

DOĐAN BURDA DERĐİ YAYINCILIK VE PAZARLAMA A.Ő.

**CONVENIENCE TRANSLATION INTO ENGLISH OF
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009
TOGETHER WITH INDEPENDENT AUDITOR'S REPORT**

(ORIGINALLY ISSUED IN TURKISH)

**CONVENIENCE TRANSLATION INTO ENGLISH OF
INDEPENDENT AUDITOR'S REPORT
ORIGINALLY ISSUED IN TURKISH
INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors of
Doğan Burda Dergi Yayıncılık ve Pazarlama A.Ş.

1. We have audited the accompanying consolidated financial statements of Doğan Burda Dergi Yayıncılık ve Pazarlama A.Ş. and its subsidiary (the "Company") which comprise the consolidated balance sheet as of 31 December 2009 and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the financial statements

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

Auditor's responsibility

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

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

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

Opinion

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

Additional paragraph for convenience translation into English

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

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

**ORIGINALLY SIGNED
IN TURKISH**

Coşkun Şen, SMMM
Partner

Istanbul, 31 March 2010

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

DOĞAN BURDA DERGİ YAYINCILIK VE PAZARLAMA A.Ş.

**CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2009**

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DOĞAN BURDA DERGİ YAYINCILIK VE PAZARLAMA A.Ş.

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

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

	Note References	31 December 2009	31 December 2008
ASSETS			
Current assets		34.358.977	32.366.102
Cash and cash equivalents	3	7.166.380	7.662.293
Trade receivables			
- Due from related parties	23	8.638.070	7.608.554
- Other trade receivables	4	15.583.521	15.174.006
Inventories	6	1.646.191	1.311.402
Other current assets	13	1.324.815	609.847
Non-current assets		20.881.354	21.949.227
Other receivables	5	3.464	44.871
Investment property	7	17.470.401	18.024.137
Property, plant and equipment	8	1.690.419	2.080.884
Intangible assets	9	1.692.142	1.799.335
Deferred tax assets	21	24.928	-
TOTAL ASSETS		55.240.331	54.315.329

The consolidated financial statements for the year ended 31 December 2009 have been approved by the Board of Directors on 31 March 2010. In addition, financial statements are subject to approval of shareholders of the Company in the General Assembly of year 2009.

MEHMET YAKUP YILMAZ
Chief Executive Officer, General Manager

AYŞE DİDEM KURUCU
Chief Financial Officer

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

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

DOĞAN BURDA DERGİ YAYINCILIK VE PAZARLAMA A.Ş.

CONSOLIDATED BALANCE SHEETS

AT 31 DECEMBER 2009 AND 2008

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

	Note	31 December 2009	31 December 2008
	References		
LIABILITIES			
Current liabilities		13.128.340	14.346.411
Trade payables			
- Due to related parties	23	2.080.136	2.810.556
- Other trade payables	4	3.247.050	3.112.709
Other payables	5	1.558.330	1.633.536
Current income tax liabilities	21	322.864	486.948
Provisions	10	2.571.554	2.626.572
Other current liabilities	13	3.348.406	3.676.090
Non-current liabilities		1.333.693	985.356
Provision for employment termination benefit	12	1.333.693	948.132
Deferred income tax liabilities	21	-	37.224
EQUITY	14	40.778.298	38.983.562
Share capital	14	19.559.175	18.283.125
Adjustment to share capital	14	(2.623.921)	(2.623.921)
Restricted reserves	14	3.140.683	2.761.321
Retained earnings	14	18.907.625	13.839.615
Net income for the year		1.794.736	6.723.422
TOTAL LIABILITIES AND EQUITY		55.240.331	54.315.329
Provisions, contingent assets and liabilities	10		

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

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

DOĞAN BURDA DERGİ YAYINCILIK VE PAZARLAMA A.Ş.

**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED 31 DECEMBER 2009 AND 2008**

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

	Note References	2009	2008
Continuing Operations			
Sales	15	75.292.682	86.360.149
Cost of sales (-)	15	(46.408.483)	(53.104.971)
Gross profit		28.884.199	33.255.178
Marketing, selling and distribution expenses (-)	16	(18.714.657)	(20.598.863)
General administrative expenses (-)	16	(6.747.162)	(5.355.159)
Other operating income	18	409.455	764.421
Other operating expenses (-)	18	(2.159.481)	(1.480.974)
Operating profit		1.672.354	6.584.603
Financial income	19	2.463.165	4.336.121
Financial expenses (-)	20	(1.586.422)	(2.660.703)
Profit before income taxes from continuing operations		2.549.097	8.260.021
Taxation from continuing operations	21	(754.361)	(1.536.599)
- Taxes on income		(816.513)	(1.806.087)
- Deferred tax income		62.152	269.488
Net profit for the year		1.794.736	6.723.422
Other comprehensive income			
Other comprehensive income		-	-
Total comprehensive income		1.794.736	6.723.422
Earnings per share (Kr)		10	37

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

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

DOĞAN BURDA DERGİ YAYINCILIK VE PAZARLAMA A.Ş.

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED 31 DECEMBER 2009 AND 2008**

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

	Note Referances	Share capital	Adjustment to share capital	Restricted reserves	Retained earnings	Net income for the year	Total
Balances at 1 January 2008	14	18.283.125	(2.623.921)	1.814.223	17.019.119	5.267.594	39.760.140
Total comprehensive income		-	-	-	-	6.723.422	6.723.422
Dividends paid	14	-	-	-	(2.890.458)	(4.609.542)	(7.500.000)
Transfers	14	-	-	947.098	(289.046)	(658.052)	-
Balances at 31 December 2008	14	18.283.125	(2.623.921)	2.761.321	13.839.615	6.723.422	38.983.562
Balances at 1 January 2009	14	18.283.125	(2.623.921)	2.761.321	13.839.615	6.723.422	38.983.562
Total comprehensive income	14	-	-	-	-	1.794.736	1.794.736
Transfers	14	1.276.050	-	379.362	5.068.010	(6.723.422)	-
Balances at 31 December 2009	14	19.559.175	(2.623.921)	3.140.683	18.907.625	1.794.736	40.778.298

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

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

DOĞAN BURDA DERGİ YAYINCILIK VE PAZARLAMA A.Ş.

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED 31 DECEMBER 2009 AND 2008

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

	Note Referances	31 December 2009	31 December 2008
Profit before income taxes		2.549.097	8.260.021
Adjustments:			
Depreciation and amortization	7, 8, 9	1.583.454	1.774.143
Interest income	19	(798.433)	(1.210.874)
Interest expense	20	146.740	167.076
Unearned financial income	4, 23	217.449	273.510
Unearned financial expense	4, 23	(79.228)	(102.199)
Provision for doubtful receivables	4	495.302	871.886
Provision for employment termination benefits	12	723.240	714.588
Other provisions and income accruals, net	10	(55.018)	254.980
Gain on sale of property, plant and equipment, net	18	949	4.614
Adjustments to reconcile profit before income taxes from continuing operations to net cash from operating activities		4.783.552	11.007.745
Change in other trade receivables	4	(1.068.657)	974.126
Change in due from related parties	23	(1.083.125)	(4.136.633)
Change in other current assets	13	(673.561)	252.639
Change in inventories	6	(334.789)	448.847
Change in other trade payables	4	187.759	105.383
Change in due to related parties	23	(704.610)	532.387
Employment termination benefits paid	12	(337.679)	(647.052)
Taxes paid	21	(980.597)	(1.941.994)
Change in other current liabilities	13	(402.890)	(72.812)
Net cash (used in)/generated from operating activities		(614.597)	6.522.636
Cash flows from investing activities:			
Purchase of property, plant and equipment	8	(349.164)	(793.636)
Purchase of intangible assets	9	(185.145)	(1.816.516)
Proceeds from sale of property, plant and equipment		1.300	67.341
Net cash used in investing activities		(533.009)	(2.542.811)
Cash flows from financing activities:			
Dividends paid		-	(7.500.000)
Interest paid	20	(146.740)	(167.076)
Interest received		809.919	1.197.272
Net cash provided by/(used in) financing activities		663.179	(6.469.804)
Net increase/decrease in cash and cash equivalents		(484.427)	(2.489.979)
Cash and cash equivalents at the beginning of the period		7.648.587	10.138.566
Cash and cash equivalents at end of the period		7.164.160	7.648.587

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

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

DOĞAN BURDA DERGİ YAYINCILIK VE PAZARLAMA A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

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

NOTE 1 - ORGANISATION AND NATURE OF OPERATIONS

Doğan Burda Dergi Yayıncılık ve Pazarlama A.Ş. (“the Company”) was incorporated in 1988 under the name of “Hürğüç Gaz. Tic. Tur. ve Org. A.Ş.” and is registered in Istanbul (Turkey). In 1998 the Company became a joint venture of Doğan Yayın Holding A.Ş., and Burda RCS International Holding GmbH. In October 1999, the Company acquired AD Yayıncılık A.Ş. and since March 2000 after its change of title to “Doğan Burda Rizzoli Dergi Yayıncılık ve Pazarlama A.Ş.”, its shares have been quoted on the Istanbul Stock Exchange (“ISE”). The shares quoted on ISE are approximately 19.28%. “Burda RCS International Holding GmbH” changed its name to “Burda Magazines International GmbH”, as of 13 June 2005. The Company changed its title to “Doğan Burda Dergi Yayıncılık ve Pazarlama A.Ş.”, at the Extraordinary General Assembly dated 29 July 2005. In 2007, Burda Magazines International GmbH with 40% share in the Company’s capital has merged with Burda GmbH which has 100% direct share in the capital of Burda Magazines International GmbH. Consequently Burda GMBH owns 40% direct share of the Company.

The Company is engaged in press, publication, advertisement, and the performing and presenting of news services. The Company publishes 25 magazines (31 December 2008: 27), 9 of which are published through license agreements and are under copyright from foreign firms (31 December 2008: 9). The Company has license agreements with the following companies:

- Axel Springer Verlag AG
- Verlag Aenne Burda GmbH & Co.
- Grüner + Jahr AG & Co.
- Hachette Filipacchi Presse S.A.
- Groupe Express Roularta S.A.
- Hello! Limited
- Chip Holding GmbH

The Company’s financial statements have been consolidated on a line-by-line basis beginning from the official registration date of 4 October 2005 of DB Popüler Dergiler Yayıncılık Anonim Şirketi (“Subsidiary”), (the Company has a 99.96% share) (31 December 2008: %99.96).

The minority shareholders’ shares in the Subsidiary’s net assets and operating results have not been separately classified as minority interest in the consolidated balance sheet and consolidated income statement due to its immaterial effects on the net value, financial situation and the Company’s operating results.

The average number of personnel in the Company and Subsidiary of the Company is 320 as of 31 December 2009 (31 December 2008: 395). The Company is registered in Turkey and the registered address of the Company is:

Doğan Burda Dergi Yayıncılık ve Pazarlama A.Ş.
Evren Mahallesi, Gülbahar Caddesi
Hürriyet Medya Towers
Güneşli, 34212 İstanbul - Türkiye

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

DOĞAN BURDA DERGİ YAYINCILIK VE PAZARLAMA A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

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

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.1 Basis of presentation

2.1.1 Financial Reporting Standards

The Capital Markets Board of Turkey (“CMB”) regulated the principles and procedures of preparation, presentation and announcement of financial statements prepared by the entities with the Communiqué No: XI-29, “Principles of Financial Reporting in Capital Markets” (“the Communiqué”). This Communiqué is effective for the annual periods starting from 1 January 2008 and supersedes the Communiqué No: XI-25 “The Financial Reporting Standards in the Capital Markets”. According to the Communiqué, entities shall prepare their financial statements in accordance with International Financial Reporting Standards (“IAS/IFRS”) endorsed by the European Union. Until the differences of the IAS/IFRS as endorsed by the European Union from the ones issued by the International Accounting Standards Board (“IASB”) are announced by Turkish Accounting Standards Board (“TASB”), IAS/IFRS issued by the IASB shall be applied. Accordingly, Turkish Accounting Standards / Turkish Financial Reporting Standards (“TAS/IFRS”) 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 Company 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 by including the mandatory information. In this regard necessary changes have been made in the consolidated financial statements of previous periods (Note 2.1.4).

Doğan Burda Dergi Yayıncılık ve Pazarlama A.Ş. and its Subsidiary 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.

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.

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

DOĞAN BURDA DERGİ YAYINCILIK VE PAZARLAMA A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

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

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

2.1.2 Consolidation principles

The consolidated financial statements include the accounts of the parent company, Doğan Burda Dergi Yayıncılık ve Pazarlama A.Ş. and its Subsidiary. The financial statements of the companies included in the scope of consolidation have been prepared as of the date of the consolidated financial statements, and are prepared in accordance with CMB Financial Reporting Standards as explained in Note 2.1.1.

(a) Subsidiaries

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

The Subsidiary’s balance sheet and statement of income have been consolidated on a line-by-line basis and the carrying value of the investments held by the Company and its Subsidiary are eliminated against the related equity. Intercompany transactions and balances between the Company and its Subsidiary have been eliminated during the consolidation.

The minority shareholders’ shares in the Subsidiary’s net assets and operating results have not been separately classified as minority interest in the consolidated balance sheet and consolidated statement of comprehensive income due to their immaterial effects on the net value, financial situation and the Company’s operating results.

The table below sets out the Subsidiary included in the scope of consolidation and shows its shareholding structure at 31 December 2009 and 2008:

	31 December 2009 Proportion of voting power held by the Company (%)	31 December 2008 Proportion of voting power held by the Company (%)
DB Popüler Dergiler Yayıncılık A.Ş.	99,96	99,96

2.1.3 Offsetting

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

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

DOĞAN BURDA DERGİ YAYINCILIK VE PAZARLAMA A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

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

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

2.1.4 Comparatives

The financial statements of the Company include comparative financial information to enable the determination of the financial position and performance. The balance sheet of the Company at 31 December 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 year ended 31 December 2009 have been provided with the comparative financial information for the year ended 31 December 2008.

(a) *Standards, amendments and interpretations to existing standards that are in effective in 2009 and are relevant to the Company’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 respect, the Company presented comprehensive income statements for the years ended 31 December 2009 and 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 Company applies IAS 36 (Amendment) and provides the required disclosure where applicable for impairment tests effective 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 Company has one reportable segment in accordance with IFRS 8.
- IFRS 7 “Financial instruments - Disclosures” (amendment) - effective 1 January 2009. The amendment requires enhanced disclosures about fair value measurement and liquidity risk. In particular, the amendment requires disclosure of fair value measurements by level of a fair value measurement hierarchy. As the change in accounting policy only results in additional disclosures, there is no impact on earnings per share.

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

DOĞAN BURDA DERGİ YAYINCILIK VE PAZARLAMA A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

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

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

(b) *The following standards and amendments to existing standards are not disclosed in detail as it is expected that their application will not have a significant effect on the consolidated financial statements of the Company.*

- IAS 23, (Revised), “Borrowing Costs” (effective from 1 January 2009)
- IAS 27 (Revised), “Consolidated and separate financial statements” (effective from 1 July 2009)
- IFRS 3 (Revised), “Business combinations” (effective from 1 July 2009)
- IFRS 2 (Revised), “Share-based payment” (effective from 1 July 2009)
- IAS 31(Revised), “Accounting for jointly controlled entities” (effective from 1 July 2009)
- IFRIC 17, “Distribution of non-monetary assets to shareholders” (effective from 1 July 2009)
- IAS 38 (Revised), “Intangible Assets” (effective from 1 July 2009)
- IAS 1 (Revised), “Presentation of financial statements” (effective from 1 January 2010)
- IFRS 5 (Revised), “Non-current assets held for sale and discontinued operations” (effective from 1 January 2010)

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

The financial reporting standards issued by the CMB as described in Note 2.2 to these consolidated financial statements differ from 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 financial statements are not intended to present the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with IFRS.

2.2 Summary of Significant Accounting Policies

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

Related parties

For the purpose of these consolidated financial statements, shareholders, key management personnel and Board members, in each case together with their families and companies controlled by or affiliated with them, associates and joint ventures are considered and referred to as related parties (Note 23).

Trade receivables and provision for doubtful receivables

Trade receivables created by the Company by way of providing goods or services directly to a debtor are carried at the net of the unearned credit finance income. Trade receivables that are net of the unearned credit finance income are the original invoice amounts of the receivable, with the portion due for collection in the subsequent period discounted using the effective interest rate method. Short duration receivables with no stated interest rate are measured at the original invoice amount unless the effect of the original effective interest rate is significant (Note 4).

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

DOĞAN BURDA DERGİ YAYINCILIK VE PAZARLAMA A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

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

A credit risk provision for trade receivables is established if there is objective evidence that the Company will not be able to collect all amounts due. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency payments are considered as credit risk provision. The amount of the provision is the difference between the carrying amount and the recoverable amount. The recoverable amount is the present value of all cash flows, including amounts recoverable from guarantees and collateral, discounted based on the original effective interest rate of the originated receivables at inception.

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

Inventories

Inventories are valued at the lower of cost or net realisable value. Cost elements included in inventories are materials, labour and general administrative expenses. The cost of inventories is determined on a weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business, less costs of completion and selling expenses. Other inventories include promotional materials that are distributed as promotions with the magazines (Note 6).

Investment property and related depreciation

Buildings that are held to either earn rent or capital appreciation, or both, rather than for use in the production or supply of goods or services, administrative purposes or sales in the ordinary course of business, are classified as investment property. The Company has one building classified as investment property. Investment property is carried at cost less accumulated depreciation. Depreciation is provided on a straight-line basis. Depreciation is provided on the cost of investment properties. The depreciation periods for investment property, which approximate the economic useful lives of such assets, are as follows (Note 7):

Buildings	50 years
Land improvements	10-15 years
Machinery and equipment related to buildings	10-15 years
Furniture and fixture	5-15 years

At each balance sheet date, the Company 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 asset net selling price or value in use.

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

Property, plant, and equipment and related depreciation

Property, plant and equipment are carried at cost less accumulated depreciation. Depreciation is provided on a straight-line basis.

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

Buildings	50 years
Land improvements	10-15 years
Machinery and equipment	4-15 years
Motor vehicles	5 years
Leasehold improvements	5 years

At each balance sheet date, the Company 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 included in the other operating income and operating expenses accounts (Note 8).

Intangible assets and related amortisation

Intangible assets comprise trademark, franchise and softwares.

They are recorded at their acquisition cost and amortised using the straight-line method over their estimated useful lives. Where an indication of impairment exists, the carrying amount of any intangible asset is assessed and written down immediately to its recoverable amount (Note 9).

Estimated useful lives of intangible assets are as follows:

	Years
Rights	5-10
Software	3-5

Taxes on income

Current year tax liability includes current and deferred tax. Current year tax liability comprises the tax liability calculated over the taxable profit of the current period with the currently prevailing tax rates of the period, tax liability calculated according to tax legislation and adjustments related to previous periods' tax liabilities.

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

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 financial statements. Currently enacted tax rates are used to determine deferred income tax.

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

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

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

Provision for employment termination benefits

The Company 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 Company arising from the retirement of its employees regarding the actuarial projections (Note 12).

Provisions, contingent liabilities and assets

Provisions are recognized when the Company 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.

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 Company are as follows:

- Provision for lawsuits (Note 10)
- Provision for doubtful receivables (Note 4)

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 Company are not included in financial tables and are treated as contingent assets or liabilities.

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

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 and dividends

Ordinary shares are classified as share capital. Dividends on ordinary shares are recognised in equity in the period in which they are declared. The dividends receivable is recognised as an appropriation of profit in the period in which it has been declared.

Foreign currency transactions and translation

Transactions in foreign currencies during the period have been translated at the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies have been translated into Turkish lira at the exchange rates prevailing at the period end. Foreign exchange gains or losses arising from the translation of monetary assets and liabilities are recognised in the statement of comprehensive income.

Revenue recognition

Revenue from magazine sales is recognised at the time of delivery of the magazines by the distribution company to the vendor at the invoiced values, on an accrual basis. Revenue arising through advertising is recognised at the time of publishing, at the invoiced values on an accrual basis. The amount of revenue recognised should be measured reliably; and the economic benefits associated with the transaction should flow to the Company at the fair value of considerations received or receivable. When the arrangement effectively constitutes a financing transaction, the fair value of the consideration is determined by discounting all future receipts using an imputed rate of interest. The interest rate used discounts the nominal amount to the present value of future receipts (Note 15).

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. Magazine sale returns are recorded at the time of sale, based on previous experience and other relevant factors.

Interest income:

Interest income is recognised on an accrual basis, calculated on the effective interest income method.

Rental income:

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

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

Barter agreements

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

Earnings/losses per share

Earnings per share disclosed in these consolidated statements of income are determined by dividing net profit by the weighted average number of shares 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.

Accounting policies, changes in accounting estimates and errors

Material changes in accounting policies or material errors are corrected, retrospectively; by restating the prior period financial statements. The effect of changes in accounting estimates affecting the current period is recognised in the current period; the effect of changes in accounting estimates affecting future periods is recognised in the current and future periods.

Subsequent events

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

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

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 Company’s operations.

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

The cash flows due to investing activities indicate the Company 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 3).

NOTE 3 - CASH AND CASH EQUIVALENTS

	31 December 2009	31 December 2008
Banks		
- time deposits	7.008.769	7.439.096
- demand deposits	82.967	193.107
Other cash and cash equivalents	74.644	30.090
	7.166.380	7.662.293

The effective interest rate for Euro time deposits at 31 December 2009 is 2.5% (31 December 2008: 6.75%) and 6.5% for TRY time deposits (31 December 2008: 15%). The maturity of time deposits are less than one month as of 31 December 2009 and 2008.

Cash and cash equivalents included in the statement of cash flows at 31 December 2009 is equal to the cash and cash equivalents excluding interest accruals amounting to TRY7.164.160 (31 December 2008: TRY7.648.587).

NOTE 4 - TRADE RECEIVABLES AND PAYABLES

Short-term trade receivables

	31 December 2009	31 December 2008
Trade receivables	18.697.215	17.947.310
	18.697.215	17.947.310
Less: Unearned credit finance income	(163.840)	(210.068)
Less: Provision for doubtful receivables	(2.949.854)	(2.563.236)
	15.583.521	15.174.006

The average due date of the Company’s trade receivables is 75 days (31 December 2008: 69 days). The Company’s receivable from Doğan Faktoring Hizmetleri A.Ş. (“Doğan Faktoring”) amounting to TRY15.197.848 (31 December 2008: TRY15.158.285) is composed of amounts receivable in respect of classified advertisements, which are followed by Doğan Faktoring A.Ş., as a consequence of the factoring agreement signed between the Company and Doğan Faktoring A.Ş.. Unearned financial income due to trade receivables regarding advertisement revenues followed by Doğan Faktoring is TRY161.073 (31 December 2008: TRY206.201). Effective interest rate related with the receivables followed by Doğan Faktoring is 12,4% (2008: 18,7%).

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NOTE 4 - TRADE RECEIVABLES AND PAYABLES (Continued)

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

	2009	2008
1 January	2.563.236	1.925.060
Provisions set aside during the period (Note 18)	495.302	871.886
Collections	(108.684)	(233.710)
31 December	2.949.854	2.563.236

Short-term trade payables

	31 December 2009	31 December 2008
Trade payables - domestic	3.040.214	2.813.418
Trade payables - foreign	260.254	370.012
	3.300.468	3.183.430
Less: Unearned financial expense	(53.418)	(70.721)
	3.247.050	3.112.709

The average due date of the Company’s trade payables is 49 days (31 December 2008: 45 days). The effective interest rate related with the payables is 12,4% (31 December 2008: 18,7%).

NOTE 5 - OTHER RECEIVABLES AND PAYABLES

Other non-current receivables

	31 December 2009	31 December 2008
Deposits and guarantees given	3.464	44.871

Other current payables

	31 December 2009	31 December 2008
Taxes and funds payable	1.255.028	921.061
Social security premiums payable	303.091	712.264
Other	211	211
	1.558.330	1.633.536

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NOTE 6 - INVENTORIES

	31 December 2009	31 December 2008
Finished goods	1.241.375	949.109
Raw materials	248.745	178.643
Other	156.071	183.650
	1.646.191	1.311.402

NOTE 7 - INVESTMENT PROPERTY

	1 January 2009	Additions	Disposals	31 December 2009
Cost				
Land	1.509.105	-	-	1.509.105
Land improvements	372.814	-	-	372.814
Building	20.233.504	-	-	20.233.504
Machinery and equipment related to building	6.988.218	-	-	6.988.218
Furniture and fixtures	5.291.438	-	-	5.291.438
	34.395.079	-	-	34.395.079
Accumulated depreciation				
Land improvements	352.660	4.243	-	356.903
Building	4.416.513	404.670	-	4.821.183
Machinery and equipment related to building	6.604.409	83.358	-	6.687.767
Furniture and fixtures	4.997.360	61.465	-	5.058.825
	16.370.942	553.736	-	16.924.678
Net book value	18.024.137			17.470.401

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NOTE 7 - INVESTMENT PROPERTY (Continued)

	1 January 2008	Additions	Disposals	31 December 2008
Cost				
Land	1.509.105	-	-	1.509.105
Land improvements	372.814	-	-	372.814
Building	20.233.504	-	-	20.233.504
Machinery and equipment related to building	7.083.798	-	(95.580)	6.988.218
Furniture and fixtures	5.291.438	-	-	5.291.438
	34.490.659	-	(95.580)	34.395.079
Accumulated depreciation				
Land improvements	347.072	5.588	-	352.660
Building	4.011.843	404.670	-	4.416.513
Machinery and equipment related to building	6.590.758	108.608	(94.957)	6.604.409
Furniture and fixtures	4.916.724	80.636	-	4.997.360
	15.866.397	599.502	(94.957)	16.370.942
Net book value	18.624.262			18.024.137

The fair value of investment properties was determined as TRY22.876.000 by a valuation company as of 31 December 2009 (31 December 2008: TRY22.803.000).

NOTE 8 - PROPERTY, PLANT AND EQUIPMENT

	1 January 2009	Additions	Disposals	31 December 2008
Cost				
Buildings	113.653	-	-	113.653
Machinery and equipment	21.042	-	-	21.042
Motor vehicles	231.533	-	-	231.533
Furniture and fixtures	12.158.538	349.164	(11.325)	12.496.377
Leasehold improvements	1.016.382	-	-	1.016.382
	13.541.148	349.164	(11.325)	13.878.987
Accumulated depreciation				
Buildings	19.420	2.273	-	21.693
Machinery and equipment	15.924	1.123	-	17.047
Motor vehicles	59.812	40.405	-	100.217
Furniture and fixtures	10.524.685	634.316	(9.076)	11.149.925
Leasehold improvements	840.423	59.263	-	899.686
	11.460.264	737.380	(9.076)	12.188.568
Net book value	2.080.884			1.690.419

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NOTE 8 - PROPERTY, PLANT AND EQUIPMENT (Continued)

	1 January 2008	Additions	Disposals	31 December 2008
Cost				
Buildings	113.653	-	-	113.653
Machinery and equipment	21.042	-	-	21.042
Motor vehicles	29.508	202.025	-	231.533
Furniture and fixtures	11.662.099	591.611	(95.172)	12.158.538
Leasehold improvements	1.016.382	-	-	1.016.382
	12.842.684	793.636	(95.172)	13.541.148
Accumulated depreciation				
Buildings	17.147	2.273	-	19.420
Machinery and equipment	14.609	1.315	-	15.924
Motor vehicles	29.508	30.304	-	59.812
Furniture and fixtures	9.819.049	729.476	(23.840)	10.524.685
Leasehold improvements	732.277	108.146	-	840.423
	10.612.590	871.514	(23.840)	11.460.264
Net book value	2.230.094			2.080.884

There is no mortgage on property, plant and equipment as of 31 December 2009 (31 December 2008: None).

As of 31 December 2009, a total of TRY1.774.143 (31 December 2008: TRY1.583.454) depreciation and amortization expense was included in the statement of comprehensive income including TRY660.832 (31 December 2008: TRY650.089) in marketing, sales and distribution expenses and general administrative expenses, TRY368.886 (31 December 2008: TRY524.552) in the cost of sales and TRY553.736 (31 December 2007: TRY599.502) in other operating expenses which is the depreciation of investment property.

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NOTE 9 - INTANGIBLE ASSETS

	1 January 2009	Additions	Disposals	31 December 2009
Cost				
Rights	3.146.473	-	-	3.146.473
Software	1.520.657	185.145	-	1.705.802
	4.667.130	185.145	-	4.852.275
Accumulated depreciation				
Rights	1.521.974	193.463	-	1.715.437
Software	1.345.821	98.875	-	1.444.696
	2.867.795	292.338	-	3.160.133
Net book value	1.799.335			1.692.142
	1 January 2008	Additions	Disposals	31 December 2008
Cost				
Rights	1.369.273	1.777.200 (*)	-	3.146.473
Software	1.481.341	39.316	-	1.520.657
	2.850.614	1.816.516	-	4.667.130
Accumulated depreciation				
Rights	1.346.955	175.019	-	1.521.974
Software	1.217.713	128.108	-	1.345.821
	2.564.668	303.127	-	2.867.795
Net Book Value	285.946			1.799.335

(*) Additions to rights are related with the trademark fee of Chip magazine (Note 23).

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NOTE 10 - PROVISIONS

i. Short-term provisions

	31 December 2009	31 December 2008
Provisions for lawsuits	1.544.664	767.503
Magazine return provision (*)	555.348	594.680
Imported magazines cost provision (*)	306.761	269.050
Copyright expense provision (*)	159.739	942.248
Other	5.042	53.091
	2.571.554	2.626.572

(*) These are the provisions which will be cancelled upon the receipt of the invoices in the following month. Movement schedules are not disclosed as there are no material differences between the realized amounts and provisions.

The movement schedule of provisions for lawsuits during the periods is as follows:

	2009	2008
1 January	767.503	867.192
Increase during the period (Note 18)	1.106.158	-
Cancellation of provision	(328.997)	(99.689)
31 December	1.544.664	767.503

ii. Lawsuits

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

	31 December 2009	31 December 2008
Administrative cases	2.130.232	727.000
Legal cases	1.627.486	4.185.961
Commercial cases	207.650	212.674
Labor cases	319.629	144.653
Tax cases	118.993	118.993
	4.403.990	5.389.281

As of 31 December 2009, a provision for lawsuits amounting to TRY1.544.664 (31 December 2008: TRY767.503) has been set aside with reference to the opinions of the Company's lawyers and past experiences of management related to similar litigations against the Company.

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NOTE 11 - COMMITMENTS

i) Letter of guarantees and guarantee notes given

Collaterals, pledges and mortgages (CPM) given by the Company at 31 December 2009 and 2008 are as follows

	31 December 2009	31 December 2008
A. Total amount of the CPM given for its own legal entity (*)	1.146.389	303.604
B. CPM given on behalf of fully consolidated companies	-	-
C. CPM given on behalf of the third parties' debt for the continuation of their economic activities	-	-
D. Total amount of other CPM		
i. Given on behalf of majority shareholder	-	-
ii. Given on behalf of other group companies which are not in the scope of B and C	-	-
iii. Given on behalf of third parties which are not in scope of C	-	-
Total	1.146.389	303.604

(*) Total amount includes collaterals only given to executive offices for the on going court cases.

Since the company has no other CPM, other CPM to equity ratio is not applicable (31 December 2008: Not applicable).

ii) Barter Agreements

At 31 December 2009 total amount of active barter agreements is TRY1.860.342 (31 December 2008: TRY1.041.247). With respect to these agreements the Company has unfulfilled advertising commitments amounting to TRY507.266 (31 December 2008: TRY484.282) and unutilised rights of goods and service purchases amounting to TRY355.062 (31 December 2008: TRY393.812).

NOTE 12 - EMPLOYEE TERMINATION BENEFIT PROVISION

Under the Turkish Labour Law, the Company is required to pay termination benefits to each employee who has completed one year of service, who achieves the retirement age (58 for women and 60 for men), who has completed 25 years of services (20 years for women), whose employment is terminated without due cause, who is called up for military service or who dies. Since the legislation was changed on 23 May 2002 there are certain transitional provisions relating to length of service prior to retirement.

The amount payable at 31 December 2009 consists of one month's salary limited to a maximum of TRY2.365,16 (31 December 2008: TRY2.173,18) for each year of service.

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NOTE 12 - EMPLOYEE TERMINATION BENEFIT PROVISION (Continued)

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.

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

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

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

	31 December 2009	31 December 2008
Discount rate	5,92%	6,26%
Turnover rate to estimate the probability of retirement	86%	84%

The principal assumption is that the maximum 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. The maximum amount of TRY2.427,04 which is effective from 1 January 2010 (1 January 2009: TRY2.260,05) has been taken into consideration in calculating the reserve for employment termination benefit of the Company.

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

	2009	2008
1 January	948.132	880.596
Increase during the period	723.240	714.588
Payments during the period	(337.679)	(647.052)
31 December	1.333.693	948.132

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NOTE 13 - OTHER CURRENT ASSETS AND LIABILITIES

i. Other current assets

	31 December 2009	31 December 2008
Prepaid expenses	667.564	511.357
Personel and work advances	396.212	92.525
Deferred VAT	254.344	-
Other	6.695	5.965
	1.324.815	609.847

ii. Other current liabilities

	31 December 2009	31 December 2008
Deferred revenue	3.269.045	3.045.441
Payables to personnel	66.915	627.256
Advances received	12.446	3.393
	3.348.406	3.676.090

NOTE 14 - EQUITY

The Company’s historical authorised and paid-in share capital amounts at 31 December 2009 and 2008 are as follows:

	%	31 December 2009	%	31 December 2008
Doğan Yayın Holding A.Ş.	40,72	7.964.709	40,72	7.445.088
Burda GmbH	40,00	7.823.670	40,00	7.313.250
Publicly traded (*)	19,28	3.770.796	19,28	3.524.787
Doğan Yayın Holding A.Ş.	4,17	815.027	4,17	761.854
Burda GmbH	5,77	1.129.273	5,77	1.055.598
Other	9,34	1.826.496	9,34	1.707.335
Total	100,00	19.559.175	100,00	18.283.125
Adjustment to share capital		(2.623.921)		(2.623.921)
Total paid-in share capital		16.935.254		15.659.204

(*) Out of 3.770.796 shares categorised as “publicly traded” in the capital breakdown as of 31 December 2009, 815.027 shares are owned by Doğan Yayın Holding A.Ş., whereas 1.129.273 shares are held by Burda GmbH. Therefore, as of 31 December 2009 Doğan Yayın Holding A.Ş.’s share in the total capital is 44,89%, while Burda GmbH’s share is 45,77%.

There are 19.559.175 units of shares with a face value of TRY1 each as of 31 December 2009 (31 December 2008: 18.283.125 units).

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NOTE 14 - EQUITY (Continued)

Due to tax principal and tax penalty notices communicated by the related Tax Office, the shares that Doğan Yayın Holding A.Ş. possesses in the Doğan Burda Dergi Yayıncılık ve Pazarlama A.Ş.’s share capital and which represent 44,89% of the share capital of Doğan Burda Dergi Yayıncılık ve Pazarlama A.Ş. included in the export/investment accounts of the Central Registry Office and Intermediary Institution were immobilised and their transfer has been restricted. In the public announcement of Doğan Yayın Holding, dated 1 February 2010, it was mentioned that a significant portion of the lawsuits filed for the aforementioned tax amounts and notices have been finalised in favour of Doğan Yayın Holding. Since it is thought that the amount of sequestration exceeds the total public receivable accrued, Doğan Yayın Holding expects that the sequestration exceeding the public receivable will be removed after the assessment of the related tax office (Note 26).

In accordance with the decision, related to the consolidated net period profit for the year 2008 taken at the General Assembly Meeting of the Company held on 25 May 2009, TRY1.276.050 is distributed to shareholders as bonus shares, TRY343.173 is allocated as first legal reserve, TRY36.189 is allocated as second legal reserve and TRY5.068.010 is allocated as extraordinary reserves. The Company’s paid-in capital is increased to TRY19.559.175.

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

Shareholder groups and privilege types granted are as follows:

Series	Group	Bearer/in name	Nominal value (TRY)	Total number of shares	Privilege type (*)
A	In name		1	7.823.670	a,b,c,d,e
B	In name		1	7.823.670	a,b,c,d,e
C	To the bearer		1	3.911.835	a,b,c,d,e
				19.559.175	

(*) The details of the privileges granted are as follows:

- a) **Voting right:** Half of the members of the Board of Directors are elected by the General Assembly from the candidates of the owners of A group shares and the other half from the candidates of the owners of B group shares.
- b) **Privilege in the appointment of statutory auditors:** The General Assembly selects two auditors; one from the candidates of the owners of A group shares, the other one from the candidates of the owners of B group shares.
- c) **Pre-emptive and tag-along right:** The shareholders, owners of A and/or B group shares, as declared in the 7th article of the Articles of Association of the Company, in any sale offering of the A and/or B group shares, have the pre-emptive and tag-along right.

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NOTE 14 - EQUITY (Continued)

- d) **Constraints on share transfers:** A and B group shares issued in name, with the condition that related rules of the 7th article are hidden, are transferred by endorsement and by their delivery to the new owners. The transfers of the shares issued in name are subject to the approval of the Board of Directors and have to be booked in the lot register. C group shares issued to the bearer, on the basis of the Turkish Commercial Code and other related rules, are transferred without any restriction.
- e) **Privilege in the appointment of the liquidation official:** Privilege in the appointment of the liquidation official: In case of liquidation, with the exception of one resulting from the bankruptcy of the company, the liquidation will be realised by two liquidation officials appointed by the General Assembly. The Assembly will chose one of the officials from the candidates of the owners of A group and the other official from the candidates of the owners of B group shares.

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 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 capital. Under the TCC, the legal reserves can be used only to offset losses and are not available for any other usage unless they exceed 50% of paid-in capital.

In accordance with CMB Financial Reporting Standards, the Company classified the abovementioned amounts under “Restricted reserves”. The amount of restricted reserves is TRY3.140.683 as of 31 December 2009 (31 December 2008: TRY2.761.321).

Retained Earnings

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

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

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

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NOTE 14 - EQUITY (Continued)

Dividend payment:

Listed companies are subject to dividend regulations explained below:

Based on CMB Decree No. 02/51, dated 27 January 2010, there is no mandatory minimum profit distribution requirement for the quoted entities at the stock exchange for profits arising from operations in 2009. Regarding the dividend distribution for the current and following years, the entities are to distribute their profits for the current and following years under the scope of CMB Communiqué No. IV-27, their articles of association and their previously publicly declared profit distribution policies. In regards to the profit distribution, in accordance with the decision of the General Assembly, the distribution can be made as cash or as bonus shares or as a combination of a certain percentage of cash and bonus shares. It is also permitted to retain this amount in the Company reserves if the first dividend amount is below 5% of the paid in/issued capital; however if the Company has increased its paid-in capital without dividend distribution in the previous year when the outstanding shares have been identified as “old” and “new”, it is mandatory for companies that will make profit distribution from the net distributable profit of the previous year to make this first dividend distribution in cash.

In addition, according to the before mentioned 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.

The detail of the retained earnings is as follows:

	31 December 2009	31 December 2008
Retained Earnings	14.685.747	9.617.737
Legal reserves inflation adjustment	4.221.878	4.221.878
Total	18.907.625	13.839.615

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NOTE 15 - SALES AND COST OF SALES

	31 December 2009	31 December 2008
Advertisement sales	40.247.349	51.442.808
Magazines sales	31.782.203	31.317.911
Other sales	3.263.130	3.599.430
Sales Income- net	75.292.682	86.360.149
Cost of sales	(46.408.483)	(53.104.971)
Gross profit	28.884.199	33.255.178

Cost of Sales

	31 December 2009	31 December 2008
Raw material and printing costs	21.622.593	22.177.998
Personel expenses	12.924.906	16.120.554
Cost of trade goods sold	3.961.616	3.721.094
Outsourcing	2.693.992	3.516.037
Depreciation and amortisation expenses	368.886	524.552
Other	4.836.490	7.044.736
	46.408.483	53.104.971

NOTE 16 - OPERATING EXPENSES

Sales and marketing expenses:

	31 December 2009	31 December 2008
Personel expenses	5.329.770	5.656.682
Outsourcing	3.492.891	3.286.739
Transportation expenses	3.181.402	3.894.168
Promotion expenses	2.328.584	2.517.732
Advertising expenses	2.043.419	2.571.887
Depreciation and amortisation expenses	383.326	401.962
Other	1.955.265	2.269.693
	18.714.657	20.598.863

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NOTE 16 - OPERATING EXPENSES (Continued)

General administrative expenses:

	31 December 2009	31 December 2008
Personnel expenses	3.054.796	2.047.331
Outsourcing	1.465.880	821.414
Rent expenses	368.325	368.324
Depreciation and amortisation expenses	277.506	248.127
Duties, taxes and levies	120.512	117.680
Other	1.460.143	1.752.283
	6.747.162	5.355.159

NOTE 17 - EXPENSES BY NATURE

As of 31 December 2009 and 2008, expenses are disclosed by function and the analysis of the expenses is summarized in Note 15 and Note 16.

NOTE 18 - OTHER OPERATING INCOME/EXPENSES

i. Other operating income:

	31 December 2009	31 December 2008
Provision reversal	329.488	335.922
Rent income (*)	-	336.120
Other	79.967	92.379
	409.455	764.421

(*) Rent income comprise rent from investment property.

ii. Other operating expenses:

	31 December 2009	31 December 2008
Provision for law suits	(1.106.158)	-
Provision for doubtful receivables	(495.302)	(871.888)
Amortisation of investment property (Note 7)	(553.736)	(599.502)
Loss on fixed asset sales	(949)	(7.218)
Other	(3.336)	(2.366)
	(2.159.481)	(1.480.974)

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NOTE 19 - FINANCIAL INCOME

	31 December 2009	31 December 2008
Foreign exchange gains	806.533	1.718.475
Credit finance income	858.199	1.406.772
Interest income	798.433	1.210.874
Financial income	2.463.165	4.336.121

NOTE 20 - FINANCIAL EXPENSES

	31 December 2009	31 December 2008
Foreign exchange losses	(795.421)	(1.472.457)
Credit finance expense	(644.261)	(1.021.170)
Interest expenses	(146.740)	(167.076)
Financial expenses	(1.586.422)	(2.660.703)

NOTE 21 - TAX ASSETS AND LIABILITIES

	31 December 2009	31 December 2008
Corporation and income taxes payable	816.513	1.806.087
Prepaid taxes	(493.649)	(1.319.139)
Tax provision	322.864	486.948
Deferred tax liabilities	576.756	591.891
Deferred tax assets	(601.684)	(554.667)
Deferred tax (assets) and liabilities, net	(24.928)	37.224

Turkish tax legislation does not permit a parent company, its subsidiaries and its Joint Ventures to file a consolidated tax return. Therefore, provisions for taxes, as reflected in the 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 June 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.

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NOTE 21 -TAX ASSETS AND LIABILITIES (Continued)

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

Corporations are required to pay advance corporation tax quarterly at the rate of 20% (31 December 2007: 20%) on their corporate income. Advance tax is to be declared by the 10th day of the second month following each calendar quarter end and is payable by the 17th of the second month following each calendar quarter end. Advance tax paid by corporations is credited against the annual corporation tax liability. The balance of the advance tax paid may be refunded or used to be set off against other liabilities to the government.

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

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

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

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

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

Exemption for participation in domestic subsidiaries:

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

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NOTE 21 -TAX ASSETS AND LIABILITIES (Continued)

The taxes on income for the years ended 31 December 2009 and 2008 is summarized as follows:

	31 December 2009	31 December 2008
Current year corporate tax	816.513	1.806.087
Deferred tax expense / (income)	(62.152)	(269.488)
Total tax expense	754.361	1.536.599

The reconciliation of the taxation on income in the consolidated statement of comprehensive income for the years ended 31 December 2009 and 2008 and the taxation on income calculated with the current tax rate over income from continuing operations before tax is as follows:

	31 December 2009	31 December 2008
Profit before income taxes from continuing operations	2.549.097	8.260.021
Tax calculated at 20% tax rate	(509.819)	(1.652.004)
Expenses not deductible for tax purposes	(244.542)	(57.515)
Other	-	172.920
Total tax expense	(754.361)	(1.536.599)

Deferred taxes

The Company 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%).

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NOTE 21 -TAX ASSETS AND LIABILITIES (Continued)

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

	Cumulative Temporary differences		Deferred tax assets/ (liabilities)	
	31 December 2009	31 December 2008	31 December 2009	31 December 2008
Net difference between the carrying values and tax base of property, plant, equipment and intangible assets	2.804.552	2.857.253	560.910	571.451
Unearned financial income	79.228	102.199	15.846	20.440
Deferred tax liabilities	2.883.780	2.959.452	576.756	591.891
Provision for employment termination benefits	(1.333.693)	(948.132)	(266.739)	(189.627)
Provision for doubtful receivables	(752.616)	(784.191)	(150.523)	(156.838)
Provision for lawsuits	(704.663)	(767.503)	(140.932)	(153.500)
Unearned financial expense	(217.449)	(273.510)	(43.490)	(54.702)
Deferred tax assets	(3.008.421)	(2.773.336)	(601.684)	(554.667)
Deferred tax (assets)/liabilities, net			(24.928)	37.224
Deferred tax assets:		31 December 2009	31 December 2008	
To be recovered after one year		(407.671)	(343.127)	
To be recovered within one year		(194.013)	(211.540)	
Total		(601.684)	(554.667)	
Deferred tax liabilities:		31 December 2009	31 December 2008	
To be recovered after one year		550.510	532.961	
To be recovered within one year		26.246	58.930	
Total		576.756	591.891	

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NOTE 21 - TAX ASSETS AND LIABILITIES (Continued)

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

	2009	2008
1 January	37.224	306.712
Deferred tax (income)/expense	(62.152)	(269.488)
31 December	(24.928)	37.224

NOTE 22 - EARNINGS / (LOSS) PER SHARE

	31 December 2009	31 December 2008
Net income for the period	1.794.736	6.723.422
Weighted average number of shares with face value of TRY 1 each	18.879.082	18.283.125
Earnings per share (Kr)	10	37

NOTE 23 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES

i. Balances with related parties

a) Due from related companies:

	31 December 2009	31 December 2008
Doğan Dağıtım Satış ve Paz. A.Ş. (“Doğan Dağıtım”) (*)	7.137.850	7.478.657
Mozaik İletişim Hizmetleri A.Ş. (“Mozaik İletişim”)	447.536	104.527
Doğan Gazetecilik A.Ş. (“Doğan Gazetecilik”)	400.106	10.974
Other	706.187	77.838
	8.691.679	7.671.996
Less: Unearned financial income	(53.609)	(63.442)
	8.638.070	7.608.554

(*) Doğan Dağıtım provides magazine distribution service for the Company.

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NOTE 23 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES

b) Due to related companies:

	31 December 2009	31 December 2008
Doğan Ofset Yay. ve Matbaacılık A.Ş. (“Doğan Ofset”)	784.893	814.660
Doğan Yayın Holding A.Ş. (“Doğan Yayın Holding”)	593.006	178.711
Hürriyet Gazetecilik ve Matbaacılık A.Ş. (“Hürriyet”)	564.637	306.288
Chip Holding GmbH (“Chip Holding”) (*)	-	1.070.400
Other	163.410	471.975
	2.105.946	2.842.034
Less: Unearned financial expense	(25.810)	(31.478)
	2.080.136	2.810.556

(*) Payable to Chip Holding GmbH is related with the trademark fee of Chip magazine due September 2009.

ii. Transactions with related parties

a) Product and service sales:

	31 December 2009	31 December 2008
Doğan Dağıtım	30.420.011	30.994.024
Hürriyet	376.441	707.333
Other	2.831.963	2.456.559
	33.628.415	34.157.916

b) Purchases of goods and services:

	31 December 2009	31 December 2008
Doğan Dış Ticaret Mümessillik A.Ş. (“Doğan Dış Ticaret”)	10.515.326	10.912.465
Doğan Ofset	3.768.758	4.639.375
Doğan Haber Ajansı (“Doğan Haber”)	716.810	1.343.477
Milta Turizm İşletmeleri A.Ş. (“Milta Turizm”)	82.226	1.149.062
Other	1.219.044	1.522.585
	16.302.164	19.566.964

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NOTE 23 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Continued)

c) Other transactions with related parties:

Marketing, selling and distribution expenses:

	31 December 2009	31 December 2008
Doğan Dağıtım	4.391.239	4.914.472
Doğan Dış Ticaret	502.055	622.244
Hürriyet	240.393	323.676
Milta Turizm	47.076	191.765
Other	378.064	545.269
	5.558.827	6.597.426

General administrative expenses

	31 December 2009	31 December 2008
Hürriyet	459.444	416.699
Doğan Yayın Holding	92.463	541.304
Milta Turizm	36.037	138.373
Other	138.947	58.028
	726.891	1.154.404

Financial expenses

	31 December 2009	31 December 2008
Doğan Faktoring	93.634	120.594
Other	554	8.472
	94.188	129.066

Rights

The Company purchased trademark right of Chip magazine, for the period 1 January 2008 - 31 December 2017, from Chip Holding GmbH amounting to TRY1.777.200. As of 31 December 2009, the net book value of rights is TRY1.421.760.

Remuneration paid to top management:

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

	31 December 2009	31 December 2008
Board of Directors	-	-
Executive Board	2.985.741	1.784.880
	2.985.741	1.784.880

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NOTE 24 - FINANCIAL RISK MANAGEMENT

Market Risk

Interest rate risk

The Company has no borrowing with a floating interest rate as of 31 December 2009.

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

	31 December 2009	31 December 2008
Financial instruments with fixed interest rate		
Financial instruments		
- Designated as fair value through profit or loss (*)	7.008.769	7.439.096
- Financial assets available for sale	-	-
Financial liabilities	-	-

Financial instruments with floating interest rate

Financial assets	-	-
Financial liabilities	-	-

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

Foreign currency risk

TRY equivalents of foreign currency assets and liabilities that the Company holds at 31 December 2009 and 2008 are as follows:

	31 December 2009	31 December 2008
A. Assets	3.012.133	3.187.173
B. Liabilities	726.753	2.648.659
Net foreign currency position (A-B)	2.285.380	538.514

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NOTE 24 - FINANCIAL RISK MANAGEMENT (Continued)

The table below summarises the Company exposure to foreign currency exchange rate risk at 31 December 2009 and 2008. The Company foreign currency denominated assets and liabilities have been presented below in carrying amounts, categorised by currency.

	31 December 2009					31 December 2008				
	Total TRY equivalent	Original Currencies				Total TRY equivalent	Original Currencies			
		USD	Euro	GBP	CHF		USD	Euro	GBP	CHF
1. Trade receivables	140.306	45.330	33.353	-	-	271.752	78.814	71.263	-	-
2a. Monetary financial assets (including cash and banks)	2.871.827	18.688	1.316.340	-	-	2.874.014	1.298	1.341.579	-	-
2b. Non-monetary financial assets	-	-	-	-	-	-	-	-	-	-
3. Other	-	-	-	-	-	-	-	-	-	-
4. Current assets (1+2+3)	3.012.133	64.018	1.349.693	-	-	3.145.766	80.112	1.412.842	-	-
5. Trade receivables	-	-	-	-	-	-	-	-	-	-
6a. Monetary financial assets	-	-	-	-	-	41.407	27.380	-	-	-
6b. Non-monetary financial assets	-	-	-	-	-	-	-	-	-	-
7. Other	-	-	-	-	-	-	-	-	-	-
8. Non-current assets (5+6+7)	-	-	-	-	-	41.407	27.380	-	-	-
9. Total Assets (4+8)	3.012.133	64.018	1.349.693	-	-	3.187.173	107.492	1.412.842	-	-
10. Trade payables	260.254	56.272	81.250	-	-	1.440.412	87.619	610.737	200	-
11. Financial liabilities	-	-	-	-	-	-	-	-	-	-
12a. Monetary other liabilities	466.499	58.001	152.311	20.982	-	1.208.247	483.526	204.384	18.002	-
12b. Non-monetary other liabilities	-	-	-	-	-	-	-	-	-	-
13. Current liabilities (10+11+12)	726.753	114.273	233.561	20.982	-	2.648.659	571.145	815.121	18.202	-

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NOTE 24 - FINANCIAL RISK MANAGEMENT (Continued)

	31 December 2009					31 December 2008				
	Total TRY equivalent	Original Currencies				Total TRY equivalent	Original Currencies			
		USD	Euro	GBP	CHF		USD	Euro	GBP	CHF
14. Trade payables	-	-	-	-	-	-	-	-	-	-
15. Financial liabilities	-	-	-	-	-	-	-	-	-	-
16a. Monetary other liabilities	-	-	-	-	-	-	-	-	-	-
16b. Non-monetary other liabilities	-	-	-	-	-	-	-	-	-	-
17. Non- current liabilities (14+15+16)	-	-	-	-	-	-	-	-	-	-
18. Total Liabilities (13+17)	726.753	114.273	233.561	20.982	-	2.648.659	571.145	815.121	18.202	-
19. Net asset/liability position of/ off-balance sheet derivatives (19a-19b)	-	-	-	-	-	-	-	-	-	-
19a. Hedged amount of foreign currency assets	-	-	-	-	-	-	-	-	-	-
19b. Hedged amount of foreign currency liabilities	-	-	-	-	-	-	-	-	-	-
20. Net balance sheet foreign currency position asset / (liability) (9 - 18 + 19)	2.285.380	(50.255)	1.116.132	(20.982)	-	538.514	(463.653)	597.721	(18.202)	-
21. Net foreign currency position (= 1+2a+5+6a-10-11-12a-14-15-16a)	2.285.380	(50.255)	1.116.132	(20.982)	-	538.514	(463.653)	597.721	(18.202)	-
22. Fair value of financial assets for foreign currency hedge	-	-	-	-	-	-	-	-	-	-
23. Export	-	-	-	-	-	-	-	-	-	-
24. Import (*)	3.961.616	11.177	1.727.930	94.606	-	3.721.094	42.745	1.835.943	76.083	1.507

(*) Imports of the Company include foreign publication costs related to the various foreign publication houses that the Company performs the distribution of. Import amounts were converted to TRY at the exchange rates effective at transaction date. Annual average exchange rates were applied for the given foreign currency values. Average exchange rates for the year 2009 are: TRY1.5465 = USD1, TRY2.1506 = EUR1 and TRY2.4132 = GBP1 (for the year 2008: TRY1.2976 = USD1, TRY1.8968 = EUR1, TRY2.3831 = GBP1, and TRY1.1940 = CHF1).

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NOTE 24 - FINANCIAL RISK MANAGEMENT (Continued)

31 December 2009	Income/Loss		Equity	
	Appreciation in foreign currency	Depreciation in foreign currency	Appreciation in foreign currency	Depreciation in foreign currency
Change in USD against TRY by 10%				
1 - USD net asset/(liabilities)	(7.567)	7.567	-	-
2 - USD net hedged amount	-	-	-	-
3 - US Dollar net gain/(loss)	(7.567)	7.567	-	-
Change in Euro against TRY by 10%				
4 - Euro net asset/(liabilities)	241.118	(241.118)	-	-
5 - Euro net hedged amount	-	-	-	-
6 - Euro net gain/(loss)	241.118	(241.118)	-	-
Change in GBP against TRY by 10%				
7 - GBP net asset/(liabilities)	(5.013)	5.013	-	-
8 - GBP net hedged amount	-	-	-	-
9 - GBP net gain/(loss)	(5.013)	5.013	-	-
TOTAL (3 + 6 + 9)	228.538	(228.538)	-	-

Following rates have been used at 31 December 2009 for the foreign currency balances in assets and liabilities: 1,5057TRY= 1 ABD\$, 2,1603TRY=1 Euro, 2,3892TRY= 1 GBP and 1,4492TRY= 1 CHF (31 December 2008: 1,5123TRY= 1 ABD\$, 2,1408TRY=1 Euro, 2,1924TRY= 1 GBP and 1,4300TRY= 1 CHF).

31 December 2008	Income/Loss		Equity	
	Appreciation in foreign currency	Depreciation in foreign currency	Appreciation in foreign currency	Depreciation in foreign currency
Change in USD against TRY by 10%				
1 - USD net asset/(liabilities)	(70.118)	70.118	-	-
2 - USD net hedged amount	-	-	-	-
3 - US Dollar net gain/(loss)	(70.118)	70.118	-	-
Change in Euro against TRY by 10%				
4 - Euro net asset/(liabilities)	127.960	(127.960)	-	-
5 - Euro net hedged amount	-	-	-	-
6 - Euro net gain/(loss)	127.960	(127.960)	-	-
Change in GBP against TRY by 10%				
7 - GBP net asset/(liabilities)	(3.990)	3.990	-	-
8 - GBP net hedged amount	-	-	-	-
9 - GBP net gain/(loss)	(3.990)	3.990	-	-
TOTAL (3 + 6 + 9)	53.852	(53.852)	-	-

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.

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NOTE 24 - FINANCIAL RISK MANAGEMENT (Continued)

The maximum exposure of the Company’s credit risk as of 31 December 2009 and 2008 is as follows:

31 December 2009	Trade receivables		Other receivables		Bank deposits	Derivative Instruments	Other
	Related party	Other	Related party	Other			
The maximum of credit risk exposed at the reporting date	8.638.070	15.583.521	-	3.464	7.166.380	-	-
- Credit risk covered by guarantees	-	3.935.623	-	-	-	-	-
A. Net carrying value of not overdue and unimpaired financial assets	8.638.070	10.327.951	-	3.464	7.166.380	-	-
B. Conditions renegotiated, otherwise will be classified as past due or impaired	-	-	-	-	-	-	-
C. Net carrying value of overdue but unimpaired assets	-	5.255.570	-	-	-	-	-
- Amount of risk covered by guarantees	-	3.916.952	-	-	-	-	-
D. Net carrying value of impaired assets	-	-	-	-	-	-	-
- Overdue (gross carrying value))	-	2.949.854	-	-	-	-	-
- Provision for impairment (-)	-	(2.949.854)	-	-	-	-	-
- Amount of risk covered by guarantees	-	-	-	-	-	-	-
- Not overdue (gross carrying value)	-	-	-	-	-	-	-
- Provision for impairment (-)	-	-	-	-	-	-	-
- Amount of risk covered by guarantees	-	-	-	-	-	-	-
E. Off-balance sheet items with credit risk	-	-	-	-	-	-	-

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NOTE 24 - FINANCIAL RISK MANAGEMENT (Continued)

31 December 2008	Trade receivables		Other receivables		Bank deposits	Derivative Instruments	Other
	Related party	Other	Related party	Other			
The maximum of credit risk exposed at the reporting date	7.608.554	15.174.006	-	44.871	7.662.293	-	-
<i>- Credit risk covered by guarantees</i>	-	4.841.722	-	-	-	-	-
A. Net carrying value of not overdue and unimpaired financial assets	7.608.554	9.128.559	-	44.871	7.662.293	-	-
B. Conditions renegotiated, otherwise will be classified as past due or impaired	-	-	-	-	-	-	-
C. Net carrying value of overdue but unimpaired assets	-	6.045.447	-	-	-	-	-
<i>- Amount of risk covered by guarantees</i>	-	4.825.000	-	-	-	-	-
D. Net carrying value of impaired assets	-	-	-	-	-	-	-
- Overdue (gross carrying value)	-	2.563.236	-	-	-	-	-
- Provision for impairment (-)	-	(2.563.236)	-	-	-	-	-
- Amount of risk covered by guarantees	-	-	-	-	-	-	-
- Not overdue (gross carrying value)	-	-	-	-	-	-	-
- Provision for impairment (-)	-	-	-	-	-	-	-
- Amount of risk covered by guarantees	-	-	-	-	-	-	-
E. Off-balance sheet items with credit risk	-	-	-	-	-	-	-

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NOTE 24 - FINANCIAL RISK MANAGEMENT (Continued)

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

31 December 2009	Trade Receivables		Other Receivables	Bank Deposits	Derivative instruments	Other
	Related party	Other				
1-30 days overdue	-	2.743.779	-	-	-	-
1-3 months overdue	-	1.285.710	-	-	-	-
3-12 months overdue	-	944.358	-	-	-	-
1-5 years overdue	-	281.723	-	-	-	-
More than 5 years overdue	-	-	-	-	-	-
Total	-	5.255.570	-	-	-	-
Amount of risk covered by guarantees	-	3.916.952	-	-	-	-

31 December 2008	Trade Receivables		Other receivables	Bank deposits	Derivative instruments	Other
	Related party	Other				
1-30 days overdue	-	3.296.270	-	-	-	-
1-3 months overdue	-	1.658.603	-	-	-	-
3-12 months overdue	-	1.038.517	-	-	-	-
1-5 years overdue	-	52.057	-	-	-	-
More than 5 years overdue	-	-	-	-	-	-
Total	-	6.045.447	-	-	-	-
Amount of risk covered by guarantees	-	4.825.000	-	-	-	-

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.

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NOTE 24 - FINANCIAL RISK MANAGEMENT (Continued)

There is no derivative financial instruments and financial liabilities of the Company, the table below shows the liquidity risk arising from trade payables and other payables of the Company:

31 December 2009

Non-derivative financial instruments	Carrying value	Total contractual cash outflow	Up to 3 months	Between 3 and 12 months	Between 1 and 5 years	Over 5 years
Due to related parties	2.080.136	2.105.946	2.105.946	-	-	-
Other trade payables	3.247.050	2.957.619 (*)	2.957.619	-	-	-
Other payables	1.558.330	1.558.330	1.558.330	-	-	-

31 December 2008

Non-derivative financial instruments	Carrying value	Total contractual cash outflow	Up to 3 months	Between 3 and 12 months	Between 1 and 5 years	Over 5 years
Due to related parties	2.810.556	2.842.034	1.771.634	1.070.400	-	-
Other trade payables	3.112.709	2.762.694 (*)	2.762.694	-	-	-
Other payables	1.633.536	1.633.536	1.633.536	-	-	-

(*) Barter related liabilities amounting to TRY342,849 (31 December 2008: TRY420,736) is not included in the total cash outflow.

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NOTE 24 - FINANCIAL RISK MANAGEMENT (Continued)

Capital risk management

The Company’s objectives when managing capital are to safeguard the Company’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 Company can change dividend payment amount, announce new shares and in order to decrease borrowings the Company can sell assets.

The Company 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.

The net liability/total capital ratio as of 31 December 2009 and 2008 are as follows:

	31 December 2009	31 December 2008
Total liabilities	14.139.169	14.807.595
Less: cash and cash equivalents (Note 3)	7.166.380	7.662.293
Net liabilities	6.972.789	7.145.302
Equity	40.778.298	38.983.562
Total equity	47.751.087	46.128.864
Debt/Equity ratio	%15	%15

NOTE 25 - 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 Company 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 Company 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:

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NOTE 25 - FINANCIAL INSTRUMENTS (Continued)

Financial 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 cash equivalents 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.

Financial liabilities:

Trade payables have been estimated at their fair values.

NOTE 26 - SUBSEQUENT EVENTS

Due to tax principal and tax penalty notices communicated by the related Tax Office, the shares that Doğan Yayın Holding A.Ş. possesses in the Doğan Burda Dergi Yayıncılık ve Pazarlama A.Ş.’s share capital and which represent 44,89% of the share capital of Doğan Burda Dergi Yayıncılık ve Pazarlama A.Ş. included in the export/investment accounts of the Central Registry Office and Intermediary Institution were immobilised and their transfer has been restricted. In the public announcement of Doğan Yayın Holding, dated 1 February 2010, it was mentioned that a significant portion of the lawsuits filed for the aforementioned tax amounts and notices have been finalised in favour of Doğan Yayın Holding. Since it is thought that the amount of sequestration exceeds the total public receivable accrued, Doğan Yayın Holding expects that the sequestration exceeding the public receivable will be removed after the assessment of the related tax office (Note 14).

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