications it has called attention to, continue to perpetuate the mission.

CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT

1. STATEMENT OF COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES

The Company engages in the work required to ensure compliance with the Capital Markets Board Corporate Governance Principles (Principles), as set forth by the Capital Markets Board (CMB). In this respect, at the Extraordinary General Meeting held on October 27, 2009, Articles 4, 7, 9, 10, 14, 15, 22, 23, 24, 25, 27, 29, 30, 31, 32 and Interim Article 1 of the Company's Articles of Association were amended.

With regards to the financial year, which ended on December 31, 2010, the principles with which full compliance has not been achieved have been reported in detail in Sections I/2.1.1, I/3.1.2 and IV/18.1 of the Report. There is no expectation, however, that non-compliance as above defined will lead to any significant conflict of interest.



MEHMET ALİ YALÇINDAĞ
VICE CHAIRPERSON



SONER GEDİK
BOARD MEMBER

SECTION I-SHAREHOLDERS

2. SHAREHOLDERS RELATIONS DEPARTMENT

2.1. Matters related to the exercise of shareholder rights are conducted in compliance with the relevant legislation, the Articles of Association and other regulations and all necessary measures are taken to ensure that these rights are duly exercised.

2.1.1. Efforts continue at the Company to establish a Shareholders Relations Department. Shareholder relations are carried out by the Financial Affairs Group Presidency.

Efforts are paid to use the electronic communication means and our website in performing the necessary operations with regards to the shareholders.

Financial Affairs Manager of the Company, H. Avni Süleymanoğlu and Financial Control Manager M. Önder Akşit are entrusted with this duty.

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2.1.2. 22% of the shares constituting the Company's capital are held by Deutsche Bank AG and 41.39% of the shares have been offered to the public via ISE; whereas 5.21% of the shares are publicly floated in the ISE according to CMB regulations, as of December 31, 2010.

2.1.3. No written/verbal complaint was received by the Company in 2010 concerning the exercise of shareholder rights and to the best of the Company's knowledge, there has been no official investigation conducted on the Company.

2.1.4. Close to the entirety of Company shares have been registered in the Central Registration System (MKS). Applications of MKS are monitored within the Company.

3. EXERCISE OF SHAREHOLDERS' RIGHTS TO BE INFORMED

3.1. No discrimination is made between shareholders in the context of their exercising their rights to obtain and examine information.

3.1.1. All information and documents required for the proper exercise of shareholder rights are offered for the use of shareholders on the Company website on an equal access basis.

3.1.2. The appointment of a special auditor has not as yet been stipulated as an individual right in the Articles of Association. This right may be incorporated into the Articles of Association, however, depending upon future developments.

4. INFORMATION ON GENERAL MEETINGS OF SHAREHOLDERS

4.1. Meeting were held during the year 2010.

The list of attendees for the Ordinary General Meeting of Shareholders held on May 10, 2010 is as below:

Shareholder's First, Last Name/Title	Amount of Capital(TL)	Number of Shares	Group	Representation	Signature
Doğan Yayın Holding A.Ş.	60,993,705	60,993,705		In person	
Aydın Doğan	188,271	188,271		By proxy	
İşıl Doğan	97,565	97,565		By proxy	
Arzuhan Yalçındağ	65,044	65,044		By proxy	
Hanzade V. Doğan Boyner	65,044	65,044		By proxy	
Vuslat Doğan Sabancı	65,044	65,044		By proxy	
Y.Begümhan Doğan Faralyalı	65,044	65,044		By proxy	
Ishares MSCI Turkey İnv	337,553	337,553		In person	
IBM Savings Plan	105,555	105,555		In person	
TOTAL	61,982,825	61,982,825			

4.1.1. The invitation to the General Meeting of Shareholders and the meeting agenda is announced to the public by publication in two nationwide newspapers and on www.milliyet.com.tr twenty-one days before the meeting, as set out by the Turkish Commercial Code and Capital Market Legislation. In accordance with the legislation of the Company, the announcements are also made via electronic medium on the corporate website of the Company.

4.1.2 The Company has no registered shares.

4.1.3 There have been no suggestions or questions either expressed by shareholders and/or recorded in the minutes of the General Meetings in 2010.

4.1.4 The General Meeting exercises the authority vested to it by the Turkish Commercial Code, Capital Market Law and the applicable legislation and performs its duties accordingly.

>> CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT

4.2. General Meetings are organized in such a way as to provide optimal shareholder participation.

4.2.1. General Meetings are held in a manner that is not conducive to inequality between shareholders, and at minimum cost and complexity for shareholders.

4.2.2. The venue for General Meetings is conducive to the participation of all shareholders.

4.3. At General Meetings, topics on the agenda are stated in an impartial and detailed, clear and intelligible manner and an environment is created where shareholders can state their views under equal terms; shareholders are given the opportunity to ask questions and pursue a healthy discussion.

4.4. Each Company share comprises one voting right.

4.5. The Company has no regulations concerning postponing a right to vote for a given period after the acquisition of a share.

4.6. The Company Articles of Association does not have an article that prevents a non-shareholder from voting by proxy.

4.7. No cross shareholdings exist in the Company's capital structure.

5. VOTING RIGHTS AND MINORITY RIGHTS

5.1. The Company avoids applications that make exercising voting rights difficult and provides each shareholder with the opportunity to exercise the right to vote in the most appropriate and convenient manner.

5.2. The Company has no preferred stocks or groups of shares.

6. DIVIDEND DISTRIBUTION POLICY AND TIMING OF DISTRIBUTION

6.1. The Company's dividend distribution policy has been set forth within the framework of Capital Markets Legislation and the Articles of Association.

6.2. Since a loss for the period in the amount of TL 16,255,344 occurred in the Company's consolidated financial statement for the accounting period January 1, 2009 - December 31, 2009, which was drawn up in accordance with International Reporting Standards (IFRS), in accordance with the related legislation and decisions of the Capital Market Board (CMB), no profit distribution was made in 2010. It was decided that the profit for the period in the amount of TL 6,447,902 which occurred in the statements kept in accordance with the Turkish Commercial Code and V.U.S. should be set aside as reserve.

6.3. Should a decision be taken to distribute dividends, such dividend distribution shall be performed within the time foreseen by dividend distribution legislation and as soon as possible after the General Meeting.

6.4. According to the Articles of Association, the Board of Directors may distribute dividends in advance, provided it is authorized to do so by the General Meeting of Shareholders and there is compliance with Article 15 of the Capital Markets Law and other Capital Markets Board regulations relating to this matter. The authority granted by the General Meeting to the Board of Directors to distribute dividends in advance is restricted to the year in which the authority is granted. No decision can be taken for an additional dividend advance and/or dividend distribution until the dividend advances paid out in the previous year have been offset.

6.5. The Company's dividend distribution policy is announced to the public in the Annual Report.

6.6. The Company's Dividend Distribution policy was revised in keeping with the CMB decision of January 27, 2006, submitted to the General Meeting of Shareholders and announced to the public. Accordingly,

- 1-** In principle, at least 50% of "net distributable period profit" calculated on the basis of financial statements prepared in accordance with capital markets legislation and International Financial Reporting Standards (IFRS) is to be distributed.
- 2-** Should it be desired that 50-100% of the calculated net distributable period profit be distributed and in any case, in the determining of dividend distribution rates, the Company's financial structure and budget shall be taken into consideration.
- 3-** The proposal for dividend distribution shall be disclosed to the public within the legally required timeframe and in accordance with the Capital Market Legislation and CMB Regulations and Decisions.
- 4-** If the net distributable period profit calculated on the basis of the Company's stand-alone financial statement, which has been prepared within the scope of the Turkish Commercial Code and Tax Laws,
 - a.** is less than the amount calculated according to Article 1 the net distributable profit calculated according to the financial statement prepared within the scope of this Article (Art.4) will be taken into consideration and fully distributed.
 - b.** is higher, the second paragraph shall apply.

5-Should there be no net distributable period profit on the stand-alone financial statements drawn up within the scope of the Turkish Commercial Code and Tax Laws, dividends shall not be distributed even though “net distributable period profit” has been calculated on the basis of Capital Markets legislation and in keeping with International Accounting and Reporting Standards.

6- Dividend distribution may not be made should the calculated net distributable period profit remain below 5% of issued capital.

7- Value-adding investments that require a significant output of Company funds, issues that would affect the Company’s financial structure, market conditions, uncertainties in the economy and adverse events are factors that are taken into consideration before a decision is made on dividend distribution.

7. TRANSFER OF SHARES

7.1. The Company Articles of Association does not contain any provisions that complicate the free transfer of shares.

SECTION II-PUBLIC DISCLOSURE AND TRANSPARENCY

8. COMPANY DISCLOSURE POLICY

8.1 Company disclosure policy is publicly announced on the Company’s corporate website.

8.2 Technical help is obtained from DYH in the public disclosure process and in responding to the questions of investors. In responding to questions, care is taken to give equal opportunity to all stakeholders.

8.3 The financial statements and accompanying footnotes for 2010 have been prepared on a consolidated basis and in keeping with International Financial Reporting Standards (IFRS); they have been audited by independent auditors and announced to the public in accordance with International Auditing Standards (IAS).

9. MATERIAL DISCLOSURES

9.1. Public announcements comply with capital markets legislation, CMB regulations and CMB Principles. In 2010, 23 material disclosures were made.

Disclosures made to the public are also published on the Company website.

9.2. Since the Company has no capital market instruments traded on foreign stock exchanges, it has no obligation to make an additional disclosure to the public.

10. COMPANY WEBSITE AND ITS CONTENTS

10.1. The Company’s website address is: www.kurumsal.milliyet.com.tr. The website includes information and explanations on Corporate Governance, the Corporate Profile, Investor Relations, Company Publications and Social Activities. The website is actively used.

11. PUBLIC DISCLOSURE OF REAL PERSON ULTIMATE CONTROLLING SHAREHOLDER(S)

11.1. Changes in the shareholding structure and/or administrative control of the Company are disclosed to the public in accordance with Capital Markets Legislation and CMB regulations.

11.2. The Company’s Real Person Ultimate Controlling Shareholder is Aydın Doğan and his family.

11.3. To the Company’s knowledge, shareholders did not make any voting agreements in 2010 for the purpose of achieving control of Company management.

>> CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT

12. PUBLIC DISCLOSURE OF PERSONS PRIVY TO INSIDER TRADING INFORMATION

12.1. All necessary measures are taken to prevent insider trading. The names and titles of the persons who may be privy to information of the nature of a commercial secret have been listed below;

Aydın Doğan	Doğan Şirk. Grubu Holding A.Ş. /Honorary President
Hanzade V. Doğan Boyner	Chairperson
Mehmet Ali Yalçındağ	Vice Chairperson
Soner Gedik	Board Member/Audit Committee Member
Zafer Mutlu	Board Member
Hakkı Alp Bayülken	Independent Board Member / Audit Committee Member
Faik Servet Topaloğlu	Chief Executive Officer
Tayfun Devencioğlu	Board Member / Editor-in-Chief of Milliyet
Erem Turgut Yücel	Auditor/Doğan Yayın Holding A.Ş. /Coordinator
Erdem Seçkin	Auditor
Bilen Böke	Chief Financial Officer/Executive Committee Member
Asil Alptekin	Director of Financial Affairs
Hüseyin Avni Süleymanoğlu	Financial Affairs Manager
M.Önder Akşit	Financial Control Manager
Niyazi Alkaya	Finance Manager
Semra Mandal	Budget and Financial Reporting Manager
Niyazi Hancı	Accounting Manager
Ali Rıza Karakullukçu	Internal Audit Coordinator
Yeter Kaya	Secretariat
Arzuhan Doğan Yalçındağ	Doğan Şirk. Grubu Holding A.Ş./Chairperson
Vuslat Doğan Sabancı	Doğan Şirk. Grubu Holding A.Ş./Board Member
Begümhan Doğan Faralyalı	Doğan Şirk. Grubu Holding A.Ş./Board Member
İmre Barmanbek	Doğan Şirk. Grubu Holding A.Ş./ Board Member
Ahmet Toksoy	Doğan Şirk. Grubu Holding A.Ş./ Chief Audit and Risk Management Officer
Yener Şenok	Doğan Şirk. Grubu Holding A.Ş./Chief Financial Officer
Murat Doğu	Doğan Şirk. Grubu Holding A.Ş./ Chief Subsidiaries and CMG Officer Ortaklıklar
Mehmet Yörük	Doğan Yayın Holding A.Ş./Coordinator
Hakan Genç	Doğan Yayın Holding A.Ş./Coordinator
Kemal Sertkaya	Doğan Yayın Holding A.Ş./Coordinator
Alpay Güler	Doğan Yayın Holding A.Ş./ Coordinator
Hande Özer	Doğan Şirketler Grubu Holding A.Ş. /Financial Control Manager
Caner Gülbek	Doğan Yayın Holding A.Ş./Finance Manager
Ertunç Soğancıoğlu	Doğan Factoring A.Ş./General Manager
Gülnur Oğulmuş	Doğan FaçtoringA.Ş./Assistant General Manager
Handan Karakuş	Doğan Yayın Holding A.Ş./Information Systems Manager

Other than those mentioned hereinabove, though their names are not explicitly inserted here;

- Employees of Independent Auditing Companies,
- Certified Public Accountants providing services to the Company,
- Those taking an active part in the financial control, accounting and auditing procedures

are also regarded as persons privy to insider trading information.

SECTION III-STAKEHOLDERS

The Company makes the utmost effort to ensure that relations with shareholders and investors are managed in a consistent and efficient manner. The direct or indirect ultimate controlling partners are supported by Doğan Yayın Holding A.Ş. and Doğan Şirketler Grubu Holding A.Ş. as regards the Company's activities in the capital markets and its corporate governance practices. Since the Company is active in the media sector and as advertisement revenue corresponds to an important portion of its income, advertisers constitute another important group of stakeholders.

13. ANNOUNCEMENTS TO STAKEHOLDERS

13.1. Readers report their complaints and requests to the Company's Call Center. The complaints and requests reaching the call center are reported to the appropriate promotion, distribution, editorial and other departments and an effort is made to answer all complaints. In addition, a reply is given also to requests and complaints sent in by post or e-mail. The newspaper's "Readers' Representation" column also publishes letters from readers. Regular meetings with advertisers are held at Company headquarters or at external venues, to hear their demands and reach mutual solutions.

Any information received from the above-listed stakeholders is evaluated at the regular Board of Directors meetings and solution proposals and policies are developed on a continuous basis.

14. HUMAN RESOURCES POLICY

14.1. The Company's human resources policy has been set down in writing. The framework of this policy foresees the employment of persons with superior skills and knowledge, who can easily adapt to the corporate culture, who have a well-developed sense of business ethics, who are honest, consistent, open to change and development and who can integrate the future of the organization with their own.

14.2. The principle of equal opportunity for persons with equal qualifications is the foundation of the recruitment and career planning aspects of the Company's human resources policy.

14.2.1. Criteria for personnel recruitment are defined in writing and these criteria are adhered to in practice.

14.2.2. Employees are treated equally in training and promotion; they are ensured participation in training programs designed to increase their knowledge, skills and experience.

Decisions taken about employees and/or developments that concern employees are shared over an electronic medium by means of the "Intranet" which was established to increase communication among employees.

The Company's working environment has been designed to ensure the utmost security and productivity.

No discrimination is practiced against any employee and all employees are treated equally. The management and/or Board Committees of the Company have not received any complaints in this regard.

15. RELATIONS WITH CUSTOMERS AND SUPPLIERS

The Company publishes the newspapers Milliyet, Posta, Fanatik and Vatan, as well as their supplements. The Milliyet, Radikal, Fanatik and Vatan websites are also part of the Company.

The most important raw material is paper. The Company's paper suppliers are the Group companies Doğan Dış Ticaret ve Müessillik A.Ş. and İşil İthalat İhracat Müessillik A.Ş.

The newspapers and supplements are printed at Doğan Printing Centers in Istanbul, Ankara, Izmir, Adana, Antalya and Trabzon belonging to the DMG company Hürriyet Gazetecilik ve Matbaacılık A.Ş. Magazines are printed at the facilities of the Group Company Doğan Ofset A.Ş.

Nationwide distribution is handled by Doğan Dağıtım A.Ş.

A major portion of revenues are composed of income from advertising. Every effort is made to guarantee advertiser satisfaction.

Reparation is made for advertisements that for any reason have not been published in accordance with the customer's wishes.

16. SOCIAL RESPONSIBILITY

The work that has been undertaken in the pursuit of social responsibility projects has been described in the relevant sections of the Annual Report.

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SECTION IV-BOARD OF DIRECTORS

17. THE STRUCTURE OF THE BOARD OF DIRECTORS, ITS FORMATION AND INDEPENDENT MEMBERS

17.1. The rules related to the formation and election of the Board of Directors has been set down in the Articles of Association. Accordingly,

17.1.1. The Company is managed and represented by a Board of Directors comprising at least 3 and at most 15 members who have been elected from among shareholders at the General Meeting.

17.1.2. In 2010, one independent member has taken their place in the Board of Directors, fulfilling the criteria outlined in the principles of the Capital Markets Board.

17.2. The names and positions of the Members of the Board of Directors, as defined by the Articles of Association, are listed below:

First, Last Name	Position in Board of Directors	Executive/ Non-executive
Hanzade V. Doğan Boyner	Chairperson	Non-executive
Mehmet Ali Yalçındağ	Vice Chairperson	Non-executive
Soner Gedik	Board Member	Non-executive
Faik Servet Topaloğlu *	Board Member	Executive
Zafer Mutlu	Board Member	Non-executive
Tayfun Devocioğlu **	Board Member	Executive
Hakkı Alp Bayülken	Board Member	Non-executive (Independent)

* Assigned as Board Member at the Ordinary General Meeting of Shareholders held on May 10, 2010.

** Sedat Ergin resigned from Board Membership on March 10, 2010 and Tayfun Devocioğlu was appointed in his stead.

17.2.1. The Chairperson of the Board and the Chief Executive Officer are not the same person.

17.2.2. More than half of the Board is non-executive.

17.2.3. The Company does not impose any rules and/or restrictions concerning additional duties that its Board Members may assume outside of the Company.

18. QUALIFICATIONS OF THE BOARD MEMBERS

18.1. The Board of Directors is structured to ensure maximum efficiency and effectiveness.

Compliance with the stipulations of the Principles is ensured in this matter. A new arrangement in this regard was made in the Articles of Association with amendments in 14 articles.

18.2. The brief personal histories of Company Board Members can be found in the Annual Report and on the website (www.kurumsal.milliyet.com.tr).

19. MISSION, VISION AND STRATEGIC GOALS OF THE COMPANY

19.1. Company Mission: The newspapers included in Doğan Gazetecilik A.Ş. unerringly adhere to the universal rules of journalism by incorporating their basic values into their products. With this approach, the newspapers play a role in societal progress and constitute the most reputable newspapers in their respective domains.

19.2. Vision: To be a reference newspaper group that is dedicated to the principles of the Doğan Gazetecilik Handbook and to professional tenets, one that is reliable, progressive, brave and effective. To deploy all of these values across its brands to become the highest-circulating newspaper group.

19.3. Strategy: To provide customer-oriented service, develop reader-oriented special products, produce contents with traditional brands, closely monitor technological advances and increase the range of distribution channels using creative methods.

The Board of Directors and Company management constantly review the status of the Company in the light of strategic goals. The Company's position is assessed at periodic and frequent board meetings and new goals and strategies are developed.

20. RISK MANAGEMENT AND INTERNAL CONTROL MECHANISMS

Financial risk management is monitored under the authority and responsibility of the Executive Committee and Financial Affairs Group Presidency. Whenever it deems it necessary, the Audit Committee informs Company management about problems in risk management and internal control mechanisms. There is internal audit coordination department within the Company.

21. POWERS AND DUTIES OF BOARD MEMBERS AND EXECUTIVES

The General Meeting of Shareholders may change Board Members at any time it is deemed necessary. The Members of the Board of Directors are elected to the Board for a maximum of three years. Unless the decision of the General Meeting of Shareholders specifically states the term of office, the election shall be assumed to have been conducted for one year.

The Board of Directors is required to fulfill all the duties defined in the Turkish Commercial Code, Capital Market Law and in the Articles of Association. All business and procedures that do not necessitate a resolution by the General Meeting according to the law or to the provisions of these Articles of Association are to be undertaken by the Board of Directors.

Among the duties entrusted with the Board of Directors are;

- determining the Company's mission and vision and announcing the same to the public,
- continuously and with a participatory spirit scrutinizing the degree of attaining the Company's goals, activities and its previous performance,
- among the activities defined to be performed in the goals article of the Articles of Association, specifying those to be performed and defining their timing and conditions,
- establishing a risk management and an internal control mechanism to minimize the effects of the risks that the Company may encounter and taking the necessary precautions for healthy operation of these,
- monitoring the compliance of the activities of the Company with the legislation, Articles of Association, and internal regulations,
- determining the approach of the Company with regards to the shareholders and public relations, taking the initiative in the settlement of any and all disputes that may arise between the Company and the shareholders,
- specifying and approving the annual business program, budget and personnel, examining and deciding on any changes that may be deemed necessary in them,
- assuming the duties of drawing up the balance sheet and the income statement, financial statements and annual report in accordance with the applicable legislation and the international standards, including the Capital Market Board Corporate Governance Principles, issuance of them accurately and correctly and presentation of the same to the relevant authorities,
- controlling the expenses exceeding 10% of the total amount of the assets as per the latest balance sheet of the Company,
- determining the disclosure policy of the Company,
- taking the necessary precautions to adapt the structure of the Company to the current situations, arranging on-the-job training and career planning for the executives and other employees, specifying the standards to be used in assessing and awarding the activities,
- determining the code of ethics for the Company and its employees,
- ensuring that the General Meetings are held in compliance with the law and Articles of Association,
- monitoring compliance with the General Meeting decisions,
- specifying the executive and consultancy boards to be established within the Company and assigning their members.

The Board of Directors, during fulfilling the duties and responsibilities entrusted with it, may delegate some of the said duties and responsibilities to the committees of the Company by clearly indicating their functions but by no means dismissing its own responsibility.

22. ACTIVITIES OF THE BOARD OF DIRECTORS

22.1. Board Members are provided timely access to any information they might need to fully meet their obligations.

22.2. The Board of Directors issues a separate decision for the approval of financial statements and footnotes, the independent auditing report and the annual report.

22.3. In 2009, 42 Board Meetings were held and the decisions taken at these meetings were resolved by unanimous vote of the members present; no dissenting votes were cast.

22.4. Board meetings are effectively and productively planned and conducted. As the Articles of Association stipulate:

22.4.1. The Board of Directors meets not less than once in a month, and whenever Company business requires.

22.4.2. As a rule, the Board of Directors convenes at the invitation of the Chairperson or Deputy Chairperson. The Board must be invited to convene as well in the event of the request of at least three of the members. In addition, any of the Auditors may determine the agenda of the Board of Directors and call a meeting.

>> CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT

22.4.3. Invitations to the meetings contain the agenda; these are sent at least seven days before the day of the meeting and obligatorily include every kind of document or information pertinent to the matters listed in the agenda.

22.4.4. As a rule, the Board of Directors holds its meetings at Company headquarters. However, the meeting may also be held at any other location in the central city or in a different city, based on the decision of the Board of Directors.

It is essential that the Members of the Board of Directors attend to the Board of Directors meetings in person; attendance may take place via all kinds of technological methods providing remote access to the meetings. If a member cannot attend a meeting but notifies the Board of its opinions on a certain issue in writing, these opinions of the member are shared with the other members of the Board.

22.4.5. The discussions and decisions of the Board of Directors must be recorded in the minutes of the meeting in a special journal and signed by the attendees of the meeting. Members casting dissenting votes must also sign the minutes, specifying the grounds for their dissension.

22.4.6. The Board of Directors shall meet with one more than half the number of members and decisions shall be taken by majority vote. All Board Members have one right of vote regardless of their position or duties.

22.5. Board Members have no weighted vote and/or veto rights.

22.6. Duties and Responsibilities of the Executive Committee formed by the Board of Directors:

- To define the goals and policies of and guide the Company.
- To create the best organizational structure that will allow the effective execution of Company activities and the realization of foreseen goals.
- To establish new products, services and markets in keeping with formulated goals and policies.
- To evaluate activities in terms of quality and productivity and to ensure compliance with defined goals and policies.
- To ensure that operations are executed by sufficiently qualified employees.
- To take care and provide incentive to employees to ensure career development.
- To determine the goals and strategic targets and policies that are necessary to ensure the productive, effective and adequate use of resources in order to maintain Company continuity and to see to it that each unit in the organization works accordingly.
- To audit all Company activities according to performance criteria and to make amendments and changes if required.

Members of the Executive Committee	Position
Servet Topaloğlu (*)	CEO
Bilen Böke	Chief Financial Officer
Victoria Habib	Member Milliyet, Fanatik Chief Advertising Officer
Neslihan Tokcan	Posta, Vatan Chief Advertising Officer
Tijen Mergen (**)	Chief Marketing, Business Development Officer

* Assigned on February 2, 2010
* Resigned from his duty on November 11, 2010

Editor-in-Chiefs of Newspapers

Tayfun Devocioğlu	Editor-in-Chief of Milliyet
Rifat Ababay	Editor-in-Chief of Posta
Necil Ülgen	Editor-in-Chief of Fanatik
İsmail Turgut Yuvacan	Editor-in-Chief of Vatan

23. CONDUCTING BUSINESS WITH THE COMPANY AND THE PROHIBITION ON COMPETITION

At the Ordinary General Meeting of Shareholders held in 2010, the General Meeting gave Members of the Board of Directors authority to engage in business and compete with the Company.

On the other hand, none of the Board Members and executives nor any of the controlling shareholders or persons with privileged access to information engaged in any kind of business on their own behalf in 2010 in fields of activity that would fall within the Company's scope of operations.

24. CODE OF ETHICS

The Handbook of Milliyet newspaper and the Fundamental Philosophies of Milliyet, Posta, Radikal and Fanatik newspapers are published on the website (kurumsal.milliyet.com.tr). The Company complies with the Publication and Broadcasting Principles defined by DYH and disclosed to the public. In addition to these principles, a Code of Conduct applicable to all DMG employees has been drawn up and announced to the public. These texts are available on the DYH website.

25. THE NUMBER, STRUCTURE AND INDEPENDENCE OF BOARD COMMITTEES FORMED BY THE BOARD OF DIRECTORS

An Audit Committee composed of two persons has been formed from among the Members of the Company's Board of Directors.

The Audit Committee is established and operates in accordance with the Capital Market Law, Capital Market Board regulations and other applicable legislation provisions.

The Audit Committee, besides taking all of the necessary precautions to ensure that all kinds of internal and independent auditing operations are fulfilled adequately and in a transparent manner, is especially responsible for performance of the duties listed herein below:

- a-** It monitors the accounting system of the Company, disclosure of the financial information to the public, operation and efficiency of the independent and internal auditing mechanism of the Company,
- b-** It monitors the choice of the independent auditing company, preparation of the independent auditing contracts, initiation of the independent auditing process and operations of the independent auditing company in every stage,
- c-** It specifies the independent auditing company that will serve the Company and the services to be provided by these companies and presents the same to the approval of the Board of Directors,
- d-** It determines the methods and criteria to be applied to examination and finalization of the complaints made to the Company with regards to the accounting and internal control system and independent auditing process, and to assessment of the notifications of the Company's employees with regards to the accounting and independent auditing systems in accordance with the principle of confidentiality,
- e-** It informs the Board of Directors in writing whether or not the annual and interim financial statements of the Company to be publicly announced are in compliance with the accounting principles that the Company follows up and on the accuracy and adequacy of the same by receiving the opinions of the related executives and independent auditors of the Company, together with its own assessments,
- f-** It may resort to expert opinions whenever it deems necessary with regards to its activities. The cost of the expertise will be paid by the Company.

The Audit Committee will meet quarterly; not less than once in every three months and the results of the meeting will be recorded in minutes and be presented to the Board of Directors. The committee in charge of auditing will immediately notify the Board of Directors in writing of its findings and suggestions that fall within its area of responsibility.

Duties and responsibilities of the Audit Committee will not release the Board of Directors from its own responsibility arising from the Turkish Commercial Code.

The CEO and the Executive of the Company in charge of Financial Affairs cannot take part in the Audit Committee.

The Audit Committee, if it deems necessary, may notify certain issues to the General Meeting of the Company.

25.1.1. Information on the Committee members can be found below:

Persons who took part in this Committee in 2009 are;

Name and Surname	Title	Description
Soner Gedik	Member	Board Member/Non-executive
Hakkı Alp Bayülken	Member	Independent Board Member/Non-executive

25.1.2. Member of the Audit Committee, Hakkı Alp Bayülken is Independent Board Member. However, as he does not hold executive duties, this does not violate Capital Market legislation.

26. REMUNERATION OF THE BOARD OF DIRECTORS

26.1. According to the Company Articles of Association, the Chairperson of the Board, the Vice-Chairperson and Members shall be remunerated according to the fee determined at the General Meeting of Shareholders. This fee is determined after consideration of the fee paid the Chief Executive Officer and of the time spent by individuals at, before and after the meetings and during the performance of their duties.

At the Ordinary General Meeting of Shareholders held on May 10, 2010, it was unanimously decided that the Chairperson of the Board would be paid a monthly net fee of TL 7,500, the Vice-Chairperson and Assistant Chairperson each TL 6,000 and each of the Board Members TL 5,000.

DOĞAN GAZETECİLİK A.Ş. 2010 DIVIDEND DISTRIBUTION TABLE

DOĞAN GAZETECİLİK A.Ş. 2010 DIVIDEND DISTRIBUTION PROPOSAL TO PRESENTED TO THE GENERAL ASSEMBLY OF SHAREHOLDERS		
Issued Capital	105,000,000	
Total Legal Reserves (According to Legal Records)	1,619,190	
Total Legal Reserves (According to Legal Records) Information about Preferred Stock, if any, as per Articles of Association	none	
	CMB (IFRS)	Legal Records
Period Profit/ Loss (-)	(7,682,434)	13,796,870
Tax Income from Ongoing Operations (+)/Expense(-)	(8,846,373)	(4,461,407)
Net Period Profit/ Loss (-)	(16,528,807)	9,335,463
Loss from Previous Years (-)	(10,350,341)	0
First Series Legal Reserves (-)	(466,773)	(466,773)
NET DISTRIBUTABLE PERIOD PROFIT	0	8,868,690
Donations Made during the Year (+)	39,712	
Period Profit including Donations from which Series 1 Dividends will be Calculated		
Net Distributable Period Profit	0	
First Dividend to Shareholders	0	
Cash	0	
Bonus Shares	0	
Total	0	
Dividends Distributed to Shareholders with Preference Shares	0	
Dividends to Board Members, Employees, etc.	0	
Dividends Distributed to Shareholders with Redeemed Shares	0	
Second Dividend to Shareholders	0	0
Second Series Legal Reserves	0	0
Statutory Reserves	0	0
Special Reserves	0	0
Extraordinary Reserves	0	8,868,690
Other Resources Deemed to be Distributed	0	0
Profit for Previous Years	0	0
Extraordinary Reserves	0	0
Other Distributable Reserves Permitted by Law and Articles of Association	0	0

DIVIDEND INFORMATION PER SHARE

	GROUP	TOTAL DIVIDEND AMOUNT (TL)	RATIO (%)
GROSS	-	0	0.00
NET	-	0	0.00
RATIO OF DIVIDENDS DISTRIBUTED TO NET DISTRIBUTABLE PERIOD PROFIT INCLUDING DONATIONS			0.00
AMOUNT OF DIVIDENDS DISTRIBUTED TO SHAREHOLDERS (TL)	RATIO OF DIVIDENDS DISTRIBUTED TO SHAREHOLDERS TO NET DISTRIBUTABLE PERIOD PROFIT INCLUDING DONATIONS (%)		0.00

DOĞAN GAZETECİLİK A.Ş. DIVIDEND DISTRIBUTION POLICY

The Company makes its dividend distribution decisions on the basis of the Turkish Commercial Code, Capital Markets legislation, Capital Markets Board (CMB) Regulations and Decisions, Tax Laws, other legal provisions and the provisions of the Articles of Association.

Accordingly,

In principle, at least 50% of the “net distributable period profit” calculated on the basis of financial statements prepared in accordance with capital markets legislation and International Financial Reporting Standards (IFRS) is to be distributed.

Should it be desired that 50-100% of the calculated net distributable period profit be distributed, in the determining of dividend distribution rates, the Company’s financial structure and budget shall be taken into consideration.

The proposal for dividend distribution shall be disclosed to the public within the legally required timeframe in accordance with the Capital Market Legislation and CMB Regulations and Decisions.

If the “net distributable period profit” calculated according to the financial tables prepared according to the Turkish Commercial Code and Tax Laws is:

- a. less than the amount calculated according to paragraph 1, then the net distributable period profit calculated according to the financial tables prepared according to paragraph 4 of this article shall be taken into consideration and fully distributed,
- b. higher, the second paragraph shall apply.

If the net distributable period profit does not materialize according to the financial tables prepared within the scope of the Turkish Commercial Code and Tax Laws, profit shall not be distributed even though “net distributable period profit” has been calculated in the financial tables prepared according to CMB Legislation and in keeping with the IFRS.

Profit distribution may not take place in the event that the calculated “net distributable period profit” is less than 5% of issued capital.

Investments designed to increase Company value that require fund output, matters that affect the Company’s financial structure, market conditions, uncertainties in the economy and the existence of adverse developments are all taken into consideration in the distribution of dividends.

DOĞAN GAZETECİLİK A.Ş. RESOLUTION OF THE BOARD OF DIRECTORS

Date of Meeting : March 28, 2011
 Meeting No. : 2011/06
 Attended by : Hanzade V. DOĞAN BOYNER (Chairperson)
 Mehmet Ali YALÇINDAĞ (Deputy Chairperson)
 Soner GEDİK (Board Member)
 Faik Servet TOPALOĞLU (Board Member)
 Tayfun DEVECİOĞLU (Board Member)
 Zafer MUTLU (Board Member)

The Board of Directors of Doğan Gazetecilik A.Ş. has convened at Company headquarters on the date specified above. It has been unanimously resolved that:

- In line with the recommendations for revision of the Company's Audit Committee, the consolidated financial statement for the accounting period January 1, 2010 - December 31, 2010, including comparison with the previous year, duly inspected by independent auditors, which have been presented with positive acknowledgement to the Board, prepared in accordance with the provisions of CMB Communiqué Series XI, No. 29 and in keeping with International Financial Reporting Standards and which have been presented in the form specified in the CMB decisions are to be accepted and presented to the General Assembly of Shareholders for approval.



HANZADE V. DOĞAN BOYNER
(CHAIRPERSON)



MEHMET ALİ YALÇINDAĞ
(DEPUTY CHAIRPERSON)



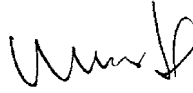
SONER GEDİK
(BOARD MEMBER)



FAİK SERVET TOPALOĞLU
(BOARD MEMBER)



TAYFUN DEVECİOĞLU
(BOARD MEMBER)



ZAFER MUTLU
(BOARD MEMBER)

STATEMENT OF APPROVAL OF THE FINANCIAL STATEMENTS AND FOOTNOTES

RESOLUTION OF BOARD OF DIRECTORS WITH REGARD TO THE APPROVAL OF FINANCIAL STATEMENTS

DATE : March 28, 2011

RESOLUTION NO. : 2011/06

STATEMENT OF RESPONSIBILITY IN ACCORDANCE WITH ARTICLE 9 OF SECTION 3 OF CAPITAL MARKET BOARD'S COMMUNIQUÉ SERIES XI, NO 29

We have studied the consolidated financial statements of Doğan Gazetecilik A.Ş. for the accounting period January 1, 2010 - December 31, 2010, duly inspected by independent auditors, prepared in accordance with the CMB's (Capital Markets Board of Turkey) Communiqué Series XI, No 29 and in keeping with International Financial Reporting Standards and presented in the form specified by CMB decisions. We hereby declare that insofar as our duties and responsibilities are concerned and within the framework of the information known to us:

- a- The financial statements and footnotes do not contain any misrepresentation of the facts or any deficiency that may be construed as misleading information as from the date of their disclosure;
- b- The financial statements prepared according to effective financial reporting standards, together with the consolidated statements, correctly reflect the Company's assets, liabilities, financial condition and profit and loss status.



BİLEN BÖKE

CHIEF FINANCIAL OFFICER

FINANCIAL AFFAIRS GROUP PRESIDENT



ASİL ALPTEKİN

DIRECTOR OF FINANCIAL AFFAIRS

AUDIT REPORT

TO THE GENERAL ASSEMBLY OF
DOĞAN GAZETECİLİK A.Ş.

Having completed the auditing of the Company for the Accounting Year 2010, we hereby declare that:

1. The Company's statutory books and documents have been recorded; the records have been observed to be in compliance with the law and general principles of accounting, provisions of the Articles of Association and articles of the Turkish Commercial Code.
2. Values documented in the Inventory, Balance Sheet and Income Statement were in compliance with the records and provisions of the Articles of Association and articles of Turkish Trade Law. The Balance Sheet and Income Statement were in compliance with the principles of clarity and accuracy mentioned in Article 75 of Turkish Trade Law and identical with statutory books.
3. Decisions concerning Corporate Governance were seen to have been recorded in the Company casebook.

In conclusion, we submit the report prepared by the Board of Directors summarizing the activities of the Company and the Balance Sheet and Income Statement for the approval of the General Assembly.


ERDEM SEÇKİN
AUDITOR


EREM TURGUT YÜCEL
AUDITOR

DOĞAN GAZETECİLİK

AUDIT COMMITTEE RESOLUTION

DATE : March 28, 2011
SUBJECT : Financial statements for the financial year of 01.01.2010 - 31.12.2010

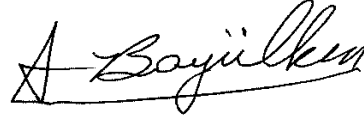
We have studied the consolidated financial statements of the Company for the accounting period January 1, 2010 - December 31, 2010, including comparison with the previous year, prepared in accordance with the CMB's (Capital Markets Board of Turkey) Communiqué Series XI, No. 29 and in keeping with International Financial Reporting Standards and presented in the form specified by Decisions of CMB and have received the comments of the executives responsible for the preparation of said financial statements.

Within the framework of the information conveyed and known to us, our views on said financial statements have been conveyed to the executives responsible for the preparation of the financial statements and we have concluded that said statements accurately reflect the operational results of the Company, contain no significant deficiency, which may result in misrepresentation and comply with CMB regulations.



SONER GEDİK

CHIEF OF AUDIT COMMITTEE



HAKKI ALP BAYÜLKEN

AUDIT COMMITTEE MEMBER

DOĐAN GAZETECİLİK A.Ő.

**CONVENIENCE TRANSLATION INTO ENGLISH OF
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY-31 DECEMBER 2010
TOGETHER WITH INDEPENDENT AUDITOR'S REPORT**

(ORIGINALLY ISSUED IN TURKISH)

**CONVENIENCE TRANSLATION INTO ENGLISH OF
INDEPENDENT AUDIT REPORT
ORIGINALLY ISSUED IN TURKISH**

INDEPENDENT AUDIT REPORT

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

We have audited the accompanying consolidated balance sheet of Doğan Gazetecilik A.Ş. (the "Company"), its subsidiaries and its joint venture (together the "Group") as at 31 December 2010 and the related consolidated statement of comprehensive income, consolidated statement of changes in shareholders' equity and consolidated statement of cash flows for the year ended 31 December 2010, and a summary of significant accounting policies and other explanatory notes.

Management Responsibility on Financial Statements

The management is responsible for preparation and fair presentation of these financial statements in accordance with accounting standards published by Capital Markets Board. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of 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

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

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

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

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the financial position of Doğan Gazetecilik A.Ş., its subsidiaries and its joint venture as of 31 December 2010 and of its financial performance and its cash flows for the year then ended in accordance with Financial Reporting Standards issued by Capital Markets Board.

Other Matter

The audit of the Group's consolidated financial statements for the year ended 31 December 2009 have been performed by another independent audit firm. Previous auditor stated unqualified opinion in its audit report, dated 5 April 2010, for the consolidated financial statements for the year ended 31 December 2009.

İstanbul, 28 March 2011

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

Gaye Şentürk
Partner

DOĞAN GAZETECİLİK A.Ş.**CONSOLIDATED BALANCE SHEETS
AT 31 DECEMBER 2010 AND 2009**

(AMOUNTS EXPRESSED IN TURKISH LIRA ["TL"] UNLESS OTHERWISE INDICATED.)

	Notes	Audited 31 December 2010	Audited 31 December 2009
ASSETS			
Current Assets			
Cash and cash equivalents	4	5.315.998	1.230.535
Trade receivables			
-Due from related parties	28	10.583.401	18.005.852
-Other trade receivables	7	63.949.874	58.785.253
Other receivables		62.450	62.637
Inventories	9	7.022.131	6.443.551
Other current assets	17	4.953.268	12.196.032
Non-current assets			
Other receivables	8	55.842	65.033
Financial assets	5	69.585	69.585
Investment property	10	14.230.530	12.914.147
Property, plant and equipment	11	22.788.329	24.096.837
Intangible assets	12	67.428.317	71.045.052
Goodwill	13	108.185.623	113.857.178
Deferred income tax assets	26	2.127.525	6.419.546
Other non-current assets	17	6.098.804	4.561.227
Total Assets		312.871.677	329.752.465

The consolidated financial statements have been approved by the Board of Directors as of 28 March 2011.

DOĞAN GAZETECİLİK A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 1 JANUARY-31 DECEMBER 2010 (AMOUNTS EXPRESSED IN TURKISH LIRA ["TL"] UNLESS OTHERWISE INDICATED.)

	Notes	Audited 31 December 2010	Audited 31 December 2009
LIABILITIES			
Current liabilities		91.512.378	97.161.078
Borrowings	6	33.097.191	20.014.628
Trade payables			
-Due to related parties	28	29.543.999	44.345.558
-Other trade payables	7	10.860.335	8.659.476
Other payables	8	6.476.117	6.103.589
Current income tax liabilities	26	237.417	26.437
Provisions	14	4.174.090	2.841.288
Other current liabilities	17	7.123.529	15.170.102
Non-current liabilities		13.364.200	7.669.281
Provision for employment termination benefit	16	13.364.200	7.669.281
EQUITY	18	207.995.099	224.922.106
Equity attributable to equity holders of the Company	18	207.710.099	224.537.858
Share capital	18	105.000.000	105.000.000
Adjustment to share capital	18	45.910.057	45.910.057
Share premium	18	82.060.000	82.060.000
Restricted reserves	18	1.619.190	1.279.827
(Accumulated losses)/retained earnings		(10.350.341)	6.543.318
Loss for the period		(16.528.807)	(16.255.344)
Non-controlling interests		285.000	384.248
Total liabilities and equity		312.871.677	329.752.465
Provisions, contingent assets and liabilities	14		

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

DOĞAN GAZETECİLİK A.Ş.**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED 1 JANUARY-31 DECEMBER 2010 AND 2009
(AMOUNTS EXPRESSED IN TURKISH LIRA ["TL"] UNLESS OTHERWISE INDICATED.)**

	Note References	Audited 2010	Audited 2009
Sales	19	353.868.628	349.191.816
Cost of sales (-)	19	(221.969.325)	(230.045.787)
Gross Profit		131.899.303	119.146.029
Marketing, selling and distribution expenses (-)	20	(103.497.587)	(95.538.435)
General administrative expenses (-)	20	(29.892.434)	(27.221.653)
Other income	22	11.074.627	4.663.109
Other expenses (-)	22	(15.983.040)	(14.262.674)
Operating loss		(6.399.131)	(13.213.624)
Financial income	23	6.299.033	5.499.740
Financial expenses (-)	24	(7.681.584)	(8.702.780)
Loss before income taxes		(7.781.682)	(16.416.664)
Taxation on income/(loss)		(8.846.373)	293.401
-Current income tax for the period	26	(4.554.352)	(2.275.801)
-Deferred tax benefit/(charge)	26	(4.292.021)	2.569.202
Loss for the period		(16.628.055)	(16.123.263)
Other comprehensive income:			
Other comprehensive income		-	-
Total comprehensive loss		(16.628.055)	(16.123.263)
Allocation of loss for the period			
Attributable to non-controlling interests	2	(99.248)	132.081
Attributable to equity holders of the Company		(16.528.807)	(16.255.344)
Allocation of comprehensive loss for the period			
Attributable to non-controlling interests	2	(99.248)	132.081
Attributable to equity holders of the Company		(16.528.807)	(16.255.344)
Loss per share attributable to equity holders of the Company (Kr)	27	(15,7)	(15,5)

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

DOĞAN GAZETECİLİK A.Ş.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED 1 JANUARY-31 DECEMBER 2010 AND 2009 (AMOUNTS EXPRESSED IN TURKISH LIRA ["TL"] UNLESS OTHERWISE INDICATED.)

	Note	Share capital	Adjustments to share capital	Share premium	Restricted reserves	Retained earnings/(loss)	Net profit/(loss) for the period	Attributable to equity holders of the Company	Non-controlling interest	Total
Balances at 1 January 2009	18	105.000.000	45.910.057	82.060.000	1.279.827	7.296.606	(753.288)	240.793.202	252.167	241.045.369
Transfers		-	-	-	-	(753.288)	753.288	-	-	-
Total comprehensive income/(loss)		-	-	-	-	-	(16.255.344)	(16.255.344)	132.081	(16.123.263)
Balances at 31 December 2009		105.000.000	45.910.057	82.060.000	1.279.827	6.543.318	(16.255.344)	224.537.858	384.248	224.922.106
Balances at 1 January 2010	18	105.000.000	45.910.057	82.060.000	1.279.827	6.543.318	(16.255.344)	224.537.858	384.248	224.922.106
Transfers		-	-	-	-	339.363	(16.594.707)	16.255.344	-	-
Effect of change in consolidation structure	-	-	-	-	(298.952)	-	(298.952)	-	(298.952)	-
Total comprehensive income/(loss)		-	-	-	-	-	(16.528.807)	(16.528.807)	(99.248)	(16.628.055)
Balances at 31 December 2010		105.000.000	45.910.057	82.060.000	1.619.190	(10.350.341)	(16.528.807)	207.710.099	285.000	207.995.099

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

DOĞAN GAZETECİLİK A.Ş.**CONSOLIDATED STATEMENTS OF CASH FLOW
FOR THE YEARS ENDED 1 JANUARY-31 DECEMBER 2010 AND 2009
(AMOUNTS EXPRESSED IN TURKISH LIRA ["TL"] UNLESS OTHERWISE INDICATED.)**

	Note	2010	2009
Loss before tax		(7.781.682)	(16.416.664)
Adjustments:			
Depreciation expenses	10,11	3.699.631	3.620.913
Amortisation expenses	12	3.794.175	3.818.131
Loss on disposal of property, plant and equipment, intangible assets and investment property	22	651.451	98.135
Unearned finance income due to sales with maturity	7	502.191	296.067
Unearned finance expense due to purchases with maturity	28	(150.733)	(119.236)
Profit from barter transactions		(4.467.036)	(8.112.755)
Interest expense	24	3.372.992	4.643.817
Interest income	23	(1.016.661)	(2.030.416)
Doubtful receivable provision	7	4.552.445	3.680.305
Unused vacation liability	17	2.888.559	1.418.987
Employment termination benefit provision	16	9.318.451	4.534.236
Diminution in carrying value of goodwill	22	5.671.555	-
Reversal of provision expense for impairment on investment property	10	(211.409)	(175.229)
Provision/(reversal) of impairment on inventory	9	214.388	(754.668)
Adjustments to reconcile profit before income taxes to net cash from operating activities		21.038.317	(5.498.377)
Change in other trade receivables		(10.219.259)	(5.710.074)
Change in receivables from related parties		7.422.451	(3.275.028)
Change in inventories		(792.968)	(45.123)
Income taxes paid		(4.343.372)	(1.719.395)
Tax penalties paid		(10.224.305)	-
Change in other current receivables		192	35.077
Change in other current/non-current assets		5.713.793	(4.466.073)
Change in trade payables		1.218.212	2.681.307
Change in payable to related parties		(14.651.125)	(20.189.595)
Change in other payables		379.165	1.836.589
Change in provisions		(164.591)	(1.219.394)
Change in other current liabilities		480.973	7.014.403
Employment termination benefits paid	16	(3.623.532)	(2.157.492)
Non-current assets held for sale		-	775.200
Net cash used in operating activities		(7.766.049)	(31.937.975)
Investing activities:			
Purchase of property, plant and equipment	11	(1.847.177)	(1.472.782)
Purchase of intangible assets	12	(185.773)	(129.759)
Proceeds from sale of property, plant and equipment, intangible assets and investment property		3.157.645	2.213.349
Net cash provided by investing activities		1.124.695	610.808
Financing activities:			
Increase in borrowings		13.027.849	18.919.534
Interest paid		(3.318.278)	(4.609.804)
Interest received		1.016.661	2.036.473
Net cash provided by financing activities		10.726.232	16.346.203
Net increase/(decrease) in cash and cash equivalents	4	4.084.878	(14.980.964)
Cash and cash equivalents at the beginning of the period	4	1.230.535	16.211.499
Cash and cash equivalents at the end of the period	4	5.315.413	1.230.535

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

DOĞAN GAZETECİLİK A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010 (AMOUNTS EXPRESSED IN TURKISH LIRA ["TL"] UNLESS OTHERWISE INDICATED.)

NOTE 1-ORGANISATION AND NATURE OF OPERATIONS

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

The Company's parent company is Doğan Yayın Holding A.Ş., ultimate parent company is Aydın Doğan and Doğan Family.

The address of the registered office is as follows:

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

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.

Subsidiaries

The table below sets out all subsidiaries included in the scope of consolidation at 31 December 2010 and 31 December 2009:

Subsidiaries	Registered country	Nature of business
Kemer Yayıncılık ve Gazetecilik A.Ş. ("Kemer Yayıncılık")	Turkey	Investment
Bağımsız Gazeteciler Yayıncılık A.Ş. ("Bağımsız Gazeteciler")	Turkey	Newspaper publishing
Kemer Yayıncılık Pazarlama San. ve Tic. A.Ş. ("Kemer Yayıncılık Pazarlama")	Turkey	Internet services
Milliyet Haber Ajansı A.Ş. ("Milha")	Turkey	News agency
Milliyet İnternet Hizmetleri ve Ticaret A.Ş. ("Milliyet İnternet")	Turkey	Internet publishing

Joint venture

The table below sets out the joint venture included in the scope of consolidation at 31 December 2010 and 31 December 2009:

	Registered country	Nature of business	Joint venture partner
Birey Seçme ve Değerlendirme Danışmanlık Ltd. Şti.	Turkey	Internet publishing	Doğan Portal ve Elektronik Tic. A.Ş.

NOTE 2-BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.1 Basis of presentation

2.1.1 Financial reporting standards

The Capital Markets Board of Turkey ("CMB") sets out principles and procedures on the preparation, presentation and disclosure of financial statements prepared by companies in accordance with the Communiqué No: XI-29, "Principles of Financial Reporting in Capital Markets" ("the Communiqué"). This Communiqué is effective for the annual periods beginning from 1 January 2008 and supersedes the Communiqué No: XI-25 "The Financial Reporting Standards of the Capital Markets". The Communiqué requires companies to prepare their financial statements in accordance with International Financial Reporting Standards ("IASs/IFRSs") adopted by the European Union. However companies will apply IASs/IFRSs issued by the IASB until the differences of the IAS/IFRS adopted by the European Union from those issued by the International Accounting Standards Board ("IASB") are announced by the Turkish Accounting Standards Board ("TASB"). Therefore, TASB's, Turkish Accounting Standards/Turkish Financial Reporting Standards ("TASs/TFRSs") that are in line with the aforementioned standards will be adopted in reporting.

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CMB, with its resolution dated 17 March 2005 declared that companies operating in Turkey which prepare their financial statements in accordance with CMB Accounting Standards, effective 1 January 2005, will not be subject to the application of inflation accounting. Consequently, in the accompanying financial statements, IAS 29 “Financial Reporting in Hyperinflationary Economies” was not applied since 1 January 2005.

Until the differences between the standards accepted by the European Union and the standards issued by International Accounting Standards Board (“IASB”) are announced by the TASB, financial statements are prepared in accordance with IAS/IFRS under the CMB’s Decree Volume: XI, No: 29. The accompanying financial statements and notes are presented in accordance with the standard format required by the announcement of the CMB’s Decree Volume: XI, No: 29. The Company, its subsidiaries and its joint venture registered in Turkey maintain their books of account and prepare their statutory financial statements in accordance with accounting principles in the Turkish Commercial Code and tax legislation and the Uniform Chart of Accounts issued by the Ministry of Finance.

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

2.1.2 Consolidation principles

The consolidated financial statements include the accounts of the parent company, Doğan Gazetecilik A.Ş., its subsidiaries and its joint venture according to the principles stated below from (a) to (d). The financial statements of the companies included in the scope of consolidation have been prepared as of the date of the consolidated financial statements, and are prepared in accordance with CMB Financial Reporting Standards as explained in Note 2.1.1.

(a) Subsidiaries

Subsidiaries are the companies over which the Company has the power to control the financial and operating policies for the benefit of itself, either (a) through the power to use more than 50% of the voting rights relating to shares in the companies owned directly and/or indirectly by itself; or (b) although not having the power to exercise more than 50% of the using rights, otherwise though the power to exercise control over financial and operating policies. The operational results of subsidiary are included in the financial statements according to the effective dates of the Company’s acquisition.

The Subsidiaries’ balance sheets and statements of income have been consolidated on a line-by-line basis and the carrying value of the investments held by the Company and its subsidiaries are eliminated against the related equity. Intercompany transactions and balances between the Company and its subsidiaries have been eliminated during the consolidation.

The table below sets out the subsidiaries included in the scope of consolidation and shows its shareholding structure at 31 December 2010 and 31 December 2009:

	Proportion of voting power held by the Group (%) 31 December 2010	Proportion of voting power held by the Group (%) 31 December 2009
Kemer Yayıncılık	99,98	99,98
Bağımsız Gazeteciler	99,99	99,99
Kemer Yayıncılık Pazarlama	99,96	99,96
DYG İlan ⁽¹⁾	-	50,02
Milha	81,62	66,99
Milliyet İnternet	98,81	99,83

⁽¹⁾ DYG ilan ve Reklam Hizmetleri A.Ş. was merged with Milliyet İnternet through a takeover in accordance with the requirements of the relevant law as of 31 December 2010. After the merger, DYG İlan continues to operate under the name of Milliyet İnternet Hizmetleri ve Ticaret A.Ş.

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(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 5).

(c) Joint venture

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 the assets, liabilities, income and expenses of each joint venture in the relevant components of the financial statements.

The table below sets out the joint venture included in the scope of consolidation and shows its shareholder structure at 31 December 2010 and 31 December 2009:

	Proportion of joint management 31 December 2010	Proportion of joint management 31 December 2009	Joint venture partner
Birey Seçme ve Değerlendirme Danışmanlık Ltd. Şti.	50	50	Doğan Portal ve Elektronik Tic. A.Ş.

(d) Non-controlling interest

The shares of non-controlling interest in the net assets and results for the period for subsidiaries are separately classified in the consolidated balance sheets and statements of income as non-controlling interest.

2.1.3 Offsetting

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

2.1.4 Comparatives

The financial statements of the Group include comparative financial information to enable the determination of the financial position and performance. The balance sheet of the Group at 31 December 2010 has been provided with the comparative financial information of 31 December 2009 and the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the years ended 1 January-31 December 2010 have been provided with the comparative financial information for the years ended 1 January-31 December 2009.

The Group had reclassified comparative figures to conform to the changes in presentation of the financial statements as at 31 December 2010 as follows:

- Legal reserves and other extraordinary reserves amounting to TL 18.840.620 included in “Restricted reserves” in the consolidated balance sheet at 31 December 2009 have been reclassified to “Retained earnings” at the comparative balance sheet presented as at 31 December 2010.
- Tax liability amounting to TL 26.437 included in “Other current liabilities” in the consolidated balance sheet at 31 December 2009 have been reclassified to “Current year tax liability” at the comparative balance sheet presented as at 31 December 2010.
- Income from maturity differences amounting to TL 1.172.470 included in “Sales income” in the consolidated balance sheet at 31 December 2009 have been classified to “Financial Income” at the comparative balance sheet presented as at 31 December 2010.
- Interest accruals amounting to TL 6.057 included in “Interest received” in the consolidated balance sheet at 31 December 2009 have been netted-off and disclosed in “Cash and cash equivalents at the beginning of the period” at the comparative balance sheet presented as at 31 December 2010.

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2.1.5 Adoption of New and Revised Standards

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

(a) *Standards, amendments and interpretations to existing standards that are effective as of 2010, but aren't relevant to the Group's operations;*

IFRS 3 (revised), "Business Combinations" and consequential amendments to IAS 27, "Consolidated and separate financial statements", IAS 28, "Investments in associates", and IAS 31, "Interests in joint ventures", are effective prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009.

IAS 28 (2008) Investments in Associates, with the amendments made to IAS 28, when significant influence over an associate is lost, the Group measures any investment retained in the former associate at fair value, with any consequential gain or loss recognised in profit or loss. This is not currently applicable to the Group, as the Group does not have investments in associates.

IFRIC 17, "Distributions of non-cash assets to owners", effective for annual periods beginning on or after 1 July 2009. This is not currently applicable to the Group, as it has not made any non-cash distributions.

IFRIC 18, "Transfers of assets from customers", effective for transfer of assets received on or after 1 July 2009. This is not relevant to the Group, as it has not received any assets from customers.

"Additional exemptions for first-time adopters" (Amendment to IFRS 1) was issued in July 2009. The amendments are required to be applied for annual periods beginning on or after 1 January 2010. This is not relevant to the Group, as it is an existing IFRS preparer.

IFRS 2, "Share-based Payments-Group Cash-settled Share Payment Arrangements" is effective for annual periods beginning on or after 1 January 2010. This is not currently applicable to the Group, as the Group does not have share-based payment plans.

Amendments to IFRS 5 Non-current Assets Held for Sale and Discontinued Operations that all the assets and liabilities of a subsidiary should be classified as held for sale when the Group is committed to a sale plan involving loss of control of that subsidiary, regardless of whether the Group will retain a non-controlling interest in the subsidiary after the sale.

Improvements to International Financial Reporting Standards 2009 were issued in April 2009. The improvements cover standards/interpretations as follows: IFRS 2 Share-based Payments, IFRS 5 Non-current Assets Held for Sale and Discontinued Operations, IFRS 8 Operating Segments, IAS 1 Presentation of Financial Statements, IAS 7 Statement of Cash Flows, IAS 17 Leases, IAS 18 Revenue, IAS 36 Impairment of Assets, IAS 38 Intangible Assets, IAS 39 Financial Instruments: Recognition and Measurement, IFRIC 9 Reassessment of Embedded Derivatives, IFRIC 16 Hedges of Net Investment in a Foreign Operation. The effective dates vary standard by standard but most are effective 1 January 2010.

(b) *The following new standards, new interpretations and amendments to standards and interpretations have been issued but are not effective for the financial year beginning 1 January 2010 and have not been early adopted by the Group;*

IFRS 1 (amendments) First-time Adoption of IFRS-Additional Exemptions

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

On 20 December, IFRS 1 is amended to provide relief for first-time adopters of IFRSs from having to reconstruct transactions that occurred before their date of transition to IFRSs and provide guidance for entities emerging from severe hyperinflation either to resume presenting IFRS financial statements or to present IFRS financial statements for the first time. The amendment above will be effective for annual periods beginning on or after 1 July 2011.

These amendments are not relevant to the Group, as it is an existing IFRS preparer.

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IFRS 7 “Financial Instruments: Disclosures”

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

IFRS 9 “Financial Instruments: Classification and Measurement”

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

IAS 12 “Income Taxes”

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

IAS 24 (2009) “Related Party Disclosures”

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

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

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

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

Amendments to IFRIC 14 are effective for annual periods beginning on or after 1 January 2011. The amendments affect entities that are required to make minimum funding contributions to a defined benefit pension plan and choose to pre-pay those contributions. The amendment requires an asset to be recognized for any surplus arising from voluntary pre-payments made. The Group does not expect any impact of the adoption of this amendment on the financial statements.

IFRIC 19 “Extinguishing Financial Liabilities with Equity Instruments”

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

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Annual Improvements, May 2010

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

2.2 Summary of Significant Accounting Policies

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below:

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, associates and joint ventures are considered and referred to as related parties (Note 28).

Segmental reporting

The Group does not present segmental reporting since it operates in one business line and one geographical region.

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, net of unearned financial income, are measured at amortised cost, using the effective interest rate method, less the unearned financial income. Short duration receivables with no stated interest rate are measured at the 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 impairment amount decreases due to an event occurring after the write-down, the release of the provision is credited to other income in the current period.

Financial assets

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". 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. Available-for-sale financial assets are subsequently re-measured at fair value if the fair values can be reliably measured.

For the financial assets which the Group 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.

Unrealized gains and losses arising from changes in the fair value of securities classified as available-for-sale are deferred in the equity until the financial asset is sold, collected or otherwise disposed of. When available for sale securities are sold, collected or otherwise disposed of, related deferred gains and losses in equity are released to the statement of income.

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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 9).

Promotion stocks

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

Investment property and related depreciation

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, is 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 10).

Property, plant, and 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, land improvements	25-50 years
Machinery and equipment	3-15 years
Furnitures and fixtures	4-15 years
Motor vehicles	5-10 years
Leasehold improvements	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 11).

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Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary/associate at the date of acquisition.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss in the consolidated statement of comprehensive income/income statement. An impairment loss recognised for goodwill is not reversed in subsequent periods (Note 13).

Intangible assets and related amortisation

Intangible assets comprise trademark, software, 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. Where an indication of impairment exists, the carrying amount of any intangible asset is assessed and written down immediately to its recoverable amount (Note 12).

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

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

Trademark	25 years
Rights	15 years
Other intangible assets	10 years

Web page development costs

Costs associated with developing web pages are capitalized and are amortized over their estimated useful lives. Following the planning phase and operation; all costs are recognized as expense. Maintenance costs of web pages are accounted as operational expenses (Note 12)

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. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

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.

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

The Group management recognizes deferred tax assets based on taxable financial loss calculated by using the best estimates on projections. (Note 26).

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

Borrowings

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

Provision for 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 16).

Provisions, contingent assets and liabilities

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

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

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits to the entity. Contingent assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized. A contingent asset is disclosed where an inflow of economic benefit is probable. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognized in the financial statements of the period in which the change occurs. Provisions in financial statements are calculated based on the best estimates of the Group management.

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 (Note 18).

Foreign currency transactions and translation

Income and expenses arising in foreign currencies have been translated at the exchange rates of Central Bank of the Republic of Turkey 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.

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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 is 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, commission, sales premiums given to the advertising agencies based on the advertising revenue, 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.

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 is recognized on an accrual basis.

Service income:

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

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 15).

Loss per share

Loss per share disclosed in the consolidated statements of income are determined by dividing net loss 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 27).

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).

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Changes and errors in accounting policies and estimates

Material changes in accounting policies and material errors are corrected retrospectively 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.

As of 31 December 2009, the Group re-evaluated the useful life of the buildings classified in investment property and increased to 50 years from 25 years. As a result of this change in estimate, depreciation charge for the period ended 31 December 2010 decreased by TL 2.984.

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

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 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).

Critical accounting estimates and judgements

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. The critical accounting estimates which may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities and operating results of the Group are specified in the related notes.

NOTE 3-JOINT VENTURES

The joint venture and the proportion joint management at 31 December 2010 and 31 December 2009 are as follows:

	Proportion of joint management 31 December 2010	Proportion of joint management 31 December 2009	Joint venture partner
Birey Seçme ve Değerlendirme Danışmanlık Ltd. Şti.	50	50	Doğan Portal ve Elektronik Tic. A.Ş.

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The aggregate amounts of current assets, non-current assets, current liabilities, non-current liabilities of the joint venture included in the consolidated financial statements and note 2 in detail as of 31 December 2010 and 31 December 2009 by using the proportionate consolidation method are as follows:

Balance sheets:	31 December 2010	31 December 2009
Current assets	62.862	21.906
Non-current assets	3.226	1.586
Total assets	66.088	23.492
Current liabilities	646.052	287.618
Non-current liabilities	726	-
Total liabilities	646.778	287.618
Equity	(580.690)	(264.126)
Total liabilities and equity	66.088	23.492

Income and expenses of the joint venture for the years ended 31 December 2010 and 2009 are as follows:

Income statements:	1 January- 31 December 2010	1 January- 31 December 2009
Gross (loss)/profit	(133.207)	387
Marketing, selling and distribution expenses (-)	(127.088)	(90.740)
General administrative expenses	(3.641)	(2.745)
Other income/(expenses), net	133	(8.954)
Operating loss	(263.803)	(102.052)
Financial expenses (-)	(51.319)	(24.465)
Loss before income taxes	(315.122)	(126.517)
Current income tax for the period	-	-
Deferred tax charge	(1.442)	-
Net loss for the period	(316.564)	(126.517)

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NOTE 4-CASH AND CASH EQUIVALENTS

The analysis of cash and cash equivalents at 31 December 2010 and 31 December 2009 is as follows:

	31 December 2010	31 December 2009
Cash	21.431	38.043
Banks		
-demand deposits	1.572.852	898.045
-TL time deposits	3.279.440	249.628
Other liquid assets	442.275	44.819
	5.315.998	1.230.535

The maturity analysis of cash and cash equivalents at 31 December 2010, 31 December 2009 and 31 December 2008 is as follows:

	31 December 2010	31 December 2009	31 December 2008
Demand	2.036.558	980.907	1.169.148
Up to 3 months	3.279.440	249.628	15.048.408
Total	5.315.998	1.230.535	16.217.556
	31 December 2010	31 December 2009	31 December 2008
Cash and cash equivalents	5.315.998	1.230.535	16.217.556
Less: accrued interest	(585)	-	(6.057)
Cash and cash equivalents	5.315.413	1.230.535	16.211.499

At 31 December 2010, effective interest rate for local currency time deposits is 6% (31 December 2009: TL time deposit 6,5%). There isn't any foreign currency time deposit as of 31 December 2010 (31 December 2009: None).

At 31 December 2010, cash and cash equivalents amounting to TL 439.013 (31 December 2009: TL 38.979) consist of credit card receivables.

At 31 December 2010, cash and cash equivalents amounting to TL 12.368 (31 December 2009: TL 12.046) are held in blocked bank accounts as guarantees for bank borrowings.

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NOTE 5-FINANCIAL ASSETS

The analysis of financial assets at 31 December 2010 and 31 December 2009 is as follows:

	31 December 2010		31 December 2009	
	TL	Share capital (%)	TL	Share capital (%)
Available-for-sale investments				
Doğan Haber Ajansı A.Ş.	51.590	<1,00	51.590	2,65
Milliyet Verlags Und Handels GMBH.	860.267	17,42	17.236	17,34
Ak Enerji Elektrik Enerjisi A.Ş.	477	-	477	-
Doğan Dağıtım Satış ve Pazarlama A.Ş.	275	-	275	-
Doğan Dış Ticaret Mümessillik A.Ş.	4	-	4	-
Doğan Müzik Kitap Mağ. Paz. A.Ş.	3	-	3	-
Other	649.737	-	649.737	-
Provision for impairment	(1.492.768)		(649.737)	
Total	69.585		69.585	

Milliyet Verlags und Handels GMBH in which the Group has 17,42% of participation has been in liquidation process as of 27 December 2010. The Group has ceased to consolidate Milliyet Verlags as of 18 June 2008 and has not classified the shares of Milliyet Verlags under discontinued operations as it has been identified as an available for sale asset. The Group recognized TL 843.031 of impairment loss in other operating expenses based on the assumption that Milliyet Verlags will have no asset following the liquidation process (Note 22).

The movements in the provision for the impairment of financial assets for the years ended 31 December 2010 and 2009 are as follows:

	2010	2009
1 January	649.737	649.737
Increase/(decrease) during the period	843.031	-
31 December	1.492.768	649.737

NOTE 6-BORROWINGS

The analysis of bank borrowings at 31 December 2010 and 31 December 2009 is as follows:

	31 December 2010	31 December 2009
Short term bank borrowings:		
Short term bank borrowings	33.097.191	20.014.628
Total	33.097.191	20.014.628

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	Effective interest rate (%)		TL	
	31 December 2010	31 December 2009	31 December 2010	31 December 2009
Short term bank borrowings				
-TL short term bank borrowings	9,2	14,3	13.476.541	20.014.628
-Foreign currency short term bank borrowings	5,6	-	19.620.650	-
Total			33.097.191	20.014.628

The contractual repricing schedule of bank borrowings at 31 December 2010 and 31 December 2009 is as follows:

	31 December 2010	31 December 2009
6 months or less	13.400.000	9.000.000
Total	13.400.000	9.000.000

As of 31 December 2010, TL 76.541 of total borrowings comprises consumer finance credits for vehicle purchase purposes.

The fair value of short term borrowings approximates their carrying amount.

NOTE 7-TRADE RECEIVABLES AND PAYABLES

The analysis of trade receivables and payables at 31 December 2010 and 31 December 2009 is as follows:

Short-term trade receivables	31 December 2010	31 December 2009
Trade receivables	83.186.687	74.398.070
Cheques and notes receivable	788.247	332.845
Sub-total	83.974.934	74.730.915
Less: Unearned finance income	(502.191)	(296.067)
Less: Provision for doubtful receivables	(19.522.869)	(15.649.595)
Total	63.949.874	58.785.253

The average due date of the Group's trade receivables is 55 days (31 December 2009: 41 days). In accordance with the factoring contract signed with Doğan Faktoring Hizmetleri A.Ş., trade receivable amounting to TL 58.160.593 (31 December 2009: TL 52.294.152) regarding advertisement revenues is followed by Doğan Faktoring. Unearned financial income due to trade receivables regarding advertisement revenues followed by Doğan Faktoring is TL 502.191 (31 December 2009: TL 296.067). Effective interest rate related with the receivables followed by Doğan Faktoring is 9,6% (31 December 2009: 7%).

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The movements in the provision for doubtful receivables for the years ended 31 December 2010 and 2009 are as follows:

	2010	2009
1 January	15.649.595	12.352.968
Additions during the period (Note 22)	4.552.445	3.680.305
Collections during the period	(679.171)	(383.678)
31 December	19.522.869	15.649.595
Short-term trade payables	31 December 2010	31 December 2009
Trade payables	10.860.335	8.659.476
	10.860.335	8.659.476

NOTE 8-OTHER RECEIVABLES AND PAYABLES

The analysis of other receivables and payables at 31 December 2010 and 31 December 2009 is as follows:

	31 December 2010	31 December 2009
Other non-current receivables		
Deposits and guarantees given	55.842	65.033
	55.842	65.033
Other current payables	31 December 2010	31 December 2009
Taxes and funds payable	5.170.956	5.040.193
Payables to personnel	647.991	925.286
Other	657.170	138.110
	6.476.117	6.103.589

NOTE 9-INVENTORIES

The analysis of inventories at 31 December 2010 and 31 December 2009 is as follows:

	31 December 2010	31 December 2009
Promotion stocks	8.200.730	7.520.517
Finished goods and merchandise	1.517.335	1.376.050
Raw materials and supplies	230.862	259.392
	9.948.927	9.155.959
Less: Provision for impairment on inventories	(2.926.796)	(2.712.408)
	7.022.131	6.443.551

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Promotion stocks are comprised of materials given together with the newspapers. Provision for impairment on inventories is related to the promotion stocks.

The movements of provision for impairment of inventories during the periods are as follows:

	2010	2009
1 January	2.712.408	3.467.076
Increase/(decrease) during the period	214.388	(754.668)
31 December	2.926.796	2.712.408

NOTE 10-INVESTMENT PROPERTY

The movements in investment property during the periods 31 December 2010 and 31 December 2009 are as follows:

	1 January 2010	Additions	Disposals	Provision for impairment	Reversal of impairment	31 December 2010
Cost	21.165.627	5.449.684	(3.686.350)	-	211.409	23.140.370
Accumulated depreciation	8.251.480	707.622	(49.262)	-	-	8.909.840
Net book value	12.914.147					14.230.530
	1 January 2009	Additions	Disposals	Provision for impairment	Reversal of impairment	31 December 2009
Cost	14.856.565	8.437.933	(2.304.100)	(63.809)	239.038	21.165.627
Accumulated depreciation	8.028.937	257.685	(35.142)	-	-	8.251.480
Net book value ⁽¹⁾	6.827.628					12.914.147

⁽¹⁾ TL 4.894.897 (31 December 2009: TL 3.100.882) of the investment property comprise of properties acquired by the Group in accordance with barter agreements, and TL 9.335.633 (31 December 2009: TL 9.813.265) comprise of leased buildings.

The fair value of the investment properties as of 31 December 2009 was determined as TL 32.190.903. The fair value has been calculated by the Group management by using the monthly rental amounts determined by two different valuation companies with the rental amount comparison method. The Group management considers that the fair value didn't change significantly for the year 2010. The rent income from the buildings leased in 2010 is TL 2.570.788 (Note 28) (2009: TL 1.986.358). As of 31 December 2010, there aren't any pledges or mortgages on investment property (31 December 2009: None). There isn't any operating cost in the current period resulting from investment property (31 December 2009: None).

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The movements in property, plant and equipment during the periods 31 December 2010 and 31 December 2009 are as follows.

	1 January 2010	Additions	Disposals	31 December 2010
Cost				
Land and land improvements	1.538.814	208.568	-	1.747.382
Buildings	26.096.010	29.550	-	26.125.560
Machinery and equipment	22.491.309	309.352	(2.381.583)	20.419.078
Motor vehicles	949.722	354.560	(537.973)	766.309
Furniture and fixture	27.067.070	939.755	(1.965.312)	26.041.513
Leasehold improvements	1.938.231	5.392	(259.931)	1.683.692
	80.081.156	1.847.177	(5.144.799)	76.783.534
Accumulated depreciation				
Land and land improvements	1.341.208	28.818	-	1.370.026
Buildings	8.369.720	529.608	-	8.899.328
Machinery and equipment	20.797.003	348.272	(2.379.185)	18.766.090
Motor vehicles	586.702	198.750	(495.139)	290.313
Furniture and fixture	23.539.092	1.661.451	(1.898.704)	23.301.839
Leasehold improvements	1.350.594	225.110	(208.095)	1.367.609
	55.984.319	2.992.009	(4.981.123)	53.995.205
Net book value	24.096.837			22.788.329

As of 31 December 2010, there is no collateral or mortgage on property, plant and equipment (31 December 2009: None). TL 3.927.414 (Note 19) (31 December 2009: TL 4.058.193) of depreciation expense and amortization was included in cost of sales and TL 3.566.392 (Note 22) (31 December 2009: TL 3.380.851) was included in operating expenses. There isn't any asset acquired thorough finance lease of the Company.

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	1 January 2009	Additions	Disposals	31 December 2009
Cost				
Land and land improvements	1.538.814	-	-	1.538.814
Buildings	26.096.010	-	-	26.096.010
Machinery and equipment	22.048.468	473.032	(30.191)	22.491.309
Motor vehicles	1.337.299	-	(387.577)	949.722
Furniture and fixture	26.185.151	881.919	-	27.067.070
Leasehold improvements	1.820.400	117.831	-	1.938.231
	79.026.142	1.472.782	(417.768)	80.081.156
Accumulated depreciation				
Land and land improvements	1.318.521	22.687	-	1.341.208
Buildings	7.840.479	529.241	-	8.369.720
Machinery and equipment	20.482.840	344.353	(30.191)	20.797.003
Motor vehicles	695.107	236.647	(345.051)	586.702
Furniture and fixture	21.579.709	1.959.383	-	23.539.092
Leasehold improvements	1.079.677	270.917	-	1.350.594
	52.996.333	3.363.228	(375.242)	55.984.319
Net book value	26.029.809			24.096.837

NOTE 12-INTANGIBLE ASSETS

The movements in intangible assets during the years ended 31 December 2010 and 2009 are as follows:

	1 January 2010	Additions	Disposals	31 December 2010
Cost				
Rights	22.310.867	32.494	-	22.343.361
Trademark	57.781.640	-	-	57.781.640
Other	2.790.676	153.279	(50.000)	2.893.955
	82.883.183	185.773	(50.000)	83.018.956
Accumulated amortization				
Rights	4.976.557	1.268.114	-	6.244.671
Trademark	4.271.330	2.345.255	-	6.616.585
Other	2.590.244	180.806	(41.667)	2.729.383
	11.838.131	3.794.175	(41.667)	15.590.639
Net book value	71.045.052			67.428.317

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	1 January 2009	Additions	Disposals	31 December 2009
Cost				
Rights	22.211.092	99.775	-	22.310.867
Trademark	57.781.640	-	-	57.781.640
Other	2.760.692	29.984	-	2.790.676
	82.753.424	129.759	-	82.883.183
Accumulated amortisation				
Rights	3.714.864	1.261.693	-	4.976.557
Trademark	1.926.055	2.345.275	-	4.271.330
Other	2.379.081	211.163	-	2.590.244
	8.020.000	3.818.131	-	11.838.131
Net book value	74.733.424			71.045.052

NOTE 13-GOODWILL

The movements in goodwill during the years ended 31 December 2010 and 2009 are as follows:

	2010	2009
1 January	113.857.178	113.857.178
Impairment (Note 22)	(5.671.555)	-
31 December	108.185.623	113.857.178

Group has recognized TL 60.428.513 as goodwill resulting from the acquisition of Simge Yayıncılık A.Ş. on 31 December 2003. Cash flow projections have been prepared for 2011-2015 in relation to fair value measurement and such statement of cash flows are discounted for the determination of fair value. 14,6% of discount is applied per annum for the value in use.

Group acquired 99,99% shares of Bağımsız Gazeteciler for a consideration of TL 22.206.963. The Group recognised goodwill amounting to TL 62.864.882 for the excess of the consideration paid over the Group's interest in the fair value of the net assets of Bağımsız Gazetecilik. On 31 December 2008, the Group recognised deferred tax assets arising from unused tax losses, in the amount of TL 9.436.217, that were not previously recognised as identifiable asset since required conditions were not fulfilled during the purchase of Bağımsız Gazeteciler, in the scope of the IFRS 3 "Business Combinations" and decreased the carrying amount of the goodwill in the same amount.

The Group has measured the recoverable value of goodwill and recognized TL 5.671.555 of impairment loss arising from goodwill attributable to the Group's newsprinting operations. (2009: None). Recoverable value of the Group's newsprinting operations is measured based on the value in use. For Bağımsız Gazeteciler, cash flow projections have been prepared for 2011-2015 in relation to fair value measurement and such statement of cash flows are discounted for the determination of Bağımsız Gazeteciler's fair value. 14,6% of discount is applied per annum for the value in use.

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The assumptions used in the value in use calculations are as below:

	EBITDA margin ⁽¹⁾	Discount rate ⁽²⁾
Bağımsız Gazeteciler	%15,2	%14,6
Simge	%31,3	%14,6

⁽¹⁾ Weighted average of EBITDA increase rate used to extrapolate projected cash flows following the budget period

⁽²⁾ Weighted average cost of capital.

NOTE 14-PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

The analysis of provisions, contingent assets and liabilities at 31 December 2010 and 31 December 2009 is as follows:

i. Short term provisions	31 December 2010	31 December 2009
Provision for lawsuits	4.128.751	2.820.844
Other	45.339	20.444
	4.174.090	2.841.288

Movements of the "provision for lawsuits" during the periods are as follows:

	2010	2009
1 January	2.820.844	2.701.324
Increase during the period (Note 22)	1.307.907	510.451
Reversal of previous provisions	-	(390.931)
31 December	4.128.751	2.820.844

ii. Lawsuits

The nature and amount of the litigations against the Group at 31 December 2010 and 31 December 2009 are as follows:

	31 December 2010	31 December 2009
Legal cases	16.541.380	16.810.105
Administrative cases	3.168.034	1.454.330
Labor cases	1.765.100	1.303.457
Commercial cases	329.000	1.588.483
Cancellation of appeal	39.211	47.537
	21.842.725	21.203.912

As of 31 December 2010, the provision for lawsuits amounting to TL 4.128.751 (31 December 2009: TL 2.820.844) has been set aside with reference to the opinions of the Group's lawyers and past experiences of management related to similar litigations against the Group.

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iii. Tax penalty

The Group was subject to a tax penalty amounting to TL 948.012, related to the interest expenses incurred during the purchase of subsidiary and VAT amounts in the interest invoices, with respect to the 2003 accounting period. Group management objected to the tax principal and fine amount and filed a lawsuit in the tax court. The management did not set aside any provision related to the issue in this consolidated financial statements in line with the counsel of the group legal consultant.

iv. Purchase of Bağımsız Gazeteciler

Group acquired 40,16% shares of Bağımsız Gazeteciler, which owns the brand name of Vatan Gazetesi and its franchise right, in consideration of USD 7.228.125 and 100% shares representing the capital of Kemer Yayıncılık, which has a 59,84% shareholding in the share capital of Bağımsız Gazeteciler, taking into account the fact that almost all of Kemer Yayıncılık's assets are composed of its participation in Bağımsız Gazeteciler, in consideration of USD 10.771.875.

The Competition Authority permitted the transaction via its decision taken on 10 March 2008 following the application made to the Competition Board regarding the above mentioned transactions, provided that:

- following two years after obtainment of permission, brand name Vatan Gazetesi and franchise rights will be transferred by releasing them of any obligations and debts, to persons or entities excluding 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;
- 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 this decision 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.

Subsequent to the decision of the Competition Authority dated 26 September 2008 regarding the permission to purchase within stated terms being received by the Company, a lawsuit was filed with the Council of State, demanding a stay of execution of the terms stated in the decision. On 13 February 2009, the Council of State ruled for a stay of execution of the terms, subject to lawsuit and included in the decision of the Competition Authority dated 10 March 2008. Accordingly, the part of the Competition Authority decision related to the purchase of Bağımsız Gazeteciler and Kemer Yayıncılık shares by Doğan Gazetecilik A.Ş. is effective, and the stay of execution only applies to the terms included in the decision, which are subject to the lawsuit. Appeal of the Competition Authority for the stay of execution is rejected with the decision of the Plenary Session of the Administrative Law Divisions on 16 September 2009. Council of State, with its decision dated 13 March 2010, has concluded the cancellation of circumstances regarding the decision of stay of execution dated 10 March 2008 included in the decision of Competition Authority. Competition Authority has applied to Council of State for the appeal of the decision. As of the report date, no decision had been announced by the Council of State.

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NOTE 15-COMMITMENTS

i. Letter of guarantees and guarantee notes given

Collaterals, pledges and mortgages (CPM) given by the Group at 31 December 2010 and 31 December 2009 are as follows:

	31 December 2010	31 December 2009
A. Total amount of the collaterals given for its own legal entity ⁽¹⁾	13.000.164	7.167.943
B. Collaterals given on behalf of fully consolidated companies	1.457.198	79.250
C. CPM given on behalf of the third parties' debt for the continuation of their economic activities	-	-
D. Total amount of other CPM		
i. Given on behalf of majority shareholder	-	-
ii. Given on behalf of other group companies which are not in the scope of B and C	-	-
iii. Given on behalf of third parties which are not in scope of C	-	-
TOTAL	14.457.362	7.247.193

⁽¹⁾ Amounts comprise of collaterals and there are no pledges or mortgages. Collaterals, pledges and mortgages are given to executive offices, courts, customs offices, the National Lottery. There isn't any collaterals, pledges and mortgages in foreign currency.

Other CPM given by the Group to equity ratio is 0,0% (31 December 2009: 0,0%)

ii. Barter agreements

The Group has entered into barter agreements which involve the exchange of goods or services without cash collections or payments. In connection with the barter agreements as of 31 December 2010, the Group is under obligation to provide advertisement services to Group and non-group companies amounting to TL 10.325.734 (31 December 2009: TL 9.437.489) and TL 1.943.144 respectively (31 December 2009: TL 1.498.159). The Group has the right to purchase various types of goods and render services amounting to TL 5.447.167 (31 December 2009: TL 11.012.596) regarding barter agreements, including purchase right from related parties amounting to TL 1.061.146 (31 December 2009: TL 4.750.354). Total barter transactions income in the current period of the Group is TL 15.670.149 (31 December 2009: TL 22.801.958), barter transactions expense is TL 25.715.059 (31 December 2009: TL 24.022.879).

NOTE 16-PROVISION FOR EMPLOYMENT TERMINATION BENEFITS

	31 December 2010	31 December 2009
Provision for employment termination benefits	13.364.200	7.669.281

Under the Turkish Labour Law, the Group 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.

At 31 December 2010 the amount payable consists of one month's salary limited to a maximum of TL 2.517,01 (31 December 2009: TL 2.365,16) 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 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.

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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:

	31 December 2010	31 December 2009
Discount rate (%)	4,66	5,92
Turnover rate to estimate the probability of retirement (%)	87	93

The principal assumption is that the maximum liability for each year of service will increase in line with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. As the maximum liability is revised semi-annually, the maximum amount of TL 2.623,23 effective from 1 January 2011 (1 January 2010: TL 2.427,03) 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 periods ended 31 December are as follows:

	2010	2009
1 January	7.669.281	5.292.537
Charge for the period ⁽ⁱ⁾	8.557.390	3.858.267
Interest cost	357.388	313.318
Payments during the period	(3.623.532)	(2.157.492)
Actuarial loss	403.673	362.651
31 December	13.364.200	7.669.281

⁽ⁱ⁾ The group management reviewed the estimation methods used for employment termination benefits, and accordingly, accounted for the differences occurred in the accounting estimates during the current period.

NOTE 17-OTHER ASSETS AND LIABILITIES

The analysis of other assets and liabilities at 31 December 2010 and 31 December 2009 is as follows:

i. Other current assets

	31 December 2010	31 December 2009
Prepaid expenses	1.679.430	1.991.834
Deferred VAT and other tax receivables	1.195.368	5.907.395
Income accruals	200.074	40.344
Personnel advances	2.071.927	2.674.175
Job advances	151.836	415.764
Advances given for the purchase of inventories	9.829	1.558.862
Prepaid taxes and funds	1.964	268.551
	5.310.428	12.856.925
Provision for diminution in value	(357.160)	(660.893)
	4.953.268	12.196.032

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ii. Other non-current assets

	31 December 2010	31 December 2009
Deferred VAT and other tax receivables	6.098.804	4.561.227
	6.098.804	4.561.227

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

iii. Other current liabilities

	31 December 2010	31 December 2009
Deferred revenue	2.106.343	1.997.975
Unused vacation liability	4.763.256	2.553.169
Provisions for promotion inventories	252.245	1.785.818
Tax penalty liability ⁽ⁱ⁾	-	8.833.140
Other	1.685	-
	7.123.529	15.170.102

⁽ⁱ⁾ This liability is related to the original tax amount, tax penalty and late payment interest, amounting to TL 8.833.140 based on the negotiations for the original tax, tax loss penalty and special penalty of irregularity notified as a result of the tax inspection performed in the Group for the fiscal years 2004, 2005, 2006 and 2007. This obligation was paid on 11 January 2010 (Note 26).

Movements in the provision for unused vacation liabilities for the periods are as follows:

	2010	2009
1 January	2.553.169	1.420.754
Additions during the period	2.888.559	1.418.987
Payments during the period	(678.472)	(286.572)
31 December	4.763.256	2.553.169

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NOTE 18-EQUITY

Doğan Gazetecilik A.Ş.'s shareholders and shareholding structure at 31 December 2010 and 31 December 2009 are as follows:

Shareholders	31 December 2010		31 December 2009	
	TL	Share %	TL	Share %
Doğan Yayın Holding A.Ş.	74.300.205	70,76	74.300.205	70,76
Open to public	30.151.167	28,72	30.151.167	28,72
Other	548.628	0,52	548.628	0,52
	105.000.000	100,00	105.000.000	100,00
Adjustment to share capital	45.910.057		45.910.057	
Paid in capital	150.910.057		150.910.057	

The total authorised number of ordinary shares is TL 150.000.000 (31 December 2009: TL 150.000.000) with a par value of TL 1 per share (31 December 2009: TL 1). All issued shares are fully paid.

Doğan Yayın Holding A.Ş. owns 12,67% of shares offered to the public as of 31 December 2010 (31 December 2009: 12,67%).

Due to tax principal and tax penalty notices communicated by the related tax office, the shares that Doğan Yayın Holding A.Ş. possesses in the Doğan Gazetecilik A.Ş.'s share capital and which represent 70,76% of the share capital of Doğan Gazetecilik A.Ş. included in the export/investment accounts of the Central Registry Institution and Intermediary Institution were immobilised and their transfer has been restricted. In the public announcement of Doğan Yayın Holding, dated 1 February 2010, 19 March 2010 and 6 May 2010 it was mentioned that a significant portion of the lawsuits filed for the aforementioned tax amounts and notices have been finalised in favour of Doğan Yayın Holding. Since it is thought that the amount of sequestration exceeds the total public receivable accrued, Doğan Yayın Holding expects that the sequestration exceeding the public receivable will be removed after the assessment of the related tax office.

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

Share premium

22.000.000 units of shares with a nominal value of TL 1, corresponding to 22% of the Company capital were allocated to Deutsche Bank AG by Deutsche Securities Menkul Degerler A.Ş. with the transaction in ISE wholesales market on 19 November 2007, through restricting new share purchase completely, each share with TL 1 nominal value having the price of USD 4,0 (TL 4,73). Share premium arising in the amount of TL 82.060.000 was recognized in the equity capital.

Restricted reserves

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.

The amounts stated above shall be presented as "Restricted reserves" in accordance with CMB Financial Reporting Standards. The Company's restricted reserve as at 31 December 2010 is TL 1.619.190 under Turkish Commercial Code and tax procedures law (31 December 2009: TL 1.279.827).

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

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

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

Other equity items shall be carried at the amounts calculated based on CMB Financial Reporting Standards.

Capital adjustment differences have no other use other than being transferred to share capital.

Dividend payment:

Open to public companies are subject to dividend requirements regulated by CMB as follows:

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

Under the requirements of the CMB’s Communiqué Serial:XI, No.29, based on the audited financial statements prepared for the peiroad 1 January 2009-31 December 2009 in accordance with International Accounting Standards and International Financial Reporting Standards, the Company has decided not to distribute any profit for the 2009 period since the Company has TL 16.123.623 of “Consolidated Net Loss for the Period” considering the “Deferred Tax Income”; and since there is TL 6.787.266 of net profit for the period in the TCC and TPL financial records, the Company has decided to provide “1st Legal Reserves” out of the related amount in accordance with Article 466/1 of TCC and the remainder (TL 6.447.902) has decided to be classified under “Extraordinary Reserves” in accordance with the Extraordinary Shareholders’ Meeting held on 10 May 2010.

The CMB’s requires the disclosure of total amount of other resources that may be related to the profit for period and profit distribution reported in the statutory records in the financial statements prepared in accordance with Communiqué Serial XI, No: 29. The Company’s gross amount of resources that may be related to the profit distribution reported in the statutory records as of the balance sheet amounts to TL 34.693.246.

NOTE 19-SALES AND COST OF SALES

	31 December 2010	31 December 2009
Domestic sales, net	353.868.628	349.191.816
Cost of sales	(221.969.325)	(230.045.787)
Gross profit	131.899.303	119.146.029

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The details of sales income and cost of sales for the years ended 31 December 2010 and 2009 are as follows:

Sales income

	31 December 2010	31 December 2009
Advertising income	188.069.983	178.265.404
Newspaper sales income	161.083.445	167.587.114
Other income ⁽¹⁾	4.715.200	3.339.298
Sales income, net	353.868.628	349.191.816

⁽¹⁾ The majority of the other income consists of the sales return of newspapers.

Cost of sales

	31 December 2010	31 December 2009
Raw material costs	90.989.827	113.491.602
Personnel costs	44.339.818	31.760.156
Printing costs	34.221.739	33.837.704
News and photography costs	29.005.727	32.243.865
Depreciation and amortization expenses (Note 10,11 and 12)	3.927.414	4.058.193
Internet expenses	2.068.285	2.517.990
Other	17.416.515	12.136.277
	221.969.325	230.045.787

NOTE 20-MARKETING, SELLING AND DISTRIBUTION EXPENSES, GENERAL ADMINISTRATIVE EXPENSES

	31 December 2010	31 December 2009
Marketing, selling and distribution expenses		
Advertisement expenses	26.041.732	26.966.449
Promotion expenses	25.033.325	16.343.028
Distribution expenses	20.939.834	20.819.785
Personnel expenses	19.537.276	17.321.004
Presentation and marketing expenses	4.936.283	4.786.047
Travel expenses	1.237.051	1.197.436
Sponsorship expenses	798.489	856.703
Commission expense	722.757	287.889
Consulting expenses	542.494	430.660
Communication expenses	384.537	595.895
Depreciation and amortization expenses (Note 10, 11 and 12)	249.353	247.398
Internet expenses	57.055	46.563
Packaging expense	39.840	41.796
Other	2.977.561	5.597.782
	103.497.587	95.538.435

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General administrative expenses	31 December 2010	31 December 2009
Personnel expenses	15.814.168	13.859.157
Consulting expenses	4.426.485	4.067.876
Depreciation and amortization expenses (Note 10, 11 and 12)	3.317.039	3.133.453
Maintenance expenses	1.017.952	240.115
Transportation expenses	677.796	583.622
Legal expenses	622.420	504.762
Rent expenses	579.300	702.209
Electricity expenses	333.847	365.843
Travel expenses	332.590	387.805
Communication expenses	233.416	342.884
Cleaning expenses	222.162	371.357
Taxes and funds expenses	-	360.460
Other	2.315.259	2.302.110
	29.892.434	27.221.653

NOTE 21-EXPENSES BY NATURE

As of 31 December 2010 and 2009, expenses are disclosed by function and the analysis of the expenses is summarized in Note 19 and Note 20.

NOTE 22-OTHER OPERATING INCOME/EXPENSES

The details of other operating income and expense for the years ended 31 December 2010 and 2009 are as follows:

i. Other operating income:	31 December 2010	31 December 2009
Reversal of provisions	2.720.861	1.993.625
Rent income	2.730.934	2.052.916
Gain on sale of fixed assets	181.255	95.414
Sales income of brand ⁽¹⁾	5.095.000	-
Other	346.577	521.154
	11.074.627	4.663.109

⁽¹⁾ TL 5.095.000 of the additions is related to the sale of trademark and royalty of Radikal Gazetesi to Hürriyet Gazetecilik ve Matbaacılık A.Ş. Sales price is based on the report of the independent valuer. Sales amount is recorded to "Other operating income" at consolidated statements of comprehensive income.

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ii. Other operating expenses:	31 December 2010	31 December 2009
Diminution in carrying amount of goodwill (Note 13)	(5.671.555)	-
Provision for doubtful receivables (Note 7)	(4.552.445)	(3.680.305)
Negotiated tax penalty (Note 26)	(1.391.165)	(8.833.140)
Provision for lawsuits (Note 14)	(1.307.907)	(510.451)
Impairment on available for sale investments	(843.031)	-
Loss on sale of property, plant and equipment, intangible assets and investment property (Note 5)	(832.706)	(193.549)
Provision for impairment on investment property (Note 10)	-	(63.809)
Other	(1.384.231)	(981.420)
	(15.983.040)	(14.262.674)

NOTE 23-FINANCIAL INCOME

The details of financial income for the years ended 31 December 2010 and 2009 are as follows:

	31 December 2010	31 December 2009
Finance income-sales with maturity	3.850.875	2.391.614
Foreign exchange gains	1.431.497	1.077.710
Interest income	1.016.661	2.030.416
	6.299.033	5.499.740

NOTE 24-FINANCIAL EXPENSES

The details of financial expenses for the periods ended 31 December 2010 and 2009 are as follows:

	31 December 2010	31 December 2009
Interest expenses	(3.372.992)	(4.643.817)
Foreign exchange losses	(2.112.820)	(2.033.787)
Finance expense-purchases with maturity	(1.034.945)	(682.139)
Factoring expenses	(582.314)	(682.208)
Bank commission expenses	(339.157)	(607.466)
Other financial expenses	(239.356)	(53.363)
	(7.681.584)	(8.702.780)

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

There aren't any non-current assets held for sale as at 31 December 2010 (31 December 2009: None).

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NOTE 26-TAXATION

	31 December 2010	31 December 2009
Corporate and income taxes payable	4.554.352	2.275.801
Less: Prepaid taxes	(4.316.935)	(2.249.364)
Prepaid tax	237.417	26.437

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 2010 is 20% (2009: 20%). Corporation tax is payable 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 15%. An increase in capital via issuing bonus shares is not considered as a profit distribution and thus does not incur withholding tax.

Corporations are required to pay advance corporation tax quarterly at the rate of 20% (31 December 2009: 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. 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 since 1 January 2005.

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

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. The exemptions that are 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.

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Tax penalty

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

It has been compromised before assessment on 11 December 2009 regarding the tax inspection reports including the TL 10.092.007 original tax amount, TL 11.157.961 tax loss penalty and TL 171.942 special penalty of irregularity which related to periods 2004, 2005, 2006 and 2007 which were announced to the Group on 25 November 2009. The original tax and tax loss penalty were determined as TL 4.465.500, special penalty of irregularity was cancelled. Compromised amount of TL 4.465.500 and late payment interest of TL 4.367.640, in total TL 8.833.140 was paid on 11 January 2010 (Note 17).

In regards to the tax notification which was served to Doğan Gazetecilik on 26 December 2008 relating to the 1 January 2003-31 December 2003 accounting period and amounting to TL 948.012 of actual tax charge (actual charge and penalty), no reconciliation was made with Doğan Gazetecilik after the tax assessment made on 12 January 2010. The lawsuits filed for the cancellation of the tax charge and tax penalty issued are resulted partially in favor of and partially against the Company and the outcomes of those lawsuits are issued to Doğan Gazetecilik A.Ş. Accordingly, the lawsuit resulted against Doğan Gazetecilik A.Ş. amounts to TL 725.462 (TL 280.364 of tax charge and TL 445.098 of tax penalty). The Company made an objection by the Council of State in relation to the lawsuits that are resulted against the Company, including the motion for stay of execution. The Council of State approved the objection made in regards to the lawsuit amounting to TL 725.462 and ruled for the stay of execution.

Total of TL 1.391.165 related with the 2008 period tax audit report which was announced to the Group from Tax Inspection Authority, including TL 1.035.000 original tax amount and penalty and TL 356.165 late payment interest is paid to respective Tax Administration as of 30 June 2010 providing that the related amount shall be written off against the Company's tax assets.

There is no continuing tax inspection except for the ones stated above.

The tax expense for the years ended 31 December 2010 and 2009 is summarized as follows:

	31 December 2010	31 December 2009
-Current year corporate tax	(4.554.352)	(2.275.801)
-Deferred tax (charge)/benefit	(4.292.021)	2.569.202
Total tax (expense)/income	(8.846.373)	293.401

The reconciliation of the taxation on income in the consolidated statement of income for the years ended 31 December 2010 and 2009 and the taxation on income calculated with the current tax rate over income from continuing operations before tax is as follows:

	31 December 2010	31 December 2009
Loss before income taxes	(7.781.682)	(16.416.664)
Income tax rate %20	1.556.337	3.139.680
Effects of carry forward tax losses over which deferred tax asset is net recognized	(7.219.893)	(299.770)
Income not subject to tax	-	237.346
Expenses not deductible for tax purposes	(1.823.914)	(2.553.497)
Non-deductible impairment on goodwill	(1.134.311)	-
Other	(224.592)	(230.358)
Total	(8.846.373)	293.401

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Deferred taxes

The Group recognizes deferred income tax assets and liabilities based upon temporary differences arising between their financial statements and their statutory tax financial statements as stated at Note 2. These differences usually result in the recognition of revenue and expenses in different reporting periods and tax purposes as stated at Note 2.

Deferred income taxes are calculated on temporary differences that are expected to be realized or settled based on the taxable income in coming years under the liability method using a principal tax rate of 20% (31 December 2009: 20%).

The temporary differences giving rise to deferred income tax assets/(liabilities) using the enacted tax rates as of 31 December 2010 and 31 December 2009 are as follows:

	Total temporary differences		Deferred tax assets/(liabilities)	
	31 December 2010	31 December 2009	31 December 2010	31 December 2009
Carry forward tax losses ⁽ⁱ⁾	71.015.911	79.937.691	6.455.644	11.813.665
Provision for employment termination benefits	13.364.200	7.669.281	2.672.840	1.533.856
Unused vacation liability	4.763.256	2.553.169	952.651	510.634
Provision for doubtful receivables	4.555.035	5.153.821	911.007	1.030.764
Provision for impairment on inventories	2.926.796	2.712.408	585.359	542.482
Provision for lawsuits	1.977.497	1.592.567	395.499	318.513
Unearned sales income	729.631	-	145.926	-
Other provisions	357.160	660.893	71.432	132.179
Unearned interest income	502.191	296.067	100.438	59.213
Provision for promotion stocks	252.245	1.785.818	50.449	357.164
Deductible income tax withholding	-	3.730.000	-	746.000
Deferred tax assets			12.341.245	17.044.470
Difference between the tax base and carrying value of property, plant and equipment and intangible assets	(50.917.868)	(53.005.377)	(10.183.573)	(10.601.075)
Unearned finance expenses	(150.733)	(119.236)	(30.147)	(23.849)
Deferred tax liabilities			(10.213.720)	(10.624.924)
Deferred tax assets, net			2.127.525	6.419.546

⁽ⁱ⁾ Deferred income tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized. As of 31 December 2010, carry forward tax losses for which deferred income tax asset was recognized amounted to TL 32.278.220 (31 December 2009: TL 59.068.325). As of 31 December 2010, total amount of carry forward tax losses is TL 71.015.911 (31 December 2009: TL 79.937.691).

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	31 December 2010	31 December 2009
To be recovered after one year	9.128.484	12.053.166
To be recovered within one year	3.212.761	4.991.304
Total	12.341.245	17.044.470

Deferred tax liabilities:

	31 December 2010	31 December 2009
To be recovered after one year	(10.183.599)	(9.918.625)
To be recovered within one year	(30.121)	(706.299)
Total	(10.213.720)	(10.624.924)

The maturity analysis of carry forward tax losses is as follows:

	31 December 2010	31 December 2009
2010	-	6.468.966
2011	2.020.343	10.191.355
2012	4.272.438	13.612.629
2013	7.637.009	19.597.492
2014	9.036.295	9.197.883
2015	9.312.135	-
Total	32.278.220	59.068.325

The movements in deferred income tax assets for the years ended 31 December are as follows:

	2010	2009
1 January	6.419.546	3.850.344
Deferred tax (charge)/benefit	(4.292.021)	2.569.202
31 December	2.127.525	6.419.546

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NOTE 27-LOSS PER SHARE

Loss per share for each class of shares disclosed in the consolidated statements of income is determined by dividing the net profit/(loss) by the weighted average number of shares of that class that have been outstanding during the period.

	31 December 2010	31 December 2009
Net loss for the period	(16.528.807)	(16.255.344)
Weighted average number of shares with face value of TL 1 each	105.000.000	105.000.000
Loss per share (Kr)	(15,7)	(15,5)

NOTE 28-TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The Company's principal shareholder is Doğan Yayın Holding, and its ultimate shareholder; Doğan family and other Group companies controlled by these people and the Companies' available for sale investments are referred to as the related parties.

Summary of the balances and transactions with related parties for the periods ended is disclosed below:

a) Due from related parties:

	31 December 2010	31 December 2009
Doğan Dağıtım Satış ve Pazarlama A.Ş. ("Doğan Dağıtım") ⁽¹⁾	4.562.127	3.580.942
Medyanet İletişim Reklam Paz. Turizm A.Ş. ("Medyanet") ⁽²⁾	4.018.585	8.142.990
Mutlu Dergi Grubu A.Ş. (former title Vatan İmako Medya Yayıncılık A.Ş.)	960.706	941.905
Birey Seçme ve Değ. Ltd. Şti. ("Birey İK")	645.293	264.590
Milliyet Verlags und Handels GmbH ("Milliyet Verlags")	-	330.186
Vatan Dergi Grubu A.Ş.	-	2.634.534
Doğan TV Holding A.Ş. ("Doğan TV")	-	1.191.740
Other	396.690	918.965
Total	10.583.401	18.005.852

⁽¹⁾ Doğan Dağıtım distributes the daily newspapers of the Group.

⁽²⁾ The sales made to Medyanet consists of the internet advertising sales made from the websites.

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b) Due to related parties:

	31 December 2010	31 December 2009
DTV Haber ve Görsel Yayıncılık A.Ş. (“Kanal D”) ⁽¹⁾	14.722.261	13.252.988
Hürriyet Gazetecilik ve Matbaacılık A.Ş. (“Hürriyet”) ⁽³⁾	9.763.354	10.747.754
Doğan Yayın Holding A.Ş. (“Yayın Holding”)	1.168.636	1.019.175
Doğan İletişim Elektronik Servis Hizmetleri ve Yayıncılık A.Ş. (“Doğan Online”)	942.866	828.911
Doğan Ofset Yayıncılık ve Matbaacılık A.Ş. (“Doğan Ofset”)	873.238	748.534
Milpa Ticari Sınai Ürünler Paz. San. ve Tic. A.Ş. (“Milpa”)	796.404	-
Işıl İthalat ve İhracat Mümessillik A.Ş. (“Işıl İthalat İhracat”) ⁽²⁾	501.149	10.127.232
Doğan Burda Dergi Yayıncılık ve Pazarlama A.Ş. (“Doğan Burda”)	268.892	499.010
Milta Turizm İşletmeleri A.Ş. (“Milta Turizm”)	185.090	505.761
Doğan Dış Ticaret ve Mümessillik A.Ş. (“Dış Ticaret”) ⁽²⁾	93.362	4.394.709
Doğan Faktoring Hizmetler A.Ş. (“Doğan Faktoring”)	797	2.042.953
Other	378.423	297.767
	29.694.472	44.464.794
Less: Unearned finance expense due to purchases with maturity	(150.773)	(119.236)
	29.543.699	44.345.558

⁽¹⁾ Due to Kanal D consists of the advertising expenses related with the advertisement of newspapers shown in televisions.

⁽²⁾ The Group purchases most of its raw materials from Doğan Dış Ticaret and Işıl İthalat.

⁽³⁾ Due to Hürriyet is related with printing of newspapers.

c) Service and product sales to related parties:

	31 December 2010	31 December 2009
Doğan Dağıtım ⁽¹⁾	160.672.319	165.339.967
Medyanet ⁽²⁾	9.727.662	7.940.953
Kanal D	4.696.067	3.343.716
Doğan TV Dijital Platform	2.319.787	4.164.363
Star TV	1.598.088	2.137.976
Mozaik İletişim Hizmetleri A.Ş. (“Mozaik”)	423.178	3.137.402
Petrol Ofisi	111	1.022.524
Bravo	-	1.399.455
Other	4.215.834	4.293.965
	183.653.046	192.780.321

⁽¹⁾ Doğan Dağıtım distributes the daily newspapers of the Group.

⁽²⁾ The sales made to Medyanet consists of the internet advertising sales made from the websites.

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d) Service and product purchases from related parties:

	31 December 2010	31 December 2009
Işıl İthalat ⁽¹⁾	58.058.764	66.386.532
Dış Ticaret ⁽¹⁾	38.098.753	50.413.170
Hürriyet ⁽²⁾	32.079.824	32.532.351
Other	10.729.809	9.715.094
	138.967.150	159.047.147
Less: Unearned finance expense due to purchases with maturity	(1.034.945)	(682.139)
	137.932.205	158.365.008

⁽¹⁾ The Group purchases most of its raw materials from Doğan Dış Ticaret and Işıl İthalat.

⁽²⁾ The newspapers of the Group are printed in the printing houses of Hürriyet.

e) Other significant transactions with related parties:

Other income/(expense), net	31 December 2010	31 December 2009
Hürriyet ⁽¹⁾	5.095.000	-
Doğan TV (Note 10) ⁽²⁾	2.570.788	-
Kanal D (Note 10) ⁽²⁾	-	1.986.358
Other	(37.457)	39.021
	7.628.331	2.025.379

⁽¹⁾ TL 5.095.000 of the additions is related to the sale of trademark and royalty of Radikal Gazetesi to Hürriyet Gazetecilik ve Matbaacılık A.Ş. Sales price is based on the report of independent valuer. Sales amount is recorded to "Other operating income" at consolidated statements of comprehensive income. The assignment of the personnel of Radikal Gazetesi and internet site has been completed on 31 August 2010. All liabilities of these personnel belongs to the Group.

⁽²⁾ Rent income from Doğan TV Holding and Kanal D.

Financial (expense)/income, net	31 December 2010	31 December 2009
Doğan Factoring	(584.403)	(667.125)
Işıl İthalat	(398.649)	(1.210.486)
Doğan Dış Ticaret	(356.901)	(273.658)
Kanal D	(283.670)	(713.354)
Hürriyet	(41.089)	(570.752)
Other	(40.632)	(220.279)
Financial expenses	(1.705.344)	(3.655.654)

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(AMOUNTS EXPRESSED IN TURKISH LIRA [“TL”] UNLESS OTHERWISE INDICATED.)***General administrative, marketing, distribution and selling expenses:*

	31 December 2010	31 December 2009
Doğan Dağıtım ⁽¹⁾	22.377.514	21.355.495
Kanal D ⁽²⁾	12.086.254	15.984.989
Star TV ⁽²⁾	3.532.009	254.637
D Yapım Reklamcılık ve Dağıtım A.Ş.	2.902.184	2.033.008
Doğan Yayın Holding	1.862.086	1.713.807
Doğan TV Dijital Platform	552.128	723.774
Doğan Egmond	344.537	594.071
Hürriyet	313.959	385.432
DBR	132.197	320.182
Radyo Kulübü	107.552	294.909
Doğa TV	94.893	299.585
Other	1.761.286	1.402.230
	46.066.599	45.362.119

⁽¹⁾ Distribution and transportation service is received from Doğan Dağıtım.

⁽²⁾ The Group receives television advertising services from Star TV and Kanal D.

Acquisition of Investment Property:

	31 December 2010	31 December 2009
Milpa ⁽¹⁾ 1.269.408	-	-
Kanal D	-	4.444.823
Total	1.269.408	4.444.823

⁽¹⁾ The investment property acquired with the barter agreement in exchange of advertising services.

Investment property sales:

	31 December 2010	31 December 2009
Işıl İthalat	-	2.094.143
Total	-	2.094.143

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f) Remuneration paid to top management:

The Group defined its top management personnel as board of directors' members and executive board members. Remuneration of top management includes salaries, premiums, health insurance and transportation benefits.

	31 December 2010	31 December 2009
Salaries and other short term benefits	5.242.946	4.101.484
Post-employment benefits	391.094	-
Other long term benefits	-	-
Termination benefits	-	-
Share based payments	-	-
Total	5.634.040	4.101.484

NOTE 29-FINANCIAL RISK MANAGEMENT

Financial risk management

The Group's activities expose it to a variety of financial risks, these risks are market risk including the effects of changes in debt and equity market prices, foreign currency exchange rates, fair value interest rate risk and cash flow interest rate risk, 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.

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

Market risk

Interest rate risk

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

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

Financial instruments with fixed interest rate	31 December 2010	31 December 2009
Fixed interest rate financial instruments	3.279.440	249.628
-Designated as fair value through profit or loss ⁽ⁱ⁾	3.279.440	249.628
-Financial assets available for sale	-	-
Financial liabilities	19.697.541	11.014.628
Financial instruments with floating interest rate	31 December 2010	31 December 2009
Financial assets	-	-
Financial liabilities	13.400.000	9.000.000

⁽ⁱ⁾ Financial assets designated as fair value through profit or loss consists of fixed interest rate time deposits with maturity less than three months.

The Group has borrowing with a floating interest rate amounting to TL 13.400.000 as of 31 December 2010 (31 December 2009: TL 9.000.000).

As of 31 December 2010, if interest rate on borrowings had been 1% higher/lower with all other variables held constant, interest expense would have been TL 5.872 higher/lower (31 December 2009: TL 63.750).

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(AMOUNTS EXPRESSED IN TURKISH LIRA [“TL”] UNLESS OTHERWISE INDICATED.)***Foreign currency risk*

	31 December 2010	31 December 2009		
Assets	157.331	421.702		
Liabilities	(19.837.257)	(12.970.076)		
Net foreign currency position	(19.679.926)	(12.548.374)		
31 December 2010	TL Equivalent	US Dollar	Euro	Other
1. Trade Receivables	-	-	-	-
2a. Monetary Financial Assets (Cash, Banks included)	157.331	45.148	107.038	5.145
2b. Non-Monetary Financial Assets	-	-	-	-
3. Other	-	-	-	-
4. Current Assets (1+2+3)	157.331	45.148	107.038	5.145
5. Trade Receivables	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-
6b. Non-Monetary Financial Assets	-	-	-	-
7. Other	-	-	-	-
8. Non-current assets (5+6+7)	-	-	-	-
9. Total assets (4+8)	157.331	45.148	107.038	5.145
10. Trade Payables	216.606	216.606	-	-
11. Financial Liabilities	19.620.650	9.320.032	10.300.619	-
12a. Other Monetary Financial Liabilities	-	-	-	-
12b. Other Non-Monetary Financial Liabilities	-	-	-	-
13. Current Liabilities (10+11+12)	19.837.256	9.536.638	10.300.619	-
14. Trade Payables	-	-	-	-
15. Financial Liabilities	-	-	-	-
16a. Other Monetary Financial Liabilities	-	-	-	-
16b. Other Non-Monetary Financial Liabilities	-	-	-	-
17. Non-current Liabilities (14+15+16)	-	-	-	-
18. Total Liabilities (13+17)	19.837.256	9.536.638	10.300.619	-
19. Net asset/liability position of Off-balance sheet derivatives (19a-19b)	-	-	-	-
19.a Off-balance sheet foreign currency derivative assets	-	-	-	-
19.b. Off-balance sheet foreign currency derivative liabilities	-	-	-	-
20. Net foreign currency asset liability position (9-18+19)	(19.679.925)	(9.491.490)	(10.193.581)	5.145
21. Net foreign currency asset/liability position of monetary items (1+2a+5+6a-10-11-12a-14-15-16a)	(19.679.925)	(9.491.490)	(10.193.581)	5.145
22. Fair value of foreign currency hedged financial assets	-	-	-	-
23. Exports	-	-	-	-
24. Imports	-	-	-	-

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31 December 2009	TL Equivalent	US Dollar	Euro	Other
1. Trade Receivables	330.186	-	330.186	-
2a. Monetary Financial Assets (Cash, Banks included)	91.516	49.288	33.820	8.408
2b. Non-Monetary Financial Assets	-	-	-	-
3. Other	-	-	-	-
4. Current Assets (1+2+3)	421.702	49.288	364.006	8.408
5. Trade Receivables	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-
6b. Non-Monetary Financial Assets	-	-	-	-
7. Other	-	-	-	-
8. Non-current assets (5+6+7)	-	-	-	-
9. Total assets (4+8)	421.702	49.288	364.006	8.408
10. Trade Payables	12.970.076	12.970.076	-	-
11. Financial Liabilities	-	-	-	-
12a. Other Monetary Financial Liabilities	-	-	-	-
12b. Other Non-Monetary Financial Liabilities	-	-	-	-
13. Current Liabilities (10+11+12)	12.970.076	12.970.076	-	-
14. Trade Payables	-	-	-	-
15. Financial Liabilities	-	-	-	-
16a. Other Monetary Financial Liabilities	-	-	-	-
16b. Other Non-Monetary Financial Liabilities	-	-	-	-
17. Non-current Liabilities (14+15+16)	-	-	-	-
18. Total Liabilities (13+17)	12.970.076	12.970.076	-	-
19. Net asset/liability position of Off-balance sheet derivatives (19a-19b)	-	-	-	-
19.a Off-balance sheet foreign currency derivative assets	-	-	-	-
19.b. Off-balance sheet foreign currency derivative liabilities	-	-	-	-
20. Net foreign currency asset liability position (9-18+19)	(12.548.374)	(12.920.788)	364.006	8.408
21. Net foreign currency asset/liability position of monetary items (1+2a+5+6a-10-11-12a-14-15-16a)	(12.548.374)	(12.920.788)	364.006	8.408
22. Fair value of foreign currency hedged financial assets	-	-	-	-
23. Exports	-	-	-	-
24. Imports	-	-	-	-

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Group is exposed to US Dollar, mainly. The analysis of sensitivity to foreign currency is as follows:

	Income/Loss	
	Foreign currency appreciates	Foreign currency depreciates
31 December 2010		

If the US dollar had changed by 10% against the TL

USD net (liabilities)/assets		
Hedging amount of USD	(1.979.211)	1.979.211
USD net effect on (loss)/income	(1.979.211)	1.979.211

	Income/Loss	
	Foreign currency appreciates	Foreign currency depreciates
31 December 2009		

If the US dollar had changed by 10% against the TL

USD net (liabilities)/assets		
Hedging amount of USD	(1.292.079)	1.292.079
USD net effect on (loss)/income	(1.292.079)	1.292.079

	Income/Loss	
	Foreign currency appreciates	Foreign currency depreciates
31 December 2010		

If the EUR had changed by 10% against the TL

EUR net (liabilities)/assets		
Hedging amount of EUR	(1.019.358)	1.019.358
EUR net effect on (loss)/income	(1.019.358)	1.019.358

	Income/Loss	
	Foreign currency appreciates	Foreign currency depreciates
31 December 2009		

If the EUR had changed by 10% against the TL

EUR net (liabilities)/assets		
Hedging amount of EUR	-	-
EUR net effect on (loss)/income	-	-

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.

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The maximum exposure of the Group to credit risk as of 31 December 2010 and 31 December 2009 is as follows:

31 December 2010	Trade receivables		Other receivables		Cash and cash equivalents	Derivative instruments	Other
	Related Party	Other	Related Party	Other			
Maximum credit risk exposure as of balance sheet date	10.583.401	63.949.874	-	62.450	4.852.292	-	-
<i>-Collateralized or secured with guarantees part of maximum credit risk</i>	-	13.686.958	-	-	-	-	-
A. Neither past due nor impaired	6.451.698	38.831.549	-	62.450	-	4.852.292	-
B. Restructured otherwise accepted as past due and impaired	-	-	-	-	-	-	-
C. Past due but not impaired	1.517.840	25.118.325	-	-	-	-	-
<i>-Guaranteed amount by commitment</i>	-	10.474.306	-	-	-	-	-
D. Impaired asset net book value	-	-	-	-	-	-	-
-Past due (gross amount)	-	19.522.869	-	-	-	-	-
-Impairment (-)	-	(19.522.869)	-	-	-	-	-
-Net value collateralized or guaranteed part of net value	-	-	-	-	-	-	-
-Not over due (gross amount)	-	-	-	-	-	-	-
-Impairment (-)	-	-	-	-	-	-	-
-Net value collateralized or guaranteed part of net value	-	-	-	-	-	-	-
E. Off-balance sheet items bearing credit risk	-	-	-	-	-	-	-

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31 December 2009	Trade receivables		Other receivables		Cash and cash equivalents	Derivative instruments	Other
	Related Party	Other	Related Party	Other			
Maximum credit risk exposure as of balance sheet date	18.005.852	58.785.253	-	62.637	1.147.673	-	-
<i>-Collateralized or secured with guarantees Part of maximum credit risk</i>	-	11.424.741	-	-	-	-	-
A. Neither past due nor impaired	9.820.385	38.020.074	-	62.637	1.147.673	-	-
B. Restructured otherwise accepted as past due and impaired	-	-	-	-	-	-	-
C. Past due but not impaired	8.185.467	20.765.179	-	-	-	-	-
<i>-Guaranteed amount by commitment</i>	-	8.836.759	-	-	-	-	-
D. Impaired asset net book value	-	-	-	-	-	-	-
-Past due (gross amount)	-	15.649.595	-	-	-	-	-
-Impairment (-)	-	(15.649.595)	-	-	-	-	-
-Net value collateralized or guaranteed part of net value	-	-	-	-	-	-	-
-Not over due (gross amount)	-	-	-	-	-	-	-
-Impairment (-)	-	-	-	-	-	-	-
-Net value collateralized or guaranteed part of net value	-	-	-	-	-	-	-
E. Off-balance sheet items bearing credit risk	-	-	-	-	-	-	-

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The aging schedule of receivables that are overdue but not impaired is as follows:

Trade receivables					
31 December 2010	Related party	Other	Bank deposits	Financial instruments	Other
1 to 30 days	1.198	11.935.604	-	-	-
1 to 3 months	15.147	7.056.936	-	-	-
3 to 12 months	296.478	4.899.428	-	-	-
More than 1 year	1.205.017	1.226.357	-	-	-
Total	1.517.840	25.118.325	-	-	-
Guaranteed amount	-	10.474.306	-	-	-
Trade receivables					
31 December 2009	Related party	Other	Bank deposits	Financial instruments	Other
1 to 30 days	1.059.427	9.664.935	-	-	-
1 to 3 months	1.427.515	5.286.974	-	-	-
3 to 12 months	2.677.146	4.573.862	-	-	-
More than 1 year	3.021.379	1.239.408	-	-	-
Total	8.185.467	20.765.179	-	-	-
Guaranteed amount	-	8.836.759	-	-	-

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The credit quality of trade receivables which is impaired is as follows:

31 December 2010	Trade receivables		Bank deposits	Financial instruments	Other
	Related party	Other			
Up to 3 months	-	-	-	-	-
3 to 12 months	-	-	-	-	-
1 to 5 years	-	19.522.869	-	-	-
Less: provision for doubtful receivables	-	(19.522.869)	-	-	-
Total	-	-	-	-	-

31 December 2009	Trade receivables		Bank deposits	Financial instruments	Other
	Related party	Other			
Up to 3 months	-	1.742	-	-	-
3 to 12 months	-	46.913	-	-	-
1 to 5 years	-	15.600.940	-	-	-
Less: provision for doubtful receivables	-	(15.649.595)	-	-	-
Total	-	-	-	-	-

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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.

According to agreement maturities, undiscounted cash flows of financial liabilities as of 31 December 2010 and 31 December 2009 are as follows:

31 December 2010	Book value	Contractual cash flow	Up to 3 months	3-12 months	1-5 years	Over 5 years
Financial liabilities excluding derivatives						
Financial liabilities (Note 6)	33.097.191	33.151.906	13.531.256	19.620.650	-	-
Due to related parties ⁽¹⁾ (Note 28b)	29.543.699	19.217.966	19.217.966	-	-	-
Other trade payables ⁽²⁾ (Note 8)	10.860.335	8.917.191	8.917.191	-	-	-
Other payables (Note 8)	6.476.117	6.476.117	6.476.117	-	-	-
31 December 2009	Book value	Contractual cash flow	Up to 3 months	3-12 months	1-5 years	Over 5 years
Financial liabilities excluding derivatives						
Financial liabilities (Note 6)	20.014.628	20.554.633	14.840.907	5.713.726	-	-
Due to related parties ⁽¹⁾ (Note 28b)	44.345.558	35.027.306	35.027.306	-	-	-
Other trade payables ⁽²⁾ (Note 8)	8.659.476	7.161.317	7.161.317	-	-	-
Other payables (Note 8)	6.103.589	6.103.589	6.103.589	-	-	-

⁽¹⁾ Barter related liabilities in accordance with contracts amounting to TL 10.325.734 (31 December 2009: TL 9.437.489) are not included in the total cash outflow.

⁽²⁾ Barter related liabilities in accordance with contracts amounting to TL 1.943.144 (31 December 2009: TL 1.498.159) are not included in the total cash outflow.

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 recapitalize 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.

DOĞAN GAZETECİLİK A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010 (AMOUNTS EXPRESSED IN TURKISH LIRA [“TL”] UNLESS OTHERWISE INDICATED.)

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.

	31 December 2010	31 December 2009
Total liabilities	91.274.961	97.134.641
Less: cash and cash equivalents (Note 3)	5.315.998	1.230.535
Net liability	85.958.963	95.904.106
Equity	207.995.099	224.922.106
Total equity	293.954.062	320.826.212
Total liability/total equity ratio	29,2 %	29,9 %

NOTE 30-FINANCIAL INSTRUMENTS

Fair value of financial instruments

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

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

The Group does not have any financial assets and liabilities which are measured at fair value (31 December 2009: None).

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.

Estimated fair value of financial instruments is 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 realize in a current market exchange.

The following methods and assumptions were used to estimate the fair value of the financial instruments:

Financial assets

The fair value of the foreign currency denominated amounts, which are translated by using the exchange rates prevailing at year-end, is considered to approximate their fair value.

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

The trade receivables are carried at amortized cost using the effective yield method less provision for doubtful receivables, and hence are considered to approximate their fair values.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

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Financial 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.

NOTE 31-SUBSEQUENT EVENTS

The consolidated financial statements for the year ended 31 December 2010 have been approved by the Board of Directors as of 28 March 2011. Only the board members have the authority to change the financial statements. The consolidated financial statements will be finalized after the approval of shareholders at the Shareholder's meeting.

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