HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2009 TOGETHER WITH INDEPENDENT AUDITOR'S REPORT (ORIGINALLY ISSUED IN TURKISH)

PRICEWATERHOUSECOOPERS

Başaran Nas Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.
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PricewaterhouseCoopers
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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
Hürriyet Gazetecilik ve Matbaacılık A.Ş.

1. We have audited the accompanying consolidated financial statements of Hürriyet Gazetecilik ve Matbaacılık A.Ş. (the "Company") and its subsidiaries (collectively referred as, the "Group") which comprise the consolidated balance sheet as of 31 December 2009 and the consolidated statements of comprehensive income, changes in shareholders' equity and 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 of Turkey (the "CMB"). This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of 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 auditing standards issued by the CMB. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance 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 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 management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

4. In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Hürriyet Gazetecilik ve Matbaacılık A.Ş. and its subsidiaries as of 31 December 2009, and of its financial performance and its cash flows for the year then ended in accordance with the financial reporting standards endorsed by the CMB (Note 2).

Matter of emphasis

5. As discussed in Note 18 in detail, the tax inspection reports, regarding the tax reviews of the prior financial periods of the Company, imposed payment of an income tax principal of TRY12.3 million, a tax loss penalty of TRY12.3 million and a special irregularity penalty of TRY165 thousand. In accordance with the opinions of its legal counsel and tax experts on the tax inspection reports, the Company has accounted for a provision amounting to TRY15.6 million, including the estimated late payment interest, in the accompanying consolidated financial statements in connection with such tax inspection reports. There is uncertainty as to the outcome of the legal proceedings in connection with such tax inspection reports.

Additional paragraph for convenience translation into English

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

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

ORIGINALLY ISSUED IN TURKISH

Gökhan Yüksel, SMMM
Partner

Istanbul, 7 April 2010

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

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

CONSOLIDATED FINANCIAL STATEMENTS AND NOTES FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2009

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HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

CONSOLIDATED BALANCE SHEETS AT 31 DECEMBER

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

	Notes references	2009	2008
ASSETS			
Current assets		**539.009.243**	**649.946.695**
Cash and cash equivalents	5	278.383.288	370.325.965
Financial assets	6	18.363.709	-
Trade receivables		191.192.846	186.925.592
Due from related parties	32	41.087.373	35.893.074
Other trade receivables	9	150.105.473	151.032.518
Other receivables	10	2.606.113	16.693.096
Inventories	11	18.446.122	23.450.512
Other current assets		30.017.165	52.551.530
Advances due from related parties	32	-	1.135.207
Other current assets	21	30.017.165	51.416.323
Non-current assets		**1.314.994.660**	**1.394.403.127**
Trade receivables	9	-	7.348.295
Other receivables	10	666.652	300.753
Financial assets	6	4.886.604	4.995.077
Investments accounted for by the equity method	12	1.432.023	316.468
Investment property	13	26.595.563	21.976.902
Property, plant and equipment	14	507.257.327	529.130.300
Intangible assets	15	546.245.704	581.187.362
Goodwill	16	222.336.593	236.449.857
Deferred tax assets	30	4.361.353	4.389.893
Other non-current assets	21	1.212.841	8.308.220
Total assets		**1.854.003.903**	**2.044.349.822**

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

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

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

CONSOLIDATED BALANCE SHEETS AT 31 DECEMBER

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

	Notes references	2009	2008
LIABILITIES			
Current liabilities		**462.224.009**	**374.320.532**
Short-term financial liabilities	7	320.334.615	275.661.409
Other financial liabilities	8	15.123.251	13.686.315
Trade payables		40.556.178	45.024.266
Due to related parties	32	2.267.076	6.211.157
Other trade payables	9	38.289.102	38.813.109
Other payables	10	16.265.351	15.568.257
Current income tax liabilities	30	8.627.512	2.159.564
Provisions	18	27.375.806	6.731.599
Other current liabilities	21	33.941.296	15.489.122
Non-current liabilities		**474.133.721**	**783.830.147**
Long-term financial liabilities	7	329.951.107	627.937.892
Other financial liabilities	8	742.310	6.043.151
Other payables	10	188.213	189.038
Provision for employment termination benefits	20	14.196.159	11.744.969
Deferred tax liabilities	30	128.977.635	137.530.974
Other non-current liabilities	21	78.297	384.123
TOTAL EQUITY			
Shareholders' equity		**917.646.173**	**886.199.143**
Equity attributable to equity holders of the company		**797.896.316**	**753.057.582**
Share capital	22	552.000.000	460.000.000
Inflation adjustment to share capital	22	77.198.813	77.198.813
Share premium	22	76.944	-
Translation reserve		(15.107.992)	(2.949.588)
Restricted reserves	22	27.716.536	27.310.182
Retained earnings	22	191.091.821	229.592.042
Net loss for the period		(35.079.806)	(38.093.867)
Minority interests		**119.749.857**	**133.141.561**
Total liabilities and shareholders' equity		**1.854.003.903**	**2.044.349.822**

These consolidated financial statements as at and for the period ended 31 December 2009 were approved by the Board of Directors on 7 April 2010. These financial statements are also subject to the approval of the shareholders of the Company at General Assembly regarding the year 2009.

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

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

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED 31 DECEMBER

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

	Notes references	2009	2008
Continued operations			
Sales	23	784.132.862	998.446.338
Cost of sales (-)	23	(499.032.419)	(595.814.088)
Gross profit		**285.100.443**	**402.632.250**
Marketing, selling and distribution expenses (-)	24	(85.646.463)	(118.789.807)
General administrative expenses (-)	24	(157.036.566)	(204.550.093)
Other operating income	26	7.561.155	22.668.854
Other operating expenses (-)	26	(55.887.931)	(24.355.781)
Operating income		**(5.909.362)**	**77.605.423**
Share of loss of investments accounted for by the equity method	12	(15.189.329)	(8.765.400)
Financial income	27	141.939.022	106.896.257
Financial expenses (-)	28	(147.863.593)	(264.470.597)
Loss before tax from continuing operations		**(27.023.262)**	**(88.734.317)**
Taxation from continuing operations			
Current tax for the year	30	(18.798.776)	(24.396.599)
Deferred tax income	30	4.687.042	32.609.226
Loss from continuing operations		**(41.134.996)**	**(80.521.690)**
Discontinued operations			
Discontinued operations income after tax	29	-	59.189.456
Net loss for period		**(41.134.996)**	**(21.332.234)**
Other comprehensive (loss)/income:			
Change in translation reserves		(15.133.434)	58.777.256
Other comprehensive (loss)/income after tax		(15.133.434)	58.777.256
Total comprehensive (loss)/income		**(56.268.430)**	**37.445.022**
Net loss for the period		**(41.134.996)**	**(21.332.234)**
Attributable to minority interests		(6.055.190)	16.761.633
Attributable to equity holders of the company		**(35.079.806)**	**(38.093.867)**
Allocation of net comprehensive (loss)/income for the period			
Attributable to minority interests		(9.030.220)	27.630.765
Attributable to equity holders of the company		**(47.238.210)**	**9.814.257**
Loss per share (Kr)	31	**(7,21)**	**(8,28)**

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

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEARS ENDED 31 DECEMBER

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

	Share Capital	Inflation adjustment to share capital	Share premiums	Translation reserves	Restricted reserves	Retained earnings	Net loss for the period	Minority interests	Total shareholders' equity
Balances at 1 January 2008	**421.000.000**	**77.198.813**	**-**	**(50.857.712)**	**22.516.607**	**179.198.476**	**94.187.141**	**110.582.454**	**853.825.779**
Transfers	-	-	-	-	4.793.575	89.393.566	(94.187.141)	-	-
Capital increase	39.000.000	-	-	-	-	(39.000.000)	-	1.861.343	1.861.343
Subsidiaries' dividend payments to non-group companies	-	-	-	-	-	-	-	(6.933.000)	(6.933.000)
Total comprehensive income	-	-	-	47.908.124			(38.093.867)	27.630.765	37.445.022
Change in translation reserves	-	-	-	*47.908.124*	-	-	-	*10.869.132*	*58.777.256*
Net income for the period	-	-	-	-	-	-	*(38.093.867)*	*16.761.633*	*(21.332.234)*
Balances at 31 December 2008	**460.000.000**	**77.198.813**	**-**	**(2.949.588)**	**27.310.182**	**229.592.042**	**(38.093.867)**	**133.141.562**	**886.199.144**
Balances at 1 January 2009	**460.000.000**	**77.198.813**	**-**	**(2.949.588)**	**27.310.182**	**229.592.042**	**(38.093.867)**	**133.141.561**	**886.199.143**
Transfers	-	-	-	-	406.354	(38.500.221)	38.093.867	-	-
Capital increase	92.000.000	-	76.944	-	-	-	-	910.152	92.987.096
Subsidiaries' dividend payments to non-group companies	-	-	-	-	-	-	-	(4.484.964)	(4.484.964)
Other (*)								(786.672)	(786.672)
Total comprehensive income	-	-	-	(12.158.404)	-	-	(35.079.806)	(9.030.220)	(56.268.430)
Change in translation reserves			-	*(12.158.404)*	-	-	-	*(2.975.030)*	*(15.133.434)*
Net loss for the period	-	-	-	-	-	-	*(35.079.806)*	*(6.055.190)*	*(41.134.996)*
Balances at 31 December 2009	**552.000.000**	**77.198.813**	**76.944**	**(15.107.992)**	**27.716.536**	**191.091.821**	**(35.079.806)**	**119.749.857**	**917.646.173**

(*) Represents fair value changes of put option liabilities and acquisition of shares from minortiy shareholders in the period.

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

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

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

CONSOLIDATED STATEMENTS OF CASH FLOW FOR THE YEARS ENDED 31 DECEMBER

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

	Note references	2009	2008
Net loss for the period		(35.079.806)	(37.580.216)
Minority interests		(6.055.190)	16.761.633
Income from discontinued operations	29	-	(59.189.456)
Adjustments:			
Depreciation	13,14	60.652.549	57.907.135
Amortisation	15	26.431.006	26.210.983
Net loss on disposal of property, plant and equipment and intangible assets	26	3.457.179	1.012.799
Taxation	30	14.111.734	(8.212.627)
Provision for employment termination benefits and unused vacation rights		6.830.362	3.517.030
Actuarial loss	20	4.528.505	3.209.092
Income accruals		8.569.414	(8.075.749)
Interest income	27	(31.117.421)	(38.590.488)
Interest expenses	28	25.924.295	50.520.134
Foreign exchange losses from bank borrowings		16.797.387	137.047.729
Provision for impairment of investment properties	13	3.340.892	4.725.638
Deferred income		(2.459.296)	(2.074.651)
Gain on sale of discontinued operations	26	(3.320.737)	-
Tax penalties	18 and 21	32.754.695	-
Loss from investments accounted for by the equity method	12	15.189.329	8.765.400
Provision for impairment of goodwill and intangible assets	16 and 24	6.690.546	32.795.581
Provision for doubtful receivables	9	11.956.047	12.633.233
Other		(280.393)	1.217.188
Cash flows from operating activities before changes in operating assets and liabilities		158.921.097	202.600.388
Changes in operating assets and liabilities-net	35	961.797	8.677.962
Income taxes paid		(5.250.252)	(49.038.339)
Doubtful receivables collected	9	1.121.392	4.231.752
Employment termination benefits paid	20	(4.038.446)	(3.374.040)
Net cash provided by operating activities		**151.715.588**	**163.097.723**
Cash flow from investing activities:			
Purchases of investment properties	13	(22.626.227)	(22.174.427)
Purchases of property, plant and equipment	14	(41.723.721)	(32.347.357)
Purchases of intangible assets	15	(5.343.868)	(13.463.704)
Proceeds from sales of property, plant and equipment, intangible assets and investment properties		12.989.530	14.931.695
Interests received		30.358.375	37.684.336
Acquisition of minority shares		(700.895)	-
Acquisition of subsidiaries, net paid		-	(631.162)
Proceeds from sales of subsidiaries		3.295.324	66.141.473
Share capital increase in associates and financial assets	12	(16.723.846)	(5.063.838)
Net cash (used in)/provided by investing activities		**(40.475.328)**	**45.077.016**
Cash used in financing activities:			
Proceeds of issuance of share capital to minority interests		910.152	1.861.343
Dividends paid to minority interests		(4.484.964)	(6.933.000)
Bank borrowings received		-	158.468.588
Bank borrowings paid		(254.201.254)	(117.470.671)
Change in trade payables to suppliers		(11.223.087)	15.530.250
Interests paid		(24.866.439)	(43.910.201)
Share premiums		76.944	-
Increase in share capital		92.000.000	-
Net cash (used in)/provided by financing activities		**(201.788.648)**	**7.546.309**
Exchange (losses)/gains on cash and cash equivalents		(696.155)	15.981.563
Change in cash and cash equivalents		(91.244.543)	231.702.611
Cash and cash equivalents at the beginning of the period	5	368.219.091	136.516.480
Cash and cash equivalents at the end of the period	**5**	**276.974.548**	**368.219.091**

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

NOTE 1 - ORGANISATION AND NATURE OF OPERATIONS

Hürriyet Gazetecilik ve Matbaacılık A.Ş. ("Hürriyet" or the "Company") was established in 1960 and is registered in Turkey. The Company undertakes journalism, printing and advertising activities. The Company operates seven printing plants in Turkey with locations in Istanbul, Ankara, Izmir, Adana, Antalya, Trabzon and in Germany. The Company acquired 67,30% shares of Trader Media East Ltd. ("TME") through its Subsidiary Hurriyet Invest B.V. located in the Netherlands at 29 March 2007. TME undertakes classified advertising mainly for real estate, automotive and human resources businesses through daily and weekly newspapers, periodicals, magazines and internet services, primarily in Russia and various Eastern European ("EE") countries. 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 22).

The address of the registered office is as follows:

Hürriyet Medya Towers
34212 Güneşli, Istanbul
Turkey

The Company is registered to the Capital Markets Board ("CMB") and its shares have been quoted on the Istanbul Stock Exchange ("ISE") since 1992. 40% share capital of the Company is circulated on the ISE. 25,02% capital of the TME is circulated on London Stock Exchange as Global Depository Receipts ("GDR"). GDR generally means the guaranteeing of a company's shares, the making public of the certificates that can be transferred by negotiation, and their being listed in the stock exchange independent of company shares.

Subsidiaries

The name of the Company's subsidiaries ("Subsidiaries"), the nature of the business and geographic segments are as follows:

Subsidiaries	Registered country	Geographic segment	Nature of business
Hürriyet Medya Basım Hizmetleri ve Ticaret A.Ş. ("Hürriyet Medya Basım")	Turkey	Turkey	Printing and administrative services
Doğan Ofset Yayıncılık ve Matbaacılık A.Ş. ("Doğan Ofset")	Turkey	Turkey	Magazine and book publishing
Yenibiriş İnsan Kaynakları Hizmetleri Danışmanlık ve Yayıncılık A.Ş. ("Yenibir")	Turkey	Turkey	Internet publishing
Refeks Dağıtım ve Kurye Hizmetleri A.Ş ("Refeks")	Turkey	Turkey	Advertisement
Doğan Haber Ajansı A.Ş. ("Doğan Haber")	Turkey	Turkey	News agency
Tasfiye halinde Doğan Daily News Gazetecilik ve Matbaacılık A.Ş. ("Doğan Daily News")	Turkey	Turkey	Newspaper publishing
E Tüketici Internet ve Danışmanlık Hizmetleri Elektronik Yayıncılık A.Ş. ("E Tüketici")	Turkey	Turkey	Internet publishing
TME Teknoloji Proje Geliştirme ve Yazılım A.Ş. ("TME Teknoloji")	Turkey	Turkey	Software development
Hürriyet Zweigniederlassung GmbH. ("Hürriyet Zweigniederlassung")	Germany	Europe	Newspaper publishing
Hürriyet Invest B.V. ("Hürriyet Invest")	Netherlands	Europe	Investment
TME	Jersey	Europe	Investment
Oglasnik d.o.o.	Croatia	Europe	Newspaper and internet publishing
Oglasnik Nekretnine d.o.o	Croatia	Europe	Newspaper and internet publishing
TCM Adria d.o.o.	Croatia	Europe	Investment
Internet Posao d.o.o.	Croatia	Europe	Internet publishing
Expressz Magyarorszag Rt	Hungary	Europe	Newspaper and internet publishing
International Ssuarts Holding B.V.	Netherlands	Europe	Investment
Mirabridge International B.V.	Netherlands	Europe	Investment
Trader Classified Media Croatia Holdings B.V.	Netherlands	Europe	Investment
Trader East Holdings B.V.	Netherlands	Europe	Investment
ZAO Pronto Akzhol	Kazakhstan	Russia and EE	Newspaper and internet publishing
OOO Pronto-Akmola	Kazakhstan	Russia and EE	Newspaper and internet publishing

NOTE 1 - ORGANISATION AND NATURE OF OPERATIONS (Continued)

Subsidiaries (Continued)

Subsidiaries	Registered country	Geographic segment	Nature of business
OOO Pronto Atyrau	Kazakhstan	Russia and EE	Newspaper and internet publishing
OOO Pronto Aktobe	Russia	Russia and EE	Newspaper and internet publishing
OOO Pronto Aktau	Kazakhstan	Russia and EE	Newspaper and internet publishing
Informatsia Vilniusa	Lithuania	Russia and EE	Newspaper and internet publishing
OOO Pronto Rostov	Belarus	Russia and EE	Newspaper and internet publishing
ZAO Avtotehsnab	Russia	Russia and EE	Newspaper and internet publishing
OOO Novoprint	Russia	Russia and EE	Newspaper and internet publishing
ZAO NPK	Russia	Russia and EE	Call center
OOO Balt-Pronto Kaliningrad	Russia	Russia and EE	Newspaper and internet publishing
OOO Delta-M	Russia	Russia and EE	Newspaper and internet publishing
OOO Gratis	Russia	Russia and EE	Newspaper and internet publishing
OOO Pronto Baikal	Russia	Russia and EE	Newspaper and internet publishing
OOO Pronto DV	Russia	Russia and EE	Newspaper and internet publishing
OOO Pronto Ivanovo	Russia	Russia and EE	Newspaper and internet publishing
OOO Pronto Kaliningrad	Russia	Russia and EE	Newspaper and internet publishing
OOO Pronto Kazan	Russia	Russia and EE	Newspaper and internet publishing
OOO Pronto Krasnodar	Russia	Russia and EE	Newspaper and internet publishing
OOO Pronto Krasnojarsk	Russia	Russia and EE	Newspaper and internet publishing
OOO Pronto Nizhnij Novgorod	Russia	Russia and EE	Newspaper and internet publishing
OOO Pronto Novosibirsk	Russia	Russia and EE	Newspaper and internet publishing
OOO Pronto Oka	Russia	Russia and EE	Newspaper and internet publishing
OOO Pronto Petersburg	Russia	Russia and EE	Newspaper and internet publishing
OOO Pronto Print	Russia	Russia and EE	Printing services
OOO Pronto Samara	Russia	Russia and EE	Newspaper and internet publishing
OOO Pronto Stavropol	Russia	Russia and EE	Newspaper and internet publishing
OOO Pronto UlanUde	Russia	Russia and EE	Newspaper and internet publishing
OOO Pronto Vladivostok	Russia	Russia and EE	Newspaper and internet publishing
OOO Pronto Volgograd	Russia	Russia and EE	Newspaper and internet publishing
OOO Pronto Moscow	Russia	Russia and EE	Newspaper and internet publishing
OOO Rosprint	Russia	Russia and EE	Printing services
OOO Rosprint Samara	Russia	Russia and EE	Printing services
OOO Tambukan	Russia	Russia and EE	Newspaper and internet publishing
OOO Utro Peterburga	Russia	Russia and EE	Newspaper and internet publishing
OOO Partner-Soft	Russia	Russia and EE	Internet publishing
Pronto Soft	Russia	Russia and EE	Internet publishing
OOO Pronto Astrakhan	Russia	Russia and EE	Newspaper and internet publishing
OOO Pronto Kemerovo	Russia	Russia and EE	Newspaper and internet publishing
OOO Pronto Sever	Russia	Russia and EE	Newspaper and internet publishing
OOO Pronto Smolensk	Russia	Russia and EE	Newspaper and internet publishing
OOO Pronto Tula	Russia	Russia and EE	Newspaper and internet publishing
OOO Pronto TV	Russia	Russia and EE	TV publishing
OOO Pronto Voronezh	Russia	Russia and EE	Newspaper and internet publishing
SP Belpronto OOO	Belarus	Russia and EE	Newspaper and internet publishing
OOO Tambov-Info	Russia	Russia and EE	Newspaper and internet publishing
Impress Media Marketing LLC	Russia	Russia and EE	Publishing
OOO Pronto Obninsk	Russia	Russia and EE	Newspaper and internet publishing
OOO Pronto Komi	Russia	Russia and EE	Newspaper and internet publishing
OOO Rektcentr	Russia	Russia and EE	Investment
Impress Media Marketing BVI	Russia	Russia and EE	Publishing
SP Pronto Kiev	Ukraine	Russia and EE	Newspaper and internet publishing
E-Prostir	Ukraine	Russia and EE	Internet publishing
Publishing House Pennsylvania Inc	USA	Russia and EE	Investment
OOO Optoprint	Russia	Russia and EE	Printing Services
RU.com OOO	Russia	Russia and EE	Internet publishing
SP Bel Pronto OOO BYR	Russia	Russia and EE	Newspaper and internet publishing
Mojo Delo spletni marketing d.o.o	Slovenia	Europe	Internet publishing
Bolji Posao d.o.o. Serbia	Serbia	Europe	Internet publishing
Bolji Posao d.o.o. Bosnia	Bosnia	Europe	Internet publishing

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.1 Basis of presentation

2.1.1 Financial reporting standards

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

With the decision taken on 17 December 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, the Company did not apply IAS 29 "Financial Reporting in Hyperinflationary Economies" issued by IASB in its consolidated financial statements for the accounting periods starting 1 January 2005.

Within the scope of CMB's Communiqué Serial XI, No: 29 and its announcements clarifying this communiqué the consolidated financial statements have been prepared in accordance with the CMB's Financial Reporting Standards which are based on IAS/IFRS, as the differences of IAS/IFRS, adopted by the European Union, from those published by IASB have not yet been announced by Turkish Accounting Standards Board as of the date of these financial statements. Consolidated financial statements and accompanying notes have been presented in accordance with the format, recommended to be implemented by CMB through its announcements dated 17 April 2008 and 9 January 2009, and by including the mandatory information (Note 2.1.5).

2.1.2 Financial statements of Subsidiaries and Associates operating in foreign countries

The financial statements of Subsidiaries and Associates operating 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 2.1.1. The assets and liabilities of foreign Subsidiaries and Associates are translated into TL using the relevant foreign exchange rates prevailing at the balance sheet date. The results of the foreign Subsidiaries and Associates are translated into TL using average exchange rate for the period. Exchange differences arising on translation of the opening net assets of foreign Subsidiaries and Associates and arising from using closing and average exchange rates are included in the shareholders' equity as currency translation differences. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognised in the statement of income as part of the gain or loss on sale. Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

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

2.1.3 Consolidation principles

The consolidated financial statements include the accounts of the parent company, Hürriyet, its Subsidiaries, and its Associates (collectively referred as the "Group") on the basis set out in sections (a) to (d) below. The financial statements of the companies included in the consolidation are based on historical cost of the statutory records and for the purpose of fair presentation in accordance with the accounting policies described in Note 2.1.1 and application of uniform accounting policies and presentations; adjustments and reclassifications.

(a) Subsidiaries

Subsidiaries are companies in which the Company has power to control the financial and operating policies for the benefit of the Company either (a) through the power to exercise more than 50% voting rights relating to shares in the companies as a result of shares owned directly and indirectly by itself and/or by companies whereby the Company exercises control over the voting rights of (but does not have the economic benefit of) the shares held by them; or (b) although not having the power to exercise more than 50% of the voting rights, through the exercise of actual dominant influence over the financial and operating policies. The result of operations of subsidiaries are included or excluded in these consolidated financial statements subsequent to the date of acquisition or the date of disposal respectively.

All business combinations have been accounted for by applying the purchase method by the Group. The cost of a business combination includes, the fair value at the date of exchange of monetary assets given, capital instruments written-down, equity instruments issued, liabilities incurred or assumed by the acquirer in exchange for control of the acquiree and costs directly attributable to the combination. The acquirer recognises the acquiree's identifiable assets, liabilities and contingent liabilities at their fair values at the acquisition date, without considering any minority interest. Goodwill is measured as the residual cost of the business combination after recognizing the acquiree's identifiable assets, liabilities and contingent liabilities. If the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised exceeds the cost of the business combination, the Group reassess the identification and measurement of the identifiable assets, liabilities and contingent liabilities and the measurement of the cost of the combination and recognise immediately in statement of income any excess remaining after that reassessment.

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

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

2.1.3 Consolidation principles (Continued)

(a) Subsidiaries (Continued)

The Subsidiaries and their effective ownership interests at 31 December 2009 and 2008 are as follows:

	Proportion of voting power held by Hürriyet and its subsidiaries (%)		Effective ownership interests (%)	
Subsidiaries	**2009**	**2008**	**2009**	**2008**
Hürriyet Medya Basım	99,99	99,99	99,99	99,99
Doğan Ofset	99,89	99,89	99,89	99,89
Yenibir	100,00	100,00	100,00	100,00
Refeks	100,00	100,00	100,00	100,00
Doğan Haber	50,01	50,01	50,01	50,01
Doğan Daily News	94,25	94,25	94,25	94,25
Emlaksimum	98,41	98,41	98,41	98,41
Hürriyet Zweigniederlassung	100,00	100,00	100,00	100,00
Hürriyet Invest	100,00	100,00	100,00	100,00
TME	67,30	67,30	67,30	67,30
Oglasnik d.o.o. (*)	100,00	100,00	67,30	67,30
Oglasnik Nekretnine d.o.o.	100,00	100,00	67,30	67,30
TCM Adria d.o.o.	100,00	100,00	67,30	67,30
Internet Posao d.o.o.	100,00	100,00	47,11	47,11
TME Teknoloji Proje Geliştirme ve Yazılım Anonim Şirketi	100,00	100,00	100,00	100,00
Expressz Magyarorszag Rt	100,00	100,00	67,30	67,30
Szuperinfo Magyarorszag Kft (**)	-	100,00	-	67,30
International Ssuarts Holding B.V.	100,00	100,00	67,30	67,30
Mirabridge International B.V.	100,00	100,00	67,30	67,30
Trader Classified Media Croatia Holdings B.V.	100,00	100,00	67,30	67,30
Trader East Holdings B.V.	100,00	100,00	67,30	67,30
Pronto Invest B.V.	100,00	100,00	67,30	67,30
Siodemka Sp. Z.o.o. (***)	-	100,00	-	67,30
Ssuarts Holding GmbH (****)	-	100,00	-	67,30
ZAO Pronto Akzhol	80,00	80,00	53,84	53,84
OOO Pronto-Akmola	100,00	100,00	67,30	67,30
OOO Pronto Atyrau	100,00	100,00	53,84	53,84
OOO Pronto Aktobe	80,00	80,00	43,07	43,07
OOO Pronto Aktau	100,00	100,00	53,84	53,84
Informatsia Vilniusa	100,00	100,00	67,30	67,30
OOO Pronto Rostov	100,00	100,00	67,30	67,30
ZAO Avtotehsnab	85,00	85,00	57,21	57,21
OOO Novoprint	100,00	100,00	67,30	67,30
ZAO NPK	100,00	100,00	67,30	67,30
OOO Balt-Pronto Kaliningrad	100,00	100,00	67,30	67,30
OOO Delta-M	55,00	55,00	37,02	37,02
OOO Gratis (****)	-	90,00	-	60,57
OOO Pronto Baikal	100,00	100,00	67,30	67,30
OOO Pronto DV	100,00	100,00	67,30	67,30
OOO Pronto Ivanovo	86,00	86,00	57,88	57,88
OOO Pronto Kaliningrad	95,00	95,00	63,94	63,94
OOO Pronto Kazan	72,00	72,00	48,46	48,46

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

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

2.1.3 Consolidation principles (Continued)

(a) Subsidiaries (Continued)

	Proportion of voting power held by Hürriyet and its subsidiaries (%)		Effective ownership interests (%)	
	2009	2008	2009	2008
OOO Pronto Krasnodar	80,00	80,00	53,84	53,84
OOO Pronto Krasnojarsk	100,00	100,00	67,30	67,30
OOO Pronto Nizhnij Novgorod	90,00	90,00	60,57	60,57
OOO Pronto Novosibirsk	100,00	100,00	67,30	67,30
OOO Pronto Oka	100,00	100,00	67,30	67,30
OOO Pronto Petersburg	51,00	51,00	34,32	34,32
OOO Pronto Print	54,00	54,00	36,34	36,34
OOO Pronto Samara	89,90	89,90	60,50	60,50
OOO Pronto Stavropol	100,00	100,00	67,30	67,30
OOO Pronto UlanUde	90,00	90,00	60,57	60,57
OOO Pronto Vladivostok	90,00	90,00	60,57	60,57
OOO Pronto Volgograd	100,00	100,00	67,30	67,30
OOO Pronto Moscow	100,00	100,00	67,30	67,30
OOO Rosprint (*****)	100,00	70,00	67,30	47,11
OOO Rosprint Samara (*****)	99,50	59,50	67,30	40,04
OOO Tambukan	85,00	85,00	57,21	57,21
OOO Utro Peterburga	55,00	55,00	37,02	37,02
OOO Partner-Soft	100,00	100,00	67,30	67,30
Pronto Soft	90,00	90,00	60,57	60,57
OOO Pronto Astrakhan	100,00	100,00	67,30	67,30
OOO Pronto Kemerovo	100,00	100,00	67,30	67,30
OOO Pronto Sever	90,00	90,00	60,57	60,57
OOO Pronto Smolensk	100,00	100,00	67,30	67,30
OOO Pronto Tula	100,00	100,00	67,30	67,30
OOO Pronto TV	70,00	70,00	47,11	47,11
OOO Pronto Voronezh	100,00	100,00	67,30	67,30
SP Belpronto OOO	60,00	60,00	40,38	40,38
OOO Tambov-Info	100,00	100,00	67,30	67,30
Impress Media Marketing LLC (*)	100,00	100,00	67,30	67,30
OOO Pronto Obninsk	100,00	100,00	67,30	67,30
OOO Pronto Komi	70,00	70,00	47,11	47,11
OOO Rektcentr	100,00	100,00	67,30	67,30
Impress Media Marketing BVI (*)	100,00	100,00	67,30	67,30
SP Pronto Kiev	50,00	50,00	33,65	33,65
Ssuarts Trading Ltd (******)	-	55,00	-	37,02
E-Prostir	50,00	50,00	33,65	33,65
Publishing House Pennsylvania Inc	100,00	100,00	67,30	67,30
OOO Optoprint	100,00	100,00	67,30	67,30
RU.com OOO	100,00	100,00	67,30	67,30
SP Bel Pronto OOO BYR	60,00	60,00	40,38	40,38
Moje Delo, spletni marketing, d.o.o (*)	100,00	100,00	67,30	67,30
Bolji Posao d.o.o. Serbia	100,00	100,00	37,02	37,02
Bolji Posao d.o.o. Bosnia	100,00	100,00	37,02	37,02

(*) Related rates include put-options regarding minority shares explained in Note 19.
(**) Shares of the subsidiary were sold on 28 October 2009.
(***)Shares of the subsidiary were sold on 27 March 2009.
(****) The subsidiaries were liquidated in 2009.
(*****) Shares of related subsidiaries were purchased on 29 May 2009 at the rate of 30% and 40% respectively.
(******) All shares of the subsidiary were sold on 4 March 2009.

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

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

2.1.3 Consolidation principles (Continued)

(b) Investments in associated undertakings

Investments in associated undertakings are consolidated by the equity method of accounting. These are undertakings over which the Group generally has between 20% and 50% of the voting rights, or over which the Group has significant influence, but no controlling power. Unrealised gains on transactions between the Group and its associated undertakings are eliminated to the extent of the Group's interest in the associated undertakings; unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Net increases or decreases in the net assets of Associates are included in the consolidated financial statements in regards with the Group's share and classified under "Share of loss of investments accounted for by the equity method".

Equity accounting is discontinued when the carrying amount of the investment in an associated undertaking reaches zero, unless the Group has incurred obligations or guaranteed obligations in respect of the associated undertaking or significant influence of the Company ceases. The carrying amount of the investment at the date when significant influence ceases is regarded as cost thereafter.

The Associates and the proportion of ownership interests at 31 December 2009 and 2008 are as follows:

Name	2009 Direct and indirect control by Hürriyet and its Subsidiaries (%)	2008 Direct and indirect control by Hürriyet and its Subsidiaries (%)
Doğan Media International GmbH ("Doğan Media")	42,42	42,42
Yaysat Yayın Satış Pazarlama ve Dağıtım A.Ş. ("Yaysat")	25,00	25,00
DYG İlan ve Reklam Hizmetleri A.Ş. ("DYG İlan")	20,00	20,00

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

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

(d) Minority interest

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

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.

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

2.1.4 Offsetting

All items, significant in terms of content and amount, are stated separately in the consolidated financial statements even if they bear the same characteristics. Insignificant amounts or items displaying similar characteristics are stated collectively. As a consequence, situations that arise due to the content of transactions and events make offsetting necessary, as the stating of the transaction or event over the net values or recognizing assets after the deduction for impairment, is not regarded as a violation of the rule of non-offsetting. Income obtained, other than revenue, defined under the title "Proceeds" as a result of the Group's transactions realised within the normal course of business, is accounted for over the net values, provided that they are related to the essence of the transaction or event.

2.1.5 Comparatives

In order to enable the determination of the consolidated financial position and performance trends, the Group's consolidated financial statements have been presented comparatively with the prior period. The Group presented the balance sheet as of 31 December 2009 comparatively with the balance sheet as of 31 December 2008 and presented the statement of income, statement of cash flows and statement of change in equity for the period 1 January- 31 December 2009 comparatively with the prior period 2008.

2.1.6 Amendments and interpretations to existing standards

***a)* Amendments and interpretations that are effective from the year 2009 and relevant to the Group's financial statements:**

- IAS 1, "Presentation of financial statements" Significant changes in comprehensive income statements IAS 1 (Revised), "Presentation of financial statements" (effective from 1 January 2009). The revised standard will prohibit the presentation of items of income and expenses (that is, "non-owner changes in equity") in the statement of changes in equity, requiring "non-owner changes in equity" to be presented separately from owner changes in equity. All non-owner changes in equity will be required to be shown in a performance statement, but entities can choose whether to present one performance statement (the statement of comprehensive income) or two statements (the income statement and statement of comprehensive income). Where entities restate or reclassify comparative information, they will be required to present a restated balance sheet as at the beginning comparative period in addition to the current requirement to present balance sheets at the end of the current period and comparative period. Accordingly, the Group has presented comprehensive income statements for the nine-month periods ended 31 December 2009 and 2008.

- IAS 23 (Amendment), "Borrowing costs" (effective from 1 January 2009). The amendment requires an entity to capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset (one that takes a substantial period of time to get ready for use or sale) as part of the cost of that asset. The option of immediately expensing those borrowing costs is removed. IAS 23 (Amendment) is applied by the Group, effectively starting from 1 January 2009.

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

2.1.6 Amendments and interpretations to existing standards (Continued)

- IFRS 8, "Operating segments" (effective from 1 January 2009). IFRS 8 replaces IAS 14, "Segment reporting", and aligns segment reporting with the requirements of the US standard SFAS 131, "Disclosures about segments of an enterprise and related information". The new standard requires a "management approach", under which segment information is presented on the same basis as that used for internal reporting purposes. The group applies IFRS 8 (Amendment) effectively from 1 January 2009 however, the management approach adopted by the Group did not create a differentiation in segment reporting.

  Following amendments did not have a material impact on consolidated financial statements.

- UMS 19 (Amendment), "Employee Benefits"
- UMS 28 (Amendment), "Investments in Associates" (and as result of this, amendments on IAS 32 "Financial instruments: Presentation"and IFRS 7 Financial instruments: Disclosures"
- IAS 32, "Financial instruments: Presentation"
- IAS 36 (Amendment) "Impairment of assets"
- UMS 38 (Amendment), "Intangible Assets"
- IAS 39 "Financial instruments: Recognition and measurement" Changes in hedging instruments
- IFRS 1, (Amendment), "First-time adoption of International Financial Reporting Standards" Change in cost of investment in the first time adoption of IFRSs
- IFRS 2, (Amendment), "Share-based payment"
- IFRIC 15, "Agreements for the construction of real estate"
- IFRIC 16 "Hedges of a Net Investment in a Foreign Operation"

b) Amendments and interpretations which are mandatory for the accounting periods beginning on or after 1 January 2010:

- IAS 27 (Amendment), "Consolidated and Separate Financial Statements"
- IFRS 3 (Amendment), "Business Combinations"
- IAS 31 (Amendment), " Interests in Joint Ventures"
- IFRS 5 (Amendment), "Non-current Assets Held for Sale and Discontinued Operations"
- IFRIC 17, "Distributions of Non-cash Assets to Owners"
- IFRIC 18 "'Transfer of assets from customers"

2.2 Summary of significant accounting policies

2.2.1 Related parties

For the purposes of these consolidated financial statements, Doğan Holding and Doğan Yayın, shareholders, key management personnel and Board members, in each case together with their families and companies controlled or affiliated with them are considered and referred to as "Related parties" (Note 32).

2.2.2 Financial assets at fair value through profit and loss

Financial assets at fair value through profit and loss are either acquired for generating a profit from short-term fluctuations in price or dealer's margin, or are securities included in a portfolio in which a pattern of short-term profit making exists. Financial assets at fair value through profit and loss are initially recognised at cost of purchase including the transaction costs and subsequently re-measured at fair value. All related realised and unrealised gains and losses are included in the statement of income.

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

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

2.2.3 Trade receivables and provision for doubtful receivables

Trade receivables resulted from providing goods or services directly to a debtor are carried at amortised cost. Trade receivables, net of unearned financial income, are measured at amortised cost, using the effective interest rate method, less the unearned financial income. Short-term receivables with no stated interest rate are measured at original invoice amount unless the effect of imputing interest is significant (Note 9).

A credit risk provision for trade receivables is established if there is objective evidence that the Group will not be able to collect all amounts due. The Group also set allowance for the receivables which are overdue for more than one year unless there is no guarantee and collaterals taken or special agreement. The recoverable amount is 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.

2.2.4 Impairment of assets

IFRS prohibits the amortization of goodwill and intangible assets with indefinite useful lives. Goodwill recognised in a business combination is not amortised; it is tested for impairment annually instead and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. The Group tests goodwill for impairment at year-ends.

The Group reviews all assets except for goodwill at each balance sheet date for any indication of impairment on the stated asset. If there is any indicator of impairment, carrying amount of the stated asset is compared with the net realisable value which is the higher of value in use and fair value less costs to sell. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Impairment exists if the carrying amount of the stated asset or the cash generating unit including the stated asset exceeds its net realisable value. Impairment losses are recognised in consolidated statement of income.

The recoverable amounts of cash generating units have been determined using fair value less costs to sell valuation model. Fair value is measured based on post-tax discounted cash flows based on financial budgets covering a five-year period and estimated EBITDA (budgeted operating profit before interest, tax, depreciation and amortization, impairment charges and other non-recurring operating expenses) has a significant impact on these valuations. Cash flows beyond the five-year period are extrapolated using the EBITDA growth rates and discount rates stated below.

	EBITDA growth rate (%) (*)	**Discount rate (%)**
Russia and Commonwealth of Independent States	3,73	14,0
Hungary	20,46	13,4
Croatia	7,97	13,9
Eastern Europe	10,66	10,3
Turkey	0,81	14,5

(*) Weighted average EBITDA growth rates used to extrapolate cash flows beyond the budget period.

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

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

2.2.5 Inventories

Inventories are valued at the lower of cost or estimated selling price less estimated costs necessary to make the sale. Cost elements included in inventories are materials, labour and an appropriate amount of production overheads. The cost of inventories is determined on the weighted average basis (Note 11).

2.2.6 Investment properties

Land and buildings that are held to earn rentals and/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 and are carried at cost less accumulated depreciation (except land) under the cost method less impairment charges, if any. Depreciation of investment properties (except land) is provided using a straight-line basis. The depreciation periods for investment property, which approximate the economic useful lives of such assets, are determined as 50 years (Note 13).

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 asset net selling price or value in use. Investment properties are evaluated for any impairment and if carrying value of the investment property is higher than net recoverable amount, provision for impairment is established for the difference between the carrying and recoverable amount. Impairment is accounted to consolidated statement of income of the same year.

2.2.7 Property, plant and equipment and depreciation

Property, plant and equipment are carried at cost less accumulated depreciation. Depreciation is provided using the straight-line method based on the estimated useful lives of the assets (Note 14). The depreciation periods for property and equipment, which approximate the economic useful lives of assets concerned, are as follows:

Buildings	25-50 years
Machinery and equipment	3-15 years
Furniture and fixtures	3-15 years
Motor vehicles	5 years
Leasehold improvements	2-20 years

Property, plant and equipment are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of fair value less costs to sell or value in use. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. Impairment losses are recognised in the consolidated statement of income of the same year.

Gains or losses on disposals of property, plant and equipment are included in the other income/expense accounts, as appropriate.

Repair and maintenance expenses are charged to the consolidated statement of income as they are incurred. Repair and maintenance expenses are capitalised if they result in an enlargement or substantial improvement of the respective assets (Note 14).

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

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

2.2.8 Financial leases

Assets acquired under finance lease agreements are capitalised at the inception of the lease at fair value of the leased asset or at present value of the lease payment, whichever is the lower, less accumulated depreciation. Minimum lease payments are treated as comprising capital and interest elements.

Lease payments are apportioned between the finance charges and capital redemption so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income. Capitalized leased assets are depreciated over the estimated useful life of the asset.

2.2.9 Goodwill and amortisation

Goodwill and negative goodwill which represents the excess of the cost of an acquisition over the fair value of the group's share of the net identifiable assets of the acquired subsidiary/associate at the date of acquisition in the consolidated financial statements, are capitalised and amortised using the straight-line method over the useful life until 31 December 2004, for the acquisitions 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 at year-ends (Note 16 and 2.2.27).

2.2.10 Intangible assets and amortisation

Intangible assets excluding goodwill comprise trade names, customer lists, computer software and rights, internet domain names and other intangible assets. All trade names, customer lists and internet domain names have been identified as a result of independent valuations performed for the purchase price allocation related with the business combinations. Useful lives of certain trade names are determined to be indefinite. Assets that have an indefinite useful life are not subject to amortisation and tested annually for impairment as goodwill. Estimated useful lives of the intangible assets with finite useful lives are as follows:

Trade names	20 years
Customer lists	9 and 18 years
Computer software and rights	5 years
Domain names	3-20 years
Other intangible assets	5 years

Computer software and rights and other intangible assets are carried at their acquisition cost and amortised using the straight-line method over their estimated useful lives (Note 15).

Intangible assets with finite useful lives are evaluated for impairment losses when 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. Impairment losses are recognised immediately in the consolidated statement of income.

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

2.2.11 Critical accounting estimates and judgements

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

Useful lives of intangible assets

Group estimates the useful lives of some trade names as indefinite as described in Note 2.2.10. If these intangible assets' useful lives are finite (in case of useful lives of 20 years), their amortisation charge would have increased by TL 13.980.752 (2008: TL 14.574.695) and loss before tax and minority interests would have increased by TL 13.980.752 (2008: TL 14.574.695).

Group amortises trade names, customer lists and domain names with definite useful lives over the useful lives specified in Note 2.2.10.

If the useful lives of trade names, customer lists and domain names differ from the management's estimates by 10%, the effects on the financial statements would be as follows:

- Had the useful lives been higher by 10%, amortisation charges would have decreased by TL 1.302.968 and loss before tax and minority interests would have decreased by TL 1.302.968 (2008: TL 1.697.945) or

- Had the useful lives been lower by 10%, amortisation charges would have increased by TL 1.592.516 and loss before tax and minority interests would have increased by TL 1.592.516 (2008: TL 2.075.266).

Impairment of assets

If the estimated post-tax discount rate applied to the discounted cash flows for the CGU in Hungary had been 1% higher than management's estimates, the Group would have recognised a further impairment against intangible assets by TL 54.990.976 and loss before tax and minority interests would have increased by TL 54.990.976.

As explained in detail in Note 18, the Group management has accounted for a provision amounting to TL 15.554.695 in the consolidated financial statements at 31 December 2009 in accordance with the opinions of the Group's legal counsel and tax experts on the tax inspection reports.

2.2.12 Taxation on income

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

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 for financial reporting purposes. Currently enacted tax rates are used to determine deferred income tax.

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

2.2.12 Taxation on income (Continued)

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 2.1.1 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.

2.2.13 Borrowings

Bank borrowings are recognised initially at proceeds received, net of transaction costs incurred. Bank borrowings are subsequently stated at amortised cost using the effective yield method in the consolidated financial statements. Any difference between the proceeds (excluding transaction charges) and redemption value is recognised in the consolidated statement of income over the period of the borrowings (Note 7).

2.2.14 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 20).

2.2.15 Provisions

Provisions are recognised when the Group has a present legal constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. If the provision amount decreases upon a change in the current situation, the related amount is recorded to other income in the current period.

2.2.16 Share capital and dividends

Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared. Dividend receivables are accounted for income at the date of dividend collection is eligible.

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

2.2.17 Foreign currency transactions and translation

Functional currency

Items included in the financial statements of each entity in the Group are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity. The consolidated financial statements are presented in Turkish Lira, which is the functional currency of the Group.

Foreign currency transactions and balances

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 into TL at the exchange rates prevailing at the balance sheet dates. Exchange gains or losses arising from the settlement and translation of foreign currency items have been included in the consolidated statement of income.

Foreign Group companies

The results of Group undertakings using a measurement currency other than TL are first translated into TL by using the average exchange rate for the period. The assets and liabilities of such Group undertakings are translated into TL by using the closing rate at the balance sheet date. Differences arising on retranslation of the opening net assets of such Group undertakings and differences between the average and period-end rates are included in currency translation reserve as a separate item in the shareholders' equity.

A significant portion of the Group's foreign operations are performed in Russia, Europe and Eastern Europe countries (Note 4). Foreign currencies and exchange rates at 31 December 2009 and 2008 are summarized below:

Country	**Currency**	**2009**	**2008**
Eurozone	Euro	2,1603	2,1408
Russia	Ruble	0,0500	0,0516
Hungary	Forint	0,0079	0,0080
Croatia	Kuna	0,2966	0,2927
Ukraine	Grivna	0,1895	0,2011
Romania	New Ley	0,5090	0,5346

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

2.2.18 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of rebates, returns and commissions after eliminating sales within the Group.

Revenue initially accounted for with respect to the fair value of the amount receivable or received when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the entity. 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 interest rate used in discounting, is the interest rate to discount nominal amount of the receivable to the amortised cost of the related goods or services given. The difference between the fair value and the nominal amount of the consideration is recognised as interest income on a time proportion basis that takes into account the effective yield on the asset.

Revenues from advertisement:

Revenues from advertisement are recognised on an accrual basis at the time of publishing the advertisement in the related media at the invoiced values. Unpublished part of the advertisement is recorded as deferred revenue in balance sheet.

Revenues from newspaper sales:

Revenues from newspaper sales are recognised on an accrual basis at the time of delivery of the newspapers by the distribution company to the vendor at the invoiced values.

Revenues from printing services:

Revenues from printing services arise from printing services given to third parties other than Group companies by using Group's printing facilities. Related income is recognised on an accrual basis at the time of services given.

Newspaper sales returns:

Provision for newspaper sales returns is accounted at the time of delivery based on past experiences and recent information of sales returns.

Interest income:

Interest income is recognised on accruals basis in accordance with effective interest yield method.

Rental income:

Rental income is recognised on an accrual basis.

Other income:

Other income is recognised on an accrual basis.

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

2.2.19 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, adjusted by the amount of any cash or cash equivalents transferred. If the fair value of goods or services received cannot be reliably measured, the revenue is measured at the fair value of goods or services given up by the entity, again adjusted for any cash or cash equivalents received or paid (Note 19).

2.2.20 Loss per share

Loss per share disclosed in the consolidated statements of income are determined by dividing net loss for the period 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 (Note 22). For the purpose of earnings per share computations, such bonus shares issuances are regarded as issued shares. Accordingly the weighted average number of shares used in earnings per share computations is derived by considering the retrospective effects of the issuances of the shares (Note 31).

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

2.2.21 Cash and cash equivalents

Cash and cash equivalents include cash on hand, bank deposits and easily convertible short-term, highly liquid investments with maturity periods of 3 months or less (Note 5).

2.2.22 Subsequent events

Subsequent events and announcements related to net income or even declared after other selective financial information has been publicly announced, include all events that take place between the balance sheet date and the date when the balance sheet is authorised for issue.

In the case that events requiring a correction to be made occur subsequent to the balance sheet date, the Company makes the necessary corrections to the financial statements.

2.2.23 Reporting of cash flows

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

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

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

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

Cash and cash equivalents include cash and bank deposits and the investments that are readily convertible into cash and highly liquid with 3 months or less to maturity (Note 5).

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

2.2.24 Accounting for put options

Under the certain terms of acquisition agreements, the Group is committed to acquire the interests owned by minority shareholders in consolidated subsidiaries, if these minority interests wish to sell their share of interests.

As it is highly probable that the Group will fulfill this obligation, IAS 32, "Financial Instruments: Disclosure and Presentation", requires the value of such put option to be presented as a financial liability on the balance sheet for the discounted value of the expected exercise price of this option, notwithstanding the ability of the Company to settle part of these obligations with its own shares rather than cash. Furthermore, the share of minority shareholders in the net asset of the company subject to the put option must be reclassified from "minority interest" to "other financial liabilities" in the consolidated balance sheet. The Group recognises, on initial recognition, the difference between the exercise price of the option and the carrying value of the minority interests as a reduction of minority interest and then as additional goodwill. The subsequent unwinding of the discount is recognised in financial expense while the change in the value of the commitment is recorded through goodwill (Note 16).

2.2.25 Assets held for sale and discontinued operations

Discontinued operations are the part of the Group which either are classified as held-for-sale or have been disposed of and whose activities and cash flows can be treated as separable from the Group's activities and cash flows. Discontinued operations represent separate business or geographical segments, which are part of a plan to sell or dispose, or is a subsidiary acquired for selling. The Group measures discontinued operations, with the lower of the carrying amounts of the related assets and liabilities of the discontinued operations or the fair values less costs to sell (Note 29).

2.2.26 Web page development costs

The direct costs incurred in the development of its websites are capitalised and recognised over the estimated useful lives (Note 15). The costs incurred that relate to the planning and post implementation phases are expensed. Repair and maintenance costs associated with websites are included in operating expenses.

2.2.27 Business combinations

Business combinations are accounted in accordance with IFRS 3 "Business Combinations". Goodwill represents the excess of the cost of an acquisition over the fair value of the group's share of the net identifiable assets of the acquired subsidiary/associate at the date of acquisition. The fair value differences of the net assets of the Group's share, net of deferred tax, are initially accounted as fair value reserve in equity. Goodwill recognised in a business combination is not amortised, it is tested for impairment annually instead and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. The Group tests goodwill for impairment at year-ends.

If the cost of acquisition is less than the fair value of the identifiable assets, liabilities and contingent liabilities acquired, the difference is recognised directly in the consolidated statement of income (Note 3).

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

2.2.28 Segment reporting

The chief operating decision-maker of the Group is the Executive Committee. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Group has selected the geographical segment as the Group's primary segment reporting format based on the risks and returns in geographical areas reflecting the primary source of the enterprise's risks and returns.

2.2.29 Derivative financial instruments

Derivative financial instruments, predominantly foreign currency interest swap agreements and foreign currency agreements are initially recognised at their historical costs plus the transaction costs. Derivative financial instruments are subsequently remeasured at their fair value. All derivative financial instruments are classified as financial assets carried at fair value through profit or loss. Fair value of derivative financial instruments is measured by using its market value or by applying discounted cash flows method. The fair value of the over-the-counter forward exchange transactions, are determined by comparing the forward exchange rate as of the balance sheet date with the original forward exchange rate for the related currency which was calculated over the valid market interest rates. Derivative financial instruments are classified as assets or liabilities in accordance with their fair values to be positive or negative.

Changes in the fair value of derivatives at fair value through profit or loss are included in the consolidated statement of income.

Certain derivative transactions, while providing effective economic hedges under the risk management position, do not qualify for hedge accounting under the specific rules under IAS 39 and are therefore treated as derivatives at fair value through profit or loss and their fair value gains and losses are included in the consolidated statement of income.

Profit or loss included in the commodity futures agreements have been calculated by comparing the spot exchange rate calculated at the balance sheet date with the original exchange rate obtained by using the spot exchange rate at the start date of the agreement (Direct method has been applied for calculating the original exchange rate). Gains and losses occurred in hedging swap transaction is recognised same as the profits and losses incurred from the hedging instrument transactions. Gains and losses incurred in interest rate transactions have been recorded as interest income or expenses.

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

NOTE 3 - BUSINESS COMBINATIONS

There are no significant business combinations for the periods 1 January - 31 December 2009 and 2008.

NOTE 4 - SEGMENT REPORTING

a) Segmental analysis for the period between 1 January - 31 December 2009:

	Turkey	Russia and EE	Europe	Total
Sales	515.663.785	199.771.901	68.697.176	784.132.862
Cost of sales	(352.804.154)	(97.072.103)	(49.156.162)	(499.032.419)
Gross operating profit	**162.859.631**	**102.699.798**	**19.541.014**	**285.100.443**
Marketing, selling and distribution expenses	(66.147.108)	(13.010.205)	(6.489.150)	(85.646.463)
Losses from investments accounted for by equity method, net (-)	(15.189.329)	-	-	(15.189.329)
Net segment result	**81.523.194**	**89.689.593**	**13.051.864**	**184.264.651**
General administrative expenses (-)				(157.036.566)
Other operating income				7.561.155
Other operating expenses				(55.887.931)
Financial income				141.939.022
Financial expense (-)				(147.863.593)
Operating loss before tax from continued operations				**(27.023.262)**
Tax expenses for the period				(18.798.776)
Deferred tax income				4.687.042
Net loss for the period				**(41.134.996)**

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

NOTE 4 - SEGMENT REPORTING (Continued)

b) Segmental analysis for the period between 1 January - 31 December 2008:

	Turkey	**Russia and EE**	**Europe**	**Total**
Sales	583.475.736	321.915.554	93.055.048	998.446.338
Cost of sales	(383.625.514)	(153.663.354)	(58.525.220)	(595.814.088)
Gross operating profit	**199.850.222**	**168.252.200**	**34.529.828**	**402.632.250**
Marketing, selling and distribution expenses	(79.459.140)	(26.132.164)	(13.198.503)	(118.789.807)
Losses from investments accounted for by equity method, net (-)	(8.765.400)	-	-	(8.765.400)
Net segment result	**111.625.682**	**142.120.036**	**21.331.325**	**275.077.043**
General administrative expenses (-)				(204.550.093)
Other operating income				22.668.854
Other operating expense				(24.355.781)
Financial income				106.896.257
Financial expense (-)				(264.470.597)
Operating loss before tax from continued operations				**(88.734.317)**
Tax expenses for the period				(24.396.599)
Deferred tax income				32.609.226
Net loss for the period				**(80.521.690)**

c) Segment assets

	2009	**2008**
Turkey	914.214.989	959.466.845
Russia and EE	703.837.308	762.622.969
Europe	213.150.768	279.831.253
	1.831.203.065	**2.001.921.067**
Unallocated assets	21.368.815	42.112.287
Investments accounted for by the equity method	1.432.023	316.468
Total assets per consolidated financial statements	**1.854.003.903**	**2.044.349.822**

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

NOTE 4 - SEGMENT REPORTING (Continued)

d) Segment liabilities

	2009	2008
Turkey	35.464.909	37.021.622
Russia and EE	21.024.131	23.869.382
Europe	28.559.419	30.617.363
	85.048.459	**91.508.367**
Unallocated liabilities	851.309.271	1.066.642.312
Total liabilities per consolidated financial statements	**936.357.730**	**1.158.150.679**

e) Depreciation and amortisation charges and capital expenditures

Capital expenditures (excluding business combinations):

	2009	2008
Turkey	60.985.408	53.324.230
Russia and EE	5.822.162	7.004.740
Europe	2.886.246	7.656.518
	69.693.816	**67.985.488**

Depreciation and amortisation charges:

	2009	2008
Turkey	48.296.621	46.001.620
Russia and EE	25.596.637	24.824.396
Europe	13.190.297	13.292.102
	87.083.555	**84.118.118**

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

NOTE 4 - SEGMENT REPORTING (Continued)

f) Non-cash expenses:

	2009			
	Turkey	**Russia and EE**	**Europe**	**Total**
Provisions and accruals for tax penalties (Note 26)	32.754.695	-	-	32.754.695
Provision for doubtful receivables (Note 9)	7.624.746	1.649.965	2.681.336	11.956.047
Provision for employment termination benefits and unused vacation rights	11.391.635	-	-	11.391.635
Interest expense accruals	6.428.778	1.200.192	96.423	7.725.393
Provision for impairment of goodwill	-	6.690.546	-	6.690.546
Provision for impairment of investment properties (Note 13)	3.340.892	-	-	3.340.892
Provision for impairment of inventories (Note 11)	331.983	-	-	331.983
Provision for impairment of available for sale financial assets (Note 6)	316.828	-	-	316.828
Provision for lawsuits (Note 18)	220.281	-	-	220.281

	2008			
	Turkey	**Russia and EE**	**Europe**	**Total**
Provision for impairment of goodwill and intangible assets	-	-	32.795.581	32.795.581
Provision for doubtful receivables (Note 9)	7.447.498	1.620.273	3.595.462	12.663.233
Provision for employment termination benefits and unused vacation rights	6.726.122	-	-	6.726.122
Interest expense accruals	5.560.775	1.200.192	96.423	6.857.390
Provision for impairment of investment property (Note 13)	4.725.638	-	-	4.725.638
Provision for impairment of available for sale financial assets (Note 6)	1.164.760	-	-	1.164.760
Provision for lawsuits (Note 18)	128.676	-	-	128.676

NOTE 5 - CASH AND CASH EQUIVALENTS

The cash and cash equivalents at 31 December are as follows:

	2009	**2008**
Cash	918.524	994.054
Banks		
- demand deposits	16.062.493	20.827.847
- time deposits	261.127.478	348.438.613
- blocked deposits	274.793	65.451
	278.383.288	**370.325.965**

The Group has blocked deposits amounting to TL 274.793 as of 31 December 2009 (2008: TL 65.451).

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

NOTE 5 - CASH AND CASH EQUIVALENTS (Continued)

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

	2009	2008	2007
Cash and banks	278.383.288	370.325.965	137.938.512
Less: Blocked deposits and time deposits with maturity of more than three months	(274.793)	(65.451)	(887.160)
Less: Interest accruals	(1.133.947)	(2.041.423)	(534.872)
Total	**276.974.548**	**368.219.091**	**136.516.480**

The maturity analysis of time deposits including the blocked time deposits is as follows:

	2009	2008
0-1 month	224.751.911	348.477.992
1-3 months	36.601.786	-
	261.353.697	**348.477.992**

There are no time deposits with variable interest rates at 31 December 2009 and 2008. The effective interest rate for TL time deposits is 9,6% (2008: 21,4%). The effective interest rates of foreign currency denominated time deposits are 2,6% for USD and 2,9% for Euro as of 31 December 2009. (2008: USD: 6,3%, Euro: 6,8%).

NOTE 6 - FINANCIAL ASSETS

The details of financial assets at fair value through profit and loss at 31 December are as follows:

	2009	2008
Treasury bills and government bonds	18.363.709	-
	18.363.709	**-**

All treasury bills and govenment bonds are on USD currency and the effective interest rate is 3,8% as of 31 December 2009 (2008: None).

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

NOTE 6 - FINANCIAL ASSETS (Continued)

The details of financial assets available for sales are as presented below:

	Share %	2009	Share %	2008
Doğan Havacılık Sanayi ve Ticaret A.Ş. ("Doğan Havacılık")	9,00	4.513.096	9,00	4.513.093
Doğan Factoring Hizmetleri A.Ş. ("Doğan Factoring")	5,00	736.422	5,00	736.422
Doğan Dış Ticaret ve Mümessillik A.Ş. ("Doğan Dış Ticaret")	2,00	346.038	2,00	346.038
Coats İplik Sanayi A.Ş.	0,50	257.850	0,50	257.850
Hür Servis Sosyal Hizmetler ve Ticaret A.Ş. ("Hürservis")	19,00	169.166	19,00	169.166
Other		345.620		137.268
		6.368.192		**6.159.837**
Impairment on Doğan Havacılık		(1.481.588)		(1.164.760)
		4.886.604		**4.995.077**

The provision movements of impairment for financial investments are as follows:

	2009	2008
1 January	**1.164.760**	**-**
Provision for impairment	316.828	1.164.760
31 December	**1.481.588**	**1.164.760**

NOTE 7 - FINANCIAL LIABILITIES

The details of financial liabilities at 31 December are as follows:

Short-term financial liabilities:	**2009**	**2008**
Bank borrowings	291.847.714	244.438.603
Financial liabilities to suppliers	25.786.590	28.530.162
Lease payables	2.700.311	2.692.644
Total	**320.334.615**	**275.661.409**

Long-term financial liabilities:	**2009**	**2008**
Bank borrowings	250.730.351	537.552.557
Financial liabilities to suppliers	77.615.157	86.094.672
Lease payables	1.605.599	4.290.663
Total	**329.951.107**	**627.937.892**

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

NOTE 7 - FINANCIAL LIABILITIES (Continued)

Bank borrowings:

The details of bank borrowings at 31 December are as follows:

	Effective interest rate per annum (%)		Original foreign currency		TL	
	2009	**2008**	**2009**	**2008**	**2009**	**2008**
Short-term bank borrowings						
- Euro	1,7	4,8	3.320	1.772.924	7.172	3.795.474
- USD	-	5,9	-	1.195.817	-	1.808.434
- TL	-	-	-	1.799.088	-	1.799.088
- CHF	-	5,1	-	320.582	-	458.432
Sub-total					**7.172**	**7.861.428**
Short-term portion of long-term bank borrowings						
- USD	2,8	4,5	173.307.371	149.664.115	260.948.911	226.337.042
- Euro	2,7	4,9	12.297.145	2.953.910	26.565.523	6.323.731
- CHF	2,4	5,1	2.985.170	2.738.742	4.326.108	3.916.402
Sub-total					**291.840.542**	**236.577.175**
Total short-term bank borrowings					**291.847.714**	**244.438.603**
Long-term bank borrowings:						
- USD	2,7	4,7	136.161.196	305.472.521	205.017.913	461.966.094
- Euro	3,2	5,3	20.271.373	32.446.832	43.792.248	69.462.178
- CHF	2,5	5,1	1.325.000	4.282.717	1.920.190	6.124.285
Total long-term bank borrowings					**250.730.351**	**537.552.557**

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

NOTE 7 - FINANCIAL LIABILITIES (Continued)

Bank borrowings (Continued):

The redemption schedules of long-term bank borrowings are as follows:

Year	**2009**	**2008**
2010	-	156.687.824
2011	121.605.367	176.681.512
2012	88.939.474	144.318.584
2013	39.191.773	58.879.869
2014 and over	993.737	984.768
	250.730.351	**537.552.557**

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

Year	**2009**	**2008**
Up to 6 months	540.460.971	778.576.974
6-12 months	2.117.094	3.414.186
	542.578.065	**781.991.160**

Carrying value of the financial liabilities is considered to approximate their fair value since discount effect is not material.

The Group has entered into a credit facility amounting to USD 240.850.000 to finance the acquisition of TME shares. The Group has some covenants related with these bank borrowings.

The Group has to maintain a net debt ratio on the basis of EBITDA identified by the bank for the last 12 months consolidated financial statements.

Furthermore, the Group committed that there will be no business combinations or disposals or sales of assets or liabilities in aggregate which may indicate a change in the control or in the major operations in one of the Group's Subsidiary, TME.

The Group has pledged 33.649.091 unit share certificates which comprise 67,3% of the shares of TME, one of its Subsidiaries, as securities to financial institutions related with the long-term bank borrowings (2008: 33.649.091 unit).

TME shall repay and cancel the credit facility in case of any change in the control of TME or any illegal acts provided that there are mitigation clauses in the credit facility agreement.

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

NOTE 7 - FINANCIAL LIABILITIES (Continued)

Bank borrowings (Continued):

Furthermore, if there are disposals or sells in aggregate in excess of the amount of 10% of the TME's consolidated net assets or if there is an equity movement resulting in 10% change in TME's consolidated net assets, TME shall cancel and repay the credit facility.

Furthermore, the Group's subsidiary TME has signed a senior credit agreement in 2007 which amounts to a total facility of USD 200.000.000. The Group has drawn USD 144.800.000 of the credit facility in 2007, the remaining part of the credit facility amounted USD 55.200.000 has been drawn in October 2008.

Since TME has breached some covenants of the credit agreement, borrowings as of 31 December 2009 have been classified as short-term. However the Group has signed a preliminary borrowing agreement with a different financial institution in order to pay the related bank borrowings.

The Group's borrowings issued at variable interest amount to TL 635.097.710 at 2009 (2008: TL 682.526.838).

Lease payables:

Lease payables at 31 December are as follows:

	2009	**2008**
Short-term lease payables	2.700.311	2.692.644
Long-term lease payables	1.605.599	4.290.663
	4.305.910	**6.983.307**

The redemption schedules of long-term lease payables are as follows:

Year	**2009**	**2008**
2010	-	2.687.916
2011	1.575.913	1.572.833
2012	29.686	29.914
	1.605.599	**4.290.663**

The effective interest rate for long-term lease payables is 6,5% for USD and 5,0% for Euro (2008: USD: 6,5%, Euro: 5,0%).

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

NOTE 7 - FINANCIAL LIABILITIES (Continued)

Financial liabilities to suppliers:

Short and long-term financial liabilities to suppliers are related with the purchase of machinery and equipment. The effective interest rates of long-term financial liabilities to suppliers are 1,3 % for USD, 1,5% for Euro and 1,4 % for CHF (2008: USD: 3,4 %, Euro: 4,5 %, CHF: 3,0 %).

The redemption schedules of long-term financial liabilities to suppliers are as follows:

Year	2009	2008
2010	-	21.889.481
2011	24.973.355	21.985.081
2012	24.650.174	21.664.817
2013	21.626.371	18.633.226
2014 and over	6.365.257	1.922.067
	77.615.157	**86.094.672**

The Group's long-term financial liabilities to suppliers issued at variable interest rates are amounting to TL 77.615.157 (2008: TL 86.094.672).

The exposure of the Group's long-term financial liabilities to suppliers to interest rate changes and the contractual reprising dates are as follows:

Period	2009	2008
Up to 6 months	103.120.800	113.654.109
6-12 months	280.947	970.725
	103.401.747	**114.624.834**

The fair values of short-term and long-term financial liabilities to suppliers are considered to approximate their carrying values as the effect of discount is not material.

NOTE 8 - OTHER FINANCIAL LIABILITIES

Other financial liabilities at 31 December are as follows:

	2009	2008
Financial liabilities due to put options		
Short-term (Note 19)	15.123.251	13.686.315
Long-term (Note 19)	742.310	6.043.151
	15.865.561	**19.729.466**

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

NOTE 9 - TRADE RECEIVABLES AND PAYABLES

Short-term trade receivables net of unearned credit finance income at 31 December are as follows:

	2009	**2008**
Trade receivables	189.523.390	176.236.809
Cheques and notes receivable	4.018.704	8.682.318
Receivables from credit cards	672.611	312.739
	194.214.705	**185.231.866**
Unearned credit finance income	(868.003)	(1.540.031)
Less: provision for doubtful receivables	(43.241.229)	(32.659.317)
Short-term trade receivables	**150.105.473**	**151.032.518**

Long-term trade receivables net of unearned credit finance income at 31 December are as follows:

	2009	**2008**
Long-term trade receivables	-	8.342.790
Unearned credit finance income	-	(994.495)
Long-term trade receivables	**-**	**7.348.295**

Trade receivables resulting from advertisement and publications, amounting to TL 110.849.486 (2008: TL 105.416.417) are followed up by Doğan Factoring Hizmetleri A.Ş. (“Doğan Factoring”) in accordance with the factoring agreement signed between the Group and Doğan Factoring. The average due date of the Group’s trade receivable followed up by Doğan Factoring is between 3 and 4 months (2008: Between 3 and 4 months). The unearned credit finance income related with the receivables followed up by Doğan Factoring is TL 800.396 (2008: TL 1.879.645) and the effective interest rate is 12% (2008: 19%).

The movements of provision for doubtful receivables are as follows:

	2009	**2008**
1 January	**32.659.317**	**23.199.576**
Additions during the year (Note 26)	11.956.047	12.663.233
Collections during the year	(1.121.392)	(4.231.752)
Currency translation differences	(252.743)	1.450.437
Disposal of discontinued operations	-	(422.177)
31 December	**43.241.229**	**32.659.317**

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

NOTE 9 - TRADE RECEIVABLES AND PAYABLES (Continued)

Trade payables at 31 December are as follows:

	2009	2008
Short-term trade payables	38.289.102	38.813.109
	38.289.102	**38.813.109**

NOTE 10 - OTHER RECEIVABLES AND PAYABLES

Other receivables at 31 December are as follows:

	2009	2008
Receivables from tax authorities (*)	2.240.314	15.975.462
Deposits and guarantees given	365.799	717.634
	2.606.113	**16.693.096**

(*) Receivables from tax authorities of the Group consist of the tax receivable as a result of tax litigation resulted in favour of OOO Pronto Moscow, a subsidiary of the Group, which should be offset against future tax liabilities.

Other long-term receivables at 31 December are as follows:

	2009	2008
Deposits and guarantees given	666.652	300.753
	666.652	**300.753**

Other payables at 31 December are as follows:

	2009	2008
Taxes and funds payable	8.336.619	5.851.429
Due to personnel	3.808.965	5.498.759
Social security withholdings payable	2.940.133	3.026.814
Deposits and guaranties received	1.179.634	1.191.255
	16.265.351	**15.568.257**

Other long-term payables at 31 December are as follows:

	2009	2008
Deposits and guarantees received	188.213	189.038
	188.213	**189.038**

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

NOTE 11 - INVENTORIES

	2009	2008
Raw materials and supplies	13.005.309	18.589.869
Promotion stocks (*)	4.571.959	3.769.347
Semi-finished goods	398.838	386.636
Finished goods and merchandise	1.281.512	1.184.173
	19.257.618	**23.930.025**
Impairment on promotion stocks	(811.496)	(479.513)
	18.446.122	**23.450.512**

(*) Promotion stocks include promotion materials such as books, cds and dvds.

The movements about the impairment on the promotion stocks as it follows;

	2009	2008
1 January	**479.513**	**542.306**
Provision for/(reversal of) impairment	331.983	(62.793)
31 December	**811.496**	**479.513**

NOTE 12 - INVESTMENTS ACCOUNTED FOR BY THE EQUITY METHOD

The details of the investments accounted for by the equity method as of 31 December are as follows:

	Share %	2009	Share %	2008
Doğan Media (*)	42,42	1.114.319	42,42	-
Yaysat	25,00	225.906	25,00	224.731
DYG İlan	20,00	91.798	20,00	91.737
		1.432.023		**316.468**

The summary Group's share of the financial statements of the investments accounted for by the equity method at 31 December 2009 is as follows:

2009	Total assets	Total liabilities	Net sales	Net (loss)/ income for the period
Doğan Media (*)	23.047.312	21.932.993	56.375.629	(15.190.498)
Yaysat	244.245	18.339	122.275	1.175
DYG İlan	91.798	-	19.365	(6)
	23.383.355	**21.951.332**	**56.517.269**	**(15.189.329)**

(*) Net loss for the period of Doğan Media mainly stems from the establishment costs of its subsidiary Doğan Media International SA established in Romania.

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

NOTE 12 - INVESTMENTS ACCOUNTED FOR BY THE EQUITY METHOD (Continued)

The summary of Group's share of the financial statements of the investments accounted for by the equity method at 31 December 2008 is as follows:

2008	Total assets	Total liabilities	Net sales	Net (loss)/income for the period
Doğan Media	28.644.684	28.663.897	60.017.547	(8.841.057)
Yaysat	405.904	181.173	713.736	75.262
DYG İlan	100.165	8.428	85.263	395
	29.150.753	**28.853.498**	**60.816.546**	**(8.765.400)**

The movements in associates during the years ended at 31 December are as follows:

	2009	2008
1 January	**316.468**	**4.380.092**
Share capital increase	16.723.846	5.063.838
Loss from associates	(15.189.329)	(8.765.400)
Currency translation differences	(418.962)	(362.062)
31 December	**1.432.023**	**316.468**

NOTE 13 - INVESTMENT PROPERTY

The movements in investment property and related accumulated depreciation for the year ended at 31 December 2009 are as follows:

	1 January 2008	Additions	Disposals	Provision of impairment	Transfers	31 December 2009
Cost:						
Land	9.565.495	-	-	-	-	9.565.495
Buildings	12.803.169	22.626.227	(15.704.085)	(3.340.892)	1.110.866	17.495.285
	22.368.664	**22.626.227**	**(15.704.085)**	**(3.340.892)**	**1.110.866**	**27.060.780**
Accumulated depreciation:						
Buildings	391.762	73.455	-	-	-	465.217
	391.762	**73.455**	**-**	**-**	**-**	**465.217**
Net book value	**21.976.902**			**26.595.563**		

(*) Indicates the buildings transferred to plant, property and equipment.

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

NOTE 13 - INVESTMENT PROPERTY (Continued)

The fair value of the investment property has been determined as TL 42.631.610 at 31 December 2009 (2008: TL 34.180.558).

The movements in investment property and related accumulated depreciation for the year ended 31 December 2008 are as follows:

	1 January 2008	Additions	Disposals	Provision of impairment	31 December 2008
Cost:					
Land	9.565.495	-	-	-	9.565.495
Buildings	3.444.900	22.174.427	(8.090.520)	(4.725.638)	12.803.169
	13.010.395	**22.174.427**	**(8.090.520)**	**(4.725.638)**	**22.368.664**
Accumulated depreciation:					
Buildings	318.307	73.455	-	-	391.762
	318.307	**73.455**	**-**	**-**	**391.762**
Net book value	**12.692.088**				**21.976.902**

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

NOTE 14 - PROPERTY, PLANT AND EQUIPMENT

The movements in property, plant and equipment and related accumulated depreciation for the year ended 31 December 2009 are as follows:

	1 January 2009	Currency translation differences	Additions	Disposals	Transfers	31 December 2009
Cost						
Land and land improvements	52.609.400	(10.839)	209.360	-	1.258	52.809.179
Buildings	265.032.446	(275.027)	918.371	(157.358)	(1.141.945)	264.376.487
Machinery and equipments	672.717.143	68.072	13.338.997	(317.274)	21.339.082	707.146.020
Motor vehicles	11.312.260	(43.374)	61.110	(579.700)	-	10.750.296
Furniture and fixtures	97.252.560	(1.038.275)	5.060.290	(1.707.960)	686.544	100.253.159
Leasehold improvements	25.036.022	(13.308)	371.841	(454.624)	-	24.939.931
Other non-current assets	408.167	(3.872)	174.312	-	-	578.607
Construction in progress	2.593.055	15.003	21.589.440	-	(22.763.750)	1.433.748
	1.126.961.053	**(1.301.620)**	**41.723.721**	**(3.216.916)**	**(1.878.811)**	**1.162.287.427**
Accumulated depreciation						
Land and land improvements	376.114		69.252	-	-	445.366
Buildings	57.650.434	(134.746)	5.788.104	(27.077)	-	63.276.715
Machinery and equipments	435.282.503	(229.519)	45.574.747	(160.255)	-	480.467.476
Motor vehicles	7.012.582	(152.934)	1.498.918	(371.723)	-	7.986.843
Furniture and fixtures	74.819.814	(344.369)	6.847.636	(1.508.636)	-	79.814.445
Leasehold improvements	22.500.100	1.554	753.019	(449.985)	-	22.804.688
Other non-current assets	189.206	(2.057)	47.418	-	-	234.567
	597.830.753	**(862.071)**	**60.579.094**	**(2.517.676)**	**-**	**655.030.100**
Net book value	**529.130.300**					**507.257.327**

Net book value of the property, plant and equipment in machinery and equipment group obtained via financial leasing is amounting to TL 11.605.840 (2008: TL 13.888.186).

At 31 December 2009 there were liens amounting to TL 6.619.159 (2008: TL 6.559.411) and mortgages amounting to TL 14.041.950 (2008: TL 13.915.200).

Construction in progress amounting to TL 1.433.748 is related to computer programs and internet domain names.

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

NOTE 14 - PROPERTY, PLANT AND EQUIPMENT (Continued)

The movements in property, plant and equipment and related accumulated depreciation for the period ended 31 December 2008 are as follows:

	1 January 2008	Currency translation differences	Additions	Disposals	Transfers	Acquisitions	31 December2008
Cost							
Land and land improvements	52.246.932	1.470.878	4.794.982	(5.903.392)	-	-	52.609.400
Buildings	258.805.088	5.049.487	1.000.168	-	177.703	-	265.032.446
Machinery and equipments	644.183.292	8.594.975	9.052.644	(495.982)	11.382.214	-	672.717.143
Motor vehicles	9.750.872	584.521	1.585.914	(609.047)	-	-	11.312.260
Furniture and fixtures	92.068.472	1.179.925	7.489.884	(753.029)	17.114	(2.749.806)	97.252.560
Leasehold improvements	24.629.038	39.580	416.405	(12.971)	30.216	(66.246)	25.036.022
Other non-current assets	325.592	82.575	-	-	-	-	408.167
Construction in progress	8.502.573	(101.363)	8.007.360	-	(13.730.867)	(84.648)	2.593.055
	1.090.511.859	**16.900.578**	**32.347.357**	**(7.774.421)**	**(2.123.620)**	**(2.900.700)**	**1.126.961.053**
Accumulated depreciation							
Land and land improvements	325.667	-	50.447	-	-	-	376.114
Buildings	51.139.088	762.566	5.748.780	-	-	-	57.650.434
Machinery and equipment	390.229.388	3.017.555	42.278.924	(243.364)	-	-	435.282.503
Motor vehicles	5.131.167	215.591	2.082.047	(416.223)	-	-	7.012.582
Furniture and fixtures	68.536.761	940.643	7.315.546	(222.525)	-	(1.750.611)	74.819.814
Leasehold improvements	22.171.037	7.735	349.544	-	-	(28.216)	22.500.100
Other non-current assets	143.371	37.443	8.392	-	-	-	189.206
	537.676.479	**4.981.533**	**57.833.680**	**(882.112)**	**-**	**(1.778.827)**	**597.830.753**
Net book value	**552.835.380**						**529.130.300**

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

NOTE 15 - INTANGIBLE ASSETS

The movements in intangible assets and related accumulated amortisation for the year ended 31 December 2009 are as follows:

	1 January 2009	Additions	Disposals	Transfers	Currency translation differences	31 December 2009
Costs						
Trade names	318.260.471	-	-	-	(7.098.280)	311.162.191
Customer list	274.413.483	-	-	-	(7.111.663)	267.301.820
Computer software and rights	41.071.047	3.879.240	(94.038)	(1.284.049)	(697.446)	42.874.754
Internet domain names	12.129.468	1.229.341	-	2.051.994	117.469	15.528.272
Other intangible assets	6.878.293	235.287	-	-	(35.083)	7.078.497
	652.752.762	**5.343.868**	**(94.038)**	**767.945**	**(14.825.003)**	**643.945.534**
Accumulated amortisation						
Trade names	14.610.793	1.219.650	-	-	(43.759)	15.786.684
Customer list	29.421.115	16.052.542	-	-	(334.013)	45.139.644
Computer software and rights	20.472.996	7.254.628	(50.654)	-	(167.313)	27.509.657
Internet domain names	1.039.278	1.016.943	-	-	316.620	2.372.841
Other intangible assets	6.021.218	887.243	-	-	(17.457)	6.891.004
	71.565.400	**26.431.006**	**(50.654)**	**-**	**(245.922)**	**97.699.830**
Net book value	**581.187.362**					**546.245.704**

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

NOTE 15 - INTANGIBLE ASSETS (Continued)

The movements in intangible assets and related accumulated amortisation for the year ended 31 December 2008 are as follows:

	1 January 2008	Additions	Disposals	Currency translation difference	Impairment (*)	Acquisitions	Transfers	31 December 2008
Cost								
Trade names	289.768.125	552.565	(3.891)	27.485.638	-	(1.964.070)	-	315.838.367
Customer list	252.681.895	-	-	22.041.963	-	(310.375)	-	274.413.483
Computer software and rights	23.876.159	12.036.361	(1.142.490)	5.718.627	-	(1.283.209)	1.865.599	41.071.047
Internet domain names	16.696.590	111.551	-	2.065.738	-	(4.579.133)	256.826	14.551.572
Other intangible assets	6.076.417	763.227	(749.724)	787.177	-	-	1.196	6.878.293
	589.099.186	**13.463.704**	**(1.896.105)**	**58.099.143**	**-**	**(8.136.787)**	**2.123.621**	**652.752.762**
Accumulated amortisation								
Trade names	915.911	1.294.041	-	30.421	12.370.420	-	-	14.610.793
Customer list	11.833.877	17.583.612	-	219.539	-	(215.913)	-	29.421.115
Computer software and rights	12.264.010	5.395.960	(184.716)	4.050.317	-	(1.052.575)	-	20.472.996
Internet domain names	650.523	775.054	-	22.698	-	(408.997)	-	1.039.278
Other intangible assets	4.797.870	1.162.316	(749.724)	810.756	-	-	-	6.021.218
	30.462.191	**26.210.983**	**(934.440)**	**5.133.731**	**12.370.420**	**(1.677.485)**	**-**	**71.565.400**
Net book value	**558.636.995**							**581.187.362**

(*) Impairment is related with trade names with indefinite useful lives in Group's subsidiary Expressz Magyarorszag Rt. which is operating in Hungary.

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

NOTE 15 - INTANGIBLE ASSETS (Continued)

Intangible assets with indefinite useful lives amounted to TL 286.386.140 at 31 December 2009, (2008: TL 292.613.040). The useful lives of the assets with indefinite useful life, as expected by the Group, are determined based on the stability of the industry, changes in market demands as to the products and services provided through assets, control period over the assets and legal or similar restrictions on their utilisation.

Amortisation charges amounting to TL 26.431.006 for the year ended 31 December 2009 have been included in operating expenses (2008: TL 26.210.983).

NOTE 16 - GOODWILL

The movements in goodwill for the years ended at 31 December are as follows:

	2009	**2008**
1 January	**236.449.857**	**236.129.473**
Provision for impairment (**)	(6.690.546)	(20.425.161)
Currency translation differences	(5.757.140)	24.553.549
Additions (Note 3)	-	625.962
Disposal of discontinued operations	-	(191.961)
Other (*)	(1.665.578)	(4.242.005)
31 December	**222.336.593**	**236.449.857**

(*) Other represents the changes in the fair value of the put options (Note 2.2.24).

(**) Goodwill allocated to Russia segment amounting to TL 6.690.546 has been impaired due to the significant impact of global economic crisis on local markets of such geographies.

Goodwill is tested annually for impairment at year-ends and carried at cost less accumulated impairment losses.

Goodwill is not subject to amortisation starting from 1 January 2005, within the framework of IFRS 3 "Business Combinations", and the carrying value of goodwill is tested for impairment.

NOTE 17 - GOVERNMENT GRANTS

The Group obtained six Investment Incentives Certificate for the imported equipments amounting to USD 24.700.361 and domestic equipments amounting to TL 151.800 due to the modernization of its printing plants in Istanbul, Ankara, Izmir, Adana, Antalya and Trabzon on 23, 27 and 31 July 2008. The agreements are valid for two years and equipment imported within the scope of the certificate is exempt from Customs Duty, Collective Housing Fund and VAT. The investments amounted to USD 18.963.690 within these certificates as at 31 December 2009.

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

NOTE 18 -PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

As of 31 December, short term provisions are as follows:

	2009	2008
Provision for tax penalty	15.554.695	-
Provision for unused vacation	9.428.016	4.558.785
Provision for lawsuit	2.393.095	2.172.814
	27.375.806	**6.731.599**

The tax inspection reports notified by the Ministry of Finance as of 7 August 2009 regarding the tax reviews of the prior financial periods of the Group consists a tax principal of TL 12.292.167, a tax loss penalty of TL 18.438.250 and a special irregularity penalty of TL 165.000. The Group has proposed settlement after assessment from the Tax Office regarding the tax principals and penalties notified. The Group has filed a lawsuit for the cancellation of related penalties.

The Group went to court for the deferral of those tax penalties.

In accordance with the opinions of the Group's legal counsel and tax experts on the tax inspection reports, the Group management has accounted for a provision amounting to TL 15.554.695, including the estimated late payment interest, in the consolidated financial statements at 31 December 2009. There is uncertainty about the process and outcome of such proceedings.

The movements in provision for unused vacation rights during the year is as follows:

	2009	2008
1 January	**4.558.785**	**2.582.860**
Additions during the year	4.901.999	1.981.925
Provisions reversed	(32.768)	(6.000)
31 December	**9.428.016**	**4.558.785**

The movements in provision for lawsuit during the year are as follows:

	2009	2008
1 January	**2.172.814**	**2.564.660**
Additions during the year (Note 26)	220.281	128.676
Provisions reversed	-	(520.522)
31 December	**2.393.095**	**2.172.814**

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

NOTE 18 -PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

Collaterals, pledges and mortgages "CPM" given by the parent Company, Hürriyet Gazetecilik ve Matbaacılık A.Ş. as of 31 December 2009 and 2008 are as follows:

	2009	**2008**
A. CPM's given in the name of its own legal personality	2.368.213	6.162.561
B. CPM's given on behalf of the fully consolidated companies (*)	152.305.018	210.770.014
C. CPM's given on behalf of third parties for ordinary course of the business	-	-
D. Total amount of other CPM's given	-	-
i) Total amount of CPM's given on behalf of the majority shareholder	-	-
i) Total amount of CPM's given on behalf of other group companies which are not in scope of B and C	-	-
iii) Total amount of CPM's given on behalf of third parties which are not in scope of C	-	-
	154.673.231	**216.932.575**

(*) CPM's consist of commitments given for the bank borrowings by the Parent Company Hürriyet Gazetecilik ve Matbaacılık A.Ş. on behalf of the Subsidiaries for the financing activities (Note 19)

Colleterals, pledges and mortgages given by the Group

Total value of the CPM's given by the Group is TL 24.876.693 (2008: TL 28.257.086).

The Group does not have any CPM's given on behalf of a third-party apart from the CPM's given for its own favour**.**

NOTE 19 - COMMITMENTS

a) Barter agreements:

The Group, as is common practice in the media sector, has entered into barter agreements. These agreements involve the exchange of goods or services without cash collections or payments. As of 31 December 2009, in connection with the barter agreements, the Group has advertisement commitment amounting to TL 11.656.393 (2008: TL 7.209.486) and goods and services purchase rights amounting to TL 5.697.293 (2008: TL 5.251.718).

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

NOTE 19 - COMMITMENTS (Continued)

b) Lawsuits against the Group:

The lawsuits against the Group amount to TL 28.135.832 (2008: TL 31.493.679). The Group accounts for provisions in cases when there is a legal or valid liability resulting from past operations and it may be necessary for resources to flow out in order to fulfil these liabilities and when a reliable estimation can be made for the amount. As a result of these analyses, as of 31 December 2009, the Group has set a provision of TL 2.393.095 for trade and administrative lawsuits (2008: TL 2.172.814).

	2009	**2008**
Legal lawsuits	21.490.966	23.117.282
Trade lawsuits	3.810.076	3.858.640
Administrative lawsuits	1.093.377	1.072.186
Tax lawsuits	900.896	926.347
Labor lawsuits	840.517	2.514.224
Penal lawsuits	-	5.000
	28.135.832	**31.493.679**

c) Derivative financial instruments:

i) Swap transactions in foreign exchange

The Group has made a Euro swap transaction regarding the last three installments of its long-term bank borrowing agreement, explained in detail in Note 7 amounted to USD 240.850.000, due in 2012 and 2013 amounting to USD 80.283.333. As a result of such foreign currency swap transactions, gain amounted to TL 11.717.066 has been recognised as of 31 December 2009. The Group has not any continuing swap transactions in foreign exchange agreement as of 31 December 2009.

ii) Interest rate swap transactions

The Group entered into eight collar agreements totaling to USD 46.000.000 and purchased one CAP amounting to USD 37.000.000 to hedge the interest rate risk arising from borrowings as of 31 December 2009. The agreements have fixed floor and ceiling rates. Accordingly, at the dates defined in agreements, if the LIBOR rate is below the floor rate, the Group has to compensate for the difference between the floor rate and the actual rate. Similarly, if the LIBOR rate is above the ceiling rate, banks compensate for the difference to the Group.

As of 31 December 2009 fixed floor and ceiling rates change between 3,0% and 5,6% (2008: 2,8% - 5,6%) and the main floating interest rate is LIBOR.

Financial expense recognised during the period regarding these agreements amounted to TL 165.889 (2008: TL 367.003).

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

NOTE 19 - COMMITMENTS (Continued)

d) Put options:

In January 2007, OOO ProntoMoscow, a subsidiary of the Group, acquiried the majority shares of Impress Media Marketing LLC. Accordingly, the Group has the right to purchase 20,7% of minority shares from minority shareholders without a time constraint, provided that certain conditions are met. The Group exercised 10,7% portion of the put option from minority shareholders during 2010 and classified as other short term financial liabilities. Additionally, the Group has signed a new put option agreement valid between August 2011 and August 2015 for the remaining minority shares of 10%. As of 31 December 2009, the short-term portion of the fair value of the put option is TL 2.359.432 (2008: TL 1.218.914), long-term portion is TL 742.310 (2008: TL 4.405.330) according to various valuation techniques and assumptions.

The Group has granted a put option, on the remainder of 30% shares during the acquisition of 70% interest of the shares in its subsidiary Oglasnik d.o.o. located in Croatia. As of 31 December 2009, the fair value of this option is TL 12.044.094 according to various valuation techniques and assumptions and and classified in "other short-term financial liabilities" (2008: TL 12.467.401).

The Group has acquired a 55% interest in Moje Delo d.o.o. ("Moje Delo") in Slovenia. The Group paid an earn-out amounting to EUR 1 million during the period. The Group has granted to the selling shareholders a put option on the remainder of the shares exercisable from January 2009 to January 2012 and has a call option exercisable from January 2011 to January 2014. Exercise price shall be calculated based on EBITDA and the net financial debt of Moje Delo. The fair value of the put option is TL 719.725 as of 31 December 2009 (2008: TL 1.637.821) and classified in "short-term financial liabilities".

Provision for employment termination benefits at 31 December are as follows:

	2009	**2008**
Provision for employment termination benefits	14.196.159	11.744.969
	14.196.159	**11.744.969**

There are no pension plans and benefits other than the legal requirement as explained below.

Under the Turkish Labour Law, the Company is required to pay termination benefits to each employee who has completed one year of service and whose employment is terminated without due cause, or who is called up for military service, dies or retires after completing 25 years of service (20 years for women) and achieves the retirement age (58 for women and 60 for men). At 31 December 2009 the amount payable maximum TL 2.365,16 (2008: TL 2.173,18) for each year of service.

On the other hand Group is liable to make payments to personnel who work for a minimum of 5 years and whose employment is terminated without due cause in accordance with the Regulations with regards to Employees Employed in the Press Sector. The maximum payable amount is 30 days' salary for each year of service.

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

NOTE 20 - PROVISION FOR EMPLOYMENT TERMINATION BENEFITS

Employment termination benefit liabilities are not subject to any funding and there are no legal requirements for funding of these liabilities.

The provision has been calculated by estimating the present value of the future probable obligation of the Group arising from the retirement of the employees.

Accounting principles described in Note 24, 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.

	2009	**2008**
Discount rate (%)	5,92	6,26
Turnover rate to estimate the probability of retirement (%)	89	89

The principal assumption is that the maximum liability of TL 2.365,16 (2008: TL 2.173,18) for each year of service will increase in line with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. As the maximum liability is revised semi-annually, the maximum amount of TL 2.423,88 (1 January 2009: TL 2.260,05), which is effective from 1 January 2010, has been taken into consideration in calculating the reserve for employment termination benefit of the Group. As of 31 December 2009, the salaries have been taken into consideration in calculation for the employees under the Regulations with regards to Employees Employed in the Press Sector.

Movements in the provision for employment termination benefits during the year are as follows:

	2009	**2008**
1 January	**11.744.969**	**10.115.141**
Current period service charge	1.265.829	1.161.568
Interest expenses	695.302	633.208
Payments during the year and provisions terminated	(4.038.446)	(3.374.040)
Actuarial losses	4.528.505	3.209.092
31 December	**14.196.159**	**11.744.969**

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

NOTE 21 - OTHER CURRENT/NON-CURRENT ASSETS AND OTHER CURRENT/NON-CURRENT LIABILITIES

Other current assets at 31 December are as follows:

	2009	2008
Prepaid taxes (Note 30)	12.482.673	19.476.471
Prepaid expenses (*)	6.371.657	10.052.544
Advances given to personnel	4.529.002	4.134.020
Value Added Tax ("VAT") receivables	2.284.475	2.270.461
Job advances	726.571	1.359.241
Order advances given	489.043	584.150
Income accruals	161.025	8.730.439
Other	2.972.719	4.808.997
	30.017.165	**51.416.323**

(*) Prepaid expenses are mostly composed of the prepaid rents.

Other non-current assets at 31 December are as follows:

	2009	2008
Advances given for put option liabilities	1.005.808	-
Advances given for fixed asset purchases	201.438	7.146.327
Prepaid expenses	-	710.168
Other	5.595	451.725
	1.212.841	**8.308.220**

Other short-term liabilities at 31 December are as follows:

	2009	2008
Tax penalty accruals	17.200.000	-
Deferred revenue	8.401.888	9.310.846
VAT payables	4.386.104	4.021.327
Expense accruals	3.468.897	1.074.257
Other	484.407	1.082.692
	33.941.296	**15.489.122**

The tax inspection reports released by the Ministry of Finance as of 15 March 2009 regarding the tax reviews mentioned in Note 18, consist of corporate tax in the amount of TL 12.155.173 and temporary tax of TL 10.413.832 (together totalling TL 22.569.005), as well as a tax loss penalty in the amount of TL 22.569.005. Settlement after assessment from the Tax Office regarding the tax principals and penalties was reached on 6 April 2010. The principal and penalty for the tax were determined as TL 8.000.000 after this settlement and a tax liability amounting to TL 17.200.000, together with the late payment interest has been accrued in the consolidated financial statements.

Other long-term liabilities at 31 December are as follows:

	2009	2008
Other long-term liabilities	78.296	384.123
	78.296	**384.123**

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

NOTE 22 - SHAREHOLDERS' EQUITY

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 TL 1. There are no privileged shares. The Company's historical authorised and paid-in share capital at 31 December are as follows:

	2009	2008
Historical authorised and paid-in share capital	552.000.000	460.000.000
Limit on registered share capital (historical)	800.000.000	800.000.000

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

The shareholding structures are as follows:

	2009	Share (%)	2008	Share (%)
Doğan Yayın	367.411.200	66,56	305.624.000	66,44
Doğan Holding	61.216.800	11,09	23.920.000	5,20
Publicly owned	123.372.000	22,35	130.456.000	28,36
	552.000.000	**100**	**460.000.000**	**100**
Adjustment to share capital	77.198.813		77.198.813	
Total share capital	**629.198.813**		**537.198.813**	

As of 31 December 2009, 6,56% (2008: 6,44%) of publicly owned shares belong to Doğan Yayın which is the main shareholder of the Group, and 11,09% (2008: 5,20%) by Doğan Holding, which is the ultimate parent of the Group.

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

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

The amounts stated above should be reclassified under "Restricted Reserves" in accordance with the CMB Financial Reporting Standards.

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

NOTE 22 - SHAREHOLDERS' EQUITY (Continued)

Due to tax principal and tax penalty notices communicated by the Tax Office, the shares that Doğan Yayın has in the share capital of Hürriyet Gazetecilik ve Matbaacılık A.Ş. at a rate of 66,56% and which are maintained in the export/investment accounts of the Central Registry Institution and Intermediary Institution have been made inactive, accordingly their transfer has been restricted. In the Public Announcement of Doğan Yayın, dated 1 February 2010, it was mentioned that a significant portion of the lawsuits filed for the aforementioned original tax amounts and notices has been finalised in favour of Doğan Yayın. Since it is thought that there is a lien placed on the public receivables accrued by Doğan Yayın, the liens exceeding the amount of public receivables are expected to be removed after evaluation by the relevant Tax Office.

As of 31 December, details of the restricted reserves of Hürriyet, equityholder of the Group, are as follows:

Restricted reserves:	**2009**	**2008**
1. Composition restricted reserves	23.067.690	23.067.690
2. Composition restricted reserves	4.648.846	4.242.492
	27.716.536	**27.310.182**

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

Again, relative to the execution valid due to 1 January 2008, according to the result of inflation adjusted first financial statement arrangement, equity accounts of "Share Capital, Share Premium, Legal Reserves, Statutory Reserves, Special Reserves and Extraordinary reserves" are booked as their balance sheet values and total of the adjusted values of these accounts were booked in equity group "equity inflation adjustment differences" account. For all equity accounts, "equity inflation adjustment differences" could only be used for stock split or loss account; booked amounts of extraordinary reserves could only be used for stock split, cash dividend distribution or loss accounts.

In accordance with the Communiqué No:XI-29 and related announcements of CMB, effective from 1 January 2008, "Share Capital", "Restricted Reserves" and "Share Premiums" shall be carried at their statutory amounts.

The valuation differences (such as inflation adjustment differences) shall be disclosed as follows:

- if the difference is arising due to the inflation adjustment of "Paid-in Capital" and not yet been transferred to capital should be classified under the "Inflation Adjustment to Share Capital";

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

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

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

NOTE 22 - SHAREHOLDERS' EQUITY (Continued)

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

Moreover, in accordance with the CMB decision no 7/242, dated 25 February 2005, in the event that the entire profit distribution amount calculated pursuant the minimum profit distribution amount calculated over the net distributable profit found in accordance with CMB regulations can be covered by the distributable profit in the statutory records, it shall be distributed completely, and if the relevant amount cannot be covered by that amount, all of the net distributable profit in the statutory records shall be distributed. In the event that there is any period loss in financial statements or statutory records prepared in accordance with the CMB regulations, no profit shall be distributed.

Dividend Payment

Companies registered on ISE are subject to dividend requirements regulated by the CMB as explained below:

In accordance with the CMB Decision dated 27 January 2010, concerning distribution basis of net profit obtained from the operations of the year 2008, no limit for the profit distribution shall be applied as for the companies quoted in the stock exchange (2008: 20%). According to the Board's decision and Communiqué IV No:27 issued by CMB regarding allocation basis of profit of publicly owned companies, the distribution of the relevant amount may be realised as cash or as bonus shares or partly as cash and bonus shares; and in the event that the first dividend amount to be specified is less than 5% of the paid-up capital, the relevant amount can be retained within the company. However, companies that made capital increases before distributing dividends related to the prior period and whose shares are therefore classified as "old" and "new" and that will distribute dividends from the profit made from operations are required to distribute the initial amount in cash.

Based on the board minutes taken on 7 April 2010, the Company will propose not paying dividends to the shareholders in the General Assembly.

NOTE 23 - SALES AND COST OF SALES

Sales

	2009	**2008**
Advertisment sales	497.840.650	709.596.398
Circulation and publishing sales	236.711.657	225.564.717
Other	49.580.555	63.285.223
Net sales	**784.132.862**	**998.446.338**
Cost of sales	(499.032.419)	(595.814.088)
Gross profit	**285.100.443**	**402.632.250**

Cost of sales

The details of cost of sales for the periods ended 31 December are as follows:

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

NOTE 23 - SALES AND COST OF SALES (Continued)

	2009	**2008**
Raw materials	212.514.999	274.141.266
Paper	*141.529.674*	*176.836.679*
Printing and ink	*52.098.365*	*76.282.881*
Other	*18.886.960*	*21.021.706*
Payroll	158.910.980	177.298.712
Depreciation and amortization charges	47.820.969	44.528.987
Commission	15.969.059	30.134.808
Distribution, storage and travel	7.702.048	9.001.936
Fuel, electricity and water	6.690.104	6.912.865
Maintenance expenses	6.353.448	6.842.193
Packaging expenses	5.543.340	6.011.705
Rent expenses	4.062.018	3.889.834
Communication	3.967.588	5.395.430
News agency expenses	2.935.402	2.801.481
Other	26.562.464	28.854.871
	499.032.419	**595.814.088**

NOTE 24 - RESEARCH AND DEVELOPMENT EXPENSES, MARKETING, SELLING AND DISTRIBUTION EXPENSES, GENERAL ADMINISTRATION EXPENSES

a) Marketing, selling and distribution expenses:

	2009	**2008**
Advertisement	30.025.584	55.620.448
Transportation, storage and travel	20.726.358	27.445.324
Promotion	12.024.910	9.188.905
Payroll	11.296.485	11.112.118
Sponsorship	1.774.063	2.222.147
Outsourced services	1.766.686	3.075.696
Other	8.032.377	10.125.169
	85.646.463	**118.789.807**

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

NOTE 24 - RESEARCH AND DEVELOPMENT EXPENSES, MARKETING, SELLING AND DISTRIBUTION EXPENSES, GENERAL ADMINISTRATION EXPENSES (Continued)

b) General administrative expenses:

	2009	**2008**
Payroll	50.308.101	55.248.169
Depreciation and amortization charges	38.664.728	39.239.302
Consultancy	17.859.503	21.976.583
Rent	12.119.840	15.405.586
Provision for impairment of goodwill and intangible assets	6.690.546	32.795.581
Fuel, electricity and water	6.592.937	12.431.627
Transportation, storage and travel	4.737.255	7.448.394
Communication	4.218.913	4.062.874
Maintenance and repairment	2.007.145	2.815.239
Other	13.837.598	13.126.738
	157.036.566	**204.550.093**

NOTE 25 - EXPENSES BY NATURE

The expenses as of 31 December 2009 and 2008 are shown based on the functions and the details are given in Notes 23 and 24.

NOTE 26 - OTHER OPERATING INCOME - EXPENSES

The details of other income and gains for the years ended at 31 December are as follows:

	2009	**2008**
Gains on sale of subsidiaries (*)	3.320.737	-
Rent and building service fees	2.467.414	2.192.355
Reversed provisions	489.087	1.500.191
Gain on sale of property, plant and equipment	66.547	2.544.399
Tax settlement income (Note 18)	-	14.146.135
Other	1.217.370	2.285.774
	7.561.155	**22.668.854**

(*) Gain on sales of subsidiaries resulted from the disposal of shares of Szuperinfo Magyarorszag Kft at 28 October 2009.

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

NOTE 26 - OTHER OPERATING INCOME - EXPENSES (Continued)

The details of other expenses and losses as at and for the years ended at 31 December are as follows:

	2009	2008
Tax penalties (Note 18 and 21)	32.754.695	-
Provision for doubtful receivables (Note 9)	11.956.047	12.663.233
Loss on sale of property, plant, equipment and investment properties	3.523.726	3.557.198
Provision for impairment on investment properties (Note 13)	3.340.894	4.725.638
Penalty and fines paid	1.109.241	998.490
Aids and donations	731.342	985.655
Provision for lawsuits (Note 18)	220.281	128.676
Other	2.251.705	1.296.891
	55.887.931	**24.355.781**

NOTE 27 - FINANCIAL INCOME

The details of financial income for the years ended at 31 December are as follows:

	2009	2008
Foreign exchange income	108.811.322	65.131.305
Time deposits interest income	20.277.957	21.561.281
Due date difference income	9.509.073	13.631.996
Credit finance income from receivables	1.671.632	3.234.577
Interest income on financial assets at fair value through profit and loss, net	1.330.390	162.634
Other	338.648	3.174.464
	141.939.022	**106.896.257**

NOTE 28 - FINANCIAL EXPENSES

The details of financial expenses for the years ended at 31 December are as follows:

	2009	2008
Foreign exchange loss	107.697.326	199.412.147
Interest expenses on bank borrowings	25.924.295	50.520.134
Banking commission and factoring expenses	7.270.305	3.260.322
Other	6.971.667	11.277.994
	147.863.593	**264.470.597**

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

NOTE 29 - NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

As of 31 December 2009, the Group has no non-current assets held for sale and discontinued operations.

The Group classified the wholly owned shares of its subsidiary Trader.com (Polska) Sp. Z.o.o. as discontinued operation. Discontinued operations were disposed for cash consideration amounting toTL 66.508.000 as equivalent of USD 54.350.000 on 25 June 2008.

Discontinued operations

	2008
Sales	6.188.464
Cost of sales	(3.860.170)
Gross profit	**2.328.294**
Operating expenses	(1.804.266)
Other operating income	18.159
Financial expenses	(28.536)
Income from discontinued operations	**513.651**
Gain on sales of discontinued operations	58.675.805
Net Income after tax from discontinued operations	**59.189.456**

NOTE 30 - TAX ASSETS AND LIABILITIES

	2009	**2008**
Corporate and income taxes payable	8.627.512	2.159.564
Less: Prepaid taxes (Note 21)	(12.482.673)	(19.476.471)
Taxes payable, net	**(3.855.161)**	**(17.316.907)**
Deferred tax liabilities	136.958.525	152.434.565
Deferred tax assets	(12.342.243)	(19.293.484)
Deferred tax liabilities, net	**124.616.282**	**133.141.081**

The Group calculates its deferred tax assets and liabilities, considering the effects of temporary differences which result from different evaluations of principles of preparation of the financial statements and legal financial statements mentioned in Note 2.1.1. Those temporary differences usually cause income and loss to be accounted for in different reporting periods in accordance with the principles of preparation of the financial statements and tax laws mentioned in Note 2.1.1.

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

NOTE 30 - TAX ASSETS AND LIABILITIES (Continued)

Deferred income taxes are calculated on temporary differences that are expected to be realised or settled based on the taxable income in coming years under the liability method using a principal tax rate of 20% (2008: 20%).

The tax rates (%) at 31 December 2009, which are used in the calculation of deferred tax, taking each country's tax legislations into consideration are as follows:

Country	Tax rates (%)	Country	Tax rates (%)
Germany	28,0	Kazakhstan	20,0
Croatia	20,0	Hungary	19,0
Belarus	24,0	Netherlands	25,5
Russia	20,0	Ukraine	25,0

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

	Temporary differences		Deferred tax assets/ (liabilities)	
	2009	2008	2009	2008
Carry forward tax losses (*)	2.248.419	52.161.867	449.155	9.986.699
Difference between tax base and carrying value of trade receivables	19.569.646	18.410.048	3.824.951	3.376.827
Provision for employment termination benefits and unused vacation rights	23.197.679	16.303.754	4.640.086	3.260.751
Difference between tax base and carrying value of leasing payables	4.305.910	6.976.631	1.231.490	1.953.457
Deferred revenue	1.355.905	1.250.152	271.182	250.031
Other, net	7.773.175	2.328.594	1.925.379	465.719
Deferred tax assets			**12.342.243**	**19.293.484**
Difference between tax bases and carrying value of property, plant and equipment and intangibles	(689.529.646)	(688.508.892)	(135.423.679)	(148.228.187)
Other, net	(6.561.254)	(20.228.274)	(1.534.846)	(4.206.378)
Deferred tax liabilities			**(136.958.525)**	**(152.434.565)**
Deferred tax liabilities, net			**(124.616.282)**	**(133.141.081)**

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

NOTE 30 - TAX ASSETS AND LIABILITIES (Continued)

Deferred tax assets:	**2009**	**2008**
Deferred tax asset to be recovered after more than 12 months	5.769.360	18.206.512
Deferred tax asset to be recovered within 12 months	6.572.883	1.086.972
Total	**12.342.243**	**19.293.484**

Deferred tax liabilities:	**2009**	**2008**
Deferred tax liability to be recovered after more than 12 months	(135.423.679)	(151.855.668)
Deferred tax liability to be recovered within 12 months	(1.534.846)	(578.897)
Total	**(136.958.525)**	**(152.434.565)**

(*) Deferred income tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized. As of 31 December 2009, carry forward tax losses for which no deferred income tax asset was recognised amounted toTL 26.678.778 (2008: TL 22.897.094).

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

	2009	**2008**
2011	313.083	313.083
2012	-	-
2013	1.515.376	40.712.963
2014 and over	419.960	11.135.821
	2.248.419	**52.161.867**

The movements in deferred income tax assets/(liabilities) for the years ended 31 December 2009 and 2008 are as follows:

	2009	**2008**
1 January	**133.141.081**	**153.284.770**
Deferred tax income at the consolidated statement of income	(4.687.042)	(32.609.226)
Disposal of discontinued operations	-	(797.487)
Currency translation differences	(3.837.757)	13.263.024)
31 December	**124.616.282**	**133.141.081**

The analysis of the tax expenses for the years ended at 31 December are as follows:

	2009	**2008**
Current	18.798.776	24.396.599
Deferred	(4.687.042)	(32.609.226)
	14.111.734	**(8.212.627)**

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

NOTE 30 - TAX ASSETS AND LIABILITIES (Continued)

The reconciliation of the taxation on income in the consolidated statement of income for the years ended at 31 December and the taxation on income calculated with the current tax rate over income before tax and minority interest is as follows:

	2009	**2008**
Loss before taxes and minority from continuing operations	(27.023.262)	(88.734.317)
Current period tax income calculated at the effective tax rates of countries	(3.543.871)	(16.753.078)
Expenses not deductible for tax purposes	15.065.485	11.883.994
Effect of tax rate change	-	(18.240.156)
Current period financial losses	4.924.104	9.523.590
Carry forward losses utilised	786.662	293.510
Income not subject to tax	(460.377)	(492.895)
Witholding tax relating to dividend distribution	1.605.795	6.876.485
Other, net	(4.266.064)	(1.304.077)
Tax losses /(income) from continuing operations	**14.111.734**	**(8.212.627)**

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.

The details of the effective tax laws in countries which Group has significant operations are stated below:

Turkey:

Turkish Corporate Tax Law has been amended by Law No. 5520 dated 13 June 2006. Most of the articles of this new Law No. 5520 have come into force effective from 1 January 2006. Corporation tax is 20% (2008: 20%). Corporation tax is payable on the total income of the companies after adjusting for certain disallowable expenses, corporate income tax exemptions (gain from associates' exemption, investment allowances etc) and corporate income tax deductions (like research and development expenditures deduction). No further tax is payable unless the profit is distributed (except withholding tax at the rate of 19,8% on the investment incentive allowance utilised within the scope of the Income Tax Law Transitional Article 61).

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

Corporations are required to pay advance corporation tax quarterly at the rate of 20% (2008: 20%) on their corporate income. Advance tax is to be declared by the 10th day of the second month following each calendar quarter end and is payable by the 17th of the second month following each calendar quarter end. Advance tax paid by corporations is credited against the annual corporation tax liability. The balance of the advance tax paid may be refunded or used to set off against other liabilities to the government.

NOTE 30 - TAX ASSETS AND LIABILITIES (Continued)

In accordance with Tax Law No: 5024 "Law Related to Changes in Tax Procedure 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, the 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 law provisions, in order to apply inflation adjustment, cumulative inflation rate (TURKSTAT WPI) over last 36 months and 12 months must exceed 100% and 10%, respectively. Inflation adjustment has not been applied as these conditions were not fulfilled in the year 2006.

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.

Dividend income from shares in capital of another corporation subject to resident taxpaying (except dividends from investment funds participation certificates and investment trusts shares) are exempt from corporate tax.

Gains from issued premiums derived from the disposal of sales at nominal values during incorporations and the capital increase of joint stock companies are exempt from corporate tax.

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).

The income of corporations arising from their offices or permanent representatives abroad (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 and provided that the foreign office or permanent representative must be subject to corporate income tax, or alike, in the country it is located at the rate of at least 15% (at corporate income tax rate applicable in Turkey for those companies whose principal activity is financial assurance or insurance).

NOTE 30 - TAX ASSETS AND LIABILITIES (Continued)

75% 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 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 five years. The sales consideration has to be collected up until the end of the second calendar year following the year the sale was realised.

The investment allowance application which had been in force for a significant period of time; and indicated that the taxpayer may receive 40% of the fixed asset purchase amounts; was abolished by Law No.5479 dated 30 March 2006. However, in accordance with the temporary article 69 of the Income Tax Law, income and corporate taxpayers can deduct the amounts in relation to below mentioned allowances from their income for the years 2006and 2008 as well as the investment allowances amounts they could not offset against 2006 gains which were present as of 2006, in accordance with the legislation (including the provisions related to tax rates) in force as of 2006:

a) In the scope of the investment incentive certificates prepared related to the applications before 24 April 2003, investments to be made after 1 January 2006 in the scope of the certificate for the investments started in accordance with the additional 1st, 2nd, 3rd, 4th, 5th and 6th articles prior to the abrogation of Income Tax Law, dated 9 April 2003 with No. 193 and Law No. 4842,

b) In the scope of the abolished 19th article of Income Tax Law No: 193, the investment allowance amounts to be calculated in accordance with the legislation, the investments which were started before 1 January 2006 and which display an economic and technical integrity,

The Companies can utilize the investment allowance exemption, for their investments performed according to provisions of the legislation as of that date and for their subsequent investments in line with the provisions of the legislation (including provisions regarding tax rates) in calculating tax on their profits for only 2008.

Accordingly, above mentioned profits within trade income/loss are considered in the calculation of corporate income tax.

Apart from the above mentioned exceptions in the determination of the corporate tax base, allowances cited in the articles 8, 9 and 10 of Corporate Tax Law and article 40 of Income Tax Law are taken into consideration.

<u>Russian Federation</u>

The corporate tax rate effective in Russian Federation is 20% (2008: 24%).

Russian tax year is the calendar year and other fiscal year ends are not permitted. Profit tax is calculated on a year-to-date basis. Advance payments are made monthly, with different calculation methods for quarterly or monthly schedules subject to the taxpayer's choice.

The annual balance is due by 28 March of the following year.

According to Russian Federation's tax system, losses may be carried forward for 10 years to be deducted from future taxable income.Starting from 2007 there is no limitation as to the maximum amount that can be deducted in each particular year. Maximum amount that can be deducted in any year is limited to 30% of the taxable income (2008: 30%). Rights related to tax losses that have not been utilized in the related periods will be lost.

NOTE 30 - TAX ASSETS AND LIABILITIES (Continued)

Tax refunds are technically possible but are very difficult to obtain in practice. Often they can only be obtained through court action. Tax consolidation of tax reporting/ payments by different legal entities (or grouping) are not permitted in Russia at present. Generally, dividend income payable to a foreign organisation is subject to withholding tax at 15%. This standard rate may, however, be reduced under the provisions of applicable double tax treaty.

In Russian Federation the tax regulations are subject to to various comments and change frequently. Regarding to TME's operations the interpretation of tax regulations by tax authorities may differ from the management.

Hungary

The corporate tax rate effective in Hungary is 19% (2008: 20%).

Taxpayers are, in general, entitled to carry forward their tax losses indefinitely. The Tax Authority's permission is needed to carry forward the tax-year's losses if a company's pre-tax profit is negative and its income is less than 50% of its costs and expenses or the company's tax base was also negative in the previous two years.

From 1 January 2007, capital gains from the sale of registered shareholdings are tax-exempt, provided that the taxpayer has held the shareholding for at least two years prior to its disposal. The two-year holding period has been reduced to one year from 1 January 2008. Capital losses and impairments on registered shares are not deductible for corporate income tax purposes.

Croatia

The corporate tax rate effective in Croatia is 20% (2008: 20%).

There are no formal procedures in Croatia to agree the final level of tax charge upon submission of the declaration for corporate tax and VAT. However, such tax settlements may be subject to review by the relevant tax authorities during the limitation period of three years. The limitation period of three years starts with the year that follows the year of submission of tax declarations. The counting of three years starts again with any action of tax authorities with the purpose to collect tax, interest or fines until absolute statute of limitation of 6 years expires.

Tax losses may be carried forward and used within five years following the year in which they were incurred.

When paying fees for the use of intellectual property, market research services, tax and business consultation, auditing and similar services, and interest to foreign legal persons, Croatian taxpayers are obliged to withhold and pay 15% tax.

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

NOTE 31 - LOSSES PER SHARE

Basic losses per share are calculated by dividing the net loss for the period by the weighted average number of ordinary shares in issue. Calculation is as follows:

	2009	**2008**
Net loss from continuing operations	(41.134.996)	(80.521.690)
Net loss of minority shareholders from continuing operations	(6.055.190)	16.761.633
Net loss for the period attributable to equity holders of the company from continuing operations	(35.079.806)	(97.283.323)
Weighted average number of ordinary shares in issue (with nominal value of TL 1 each)	486.465.753	460.000.000
Loss per share (Kr)	**(7,21)**	**(21,15)**
Net income from discontinuing operations	-	59.189.456
Weighted average number of ordinary shares in issue (with nominal value of TL 1 each)	486.465.753	460.000.000
Earnings per share (Kr)	**-**	**12,87**
Net loss for the period	(35.079.806)	(38.093.867)
Weighted average number of ordinary shares in issue (with nominal value of TL 1 each)	486.465.753	460.000.000
Loss per share (Kr)	**(7,21)**	**(8,28)**

There are no differences for any of the periods between earnings per share and diluted losses per share.

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

NOTE 32 - RELATED PARTY DISCLOSURES

i) <u>Balances with related parties</u>:

a) Short-term due from related parties:

	2009	2008
Doğan TV ("Kanal D")	14.466.840	-
Doğan Gazetecilik A.Ş. ("Doğan Gazetecilik")	9.813.236	10.180.754
Medyanet A.Ş. ("Medyanet")	5.850.608	3.081.240
Doğan Dağıtım Satış ve Pazarlama A.Ş. ("Doğan Dağıtım")	2.815.538	2.462.713
Milliyet Verlags und Handels GmbH ("Milliyet Verlags")	2.250.172	1.151.197
Bağımsız Gazeteciler Yayıncılık A.Ş. ("Bağımsız Gazeteciler")	1.687.476	9.144.437
Doğan Burda Yayıncılık ve Pazarlama A.Ş. ("Doğan Burda")	1.318.186	1.099.608
Katalog Yayın Tanıtım Hizmetleri A.Ş. ("Katalog")	899.004	1.068.516
Milta Seyahat Acentası İşletmeciliği A.Ş.	535.285	
Doğan Media	399.895	3.274.216
Doğan Müzik Kitapçılık A.Ş. ("DMK")	-	2.794.431
Doğan Yayın Holding A.Ş.	73.823	
Doğan Portal ve Elektronik Ticaret A.Ş. ("Doğan Portal")	16.922	578.322
Other	960.388	1.057.640
	41.087.373	**35.893.074**

b) Short-term due to related companies:

	2009	2008
Doğan İletişim Elektronik Servis Hizmetleri ve Yayıncılık A.Ş. ("Doğan İletişim")	614.567	202.401
Doğan Yayın	415.392	1.960.599
Doğan Dış Ticaret	305.443	125.040
Petrol Ofisi A.Ş. ("Petrol Ofisi")	197.185	126.372
Milta Seyahat Acentası İşletmeciliği A.Ş. ("Milta")	12.605	624.053
D-Market Elektronik Hizmetleri Ticaret A.Ş. ("D Market")	-	131.850
Işıl İthalat İhracat Mümessillik A.Ş. ("Işıl İthalat")	-	2.148.488
DTV Haber ve Görsel Yayıncılık A.Ş. ("Kanal D")	-	120.576
Other	721.884	771.778
	2.267.076	**6.211.157**

c) Advances given to related parties:

	2009	2009
Doğan Dış Ticaret	-	1.135.207
	-	**1.135.207**

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

NOTE 32 - RELATED PARTY DISCLOSURES (Continued)

ii) Significant transactions with related parties:

a) Significant service and product sales to related parties:

	2009	2008
Doğan Dağıtım	92.337.568	77.623.544
Doğan Gazetecilik	30.534.140	29.347.650
Doğan Media	15.156.765	14.632.726
Bağımsız Gazeteciler	5.974.108	4.154.839
Medyanet	5.840.663	4.331.672
Doğan Burda	5.200.662	6.827.813
Doğan TV Holding A.Ş. ("Doğan TV")	4.291.123	4.058.119
Milliyet Verlags	2.144.302	2.304.851
Doğan Yayın	2.112.234	3.436.620
Turner Doğan Prodüksiyon A.Ş ("Turner")	1.651.728	2.166.278
Doğan İletişim	1.021.779	1.198.162
Doğan ve Egmont Yayıncılık ve Yapımcılık Ticaret A.Ş. ("Doğan Egmont")	986.554	1.094.271
Eko TV	479.015	984.115
Petrol Ofisi	244.913	1.089.030
DMK	129.478	1.061.063
Other	5.514.482	5.222.585
	173.619.514	**159.533.338**

b) Significant service and product purchases from related parties:

	2009	2008
Doğan Dış Ticaret (*)	71.030.313	66.605.335
Işıl İthalat	55.154.458	79.707.841
Doğan Dağıtım (**)	17.313.195	22.477.037
Doğan Yayın	6.968.500	11.051.886
Kanal D	5.264.077	12.277.460
Star TV	3.231.027	1.966.729
Doğan İletişim	2.708.361	1.913.492
Milta	1.675.805	7.789.260
Petrol Ofisi	1.575.230	1.643.972
D Yapım Reklamcılık ve Dağıtım A.Ş. ("D Yapım Reklamcılık")	763.835	1.834.785
Other	4.348.148	7.146.909
	170.032.949	**214.414.706**

(*) The Group purchases its raw materials primarily from Doğan Dış Ticaret and Işıl İthalat.

(**) Doğan Dağıtım provides newspaper distribution services to the Group. The amount of services and goods purchased from Doğan Dağıtım comprises newspaper returns, distribution and transportation expenses.

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

NOTE 32 - RELATED PARTY DISCLOSURES (Continued)

c) Other significant transactions with related parties:

Other income:

	2009	2008
Işıl İthalat	813.176	813.176
Doğan Dış Ticaret	797.214	751.435
Doğan Dağıtım	599.015	812.670
Doğan Burda	475.919	515.699
Doğan Media	370.591	323.931
Doğan Yayın	186.876	187.065
Doğan İletişim	137.991	134.752
Milliyet Verlags	-	24.352
Other	540.011	615.919
	3.920.793	**4.178.999**

Other expenses:

	2009	2008
Petrol Ofisi	22.623	-
Doğan Gazetecilik	-	119.283
Diğer	3.824	65.648
	26.447	**184.931**

Purchase of property, plant and equipment:

	2009	2008
D-Market	661.962	625.326
Doğan İletişim	208.242	30.077
D Yapı	-	228.428
Diğer	198.110	72.692
	1.068.314	**956.523**

Financial expenses:

	2009	2008
Doğan Factoring	1.075.618	910.454
Doğan Yayın	202.482	1.932
Katalog Yayın	-	99.693
Diğer	31.495	126.063
	1.309.595	**1.138.142**

The Group determined the key management personnel as board of directors and executive committee. Benefits provided to key management personnel consist of wage, premium, health insurance and transportation.

	2009	2008
Board of directors	4.605.121	2.133.735
Executive committee	2.719.105	1.318.415
	7.324.226	**3.452.150**

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

NOTE 33 - FINANCIAL RISK MANAGEMENT

33.1 Financial Risk Management

(i) Interest rate risk

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

	2009	2008
Financial instruments with fixed interest rate		
Financial Assets		
- Designated at fair value through profit or loss (*)	261.353.697	348.438.613
Financial liabilities	15.232.176	109.398.581
Financial instruments with floating interest rate		
Financial liabilities	635.053.546	794.200.720

(*) Financial assets designated at fair value through profit or loss consist of TL and foreign currency denominated time deposits with fixed interest rate and with maturity less than three months.

The Group management uses interest bearing short term assets within natural policy context to stabilize the maturity of the interest bearing liabilities and assets. Furthermore, the Group hedges interest rate risks arising from floating rate borrowings, by limited use of derivatives, such as interest rate swaps.

At 31 December 2009, had the interest rates on USD and Euro denominated borrowings been 100 basis point higher/lower with all other variables held constant, mainly as a result of higher/lower interest expense on floating rate borrowings; net loss for the period before tax and minority would have been lower/higher by TL 824.957 (2008: TL 1.088.091).

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

NOTE 33 - FINANCIAL RISK MANAGEMENT (Continued)

(ii) Liquidity risk

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

31 December 2009	Carrying value	Total contractual cash outflow	Less than 3 months	3-12 months	1-5 years	More than 5 years
Non-derivative financial liabilities						
Financial liabilities	650.285.722	675.603.865	77.725.911	171.947.446	423.249.273	2.681.235
Other financial liabilities	15.865.561	15.865.561	-	15.123.251	742.310	-
Trade payables						
- Related party	2.267.076	2.267.076	2.267.076	-	-	-
- Other	38.289.102	38.289.102	38.289.102	-	-	-
Other payables						
- Related party	-	-	-	-	-	-
- Other	16.453.565	16.453.565	16.265.352	-	188.213	-

31 December 2008	Carrying value	Total contractual cash outflow	Less than 3 months	3-12 months	1-5 years	More than 5 years
Non-derivative financial liabilities						
Financial liabilities	903.599.301	983.127.947	146.187.880	159.073.025	674.442.779	3.424.263
Other financial liabilities	19.729.466	20.567.280	-	14.215.620	6.351.660	-
Trade payables						
- Related party	6.211.157	6.211.157	6.211.157	-	-	-
- Other	38.813.109	38.813.109	38.813.109	-	-	-
Other payables						
- Related party	-	-	-	-	-	-
- Other	15.757.295	15.757.295	15.568.257	-	189.038	-

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

NOTE 33 - FINANCIAL RISK MANAGEMENT (Continued)

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

Funding risk of current and future debt requirements is managed by continuance of sufficient and highly qualified creditor's access. The Group aims at maintaining cash and cash equivalents for the anticipated cash flows of raw material purchase for the subsequent six-months.

The liquidity table demonstrates the Group's net financial liabilities in accordance with the redemption schedule. Such amounts are undiscounted future cash flows of financial liabilities of the Group. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

At 31 December 2009, the Group has long-term financial liabilities amounting to TL 250.730.351 (2008: TL 537.552.557) and long-term trade payables amounting to TL 77.615.157 (2008: TL 86.094.672) (Note 7). The Group has no marketable securities with a maturity over one year at 31 December 2009 (2008: None) (Note 6).

(iii) 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 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.

Aging analysis for trade receivables:

As of 31 December 2009 there are past due but not impaired trade receivables amounting to TL 56.582.094 (2008: TL 52.265.614). The Group does not foresee any collection risk for the delay up to one month due to sector dynamics and conditions. The Group restructures its trade receivables by applying due date differences which are due over one month and/or are not under coverage of a guarantee such as mortgage, indemnity or guarantee notes.

As of 31 December, aging analysis for trade receivables that are past due but not impaired are as follows:

	2009		**2008**	
	Related party	**Other receivables**	**Related party**	**Other receivables**
0-1 months	1.140.380	18.998.634	833.543	18.023.894
1-3 months	2.076.813	9.608.021	316.044	10.937.072
3-6 months	1.766.512	3.105.679	957.279	5.800.697
6-12 months	776.371	6.769.789	5.915.327	2.327.315
1-2 years	3.590.160	8.749.737	2.639.937	4.514.506
2-5 years	-	-	-	-
5 years and over	-	-	-	-
	9.350.236	**47.231.860**	**10.662.130**	**41.603.484**

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

NOTE 33 - FINANCIAL RISK MANAGEMENT (Continued)

(iii) Credit Risk (Continued)

As of 31 December, aging analysis for trade receivables that are past due and impaired are as follows:

Impaired	**2009**	**2008**
Past due 0 - 3 months	2.262.103	2.873.413
Past due 3 - 6 months	2.530.329	914.567
Past due 6 months and over	38.448.797	28.871.337
Less: Provision for impairment	(43.241.229)	(32.659.317)
	-	-

There are no related party receivables that are past due and impaired. There are no trade receivables that are not due but impaired.

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

NOTE 33 - FINANCIAL RISK MANAGEMENT (Continued)

The Group's credit risk of financial instruments as of 31 December 2008 is as follows:

	Trade receivables		Other receivables		Bank	Derivative
31 December 2009	**Related party**	**Other**	**Related party**	**Other**	**deposits**	**instruments**
Maximum credit risk exposure as of balance sheet date	**41.087.373**	**150.105.473**	**-**	**3.272.765**	**277.464.764**	**-**
- The part of maximum credit risk under guarantee with collateral	**-**	**31.700.510**	**-**	**-**	**-**	**-**
A. Net book value of financial assets that are not past due/impaired	31.737.138	102.873.613	-	3.272.765	277.464.764	-
B. Net book value of financial assets that are negociated, if not that will be accepted as past due or impaired	-	-	-	-	-	-
C. Carrying value of financial assets that are past due but not impaired (Note 9)	9.350.235	47.231.860	-	-	-	-
-The part under guarantee with collateral	-	*4.355.510*	-	-	-	-
D. Net book value of impaired asset	-	-	-	-	-	-
- Past due (gross carrying amount)	-	43.241.229	-	-	-	-
- Impairment (-)	-	(43.241.229)	-	-	-	-
- The part of net value under guarantee with collateral	-	-	-	-	-	-
- Not over due (gross carrying amount)						
- Impairment (-)	-	-	-	-	-	-
- The part of net value under guarantee with collateral	-	-	-	-	-	-
E. Off-balance sheet items with credit risk						

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

NOTE 33 - FINANCIAL RISK MANAGEMENT (Continued)

The Group's credit risk of financial instruments as of 31 December 2008 is as follows:

	Trade receivables		Other receivables		Bank	Derivative
31 December 2008	**Related party**	**Other**	**Related party**	**Other**	**deposits**	**instruments**
Maximum credit risk exposure as of balance sheet date	**35.893.074**	**158.380.813**	**-**	**16.993.849**	**369.331.911**	**-**
- The part of maximum credit risk under guarantee with collateral	***-***	***32.336.169***	***-***	***-***	***-***	***-***
A. Net book value of financial assets that are not past due/impaired	25.230.944	116.777.329	-	16.993.849	369.331.911	-
B. Net book value of financial assets that are negociated, if not that will be accepted as past due or impaired	-	-	-	-	-	-
C. Carrying value of financial assets that are past due but not impaired (Note 9)	10.662.130	41.603.484	-	-	-	-
-The part under guarantee with collateral	-	5.991.169	-	-	-	-
D. Net book value of impaired asset	-	-	-	-	-	-
- Past due (gross carrying amount)	-	32.659.317	-	-	-	-
- Impairment (-)	-	(32.659.317)	-	-	-	-
- The part of net value under guarantee with collateral	-	-	-	-	-	-
- Not over due (gross carrying amount)						
- Impairment (-)	-	-	-	-	-	-
- The part of net value under guarantee with collateral	-	-	-	-	-	-
E. Off-balance sheet items with credit risk						

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

NOTE 33 - FINANCIAL RISK MANAGEMENT (Continued)

(iv) Foreign currency risk

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

The foreign exchange risk mainly arises from the impact of rate changes in the translation of the Group's foreign currency denominated borrowings which are obtained to fund capital expenditures in domestic and overseas operations. The risk is monitored in regular meetings. The Group maintains a certain portion of its excess cash and cash equivalents in foreign currency to minimize the currency risk exposure.

The Group's risk management policy for currency risk is to maintain sufficient liquid assets for the anticipated cash flows of raw material purchase and borrowing repayment amounts in each major foreign currency for the subsequent three to six months. However, this policy should be revised by the management when deemed necessary, according to market conditions.

TL equivalents of assets and liabilities denominated in foreign currencies at 31 December are as follows:

	2009	2008
Assets	197.584.526	318.394.991
Liabilities	(707.182.082)	(964.275.645)
Net foreign currency position	**(509.597.556)**	**(645.880.654)**

Following exchange rates have been used in the translation of foreign currency denominated balance sheet items as of 31 December 2009: TL 1,5057 = USD 1 and TL 2,1603 =Euro 1 (2008: TL 1,5123 = USD 1 and TL 2,1408 = Euro 1).

	2009	2008
Total export amount (TL)	-	-
Total import amount (TL)	-	-

Assets denominated in foreign currency amounting TL 197.584.526 as of 31 December 2009, hedged 28% naturally by the existence of liabilities denominated in foreign currency amounting TL 707.182.082. Assets denominated in foreign currency amounting TL 318.394.991 as of 31 December 2008, hedged 33% naturally by the existence of liabilities denominated in foreign currency amounting to TL 964.275.645.

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

NOTE 33 - FINANCIAL RISK MANAGEMENT (Continued)

(iv) Foreign currency risk (Continued)

The table summarizes the foreign currency position risk as of 31 December 2009 and 2008. The carrying amount of foreign currency denominated assets and liabilities of the Group are as follows:

31 December 2009

	USD Original amount	TL	Euro Original amount	TL	Other TL	Total
Assets:						
Cash and cash equivalents	73.838.568	111.178.732	9.333.025	20.162.134	14.249.971	145.590.837
Trade receivables	294.956	444.115	3.064.956	6.621.224	8.823.302	15.888.641
Financial Investments	12.196.127	18.363.709	-	-	-	18.363.709
Other receivables	346.784	522.153	9.758	21.080	16.192.298	16.735.531
Other current assets	595.000	895.892	-	-	109.916	1.005.808
	87.271.435	**131.404.601**	**12.407.739**	**26.804.438**	**39.375.487**	**197.584.526**
Liabilities:						
Short-term portion of long-term financial liabilities	176.638.676	265.964.854	17.285.083	37.340.965	17.028.795	320.334.614
Trade payables	1.567.096	2.359.576	3.270.601	7.065.480	10.419.444	19.844.500
Other payables and short-term liabilities	870.500	1.310.712	337.504	729.109	34.191.434	36.231.255
Long-term financial liabilities	142.721.077	214.895.125	34.994.900	75.599.483	39.456.499	329.951.107
Other non-current liabilities	-	-	-	-	820.606	820.606
	321.797.349	**484.530.267**	**55.888.088**	**120.735.037**	**101.916.778**	**707.182.082**
Net foreign currency position	**(234.525.914)**	**(353.125.666)**	**(43.480.349)**	**(93.930.599)**	**(62.541.291)**	**(509.597.556)**

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

NOTE 33 - FINANCIAL RISK MANAGEMENT (Continued)

31 December 2008

	USD Original amount	TL	Euro Original amount	TL	Other TL	Total
Assets:						
Cash and cash equivalents	137.313.859	207.659.749	17.939.468	38.404.813	19.503.111	265.567.673
Trade receivables	290.390	439.157	4.828.736	10.337.358	16.008.071	26.784.586
Other receivables	833.000	1.259.746	27.983	59.905	24.276.952	25.596.603
Other current assets	-	-	3.532	7.562	438.567	446.129
	138.437.249	**209.358.652**	**22.799.719**	**48.809.638**	**60.226.701**	**318.394.991**
Liabilities:						
Short-term portion of long-term financial liabilities	156.669.806	236.931.747	8.960.838	19.183.363	17.036.836	273.151.946
Trade payables	1.962.371	2.967.695	3.826.839	8.192.497	11.527.070	22.687.262
Other payables and short-term liabilities	1.205.000	1.822.322	357.051	764.374	31.484.573	34.071.269
Long-term financial liabilities	315.354.463	476.910.554	44.617.768	95.517.718	55.509.621	627.937.893
Other non-current liabilities	1.140.000	1.724.022	-	-	4.703.253	6.427.275
	476.331.640	**720.356.340**	**57.762.496**	**123.657.952**	**120.261.353**	**964.275.645**
Net foreign currency position	**(337.894.391)**	**(510.997.688)**	**(34.962.777)**	**(74.848.314)**	**(60.034.652)**	**(645.880.654)**

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

NOTE 33 - FINANCIAL RISK MANAGEMENT (Continued)

(iv) Foreign currency risk (Continued)

The Group is exposed to foreign currency risk of USD, Euro and CHF.

31 December 2009	**Profit/Loss**	
	Foreign currency appreciation	**Foreign currency depreciation**
If the US dollar had changed by 10% against the TL		
USD net (liabilities)/assets	(38.437.496)	38.437.496
Hedging amount of USD	-	-
USD net effect on (loss)/income	**(38.437.496)**	**38.437.496**
If the EUR had changed by 10% against the TL		
Euro net (liabilities)/assets	(8.065.633)	8.065.633
Hedging amount of Euro	-	-
Euro net effect on (loss)/income	**(8.065.633)**	**8.065.633**
If the CHF had changed by 10% against the TL		
CHF denominated net (liabilities)/assets	(6.164.540)	6.164.540
Hedging amount of CHF	-	-
CHF net effect on (loss)/income	**(6.164.540)**	**6.164.540**

31 December 2008	**Profit/Loss**	
	Foreign currency appreciation	**Foreign currency depreciation**
If the US dollar had changed by 10% against the TL		
USD net (liabilities)/assets	(56.311.728)	56.311.728
Hedging amount of USD	-	-
USD net effect on (loss)/income	**(56.311.728)**	**56.311.728**
If the EUR had changed by 10% against the TL		
Euro net (liabilities)/assets	(5.716.264)	5.716.264
Hedging amount of Euro	-	-
Euro net effect on (loss)/income	**(5.716.264)**	**5.716.264**
If the CHF had changed by 10% against the TL		
CHF denominated net (liabilities)/assets	(7.217.751)	7.217.751
Hedging amount of CHF	-	-
CHF net effect on (loss)/income	**(7.217.751)**	**7.217.751**

NOTE 33 - FINANCIAL RISK MANAGEMENT (Continued)

33.2 Fair value of financial instruments

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

The estimated fair values of financial instruments have been determined by the Group using available market information and appropriate valuation methodologies. However, judgement 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:

(i) Monetary assets

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

The fair values of certain financial assets carried at cost where the fair values cannot be measured reliably, including cash and cash equivalents, are considered to approximate their respective carrying values due to their short-term nature and is negligible impairment risk of the receivables.

The carrying value of trade receivables measured at amortised cost using the effective interest method, less provision for impairment are assumed to approximate their fair values.

(ii) Monetary liabilities

The carrying values of trade payables are assumed to approximate their fair values. The carrying values of long-term borrowings (Note 7), trade payables to suppliers (Note 7) and other long term financial liabilities (Note 8) approximate their carrying values as the effect of the discounting is not material.

33.3 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 maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders in accordance with the CMB regulations, issue new shares or sell assets to decrease borrowing. There are covenants related with the bank borrowings stated in Note 7 which the Group has to fulfil net debt/equity ratio as stated in the contracts’ of the related bank borrowings.

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

NOTE 34 - SUBSEQUENT EVENTS

a) The tax inspection reports released by the Ministry of Finance as of 15 March 2009 regarding the tax reviews mentioned in Note 18, consist of corporate tax in the amount of TL 12.155.173 and temporary tax of TL 10.413.832 (together totalling TL 22.569.005), as well as a tax loss penalty in the amount of TL 22.569.005. Settlement after assessment from the Tax Office regarding the tax principals and penalties was reached on 6 April 2010. The principal and penalty for the tax were determined as TL 8.000.000 after this settlement and a tax liability amounting to TL 17.200.000, together with the late payment interest has been accrued in the consolidated financial statements.

b) TME has signed a preliminary borrowing agreement with a different financial institution in order to pay its bank borrowings disclosed in Note7.

NOTE 35 - CASH FLOWS

The details of changes in operating assets and liabilities at consolidated statement of cash flow for the years ended at 31 December are as follows:

	2009	**2008**
Change in blocked deposits and time deposits with maturity of more than three months	(209.342)	821.709
Change in trade receivables and due from related parties	(7.722.329)	6.139.340
Change in financial investments	(18.363.709)	2.093.720
Change in inventories	4.543.581	(139.465)
Change in other non-current assets	19.415.276	(14.309.336)
Change in trade payables and due to related parties	(4.468.088)	2.719.160
Change in other current liabilities	562.214	17.017.148
Change in other non-current assets	7.204.194	(5.664.314)
	961.797	**8.677.962**

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