DOĞAN GAZETECİLİK A.Ş.

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

(ORIGINALLY ISSUED IN TURKISH)

Deloitte.

DRT Bağımsız Denetim ve
Serbest Muhasebeci
Mali Müşavirlik A.Ş.
Sun Plaza
Bilim Sok. No:5
Maslak, Şişli 34398
İstanbul, Türkiye

Tel : +90 (212) 366 6000
Fax : +90 (212) 366 6010
www.deloitte.com.tr

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

INDEPENDENT AUDIT REPORT

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

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

Management Responsibility on Financial Statements

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

Auditor's Responsibility

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

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

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

Deloitte.

Opinion

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

Other Matter

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

İstanbul, 28 March 2011

DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.

Member of **DELOITTE TOUCHE TOHMATSU LIMITED**

Gaye Şentürk

Gaye Şentürk
Partner

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DOĞAN GAZETECİLİK A.Ş.

CONSOLIDATED BALANCE SHEETS AT 31 DECEMBER 2010 AND 2009

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

	Notes	*Audited* 31 December 2010	*Audited* 31 December 2009
ASSETS			
Current Assets		**91.887.122**	**96.723.860**
Cash and cash equivalents	4	5.315.998	1.230.535
Trade receivables			
- Due from related parties	28	10.583.401	18.005.852
- Other trade receivables	7	63.949.874	58.785.253
Other receivables		62.450	62.637
Inventories	9	7.022.131	6.443.551
Other current assets	17	4.953.268	12.196.032
Non-current assets		**220.984.555**	**233.028.605**
Other receivables	8	55.842	65.033
Financial assets	5	69.585	69.585
Investment property	10	14.230.530	12.914.147
Property, plant and equipment	11	22.788.329	24.096.837
Intangible assets	12	67.428.317	71.045.052
Goodwill	13	108.185.623	113.857.178
Deferred income tax assets	26	2.127.525	6.419.546
Other non-current assets	17	6.098.804	4.561.227
Total Assets		**312.871.677**	**329.752.465**

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

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

DOĞAN GAZETECİLİK A.Ş.

CONSOLIDATED BALANCE SHEETS AT 31 DECEMBER 2010 AND 2009

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

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

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

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED 1 JANUARY-31 DECEMBER 2010 AND 2009

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

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

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

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED 1 JANUARY-31 DECEMBER 2010 AND 2009

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

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

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

CONSOLIDATED STATEMENTS OF CASH FLOW
FOR THE YEARS ENDED 1 JANUARY-31 DECEMBER 2010 AND 2009

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

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

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

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

NOTE 1 - ORGANISATION AND NATURE OF OPERATIONS

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

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

The address of the registered office is as follows:

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

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

Subsidiaries

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

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

Joint venture

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

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

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.1 Basis of presentation

2.1.1 Financial reporting standards

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

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

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

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

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

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

2.1.2 Consolidation principles

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

(a) Subsidiaries

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

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

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

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

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

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

Financial assets at fair value through profit and loss in which the Group has controlling interests below 20%, or above 20% over which the Company does not exercise a significant influence, or which are immaterial and that do not have quoted market price in active markets and whose fair values cannot be measured reliably, are carried at cost less any provision for diminution in value and for the periods which inflation accounting is applied are carried at cost and restated to the equivalent purchasing power at the balance sheet date less any provision for diminution in value (Note 5).

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

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

2.1.2 Consolidation principles (Continued)

(c) Joint venture

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

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

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

(d) Non-controlling interest

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

2.1.3 Offsetting

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

2.1.4 Comparatives

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

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

2.1.4 Comparatives (Continued)

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

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

2.1.5 Adoption of New and Revised Standards

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

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

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

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

2.1.5 Adoption of New and Revised Standards (Continued)

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

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

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

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

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

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

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

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

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

2.1.5 Adoption of New and Revised Standards (Continued)

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

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

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

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

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

IFRS 7 "Financial Instruments: Disclosures"

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

IFRS 9 "Financial Instruments: Classification and Measurement"

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

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

2.1.5 Adoption of New and Revised Standards (Continued)

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

IAS 12 "Income Taxes"

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

IAS 24 (2009) "Related Party Disclosures"

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

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

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

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

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

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

2.1.5 Adoption of New and Revised Standards (Continued)

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

IFRIC 19 "*Extinguishing Financial Liabilities with Equity Instruments*"

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

Annual Improvements, May 2010

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

2.2 Summary of Significant Accounting Policies

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

Related parties

For the purpose of these consolidated financial statements, shareholders, key management personnel and board members, in each case together with their families and companies controlled by or affiliated with them, associates and joint ventures are considered and referred to as related parties (Note 28).

Segmental reporting

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

Trade receivables and provision for doubtful receivables

Trade receivables that are created by the Group by way of providing goods or services directly to a debtor are carried at amortised cost. Trade receivables, net of unearned financial income, are measured at amortised cost, using the effective interest rate method, less the unearned financial income. Short duration receivables with no stated interest rate are measured at the original invoice amount unless the effect of imputing interest is significant (Note 7).

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

2.2 Summary of Significant Accounting Policies (Continued)

Trade receivables and provision for doubtful receivables (Continued)

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

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

Financial assets

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

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

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

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

Inventories

Inventories are valued at the cost or net realisable value. Cost elements included in inventories are materials, labour and an appropriate amount of factory overheads. The cost of inventories is determined using the moving weighted average and weighted average methods. Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses (Note 9).

Promotion stocks

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

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

2.2 Summary of Significant Accounting Policies (Continued)

Investment property and related depreciation

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

At each balance sheet date, the Group evaluates whether an indication of impairment exists. Where an indication of impairment exists; investment properties are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of the asset's net selling price or value in use (Note 10).

Property, plant, and equipment and related depreciation

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

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

Buildings, land improvements	25-50 years
Machinery and equipment	3-15 years
Furnitures and fixtures	4-15 years
Motor vehicles	5-10 years
Leasehold improvements	5 years

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

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

Repair and maintenance expenses are charged to the income statement as they are incurred. Repair and maintenance expenditures are capitalized if they result in an enlargement or substantial improvement of the respective assets (Note 11).

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

2.2 Summary of Significant Accounting Policies (Continued)

Goodwill

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

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

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

Intangible assets and related amortisation

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

They are recorded at their acquisition cost and amortised using the straight-line method over their estimated useful lives. Where an indication of impairment exists, the carrying amount of any intangible asset is assessed and written down immediately to its recoverable amount (Note 12).

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

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

Trademark	25 years
Rights	15 years
Other intangible assets	10 years

Web page development costs

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

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

2.2 Summary of Significant Accounting Policies (Continued)

Taxes on income

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

Deferred income tax is provided in full, using the liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying values in the consolidated financial statements. Currently enacted tax rates are used to determine deferred income tax. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

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

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

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

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

Borrowings

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

Provision for employment termination benefits

The Group is required to pay termination benefits to employees who is retired, whose employment is terminated without due causes in Labour Law, in accordance with the Law related with The Arrangement of the Relationships within the Employees in Press Sector (employees in media sector) and other laws. The provision for employment termination benefits, as required by Turkish Labour Law, is recognised in these financial statements as the benefits are earned. The total provision represents the present value of future probable obligation of the Group arising from the retirement of its employees regarding the actuarial projections (Note 16).

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

2.2 Summary of Significant Accounting Policies (Continued)

Provisions, contingent assets and liabilities

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

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

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

Share capital, dividends and share premium

Ordinary shares are classified as equity. Pro-rata capital increases to existing shareholders are accounted for at par value as approved. Dividends on ordinary shares are recognised in equity in the period in which they are declared. Share premium represents the difference between nominal value of the publicly held shares and their sales prices (Note 18).

Foreign currency transactions and translation

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

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.

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

2.2 Summary of Significant Accounting Policies (Continued)

Interest income:

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

Rental income:

Rental income is recognized on an accrual basis.

Service income:

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

Barter agreements

When goods or services are exchanged or swapped for goods or services which are of a similar nature and value, the exchange is not regarded as a transaction that generates revenue. When goods are sold or services are rendered in exchange for dissimilar goods or services, the exchange is regarded as a transaction that generates revenue. The revenue is measured at the fair value of the goods or services received. When the fair values of goods and services received cannot be estimated reliably, the revenue is measured at the fair value of the goods or services received, adjusted by the amount of any cash or cash equivalents transferred (Note 15).

Loss per share

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

In Turkey, companies can increase their share capital by making a pro-rata distribution of shares ("bonus shares") to existing shareholders from retained earnings. For the purpose of earnings per share computations, such bonus share issuances are regarded as issued shares. Accordingly the weighted average number of shares used in earnings per share computations is derived by giving retroactive effect to the issuances of the shares without consideration (Note 27).

Cash and cash equivalents

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

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

2.2 Summary of Significant Accounting Policies (Continued)

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.

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

Subsequent events

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

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

Reporting of cash flows

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

The cash flows raised from operating activities indicate cash flows due to the Group's operations.

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

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

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

Critical accounting estimates and judgements

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

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

NOTE 3 – JOINT VENTURES

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

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

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

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

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

Income statements:

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

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

NOTE 4 - CASH AND CASH EQUIVALENTS

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

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

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

	31 December 2010	31 December 2009	31 December 2008
Demand	2.036.558	980.907	1.169.148
Up to 3 months	3.279.440	249.628	15.048.408
Total	**5.315.998**	**1.230.535**	**16.217.556**

	31 December 2010	31 December 2009	31 December 2008
Cash and cash equivalents	5.315.998	1.230.535	16.217.556
Less: accrued interest	(585)	-	(6.057)
Cash and cash equivalents	**5.315.413**	**1.230.535**	**16.211.499**

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

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

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

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

NOTE 5 - FINANCIAL ASSETS

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

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

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

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

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

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

NOTE 6 - BORROWINGS

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

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

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

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

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

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

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

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

NOTE 7 - TRADE RECEIVABLES AND PAYABLES

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

Short-term trade receivables

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

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

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

	2010	2009
1 January	15.649.595	12.352.968
Additions during the period (Note 22)	4.552.445	3.680.305
Collections during the period	(679.171)	(383.678)
31 December	**19.522.869**	**15.649.595**

Short-term trade payables	**31 December 2010**	**31 December 2009**
Trade payables	10.860.335	8.659.476
	10.860.335	**8.659.476**

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

NOTE 8 - OTHER RECEIVABLES AND PAYABLES

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

Other non-current receivables	31 December 2010	31 December 2009
Deposits and guarantees given	55.842	65.033
	55.842	**65.033**

Other current payables	31 December 2010	31 December 2009
Taxes and funds payable	5.170.956	5.040.193
Payables to personnel	647.991	925.286
Other	657.170	138.110
	6.476.117	**6.103.589**

NOTE 9 - INVENTORIES

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

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

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

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

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

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

NOTE 10 - INVESTMENT PROPERTY

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

	1 January 2010	Additions	Disposals	Provision for impairment	Reversal of impairment	31 December 2010
Cost	21.165.627	5.449.684	(3.686.350)	-	211.409	23.140.370
Accumulated depreciation	8.251.480	707.622	(49.262)	-	-	8.909.840
Net book value	**12.914.147**					**14.230.530**

	1 January 2009	Additions	Disposals	Provision for impairment	Reversal of impairment	31 December 2009
Cost	14.856.565	8.437.933	(2.304.100)	(63.809)	239.038	21.165.627
Accumulated depreciation	8.028.937	257.685	(35.142)	-	-	8.251.480
Net book value [(1)]	**6.827.628**					**12.914.147**

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

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

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

NOTE 11 - PROPERTY, PLANT AND EQUIPMENT

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

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

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

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

NOTE 11 - PROPERTY, PLANT AND EQUIPMENT (Continued)

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

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

NOTE 12 - INTANGIBLE ASSETS

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

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

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

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

NOTE 13 - GOODWILL

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

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

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

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

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

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

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

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

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

NOTE 14 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

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

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

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

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

ii. Lawsuits

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

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

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

iii. Tax penalty

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

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

iv. Purchase of Bağımsız Gazeteciler

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

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

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

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

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

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

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

NOTE 15 - COMMITMENTS

i. Letter of guarantees and guarantee notes given

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

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

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

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

ii. Barter agreements

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

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

NOTE 16 - PROVISION FOR EMPLOYMENT TERMINATION BENEFITS

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

Under the Turkish Labour Law, the Group is required to pay termination benefits to each employee who has completed one year of service and who achieves the retirement age (58 for women and 60 for men) and whose employment is terminated without due cause, is called up for military service, or dies. At 31 December 2010 the amount payable consists of one month's salary limited to a maximum of TL 2.517,01 (31 December 2009: TL 2.365,16) for each year of service.

In addition, according to press sector regulations, companies should make payments to personnel who work for a minimum of 5 years and whose employment is terminated without due cause. The maximum payable amount is 30 days' salary for each year of service.

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

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

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

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

The principal assumption is that the maximum liability for each year of service will increase in line with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. As the maximum liability is revised semi-annually, the maximum amount of TL 2.623,23 effective from 1 January 2011 (1 January 2010: TL 2.427,03) has been taken into consideration in calculating the reserve for employment termination benefit of the Group.

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

NOTE 16 - PROVISION FOR EMPLOYMENT TERMINATION BENEFITS (Continued)

Movements in the provision for employment termination benefits for the periods ended 31 December are as follows:

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

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

NOTE 17 - OTHER ASSETS AND LIABILITIES

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

i. Other current assets

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

ii. Other non-current assets

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

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

NOTE 17 - OTHER ASSETS AND LIABILITIES (Continued)

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

iii. Other current liabilities

	31 December 2010	31 December 2009
Deferred revenue	2.106.343	1.997.975
Unused vacation liability	4.763.256	2.553.169
Provisions for promotion inventories	252.245	1.785.818
Tax penalty liability (1)	-	8.833.140
Other	1.685	-
	7.123.529	**15.170.102**

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

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

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

NOTE 18 - EQUITY

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

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

NOTE 18 - EQUITY (Continued)

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

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

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

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

Share premium

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

Restricted reserves

The legal reserves consist of first and second reserves, appropriated in accordance with the Turkish Commercial Code (TCC). The TCC stipulates that the first legal reserve is appropriated out of statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the Company's paid-in share capital. The second legal reserve is appropriated at the rate of 10% per annum of all cash distributions in excess of 5% of the paid-in share capital. Under the TCC, the legal reserves can only be used to offset losses and are not available for any other usage unless they exceed 50% of paid-in share capital.

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

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

NOTE 18 - 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.

Dividend payment:

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

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

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

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

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

NOTE 19 - SALES AND COST OF SALES

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

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

Sales income

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

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

Cost of sales

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

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

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

Marketing, selling and distribution expenses

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

General administrative expenses

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

NOTE 21 - EXPENSES BY NATURE

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

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

NOTE 22 - OTHER OPERATING INCOME/ EXPENSES

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

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

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

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

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

NOTE 23 - FINANCIAL INCOME

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

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

NOTE 24 - FINANCIAL EXPENSES

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

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

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

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

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

NOTE 26 - TAXATION

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

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

Corporate Income Tax Law numbered 5520 was published in the official gazette numbered dated 13 September 2006 and most clauses has came into effect from 1 January 2006 .The corporation tax rate of the fiscal year 2010 is 20% (2009: 20%). Corporation tax is payable on the total income of the Company after adjusting for certain disallowable expenses, exempt income and allowances. No further tax is payable unless the profit is distributed (except withholding tax at the rate of 19.8% on the investment incentive allowance utilized within the scope of the Income Tax Law transitional article 61).

Dividends paid to non-resident corporations which have a place of business in Turkey or resident corporations are not subject to withholding tax. Otherwise dividends paid are subject to withholding tax at the rate of 15%. An increase in capital via issuing bonus shares is not considered as a profit distribution and thus does not incur withholding tax.

Corporations are required to pay advance corporation tax quarterly at the rate of 20% (31 December 2009: 20%) on their corporate income. Advance tax is to be declared by the 14th day of the second month following each calendar quarter end and is payable by the 17th of the second month. Advance tax paid by corporations is credited against the annual corporation tax liability. The balance of the advance tax paid may be refunded or used to be set off against other liabilities to the government.

In accordance with Tax Law No.5024 Law Related to Changes in Tax Procedural Law. Income Tax Law and Corporate Tax Law that was published on the Official Gazette on 30 December 2003 to amend the tax base for non-monetary assets and liabilities effective from 1 January 2004 income and corporate taxpayers will prepare the statutory financial statements by adjusting the non-monetary assets and liabilities for the changes in the general purchasing power of the Turkish lira. In accordance with the aforementioned laws' provisions, in order to apply inflation adjustment the cumulative inflation rate (SIS-WPI) over the last 36 months and 12 months must exceed 100% and 10% respectively. Inflation adjustment has not been applied as these conditions were not fulfilled since 1 January 2005.

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

NOTE 26 – TAXATION (Continued)

Under the Turkish taxation system tax losses can be carried forward to offset against future taxable income for up to 5 years. Tax losses can not be carried back to offset profits from previous periods. There are numerous exemptions in the Corporate Tax Law concerning the corporations. The exemptions that are related to the Group are as follows:

Exemption for participation in domestic subsidiaries

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

Exemption for share premium

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

Tax penalty

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

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

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

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

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

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

NOTE 26 – TAXATION (Continued)

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

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

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

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

Deferred taxes

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

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

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

NOTE 26 – TAXATION (Continued)

Deferred taxes (Continued)

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

	Total temporary differences		Deferred tax assets/(liabilities)	
	31 December 2010	31 December 2009	31 December 2010	31 December 2009
Carry forward tax losses [1]	71.015.911	79.937.691	6.455.644	11.813.665
Provision for employment termination benefits	13.364.200	7.669.281	2.672.840	1.533.856
Unused vacation liability	4.763.256	2.553.169	952.651	510.634
Provision for doubtful receivables	4.555.035	5.153.821	911.007	1.030.764
Provision for impairment on inventories	2.926.796	2.712.408	585.359	542.482
Provision for lawsuits	1.977.497	1.592.567	395.499	318.513
Unearned sales income	729.631	-	145.926	-
Other provisions	357.160	660.893	71.432	132.179
Unearned interest income	502.191	296.067	100.438	59.213
Provision for promotion stocks	252.245	1.785.818	50.449	357.164
Deductable income tax witholding	-	3.730.000	-	746.000
Deferred tax assets			**12.341.245**	**17.044.470**
Difference between the tax base and carrying value of property, plant and equipment and intangible assets	(50.917.868)	(53.005.377)	(10.183.573)	(10.601.075)
Unearned finance expenses	(150.733)	(119.236)	(30.147)	(23.849)
Deferred tax liabilities			**(10.213.720)**	**(10.624.924)**
Deferred tax assets, net			**2.127.525**	**6.419.546**

(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 2010, carry forward tax losses for which deferred income tax asset was recognized amounted to TL 32.278.220 (31 December 2009: TL 59.068.325). As of 31 December 2010, total amount of carry forward tax losses is TL 71.015.911 (31 December 2009: TL 79.937.691).

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

NOTE 26 – TAXATION (Continued)

Deferred tax assets:

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

Deferred tax liabilities:

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

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

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

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

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

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

NOTE 27 - LOSS PER SHARE

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

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

NOTE 28 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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

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

a) Due from related parties:

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

(1) Doğan Dağıtım distributes the daily newspapers of the Group.
(2) The sales made to Medyanet consists of the internet advertising sales made from the websites.

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

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

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

(1) Due to Kanal D consists of the advertising expenses related with the advertisement of newspapers shown in televisions.
(2) The Group purchases most of its raw materials from Doğan Dış Ticaret and Işıl İthalat.
(3) Due to Hürriyet is related with printing of newspapers.

c) Service and product sales to related parties:

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

(1) Doğan Dağıtım distributes the daily newspapers of the Group.
(2) The sales made to Medyanet consists of the internet advertising sales made from the websites.

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

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

d) Service and product purchases from related parties:

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

(1) The Group purchases most of its raw materials from Doğan Dış Ticaret and Işıl İthalat.
(2) The newspapers of the Group are printed in the printing houses of Hürriyet.

e) Other significant transactions with related parties:

Other income/(expense), net

	31 December 2010	31 December 2009
Hürriyet [1]	5.095.000	-
Doğan TV (Note 10) [2]	2.570.788	-
Kanal D (Note 10) [2]	-	1.986.358
Other	(37.457)	39.021
	7.628.331	**2.025.379**

(1) TL 5.095.000 of the additions is related to the sale of trademark and royalty of Radikal Gazetesi to Hürriyet Gazetecilik ve Matbaacılık A.Ş. Sales price is based on the report of independent valuer. Sales amount is recorded to "Other operating income" at consolidated statements of comprehensive income. The assignment of the personnel of Radikal Gazetesi and internet site has been completed on 31 August 2010. All liabilities of these personnel belongs to the Group.
(2) Rent income from Doğan TV Holding and Kanal D.

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

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

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

Financial (expense)/income, net

	31 December 2010	31 December 2009
Doğan Factoring	(584.403)	(667.125)
Işıl İthalat	(398.649)	(1.210.486)
Doğan Dış Ticaret	(356.901)	(273.658)
Kanal D	(283.670)	(713.354)
Hürriyet	(41.089)	(570.752)
Diğer	(40.632)	(220.279)
Financial expenses	**(1.705.344)**	**(3.655.654)**

General administrative, marketing, distribution and selling expenses:

	31 December 2010	31 December 2009
Doğan Dağıtım (1)	22.377.514	21.355.495
Kanal D (2)	12.086.254	15.984.989
Star TV (2)	3.532.009	254.637
D Yapım Reklamcılık ve Dağıtım A.Ş.	2.902.184	2.033.008
Doğan Yayın Holding	1.862.086	1.713.807
Doğan TV Dijital Platform	552.128	723.774
Doğan Egmond	344.537	594.071
Hürriyet	313.959	385.432
DBR	132.197	320.182
Radyo Kulübü	107.552	294.909
Doğa TV	94.893	299.585
Diğer	1.761.286	1.402.230
	46.066.599	**45.362.119**

(1) Distribution and transportation service is received from Doğan Dağıtım.
(2) The Group receives television advertising services from Star TV and Kanal D.

Acquisition of Investment Property:

	31 December 2010	31 December 2009
Milpa (1)	1.269.408	-
Kanal D	-	4.444.823
Total	**1.269.408**	**4.444.823**

(1) The investment property acquired with the barter agreement in exchange of advertising services.

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

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

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

Investment property sales:

	31 December 2010	31 December 2009
Işıl İthalat	-	2.094.143
Toplam	**-**	**2.094.143**

f) Remuneration paid to top management:

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

	31 December 2010	31 December 2009
Salaries and other short term benefits	5.242.946	4.101.484
Post-employment benefits	391.094	-
Other long term benefits	-	-
Termination benefits	-	-
Share based payments	-	-
Total	**5.634.040**	**4.101.484**

NOTE 29 - FINANCIAL RISK MANAGEMENT

Financial risk management

The Group's activities expose it to a variety of financial risks, these risks are market risk including the effects of changes in debt and equity market prices, foreign currency exchange rates, fair value interest rate risk and cash flow interest rate risk, credit risk, and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance of the Group.

Financial risk management is carried out by individual subsidiaries under policies, which are approved by their Board of Directors within the limits of general principles, set by the Company.

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

NOTE 29 - FINANCIAL RISK MANAGEMENT (Continued)

Market risk

Interest rate risk

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

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

Financial instruments with fixed interest rate	31 December 2010	31 December 2009
Fixed interest rate financial instruments	3.279.440	249.628
- Designated as fair value through profit or loss (1)	*3.279.440*	*249.628*
- Financial assets available for sale	-	-
Financial liabilities	19.697.541	11.014.628
Financial instruments with floating interest rate	**31 December 2010**	**31 December 2009**
Financial assets	-	-
Financial liabilities	13.400.000	9.000.000

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

The Group has borrowing with a floating interest rate amounting to TL 13.400.000 as of 31 December 2010 (31 December 2009: TL 9.000.000).

As of 31 December 2010, if interest rate on borrowings had been 1% higher/lower with all other variables held constant, interest expense would have been TL 5.872 higher/lower (31 December 2009: TL 63.750).

Foreign currency risk

	31 December 2010	31 December 2009
Assets	157.331	421.702
Liabilities	(19.837.257)	(12.970.076)
Net foreign currency position	**(19.679.926)**	**(12.548.374)**

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

NOTE 29 - FINANCIAL RISK MANAGEMENT (Continued)

31 December 2010	TL Equivalent	US Dollar	Euro	Other
1. Trade Receivables	-	-	-	-
2a. Monetary Financial Assets (Cash, Banks included)	157.331	45.148	107.038	5.145
2b. Non-Monetary Financial Assets	-	-	-	-
3. Other	-	-	-	-
4. Current Assets (1+2+3)	**157.331**	**45.148**	**107.038**	**5.145**
5. Trade Receivables	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-
6b. Non-Monetary Financial Assets	-	-	-	-
7. Other	-	-	-	-
8. Non-current assets (5+6+7)	-	-	-	-
9. Total assets (4+8)	**157.331**	**45.148**	**107.038**	**5.145**
10. Trade Payables	216.606	216.606	-	-
11. Financial Liabilities	19.620.650	9.320.032	10.300.619	-
12a. Other Monetary Financial Liabilities	-	-	-	-
12b. Other Non-Monetary Financial Liabilities	-	-	-	-
13. Current Liabilities (10+11+12)	**19.837.256**	**9.536.638**	**10.300.619**	-
14. Trade Payables	-	-	-	-
15. Financial Liabilities	-	-	-	-
16a. Other Monetary Financial Liabilities	-	-	-	-
16b. Other Non-Monetary Financial Liabilities	-	-	-	-
17. Non-current Liabilities (14+15+16)	-	-	-	-
18. Total Liabilities (13+17)	**19.837.256**	**9.536.638**	**10.300.619**	-
19. Net asset / liability position of Off-balance sheet derivatives (19a-19b)	-	-	-	-
19.a Off-balance sheet foreign currency derivative assets	-	-	-	-
19b. Off-balance sheet foreign currency derivative liabilities	-	-	-	-
20. Net foreign currency asset liability position (9-18+19)	**(19.679.925)**	**(9.491.490)**	**(10.193.581)**	**5.145**
21. Net foreign currency asset / liability position of monetary items (1+2a+5+6a-10-11-12a-14-15-16a)	**(19.679.925)**	**(9.491.490)**	**(10.193.581)**	**5.145**
22. Fair value of foreign currency hedged financial assets	-	-	-	-
23. Exports	-	-	-	-
24. Imports	-	-	-	-

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

NOTE 29 - FINANCIAL RISK MANAGEMENT (Continued)

31 December 2009	TL Equivalent	US Dollar	Euro	Other
1. Trade Receivables	330.186	-	330.186	-
2a. Monetary Financial Assets (Cash, Banks included)	91.516	49.288	33.820	8.408
2b. Non-Monetary Financial Assets	-	-	-	-
3. Other	-	-	-	-
4. Current Assets (1+2+3)	**421.702**	**49.288**	**364.006**	**8.408**
5. Trade Receivables	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-
6b. Non-Monetary Financial Assets	-	-	-	-
7. Other	-	-	-	-
8. Non-current assets (5+6+7)	-	-	-	-
9. Total assets (4+8)	**421.702**	**49.288**	**364.006**	**8.408**
10. Trade Payables	12.970.076	12.970.076	-	-
11. Financial Liabilities	-	-	-	-
12a. Other Monetary Financial Liabilities	-	-	-	-
12b. Other Non-Monetary Financial Liabilities	-	-	-	-
13. Current Liabilities (10+11+12)	**12.970.076**	**12.970.076**	-	-
14. Trade Payables	-	-	-	-
15. Financial Liabilities	-	-	-	-
16a. Other Monetary Financial Liabilities	-	-	-	-
16b. Other Non-Monetary Financial Liabilities	-	-	-	-
17. Non-current Liabilities (14+15+16)	-	-	-	-
18. Total Liabilities (13+17)	**12.970.076**	**12.970.076**	-	-
19. Net asset / liability position of Off-balance sheet derivatives (19a-19b)	-	-	-	-
19.a Off-balance sheet foreign currency derivative assets	-	-	-	-
19b. Off-balance sheet foreign currency derivative liabilities	-	-	-	-
20. Net foreign currency asset liability position (9-18+19)	**(12.548.374)**	**(12.920.788)**	**364.006**	**8.408**
21. Net foreign currency asset / liability position of monetary items (1+2a+5+6a-10-11-12a-14-15-16a)	**(12.548.374)**	**(12.920.788)**	**364.006**	**8.408**
22. Fair value of foreign currency hedged financial assets	-	-	-	-
23. Exports	-	-	-	-
24. Imports	-	-	-	-

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

NOTE 29 - FINANCIAL RISK MANAGEMENT (Continued)

Group is exposed to US Dollar, mainly. The analysis of sensitivity to foreign currency is as follows:

	Income/Loss	
31 December 2010	**Foreign currency appreciates**	**Foreign currency depreciates**
If the US dollar had changed by 10% against the TL		
USD net (liabilities)/assets		
Hedging amount of USD	(1.979.211)	1.979.211
USD net effect on (loss)/income	**(1.979.211)**	**1.979.211**

	Income/Loss	
31 December 2009	**Foreign currency appreciates**	**Foreign currency depreciates**
If the US dollar had changed by 10% against the TL		
USD net (liabilities)/assets		
Hedging amount of USD	(1.292.079)	1.292.079
USD net effect on (loss)/income	**(1.292.079)**	**1.292.079**

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

	Income/Loss	
31 December 2009	**Foreign currency appreciates**	**Foreign currency depreciates**
If the EUR had changed by 10% against the TL		
EUR net (liabilities)/assets		
Hedging amount of EUR	-	-
EUR net effect on (loss)/income	**-**	**-**

Credit risk

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

The maximum exposure of the Group to credit risk as of 31 December 2010 and 31 December 2009 is as follows:

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

NOTE 29 - FINANCIAL RISK MANAGEMENT (Continued)

	Trade receivables		Other receivables		Cash and	Derivative	
31 December 2010	**Related Party**	**Other**	**Related Party**	**Other**	**cash equivalents**	**instruments**	**Other**
Maximum credit risk exposure as of balance sheet date	10.583.401	63.949.874	-	62.450	4.852.292	-	-
- Collateralized or secured with guarantees part of maximum credit risk	-	*13.686.958*	-	-	-	-	-
A. Neither past due nor impaired	6.451.698	38.831.549	-	62.450	4.852.292	-	-
B. Restructured otherwise accepted as past due and impaired	-	-	-	-	-	-	-
C. Past due but not impaired	1.517.840	25.118.325	-	-	-	-	-
- Guaranteed amount by commitment	-	*10.474.306*	-	-	-	-	-
D. Impaired asset net book value	-	-	-	-	-	-	-
- Past due (gross amount)	-	19.522.869	-	-	-	-	-
- Impairment (-)	-	(19.522.869)	-	-	-	-	-
- Net value collateralized or guaranteed part of net value	-	-	-	-	-	-	-
- Not over due (gross amount)	-	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-	-
- Net value collateralized or guaranteed part of net value	-	-	-	-	-	-	-
E. Off-balance sheet items bearing credit risk	-	-	-	-	-	-	-

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

NOTE 29 - FINANCIAL RISK MANAGEMENT (Continued)

	Trade receivables		Other receivables		Cash and	Derivative	
31 December 2009	**Related Party**	**Other**	**Related Party**	**Other**	**cash equivalents**	**instruments**	**Other**
Maximum credit risk exposure as of balance sheet date	18.005.852	58.785.253	-	62.637	1.147.673	-	-
- Collateralized or secured with guarantees Part of maximum credit risk	-	*11.424.741*	-	-	-	-	-
A. Neither past due nor impaired	9.820.385	38.020.074	-	62.637	1.147.673	-	-
B. Restructured otherwise accepted as past due and impaired	-	-	-	-	-	-	-
C. Past due but not impaired	8.185.467	20.765.179	-	-	-	-	-
- Guaranteed amount by commitment	-	*8.836.759*	-	-	-	-	-
D. Impaired asset net book value	-	-	-	-	-	-	-
- Past due (gross amount)	-	15.649.595	-	-	-	-	-
- Impairment (-)	-	(15.649.595)	-	-	-	-	-
- Net value collateralized or guaranteed part of net value	-	-	-	-	-	-	-
- Not over due (gross amount)	-	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-	-
- Net value collateralized or guaranteed part of net value	-	-	-	-	-	-	-
E. Off-balance sheet items bearing credit risk	-	-	-	-	-	-	-

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

NOTE 29 - FINANCIAL RISK MANAGEMENT (Continued)

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

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

31 December 2009	Trade receivables Related party	Trade receivables Other	Bank deposits	Financial instruments	Other
1 to 30 days	1.059.427	9.664.935	-	-	-
1 to 3 months	1.427.515	5.286.974	-	-	-
3 to 12 months	2.677.146	4.573.862	-	-	-
More than 1 year	3.021.379	1.239.408	-	-	-
Total	**8.185.467**	**20.765.179**	-	-	-
Guaranteed amount	-	*8.836.759*	-	-	-

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

31 December 2010	Trade receivables Related party	Trade receivables Other	Bank deposits	Financial instruments	Other
Up to 3 months	-	-	-	-	-
3 to 12 months	-	-	-	-	-
1 to 5 years	-	19.522.869	-	-	-
Less: provision for doubtful receivables	-	(19.522.869)	-	-	-
Total	-	-	-	-	-

NOTE 29 - FINANCIAL RISK MANAGEMENT (Continued)

	Trade receivables		Bank	Financial	
31 December 2009	**Related party**	**Other**	**deposits**	**instruments**	**Other**
Up to 3 months	-	1.742	-	-	-
3 to 12 months	-	46.913	-	-	-
1 to 5 years	-	15.600.940	-	-	-
Less: provision for doubtful receivables	-	(15.649.595)	-	-	-
Total	-	-	-	-	-

Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash and marketable securities, the availability of funding from an adequate amount of committed credit facilities and the ability to close out market positions. The ability to fund the existing and prospective debt requirements is managed by maintaining the availability of adequate committed funding lines from high quality lenders.

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

NOTE 29 - FINANCIAL RISK MANAGEMENT (Continued)

According to agreement maturities, undiscounted cash flows of financial liabilities as of 31 December 2010 and 31 December 2009 are as follows:

31 December 2010	Book value	Contractual cash flow	Up to 3 months	3-12 months	1-5 years	Over 5 years
Financial liabilities excluding derivatives						
Financial liabilities (Note 6)	33.097.191	33.151.906	13.531.256	19.620.650	-	-
Due to related parties [1] (Note 28b)	29.543.699	19.217.966	19.217.966	-	-	-
Other trade payables [2] (Note 8)	10.860.335	8.917.191	8.917.191	-	-	-
Other payables (Note 8)	6.476.117	6.476.117	6.476.117	-	-	-

31 December 2009	Book value	Contractual cash flow	Up to 3 months	3-12 months	1-5 years	Over 5 years
Financial liabilities excluding derivatives						
Financial liabilities(Note 6)	20.014.628	20.554.633	14.840.907	5.713.726	-	-
Due to related parties [1] (Note 28b)	44.345.558	35.027.306	35.027.306	-	-	-
Other trade payables [2] (Note 8)	8.659.476	7.161.317	7.161.317	-	-	-
Other payables (Note 8)	6.103.589	6.103.589	6.103.589	-	-	-

(1) Barter related liabilities in accordance with contracts amounting to TL 10.325.734 (31 December 2009: TL 9.437.489) are not included in the total cash outflow.
(2) Barter related liabilities in accordance with contracts amounting to TL 1.943.144 (31 December 2009: TL1.498.159) are not included in the total cash outflow.

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

NOTE 29 - FINANCIAL RISK MANAGEMENT (Continued)

Capital risk management

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

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

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

	31 December 2010	31 December 2009
Total liabilities	91.274.961	97.134.641
Less: cash and cash equivalents (Note 3)	5.315.998	1.230.535
Net liability	**85.958.963**	**95.904.106**
Equity	207.995.099	224.922.106
Total equity	**293.954.062**	**320.826.212**
Total liability/total equity ratio	**29,2 %**	**29,9 %**

NOTE 30 - FINANCIAL INSTRUMENTS

Fair value of financial instruments

The fair values of financial assets and financial liabilities are determined as follows:

• Level 1: The fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices;

• Level 2: The fair value of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions;

• Level 3: The fair value of the financial assets and financial liabilities is determined in accordance with the unobservable current market data.

The Group does not have any financial assets and liabilities which are measured at fair value (31 December 2009: None).

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

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

NOTE 30 - FINANCIAL INSTRUMENTS (Continued)

The following methods and assumptions were used to estimate the fair value of the financial instruments:

Financial assets

The fair value of the foreign currency denominated amounts, which are translated by using the exchange rates prevailing at year-end, is considered to approximate their fair value.

The fair value of certain financial assets carried at cost including cash and cash equivalents, deposits with banks and other financial asset is considered to approximate their respective carrying value due to their short-term nature. The fair value of investment securities has been estimated based on the market prices at balance sheet dates.

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

Financial liabilities:

Trading liabilities have been estimated at their fair values.

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

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

NOTE 31- SUBSEQUENT EVENTS

The consolidated financial statements for the year ended 31 December 2010 have been approved by the Board of Directors as of 28 March 2011. Only the board members have the authority to change the financial statements. The consolidated financial statements will be finalized after the approval of shareholders at the Shareholder's meeting.