

**DOĞAN GAZETECİLİK**  
**ANNUAL REPORT 2007**



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Milliyet, Posta, Radikal and Fanatik, together makeup Doğan Gazetecilik and together reach an average of 6,162,000 readers a day all around Turkey, representing the highest level of readership reach in the entire press sector.

Research results show that the average daily number of newspaper readers in Turkey as a whole is 13,957,000. This means that Doğan Gazetecilik A.Ş. newspapers represent 44% of total daily reach, an accomplishment that signifies a clear-cut advantage over the competition.

## MAJOR FINANCIAL HIGHLIGHTS

	2007	2006
ACTUAL OPERATING PROFIT (NTL)	<b>7,848,000</b>	(2,836,672)
EBITDA (NTL)	<b>14,927,608</b>	5,564,669
NET PROFIT (NTL)	<b>8,833,100</b>	(1,006,192)
NUMBER OF EMPLOYEES	<b>1,089</b>	1,041
PAPER USAGE (TONS)	<b>99,087</b>	98,766
NUMBER OF PAGES PUBLISHED DAILY (AVERAGE)		
NUMBER OF PAGES (AVERAGE)	<b>141.9</b>	136.8

### TOTAL ASSETS (NTL)

'07	<b>279.568.197</b>
'06	164.894.197
'05	165.824.094

### TOTAL SHAREHOLDERS' EQUITY (NTL)

'07	<b>241.616.401</b>
'06	128.566.888
'05	129.946.416

### NET SALES (NTL)

'07	<b>296.896.407</b>
'06	281.235.129
'05	262.482.283

### AVERAGE DAILY NET SALES (UNITS)

'07	<b>1.134.000</b>
'06	1.193.000
'05	1.202.000

## FINANCIAL RATIOS

	DECEMBER 31, 2007	DECEMBER 31, 2006
<b>LIQUIDITY RATIOS</b>		
CURRENT RATIO	<b>5.41</b>	2.25
ACID-TEST RATIO	<b>5.24</b>	2.07
LIQUIDITY RATIO	<b>5.07</b>	1.92
<b>SHAREHOLDING RATIOS</b>		
DEBT/SHAREHOLDERS' EQUITY	<b>0.16</b>	0.28
SHORT-TERM DEBT/TOTAL DEBT	<b>0.90</b>	0.82
TOTAL DEBT/ASSETS	<b>0.13</b>	0.22
<b>PROFIT/LOSS RATIOS</b>		
EBITDA/NET SALES *	<b>0.036</b>	0.003
NET PROFIT/NET SALES	<b>0.03</b>	0.00
NET PROFIT/SHAREHOLDERS' EQUITY	<b>0.4</b>	(0.01)
<b>ACTIVITY CYCLE RATIOS</b>		
STOCK TURNOVER	<b>31.71</b>	38.51
RECEIVABLES TURNOVER	<b>5.05</b>	5.47
DEBT TURNOVER	<b>8.81</b>	10.10

\*ADJUSTED FOR IAS 39 EFFECT.

## DOĞAN GAZETECİLİK

### THE PRESS SECTOR IN THE WORLD & IN TURKEY

CONTRARY TO THE ESTABLISHED BELIEF THAT THE INTERNET WILL DESTROY NEWSPAPER REVENUE IN TODAY'S WORLD, NEWSPAPERS HAVE SUCCEEDED IN CREATING NEW SOURCES OF INCOME BY INTEGRATING THE INTERNET INTO THEIR OWN BUSINESS MODELS AND IMPORTING THE POWER OF THEIR BRANDS INTO THE DIGITAL ENVIRONMENT.

The role of newspapers in society goes back to the wall newspapers made of tablets of clay in ancient Rome. Since the publishing of the first contemporary newspaper in the wake of the invention of the printing press in the 15th century, newspapers have taken on an irrefutable significance. In today's world of the media, where first radio and television and then the Internet rapidly became a widespread feature of daily life, written press and newspapers are in constant search for new frontiers in their effort to adjust to changing competitive conditions and maintain their stronghold in the sector.

With the changing dynamics in the global media during the 21st century, there has been a drop in recent years in advertising income and in circulation figures. Furthermore, regional differences in terms of newspaper sales, readership reach and advertising income are becoming more pronounced.

The determining factor in the decline of circulation figures is the decrease in the number of newspaper readers in the younger generation. With young people preferring newspapers with shorter content and richer visuals, many world-class newspapers today have been forced to adopt a tabloid format.

Despite this general trend, however, in prosperous countries where television ratings are low, newspapers still stand out as the major mass advertising medium. Newspaper websites in these countries in fact, are becoming increasingly popular. Website traffic for newspapers globally has increased 350% in the last five years.

Countries such as Norway, Japan, Finland and Sweden, where newspaper consumption and readership rates per capita are high, are leaders in the use of technology. It can be seen that in these countries, consumers adapt very quickly to the rapid pace of technological development and that new innovations such as e-trade are adopted much faster than were older applications such as ATMs and e-mail.

Contrary to the established belief that the Internet will destroy newspaper revenue in today's world, newspapers have actually succeeded in creating new sources of income by integrating the Internet with their own business models and importing the power of their brands into the digital environment. Newspaper web pages are among the most visited websites in every country as a source of news. Although the income newspapers earn from the Internet is still relatively low compared to advertising and sales revenue, Internet newspaper revenue is steadily growing with each passing year.

Website reader profiles of global newspapers show that 84% of readers engage in online shopping, 88% are business owners, 66% follow the news from this medium and 58% benefit from online banking services. The main reason for preferring to read news online is that the Internet offers faster and more up to date news accounts.

While newspaper sales are declining in the West, as in Asia, there is a rising trend in Turkey. With the level of prosperity increasing each year in Turkey, the public is turning its attention to alternative entertainment channels, leading to a fall in television ratings. In such an environment, total newspaper sales have exceeded five million. Although television continues to be the primary advertising medium, newspapers are increasing their revenue as reliable and effective channels of advertising. Newspaper web pages are the most frequently visited websites in Turkey as well. Doğan Gazetecilik websites are the most frequently visited in Turkey.

In spite of the major restrictions brought about by legislation in 2003 concerning promotional activity, newspaper sales have continuously increased in recent years.

Newspaper sales, which averaged 3.7 million in 2001 and 2002, reached 4.5 million in 2004; climbing to 5 million in 2005, exceeded 5 million in 2006 and stood at 5.2 million in 2007. These figures, achieved despite the ban on promotion, show that there has been a significant increase in the number of newspaper readers in Turkey. Reaching an average of 6.2 million readers a day, Doğan Gazetecilik reaches 44% of the country's newspaper readers.

Turkish newspapers are in search of new directions in the face of changing dynamics in the global sector. Their efforts continue to create new channels of revenue through the effective use of their current brands and through alternative promotional mediums such as the Internet and sponsorships.

## DOĞAN GAZETECİLİK A.Ş. FROM PAST TO PRESENT

ACCORDING TO DATA FOR 2007, 1,134,612 OF THE 5,164,700 NEWSPAPERS SOLD ON AN AVERAGE DAILY BASIS SOLD NATIONWIDE (21.97%), WERE DOĞAN GAZETECİLİK A.Ş. NEWSPAPERS.

Doğan Gazetecilik A.Ş., one of Turkey's most prominent press and publishing companies, was founded on May 3, 1950 by the journalist Ali Naci Karacan. Launched on this date at the Nuri Akça Printing House in Istanbul, Milliyet Newspaper brought a fresh new breath of life to the world of newspaper publishing. With accurate and reliable principles of journalism introduced by Milliyet's Editor-in-Chief, the late Abdi İpekçi, the newspaper raised the standards of journalism in Turkey and succeeded in embracing large masses of readers in the country. The assassination of Abdi İpekçi in 1979 was a tragic turning point in the history of the paper. After this incident, the Karacan Family, owners of Milliyet for 30 years, turned the newspaper over to Aydın Doğan on July 20, 1979.

At the end of 2003, Milliyet merged through acquisition with Simge Yayıncılık ve Dağıtım A.Ş., then publishing Posta, Radikal and Fanatik newspapers, leading to the formation of the company Doğan Gazetecilik A.Ş.

For 57 years, Milliyet's consistent image as a "reliable newspaper" has reflected an unwavering editorial policy founded on fundamental principles of journalism strongly combined with popular content. Among the Doğan Gazetecilik newspapers, Posta, with its editorial policy of remaining in close contact with public opinion, has the broadest readership. Radikal is admired for its diversity of opinion and its general dissenting voice. A pioneer in its sector, Fanatik has taken on the responsibility of leading the sports world in upholding ethical values.

Today, accounting for about one-fourth of the total Turkish press sector, Doğan Gazetecilik A.Ş. occupies a prominent position in its field. According to data for 2007, 1,134,612 of the 5,164,700 newspapers sold on an average daily basis throughout Turkey, in other words, 21.97% of newspapers sold nationwide were Doğan Gazetecilik A.Ş. newspapers.

The prominent and distinctive position held by Doğan Gazetecilik A.Ş. in the Turkish press sector is clearly reflected in the results of the Turkish Press Readership Research Study conducted by the Press Readership Research Council (BİAK). Doğan Gazetecilik newspapers

Milliyet, Posta, Radikal and Fanatik together reach a daily average of 6,162,000 readers in Turkey, representing the highest level of readership in the entire sector. The results of the same research study show that the average daily number of newspaper readers in Turkey as a whole is 13,957,000. This means that Doğan Gazetecilik A.Ş. newspapers represent 44% of total daily reach, an accomplishment that signifies a clear-cut advantage over competitors.

The readership profile of Doğan Gazetecilik A.Ş. is also striking in terms of different target audiences. Doğan Gazetecilik A.Ş. stands out among its competitors, reaching a total of 3,903,000 readers every day in the A, B and C1 socio-economic categories. The same results can also be seen in the C1, C2 social levels and in the education and age categories.

Maintaining its leadership in Internet publishing as well with a series of successive investments, Doğan Gazetecilik websites continue to reinforce the company's pioneering position in the sector. Doğan Gazetecilik continues to be a leader in Internet advertising, not only in journalism but also in the classified advertisement sector, maintaining its place in the market as an innovative leader with the solutions it provides.

## DOĞAN GAZETECİLİK A.Ş. IN 2007

DOĞAN GAZETECİLİK A.Ş. PRODUCES MİLLİYET, POSTA, RADİKAL, FANATİK --TURKEY'S MOST WIDELY READ NEWSPAPERS-- AS WELL AS SUPPLEMENTS FOR THESE NEWSPAPERS AND THEIR RELATED WEB PAGES.

Doğan Gazetecilik A.Ş. produces Milliyet, Posta, Radikal and Fanatik-Turkey's most widely read newspapers-as well as the supplements for these newspapers and their related web pages.

As a subsidiary of the Doğan Media Group, the fundamental field of activity of Doğan Gazetecilik A.Ş. encompasses the preparation of daily newspapers as well as monthly magazines and other periodicals, the implementation of advertising business in the press and publishing sector and the distribution and sales of newspapers, magazines, books and other publications.

Doğan Gazetecilik A.Ş. operations are conducted in the Bağcılar district of Istanbul, on approximately 40,000 m<sup>2</sup> of land, in facilities that occupy a enclosed area of 35,000 m<sup>2</sup>. News and editorial activities for newspapers and magazines and pre-publishing processes are handled at Company headquarters in Istanbul and at Company representative offices in Ankara, Izmir, Adana and Antalya.

In an effort to establish a strong and reliable news network, Doğan Gazetecilik A.Ş. utilizes Company reporters as well as 600 correspondents working at Doğan News Agency's 52 offices within and outside of Turkey. All published materials prepared by Doğan Gazetecilik are distributed throughout Turkey by Doğan Dağıtım A.Ş.

### HUMAN RESOURCES

Human resources at Doğan Gazetecilik A.Ş. are the Company's most valued assets. The fundamental tenet of human resources at Doğan Gazetecilik is based on creating a qualified employee profile that is open to innovation and change. The Company's human resource policy aims to equip all employees with the know-how required by the age of information and to ensure their development parallel to the Company's progress and along the lines of their individual career plans.

In 2007, the Doğan Gazetecilik Human Resource Division carried out the following:

- Improvements were ongoing in the Performance Management System, a process which began in 2006.
- Personnel optimization was achieved at Milliyet, Posta and Fanatik newspapers as part of economizing measures.
- As part of Doğan Gazetecilik operations, the scope of Doğan Internet grew in parallel with the development of the Internet.
- While the number of employees in the Company was 1,041 in 2006, personnel increased by 5% during 2007, to reach 1,089. This increasing trend will continue at Doğan Internet in 2008.



AS OF DECEMBER 31, 2007, DEUTSCHE BANK A.G. HELD 22% OF TOTAL CAPITAL SHARES.

### SHAREHOLDING AND CAPITAL STRUCTURE

	%	2007	%	2006
		NTL		NTL
Doğan Yayın Holding A.Ş.	58.09	58,089,243	74.47	58,089,243
Public Offering	41.39	41,388,301	24.86	19,388,301
Other	0.52	522,456	0.67	522,456
Total	100	100,000,000	100	78,000,000

In addition to its 58.09% shares as of December 31, 2007, Doğan Yayın Holding A.Ş. also owns 11.68% (total capital) of publicly offered shares (December 31, 2006: 5.29%). Deutsche Bank AG owns 22% (total capital) of publicly offered shares (December 31, 2006: None).

### AFFILIATES AND SUBSIDIARIES

The main affiliates and subsidiaries of Doğan Gazetecilik as of December 31, 2007 were the following:

	Share Ratio (%)
Milliyet Verlags und Handels GMBH	74.03
DYG İlan ve Reklam Hizmetleri A.Ş.	50.02
Milha Milliyet Haber Ajansı A.Ş.	66.99
Birey Seçme ve Değerlendirme Danışmanlık LTD.	50.00
Milliyet İnternet Hizmetleri A.Ş.	30.50
Doğan Haber Ajansı A.Ş.	2.65

Milliyet Verlags distributes Milliyet and Fanatik newspapers in Germany. DYG is involved with advertising and marketing while Milha operates as a news agency.

## » DOĞAN GAZETECİLİK A.Ş. IN 2007

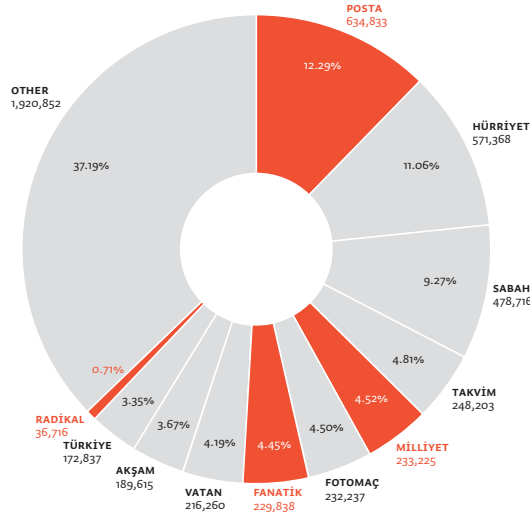
### 2007 SALES

The average daily sales figures for Doğan Gazetecilik A.Ş. newspapers and sales prices for January and December were as follows:

	2007 Daily Average Sales	December 2007 Sales Price (New Kuruş/Weekday/Weekend)	January 2007 Sales Price (New Kuruş/Weekday/Weekend)
POSTA	634,833	25-30	25-30
MİLLİYET	233,225	30-35	30-35
FANATİK	229,838	30-30	30-30
RADİKAL	36,716	40-50	40-50

### MARKET SHARE

	Units	%
POSTA	634,833	12.29
HÜRRİYET	571,368	11.06
SABAH	478,716	9.27
TAKVİM	248,203	4.81
MİLLİYET	233,225	4.52
FOTOMAÇ	232,237	4.50
FANATİK	229,838	4.45
VATAN	216,260	4.19
AKŞAM	189,615	3.67
TÜRKİYE	172,837	3.35
RADİKAL	36,716	0.71
OTHER	1,920,852	37.19



Based on data from the Press Advertising Institute (Basın İlan Kurumu).

**ANNUAL REACHSHARE (UNITS)**

	Periods 9-12 Cumulative March 2006-February 2007	Periods 1-4 Cumulative March 2007-February 2008
Representation	30,720,000	47,276,000
Average Daily Readers	10,134,000	13,957,000
Doğan Gazetecilik Reach	4,574,000	6,162,000
Doğan Gazetecilik Share	45%	44%

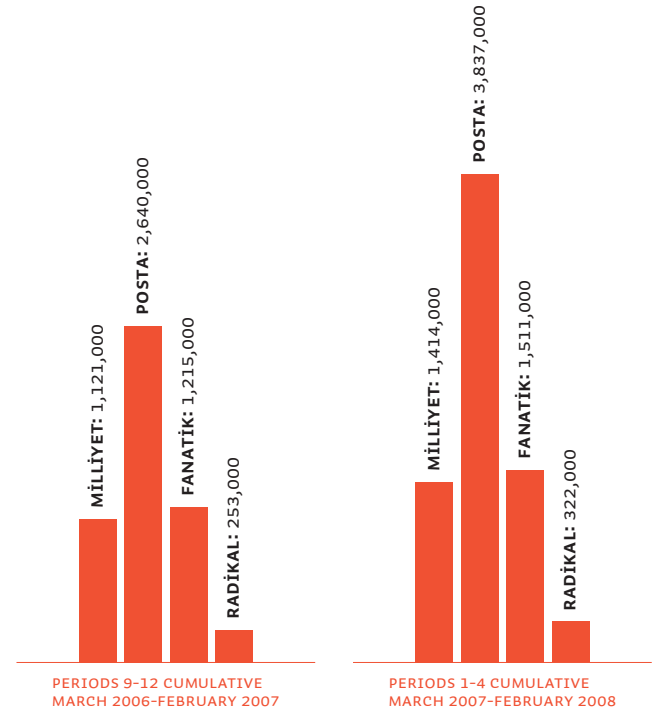
**DOĞAN GAZETECİLİK REACH (UNITS)**

PERIODS 9-12 CUMULATIVE  
MARCH 2006-FEBRUARY 2007

<b>MİLLİYET</b>	1,121,000
<b>POSTA</b>	2,640,000
<b>FANATİK</b>	1,215,000
<b>RADİKAL</b>	253,000

PERIODS 1-4 CUMULATIVE  
MARCH 2007-FEBRUARY 2008

<b>MİLLİYET</b>	1,414,000
<b>POSTA</b>	3,837,000
<b>FANATİK</b>	1,511,000
<b>RADİKAL</b>	322,000



## CHAIRPERSON'S MESSAGE

AS A PIONEER IN THE SECTOR, WITH ITS DYNAMIC STRUCTURE, DOĞAN GAZETECİLİK HAS ALWAYS ATTRACTED STRONG PARTNERS.

THE CLEAREST INDICATION OF THIS IN THE PAST YEAR HAS BEEN DEUTSCHE BANK'S INVESTING US\$ 88 MILLION TO BECOME A 22% SHAREHOLDER IN THE COMPANY.

### *Esteemed Members of the Doğan Gazetecilik Family, Shareholders,*

The world economy, on an uninterrupted upward trend since 2002, continued along this positive track in the first half of 2007. In the second half of the year, however, the home loans-based financial crisis emerging in the US brought world markets into a period of turbulence. In addition, rising petroleum and commodity prices, particularly the increase in gold prices, adversely affected inflation rates and at the same time accelerated the sluggishness in growth. The areas to be most affected by these global developments were the US, Europe, especially England and Japan. On the other hand, China, India, Russia and the countries of the Far East succeeded in maintaining the high rates of growth as they had for many years.

Even though the initial effects of the crisis were not felt very strongly in developing countries where long-term housing loans were not widespread, the conditions emerging in the first months of 2008 indicate that the effects of the crisis may spread over a wider area than expected, resulting in a global effect. In short, however much it appeared that the crisis had been overcome in the first quarter of 2008, conditions still warrant a careful and guarded stance in the upcoming period.

The fact that housing loans were not utilized to a great extent in the implemented economic program and in the banking sector was an instrumental factor in helping Turkey to bypass this turbulent period without getting caught in a crisis of its own. Parallel to the rising trend in world markets, the Turkish economy went through 23 uninterrupted quarter-years of growth. Exhibiting an average growth rate each year of over 7%, the Turkish economy continued to expand in 2007 as well, albeit with a decreased growth rate. It has been estimated that the economy grew by around 5% in 2007.

Turkey took an important step forward in October 2005 in its pursuit of European Union full membership, adopting major measures to achieve structural reforms and complete the harmonization process. In its awareness that this harmonization process will be raising the standard of living in the country, Doğan Gazetecilik heartily supports Turkey and its restructuring process as it moves along on its journey into the European Union. We believe that it is vitally important that the political and economic reforms that will carry Turkey into the future are implemented with firm determination.

The success of the economy to withstand the political and economic turmoil experienced in the election period of the past year was instrumental in allowing Doğan Gazetecilik to reach its own goals. With its position as a pioneer in the sector along with its dynamic structure, Doğan Gazetecilik has always attracted strong partners. In the past year, the clearest indication of this has been Deutsche Bank's investing of US\$ 88 million to become a 22% shareholder in the Company.

From a different perspective, the ratification of the sale of Sabah Newspaper by the Competition Board in February 2008 and the acquisition of Vatan Newspaper by Doğan Gazetecilik are among the events that will have an influence on the sector in the upcoming period. With the synergy created by the addition of Vatan Newspaper to the Group, Doğan Gazetecilik will continue to guide the sector as one of its leading players.

In the process that takes our Company from achievement to achievement, the Company derives its greatest strength from the dedication of its employees, the trust of its shareholders and the support of its readers.

I thank you all.

**AYDIN DOĞAN**  
CHAIRPERSON





## CEO'S MESSAGE

WE WILL CONTINUE TO MOVE FORWARD, TAKING ADVANTAGE OF EVERY OPPORTUNITY APPEARING BEFORE US IN THE SECTOR, WITHOUT COMPROMISING OUR BROADCASTING AND PUBLICATION PRINCIPLES IN ANY WAY AND BY RAISING THE QUALITY OF THE PRODUCTS AND SERVICES WE PROVIDE OUR WIDE AUDIENCE OF READERS.

*Dear Shareholders,  
Dear Colleagues,*

The year 2007 was a year in which important developments took place that affected the current status of the Turkish press sector. These developments will also have a determining role in the sector's future. Radical changes such as the sale of Sabah Newspaper and the entry of Vatan Newspaper into the Doğan Gazetecilik Family marked the highlights of the period. Doğan Gazetecilik took pleasure and pride in the accomplished performance of the last year.

The Company successfully maintained its lead in the sector during 2007 with a market share of almost 25% and readership reaching of over 44%. In the last year, the Company recorded a 19.7% increase in the advertising sector and a growth of 12.9% in newspaper advertisements. Thus, the Company's advertising market share stood at 16.9% for 2007. In an environment where advertising income and circulation figures are dropping in the written press all over the world, the performance exhibited by Doğan Gazetecilik is notable not only as an exemplary achievement but as a strong foundation for the Company's strategic plans for the future. The synergy contributed by Vatan Newspaper by its entry into the Group in the first months of 2008 will reinforce this achievement even more.

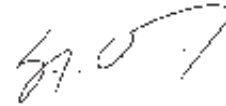
The Doğan Gazetecilik newspapers comprise a singularly wide variety of sources for both readers and advertisers. While Milliyet is highly effective in its consistent and reputable stance, Posta, maintaining the highest readership reach ratio in Turkey with its steadily developing and strengthening reader profile, has become a strong medium for all sectors. Radikal is always the preferred newspaper of advertisers due to the exclusivity of its reader audience. For the country's extensive sports-loving masses, Fanatik maintains its characteristic as the Number One advertising medium for sports products. This wide range of readership is the greatest guarantee that Doğan Gazetecilik possesses, one that will ensure that it continues to occupy a critical and prominent place in Turkey's newspaper sector.

The Company's leadership also continues with channel integration, an increasingly inevitable part of contemporary journalism. With the successive steps taken in Internet publication and advertising fields, the position of the Company is being reinforced with each passing year. The daily visitor count just for milliyet.com.tr increased by 70% in one year, reaching 1.6 million, while a 90% increase was seen in daily page visits. This achievement was also reflected in Internet advertising; a 170% upsurge was seen in advertising sales in 2007. The Company positions the Internet as a medium that will contribute to the integration of its newspapers, opening up new horizons. Maintaining the position of the Company as a web market leader not only in news dissemination but in the classified ad sector, will be the goal for the next period.

Following the launch of many comprehensive projects, the Doğan Group is proud to take its place among the country's leading pioneers in the area of corporate social responsibility. Doğan Gazetecilik has had the satisfaction of contributing to large-scale and permanent projects, first and foremost being Milliyet's "Daddy, Send Me to School" campaign. With the awareness of the responsibilities attached to its status as a solid corporate citizen, the Company will continue to prioritize educational undertakings in the coming years as it effectively carries out social responsibility projects.

We will continue to move forward, taking advantage of every opportunity appearing before us in the Turkish press sector, without compromising our broadcasting and publication principles in any way and by raising the quality of the products and services we provide our wide audience of readers. I would first like to thank our readers and then my colleagues, our shareholders and stakeholders for all the trust and support they have given us.

**FAİK AÇIKALIN**  
CEO





## MANAGEMENT

### BOARD OF DIRECTORS

**01 AYDIN DOĞAN**  
CHAIRPERSON

**02 HANZADE V. DOĞAN BOYNER**  
DEPUTY CHAIRPERSON

**03 MEHMET ALİ YALÇINDAĞ**  
VICE CHAIRPERSON

**04 SONER GEDİK**  
BOARD MEMBER

**05 BARBAROS HAYRETTİN ÇAĞA**  
BOARD MEMBER

**06 SEDAT ERGİN**  
BOARD MEMBER

**07 DR. VURAL AKIŞIK**  
BOARD MEMBER





**EXECUTIVE COMMITTEE****08 FAİK AÇIKALIN**

CHIEF EXECUTIVE OFFICER

**09 SEDAT ERGİN**EXECUTIVE COMMITTEE MEMBER  
EDITOR-IN-CHIEF, MILLİYET**10 BİLEN BÖKE**EXECUTIVE COMMITTEE MEMBER  
CHIEF FINANCIAL OFFICER (CFO)**11 VİKTORİA HABİF**EXECUTIVE COMMITTEE MEMBER  
CHIEF ADVERTISING OFFICER,  
MILLİYET, RADİKAL AND FANATIK (CAO)**12 TİJEN MERGEN**EXECUTIVE COMMITTEE MEMBER  
CHIEF MARKETING OFFICER (CMO)**13 MÜNİR CANKURTARAN**EXECUTIVE COMMITTEE MEMBER  
CHIEF OPERATIONS OFFICER (COO)**14 NESLİHAN TOKCAN**EXECUTIVE COMMITTEE MEMBER  
CHIEF ADVERTISING OFFICER, POSTA (CAO)**AUDIT COMMITTEE****ERDEM SEÇKİN**

AUDIT COMMITTEE MEMBER

**EREM TURGUT YÜCEL**

AUDIT COMMITTEE MEMBER



## » MANAGEMENT

## BOARD OF DIRECTORS

**AYDIN DOĞAN**  
CHAIRPERSON

Aydın Doğan was born in Kelkit in 1936, the son of one of the oldest families in the region. He completed his primary and middle school education in Kelkit and later graduated from high school in Erzincan. He studied at the Istanbul Academy of Economics and Commerce during the years 1956-1960 and served as president of the Students' Association. Doğan started his business career in 1958 while still a student. He engaged in trade in various sectors, among them shipping, contracting, automotives, commercial vehicles and construction machinery. In 1961 he established a company in his own name for the first time and worked in wholesaling until 1970.

Doğan took his first step into the industrial world with a new enterprise in 1974. Subsequently, he was elected to the Istanbul Chamber of Commerce Assembly and also appointed as a member to the Chamber's Board of Directors. He later became a member of the Board of Directors of Turkey's Union of Chambers and Exchanges.

Doğan entered the world of media through his acquisition of Milliyet Newspaper in 1979. With his acquisition of Hürriyet Newspaper in 1994, Doğan became a rising star in the Turkish media. He served as head of the Turkish Union of Newspaper Owners between the years 1986-96. In 1998, Doğan became the first Turkish citizen to be elected to Board Membership at the meeting in Tokyo of the World Association of Newspapers (WAN).

Doğan was awarded an Outstanding Service Medal by the Republic of Turkey in 1999. He received honorary doctorate degrees from Girne American University in 1999 and from Ege University, Baku State University and Marmara University in 2000, 2001 and 2005, respectively.

Establishing the Aydın Doğan Foundation in 1996, he incorporated cultural, educational and social services under the same umbrella. He sponsored the construction of eight schools and five student dormitories, which were named after him or members of his family. Each year, the Foundation organizes the globally respected Aydın Doğan International Cartoon Competition and provides support to students of communications with the Young Communicators Awards. The Foundation, with its Aydın Doğan Award, also contributes to projects in many fields- from literature to music, from architecture to social sciences.

Since 1977, Doğan has been cited as one of the country's highest taxpayers as recorded at the Istanbul Chamber of Commerce. The company he founded in 1961, with only three employees, has today been transformed into a corporation of over 11,000 employees working as part of one of the three major conglomerates in Turkey. The Doğan Group is made up of numerous enterprises providing goods and services to a wide range of sectors- from the media to energy distribution, from industry to tourism and from telecommunications to insurance.

Aydın Doğan is married and has four children and four grandchildren.

**HANZADE V. DOĞAN BOYNER**  
DEPUTY CHAIRPERSON OF THE BOARD

Hanzade Doğan Boyner earned a Bachelor's Degree in Economics from the London School of Economics and an MBA from Columbia University. She started her career as a financial analyst in the Communications, Media and Technology Group at Goldman Sachs International in London where she gathered experience in mergers and acquisitions. In addition to her membership on the Board of Doğan Holding and of many of the Group companies, Hanzade Doğan Boyner is also the founder and CEO of Turkey's leading Internet company Doğan Online. At the same time, Boyner serves as Deputy Chairperson of the Board of Doğan Gazetecilik, an enterprise that accounts for 35% of total newspaper circulation in Turkey. Boyner is president of the jury committee of the "Most Successful Businessman of the Year" competition organized by Ernst and Young to provide businessmen incentive and more visibility in their work. Boyner is the founder and pioneering spirit behind the "Daddy, Send Me to School" campaign which has proven to be the business world's most successful social responsibility project to date. Also serving on the Board of Directors of the World Association of Newspapers, Hanzade Doğan Boyner is at the same time a member of the International Advisory Council at the Brookings Institution. Fortune Magazine has chosen Hanzade Doğan Boyner one of the two most successful Turkish businesswomen recognized throughout the world.

**MEHMET ALİ YALÇINDAĞ**  
VICE CHAIRPERSON

Mehmet Ali Yalçındağ was born in Istanbul in 1964 and graduated with high honors from the American College London in 1989. Joining the Doğan Group in 1990, Yalçındağ was appointed Assistant General Manager at Doğan Dış Ticaret. In 1991 he became a member of the Doğan Holding Executive Committee and in 1992 he was appointed Assistant General Manager of Milliyet Newspaper. Yalçındağ was part of the foundation for the Simge Group in 1994, thus contributing to the launch of four new newspapers, among them Posta, Fanatik and Radikal. In 1996, the media enterprises of the Doğan Group were merged under Doğan Yayın Holding and Yalçındağ was appointed Vice President of the Executive Committee of this company. Yalçındağ has supported all efforts to create areas of synergy to best serve the publishing enterprises at Doğan Yayın Holding. In this context, he has worked in various key capacities for the establishment of Doğan Ofset through the integration of all dry press facilities as well as on the setting up of DPC to gather all newspaper printing facilities under one roof. He has also participated in the establishment of Doğan Factoring, an enterprise that manages the receivables of all Group companies.

Yalçındağ later established the news agency Doğan Haber Ajansı, placing all news departments under the control of a single administrative body. He helped to form partnerships with the Egmont Group for children's books, with the Burda Media Group for magazines and with Time Warner for the establishment of a news channel. With the inclusion of Star TV in 2005, Yalçındağ worked on incorporating all the enterprises involved in television and radio broadcasting into the Doğan TV network. CEO of Doğan Yayın Holding since 1999, Yalçındağ is also Turkish Chairperson of the International Advertising Association (IAA), Chairperson of the Turkish Advertising Council and member of TÜSİAD (Association of Turkish Businessmen and Industrialists), Galatasaray Sports Club and WEF Media Managers.

Yalçındağ is married and the father of two.

**SONER GEDİK**  
BOARD MEMBER

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

**BARBAROS HAYRETTİN ÇAĞA**  
BOARD MEMBER

Born in Istanbul in 1941, Barbaros Hayrettin Çağa graduated in 1960 from the German High School, in 1967 from Munich Ludwig Maximilians University School of Law and in 1972 from Istanbul School of Law. Acquiring the family law firm that was founded in 1916, Çağa&Çağa Legal offices, as a third-generation company shareholder in 1978, Çağa specializes in Commercial and Corporate Law, Foreign Capital Investments, Mergers and Acquisitions, Capital Market Legislation, Labor, Tax, Air and Press Law. Çağa has been a legal consultant with the Doğan Group since 1992. He currently serves as a member of the Board in various Holding companies, including Doğan Yayın Holding A.Ş.

**SEDAT ERGİN**  
BOARD MEMBER  
EXECUTIVE COMMITTEE MEMBER

Born in Istanbul in 1957, Sedat Ergin graduated from Robert College and from Ankara University Faculty of Political Science, Department of International Relations. Ergin began his career in journalism in 1975 at the Foreign News Service of the Turkish News Agency (THA). From 1976 to 1978, he served as THA Ankara Office's Diplomacy, Prime Ministry and Parliamentary Reporter. From 1979 to 1987 Ergin worked in the Ankara Office of Cumhuriyet Newspaper as a Diplomacy Reporter; in 1987 transferred to Hürriyet where he took on a position at the newspaper's Washington Bureau. After serving for six years in this position, Ergin was appointed as Hürriyet's Ankara Representative on March 1, 1993. Working in this capacity for a full twelve years and writing a column from Ankara during this time, Ergin also participated regularly in CNN-Turk's "Ankara Kulisi" (Ankara Lobby) program. Milliyet's Editor-in-Chief since March 17, 2005, Sedat Ergin is a two-time winner of the Sedat Simavi Journalism Award, first in 1997 for his article series entitled "Fırtına Dosyası" (Storm File) on the collapse of the Refah-Yol Government and then in 2003 for the series "Bizden Saklananlar" (Secrets Kept From Us) on the events leading up to the March 1 military permit crisis. Ergin also won the Turkish Journalists Association Award twice; in 1992 and 2003.

**DR. VURAL AKIŞIK**  
BOARD MEMBER

Born in Malatya in 1944, Dr. Vural Akışık completed his secondary education at Robert College. After receiving a Bachelor's Degree in Economics and a Master's Degree in Mathematics from Middle East Technical University, Akışık completed his doctoral studies on Statistical Theory at the University of California at Berkeley.

Akışık worked as an Associate Professor at the University of California at Berkeley and at Middle East Technical University for seven years. In the period 1976-1988, he served as Managing Director and as Board President at various Çukurova Holding companies, including Anadolu Kredi Kartları, Genel Sigorta, Genel Denizcilik, Çukurova Çelik Endüstrisi, Pamukbank and İnterbank.

Akışık left Çukurova Holding in 1988 and founded Turkish Merchant Bank, the first investment bank in Turkey, in partnership with Bankers Trust, Türkiye İş Bankası and Dışbank, serving as a Founding Member, Chairperson and Board Member until 1997. When Bankers Trust started merger talks with Deutsche Bank in 1997, Akışık sold his shares to Bankers Trust and left Turkish Merchant Bank. He presided over the restructuring of Dışbank, operating mainly in foreign trade financing and corporate banking, as the CEO in 1997. In less than three years, Akışık succeeded in transforming Dışbank from a specialized bank with only a few branches into one of Turkey's leading multi-branch banks.

After supervising the financial and organizational restructuring of public banks in preparation for the privatization that was needed to meet the requirements of contemporary banking and international competition, Akışık returned to the Doğan Group of Companies. He is currently serving as the Deputy Chairperson of the Doğan Holding Board of Directors and as the Chairperson of Petrol Ofisi A.Ş. (POAŞ) and Ray Sigorta A.Ş.

Akışık has also served as member of the boards of Başak Sigorta, Lafarge-Aslan Çimento and Türkiye Sınai Yatırım Bankası (Turkish Industrial Investment Bank) and as Chairperson of the Board of Doğan Hayat A.Ş. He is an honorary member of the Turkish-American Business Council, a member of the Board of Alarko Holding, a High Advisory Council member of TÜSİAD, Board Member at the Turkish Economic and Social Studies Foundation (TESEV), Trustee of the Malatya Educational Foundation and Member of the Istanbul Educational Foundation. Vural Akışık is married and has one daughter.

**EXECUTIVE COMMITTEE**

**H. FAİK AÇIKALIN**  
CHIEF EXECUTIVE OFFICER

H. Faik Açıkalın was born in 1962 and graduated from Middle East Technical University, Department of Economic and Administrative Sciences. He started his career in 1987 as an Interbank MT and served for five years as an Auditor and Customer Representative. Açıkalın later served as Marketing Director and Manager at Marmarabank, Kentbank and Finansbank and as Branch Manager at Demirbank. He was the appointed General Manager and Member of the Board at Dışbank and Fortis Bank, at which post he remained for nine years. He has also served as an Executive Committee Member on the Fortis Global Management Committee and the Retail Banking Management Committee. Since October 2007, H. Faik Açıkalın has been Chief Executive Officer of Doğan Gazetecilik. He is also a Founding Member of the Community Volunteers Foundation (TOG), a Board Member of the Private Sector Volunteers Association (ÖSGD) and a member of TÜSİAD and KalDer (Quality Association).

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

Born in Ankara in 1963, Bilen Böke is a 1985 graduate of Ankara University Political Science Faculty, Department of Economics. Joining the Ministry of Finance as an Assistant Certified Public Accountant the same year, Böke became a Certified Public Accountant in 1988. Completing his MBA in the USA at Fairleigh Dickinson University from 1992-1994, Böke also served as Vice President of the European Union and International Relations Bureau of the Ministry of Finance and then as Assistant General Director of Communications at the Transport and Communications Ministry. In 1998, Böke began to work at Anadolu Endüstri Holding in the capacity of Assistant Coordinator of Financial Affairs and as Finance Manager at Anadolu Honda Otomobilcilik A.Ş. He has been at Milliyet Gazetecilik since 2000 and has served in the capacity of Financial Affairs Group President and Executive Committee Member at Doğan Gazetecilik A.Ş. since 2004.

**VIKTORİA HABİF**  
EXECUTIVE COMMITTEE MEMBER  
CHIEF ADVERTISING OFFICER, MİLLİYET, RADİKAL AND FANATİK (CAO)

Victoria Habif completed her secondary education at Robert College, later graduating from Strasbourg University Social Sciences Faculty, Department of Advertising. After three years studying cinematography at Tel-Aviv University, Habif returned to Turkey, where she began her business career at the advertising agency Grafika Lintas. Working at the Güzel Sanatlar-Saatchi&Saatchi agency as Assistant General Manager, Habif then served as Vice President in charge of all customers at Cenajans-Grey. From 1997 to 1999 she was appointed General Manager of Sabah Newspaper Medi Group. Joining the Doğan Group in 1999, Habif became Advertising Group President for Simge Newspapers (Radikal, Posta, Fanatik, Finansal Forum). She has been Advertising Group President for the newspapers Milliyet, Radikal and Fanatik since February 2001 and is also a member of the Executive Committee.

**TİJEN MERGEN**  
EXECUTIVE COMMITTEE MEMBER  
CHIEF MARKETING OFFICER (CMO)

Tijen Mergen earned a Master of Science Degree in Electrical Engineering from Bosphorus University. Starting off on her career in 1982 as a sales representative for Apple Computers, Mergen worked as Sales Manager at NCR Turkey for thirteen years and then took on various high level executive positions at NCR's Central and Eastern European Regions. Mergen was chosen "Sales Specialist of the Year" early on in her career at NCR and was later acknowledged by the Chairperson of the Board for having the "Highest Quota" among NCR companies. She served as Finance Sector Sales and Marketing Manager at NCR from 1994-1998 in the Middle Eastern and European Regions, encompassing 27 countries. Later working as General Manager of Bilkom Bilişim Hizmetleri A.Ş., Tijen Mergen won an award from the International Public Relations Association (IPRA) for the "iCan" project she developed on differentiation, which achieved 49% brand awareness. Mergen played an active role in the smooth turnover of Bilkom Bilgisayar ve Eğitim Hizmetleri A.Ş. from Komili Holding to Koç Holding. She has been serving as Marketing & Business Development Group President at Doğan Gazetecilik since 2003 and as a member of the Executive Committee at Milliyet Newspaper. In 2000, Mergen received the "Businesswoman of the Year Award" from the newspaper Dünya.

**MÜNİR CANKURTARAN**  
EXECUTIVE COMMITTEE MEMBER  
CHIEF OPERATIONS OFFICER (COO)

Born in Ankara in 1951, Münir Cankurtaran is a graduate of Middle East Technical University, Department of Industrial Engineering. Cankurtaran's career started in 1977 at Alarko Holding and he later served as an Industrial Engineer and Organization Department Manager at Türk Demir Döküm Fabrikaları A.Ş., İpraş Refinery Project Manager, Middle East Region Manager and Foreign Relations Manager at Metkon A.Ş. and as Marketing and Sales Manager at Beksa A.Ş. Working in various capacities at Indocement & Napan Group of Companies in Indonesia, Cankurtaran became Human Resources and Communications Coordinator and Lafarge-SA Paris Human Resources Director at Lafarge Aslan Çimento A.Ş.. Münir Cankurtaran has been a member of the Executive Committee at Doğan Gazetecilik A.Ş. since 2003.

**NESLİHAN TOKCAN**  
MEMBER OF THE EXECUTIVE COMMITTEE  
CHIEF ADVERTISING OFFICER, POSTA (CAO)

After attending Ankara TED College, Neslihan Tokcan graduated from Middle East Technical University Administrative Sciences Faculty, Department of Business Administration. She started her business career at Arif Vidinli Müessesilik A.Ş. and later as Assistant Principal at Robert College Middle School. From 1989 to 1973, Tokcan worked at Martı Gemi İşletmeciliği A.Ş. She joined the Marie Claire magazine staff in 1990 as Advertising Manager, later becoming the magazine's Editor-in-Chief. She served as Editor-in-Chief of Naturel Magazine in 1995 and as Advertising Division President of the Hürriyet Magazine Group in 1996. Neslihan Tokcan worked at Reppa from 1997-1999 and as DBR General Manager from 1999-2005. In 2005, she became Foreign Investments Vice President at DYH. The mother of a son and daughter, Tokcan has been Posta Newspaper Advertising Group President since 2006.

**AUDIT COMMITTEE**

**EREM TURGUT YÜCEL**  
AUDIT COMMITTEE MEMBER

Born in Istanbul in 1962, Erem Turgut Yücel graduated in 1984 from Istanbul University School of Law. Yücel worked at Hürriyet Newspaper Legal Offices in the period 1986-1989 and served as attorney and manager at T.Emlak Bankası from 1990-1993. Erem Turgut Yücel returned to Hürriyet at the beginning of 1993. He was appointed Legal Offices Manager in 1996 and Doğan Holding Legal Coordinator in 2003. He also served on the Board of Directors of the Istanbul Bar over the period 2002-2004.

**ERDEM SEÇKİN**  
AUDIT COMMITTEE MEMBER

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

## DOĞAN GAZETECİLİK

### BROADCASTING AND PUBLISHING PRINCIPLES

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

**THE PRIMARY FUNCTION OF JOURNALISM  
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POSSIBLE.**

of news coverage and warranting public interest-shall not be the subject of broadcasting or publication. **12.** Until it is in the public interest, news shall not be produced by methods that would be regarded as an invasion of privacy, such as the use of hidden cameras, hidden sound recordings or trespassing on private property. **13.** Relatives and close friends of suspects or criminals shall not be exposed to the public unless they have an involvement with the particular incident or there is reason for their exposure in order to have the incident correctly understood. **14.** “Off the record” information shall not be published or broadcast unless doing so shall be unquestionably beneficial to the public interest. **15.** Maximum respect and care shall be exercised to maintain the confidentiality of news sources, except in cases where the source is intentionally attempting to mislead the public. **16.** Journalists must act in a balanced, factual and impartial manner in the investigation, preparation and publication/broadcasting of a news item. **a)** The views of the accused party shall be provided in news coverage. The same news item shall also report cases where the concerned party has not responded or has not been able to be reached. **b)** No summary or change shall be made in quoted material published or broadcast that makes the statement of the party concerned unintelligible or that makes said party a subject of ridicule. Dates and sources shall be clearly stated in all published or broadcast quotations. **c)** All public opinion polls shall be broadcast or published accompanied by a clear statement of the name of the institution conducting the poll, the organization that requested and financed it, the date on which the poll was conducted, the number of respondents and the methodology used in the research. **17.** Restraint will be used in the broadcasting or publication of material that encourages or incites violence, that adversely affects children, or that provokes hatred and animosity between individuals, societies and nations. **18.** Advertorials shall be clearly identified in a manner that leaves no doubt as to their being advertising material. **19.** News embargoes shall be strictly adhered to. **20.** Respect shall be shown the right to respond to and refute erroneous broadcasts or publications and the appropriate action taken. Doğan Yayın Holding press organizations shall establish regularly activated mechanisms to correct mistakes.



**We have only one goal:  
To deserve your trust  
each and every morning.**



## 2007 OPERATIONS MİLLİYET





## MİLLİYET NEWSPAPER MESSAGE FROM THE EDITOR-IN-CHIEF

### ***Milliyet's Difference is Being Recognized***

The past year has been a period in which Milliyet continued to differentiate itself from other newspapers in the same category in the Turkish press, a time in which the newspaper consistently upheld its chosen direction.

We are happy to see that Milliyet is being held apart from the controversies that besiege the Turkish press more at this time than in any other previous period. The acknowledgement of the differential image of our newspaper is a product of the trust we have instilled in the public and our unwavering directional stance.

It is our claim that we are the least misleading publication among the big newspapers. We do not try to cover up or hide our mistakes. We do not take offense when we have to admit our mistakes to our readers. This is because our most valuable guide is our absolute commitment to the truth.

We know that carrying our newspaper forward depends on placing deserved importance on the values of journalistic and honoring these above all else. It is because of this that one of our foremost goals is to revitalize and strengthen the institution of newspaper reporting.

The article series written by the reporters and writers we frequently send out in the field play important roles in differentiating Milliyet from its competitors. It is actually our rivals who are documenting the difference we make by creating daily agendas through their wide coverage of our series in other newspapers. I can mention here the series called "Komutanlar Konuşuyor" (The Commanders are Talking) and the research series called "Din, Laiklik ve Türban" (Religion, Secularism and the Headscarf) that we published last year as examples of how we have made our mark on Turkey's current events agenda.

Our strong tradition in sports journalism is yet another area of Milliyet's superiority. When it is considered that sports news coverage in Turkey tends to be sensationalist, Milliyet Sports differentiates itself with its balance and objectivity. The fact that Milliyet receives most sports journalism awards is the crowning glory of the newspaper's levelheaded approach.

In the past, we used to be confronted with criticism to the effect that we did not adequately appeal to the interests of women and young people and that our content was too heavy. Our new supplement "Milliyet Café" that was first published last year has filled the gap to a large extent. We took a giant step forward by catching the colorful nuances of life with this new supplement, providing a refreshing addition to the newspaper with a select focus on human interest, fashion, health and quality lifestyles.

Against the background of the problems that Turkey faces at this juncture, Milliyet's consistent stance, emphasizing the union of the republic and democracy, provides insight to people with common sense in this country, making them feel that they are not alone.

We feel lucky to have the readers we do. Every day, we set about our work feeling the same responsibility and excitement in calling out to readers who feel responsible as well toward their fellow citizens, to the country, to democracy and to the Republic.

Milliyet will continue along the same path in 2008.

**SEDAT ERGİN**  
EDITOR-IN-CHIEF,  
MİLLİYET NEWSPAPER

## » 2007 OPERATIONS MİLLİYET

ACCORDING TO THE RESULTS OF THE TURKISH PRESS READERSHIP RESEARCH STUDY, CLOSE TO HALF OF MİLLİYET READERS BELONG TO THE AB GROUP, IDENTIFIED AS THE LEADING SOCIAL SEGMENT OF TURKISH SOCIETY.

### MİLLİYET OVERVIEW

*“We have only one goal: To deserve your trust each and every morning.”*

This statement, written in giant letters across the front of the Doğan Media Center, our newspaper's Headquarters, clearly reflects the goal that Milliyet has pursued for more than 57 years as a leading player in the press sector. The slogan right under the Milliyet logo - “Basında Güven” (Reliability in the Press) highlights this goal.

Milliyet has pioneered in establishing ethical standards in the Turkish press and has made these standards part of the newspaper's own identity. In this respect, Milliyet is the undisputed leader of the principle “Reliability in the Press” in Turkey.

For more than half a century, Milliyet has preserved its traditions and has distinguished itself as an exemplary model of how a mass newspaper can exist without compromising quality in any way. Milliyet's success has proven that a newspaper can become spokesman for the masses without resorting to popularism. To date, Milliyet has won more than 250 corporate awards, 18 of which have been on an international level. The newspaper has implemented many innovations in the Turkish press and was the first paper to feature education, economy, international news and humor pages. It was also the first paper to be aware of the importance of sports and by allotting it a larger space, established a new standard in this area. The Milliyet Sports Service won the “International Fair Play Award” in 1997 for its clean sports coverage and its accurate news and honest reporting—a first in Turkey.

One of the important developments of the last 20 years in global journalism has been the opening of newspapers to reader inspection. Milliyet was the first newspaper in Turkey to introduce a “Reader Representation” or “Ombudsman” page.

Milliyet continues to actively represent Turkey in the World Association of Newspapers (WAN), established in 1958, to protect freedom of the press and develop cooperation between member organizations. Milliyet is proud to have hosted the 57th WAN Congress in Istanbul in 2004. Pursuing its goal of maintaining readers' trust with its world-class quality standards, Milliyet became the first newspaper in Turkey to set up a regular website. This website, found at [www.milliyet.com.tr](http://www.milliyet.com.tr), was launched on November 26, 1996. Every day, one million readers visit Milliyet's web pages, differentiating the site from others as the most widely read and trusted news portal in Turkey. Milliyet has thus ushered in a new era with its pioneering news website.

Milliyet has reinforced its reputation as a reference newspaper by offering supplements such as Milliyet Otomobil (Automobile), Milliyet Emlak (Real Estate) and Milliyet İK (Human Resources). Milliyet Sanat (Arts), which has been closely followed by art circles since 1972, is the most respected publication in its field in Turkey. In addition, the book supplement that Milliyet has recently begun to publish, has also received positive acclaim from literary and cultural circles.

Milliyet has taken on many important social responsibility projects ever since its foundation. Some of the innovative projects undertaken throughout Milliyet's lifespan so far have been the “Turkish Elementary Schools Quiz Contest,” and the “Sports Person of the Year” and “Journalism” Awards. The most important social responsibility project to be completed in the last

fifty years has been the “Daddy, Send Me to School” campaign, launched on April 23, 2005 to raise funds for Anatolian girls deprived of educational opportunities. The campaign has accounted for more than NTL 26 million of support up until now. Twenty-five girls' dormitories as well as seven village schools were built with these funds in many regions of Turkey. A total of 7056 girls were also provided with scholarships.

According to the results of the Turkish Press Readership Research Study, an important tool used by an independent research company to assess and create common unit data for all newspapers published in Turkey, close to half of Milliyet readers belong to the AB group, identified as the leading social segment of Turkish society. Of the readers in the C1 group, representing a high consumption demand as the segment that is considered Turkey's locomotive, 31% are in the middle social class. The data shows that more than three-fourths of Milliyet readers belong to the higher and middle social classes. Among competitors, the newspaper with the highest ratio of AB Segment readers is Milliyet with a ratio of 44.1%. To state it differently, 76.3% of Milliyet readers are from the upper and middle classes, making Milliyet the newspaper with the fifth highest readership reach to AB and ABC1 target audiences.

Milliyet's reader profile, when compared on a nation-wide scale, represents more of an educated segment of the population. Sixty-five percent of its readers are at least high school graduates. Of this group, 30% have university or more advanced degrees. Another important characteristic of Milliyet's reader profile is that it basically comprises young adults. Seventy-two percent of Milliyet readers are in the 21-54 age group. As far as distribution by gender is concerned, the newspaper's reader profile parallels reader profiles for the country in general.

## MİLLİYET'S FUNDAMENTAL PHILOSOPHY

**High esteem.** Milliyet impeccably fulfills the universal rules of journalism by reflecting its core values in its products in the best way possible. The information it provides is reliable. This approach makes it the most trusted newspaper in Turkey. **To be a source of reference.** Milliyet is a source of reference for all news related information. Milliyet is the source of reference, a “fountainhead of knowledge” for opinion leaders, foreign missions, politicians, bureaucratic and academic circles, the art community and researchers. **To broaden the reader's horizons and progressiveness.** Milliyet presents all contents in the most appropriate manner. Its progressive approach in supporting social and individual development broadens the reader's horizons. Milliyet is a newspaper that closely monitors, quickly assimilates and reflects developments in the economy, politics, sports and in all other areas of life. **To be indispensable to readers and to create intellectual attachment.** Milliyet provides in-depth coverage; its news reports are customized and its analysis and commentary are probing. Assuming nothing to be the truth, Milliyet investigates. Each news story undergoes a 360-degree analysis and no interpretation is made until the facts are presented in full transparency. All contents are presented with in-depth coverage, within the related historical context and with a perspective on the future. **Milliyet has the courage to take a stand that is compatible with readers' beliefs.** Milliyet derives its courage from knowledge and financial independence. It does not confuse courage with aggression. Milliyet's stance and commentaries never fall below prescribed standards of quality.

## » 2007 OPERATIONS MİLLİYET

### SUPPLEMENTS

#### CAFE MİLLİYET

Milliyet Newspaper's daily supplement Cafe offers young, urban and educated women readers a rich content every weekday, encompassing quality coverage of local and world human interest stories and interviews with celebrities as well as health, topical news, television, city information, travel, movies, astrology and puzzle sections.

Another important element of the supplement, which is prepared by Harun Simavi and his team, is its strong staff of writers. In addition to young women journalists who work in various departments at Milliyet Newspaper, well-known writers such as Ali Eyüboğlu, Vedat Milor, Naim Dilmener and Serfiraz Ergun contribute to the diversity of current topics that make up the content of Café.

Another area where Cafe Milliyet asserts itself is health and wellness. Three days a week, diet specialist Dilara Koçak provides readers with nutritional tips for a healthy lifestyle. Anti-aging specialist and Intermed owner Dr. Hasan İnel offers practical hints on staying healthy in his column "Saatleri Durduralım" (Let's Stop the Clocks).

#### MİLLİYET CUMARTESİ-MİLLİYET PAZAR

Milliyet Newspaper weekend supplements, Milliyet Cumartesi (Saturday) and Milliyet Pazar (Sunday), provide a rich variety of content including the latest fashion news, tips on personal care, site reviews, literary and art news, commentaries from respected writers, current interviews and success stories. Prepared by Deniz Alphan and team, Milliyet Cumartesi enjoys a highly educated readership from the upper socio-economic segment of the population. The Saturday supplement has a circulation of 1,336,000 and the Sunday supplement a circulation of 1,324,000. Reader profiles from both supplements reflect an equal gender distribution.

#### MİLLİYET SÜPER TAKTİK

Milliyet Süper Taktik (Super Tactic) is distributed with Milliyet free-of-charge every Tuesday and Friday. Playing a pioneering role in the area of sports publishing, this supplement is one of Milliyet's most recent gifts to Turkish sports' enthusiasts. Prepared by Milliyet's expert sports staff, Süper Taktik is a source of reference for all sports fans with its coverage of every sport-from football to the NBA, from motor sports to volleyball-and with its special sections on the Horse Races and Football Betting.

#### MİLLİYET İK

Milliyet İK (HR) made its debut on October 1, 2006 pursuing a vision of human resources that differs from other supplements. Milliyet's İK supplement draws the attention of not only human resources but of management, career-development and business professionals. Interviews with managers and CEOs, Career, Brand, Innovation, SMEs, Entrepreneur, Social Responsibility and Leadership are the headings of the supplement, all of which reflect the highlights of business life. The back page feature, İnsan or People, puts the spotlight on persons successful in their own fields, probing into the different and human side of leaders in the business community.

Milliyet İK has cooperated with insankaynaklari.com from the very first day of its publication. This interactive cooperation is one of the main aspects that distinguish this supplement from others-news featured on insankaynaklari.com. The blogs, CV's, question and answer columns and other news features published on insankaynaklari.com are also found in Milliyet İK. Milliyet İK and insankaynaklari.com work in collaboration with Istanbul Bilgi University on the interpretation of large-scale research studies, the results of which are published in Milliyet İK.



MİLLİYET, WHICH HAS FIRMLY PRESERVED ITS TRADITIONS FOR MORE THAN HALF A CENTURY, HAS DISTINGUISHED ITSELF AS AN EXEMPLARY MODEL OF HOW A MASS NEWSPAPER CAN EXIST WITHOUT COMPROMISING QUALITY IN ANY WAY.



#### MİLLİYET EMLAK

Published on Saturdays and distributed as a free-of-charge supplement to Milliyet, Milliyet Emlak (Real Estate) features global home and home life trends, new living spaces, real estate prices, payment plans, transportation possibilities and other topics. The supplement also includes reports on real estate investment areas prepared by investment experts. Other topics covered by Milliyet Emlak are home decoration, garden landscaping and ornamentation and other similar areas of interest. Milliyet Emlak attracts the full attention of readers with its comprehensive coverage.

#### MİÇO

Miço Magazine is published on Fridays under the editorship of children's publishing specialist Yalvaç Ural. Aiming to educate while entertaining and to entertain while educating, Miço is the most recent link in Milliyet's long tradition of publications for children. With a circulation of close to 50,000, the magazine continues to be a leader in its field.

#### MİLLİYET TELEVİZYON

Distributed free-of-charge with Milliyet on Saturdays, Milliyet Televizyon (TV Guide) is one of the most comprehensive TV guide supplements in Turkey. The supplement includes detailed information on all TV programs as well as ratings data. With its quality approach, Milliyet Televizyon is a publication that raises the bar in this area of the Turkish press.

#### MİLLİYET SANAT

In publication since 1972, Milliyet Sanat (Arts) boasts of a record that is hard to surpass. Regarded with high esteem and attracting a loyal readership from the first day of its inception, Milliyet Sanat is a monthly magazine of art and culture. Followed closely by art circles, Milliyet Sanat continues to play an active role in developing art awareness in Turkey and in contributing to the promotion of art appreciation in younger generations.

#### ÖSS POZİTİF

A pioneer of education in the Turkish press, Milliyet offers a free supplement on Thursdays for students preparing for the university entrance exams. Prepared by a panel of experts, ÖSS Pozitif features trial exams, question solutions and tips from different branch teachers.

#### OKS POZİTİF

Always the press world's most avid supporter of students, Milliyet also offers a supplement for students preparing for the middle schools entrance exam. Prepared by a panel of experts, OKS Pozitif is distributed with Milliyet on Wednesdays. OKS Pozitif publishes trial exams in each issue to provide students with testing practice.

#### BULMACA

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

#### MİLLİYET OTOMOBİL

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

#### MİLLİYET KİTAP

Milliyet Kitap, the newspaper's Book Supplement, is a content-rich resource that followers of culture and the arts along with avid readers find hard to put down. The supplement greets Milliyet readers on the last Wednesday of each month.

## » 2007 OPERATIONS MİLLİYET

### THE INTERNET

#### milliyet.com.tr

Launched on November 26, 1996 as the first regular newspaper website in Turkey, www.milliyet.com.tr has played a significant role in the evolution of online publishing in Turkey.

According to the report by the Internet rating institution Alexa.com, milliyet.com.tr is among the world's top 340 most visited websites. It is also the most visited Turkish website in its own field. The most widely used web analysis resource Web Trends reports that the site is logged into by 1.6 million individual visitors daily and by approximately 17 million individual visitors monthly. It receives 50 million hits per day and an estimated 1.5 billion hits per month.

The website is notable for its high quality, rapid and transparent publishing approach, its continuous monitoring of readers' expectations and demands and its goal-oriented development of new products. It stands apart from the competition with the projects it has developed to widen its publishing perspective in the light of changing conditions and opportunities provided by new technology. In 2007, milliyet.com.tr achieved a 70% growth on the basis of individual visitors and a 100% expansion on the basis of hits per day.

Monitoring the expectations and demands of advertisers as well as of visitors, milliyet.com.tr attained a 150% growth rate in advertising sales revenue in 2007.

Another positive development in 2007 was the cooperation between milliyet.com.tr and Milliyet in developing and marketing joint advertising projects. These very successful projects are expected to be followed by many more in 2008.



Launching various new and different projects in 2007, milliyet.com.tr has differentiated itself from its competitors with Cafe, Astrology, Technology, Infants and Children, Classified Ads, Vacationing and Contest pages. Its revamped design and enriched sections has made it an essential source of news and knowledge.

The website achieved similar success in the mobile market in 2007 and reached a monthly paid subscriber figure of 50,000 with its News, Sports, Astrology and Finance packages. New mobile projects are planned for 2008.

Also in 2008, milliyet.com.tr will be adopting a more content partnership-oriented model which will widen its range of content and services. In addition, the new Web 2.0 project is expected to increase both Internet traffic and revenue.

ACCORDING TO THE REPORT FROM THE INTERNET RATING INSTITUTION ALEXA.COM, MILLIYET.COM.TR IS AMONG THE TOP 340 MOST VISITED WEBSITES IN THE WORLD. IT IS ALSO THE MOST VISITED TURKISH WEBSITE IN ITS OWN FIELD.

#### **emlak.milliyet.com.tr**

Today, a significant portion of purchases, sale and rental operations in the real estate sector are carried out over the Internet. Milliyet launched the largest real estate website in Turkey with the Milliyet Emlak portal on July 5, 2005. Milliyet Emlak currently is one of the top websites in the country where visitors can obtain all kinds of information needed on purchasing, selling and renting real estate as well as on the specifics of available properties.

Since it was introduced on the Internet as a part of Turkey's most widely consulted news portal [www.milliyet.com.tr](http://www.milliyet.com.tr), [emlak.milliyet.com.tr](http://emlak.milliyet.com.tr) quickly experienced an increase in traffic rate. The site now has 13,604 real estate agencies, 1,337 construction enterprises, 52 brand contracting companies and about 116,500 individuals in its roster of members. To date, the website has published 778,000 postings and received 132,894,000 hits. It has a daily visitor count of 60,000 and receives 1,200,000 hits a day.

Continuously developing since its launch date at the beginning of 2007, [emlak.milliyet.com.tr](http://emlak.milliyet.com.tr) added a Construction/Decoration Section to its existing Real Estate Offices, Construction Companies, Brand Projects categories. Visitors wishing to access companies that can help them to meet their property restoration and decoration needs are able to do so using the Construction/Decoration section. Thus, Milliyet Emlak, with its contents and interactive functions, has become a one-stop platform that users can access to take care of all their real estate needs.

Closely monitoring developments and innovations in the real estate sector, [emlak.milliyet.com.tr](http://emlak.milliyet.com.tr) has speeded up efforts to provide the site with more user-friendly, accurate and updated information to accommodate user needs and demands.

Milliyet Emlak aims to maintain its status as the largest and most widely read real estate portal in Turkey.

#### **insankaynaklari.com**

Joining the Milliyet Group in June 2006, the human resources portal [insankaynaklari.com](http://insankaynaklari.com) increased the number of CVs posted on the site from 950,000 in 2006 to 2,079,000 at the end of 2007, thus raising its revenue by 40% as of the end of the year.

[insankaynaklari.com](http://insankaynaklari.com) presents users with a wide range of up-to-date, academic content, divided into six main headings with a total of 31 categories. Its competent editorial staff as well as its design and rich content set it apart from competitors. Users are provided the opportunity of not only reading articles by Milliyet İK columnists on [insankaynaklari.com](http://insankaynaklari.com) but also of gaining insight into different perspectives by accessing articles by experts in the sector. The site, which had 673 registered member firms in 2006, raised this figure to 2912 in 2007. Users of the site range from job hunters and students to human resources experts.

The website [insankaynaklari.com](http://insankaynaklari.com) derives its strength from not only its rich content but also from its close collaboration with Milliyet İK and [milliyet.com.tr](http://milliyet.com.tr), which has made it possible to reach wider audiences.

Aiming to increase the quality of its service to job candidates and member companies, [insankaynaklari.com](http://insankaynaklari.com) continues to invest in infrastructure, at the same time continuously enriching its content to meet user demands and expectations.

#### **hangiotel.com.tr**

The objective of this website, translated to mean 'what hotel' was launched in 2006 and provides a reliable and impartial site for tourism enterprises and Internet users who wish to vacation in Turkey.

[hangiotel.com](http://hangiotel.com) users may list available facilities in the region of their choice for the dates of their preference, also providing details and finding the opportunity to review comments about the facility by other users. The website also provides access to online reservations.

[hangiotel.com](http://hangiotel.com) member holiday facilities can forward information directly to customers. The system features updated photographs, videos, phone numbers, web addresses, specifications, promotions, lodging details and prices.

Facility administrators may continuously update information about their facilities via the management screen that is provided to them. They may also view the number of visits to their sites or their daily or yearly activity on their report screens, also carrying out spot monitoring of the popularity of their pages. Facilities that wish to be more visible in the banner ads on the homepage of the site are able to do this easily online by themselves.

As at the end of 2007, the number of member facilities registered on [hangiotel.com](http://hangiotel.com) was 1000. The website aims to continue sales team activities in the various regions in 2008 and bring the number of registered members up to 1,200, at the same time boosting brand recognition and ensuring maximum accessibility to vacationers. One of the goals of the website is to increase online reservations at member facilities and thereby becoming an active player in the hotel reservations market.

## » 2007 OPERATIONS MİLLİYET

### ACTIVITIES

#### TURKISH REPRESENTATIVE TO THE CANNES LIONS INTERNATIONAL ADVERTISING FESTIVAL

In an effort to increase the Turkish advertising sector's presence in the international arena, Milliyet has been the Turkish representative to the Cannes Lions International Advertising Festival since 2002. As a result of this five-year commitment, so far there has been a twelve-fold increase in the number of delegates to the Cannes Lions festival from Turkey. Each year, Milliyet sends the top three winners of the Milliyet Press Advertisements Contest to Cannes Lions. These contestants compete in the press category accompanied by two members of the creative team, invited to Cannes and hosted by Milliyet.

In addition to the event that Milliyet Newspaper organizes each year to increase participation at the Festival, the paper created another project in 2007 geared to provide loans to creative, young advertising people. Dubbed "Cannes Bankası", the project once again stressed the importance of the participation by the Turkish advertising sector in the festival. Indeed, participation in 2007 exceeded the previous year's figure by 15% while there was a 25% increase in the number of creative, young advertisers.

Meanwhile Milliyet, organizing a Cannes Lions International Advertising Festival Exhibit for the sixth time in 2007, brought 794 award-winning entries back to Istanbul. These pieces were exhibited at Mimar Sinan Fine Arts University.



#### MİLLİYET NEWSPAPER A TRIP TO ÇEŞME

Milliyet Newspaper organized a boat trip to Çeşme on September 21-23. Eighty percent of those invited were professionals in the 25-30 age group. Participating in the trip were employees from the planning, acquisitions and strategy departments and from the media agencies as well as interactive agency creative designers and media planning experts. The group hosting the event was led by Milliyet Editor-in-Chief Sedat Ergin and Milliyet writers, managing editors and editors.

The purpose of the trip was to introduce people to Milliyet and create good feelings about the newspaper among young professionals in charge of media planning, strategy and

purchasing at the various agencies. The trip also provided them with the opportunity to meet other Milliyet writers and editors who behind the scenes at the paper. Another aim of the trip was to share information about Milliyet's new weekday supplement Café Milliyet and about developments in Turkey's leading news portal; milliyet.com.tr. The trip, which was organized and meticulously planned down to the slightest detail, was the scene of a pleasant commingling of guests, Milliyet journalists, editors and advertising teams. The "Talk with Milliyet Writers" portion of the program which took place during the boat trip provided the participants the opportunity to learn about Milliyet's stance and goals.



MİLLİYET, ORGANIZING A CANNES LIONS INTERNATIONAL ADVERTISING FESTIVAL EXHIBIT FOR THE SIXTH TIME IN 2007, BROUGHT 794 AWARD-WINNING ENTRIES BACK TO ISTANBUL, ON EXHIBIT AT MIMAR SINAN FINE ARTS UNIVERSITY.



**MİLLİYET SANAT  
35TH ANNIVERSARY CELEBRATIONS AND  
EXHIBIT**

Milliyet Sanat (Arts), one of Turkey's oldest and most prestigious culture-art magazines, turned 35 in 2007. The thirty-fifth anniversary of the magazine was celebrated at the Hilton Hotel in an event that brought figures from both culture and arts together. The 35th Anniversary Exhibit that opened on this occasion also attracted great interest. Presenting a panoramic look at the past 35 years, the exhibit highlighted significant cover pages and articles from the period 1972-2007. The material was arranged according to curatorial content on the theme of "Turkey's 35-year Memory of the Arts."

The same exhibit was repeated after the anniversary celebrations, this time at the 26th Istanbul Book Fair. The presentation at the Milliyet Sanat stand was widely acclaimed by visitors to the fair.

**emlak.milliyet.com.tr BANQUETS**

The emlak.milliyet.com.tr team signed a protocol in April 2007 with the All Real Estate Agents Federation (TEMFED). Their support was enlisted to create a website and real estate program for all the chambers and associations connected to the Federation. Intensive work was started to encourage a more effective use of the Internet in the sector. With the support of the chamber president from each city and following a very successful sales process, the representatives of all of the real estate offices registered in the provinces were invited to a special banquet. Joined by the sales teams, the activities of emlak.milliyet.com.tr were explained. Work continues to create product promotion projects and add new members to the group.

**MİLLİYET'S BLOG EVENT**

Milliyet's Blog website was launched in June 2006. A meeting for Milliyet Blog Writers was organized to provide contributors to the site the opportunity of meeting one another and reinforcing online friendships that blossomed since the site's inception. The gathering took place in the Milliyet building as both an occasion for meeting each other and as a New Year's celebration. Approximately 100 Milliyet Blog writers attended the event, where the website's plans for the future were revealed. The writers were pleasantly entertained with live music.

**THE "DADDY, SEND ME TO SCHOOL" EVENT**

The organizers of the "Daddy, Send Me to School" Campaign, launched on April 23, 2005, hosted a special evening on the second anniversary of the campaign to express their appreciation to those who support the project. The event brought together those persons who provided scholarships, built schools and dormitories and made cash donations during the course of the campaign over the past two years. Members of the campaign team acted as Master of Ceremonies at the evening's event and presented plaques to those who participated in this successful campaign. The event was also highlighted by the attendance of three young ladies who had returned to school as a result of the "Daddy, Send Me to School" Campaign. In addition, participants experienced some tender moments with the presentation of videos of the campaign.

## » 2007 OPERATIONS MİLLİYET

### MİLLİYET AWARDS

#### ENTREPRENEUR OF THE YEAR IN TURKEY COMPETITION

The Ernst & Young Entrepreneur of the Year Awards, first organized in Turkey in 2004 through a collaboration of Milliyet and Ernst&Young Turkey, stands out as “the world's first and only comprehensive business award program.”

The goal of the Entrepreneur of the Year Competition, the fifth of which was held in 2007, is to acknowledge the achievements of entrepreneurs in Turkey who have been outstanding in terms of their creativity and business acumen.

By drawing attention to successful entrepreneurs in Turkey, these awards at the same time provide a model for the young business professionals of tomorrow.

The competition offers countless benefits to contestants who are owners and/or administrators of their own companies. Entrepreneurs coming into the limelight through this competitive event capture the opportunity to create business contacts, certifying their company's development and growth, boosting employee motivation and acting as a model for other enterprises in the market.

The award-winning entrepreneur from Turkey competed with the most successful entrepreneurs selected from 40 countries at the “Ernst & Young World Entrepreneur of the Year” Awards held in June 2007 in Monte Carlo.



Another award was presented in this competition in the category of “Social Entrepreneur of the Year.” This award was offered by Ernst&Young Global and the Schwab Foundation to bring together social entrepreneurs from around the world and in this way contribute to social development. The award-winning candidate in this competition participated in the Schwab Foundation “Social Entrepreneurs' Summit” that was held in Switzerland in 2007.

#### MİLLİYET FOUNDING ANNIVERSARY

Founded on May 3, 1950, Milliyet Newspaper celebrates its Founding Anniversary every year in May. The celebrations include seniority awards presented to employees who have worked at the newspaper for 45-40-35-30-25-20-15-10 years. The Abdi İpekçi and the Örsan Öymen Awards are also part of the ceremonies on this occasion.

TO DATE, MİLLİYET HAS WON MORE THAN 250 CORPORATE AWARDS, 18 OF WHICH HAVE BEEN ON AN INTERNATIONAL LEVEL AND HAS IMPLEMENTED MANY INNOVATIONS IN THE TURKISH PRESS.



#### ABDI İPEKÇİ JOURNALISM AWARD

Always proud to support the principle of “Reliability in the Press” Milliyet, throughout the years, has continued to stand firmly behind this commitment.

As an expression of the half-century-old commitment, Milliyet annually offers the “Abdi İpekçi Journalism Award.” With an awareness of its responsibility to society and in memory of Abdi İpekçi, Milliyet recognizes journalists who have dedicated themselves to their profession, upholding the highest ethical standards, bestowing upon them Turkey's most respected and prestigious journalism commendation, the Abdi İpekçi Journalism Award.

#### ÖRSAN ÖYMEN AWARD

Milliyet Awards, distributed in recognition of accomplishments in the fields of science, art, culture, communications, history and politics, include the “Research Study of the Year” award to commemorate the late Örsan Öymen. This award, which was set up to contribute to the review of health reforms implemented in Turkey to date, to examine the mistakes that have been made and to create lasting reforms, focused on the topic of “What Kind of Health Reform?” in 2006.



#### HALDUN TANER SHORT STORY AWARD

Presented in memory of the leading playwright and short story writer of the Republican era, Haldun Taner, the Award carrying his name was offered for the 20th time at the commemoration ceremony held in 2007.

#### SPORTSPERSON OF THE YEAR AWARDS

The Sports Person of the Year award is one of the oldest award surveys in Turkey. Sportspeople selected in various categories by Milliyet readers have received their Sportsperson of the Year awards at a special ceremony every year for the last fifty-four years.





**It thinks like the people,  
writes in the language of the  
people, summarizing without  
resorting to complicated  
explanations.**



## POSTA

### 2007 OPERATIONS

#### MESSAGE FROM POSTA NEWSPAPER'S EDITOR-IN-CHIEF

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

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

Average daily circulation of Posta stands at 650,000. The Posta supplements-Cumartesi Postası (Saturday Post), Pazar Postası (Sunday Post), Salsa, Posta Ege (Aegean) and Maxi Bulmaca (Puzzle)-enjoy wide popularity.

Continuing on a steady rise in recent years, Posta was leading the sector as Turkey's best-selling and most widely read newspaper at the end of 2003. Posta has continued to maintain its status as "Turkey's Best-Selling Newspaper" for the last five years.

Posta has also shown a rapid growth in advertising. Compared to 2006, advertising revenue increased by 24.4% in 2007. While Posta has achieved this growth, total advertising revenue of the other newspapers have only shown an increase of 12.9%.

In future years as well, Posta will continue to be the number one newspaper in Turkey with its easy-to-read style and economic price.

**RIFAT ABABAY**  
POSTA  
EDITOR-IN-CHIEF

#### FUNDAMENTAL PHILOSOPHY OF POSTA

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



## » 2007 OPERATIONS POSTA

TODAY POSTA HAS AN UNMISTAKABLY LEADING SHARE IN THE MARKET. THE NEWSPAPER HAS MAINTAINED THIS SUPERIOR PERFORMANCE, CONTINUING TO STAND FAR AHEAD OF ITS COMPETITORS IN 2007 AS THE UNDISPUTED MARKET LEADER AND THE NEWSPAPER WITH THE HIGHEST CIRCULATION.

### POSTA OVERVIEW

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

Posta continued to stand apart from its competitors in 2007 as the undisputed leader of the market and as the newspaper with the highest circulation. Results from the Turkish Press Readership Study coordinated by the Press Readership Research Board (BİAK) confirm that Posta's regular readership was 55% in 2004, 58% in 2005, 55% in 2006 and 57% in 2007. Another striking outcome of the study was that Posta is the leader for both male and female readers. Posta has the highest reach figures in the ABC<sub>1</sub> group and holds second place in the AB group.

Extending its original and unique style to its Cumartesi Postası (Saturday Post), Pazar Postası (Sunday Post), Salsa, Posta Ege (Aegean) and Maxi Bulmaca (Puzzle) supplements, Posta has continued its upward climb and remained a sector leader in circulation and in readership in 2007.

Posta aims to be the number one newspaper in Turkey in future years as well with its scope of news coverage, easy-to-read style and advantageous price. From this perspective, Posta's main challenge is to increase its advertising revenue in the printed media in the coming years.





EXTENDING ITS ORIGINAL AND UNIQUE STYLE TO ITS CUMARTESİ POSTASI (SATURDAY POST), PAZAR POSTASI (SUNDAY POST), SALSA, POSTA EGE (AEGEAN) AND MAXI BULMACA (PUZZLE) SUPPLEMENTS, POSTA HAS CONTINUED ON ITS UPWARD CLIMB AND REMAINED A SECTOR LEADER IN CIRCULATION AND IN READERSHIP IN 2007.

## SUPPLEMENTS

### PAZAR POSTASI

Distributed with Posta on Sundays with no additional charge, Pazar Postası (Sunday Post) is an entertaining weekend supplement. With news from the world of entertainment, travel information and restaurant promotions, Pazar Postası adds a pleasant flavor to Sunday reading.

### CUMARTESİ POSTASI

Accompanying Posta on Saturdays free-of-charge, Cumartesi Postası (Saturday Post) is a supplement that looks at the world through a woman's eye. New products, special interviews, fashion, decoration, food, mother&child and beauty are among the supplement's most appealing topics.

### POSTA SALSA

Salsa, with its circulation of approximately 90,000, has earned the reputation of being Turkey's best-selling magazine for young people. It accompanies Posta every Wednesday. The magazine devotes space to all kinds of topics that interest young people—from human interest stories to shopping, from fashion to love advice. Its interviews, song lyrics, tests, posters and message column makes Salsa an indispensable and regular part of young people's lives.

### MAXI BULMACA

Distributed every day free-of-charge with Posta, the Maxi Bulmaca (Puzzle) is a supplement puzzle-lovers have a hard time putting down.



## » 2007 OPERATIONS POSTA

### ACTIVITIES

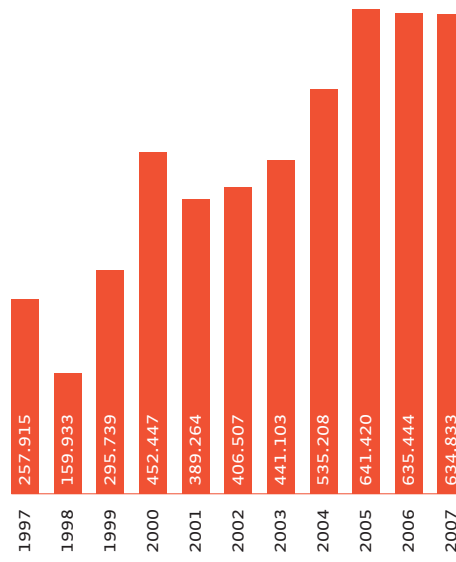
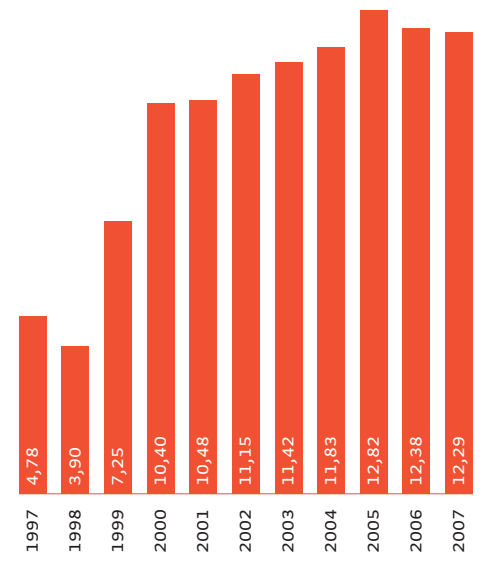
#### MAIN PRESS SPONSOR OF RETAILING DAYS...

For the last five years, Posta has been the main press sponsor of Retailing Days, an event organized annually since 2001. The support it provided over the years has resulted in Posta being declared the "Retailing Newspaper" during 2007. Thus gaining the upper hand in the retailing sector, Posta has attracted a great deal of attention with activities it has organized and the stands it has set up at the event, which is visited each year by approximately 3,000 people.

#### THE POSTA BAND IS WHERE THE PEOPLE ARE...

Posta established the Posta Band in 2006. Made up of nine professional musicians, the band has led a series of entertaining activities organized for the public. Posta, the newspaper of the people, aims to reach and communicate on a one-on-one basis with the reader-on-the-street through these activities. Between July 4 -July -12, 2007, the Band presented Summer Concerts in Erdek, İzmir, Çeşme, Bodrum, Marmaris, Kuşadası, Ayvalık and Balıkesir. The year's last concert was held in Beyoğlu, Taksim on the occasion of "World Heart Week."



**POSTA AVERAGE ANNUAL SALES (UNITS)\***  
 (1997-2007)

**POSTA'S MARKET SHARE (%)**  
 (1997-2007)


\*Based on data from the Press Advertising Institute (Basın İlan Kurumu)

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

	2005	2006	2007
Ankara Metropolitan Area	51,762	49,491	46,769
Istanbul Metropolitan Area*	167,864	176,825	188,116
Izmir Metropolitan Area	51,596	48,432	46,813

\*An increase of 6.3% over the previous year.



**For us, providing in-depth coverage and leading the way to reliable analysis as we delve into the depths of the news of the greatest importance.**

** Radikal**

## 2007 OPERATIONS RADİKAL



## **RADİKAL** **MESSAGE FROM THE EDITOR-IN-CHIEF**

Twelve years ago, when we first introduced our newspaper to readers, we had a very clear answer to the question “What is Radikal?” The answer was: “Something that distinctly differs from the ordinary!”

As we worked to achieve this differentiation, our accurate and reliable reporting stance marked by diversity of opinion led the way to Radikal becoming a powerful brand in Turkey and one of the country's most respected newspapers.

The Radikal Genç (Youth) supplement we began to publish in 2006 was an innovation and the first attempt in Turkey to become “The Citizen's Newspaper.” This project allowed us to make the voices of the young people who were supporting us heard.

We focused more on such efforts in 2007, bringing our style of journalism to be at the cutting edge of the publishing world.

Using advanced technological means in 2008, Radikal intends to perpetuate this differential in Internet news reporting as well.

Now in its 12th year of publication, Radikal will always seek new horizons in its journey ahead.

**İSMET BERKAN**  
RADİKAL  
EDITOR-IN-CHIEF

## **FUNDAMENTAL PHILOSOPHY** **OF RADİKAL**

- 1.** Radikal presents news coverage accurately, reliably and promptly. For Radikal, providing in-depth coverage and leading the way to reliable analysis as the newspaper delves into the depths of the news is of the greatest importance.
- 2.** Radikal works to establish democracy in Turkey in all organizations and rules. It defends human rights, diversity of opinion and all modern values, secularism above all and avoids appearing to be supporting a particular political view or party. It remains equidistant from all political parties.
- 3.** In order to satisfy its readers, Radikal does not stop at only reporting the news but presents the widest possible range of commentary. In this respect, Radikal is the newspaper that reflects Turkey's diversity of opinion.
- 4.** Radikal has no taboos and makes an effort to overcome taboos. It aims to provide its readers with information, entertainment, guidance and recommendations, be a translator of their reactions and complement their lifestyles.
- 5.** Radikal is a reference point not only for today's opinion leaders but for the historians of the future.

## » 2007 OPERATIONS RADİKAL

AN EXAMINATION OF THE RESULTS OF THE TURKISH PRESS READERSHIP STUDY COORDINATED BY THE PRESS READERSHIP RESEARCH BOARD (BİAK) SHOWS THAT RADİKAL WITH A READERSHIP OF 70% HAS GAINED THE HIGHEST RATIO IN THE 18-34 AGE GROUP, MAKING IT THE NUMBER ONE NEWSPAPER AMONG YOUNG ADULTS.

### RADİKAL OVERVIEW

Making its debut on October 13, 1996, Radikal, as its name suggests, brought a series of radical changes to the Turkish press. Radikal is an innovative newspaper that represents a diversity of opinion, one whose in-depth content makes it the daily that is sought by urbanites and readers of all ages.

In addition to its comprehensive news coverage of the economy, domestic and foreign politics, business, culture and art, Radikal provides a multifaceted newspaper of rich content embellished with the commentary articles of the country's most respected academics.

Radikal's unique identity is also reflected in its supplements. Radikal İki (Two), Radikal Cumartesi (Saturday), Radikal Kitap (Books), Radikal Genç (Youth) and Radikal Bulmaca (Puzzle) are the newspaper's main regular weekly supplements. In addition, the newspaper also serves young readers with supplements offering university and high school preparatory materials.

An examination of the results of the Turkish Press Readership Study coordinated by the Press Readership Research Board (BİAK) displays quite striking results with respect to Radikal Newspaper. With the highest ratio of 70% readership in the 18-34 age group, Radikal is the first choice among Turkish young adults. Occupying a special place in the eyes of high school and university graduates, Radikal has achieved the same outcome in the general student category of readers.

According to the results of the study, Radikal readers have the highest rate of participation in cultural activities such as concerts, movies and theater. Having the best educated, youngest and most cultured readership, Radikal seeks to maintain its relationship of trust with the dynamic and modern segments of society.

Recognized as the newspaper of open-minded intellectuals, distinguished with its style as well as with its opinions and accepted as the natural medium of discussion for journalists and writers, Radikal has also created a special advertising niche for its exceptional readership.

Always reaching out to an increasingly greater number of readers, Radikal Newspaper was among the first to recognize the importance of online publishing, establishing Radikal Online ([www.radikal.com.tr](http://www.radikal.com.tr)) in 1997 and thus importing its respected, independent and intellectual editorial content into the virtual world. Radikal plans to provide a broader range of online services in the years to come.

Different opinions, different beliefs, different voices, different colors... Having now left 12 years behind, Radikal has been the melting pot of all these differences since it first began to be published. Different voices have spoken through Radikal as a single voice for exactly 12 years now. In this framework Radikal is a newspaper with its own unique style, different stance and a "dissenting" attitude equidistant from all camps. It is these qualities that make Radikal an indispensable newspaper for readers.





WITH SUPPLEMENTS THAT READERS CAN'T WAIT TO READ EVERY WEEK, RADİKAL REPRESENTS UNIQUENESS AND HIGH QUALITY IN THE SECTOR.

## SUPPLEMENTS

### RADİKAL KİTAP

Distributed free-of-charge with Radikal every Friday, Radikal Kitap (Books) is the Turkish publishing sector's most outstanding publication. With its special place in the hearts of young Turkish intellectuals, Radikal Kitap is one of the best resources and a significant reference for books. The books and publications promoted in Radikal Kitap reflect great diversity. The supplement exerts such influence that a book promoted on the cover or inside pages can easily become a bestseller of the week. It is because of this that Radikal Kitap has become the first choice of advertisers.

### RADİKAL CUMARTESİ

Radikal Cumartesi (Saturday) boasts of a rich content that presents Radikal readers with a range of illuminating and helpful information, from culture and art to entertainment, from shopping to lifestyles. Distributed every Saturday with Radikal free-of-charge, Radikal Cumartesi offers a full extent of articles on movies, travel, hobbies and music, among others. These characteristics make it a quality weekend supplement for both advertisers and readers.

### RADİKAL İKİ

Radikal İki (Two) is a platform for debate with its engaging articles and rich commentary. Standing out among weekend supplements, Radikal İki accompanies Radikal Sundays free of charge. Many of Radikal İki writers are its own readers and the supplement is sought out particularly for this feature.

### RADİKAL GENÇ

Radiakal's supplement for educated young readers, Radikal Genç (Youth), specifically addresses young people. Young adults between the ages 18-26 and others who wonder what young people are thinking are avid readers of this supplement. Available to readers every other Tuesday, Radikal Genç treats daily topics such as schools, education, urban life and also airs young people's views on the economy and politics. Young people can contribute to the pages of their own supplement pages with articles, photographs and drawings.

### RADİKAL KRİTER

Misconceptions about the European Union, legends, rumors, hearsay... It's time to be free of it all. Kriter (Criterion) is Turkey's first and only European Union Magazine. The 80-page Kriter, prepared by a staff of experts, presents us with information about all the plusses and minuses that the EU has in store for Turkey. Kriter is distributed free-of-charge on the first Monday of every month.

### RADİKAL BULMACA

The Radikal Bulmaca (Puzzle) supplement, prepared for the ever-growing group of puzzle enthusiasts, is distributed free-of-charge together with Radikal.

## INTERNET

### RADİKAL ONLINE

Always working to reach more readers and closely monitoring technological and cultural developments, Radikal became aware of the advances in online publishing early on and in 1997 established Radikal Online'1 (www.radikal.com.tr). Today, Radikal's website is among Turkey's most frequently visited Internet portals. The newspaper's other portal Sanal Alem (Virtual World) provides users with the latest in information technology.



**We were young,  
we trusted our young people.  
We continue  
to trust them...**





## 2007 OPERATIONS FANATİK

### FANATİK MESSAGE FROM THE EDITOR-IN-CHIEF

2007... The reorganization undertaken at Fanatik in 2006 took hold and the year carried us up to the top in terms of quality. We did not, of course, make any changes in the universal journalistic approach that Fanatik has adopted or in our resolution to refrain from speculative reporting. A year ago we had made revolutionary changes, bringing a young and innovative editorial staff on board. Tolga Umay, Mehmet Dekircan and Zafer Büyükavcı have all travelled a long way in their leadership journeys.

While our young art editor Hakkı Yılgin has won many awards for his layouts, our News Manager Serdar Dinçbaylı and the paper's team of correspondents have managed to bypass all competitors to a great extent and ensure that sports fans get the most accurate news from Fanatik first.

Young journalists who joined Fanatik seven years ago from the Aydın Doğan High School have now proved their success at the important responsibilities they had taken on. Fanatik is proud of its young reporters--Yasin Cam, responsible for Galatasaray, Alican Esenci for Beşiktaş, Sedat Hardal in the Super League, İsmail Öztürk in the 2nd and 3rd leagues, Aslıhan Çil for statistics and for special reports on the Super League panorama pages of the paper. We said last year that "Our young staff have become rising stars!" Those stars are now shining brilliantly...

Cem Dizdar has quickly become a beloved figure for Beşiktaş fans. Combining his intellectual background with his grasp of the culture of the stands, Dizdar has become a brand name thanks to Turkey's most popular sports paper Fanatik, which is proud to have introduced him to Turkish football.

Our Publication Consultant Hakan Can has won the admiration of viewers of Turkey's most widely watched football commentary program, 6 pas (6 passes). Fanatik is also proud to have the newspaper's most popular sports writer Tunç Kayacı reporting and commenting on the Super League games. Our journalistic philosophy will allow many changes to be made in Turkish sports in 2008.

The suggestions made by our young basketball writer Ümit Avcı will most likely contribute to boosting basketball performance in the league.

We will also start to witness the repercussions of the recommendations and universal solutions that Fan-Etik (Fan-ethics) has long been publishing for the interest of the sports world. The New Football Federation will be implementing some development projects in the light of the information Fanatik has collected about topics that range from the distribution of publications to club licensing procedures. In 2008, we will also be adding other very important social responsibility campaigns to those of the past such as the campaign designed to teach everyone how to swim called "Yüzme Bilmeyen Kalmasın" (Let Everyone Learn How to Swim).

Again, Tunç Kayacı, Hamit Turhan and other writers, our art director, our photojournalists have received many prestigious awards. The most highly respected evaluations show that Fanatik's stars have left all the other sports papers behind.

We were young, we trusted young people. We continue to trust them...

Our philosophy of journalism, our youth and dynamism will make Fanatik Turkey's best-selling, most popular and most admired newspaper in 2008 and in the years to come...

**NECİL ÜLGEN**  
FANATİK  
EDITOR-IN-CHIEF



## » 2007 OPERATIONS FANATİK

### FANATİK FUNDAMENTAL PHILOSOPHY OF FANATİK

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

### FANATİK OVERVIEW

Today's first preference of Turkish sports lovers of every age, Fanatik made its debut on November 20, 1995. Quickly reaching a loyal readership comprised mostly of young people, Fanatik also has a high readership among Turkish citizens living abroad. In this regard, Fanatik Newspaper has succeeded in reaching sports enthusiasts of every branch of sports, pursuing the mission of promoting sports appreciation and encouraging participation in sports.

The only sports paper offered by Doğan Gazetecilik, Fanatik is the most popular sports newspaper and the fifth most widely read in Turkey, according to the results of the Turkish Press Readership Research Study coordinated by the Press Readership Research Board (BİAK); Fanatik has the highest reach in the category of male readers, after Posta and Hürriyet. Every day, 1,163,000 men read Fanatik. Fanatik readers are sports and football fans. In addition to these readers, the newspaper has an audience that includes opinion leaders, businessmen and executives.

Ever since the first day of its launching, Fanatik has made it a principle to perpetuate high standards in the sports media. The "Fan-etik" (Fan-ethics) page of the paper was responsible for the paper receiving the International Olympic Committee's "Fair Play" Award. Fanatik is the first sports newspaper in the world to receive this award.

Fanatik, with its 24-page supplement İddaa, distributed on Tuesdays and Fridays and its daily four page horse racing supplement, is an indispensable source of news and reference for those who wager on sports events. In addition, Fanatik's quality sports news, particularly its coverage of Turkey's four major football teams, makes it an unrivalled source in its field.

Fanatik, Turkey's most prestigious sports newspaper can be accessed at its Internet address [www.fanatik.com.tr](http://www.fanatik.com.tr).

FANATİK IS THE MOST POPULAR SPORTS NEWSPAPER AND THE FIFTH MOST WIDELY READ IN TURKEY, ACCORDING TO THE RESULTS OF THE TURKISH PRESS READERSHIP RESEARCH STUDY COORDINATED BY THE PRESS READERSHIP RESEARCH BOARD.



## SUPPLEMENTS

### FANATİK İDDAA

Distributed free-of-charge together with Fanatik on Tuesdays and Fridays, Fanatik's İddaa supplement is a regular preference of sports fans. At high season, Fanatik İddaa is 16 pages on Tuesdays and 24 pages on Fridays. Each issue of Fanatik İddaa features an average of 15 writers who comment on their particular area of expertise. Popular Fanatik writers also publish their predictions on the back page of the newspapers.

## CORPORATE SOCIAL RESPONSIBILITY

**Cognizant of our presence as a corporate citizen in the community, we will continue to consider education our first priority and more effectively pursue our social responsibility projects.**







## CORPORATE SOCIAL RESPONSIBILITY

### MİLLİYET

Since its debut in 1950, Milliyet Newspaper has always acted with great responsibility toward its social environment. Ever since the campaign entitled "A Bridge for the Zap River" initiated by former Editor-in-chief, the late Abdi İpekçi, Milliyet Newspaper has made it its mission to bring the problems of Turkey's farthest regions onto the country's agenda.

The Turkish Beauty Contest in 1966, the Turkish Elementary Schools Quiz Contest, which started the same year, the Turkish High Schools Popular Western Music and Folk Dancing contests in 1967 are some of the cultural activities that have been pioneered by Milliyet. In addition to these, in 1972, the newspaper started to inaugurate the Turkish Puzzle, Sportsperson of the Year and Journalism Awards.

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

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

The largest and latest step along the newspaper's fifty-seven-year tradition was the "Daddy, Send Me to School" Campaign, which was very appropriately launched on National Sovereignty and Children's Day on April 23, 2005. Issues related to the school enrollment of girls were identified, financial aid efforts and projects geared to raise public awareness and address structural problems were undertaken. Within the campaign framework. The campaign attracted great interest from the community and since then, 25 girls' dormitories have been undertaken, 22 of which have been completed. In addition, 7056 students have been provided with three-year scholarships.

### DADDY, SEND ME TO SCHOOL

According to unofficial figures, there are still more than one million girls who are unable to attend school. Milliyet has taken on the priority mission of educating girls, who will be assuming, in their turn, the primary role of raising future generations. With its "Daddy, Send Me to School Campaign, Milliyet has initiated a workshop that will evaluate the data gathered from the Ministry of National Education, the civil organizations such as the Association in Support of Contemporary Living and local civil authorities.

First conceptualized by Doğan Gazetecilik Board Deputy Chairperson Hanzade Doğan Boyner, this wide-ranging, effective campaign was announced to the public on the meaningful occasion of April 23rd National Sovereignty and Children's Day, a celebration that was designated by Atatürk to honor Turkey's children. The campaign first focused on establishing the 15 provinces of Turkey that needed emergency assistance in the form of dormitories, classrooms or scholarships, all of which were essential to the attendance of the country's school-aged female students. In addition to the donation of NTL 1.0 million made by the pioneer of the campaign Milliyet, many other organizations got behind the campaign to provide dormitories, classrooms and scholarships.

The chief objective of the "Daddy, Send Me to School" Campaign is to mobilize all resources for the purpose of education and achieve the school attendance of every girl in Turkey. The campaign has been formulated as a three-dimensional project that will focus on activities geared to provide financial aid, increase social awareness and overcome structural problems. Within the scope of the urgent short-term goals of the campaign, which includes the building of 17 dormitories in 15 provinces, providing 6,750 girls with scholarships and furnishing 13 regions with sufficient classrooms, Milliyet and other organizations have so far undertaken the building of 25 dormitories. Scholarships were awarded to 7,056 girls and the construction of classrooms in seven regions has been completed.

Apart from these activities, seminars on "My Child and I" were organized in five provinces in cooperation with AÇEV, to enlighten 500 parents on the importance of education. A two-day training program was also held for the principals of Regional Elementary Boarding Schools and Regional Elementary Schools with Lodgings. The Kamil Koç Bus Company took on the task of furnishing the dormitories with recreational rooms. Music teachers were hired in the regions where the boarding schools were located to start the boarding students off on a music course.

From another perspective, a multifaceted program of cooperation was achieved with the universities. Within the framework of Sabancı University's Social Sensitivity course, visits were made to the Kars Centrum Vaksa Girls' Dormitory and Sarıkamış Milliyet Girls' Dormitory. University students contributed to the campaign by tutoring the girls in various subjects and participating in other activities. Işık University, too, has added a Social Responsibility course to its curriculum and participated in various activities at the Mardin Milliyet Girls' Dormitory.

In cooperation with the Turkish Family Health and Planning Foundation, girls boarding at the dormitories were offered seminars in Hygiene and Health. Other supporting education training programs were organized, including a four-day course in Puberty and Dormitory Management and a five-day program in Communication Skills and Dormitory Administration. Milliyet has frequently published and informed the public of exemplary efforts to influence public opinion and increase social consciousness. The appointment of women administrators to girls' dormitories and the changes made in scholarship regulations were some of the structural issues that were the subject of Milliyet news coverage. As the symbol of reliability in the press, Milliyet succeeded in enlisting the great support of readers whenever it called upon the country to participate in a campaign. From children sending in their allowances

to Limak Holding, which built a dormitory, from the Hacı Ömer Sabancı Foundation, the governorships and the Union of Chambers and Exchanges in Turkey to Petrol Ofisi, which awarded scholarships to female students, as well as Fenerbahçe Sports Club, the Metro Group, the Association of United Private Schools in Turkey and Siemens constituted the wide range of individuals and organizations that gave their wholehearted support to the “Daddy, Send Me to School” Campaign.

ÇYDD (Association in Support of Contemporary Living) has been one of Milliyet's staunchest and most effective partners in this campaign. Besides ÇYDD, Türk Üniversiteli Kadınlar Derneği (Association of University Graduate Women of Turkey), Türkiye Aile Sağlığı ve Planlama Vakfı (Turkish Family Health and Planning Foundation), Anne Çocuk Eğitim Vakfı (Mother & Child Education Foundation) as well as the Ministry of National Education and other civil administrations were also effective contributors to the campaign.

The campaign set the stage for a large-scale mobilization of resources in which NTL 16 million was collected. The fact that close to 110,000 individuals made personal donations demonstrates how close the campaign cut through to the collective conscience of the Turkish people. With the fifteen national and international awards it has received and the commendation for being the most admired social responsibility project for two consecutive years, the campaign has clearly proven to have been greatly appreciated by the general public in Turkey.

As a matter of fact, the campaign has led to an explosion of awareness that is much greater than the total of the efforts spent in the campaign, including donations, dormitory-building and information dissemination. In this respect, it can be said that the campaign has created a “domino effect.” Families who were keeping their daughters out of school started sending them to school, influenced by Milliyet's news stories. The added value generated by the campaign was augmented by the efforts of school administrators, who visited the villages to encourage the enrollment of girls at the schools. It is believed that the actual number of girls channeled to the school in this way is much higher than the official figure.

Milliyet aims to enlist support from abroad as well in 2008 to engage in efforts to increase the quality of life of female children within the framework of the same campaign.

The success achieved by “Daddy, Send Me to School,” which has turned into a genuine social movement, was made possible not only because of the determination of Milliyet's Editor-in-Chief Sedat Ergin but also through the resolute efforts of the members of the newspaper committee involved in the campaign. It is one of the proudest acknowledgements of Milliyet's 57-year history to be able to say that the success of the campaign lies in the sensitivity and creativity of each Milliyet employee and reader. The campaign has become as integral a part of Milliyet's identity as the principle it upholds of “Reliability in the Press.”



## POSTA

### ALWAYS IN SUPPORT OF THE PHYSICALLY CHALLENGED

Posta Gazetesi places particular emphasis on the issue of the physically challenged. The newspaper's sensitivity in this matter can be seen in its news stories. The problems of physically challenged citizens are brought to the fore in the newspaper's coverage to call attention to the issues. Posta has organized wheel-chair campaigns that led to the distribution of wheel-chairs; 500 on March 30, 1996 and 400 on November 1, 1999. Since December 18, 2000, TESYEV (Support and Education Foundation for the Physically Challenged of Turkey) Founding President Yavuz Kocaömer has been writing a column called "Çengelli İğne" (Safety Pin) in the Monday edition of the newspaper. Safety Pin is the only column in the Turkish press that features the problems of the physically challenged, reporting on their activities and organized events, including sports matches.



## RADİKAL

### RADİKAL IN SUPPORT OF İKSV FESTIVALS

Supporting culture and the arts is at the top of the list of priorities that make up the identity of Radikal Newspaper. Since 1999, Radikal has been a sponsor of one of Istanbul's most important cultural organizations, the Istanbul jazz, music, theater and other art festivals and Biennales organized by the Istanbul Arts and Culture Foundation (İKSV). Each year Radikal organizes a contest judged by the Radikal People's Jury on the occasion of the Istanbul Film Festival. Presenting a Special Award at the end of this event to the director most admired by movie-goers, Radikal also presents a free ticket to a film festival abroad to the winner of a lottery for the award-winning film.

### RADİKAL HOSTED FOREIGN JOURNALISTS

Radikal Newspaper, in cooperation with EDAM (Economy and Foreign Policy Platform), hosts regular meetings with leading European journalists, columnists and newspaper managers in Istanbul. The first of these meetings was organized in 2005.

The April 2007 meeting enjoyed the participation of 11 European journalists from eight countries, EDAM experts and representatives of the Turkish press. The guest of honor at the meeting was writer Elif Şafak. This last gathering, as in the past, reviews the important issues on the world agenda from a European perspective; within this framework, examines the relationship between Turkey and the EU.

### THE MOST RADICAL COMPETITION IN DESIGN: "RADICAL TRENDS IN DESIGN 3"

Contributing to the culture of design in Turkey, Radikal Newspaper sponsors "Istanbul Design Week," which is organized each year on the old Galata Bridge.

In 2007, the Radical Trends in Design competition was organized for the third time, working to support creative thinking styles in Turkey and helping to generate an innovative living culture. Questioning design solutions in terms of criteria such as products, people, technology, benefit gained, culture, the environment, functionality, use, emotional association, experience, sensitive approach and style, the competition aims to encourage innovative conceptual product design projects. As a part of the event, a stand was set up to exhibit the participating and winning work in the competition. Top-prize winners of the competition in both the professional and amateur categories will be eligible to attend the "Salone del Mobile" furniture fair that Radikal will be organizing in Italy in 2008.

### TÜYAP BOOK FAIR RADİKAL STAND

Radikal Kitap (Book supplement) has brought six years of accumulated experience into this year's TÜYAP Istanbul Book Fair. The archives of Radikal Kitap, which are also accessible on the Internet, comprise a store of short promotional pieces and articles, interviews and book reviews for tens of thousands of books that have been published over the last six years. The Fair gave Radikal Kitap the opportunity to remind book-lovers of its rich collection of published sources, an accumulation that serves the publishing world as a source of memory.

The stands set up at the fair during the event had computers installed to help readers make their book selections. Readers stopping at the stands found the chance to obtain detailed information about the books they were curious about or wanting to buy. The hostesses on duty at the computers helped readers get the information they needed about a specific book from the Radikal Kitap archives.

## FANATİK

### A FIRST IN TURKEY: FAN-ETİK...

In its belief that sports is not only about winning on the playing field, Fanatik Newspaper has published a Fan-etik (Fan-ethics) page regularly since 1998. The Fan-etik page focuses on a range of topics about modern sports placed in a social context including universal sports management know-how, battling violence in sports, fair play, which is the greatest value sports can offer, as well as the emotional makeup of losers at sports.

Since its first day of publication, the Fan-etik page has been in close cooperation with municipal authorities in terms of achieving a social transformation. Thousands of children were taught how to swim through Fan-etik's campaign "Let Everyone Learn How to Swim." The bicycle and walking lanes along the Izmir waterfront are models of municipal support and have provided hundreds of thousands of Izmir residents with the opportunity to take advantage of outdoor sports activities.

The Fan-etik page was also the first to propose the idea for the UNIVERSIADE 2005; the biggest sporting event organized in Turkey to date. It was Cem Can, one of the writers for the Fan-etik page, who gave the first briefing on the project to Izmir's unforgettable Mayor, the late Ahmet Pritina and his team.

Fan-etik was a pioneer in changing the unethical aspects of fanaticism, turning it more appropriate to the spirit of sports. It led the sports world in the adoption of anti-doping methods. The package of measures drawn up to save stadiums from hooliganism was again first introduced to Turkey by Fan-etik.

Receiving many awards in response to the mission it has thus taken on during the ten years of its existence, Fan-etik was the first newspaper page in the world to receive the Fair Play Promotion Grand Prize from the International Olympic Committee (IOC). Furthermore, writer Cem Can was awarded the Fair Play Grand Prize by the Turkish Olympic Committee (TMOK). Fan-etik was selected "Best Sports Page of the Year" by many of the country's leading universalities. In keeping with the mission it has set forth, Fan-etik is determined to continue to contribute to the efforts to make Fair play a widely accepted tenet of sports.

# DOĞAN GAZETECİLİK A.Ş. CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT

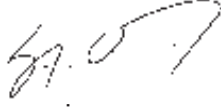
## 1. STATEMENT OF COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES

The Company engages in the work required to ensure compliance with the Capital Markets Board Corporate Governance Principles (Principles), as set forth by the Capital Markets Board (SPK).

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



**HANZADE V. DOĞAN BOYNER**  
DEPUTY CHAIRPERSON OF THE BOARD



**H. FAİK AÇIKALIN**  
CHIEF EXECUTIVE OFFICER

## SECTION I-SHAREHOLDERS

### 2. SHAREHOLDERS RELATIONS DEPARTMENT

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

2.1.1. The Company does not have a Shareholders Relations department. Shareholder relations are carried out by the Financial Affairs Group Presidency, in coordination with the controlling shareholder DYH.

Every effort is made to make use of electronic means of communication and the Company's website in all activities concerning shareholders.

The Company's Accounting Manager H. Avni Süleymanoğlu and Financial Control Manager Sibel Tüğen Akşit have been assigned with this duty.  
malikontrol@milliyet.com.tr, Tel: 0212 505 63 81

2.1.2. Of the shares representing Company Capital, 41.39% are traded on the Stock Exchange and 23.69% of these are owned by foreign investors.

2.1.3. No written/verbal complaint has been received by the Company in 2007 concerning the exercise of shareholder rights and to the best of the Company's knowledge, there has been no official investigation conducted on the Company.

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

### 3. EXERCISE OF SHAREHOLDERS' RIGHTS TO BE INFORMED

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

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

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

# DOĞAN GAZETECİLİK A.Ş.

## CORPORATE GOVERNANCE COMPLIANCE REPORT

### 4. INFORMATION ON GENERAL MEETINGS

4.1. An Ordinary General Meeting of Shareholders took place in 2007.

The list of attendees at the Ordinary General meeting of Shareholders on May 9, 2007 is as follows:

Shareholder's Name/Title	Capital (NTL)	Share	Group	Representation Style	Signature
Doğan Yayın Holding A.Ş.	58,089,243	58,089,243		In person	
Aydın Doğan	179,305	179,305		By proxy	
Işıl Doğan	92,919	92,919		By proxy	
Hanzade V. Doğan Boyner	61,946	61,946		By proxy	
Vuslat Doğan Sabancı	61,946	61,946		By proxy	
<b>TOTAL</b>	<b>58,485,359</b>	<b>58,485,359</b>			

4.1.1. The invitation to the General Meeting of Shareholders and the meeting agenda is announced to the public by publication in two nationwide newspapers and on www.milliyet.com.tr Fifteen days before the meeting, as set out by the Turkish Commercial Code and Capital Market Legislation.

4.1.2. The Company has no registered shares.

4.1.3. There have been no suggestions or questions either expressed by shareholders and/or recorded in the minutes of the General meetings in 2007.

4.1.4. There are no articles in the Company's Articles of Association that delegate decisions concerning matters specified in the SPK Principles or other matters regarding Company activities to the authority of the General Meeting of Shareholders.

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

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

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

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

4.4. Each Company share comprises one voting right.

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

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

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

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

### 5. VOTING RIGHTS AND MINORITY RIGHTS

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

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



## 6. DIVIDEND DISTRIBUTION POLICY AND TIMING OF DISTRIBUTION

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

**6.2.** "Consolidated Net Period Profit," for the Company's account period of January 1, 2007 - December 31, 2007, appearing on the consolidated financial statement prepared in accordance with the provisions of SPK Communiqué, Series XI, No. 25 and with International Financial Reporting Standards (IFRS), is NTL 8,833,100. With the deduction from this total of the NTL 503,826 that is required to be set aside as "Series I Legal Reserves" in accordance with TCC Article 466/1 and of the total net period profit of NTL 275,694 which appears on the financial statements of subsidiaries and affiliates that have not resolved to distribute dividends or have not as yet conducted their general meetings and the further addition of the total sum of donations during the year, which is NTL 500,000, net distributable period profit stands at NTL 8,533,580. Although 20% of this total remains below 5% of the Company's issued capital and there is no provision in SPK regulations that requires the Company to distribute dividends, the Board of Directors has decided that 53.3218% of the net distributable period profit of NTL 8,533,580 is to be distributed to shareholders as bonus shares and that this matter is to be presented to the General Meeting of Shareholders for ratification.

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

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

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

**6.6.** The Dividend Distribution policy of the Company was submitted to the Ordinary General Meeting of Shareholders on May 9, 2007.

Accordingly:

- 1- In principle, at least 50% of "net distributable period profit" calculated on the basis of financial statements prepared in accordance with capital markets legislation and International Accounting and Reporting Standards is to be distributed.
- 2- Should it be desired that 50-100% of the calculated net distributable period profit be distributed and in any case, in the determining of dividend distribution rates, the Company's financial structure and budget shall be taken into consideration.
- 3- Tax provisions and profit/loss of entities other than the main partnership, if any, shall be taken into consideration in calculating distributable net profit for the period.
- 4- The proposal for dividend distribution shall be disclosed to the public within the legally required timeframe following the conclusion of the Ordinary General Meetings of the companies and subsidiaries included in the consolidated financial statements.
- 5- In the event that no decision concerning the distribution of dividends has been taken at the general meetings of the companies and subsidiaries included in the financial statements, or if a decision is taken for partial distribution, the profit not distributed by virtue of such decisions shall not be included in the calculation of distributable net profit for the period.
- 6- If the net distributable period profit calculated on the basis of the Company's stand-alone financial statements:
  - a. is less than 50% of the net distributable period profit calculated within the scope of Capital Markets legislation and in keeping with International Accounting and Reporting Standards, then the net distributable period profit appearing on the stand-alone financial statements shall be taken into consideration and fully distributed.
  - b. is higher, the second paragraph shall apply.
- 7- Should there be no net distributable period profit on the stand-alone financial statements; dividends shall not be distributed even though "net distributable period profit" has been calculated on the basis of Capital Markets legislation and in keeping with International Accounting and Reporting Standards.
- 8- Dividend distribution may not be made should the calculated net distributable period profit remain below 10% of issued capital.
- 9- The dividend distribution policy shall be maintained so long as there are no adverse developments in the economy; capital markets regulations shall apply with respect to this matter.

# DOĞAN GAZETECİLİK A.Ş.

## CORPORATE GOVERNANCE COMPLIANCE REPORT

### 7. TRANSFER OF SHARES

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

## SECTION II-PUBLIC DISCLOSURE AND TRANSPARENCY

### 8. COMPANY DISCLOSURE POLICY

**8.1.** Disclosure of information to the public is carried out in conformity with the disclosure policy of the Company's major shareholder DYH.

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

**8.3.** The financial statements and accompanying footnotes for 2007 have been prepared on a consolidated basis and in keeping with International Financial Reporting Standards (IFRS); they have been audited by independent auditors and announced to the public in accordance with International Auditing Standards (IAS).

### 9. MATERIAL DISCLOSURES

**9.1.** Public announcements comply with capital markets legislation, SPK regulations and SPK Principles. In 2007, twelve material disclosures were made.

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

No warnings and/or corrections or requests for additional disclosures were made by the SPK and/or Stock Exchange concerning public announcements in 2007.

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

### 10. COMPANY WEBSITE AND ITS CONTENTS

**10.1.** The Company's website address is: [www.kurumsal.milliyet.com.tr](http://www.kurumsal.milliyet.com.tr)

The website includes information and explanations on Corporate Governance, the Corporate Profile, Investor Relations, Company Publications and Social Activities. The website is actively used.

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

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

**11.2.** The Company's Real Person Ultimate Controlling Shareholder(s) have been listed in the table below, free of indirect ownership relations:

Shareholder's Name	Share	%
Doğan Family	25,837,866	25.84
Aydın Doğan Foundation	460,141	0.46
Publicly Held	73,701,993	73.70
<b>Total</b>	<b>100,000,000</b>	<b>100.00</b>

**11.3.** To the Company's knowledge, shareholders did not make any voting agreements in 2007 for the purpose of achieving control of Company management.

## 12. PUBLIC DISCLOSURE OF PERSONS PRIVY TO INSIDER TRADING INFORMATION

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

Aydın Doğan	Chairperson
Hanzade V. Doğan Boyner	Deputy Chairperson
Mehmet Ali Yalçındağ	Vice-Chairperson
Vural Akışık	Board Member
Soner Gedik	Board Member/Audit Committee Member
Barbaros Hayrettin Çağa	Board Member/Audit Committee Member
Hüseyin Faik Açıkalin	Chief Executive Officer
Sedat Ergin	Board Member/Executive Committee Member
Bilen Böke	Chief Financial Officer/Executive Committee Member
Asil Alptekin	Director of Financial Affairs
Murat Doğu	Doğan Yayın Holding/Coordinator
D. Ali Yılmaz	Doğan Yayın Holding/ Coordinator
Mehmet Yörük	Doğan Yayın Holding/ Coordinator
Polat Pazvant	Doğan Yayın Holding/Coordinator
Erem Turgut Yücel	Doğan Yayın Holding/ Coordinator
Alpay Güler	Doğan Yayın Holding/ Coordinator
Hüseyin Avni Süleymanoğlu	Accounting Manager
Sibel Tüğen Akşit	Financial Control Manager
Niyazi Alkaya	Financing Manager
Semra Mandal	Budget and Financial Reporting Manager
Niyazi Hancı	Assistant Accounting Manager
Selma Sulakçı	Accounting Supervisor
Gökhan Yüksel	Independent Auditor
Burak Yavuzbalkan	Independent Auditor
Doruk Örs	Independent Auditor
Memduh Coşkuner	Certified Public Accountant
Bayram Ali Karakan	Certified Public Accountant
Mustafa İbişaoğlu	Certified Public Accountant
Yeter Kaya	Secretariat

# DOĞAN GAZETECİLİK A.Ş.

## CORPORATE GOVERNANCE COMPLIANCE REPORT

### SECTION III-STAKEHOLDERS

To ensure the consistent and effective management of relationships with shareholders and investors, the capital market activities and corporate governance applications of the public companies within the Doğan Media Group (DMG), of which the Company is a part, are coordinated by DYH. Because of the Company's operations in the media sector and the importance of advertising revenue in its total revenue, advertisers are another significant stakeholder group. DYH has a separate coordinating unit that guides DMG companies in their practices and devises policies for the Group.

### 13. ANNOUNCEMENTS TO STAKEHOLDERS

**13.1.** Readers report their complaints and requests to the Company's Call Center. The complaints and requests reaching the call center are reported to the appropriate promotion, distribution, editorial and other departments and an effort is made to answer all complaints. In addition, a reply is given as well to requests and complaints sent in by post or e-mail. The newspaper's "Readers' Representation" column also publishes letters from readers. Regular meetings with advertisers are held at Company headquarters or at external venues, to hear their demands and reach mutual solutions. Any information received from the above-listed stakeholders is evaluated at the regular Board of Directors meetings and solution proposals and policies are developed on a continuous basis.

### 14. HUMAN RESOURCES POLICY

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

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

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

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

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

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

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

## 15. RELATIONS WITH CUSTOMERS AND SUPPLIERS

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

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

The newspapers and supplements are printed at Doğan Printing Centers in Istanbul, Ankara, İzmir, Adana, Antalya and Trabzon belonging to the DMG company Hürriyet Gazetecilik ve Matbaacılık A.Ş. .

Magazines are printed at the facilities of the Group Company Doğan Ofset A.Ş.

Nationwide distribution is handled by Doğan Dağıtım A.Ş.

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

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

## 16. SOCIAL RESPONSIBILITY

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

## SECTION IV-BOARD OF DIRECTORS

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

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

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

17.1.2. There are no independent members in the Board of Directors. There are continuing efforts to incorporate independent members into the Board of Directors, fulfilling the criteria outlined in the principles of the Capital Markets Board.

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

Name	Position on the Board of Directors	Executive/ Non-executive
Aydın Doğan	Chairperson	Non-executive
Hanzade V. Doğan Boyner	Deputy Chairperson	Executive (Until October 17, 2007.)
Mehmet Ali Yalçındağ	Vice-Chairperson	Non-executive
Ahmet Vural Akışık	Board Member	Non-executive
Soner Gedik	Board Member	Non-executive
Barbaros Hayrettin Çağa	Board Member	Non-executive
Sedat Ergin	Board Member	Executive

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

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

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

## DOĞAN GAZETECİLİK A.Ş. CORPORATE GOVERNANCE COMPLIANCE REPORT

### 18. QUALIFICATIONS OF THE BOARD MEMBERS

**18.1.** The Board of Directors is structured to ensure maximum efficiency and effectiveness. While there is compliance with the stipulations of the Principles, this matter has not as yet been included in the Articles of Association.

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

### 19. MISSION, VISION AND STRATEGIC GOALS OF THE COMPANY

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

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

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

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

### 20. RISK MANAGEMENT AND INTERNAL CONTROL MECHANISMS

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

The Company's financial and operational internal control risks are separately determined and reported by the DYH Internal Audit Department.

### 21. POWERS AND DUTIES OF BOARD MEMBERS AND EXECUTIVES

The General Meeting of Shareholders may change Board Members at any time it is deemed to be necessary.

The Members of the Board of Directors are elected to the Board for a maximum of three years. Unless the decision of the General Meeting of Shareholders specifically states the term of office, the election shall be assumed to have been conducted for one year.

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

The powers and duties of the Board of Directors are clearly defined in the Company Articles of Association in a way that is consistent with the Board's functions and that does not leave room for doubt. These powers and duties are distinguished from those of the General Meeting. Duties have been divided among the Members of the Board. According to the Company Articles of Association, the following business and procedures must be carried out by decision of the Board of Directors:

- Determining which persons will be authorized to sign on behalf of the Company and their range of authority,
- Determining those persons who will engage in work within the scope of Article 4 of the Articles of Association and establishing the related timeframe and conditions,
- The Purchase and sale of immovables and any kind of disposition thereof,
- Determining the annual business program, budget and staff and any changes that may be made in these items,
- Drawing up a balance sheet, income statement and operations report,
- Other business and procedures that by law necessitate a resolution by the Board of Directors.

## 22. ACTIVITIES OF THE BOARD OF DIRECTORS

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

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

**22.3.** In 2007, 21 Board Meetings were held and the decisions taken at these meetings were resolved by unanimous vote of the members present; no dissenting votes were cast.

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

22.4.1. As a principle, the Board of Directors meets every month and whenever Company business requires.

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

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

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

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

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

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

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

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

Members of the Executive Committee	Position
Hanzade V. Doğan Boyner	CEO (January 1, 2007 - October 17, 2007)
Hüseyin Faik Açıkalın	CEO (As from October 17, 2007)
Sedat Ergin	Member-Milliyet Editor-in-Chief
Bilen Böke	Member-Chief Financial Officer
Viktoria Habif	Member-Milliyet, Radikal, Fanatik Chief Advertising Officer
Münir Cankurtaran	Member-Chief Operations Officer
Tijen Mergen	Member-Marketing, Chief Marketing Officer
Neslihan Tokcan	Member-Posta Chief Advertising Officer

## DOĞAN GAZETECİLİK A.Ş. CORPORATE GOVERNANCE COMPLIANCE REPROT

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

At the Ordinary General Meeting of Shareholders held in 2007, the General Meeting gave Members of the Board of Directors authority to engage in business and compete with the Company.

On the other hand, none of the Board Members and executives nor any of the controlling shareholders or persons with privileged access to information engaged in any kind of business on their own behalf in 2007 in fields of activity that would fall within the Company's scope of operations.

### 24. CODE OF ETHICS

The Handbook of Milliyet newspaper and the Fundamental Philosophies of Milliyet, Posta, Radikal and Fanatik newspapers are published on the website (kurumsal.milliyet.com.tr).

The Company complies with the Publication and Broadcasting Principles defined by DYH and disclosed to the public. In addition to these principles, a Code of Conduct applicable to all DMG employees has been drawn up and announced to the public. These texts are available on the DYH website.

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

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

**25.2.** Information about the Audit Committee can be found below:

In accordance with Capital Markets Legislation, a Committee Responsible for Auditing has been formed within the Company to supervise and scrutinize the effectiveness of the Company's accounting system, the disclosures of financial information to the public, the operation of the independent auditing and the shareholding internal control systems, the selection of an independent auditor and the coordination of independent auditing. Board Members Soner Gedik and Barbaros Hayrettin Çağa served on this Committee in 2007.

25.2.1. Information about Committee members can be found below:

Name	Title	Description
Soner Gedik	Member	Board Member/Non-executive
Barbaros H. Çağa	Member	Board Member/Non-executive

25.2.2. Members of the Audit Committee are not independent Board members. However, as they do not hold executive duties, this does not violate Capital Market legislation.

### 26. REMUNERATION OF THE BOARD OF DIRECTORS

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

At the Ordinary General Meeting of Shareholders held on May 9, 2007, it was unanimously decided that the Chairperson of the Board would be paid a monthly net fee of NTL 6,000, the Vice-Chairperson NTL 5,000 and each of the Board Members NTL 4,000.



## DOĞAN GAZETECİLİK A.Ş. DIVIDEND DISTRIBUTION TABLE FOR (YEAR)....

1	Issued Capital	100,000,000	
2	Total Legal Reserves (According to Legal Records)	191,878	
	Information about preferred stock, if any, in dividend distribution according to the Articles of Association	None	
		<b>SPK (IFRS)</b>	<b>Legal Records</b>
3	Period Profit	11,117,811	12,739,324
4	Taxes to be paid (-)	2,284,711	2,637,933
5	Net Period Profit	8,833,100	10,101,391
6	Loss for previous years (-)	0	34,656
7	Series I Legal Reserves (-)	503,337	503,337
8	Distributable Profit for which a Decision for Distribution has not been taken by the subsidiary included in Consolidation (*) (-)	275,694	
9	Net Distributable Period Profit	8,054,069	9,563,398
10	Donations Made during the Year (+)	500,000	
11	Net Distributable Period Profit including Donations from which Series I Dividends will be Calculated	8,554,069	
12	First Dividend to Shareholders	5,000,000	
		Cash	
		Bonus shares	5,000,000
		Total	5,000,000
13	Dividends Distributed to Shareholders with Preferred Stock	0	
14	Dividends to Board Members, Employees, etc.	0	
15	Dividends Distributed to Shareholders with Redeemed Shares	0	
16	Second Dividend to Shareholders	0	
17	Series II Legal Reserve	0	
18	Statutory Reserves	0	0
19	Special Reserves	0	0
20	Extraordinary Reserves	3,329,763	4,563,398
21	Other Resources Deemed to be Distributed	0	0
		Profit of Previous Year	0
		Extraordinary Reserves	0
		Other Distributable Reserves Permitted by Law and Articles of Association	0

(\*) The concept of subsidiary has been used to include the subsidiary of the main shareholding, the affiliate and partnerships subject to joint management.

### DIVIDEND INFORMATION PER SHARE

GROUP	TOTAL AMOUNT OF DIVIDEND (NTL)	DIVIDEND CORRESPONDING TO ONE SHARE OF A NOMINAL VALUE OF NTL 1	
		AMOUNT (NTL)	RATIO (%)
GROSS	5,000,000	0.050	5.00
NET	5,000,000	0.050	5.00
RATIO OF DISTRIBUTED PROFIT TO NET DISTRIBUTABLE PERIOD PROFIT INCLUDING DONATIONS		5,000,000	0.58
RATIO OF DIVIDENDS DISTRIBUTED TO SHAREHOLDERS TO NET DISTRIBUTABLE PERIOD PROFIT INCLUDING DONATIONS (%)			
AMOUNT OF DIVIDENDS DISTRIBUTED TO SHAREHOLDERS (NTL)		5,000,000	0.58

The Board of Directors has revised the dividend distribution proposal it had disclosed to the public in the ISE Daily Bulletin dated April 10, 2008.

## DOĞAN GAZETECİLİK A.Ş. DIVIDEND DISTRIBUTION POLICY

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

Accordingly,

- 1- In principle, at least 50% of “net distributable period profit” calculated on the basis of financial statements prepared in accordance with capital markets legislation and International Accounting and Reporting Standards is to be distributed,
- 2- Should it be desired that 50-100% of the calculated net distributable period profit be distributed, in the determining of dividend distribution rates, the Company's financial structure and budget shall be taken into consideration.
- 3- The proposal for dividend distribution shall be disclosed to the public within the legally required timeframe and in principle, following the conclusion of the Ordinary General Meetings of the companies and subsidiaries included in the consolidated financial statements.
- 4- The contribution to “net period profit” of affiliates, enterprises subject to joint management and subsidiaries that have been included in the consolidated financial tables but whose General Meetings have not taken a dividend distribution decision, all appearing in the “net period profit” in consolidated financial tables, shall be considered an item for deduction in the calculation of “net distributable period profit.”
- 5- If the “net distributable period profit” calculated according to the financial tables prepared according to the Turkish Commercial Code and Tax Laws is:
  - a. less than the amount calculated according to paragraph 1, then the net distributable period profit calculated according to the financial tables prepared according to paragraph 6 of this article shall be taken into consideration and fully distributed,
  - b. higher, the second paragraph shall apply.
- 6- If net distributable period profit does not materialize according to the financial tables prepared within the scope of the Turkish Commercial Code and Tax Laws, profit shall not be distributed even though, “net distributable period profit” has been calculated in the financial tables prepared according to Capital Markets Legislation and in keeping with the IFRS.
- 7- Profit distribution may not take place in the event that the calculated “net distributable period profit is less than 5% of issued capital.
- 8- Investments designed to increase Company value that require fund output, matters that affect the Company's financial structure, market conditions, uncertainties in the economy and the existence of adverse developments are all taken into consideration in the distribution of dividends.

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

Date of Meeting : March 27, 2008  
 Meeting No. : 2008/05  
 Attending : Hanzade V. DOĞAN BOYNER (Deputy Chairperson)  
 Mehmet Ali YALÇINDAĞ (Vice-Chairperson)  
 Ahmet Vural AKIŞIK (Member)  
 Soner GEDİK (Member)  
 Barbaros Hayrettin ÇAĞA (Member)  
 Sedat ERGİN (Member)

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

In line with the recommendations for revision of our Audit Committee, the consolidated financial table and footnotes for the accounting period January 1, 2007 - December 31, 2007, duly inspected by independent auditors, which have been presented with positive acknowledgement to our Board, prepared in accordance with the provisions of SPK Communiqué Series XI, No. 25 and in keeping with International Financial Reporting Standards and which have been presented in the form specified in the SPK Decision dated December 10, 2004, No. 1604, are to be accepted and presented to the General Meeting of Shareholders for approval.

Hanzade V. DOĞAN BOYNER  
(Deputy Chairperson)



Mehmet Ali YALÇINDAĞ  
(Vice-Chairperson)



Ahmet Vural AKIŞIK  
(Member)



Soner GEDİK  
(Member)



Barbaros Hayrettin ÇAĞA  
(Member)



Sedat ERGİN  
(Member)



**JANUARY 1, 2007 - DECEMBER 31, 2007****STATEMENT OF APPROVAL OF THE FINANCIAL STATEMENTS  
AND FOOTNOTES FOR THE ACCOUNTING PERIOD**

We have studied the consolidated financial statements and footnotes of Doğan Gazetecilik A.Ş. for the accounting period January 1, 2007 - December 31, 2007, duly inspected by independent auditors, prepared in accordance with the SPK's Communiqué Series XI, No 25 and in keeping with International Financial Reporting Standards and presented in the form specified by Decision No. 1604 of the SPK, dated December 10, 2004. We hereby declare that:

- in so far as our duties and responsibilities are concerned and within the framework of the information known to us, the documents in question do not contain any misrepresentation of the facts or any deficiency that may be construed as misleading information as from the date of their disclosure;
- within the framework of the information known to us, the financial statements and other information disclosed in the report concerning the period covered by said report correctly reflect the financial condition and operational results of the Company.

H. Avni SÜLEYMANOĞLU  
Accounting Manager

Asil ALPTEKİN  
Director of Financial Affairs

Bilen BÖKE  
Chief Financial Officer

H. Faik AÇIKALIN  
Chief Executive Officer

## AUDIT REPORT

**DOĞAN GAZETECİLİK A.Ş.**  
**TO THE GENERAL ASSEMBLY,**

Having completed the auditing of the Company for the Accounting Year 2007, we hereby declare that:

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

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



Erdem Seçkin  
Auditor



Erem Turgut Yücel  
Auditor

## DOĞAN GAZETECİLİK A.Ş.

### AUDIT COMMITTEE RESOLUTION

DATE : March 27, 2008

SUBJECT : Disclosure of Financial Statements for the Accounting Period January 1 - December 31, 2007.

We have studied the consolidated financial statements and footnotes of the Company for the accounting period January 1, 2007 - December 31, 2007, prepared in accordance with the SPK's Communiqué Series XI, No. 25 and in keeping with International Financial Reporting Standards and presented in the form specified by Decision No. 1604 of the SPK, dated December 10, 2004 and have received the comments of the executives responsible for the preparation of said financial statements.

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



Barbaros Hayrettin Çağa  
Audit Committee Member



Soner Gedik  
Audit Committee Member

**DOĐAN GAZETECİLİK A.Ő.**

**CONVENIENCE TRANSLATION INTO ENGLISH OF  
CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2007  
TOGETHER WITH INDEPENDENT AUDITOR'S REPORT  
(ORIGINALLY ISSUED IN TURKISH)**





Başaran Nas Bağımsız Denetim ve  
Serbest Muhasebeci Mali Müşavirlik A.Ş.  
a member of  
PricewaterhouseCoopers  
BJK Plaza, Süleyman Seba Caddesi  
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CONVENIENCE TRANSLATION INTO ENGLISH OF  
INDEPENDENT AUDITOR'S REPORT  
ORIGINALLY ISSUED IN TURKISH

INDEPENDENT AUDITOR'S REPORT

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

1. We have audited the accompanying consolidated financial statements of Doğan Gazetecilik A.Ş., its subsidiaries and its joint-venture (the "Group") which comprise the consolidated balance sheet as of 31 December 2007 and the consolidated statement of income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

**Management's responsibility for the financial statements**

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

**Auditor's responsibility**

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

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

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

**Opinion**

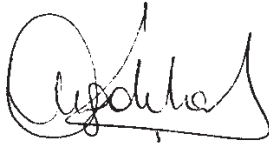
4. In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Doğan Gazetecilik A.Ş. as of 31 December 2007, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the financial reporting standards issued by the CMB (Note 2).

**Additional paragraph for convenience translation into English**

5. The financial reporting standards described in Note 2 (defined as "CMB Accounting Standards") to the consolidated financial statements differ from International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board with respect to the application of inflation accounting and presentation of primary financial statements and the notes to them. Accordingly, the accompanying consolidated financial statements are not intended to present the consolidated financial position, consolidated financial performance and consolidated cash flows in accordance with IFRS.

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

ORIGINALLY SIGNED  
IN TURKISH



Gökhan Yüksel, SMMM  
Partner

Istanbul, 27 March 2008

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

**DOĞAN GAZETECİLİK A.Ş.**

**CONSOLIDATED BALANCE SHEETS**

**AT 31 DECEMBER 2007 AND 2006**

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

	Notes	31 December 2007	31 December 2006
<b>ASSETS</b>			
<b>Current assets</b>		<b>184,049,942</b>	<b>66,707,133</b>
Cash and cash equivalents	4	106,333,707	3,339,411
Marketable securities, net	5	-	-
Trade receivables, net	7	57,577,792	48,493,656
Finance lease receivables, net	8	-	-
Due from related parties, net	9	7,328,974	4,156,530
Other receivables, net	10	2,822,553	2,934,338
Biological assets, net	11	-	-
Inventories, net	12	5,920,228	5,540,704
Construction contract receivables, net	13	-	-
Deferred tax assets	14	1,254,071	845,896
Other current assets	15	2,812,617	1,396,598
<b>Non-current assets</b>		<b>95,518,436</b>	<b>98,187,064</b>
Trade receivables, net	7	-	-
Finance lease receivables, net	8	-	-
Due from related parties, net	9	-	-
Other receivables, net	10	58,930	50,644
Financial assets, net	16	134,636	135,138
Positive/negative goodwill, net	17	60,428,513	60,428,513
Investment properties, net	18	646,280	699,560
Property, plant and equipment, net	19	31,947,488	34,550,705
Intangible assets, net	20	895,383	904,830
Deferred tax assets	14	1,407,206	1,417,674
Other non-current assets	15	-	-
<b>Total assets</b>		<b>279,568,378</b>	<b>164,894,197</b>

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

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

**DOĞAN GAZETECİLİK A.Ş.**

**CONSOLIDATED BALANCE SHEETS**

**AT 31 DECEMBER 2007 AND 2006**

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

	Notes	31 December 2007	31 December 2006
<b>LIABILITIES</b>			
<b>Current liabilities</b>		<b>34,025,781</b>	<b>29,590,250</b>
Financial liabilities, net	6	-	-
Short-term portion of long-term financial liabilities, net	6	2,354,388	2,891,847
Financial lease liabilities, net	8	-	-
Other financial liabilities, net	10	-	-
Trade payables, net	7	5,484,169	3,838,504
Due to related parties, net	9	15,578,435	16,325,572
Advances received	21	-	-
Construction progress billings	13	-	-
Provisions	23	1,471,272	1,807,999
Deferred tax liabilities	14	-	-
Other current liabilities (net)	15	-	-
Other liabilities, net	10	9,137,517	4,726,328
<b>Non-current liabilities</b>		<b>3,697,931</b>	<b>6,510,587</b>
Financial liabilities, net	6	-	2,811,200
Financial lease liabilities, net	8	-	-
Other financial liabilities, net	10	-	-
Trade payables, net	7	-	-
Due to related parties, net		-	-
Advances received	21	-	-
Provisions	23	3,697,931	3,699,387
Deferred tax liabilities	14	-	-
Other non-current liabilities, net	10	-	-
<b>MINORITY INTERESTS</b>	<b>24</b>	<b>228,265</b>	<b>226,472</b>
<b>SHAREHOLDERS' EQUITY</b>		<b>241,616,401</b>	<b>128,566,888</b>
Share capital	25	100,000,000	78,000,000
Adjustment to share capital of affiliates	25	-	-
Capital reserves	26	127,970,057	45,910,057
Share premium		82,060,000	-
Revaluation funds		-	-
Revaluation funds of financial assets		-	-
Inflation adjustment to shareholders' equity		45,910,057	45,910,057
Profit reserves	27	3,907,475	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		69,911	(86,502)
Net income/(loss) for the year		8,833,100	(1,006,192)
Retained earnings/(Accumulated deficit)	28	905,769	1,911,961
<b>Total shareholders' equity and liabilities</b>		<b>279,568,378</b>	<b>164,894,197</b>
Commitments and contingent liabilities	31		

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

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

**DOĞAN GAZETECİLİK A.Ş.**

**CONSOLIDATED STATEMENTS OF INCOME**

**FOR THE YEARS ENDED 31 DECEMBER 2007 AND 2006**

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

	Notes	1 January- 31 December 2007	1 January- 31 December 2006
Revenues (net)	36	296,896,407	281,235,129
Cost of revenues (-)	36	(181,686,058)	(187,674,066)
Revenues from services	36	-	-
Other operating income (net)	36	-	-
<b>Gross operating profit (loss)</b>		<b>115,210,349</b>	<b>93,561,063</b>
Operating expenses (-)	37	(107,362,349)	(96,397,735)
<b>Net operating profit/(loss)</b>		<b>7,848,000</b>	<b>(2,836,672)</b>
Other operating income	38	13,494,823	8,270,903
Other operating expenses (-)	38	(8,405,041)	(3,835,742)
Financial expenses (-)	39	(1,818,178)	(1,180,344)
<b>Operating income</b>		<b>11,119,604</b>	<b>418,145</b>
Gain/(loss) on net monetary position	40	-	-
<b>Income/(loss) before minority interest</b>	<b>24</b>	<b>(1,793)</b>	<b>78,457</b>
<b>Income/(loss) before taxation on income</b>		<b>11,117,811</b>	<b>496,602</b>
Taxation on income	41	(2,284,711)	(1,502,794)
<b>Taxation on income</b>		<b>8,833,100</b>	<b>(1,006,192)</b>
Earnings/(loss) per share (YKr)		10.1	(1.3)

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

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

**DOĞAN GAZETECİLİK A.Ş.**

**CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY  
FOR THE YEARS ENDED 31 DECEMBER 2007 AND 2006**

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

	Share capital	Share premium	Inflation adjustment to shareholder's Equity	Translation reserves	Legal reserves	Extraor- dinary reserves	Net profit/(loss) for the year	Retained earnings/ (accumulated deficit)	Total shareholder's equity
Balances at 1 January 2006	78,000,000	-	45,910,057	286,834	-	-	6,727,508	(977,983)	129,946,416
Cumulative translation differences	-	-	-	(373,336)	-	-	-	-	(373,336)
Net loss for the year	-	-	-	-	-	-	(1,006,192)	-	(1,006,192)
Transfers	-	-	-	-	191,878	3,645,686	(6,727,508)	2,889,944	-
<b>Balances at 31 December 2006</b>	<b>78,000,000</b>	<b>-</b>	<b>45,910,057</b>	<b>(86,502)</b>	<b>191,878</b>	<b>3,645,686</b>	<b>(1,006,192)</b>	<b>1,911,961</b>	<b>128,566,888</b>
Capital increase	22,000,000	-	-	-	-	-	-	-	22,000,000
Share premium	-	82,060,000	-	-	-	-	-	-	82,060,000
Cumulative translation differences	-	-	-	156,413	-	-	-	-	156,413
Net income for the year	-	-	-	-	-	-	8,833,100	-	8,833,100
Transfers	-	-	-	-	-	-	1,006,192	(1,006,192)	-
<b>Balances at 31 December 2007</b>	<b>100,000,000</b>	<b>82,060,000</b>	<b>45,910,057</b>	<b>69,911</b>	<b>191,878</b>	<b>3,645,686</b>	<b>8,833,100</b>	<b>905,769</b>	<b>241,616,401</b>

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

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

**DOĞAN GAZETECİLİK A.Ş.**

**STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED**

**31 DECEMBER 2007 AND 2006**

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

	Notes	31 December 2007	31 December 2006
Net profit/(loss)		8,833,100	(1,006,192)
<b>Adjustments:</b>			
Depreciation	18,19	3,668,903	4,280,875
Amortisation	20	500,422	557,302
Net profit/ (loss) on disposal of property, plant and equipment, intangible assets and investment property		(224,973)	(171,579)
Deferred financial income	7	593,961	648,219
Unearned credit finance charged to related parties	9	(183,232)	(186,745)
Minority interest	24	1,793	(78,457)
Interest expenses	39	348,121	400,251
Interest income	38	(1,937,927)	(454,509)
Doubtful receivable provision	7	1,368,089	674,706
İzin karşılığı	10	379,735	-
Employment termination benefit provision	23	1,876,619	470,894
Currency translation differences		158,460	(377,985)
Tax expense/ (income)	41	2,284,711	1,502,794
<b>Adjustments to reconcile net income to net cash from operating activities</b>		<b>17,667,782</b>	<b>6,259,574</b>
Trade receivables		(11,046,186)	(3,833,052)
Receivables from related parties		(3,172,444)	(563,116)
Inventory		(379,524)	(776,221)
Other current assets		(535,192)	2,952,220
Trade payables		1,645,665	110,541
Payable to related parties		(563,905)	3,228,970
Other short-term debts		1,012,309	(798,651)
Other fixed assets		(8,286)	2,029
Employment termination benefits paid	23	(1,878,075)	(208,560)
<b>Net cash provided from operating activities</b>		<b>2,742,144</b>	<b>6,373,734</b>
<b>Investing activities:</b>			
Available for sale financial asset sale/(purchase)		502	(502)
Net tangible fixed asset purchase	19	(1,970,534)	(1,935,680)
Net intangible fixed asset purchase	20	(490,975)	(422,110)
Net profit/ (loss) on disposal of property, plant and equipment, intangible assets and investment property		1,181,054	314,825
<b>Net cash outflow from investing activities</b>		<b>(1,279,953)</b>	<b>(2,043,467)</b>
<b>Financing activities:</b>			
Decrease in bank credits		(3,373,647)	(2,502,783)
Capital increase		22,000,000	-
Share premium increase		82,060,000	-
Interest paid		(323,133)	(319,604)
Interest received		1,168,885	452,423
<b>Net cash provided from financing activities</b>		<b>101,532,105</b>	<b>(2,369,964)</b>
Net increase in the cash and cash equivalents		102,994,296	1,960,303
Cash and cash equivalents at the beginning of period	4	3,339,411	1,379,108
<b>Cash and cash equivalents at the end of period</b>	<b>4</b>	<b>106,333,707</b>	<b>3,339,411</b>

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

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

**DOĞAN GAZETECİLİK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
AT 31 DECEMBER 2007 AND 2006**

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

**NOTE 1-ORGANIZATION 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. The shares of the Company quoted on the ISE are 41.39% of the total shares. 22% of these shares have been sold to Deutsche Bank AG (Note 25).

The information regarding the “Subsidiaries” and the “Joint Venture” of the Company has been presented in Note 2 to the consolidated financial statements.

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

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

**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.

These consolidated financial statements and the related notes have been prepared in accordance with the alternative application defined by the CMB mentioned above and formats required by the CMB.

The consolidated financial statements are prepared in New Turkish Lira (“YTL”) based on the historical cost conversion except for the financial assets and liabilities which are expressed with their fair values. The Company, its Subsidiaries and Joint Venture incorporated in Turkey maintain their books of account and prepare their statutory financial statements in New Turkish Lira in accordance with the requirements of the Turkish Commercial Code (the “TCC”), tax legislation and the Uniform Chart of Accounts issued by the Ministry of Finance.

**2.2 Financial statements of foreign Subsidiaries**

The financial statements of Subsidiaries that operate in foreign countries are prepared according to the regulations of the countries where they operate and the necessary adjustments and reclassifications have been reflected in order to comply with basis of presentation that are explained in Note 2. The assets and liabilities of foreign Subsidiaries are translated into YTL using the relevant foreign exchange rates prevailing at the balance sheet date. The results of the foreign Subsidiaries are translated into YTL using average exchange rate for the period and are restated by applying the relevant conversion factors and are expressed as YTL at the purchasing power of the balance sheet date (for 31 December 2004). Exchange differences arising on translation of the opening net assets of foreign Subsidiaries and arising from using closing and average exchange rates are included in the shareholders’ equity as cumulative translation adjustment.

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

**DOĞAN GAZETECİLİK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**AT 31 DECEMBER 2007 AND 2006**

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

**2.3 Consolidation principles**

The consolidated financial statements include the accounts of the parent company, Doğan Gazetecilik A.Ş. and its Subsidiaries and Joint Venture (collectively referred to as the “Group”) on the basis set out in sections (a)-(d) 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.

**(a) Subsidiaries**

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 results of Subsidiaries are included to the consolidated financial statements from their effective dates of acquisition.

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.

The table below sets out all Subsidiaries included in the scope of consolidation and shows their shareholding structure at 31 December 2007 and 2006:

	Proportion of the voting power held by the Company 31 December 2007	Proportion of the voting power held by the Company 31 December 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.

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

Financial assets at fair value through profit and loss in which the Group has controlling interests below 20%, or above 20% over which the Company does not exercise a significant influence, or which are immaterial and that do not have quoted market price in active markets and whose fair values cannot be measured reliably, are carried at cost less any provision for diminution in value and for the periods which inflation accounting is applied are carried at cost and restated to the equivalent purchasing power at the balance sheet date less any provision for diminution in value (Note 16).

**(c) Joint Ventures**

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



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

**DOĞAN GAZETECİLİK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
AT 31 DECEMBER 2007 AND 2006**

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

The table below sets out the Joint Ventures included in the scope of consolidation and shows their shareholding structures at 31 December 2007 and 2006:

	Proportion of joint management 31 December 2007	Proportion of joint management 31 December 2006	Venturer
Birey Seçme ve Değerlendirme Danışmanlık Ltd. Şti (*)	50	50	Doğan Portal ve Elektronik Tic. A.Ş.

(\*) Joint venture has been purchased in 2006.

*(d) Minority interest*

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

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

**2.4 Approval of the consolidated financial statement**

The consolidated financial statements as of 31 December 2007 have been approved by the Board of directors on 27 March 2008.

**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. In this context, YTL 1,529,995 has been reclassified to inventories from due from related parties and YTL 1,775,415 has been reclassified to cost of sales from sales.

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

**2.6 Significant accounting estimates and decisions**

Preparation of financial statements requires the use of estimates and assumptions that may affect the amount of assets and liabilities recognised as of the balance sheet date, contingent assets and liabilities disclosed and the amount of revenue and expenses reported. Although, these estimates and assumptions rely on the Group management's best knowledge about current events and transactions, actual outcomes may vary from those estimates and assumptions.

**2.7 Convenience translation into English of consolidated financial statements originally issued in Turkish**

The financial reporting standards described in Note 2 (defined as "CMB Accounting Standards") to the consolidated financial statements differ from International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board with respect to the application of inflation accounting and presentation of primary financial statements and the notes to them. Accordingly, the accompanying consolidated financial statements are not intended to present the consolidated financial position, consolidated financial performance and consolidated cash flows in accordance with IFRS.

**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 Şirketlere Grubu Holding A.Ş. ("Doğan Holding") and Doğan Yayın Holding A.Ş. ("Doğan Yayın") are considered and referred to as related parties (Note 9).

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**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 (Note 7).

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

If the 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.

**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.

**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 year 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).

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**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.

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

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

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

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

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

Repair and maintenance expenses are charged to the income statement as they are incurred. Repair and maintenance expenditures are capitalized if they result in an enlargement or substantial improvement of the respective assets (Note 19).

**3.8 Intangible assets, goodwill 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).

Goodwill and negative goodwill arising on consolidation, indicating the difference between the purchase price and the attributable share of the Group in the fair value of the underlying net assets of the company acquired, are capitalised and amortised using the straight-line method over the useful life until 31 December 2004, if the acquisition is before 31 March 2004. Within the framework of IFRS 3-“Business Combinations” amortisation accounting is not applied for goodwill related to acquisitions after 31 March 2004, and the carrying value of goodwill is reviewed and adjusted for permanent impairment where it is considered necessary. The carrying amount of negative goodwill related to the acquisition after 31 March 2004 is reviewed and accounted for as income in the related period. In accordance with IFRS 3, goodwill associated with transactions before 31 March 2004 is not amortised starting from the beginning of the first annual period beginning on or after 31 March 2004 (1 January 2005) and are reviewed for impairment annually (Note 17).

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**3.9 Taxes on income**

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

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

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

Deferred tax liabilities are recognised for all taxable temporary differences, where 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 accordingly.

**3.10 Bank borrowings**

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

**3.11 Employment termination benefits**

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

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

**3.14 Foreign currency transactions and translation**

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

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**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. Revenue arising through advertising is recognised at the time of publishing, at the invoiced values. Revenue from unpublished part of advertisements are recognized as deferred income in balance sheet. The amount of recorded income should be measurable, economic benefits should arise as a result of the transactions, and the income should be accounted for with respect to the fair value of the receivable income. If the sales transaction is including a financing transaction, the fair value of the sales amount should be calculated according to the receivables dates related to the sales. Net sales represent the invoiced value of goods shipped less sales returns 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 recognized as interest income on a time proportion basis that takes into account the effective yield on the asset. Newspaper sale returns are recorded at the time of sale, based on previous experience and other relevant factors. Sales premiums given to the customers based on the advertising revenue is accounted under "operating expenses".

**Interest income:**

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

**Rental income:**

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

**Service income:**

Service income consisting of building contribution shares, electricity, and heating is recognized 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).

**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).

In case of dividend payment, earning per share is determined on existing number of shares rather than the weighted average numbers 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**

The Group's activities expose it to a variety of financial risks including market risk (foreign currency risk, interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance of the Group.

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**Market Risk**

**Interest rate risk**

The Group is exposed to interest rate risk through the impact of rate changes on interest bearing liabilities (Note 6). These exposures are managed by using natural hedges that arise from offsetting interest rate sensitive assets and liabilities.

As mentioned in Note 6, amount of borrowings with a floating rate is YTL 2,354,388. If interest rate on borrowings had been 1% higher/lower with all other variables held constant, interest expense would have been YTL 47,361 (31 December 2006: YTL 61,552) higher/lower

**Foreign currency risk**

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

As explained in the Note 29, the Group's foreign currency denominated assets exceed foreign currency denominated liabilities by YTL65,468,668 as of 31 December 2007 (31 December 2006: foreign currency denominated liabilities exceed foreign currency denominated assets by YTL4,740,310). Accordingly, changes in foreign exchange rates affect the financial performance of the Group. Management follows up the foreign exchange risk by analysing the foreign currency position (Note 29).

At 31 December 2007, had the US Dollar appreciated/depreciated by 10% against YTL, with all other variables held constant, net income for the period would have been YTL 6,544,413 higher/lower (31 December 2006: YTL 474,030 higher/lower).

**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.

As of 31 December 2007 and 2006, borrowings of the Group are limited with the banks with high credit ratings. The Banks to which the Group owes as of 31 December 2007 and 2006 are as follows:

	31 December 2007	31 December 2006
Akbank T.A.Ş.	2,354,388	2,891,847
Abn Amro	-	2,811,200
<b>Total</b>	<b>2,354,388</b>	<b>5,703,047</b>

**Liquidity risk**

Prudent liquidity risk management includes maintaining sufficient cash and marketable securities, the availability of funding from an adequate amount of committed credit facilities and the ability to close out market positions.

The ability to fund the existing and prospective debt requirements is managed by maintaining the availability of adequate committed funding lines from high quality lenders.

At 31 December 2007, the Group does not have long term financial liabilities and long term trade payables. (31 December 2006: no long term trade payables, long term financial liabilities amounting to YTL 2,811,200) (Note 6).

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**Capital risk management**

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

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

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

**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**

Trading liabilities have been estimated at their fair values.

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

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

**3.20 Web page development costs**

The Groups capitalises direct costs incurred in the development of its websites and recognised over the estimated useful lives. The costs incurred that relate to the planning and post implementation phases are expensed. Costs associated with repair and maintenance of the website is included in operating expenses in the consolidated interim statements of operations (Note 20).

**3.21 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.

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**3.22 Changes and errors in accounting policies and estimates**

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

**3.23 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.

**3.24 Reporting of cash flows**

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

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

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

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

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



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**NOTE 4-CASH AND CASH EQUIVALENTS**

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

	31 December 2007	31 December 2006
Cash	69,144	89,179
Banks		
- demand deposits	3,484,200	1,734,127
- time deposits	102,767,966	1,516,037
Other liquid assets	12,397	68
	<b>106,333,707</b>	<b>3,339,411</b>

At 31 December 2006, interest rates for local currency time deposits are 16%-18.5% (31 December 2006: 17%-18%), and interest rate for USD denominated time deposits are 5%-5.6% (31 Aralık 2006: None). Days to maturity for the time deposits open as of 31 December 2007 and 31 December 2006 are less than 30 days.

At 31 December 2007, cash and cash equivalents amounting to YTL 9,318 (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 (%)		Orig		Final Balance YTL	
	2007	2006	2007	2006	2007	2006
Short-term portion of long-term bank borrowings:						
- USD	Libor+2.25	Libor+2.25	2,021,454	2,057,376	2,354,388	2,891,847
<b>Total short-term bank borrowings</b>					<b>2,354,388</b>	<b>2,891,847</b>
Long-term bank borrowings:						
- USD	Libor+1.9	Libor+1.9	-	2,000,000	-	2,811,200
<b>Total long-term bank borrowings</b>					<b>-</b>	<b>2,811,200</b>

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 less	2,354,388	5,703,047
	<b>2,354,388</b>	<b>5,703,047</b>

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

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

Year	31 December 2007	31 December 2006
2008	-	2.811.200

**NOTE 7-TRADE RECEIVABLES AND PAYABLES**

Trade receivables, net

	31 December 2007	31 December 2006
Trade receivables	64,816,315	54,647,998
Cheques and notes receivable	955,434	725,784
	<b>65,771,749</b>	<b>55,373,782</b>
Provision for doubtful receivables	(7,599,996)	(6,231,907)
Deferred financial income	(593,961)	(648,219)
<b>Trade receivables, net</b>	<b>57,577,792</b>	<b>48,493,656</b>

In accordance with the factoring contract signed with Doğan Factoring, trade receivable amounting to YTL 52,165,083 (31 December 2006: YTL 43,404,710) regarding advertisement revenues is followed by Doğan Factoring. Effective interest rate related with the receivables followed by Doğan Factoring is 14% (2006: 13%).

Aging analysis for trade receivables:

As of 31 December 2007, trade receivables of YTL 15,295,419 (2006: YTL 10,878,592) have not been collected at their due dates. The management has considered no collection risk for the receivables no provision booked for due to guarantees obtained from the regarding customers.

Aging of past due receivables as of 31 December 2007 and 31 December 2006 is as follows:

	31 December 2007	31 December 2006
Up to 3 months	13,496,006	8,980,519
3 to 6 months	1,309,360	1,559,842
More than 6 months	490,053	338,231
	<b>15,295,419</b>	<b>10,878,592</b>

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

	31 December 2007	31 December 2006
At 1 January	6,231,907	5,557,201
Provisions booked (Note 38)	1,494,671	855,080
Collections	(126,582)	(180,374)
<b>31 December</b>	<b>7,599,996</b>	<b>6,231,907</b>

Trade payables, net

	31 December 2007	31 December 2006
Short-term trade payables	5,109,432	3,595,117
Cheques and notes payable	196,346	41,520
Other payables	178,391	201,867
<b>Trade payables, net</b>	<b>5,484,169</b>	<b>3,838,504</b>

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**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:*

	31 December 2007	31 December 2006
Doğan Dağıtım Satış ve Pazarlama A.Ş. ("Doğan Dağıtım")	2,667,049	513,109
Medyanet İletişim Reklam Paz. Turizm A.Ş. ("Medyanet")	1,824,861	1,009,540
D Market Elektronik Hizm.Tic. A.Ş. ("D Market")	741,939	186,768
Doğan TV Holding A.Ş. ("Doğan TV")	616,819	6,551
Doğan Media International ("DMG")	395,246	634,903
Doğan Müzik Kitap Satış Pazarlama A.Ş. ("Doğan Müzik Kitap")	-	872,481
Doğan Kitapçılık A.Ş. ("Doğan Kitapçılık")	-	209,026
Birey Seçme ve Değerlendirme Danışmanlık Ltd. Şti ("Birey İK")	365,989	79,023
Other	717,071	645,129
	<b>7,328,974</b>	<b>4,156,530</b>

*b) Due to related parties:*

	31 December 2007	31 December 2006
Hürriyet Gazetecilik ve Matbaacılık A.Ş. ("Hürriyet")	6,725,545	8,019,407
Hürriyet Zweigniederlassung ("Hürriyet Zweigniederlassung")	3,067,743	2,876,395
Doğan Yayın Holding A.Ş. ("Yayın Holding")	1,804,139	1,675,054
Kanal D	1,551,425	282,646
Milta Turizm İşletmeleri A.Ş. ("Milta Turizm")	725,407	395,061
Işıl TV Yayıncılık Yapımcılık San. ve Tic. A.Ş. ("Star TV")	548,163	1,212,841
Doğan İletişim Telekomünikasyon Elektronik Servis Hizmetleri Turizm ve Yayıncılık A.Ş. ("Doğan Online")	326,880	879,976
Eko TV Televizyon Yayıncılık A.Ş. ("CNN Türk")	218,097	332,156
Doğan Ofset Yayıncılık ve Matbaacılık A.Ş. ("Doğan Ofset")	62,611	283,859
Other	731,657	554,922
	<b>15,761,667</b>	<b>16,512,317</b>

Less: Unearned credit finance charged to  
related parties

(183,232) (186,745)

**15,578,435** **16,325,572**

*c) Stock advances given to related parties*

	31 December 2007	31 December 2006
Işıl İthalat İhracat Mümessillik A.Ş. ("Işıl İthalat İhracat")	1,906,062	703,380
Doğan Dış Ticaret ve Mümessillik A.Ş. ("Doğan Dış Ticaret")	-	826,615
	<b>1,906,062</b>	<b>1,529,995</b>

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**ii) Related party transactions:**

*a) Service and product sales:*

	1 January- 31 December 2007	1 January- 31 December 2006
Doğan Dağıtım	105,998,622	116,089,484
Kanal D	4,266,392	6,001,825
Alp Görsel İletişim Hizmetleri A.Ş.	3,879,899	-
Star TV	2,413,366	2,962,211
DMG	2,377,121	2,555,820
Petrol Ofisi	1,708,779	2,843,432
Medyanet	1,424,892	2,772,643
Other	5,612,553	5,477,432
	<b>127,681,624</b>	<b>138,702,847</b>

*b) Service and product purchases:*

	1 January- 31 December 2007	1 January- 31 December 2006
İşıl İthalat İhracat	71,399,985	71,092,319
Doğan Dış Ticaret	29,557,231	36,469,162
Hürriyet	22,739,242	23,569,438
Other	12,825,492	12,429,950
	<b>136,521,950</b>	<b>143,560,869</b>

*c) Other transactions:*

**Other income**

	1 January- 31 December 2007	1 January- 31 December 2006
Kanal D	1,673,980	1,851,921
Other	359,510	223,776
	<b>2,033,490</b>	<b>2,075,697</b>

The Company has rented the part of building in which operates, to Kanal D for 7 years with a monthly rent of USD 106,530 beginning from 1 January 2003.

**Financial (expense)/income, net**

Doğan Factoring	(512,267)	(454,882)
Other	(27,858)	(261)
<b>Financial expenses:</b>	<b>(540,125)</b>	<b>(455,143)</b>

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General administrative, marketing and selling expenses

	1 January- 31 December 2007	1 January- 31 December 2006
Doğan Dağıtım	22,723,282	22,353,674
Kanal D	9,194,415	7,010,819
Yayın Holding	3,719,853	4,638,479
Star TV	3,303,921	3,570,581
Medyanet (*)	2,374,634	-
D Yapım	1,240,819	2,224,706
Hürriyet	730,555	271,007
Other	2,757,726	5,504,559
	<b>46,045,205</b>	<b>45,573,825</b>

(\*) Includes commission invoices issued by Medyanet related with internet advertisement sales.

Benefits provided to top management:

	1 January- 31 December 2007	1 January- 31 December 2006
Benefits provided to top management	2,334,248	1,956,439

**NOTE 10-OTHER RECEIVABLES AND PAYABLES**

Other current receivables, net

	31 December 2007	31 December 2006
Transferred VAT	1,262,189	584,266
Personnel advances	484,917	757,917
Receivables from personnel	481,365	638,470
Advances given	409,946	772,103
Prepaid taxes and funds	184,136	181,582
	<b>2,822,553</b>	<b>2,934,338</b>

Other non-current receivables, net

	31 December 2007	31 December 2006
Deposits and guarantees given	58,930	50,644
	<b>58,930</b>	<b>50,644</b>

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Other current liabilities, net

	31 December 2007	31 December 2006
Taxes and funds payable	4,822,348	3,274,670
Deferred income	1,714,938	604,182
Payables to personnel	1,107,463	727,750
Provisions for promotion stocks (*)	1,039,317	-
Unused vacation accrual	379,735	-
Other	73,716	119,726
	<b>9,137,517</b>	<b>4,726,328</b>

(\*) Provision booked regarding promotion campaigns launched by the Company in October and December 2007.

**NOTE 11-BIOLOGICAL ASSETS**

None (31 December 2006: None).

**NOTE 12-INVENTORIES**

	31 December 2007	31 December 2006
Promotion stocks	3,589,257	3,611,202
Advances given for the purchase of spare parts and raw material	1,906,062	1,529,995
Finished goods and merchandise	643,419	628,833
Raw materials and supplies	95,602	141,962
	<b>6,234,340</b>	<b>5,911,992</b>
Provision of impairment for inventories	(314,112)	(371,288)
	<b>5,920,228</b>	<b>5,540,704</b>

**NOTE 13-BALANCES RELATED TO CONSTRUCTION CONTRACTS**

None (31 December 2006: None).

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**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 (31 December 2006: 20%).

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

	Total Temporary differences		Deferred tax assets/(liabilities)	
	2007	2006	2007	2006
Inflation adjustment of tangible and intangible assets	3,384,784	3,652,814	676,957	730,563
Provision for employment termination benefits	3,697,931	3,699,387	739,586	739,878
Unearned financial income	593,961	648,219	118,792	129,644
Provision for lawsuits	813,880	914,339	162,776	182,868
Provision for promotion stocks	1,039,317	-	207,863	-
Provision of impairment for inventories	314,112	371,288	62,772	74,208
Provision for doubtful receivables	1,686,151	1,562,062	337,231	312,413
Deferred internet revenue	919,104	-	183,821	-
Unusued vacation accrual	379,735	-	75,946	-
Prepaid expenses	660,894	660,894	132,179	132,179
<b>Deferred tax assets</b>			<b>2,697,923</b>	<b>2,301,753</b>
Unearned financial expenses	(183,232)	(186,745)	(36,646)	(38,183)
<b>Deferred tax liabilities</b>			<b>(36,646)</b>	<b>(38,183)</b>
<b>Deferred tax assets, net</b>			<b>2,661,277</b>	<b>2,263,570</b>
<b>Deferred tax assets</b>			<b>31 December 2007</b>	<b>31 December 2006</b>
Long term			1,407,206	1,417,674
Short term			1,290,717	884,079
<b>Total</b>			<b>2,697,923</b>	<b>2,301,753</b>
<b>Deferred tax liabilities:</b>			<b>31 December 2007</b>	<b>31 December 2006</b>
Long term			-	-
Short term			36,646	38,183
<b>Total</b>			<b>36,646</b>	<b>38,183</b>

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

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The movement of deferred tax assets for the years ended December is as follows:

	2007	2006
1 January	2,263,570	3,432,590
Deferred tax income/(expense) (Note 4)	397,707	(1,169,020)
<b>31 December</b>	<b>2,661,277</b>	<b>2,263,570</b>

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

Other current assets

	31 December 2007	31 December 2006
Prepaid expenses	2,120,407	1,682,617
Income accruals	1,410,812	432,583
	<b>3,531,219</b>	<b>2,115,200</b>
Provision for diminishing in value	(718,602)	(718,602)
	<b>2,812,617</b>	<b>1,396,598</b>

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

**NOTE 16-FINANCIAL ASSETS**

	31 December 2007		31 December 2006	
	YTL	(%)	YTL	(%)
Milliyet İnternet	82,287	30.50	82,287	30.50
Doğan Haber	51,590	2.65	51,590	2.65
DMG International SA	-	0.01	502	0.01
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
Other (11 subsidiaries)	649,737		649,737	
	<b>784,373</b>		<b>784,875</b>	
Provision for impairment	(649,737)		(649,737)	
	<b>134,636</b>		<b>135,138</b>	

Since Milliyet İnternet, 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.



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**NOTE 17-POSITIVE/NEGATIVE GOODWILL**

	1 January 2007	Additions	Disposals	31 December 2007
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 31 December 2007, there is no impairment on goodwill.

**NOTE 18-INVESTMENT PROPERTIES**

	1 January 2007	Additions	Disposals	31 December 2007
Cost	1,507,585	-	-	1,507,585
Accumulated depreciation	(808,025)	(53,280)	-	(861,305)
<b>Net book value</b>	<b>699,560</b>			<b>646,280</b>

	1 January 2006	Additions	Disposals	31 December 2006
Cost	1,626,408	-	(118,823)	1,507,585
Accumulated depreciation	(859,705)	(53,676)	105,356	(808,025)
<b>Net book value</b>	<b>766,703</b>			<b>699,560</b>

Per report of independent valuer, fair value of the investment property is YTL 1,890,000.

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**NOTE 19-PROPERTY, PLANT AND EQUIPMENT**

	1 January 2007	Currency translation differences	Additions	Disposals	31 December 2007
<b>Cost</b>					
Land and land improvements	1,471,899	-	16,885	-	1,488,784
Buildings	40,116,475	-	509	-	40,116,984
Machinery and equipment	64,635,381	(6,092)	550,253	(43,090,782)	22,088,760
Motor vehicles	1,107,440	-	210,535	(217,528)	1,100,447
Furniture and fixtures	24,923,612	-	1,143,139	(18,056)	26,048,695
Special cost	879,337	-	49,213	-	928,550
	<b>133,134,144</b>	<b>(6,092)</b>	<b>1,970,534</b>	<b>(43,326,366)</b>	<b>91,772,220</b>
<b>Accumulated depreciation</b>					
Land and land improvements	1,264,879	-	30,560	-	1,295,439
Buildings	13,961,916	-	1,090,514	-	15,052,430
Machinery and equipment	62,153,020	(4,045)	461,430	(42,217,781)	20,392,624
Motor vehicles	473,586	-	158,089	(134,520)	497,155
Furniture and fixtures	19,874,180	-	1,859,081	(17,984)	21,715,277
Special cost	855,858	-	15,949	-	871,807
	<b>98,583,439</b>	<b>(4,045)</b>	<b>3,615,623</b>	<b>(42,370,285)</b>	<b>59,824,732</b>
<b>Net book value</b>	<b>34,550,705</b>				<b>31,947,488</b>

As of 31 December 2007, there are no collateral and mortgage on property, plant and equipment (31 December 2006: YTL 12,450,000).

YTL 1,236,770 (2006: YTL 1,725,362) of depreciation expense was included in production expenses and YTL 2,932,555 (2006: YTL 3,115,525) was included in operating expenses.

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	1 January 2006	Currency translation differences	Additions	Disposals	31 December 2006
<b>Cost</b>					
Land and land improvements	1,426,290	-	46,915	(1,306)	1,471,899
Buildings	40,066,475	-	50,000	-	40,116,475
Machinery and equipment	64,780,575	9,452	133,625	(288,271)	64,635,381
Motor vehicles	1,254,503	-	193,812	(340,875)	1,107,440
Furniture and fixtures	25,709,833	-	1,508,669	(2,294,890)	24,923,612
Special cost	876,678	-	2,659	-	879,337
	<b>134,114,354</b>	<b>9,452</b>	<b>1,935,680</b>	<b>(2,925,342)</b>	<b>133,134,144</b>
<b>Accumulated depreciation</b>					
Land and land improvements	1,211,857	-	53,022	-	1,264,879
Buildings	12,871,867	-	1,090,049	-	13,961,916
Machinery and equipment	61,454,343	4,803	975,652	(281,778)	62,153,020
Motor vehicles	528,275	-	166,350	(221,039)	473,586
Furniture and fixtures	20,269,061	-	1,897,865	(2,292,746)	19,874,180
Special cost	811,597	-	44,261	-	855,858
	<b>97,147,000</b>	<b>4,803</b>	<b>4,227,199</b>	<b>(2,795,563)</b>	<b>98,583,439</b>
<b>Net book value</b>	<b>36,967,354</b>				<b>34,550,705</b>

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**NOTE 20-INTANGIBLE ASSETS**

	1 January 2007	Additions	Disposals	31 December 2007
<b>Cost</b>				
Rights	2,825,423	383,593	-	3,209,016
Other	2,191,641	107,382	-	2,299,023
	<b>5,017,064</b>	<b>490,975</b>	<b>-</b>	<b>5,508,039</b>
<b>Accumulated amortisation</b>				
Rights	2,408,129	51,362	-	2,459,491
Other	1,704,105	449,060	-	2,153,165
	<b>4,112,234</b>	<b>500,422</b>	<b>-</b>	<b>4,612,656</b>
<b>Net book value</b>	<b>904,830</b>			<b>895,383</b>

	1 January 2006	Purchases(*)	Additions	Disposals	31 December 2006
<b>Cost</b>					
Rights	2,448,009	141,792	235,622	-	2,825,423
Other	2,146,945	-	44,696	-	2,191,641
	<b>4,594,954</b>	<b>141,792</b>	<b>280,318</b>	<b>-</b>	<b>5,017,064</b>
<b>Accumulated amortisation</b>					
Rights	2,387,721	2,710	17,698	-	2,408,129
Other	1,164,501	-	539,604	-	1,704,105
	<b>3,552,222</b>	<b>2,710</b>	<b>557,302</b>	<b>-</b>	<b>4,112,234</b>
<b>Net book value</b>	<b>1,042,732</b>				<b>904,830</b>

(\*) Balances arising from purchase of Birey Seçme ve Değerlendirme Danışmanlık Ltd. Şti are indicated in purchases column.

**NOTE 21-ADVANCES RECEIVED**

None (31 December 2006: None).

**NOTE 22-RETIREMENT PLANS**

None (31 December 2006: None).

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**NOTE 23-PROVISIONS**

*a) Short term provisions*

	31 December 2007	31 December 2006
Provision for lawsuits (Note 31.c)	1,446,830	1,778,847
Corporate and income taxes	16,456	12,811
Other	7,986	16,341
	1,471,272	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 during the period	(332,017)	(29,633)
<b>31 December</b>	<b>1,446,830</b>	<b>1,778,847</b>

*b) Long term provisions*

Long term provision is composed of 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 23 May 2002 there are certain transitional provisions relating to length of service prior to retirement.

At 31 December 2007 the amount payable consists of one month's salary limited to a maximum of YTL 2,087.92 (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 Group.

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

	2007	2006
Discount rate	5.71%	5.71%
Turnover rate to estimate the probability of retirement	87%	88%

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 2,087.92 effective from 1 January 2008 (1 January 2007: YTL 1,960.69) has been taken into consideration in calculating the reserve for employment termination benefit of the Group.

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Movements in the provision for employment termination benefits for the period ended 31 December 2007 and 2006 are as follows:

	2007	2006
1 January	3,699,387	3,437,053
Increase during the period	1,876,619	470,894
Paid during the period	(1,878,075)	(208,560)
<b>31 December</b>	<b>3,697,931</b>	<b>3,699,387</b>

**NOTE 24-MINORITY INTERESTS**

	1 January 2007	Minority interest (loss)/income	Transfers	31 December 2007
DYG İlan	226,472	1,793	-	228,265
	226,472			228,265

	1 January 2006	Minority interest (loss)/income	Transfers	31 December 2006
DYG İlan	304,929	(78,457)	-	226,472
	304,929			226,472

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**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 31 December 2007 and 31 December 2006 was as follows:

	31 December 2007	31 December 2006
Limit on registered share capital (historical)	150,000,000	150,000,000
Historical authorised and paid-in share capital	100,000,000	78,000,000

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:

	%	31 December 2007	%	31 December 2006
Doğan Yayın Holding A.Ş.	58.09	58,089,243	74.47	58,089,243
Public offering	41.39	41,390,748	24.86	19,388,302
Other	0.52	520,009	0.67	522,455
	100.00	100,000,000	100.00	78,000,000
Adjustment to share capital		45,910,057		45,910,057
<b>Total paid-in capital</b>		<b>145,910,057</b>		<b>123,910,057</b>

Due to the increase of capital from YTL78,000,000 to YTL100,000,000, shares with nominal value of YTL22,000,000 were allocated to Deutsche Bank AG by Deutsche Securities Menkul Degerler A.Ş. with the transaction in İMKB wholesales market on 19 November 2007, through restricting new share purchase completely, each share with YTL1 nominal value having the price of USD4. This capital increase transaction was registered with Trade Registry on 6 December 2007 and was published in Trade Registry Gazette dated 12 December 2007 no 6956. Shares sold to Deutsche Bank AG were classified as public offering (Note 1).

Capital adjustment expresses the revaluation impact of cash additions to the paid up capital with year-end purchasing power.

Doğan Yayın Holding A.Ş. owns 11.68 % of shares offered to the public as of 31 December 2007 (31 December 2006: 5.29 %).

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**NOTE 26-CAPITAL RESERVES**

Details of the capital reserves at 31 December 2007 and 2006 are as follows:

	31 December 2007	31 December 2006
Share premium	82,060,000	-
Inflation adjustment to shareholders' equity	45,910,057	45,910,057
	<u>127,970,057</u>	<u>45,910,057</u>

22,000,000 units of shares with a nominal value of YTL1, corresponding to 22% of the Company Capital were allocated to Deutsche Bank AG by Deutsche Securities Menkul Degerler A.Ş. with the transaction in IMKB wholesales market on 19 November 2007, through restricting new share purchase completely, each share with YTL1 nominal value having the price of USD4. Share premium arising in the amount of YTL82,060,000 was recognized in shareholder's equity (Note 25).

As of 31 December 2007 and 31 December 2006 details of the restatement difference of shareholders' equity are as follows:

**31 December 2007**

	Historical amount	Restated amount	Inflation adjustment to shareholder's equity
Share capital	100,000,000	145,910,057	45,910,057
	<u>100,000,000</u>	<u>145,910,057</u>	<u>45,910,057</u>

**31 December 2006**

	Historical amount	Restated amount	Inflation adjustment to shareholder's equity
Share capital	78,000,000	123,910,057	45,910,057
	<u>78,000,000</u>	<u>123,910,057</u>	<u>45,910,057</u>

**NOTE 27-PROFIT RESERVES**

Details of profit reserves at 31 December 2007 and 2006 are as follows:

	31 December 2007	31 December 2006
Extraordinary reserves	3,645,686	3,645,686
Legal reserves	191,878	191,878
Translation reserve	69,911	(86,502)
	<u>3,907,475</u>	<u>3,751,062</u>



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**NOTE 28-RETAINED EARNINGS**

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 the decision of Capital Markets Board on 8 January 2008 no 4/138 the minimum profit distribution ratio shall be applied as 20% (31 December 2006: 20%) in relation to publicly-listed joint stock partnerships as of 1 January 2008. Accordingly, it has been made possible that shares, issued in cash or through the addition of dividend to the capital upon the decision of the Company's general assembly, can be distributed to the partners free of charge or that the distribution can be partly made in cash and partly through the free distribution of shares. It has been further enabled that initial dividend amount be left to the partnership without distribution, if such amount is lower than the 5% of the existing paid-up/issued capital amount. Nevertheless, with regard to the joint stock partnerships, which have increased its capital without performing a dividend distribution as to the previous period and which separates its shares as "new" and "old", it has been made obligatory for those partnerships, which will distribute dividend out of its 2007 profits, to distribute the initial dividend amount in cash.

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 Communiqué No: XI-25, at 31 December 2007 and 2006, the shareholders' equity schedule, is as below:

	31 December 2007	31 December 2006
Share capital	100,000,000	78,000,000
Legal reserves	191,878	191,878
Extraordinary reserves	3,645,686	3,645,686
Inflation adjustment to shareholders' equity	45,910,057	45,910,057
Translation reserve	69,911	(86,502)
Net income/loss for the period	8,833,100	(1,006,192)
Retained earnings	905,769	1,911,961
Share premium	82,060,000	-
<b>Total Equity</b>	<b>241,616,401</b>	<b>128,566,888</b>

**NOTE 29-FOREIGN CURRENCY POSITION**

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

	31 December 2007	31 December 2006
Assets	67,823,056	962,738
Liabilities	(2,354,388)	(5,703,048)
<b>Net foreign currency position</b>	<b>65,468,668</b>	<b>(4,740,310)</b>

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Original amounts of the foreign currency denominated assets and liabilities held by Group at 31 December 2007 and 31 December 2006 are as follows:

	31 December 2007			Total foreign currency
	USD	EURO	GBP	
<b>Assets</b>				
Cash and banks	67,798,521	11,150	13,385	67,823,056
<b>Total</b>	<b>67,798,521</b>	<b>11,150</b>	<b>13,385</b>	<b>67,823,056</b>
<b>Liabilities</b>				
Short term bank borrowings	2,354,388	-	-	2,354,388
<b>Total</b>	<b>2,354,388</b>	<b>-</b>	<b>-</b>	<b>2,354,388</b>
<b>Net foreign currency position</b>	<b>65,444,133</b>	<b>11,150</b>	<b>13,385</b>	<b>65,468,668</b>
	31 December 2006			Total foreign currency
	USD	EURO	GBP	
<b>Assets</b>				
Cash and banks	914,724	42,597	5,417	962,738
<b>Total</b>	<b>914,724</b>	<b>42,597</b>	<b>5,417</b>	<b>962,738</b>
<b>Liabilities</b>				
Short term bank borrowings	5,703,048	-	-	5,703,048
<b>Total</b>	<b>5,703,048</b>	<b>-</b>	<b>-</b>	<b>5,703,048</b>
<b>Net foreign currency position</b>	<b>(4,788,324)</b>	<b>42,597</b>	<b>5,417</b>	<b>(4,740,310)</b>

At 31 December 2007, assets and liabilities denominated in foreign currency have been translated into New Turkish lira using the following foreign exchange rates: 1.16470 YTL= 1 USD and 1.71020 YTL= 1 EUR (31 December 2006: 1.40560 YTL= 1 USD\$ and 1.85150 YTL=1 EUR).

**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 31 December 2007 (31 December 2006: None).

Total guarantees given to courts, customs offices, national lottery offices and other parties amount to YTL 3,981,760 as of 31 December 2007 (31 December 2006: YTL 4,350,774).

**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 2,647,304 (31 December 2006: 2,626,306) and is under the obligation to provide advertisement services amounting to YTL 351,645 (31 December 2006: YTL 752,942) of various types of services has been used in connection with the barter agreements as of 31 December 2007.

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**c) Lawsuits:**

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

	31 December 2007	31 December 2006
Legal cases	27,125,086	31,083,069
Business lawsuits	1,211,518	1,379,718
Lawsuits regarding trade relations	1,205,595	1,486,927
	29,542,199	33,949,714

A provision for lawsuits amounting to YTL 1,446,830 (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**

**31 December 2007:**

None.

**31 December 2006:**

The Company acquired Birey ("Birey") Seçme ve Değerlendirme Danışmanlık Ltd. Şti in consideration of a total of USD 180,502 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).

**NOTE 34-SUBSEQUENT EVENTS**

The Company announced the following explanation on 26 July 2007:

- Buying shares representing 40.16% of the capital of Bağımsız Gazeteciler Yayıncılık A.Ş, which has the trade name and franchise right of Vatan Gazetesi in consideration of USD 7,228,125
- Buying all of the shares representing the capital of in consideration of USD 10,771,875, in view of the fact that almost all of the assets of Kemer Yayıncılık ve Gazetecilik A.Ş which has a 59.84% shareholding in Bağımsız Gazeteciler Yayıncılık A.Ş. consist of its participation in the Bağımsız Gazeteciler Yayıncılık A.Ş.

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

- following two years after obtainment of permission, brand name Vatan Gazetesi and franchise rights will be transferred by releasing them of any obligations and debts, to persons or entities excluding Doğan Group, or an enterprise Doğan Group directly or indirectly controls(which has already been established, or which is to be established), and the relevant transfer is subject to approval of Competition Authority regardless of the deficiencies in the Communiqué No.1997/1;
- if the brand Vatan Gazetesi and its franchise right cannot be sold under the above-mentioned conditions within two years from the date on which the permission is given, the brand and franchise right will be sold via tender under the supervision of Competition Authority within two months from the end of the second year,

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

Share transfer was concluded on 13 March 2008.

As a result of acquisition of Bağımsız Gazeteciler Yayıncılık A.Ş. and Kemer Yayıncılık ve Gazetecilik A.Ş., financial statements of the foregoing companies, for the period 1 January-31 March 2008, will be included in the consolidated financial statements. Financial statements will comprise balance sheet at 31 March 2008 and income statement for the period between the acquisition date and the period end. This transaction will be accounted in accordance with IFRS 3 "Business Combinations" and the residual value between the consideration paid and the fair value of the assets, liabilities and contingent liabilities will be recorded as positive/negative goodwill.

**NOTE 35-DISCONTINUING OPERATIONS**

None (31 December 2006: None)

**NOTE 36-OPERATING INCOME**

	1 January- 31 December 2007	1 January- 31 December 2006
Domestic sales	287,717,349	271,608,442
Foreign sales	6,608,655	7,250,631
Other sales income	2,570,403	2,376,056
<b>Sales income, net</b>	<b>296,896,407</b>	<b>281,235,129</b>
Cost of goods sold	(181,686,058)	(187,674,066)
<b>Operating income</b>	<b>115,210,349</b>	<b>93,561,063</b>

The major reason of decrease in cost of goods sold is decrease in paper price.

**NOTE 37-OPERATING EXPENSES**

	1 January- 31 December 2007	1 January- 31 December 2006
Marketing, sales and distribution expenses	84,511,943	73,534,997
General administration expenses	22,850,406	22,862,738
	<b>107,362,349</b>	<b>96,397,735</b>

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Marketing, selling and distribution expenses

	1 January - 31 December 2007	1 January - 31 December 2006
Advertisement expenses	22,999,422	16,589,723
Distribution expenses	22,904,550	23,286,355
Personnel expenses	13,565,895	10,170,284
Promotion expenses	7,547,154	12,108,445
Presentation and marketing expenses	3,982,953	2,522,391
Commission expense	2,374,634	-
Consulting expenses	2,171,252	2,256,756
Travel expense	1,320,935	863,197
Sponsorship expenses	1,077,829	1,668,414
Communication expenses	608,236	312,415
Packaging expense	269,389	232,717
Depreciation expenses	174,741	2,655
Other	5,514,953	3,521,645
	<b>84,511,943</b>	<b>73,534,997</b>

General administration expenses:

	1 January - 31 December 2007	1 January - 31 December 2006
Personnel expenses	12,767,641	10,733,121
Consulting expenses	3,664,706	4,894,863
Depreciation expenses	2,757,814	3,112,870
Transportation expenses	459,589	428,359
Communication expenses	383,418	474,743
Legal expenses	314,952	731,940
Maintenance expenses	310,613	357,801
Cleaning expense	174,045	200,143
Electricity expense	163,376	222,998
Other	1,854,252	1,705,900
	<b>22,850,406</b>	<b>22,862,738</b>

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**NOTE 38-OTHER OPERATING INCOME/(EXPENSES)**

Other operating income:

	1 January - 31 December 2007	1 January - 31 December 2006
Foreign exchange gain	4,376,170	229,667
Interest income due to credit sales	3,999,637	4,760,777
Interest income	1,937,927	454,509
Rent income	1,736,727	2,096,677
Other	1,444,362	729,273
	<b>13,494,823</b>	<b>8,270,903</b>

Other operating expenses:

	1 January - 31 December 2007	1 January - 31 December 2006
Foreign exchange loss	(4,341,791)	(567,423)
Provision for doubtful receivables	(1,494,671)	(855,080)
Interest expense due to credit purchases	(1,089,350)	(1,200,898)
Other	(1,479,229)	(1,212,341)
	<b>(8,405,041)</b>	<b>(3,835,742)</b>

**NOTE 39-FINANCIAL EXPENSES**

	1 January - 31 December 2007	1 January - 31 December 2006
Bank Fees	530,964	239,939
Factoring expenses	512,267	454,882
Interest expenses	348,121	400,251
Other	426,826	85,272
Financial expenses	<b>1,818,178</b>	<b>1,180,344</b>

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**NOTE 40-GAIN ON NET MONETARY POSITION**

None (31 December 2006: None).

**NOTE 41-TAXATION**

	31 December 2007	31 December 2006
Corporation and income taxes payable	2,682,418	333,774
Less: prepaid taxes	(2,665,962)	(320,963)
<b>Tax Liability, net</b>	<b>16,456</b>	<b>12,811</b>
Deferred tax liability	(36,646)	(38,183)
Deferred tax assets	2,697,923	2,301,753
<b>Deferred tax liability, net</b>	<b>2,661,277</b>	<b>2,263,570</b>

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 come 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 14th day of the second month following each calendar quarter end and is payable by the 17th of the second month following each calendar quarter end. Advance tax paid by corporations is credited against the annual corporation tax liability. The balance of the advance tax paid may be refunded or used to be set off against other liabilities to the government.

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

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

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

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

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

:

***Exemption for participation in domestic subsidiaries:***

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

***Exemption for share premium***

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



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*Exemption of participation in foreign subsidiaries*

The participation income of corporations participating in 10% or more of the capital of a limited liability or joint stock company which does not have its legal or business centre in Turkey (except for corporations whose principal activity is financial leasing or investment of marketable securities) for at least a year 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).

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

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

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

The taxes on income for the years ended 31 December 2007 and 2006 is summarized as follows:

	1 January- 31 December 2007	1 January - 31 December 2006
Current period corporate tax	(2,682,418)	(333,774)
Deferred tax income/(expense) (Note 14)	397,707	(1,169,020)
<b>Total tax income/(expense)</b>	<b>(2,284,711)</b>	<b>(1,502,794)</b>

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The reconciliation of the taxation on income in the consolidated interim income statement for the year ended 31 December 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	11,119,604	429,728
20% provision for corporate tax calculated by effective tax rate	(2,223,921)	(85,946)
Expenses not deductible for tax purposes	(316,594)	(262,345)
Income not subject to tax	249,331	19,515
The effects of financial losses subject to discount in the current period	(164,548)	(139,177)
Effect of change in tax rate	-	(1,116,748)
Other	171,021	81,907
<b>Current period tax expense</b>	<b>(2,284,711)</b>	<b>(1,502,794)</b>

**NOTE 42-EARNINGS PER SHARE**

	1 January - 31 December 2007	1 January - 31 December 2006
Net (loss)/income	8,883,100	(1,006,192)
Weighted average number of shares with face value of YTL 0,001 each	100,000,000	78,000,000
(Loss)/earnings per share (YKr) (1YKr for 1YTL share)	10.1	(1.3)

**NOTE 43-CONSOLIDATED STATEMENTS OF CASH FLOWS**

Cash flow statements as of 31 December 2007 and 31 December 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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Torun Apt Kat: 1 No: 5-6  
Seyhan, Adana  
Tel: 0322 459 84 84 Pbx  
Fax: 0322 459 84 95

#### Antalya Liaison Office

Havaalanı Yolu, 8. km  
Doğan Printing Center  
Antalya  
Tel: 0242 340 38 38 Pbx  
Fax: 0242 340 64 64

#### Cağaloğlu Liaison Office

Kazım İsmail Gürkan Cad. No: 10  
Cağaloğlu, İstanbul  
Tel: 0212 513 49 71 Pbx  
Fax: 0 212 513 49 48

