DOĞAN GAZETECİLİK A.Ş.

CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008 TOGETHER WITH INDEPENDENT AUDITOR'S REPORT

(ORGINALLY ISSUED IN TURKISH)

PRICEWATERHOUSECOOPERS

Başaran Nas Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.
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CONVENIENCE TRANSLATION INTO ENGLISH OF INDEPENDENT AUDITOR'S REPORT ORIGINALLY ISSUED IN TURKISH

INDEPENDENT AUDITOR'S REPORT

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

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

Management's responsibility for the financial statements

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

Auditor's responsibility

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

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

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

Opinion

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

Additional paragraph for convenience translation into English

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

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

ORIGINALLY SIGNED
IN TURKISH

Gökhan Yüksel, SMMM
Partner

Istanbul, 24 March 2009

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

DOĞAN GAZETECİLİK A.Ş.

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

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DOĞAN GAZETECİLİK A.Ş.

CONSOLIDATED BALANCE SHEETS AT 31 DECEMBER 2008 AND 2007

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

	Note References	31 December 2008	31 December 2007
ASSETS			
Current assets		**105.088.396**	**182.795.871**
Cash and cash equivalents	5	16.217.556	106.333.707
Trade receivables			
- Due from related parties	29	11.705.610	7.328.974
- Other trade receivables	8	60.076.765	57.577.792
Other receivables		97.714	-
Inventories	10	5.643.760	4.014.166
Other current assets	18	10.571.791	7.541.232
		104.313.196	**182.795.871**
Non-current assets held for sale	26	775.200	-
Non-current assets		**225.433.001**	**96.772.507**
Other receivables	9	65.033	58.930
Financial assets	6	69.585	134.636
Investment property	11	1.288.030	646.280
Property, plant and equipment	12	31.569.407	31.947.488
Intangible assets	13	74.733.424	895.383
Goodwill	14	113.857.178	60.428.513
Deferred income tax assets	27	3.850.344	2.661.277
TOTAL ASSETS		**330.521.397**	**279.568.378**

The consolidated financial statements for the year ended 31 December 2008 have been approved by Bilen Böke, Chief Financial Officer and Asil Alptekin, Director of Financial Affairs on behalf of the Board of Directors on 24 March 2009. In addition, financial statements are subject to approval of shareholders of the Company in the General Assembly of year 2008.

Bilen Böke	Asil Alptekin
Chief Financial Officer	Director of Financial Affairs

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

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

DOĞAN GAZETECİLİK A.Ş.

CONSOLIDATED BALANCE SHEETS
AT 31 DECEMBER 2008 AND 2007
(Amounts expressed in New Turkish lira ("TRY") unless otherwise indicated.)

	Note References	31 December 2008	31 December 2007
LIABILITIES			
Current liabilities		**84.183.491**	**34.025.781**
Borrowings	7	1.061.081	3.097.778
Trade payables			
- Due to related parties	29	64.654.389	15.578.435
- Other trade payables	8	5.652.991	5.484.169
Other payables	9	4.267.000	5.200.442
Current income tax liabilities	27	-	16.456
Provisions	15	2.928.267	1.454.816
Other current liabilities	18	5.619.763	3.193.685
Non-current liabilities		**5.292.537**	**3.697.931**
Provision for employment termination benefit	17	5.292.537	3.697.931
EQUITY	**19**	**241.045.369**	**241.844.666**
Equity attributable to equity holders of the company	**19**	**240.793.202**	**241.616.401**
Share capital	19	105.000.000	100.000.000
Adjustment to share capital	19	45.910.057	45.910.057
Share premium	19	82.060.000	82.060.000
Translation reserves	2	-	69.911
Restricted reserves	19	3.837.564	3.837.564
Retained earnings	19	4.738.869	905.769
(Loss)/profit for the period		(753.288)	8.833.100
Minority interests		**252.167**	**228.265**
TOTAL LIABILITIES AND EQUITY		**330.521.397**	**279.568.378**
Commitments and contingent liabilities	15		

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

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

DOĞAN GAZETECİLİK A.Ş.

CONSOLIDATED STATEMENTS OF INCOME FOR THE YEARS ENDED 31 DECEMBER 2008 AND 2007

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

	Note References	31 December 2008	31 December 2007
Continuing Operations			
Sales	20	341.353.101	293.416.747
Cost of sales (-)	20	(231.754.513)	(182.077.170)
Gross Profit		**109.598.588**	**111.339.577**
Marketing, selling and distribution expenses (-)	21	(96.236.602)	(81.154.777)
General administrative expenses (-)	21	(25.406.422)	(22.716.535)
Other income	23	8.440.719	3.181.090
Other expenses (-)	23	(12.627.605)	(2.594.166)
Operating (Loss) / Profit		**(16.231.322)**	**8.055.189**
Financial income	24	19.841.156	10.313.734
Financial expenses (-)	25	(12.815.330)	(7.249.319)
(Loss)/Profit Before Income Taxes From Continuing Operations		**(9.205.496)**	**11.119.604**
Taxation from continuing operations	27	8.476.110	(2.284.711)
- Current income tax for the period		(3.039.626)	(2.682.418)
- Deferred income tax credit		11.515.736	397.707
(Loss)/Profit for the Period		**(729.386)**	**8.834.893**
Allocation of Profit for the Period			
Attributable to minority interests		23.902	1.793
Attributable to equity holders of the parent		(753.288)	8.833.100
Earning / (loss) per share for profit attributable to equity holders of the Company (YKr)		(0,7)	10,1

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

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

DOĞAN GAZETECİLİK A.Ş.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED 31 DECEMBER 2008 AND 2007

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

	Note References	Share capital	Adjustment to share capital	Share premium	Translation reserve	Restricted reserves	Retained earnings/ (accumulated losses)	Net profit/ (loss) for the period	Equity attributable to equity holders of the company	Minority interest	Total Equity
Balances at 1 January 2007	**19**	**78.000.000**	**45.910.057**	**-**	**(86.502)**	**3.837.564**	**1.911.961**	**(1.006.192)**	**128.566.888**	**226.472**	**128.793.360**
Transfers	19	-	-	-	-	-	(1.006.192)	1.006.192	-	-	-
Currency translation differences	2	-	-	-	156.413	-	-	-	156.413	-	156.413
Capital increase	19	22.000.000	-	-	-	-	-	-	22.000.000	-	22.000.000
Share premium	19	-	-	82.060.000	-	-	-	-	82.060.000	-	82.060.000
Net income / (loss) for the period	19	-	-	-	-	-	-	8.833.100	8.833.100	1.793	8.834.893
Balances at 31 December 2007	**19**	**100.000.000**	**45.910.057**	**82.060.000**	**69.911**	**3.837.564**	**905.769**	**8.833.100**	**241.616.401**	**228.265**	**241.844.666**
Balances at 1 January 2008	**19**	**100.000.000**	**45.910.057**	**82.060.000**	**69.911**	**3.837.564**	**905.769**	**8.833.100**	**241.616.401**	**228.265**	**241.844.666**
Transfers	19	-	-	-	-	-	8.833.100	(8.833.100)	-	-	-
Currency translation differences	2	-	-	-	(69.911)	-	-	-	(69.911)	-	(69.911)
Capital increase	19	5.000.000	-	-	-	-	(5.000.000)	-	-	-	-
Net income / (loss) for the period	19	-	-	-	-	-	-	(753.288)	(753.288)	23.902	(729.386)
Balances at 31 December 2008	**19**	**105.000.000**	**45.910.057**	**82.060.000**	**-**	**3.837.564**	**4.738.869**	**(753.288)**	**240.793.202**	**252.167**	**241.045.369**

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

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

DOĞAN GAZETECİLİK A.Ş.

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED 31 DECEMBER 2008 AND 2007

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

	Note References	1 January- 31 December 2008	1 January- 31 December 2007
(Loss)/Profit before income taxes		(9.205.496)	11.119.604
Adjustments :			
Amortization	11, 12	4.287.670	3.668.903
Depreciation	13	3.420.895	500.422
Gain on disposal of property, plant and equipment, intangible assets and investment property	23	(1.212.650)	(224.973)
Unearned financial income	8	653.421	593.961
Unearned credit finance charged to related parties	29	(260.524)	(183.232)
Interest expense	25	111.271	348.121
Interest income	24	(5.383.150)	(1.937.927)
Doubtful receivable provision	8	1.700.114	1.494.671
Unused vacation liability	18	771.763	379.735
Employment termination benefit provision	17	3.184.076	1.876.619
Currency translation differences		(69.911)	158.460
Gain on disposal of subsidiary	23	(3.185.528)	-
Diminution in carrying value of goodwill	14	9.436.217	-
Provision for impairment on investment property	11	471.733	-
Adjustments to reconcile profit before income taxes from continuing operations to net cash from operating activities		**4.719.901**	**17.794.364**
Other trade receivables	8	9.441.433	(11.172.768)
Receivables from related parties	29	(1.360.872)	(3.172.444)
Inventories	10	(118.966)	1.526.538
Income tax paid	27	(3.881.039)	(2.678.773)
Other current receivables	9	5.318	111.785
Other current assets	18	(582.177)	(2.441.254)
Other trade payables	8	(3.356.874)	1.645.665
Payable to related parties	29	(34.179.250)	(563.905)
Other payables	9	(1.619.133)	268.919
Provisions	15	(1.357.924)	(340.372)
Other current liabilities	18	2.369.776	2.907.360
Other non-current receivables	9	(6.103)	(8.286)
Employment termination benefits paid	17	(2.768.912)	(1.878.075)
Non-current assets held for sale	26	311.200	-
Net cash (used in)/provided by operating activities		**(32.383.622)**	**1.998.754**
Investing activities:			
Sales / (purchase) of financial asset	6	65.051	502
Purchase of investment property	11	(1.759.763)	-
Purchase of property, plant and equipment	12	(2.175.582)	(1.970.534)
Purchase of intangible assets	13	(17.676.568)	(490.975)
Net profit/ (loss) on disposal of property, plant and equipment, intangible assets and investment property	11, 13	2.432.296	1.181.054
Acquisition of subsidiaries, net paid	3	(21.179.960)	-
Net cash used in investing activities		**(40.294.526)**	**(1.279.953)**
Financing activities:			
Decrease in borrowings, net	7	(22.703.825)	(2.630.257)
Capital increase	19	-	22.000.000
Share premium	19	-	82.060.000
Interest paid	25	(111.271)	(323.133)
Interest received	24	5.377.093	1.168.885
Net cash (used in)/provided by financing activities		**(17.438.003)**	**102.275.495**
Net increase in cash and cash equivalents	5	(90.116.151)	102.994.296
Cash and cash equivalents at the beginning of the period	5	106.333.707	3.339.411
Cash and cash equivalents at the end of the period		**16.217.556**	**106.333.707**

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

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

NOTE 1 - ORGANIZATION AND NATURE OF OPERATIONS

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

The Company's parent company is Doğan Yayın Holding A.Ş., ultimate parent company is Adilbey Holding.

The address of the registered office is as follows:

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

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

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

Subsidiaries

The table below sets out all Subsidiaries included in the scope of consolidation at 31 December 2008 and 31 December 2007:

Subsidiaries	**Registered country**	**Nature of business**
Kemer Yayıncılık ve Gazetecilik A.Ş. ("Kemer Yayıncılık")	Turkey	Investment
Bağımsız Gazeteciler Yayıncılık A.Ş. ("Bağımsız Gazeteciler")	Turkey	Newspaper publishing
Kemer Yayıncılık Pazarlama San. ve Tic. A.Ş. ("Kemer Yayıncılık Pazarlama")	Turkey	Internet services
Milliyet Verlags und Handels GmbH ("Milliyet Verlags") (1)	Germany	Newspaper distribution
DYG İlan ve Reklam Hizmetleri A.Ş. ("DYG İlan")	Turkey	Advertising
Milliyet Haber Ajansı A.Ş. ("Milha")	Turkey	News Agency
Milliyet İnternet Hizmetleri ve Ticaret A.Ş. ("Milliyet İnternet") (2)	Turkey	Internet publishing

(1) On 13 June 2008, share capital of Milliyet Verlags was increased from Euro 616.000 to Euro 2.620.000. The Group did not use its right to buy new shares resulting in a decrease its participation rate from 74,03% to 17,34%. Effective from 13 June 2008, Group ceased to consolidate Milliyet Verlags and classified as available for sale (Note 6). The financial asset is recognized with an amount equal to the Group's share in the net assets of Milliyet Verlags after the share capital increase. Resulting income amounting to TRY 3.185.528 is recognized as other operating income (Note 23).

(2) On 9 May 2008, share capital of Milliyet İnternet has been increased from TRY 50.000 to TRY 20.000.000. The Group's participation rate is increased to 99,8% from 30,5% hence the Group started to consolidate Milliyet İnternet effective from 9 May 2008.

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

NOTE 1 - ORGANIZATION AND NATURE OF OPERATIONS (Continued)

Joint Ventures

The table below sets out the Joint Venture included in the scope of consolidation at 31 December 2008 and 2007:

	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

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

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

Within the scope of CMB's Communiqué Serial XI, No:29 and its announcements clarifying this communiqué the consolidated financial statements have been prepared in accordance with the CMB's Financial Reporting Standards which are based on IAS/IFRS, as the differences of IAS/IFRS, adopted by the European, from those published by IASB have not yet been announced by TASB as of the date of these financial statements. Consolidated financial statements and accompanying notes have been presented in accordance with the format, recommended to be implemented by CMB through its announcement dated 14 April 2008, and by including the mandatory information (Note 2.1.1). In this regard necessary changes have been made in the consolidated financial statements of previous periods.

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

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

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

2.1.2 Financial statements of subsidiaries operating in foreign countries

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

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

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

2.1.3 Consolidation principles

The consolidated financial statements include the accounts of the parent company, Doğan Gazetecilik A.Ş., its subsidiaries and joint venture (collectively referred to as the "Group") on the basis set out in sections (a) to (d) below. The financial statements of the companies included in the scope of consolidation have been prepared as of the date of the consolidated financial statements, and are prepared in accordance with CMB Financial Reporting Standards as explained in Note 2.1.1.

(a) Subsidiaries

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

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

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

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

The table below sets out all subsidiaries included in the scope of consolidation and shows their shareholder structure at 31 December 2008 and 31 December 2007:

	Proportion of the voting power held by the Group (%) 31 December 2008	Proportion of the voting power held by the Group (%) 31 December 2007
Kemer Yayıncılık	99,98	-
Bağımsız Gazeteciler	99,99	-
Kemer Yayıncılık Pazarlama	99,96	-
Milliyet Verlags	17,34	74,03
DYG İlan	50,02	50,02
Milha	66,99	66,99
Milliyet İnternet	99,83	30,50

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

Financial assets at fair value through profit and loss in which the Group has controlling interests below 20%, or above 20% over which the Company does not exercise a significant influence, or which are immaterial and that do not have quoted market price in active markets and whose fair values cannot be measured reliably, are carried at cost less any provision for diminution in value and for the periods which inflation accounting is applied are carried at cost and restated to the equivalent purchasing power at the balance sheet date less any provision for diminution in value (Note 6).

(c) Joint Ventures

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

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

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

The table below sets out the joint venture included in the scope of consolidation and shows its shareholder structure at 31 December 2008 and 31 December 2007:

	Proportion of joint management 31 December 2008	Proportion of joint management 31 December 2007	Joint Venture Partner
Birey Seçme ve Değerlendirme Danışmanlık Ltd. Şti	50	50	Doğan Portal ve Elektronik Tic. A.Ş.

(d) Minority Interest

The minority shareholders' share in the net assets and results for the period for subsidiaries are separately classified in the consolidated balance sheets and statements of income as minority interest.

The losses applicable to the minority in a consolidated subsidiary may exceed the minority interest in the equity of the subsidiary. The excess, and any further losses applicable to the minority, are charged against the majority interest except to the extent that the minority has a binding obligation to, and is able to, make good the losses. If the subsidiary subsequently reports profits, the majority interest is allocated all such profits until the minority's share of losses previously absorbed by the majority has been recovered.

2.1.4 Offsetting

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

2.1.5 Comparatives

The financial statements of the Group include comparative financial information to enable the determination of the financial position and performance. The balance sheet of the Group at 31 December 2008 has been provided with the comparative financial information of 31 December 2007 and the statement of income, the statement of changes in equity and the statement of cash flows for the year ended 31 December 2008 have been provided with the comparative financial information, for the year ended 31 December 2007.

Other payables amounting to TRY 743.390 included in "Other current liabilities" in the consolidated balance sheet at 31 December 2007 have been reclassified to "Borrowings" in the current period.

Deferred income tax assets amounting to TRY 1.254.071 included in "Current assets" in the consolidated balance sheet at 31 December 2007 have been reclassified to "Non-current assets" in the current period.

Sales premiums given to advertising agencies amounting to TRY 3.479.660 which was included in "Marketing, selling and distribution expenses" in the consolidated statement of income for the year ended 31 December 2007 have been reclassified to "Sales" in the current period.

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

Unused vacation liability expense amounting to TRY 379.735 which was included in "Other operating expense" in the consolidated statement of income for the year ended 31 December 2007 have been allocated to "Cost of sales", "Marketing, selling and distribution expenses" and "General administrative expenses" in the current period.

Provision for employment termination benefit amounting to TRY 169.730 which was included in "General administrative expenses" in the consolidated statement of income for the year ended 31 December 2007 have been allocated to "Cost of sales" and "Marketing, selling and distribution expenses" in the current period.

Consolidated financial statements and accompanying notes have been presented in accordance with the format, recommended by CMB with its announcement dated 14 April 2008, and by including the mandatory information. In this regard, necessary changes have been made in the financial statements of prior period in order to result in a more appropriate presentation with the consolidated financial statements as of 31 December 2008. All the reclassifications, details of which are summarized below, have been made in order to conform to the aforementioned recommended format.

Advances given for the purchase of raw materials amounting to TRY 1.906.062 included in "Inventories" in the consolidated balance sheet at 31 December 2007 have been reclassified to "Other current assets" in the current period.

Deferred VAT and other tax receivables, and prepaid taxes and funds amounting to TRY 1.446.325 included in "Other current receivables" in the consolidated balance sheet at 31 December 2007 have been reclassified to "Other current assets" in the current period.

Personnel advances, receivables from personnel and job advances amounting to TRY 1.376.228 included in "Other current receivables" in the consolidated balance sheet at 31 December 2007 have been reclassified to "Other current assets" in the current period.

Taxes and funds payable amounting to TRY 4.822.348 included in "Other current liabilities" in the consolidated balance sheet at 31 December 2007 has been reclassified to "Other current payables" in the current period.

Payables to personnel amounting to TRY 1.107.463 included in "Other current liabilities" in the consolidated balance sheet at 31 December 2007 have been reclassified to "Other current payables" in the current period.

Tax provision amounting to TRY 16.456 included in "provisions" in the consolidated balance sheet at 31 December 2007 has been reclassified to "Current income tax liabilities" in the current period.

Provision for employment termination benefit amounting to TRY 3.697.931 included in "Non-current provisions" in the consolidated balance sheet at 31 December 2007 has been reclassified to "Provision for employment termination benefit"as non-current liabilities in the current period.

Foreign exchange gains amounting to TRY 4.376.170 included in "Other operating income" in the consolidated statement of income for the year ended 31 December 2007 have been reclassified to "Financial income" in the current period.

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

Foreign exchange losses amounting to TRY 4.341.791 included in "Other operating expense" in the consolidated statement of income for the year ended 31 December 2007 have been reclassified to "Financial expense" in the current period.

Interest income amounting to TRY 1.937.927 included in "Other operating income" in the consolidated statement of income for the year ended 31 December 2007 has been reclassified to "Financial income" in the current period.

Interest expense amounting to TRY 348.121 included in "Other operating expense" in the consolidated statement of income for the year ended 31 December 2007 has been reclassified to "Financial expense" in the current period.

2.1.6 Standards, amendments and interpretations to existing standards

a) Interpretations effective in 2008 but not relevant to the Group's financial statements

- IFRIC 11, "IFRS 2 - Group and treasury share transactions" (effective from 1 March 2007).
- IFRIC 12, "Service concession arrangements" (effective from 1 January 2008).
- IFRIC 13, "Customer loyalty programmes" (effective from 1 July 2008).
- IFRIC 14, "IAS 19 - The limit on a defined benefit asset, minimum funding requirements and their interaction" (effective from 1 January 2008).
- IFRIC 16, "Hedges of a net investment in a foreign operation" (effective from 1 October 2008).

b) Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group

i) The following standards and amendments to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after 1 January 2009

- IAS 23, (Amendment), "Borrowing costs"
- IFRS 8, "Operating segments"
- IAS 32, "Financial instruments: Presentation" Puttable financial instruments and obligations arising on liquidation
- IAS 1, "Presentation of financial statements"
- IAS 39, "Financial instruments: Recognition and measurement"
- IFRS 1, (Amendment), "First-time adoption of International Financial Reporting Standards"
- IFRS 2, (Amendment), "Share-based payment"
- IFRIC 15, "Agreements for construction of real estates"
- IAS 40, (Amendment), "Investment property"
- IAS 31, (Amendment), "Interests in joint ventures"
- IAS 28, (Amendment), "Investments in associates"

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

ii) The following standards and amendments to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after 1 July 2009

- IAS 27 (Revised), "Consolidated and separate financial statements"
- IFRS 3 (Revised), "Business combinations"
- IFRS 5 (Amendment), "Non-current assets held-for-sale and discontinued operations"

The Group management expects that the standards, amendments and interpretations to existing standards given above will not have material effect on the financial statements.

2.1.7 Convenience Translation into English of Consolidated Financial Statements Originally Issued in Turkish

The financial reporting standards issued by the CMB as described in Note 2.2 to these consolidated financial statements differ from International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board with respect to the application of inflation accounting for the period between 1 January - 31 December 2005. Accordingly, these consolidated financial statements are not intended to present the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with IFRS.

2.2 Summary of Significant Accounting Policies

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

Related parties

For the purpose of these consolidated financial statements, shareholders, key management personnel and Board members, in each case together with their families and companies controlled by or affiliated with them, associates and joint ventures are considered and referred to as related parties (Note 29).

Trade receivables and provision for doubtful receivables

Trade receivables that are created by the Group by way of providing goods or services directly to a debtor are carried at amortized cost. Trade receivables, net of unearned financial income, are measured at amortized cost, using the effective interest rate method, less the unearned financial income. Short duration receivables with no stated interest rate are measured at the original invoice amount unless the effect of imputing interest is significant (Note 8).

A credit risk provision for trade receivables is established if there is objective evidence that the Group will not be able to collect all amounts due. Additionally, the Group impairs the receivables for which there are no guarantees or special agreements and which are overdue for more than one year. The amount of the provision is the difference between the carrying amount and the recoverable amount, being the present value of all cash flows, including amounts recoverable from guarantees and collateral, discounted based on the original effective interest rate of the originated receivables at inception.
If the amount of the impairment subsequently decreases due to an event occurring after the write-down, the release of the provision is credited to other operating income.

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

Financial assets

Financial assets intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates are classified as "available-for-sale". Management determines the appropriate classification of its financial assets at the time of the purchase and re-evaluates such designations on a regular basis.

All financial assets are initially recognised at cost, being the fair value of the consideration given and including acquisition charges associated with the investment. Available-for-sale financial assets are subsequently re-measured at fair value if the fair values can be reliably measured.

For the financial assets which the Group owns less than %20 of the shares are measured at their acquisition cost less the impairment amount if the fair value cannot be reliably estimated. Gains and losses resulting from the fair value changes of the financial assets which are classified as "available-for-sale" are reflected to financial statements at the year end.

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

Inventories

Inventories are valued at the cost or net realisable value. Cost elements included in inventories are materials, labour and an appropriate amount of factory overheads. The cost of inventories is determined using the moving weighted average and weighted average methods. Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses (Note 10).

Investment properties

Buildings and land held to earn rent or for capital appreciation or both rather than for use in the production or supply of goods or services or for administrative purposes or sale in the ordinary course of business are classified as investment property. Investment properties are carried at cost less accumulated depreciation. Investment properties (except land) are amortised on a straight-line basis. Depreciation is calculated over the investment properties' book values. The depreciation periods for investment properties, which approximate the economic useful lives of such assets, are between 25 and 50 years.

At each balance sheet date, the Group evaluates whether an indication of impairment exists. Where an indication of impairment exists; investment properties are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of the asset's net selling price or value in use (Note 11).

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

Property, plant, equipment and related depreciation

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

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

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

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

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

Repair and maintenance expenses are charged to the income statement as they are incurred. Repair and maintenance expenditures are capitalized if they result in an enlargement or substantial improvement of the respective assets (Note 12).

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.

Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. The Group performs the goodwill impairment tests at 31 December.

Intangible assets and amortization

Intangible assets comprise trademark, software, established information systems and other identified rights.

They are recorded at their acquisition cost and amortised using the straight-line method over their estimated useful lives for a period not exceeding 10 years. Where an indication of impairment exists, the carrying amount of any intangible asset is assessed and written down immediately to its recoverable amount (Note 13).

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

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

	Years
Trademark	25
Rights	15
Other intangible assets	10

Assets held for sale

Non-current assets are classified as assets held for sale and stated at the lower of carrying amount and fair value less costs to sell if their carrying amount is to be recovered principally through a sale transaction rather than through continuing use.

Taxes on income

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

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

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

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

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

Borrowings

Borrowings are recognized initially at the proceeds received, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost using the effective yield method. Any difference between proceeds, net of transaction costs, and the redemption value is recognized in the income statement as financial expense over the period of the borrowings (Note 7).

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

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 17).

Provisions, contingent liabilities and assets

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

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

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

Share capital, dividends and share premium

Ordinary shares are classified as equity. Pro-rata capital increases to existing shareholders are accounted for at par value as approved. Dividends on ordinary shares are recognised in equity in the period in which they are declared. Share premium represents the difference between nominal value of the publicly held shares and their sales prices (Note 19).

Foreign currency transactions and translation

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

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

Revenue recognition

Revenue from newspaper sales is recognised at the time of delivery of the newspapers by the distribution company to the vendor at the invoiced values. Revenue arising through advertising is recognised at the time of publishing, at the invoiced values. Revenue from unpublished part of advertisements is recognized as deferred income in balance sheet. The amount of recorded income should be measurable, economic benefits should arise as a result of the transactions, and the income should be accounted for with respect to the fair value of the receivable income If the sales transaction is including a financing transaction, the fair value of the sales amount should be calculated according to the receivables dates related to the sales. Net sales represent the invoiced value of goods shipped less sales returns, commission, sales premiums given to the advertising agencies based on the advertising revenue, and excluding sales taxes. When the arrangement effectively constitutes a financing transaction, the fair value of the consideration is determined by discounting all future receipts using an imputed rate of interest. The difference between the fair value and the nominal amount of the consideration is recognized as interest income on a time proportion basis that takes into account the effective yield on the asset. Newspaper sale returns are recorded at the time of sale, based on previous experience and other relevant factors.

Interest income:

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

Rental income:

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

Service income:

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

Barter agreements

When goods or services are exchanged or swapped for goods or services which are of a similar nature and value, the exchange is not regarded as a transaction that generates revenue. When goods are sold or services are rendered in exchange for dissimilar goods or services, the exchange is regarded as a transaction that generates revenue. The revenue is measured at the fair value of the goods or services received. When the fair values of goods and services received cannot be estimated reliably, the revenue is measured at the fair value of the goods or services received, adjusted by the amount of any cash or cash equivalents transferred (Note 16).

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

Earnings / loss per share

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

In Turkey, companies can increase their share capital by making a pro-rata distribution of shares ("bonus shares") to existing shareholders from retained earnings. For the purpose of earnings per share computations, such bonus share issuances are regarded as issued shares. Accordingly the weighted average number of shares used in earnings per share computations is derived by giving retroactive effect to the issuances of the shares without consideration (Note 28).

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, bank deposits and highly liquid assets, whose maturity at the time of purchase is less than three months (Note 5).

Web page development costs

The Group capitalises direct costs incurred in the development of its websites and recognises over the estimated useful lives. The costs incurred that relate to the planning and post implementation phases are expensed. Costs associated with repair and maintenance of the website is included in operating expenses in the consolidated statements of operations (Note 13).

Changes and errors in accounting policies and estimates

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

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.

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

Reporting of cash flows

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

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

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

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

Cash and cash equivalents include cash and bank deposits and the investments that are readily convertible into cash and highly liquid with less than three months to maturity (Note 5).

Critical Accounting Estimates and Judgements

Preparation of financial statements requires the use of estimates and assumptions that may affect the amount of assets and liabilities recognised as of the balance sheet date, contingent assets and liabilities disclosed and the amount of revenue and expenses reported. Although, these estimates and assumptions rely on the Group management's best knowledge about current events and transactions, actual outcomes may vary from those estimates and assumptions. The critical accounting estimates which may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities and operating results of the Group are as follows:

- Useful lives of property, plant and equipment and intangible assets
- Provision for lawsuits
- Provision of impairment for inventories
- Goodwill impairment test
- Provision for doubtful receivables

NOTE 3 - BUSINESS COMBINATIONS

The details of the business combinations during the period 1 January 2008 - 31 December 2008 are as follows (1 January - 31 December 2007: None):

Group acquired 40.16% shares of Bağımsız Gazeteciler, which owns Vatan Gazetesi brand and its franchise right, for a consideration of USD 7.228.125 and 100% shares representing the capital of Kemer Yayıncılık ve Gazetecilik A.Ş., which has a 59.84% shareholding in the share capital of Bağımsız Gazeteciler, taking into account the fact that almost all of Kemer Yayıncılık ve Gazetecilik A.Ş.'s assets are composed of its participation in Bağımsız Gazeteciler, in consideration of USD 10.771.875. Total cost of acquisition is USD 18.000.000.

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

NOTE 3 - BUSINESS COMBINATIONS (Continued)

The Group recognised goodwill for the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities (Note 14).

The Group appointed independent valuation companies in order to determine the fair value of identifiable assets, liabilities and contingent liabilities, allocation of the purchase price and the calculation of goodwill or negative goodwill that may result in accordance with the business combination. Such valuations have been completed as of the date these financial statements are prepared. Fair value of the brand name is calculated based on the report prepared by the independent valuation companies in accordance with IFRS 3.

Since the acquisition of Bağımsız Gazeteciler has been completed at 13 March 2008, considering that the transactions between 13 March - 31 March 2008 are not material for the consolidated financial statements, income statement of Bağımsız Gazeteciler is included in the consolidated income statement of the Group starting from 31 March 2008.

If the acquisition transaction had taken place on 1 January 2008, revenue of the Group would have been TRY 357.806.794 and net loss of the Group for the year would have been TRY 11.261.460.

Net assets and positive goodwill acquired from Subsidiaries are as follows:

	Bağımsız Gazeteciler
Total purchase consideration	22.206.963
Fair value of net assets acquired	(40.657.919)
Goodwill (Note 14)	**62.864.882**

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

NOTE 3 - BUSINESS COMBINATIONS (Continued)

Acquisition of Bağımsız Gazeteciler:

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

	Fair value	Book value
Cash and cash equivalents	953.879	953.879
Trade receivables (net)	15.371.375	15.371.375
Due from related parties (net)	3.557.821	3.557.821
Other receivables	103.032	103.032
Inventories (net)	1.510.628	1.510.628
Non-current assets held for sale	1.086.400	1.086.400
Other current assets	1.672.464	1.672.464
Property, plant and equipment	2.193.292	2.193.292
Intangible assets	1.928.969	229.509
Deferred income tax asset	1.689.809	1.689.809
Trademark	57.781.640	-
Borrowings	(20.644.732)	(20.644.732)
Trade payables (net)	(3.589.063)	(3.589.063)
Other payables	(632.723)	(632.723)
Provisions	(2.082.008)	(2.082.008)
Due to related parties (net)	(88.306.480)	(88.306.480)
Other liabilities	(56.302)	(56.302)
Provision for employment termination benefits	(1.179.442)	(1.179.442)
Deferred income tax liabilities	(12.016.478)	(120.158)
Net assets acquired	**(40.657.919)**	**(88.242.699)**

Details of the cash outflow on acquisition are as follows:

Cost of acquisition	22.206.963
Cash and cash equivalents of the Subsidiary acquired	(953.879)
Cash outflow on acquisition(*)	**21.253.084**

(*) The unpaid amount (TRY73.124) has been classified in other current payables as of 31 December 2008 (Note 9).

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

NOTE 4 - JOINT VENTURES

The joint venture and the proportion joint management at 31 December 2008 and 2007 are as follows:

	Proportion of joint management 31 December 2008	Proportion of joint management 31 December 2007	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 as of 31 December 2008 and 2007 by using the proportionate consolidation method are as follows:

Balance sheets:	**31 December 2008**	**31 December 2007**
Current assets	50.017	122.832
Non-current assets	1.586	129.097
Total assets	**51.603**	**251.929**
Current liabilities	181.281	423.634
Non-current liabilities	7.932	4.277
Total liabilities	**189.213**	**427.911**
Equity	(137.610)	(175.982)
Total liabilities and equity	**51.603**	**251.929**

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

NOTE 4 - JOINT VENTURES (Continued)

Income and expenses of the Joint Venture for the years ended 31 December 2008 and 2007 are as follows:

Income Statements:

	1 January - 31 December 2008	1 January - 31 December 2007
Gross profit	**176.744**	**187.012**
Marketing, selling and distribution expenses (-)	(165.987)	(452.774)
General administrative expenses (-)	(15.182)	(17.957)
Other income/(expenses), net	101.840	89
Operating income / (loss)	**97.415**	**(283.630)**
Financial income	44	14
Financial expenses (-)	(59.818)	(23.643)
Profit / (Loss) before income taxes	**37.641**	**(307.259)**
Current income tax for the period	-	-
Deferred income tax charge	731	856
Net Profit / (Loss) for the period	**38.372**	**(306.403)**

(*) Birey Seçme ve Değerlendirme Danışmanlık Ltd. Şti sold www.insankaynaklari.com web site to Yenibiriş İnsan Kaynakları Danışmanlık A.Ş. for TRY 443.865 (Note 29).

NOTE 5 - CASH AND CASH EQUIVALENTS

	31 December 2008	31 December 2007
Cash	54.890	69.144
Banks		
- TRY time deposits	15.048.408	35.000.000
- USD time deposits	-	67.767.966
- demand deposits	1.110.878	3.484.200
Other liquid assets	3.380	12.397
	16.217.556	**106.333.707**

Maturity of time deposits is less than 3 months. At 31 December 2008, effective interest rate for local currency time deposits is 17,9 (31 December 2007: TRY time deposit 18,18%; USD time deposit 5%).

At 31 December 2008, cash and cash equivalents amounting to TRY 12.098 (31 December 2007: TRY 9.318) are held in blocked bank accounts as guarantees for bank borrowings.

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

NOTE 6 - FINANCIAL ASSETS

	31 December 2008		31 December 2007	
Available-for-sale investments	**TRY**	**Share capital (%)**	**TRY**	**Share capital (%)**
Doğan Haber	51.590	2,65	51.590	2,65
Milliyet Verlags	17.236	0,17	-	-
Ak Enerji	477	0,01	477	0,01
Doğan Dağıtım	275	0,04	275	0,04
Doğan Dış Ticaret	4	0,01	4	0,01
D&R	3	0,01	3	0,01
Milliyet İnternet (1)	-	-	82.287	30,50
Other (11 subsidiaries)	649.737		649.737	
	719.322		**784.373**	
Provision for impairment	(649.737)		(649.737)	
	69.585		**134.636**	

(1) On 9 May 2008, share capital of Milliyet İnternet was increased from TRY 50.000 to TRY 20.000.000. The Group's participation rate is increased to 99,8% from 30,5% and the Group started to consolidate Milliyet İnternet effective from 9 May 2008.

NOTE 7 - BORROWINGS

	Effective interest rate (%)		Original balance		TRY	
	31 December 2008	**31 December 2007**	**31 December 2008**	**31 December 2007**	**31 December 2008**	**31 December 2007**
Short term bank borrowings						
- TRY	-	-	-	-	1.061.081	743.390
Short-term portion of long-term bank borrowings:						
- USD	-	6,95	-	2.021.454	-	2.354.388
Total short-term bank borrowings					**1.061.081**	**3.097.778**

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

NOTE 7 - BORROWINGS (Continued)

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

	31 December 2008	31 December 2007
6 months or less	-	2.354.388
	-	**2.354.388**

As of 31 December 2008, TRY 128.556 of total borrowings comprise consumer finance credits for vehicle purchase purposes and TRY 932.525 of borrowings is related to the value date occurred during the payment of tax liabilities via banks (31 December 2007: TRY 743.390).

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

NOTE 8 - TRADE RECEIVABLES AND PAYABLES

Short-term trade receivables	31 December 2008	31 December 2007
Trade receivables	71.822.215	64.816.315
Cheques and notes receivable	1.260.939	955.434
	73.083.154	**65.771.749**
Less: Unearned financial income	(653.421)	(593.961)
Less: Provision for doubtful receivables	(12.352.968)	(7.599.996)
	60.076.765	**57.577.792**

The average due date of the Group's trade receivables is 2 months (31 December 2007: 2 months). In accordance with the factoring contract signed with Doğan Factoring, trade receivable amounting to TRY 52.819.518 (31 December 2007: TRY 52.165.083) regarding advertisement revenues is followed by Doğan Factoring. Unearned financial income due to trade receivables regarding advertisement revenues followed by Doğan Factoring is TRY 653.421 (31 December 2007: TRY 593.961). Effective interest rate related with the receivables followed by Doğan Factoring is 16% (2007: 14%).

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

NOTE 8 - TRADE RECEIVABLES AND PAYABLES (Continued)

The movements in the provision for doubtful receivables as of dates 31 December 2008 and 31 December 2007 are as follows:

	2008	2007
1 January	7.599.996	6.231.907
Business combinations	4.957.272	-
Additions during the period	1.700.114	1.494.671
Collections	(1.904.414)	(126.582)
31 December	**12.352.968**	**7.599.996**

	31 December 2008	31 December 2007
Short-term trade payables		
Trade payables	5.476.589	5.109.432
Cheques and notes payable	176.402	196.346
Other payables	-	178.391
	5.652.991	**5.484.169**

NOTE 9 - OTHER RECEIVABLES AND PAYABLES

Other non-current receivables:

	31 December 2008	31 December 2007
Deposits and guarantees given	65.033	58.930
	65.033	**58.930**

Other current payables:

	31 December 2008	31 December 2007
Taxes and funds payable	3.751.044	4.078.958
Payables to personnel	422.406	1.107.463
Liabilities related to business combination (Note 3)	73.124	-
Other	20.426	14.021
	4.267.000	**5.200.442**

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

NOTE 10 - INVENTORIES

	31 December 2008	31 December 2007
Promotion materials	7.399.242	3.589.257
Finished goods and merchandise	1.423.209	643.419
Raw materials and supplies	288.385	95.602
	9.110.836	**4.328.278**
Less: provision for impairment on inventories	(3.467.076)	(314.112)
	5.643.760	**4.014.166**

Promotion materials are comprised of materials given together with the newspapers. The increase in the provision for impairment of inventories and promotion materials is mainly related with the acquisition of Bağımsız Gazetecilik (Note 3). Provision for impairment on inventories is related to the promotion materials.

The movement of provision for impairment of inventories during the period is as follows:

	2008	2007
1 January	314.112	371.288
Business combinations	3.113.789	-
Increase / (decrease) during the period	39.175	(57.176)
31 December	**3.467.076**	**314.112**

NOTE 11 - INVESTMENT PROPERTY

	1 January 2008	Additions	Disposals	Provision for impairment	31 December 2008
Cost	1.507.584	1.759.763	(1.507.584)	(471.733)	1.288.030
Accumulated amortization	(861.304)	-	861.304	-	-
Net book value	**646.280**				**1.288.030**

	1 January 2007	Additions	Disposals	Provision for impairment	31 December 2007
Cost	1.507.584	-	-	-	1.507.584
Accumulated amortization	(808.024)	(53.280)	-	-	(861.304)
Net book value	**699.560**				**646.280**

Investment properties comprise of flats acquired in the scope of barter agreements.

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

NOTE 12 - PROPERTY, PLANT AND EQUIPMENT

	1 January 2008	Business combinations	Disposal of subsidiary (Note 1)	Additions	Disposals	31 December 2008
Cost						
Land and land improvements	1.488.784	-	-	50.030	-	1.538.814
Buildings	40.116.984	5.000	-	-	(457.439)	39.664.545
Machinery and equipment	22.088.760	-	(88.424)	268.812	(220.680)	22.048.468
Motor vehicles	1.100.447	416.164	-	120.587	(299.899)	1.337.299
Furniture and fixture	26.048.695	1.038.875	-	1.577.557	(2.479.976)	26.185.151
Special cost	928.550	733.254	-	158.596	-	1.820.400
	91.772.220	**2.193.293**	**(88.424)**	**2.175.582**	**(3.457.994)**	**92.594.677**
Accumulated amortization						
Land and land improvements	1.295.439	-	-	23.082	-	1.318.521
Buildings	15.052.430	-	-	1.076.895	(259.909)	15.869.416
Machinery and equipment	20.392.624	-	(74.262)	385.158	(220.680)	20.482.840
Motor vehicles	497.155	-	-	412.489	(214.537)	695.107
Furniture and fixture	21.715.277	-	-	2.182.176	(2.317.744)	21.579.709
Special cost	871.807	-	-	207.870	-	1.079.677
	59.824.732	**-**	**(74.262)**	**4.287.670**	**(3.012.870)**	**61.025.270**
Net book value	**31.947.488**					**31.569.407**

As of 31 December 2008, there are no collateral and mortgage on property, plant and equipment (31 December 2007: None). TRY 3.941.640 (31 December 2007: TRY 1.236.770) of depreciation expense was included in cost of sales and TRY 3.766.925 (31 December 2007: TRY 2.932.555) was included in operating expenses.

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

NOTE 12 - PROPERTY, PLANT AND EQUIPMENT (Continued)

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

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

NOTE 13 - INTANGIBLE ASSETS

	1 January 2008	Business combinations	Additions	Disposals	31 December 2008
Cost					
Rights	3.209.016	1.703.214	17.440.655 (1)	(141.793)	22.211.092
Trademark	-	57.781.640	-	-	57.781.640
Other intangible assets	2.299.023	225.756	235.913	-	2.760.692
	5.508.039	**59.710.610**	**17.676.568**	**(141.793)**	**82.753.424**
Accumulated amortization					
Rights	2.459.491	-	1.268.924	(13.551)	3.714.864
Trademark	-	-	1.926.055	-	1.926.055
Other intangible assets	2.153.165	-	225.916	-	2.379.081
	4.612.656	**-**	**3.420.895**	**(13.551)**	**8.020.000**
Net book value	**895.383**				**74.733.424**

(1) TRY 17.400.000 of the additions is related to the rights of the web site purchased from related parties. Purchase price is based on the report of independent valuer (Note 29).

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

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

NOTE 14 - GOODWILL

	2008	2007
1 January	60.428.513	60.428.513
Additions (Note 3) (1)	62.864.882	-
Diminution in carrying amount of goodwill (2)	(9.436.217)	-
31 December	**113.857.178**	**60.428.513**

Goodwill as of 1 January 2008 consists of the acquisition premium amounting TRY 66.526.804 arising from the complete purchase of assets and liabilities of Simge Yayıncılık A.Ş by the Group on 31 December 2003.

(1) Group acquired 99,99% shares of Bağımsız Gazeteciler for a consideration of TRY 22.206.963. The Group recognised goodwill amounting to TRY 62.864.882 for the excess of the consideration paid over the Group's interest in the fair value of the net assets of Bağımsız Gazetecilik.

(2) On 31 December 2008, the Group recognised deferred tax assets arising from unused tax losses, in the amount of TRY 9.436.217, that were not previously recognised as identifiable asset since required conditions were not fulfilled during the purchase of Bağımsız Gazeteciler, in the scope of the IFRS 3 "Business Combinations" and decreased the carrying amount of the goodwill in the same amount. Both transactions were reflected in the income statement as income and expense, and they have no impact on loss for the period (Notes 23, 27).

NOTE 15 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

i. Short term provisions

	31 December 2008	31 December 2007
Provision for lawsuits	2.701.324	1.446.830
Other	226.943	7.986
	2.928.267	**1.454.816**

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

	2008	2007
1 January	1.446.830	1.778.847
Business combinations	1.766.592	-
Increase / (decrease) during the period	(512.098)	(332.017)
31 December	**2.701.324**	**1.446.830**

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

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

ii. Lawsuits

The nature and amount of the litigations against the Group at 31 December 2008 and 31 December 2007 are as follows:

	31 December 2008	31 December 2007
Legal cases	35.401.263	27.125.086
Administrative cases	979.292	-
Commercial cases	967.986	1.205.595
Business lawsuits	827.708	1.211.518
Cancellation of appeal	47.536	-
	38.223.785	**29.542.199**

As of 31 December 2008, the provision for lawsuits amounting to TRY 2.701.324 (31 December 2007: TRY 1.446.830) 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 was subject to a tax penalty amounting to TRY 948.012, related to the interest expenses incurred during the purchase of subsidiary and VAT amounts in the interest invoices, with respect to the 2003 accounting period. Group management objected to the tax principal and fine amount and filed a lawsuit in the tax court. The management did not set aside any provision related to the issue in this consolidated financial statements in line with the counsel of the group legal consultant.

iv. Purchase of Bağımsız Gazetecilik

Group acquired 40.16% shares of Bağımsız Gazeteciler, which owns the brand name of Vatan Gazetesi and its franchise right, in consideration of USD 7,228.125 and 100% shares representing the capital of Kemer Yayıncılık ve Gazetecilik A.Ş., which has a 59.84% shareholding in the share capital of Bağımsız Gazeteciler, taking into account the fact that almost all of Kemer Yayıncılık ve Gazetecilik A.Ş.'s assets are composed of its participation in Bağımsız Gazeteciler, in consideration of USD 10,771.875.

Taking into account that acquirer entity will strengthen its prevalent position in the market and in view of the matters argued in the defence of the bankrupt company, the Competition Authority permitted the transaction via its decision taken on 10 March 2008 following the application made to the Competition Board regarding the above mentioned transactions, provided that:

- following two years after obtainment of permission, brand name Vatan Gazetesi and franchise rights will be transferred by releasing them of any obligations and debts, to persons or entities excluding Doğan Group, or an enterprise Doğan Group directly or indirectly controls(which has already been established, or which is to be established), and the relevant transfer is subject to approval of Competition Authority regardless of the deficiencies in the Communiqué No.1997/1;

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

- if the brand Vatan Gazetesi and its franchise right cannot be sold under the above-mentioned conditions within two years from the date on which the permission is given, the brand and franchise right will be sold via tender under the supervision of Competition Authority within two months from the end of the second year;

- if the brand and franchise right cannot be sold during this tender process, Doğan Group continues to own the brand Vatan Gazetesi and its franchise right for three years following the tender; Doğan Group meets the liabilities necessary for the brand's legal existence; Doğan Group does not use the said brand name and franchise on any periodicals; Doğan Group evaluates any demands or requests as being subject to the approval of Competition Board pursuant to article 4.1 in the case of any demand towards the said brand and franchise right during the relevant period; and Doğan Group possesses all kinds of usage rights on the brand, if the brand and franchise right cannot be still sold after this period expires.

Subsequent to the decision of the Competition Authority dated 26 September 2008, a lawsuit was filed with the Council of State, demanding a stay of execution of the terms stated in the decision. On 13 February 2009, the Council of State ruled for a stay of execution of the terms included in the decision of the Competition Authority dated 10 March 2008. Accordingly, the part of the Competition Authority decision related to the purchase of Bağımsız Gazeteciler and Kemer Yayıncılık shares by Doğan Gazetecilik A.Ş. is effective, and the stay of execution only applies to the terms included in the decision, which are subject to the lawsuit (Note 32).

NOTE 16 - COMMITMENTS

i. Letter of guarantees and guarantee notes given

Total guarantees given to courts, customs offices, national lottery offices and other parties amount to TRY 5.619.184 as of 31 December 2008 (31 December 2007: TRY 3.981.760).

ii. Barter agreements

The Group, as a common practice in the media sector, has entered into barter agreements which involve the exchange of goods or services without cash collections or payments. In connection with the barter agreements as of 31 December 2008, the Group is under obligation to provide advertisement services to Group and non-group companies amounting to TRY 6.130.228 and TRY 983.007 respectively (31 December 2007: TRY 351.645). The Group has the right to purchase various types of goods and render services amounting to TRY 6.264.056 from non-group companies (31 December 2007: TRY 2.647.304). On the other hand, Group companies have no unfulfilled commitment regarding barter agreements as of 31 December 2008.

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

NOTE 17 - PROVISION FOR EMPLOYMENT TERMINATION BENEFITS

Under the Turkish Labour Law, the Group is required to pay termination benefits to each employee who has completed one year of service and who achieves the retirement age (58 for women and 60 for men) and whose employment is terminated without due cause, is called up for military service, or dies. Since the legislation was changed on 23 May 2002 there are certain transitional provisions relating to length of service prior to retirement.

At 31 December 2008 the amount payable consists of one month's salary limited to a maximum of TRY 2.173,19 (31 December 2007: TRY 2.030,19) for each year of service.

In addition, according to press sector regulations, companies should make payments to personnel who work for a minimum of 5 years and whose employment is terminated without due cause. The maximum payable amount is 30 days' salary for each year of service. The monthly salary figure is calculated by adding all cash and non-cash payments received during the year and dividing by twelve.

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

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

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

	31 December 2008	**31 December 2007**
Discount rate (%)	6,26	5,71
Turnover rate to estimate the probability of retirement (%)	93	87

The principal assumption is that the maximum liability for each year of service will increase in line with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. As the maximum liability is revised semi-annually, the maximum amount of TRY 2.260,05 effective from 1 June 2009 (1 January 2008: TRY 2.087,92) 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 years ended 31 December 2008 and 2007 are as follows:

	2008	**2007**
1 January	3.697.931	3.699.387
Business combinations	1.179.442	-
Increase during the period	3.341.189	1.876.619
Paid during the period	(2.768.912)	(1.878.075)
Actuarial loss	(157.113)	-
31 December	**5.292.537**	**3.697.931**

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

NOTE 18 - OTHER ASSETS AND LIABILITIES

	31 December 2008	31 December 2007
i. Other current assets:		
Deferred VAT and other tax receivables	5.701.235	1.262.189
Prepaid expenses	2.836.479	2.120.407
Personnel advances	1.408.940	966.282
Prepaid taxes and funds	824.957	184.136
Job advances	389.993	409.946
Income accruals	71.080	1.410.812
Advances given for the purchase of raw materials	-	1.906.062
	11.232.684	**8.259.834**
Provision for diminution in value	(660.893)	(718.602)
	10.571.791	**7.541.232**

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

	31 December 2008	31 December 2007
ii. Other current liabilities:		
Deferred revenue	3.696.814	1.714.938
Unused vacation liability	1.420.754	379.735
Provisions for promotion stocks	502.195	1.039.317
Other	-	59.695
	5.619.763	**3.193.685**

NOTE 19 - EQUITY

The Company's shareholders and shareholding structure at 31 December 2008 and 2007 are as follows:

	31 December 2008		31 December 2007	
Shareholders	**TRY**	**Share %**	**TRY**	**Share %**
Doğan Yayın Holding A.Ş.	74.147.743	70,62	69.767.461	69,77
Public offering	30.303.629	28,86	29.710.083	29,71
Other	548.628	0,52	522.456	0,52
	105.000.000	**100,00**	**100.000.000**	**100,00**
Adjustment to share capital	45.910.057		45.910.057	
Paid in capital	**150.910.057**		**145.910.057**	

NOTE 19 - EQUITY (Continued)

The total authorised number of ordinary shares is 105.000.000 (31 December 2007: 100.000.000) with a par value of TRY 1 per share (31 December 2007: TRY 1). All issued shares are fully paid.

The Company increased its share capital from TRY 100.000.000 to TRY 105.000.000 by transferring TRY 5.000.000 from its year 2007 profit, the whole of which was decided to be distributed.

Doğan Yayın Holding A.Ş. owns 12,53% of shares offered to the public as of 31 December 2008 (31 December 2007: 11,68%).

22.000.000 units of shares with a nominal value of TRY1, corresponding to 22% of the Company Capital were allocated to Deutsche Bank AG by Deutsche Securities Menkul Degerler A.S. with the transaction in IMKB wholesales market on 19 November 2007, through restricting new share purchase completely, each share with TRY1 nominal value having the price of USD$ 4,0 (4,73 TRY). Share premium arising in the amount of TRY82.060.000 was recognized in the equity capital.

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

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 aforementioned amounts shall be classified in "Restricted Reserves" in accordance with CMB Financial Reporting Standards. Restricted reserves of the Company amounts to TRY 3.837.564 as of 31 December 2008 (31 December 2007: TRY 3.837.564).

In accordance with the CMB regulations effective until 1 January 2008, the inflation adjustment differences arising at the initial application of inflation accounting which are recorded under "accumulated losses" could be netted off from the profit to be distributed based on CMB profit distribution regulations. In addition, the aforementioned amount recorded under "accumulated losses" could be netted off with net income for the period, if any, undistributed prior period profits, and inflation adjustment differences of extraordinary reserves, legal reserves and capital, respectively.

In addition, in accordance with the CMB regulations effective until 1 January 2008, "Capital, Share Premiums, Legal Reserves, Special Reserves and Extraordinary Reserves" were recorded at their statutory carrying amounts and the inflation adjustment differences related to such accounts were recorded under "inflation adjustment differences" at the initial application of inflation accounting. "Equity inflation adjustment differences" could have been utilised only in issuing bonus shares and offsetting accumulated losses, carrying amount of extraordinary reserves could have been utilised in issuing bonus shares, cash dividend distribution and offsetting accumulated losses.

NOTE 19 - EQUITY (Continued)

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

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

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

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

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

In accordance with the Capital Markets Board Decision dated 9 January 2009, concerning allocation basis of profit from operations of 2008, minimum profit distribution shall be applied as 20% (31 December 2007: 20%). According to the Board's decision and Communiqué No: IV-27 issued by CMB regarding allocation basis of profit of publicly owned companies, the distribution of the relevant amount may be realized as cash or as bonus shares or partly as cash and bonus shares; and in the event that the first dividend amount to be specified is less than 5% of the paid-up capital, the relevant amount can be retained within the Company. However, companies that made capital increases before distributing dividends related to the prior period and whose shares are therefore classified as "old" and "new" and that will distribute dividends from the profit made from 2008 operations are required to distribute the first dividend in cash.

In addition, according to the aforementioned Board decision, the restrictions on the distributions of the profit derived from the subsidiaries, joint ventures and associates of entities who are required to prepare consolidated financial statements where no profit distribution decision is taken in the general assemblies of such subsidiaries joint ventures and associates is abolished. It is decided that as long as the entities can provide the necessary amount from their statutory reserves, the distributable profit can be calculated based on the net income declared at the publicly announced consolidated financial statements in the accordance with Communiqué XI No:29.

Accordingly, if the amount of dividend distributions calculated in accordance with the net distributable profit requirements of the CMB does not exceed the statutory net distributable profit, the total amount of distributable profit shall be distributed. If it exceeds the statutory net distributable profit, the total amount of the statutory net distributable profit shall be distributed. It is stated that dividend distributions should not be made if there is a loss in either the consolidated financial statements prepared in accordance with CMB regulations or in the statutory financial statements.

In addition, it was resolved with the same Board Decision that the total amount of the period profit remaining after deduction of previous years losses and Type 1 legal reserves and other resources that can be subject to profit distribution would be included in the financial statement footnotes to be prepared and announced to public in accordance with the Communiqué Serial:XI, No:29.

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

NOTE 20 - SALES AND COST OF SALES

	2008	**2007**
Domestic sales	339.834.266	286.808.092
Foreign sales	1.518.835	6.608.655
Sales income, net	**341.353.101**	**293.416.747**
Cost of sales	(231.754.513)	(182.077.170)
Gross profit	**109.598.588**	**111.339.577**

The details of sales income and cost of sales for the years ended 31 December 2008 and 2007 are as follows:

Sales income	**2008**	**2007**
Advertising income	209.206.662	178.852.681
Newspaper sales income	126.396.588	107.972.936
Other income	5.749.851	6.591.130
Sales income, net	**341.353.101**	**293.416.747**

Cost of sales

	2008	**2007**
Raw material costs	121.590.529	97.866.203
News production costs	33.250.633	23.370.567
Printing costs	31.521.961	21.521.341
Payroll costs	23.751.779	18.992.371
Depreciation and amortization expenses	3.941.640	1.236.770
Other	17.697.971	19.089.918
	231.754.513	**182.077.170**

NOTE 21 - OPERATING EXPENSES

	2008	**2007**
Marketing, sales and distribution expenses	96.236.602	81.154.777
General administrative expenses	25.406.422	22.716.535
	121.643.024	**103.871.312**

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

NOTE 21 - OPERATING EXPENSES (Continued)

Marketing, sales and distribution expenses

	2008	**2007**
Advertisement expenses	26.073.464	22.999.422
Distribution expenses	25.417.879	22.904.550
Personnel expenses	19.808.315	13.688.389
Promotion expenses	11.735.182	7.547.154
Presentation and marketing expenses	3.866.023	3.982.953
Travel expenses	1.531.928	1.320.935
Sponsorship expenses	1.043.697	1.077.829
Commission expenses	822.277	2.374.634
Consulting expenses	745.510	2.171.252
Communication expenses	720.094	608.236
Depreciation and amortization expenses	663.496	174.741
Packaging expense	137.768	269.389
Other	3.670.969	2.035.293
	96.236.602	**81.154.777**

General administrative expenses:

	2008	**2007**
Personnel expenses	13.509.423	12.633.771
Consulting expenses	3.909.053	3.664.706
Depreciation and amortization expenses	3.103.429	2.757.814
Transportation expenses	606.865	459.589
Communication expenses	562.743	383.418
Legal expenses	498.452	314.952
Maintenance expenses	284.572	310.613
Other	2.931.885	2.191.672
	25.406.422	**22.716.535**

NOTE 22 - EXPENSES BY NATURE

As of 31 December 2008 and 2007, expenses are disclosed by function and the analysis of the expenses is summarized in Note 20 and Note 21.

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

NOTE 23 - OTHER OPERATING INCOME/(EXPENSES)

	2008	2007
i. Other operating income:		
Gain on disposal of a subsidiary (Note 1)	3.185.528	-
Rent income	1.838.607	1.736.727
Terminated provisions	1.490.612	540.897
Gain on sale of property, plant and equipment, intangible assets and investment property	1.212.650	224.468
Other	713.322	678.998
	8.440.719	**3.181.090**

	2008	2007
ii. Other operating expenses:		
Diminution in carrying amount of goodwill (Note 14)	(9.436.217)	-
Provision for doubtful receivables	(1.700.114)	(1.494.671)
Provision for impairment on investment property (Note 11)	(471.733)	-
Other	(1.019.541)	(1.099.495)
	(12.627.605)	**(2.594.166)**

NOTE 24 - FINANCIAL INCOME

	2008	2007
Foreign exchange gains	8.822.163	4.376.170
Financial income from sales, net	5.635.843	3.999.637
Interest income	5.383.150	1.937.927
	19.841.156	**10.313.734**

NOTE 25 - FINANCIAL EXPENSES

	2008	2007
Foreign exchange losses	(9.072.066)	(4.341.791)
Financial expense from purchases, net	(1.368.162)	(1.089.350)
Bank commissions	(609.358)	(530.964)
Factoring expenses	(608.963)	(512.267)
Interest expenses	(111.271)	(348.121)
Other financial expenses	(1.045.510)	(426.826)
	(12.815.330)	**(7.249.319)**

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

NOTE 26- NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

Assets held for sale comprise of flats acquired in the scope of barter agreements and not used for Group's operations. Main intention is to provide cash inflow with the sale of these assets and no depreciation is provided. These assets comprise of a dublex house in İstanbul and as their purchase date is close to the balance sheet date, it is assumed that their purchase costs approximates to current market prices. Carrying amount of these assets held for sale as of 31 December 2008 is TRY 775.200 (31 December 2007: None).

NOTE 27 -TAX ASSETS AND LIABILITIES

	31 December 2008	31 December 2007
Corporation and income taxes payable	3.039.626	2.682.418
Less: prepaid taxes	(3.864.583)	(2.665.962)
Tax provision / (prepaid tax)	**(824.957)**	**16.456**

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

Corporate Income Tax Law numbered 5520 was published in the official gazette numbered dated 13 September 2006 and most clauses has came into effect from 1 January 2006 .The corporation tax rate of the fiscal year 2008 is 20% (2007: 20%). Corporation tax is payable at a rate of 20% on the total income of the Company after adjusting for certain disallowable expenses, exempt income and allowances. No further tax is payable unless the profit is distributed (except withholding tax at the rate of 19.8% on the investment incentive allowance utilized within the scope of the Income Tax Law transitional article 61).

Dividends paid to non-resident corporations which have a place of business in Turkey or resident corporations are not subject to withholding tax. Otherwise dividends paid are subject to withholding tax at the rate of 10%. An increase in capital via issuing bonus shares is not considered as a profit distribution and thus does not incur withholding tax.

Corporations are required to pay advance corporation tax quarterly at the rate of 20% (31 December 2007: 20%) on their corporate income. Advance tax is to be declared by the 14th day of the second month following each calendar quarter end and is payable by the 17th of the second month following each calendar quarter end. Advance tax paid by corporations is credited against the annual corporation tax liability. The balance of the advance tax paid may be refunded or used to be set off against other liabilities to the government.

NOTE 27 -TAX ASSETS AND LIABILITIES (Continued)

In accordance with Tax Law No.5024 "Law Related to Changes in Tax Procedural Law. Income Tax Law and Corporate Tax Law" that was published on the Official Gazette on 30 December 2003 to amend the tax base for non-monetary assets and liabilities effective from 1 January 2004 income and corporate taxpayers will prepare the statutory financial statements by adjusting the non-monetary assets and liabilities for the changes in the general purchasing power of the Turkish lira. In accordance with the aforementioned laws' provisions, in order to apply inflation adjustment the cumulative inflation rate (SIS-WPI) over the last 36 months and 12 months must exceed 100% and 10% respectively. Inflation adjustment has not been applied as these conditions were not fulfilled in the year 2007.

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

Tax returns are open for 5 years from the beginning of the year that follows the date of filing during which time the tax authorities have the right to audit tax returns, and the related accounting records on which they are based, and may issue re-assessments based on their findings.

Under the Turkish taxation system tax losses can be carried forward to offset against future taxable income for up to 5 years. Tax losses can not be carried back to offset profits from previous periods.

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

Exemption for participation in domestic subsidiaries:

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

Exemption for share premium

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

Exemption of participation in foreign subsidiaries

The participation income of corporations participating in 10% or more of the capital of a limited liability or joint stock company which does not have its legal or business centre in Turkey (except for corporations whose principal activity is financial leasing or investment of marketable securities) for at least one continuous years until the date of the income is generated and transferred to Turkey until the date of the filing of the corporate income tax return of the fiscal year in which the income is generated is exempt from corporation tax subject to those subsidiaries are subject to corporate income tax, or alike, in their country of legal or business centre at the rate of at least 15% (at corporate income tax rate applicable in Turkey for those companies whose principal activity is financial assurance or insurance) and 75% of the income generated consists of commercial, agricultural or independent professional service income.

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

NOTE 27 -TAX ASSETS AND LIABILITIES (Continued)

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

A 75% portion of the gains derived from the sale of preferential rights, usufruct shares and founding shares from investment equity and real property which has remained in assets for more than two full years are exempt from corporate tax. To be entitled to the exemption, the relevant gain is required to be held in a fund account in the liabilities and it must not be withdrawn from the entity for a period of 5 years. The sales consideration has to be collected up until the end of the second calendar year following the year the sale was realized.

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

The taxes on income for the years ended 31 December 2008 and 2007 is summarized as follows:

	2008	**2007**
- Current year corporate tax	(3.039.626)	(2.682.418)
- Deferred tax (expense) / income	11.515.736	397.707
Total tax (expense) / income	**8.476.110**	**(2.284.711)**

The reconciliation of the taxation on income in the consolidated statement of income for the years ended 31 December 2008 and 2007 and the taxation on income calculated with the current tax rate over income from continuing operations before tax is as follows:

	2008	**2007**
Profit / (loss) before income taxes from continuing operations	(9.205.496)	11.119.604
20% provision for corporate tax calculated by effective tax rate	1.841.099	(2.223.921)
Expenses not deductible for tax purposes	(3.177.712)	(316.594)
Income not subject to tax	892.100	249.331
The effects of carry forward tax losses	9.436.217	-
The effects of financial losses subject to discount in the current period	-	(164.548)
Other	(515.594)	171.021
Total	**8.476.110**	**(2.284.711)**

Deferred taxes

The Group recognizes deferred income tax assets and liabilities based upon temporary differences arising between their financial statements as reported under CMB Financial Reporting Standards and their statutory tax financial statements. These differences usually result in the recognition of revenue and expenses in different reporting periods for CMB Financial Reporting Standards and tax purposes.

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

NOTE 27 -TAX ASSETS AND LIABILITIES (Continued)

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 2007: 20%).

The temporary differences giving rise to deferred income tax assets/(liabilities) using the enacted tax rates as of 31 December 2008 and 31 December 2007 are as follows:

	Temporary differences		**Deferred tax assets/ (liabilities)**	
	31 December 2008	**31 December 2007**	**31 December 2008**	**31 December 2007**
Provision for employment termination benefits	5.292.537	3.697.931	1.058.507	739.586
Unearned financial income	653.421	593.961	130.684	118.792
Provision for lawsuits	1.550.225	813.880	310.045	162.776
Provision for promotion stocks	502.195	1.039.317	100.439	207.863
Provision for impairment on inventories	3.467.076	314.112	693.415	62.772
Provision for doubtful receivables	4.818.995	1.686.151	963.799	337.231
Deferred internet revenue	-	919.104		183.821
Unused vacation liability	1.420.754	379.735	284.151	75.946
Other provisions	660.893	660.892	132.179	132.179
Carry forward tax losses (1)	88.505.726	-	11.512.757	-
Deferred tax assets			**15.185.976**	**2.020.966**
Difference between the tax base and carrying value of property, plant and equipment and intangible assets	(56.417.634)	(3.384.784)	(11.283.527)	676.957
Unearned financial expenses	(260.524)	(183.232)	(52.105)	(36.646)
Deferred tax liabilities			**(11.335.632)**	**640.311**
Deferred tax assets/(liabilities), net			**3.850.344**	**2.661.277**

Deferred tax assets:	**31 December 2008**	**31 December 2007**
To be recovered after one year	12.571.264	1.407.206
To be recovered within one year	2.614.712	613.760
Total	**15.185.976**	**2.020.966**

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

NOTE 27 -TAX ASSETS AND LIABILITIES (Continued)

Deferred tax liabilities:	**31 December 2008**	**31 December 2007**
To be recovered after one year	(11.283.527)	676.957
To be recovered within one year	(52.105)	(36.646)
Total	**(11.335.632)**	**640.311**

(1) Deferred income tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized. As of 31 December 2008, carry forward tax losses for which no deferred income tax asset was recognized amounted to TRY 57.563.784 (31 December 2007: None).

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

	31 December 2008
2010	8.736.957
2011	15.452.518
2012	13.712.115
2013	19.662.194
Total	**57.563.784**

The movements in deferred income tax assets/(liabilities) for the years ended 31 December 2008 and 2007 are as follows:

	2008	**2007**
1 January	2.661.277	2.263.570
Business combinations	(10.326.669)	-
Deferred tax income	11.515.736	397.707
31 December	**3.850.344**	**2.661.277**

NOTE 28 - EARNINGS / (LOSS) PER SHARE

	31 December 2008	**31 December 2007**
Net income/(loss) for the period	(753.288)	8.883.100
Weighted average number of shares with face value of TRY 1 each	105.000.000	100.000.000
Earnings / (loss) per share (YKr 1 for TRY 1 share)	(0,7)	10,1

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

NOTE 29 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES

A summary of the balances and transactions with related parties for the years ended 31 December 2008 and 2007 is disclosed below:

a) Due from related parties:

	31 December 2008	31 December 2007
Doğan Dağıtım Satış ve Pazarlama A.Ş. ("Doğan Dağıtım")	5.424.138	2.667.049
Medyanet İletişim Reklam Paz. Turizm A.Ş. ("Medyanet")	4.242.416	1.824.861
Doğan TV Holding A.Ş. ("Doğan TV")	438.095	616.819
DTV Haber ve Görsel Yayıncılık A.Ş. ("Kanal D")	313.651	-
Milliyet Verlags	252.012	-
Birey İK	138.748	365.989
D Market Elektronik Hizm.Tic. A.Ş. ("D Market")	-	741.939
Doğan Media International ("DMG")	-	395.246
Other	896.550	717.071
	11.705.610	**7.328.974**

b) Stock advances given to related parties:

	31 December 2008	31 December 2007
Işıl İthalat ve İhracat Mümessillik A.Ş. ("Işıl İthalat İhracat")	-	1.906.062
	-	**1.906.062**

c) Due to related parties:

	31 December 2008	31 December 2007
Işıl İthalat ve İhracat Mümessillik A.Ş. ("Işıl İthalat İhracat")	31.196.596	-
Hürriyet Gazetecilik ve Matbaacılık A.Ş. ("Hürriyet")	12.387.407	6.725.545
Doğan Faktoring Hizmetler A.Ş. ("Doğan Faktoring")	6.512.272	-
DTV Haber ve Görsel Yayıncılık A.Ş. ("Kanal D")	6.130.228	1.551.425
Doğan Dış Ticaret ("Dış Ticaret")	5.953.046	143.487
Doğan Yayın Holding A.Ş. ("Yayın Holding")	881.744	1.804.139
Milta Turizm İşletmeleri A.Ş. ("Milta Turizm")	758.262	725.407
Hürriyet Zweigniderlassung ("Hürriyet Zweigniderlassung")	-	3.067.743
Işıl TV Yayıncılık Yapımcılık San. ve Tic. A.Ş. ("Star TV")	-	548.163
Eko TV Televizyon Yayıncılık A.Ş. ("CNN Türk")	-	218.097
Other	1.095.358	977.661
	64.914.913	**15.761.667**
Less: Unearned credit finance charged to related parties	(260.524)	(183.232)
	64.654.389	**15.578.435**

Due to Işıl İthalat ve İhracat is related with paper purchases, due to Hürriyet is related with printing of newspapers.

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

NOTE 29 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Continued)

d) Service and product sales to related parties:

	31 December 2008	**31 December 2007**
Doğan Dağıtım	128.309.281	105.998.622
Mozaik İletişim Hizmetleri A.Ş. (''Mozaik'')	7.267.888	-
Medyanet A.Ş.	6.627.730	1.424.892
Kanal D	4.968.763	4.266.392
Doğan TV	2.315.129	32.505
Doğan TV Dijital Platform	1.974.600	-
Petrol Ofisi	1.753.979	1.708.779
Star TV	1.748.074	2.413.366
Alp Görsel İletişim Hizmetleri A.Ş.(''D-Smart'')	555.947	3.879.899
Doğan Medya International	333.591	2.377.121
Other	8.757.123	5.580.049
	164.612.105	**127.681.625**

e) Service and product purchases from related parties:

	31 December 2008	**31 December 2007**
Işıl İthalat	85.872.960	71.399.985
Dış Ticaret	41.081.583	29.557.231
Hürriyet	30.784.539	22.739.242
Other	12.856.539	12.825.492
	170.595.621	**136.521.950**
Less: Unearned credit finance charged to related parties	(1.368.162)	(1.089.350)
	169.227.459	**135.432.600**

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

NOTE 29 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Continued)

f) Other significant transactions with related parties:

Other income/(expense), net

	31 December 2008	31 December 2007
Kanal D	1.632.307	1.673.980
Hürriyet	119.283	344.476
Other	38.227	15.034
	1.789.817	**2.033.490**

The Company has rented the part of building in which it operates, to Kanal D for 7 years with a monthly rent of USD106.530 beginning from 1 January 2003.

Financial (expense)/income, net

	31 December 2008	31 December 2007
Işıl İthalat	(4.343.629)	-
Doğan Factoring	(889.591)	(487.803)
Doğan Dış Ticaret	(636.092)	-
Other	(79.804)	(27.858)
Financial expenses	**(5.949.116)**	**(515.661)**

General administrative, marketing, distribution and selling expenses

	31 December 2008	31 December 2007
Doğan Dağıtım	24.515.920	22.723.282
Kanal D	17.835.365	9.194.415
Yayın Holding	3.036.200	3.719.853
Star TV	1.953.052	3.303.921
D Yapım Reklamcılık ve Dağıtım A.Ş.	925.786	1.240.819
Medyanet	414.642	2.374.634
Hürriyet	204.503	730.555
Other	1.546.879	2.757.726
	50.432.347	**46.045.205**

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

NOTE 29 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Continued)

Intangible asset purchases from related parties

	31 December 2008	31 December 2007
Doğan Portal ve Elektronik Tic. A.Ş.	17.400.000	-
	17.400.000	**-**

Intangible asset sales to related parties

Birey Seçme ve Değerlendirme Danışmanlık Ltd. Şti sold www.insankaynaklari.com web site to Yenibiriş İnsan Kaynakları Danışmanlık A.Ş. for TRY 443.865.

g) Remuneration paid to top management:

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

	31 December 2008	31 December 2007
Board of Directors	1.019.896	2.821.992
Executive Board	2.418.080	2.379.052
	3.437.976	**5.201.044**

NOTE 30 - FINANCIAL RISK MANAGEMENT

Market Risk

Interest rate risk

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

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

NOTE 30 - FINANCIAL RISK MANAGEMENT (Continued)

The Company's interest rate sensitive financial instruments are as follows:

	31 December 2008	31 December 2007
Financial instruments with fixed interest rate		
Fixed interest rate financial instruments		
- Designated as fair value through profit or loss (*)	*15.048.408*	*102.767.966*
- Financial assets available for sale	-	-
Financial liabilities	1.061.081	743.390
Financial instruments with floating interest rate		
Financial assets	-	-
Financial liabilities	-	2.354.388

(*) Financial assets designated as fair value through profit or loss consists of fixed interest rate time deposits with maturity less than three months.

The Group has no borrowing with a floating interest rate as of 31 December 2008 (31 December 2007: TRY 2.354.388). As of 31 December 2007, if interest rate on borrowings had been 1% higher/lower with all other variables held constant, interest expense would have been TRY 47.361 higher/lower.

Foreign currency risk

	31 December 2008	31 December 2007
Assets	410.988	68.023.148
Liabilities	(42.717.436)	(2.354.388)
Net foreign currency position	**(42.306.448)**	**65.668.760**

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

NOTE 30 - FINANCIAL RISK MANAGEMENT (Continued)

The table below summarises the Group's exposure to foreign currency exchange rate risk at 31 December 2008 and 2007. The Group's foreign currency denominated assets and liabilities have been presented below in carrying amounts, categorised by currency.

	31 December 2008				31 December 2007			
	Total TRY	Original Currencies			Total TRY	Original Currencies		
	equivalent	USD	Euro	GBP	equivalent	USD	Euro	GBP
Trade receivable	252.012	-	117.719	-		-		-
Cash and cash equivalents	158.976	49.897	30.598	8.216	67.823.056	58.211.146	6.520	5.755
Total assets	**410.988**	**49.897**	**148.317**	**8.216**	**67.823.056**	**58.211.146**	**6.520**	**5.755**
Due to related parties	42.717.436	28.246.668	-	-	-	-	-	-
Borrowings	-	-	-	-	2.354.388	2.021.454	-	-
Total liabilities	**42.717.436**	**28.246.668**	**-**	**-**	**2.354.388**	**2.021.454**	**-**	**-**
Net asset/liability position of off-balance sheet derivatives	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
- Derivatine financial assets	-	-	-	-	-	-	-	-
- Derivatine financial liabilities	-	-	-	-	-	-	-	-
Net balance sheet foreign currency position asset / (liability)	**(42.306.448)**	**(28.196.771)**	**148.317**	**8.216**	**65.468.668**	**56.189.692**	**6.520**	**5.755**
Net foreign currency position	**(42.306.448)**	**(28.196.771)**	**148.317**	**8.216**	**65.468.668**	**56.189.692**	**6.520**	**5.755**
Fair value of financial assets for foreign currency hedge	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Export	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Import	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

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

NOTE 30 - FINANCIAL RISK MANAGEMENT (Continued)

31 December 2008	**Gain/Loss**		**Equity**	
	Appreciation in foreign currency	**Depreciation in foreign currency**	**Appreciation in foreign currency**	**Depreciation in foreign currency**
Change in USD against TRY by 10%				
USD net asset/(liabilities)	(4.264.198)	4.264.198	-	-
USD net hedged amount	-	-	-	-
US Dollar net gain/(loss)	**(4.264.198)**	**4.264.198**	**-**	**-**

31 December 2007	**Gain/Loss**		**Equity**	
	Appreciation in foreign currency	**Depreciation in foreign currency**	**Appreciation in foreign currency**	**Depreciation in foreign currency**
Change in USD against TRY by 10%				
USD net asset/(liabilities)	6.544.413	(6.544.413)	-	-
USD net hedged amount	-	-	-	-
US Dollar net gain/(loss)	**6.544.413**	**(6.544.413)**	**-**	**-**

Credit risk

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

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

NOTE 30 - FINANCIAL RISK MANAGEMENT (Continued)

The maximum exposure of the Group to credit risk as of 31 December 2008 and 2007 is as follows:

	Trade receivables		**Other receivables**		**Bank**	**Derivative**	
31 December 2008	**Related party**	**Other**	**Related party**	**Other**	**deposits**	**Instruments**	**Other**
The maximum of credit risk exposed at the reporting date	**11.705.610**	**60.076.765**	**-**	**97.714**	**16.159.286**	**-**	**-**
- Credit risk covered by guarantees	**-**	**11.983.064**	**-**	**-**	**-**	**-**	**-**
A. Net carrying value of not overdue and unimpaired financial assets	7.692.170	39.728.879	-	97.714	16.159.286	-	-
B. Conditions renegotiated, otherwise will be classified as past due or impaired	-	-	-	-	-	-	-
C. Net carrying value of overdue but unimpaired financial assets	4.013.440	20.347.886	-	-	-	-	-
- Amount of risk covered by guarantees	-	8.869.558	-	-	-	-	-
D. Net carrying value of impaired assets	-	-	-	-	-	-	-
- Overdue (gross carrying value)	-	12.352.968	-	-	-	-	-
- Provision for impairment (-)	-	(12.352.968)	-	-	-	-	-
- Amount of risk covered by guarantees	-	-	-	-	-	-	-
- Not overdue (gross carrying value)	-	-	-	-	-	-	-
- Provision for impairment (-)	-	-	-	-	-	-	-
- Amount of risk covered by guarantees	-	-	-	-	-	-	-
E. Off-balance sheet items with credit risk	-	-	-	-	-	-	-

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

NOTE 30 - FINANCIAL RISK MANAGEMENT (Continued)

	Trade receivables		Other receivables		Bank	Derivative	
31 December 2008	**Related party**	**Other**	**Related party**	**Other**	**deposits**	**instruments**	**Other**
The maximum of credit risk exposed at the reporting date	**7.328.974**	**57.577.792**	**-**	**-**	**106.252.166**	**-**	**-**
- Credit risk covered by guarantees	**-**	**10.577.363**	**-**	**-**	**-**	**-**	**-**
A. Net carrying value of not overdue and unimpaired financial assets	4.772.135	42.602.874	-	-	106.252.166	-	-
B. Conditions renegotiated, otherwise will be classified as past due or impaired	-	-	-	-	-	-	-
C. Net carrying value of overdue but unimpaired financial assets	2.556.839	14.974.918	-	-	-	-	-
- Amount of risk covered by guarantees	**-**	5.823.830	-	-	-	-	-
D. Net carrying value of impaired assets	-	-	-	-	-	-	-
- Overdue (gross carrying value)	-	7.599.996	-	-	-	-	-
- Provision for impairment (-)	-	(7.599.996)	-	-	-	-	-
- Amount of risk covered by guarantees	-	-	-	-	-	-	-
- Not overdue (gross carrying value)	-	-	-	-	-	-	-
- Provision for impairment (-)	-	-	-	-	-	-	-
- Amount of risk covered by guarantees	-	-	-	-	-	-	-
E. Off-balance sheet items with credit risk	-	-	-	-	-	-	-

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

NOTE 30 - FINANCIAL RISK MANAGEMENT (Continued)

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

	Trade receivables		Bank	Derivative	
31 December 2008	**Related party**	**Other**	**deposits**	**instruments**	**Other**
1-30 days overdue	-	9.488.187	-	-	-
1-3 months overdue	-	5.813.423	-	-	
3-12 months overdue	4.013.440	3.742.514	-	-	-
1-5 years overdue	-	1.303.762	-	-	-
More than 5 years overdue	-	-	-	-	-
Total	**4.013.440**	**20.347.886**	**-**	**-**	**-**
Amount of risk covered by guarantees	-	8.869.558	-	-	-

	Trade receivables		Bank	Derivative	
31 December 2007	**Related party**	**Other**	**deposits**	**instruments**	**Other**
1-30 days overdue	-	9.449.466	-	-	-
1-3 months overdue	-	4.045.202	-	-	-
3-12 months overdue	2.556.839	1.480.250	-	-	-
1-5 years overdue	-	-	-	-	-
More than 5 years overdue	-	-	-	-	-
Total	**2.556.839**	**14.974.918**	**-**	**-**	**-**
Amount of risk covered by guarantees	-	5.823.830	-	-	-

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 New Turkish lira ("TRY") unless otherwise indicated.)

NOTE 30 - FINANCIAL RISK MANAGEMENT (Continued)

The table below shows the liquidity risk arising from financial liabilities of the Group:

31 December 2008

Non-derivative financial instruments	Carrying value	Total contractual cash outflow	Up to 3 months	Between 3 and 12 months	Between 1 and 5 years	Over 5 years
Financial liabilities	1.061.081	1.061.081	937.791	123.290	-	-
Due to related parties	64.654.389	64.914.913	18.109.779	46.805.134	-	-
Other trade payables	5.652.991	5.652.991	-	5.652.991	-	-
Other payables	4.267.000	4.267.000	-	4.267.000	-	-

31 December 2007

Non-derivative financial instruments	Carrying value	Total contractual cash outflow	Up to 3 months	Between 3 and 12 months	Between 1 and 5 years	Over 5 years
Financial liabilities	3.097.778	3.097.778	743.390	2.354.388	-	-
Due to related parties	15.578.435	15.761.667	-	15.761.667	-	-
Other trade payables	5.484.169	5.484.169	-	5.484.169	-	-
Other payables	5.200.442	5.200.442	-	5.200.442	-	-

NOTE 30 - 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.

NOTE 31 - FINANCIAL INSTRUMENTS

Fair value of financial instruments

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

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

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

Monetary assets:

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

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

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

NOTE 31 - FINANCIAL INSTRUMENTS (Continued)

Monetary liabilities:

Trading liabilities have been estimated at their fair values.

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

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

NOTE 32- SUBSEQUENT EVENTS

i. In accordance with the Article 1 of the Law numbered 5083 concerning the “Currency of the Republic of Turkey” and according to the Decision of The Council of Ministers dated 4 April 2007 and No: 2007/11963, the prefix “New” used in the “New Turkish lira” and the “New Kurus” will be removed as of January 1, 2009. When the prior currency, New Turkish lira (“TRY”), values are converted into TL and Kr, one TRY (TRY1) and one YKr (YKr1) shall be equivalent to one TL (TL1) and one Kr (Kr1).

All references made to New Turkish lira or lira in laws, other legislation, administrative transactions, court decisions, legal transactions, negotiable instruments and other documents that produce legal effects as well as payment and exchange instruments shall be considered to have been made to TL at the conversion rate indicated above. Consequently, effective from 1 January 2009, the TL replaces the TRY as a unit of account in keeping and presenting of books, accounts and financial statements.

ii. As mentioned in Note 15, related to the purchase of Bağımsız Gazeteciler, subsequent to the decision of the Competition Authority dated 26 September 2008 being received by the Company, a lawsuit was filed with the Council of State, demanding a stay of execution of the terms stated in the decision. On 13 February 2009, the Council of State ruled for a stay of execution of the terms, subject to lawsuit and included in the decision of the Competition Authority dated 10 March 2008. Accordingly, the part of the Competition Authority decision related to the purchase of Bağımsız Gazeteciler and Kemer Yayıncılık shares by Doğan Gazetecilik A.Ş. is effective, and the stay of execution only applies to the terms included in the decision, which are subject to the lawsuit (Note 15).

iii. The property holding inquiry executed by Halkalı Tax Office regarding Doğan Yayın Holding A.Ş. due to the tax principal and penalty notices communicated to Doğan Yayın Holding A.Ş. has no connection with the Company’s assets and operations. In the scope of the relevant property holding inquiry, shares that Doğan Yayın Holding A.Ş. possesses in the Doğan Gazetecilik A.Ş. share capital and which represent 70,76% of the share capital of Doğan Gazetecilik A.Ş. as of 18 March 2009, included in the Central Registry Institution and Intermediary Institution export/investment accounts, were immobilised and their transfer has been restricted.

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