

DOĐAN GAZETECİLİK A.Ő.

**CONVENIENCE TRANSLATION INTO ENGLISH OF
CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 30 JUNE 2009
TOGETHER WITH INDEPENDENT AUDITOR'S REVIEW REPORT**

(ORIGINALLY ISSUED IN TURKISH)

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

DOĞAN GAZETECİLİK A.Ş.

CONSOLIDATED INTERIM FINANCIAL STATEMENTS AT 30 JUNE 2009

CONTENTS	PAGE
CONSOLIDATED BALANCE SHEETS	1-2
CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE INCOME	3
CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY.....	4
CONSOLIDATED INTERIM STATEMENTS OF CASH FLOW	5
NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS	6-64
NOTE 1 GROUP'S ORGANISATION AND NATURE OF OPERATIONS.....	6-7
NOTE 2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS.....	7-20
NOTE 3 BUSINESS COMBINATIONS.....	21-22
NOTE 4 JOINT VENTURES	23-24
NOTE 5 CASH AND CASH EQUIVALENTS	24-25
NOTE 6 FINANCIAL ASSETS.....	25
NOTE 7 BORROWINGS.....	26
NOTE 8 TRADE RECEIVABLES AND PAYABLES.....	27
NOTE 9 OTHER RECEIVABLES AND PAYABLES.....	28
NOTE 10 INVENTORIES	28-29
NOTE 11 INVESTMENT PROPERTY	30
NOTE 12 PROPERTY, PLANT AND EQUIPMENT.....	31-32
NOTE 13 INTANGIBLE ASSETS	33
NOTE 14 GOODWILL	34
NOTE 15 PROVISIONS, CONTINGENT ASSETS AND LIABILITIES	34-36
NOTE 16 COMMITMENTS.....	36
NOTE 17 PROVISION FOR EMPLOYMENT TERMINATION BENEFITS.....	37-38
NOTE 18 OTHER ASSETS AND LIABILITIES	38
NOTE 19 EQUITY.....	39-41
NOTE 20 SALES AND COST OF SALES.....	41-42
NOTE 21 RESEARCH AND DEVELOPMENT, MARKETING, SELLING AND DISTRIBUTION AND GENERAL ADMINISTRATIVE EXPENSES	42-43
NOTE 22 EXPENSES BY NATURE	43
NOTE 23 OTHER INCOME AND EXPENSES.....	43-44
NOTE 24 FINANCIAL INCOME.....	44
NOTE 25 FINANCIAL EXPENSES.....	44
NOTE 26 NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS	45
NOTE 27 CURRENT AND DEFERRED INCOME TAXES.....	45-49
NOTE 28 EARNINGS / (LOSS) PER SHARE.....	50
NOTE 29 RELATED PARTY DISCLOSURES	50-53
NOTE 30 FINANCIAL RISK MANAGEMENT.....	54-63
NOTE 31 FINANCIAL INSTRUMENTS.....	63
NOTE 32 SUBSEQUENT EVENTS.....	64

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FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

DOĞAN GAZETECİLİK A.Ş.

**CONSOLIDATED BALANCE SHEETS
AT 30 JUNE 2009 AND 31 DECEMBER 2008**

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

	Note References	30 June 2009	31 December 2008
ASSETS			
Current assets		97.386.803	105.088.396
Cash and cash equivalents	5	3.803.902	16.217.556
Trade receivables			
- Due from related parties	29	19.890.643	14.587.980
- Other trade receivables	8	58.586.710	57.194.395
Other receivables		78.410	97.714
Inventories	10	4.645.504	5.643.760
Other current assets	18	10.381.634	10.571.791
		97.386.803	104.313.196
Non-current assets held for sale	26	-	775.200
Non-current assets		226.224.977	225.433.001
Other receivables	9	65.033	65.033
Financial assets	6	69.585	69.585
Investment property	11	3.706.707	1.288.030
Property, plant and equipment	12	29.993.783	31.569.407
Intangible assets	13	72.902.486	74.733.424
Goodwill	14	113.857.178	113.857.178
Deferred income tax assets	27	5.630.205	3.850.344
Total assets		323.611.780	330.521.397

These consolidated interim financial statements for the period ended 30 June 2009 have been approved by the Board of Directors on 25 August 2009.

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

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

DOĞAN GAZETECİLİK A.Ş.

**CONSOLIDATED BALANCE SHEETS
AT 30 JUNE 2009 AND 31 DECEMBER 2008**

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

	Note References	30 June 2009	31 December 2008
LIABILITIES			
Current liabilities		89.340.956	84.183.491
Borrowings	7	35.117.710	1.061.081
Trade payables			
- Due to related parties	29	34.093.794	64.654.389
- Other trade payables	8	6.201.162	5.652.991
Other payables	9	4.854.653	4.267.000
Current income tax liabilities	27	35.734	-
Provisions	15	2.909.149	2.928.267
Other current liabilities	18	6.128.754	5.619.763
Non-current liabilities		5.432.788	5.292.537
Provision for employment termination benefit	17	5.432.788	5.292.537
EQUITY	19	228.838.036	241.045.369
Equity attributable to equity holders of the company	19	228.586.600	240.793.202
Share capital	19	105.000.000	105.000.000
Adjustment to share capital	19	45.910.057	45.910.057
Share premium	19	82.060.000	82.060.000
Restricted reserves	19	8.904.299	8.904.299
Accumulated losses	19	(1.081.154)	(327.866)
Loss for the period		(12.206.602)	(753.288)
Minority interests		251.436	252.167
Total liabilities and equity		323.611.780	330.521.397
Commitments and contingent liabilities	15		

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

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

DOĞAN GAZETECİLİK A.Ş.

**CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED
30 JUNE 2009 AND 2008**

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

	Note References	1 January- 30 June 2009	1 April- 30 June 2009	1 January- 30 June 2008	1 April- 30 June 2008
Sales	20	169.739.096	90.041.988	170.272.613	102.181.320
Cost of sales (-)	20	(121.960.755)	(56.879.511)	(103.158.054)	(60.150.114)
Gross profit		47.778.341	33.162.477	67.114.559	42.031.206
General administrative expenses (-)	21	(12.823.312)	(6.880.593)	(13.398.604)	(7.994.871)
Marketing, selling and distribution expenses (-)	21	(46.022.971)	(25.201.466)	(54.489.176)	(32.845.088)
Other income	23	2.183.945	1.375.457	5.702.367	4.941.978
Other expenses (-)	23	(3.394.072)	(2.248.004)	(1.549.541)	(1.153.663)
Operating (loss) / profit		(12.278.069)	207.871	3.379.605	4.979.562
Financial income	24	3.081.837	1.271.793	14.713.333	4.772.868
Financial expenses (-)	25	(4.717.067)	1.875.213	(3.275.268)	(2.115.697)
(Loss)/profit before income taxes from continuing operations		(13.913.299)	3.354.877	14.817.670	7.636.733
Taxation		1.705.966	(1.457.972)	(2.820.474)	(1.344.467)
- Taxes on income	27	(73.895)	(35.928)	(2.754.606)	(1.455.471)
- Deferred income tax credit/(charge)	27	1.779.861	(1.422.044)	(65.868)	111.004
(Loss)/profit for the period		(12.207.333)	1.896.905	11.997.196	6.292.266
Other comprehensive income:					
Changes in translation reserves		-	-	(69.911)	-
Total comprehensive (loss)/income		(12.207.333)	1.896.905	11.927.285	6.292.266
Allocation of (loss)/profit for the period					
Attributable to minority interests	2	(731)	1.590	21.800	(21.760)
Attributable to equity holders of the Company		(12.206.602)	1.895.315	11.975.396	6.314.026
Allocation of comprehensive (loss) /profit for the period					
Attributable to minority interests	2	(731)	1.590	21.800	(21.760)
Attributable to equity holders of the Company		(12.206.602)	1.895.315	11.905.485	6.314.026
(Loss)/earning per share for (loss)/profit attributable to equity holders of the Company (Kr)	28	(11,6)	1,8	12,0	6,3

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

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

DOĞAN GAZETECİLİK A.Ş.

**CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY
FOR THE SIX-MONTH PERIODS ENDED 30 JUNE 2009 AND 2008**

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

	Note References	Share capital	Adjustment to share capital	Share premium	Translation reserve	Restricted reserves	Retained earnings/ (accumulated losses)	Net profit/ (loss) for the period	Equity attributable to equity holders of the Company	Minority interest	Total equity
Balances at 1 January 2008	19	100.000.000	45.910.057	82.060.000	69.911	3.837.564	905.769	8.833.100	241.616.401	228.265	241.844.666
Transfers	19	-	-	-	-	5.066.735	3.766.365	(8.833.100)	-	-	-
Total comprehensive income/(loss)	19	-	-	-	(69.911)	-	-	11.975.396	11.905.485	21.800	11.927.285
Balances at 30 June 2008	19	100.000.000	45.910.057	82.060.000	-	8.904.299	4.672.134	11.975.396	253.521.886	250.065	253.771.951
Balances at 1 January 2009	19	105.000.000	45.910.057	82.060.000	-	8.904.299	(327.866)	(753.288)	240.793.202	252.167	241.045.369
Transfers	19	-	-	-	-	-	(753.288)	753.288	-	-	-
Total comprehensive income/(loss)	19	-	-	-	-	-	-	(12.206.602)	(12.206.602)	(731)	(12.207.333)
Balances at 30 June 2009	19	105.000.000	45.910.057	82.060.000	-	8.904.299	(1.081.154)	(12.206.602)	228.586.600	251.436	228.838.036

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DOĞAN GAZETECİLİK A.Ş.

**CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
FOR THE SIX-MONTH PERIODS ENDED 30 JUNE 2009 AND 2008**

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

	Note References	1 January - 30 June 2009	1 January - 30 June 2008
(Loss)/Profit before income taxes		(13.913.299)	14.817.670
Adjustments:			
Depreciation	11, 12	2.040.702	1.982.145
Amortisation	13	1.947.650	1.424.870
Loss/(gain) on disposal of property, plant and equipment, intangible assets and investment property, net	23	82.877	(1.035.303)
Unearned financial income	8	352.636	993.568
Unearned credit finance charged to related parties	29	(126.358)	(392.490)
Interest expense	25	2.037.909	886.842
Interest income	24	(757.012)	(3.746.055)
Doubtful receivable provision	8	2.310.505	531.435
Unused vacation liability	18	366.187	328.267
Employment termination benefit provision	17	1.185.497	1.167.112
Currency translation differences		-	(69.911)
Gain on disposal of subsidiary	23	-	(3.185.528)
Provision for impairment on investment property	11	325.709	-
Sales premium liability	18	1.345.367	-
Adjustments to reconcile profit before income taxes from continuing operations to net cash from operating activities		(2.801.630)	13.702.622
Other trade receivables	8	(4.055.456)	(17.412.294)
Receivables from related parties	29	(5.302.663)	2.073.608
Inventories	10	998.256	519.197
Other current receivables		19.304	(192.416)
Other current assets	18	190.375	1.388.763
Other trade payables	8	548.171	(125.735)
Payable to related parties	29	(30.434.237)	(41.754.419)
Other payables	9	587.653	1.577.528
Provisions	15	(19.118)	(41.255)
Other current liabilities	18	(1.202.563)	537.996
Income tax paid	27	(38.161)	(1.315.739)
Other non-current receivables	9	-	(54.444)
Employment termination benefits paid	17	(1.045.246)	(738.691)
Non-current assets held for sale	26	775.200	-
Net cash (used in)/provided by operating activities		(41.780.115)	(41.835.279)
Investing activities:			
Purchase of investment property	11	(3.202.390)	-
Purchase of property, plant and equipment	12	(457.132)	(968.991)
Purchase of intangible assets	13	(116.712)	(17.637.754)
Net profit/(loss) on disposal of property, plant and equipment, intangible assets and investment property	11, 12	367.181	1.899.488
Sales/(purchase) of financial asset	6	-	65.051
Acquisition of subsidiaries, net paid	3	-	(13.067.294)
Net cash used in investing activities		(3.409.053)	(29.709.500)
Financing activities:			
Increase in borrowings, net	7	34.008.792	(13.109.166)
Interest paid		(1.990.071)	(868.746)
Interest received		756.793	3.695.555
Net cash (used in)/provided by financing activities		32.775.514	(10.282.357)
Net increase in cash and cash equivalents	5	(12.413.654)	(81.827.136)
Cash and cash equivalents at the beginning of the period		16.217.556	106.333.707
Cash and cash equivalents at the end of the period	5	3.803.902	24.506.571

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

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

DOĞAN GAZETECİLİK A.Ş.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2009

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

NOTE 1 - GROUP’S ORGANIZATION AND NATURE OF OPERATIONS

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

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

The address of the registered office is as follows:

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

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

Subsidiaries

The table below sets out all Subsidiaries included in the scope of consolidation at 30 June 2009 and 31 December 2008:

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

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

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

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DOĞAN GAZETECİLİK A.Ş.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2009

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

NOTE 1 - ORGANIZATION AND NATURE OF OPERATIONS (Continued)

Joint Ventures

The table below sets out the Joint Venture included in the scope of consolidation at 30 June 2009 and 31 December 2008:

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

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.1 Basis of presentation

2.1.1 Financial reporting standards

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

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

Within the scope of CMB’s Communiqué Serial XI, No:29 and its announcements clarifying this communiqué the consolidated financial statements have been prepared in accordance with the CMB’s Financial Reporting Standards which are based on IAS/IFRS, as the differences of IAS/IFRS, adopted by the European, from those published by IASB have not yet been announced by TASB as of the date of these financial statements. Consolidated financial statements and accompanying notes have been presented in accordance with the format, recommended to be implemented by CMB through its announcement dated 14 April 2008 and 9 January 2009, and by including the mandatory information. As per CMB’s Communiqué No:XI, No:29 and its announcements clarifying this communiqué entities are required to present the hedging rate of their total foreign exchange liability and total export and import amounts in the notes to the financial statements.

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

DOĞAN GAZETECİLİK A.Ş.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2009

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

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

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

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

2.1.2 Financial statements of subsidiaries operating in foreign countries

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

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

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

2.1.3 Consolidation principles

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

(a) *Subsidiaries*

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

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

DOĞAN GAZETECİLİK A.Ş.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2009

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

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

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

The table below sets out all subsidiaries included in the scope of consolidation and shows their shareholder structure at 30 June 2009 and 31 December 2008:

	Proportion of the voting power held by the Group (%) 30 June 2009	Proportion of the voting power held by the Group (%) 31 December 2008
Kemer Yayıncılık	99,98	99,98
Bağımsız Gazeteciler	99,99	99,99
Kemer Yayıncılık Pazarlama	99,96	99,96
DYG İlan	50,02	50,02
Milha	66,99	66,99
Milliyet İnternet	99,83	99,83

b) Financial assets at fair value through profit and loss

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

(c) Joint Ventures

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

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

DOĞAN GAZETECİLİK A.Ş.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2009

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

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

The table below sets out the joint venture included in the scope of consolidation and shows its shareholder structure at 30 June 2009 and 31 December 2008:

	Proportion of joint management 30 June 2009	Proportion of joint management 31 December 2008	Joint Venture Partner
Birey Seçme ve Değerlendirme Danışmanlık Ltd. Şti	50	50	Doğan Portal ve Elektronik Tic. A.Ş.

(d) *Minority Interest*

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

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

2.1.4 **Offsetting**

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

2.1.5 **Comparatives**

The financial statements of the Group include comparative financial information to enable the determination of the financial position and performance. The balance sheet of the Group at 30 June 2009 has been provided with the comparative financial information of 31 December 2008 and the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the period ended 30 June 2009 have been provided with the comparative financial information for the period ended 30 June 2008.

Legal reserves and other extraordinary reserves amounting to TRY 5.066.735 included in “Retained earnings” in the consolidated balance sheet at 31 December 2008 have been reclassified to “Restricted reserves” in the current period.

Trade receivables amounting to TRY 2.882.370 included in “Other trade receivables” in the consolidated balance sheet at 31 December 2008 have been reclassified to “Due from related parties” in the current period.

Amortisation expense of intangible assets amounting to TRY 580.000 included in “General administrative expenses” in the consolidated comprehensive statement of income for the six-month period ended 30 June 2008 has been reclassified to “Cost of sales” in the current period.

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

DOĞAN GAZETECİLİK A.Ş.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2009

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

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

2.1.6 Changes in CMB Financial Reporting Standards

(a) Standards, amendments and interpretations to existing standards that are in effective in 2009 and are relevant to the Group's operations:

- 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. In this regard, the Group has prepared and presented the comprehensive income statements for the six-month periods ended 30 June 2009 and 30 June 2008.
- IAS 36 (Amendment), "Impairment of assets" (effective from 1 January 2009). The amendment is part of the IASB's annual improvements project published in May 2008. Where fair value less costs to sell is calculated on the basis of discounted cash flows, disclosures equivalent to those for value-in-use calculation should be made. The Group applies the IAS 36 (Amendment) and provides the required disclosure where applicable for impairment tests from 1 January 2009.
- 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 has one reportable segment in accordance with IFRS 8.

(b) Standards, amendments and interpretations to existing standards that are not yet effective as at 30 June 2009, are relevant to the Group's operations and have not been early adopted by the Group:

- IAS 27 "Consolidated and Separate Financial Statements" is revised in January 2008. The revised IAS 27 is effective for annual periods beginning on or after 1 July 2009. The revised IAS 27 requires the entities to apply the "Economic Entity Model" for changes in a parent's ownership interest in a subsidiary that do not result in the loss of control. The previous IAS 27 allowed the entities to apply the "Parent Company Model" or the "Economic Entity Model". As discussed in Note 2.1.3, Doğan Yayın Holding currently applies the "Parent Company Model". According to the "Economic Entity Model", which is, as a result of the dispose or acquire of some parts of shares of subsidiaries, providing not to change the control authority, respectively loss/profit from share disposal and goodwill/negative goodwill are not calculated and these transactions are not accounted at equity.

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

DOĞAN GAZETECİLİK A.Ş.

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2009**

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

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

(c) *Standards, amendments and interpretations to existing standards that are effective as at 30 June 2009, are not relevant to the Group’s operations:*

- IFRS 1 (Amendment) “First time adoption of IFRS”, and IAS 27 “Consolidated and separate financial statements” (effective from 1 January 2009).
- IAS 16 (Amendment), “Property, plant and equipment” (and consequential amendment to IAS 7, “Statement of cash flows”).
- IAS 19 (Amendment), “Employee benefits” (effective from 1 January 2009).
- IAS 20 (Amendment), “Accounting for government grants and disclosure of government assistance” (effective from 1 January 2009).
- IAS 27 (Amendment), “Consolidated and separate financial statements” (effective from 1 January 2009).
- IAS 28 (Amendment), “Investments in associates” (and consequential amendments to IAS 32, “Financial Instruments: Presentation”, and IFRS 7, “Financial instruments: Disclosures”) (effective from 1 January 2009).
- IAS 29 (Amendment), “Financial reporting in hyperinflationary economies” (effective from 1 January 2009).
- IAS 31 (Amendment), “Interests in joint ventures” (and consequential amendments to IAS 32 and IFRS 7) (effective from 1 January 2009).
- IAS 32 (Amendment), “Financial instruments: Presentation”, and IAS 1 (Amendment), “Presentation of financial statements” - “Puttable financial instruments and obligations arising on liquidation” (effective from 1 January 2009).
- IAS 38 (Amendment), “Intangible assets” (effective from 1 January 2009).
- IAS 39 (Amendment), “Financial instruments: Recognition and measurement” (effective from 1 January 2009).
- IAS 40 (Amendment), “Investment property” (and consequential amendments to IAS 16) (effective from 1 January 2009).
- IAS 41 (Amendment), “Agriculture” (effective from 1 January 2009).
- IFRIC 15, “Agreements for construction of real estates” (effective from 1 January 2009).
- IFRIC 16, “Hedges of a Net Investment in a Foreign Operation” (effective from 1 October 2008).
- IFRIC 17, “Distributions of Non-cash Assets to Owners (effective from 1 July 2009).
- IFRIC 18, “Transfers of Assets from Customers” (effective from 1 July 2009).

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

DOĞAN GAZETECİLİK A.Ş.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2009

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

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

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

The accounting principles described in Note 2.2 to these consolidated interim financial statements differ from International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board with respect to the application of inflation accounting for the period between 1 January - 31 December 2005. Accordingly, these consolidated interim financial statements are not intended to present the financial position and result of operations of the Group in accordance with IFRS.

2.2 *Summary of Significant Accounting Policies*

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

Related parties

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

Trade receivables and provision for doubtful receivables

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

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

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

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

DOĞAN GAZETECİLİK A.Ş.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2009

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

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

Financial assets

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

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

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

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

Inventories

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

Investment properties

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

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

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

DOĞAN GAZETECİLİK A.Ş.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2009

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

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

Property, plant, equipment and related depreciation

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

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

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

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

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

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

Goodwill

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

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

Intangible assets and amortisation

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

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

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

DOĞAN GAZETECİLİK A.Ş.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2009

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

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

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

	Years
Trademark	25
Rights	15
Other intangible assets	10

Assets held for sale

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

Taxes on income

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

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

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

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

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

Borrowings

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

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

DOĞAN GAZETECİLİK A.Ş.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2009

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

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

Employment termination benefits

The Group is required to pay termination benefits to employees who is retired, whose employment is terminated without due causes in Labour Law, in accordance with the Law related with The Arrangement of the Relationships within the Employees in Press Sector (employees in media sector) and other laws. The provision for employment termination benefits, as required by Turkish Labour Law, is recognised in these financial statements as the benefits are earned. The total provision represents the present value of future probable obligation of the Group arising from the retirement of its employees regarding the actuarial projections (Note 17).

Provisions, contingent liabilities and assets

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

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

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits to the entity. Contingent assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized.

A contingent asset is disclosed where an inflow of economic benefit is probable. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognized in the financial statements of the period in which the change occurs.

Share capital, dividends and share premium

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

Foreign currency transactions and translation

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

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

DOĞAN GAZETECİLİK A.Ş.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2009

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

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

Revenue recognition

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

Interest income:

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

Rental income:

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

Service income:

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

Barter agreements

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

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

DOĞAN GAZETECİLİK A.Ş.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2009

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

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

Earnings / loss per share

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

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

Cash and cash equivalents

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

Web page development costs

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

Changes and errors in accounting policies and estimates

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

Subsequent events

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

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

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

DOĞAN GAZETECİLİK A.Ş.

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2009**

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

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

Reporting of cash flows

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

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

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

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

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

Critical Accounting Estimates and Judgements

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

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

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

DOĞAN GAZETECİLİK A.Ş.

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2009**

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

NOTE 3 - BUSINESS COMBINATIONS

There has occurred no business combination during the period 1 January- 30 June 2009. The details of the business combinations during the period 1 January - 30 June 2008 are as follows:

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

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

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

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

If the acquisition transaction had taken place on 1 January 2008, revenue of the Group would have been TRY 186.192.789 and net loss of the Group for the year would have been TRY 1.675.259.

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

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

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

DOĞAN GAZETECİLİK A.Ş.

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2009**

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

NOTE 3 - BUSINESS COMBINATIONS (Continued)

Acquisition of Bağımsız Gazeteciler:

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

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

Details of the cash outflow on acquisition are as follows:

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

(*) The unpaid amount (TRY 73.984) has been classified in other current payables as of 30 June 2009 (Note 9).
The unpaid amount as of 30 June 2008 is TRY 8.185.790.

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

DOĞAN GAZETECİLİK A.Ş.

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2009**

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

NOTE 4 - JOINT VENTURES

The joint venture and the proportion joint management at 30 June 2009 and 31 December 2008 are as follows:

	Proportion of joint management 30 June 2009	Proportion of joint management 31 December 2008	Joint venture partner
Birey Seçme ve Değerlendirme Danışmanlık Ltd. Şti	50	50	Doğan Portal ve Elektronik Tic. A.Ş.

The aggregate amounts of current assets, non-current assets, current liabilities, non-current liabilities of the Joint Venture included in the consolidated financial statements as of 30 June 2009 and 31 December 2008 by using the proportionate consolidation method are as follows:

Balance sheets:	30 June 2009	31 December 2008
Current assets	18.596	50.017
Non-current assets	1.586	1.586
Total assets	20.182	51.603
Current liabilities	213.605	181.281
Non-current liabilities	275	7.932
Total liabilities	213.880	189.213
Equity	(193.698)	(137.610)
Total liabilities and equity	20.182	51.603

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

DOĞAN GAZETECİLİK A.Ş.

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2009**

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

NOTE 4 - JOINT VENTURES (Continued)

Income and expenses of the Joint Venture for the three-months and six month periods ended 30 June 2009 and 2008 are as follows:

Income Statements:

	1 January - 30 June 2009	1 April - 30 June 2009	1 January - 30 June 2008	1 April - 30 June 2008
Gross profit	(143)	258	115.011	58.279
Marketing, selling and distribution expenses (-)	(32.220)	(17.954)	(95.436)	(43.320)
General administrative expenses (-)	(2.314)	(777)	(9.377)	(5.899)
Other income/(expenses), net	(10.079)	(2.340)	357	357
Operating income/(loss)	(44.756)	(20.813)	10.555	9.417
Financial income	-	-	3	3
Financial expenses (-)	(11.332)	(6.126)	(33.900)	(17.010)
Loss before income taxes	(56.088)	(26.939)	(23.342)	(7.590)
Current income tax for the period	-	-	-	-
Deferred income tax charge	-	-	375	28
Loss for the period	(56.088)	(26.939)	(22.967)	(7.562)

NOTE 5 - CASH AND CASH EQUIVALENTS

The analysis of cash and cash equivalents at 30 June 2009 and 31 December 2008 is as follows:

	30 June 2009	31 December 2008
Cash	44.596	54.890
Banks		
- TRY time deposits	840.000	15.048.408
- demand deposits	2.916.216	1.110.878
Other liquid assets	3.090	3.380
	3.803.902	16.217.556

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

DOĞAN GAZETECİLİK A.Ş.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2009

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

NOTE 5 - CASH AND CASH EQUIVALENTS (Continued)

The maturity analysis of cash and cash equivalents at 30 June 2009 and 31 December 2008 is as follows:

	30 June 2009	31 December 2008
Demand	2.963.902	1.169.148
Up to 3 months	840.000	15.048.408
Total	3.803.902	16.217.556

At 30 June 2009, effective interest rate for local currency time deposits is 8% (31 December 2008: TRY time deposit 17,9%).

At 30 June 2009, cash and cash equivalents amounting to TRY 32.241 (31 December 2008: TRY 12.098) are held in blocked bank accounts as guarantees for bank borrowings.

NOTE 6 - FINANCIAL ASSETS

The analysis of financial assets at 30 June 2009 and 31 December 2008 is as follows:

	30 June 2009		31 December 2008	
	TRY	Share capital (%)	TRY	Share capital (%)
Available-for-sale investments				
Doğan Haber	51.590	2,65	51.590	2,65
Milliyet Verlags	17.236	17,34	17.236	17,34
Ak Enerji	477	0,0	477	0,0
Doğan Dağıtım	275	0,0	275	0,0
Doğan Dış Ticaret	4	0,0	4	0,0
D&R	3	0,0	3	0,0
Other (11 subsidiaries)	649.737		649.737	
Provision for impairment	(649.737)		(649.737)	
Total	69.585		69.585	

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

DOĞAN GAZETECİLİK A.Ş.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2009

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

NOTE 7 - BORROWINGS

The analysis of bank borrowings at 30 June 2009 and 31 December 2008 is as follows:

Short term bank borrowings:	30 June 2009	31 December 2008
Short term bank borrowings	35.117.710	1.061.081
Total	35.117.710	1.061.081

	Effective interest rate (%)		TRY	
	30 June 2009	31 December 2008	30 June 2009	31 December 2008
Short term bank borrowings				
- TRY Short term bank borrowings	14,7	-	35.117.710	1.061.081
Subtotal			35.117.710	1.061.081

The contractual repricing schedule of bank borrowings at 30 June 2009 and 31 December 2008 is as follows:

	30 June 2009	31 December 2008
6 months or less	15.000.000	-
Total	15.000.000	-

As of 30 June 2009, TRY 117.710 of total borrowings comprises consumer finance credits for vehicle purchase purposes.

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

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

DOĞAN GAZETECİLİK A.Ş.

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2009**

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

NOTE 8 - TRADE RECEIVABLES AND PAYABLES

The analysis of trade receivables and payables at 30 June 2009 and 31 December 2008 is as follows:

	30 June 2009	31 December 2008
Short-term trade receivables		
Trade receivables	72.464.961	68.939.845
Cheques and notes receivable	841.421	1.260.939
	73.306.382	70.200.784
Less: Unearned financial income	(352.636)	(653.421)
Less: Provision for doubtful receivables	(14.367.036)	(12.352.968)
	58.586.710	57.194.395

The average due date of the Group’s trade receivables is 2 months (31 December 2008: 2 months). In accordance with the factoring contract signed with Doğan Factoring, trade receivable amounting to TRY 52.737.759 (31 December 2008: TRY 52.819.518) regarding advertisement revenues is followed by Doğan Factoring. Unearned financial income due to trade receivables regarding advertisement revenues followed by Doğan Factoring is TRY 352.636 (30 June 2008: TRY 993.568). Effective interest rate related with the receivables followed by Doğan Factoring is 9% (31 December 2008: 19%).

The movements in the provision for doubtful receivables as of 30 June 2009 and 2008 are as follows:

	2009	2008
1 January	12.352.968	7.599.996
Business combinations	-	4.957.272
Additions during the period	2.310.505	531.435
Collections	(296.437)	(325.870)
30 June	14.367.036	12.762.833

	30 June 2009	31 December 2008
Short-term trade payables		
Trade payables	6.115.286	5.476.589
Cheques and notes payable	85.876	176.402
	6.201.162	5.652.991

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

DOĞAN GAZETECİLİK A.Ş.

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2009**

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

NOTE 9 - OTHER RECEIVABLES AND PAYABLES

The analysis of other receivables and payables at 30 June 2009 and 31 December 2008 is as follows:

Other non-current receivables:

	30 June 2009	31 December 2008
Deposits and guarantees given	65.033	65.033
	65.033	65.033

Other current payables:

	30 June 2009	31 December 2008
Taxes and funds payable	3.044.601	3.751.044
Payables to personnel	1.642.070	422.406
Liabilities related to business combination (Note 3)	73.984	73.124
Other	93.998	20.426
	4.854.653	4.267.000

NOTE 10 - INVENTORIES

The analysis of inventories at 30 June 2009 and 31 December 2008 is as follows:

	30 June 2009	31 December 2008
Promotion materials	6.825.536	7.399.242
Finished goods and merchandise	919.243	1.423.209
Raw materials and supplies	326.218	288.385
Other	11.289	-
	8.082.286	9.110.836
Less: Provision for impairment on inventories	(3.436.782)	(3.467.076)
	4.645.504	5.643.760

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

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

DOĞAN GAZETECİLİK A.Ş.

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2009**

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

NOTE 10 - INVENTORIES (Continued)

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

	2009	2008
1 January	3.467.076	314.112
Business combinations	-	3.113.789
(Decrease)/ increase during the period	(30.294)	416.199
30 June	3.436.782	3.844.100

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

DOĞAN GAZETECİLİK A.Ş.

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2009**

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

NOTE 11 - INVESTMENT PROPERTY

The movements in investment property during the six-month periods ended 30 June 2009 and 2008 are as follows:

	1 January 2009	Additions	Disposals	Provision for impairment	Reversal of impairment	30 June 2009
Cost	1.288.030	3.202.390	(617.760)	(325.709)	189.620	3.736.571
Accumulated depreciation	-	(42.734)	12.870	-	-	(29.864)
Net book value	1.288.030					3.706.707
	1 January 2008	Additions	Disposals	Provision for impairment	Reversal for impairment	30 June 2008
Cost	1.507.584	-	(1.507.584)	-	-	-
Accumulated depreciation	(861.304)	-	861.304	-	-	-
Net book value	646.280					-

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

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

DOĞAN GAZETECİLİK A.Ş.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2009

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

NOTE 12 - PROPERTY, PLANT AND EQUIPMENT

The movements in property, plant and equipment during the six-month periods ended 30 June 2009 and 2008 are as follows:

	1 January 2009	Business combinations	Disposal of subsidiary (Note 1)	Additions	Disposals	30 June 2009
Cost						
Land and land improvements	1.538.814	-	-	-	-	1.538.814
Buildings	39.664.545	-	-	-	-	39.664.545
Machinery and equipment	22.048.468	-	-	136.477	(31.924)	22.153.021
Motor vehicles	1.337.299	-	-	-	(378.747)	958.552
Furniture and fixture	26.185.151	-	-	295.838	-	26.480.989
Special cost	1.820.400	-	-	24.817	-	1.845.217
	92.594.677	-	-	457.132	(410.671)	92.641.138
Accumulated depreciation						
Land and land improvements	1.318.521	-	-	11.670	-	1.330.191
Buildings	15.869.416	-	-	536.177	-	16.405.593
Machinery and equipment	20.482.840	-	-	179.641	(30.832)	20.631.649
Motor vehicles	695.107	-	-	126.611	(345.051)	476.667
Furniture and fixture	21.579.709	-	-	1.004.422	-	22.584.131
Special cost	1.079.677	-	-	139.447	-	1.219.124
	61.025.270	-	-	1.997.968	(375.883)	62.647.355
Net book value	31.569.407					29.993.783

As of 30 June 2009, there are no collateral and mortgage on property, plant and equipment (30 June 2008: None). TRY 2.060.952 (30 June 2008: TRY 1.204.959) of depreciation expense was included in cost of sales and TRY 1.927.400 (30 June 2008: TRY 2.202.068) was included in operating expenses.

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

DOĞAN GAZETECİLİK A.Ş.

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2009**

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

NOTE 12 - PROPERTY, PLANT AND EQUIPMENT (Continued)

	1 January 2008	Business combinations	Disposal of subsidiary (Note 1)	Additions	Disposals	30 June 2008
Cost						
Land and land improvements	1.488.784	-	-	14.532	-	1.503.316
Buildings	40.116.984	5.000	-	-	(457.436)	39.664.548
Machinery and equipment	22.088.760	-	(88.424)	165.412	(209.615)	21.956.133
Motor vehicles	1.100.447	416.164	-	-	(49.182)	1.467.429
Furniture and fixture	26.048.695	1.038.874	-	788.136	(2.233.664)	25.642.041
Special cost	928.550	733.254	-	911	-	1.662.715
	91.772.220	2.193.292	(88.424)	968.991	(2.949.897)	91.896.182
Accumulated depreciation						
Land and land improvements	1.295.439	-	-	11.471	-	1.306.910
Buildings	15.052.430	-	-	540.717	(259.907)	15.333.240
Machinery and equipment	20.392.624	-	(74.262)	195.696	(209.615)	20.304.443
Motor vehicles	497.155	-	-	134.881	(40.323)	591.713
Furniture and fixture	21.715.277	-	-	1.029.216	(2.222.148)	20.522.345
Special cost	871.807	-	-	70.164	-	941.971
	59.824.732	-	(74.262)	1.982.145	(2.731.993)	59.000.622
Net book value	31.947.488					32.895.560

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

DOĞAN GAZETECİLİK A.Ş.

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2009**

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

NOTE 13 - INTANGIBLE ASSETS

The movements in intangible assets during the six-month periods ended 30 June 2009 and 2008 are as follows:

	1 January 2009	Business combinations	Additions	Disposals	30 June 2009
Cost					
Trademark	57.781.640	-	-	-	57.781.640
Rights	22.211.092	-	97.184	-	22.308.276
Other intangible assets	2.760.692	-	19.528	-	2.780.220
	82.753.424	-	116.712	-	82.870.136
Accumulated amortisation					
Trademark	1.926.055	-	1.172.627	-	3.098.682
Rights	3.714.864	-	635.911	-	4.350.775
Other intangible assets	2.379.081	-	139.112	-	2.518.193
	8.020.000	-	1.947.650	-	9.967.650
Net book value	74.733.424				72.902.486
	1 January 2008	Business combinations	Additions	Disposals	30 June 2008
Cost					
Trademark	-	57.781.640	-	-	57.781.640
Rights	3.209.016	1.703.214	17.403.076 (1)	-	22.315.306
Other intangible assets	2.299.023	225.755	234.678	-	2.759.456
	5.508.039	59.710.609	17.637.754	-	82.856.402
Accumulated amortisation					
Trademark	-	-	716.940	-	716.940
Rights	2.459.491	-	611.394	-	3.070.885
Other intangible assets	2.153.165	-	96.536	-	2.249.701
	4.612.656	-	1.424.870	-	6.037.526
Net book value	895.383				76.818.876

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

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

DOĞAN GAZETECİLİK A.Ş.

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2009**

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

NOTE 14 - GOODWILL

The movements in goodwill during the six-month periods ended 30 June 2009 and 2008 are as follows:

	2009	2008
1 January	113.857.178	60.428.513
Additions (Note 3) (1)	-	62.864.882
30 June	113.857.178	123.293.395

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

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

NOTE 15 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

The analysis of provisions at 30 June 2009 and 31 December 2008 is as follows:

i. Short term provisions

	30 June 2009	31 December 2008
Provision for lawsuits	2.895.846	2.701.324
Other	13.303	226.943
	2.909.149	2.928.267

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

	30 June 2009	30 June 2008
1 January	2.701.324	1.446.830
Business combinations	-	1.766.592
Increase/(decrease) during the period	194.522	(40.442)
30 June	2.895.846	3.172.980

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

DOĞAN GAZETECİLİK A.Ş.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2009

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

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

ii. Lawsuits

The nature and amount of the litigations against the Group at 30 June 2009 and 31 December 2008 are as follows:

	30 June 2009	31 December 2008
Legal cases	29.597.615	35.401.263
Commercial cases	1.407.918	967.986
Business lawsuits	1.247.849	827.708
Administrative cases	1.185.530	979.292
Cancellation of appeal	47.537	47.536
	33.486.449	38.223.785

As of 30 June 2009, the provision for lawsuits amounting to TRY 2.895.846 (31 December 2008: TRY 2.701.324) has been set aside with reference to the opinions of the Group’s lawyers and past experiences of management related to similar litigations against the Group.

iii. Tax penalty

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

iv. Purchase of Bağımsız Gazetecilik

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

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

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

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

DOĞAN GAZETECİLİK A.Ş.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2009

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

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

- if the brand Vatan Gazetesi and its franchise right cannot be sold under the above-mentioned conditions within two years from the date on which the permission is given, the brand and franchise right will be sold via tender under the supervision of Competition Authority within two months from the end of the second year;
- if the brand and franchise right cannot be sold during this tender process, Doğan Group continues to own the brand Vatan Gazetesi and its franchise right for three years following the tender; Doğan Group meets the liabilities necessary for the brand’s legal existence; Doğan Group does not use the said brand name and franchise on any periodicals; Doğan Group evaluates any demands or requests as being subject to the approval of Competition Board pursuant to this decision in the case of any demand towards the said brand and franchise right during the relevant period; and Doğan Group possesses all kinds of usage rights on the brand, if the brand and franchise right cannot be still sold after this period expires.

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

NOTE 16 - COMMITMENTS

i. Letter of guarantees and guarantee notes given

Total guarantees given to courts, customs offices, national lottery offices and other parties amount to TRY 6.705.900 as of 30 June 2009 (31 December 2008: TRY 5.619.184).

ii. Barter agreements

The Group, as a common practice in the media sector, has entered into barter agreements which involve the exchange of goods or services without cash collections or payments. In connection with the barter agreements as of 30 June 2009, the Group is under obligation to provide advertisement services to Group and non-group companies amounting to TRY 8.499.594 (31 December 2008: TRY 6.130.228) and TRY 1.959.422 respectively (31 December 2008: TRY 983.007). The Group has the right to purchase various types of goods and render services amounting to TRY 8.229.468 (31 December 2008: TRY 8.908.513) regarding barter agreements, including purchase right from related parties amounting to TRY 3.157.800.

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

DOĞAN GAZETECİLİK A.Ş.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2009

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

NOTE 17 - PROVISION FOR EMPLOYMENT TERMINATION BENEFITS

	30 June 2009	31 December 2008
Provision for employment termination benefits	5.432.788	5.292.537

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

At 30 June 2009 the amount payable consists of one month's salary limited to a maximum of TRY 2.260,05 (31 December 2008: TRY 2.173,19) for each year of service.

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

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

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

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

	30 June 2009	31 December 2008
Discount rate (%)	6,26	6,26
Turnover rate to estimate the probability of retirement (%)	93	93

The principal assumption is that the maximum liability for each year of service will increase in line with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. As the maximum liability is revised semi-annually, the maximum amount of TRY 2.365,16 effective from 1 July 2009 (1 July 2008: TRY 2.173,19) has been taken into consideration in calculating the reserve for employment termination benefit of the Group.

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

DOĞAN GAZETECİLİK A.Ş.

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2009**

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

NOTE 17 - PROVISION FOR EMPLOYMENT TERMINATION BENEFITS (Continued)

Movements in the provision for employment termination benefits for the six-month periods ended 30 June 2009 and 2008 are as follows:

	2009	2008
1 January	5.292.537	3.697.931
Business combinations	-	1.179.442
Increase during the period	949.514	1.167.112
Actuarial increase	235.983	-
Paid during the period	(1.045.246)	(738.691)
30 June	5.432.788	5.305.794

NOTE 18 - OTHER ASSETS AND LIABILITIES

The analysis of other assets and other liabilities at 30 June 2009 and 31 December 2008 is as follows:

i. Other current assets:	30 June 2009	31 December 2008
Deferred VAT and other tax receivables	6.983.123	5.701.235
Prepaid expenses	2.119.953	2.836.479
Personnel advances	1.153.694	1.408.940
Job advances	543.200	389.993
Income accruals	242.557	71.080
Prepaid taxes and funds	-	824.957
	11.042.527	11.232.684
Provision for diminution in value	(660.893)	(660.893)
	10.381.634	10.571.791

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

ii. Other current liabilities:	30 June 2009	31 December 2008
Deferred revenue	2.667.392	3.696.814
Unused vacation liability	1.786.941	1.420.754
Sales premium liability	1.345.367	-
Provisions for promotion stocks	329.054	502.195
	6.128.754	5.619.763

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

DOĞAN GAZETECİLİK A.Ş.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2009

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

NOTE 19 - EQUITY

Doğan Gazetecilik A.Ş.’s shareholders and shareholding structure at 30 June 2009 and 31 December 2008 are as follows:

Shareholders	30 June 2009		31 December 2008	
	TRY	Pay %	TRY	Pay %
Doğan Yayın Holding A.Ş.	74.300.205	70,76	74.147.743	70,62
Public offering	30.151.167	28,72	30.303.629	28,86
Other	548.628	0,52	548.628	0,52
	105.000.000	100,00	105.000.000	100,00
Adjustment to share capital	45.910.057		45.910.057	
Paid in capital	150.910.057		150.910.057	

The total authorised number of ordinary shares is 105.000.000 (31 December 2008: 100.000.000) with a par value of TRY 1 per share (31 December 2008: TRY 1). All issued shares are fully paid.

Doğan Yayın Holding A.Ş. owns 12,67% of shares offered to the public as of 30 June 2009 (31 December 2008: 12,53%).

Due to tax principal and tax penalty notices communicated by the Halkalı Tax Office, the shares that Doğan Yayın Holding A.Ş. possesses in the Doğan Gazetecilik A.Ş.’s share capital and which represent 70,76% of the share capital of Doğan Gazetecilik A.Ş. included in the export/investment accounts of the Central Registry Institution and Intermediary Institution were immobilised and their transfer has been restricted. As already announced to public by Doğan Yayın Holding A.Ş., valuation work is still ongoing in relation to guarantees given by Doğan Yayın Holding A.Ş. for the purpose of removing the sequestration executed by Halkalı Tax Office (Note 32).

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

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

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

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

DOĞAN GAZETECİLİK A.Ş.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2009

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

NOTE 19 - EQUITY (Continued)

The aforementioned amounts shall be classified in "Restricted Reserves" in accordance with CMB Financial Reporting Standards. Restricted reserves of the Company amounts to TRY 8.904.299 as of 30 June 2009 (31 December 2008: TRY 8.904.299).

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

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

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 arising due to implementing the communiqué (such as inflation adjustment differences) shall be disclosed as follows:

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

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

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

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

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

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

DOĞAN GAZETECİLİK A.Ş.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2009

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

NOTE 19 - EQUITY (Continued)

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

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

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

NOTE 20 - SALES AND COST OF SALES

	1 January - 30 June 2009	1 April - 30 June 2009	1 January - 30 June 2008	1 April - 30 June 2008
Domestic sales	169.739.096	90.041.988	168.753.778	102.181.320
Foreign sales	-	-	1.518.835	-
Sales income, net	169.739.096	90.041.988	170.272.613	102.181.320
Cost of sales	(121.960.755)	(56.879.511)	(103.158.054)	(60.150.114)
Gross profit	47.778.341	33.162.477	67.114.559	42.031.206

The analysis of sales income and cost of sales for the six-month periods ended 30 June 2009 and 2008 is as follows:

Sales income

	1 January - 30 June 2009	1 April - 30 June 2009	1 January - 30 June 2008	1 April - 30 June 2008
Advertising income	86.620.460	46.997.811	107.860.742	68.840.505
Newspaper sales income	80.984.063	42.327.052	59.567.397	32.013.932
Other income	2.134.573	717.125	2.844.474	1.326.883
Sales income, net	169.739.096	90.041.988	170.272.613	102.181.320

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

DOĞAN GAZETECİLİK A.Ş.

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2009**

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

NOTE 20 - SALES AND COST OF SALES (Continued)

Cost of sales

The analysis of cost of sales for the six-month periods ended 30 June 2009 and 2008 is as follows:

	1 January - 30 June 2009	1 April - 30 June 2009	1 January - 30 June 2008	1 April - 30 June 2008
Raw material costs	67.041.423	30.030.609	54.301.208	32.034.682
Printing costs	16.740.640	7.969.874	15.006.774	8.176.596
News production costs	14.947.561	7.386.265	15.037.451	8.657.815
Payroll costs	13.164.579	6.681.351	10.619.128	6.351.156
Depreciation and amortisation expenses	2.060.952	1.044.430	1.204.959	944.933
Other	8.005.600	3.766.982	6.988.534	3.984.932
	121.960.755	56.879.511	103.158.054	60.150.114

**NOTE 21 - RESEARCH AND DEVELOPMENT EXPENSES, MARKETING, SELLING AND
DISTRIBUTION EXPENSES, GENERAL ADMINISTRATIVE EXPENSES**

Marketing, sales and distribution expenses

	1 January - 30 June 2009	1 April - 30 June 2009	1 January - 30 June 2008	1 April - 30 June 2008
Advertisement expenses	14.082.257	7.409.354	19.041.160	12.158.887
Distribution expenses	10.287.290	4.987.643	14.679.939	8.398.992
Personnel expenses	8.235.294	4.349.820	8.400.062	5.195.945
Promotion expenses	6.330.693	3.946.753	5.920.162	3.364.352
Presentation and marketing expenses	2.925.209	2.062.525	2.116.979	1.363.669
Travel expenses	610.684	352.410	855.888	470.760
Sponsorship expenses	339.375	208.553	716.534	356.179
Communication expenses	290.670	161.122	399.615	247.725
Consulting expenses	212.886	168.832	397.161	167.978
Packaging expense	18.256	8.959	104.364	44.637
Other	2.690.357	1.545.495	1.857.312	1.075.964
	46.022.971	25.201.466	54.489.176	32.845.088

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

DOĞAN GAZETECİLİK A.Ş.

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2009**

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

**NOTE 21 - RESEARCH AND DEVELOPMENT EXPENSES, MARKETING, SELLING AND
DISTRIBUTION EXPENSES, GENERAL ADMINISTRATIVE EXPENSES
(Continued)**

General administrative expenses:

	1 January - 30 June 2009	1 April - 30 June 2009	1 January - 30 June 2008	1 April - 30 June 2008
Personnel expenses	6.063.508	3.072.712	6.967.091	3.806.080
Consulting expenses	1.921.596	1.011.386	1.829.105	1.063.883
Depreciation and amortisation expenses	1.612.626	730.791	2.101.052	1.472.110
Maintenance expenses	507.243	567.499	163.198	114.464
Rent Expenses	329.424	170.278	207.398	149.505
Legal expenses	318.342	266.342	136.634	108.674
Travel expenses	445.102	308.178	303.527	170.353
Communication expenses	208.930	117.384	383.418	291.312
Cleaning expense	114.655	83.454	174.045	112.359
Electricity expense	165.357	85.661	163.376	110.089
Other	1.136.529	466.908	969.760	596.042
	12.823.312	6.880.593	13.398.604	7.994.871

NOTE 22 - EXPENSES BY NATURE

As of 30 June 2009 and 2008, expenses are disclosed by function and the analysis of the expenses is summarized in Note 20 and Note 21.

NOTE 23 - OTHER OPERATING INCOME AND EXPENSES

The analysis of other operating income and expenses for the six-month periods ended 30 June 2009 and 2008 is as follows:

i. Other operating income:

	1 January - 30 June 2009	1 April - 30 June 2009	1 January - 30 June 2008	1 April - 30 June 2008
Gain on disposal of a subsidiary (Note 1)	-	-	3.185.528	3.185.528
Gain on sale of property, plant and equipment, intangible assets and investment property	79.422	79.422	1.035.303	1.018.792
Rent income	1.064.868	530.772	885.299	416.841
Terminated provisions	729.858	652.040	326.010	185.526
Other	309.797	113.223	270.227	135.291
	2.183.945	1.375.457	5.702.367	4.941.978

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

DOĞAN GAZETECİLİK A.Ş.

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2009**

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

NOTE 23 - OTHER OPERATING INCOME AND EXPENSES (Continued)

ii. Other operating expenses:

	1 January - 30 June 2009	1 April - 30 June 2009	1 January - 30 June 2008	1 April - 30 June 2008
Provision for doubtful receivables	(2.310.505)	(1.353.913)	(531.435)	(238.383)
Provision for impairment on inventories	-	-	(299.455)	(299.455)
Provision for lawsuits	(284.333)	(187.693)	-	-
Provision for impairment on investment property	(325.709)	(325.709)	-	-
Loss on sale of property, plant and equipment, intangible assets and investment property	(162.299)	(162.299)	-	-
Other	(311.226)	(218.390)	(718.651)	(615.825)
	(3.394.072)	(2.248.004)	(1.549.541)	(1.153.663)

NOTE 24 - FINANCIAL INCOME

The analysis of financial income for the six-month periods ended 30 June 2009 and 2008 is as follows:

	1 January - 30 June 2009	1 April - 30 June 2009	1 January - 30 June 2008	1 April - 30 June 2008
Financial income from sales, net	1.476.052	481.889	2.963.992	1.810.975
Foreign exchange gains	848.773	559.571	8.003.286	1.798.605
Interest income	757.012	230.333	3.746.055	1.163.288
	3.081.837	1.271.793	14.713.333	4.772.868

NOTE 25 - FINANCIAL EXPENSES

The analysis of financial expense for the six-month periods ended 30 June 2009 and 2008 is as follows:

	1 January - 30 June 2009	1 April - 30 June 2009	1 January - 30 June 2008	1 April - 30 June 2008
Interest expenses	(2.037.909)	(1.266.010)	(886.842)	(852.017)
Foreign exchange losses	(1.629.850)	3.572.452	(1.029.874)	(426.119)
Financial expense from purchases, net	(382.371)	(198.604)	(725.590)	(513.768)
Other financial expenses	(666.937)	(232.625)	(632.962)	(323.793)
	(4.717.067)	1.875.213	(3.275.268)	(2.115.697)

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

DOĞAN GAZETECİLİK A.Ş.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2009

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

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

As of 30 June 2009, there is no asset held for sale (31 December 2008: a dublex house TRY 775.200).

NOTE 27 - CURRENT AND DEFERRED INCOME TAXES

	30 June 2009	31 December 2008
Corporation and income taxes payable	73.895	3.039.626
Less: Prepaid taxes	(38.161)	(3.864.583)
Tax provision / (prepaid tax)	35.734	(824.957)

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

Corporate Income Tax Law numbered 5520 was published in the official gazette numbered dated 13 September 2006 and most clauses has come into effect from 1 January 2006 .The corporation tax rate of the fiscal year 2009 is 20% (2008: 20%). Corporation tax is payable at a rate of 20% on the total income of the Company after adjusting for certain disallowable expenses, exempt income and allowances. No further tax is payable unless the profit is distributed (except withholding tax at the rate of 19.8% on the investment incentive allowance utilized within the scope of the Income Tax Law transitional article 61).

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

Corporations are required to pay advance corporation tax quarterly at the rate of 20% (31 December 2008: 20%) on their corporate income. Advance tax is to be declared by the 14th day of the second month following each calendar quarter end and is payable by the 17th of the second month following each calendar quarter end. Advance tax paid by corporations is credited against the annual corporation tax liability. The balance of the advance tax paid may be refunded or used to be set off against other liabilities to the government.

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

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

DOĞAN GAZETECİLİK A.Ş.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2009

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

NOTE 27 - CURRENT AND DEFERRED INCOME TAXES (Continued)

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

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

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

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

Exemption for participation in domestic subsidiaries:

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

Exemption for share premium:

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

Exemption of participation in foreign subsidiaries:

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

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

DOĞAN GAZETECİLİK A.Ş.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2009

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

NOTE 27 - CURRENT AND DEFERRED INCOME TAXES (Continued)

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

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

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

The taxes on income for the six-month periods ended 30 June 2009 and 2008 is summarized as follows:

	1 January - 30 June 2009	1 April - 30 June 2009	1 January - 30 June 2008	1 April - 30 June 2008
- Current year corporate tax	(73.895)	(35.928)	(2.754.606)	(1.455.471)
- Deferred tax income/(expense)	1.779.861	(1.422.044)	(65.868)	111.004
Total tax income/(expense)	1.705.966	(1.457.972)	(2.820.474)	(1.344.467)

The reconciliation of the taxation on income in the consolidated statement of income for the years ended 30 June 2009 and 2008 and the taxation on income calculated with the current tax rate over income from continuing operations before tax is as follows:

	2009	2008
Profit / (loss) before income taxes from continuing operations	(13.913.299)	14.817.670
20% provision for corporate tax calculated by effective tax rate	2.782.660	(2.963.534)
Expenses not deductible for tax purposes	(958.480)	(208.115)
Income not subject to tax	35.318	799.527
Tax losses for which no deferred income tax asset was recognized	(70.733)	(465.287)
Other	(82.799)	16.935
Total	1.705.966	(2.820.474)

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

DOĞAN GAZETECİLİK A.Ş.

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2009**

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

NOTE 27 - CURRENT AND DEFERRED INCOME TAXES (Continued)

Deferred taxes

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

Deferred income taxes are calculated on temporary differences that are expected to be realized or settled based on the taxable income in coming years under the liability method using a principal tax rate of 20% (31 December 2008: 20%).

The temporary differences giving rise to deferred income tax assets/(liabilities) using the enacted tax rates as of 30 June 2009 and 31 December 2008 are as follows:

	Temporary differences		Deferred Tax assets/(liabilities)	
	30 June 2009	31 December 2008	30 June 2009	31 December 2008
Carry forward tax losses (1)	95.985.552	88.505.726	12.318.477	11.512.757
Provision for employment termination benefits	5.432.788	5.292.537	1.086.558	1.058.507
Provision for doubtful receivables	5.199.183	4.818.995	1.039.837	963.799
Provision for impairment on inventories	3.436.782	3.467.076	687.356	693.415
Unused vacation liability	1.786.941	1.420.754	357.388	284.151
Provision for lawsuits	1.362.500	1.550.225	272.500	310.045
Sales premium liability	1.345.367	-	269.073	-
Other provisions	660.893	660.893	132.179	132.179
Unearned financial income	352.636	653.421	70.527	130.684
Provision for promotion stocks	329.054	502.195	65.811	100.439
Deferred tax assets			16.299.706	15.185.976
Difference between the tax base and carrying value of property, plant and equipment and intangible assets	(53.221.144)	(56.417.634)	(10.644.229)	(11.283.527)
Unearned financial expenses	(126.358)	(260.524)	(25.272)	(52.105)
Deferred tax liabilities			(10.669.501)	(11.335.632)
Deferred tax assets/(liabilities), net			5.630.205	3.850.344

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

DOĞAN GAZETECİLİK A.Ş.

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2009**

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

NOTE 27 - CURRENT AND DEFERRED INCOME TAXES (Continued)

	30 June 2009	31 December 2008
Deferred tax assets:		
To be recovered after one year	13.405.035	12.571.264
To be recovered within one year	2.894.671	2.614.712
Total	16.299.706	15.185.976
Deferred tax liabilities:		
To be recovered after one year	(10.644.229)	(11.283.527)
To be recovered within one year	(25.272)	(52.105)
Total	(10.669.501)	(11.335.632)

- (1) Deferred income tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized. As of 30 June 2009, carry forward tax losses for which deferred income tax asset was recognized amounted to TRY 61.592.384 (31 December 2008: TRY 57.563.784).

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

	30 June 2009	31 December 2008
2010	8.736.957	8.736.957
2011	15.452.518	15.452.518
2012	13.712.115	13.712.115
2013	16.466.167	19.662.194
2014	7.224.627	-
Total	61.592.384	57.563.784

The movements in deferred income tax assets/(liabilities) for the six-month periods ended 30 June 2009 and 2008 are as follows:

	2009	2008
1 January	3.850.344	2.661.277
Business combinations	-	(10.326.669)
Deferred tax income/(expense)	1.779.861	(65.868)
30 June	5.630.205	(7.731.260)

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

DOĞAN GAZETECİLİK A.Ş.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2009

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

NOTE 28 - EARNINGS / (LOSS) PER SHARE

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

	1 January - 30 June 2009	1 April - 30 June 2009	1 January - 30 June 2008	1 April - 30 June 2008
Net income/(loss) for the period attributable to equity holders of the company	(12.206.602)	1.895.315	11.975.396	6.314.026
Weighted average number of shares with face value of TRY 1 each	105.000.000	105.000.000	100.000.000	100.000.000
Basic and diluted income/(loss) per attributable to equity holders’ share (Kr 1 for TRY 1 share)	(11,6)	1,8	12,0	6,3

NOTE 29 - RELATED PARTY DISCLOSURES

A summary of the balances and transactions with related parties is disclosed below:

a) Due from related parties:

	30 June 2009	31 December 2008
Due from related parties:		
Doğan Dağıtım Satış ve Pazarlama A.Ş. (“Doğan Dağıtım”)	7.049.273	5.424.138
Medyanet İletişim Reklam Paz. Turizm A.Ş. (“Medyanet”)	6.465.346	4.242.416
Vatan Dergi Grubu A.Ş.	2.427.582	1.888.754
DTV Haber ve Görsel Yayıncılık A.Ş. (“Kanal D”)	1.142.664	313.651
Vatan Imako Medya Yayıncılık A.Ş. (“Vatan Imako”)	1.046.900	992.141
Doğan TV Holding A.Ş. (“Doğan TV”)	712.118	438.095
Milliyet Verlags und Handels GmbH (“Milliyet Verlags”)	284.787	252.012
Birey Seçme ve Değerlendirme Danışmanlık Ltd. Şti (“Birey İK”)	187.778	138.748
Other	574.195	898.025
	19.890.643	14.587.980

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

DOĞAN GAZETECİLİK A.Ş.

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2009**

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

NOTE 29 - RELATED PARTY DISCLOSURES (Continued)

b) Due to related parties:

	30 June 2009	31 December 2008
Due to related parties:		
Hürriyet Gazetecilik ve Matbaacılık A.Ş. (“Hürriyet”)	9.850.248	12.387.407
Doğan Faktoring Hizmetler A.Ş. (“Doğan Faktoring”)	8.892.361	6.512.272
DTV Haber ve Görsel Yayıncılık A.Ş. (“Kanal D”)	8.499.594	6.130.228
Işıl İthalat ve İhracat Mümessillik A.Ş. (“Işıl İthalat İhracat”)	3.064.972	31.196.596
Doğan Dış Ticaret (“Dış Ticaret”)	1.409.533	5.953.046
Doğan Yayın Holding A.Ş. (“Yayın Holding”)	538.265	881.744
Doğan Ofset Yayıncılık ve Matbaacılık A.Ş. (“Doğan Ofset”)	433.714	410.449
Milta Turizm İşletmeleri A.Ş. (“Milta Turizm”)	398.657	725.407
Other	1.132.808	717.764
	34.220.152	64.914.913
Less: Unearned credit finance charged to related parties	(126.358)	(260.524)
	34.093.794	64.654.389

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

c) Service and product sales to related parties:

	1 January - 30 June 2009	1 April - 30 June 2009	1 January - 30 June 2008	1 April - 30 June 2008
Doğan Dağıtım	79.526.720	40.813.041	58.283.147	31.607.332
Medyanet A.Ş.	4.072.043	2.197.090	2.046.498	1.521.671
Doğan TV Digital Platform İşletmeciliği A.Ş. (“Doğan TV Dijital”)	3.328.509	1.021.695	-	-
Mozaik İletişim Hizmetleri A.Ş. (“Mozaik”)	2.453.798	1.028.649	713.912	597.517
Kanal D	994.745	442.836	1.366.360	860.956
Işıl Televizyon Yayıncılık A.Ş. (“Star TV”)	909.117	411.275	539.849	307.508
Petrol Ofisi A.Ş.	680.925	186.819	1.165.415	595.224
Lapis Televizyon ve Radyo Yayıncılık A.Ş. (“CNN Türk”)	324.571	324.571	-	-
Rapsodi Radyo ve Televizyon Yayıncılık A.Ş. (“Rapsodi Radyo”)	249.295	249.295	746.145	746.145
Hürriyet	111.473	111.473	647.889	314.012
Alp Görsel İletişim Hizmetleri A.Ş. (“D-Smart”)	-	-	556.655	-
Turan Radyo	-	-	984.907	7.200
Doğan Media International (“DMG”)	-	-	698.728	365.137
Other	1.230.860	443.139	2.952.690	704.545
	93.882.056	47.229.883	70.702.195	37.627.247

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

DOĞAN GAZETECİLİK A.Ş.

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2009**

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

NOTE 29 - RELATED PARTY DISCLOSURES (Continued)

d) Service and product purchases from related parties:

	1 January - 30 June 2009	1 April - 30 June 2009	1 January - 30 June 2008	1 April - 30 June 2008
Işıl İthalat	39.748.974	18.296.761	35.674.327	20.993.129
Dış Ticaret	29.491.322	13.271.594	22.392.208	13.872.432
Hürriyet	16.315.882	7.839.637	14.567.621	8.219.869
Other	4.064.341	1.873.182	7.776.543	5.200.718
	89.620.519	41.281.174	80.410.699	48.286.148
Less: Unearned credit finance charged to related parties	(382.371)	(198.604)	(725.590)	(513.768)
	89.238.148	41.082.570	79.685.109	47.772.380

e) Other significant transactions with related parties:

Other income/(expense), net

	1 January - 30 June 2009	1 April - 30 June 2009	1 January - 30 June 2008	1 April - 30 June 2008
Kanal D	1.030.284	511.802	782.197	403.621
Medyanet	-	-	153.641	59.900
Hürriyet	-	-	119.283	-
Other	28.841	24.491	18.325	722
	1.059.125	536.293	1.073.446	464.243

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

Financial (expense)/income, net

	1 January - 30 June 2009	1 April - 30 June 2009	1 January - 30 June 2008	1 April - 30 June 2008
Işıl İthalat	(1.065.156)	(603.517)	(358.624)	(358.624)
Hürriyet	(552.218)	(18.559)	-	-
Doğan Factoring	(275.359)	(202.433)	(196.374)	(118.667)
Doğan Dış Ticaret	(208.598)	(80.751)	(49.336)	(49.336)
Doğan Yayın Holding	(196.533)	-	-	-
Other	(112.872)	(44.530)	-	-
Financial expenses	(2.410.736)	(949.790)	(604.334)	(526.627)

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

DOĞAN GAZETECİLİK A.Ş.

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2009**

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

NOTE 29 - RELATED PARTY DISCLOSURES (Continued)

General administrative, marketing, distribution and selling expenses

	1 January - 30 June 2009	1 April - 30 June 2009	1 January - 30 June 2008	1 April - 30 June 2008
Doğan Dağıtım	10.424.548	5.084.583	13.211.903	7.150.531
Kanal D	9.385.000	5.250.000	11.685.365	8.365.356
D Yapım Reklamcılık ve Dağıtım A.Ş.	924.589	579.150	543.260	295.319
Doğan Yayın Holding	789.687	402.738	1.597.217	818.632
Star TV	200.001	-	1.953.052	233.052
Hürriyet	166.278	103.968	71.109	52.814
Other	1.562.687	561.552	1.315.579	589.309
	23.452.790	11.981.991	30.377.485	17.505.013

Intangible asset purchases from related parties

	1 January - 30 June 2009	1 April - 30 June 2009	1 January - 30 June 2008	1 April - 30 June 2008
Doğan Portal ve Elektronik Tic. A.Ş.	-	-	17.400.000	17.400.000
	-	-	17.400.000	17.400.000

Property, plant and equipment sales to related parties

	1 January - 30 June 2009	1 April - 30 June 2009	1 January - 30 June 2008	1 April - 30 June 2008
İşıl İthalat	775.000	-	-	-
	775.000	-	-	-

f) Remuneration paid to top management:

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

	1 January - 30 June 2009	1 April - 30 June 2009	1 January - 30 June 2008	1 April - 30 June 2008
Board of Directors	503.009	256.820	435.214	249.469
Executive Board	1.182.502	617.905	1.167.885	624.115
	1.685.511	874.725	1.603.099	873.584

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

DOĞAN GAZETECİLİK A.Ş.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2009

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

NOTE 30 - FINANCIAL RISK MANAGEMENT

Financial risk management

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

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

Market Risk

Interest rate risk

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

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

Financial instruments with fixed interest rate	30 June 2009	31 December 2008
Fixed interest rate financial instruments	840.000	15.048.408
- Designated as fair value through profit or loss (*)	840.000	15.048.408
- Financial assets available for sale	-	-
Financial liabilities	20.117.710	1.061.081

Financial instruments with floating interest rate

Financial assets	-	-
Financial liabilities	15.000.000	-

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

The Group has borrowing with a floating interest rate amounting to TRY 15.000.000 as of 30 June 2009 (31 December 2008: None).

As of 30 June 2009, if interest rate on borrowings had been 1% higher/lower with all other variables held constant, interest expense would have been TRY 38.869 higher/lower. The Group has no borrowing with a floating interest rate as of 31 December 2008.

Foreign currency risk

	30 June 2009	31 December 2008
Assets	510.103	410.988
Liabilities	(5.799.590)	(44.998.403)
Net foreign currency position	(5.289.487)	(44.587.415)

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

DOĞAN GAZETECİLİK A.Ş.

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2009**

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

NOTE 30 - FINANCIAL RISK MANAGEMENT (Continued)

30 June 2009	TRY Equivalent	US Dollar	Euro	Other
1. Trade Receivables	287.333	-	287.333	-
2a. Monetary Financial Assets (Cash, Banks included)	222.770	105.762	113.163	3.845
2b. Non-Monetary Financial Assets	-	-	-	-
3. Other	-	-	-	-
4. Current Assets (1+2+3)	510.103	105.762	400.496	3.845
5. Trade Receivables	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-
6b. Non-Monetary Financial Assets	-	-	-	-
7. Other	-	-	-	-
8. Non-current assets (5+6+7)	-	-	-	-
9. Total assets (4+8)	510.103	105.762	400.496	3.845
10. Trade Payables	5.799.590	5.799.590	-	-
11. Financial Liabilities	-	-	-	-
12a. Other Monetary Financial Liabilities	-	-	-	-
12b. Other Non-Monetary Financial Liabilities	-	-	-	-
13. Current Liabilities (10+11+12)	5.799.590	5.799.590	-	-
14. Trade Payables	-	-	-	-
15. Financial Liabilities	-	-	-	-
16a. Other Monetary Financial Liabilities	-	-	-	-
16b. Other Non-Monetary Financial Liabilities	-	-	-	-
17. Non-current Liabilities(14+15+16)	-	-	-	-
18. Total Liabilities (13+17)	5.799.590	5.799.590	-	-
19. Net asset / liability position of Off-balance sheet derivatives (19a-19b)	-	-	-	-
19.a Off-balance sheet foreign currency derivative assets	-	-	-	-
19b. Off-balance sheet foreign currency derivative liabilities	-	-	-	-
20. Net foreign currency asset liability position (9-18+19)	(5.289.487)	(5.693.828)	400.496	3.845
21. Net foreign currency asset / liability position of monetary items (1+2a+5+6a-10-11-12a-14-15-16a)	(5.289.487)	(5.693.828)	400.496	3.845
22. Fair value of foreign currency hedged financial assets	-	-	-	-
23. Exports	-	-	-	-
24. Imports	-	-	-	-

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

DOĞAN GAZETECİLİK A.Ş.

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2009**

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

NOTE 30 - FINANCIAL RISK MANAGEMENT (Continued)

31 December 2008	TRY Equivalent	US Dollar	Euro	Other
1. Trade Receivables	252.012	-	252.012	-
2a. Monetary Financial Assets (Cash, Banks included)	158.976	75.459	65.504	18.013
2b. Non-Monetary Financial Assets	-	-	-	-
3. Other	-	-	-	-
4. Current Assets (1+2+3)	410.988	75.459	317.516	18.013
5. Trade Receivables	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-
6b. Non-Monetary Financial Assets	-	-	-	-
7. Other	-	-	-	-
8. Non-current assets (5+6+7)	-	-	-	-
9. Total assets (4+8)	410.988	75.459	317.516	18.013
10. Trade Payables	44.998.403	44.998.403	-	-
11. Financial Liabilities	-	-	-	-
12a. Other Monetary Financial Liabilities	-	-	-	-
12b. Other Non-Monetary Financial Liabilities	-	-	-	-
13. Current Liabilities (10+11+12)	44.998.403	44.998.403	-	-
14. Trade Payables	-	-	-	-
15. Financial Liabilities	-	-	-	-
16a. Other Monetary Financial Liabilities	-	-	-	-
16b. Other Non-Monetary Financial Liabilities	-	-	-	-
17. Non-current Liabilities(14+15+16)	-	-	-	-
18. Total Liabilities (13+17)	44.998.403	44.998.403	-	-
19. Net asset / liability position of Off-balance sheet derivatives (19a-19b)	-	-	-	-
19.a Off-balance sheet foreign currency derivative assets	-	-	-	-
19b. Off-balance sheet foreign currency derivative liabilities	-	-	-	-
20. Net foreign currency asset liability position (9-18+19)	(44.587.415)	(44.922.944)	317.516	18.013
21. Net foreign currency asset / liability position of monetary items (1+2a+5+6a-10-11-12a-14-15-16a)	(44.587.415)	(44.922.944)	317.516	18.013
22. Fair value of foreign currency hedged financial assets	-	-	-	-
23. Exports	-	-	-	-
24. Imports	-	-	-	-

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

DOĞAN GAZETECİLİK A.Ş.

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2009**

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

NOTE 30 - FINANCIAL RISK MANAGEMENT (Continued)

TRY equivalent of import and exports for the six-month periods ended 30 June 2009 and 2008 is as follows:

	30 June 2009	30 June 2008
Total exports	-	-
Total imports	-	-
Hedging ratio of net foreign currency liability	-	-

The Group is exposed to foreign exchange risk arising primarily from the US dollar and Euro, and sensitivity analysis for currency risk is summarized below:

	<u>Income/Loss</u>	
	Foreign currency appreciates	Foreign currency depreciates
30 June 2009		
If the US dollar had changed by 10% against the TRY		
USD net (liabilities)/assets	(569.383)	569.383
Hedging amount of USD	-	-
USD net effect on (loss)/income	(569.383)	569.383

	<u>Income/Loss</u>	
	Foreign currency appreciates	Foreign currency depreciates
31 December 2008		
If the US dollar had changed by 10% against the TRY		
USD net (liabilities)/assets	(4.492.294)	4.492.294
Hedging amount of USD	-	-
USD net effect on (loss)/income	(4.492.294)	4.492.294

Credit risk

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

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

DOĞAN GAZETECİLİK A.Ş.

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2009**

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

NOTE 30 - FINANCIAL RISK MANAGEMENT (Continued)

The maximum exposure of the Group to credit risk as of 30 June 2009 and 31 December 2008 is as follows:

30 June 2009	Trade receivables		Other receivables		Cash and cash equivalents	Financial assets	Other assets
	Related Party	Other	Related Party	Other			
Maximum credit risk exposure as of balance sheet date	19.890.643	58.586.710	-	78.410	3.756.216	-	-
<i>- Collateralized or secured with guarantees part of maximum credit risk</i>	-	<i>11.170.306</i>	-	-	-	-	-
A. Neither past due nor impaired	13.465.958	39.813.705	-	78.410	3.756.216	-	-
B. Restructured otherwise accepted as past due and impaired	-	-	-	-	-	-	-
C. Past due but not impaired	6.424.685	18.773.005	-	-	-	-	-
<i>- Guaranteed amount by commitment</i>	-	<i>8.171.106</i>	-	-	-	-	-
D. Impaired asset net book value	-	-	-	-	-	-	-
<i>- Past due (gross amount)</i>	-	<i>14.367.036</i>	-	-	-	-	-
<i>- Impairment (-)</i>	-	<i>(14.367.036)</i>	-	-	-	-	-
<i>- Net value collateralized or guaranteed part of net value</i>	-	-	-	-	-	-	-
<i>- Not over due (gross amount)</i>	-	-	-	-	-	-	-
<i>- Impairment (-)</i>	-	-	-	-	-	-	-
<i>- Net value collateralized or guaranteed part of net value</i>	-	-	-	-	-	-	-
E. Off-balance sheet items bearing credit risk	-	-	-	-	-	-	-

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

DOĞAN GAZETECİLİK A.Ş.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2009

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

NOTE 30 - FINANCIAL RISK MANAGEMENT (Continued)

31 December 2008	Trade receivables		Other receivables		Cash and cash equivalents	Financial assets	Other assets
	Related Party	Other	Related Party	Other			
Maximum credit risk exposure as of balance sheet date	14.587.980	57.194.395	-	97.714	16.159.286	-	-
- Collateralized or secured with guarantees part of maximum credit risk	-	11.983.064	-	-	-	-	-
A. Neither past due nor impaired	8.685.786	36.846.509	-	97.714	16.159.286	-	-
B. Restructured otherwise accepted as past due and impaired	-	-	-	-	-	-	-
C. Past due but not impaired	5.902.194	20.347.886	-	-	-	-	-
- Guaranteed amount by commitment	-	8.869.558	-	-	-	-	-
D. Impaired asset net book value	-	-	-	-	-	-	-
- Past due (gross amount)	-	12.352.968	-	-	-	-	-
- Impairment (-)	-	(12.352.968)	-	-	-	-	-
- Net value collateralized or guaranteed part of net value	-	-	-	-	-	-	-
- Not over due (gross amount)	-	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-	-
- Net value collateralized or guaranteed part of net value	-	-	-	-	-	-	-
E. Off-balance sheet items bearing credit risk	-	-	-	-	-	-	-

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

DOĞAN GAZETECİLİK A.Ş.

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2009**

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

NOTE 30 - FINANCIAL RISK MANAGEMENT (Continued)

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

30 June 2009	Trade receivables		Cash and cash equivalents	Financial assets	Other assets
	Related party	Other			
Up to 1 month	891.045	8.160.987	-	-	-
1 to 3 months	1.559.841	4.396.700	-	-	-
3 to 12 months	2.420.787	5.012.828	-	-	-
1 to 5 years	1.553.012	1.202.490	-	-	-
More than 5 years	-	-	-	-	-
Total	6.424.685	18.773.005	-	-	-
<i>Guaranteed amount by commitment</i>	-	8.171.106	-	-	-

31 December 2008	Trade receivables		Cash and cash equivalents	Financial assets	Other assets
	Related party	Other			
Up to 1 month	-	9.488.187	-	-	-
1 to 3 months	-	5.813.423	-	-	-
3 to 12 months	4.680.821	3.742.514	-	-	-
1 to 5 years	1.221.373	1.303.762	-	-	-
More than 5 years	-	-	-	-	-
Total	5.902.194	20.347.886	-	-	-
<i>Guaranteed amount by commitment</i>	-	8.869.558	-	-	-

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

30 June 2009	Trade receivables		Cash and cash equivalents	Financial assets	Other assets
	Related party	Other			
Up to 3 months	-	-	-	-	-
3 to 12 months	-	354.320	-	-	-
1 to 5 years	-	14.012.716	-	-	-
Less: provision for doubtful receivables	-	(14.367.036)	-	-	-
Total	-	-	-	-	-

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

DOĞAN GAZETECİLİK A.Ş.

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2009**

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

NOTE 30 - FINANCIAL RISK MANAGEMENT (Continued)

31 December 2008	Trade receivables		Cash and cash equivalents	Financial assets	Other assets
	Related party	Other			
Up to 3 months	-	18.523	-	-	-
3 to 12 months	-	267.435	-	-	-
1 to 5 years	-	12.067.010	-	-	-
Less: provision for doubtful receivables	-	(12.352.968)	-	-	-
Total	-	-	-	-	-

Liquidity Risk

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

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED INTERIM
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**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2009**

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

NOTE 30 - FINANCIAL RISK MANAGEMENT (Continued)

According to agreement maturities, undiscounted cash flows of financial liabilities as of 30 June 2009 and 31 December 2008 are as follows:

30 June 2009	Book value	Contractual undiscounted cash flow	Up to 3 months	3-12 months	1-5 years	Over 5 years
Financial liabilities excluding derivatives						
Financial liabilities	35.117.710	37.765.341	20.186.528	17.578.813	-	-
Due to related parties(*)	34.093.794	25.720.558	25.720.558	-	-	-
Other trade payables (**)	6.201.162	4.241.740	4.241.740	-	-	-
Other payables	4.854.653	4.854.653	4.854.653	-	-	-
31 December 2008	Book value	Contractual undiscounted cash flow	Up to 3 months	3-12 months	1-5 years	Over 5 years
Financial liabilities excluding derivatives						
Financial liabilities	1.061.081	1.061.081	937.791	123.290	-	-
Due to related parties (*)	64.654.389	58.784.685	11.979.551	46.805.134	-	-
Other trade payables (**)	5.652.991	4.669.984	-	4.669.984	-	-
Other payables	4.267.000	4.267.000	-	4.267.000	-	-

(*) Barter related liabilities amounting to TRY 8.499.594 (31 December 2008: TRY 6.130.228) are not included in the total cash outflow.

(**) Barter related liabilities amounting to TRY 1.959.422 (31 December 2008: TRY 983.007) are not included in the total cash outflow.

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

DOĞAN GAZETECİLİK A.Ş.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2009

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

NOTE 30 - FINANCIAL RISK MANAGEMENT (Continued)

Capital risk management

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

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

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

NOTE 31 - FINANCIAL INSTRUMENTS

Fair value of financial instruments

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

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

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

Monetary assets:

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

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

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

Monetary liabilities:

Trading liabilities have been estimated at their fair values.

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

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

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**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2009**

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

NOTE 32- SUBSEQUENT EVENTS

- i) Due to tax principal and tax penalty notices communicated by the Halkalı Tax Office, the shares that Doğan Yayın Holding A.Ş. possesses in the Doğan Gazetecilik A.Ş.’s share capital and which represent 70,76% of the share capital of Doğan Gazetecilik A.Ş. included in the export/investment accounts of the Central Registry Institution and Intermediary Institution were immobilised and their transfer has been restricted. As already announced to public by Doğan Yayın Holding A.Ş., valuation work is still ongoing in relation to guarantees given by Doğan Yayın Holding A.Ş. for the purpose of removing the sequestration executed by Halkalı Tax Office (Note 19).
- ii. In accordance with relevant laws, the Boards of Directors of the Company and Bağımsız Gazeteciler, a subsidiary of the Company, resolved on 29 July 2009 that preparation be made for the merger of both companies through the acquisition of Bağımsız Gazeteciler by the Company, and the merger agreement, accompanied with merger procedures, be submitted for the approval of the related General Assemblies following the receipt of the necessary legal permissions. As regards the request for merger through the acquisition of Bağımsız Gazeteciler by Doğan Gazetecilik A.Ş., the weekly bulletin No. 2009/37 of the CMB stated that the decision was taken to disapprove the process at this stage due to uncertainties involved, as the legal action filed in relation to the Competition Authority’s decision, which conditionally approves the process of acquisition of shares of Bağımsız Gazeteciler Yayıncılık A.Ş., had not been yet finalised. The Company management declared that it would take the necessary action with the CMB on this matter and exercise its legal rights.

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