DOĞAN GAZETECİLİK A.Ş.
CONVENIENCE TRANSLATION INTO ENGLISH OF UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AND NOTES FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007
(ORIGINALLY ISSUED IN TURKISH)

DOĞAN GAZETECİLİK A.Ş.

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

CONSOLIDATED INTERIM FINANCIAL STATEMENTS AT 30 SEPTEMBER 2007 AND 31 DECEMBER 2006

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UNAUDITED CONSOLIDATED INTERIM BALANCE SHEET AT 30 SEPTEMBER 2007 AND 31 DECEMBER 2006

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

	Notes	*Unaudited* **30 September 2007**	*Audited* **31 December 2006**
ASSETS			
Current assets		**80.467.410**	**65.861.237**
Cash and cash equivalents	4	8.625.283	3.339.411
Trading securities, net	5	-	-
Trade receivables, net	7	50.325.359	48.493.656
Finance lease receivables, net	8	-	-
Due from related parties, net	9	11.805.719	5.686.525
Other receivables, net	10	3.657.792	2.934.338
Biological assets, net	11	-	-
Inventories, net	12	3.402.584	4.010.709
Construction contract receivables, net	13	-	-
Deferred tax assets	14	-	-
Other current assets	15	2.650.673	1.396.598
Non-current assets		**97.055.555**	**99.032.960**
Trade receivables, net	7	-	-
Finance lease receivables, net	8	-	-
Due from related parties, net	9	-	-
Other receivables, net	10	58.841	50.644
Financial assets, net	16	219.063	135.138
Positive/negative goodwill, net	17	60.428.513	60.428.513
Investment properties, net	18	659.600	699.560
Property, plant and equipment, net	19	32.508.274	34.550.705
Intangible assets, net	20	853.908	904.830
Deferred tax assets	14	2.327.356	2.263.570
Other non-current assets	15	-	-
TOTAL ASSETS		**177.522.965**	**164.894.197**

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

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

UNAUDITED CONSOLIDATED INTERIM BALANCE SHEET AT 30 SEPTEMBER 2007 AND 31 DECEMBER 2006

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

	Notes	*Unaudited* 30 September 2007	*Audited* 31 December 2006
LIABILITIES			
Current liabilities		**32.339.794**	**29.590.250**
Financial liabilities, net	6	-	-
Short-term portion of long-term financial liabilities, net	6	2.513.198	2.891.847
Financial lease liabilities, net	8	-	-
Other financial liabilities, net	10	-	-
Trade payables, net	7	5.489.385	3.838.504
Due to related parties, net	9	16.574.549	16.325.572
Advances received	21	-	-
Construction progress billings	13	-	-
Provisions	23	3.671.862	1.807.999
Deferred tax liabilities	14	-	-
Other current liabilities, net	10	4.090.800	4.726.328
Non-current liabilities		**6.271.646**	**6.510.587**
Financial liabilities, net	6	2.409.600	2.811.200
Financial lease liabilities, net	8	-	-
Other financial liabilities, net	10	-	-
Trade payables, net	7	-	-
Due to related parties, net	9	-	-
Advances received	21	-	-
Provisions	23	3.862.046	3.699.387
Deferred tax liabilities	14	-	-
Other non-current liabilities, net	10	-	-
MINORITY INTERESTS	**24**	**196.090**	**226.472**
SHAREHOLDERS' EQUITY		**138.715.435**	**128.566.888**
Share capital	25	78.000.000	78.000.000
Adjustment to share capital of affiliates	25	-	-
Capital reserves	26	45.910.057	45.910.057
Share premium		-	-
Revaluation funds		-	-
Revaluation funds of financial assets		-	-
Inflation adjustment to shareholders' equity		45.910.057	45.910.057
Profit reserves	27	3.940.186	3.751.062
Legal reserves		191.878	191.878
Status reserves		-	-
Extraordinary reserves		3.645.686	3.645.686
Investment and property sales gains to be transferred to the share capital		-	-
Translation reserves		102.622	(86.502)
Net income/(loss) for the period		9.959.423	(1.006.192)
Retained earnings/(Accumulated deficit)	28	905.769	1.911.961
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**177.522.965**	**164.894.197**

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

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

UNAUDITED CONSOLIDATED INTERIM STATEMENT OF INCOME FOR THE PERIODS ENDED 30 SEPTEMBER 2007 AND 2006

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

	Notes	Unaudited 1 January- 30 September 2007	Unaudited 1 January- 30 September 2006	Unaudited 1 July- 30 September 2007	Unaudited 1 July- 30 September 2006
Revenues, net	36	218.313.299	208.271.543	76.095.946	66.714.517
Cost of revenues (-)	36	(138.502.923)	(141.915.688)	(44.232.124)	(47.044.071)
Revenues from services and other operating income (net)		-	-	-	-
GROSS OPERATING PROFIT/(LOSS)		**79.810.376**	**66.355.855**	**31.863.822**	**19.670.446**
Operating expenses (-)	37	(70.731.986)	(68.745.040)	(23.199.638)	(22.227.722)
NET OPERATING PROFIT/(LOSS)		**9.078.390**	**(2.389.185)**	**8.664.184**	**(2.557.276)**
Other operating income	38	7.113.700	6.552.891	1.962.956	2.167.961
Other operating expenses (-)	38	(2.321.016)	(2.553.887)	(915.988)	448.195
Financial expenses (-)	39	(1.155.978)	(876.270)	(376.553)	(311.903)
OPERATING INCOME/(LOSS)		**12.715.096**	**733.549**	**9.334.599**	**(253.023)**
Gain/(loss) on net monetary position	40	-	-	-	-
MINORITY INTEREST	24	**30.382**	**68.004**	**9.534**	**9.708**
INCOME/(LOSS) BEFORE TAXATION ON INCOME		**12.745.478**	**801.553**	**9.344.133**	**(243.315)**
Taxation on income	41	(2.786.055)	(1.407.549)	(1.852.224)	141.959
NET INCOME/(LOSS) FOR THE PERIOD		**9.959.423**	**(605.996)**	**7.491.909**	**(101.356)**
(Loss)/Earnings per share (YKr)		12,8	(0,8)	9,6	(0,1)

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

UNAUDITED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE NINE-MONTH PERIODS ENDED 30 SEPTEMBER

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

	Share capital	Share Premium	Inflation adjustment to shareholders' equity	Translation reserves	Legal reserves	Extraordinary reserves	Net profit/(loss) for the period	Retained earnings/ (accumulated deficit)	Total shareholder's equity
Balance at 1 January 2006	**78.000.000**	**-**	**45.910.057**	**286.834**	**-**	**-**	**6.727.508**	**(977.983)**	**129.946.416**
Cumulative translation differences	-	-	-	(335.143)	-	-	-	-	(335.143)
Net income/(loss) for the period	-	-	-	-	-	-	(605.996)	-	(605.996)
Transfers	-	-	-	-	191.878	3.645.686	(6.727.508)	2.889.944	-
Balance at 30 September 2006	**78.000.000**	**-**	**45.910.057**	**(48.309)**	**191.878**	**3.645.686**	**(605.996)**	**1.911.961**	**129.005.277**
Balance at 1 January 2007	**78.000.000**	**-**	**45.910.057**	**(86.502)**	**191.878**	**3.645.686**	**(1.006.192)**	**1.911.961**	**128.566.888**
Cumulative translation differences	-	-	-	189.124	-	-	-	-	189.124
Net income/(loss) for the period	-	-	-	-	-	-	9.959.423	-	9.959.423
Transfers	-	-	-	-	-	-	1.006.192	(1.006.192)	-
Balance at 30 September 2007	**78.000.000**	**-**	**45.910.057**	**102.622**	**191.878**	**3.645.686**	**9.959.423**	**905.769**	**138.715.435**

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

UNAUDITED STATEMENTS OF CASH FLOWS FOR THE NINE-MONTH PERIODS ENDED 30 SEPTEMBER
(Amounts expressed in New Turkish lira ("YTL") unless otherwise indicated.)

	Notes	30 September 2007	30 September 2006
Net Profit /(Loss)		9.959.423	(605.996)
Adjustments:			
Depreciation	18,19	2.761.572	3.233.079
Amortisation	20	415.711	415.381
Employment termination benefit provision	23	1.767.494	978.407
Tax expense/(income)	41	2.786.055	1.407.549
Adjustments to reconcile net income to net cash from operating activities		**17.690.255**	**5.428.420**
Trade receivables		(1.831.703)	1.526.557
Receivables from related parties		(6.119.194)	(674.550)
Inventory		608.125	(1.452.448)
Other current assets		(1.977.531)	857.372
Trade payables		1.650.881	305.713
Payable to related parties		248.977	2.568.468
Other short-term debts		(1.621.505)	(1.550.892)
Other fixed assets		(8.197)	2.028
Employment termination benefits paid	23	(1.604.835)	(690.550)
Net cash provided from operating activities		**7.035.273**	**6.320.118**
Investing activities:			
Available for sale financial asset sale/(purchase)		(83.924)	(3.031)
Net tangible fixed asset purchase	19	(679.181)	(1.519.514)
Net intangible fixed asset purchase	20	(364.789)	(215.300)
Purchase/Sale of real assets		-	13.467
Net cash outflow from investing activities		**(1.127.894)**	**(1.724.378)**
Financing activities:			
Decrease in bank credits		(780.249)	(1.870.776)
Currency translation differences		189.124	(335.143)
Minority interest		(30.382)	(68.004)
Net cash provided from financing activities		**(621.507)**	**(2.273.923)**
Net decrease in the cash and cash equivalents		5.285.872	2.321.817
Cash and cash equivalents at the beginning of period	4	3.339.411	1.379.108
Cash and cash equivalents at the end of period	4	**8.625.283**	**3.700.925**

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

NOTE 1 - ORGANISATION AND NATURE OF OPERATIONS

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

The address of the registered office is as follows:

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

Doğan Gazetecilik A.Ş. is registered in the Capital Markets Board ("CMB") and its shares have been quoted on the Istanbul Stock Exchange ("ISE") since 1993. At 30 September 2007 the shares quoted on the ISE are approximately 24,86% of the total shares.

The information regarding the Subsidiaries and the Affiliates of the Company have been presented in Note 2 to the consolidated financial statements.

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

At 30 September 2007 the average number of employees of the Group is 1.084 (31 December 2006: 1.041).

Since the Company operates mainly in the media sector and the majority of the sales and assets of the Company are local, the financial information has not been reported on a segment basis.

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.1 Accounting Policies

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

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

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

The consolidated financial statements presented for comparison purposes are expressed in the purchasing power of YTL at 31 December 2004. These consolidated financial statements and the related notes have been prepared under the alternative application defined by the CMB as explained above and presented in accordance with the formats required by the CMB, and with the formats required by the CMB with the announcement dated 20 December 2004. The Company and its Turkish Associates maintain their books of account and prepare their statutory financial statements in YTL in accordance with the Turkish Commercial Code and Tax Procedural Law. The consolidated financial statements which are in accordance with CMB Accounting Standards are prepared in YTL based on the historical cost conversion except for the financial assets and liabilities which are expressed with their fair values.

2.2 Translation of foreign Subsidiaries' financial statements

The financial statements of Subsidiaries operating abroad were prepared in accordance with the legislation in the countries in which they operate and were adjusted to reflect the corrections and classifications required for compliance with the preparation of financial statements as specified in Note 2.

The assets and liabilities of the foreign Subsidiaries are translated into New Turkish lira ("YTL") using the relevant foreign exchange rates prevailing at the balance sheet date. Exchange differences arising on the retranslation of the opening net assets of foreign Subsidiaries arising from using closing and average exchange rates are included in the shareholders' equity as translation reserve.

2.3 Consolidation principles

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

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

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

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

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

The table below sets out all Subsidiaries included in the scope of consolidation and shows their shareholding structure at 30 September 2007 and 30 September 2006:

	Proportion of the voting power held by the Company (%) 30 September 2007	Proportion of the voting power held by the Company (%) 30 September 2006
Milliyet Verlags und Handels GmbH ("Milliyet Verlags")	74.03	74.03
DYG İlan ve Reklam Hizmetleri A.Ş. ("DYG İlan")	50.02	50.02
Milliyet Haber Ajansı A.Ş. ("Milha")	66.99	66.99

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

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

(c) Available-for-sale equity investments in which the Group; has interests below 20% are carried at cost less any provision for diminution in value.

Available-for-sale equity investments in which the Group has interests above 20% over which the Group does not exercise a significant influence or which are immaterial with regard to the consolidated financial statements are carried at cost less any provision for diminution in value. These financial assets have not been recorded using equity accounting since they are immaterial to the financial position, operations and the net assets of the Company (Note 16).

(d) 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. Company exercises such joint control through the power to exercise voting rights relating to shares in the companies as a result of shares owned directly and indirectly by itself and/or by certain Doğan family members and companies whereby the Company exercises control over the voting rights of (but does not have the economic benefit of) the shares held by them. The Group's interest in Joint Ventures is accounted for by way of proportionate consolidation. By this method, the Group includes its share of assets, liabilities, income and expenditure of each Joint Venture in the relevant components of the financial statements.

The table below sets out the Joint Ventures included in the scope of consolidation and shows their shareholding structures at 30 September 2007:

	Proportion of joint management (%)	Total voting right (%) 30 September 2007
Birey Seçme ve Değerlendirme Danışmanlık Ltd. Şti (*)	50	50

(*) Joint venture has been purchased in 2006.

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

(e) The assets and liabilities of foreign Subsidiaries are translated into New Turkish lira ("YTL") using the relevant foreign exchange rates prevailing at the balance sheet date. Exchange differences arising on retranslation of the opening net assets of foreign Subsidiaries and arising from using closing and average exchange rates are included in the shareholders' equity as translation reserve.

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

(g) Minority shares refer to the shares of the parties with minority interest in the net assets and operational results of the subsidiaries. In case the losses regarding the minority interest are greater than the share of the party with the minority interest in the net assets of the Subsidiary and there are obligations as to payment of such losses the accounting of the aforementioned losses are recognised over the Group in the consolidated financial statements.

2.4 Approval of the consolidated financial statement

The consolidated financial statements as of 30 September 2007 have been approved by the Board of directors on 27 November 2007.

2.5 Comparatives

Where necessary, comparative amounts have been reclassified to conform to changes in presentation in the current period so that the reclassification will result in a more appropriate presentation of events or transactions.

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

2.6 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 recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.7 The use of accounting estimates

The preparation of the consolidated financial statements requires the use of assumptions and estimates which might affect the amounts of assets and liabilities, explanation of commitments and contingent liabilities which were reported as of the balance sheet date and the revenues and expenses which were reported throughout the period. Even though, these assumptions and estimates are based on the best estimates of the Company's management, the actual results might differ from them. Therefore the management regularly revises the assumptions and estimates and reflects the corrections made to the statement of income.

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Related parties

For the purpose of these consolidated financial statements, shareholders key management personnel and Board members. in each case together with their families and companies controlled by/or affiliated with them, associated companies and other companies within the Doğan Şirketler Grubu Holding A.Ş. ("Doğan Holding") and Doğan Yayın Holding A.Ş. ("Doğan Yayın") are considered and referred to as related parties (Note 9).

3.2 Trade receivables and provision for doubtful receivables

Trade receivables that are created by the Group by way of providing goods or services directly to a debtor are carried at amortised cost Trade receivables that deferred financial income are netted-off against and that are calculated by discounting amounts that will be collected from trade receivables are recorded at the original invoice value in the subsequent periods using the effective yield method. Short duration receivables with no stated interest rate are measured at original invoice amount unless the effect of imputing interest is significant.

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. The undergoing of financial difficulties by the debtor, bankruptcy and financial restructuring, or delays in payments (delays over the number of days depending on market requirements or negligence) are defined as credit risk provision. The amount of the provision is the difference between the carrying amount and the recoverable amount, being the present value of all cash flows, including amounts recoverable from guarantees and collateral, discounted based on the original effective interest rate of the originated receivables at inception.

If the amount of the impairment subsequently decreases due to an event occurring after the write-down, the release of the provision is credited to other income.
(Note7).

3.3 Credit finance income/charges

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

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

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.4 Financial assets

Financial assets with fixed maturity and fixed payments schedule that the management has the intent and ability to hold to maturity are classified as "held-to-maturity". Financial assets intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates. are classified as "available-for-sale"; these are included in non-current assets unless management has the express intention of holding the investment for less than 12 months from the balance sheet date or unless they will need to be sold to raise operating capital, in which case they are included in current assets. Management determines the appropriate classification of its financial assets at the time of the purchase and re-evaluates such designations on a regular basis. All financial assets are initially recognised at cost, being the fair value of the consideration given and including acquisition charges associated with the investment. For the financial assets which the Company owns less than %20 of the shares are measured at their acquisition cost less the impairment amount if the fair value cannot be reliably estimated. Gains and losses resulting from the fair value changes of the financial assets which are classified as "available-for-sale" are reflected to financial statements at the period end.

3.5 Inventories

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

3.6 Investment properties

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

Investment properties are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of the asset's net selling price or value in use (Note 18).

3.7 Property, plant, equipment and related depreciation

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

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

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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 (Note 19).

Expenses for repair and maintenance of property, plant and equipment are normally charged against income. They are, however, capitalised in exceptional cases if they result in an enlargement or substantial improvement of the respective assets.

3.8 Intangible assets and amortisation

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

Within the context of IFRS 3 - "Business Combinations", effective from 1 January 2005, the difference between the fair value of assets, liabilities, contingent liabilities and their respective costs are recognised as goodwill. Goodwill arising from the acquisitions is not amortised and the carrying value of goodwill is reviewed annually and adjusted for permanent impairment where it is considered necessary. In accordance with IFRS 3 in consolidated financial statements positive and negative goodwill resulting from previous periods are amortised using the straight line method over their useful lives until 31 December 2004 (Note 17).

The recorded value of the negative goodwill resulting from these acquisitions has been rearranged in the Company's financial statements.

3.9 Deferred tax

Deferred income tax is provided, using the liability method, for all temporary differences arising between the tax base of assets and liabilities and their carrying values for financial reporting purposes. Currently enacted tax rates are used to determine deferred income taxes.

The principal temporary differences arise from the accounting of income and expenses in accordance with UFRS as specified in Note 2 and the Turkish tax legislation in different periods.

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Deferred tax assets and deferred tax liabilities, related to income taxes levied by the same taxation authority, are offset when there is a legally enforceable right to set-off current tax assets against current tax liabilities (Note 14).

3.10 Borrowings

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

3.11 Employment termination benefits

Under the Turkish Labour Law, the Group is required to pay termination benefits to each employee who has completed one year of service, whose employment is terminated without due cause, is called up for military service or who dies. The provision for employment termination benefit represents the present value of the estimated total reserve of the future probable obligation of the Group arising from the retirement of the employees calculated in accordance with the Turkish Labour Law and Press Labour Law (Note 23).

3.12 Provisions

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

3.13 Share capital and dividends

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 (Note 25 - 26).

3.14 Foreign currency transactions

Foreign currency transactions during the period have been translated at the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies have been translated into New Turkish lira 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 statements of income.

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.15 Revenue recognition

Revenue from newspaper sales is recognised at the time of delivery of the newspapers by the distribution company to the vendor at the invoiced values. (Note36). Revenue arising through advertising is recognised at the time of publishing, at the invoiced values. 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 includes a financing transaction, the fair value of the sales amount should be calculated according to the receivables dates related to the net sales representing the invoiced value of goods shipped less sales returns and commission, and excluding sales taxes. When the arrangement effectively constitutes a financing transaction, the fair value of the consideration is determined by discounting all future receipts using an imputed rate of interest. The difference between the fair value and the nominal amount of the consideration is recognised 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. Premiums paid to customers due to advertising sales are recognised as operating expenses.

Interest income:

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

Rental income:

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

Service income:

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

3.16 Barter agreements

When goods or services are exchanged or swapped for goods or services which are of a similar nature and value, the exchange is not regarded as a transaction that generates revenue. When goods are sold or services are rendered in exchange for dissimilar goods or services, the exchange is regarded as a transaction that generates revenue. The revenue is measured at the fair value of the goods or services received. When the fair values of goods and services received cannot be estimated reliably. the revenue is measured at the fair value of the goods or services received, adjusted by the amount of any cash or cash equivalents transferred.(Note 31).

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.17 Earnings per share

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

In Turkey, companies can increase their share capital by making a pro-rata distribution of shares ("bonus shares") to existing shareholders from retained earnings. For the purpose of earnings per share computations, such bonus share issuances are regarded as issued shares. Accordingly the weighted average number of shares used in earnings per share computations is derived by giving retroactive effect to the issuances of the shares without consideration (Note 42).

Earnings per share calculation in case of a dividend payment will be based on the current number of shares rather than the weighted average number of shares.

3.18 Cash and cash equivalents

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

3.19 Financial instruments and financial risk management

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 by using natural hedges that arise from offsetting interest rate sensitive assets and liabilities.

Funding risk

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.

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.

Foreign currency risk

The Group is exposed to foreign exchange risk through the impact of rate changes in the translation of foreign currency denominated liabilities to local currency. These risks are monitored and limited by the analysis of the foreign currency position (Note 29).

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

At 30 September 2007, the Group has long term financial liabilities amounting to YTL 2.409.600 (31 December 2006: YTL 2.811.200) and trade payables amounting to YTL 5.489.385 (31 December 2006: YTL 3.838.504).

Fair value of the financial instruments

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

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

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

Monetary assets

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

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

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

Monetary liabilities

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.

Trading liabilities have been estimated at their fair values.

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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.

Consistent with other companies in the industry, 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.

3.20 Offsetting

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

3.21 Changes and errors in accounting policies and estimates

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

3.22 Subsequent events

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

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

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

NOTE 4 – CASH AND CASH EQUIVALENTS

The analysis of cash and cash equivalents at 30 September 2007 and 31 December 2006 is as follows:

	Unaudited 30 September 2007	31 December 2006
Cash	93.027	89.179
Banks		
- demand deposits	209.034	1.734.127
- time deposits	8.319.411	1.516.037
Other liquid assets	3.811	68
	8.625.283	**3.339.411**

At 30 September 2007, interest rates for local currency time deposits are between %17-18 and for US Dollar time deposits are 5% (31 December 2006: %17-18; there are no US Dollar time deposits). Days to maturity for the time deposits open as of 30 September 2007 and 31 December are in less than 30 days.

At 30 September 2007, cash and cash equivalents amounting to YTL 9.638 (31 December 2006: YTL 11.361) are held in blocked bank accounts as guarantees for bank borrowings.

NOTE 5 - MARKETABLE SECURITIES

None (31 December 2006: None).

NOTE 6 - FINANCIAL LIABILITIES

	Interest rate (%)		Original Balance		YTL	
	Unaudited 30 September 2007	31 December 2006	Unaudited 30 September 2007	31 December 2006	Unaudited 30 September 2007	31 December 2006
Short-term portion of long-term bank borrowings:						
- USD	Libor+2,25	Libor+2,25	2.085.987	2.057.376	2.513.198	2.891.847
Total short-term bank borrowings					**2.513.198**	**2.891.847**
Long-term bank borrowings:						
- USD	Libor+1,9	Libor+1,9	2.000.000	2.000.000	2.409.600	2.811.200
Total long-term bank borrowings					**2.409.600**	**2.811.200**

As of 30 September 2007, there are no guarantees given by the Group against bank borrowings used (31 December 2006: None).

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

NOTE 6 - FINANCIAL LIABILITIES (Continued)

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

	2007	**2006**
6 months or up to 6 months	4.922.798	5.703.047
	4.922.798	**5.703.047**

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

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

Year	**30 September 2007**	**31 December 2006**
2008	2.409.600	2.811.200

NOTE 7 - TRADE RECEIVABLES AND PAYABLES

Trade receivables, net

	Unaudited 30 September 2007	**31 December 2006**
Trade receivables	57.217.654	54.647.998
Cheques and notes receivable	905.969	725.784
	58.123.623	**55.373.782**
Provision for doubtful receivables	(7.274.650)	(6.231.907)
Deferred financial income	(523.614)	(648.219)
Trade receivables, net	**50.325.359**	**48.493.656**

In accordance with the factoring contract signed with Doğan Factoring, trade receivable amounting to YTL 44.876.491 YTL (31 December 2006: 43.404.710 YTL) regarding advertisement revenues is followed by Doğan Factoring.

<u>Aging analysis for trade receivables:</u>

As of 30 September 2007, trade receivables of YTL 14.988.041 YTL (2006: 11.419.060 YTL) have not been collected at their due dates. The provision amount for these receivables is 1.155.615 YTL (2006: 478.867 YTL). The management has considered no collection risk for the remaining receivables due to guarantees obtained from the regarding customers.

Aging of past due receivables as of 30 September 2007 is as follows:

	Unaudited 30 September 2007	**31 December 2006**
Up to 3 months	13.122.967	9.068.051
3 to 6 months	658.656	1.584.789
More than 6 months	1.206.418	766.220
	14.988.041	**11.419.060**

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

NOTE 7 - TRADE RECEIVABLES AND PAYABLES (Continued)

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

	2007	**2006**
1 January	6.231.907	5.557.201
Provisions booked (Note 38)	1.155.615	419.451
Collections	(112.872)	(132.610)
30 September	**7.274.650**	**5.844.042**

Trade payables, net

	Unaudited 30 September 2007	**31 December 2006**
Short-term trade payables	5.252.931	3.595.117
Cheques and notes payable	193.018	41.520
Other payables	43.436	201.867
Trade payables, net	**5.489.385**	**3.838.504**

NOTE 8 - FINANCIAL LEASE RECEIVABLES AND LIABILITIES

None (31 December 2006: None).

NOTE 9 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES

i. Balances with related parties

a) Due from related parties:

	Unaudited 30 September 2007	**31 December 2006**
Doğan Dağıtım Satış ve Pazarlama A.Ş. ("Doğan Dağıtım")	3.962.985	513.109
Medyanet İletişim Reklam Paz. Turizm A.Ş. ("Medyanet")	2.355.792	1.009.540
Işıl İthalat İhracat Mümessillik A.Ş. ("Işıl İthalat İhracat")	1.603.926	703.380
Doğan TV Holding A.Ş. ("Doğan TV")	1.305.370	6.551
Alp Görsel İletişim Hizmetleri A.Ş. ("Alp Görsel")	765.182	-
Birey Seçme ve Değerlendirme Danışmanlık Ltd. Şti ("Birey İK")	342.076	79.023
Doğan Müzik Kitap Satış Pazarlama A.Ş. ("Doğan Müzik Kitap")	170.415	872.481
Doğan Kitapçılık A.Ş. ("Doğan Kitapçılık")	-	209.026
Hürriyet Radyo Prodüksiyon ve Yayın A.Ş. ("Radyo Foreks")	166.898	25.324
Doğan Dış Ticaret ve Mümessillik A.Ş. ("Doğan Dış Ticaret")	-	826.615
Doğan Media International ("DMG")	31	634.903
Other	1.133.044	806.573
	11.805.719	**5.686.525**

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

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

b) Due to related parties:

	Unaudited 30 September 2007	31 December 2006
Hürriyet Gazetecilik ve Matbaacılık A.Ş. ("Hürriyet")	6.679.237	8.019.407
Doğan Yayın Holding A.Ş. ("Yayın Holding")	4.464.207	1.675.054
Hürriyet Zweigniderlassung ("Hürriyet Zweigniderlassung")	2.841.165	2.876.395
Doğan İletişim Telekomünikasyon Elektronik Servis Hizmetleri Turizm ve Yayıncılık A.Ş. ("Doğan Online")	553.114	879.976
Milta Turizm İşletmeleri A.Ş. ("Milta Turizm")	522.263	395.061
Doğan Ofset Yayıncılık ve Matbaacılık A.Ş. ("Doğan Ofset")	208.837	283.859
Eko TV Televizyon Yayıncılık A.Ş. ("CNN Türk")	91.424	332.156
DTV Haber ve Görsel Yayıncılık A.Ş. ("Kanal D")	12.626	282.646
Işıl TV Yayıncılık Yapımcılık San. ve Tic. A.Ş. ("Star TV")	-	1.212.841
Other	1.364.467	554.922
	14.117.340	16.512.317
Less: Unearned credit finance charged to related parties	(162.791)	(186.745)
	16.574.549	**16.325.572**

ii) <u>Related party transactions:</u>

a) Service and product sales:

	1 January-30 September 2007	1 January-30 September 2006	1 July-30 September 2007	1 July-30 September 2006
Doğan Dağıtım	80.059.655	89.756.581	27.735.066	31.122.949
Kanal D	3.969.133	6.129.059	1.044.436	2.167.571
Alp Görsel	2.615.860	-	880.125	-
Star TV	2.052.955	2.064.469	445.924	679.362
DMG	1.426.601	-	368.101	-
Dogan TV	1.296.013	-	430.223	-
Medyanet	1.039.807	1.720.829	(64.643)	558.164
Other	5.256.671	6.142.287	1.879.788	2.427.494
	97.716.695	**105.813.225**	**32.719.020**	**36.955.540**

b) Service and product purchases:

	1 January-30 September 2007	1 January-30 September 2006	1 July-30 September 2007	1 July-30 September 2006
Işıl İthalat İhracat	55.154.883	51.262.092	15.375.970	19.957.815
Doğan Dış Ticaret	22.079.028	29.479.514	9.308.537	7.473.758
Hürriyet	16.655.067	17.798.502	5.437.086	5.958.081
Other	8.849.314	8.518.908	2.583.094	1.803.870
	102.738.292	**107.059.016**	**32.704.687**	**35.193.524**

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

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

c) Other transactions:

Other income

	1 January- 30 September 2007	1 January- 30 September 2006	1 July- 30 September 2007	1 July- 30 September 2006
Kanal D	1.295.415	1.383.519	412.335	479.236
Other	163.840	170.925	77.059	62.857
	1.459.255	**1.554.444**	**489.394**	**542.093**

Financial (expense)/income, net

Doğan Factoring	(338.568)	(331.163)	(338.568)	(125.094)
Other	(27.858)	(261)	(27.858)	-
Financial expenses	**(366.426)**	**(331.424)**	**(366.426)**	**(125.094)**
Financial (expense)/ income, net	**(366.426)**	**(331.424)**	**(366.426)**	**(125.094)**

General administrative expenses

	1 January- 30 September 2007	1 January- 30 September 2006	1 July- 30 September 2007	1 July- 30 September 2006
Doğan Dağıtım	16.917.029	17.264.013	5.817.546	6.081.806
Kanal D	4.704.217	4.969.204	1.751.958	1.644.087
Yayın Holding	2.746.228	3.119.919	875.905	1.137.672
Star TV	2.285.739	2.663.552	776.042	(67.277)
D Yapım	1.045.787	1.909.819	312.290	571.509
Hürriyet	661.038	189.245	20.724	43.303
Other	2.146.191	3.353.497	554.466	1.453.450
	30.506.229	**33.469.249**	**10.108.931**	**10.864.550**

Benefits provided to top management:

	1 January- 30 September 2007	1 January- 30 September 2006	1 July- 30 September 2007	1 July- 30 September 2006
Benefits provided to top management	610.943	907.318	218.168	211.196

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

NOTE 10 - OTHER RECEIVABLES AND PAYABLES

Other current receivables, net

	Unaudited 30 September 2007	31 December 2006
Advances given	1.165.992	772.103
Personnel advances	1.045.189	757.917
Transferred VAT	906.248	584.266
Receivables from personnel	540.144	638.470
Prepaid taxes and funds	219	181.582
	3.657.792	**2.934.338**

Other non-current receivables, net

	Unaudited 30 September 2007	31 December 2006
Deposits and guarantees given	58.841	50.644
	58.841	**50.644**

Other current liabilities, net

	Unaudited 30 September 2007	31 December 2006
Taxes and funds payable	2.949.797	3.274.670
Deferred income	625.731	604.182
Payables to personnel	360.138	727.750
Other	155.134	119.726
	4.090.800	**4.726.328**

NOTE 11 - BIOLOGICAL ASSETS

None (31 December 2006: None).

NOTE 12 - INVENTORIES

	Unaudited 30 September 2007	31 December 2006
Promotion stocks	3.169.670	3.611.202
Finished goods and merchandise	434.032	628.833
Raw materials and supplies	112.993	141.962
	3.716.695	4.381.997
Provision of impairment for inventories	(314.111)	(371.288)
	3.402.584	**4.010.709**

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

NOTE 13 - BALANCES RELATED TO CONSTRUCTION CONTRACTS

None (31 December 2006: None).

NOTE 14 - DEFERRED TAX ASSETS AND LIABILITIES

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

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

The temporary differences and deferred income tax assets and deferred tax liabilities which have been calculated using the enacted tax rates at 30 September 2007 and 31 December 2006 are as follows:

	Total temporary differences		Deferred tax assets/(liabilities)	
	Unaudited 30 September 2007	31 December 2006	Unaudited 30 September 2007	31 December 2006
Inflation adjustment of tangible and intangible assets	(3.483.379)	(3.652.814)	696.676	730.563
Provision for employment termination benefits	3.862.047	3.699.387	772.409	739.878
Unaccrued financial income	523.614	648.219	104.723	129.644
Provision for lawsuits	891.857	914.339	178.371	182.868
Net difference between the tax base and the carrying value of inventories	(313.862)	(371.038)	62.772	74.208
Provision for doubtful receivables	1.697.971	1.562.062	339.595	312.413
Prepaid expenses	(660.894)	(660.894)	132.179	132.179
Other	365.945	-	73.189	-
Deferred tax assets			**2.359.914**	**2.301.753**
Unaccured financial expenses	(162.791)	(186.745)	(32.558)	(38.183)
Deferred tax liabilities			**(32.558)**	**(38.183)**
Deferred tax assets, net			**2.327.356**	**2.263.570**

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

The movement of deferred tax assets for the periods ended September is as follows:

	2007	2006
1 January	2.263.570	3.432.590
Deferred tax income/(expense) (Note 4l)	63.786	(969.507)
30 September	**2.327.356**	**2.463.083**

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

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

Other current assets

	Unaudited 30 September 2007	31 December 2006
Prepaid expenses	2.866.100	1.682.617
Income accruals	503.175	432.583
	3.369.275	2.115.200
Provision for diminishing in value	(718.602)	(718.602)
	2.650.673	**1.396.598**

All the amount of provision for diminishing in value comprises of prepaid expenses.

NOTE 16 - FINANCIAL ASSETS

	Unaudited 30 September 2007		31 December 2006	
	YTL	Share in capital (%)	YTL	Share in capital (%)
Doğan Haber	136.017	2,65	51.590	2,65
Milliyet İnternet	82.287	30,50	82.287	30,50
Ak Enerji	477	0,01	477	0,01
Doğan Dağıtım	275	0,04	275	0,04
Doğan Dış Ticaret	4	0,01	4	0,01
D&R	3	0,01	3	0,01
DMG International SA	-	-	502	0,01
Other (11 subsidiaries)	649.737		649.737	
	868.800		784.875	
Provision for impairment	(649.737)		(649.737)	
	219.063		**135.138**	

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

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

NOTE 17 - POSITIVE/NEGATIVE GOODWILL

	1 January 2007	Additions	Disposals	30 September 2007
Goodwill	66.526.804	-	-	66.526.804
Accumulated depreciation	(6.098.291)	-	-	(6.098.291)
Net book value	**60.428.513**	**-**	**-**	**60.428.513**

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

Since 1 January 2005 in accordance with IFRS 3, the Group has ceased amortising goodwill (Note 38); however the Group has regularly reviewed the reported goodwill amount for impairment and has reflected any impairment in the financial statements. At 30 September 2007, there is no impairment on goodwill.

NOTE 18 - INVESTMENT PROPERTIES

	1 January 2007	Additions	Disposals	30 September 2007
Cost	1.507.584	-	-	1.507.584
Accumulated depreciation	(808.024)	(39.960)	-	(847.984)
Net book value	**699.560**	**(39.960)**	**-**	**659.600**

In accordance with the rent agreement made in 2003, starting from 30 June 2003 for a period of 8 years, the Group rents its management building, providing a monthly rental income amounting to USD 106.530.

	1 January 2006	Additions	Disposals	30 September 2006
Cost	1.626.408	-	(118.824)	1.507.584
Accumulated depreciation	(859.704)	(40.356)	105.356	(794.704)
Net book value	**766.704**	**(40.356)**	**(13.468)**	**712.880**

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

NOT 19 - PROPERTY, PLANT AND EQUIPMENT

	1 January 2007	Currency translation differences	Additions	Disposals	30 September 2007
Cost					
Land and land improvements	1.471.899	-	16.885	-	1.488.784
Buildings	40.116.475	-	509	-	40.116.984
Machinery and equipment	64.635.381	(6.161)	489.665	(43.090.782)	22.028.103
Motor vehicles	1.107.440	-	-	(119.586)	987.854
Furniture and fixtures	24.923.612	-	1.047.295	(18.056)	25.952.851
Special cost	879.337	-	49.213	-	928.550
	133.134.144	**(6.161)**	**1.603.567**	**(43.228.424)**	**91.503.126**
Accumulated depreciation					
Land and land improvements	1.264.879	-	24.659	-	1.289.538
Buildings	13.961.916	-	817.884	-	14.779.800
Machinery and equipment	62.153.020	(4.091)	357.979	(42.217.781)	20.289.127
Motor vehicles	473.586	-	112.836	(70.346)	516.076
Furniture and fixtures	19.874.180	-	1.397.335	(17.981)	21.253.534
Special cost	855.858	-	10.919	-	866.777
	98.583.439	**(4.091)**	**2.721.612**	**(42.306.108)**	**58.994.852**
Net book value	**34.550.705**				**32.508.274**

As of 30 September 2007, there are collateral and mortgage on property, plant and equipment (31 December 2006: YTL 12.450.000).

The Company has depreciation expenses YTL 2.721.612 (2006: YTL 3.192.723) for tangible assets, YTL 415.711 (2006: YTL 415.381) for intangible assets and, YTL 39.960 (2006: YTL 40.356) for investment properties as of 30 September 2007, YTL 982.377 (2006: YTL 1.288.772) of depreciation expense was included in production expenses and YTL 2.194.906 (2006: YTL 2.359.688) was included in operating expenses.

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

NOT 19 - PROPERTY, PLANT AND EQUIPMENT (Continued)

	1 January 2006	Currency translation differences	Additions	Disposals	30 September 2006
Cost					
Land and land improvements	1.426.290	-	33.713	(1.306)	1.458.697
Buildings	40.066.475	-	50.000	-	40.116.475
Machinery and equipment	64.780.575	11.059	76.449	(288.267)	64.579.816
Motor vehicles	1.254.503	-	193.812	(179.038)	1.269.277
Furniture and fixtures	25.709.833	-	1.245.943	(206.176)	26.749.600
Special cost	876.678	-	-	-	876.678
	134.114.354	**11.059**	**1.599.917**	**(674.787)**	**135.050.543**
Accumulated depreciation					
Land and land improvements	1.211.857	-	40.536	-	1.252.393
Buildings	12.871.867	-	817.426	-	13.689.293
Machinery and equipment	61.454.343	5.620	754.731	(281.777)	61.932.917
Motor vehicles	528.275	-	123.999	(103.126)	549.148
Furniture and fixtures	20.269.061	-	1.422.850	(204.042)	21.487.869
Special cost	811.597	-	33.181	-	844.778
	97.147.000	**5.620**	**3.192.723**	**(588.945)**	**99.756.398**
Net book value	**36.967.354**				**35.294.145**

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

NOTE 20 - INTANGIBLE ASSETS

	1 January 2007	Additions	Disposals	30 September 2007
Cost				
Rights	2.825.423	321.576	-	3.146.999
Other	2.191.641	43.213	-	2.234.854
	5.017.064	**364.789**	**-**	**5.381.853**
Accumulated amortisation				
Rights	2.408.129	35.930	-	2.444.059
Other	1.704.105	379.781	-	2.083.886
	4.112.234	**415.711**	**-**	**4.527.945**
Net book value	**904.830**			**853.908**

	1 January 2006	Additions	Disposals	30 September 2006
Cost				
Rights	2.448.009	177.220	-	2.625.229
Other	2.146.945	38.081	-	2.185.026
	4.594.954	**215.301**	**-**	**4.810.255**
Accumulated amortisation				
Rights	2.387.721	11.560		2.399.281
Other	1.164.501	403.821		1.568.322
	3.552.222	**415.381**	**-**	**3.967.603**
Net book value	**1.042.732**			**842.652**

NOTE 21 - ADVANCES RECEIVED

None (31 December 2006: None).

NOTE 22 - RETIREMENT PLANS

None (31 December 2006: None).

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

NOTE 23 - PROVISIONS

a) Current provisions

	Unaudited 30 September 2007	31 December 2006
Corporate and income taxes	1.733.234	12.811
Provision for lawsuits	1.571.232	1.778.847
Other	367.396	16.341
	3.671.862	**1.807.999**

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

	2007	2006
1 January	1.778.847	1.808.480
Increase/(decrease) during the period	(207.615)	116.890
30 September	**1.571.232**	**1.925.370**

b) Non-current provisions

Non-current provisions compromise employee termination benefit liabilities.

Under the Turkish Labour Law, the Company is required to pay termination benefits to each employee who has completed one year of service and who achieves the retirement age (58 for women and 60 for men) and whose employment is terminated without due cause is called up for military service or dies. Since the legislation was changed on 8 September 1999 there are certain transitional provisions relating to length of service prior to retirement. At 30 September 2007 the amount payable consists of one month's salary limited to a maximum of YTL 1.960,69 (31 December 2006: YTL 1.857,44) for each year of service.

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

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

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

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

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

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

NOTE 23 - PROVISIONS (Continued)

The principal assumption is that the maximum liability for each year of service will increase in line with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. As the maximum liability is revised semi-annually, the maximum amount of YTL 2.030,19 effective from 1 July 2007 (1 July 2006: YTL 1.815,30) has been taken into consideration in calculating the reserve for employment termination benefit of the Group.

Movements in the provision for employment termination benefits for the periods ended 30 September 2007 and 2006 are as follows:

	2007	2006
1 January	3.699.387	3.437.053
Increase during the period	1.767.494	978.407
Paid during the period	(1.604.835)	(690.550)
30 September	**3.862.046**	**3.724.910**

NOTE 24 - MINORITY INTERESTS

	1 January 2007	Minority interest (loss)/income	Transfers	30 September 2007
DYG İlan	226.472	(30.382)	-	196.090
	226.472	**(30.382)**	**-**	**196.090**

NOTE 25 - SHARE CAPITAL/ADJUSTMENT TO SHARE CAPITAL

The Company adopted the registered share capital system available to companies registered with the CMB and set a limit on its registered share capital representing registered type shares with a nominal value of Ykr 1. There are no privileged shares. The Company's historical authorised and paid-in share capital at 30 September 2007 and 31 December 2006 was as follows:

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

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

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

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

The shareholding structure of the company is as follows:

	%	Unaudited 30 September 2007	%	31 December 2006
Doğan Yayın Holding A.Ş.	74,47	58.089.243	74,47	58.089.243
Public offering	24,86	19.388.302	24,86	19.388.302
Other	0,67	522.455	0,67	522.455
	100,00	**78.000.000**	**100,00**	**78.000.000**
Adjustment to share capital		45.910.057		45.910.057
Total paid-in capital		**123.910.057**		**123.910.057**

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

At 30 September 2007, Doğan Yayın Holding A.Ş. holds the possession of 14,99% of the publicly traded shares (31 December 2006: 5,29%).

The Company has no cross equity capital adjustment.

NOTE 26 - CAPITAL RESERVES

Details of the restatement difference of shareholders' equity are as follows:

30 September 2007

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

31 December 2006

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

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

NOTE 27 – PROFIT 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.

Public companies distribute dividends according to CMB regulations as follows:

In accordance with Communiqué XI/25, effective from 1 January 2004, companies are obliged to distribute at least 20% of their distributable profit arising from the activity, which is calculated based on the financial statements prepared in accordance with accounting principles described in Note 2. Based on the decision of the General Assembly, the distribution of a minimum of 20% of the distributable profit can be made as cash or as bonus share or as a combination of a certain percentage of cash and bonus shares. If the first dividend amount is lower than 5% of the issued share capital, the amount should be retained within the company without distribution.

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

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

In accordance with the Communiquè No: XI-25, at 30 September 2007 and 31 December 2006, the shareholders' equity schedule, is as below:

	Unaudited 30 September 2007	**31 December 2006**
Extraordinary reserves	3.645.686	3.645.686
Legal reserves	191.878	191.878
Translation reserve	102.622	(86.502)
	3.940.186	**3.751.062**

NOTE 28 - RETAINED EARNINGS

	30 September 2007	**31 December 2006**
Retained earnings	905.769	1.911.961

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

NOTE 29 - FOREIGN CURRENCY POSITION

YTL equivalents of foreign currency denominated assets and liabilities held by Group at 30 September 2007 and 31 December 2006 are as follows:

	30 September 2007			
	USD$	**EURO**	**GBP**	**Total**
Assets				
Cash and banks	2.074.955	7.414	3.715	2.086.083
Total	**2.074.955**	**7.414**	**3.715**	**2.086.083**
Liabilities				
Short-term financial liabilities	(4.922.798)	-	-	(4.922.798)
Total	**(4.922.798)**	**-**	**-**	**(4.922.798)**
Net position	**(2.847.843)**	**7.414**	**3.715**	**(2.836.715)**

	31 December 2006			
	USD$	**EURO**	**GBP**	**Total**
Assets				
Cash and banks	914.724	42.597	5.417	962.738
Total	**914.724**	**42.597**	**5.417**	**962.738**
Liabilities				
Short-term financial liabilities	(5.703.047)	-	-	(5.703.047)
Total	**(5.703.047)**	**-**	**-**	**(5.703.047)**
Net position	**(4.788.323)**	**42.597**	**5.417**	**(4.740.309)**

NOTE 29 - FOREIGN CURRENCY POSITION (Continued)

At 30 September 2007 assets and liabilities denominated in foreign currency have been translated into New Turkish lira using the following foreign exchange rates: YTL 1,20480 = USD1 and YTL 1,70860 = EURO1 (31 December 2006: YTL 1,40560 = USD1 and YTL 1,85150 = EURO1).

At 30 September 2007, had the US Dollar, Euro, GBP strengthened by 5% against YTL, with all other variables held constant, net income for the period would have been YTL 141.836 lower (30 September 2006: TL 309.400), as a result of gains/losses on translation of financial assets and liabilities denominated in these foreign currencies.

At 30 September 2007, had the US Dollar strengthened by 5% against YTL, with all other variables held constant, net income for the period would have been YTL 142.392 lower (30 September 2006: YTL 303.638) , as a result of foreign exchange gains/losses on translation of US denominated financial assets and liabilities. Net income is more sensitive to movement in US Dollar exchange rates in the current period compared to 2006 due to increase in US Dollar denominated borrowings and advances received.

At 30 September 2007, had the Euro strengthened by 5% against YTL, with all other variables held constant, net income for the period would have been YTL 371 higher (30 September 2006: YTL 518), as a result of foreign exchange gains/losses on translation of Euro denominated financial assets and liabilities.

At 30 September 2007, had the GBP strengthened by 5% against YTL, with all other variables held constant, net income for the period would have been YTL 186 higher (30 September 2006: YTL 161) , as a result of foreign exchange gains/losses on translation of GBP denominated financial assets and liabilities.

At 30 September 2007, had the CHF strengthened by 5% against YTL, with all other variables held constant, there would have been no income effect for the period since there are no assets or liabilities denominated in CHF (30 September 2006: net income would have been YTL 6.441 higher as a result of foreign exchange gains/losses on translation of CHF denominated financial assets and liabilities).

NOTE 30 - GOVERNMENT GRANTS

None (31 December 2006: None).

NOTE 31 - COMMITMENTS AND CONTINGENT LIABILITIES

a) Guarantees given

There is no indemnity given as of 30 September 2007 (31 December 2006: None).

Total guarantees given to courts, customs offices, national lottery offices and other parties amount to YTL 6.317.351 as of 30 September 2007 (31 December 2006: YTL 4.350.774).

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

NOTE 31 - COMMITMENTS AND CONTINGENT LIABILITIES (Continued)

b) Barter agreements

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

The Group has the right to use various types of goods and services amounting to YTL 2.712.630 (31 December 2006: 2.626.306) and is under the obligation to provide advertisement services amounting to YTL 649.032 (31 December 2006: YTL 752.942) of various types of services has been used in connection with the barter agreements as of 30 September 2007.

c) Lawsuits

The nature and monetary values of the litigations against the Company at 30 September 2007 and at 31 December 2006 are as follows:

	Unaudited 30 September 2007	31 December 2006
Legal cases	26.622.250	31.083.069
Business lawsuits	1.454.642	1.379.718
Lawsuits regarding trade relations	994.595	1.486.927
	29.071.487	**33.949.714**

A provision for lawsuits amounting to YTL 1.571.232 (31 December 2006: YTL 1.778.847) has been provided with reference to the opinions of the Group's lawyers and past experiences of management related to similar litigations against the Group (Note 23).

NOTE 32 – BUSINESS COMBINATIONS

30 September 2007:

None.

31 December 2006:

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

NOTE 33 - SEGMENT REPORTING

None (31 December 2006: None).

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

NOTE 34 - SUBSEQUENT EVENTS

Capital Market Board announced in memo No. 91/1092 dated 8 November 2007 that 22.000.000 shares are registered which issued to represent the raise in registered and paid-up capital of YTL 78.000.000 to YTL 100.000.000 with the decision No. 2007/18 dated 26 July 2007 of the Company's Boards of Directors through completely restricted rights of the current shareholders to buy new shares and payment in cash, in the scope of the power granted to the Board of Directors in article 7 entitled "Registered and Paid-up Capital" of the Articles of Association.

Registered all 22.000.000 shares with a nominal value of YTL 1 are allotted to Deutsche Bank AG for a consideration of YTL 4,73 per share in the Istanbul Stock Exchange Wholesale Market as of 19 November 2007 and the proceeds of the allotment transaction amounting to US$ 88.000.000 in exchange of YTL 104.060.000 deposited to an exclusive account to be used as a source in capital increase. Transaction price is set as YTL 4,73 per share rounded to two decimal places to conform the Istanbul Stock Exchange Wholesale Market transaction pricing rules and regulations.

The Company's capital increase registration application is subject to Capital Markets Board approval and has not been concluded as of the reporting date.

NOTE 35 - DISCONTINUING OPERATIONS

None (31 December 2006: None).

NOTE 36 - OPERATING INCOME

	1 January- 30 September 2007	1 January- 30 September 2006	1 July- 30 September 2007	1 July- 30 September 2006
Domestic sales	211.946.454	201.353.573	74.135.223	64.595.332
Foreign sales	4.600.411	5.053.339	1.335.951	1.585.740
Other sales income	1.766.434	1.864.631	624.772	533.445
Sales income, net	**218.313.299**	**208.271.543**	**76.095.946**	**66.714.517**
Cost of sales	(138.502.923)	(141.915.688)	(44.232.124)	(47.044.071)
Operating income	**79.810.376**	**66.355.855**	**31.863.822**	**19.670.446**

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

NOTE 37 - OPERATING EXPENSES

	1 January - 30 September 2007	1 January - 30 September 2006	1 July - 30 September 2007	1 July - 30 September 2006
Marketing, sales and distribution expenses	55.305.878	52.925.900	18.433.594	17.138.816
General administration expenses	15.426.108	15.819.140	4.766.044	5.088.906
	70.731.986	**68.745.040**	**23.199.638**	**22.227.722**

Marketing, selling and distribution expenses

	1 January - 30 September 2007	1 January - 30 September 2006	1 July - 30 September 2007	1 July - 30 September 2006
Distribution expenses	16.984.228	17.785.070	5.848.846	6.192.529
Advertisement expenses	13.796.363	11.190.534	5.137.538	3.203.396
Personnel expenses	9.438.092	7.312.224	3.299.701	2.499.729
Promotion expenses	5.819.383	9.246.693	1.417.128	2.513.248
Presentation and marketing expenses	2.884.548	1.641.919	1.018.849	605.665
Consulting expenses	1.551.546	1.422.943	495.520	413.593
Travel expense	976.555	598.743	280.247	151.999
Sponsorship expenses	686.326	1.115.012	120.374	312.387
Communication expenses	427.133	230.532	147.765	81.969
Packaging expense	182.482	178.606	69.610	52.903
Other	2.559.222	2.203.624	598.016	1.111.398
	55.305.878	**52.925.900**	**18.433.594**	**17.138.816**

General administration expenses

	1 January- 30 September 2007	1 January- 30 September 2006	1 July- 30 September 2007	1 July- 30 September 2006
Personnel expenses	7.915.694	7.177.740	2.398.321	2.245.330
Consulting expenses	2.715.788	3.311.241	834.858	1.194.414
Depreciation expenses	2.194.612	2.342.317	708.010	772.326
Transportation expenses	348.075	306.008	116.100	79.657
Communication expenses	293.637	343.965	76.624	115.561
Maintenance expenses	234.996	276.784	72.270	86.650
Legal expenses	234.455	529.051	71.963	106.909
Cleaning expense	174.045	149.549	62.728	50.362
Electricity expense	163.376	167.836	59.599	64.338
Other	1.151.430	1.214.649	365.571	373.359
	15.426.108	**15.819.140**	**4.766.044**	**5.088.906**

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

NOTE 38 - OTHER OPERATING INCOME/(EXPENSES)

Other operating income

	1 January- 30 September 2007	1 January- 30 September 2006	1 July- 30 September 2007	1 July- 30 September 2006
Interest income due to credit sales	3.496.650	4.025.267	330.446	1.400.765
Rent income	1.341.669	1.573.429	426.800	544.421
Foreign exchange gain	979.302	112.031	538.216	927
Interest income	495.302	224.890	308.644	133.738
Terminated provisions	377.663	197.339	286.226	45.980
Gain on fixed asset sales	231.909	214.491	(4.175)	-
Other	191.205	205.444	76.799	42.130
	7.113.700	**6.552.891**	**1.962.956**	**2.167.961**

Other operating expenses

	1 January - 30 September 2007	1 January - 30 September 2006	1 July - 30 September 2007	1 July - 30 September 2006
Provision for doubtful receivables	(1.155.615)	(419.451)	(610.846)	(61.382)
Interest expense due to credit purchases	(783.464)	(958.431)	(322.823)	(149.542)
Expenses related to lawsuits	-	(116.890)	147.930	284.969
Foreign exchange loss	(329.571)	(769.885)	(274.601)	438.431
Other	(52.366)	(289.230)	144.352	(64.281)
	(2.321.016)	**(2.553.887)**	**(915.988)**	**448.195**

NOTE 39 - FINANCIAL EXPENSES

	1 January - 30 September 2007	1 January - 30 September 2006	1 July - 30 September 2007	1 July - 30 September 2006
Bank Fees	399.369	160.004	142.769	82.988
Factoring expenses	355.571	331.163	127.367	114.791
Interest expenses	308.376	313.683	85.007	100.687
Other	92.662	71.420	21.410	13.437
Financial expenses	**1.155.978**	**876.270**	**376.553**	**311.903**

NOTE 40 - GAIN ON NET MONETARY POSITION

None (30 September 2006: None).

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

NOTE 41 - TAXATION

	30 September 2007	31 December 2006
Corporation and income taxes payable	1.770.804	333.774
Less: prepaid taxes	(37.570)	(320.963)
Tax Liability, net	**1.733.234**	**12.811**
Deferred tax liability	(32.558)	(38.183)
Deferred tax assets	2.359.914	2.301.753
Deferred tax liability, net	**2.327.356**	**2.263.570**

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

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

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

Corporations are required to pay advance corporation tax quarterly at the rate of 20% on their corporate income. Advance tax is to be declared by the 10th day of the second month following each calendar quarter end and is payable by the 17th of the second month following each calendar quarter end. Advance tax paid by corporations is credited against the annual corporation tax liability. The balance of the advance tax paid may be refunded or used to be set off against other liabilities to the government.

In accordance with Tax Law No.5024 "Law Related to Changes in Tax Procedural Law. Income Tax Law and Corporate Tax Law" that was published on the Official Gazette on 30 December 2003 to amend the tax base for non-monetary assets and liabilities effective from 1 January 2004 income and corporate taxpayers will prepare the statutory financial statements by adjusting the non-monetary assets and liabilities for the changes in the general purchasing power of the Turkish lira. In accordance with the aforementioned laws' provisions, in order to apply inflation adjustment the cumulative inflation rate (SIS-WPI) over the last 36 months and 12 months must exceed 100% and 10% respectively. Inflation adjustment has not been applied as these conditions were not fulfilled in the year 2006.

NOTE 41 - TAXATION (Continued)

In Turkey there is no procedure for a final and definitive agreement on tax assessments. Companies file their tax returns within the 15th of the fourth month following the close of the financial year to which they relate.

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

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

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

Exemption for participation in domestic subsidiaries:

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

Exemption for share premium

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

Exemption for participation in foreign subsidiaries

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

Exemption for sale of foreign subsidiaries

The income of corporations arising from their offices or permanent representatives abroad are exempt from corporate income tax provided that the foreign office or permanent representative must be subject to corporate income tax, or alike, in the country it is located at the rate of at least 15% (this rate is applied as the corporate income tax rate applicable in Turkey at the minimum for those companies whose core business is financial assurance or insurance), and 75% of the income generated must consist of commercial, agricultural or independent professional service income, and the income must be transferred to Turkey until the end of the third month following the date of filing of the corporate income tax return of the fiscal year in which the income is generated.

NOTE 41 - TAXATION (Continued)

Profit of corporations' from the sale of participation shares and property which have been in their assets at least for two years is exempt from corporate tax provided that they are added to corporations' share capital until the end of second calendar year following the year in which sale was realized.

On the other hand, the condition of adding this profit to share capital is not required for corporations other than full fledged taxpayer corporations and non-resident taxpayer corporations and these profits are accounted under special reserves. In the event that these profits added to share capital or accounted under special reserves are withdrawn from the entity in any means, transferred to abroad by non-resident taxpayer corporations or the entity liquidates (except by take over, merger and de-merger) within five years, those profits are considered as profits regarding that year and are subject to corporate tax.

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

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

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

Brokerage houses and real estate companies who are dealing with the trading and the leasing of the real estate cannot benefit from this exemption.

Exemption for investment incentive allowance:

The exemption for investment allowance had been in effect for long years, has been abolished with Corporate Income Tax Law No.5479.

Investment incentive allowance, calculated as 40% of tangible asset purchases above a determined amount, was ended in accordance with the law 5479 on 30 March, 2006. But, according to related law and temporary article 69 added to Income Tax Law, income or corporate taxpayers are able to deduct exceptional investment incentive allowances from income generated in only 2006, 2007 and 2008 years.

These exceptional investment incentives are:

a) the amount, which they could not deduct from their 2005 incomes, exists as of 31 December, 2005,

b) investments to be made after 1 January, 2006 with respect to certificate for investments which started in accordance with supplement articles 1, 2, 3, 4, 5, and 6 before falling into desuetude based on law 4842 of Income Tax Law 193 on 9 October, 2003 within the context of investment incentive arranged for responding applications made before 24 October, 2003,

c) investments, which are completely consistent on technical and economical basis, made after 1 January 2006, within the meaning of article 19 of Income Tax Law,

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

NOTE 41 - TAXATION (Continued)

Apart from the abovementioned exemptions considered in the determination corporate income tax base, allowances stated in Corporate Income Tax Law article 8, 9, and 10 and Income Tax Law article 40 are also taken into consideration.

Earnings from investment funds defined in Corporate Tax Law article 5/d are exempted from corporate tax. These earnings (excluding retirement investment funds) are subject to 15% withholding tax. However, Board of Ministers is authorized to change withholding tax rate according to distribution of assets included funds or partnership types of funds.

Since there is no minute of board of ministers about above mentioned changes, withholding tax rate for these funds is 0%.

On the other hand, effective from 1 January, 2006, portfolio earnings of investment funds, launched according to CMB and Income Tax Law temporary article 67/8, which are exempted from corporate tax are subject to 15% withholding tax rate via not concerning whether they are distributed or not. There is no advance corporate tax for these earnings in accordance with Income Tax Law article 94.

The taxes on income reflected to the consolidated income statements for the periods ended 30 September are summarised as follows:

	1 January- 30 September 2007	1 January- 30 September 2006	1 July- 30 September 2007	1 July- 30 September 2006
Current period corporate tax	(2.849.841)	(438.042)	(1.733.392)	55.318
Deferred tax income/(expense)	63.786	(969.507)	(118.832)	86.641
Total tax income/(expense)	**(2.786.055)**	**(1.407.549)**	**(1.852.224)**	**141.959**

In accordance with the tax legislation circular number 17, "Inflation Adjustment Practice", dated 24 March 2005, the Company classified a premium arising from a company merger which occurred in 2003 as "a balancing account", which is neither an asset nor a liability, in the financial statements which were subjected to inflation adjustment for the 2004 corporate tax calculation. The premium has not been adjusted for inflation but it does reflect the resulting effect as an expense item.

The reconciliation of the taxation on income in the consolidated interim income statement for the period ended 30 September 2007 and the tax calculated at the corporate tax rate based on the income before minority interests and taxation on income is as follows:

	2007	**2006**
Income before tax	12.715.096	733.548
20% provision for corporate tax calculated by effective tax rate	(2.543.019)	(146.710)
Expenses not deductible for tax purposes	(186.936)	(236.282)
Income not subject to tax	87.707	14.636
The effects of financial losses subject to discount in the current period	(139.566)	(29.876)
Effect of change in tax rate	-	(1.212.786)
Other	(4.241)	203.469
Current period tax expense	**(2.786.055)**	**(1.407.549)**

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

NOTE 42 - EARNINGS PER SHARE

	1 January- 30 September 2007	1 January- 30 September 2006	1 July- 30 September 2007	1 July- 30 September 2006
Net (loss)/income	9.959.423	(605.996)	7.491.909	(101.356)
Weighted average number of shares with face value of YTL 0,001 each	78.000.000	78.000.000	78.000.000	78.000.000
(Loss)/earnings per share (YKr) (1YKr for 1YTL share)	12,8	(0,8)	9,6	(0,1)

No dividend payment occurred during the period between 1 January - 30 September 2007. Therefore the Board of Directors did not calculate a dividend distribution.

NOTE 43 - CONSOLIDATED STATEMENTS OF CASH FLOWS

Cash flow statements as of 30 September 2007 and 30 September 2006 are presented together with financial statements.

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

None (31 December 2006: None).

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