DOĞAN GAZETECİLİK A.Ş.
CONVENIENCE TRANSLATION OF THE
CONSOLIDATED FINANCIAL STATEMENTS
AND THE INDEPENDENT AUDIT REPORT FOR THE
PERIOD 1 JANUARY – 31 DECEMBER 2011
INTO ENGLISH

(ORIGINALLY ISSUED IN TURKISH)

Deloitte.

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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 joint ventures (together the "Group") as at 31 December 2011 and the related consolidated statement of income, 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 2011, and a summary of significant accounting policies and other explanatory notes.

Management Responsibility for the Financial Statements

The Group 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 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.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's 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 entity'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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Deloitte.

Opinion

In our opinion, the accompanying consolidated financial statement give a true and fair view of consolidated financial position of Doğan Gazetecilik A.Ş., its subsidiaries and joint ventures as at 31 December 2011, and their financial performance and cash flows for the year then ended in accordance with the financial reporting standards issued by the Capital Markets Board.

İstanbul, 30 March 2012

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

Gaye Şentürk

Gaye Şentürk
Partner

DOĞAN GAZETECİLİK A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY-31 DECEMBER 2011

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

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CONSOLIDATED BALANCE SHEETS AT 31 DECEMBER 2011 AND 31 DECEMBER 2010

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

	Note	*Audited* 31 December 2011	*Audited* 31 December 2010
ASSETS			
Current Assets		**93.750.032**	**91.887.122**
Cash and cash equivalents	4	340.102	5.315.998
Trade receivables			
- Due from related parties	28	4.953.877	10.583.401
- Other trade receivables	7	54.652.942	63.949.874
Other receivables	8	29.915.600	62.450
Inventories	9	1.782.721	7.022.131
Other current assets	17	2.104.790	4.953.268
Non-current Assets		**178.325.985**	**220.984.555**
Other receivables	8	63.967.624	55.842
Financial assets	5	17.995	69.585
Investment property	10	16.616.641	14.230.530
Property, plant and equipment	11	17.139.595	22.788.329
Intangible assets	12	13.444.532	67.428.317
Goodwill	13	60.428.513	108.185.623
Deferred income tax assets	26	4.123.252	2.127.525
Other non-current assets	17	2.587.833	6.098.804
Total assets		**272.076.017**	**312.871.677**

These consolidated financial statements as of and for the period ended 31 December 2011 has been approved by the Board of Directors on 30 March 2012.

DOĞAN GAZETECİLİK A.Ş.

CONSOLIDATED BALANCE SHEETS AT 31 DECEMBER 2011 AND 31 DECEMBER 2010

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

	Note	*Audited* 31 December 2011	*Audited* 31 December 2010
LIABILITIES			
Current Liabilities		**47.273.386**	**91.512.378**
Financial liabilities			
-Due to related parties	28	5.165.940	-
-Other financial liabilities	6	-	33.097.191
Trade payables			
- Due to related parties	28	20.940.091	29.543.699
- Other trade payables	7	8.009.460	10.860.335
Other payables	8	4.666.678	6.476.117
Current income tax liabilities	26	553.115	237.417
Provisions	14	4.014.944	4.174.090
Other current liabilities	17	3.923.158	7.123.529
Non-current liabilities		**7.797.416**	**13.364.200**
Provision for employment termination benefits	16	7.797.416	13.364.200
EQUITY	**18**	**217.005.215**	**207.995.099**
Equity attributable to equity holders of the Company	**18**	**216.600.823**	**207.710.099**
Issued 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	2.085.963	1.619.190
Accumulated losses		(27.345.921)	(10.350.341)
Net income/ (loss) for the period		8.890.724	(16.528.807)
Non-controlling interests		**404.392**	**285.000**
Total Liabilities and Equity		**272.076.017**	**312.871.677**
Provisions, contingent assets and liabilities	14		

CONSOLIDATED STATEMENTS OF INCOME FOR THE YEARS ENDED 1 JANUARY-31 DECEMBER 2011 AND 2010

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

	Note	*Audited* 31 December 2011	*Audited* 31 December 2010
Continued Operations			
Sales	19	193.166.112	194.164.644
Cost of sales (-)	19	(126.377.052)	(112.312.068)
Gross profit		**66.789.060**	**81.852.576**
Marketing, sales and distribution expenses (-)	20	(40.821.791)	(44.650.230)
General administrative expenses (-)	20	(16.129.166)	(10.514.010)
Other operating income	22	6.403.730	8.866.343
Other operating expenses (-)	22	(10.494.413)	(9.367.932)
Operating profit		**5.747.420**	**26.186.747**
Financial income	23	29.604.829	2.476.852
Financial expenses (-)	24	(12.628.841)	(2.203.792)
Profit before income taxes from continued operations		**22.723.408**	**26.459.807**
Tax expense from continued operations		**(7.517.166)**	**(4.223.902)**
- Current income tax expense	26	(6.563.563)	(4.554.352)
- Deferred tax (expense)/ income	26	(953.603)	330.450
Net income for the period from continued operations		**15.206.242**	**22.235.905**
Discontinued operations			
Net loss for the period from discontinued operations[1] after income taxes	25	(6.358.556)	(38.863.960)
Net income for the period		**8.847.686**	**(16.628.055)**
Allocation of net income for the period			
Attributable to non-controlling interests		(43.038)	(99.248)
Attributable to equity holders of the Parent Company		8.890.724	(16.528.807)
Earning per share attributable to equity holders of the Parent Company	27	0,085	(0,157)
Earning per share attributable to equity holders of the Parent Company from continued operations	27	0,145	0,213

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

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED 1 JANUARY-31 DECEMBER 2011 AND 2010

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

	Note	*Audited* 1 January-31 December 2011	*Audited* 1 January-31 December 2010
Net income/ (loss) for the period		**8.847.686**	**(16.628.055)**
Total comprehensive (expense)/ income		**8.847.686**	**(16.628.055)**
Allocation of total comprehensive expense / (income)			
Attributable to non-controlling interests		(43.038)	(99.248)
Attributable to equity holders of the Parent Company		8.890.724	(16.528.807)

(1) The related transfer transactions of Bağımsız Gazeteciler Yayıncılık A.Ş., one of the subsidiaries of the Group and all brands, royalties and domain names ("Milliyet brand sale") pertaining to the Milliyet Newspaper under Doğan Gazetecilik A.Ş. to DK Gazetecilik ve Yayıncılık A.Ş. were completed as of 2 May 2011. Four months statements of income for the periods ended 1 January-30 April 2011 and the profit from the sale and tax expense calculated is shown under net loss after tax expense from discontinued operations.

CONSOLIDATED STATEMENTS OF SHAREHOLDERS EQUITY FOR THE YEARS ENDED 1 JANUARY-31 DECEMBER 2011 AND 2010

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

	Note	Share capital	Adjustments to share capital	Share premium	Restricted reserves	Retained earnings/ (accumulated losses)	Net profit/(loss) for the period	Attributable to equity holders of the Company	Non-controlling interests	Total Equity
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 loss		-	-	-	-	-	(16.528.807)	(16.528.807)	(99.248)	(16.628.055)
Balances at 31 December 2010	**18**	**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**
Balances at 1 January 2011	**18**	**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**
Transfers		-	-	-	466.773	(16.995.580)	16.528.807	-	-	-
Effect of change in consolidation structure		-	-	-	-	-	-	-	162.430	162.430
Total comprehensive income		-	-	-	-	-	8.890.724	8.890.724	(43.038)	8.847.686
Balances at 31 December 2011	**18**	**105.000.000**	**45.910.057**	**82.060.000**	**2.085.963**	**(27.345.921)**	**8.890.724**	**216.600.823**	**404.392**	**217.005.215**

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

DOĞAN GAZETECİLİK A.Ş.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIODS 1 JANUARY-31 DECEMBER 2011 AND 2010

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

	Note	1 January- 31 December 2011	1 January- 31 December 2010
Profit before income taxes from continued operations		22.723.408	26.459.807
Loss before income taxes from discontinued operations		882.163	(34.241.489)
Adjustments:			
Depreciation expenses	10,11	2.463.350	3.699.631
Amortisation expenses	12	2.131.085	3.794.175
(Gain) / loss on disposal of property, plant and equipment and investment property	22	110.759	651.451
Unearned finance expense due to sales with maturity	7	345.370	502.191
Unearned finance income due to purchases with maturity	28	(142.450)	(150.733)
Profit from barter transactions		(2.794.564)	(4.467.036)
Interest expense	24	570.753	3.372.992
Interest income	23	(3.290.499)	(1.016.661)
Provision for doubtful receivables	7	3.439.781	4.552.445
Provision for unused vacation liability	17	990.168	2.888.559
Provision for employment termination benefits	16	6.224.588	9.318.451
Provision for/ (reversal) of impairment on investment property	10	-	(211.409)
Provision/ (reversal) of impairment on inventory	9	-	214.388
Impairment on goodwill	13	-	5.671.555
Gain of sale of subsidiary shares and brand name	32	(16.588.804)	-
Foreign exchange loss regarding bonds receivables		(12.612.863)	-
Loss on sale of available for sale financial assets	5	32.075	-
Adjustments to reconcile profit before income taxes to net cash (used in)/ provided by operating activities		**4.484.320**	**21.038.317**
Decrease/ (increase) in trade receivables		3.663.612	(10.219.259)
Decrease in receivables from related parties		5.629.524	7.422.451
Decrease/ (increase) in inventories		3.894.683	(792.968)
(Increase)/ decrease in other current receivables		(379.132)	192
Decrease in other current/non-current assets		1.712.524	5.713.793
Increase in trade payables		101.601	1.218.212
Decrease in payable to related parties		(8.461.158)	(14.651.125)
Increase in other long term trade receivables		(12.813.026)	-
Increase in other payables		1.890.020	379.165
Decrease in provisions		(990.501)	(164.591)
Increase in other current liabilities		1.044.683	480.973
Income taxes paid		(12.551.713)	(4.343.372)
Tax penalties paid		-	(10.224.305)
Employment termination benefits paid	16	(699.094)	(3.623.532)
Net cash (used in)/ provided by operating activities		**(13.473.657)**	**(7.766.049)**
Investing activities:			
Purchase of property, plant and equipment	11	(1.123.075)	(1.847.177)
Purchase of intangible assets	12	(98.539)	(185.773)
Proceeds from sale of property, plant and equipment, intangible assets and investment property		4.073.924	3.157.645
Cash provided from sale of subsidiary	32	27.423.596	-
Proceeds from sale of available for sale financial assets	5	19.515	-
Change in the consolidation structure		162.430	-
Net cash provided by investing activities		**30.457.851**	**1.124.695**
Financing activities:			
Decrease in borrowings		(24.679.251)	13.027.849
Interest paid		(570.753)	(3.318.278)
Interest received		3.290.499	1.016.661
Net cash (used in)/ provided by financing activities		**(21.959.505)**	**10.726.232**
Net change in cash and cash equivalents		(4.975.311)	4.084.878
Cash and cash equivalents at the beginning of the period	4	**5.315.413**	**1.230.535**
Cash and cash equivalents at the end of the period	4	**340.102**	**5.315.413**

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

(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. ("Doğan Yayın Holding"), ultimate parent company is Aydın Doğan and Doğan Family.

The address of the registered office is as follows:

Doğan Gazetecilik A.Ş.
Kuştepe Mah. Mecidiyeköy Yolu Trump Towers Kule 2 Kat: 7-8-9 No : 12 Mecidiyeköy/İstanbul
Turkey

The Company is registered in the Capital Markets Board ("CMB") and its shares have been quoted on the Istanbul Stock Exchange ("ISE") since 1993. In accordance with the Capital Markets Board's (the "CMB") Resolution No: 21/655 issued on 23 July 2010, it is regarded that 5,23% (31 December 2010: 5,21%) of the shares are outstanding and 41,39% of the shares are publicly available as of 31 December 2011 based on the Central Registry Agency A.Ş.'s ("CRA") records (Note 18).

Subsidiaries

The table below sets out all subsidiaries included in the scope of consolidation at 31 December 2011 and 31 December 2010:

Subsidiaries	**Registered country**	**Nature of business**
Posta Haber Ajansı A.Ş. ("Posta Haber") (1)	Turkey	News agency
Doğan Gazetecilik İnternet Hizmetleri ve Ticaret A.Ş. (1) ("Doğan Gazetecilik İnternet")	Turkey	Internet publishing

The Group's filed application in relation to the transfer of all brands, royalties and domain names (milliyet.com.tr; milliyet.com; milliyetemlak.com.tr etc.) pertaining to the Milliyet Newspaper in consideration of US$ 47.960.000 including VAT and its 1.289.996 shares of Bağımsız Gazeteciler Yayıncılık A.Ş. with a nominal value of TL 100 each, comprising all brands, royalties and domain names pertaining to the Vatan Newspaper, in which it holds 99,99% participation amounting to TL 129.000.000 of capital in consideration of US$ 26.000.000 to DK Gazetecilik ve Yayıncılık A.Ş., a joint venture company formed by Demirören and Karacan Group was approved by the Competition Authority on 28 April 2011 and the related transfer transactions were completed as of 2 May 2011 upon the satisfaction of all closing conditions.

(1) Corporate titles of Milliyet İnternet Hizmetleri ve Ticaret A.Ş. and Milliyet Haber Ajansı A.Ş have been changed and registered as Doğan Gazetecilik İnternet Hizmetleri ve Ticaret A.Ş. as of 4 July 2011 and as Posta Haber Ajansı A.Ş. on 7 July 2011.

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

NOTE 1 - ORGANIZATION AND NATURE OF OPERATIONS (Continued)

Joint venture

The table below sets out the joint venture included in the scope of consolidation at 31 December 2011 and 31 December 2010:

	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 first interim period financial statements for 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.

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 ("TCC") and tax legislation and the Uniform Chart of Accounts issued by the Ministry of Finance.

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

2.1.1 Financial reporting standards (Continued)

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.

With the law no: 660 enacted on November 2, 2011 at Official Gazette, the additional clause 1 of the law no: 2499 were nullified and Public Oversight, Accounting and Auditing Standards Institution ("the Institution") was established. With the additional article 1 of this law, until the standarts and regulations are put into effect, the existing regulations would continue to be effective. In this respect, the respective matter has no effect over the 'Basis of Preparation of Financial Statements" note disclosed in the accompanying financial statements as of the reporting date.

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 (together the "Group") 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 and application of uniform accounting policies and presentations applied by the Group; adjustments and reclassifications. Significant accounting policies used in the preparation of these consolidated financial statements are summarized below.

(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.

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

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

2.1.2 Consolidation principles (Continued)

The table below sets out the subsidiaries included in the scope of consolidation and shows its shareholding structure at 31 December 2011 and 31 December 2010:

	Proportion of voting power held by the Group (%) 31 December 2011	Proportion of voting power held by the Group (%) 31 December 2010
Doğan Gazetecilik İnternet [1]	98,19	98,81
Posta Haber [1]	86,85	81,62
Kemer Yayıncılık [2]	-	99,98
Bağımsız Gazeteciler [3]	-	99,99
Kemer Yayıncılık Pazarlama [3]	-	99,96
DYG İlan [4]	-	50,02

(1) Corporate titles of Milliyet İnternet Hizmetleri ve Ticaret A.Ş. and Milliyet Haber Ajansı A.Ş have been changed and registered as Doğan Gazetecilik İnternet Hizmetleri ve Ticaret A.Ş. as of 4 July 2011 and as Posta Haber Ajansı A.Ş. on 7 July 2011.

(2) Kemer Yayıncılık ve Gazetecilik A.Ş. was merged with Posta Haber through a takeover in accordance with the requirements of the relevant law as of December 27, 2011. After merging, Kemer Yayıncılık continues to operate under the name of Posta Haber Ajansı A.Ş.

(3) The sale and transfer procedures of Bağımsız Gazeteciler and the direct subsidiary of Bağımsız Gazeteciler, Kemer Yayıncılık Pazarlama to DK Gazetecilik Yayıncılık A.Ş. have been completed as of 2 May 2011 (Note 1, Note 32, Note 25).

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

(b) Available for sale financial assets

Financial assets at fair value through profit and loss in which the Group has controlling interests below 20%, or above 20% over which the Group does not exercise a significant influence, or which are immaterial and that do not have quoted market price in active markets and whose fair values can not be measured reliably, are carried at cost less any provision for diminution in value in the consolidated financial statements (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.

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

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

2.1.2 Consolidation principles (Continued)

The table below sets out the joint venture included in the scope of consolidation and shows its shareholder structure at 31 December 2011 and 31 December 2010:

	Proportion of joint management 31 December 2011 (%)	Proportion of joint management 31 December 2010 (%)	Joint venture partner
Birey Seçme ve Değerlendirme Danışmanlık Ltd. Şti.	50	50	Doğan Portal ve Elektronik Tic. A.Ş.

(d) Non-controlling interests

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

2.1.3 Offsetting

Financial assets and liabilities are offset 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 Comparative information

The financial statements of the Group are prepared comparatively with the previous period to enable the determination of the financial position and performance. The balance sheet of the Group at 31 December 2011 has been provided with the comparative financial information of 31 December 2010 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 2011 have been provided with the comparative financial information for the periods ended 1 January-31 December 2010.

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

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

2.1.5 Adoption of New and Revised Standards

The following new and revised Standards and Interpretations have been adopted by the Group 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) New and Revised Standards effective beginning from 1 January 2011 and have no effect on the financial statements of the Company

Amendments to IAS 1 *Presentation of Financial Statements*

IAS 24 *Related Party Disclosures* (2009)

Amendments to IAS 32 *Classification of Rights Issues*

Amendments to IFRIC 14 *Prepayments of a Minimum Funding Requirement*

Amendments to IFRS 3 Business Combinations

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

(b) New and Revised Standards and Interpretations not yet effective and have not been early adopted by the Company

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

Amendments to IFRS 7	*Disclosures – Transfers of Financial Assets; Offsetting of Financial Assets and Financial Liabilities*
IFRS 9	*Financial Instruments*
IFRS 10	*Consolidated Financial Statements*
IFRS 11	*Joint Arrangements*
IFRS 12	*Disclosure of Interests in Other Entities*
IFRS 13	*Fair Value Measurement*
Amendments to IAS 1	*Presentation of Items of Other Comprehensive Income*
Amendments to IAS 12	*Deferred Taxes – Recovery of Underlying Assets*
IAS 19 (2011)	*Employee Benefits*
IAS 27 (2011)	*Separate Financial Statement*
IAS 28 (2011)	*Investments in Associates and Joint Ventures*
IFRIC 20	*Stripping Costs in the Production Phase of a Surface Mine*
Amendments to IAS 32	*Financial Instruments: Presentation - Offsetting of Financial Assets and Financial Liabilities*

The above standards will be applicable for the accounting periods beginning on or after 2012 and the Group has not had an opportunity to consider the potential impact of the application of these standards over its financial statements. The Group would be expected to be mostly affected by the requirements of "IFRS 11 Joint Arrangements". "IFRS 11 Joint Arrangements" requires joint ventures to be accounted for by using the equity method instead of proportional consolidation method. This standard has not yet been adopted by the European Union.

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

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 those consolidated financial statements, the ultimate parent shareholder, other group companies that are controlled by these individuals, 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 by netting of unearned financial income. Trade receivables, net of unearned financial income, are measured at amortised cost, using the effective interest rate method, less the unearned financial income. Short term receivables with no fixed interest rate are measured at cost unless imputed interest effect is significant (Note 7).

Provision is allocated for trade receivables if there is objective evidence that the Group will not be able to collect all amounts due. Additionally, the Group books provision for its 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 there is a partial or whole collection over the doubtful receivable amount subsequent to the allocation of provision for doubtful receivables, the collected portion is recognised as other operating income following the write-down of the total provision amount.

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". The Group 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.

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

2.2 Summary of Significant Accounting Policies (Continued)

Financial assets (Continued)

Financial assets in which the Group has an interest below 20% that do not have a quoted market price in an active market or other methods of making a reasonable estimate of fair value are clearly inappropriate or unavailable and their fair value cannot be measured reliably are carried at cost less any impairment loss, if any.

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. Management evaluates whether there is any impairment on financial assets and the impairment amount if any, as of the balance sheet dates (Note 5).

Inventories

Inventories are valued at the lower of 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 method. Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses. Management evaluates whether there is any impairment on inventories and the impairment amount if any, as of the balance sheet dates (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 on investment property 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).

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

2.2 Summary of Significant Accounting Policies (Continued)

Property, plant, and equipment and related depreciation

Property, plant and equipment are carried at cost less accumulated depreciation. They are amortised on a straight-line basis. The depreciation is calculated over the amounts of tangible assets' expressed in 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 and 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

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

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

Expenditures for the repair and renewal of property, plant and equipment are recognized as expense. The capital expenditures made in order to increase the capacity of the tangible asset or to increase its future benefits are capitalized on the cost of the tangible asset.

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

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).

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

2.2 Summary of Significant Accounting Policies (Continued)

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. 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.

Intangible assets 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 over the intangible assets 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. The gain or loss arising on the sale of intangible assets is recognized under other operating income and expenses.

Estimated useful lives of intangible assets are as follows:

Rights	15 years
Other intangible assets	10 years

Web page development costs

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

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

2.2 Summary of Significant Accounting Policies (Continued)

Taxation on income

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

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

Significant temporary differences arise from the difference between the carrying values of deductible tax losses, provisions, property, plant and equipment, intangible assets and provision for employment benefit and tax bases.

Deferred tax liabilities are recognized for all taxable temporary differences, whereas deferred tax assets resulting from deductible temporary differences are recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary difference can be utilized (Note 26). Such deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. Current and deferred tax are recognized as expense or income in profit or loss, except when they relate to items that are recognized outside profit or loss (whether in other comprehensive income or directly in equity), in which case the tax is also recognized outside profit or loss, or where they arise from the initial accounting for a business combination.

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

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 (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).

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

2.2 Summary of Significant Accounting Policies (Continued)

Provisions, contingent assets and liabilities

Provisions are recognised when the Group has a present legal or constructive obligation or a result of past events, it is probable that on outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Contingent liabilities are assessed continually to determine whether an outflow of resources comprising economic benefits has become probable. If it becomes probable that an outflow of future economic benefits will be required for an item previously dealt with as a contingent liability, a provision is recognised in the financial statements of the period in which the change in probability occurs except in the extremely rare circumstances where no reliable estimate can be made.

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

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

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

Contingent assets mainly comprise of the possibility of an inflow of economic benefits, unplanned or other unexpected events. Contingent assets presented in the financial statements may result in the recognition of unrealized income, the aforementioned assets are not disclosed in the financial statements. Contingent assets are disclosed where an inflow of economic benefits is probable. Contingent assets are assessed continuously in order to ensure related developments are presented fairly in the financial statements. If it has become virtually certain that an economic benefit will flow to the Group, the related income is disclosed in the financial statements in which the change occurs. The Group management makes calculations over the provisions disclosed in the financial statements using the best estimates.

Share capital, dividends and share premium

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

Foreign currency transactions

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.

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

2.2 Summary of Significant Accounting Policies (Continued)

Revenue recognition

Revenue from newspaper sales is recognised on an accrual basis 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 on an accrual basis at the time of publishing, at the invoiced values. Revenue from unpublished part of advertisements is recognized as deferred income in balance sheet. Revenue is initially recognized at the fair value of the consideration received or receivable when it can be measured reliably or when there is an inflow of economic benefits. When the arrangement effectively constitutes a financing transaction, the fair value of the consideration is determined by discounting all future receipts using an imputed rate of interest. The imputed rate of interest is the more clearly determinable of either the prevailing rate for a similar instrument of an issuer with a similar credit rating; or a rate of interest that discounts the nominal amount of the instrument to the current cash sales price of the goods or services

The difference between the nominal value and the fair value of sales price is recognized as finance income to the related periods. Net sales represent the invoiced value of goods shipped less giro premiums given to advertising agencies as a result of discounts, allowances, commissions and advertising income. Provision for 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 an accrual basis that takes into account the effective yield on the asset.

Rental income:

Rental income from investment property is recognized on an accrual basis.

Service income:

Service income consists of service income such as building contribution shares, electricity, heating and recognised on an accrual basis at the time of the service date over the invoiced amounts.

Discontinued operations

Discontinued operations are components of an entity that either have been disposed of or represent a major part of an entity separately from the Group's operations and cash flows. Operating results as of the Group has ceased its control over its disposal groups are presented separately under "discontinued operations" in the consolidated income statement prepared for the period ended as of 31 December 2011. Prior period consolidated income statement is adjusted for comparative purposes and the results of discontinued operations for the period ended as of 31 December 2010 are also classified under the "discontinued operations" account.

The results of discontinued operations consist of profit/ (loss) from the related operation's sale proceed and related tax expenses. Profit/ (loss) from the proceeds from sale is calculated as the difference between the carrying amount of net assets disposed of and sale price (Note 25).

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

2.2 Summary of Significant Accounting Policies (Continued)

Barter agreements

The Group provides advertising services in return for advertisement and other products and services. When goods or services are exchanged or swapped for goods or services which are of a similar nature and value, the exchange is not regarded as a transaction 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, adjusted by the amount of any cash or cash equivalents transferred. 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).

Earning/ (Loss) per share

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

In Turkey, companies can increase their share capital by making a pro-rata distribution of shares ("bonus shares") to existing shareholders from retained earnings. For the purpose of earnings per share computations, such bonus share issuances are regarded as issued shares. Accordingly the weighted average number of shares used in earnings per share computations is derived by giving retroactive effect to the issuances of the shares without consideration (Note 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 three months or less (Note 4).

Accounting policies, significant accounting estimates and changes and errors in accounting policies and estimates

Changes in accounting policies arising from the first time adoptation of a new IAS/IFRS are applied retrospectively or prospectively in accordance with the respective IASs/IFRSs transition requirements, if any. Where there are no transition requirements for any changes or optional significant changes in accounting policies and identified accounting errors, those are applied retrospectively and prior period financial statements are restated accordingly. Accounting policies used in the current period are applied in the preparation of the consolidated financial statements for the year ended 31 December 2010.

The preparation of consolidated financial statements require the use of estimations and assumptions that may have an effect over the assets and liabilities reported at the balance sheet date, contingent assets and liabilities disclosures and income and expenses reported during the accounting period. The estimates and assumptions are based on the best available information on the current circumstances and operations; however, they may differ from the actual results. If changes in accounting estimates only relate to one period, the change is reflected in the current period in which the change is made, if they relate to future periods, the change is both reflected in the current period in which the change is made and prospectively for future periods. Significant accounting policies used in the current period are consistent with those that are used in the preparation of the consolidated financial statements for the year ended 31 December 2010.

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

2.2 Summary of Significant Accounting Policies (Continued)

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

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 three months or less to maturity (Note 4).

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

NOTE 3 – JOINT VENTURES

The joint venture and the proportion joint management at 31 December 2011 and 2010 are as follows:

	Proportion of joint management (%) 31 December 2011	Proportion of joint management (%) 31 December 2010	Joint venture partner
Birey Seçme ve Değerlendirme Danışmanlık Ltd. Şti.	50	50	Doğan Portal ve Elektronik Tic. A.Ş.

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 2011 and 31 December 2010 by using the proportionate consolidation method are as follows:

Balance sheets:	**31 December 2011**	**31 December 2010**
Current assets	75.918	62.862
Non-current assets	3.081	3.226
Total assets	**78.999**	**66.088**
Current liabilities	754.373	646.052
Non-current liabilities	-	726
Total liabilities	**754.373**	**646.778**
Equity	(675.374)	(580.690)
Total liabilities and equity	**78.999**	**66.088**

Income and expenses of the joint venture for the years ended 31 December 2011 and 2010 are as follows:

Statements of income:	**1 January-31 December 2011**	**1 January-31 December 2010**
Gross loss	-	**(133.207)**
Marketing, sales and distribution expenses	(9.523)	(127.088)
General administrative expenses	(1.601)	(3.641)
Other operating (expenses)/ income	(11.859)	133
Operating loss	**(22.983)**	**(263.803)**
Financial expenses	(71.556)	(51.319)
Loss before income taxes	**(94.539)**	**(315.122)**
Current income tax charge	-	-
Deferred tax charge	(145)	(1.442)
Net loss for the period	**(94.684)**	**(316.564)**

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

NOTE 4 - CASH AND CASH EQUIVALENTS

The analysis of cash and cash equivalents at 31 December 2011 and 2010 is as follows:

	31 December 2011	31 December 2010
Cash	30.464	21.431
Banks		
- Demand deposits	246.643	1.572.852
- TL time deposits	-	3.279.440
Other liquid assets	62.995	442.275
	340.102	**5.315.998**

The maturity analysis of cash and cash equivalents at 31 December 2011 and 31 December 2010 is as follows:

	31 December 2011	31 December 2010
Up to 3 months	-	3.279.440
Total	**-**	**3.279.440**

Cash and cash equivalents disclosed in the consolidated statements of cash flows as of 31 December 2011 and 2010 are as follows:

	31 December 2011	31 December 2010
Cash and cash equivalents	340.102	5.315.988
Less: accrued interest	-	(585)
Cash and cash equivalents	**340.102**	**5.315.413**

The Group does not have any TL and foreign currency time deposits as of 31 December 2011. (31 December 2010: The effective interest rate of TL denominated time deposits is 6%. There isn't any foreign currency time deposit.).

At 31 December 2011, cash and cash equivalents amounting to TL 54.962 (31 December 2010: TL 439.013) consist of credit card receivables.

At 31 December 2011, the Group does not have any blocked deposits (31 December 2010: TL 12.368).

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

NOTE 5 - FINANCIAL ASSETS

The analysis of financial assets at 31 December 2011 and 31 December 2010 is as follows:

	31 December 2011		31 December 2010	
Available-for-sale investments	**TL**	**Share capital (%)**	**TL**	**Share capital (%)**
Milliyet Verlags Und Handels GMBH. [1]	860.267	17,42	860.267	17,42
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	-
Doğan Haber Ajansı A.Ş. [2]	-	<1,00	51.590	<1,00
Other	649.737	-	649.737	-
Provision for impairment	(1.492.768)		(1.492.768)	
Total	**17.995**		**69.585**	

[1] 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 13 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 the consolidated financial statements based on the assumption that Milliyet Verlags will have no asset following the liquidation process. As of 31 December 2011, the impairment on available for sale financial assets are reviewed by the Group management and no additional impairment is recognized.

[2] The shares of Doğan Haber Ajansı which are disclosed as available for sale financial assets by the Group, has been sold to Doğan Yayın Holding for TL 19.515 as of 17.06.2011 and TL 32.075 of loss on sale of subsidiary is recognized (Note 22).

The movements in the provision for the impairment of financial assets as of 31 December 2011 and 2010 are as follows:

	2011	**2010**
1 January	(1.492.768)	(649.737)
Increase during the period	-	(843.031)
31 December	**(1.492.768)**	**(1.492.768)**

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

NOTE 6 - BORROWINGS

The analysis of bank borrowings at 31 December 2011 and 2010 is as follows:

Short term financial borrowings:	**31 December 2011**	**31 December 2010**
Short term bank borrowings	-	33.097.191
Total		**33.097.191**

	Effective interest rate (%)		**TL**	
	31 December 2011	**31 December 2010**	**31 December 2011**	**31 December 2010**
Short term bank borrowings				
- TL bank borrowings	-	9,2	-	13.476.541
- Foreign currency bank borrowings	-	5,6	-	19.620.650
Total			**-**	**33.097.191**

The contractual repricing schedule of bank borrowings at 31 December 2011 and 2010 is as follows:

	31 December 2011	**31 December 2010**
6 months or less	-	13.476.541
Total	**-**	**13.476.541**

The details of foreign currency bank borrowings are as follows:

	Effective interest rate (%)		**Original Currency**	
	31 December 2011	**31 December 2010**	**31 December 2011**	**31 December 2010**
Short term foreign currency bank borrowings				
- USD	-	5,51	-	6.028.481
- Euro	-	6,25	-	5.026.899

The fair value of short term borrowings is considered to approximate their carrying value. As of 31 December 2011, Group does not have any bank borrowings.

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

NOTE 7 - TRADE RECEIVABLES AND PAYABLES

The details of trade receivables and payables at 31 December 2011 and 31 December 2010 is as follows:

Short-term trade receivables	**31 December 2011**	**31 December 2010**
Trade receivables	65.918.214	83.186.687
Notes receivables and cheques	2.767.481	788.247
Sub-total	**68.685.695**	**83.974.934**
Less: Unearned finance income due to sales with maturity	(345.370)	(502.191)
Less: Provision for doubtful receivables	(13.687.383)	(19.522.869)
Total	**54.652.942**	**63.949.874**

The average due date of the Group's trade receivables is 70 days (31 December 2010: 41 days). In accordance with the factoring contract signed with Doğan Faktoring Hizmetleri A.Ş., trade receivable amounting to TL 45.517.157 (31 December 2010: TL 58.160.593) regarding advertisement revenues is followed by Doğan Faktoring. The average due date of the Group's trade receivables followed by Doğan Faktoring is 67 days (31 December 2010: 70 days). Unearned financial income due to trade receivables regarding advertisement revenues followed by Doğan Faktoring is TL 345.370 (31 December 2010: TL 502.191). Effective yearly interest rate related with the receivables followed by Doğan Faktoring is 14,4 % (31 December 2010: 9,6 %).

The movements in the provision for doubtful receivables as of 31 December are as follows:

	2011	**2010**
1 January	19.522.869	15.649.595
Provision booked in the current period (Note 22)	2.193.162	721.962
Provision booked from discontinued operations in the current period	1.246.619	3.830.483
Collections in the current period	(172.378)	(679.171)
Reversal of provision from discontinued operations	(9.102.889)	-
31 December	**13.687.383**	**19.522.869**

Other short-term trade payables	**31 December 2011**	**31 December 2010**
Trade payables	6.509.460	10.860.335
Cheque and bonds payable [1]	1.500.000	-
	8.009.460	**10.860.335**

(1) The maturity date of the cheque amounting to TL 1.500.000 given to Işıl İthalat ve İhracat Mümesssillik A.Ş. is 5 January, 2012.

The average due date of trade payables as of 31 December 2011 is 52 days (31 December 2010: 60 days).

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

NOTE 8 - OTHER RECEIVABLES AND PAYABLES

The details of other receivables and payables at 31 December 2011 and 2010 are as follows:

Other current receivables	**31 December 2011**	**31 December 2010**
Notes receivables [1]	29.915.600	-
Other	-	62.450
Total	**29.915.600**	**62.450**

Other non-current receivables	**31 December 2011**	**31 December 2010**
Notes receivables [1]	63.907.854	-
Deposits and guarantees given	59.770	55.842
	63.967.624	**55.842**

(1) Short-term and long-term notes receivables consist of the notes receivables received from the sales of shares of Bağımsız Gazeteciler and Milliyet brand to DK Gazetecilik ve Yayıncılık A.Ş. as of 2 May 2011.

Other current payables	**31 December 2011**	**31 December 2010**
Taxes and funds payable	2.498.975	5.170.956
Payables to personnel	1.712.801	647.991
Other	454.902	657.170
	4.666.678	**6.476.117**

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

NOTE 9 - INVENTORIES

The details of inventories at 31 December 2011 and 2010 is as follows:

	31 December 2011	31 December 2010
Promotion stocks	1.629.040	8.200.730
Finished goods and merchandise	777.585	1.517.335
Raw materials and supplies	249.669	230.862
	2.656.294	**9.948.927**
Less: Provision for impairment on inventories	(873.573)	(2.926.796)
	1.782.721	**7.022.131**

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:

	2011	2010
1 January	2.926.796	2.712.408
Reversal of provision in the current period	(471.431)	-
Reversal of provision from discontinued operations in the current period	(1.581.792)	-
Increase in the current period	-	214.388
31 December	**873.573**	**2.926.796**

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

NOTE 10 - INVESTMENT PROPERTY

The movements in investment property for the years ended 31 December 2011 and 2010 are as follows:

	1 January 2011	Additions	Disposals	Transfer[2]	Discontinued operations[1]	Reversal of impairment	31 December 2011
Cost	23.140.370	3.549.763	(3.857.077)	4.816.468	(160.000)	-	27.489.524
Accumulated depreciation	(8.909.840)	(365.874)	96.670	(1.694.372)	533	-	(10.872.883)
Net book value	**14.230.530**						**16.616.641**

	1 January 2010	Additions	Disposals	Transfer	Discontinued operations	Reversal of impairment	31 December 2010
Cost	21.165.628	5.449.683	(3.686.350)	-	-	211.409	23.140.370
Accumulated depreciation	(8.251.481)	(707.622)	49.263	-	-	-	(8.909.840)
Net book value	**12.914.147**						**14.230.530**

(1) Discontinued operations include the group's disposal of assets that are related to the sales of Bağımsız Gazeteciler and all Milliyet brand, royalties and internet domain names on 2 May 2011.
(2) The transfers are related with the reclassification of office floors leased to DK Gazetecilik by the Group as of May 2, 2011.

TL 5.125.184 (31 December 2010: TL 4.894.897) of the investment property comprise of properties acquired by the Group in accordance with barter agreements, and TL 11.491.457 (31 December 2010: TL 9.335.633) comprise of leased buildings.

The Group has determined the fair value of investment property as of 23 November 2010. The fair value of the investment properties as of 23 November 2010 was determined as TL 54.302.276. 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 for the period ended 31 December 2011. The Group management considers that the fair value didn't change significantly for the periods 31 December 2011 and 2010. The rent income from the buildings leased as of 31 December 2011 is TL 4.742.436 (31 December 2010: TL 2.570.788) (Note 22). As of 31 December 2011 and 2010, there aren't any pledges or mortgages on investment property (31 December 2010: None). There isn't any operating cost in the current period resulting from investment property (31 December 2010: None).

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

NOTE 11 - PROPERTY, PLANT AND EQUIPMENT

The movements in property, plant and equipment for the years ended 31 December 2011 and 2010 are as follows.

	1 January 2011	Additions	Disposals	Transfers [2]	Discontinued Operations [1]	31 December 2011
Cost						
Land and land improvements	1.747.382	65.309	-	-	-	1.812.691
Buildings	26.125.560	5.897	(5.897)	(4.816.468)	(5.000)	21.304.092
Machinery and equipment	20.419.078	33.631	(1.252.050)	-	(388.657)	18.812.002
Motor vehicles	766.309	282.853	(413.120)	-	(292.278)	343.764
Furniture and fixtures	26.041.513	690.142	(3.653.292)	-	(3.980.627)	19.097.736
Leasehold improvements	1.683.692	45.243	(126.272)	-	(1.523.426)	79.237
	76.783.534	**1.123.075**	**(5.450.631)**	**(4.816.468)**	**(6.189.988)**	**61.449.522**
Accumulated depreciation						
Land and land improvements	(1.370.026)	(37.969)	-	-	-	(1.407.995)
Buildings	(8.899.328)	(529.931)	10	1.694.372	-	(7.734.877)
Machinery and equipment	(18.766.090)	(284.485)	1.150.534	-	100.049	(17.799.992)
Motor vehicles	(290.313)	(330.186)	306.266	-	256.998	(57.235)
Furniture and fixtures	(23.301.839)	(707.798)	3.569.547	-	3.154.735	(17.285.355)
Leasehold improvements	(1.367.609)	(207.107)	-	-	1.550.243	(24.473)
	(53.995.205)	**(2.097.476)**	**5.026.357**	**1.694.372**	**5.062.025**	**(44.309.927)**
Net book value	**22.788.329**					**17.139.595**

[1] Discontinued operations include the group's disposal of assets that are related to the sales of Bağımsız Gazeteciler and all Milliyet brand, royalties and internet domain names on 2 May 2011.

[2] The transfers are related with the reclassification of office floors leased to DK Gazetecilik by the Group as of May 2, 2011.

As of 31 December 2011, there is no collateral or mortgage on property, plant and equipment (31 December 2010: None). TL 1.463.322 (Note 19) (31 December 2010: TL 1.140.287) of depreciation expense and amortization is included in cost of sales, TL 1.319.705 (Note 20) (31 December 2010: TL 960.029) is included in general administration, TL 126.491 (31 December 2010: TL 102.185) is included in marketing, sales and distribution expenses that belongs to continued operations. TL 791.628 (31 December 2010: TL 2.787.127) of depreciation expense and amortization is included in cost of sales, TL 840.791 (31 December 2010: TL 2.357.010) is included in general administration and TL 52.498 (31 December 2010: TL 147.168) is included in marketing,sales and distribution expenses that belongs to discontinued operations. There isn't any asset acquired thorough finance lease of the Company.

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

NOTE 11 - PROPERTY, PLANT AND EQUIPMENT (Continued)

	1 January 2010	Additions	Disposals	Transfers	Discontinued Operations	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 fixtures	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 fixtures	(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**

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

NOTE 12 - INTANGIBLE ASSETS

The movements in intangible assets during the years ended 31 December 2011 and 2010 are as follows:

	1 January 2011	Additions	Disposals	Discontinued operations[1]	31 December 2011
Cost					
Trademark	57.781.640	-	-	(57.781.640)	-
Rights	22.343.361	9.816	-	(1.731.257)	20.621.920
Other	2.893.955	88.723	-	(663.760)	2.318.918
	83.018.956	**98.539**	-	**(60.176.657)**	**22.940.838**
Accumulated amortization					
Trademark	(6.616.585)	(781.751)	-	7.398.336	-
Rights	(6.244.671)	(1.245.711)	-	166.262	(7.324.120)
Other	(2.729.383)	(103.623)	-	660.820	(2.172.186)
	(15.590.639)	**(2.131.085)**	-	**8.225.418**	**(9.496.306)**
Net book value	**67.428.317**				**13.444.532**

	1 January 2010	Additions	Disposals	Discontinued operations [1]	31 December 2010
Cost					
Trademark	57.781.640	-	-	-	57.781.640
Rights	22.310.867	32.494	-	-	22.343.361
Other	2.790.676	153.279	(50.000)	-	2.893.955
	82.883.183	**185.773**	**(50.000)**	-	**83.018.956**
Accumulated amortisation					
Trademark	(4.271.330)	(2.345.255)	-	-	(6.616.585)
Rights	(4.976.557)	(1.268.114)	-	-	(6.244.671)
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**

(1) Discontinued operations include the group's disposal of assets that are related to the sales of Bağımsız Gazeteciler all Milliyet domain names on 2 May 2011.

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

NOTE 13 - GOODWILL

The movements in goodwill during the years ended 31 December 2011 and 2010 are as follows:

	2011	2010
1 January	108.185.623	113.857.178
Transfer of share of subsidiary [1]	(47.757.110)	-
Impairment (Note 22)	-	(5.671.555)
31 December	**60.428.513**	**108.185.623**

(1) 99,99% of its shareholding in the Group's subsidiary, all shares of Bağımsız Gazeteciler, have been sold and transferred as of 2 May 2011. TL 47.757.110 of goodwill arising from the acquisition of Bağımsız Gazeteciler is derecognized from the financial statements (Note 32).

Group has recognized TL 60.428.513 resulting from the acquisition of Simge Yayıncılık A.Ş. on 31 December 2003 as goodwill. 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.

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

	EBITDA margin [1]	Discount rate [2]
Simge Yayıncılık A.Ş.	10,36 %	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.

The Group has measured the recoverable amount of goodwill and does not recognize any impairment loss from goodwill as of 31 December 2011 (31 December 2010: TL 5.671.555).

NOTE 14 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

The analysis of provisions at 31 December 2011 and 31 December 2010 is as follows:

i. **Short term provisions**	31 December 2011	31 December 2010
Provision for lawsuits	4.012.104	4.128.751
Other	2.840	45.339
	4.014.944	**4.174.090**

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

	2011	2010
1 January	4.128.751	2.820.844
Increase during the period (Note 22)	1.094.255	446.799
Increase during the period from discontinued operations	-	861.108
Reversal of provision from discontinued operations in the current period	(1.210.902)	-
31 December	**4.012.104**	**4.128.751**

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

NOTE 14 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

ii. Lawsuits

The nature and amount of the litigations against the Group at 31 December 2011 and 2010 are as follows:

	31 December 2011	31 December 2010
Legal cases	15.474.010	16.541.380
Administrative cases	4.409.701	3.168.034
Labor cases	2.719.984	1.765.100
Commercial cases	1.929.512	329.000
Cancellation of appeal	-	39.211
	24.533.207	**21.842.725**

As of 31 December 2011, the provision for lawsuits amounting to TL 4.012.104 (31 December 2010: TL 4.128.751) 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.

iii. Tax penalty

The Group doesn't have any tax reviews ongoing and the issues related to the current and prior periods tax penalties are summarized below.

31 December 2011

In regards to the tax notification which was served to the Group 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 agreement was reached after the tax assessment made on 12 January 2010. Accordingly, the lawsuit resulted in favor of the Group amounts to TL 222.550 whereas 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. The Group expects to make use of the requirements set out in relation to "undue and on trial tax liabilities in dispute" and "Tax Base Increase" in Law No: 6111 "Restructuring of some receivables and Social Security and General Health Insurance Law and Other Law Amending Certain Laws and Decrees" ("Law No:6111") which has become effective upon the issuance in the Official Gazette No: 27857 (I.Bis) on 25 February 2011. All the necessary applications for the restructuring of the above tax assessments in relation to "undue and on trial tax liabilities in dispute" amounting to TL 725.462 is filed under Law No: 6111. TL 461.037 of tax liability arising from the related transaction was paid in cash on 30 June 2011.

31 December 2010

As of 11 December 2009, the Company had reached an agreement and reconciled with the tax administration before the tax assessment in relation to the Tax Review Reports including TL 10.092.007 of actual tax charge and TL 11.157.961 of tax loss penalty and TL 171.942 of special irregularity penalty imposed to the Group on 25 November 2009 for the 2004, 2005, 2006 and 2007 accounting periods. Accordingly, the actual tax charge and penalty were calculated as TL 4.465.500 and special irregularity fine was cancelled. On 11 January 2010, the Group made a total payment of TL 8.833.140 to the respective tax authorities, which comprises of TL 4.465.500 of the actual tax charge and penalty and TL 4.367.640 of overdue interest.

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

NOTE 14 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

Moreover, the agreed TL 1.391.165 of tax charge notification consisting TL 1.035.000 of the actual tax charge and TL 356.165 of overdue interest, which was previously served by the Revenue Administration Department of Ministry of Finance to the Group for the 2008 accounting period was paid to the respective Tax Administration as of 30 June 2010 providing that the related amount shall be written off against the Group's tax assets.

NOTE 15 - COMMITMENTS

i. Letter of guarantees and guarantee notes given

Collaterals, pledges and mortgages (CPM) given by the Group at 31 December 2011 and 31 December 2010 is as follows:

		31 December 2011	31 December 2010
A.	Total amount of the CPM given for its own legal entity [1]	10.362.558	13.000.164
B.	CPM given on behalf of fully consolidated companies	1.953.246	1.457.198
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		**12.315.804**	**14.457.362**

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

All the CPM's are given on behalf of the Company as of 31 December 2011 and 2010.

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 2011, the Group is under obligation to provide advertisement services to Group and non-group companies amounting to TL 647.352 TL (31 December 2010: TL 10.325.734) and TL 1.659.402 respectively (31 December 2010: TL 1.943.144). The Group has the right to purchase various types of goods and render services amounting to TL 3.025.497, belonging to non-group companies (31 December 2010: TL 1.061.146 from group companies, TL 4.386.021 from non-group companies) regarding barter agreements. Total barter transactions income in the current period of the Group is TL 6.973.959 (31 December 2010: TL 12.462.858), barter transactions expense is TL 4.179.395 (31 December 2010: TL 18.987.868).

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

NOTE 16 - PROVISION FOR EMPLOYMENT TERMINATION BENEFITS

	31 December 2011	31 December 2010
Provision for employment termination benefits	7.797.416	13.364.200

Under the Turkish Labour Law, the Group is required to pay termination benefits to each employee who has completed one year of service and whose employment is terminated without due cause, or who is called up for military service, dies or retires after completing 25 years of service (20 years for women) and achieves the retirement age (58 for women and 60 for men).At 31 December 2011 the amount payable consists of one month's salary limited to a maximum of TL 2.731,85 (31 December 2010: TL 2.517,01) 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.

IAS 19 "Employee Benefits", published by IASB, 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 for employment termination benefits of the Group:

	31 December 2011	31 December 2010
Discount rate (%)	4,67	4,66
Turnover rate to estimate the probability of retirement (%)	87	87

The principal assumption is that the maximum liability of TL 2.805,04 (31 December 2010: TL 2.517,01) 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 2.805,04 effective from 1 January 2012 (1 January 2011: TL 2.623,23) has been taken into consideration in calculating the reserve for employment termination benefit of the Group.

Movements in the provision for employment termination benefits for the period 31 December is as follows:

	2011	2010
1 January	13.364.200	7.669.281
Current period service charge(1)	2.682.238	8.557.390
Current period charge from discontinued operations	3.541.397	-
Reversal of provision from discontinued operations	(11.092.278)	-
Interest cost	1.336	357.388
Payments	(699.094)	(3.623.532)
Actuarial loss	(383)	403.673
31 December	**7.797.416**	**13.364.200**

(1) The Group management has reviewed the assumptions used in the calculation of provision for employee termination in 2010 and has accounted the changes in the accounting estimations in the current period.

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

NOTE 17 - OTHER ASSETS AND LIABILITIES

The details of other assets and liabilities at 31 December 2011 and 2010 are as follows:

i. Other current assets

	31 December 2011	31 December 2010
Job advances	254.834	151.836
Prepaid expenses	467.846	1.679.430
Income accruals	31.874	200.074
Personnel advances	977.383	2.071.927
Advances given for the purchase of inventories	-	9.829
Deferred VAT and other tax receivables	372.633	1.195.368
Prepaid taxes and funds	220	1.964
	2.104.790	**5.310.428**
Provision for impairment	-	(357.160)
	2.104.790	**4.953.268**

Provision for impairment is related to the prepaid expenses.

ii. Other non-current assets

	31 December 2011	31 December 2010
Deferred VAT and other tax receivables	2.587.833	6.098.804
	2.587.833	**6.098.804**

iii. Other current liabilities

	31 December 2011	31 December 2010
Unused vacation liability	2.043.470	4.763.256
Deferred revenue	1.879.468	2.106.343
Provision for promotion inventories	-	252.245
Other	220	1.685
	3.923.158	**7.123.529**

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

	2011	2010
1 January	4.763.256	2.553.169
Additions during the period	990.168	2.888.559
Payments during the period	(285.013)	(678.472)
Reversal of provision from discontinued operations	(3.424.941)	-
31 December	**2.043.470**	**4.763.256**

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

NOTE 18 - EQUITY

Issued Capital

The Company adopted the registered capital system available to companies registered with the CMB and set a limit on its registered capital representing registered type shares with a nominal value of TL 1.

	31 December 2011	31 December 2010
Limit on registered paid in capital	150.000.000	150.000.000
Authorized and issued paid in capital	105.000.000	105.000.000

The ultimate shareholders of Doğan Gazetecilik is Aydın Doğan and the Doğan Family. The details of shareholders' and shareholding structure of Doğan Gazetecilik is as follows as of 31 December 2011 and 31 December 2010:

	31 December 2011		31 December 2010	
Shareholders	**TL**	**Share %**	**TL**	**Share %**
Doğan Yayın Holding (1)	74.297.743	70,76	74.297.743	70,76
Other Shareholders (publicly traded on ISE) (2)	30.702.257	29,24	30.702.257	29,24
	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**	

(1) As of 31 December 2011 and 31 December 2010, 70,76% of the shares owned by Doğan Yayın Holding which corresponds to the 12,67% shares of Doğan Gazetecilik are publicly available in Istanbul Stock Exchange ("ISE").

(2) In accordance with the Capital Markets Board's (the "CMB") Resolution No: 21/655 issued on 23 July 2011, it is regarded that 5,23% of the shares are outstanding and 41,39% of the shares are publicly available as of 31 December 2011 based on the Central Registry Agency A.Ş.'s ("CRA") records.

Due to tax principal and tax penalty notices communicated by Halkalı tax office, the shares that Doğan Yayın Holding. possesses in the Doğan Gazetecilik's share capital and which represent 70,76% of the share capital of Doğan Gazetecilik included in the export/investment accounts of the Central Registry Institution and Intermediary Institution were immobilised and their transfer had been restricted. This resctriction had been removed with the terminated tax penalties by Halkalı tax office regarding notice made and the shares become available.

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

Share premium

The share premium represents the difference between the nominal and sales amounts of initial public offering of shares.

As of 31 December 2007, 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.

NOTE 18 – EQUITY (Continued)

Restricted reserves

Restricted reserves are reserves allocated from profit prior periods, for any legal or contractual obligations or other purposes excluding for profit distribution (i.e: to obtain tax advantage over the sale of subsidiaries).

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 of 31 December 2011 is TL 2.085.963 under Turkish Commercial Code and tax procedures law (31 December 2010: TL 1.619.190).

"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" disclosed after "Paid-in 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/accumulated losses".

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.

NOTE 18 – EQUITY (Continued)

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. The CMB's requires the disclosure of total amount of net profit in the statutory records and other resources (after the deduction of retained earnings) which may be subject to distribution in the financial statements prepared in accordance with Communiqué Serial XI, No: 29.

Under the requirements of the CMB's Communiqué Serial:XI, No.29, based on the audited financial statements prepared for the period 1 January 2010-31 December 2010 in accordance with International Accounting Standards and International Financial Reporting Standards, the Company has decided not to distribute any profit for the 2010 period since the Company has TL 16.528.807 of "Consolidated Net Loss for the Period" considering the "Current Period Tax Charge", "Deferred Tax Income" and non-controlling interests; and since there is TL 9.335.463 of net profit for the period in the TCC and TPL financial records after the deduction of corporate tax payable from TL 13.796.870, 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 8.868.690) has decided to be classified under "Extraordinary Reserves" in accordance with the General Shareholders' Meeting held on 22 April 2011.

The CMB's requires the disclosure of total amount of net profit in the statutory records and other resources (after the deduction of retained earnings) which may be subject to distribution in the financial statements prepared in accordance with Communiqué Serial XI, No: 29. The Company does not have any resources in its statutory records that is subject to dividend distribution as of the balance sheet date.

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

NOTE 19 - SALES AND COST OF SALES

	31 December 2011	31 December 2010
Domestic sales, net	193.166.112	194.164.644
Cost of sales	(126.377.052)	(112.312.068)
Gross profit	**66.789.060**	**81.852.576**

The details of sales income and cost of sales for the periods ended 31 December 2011 and 2010 are as follows:

Sales income

	31 December 2011	31 December 2010
Newspaper sales income	97.123.018	103.442.470
Advertising income	92.081.848	88.539.114
Other income	3.961.246	2.183.060
Sales income, net	**193.166.112**	**194.164.644**

Cost of sales

	31 December 2011	31 December 2010
Raw material costs	70.041.461	52.997.571
Printing costs	21.774.819	19.674.561
Personnel costs	19.229.237	24.912.117
News and photography costs	2.004.635	3.434.880
Depreciation and amortization expenses (Note 10,11 and 12) [1]	1.463.322	1.140.287
Other	11.863.578	10.152.652
	126.377.052	**112.312.068**

[1] TL 791.628 of depreciation and amortization amount derived from the subsidiary and Milliyet brand disposal is recognized under the discontinued operations account on 2 May 2011 (31 December 2010: TL 2.787.127).

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

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

Marketing, selling and distribution expenses

	31 December 2011	31 December 2010
Distribution expenses	14.403.487	12.406.200
Personnel expenses	10.360.789	9.447.951
Advertisement expenses	5.645.951	5.741.529
Promotion expenses	4.530.973	10.176.138
Presentation and marketing expenses	2.673.556	3.759.907
Travel expenses	704.483	583.722
Consulting expenses	487.720	288.745
Sponsorship expenses	376.810	604.563
Communication expenses	158.264	326.890
Depreciation and amortization expenses (Note 10, 11 and 12) (1)	126.491	102.185
Commission expenses	68.024	524.380
Other	1.285.243	688.020
	40.821.791	**44.650.230**

(1) TL 52.498 of depreciation and amortization amount derived from the subsidiary and brand disposal is recognized under the discontinued operations account on 2 May 2011 (31 December 2010: TL 147.168).

General administrative expenses

	31 December 2011	31 December 2010
Personnel expenses	8.496.702	5.737.214
Consulting expenses	3.378.012	2.097.596
Depreciation expenses (Note 10, 11 and 12) (1)	1.319.705	960.029
Repair and maintenance expenses	857.894	126.662
Travel expenses	505.653	361.628
Electricity expenses	162.584	333.847
Other	1.408.616	897.034
Total	**16.129.166**	**10.514.010**

(1) TL 840.791 of depreciation and amortization amount derived from the subsidiary and brand disposal is recognized under the discontinued operations account on 2 May 2011 (31 December 2010: TL 2.357.010).

NOTE 21 - EXPENSES BY NATURE

As of 31 December 2011 and 2010, expenses are disclosed by function and the details of the expenses is summarized in Note 19 and Note 20.

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

NOTE 22 - OTHER OPERATING INCOME/ EXPENSES

The details of other operating income and expense for the periods ended 31 December 2011 and 2010 are as follows:

i. Other operating income:

	31 December 2011	31 December 2010
Rent income	4.742.436	2.730.934
Reversal of provisions	1.383.280	893.863
Gain on sale of marketable securities	126.014	2.043
Gain on sale of fixed assets	68.573	109.261
Other [1]	83.427	5.130.242
	6.403.730	**8.666.343**

[1] TL 5.095.000 is related to the sale of brand and domain names of Radikal Gazetesi to Hürriyet Gazetecilik ve Matbaacılık A.Ş. Sales price is based on the report of the independent valuer.

ii. Other operating expenses:

	31 December 2011	31 December 2010
Expenses regarding 6111 law [1]	(3.285.255)	-
Provision for doubtful receivables (Note 7)	(2.193.162)	(721.962)
Provision for lawsuits (Note 14)	(1.094.255)	(446.799)
Competition authority penalty [2]	(2.069.321)	-
Loss on sale of property, plant and equipment	(179.332)	(63.952)
Loss on sale of subsidiary (Sale of (shares of DHA) (Note 5)	(32.075)	-
Provision for impairment on goodwill (Note 13)	-	(5.671.555)
Provision for impairment of available for sale financial assets	-	(843.031)
Other [3] [4]	(1.641.013)	(1.620.633)
Total	**(10.494.413)**	**(9.367.932)**

[1] Announced publicly as of 19 April 2011, the Group decides to make use of the requirements set out in relation to "Tax Base Increase" in Law No: 6111 "Restructuring of some receivables and Social Security and General Health Insurance Law and Other Law Amending Certain Laws and Decrees" ("Law No: 6111"), which has become effective upon the issuance in the Official Gazette No: 27857 (I.Bis) on 25 February 2011. TL 6.097.198 of liability had been paid as of 30 June 2011. TL 2.811.943 of TL 6.097.198 is related with the discountinued operations whereas TL 3.285.255 of TL 6.097.198 is related with the continued operations.

[2] As a result of the Competition Agency's investigation on the Company's policy on the advertisement break sales procedures in the print media; the Company has been charged with an administrative penalty amount of TL 2.759.095. Because the penalty payment mentioned above has been paid within 30 days as of the date of the notification, the penalty was calculated as 2.069.321 TL after 25% discount and paid at December 16,2011.

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

NOTE 22 - OTHER OPERATING INCOME/ EXPENSES (Continued)

(3) Other expenses amounting to TL 1.620.633 for the period ended as of 31 December 2010 includes TL 1.391.615 of the tax penalty and default interest rate regarding the tax inspection reports of 2008. TL 835.802 of the total amount is related with discontinued operations whereas TL 555.365 is related with continued operations.

(4) The transfer of all brands, royalties and domain names and the personnel of Radikal Newspaper and its web-site personnel to Hürriyet Newsaper was completed as of 31 August 2010. All the financial liabilities incurred under the Labour Law in relation to the related personnel are the responsibility of the Group. TL 1.641.013 of other expenses for the period ended 31 December 2011, consists of TL 1.246.804 of employee termination and severance pay.

NOTE 23 - FINANCIAL INCOME

The details of financial income for the years ended 31 December 2011 and 2010 are as follows:

	31 December 2011	31 December 2010
Foreign exchange gains	23.617.247	95.746
Interest income	3.290.499	103.062
Financial income due to sales with maturity	2.697.083	2.278.044
	29.604.829	**2.476.852**

NOTE 24 - FINANCIAL EXPENSES

The details of financial expenses for the years ended 31 December 2011 and 2010 are as follows:

	31 December 2011	31 December 2010
Foreign exchange losses	(10.512.713)	(864.559)
Financial expenses due to purchases with maturity	(840.813)	(527.285)
Interest expenses	(570.753)	(103.567)
Other financial expenses	(704.562)	(708.381)
Total	**(12.628.841)**	**(2.203.792)**

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

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

The Group has sold all Bağımsız Gazeteciler Yayıncılık A.Ş., subsidiary of the Group, and brands, royalties and domain names belonging to Milliyet Gazetesi operating under Doğan Gazetecilik A.Ş. to DK Gazetecilik ve Yayıncılık A.Ş. as of 2 May 2011. The operating results and the gain on sale of share until the sales of Bağımsız Gazeteciler and Milliyet is disclosed below.

	30 April 2011	31 December 2010
Sales	49.426.215	160.603.501
Cost of sales (-)	(37.148.804)	(110.347.387)
Gross profit	**12.277.411**	**50.256.114**
Marketing, sales and distribution expenses (-)	(18.293.361)	(59.056.744)
General administration expenses (-)	(6.264.640)	(19.378.424)
Other operating expenses (net)	(2.629.029)	(4.406.824)
Financial expenses (net)	(797.022)	(1.655.611)
Loss before income tax from discontinued operations	**(15.706.641)**	**(34.241.489)**
Tax (expense) from discontinued operations	**(699.452)**	**(4.622.471)**
Current year tax charge	-	
Deferred tax charge (Note 26)	(699.452)	(4.622.471)
Net loss from discontinued operations prior to sale proceeds from the disposal of brand and subsidiary shares	**(16.406.093)**	**(38.863.960)**
Gain on sale of brand and subsidiary shares (Note 32)	16.588.804	-
Sales income tax expense	(6.541.267)	-
Discontinued operations		
Net loss from discontinued operations (after income taxes) [1]	**(6.358.556)**	**(38.863.960)**

[1] Net loss from discontinued operations is decreased by TL 3.113.274 compared to the amount previously reported as a result of the offsetting of provisions subsequent to the date of sale till the end of the balance sheet date.

Cash used in discontinued operations:

	1 January- 30 April 2011	1 January- 31 December 2010
Net cash (used in)/ provided by operating activities	(1.376.009)	(1.296.484)
Net cash provided by/ (used in) investing activities	464.155	(703.213)
Net cash provided by/ (used in) financing activities	502.423	2.371.004
Net cash (outflow)/ inflow	**(409.431)**	**371.307**

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

NOTE 26 - TAXATION

	31 December 2011	31 December 2010
Corporate and income taxes payable	13.104.828	4.554.352
Less: Prepaid taxes	(12.551.713)	(4.316.935)
Taxes payable	**553.115**	**237.417**

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 June 2006 and most clauses has came into effect from 1 January 2006 .The corporation tax rate of the fiscal year 2011 is 20% (2010: 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 2010: 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.

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.

NOTE 26 – TAXATION (Continued)

Under the Turkish taxation system tax losses can be carried forward to offset against future taxable income for up to 5 years. Tax losses cannot be carried back to offset profits from previous periods. As publicly disclosed on 19 April 2011, the Company has decided to make use of the requirements of tax base increase set out in the Law No: 6111 "Restructuring of Specific Receivables and Social Insurance and General Health and Amendments to Some Laws and Requirements"; therefore 50% of losses attributable to the period(s) that the requirements are applied for tax base increase shall not be offset against profit for the year 2010 and following years profits.

The deferred tax asset calculated over the deductible accumulated losses in the financial statements prepared in accordance with the CMB regulations is in compliance with the principles described above. As a result, the Company has a total of accumulated tax losses amounting to TL 2.338.582 available for use for the year 2015.

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 sale of participation shares and property

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

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 2010: 20%).

The temporary differences giving rise to deferred income tax assets/ (liabilities) using the enacted tax rates as of 31 December 2011and 31 December 2010 are as follows:

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

NOTE 26 – TAXATION (Continued)

	Total temporary differences		Deferred tax assets/(liabilities)	
	31 December 2011	31 December 2010	31 December 2011	31 December 2010
Provision for employment termination benefits	7.797.416	13.364.200	1.559.483	2.672.840
Carry forward tax losses (1)	2.338.582	71.015.911	467.716	6.455.644
Provision for lawsuits	4.042.646	1.977.497	808.529	395.499
Unused vacation liability	2.043.370	4.763.256	408.674	952.651
Net difference between the tax base and carrying value of property, plant and equipment and intangible assets	1.646.387	-	329.277	-
Provision for doubtful receivables	1.671.369	4.555.035	334.274	911.007
Provision for impairment on inventories	873.573	2.926.796	174.715	585.359
Other provisions	-	357.160	-	71.432
Unearned interest income	345.370	502.191	69.074	100.438
Promotion liability	-	252.245	-	50.449
Unearned sales income	-	729.631	-	145.926
Deferred tax assets			**4.151.742**	**12.341.245**
Net difference between the tax base and carrying value of property, plant and equipment and intangible assets	-	(50.917.868)	-	(10.183.573)
Unearned finance expenses	(142.450)	(150.733)	(28.490)	(30.147)
Deferred tax liabilities			**(28.490)**	**(10.213.720)**
Deferred tax assets, net			**4.123.252**	**2.127.525**

(1) As of 31 December 2011, the deductible financial losses amount to TL 2.338.582 (31 December 2010: TL 71.015.911); since the Group cannot deduct 50% of losses attributable to the period(s) that the requirements are applied for tax base increase as a result of its assessments made for the determination of its deductible financial loss and applying the requirements of tax base increase set out in the Law No: 6111, financial loss associated with the deferred tax assets is calculated as TL 40.049.044 (31 December 2010: TL 32.278.220). Deductible financial loss amounting to TL 37.710.462 in relation to discontinued operations is not taken into account in the consolidated financial statements for the period ended 31 December 2011.

Deferred tax assets:

	31 December 2011	31 December 2010
To be recovered after one year	2.357.757	9.128.484
To be recovered within one year	1.793.985	3.212.761
Total	**4.151.742**	**12.341.245**

Deferred tax liabilities:

	31 December 2011	31 December 2010
To be recovered after one year	-	(10.183.599)
To be recovered within one year	(28.490)	(30.121)
Total	**(28.490)**	**(10.213.720)**

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

NOTE 26 – TAXATION (Continued)

The years for which the financial losses can be used are proposed below:

	31 December 2011 (1)	31 December 2011 (2)	31 December 2010
2011	-	-	2.020.343
2012	1.739	3.478	4.272.438
2013	36.057	72.114	7.637.009
2014	674.006	1.348.012	9.036.295
2015	1.626.780	1.626.780	9.312.135
Total	**2.338.582**	**3.050.384**	**32.278.220**

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

(2) Those amounts represent the actual accumulated loss amounts as of 31 December 2011 before the application of Law No: 6111.

The movements in deferred tax assets/ (liabilities) for the periods 31 December are as follows:

	2011	2010
1 January	2.127.525	6.419.546
Deferred tax charge	(953.603)	330.450
Current period (charge) from discounted operations (Note 25)	(699.452)	(4.622.471)
Deferred income tax charge from discontinued operations (Note 32)	3.648.782	-
31 December	**4.123.252**	**2.127.525**

The tax expense for the years ended 31 December 2011 and 2010 is summarized as follows:

	31 December 2011	31 December 2010
- Current period corporate tax	(6.563.563)	(4.554.352)
- Deferred tax (charge)	(953.603)	330.450
Total tax expense	**(7.517.166)**	**(4.223.902)**

The reconciliation of the taxation on income in the consolidated statement of income for periods ended 31 December 2011 and 2010 and the taxation on income calculated with the current tax rate over income before tax is as follows:

	31 December 2011	31 December 2010
Profit before tax from continuing operations	22.723.408	26.459.807
Income tax rate 20% (2010: 20%)	(4.544.682)	(5.291.961)
Effects of carry forward tax losses over which deferred tax asset is net recognized	(315.084)	(112.585)
Expenses not subject to tax	(2.376.667)	(587.140)
Impairment of goodwill not subject to tax	-	(1.134.311)
Reversal of carry forward tax losses over which deferred tax asset is recognized in the prior periods	(257.141)	2.615.094
Other	(23.592)	287.001
Total	**(7.517.166)**	**(4.223.902)**

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

NOTE 27 – EARNING / (LOSS) PER SHARE

Earning/ (loss) per share for each class of shares disclosed in the consolidated statements of income is determined by dividing the net income/ (loss) by the average number of shares.

	31 December 2011	31 December 2010
Net profit/ (loss) for the period	8.890.724	(16.528.807)
Weighted average number of shares with face value of TL 1 each	105.000.000	105.000.000
Basic and diluted profit / (loss) per attributable to equity holders' share (TL)	0,085	(0,157)

	31 December 2011	31 December 2011
Net loss for the period from discontinued operations	(6.358.556)	(38.863.960)
Net profit for the period from continuing operations	15.206.242	22.335.905
Weighted average number of shares with face value of TL 1 each	105.000.000	105.000.000
Basic and diluted profit per attributable to equity holders' share from continuing operations(TL)	0,145	0,213

NOTE 28 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES

For the purpose of those consolidated financial statements, related parties are referred to as shareholders, the ultimate parent shareholder, other group companies that are controlled by these individuals, and affiliates, subsidiaries and entities that are controlled by key management personnel, members of board of directors and their close family members. As of the balance sheet date, the details of due to/from related parties and related party transactions for the periods ended as of 31 December are summarized as below:

a) Due from related parties:

	31 December 2011	31 December 2010
Doğan Dağıtım Satış ve Pazarlama A.Ş. ("Doğan Dağıtım") [1]	3.202.827	4.562.127
Doğan Portal ve Elektronik Tic. A.Ş.	753.833	645.293
Medyanet İletişim Reklam Paz. Turizm A.Ş. ("Medyanet") [2]	746.130	4.018.585
Mutlu Dergi Grubu A.Ş. (former title Vatan Imako Medya Yayıncılık A.Ş.)	-	960.706
Other	251.087	396.690
Total	**4.953.877**	**10.583.401**

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

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

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

NOTE 28 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Continued)

b) Due to related parties:	31 December 2011	31 December 2010
Kanal D [1]	9.508.335	14.722.261
Hürriyet Gazetecilik ve Matbaacılık A.Ş. ("Hürriyet") [2]	8.222.394	9.763.354
Doğan Ofset Yayıncılık ve Matbaacılık A.Ş. ("Doğan Ofset")	766.531	873.238
Milpa Ticari Sınai Ürünler Paz. San. ve Tic. A.Ş. ("Milpa")	647.350	796.404
Işıl İthalat ve İhracat Mümessillik A.Ş. ("Işıl İthalat İhracat")	628.465	501.149
Milta Turizm İşletmeleri A.Ş. ("Milta Turizm")	416.828	185.090
Doğan Dış Ticaret ve Mümessillik A.Ş. ("Dış Ticaret")	382.221	93.362
Doğan İletişim Elektronik Servis Hizmetleri ve Yayıncılık A.Ş. ("Doğan Online")	135.898	942.866
Doğan Yayın Holding A.Ş. ("Yayın Holding")	319.915	1.168.636
Doğan Faktoring Hizmetler A.Ş. ("Doğan Faktoring")	40.920	797
Doğan Burda Dergi Yayıncılık ve Pazarlama A.Ş. ("Doğan Burda")	11.428	268.892
Other	2.256	378.423
	21.082.541	**29.694.472**
Less: Unearned finance expense due to purchases with maturity	(142.450)	(150.773)
	20.940.091	**29.543.699**

(1) Due to Kanal D consists of the advertising expenses related with the advertisement of newspapers shown in television.
(2) Due to Hürriyet is related with printing of the Group newspapers in Hürriyet printing centers.

c) Financial liabilities to related parties:	31 December 2011	31 December 2010
Doğan Faktoring [1]	5.165.940	-

(1) Other financial liabilites consist of the short-term financial borrowings from Doğan Faktoring. The related financial borrowings were paid in January 2012.

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

NOTE 28 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Continued)

d) Service and product sales to related parties:

	31 December 2011	31 December 2010
Doğan Dağıtım [1]	114.688.339	160.672.319
Medyanet [2]	4.125.440	9.727.662
Kanal D [3]	3.565.651	4.696.067
Işıl Televizyon Yayıncılık A.Ş. ("Star TV") [4]	1.302.730	1.598.088
Doğan TV Digital Platform İşletmeciliği A.Ş ("Doğan TV Dijital")	930.748	2.319.787
Mozaik İletişim Hizmetleri A.Ş.("Mozaik")	-	423.178
Other	1.150.099	4.215.945
Total	**125.763.007**	**183.653.046**

(1) Doğan Dağıtım distributes the daily newspapers of the Group. TL 17.713.501 (31 December 2010: TL 57.640.975) of the sales is related with the discontinued operations.

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

(3) The amount of Kanal D consists of the advertising sales.

(4) Star TV is considered as a related party until the share transfer made to Doğuş Yayın Grubu on November 3, 2011. The amounts for the years ended 31 December 2011 and 2010 consist of the advertising revenue.

e) Service and product purchases from related parties:

	31 December 2011	31 December 2010
Işıl İthalat İhracat [1]	60.424.951	58.058.764
Hürriyet [2]	26.597.504	32.079.824
Dış Ticaret [1]	25.801.352	38.098.753
Other	4.749.054	10.729.809
	117.572.861	**138.967.150**
Less: Unearned finance expense due to purchases with maturity	(940.706)	(1.034.945)
	116.632.155	**137.932.205**

(1) The Group purchases its raw materials like paper, printing materials from Doğan Dış Ticaret and Işıl İthalat İhracat. TL 12.337.699 (31 December 2010: TL 36.868.254) of cost is related to the discontinued operations as of 31 December 2011.

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

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

NOTE 28 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Continued)

f) Other significant transactions with related parties:

Other income/ (expense), net

	31 December 2011	31 December 2010
Doğan TV [(1)]	2.712.612	2.570.788
Hürriyet [(2)]	(1.124.005)	5.095.000
Other	(488.788)	(37.457)
Total	**1.099.819**	**7.628.331**

(1) Consists of rent income from Doğan TV.

(2) TL 5.095.000 of other income for the period ended 31 December 2010, is the sales price, VAT excluded, resulting from the sales of all brands, royalties and internet domain names of Radikal Newspaper published under the Group structure in accordance with the result of the valuation report to Hürriyet Gazetecilik ve Matbaacılık A.Ş. Related sales transaction is considered as the sale of brands, royalties and internet domain names and the sales amount is recognized under other operating income in the statement of income. The transfer of Radikal Newspaper employees to Hürriyet Gazetecilik ve Matbaacılık A.Ş. has been completed as of 31 August 2010. All the financial liabilities incurred under the Labour Law in relation to the related personnel are the responsibility of the Group.

Financial (expenses)/income, net

	31 December 2011	31 December 2010
Doğan Factoring	(373.972)	(584.403)
Kanal D	(283.520)	(283.670)
Işıl İthalat İhracat	-	(398.649)
Doğan Dış Ticaret	-	(356.901)
Hürriyet	-	(41.089)
Other	(195.842)	(40.632)
Financial expenses	**(853.334)**	**(1.705.344)**

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

NOTE 28 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Continued)

f) Other significant transactions with related parties (Continued):

General administrative, marketing, distribution and selling expenses:

	31 December 2011	31 December 2010
Doğan Dağıtım [(1)]	17.737.619	22.377.514
Kanal D [(2)]	3.736.777	12.086.254
Star TV [(2)]	2.059.245	3.532.009
Doğan Yayın Holding	1.902.581	1.862.086
D Yapım Reklamcılık ve Dağıtım A.Ş.	1.622.969	2.902.184
Hürriyet	195.879	313.959
Doğan TV Dijital Platform	91.538	552.128
Doğan Egmond	74.746	344.537
Other	721.338	2.095.928
	28.142.692	**46.066.599**

(1) Distribution and transportation service is received from Doğan Dağıtım.
(2) The Group receives television advertising services from Star TV and Kanal D. Star TV is considered as related party until the sales of shares to Doğuş Media Group on November 3, 2011.

f) Remuneration paid to top management:

The Group defined its top management personnel as board of directors' members, executive board members and general editor. Remuneration of top management includes salaries, premiums, health insurance and transportation benefits and is explained below.

	31 December 2011	31 December 2010
Salaries and other short term benefits	6.646.113	5.232.165
Other long term benefits	-	-
Post-employment benefits	-	-
Termination benefits	393.066	401.875
Total	**7.039.179**	**5.634.040**

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

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 (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 management 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 2011**	**31 December 2010**
Financial assets	-	*3.279.440*
- Designated as fair value through profit or loss[1]	-	*3.279.440*
- Available for sale financial assets	-	-
Financial liabilities	5.165.940	19.697.191

Financial instruments with floating interest rate	**31 December 2011**	**31 December 2010**
Financial assets	-	-
Financial liabilities	-	13.400.000

(1) 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 does not have any borrowing with a floating interest rate as of 31 December 2011 (31 December 2010: TL 13.400.000).

As of 31 December 2010, if interest rate on borrowings had been 1% higher/lower, interest expense would have been TL 5.872 higher/lower.

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

NOTE 29 - FINANCIAL RISK MANAGEMENT(Continued)

Foreign currency risk

The Group is exposed to foreign exchange risk through the impact of rate changes on the translation of foreign currency liabilities to local currency. Foreign exchange risk arises due to the future transactions, assets and liabilities recognized. The Group manages this risk through offsetting foreign currency assets and liabilities. These risks are monitored and limited by analyzing foreign currency position.

	31 December 2011	31 December 2010
Assets	98.916.537	157.331
Liabilities	(91.333)	(19.837.257)
Net foreign currency position	**98.825.204**	**(19.679.926)**

As of 31 December 2011, foreign currency denominated asset and liability balances were converted with the following exchange rates: TL 1,8889 = USD 1 and TL 2,4438 = EUR 1 (2010: TL 1,5460 = USD 1 and TL 2,0491 = EUR 1).

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

NOTE 29 - FINANCIAL RISK MANAGEMENT (Continued)

31 December 2011	TL Equivalent	USD	Euro	Other
1. Trade Receivables	31.747.379	31.747.379	-	-
2a. Monetary Financial Assets (Cash, Banks included)	25.452	13.274	4.958	7.220
2b. Non-Monetary Financial Assets	-	-	-	-
3. Other	-	-	-	-
4. Current Assets (1+2+3)	**31.772.831**	**31.760.653**	**4.958**	**7.220**
5. Trade Receivables	67.143.706	67.143.706	-	-
6a. Monetary Financial Assets	-	-	-	-
6b. Non-Monetary Financial Assets	-	-	-	-
7. Other	-	-	-	-
8. Non-current assets (5+6+7)	**67.143.706**	**67.143.706**	-	-
9. Total assets (4+8)	**98.916.537**	**98.904.359**	**4.958**	**7.220**
10. Trade Payables	91.333	91.333	-	-
11. Financial Liabilities	-	-	-	-
12a. Other Monetary Liabilities	-	-	-	-
12b. Other Non-Monetary Liabilities	-	-	-	-
13. Current Liabilities (10+11+12)	**91.333**	**91.333**	-	-
14. Trade Payables	-	-	-	-
15. Financial Liabilities	-	-	-	-
16a. Other Monetary Liabilities	-	-	-	-
16b. Other Non-Monetary Liabilities	-	-	-	-
17. Non-current Liabilities (14+15+16)	-	-	-	-
18. Total Liabilities (13+17)	**91.333**	**91.333**	-	-
19. Net asset / liability position of Off-balance sheet derivatives (19a-19b)	-	-	-	-
19.a Off-balance sheet foreign currency derivative assets	-	-	-	-
19b. Off-balance sheet foreign currency derivative liabilities	-	-	-	-
20. Net foreign currency asset liability position (9-18+19)	**98.825.204**	**98.813.026**	**4.958**	**7.220**
21. Net foreign currency asset / liability position of monetary items (1+2a+5+6a-10-11-12a-14-15-16a)	**98.825.204**	**98.813.026**	**4.958**	**7.220**
22. Fair value of foreign currency hedged financial assets	-	-	-	-
23. Exports	-	-	-	-
24. Imports	-	-	-	-

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

NOTE 29 - FINANCIAL RISK MANAGEMENT (Continued)

31 December 2010	**TL Equivalent**	**USD**	**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	10.300.618	-
12a. Other Monetary Liabilities	-	-	-	-
12b. Other Non-Monetary Liabilities	-	-	-	-
13. Current Liabilities (10+11+12)	**19.837.256**	**9.536.638**	**10.300.618**	-
14. Trade Payables	-	-	-	-
15. Financial Liabilities	-	-	-	-
16a. Other Monetary Liabilities	-	-	-	-
16b. Other Non-Monetary Liabilities	-	-	-	-
17. Non-current Liabilities (14+15+16)	-	-	-	-
18. Total Liabilities (13+17)	**19.837.256**	**9.536.638**	**10.300.618**	-
19. Net asset / liability position of Off-balance sheet derivatives (19a-19b)	-	-	-	-
19.a Off-balance sheet foreign currency derivative assets	-	-	-	-
19b. Off-balance sheet foreign currency derivative liabilities	-	-	-	-
20. Net foreign currency asset liability position (9-18+19)	**(19.679.925)**	**(9.491.490)**	**(10.193.580)**	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	-	-	-	-

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

NOTE 29 - FINANCIAL RISK MANAGEMENT (Continued)

Group is exposed to foreign exchange risk arising primarily from USD and Euro, mainly. The analysis of sensitivity to foreign currency is as follows:

	Income/Loss	
31 December 2011	**Foreign currency appreciates**	**Foreign currency depreciates**
If the US dollar had changed by 10% against the TL		
USD net (liability)/asset	9.881.303	(9.881.303)
Hedging amount of USD	-	-
USD net effect on income/(loss)	**9.881.303**	**(9.881.303)**
If the EUR had changed by 10% aganist the TL		
EUR net (liability)/asset	496	(496)
Hedging amount of EUR	-	-
EUR net effect on income/(loss)	**496**	**(496)**

	Income/Loss	
31 December 2010	**Foreign currency appreciates**	**Foreign currency depreciates**
If the US dollar had changed by 10% against the TL		
USD net (liabilities)/assets	(949.149)	949.149
Hedging amount of USD	-	-
USD net effect on (loss)/income	**(949.149)**	**949.149**
If the EUR had changed by 10% aganist the TL		
EUR net (liability)/asset	(1.019.358)	1.019.358
Hedging amount of EUR	-	-
EUR net effect on income/(loss)	**(1.019.358)**	**1.019.358**

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.

The maximum exposure of the Group to credit risk as of 31 December 2011 and 31 December 2010 is as follows:

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

NOTE 29 - FINANCIAL RISK MANAGEMENT (Continued)

	Trade receivables		Other receivables				
31 December 2011	**Related Party**	**Other**	**Related Party**	**Other**	**Cash and cash equivalents**	**Derivative instruments**	**Other**
Maximum credit risk exposure as of balance sheet date	4.953.877	54.652.942	-	93.823.454	340.102	-	-
- Collateralized or secured with guarantees part of maximum credit risk	-	*11.666.219*	-	-	-	-	-
A. Net book value of neither past due nor impaired financial assets	4.226.394	30.452.087	-	93.823.454[1]	340.102	-	-
B. Book value of restructured otherwise accepted as past due and impaired financial assets	-	-	-	-	-	-	-
C. Past due but not impaired	727.483	24.200.855	-	-	-	-	-
- Guaranteed amount by commitment	-	*10.049.015*	-	-	-	-	-
D. Impaired asset net book value	-	-	-	-	-	-	-
- Past due (gross amount)	-	13.687.383	-	-	-	-	-
- Impairment (-)	-	(13.687.383)	-	-	-	-	-
- 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	-	-	-	-	-	-	-

(1) Deposits and guarantees given in other non-current receivables amounting to TL 59.770 is included as of 31 December 2011.

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

NOTE 29 - FINANCIAL RISK MANAGEMENT (Continued)

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	-	-
- *Collateralized or secured with guarantees part of maximum credit risk*	-	*13.686.958*	-	-	-	-	-
A. Net book value of neither past due nor impaired financial assets	6.451.698	38.831.549	-	62.450	4.852.292	-	-
B. Book value of restructured otherwise accepted as past due and impaired financial assets	-	-	-	-	-	-	-
C. Past due but not impaired	1.517.840	25.118.325	-	-	-	-	-
- *Guaranteed amount by commitment*	-	*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	-	-	-	-	-	-	-

(1) Deposits and guarantees given in other non-current receivables amounting to TL 55.842 is included as of 31 December 2010.

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

NOTE 29 - FINANCIAL RISK MANAGEMENT (Continued)

The aging schedule of receivables that are overdue but not impaired is as follows:

	Trade receivables		Bank	Derivative	
31 December 2011	**Related party**	**Other**	**deposits**	**instruments**	**Other**
1 to 30 days overdue	232	7.289.621	-	-	
1 to 3 months overdue	155	6.382.392	-	-	-
3 to 12 months overdue	169.147	7.610.627	-	-	-
More than 1 year overdue	557.949	2.918.215	-	-	-
Total	**727.483**	**24.200.855**	-	-	-
Guaranteed amount	-	*10.049.015*	-	-	-

	Trade receivables		Bank	Derivative	
31 December 2010	**Related party**	**Other**	**deposits**	**instruments**	**Other**
1 to 30 days overdue	1.198	11.935.604	-	-	-
1 to 3 months overdue	15.147	7.056.936	-	-	-
3 to 12 months overdue	296.478	4.899.428	-	-	-
More than 1 year overdue	1.205.017	1.226.357	-	-	-
Total	**1.517.840**	**25.118.325**	-	-	-
Guaranteed amount	-	*10.474.306*	-	-	-

The credit quality of trade receivables which is impaired is as follows:

	Trade receivables		Bank	Derivative	
31 December 2011	**Related party**	**Other**	**deposits**	**instruments**	**Other**
0 to 3 months overdue	-	-	-	-	-
3 to 12 months overdue	-	-	-	-	-
1 to 5 years overdue	-	13.687.383	-	-	-
Less: provision for impairment	-	(13.687.383)	-	-	-
Total	-	-	-	-	-

NOTE 29 - FINANCIAL RISK MANAGEMENT (Continued)

31 December 2010	Trade receivables		Bank	Derivative	
	Related party	Other	deposits	instruments	Other
0 to 3 months overdue	-	-	-	-	-
3 to 12 months overdue	-	-	-	-	-
1 to 5 years overdue	-	19.522.869	-	-	-
Less: provision for impairment	-	(19.522.869)	-	-	-
Total	-	-	-	-	-

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.

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

NOTE 29 - FINANCIAL RISK MANAGEMENT (Continued)

As of 31 December 2011 and 31 December 2010, undiscounted cash flows of financial liabilities based on the agreement maturities are as follows:

31 December 2011	Book value	Contractual undiscounted cash flow	Up to 3 months	3-12 months	1-5 years	Over 5 years
Financial liabilities excluding derivatives						
Financial liabilities (Note 6)	5.165.940	5.213.395	5.213.395	-	-	-
Due to related parties (1) (Note 28b)	20.940.091	20.292.740	20.292.740	-	-	-
Other trade payables (2) (Note 7)	8.009.460	6.350.058	6.350.058	-	-	-
Other payables (Note 8)	4.666.678	4.666.678	4.666.678	-	-	-

31 December 2010	Book value	Contractual undiscounted 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 7)	10.860.335	8.917.191	8.917.191	-	-	-
Other payables (Note 8)	6.476.117	6.476.117	6.476.117	-	-	-

(1) Barter related liabilities in accordance with contracts amounting to TL 647.352 (31 December 2010: TL 10.325.733) are not included in the total cash outflow.
(2) Barter related liabilities in accordance with contracts amounting to TL 1.659.402 (31 December 2010: TL 1.943.144) are not included in the total cash outflow.

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

NOTE 29 - FINANCIAL RISK MANAGEMENT (Continued)

Capital risk management

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

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

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

	31 December 2011	31 December 2010
Total liabilities	46.720.271	91.274.961
Less: cash and cash equivalents (Note 4)	(340.102)	(5.315.998)
Net liability	**46.380.169**	**85.958.963**
Equity	217.005.215	207.995.099
Total equity	**263.385.384**	**293.954.062**
Total liability/total equity ratio	**17,6%**	**29,2 %**

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 2010: 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.

NOTE 30 - FINANCIAL INSTRUMENTS (Continued)

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 period-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.

Trade receivables are carried at amortized cost using the effective yield method less provision for doubtful receivables, and hence are considered to approximate their fair values.

Financial liabilities

Trade payables are stated at amortized cost using the effective interest method, and accordingly their carrying amounts approximate their fair value.

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 to Turkish Lira and accordingly their carrying amounts approximate their fair values.

NOTE 31- SUBSEQUENT EVENTS

As per the Board resolution issued on 9 March 2012, the Company's head office has been decided to move to Kuştepe Mah. Mecidiyeköy Yolu Trump Towers Kule 2 Kat: 7-8-9 No: 12 Mecidiyeköy / İSTANBUL.

The consolidated financial statements for the period ended 31 December 2011 were approved by the Board of Directors on 30 March 2012. Other than Board of Directors has no authority to change financial statements.

NOTE 32 – OTHER MATTERS THAT SIGNIFICANTLY AFFECT THE CONSOLIDATED FINANCIAL STATEMENTS

Transfer of Shares of Subsidiaries and Brand Sale

The Group's filed application in relation to the transfer of all brands, royalties and domain names (milliyet.com.tr; milliyet.com; milliyetemlak.com.tr etc.) pertaining to the Milliyet Newspaper in consideration of USD 47.960.000 (TL 73.594.620) including VAT and its 1.289.996 shares of Bağımsız Gazeteciler Yayıncılık A.Ş. with a nominal value of TL 100 each, comprising all brands, royalties and domain names pertaining to the Vatan Newspaper, in which it holds 99,99% participation amounting to TL 129.000.000 of capital in consideration of USD 26.000.000 (TL 39.897.000) to DK Gazetecilik ve Yayıncılık A.Ş., was approved by the Competition Authority on 28 April 2011 and the related transfer transactions were completed as of 2 May 2011 upon the satisfaction of all closing conditions.

The Group and DK Gazetecilik ve Yayıncılık A.Ş. have a mutual understanding of the following: transfering of all personnel related to all brands, royalties and domain names pertaining to the Milliyet Newspaper with all their rights; share transfer of Bağımsız Gazeteciler Yayıncılık A.Ş. as of the closing balance sheet date prepared on 2 May 2011 by offsetting any of its liabilities/encumbrances and any receivables; if such treatment is inapplicable, offsetting liabilities that cannot be recoverable from receivables against the share transfer consideration by the deduction of liabilities against the first installment payments, or if receivables are higher than liabilities, addition of difference amount between liabilities and receivables to the sale price; restricting the total liability that may arise from termination pay, retirement pay and leave of absence to 15% in the termination of employment contracts by DK Gazetecilik ve Yayıncılık A.Ş.and Bağımsız Gazeteciler Yayıncılık A.Ş. during the share transfer period. Based on the above-mentioned understanding, TL 3.576.606 and TL 1.764.915 of discount have been applied to the Milliyet Newspaper and Bağımsız Gazeteciler Yayıncılık A.Ş., respectively, over the sale price as the cost of termination of employment contracts. In addition, TL 3.268.780 of discount has been applied over the sale price of Bağımsız Gazeteciler Yayıncılık A.Ş. as a liability amount that cannot be recoverable from receivables.

The payment schedule will include TL 20.000.000 of advance payment at the sign date of the contract (20 April 2011), TL 20.000.000 of cash payment no later than 31 May 2011 and 40 monthly installments of the remaining portion starting from 2012. For installment payments in 2012, 2013, 2014 and 2015, as of closing date, Libor+2,5, Libor+3,5, Libor+4,5 and Libor+5,5 interest rate will be applied, respectively. Libor interest rate is applied for 6 months and this rate is calculated every six months and is determined on a fix rate basis for the following six-month period.

TL 20.000.000 of cash payment was made on 31 May 2011, less any discounts applied and closing balance sheet reconciliations mentioned above. As mentioned above, the payment of the remaining USD 47.892.878 is planned as receiving 40 bonds consisting a short term payment of USD 7.183.932 and long term payments of USD 40.708.946.

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

NOTE 32 – OTHER MATTERS THAT SIGNIFICANTLY AFFECT THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Gain on sale of brand and subsidiary shares

	31 December 2011
Amount received	93.655.020
Carrying value of net assets	(77.066.279)
Non-controlling interests	63
Sales income (Note 25)	**16.588.804**

The sale of Bağımsız Gazeteciler shares and Milliyet Gazetesi brand have been completed as of 2 May 2011, and TL 16.588.804 TL of sales income is disclosed in discontinued operations.

Net Amount received from sale of brand and subsidiary shares

Cash and cash equivalents received	27.423.596
Notes receivables received	66.231.424
Less: Cash and cash equivalents of sold subsidiary	(186.691)
	93.468.329

Net book value of assets disposed

	30 April 2011
Current assets	**4.516.107**
Cash and cash equivalents	186.691
Trade receivables	1.848.169
Inventories	1.344.727
Other current assets	1.136.520
Non-current assets	**102.597.664**
Property, plant and equipment (Note 11)	1.127.963
Intangible assets (Note 12)	51.951.240
Goodwill (Note 13)	47.757.110
Investment property (Note 10)	159.467
Other non-current assets	1.601.884
Current liabilities	**15.300.333**
Financial borrowings	3.252.000
Trade payables	3.707.670
Other taxes and funds payables	3.547.453
Provisions	158.813
Other current liabilities	4.634.397
Non-current liabilities	**14.747.159**
Other payables	6.099
Provision for employment termination benefits (Note 16)	11.092.278
Deferred tax liability (Note 26)	3.648.782
Net assets disposed of from scope of consolidation	**77.066.279**
Non-controlling interests	63
Gain from sale [1]	**16.588.804**

(1) Carrying value of the net assets from discontinued operations increase by TL 2.870.361 and the profit on sale amount decrease equally as a result of the offsetting of provisions subsequent to the date of sale till the end of the balance sheet date.