



2010 annual report

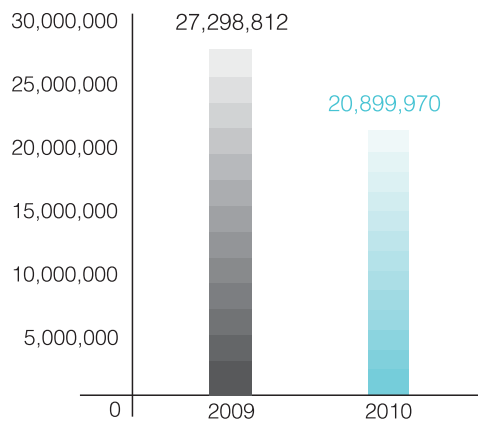
contents

Main Financial Indicators	01
Milestones	02
ISE Performance	02
Shareholding Structure	03
Results Regarding the Public Offering	03
About İhlas Media Holding	04
Message From the Chairman	06
Board of Directors	08
Activities in 2010	11
İhlas Media Holding Subsidiaries	12
İhlas Gazetecilik (Türkiye Gazetesi / Türkiye Newspaper)	12
İhlas Haber Ajansı (İHA) (İhlas News Agency)	16
TGRT Haber TV (TGRT News TV - TGRT FM)	21
TGRT Digital TV (TGRT Documentary TV)	24
İhlas Gelişim Yayıncılık	25
İhlas Fuarçılık (İhlas Fair Services)	26
İletişim Magazin Yayıncılık (Communication Magazine)	30
Alternatif Medya Görsel İletişim Sistemleri (Alternative Media Visual Communication Systems)	33
İhlas Reklam Ajansı (İhlas Advertising Agency)	34
İhlas İletişim Hizmetleri (İhlas Communication Services)	36
Joint Venture of İhlas Holding A.Ş.	
- İhlas Yayın Holding A.Ş. and İhlas Pazarlama A.Ş.	39
Board of Directors' Report	41
Proposal on the Distribution of Profits for the Year 2010	65
Audit Report Abstract	66
Statement of Responsibility	67
Consolidated Financial Statements and Independent Auditor's Report	69
Directory	

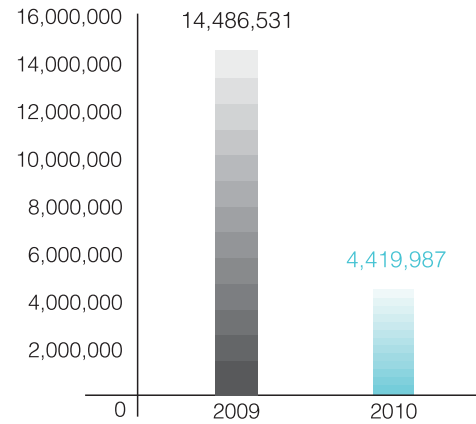
main financial indicators (tl)

According to the consolidated financial statements within the framework of international financial reporting standards (TL).

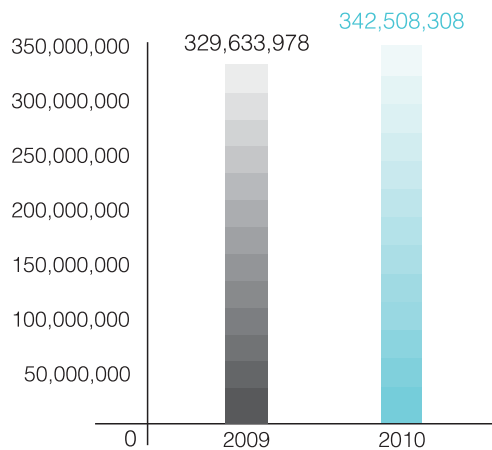
net sales revenues



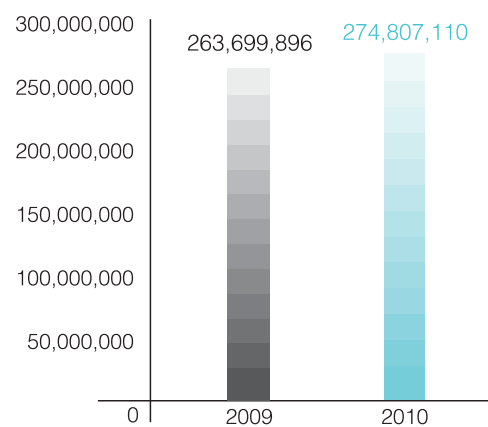
profit for the period



total assets



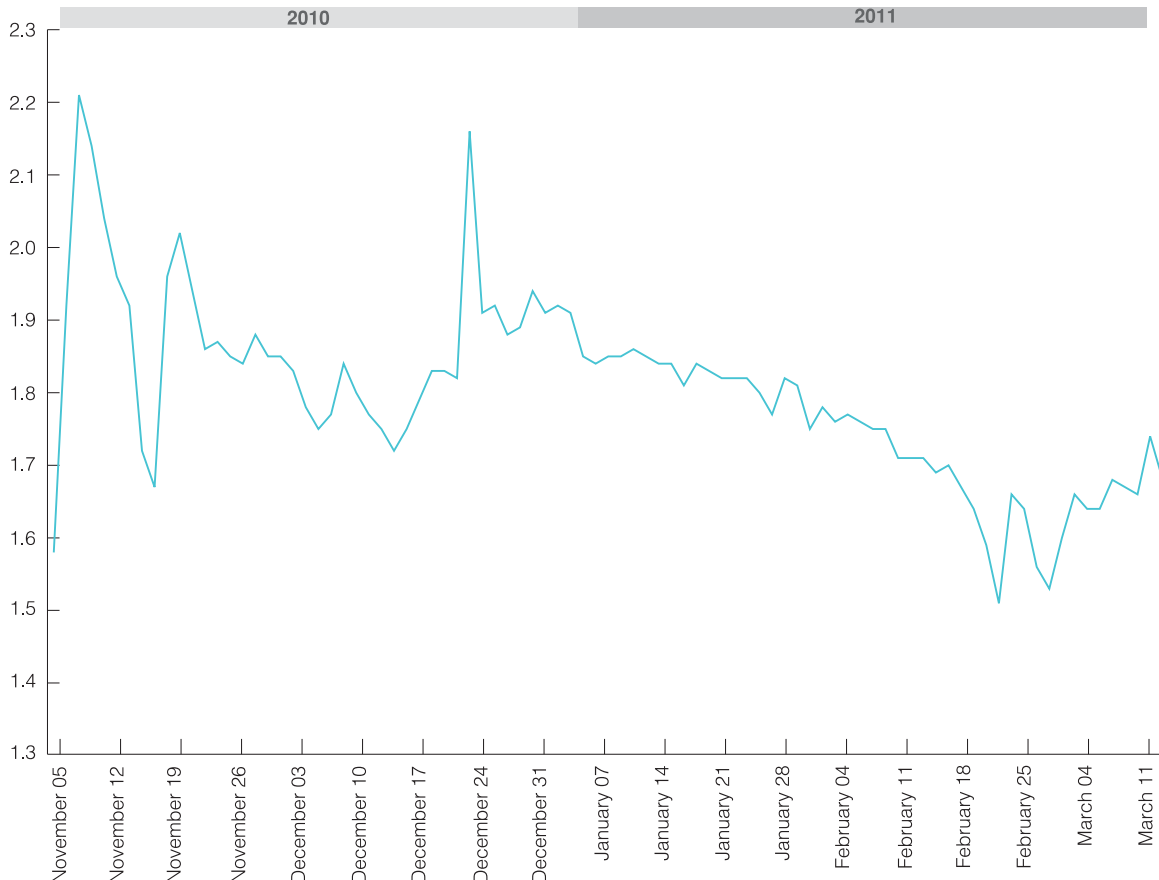
shareholders' equity



milestones

July 10, 2003	İhlas Yayın Holding A.Ş. (İhlas Media Holding) was founded.
July 16, 2003	A participation in İhlas Gazetecilik (Türkiye Gazetesi) and İhlas Haber Ajansı (İHA) was completed.
July 24, 2003	A participation in Huzur Radyo TV (TGRT) was completed.
July 15, 2003	TGRT Haber TV A.Ş. was founded.
July 27, 2003	TGRT Dijital TV Hizmetleri A.Ş. was founded.
September 28, 2006	Shares of Huzur Radyo TV were sold to News Netherlands Co. (FOX TV).
August 1, 2007	Participation in Alternatif Medya Hizmetleri Ltd. Şti. was completed.
December 1, 2007	A participation in İhlas Gelişim Yayıncılık A.Ş., a company that gathers all magazine and fair works under a single roof, was completed.
February 10, 2009	A participation in newly established company İhlas İletişim A.Ş. was completed.
December 24, 2009	In order to be involved in a residential project in Bahçeşehir, a joint venture company (ordinary partnership) was established with İhlas Holding A.Ş. and İhlas Pazarlama A.Ş.
June 14, 2010	Shares of İhlas Gazetecilik A.Ş. began trading on the Istanbul Stock Exchange.
August 4, 2010	Public offering was initiated for İhlas Yayın Holding (İhlas Media Holding).
November 5, 2010	Shares of İhlas Yayın Holding A.Ş. (İhlas Media Holding) began trading on the Istanbul Stock Exchange.
December 14, 2010	A participation in Promaş A.Ş. and İhlas Reklam Ltd. Şti. was completed.

ISE performance



shareholding structure

Name / Title	Share Rate %	Share Amount (TL)
İhlas Holding A.Ş.	69.15	138,300,000
Enver Ören	1.00	2,000,000
Ahmet Mücahid Ören	0.90	1,800,000
Mahmut Kemal Aydın	0.10	200,000
Mehmet Nureddin Yağcı	0.10	200,000
Publicly-traded	28.75	57,500,000
Total	100.00	200,000,000

(As of December 31, 2010)

results regarding the public offering

Demand for the public offering of İhlas Yayın Holding (İhlas Media Holding) was gathered between the dates of October 25 and 26, 2010 and the public offering price was set at TL 1.30.

Investor Group	Requested Nominal Amount (Unit)	Distributed Nominal Amount (Unit)	Distribution Rate	Factor	Number of Demanding Investors	Number of Distributed Investors
Local Individual Investor	265,587,599	40,960,250	15.42%	6.7	11,549	10,897
İhlas Group Employee	22,192,134	9,335,250	42.07%	2.4	595	595
Local Corporate Investor	4,579,500	4,329,500	94.54%	1.1	21	20
Foreign Corporate Investor	12,700,385	2,875,000	22.64%	4.3	9	9
Total	305,059,618	57,500,000	18.85%	5.3	12,174	11,521

İhlas Holding A.Ş. is the main partner of İhlas Yayın Holding (İhlas Media Holding) and its 25% shares in the Company with a nominal value of TL 50,000,000 and its group A shares with a nominal value of TL 7,500,000, which corresponds to 3.75% of the total capital, was offered to the public within the scope of additional sales. The value of the public offering came to TL 74,750,000. Demands were received from all cities in Turkey, from Cyprus and from abroad.

As part of the Capital Markets Board's and Istanbul Stock Exchange's public offer campaign, when the results of the public offer achieved the initial goal which was to spread stock investments to the base, it was interpreted as a satisfactory result for the İhlas Group. The largest share of the public offering was allocated to domestic individual investors and it was emphasized that this was also an indicator of this satisfactory result.

Shares of İhlas Yayın Holding A.Ş. (İhlas Media Holding) began trading on the Istanbul Stock Exchange Domestic Market on Friday, November 5.

ihlas media holding shares its corporate-owned policies with all of its affiliates within the context of certain methods.

about ihlas media holding



İhlas Yayın Holding (Media Holding) was founded on July 10, 2003 in order to combine all its subsidiaries in the media sector under one roof and improve its administrative efficiency.

İhlas Media Holding oversees all of its subsidiaries' operations, and provides all the necessary support for all types of investments. Its primary target is to step up the synergy among the companies in its media group. To this end, İhlas Media Holding shares its corporate-owned policies with all of its affiliates within the context of certain methods.

Having achieved tremendous accomplishments in the press, as well as in the visual and electronic media, İhlas Media Holding's subsidiaries started operations with the principle of broadcasting accurate news objectively, impartially and without agitating the public. They have maintained this consistent style since the day the company was founded.

İhlas Media Holding offered its shares to the public on October 25 - 26, 2010, and İhlas Media Holding's shares began trading on the Istanbul Stock Exchange as of November 5, 2010. Initially, 50 million lot shares, which corresponds to 25% of the capital, was planned to be offered to the public. However, the right to additional sell was used as a result of heavy demand and the amount offered to the public was raised to 28.75% of the capital, which is the equivalent of 57.5 million lot.

İhlas Media Holding's printed media subsidiary, Türkiye Newspaper, is a media organ that has recently celebrated its 40th anniversary with competitive strength, and has an experienced management perception, consistent publishing principles, brand awareness and wide readership. With the trust obtained from merits such as being transparent, reliable and valuable, Türkiye Newspaper has provided its readers with the opportunity to be partners with a newspaper they have known and heard for 40 years. For 40 years, Türkiye Newspaper has been continuing its business life with the same ownership structure and is a newspaper that is diversified with its high potential for the future due to its pages, brand, stable principles of broadcasting and loyal readership base. The newspaper continues to operate with its printing plants equipped with the highest technologies, located in six different Turkish cities.

Another powerful subsidiary of İhlas Media Holding's, İHA's operations provide strong agency support to national, local and regional media channels in terms of rapid and dependable access to information. Using live broadcast trucks manufactured by its own technical services team, İhlas News Agency operates both in and out of Turkey via this system and equipment. During 2010, İhlas News Agency attended the World Cup in South Africa with six uplink systems and a thirty-person team. Throughout the world cup, İhlas News Agency provided over 300 Turkish and foreign television channels with transition and live broadcast services. Moreover, İhlas News Agency recorded the elections in Sudan with five different live broadcasting teams.

TGRT News TV is the Holding's representative in the visual media and operates with the principle, "TGRT News only features news" while staying true to its identity as an objective, genuine and honest news carrier. From morning till midnight, TGRT News airs news bulletins every hour, keeping viewers up to date on world and Turkish news. In addition to successful journalism, TGRT News also features television shows in which current affairs are debated by experts in the related topics. In 2011, TGRT News aims to make investments in renovation, renewing most of its equipment and broadcasting with HD quality.

Due to TGRT FM's, that is operating under the legal personality of TGRT News TV, wide spectrum of contests, children's shows, cultural, artistic, women's programs, sport, chat and magazine programs, and audio plays, the radio station appeals to every segment of society. With its journalism, programming and classical radio theatres, TGRT FM has acquired an important place in the hearts of the Turkish nation through its radio broadcasting, using the latest technology with improved developments to ensure that the listening audience derives great pleasure.

TGRT Dijital TV has been broadcasting under the name TGRT Belgesel (TGRT Documentary) since April 22, 2010 and serves the purposes of living up to culture, civilization, history and spiritual values as well as providing a service to humanity by following an editorial policy within this scope.

In the competitive environment of the sector, the İhlas Advertising Agency implements a continuous self renovation process, improves its quality and is known among its peers as a creative, full service agency. With special emphasis on customer satisfaction, the Company has become one of Turkey's leading advertising agencies.

Media Holding's subsidiary in the information technology sector, İhlas Communications, was established in 2009 and has been accredited with the MVNO license by the Information Technologies Agency to provide mobile virtual operator services through VipCell - its own brand.

İhlas Gelişim A.Ş. - İhlas Magazine Group is the parent company for İletişim Magazin (Communication Magazine) and İhlas Fuarçılık (İhlas Fair Services) companies. The group enjoys a strong reputation thanks to its sector magazines, inserts, catalogues, official fair brochures and specific projects overseas. As one of Turkey's most important magazine groups in the fields of sectoral publishing and international publishing, İhlas Magazine Group enjoys a prominent place in the sector, regularly and continuously offering business development projects to the Turkish economy. The client base of the magazine group consists of SMEs, which also form the client base of Türkiye Newspaper. In 2010, four new magazines named Contract Textile, Home Textile Sourcing, Beauty Turkey and Baby Store were brought out, raising the total number of magazines to 16.

İhlas Fair Services provides support to the existing international fair and sectoral publishing structure especially with advances in internet publishing. The Company started on-line up-to date publishing with almost 30 sectoral websites and has been a leader in internet television due to its newly started Web TV projects.

After Alternatif Medya (Alternative Media) activated its first developed Digital Signage application with IPTV base and initiated its marketing, it continued to manufacture new products with added value by incorporating new technologies through R & D activities. With its Video On Demand system on IPTV base especially developed for universities, the company has broken into the mobile applications market with iPhone and android applications.

as ihlas media holding offered 28.75% of its capital to the public, the company took an important step towards moving the added values of its media affiliates forward to the future with 11,500 new shareholders.

message from the chairman



A. Mücahid Ören Chairman of the Board of Directors

The year 2010 bore witness to concussions and social movements caused by various economic crises, and it was quite a politically active year for Turkey due to the referendum on constitutional change.

With Türkiye Newspaper, İhlas News Agency and TGRT News TV, İhlas Media Group successfully saw out the year, during which global and local news grew in number and improved in quality.

Türkiye Newspaper, our group's oldest and most well-known brand, celebrated its 40th anniversary. In addition to the stability of being the only newspaper in Turkey with an unchanged ownership structure, Türkiye Newspaper maintained the trust of its readers and signed off 2010 with a successful public offering. By offering 33% of its capital to the public, İhlas Gazetecilik A.Ş. shared its corporate structure and profitability with thousands of new shareholders.

Meanwhile, as the first global scale news agency in Turkey, İhlas News Agency (İHA) continued its investments in technological infrastructure. By activating the live broadcast studios in Washington DC and London, İHA raised the number of its studios abroad to nine and continued to raise its ability to generate quality news at international standards.

With its twenty-four hour continuous news broadcast, TGRT News TV continued to operate as the "real" news channel and in 2010 began preparation works for the dynamic renewal process of 2011.

While our affiliates successfully progressed with these developments, augmenting their company values, İhlas Media Holding conducted the most successful public offering of 2010. By offering 28.75% of its capital to the public, our company took an important step towards moving the added values of its media affiliates forward to the future with 11,500 new shareholders.

While leaving a promising and satisfactory year behind us as the Media Group, I extend my sincere gratitude to the thousands of new shareholders that have joined us, to our dedicated employees, to our readers, to our audience and to our clients for the countenance and trust they have displayed.

Once again, on behalf of İhlas Media Group, I confirm our commitment to produce permanent value towards the growth and development of Turkey.

My dearest and best regards,



A. Mücahid Ören
Chairman of the Board of Directors

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board of directors



AHMET MÜCAHİD ÖREN (1) **Chairman of the Board of Directors**

A. Mücahid Ören was born on April 28, 1972, in Istanbul. He completed his university education in Economics at Anadolu University. Between 1989 and 1991, he worked as a Computer Coordinator for Türkiye Newspaper, while also serving as Chief Publishing Advisor for Türkiye Children's Newspaper. He was directly in charge of Türkiye Newspaper's transition to electronic publishing. Hence the paper became one of the first in Turkey to use an entirely electronic system. In 1991, he became General Manager of TGRT, Turkey's first private radio and television channel. He was instrumental in setting up studios, upgrading technical equipment and establishing a new infrastructure for broadcasting. He was appointed General Manager and Deputy Chairman of the Board of Directors of İhlas Holding in 1993. He is a member of several Turkish and international foundations, associations, societies and other groups operating in various sectors and has numerous published articles. Mr. A. Mücahid Ören speaks fluent English.

MUSTAFA R. SELÇUK (2) **Deputy Chairman of the Board of Directors, Chief Executive Officer and Executive Board Member**

Born in 1968, Mustafa Selçuk graduated from Istanbul Saint Joseph French High School for his middle and high school education. He entered the Faculty of Business Administration in Istanbul University in 1986 and graduated in 1990. Mustafa Selçuk was trained in financial management, risk management and financial modeling in the USA, Netherlands and Turkey. He started working for İhlas Group in 1993 at the Finance Department. Mr. Selçuk established the Loans and Fund Management Department and worked as a director until 2003. Mustafa Selçuk joined İhlas Media Holding in 2003 to establish the Finance Department and since then, he has been serving as İhlas Media Holding Finance Coordinator. In addition to his professional administration duties, Mustafa Selçuk writes articles three days a week for Türkiye Newspaper, he airs a radio show with a friend of his once a week at TGRT FM radio channel, and he has a television show on economics and current issues once a week at TGRT News TV. Mustafa Selçuk is married and has a son. He is a member of the Board of Trustees and the Chairman of the Supervisory Board of TESYEV (Turkey Sports Aid and Education Foundation for the Handicapped), a congress member of Beşiktaş Gymnastics Club (BJK), a member of the Board of Trustees of SAJEV (Saint Joseph Educational Foundation) and a member of Saint Joseph Students Association.

NUH ALBAYRAK (3)
Member of the Board of Directors

Nuh Albayrak was born in 1960 in Konya where he completed his primary and secondary education. He had a great interest in literature ever since, and proved this interest with many first places in high school essay contests. Mr. Albayrak wrote editorials in a local newspaper named Seydişehir Postası (Seydişehir Journal) for a year. Nuh Albayrak completed his university education in Istanbul at the Faculty of Engineering of İTMMMO - Galatasaray University, graduating as a civil engineer in 1980. After completing a year as an engineer, he returned to his first love, journalism, and started working at Türkiye Newspaper as an "apprentice". Since then, Mr. Albayrak has worked in all the units of the newspaper and after serving as Editorial Director for 12 years he undertook the responsibility of Chief Editor in May 2007. As one of the first people to display an example of the new "total responsibility" management format, Mr. Albayrak has expressed that he continuously experiences the difference in doing journalism in an "engineering kind of way" in the media sector. He is married and has two children. Nuh Albayrak is a member of the Journalists Association of Turkey, TSİYD (Sports Journalists Association of Turkey), and MÜSİAD (Independent Industrialists and Businessmen's Association) in addition to carrying out his duties as Member of the Board of Directors of the Press Association and Vice President of the Media Ethics Council.

OSMAN DUMAN (6)
Member of the Board of Directors and Chairman of the Audit Committee

Born in 1970, Osman Duman graduated from Istanbul Atatürk Science High School in 1988. After graduating from the Department of Industrial Engineering in Istanbul Technical University in 1992, he began his career at İhlas Motor Import Department in 1993. Mr. Duman worked at İhlas Holding Finance Department from 1995 - 2000. His position as İhlas Net Finance Manager in 2000 - 2001, was followed by returning to İhlas Holding Finance Department between 2001 and 2005, and then he provided services for Ekstrem Güvenlik A.Ş. in 2005 - 2006. Osman Duman joined Han Construction in 2009 and since then, he has served as Purchasing Manager.

MELİH RÜÇHAN ARVASI (8)
Member of the Board of Directors and Member of the Corporate Governance Committee

Melih Rüçhan Arvasi was born in 1971 and completed his middle and high school education in Istanbul. He entered the Department of Business Administration in the Faculty of Economics and Administrative Sciences of Marmara University in 1989 and graduated with a bachelor's degree in 1993. For two years, he did graduate studies in the branch of Financial Economics at the faculty's Finance Department. He began working in the Finance Department at İhlas Group in 1993. In 2001, he parted ways with İhlas Group and worked in the US banking sector, where he provided services in the technology department and foreign exchange markets division for five years. Mr. Arvasi returned to Turkey in 2006 and still continues to work as the distributor and representative of two industrial institutions and one financial institution based in Canada and the USA. Melih Rüçhan Arvasi is married. He is the Founding Member of the World Turkmens Education Foundation and Friendship Association where he also serves as a member of the Board of Trustees.

FEVZİ KAHRAMAN (4)
Member of the Board of Directors

Fevzi Kahraman was born in Uşak in 1948 and began his career right after completing his high school education. After completing his military duty in 1974, Mr. Kahraman started working in the finance corps. In 1981 he resigned from his position in the civil service and began working at Türkiye Newspaper. Over time, and within the structure of Türkiye Newspaper, he provided services as a reporter, as a department chief and as manager of the News Centre. Between 1983 and 1986, he served as General Editorial Coordinator to Ege (Aegean) Newspaper, a newspaper in İzmir with economic content. In the same year, he was also the Provincial Board Member of a political party. Between 1987 and 1990, he undertook the responsibilities of being Chairman of the Central District and a Member of Parliament in the İzmir Metropolitan Municipality. Fevzi Kahraman served as a member of the Board of Directors for Sivas Demir Çelik Sanayi A.Ş. (Iron and Steel Industries) in 1988 and 1989, followed by the Provincial Chairman position he undertook for the same political party in 1990 and 1991. Upon his return to Istanbul in 1991, he started working at Türkiye Newspaper as General Coordinator until 1994. In 1994, Mr. Kahraman started working in İhlas News Agency (İHA) as General Manager in addition to providing services as Editorial Consultant to Türkiye Newspaper until 1997. He was also engaged in television programming in 1996 and 1997. He began working in Türkiye Newspaper as Editor-in-Chief in 1999, followed by his position at İhlas Holding as Assistant General Manager Responsible for Media. In 2001, Fevzi Kahraman was once again positioned as General Manager of İhlas News Agency where he still works today. Between 1996 and 1998, he participated in seminars as a speaker on Vocational Trainings for Local Journalism, TV Broadcasting and Radio Broadcasting organized by the Journalists Association of Turkey and the Konrad Adenauer Foundation. Having won awards for these accomplishments, in 2011 he was elected by the Journalists Association of Turkey as a member of the jury formed to select successful journalists in the categories of news, photography and video for the year 2010. With over 30 years of experience in the profession, Fevzi Kahraman is a member of both the Journalists Association of Turkey and I.P.I. (International Press Institute). He is also the proud owner of many awards presented by various profession related and non-governmental organizations.

ORHAN TANIŞMAN (9)
Member of the Board of Directors and Chairman of the Corporate Governance Committee

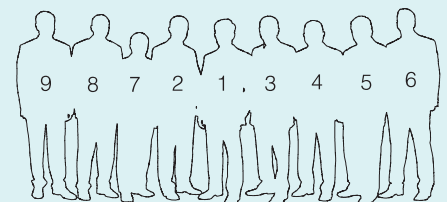
Orhan Tanışman was born in Istanbul in 1969. After graduating in Shipbuilding Engineering at Istanbul Technical University (İTÜ), he got his master's degree from Yıldız Technical University (YTÜ), followed by his doctorate studies in investment planning at Istanbul University (İÜ). Meanwhile, he attended Istanbul University's Graduate School of Business and Economics and graduated in 1999. He served as a Research Assistant at Marmara University's Faculty of Technical Education in 1991 - 1992 and at Istanbul University's Faculty of Engineering between 1992 and 1994. Mr. Tanışman began providing services for İhlas Holding in 1994 and since then, he has been Investor Relations Manager of İhlas Holding. Orhan Tanışman is married and has a son and a daughter. He is a member of the Corporate Administration Association of Turkey (TKYD) and the Investor Relations Association of Turkey (TÜYİD).

RİDVAN BÜYÜKÇELİK (5)
Member of the Board of Directors

Rıdvan Büyükelik was born in 1960 in Edirne's Keşan district. In 1978 he graduated from Keşan High School, followed by his acceptance to Istanbul University's Faculty of Business Administration. After graduating from university in 1982, he started work at İhlas Holding's Accounting Department. Since 1984, he has provided services at various İhlas Group companies in the departments of Fair Journal, Accounting and Imports and Finance. He remains a Member of the Board of Directors of TGRT Haber TV A.Ş., TGRT Dijital TV A.Ş., Promaş A.Ş. and İhlas Media Holding.

TOLGA SÖNMEZ (7)
Member of the Board of Directors and Member of the Audit Committee

Tolga Sönmez was born in Ankara in 1973. He entered the Department of Economics in Anadolu University's Faculty of Economics and Administrative Sciences and graduated in 1996. Then he went to London and graduated from the Banking and Finance Certificate Program of London Guildhall University. Mr. Sönmez took a first step into his career when he started working for İhlas Holding A.Ş. as a Finance Officer in 1997. In 2002, he transferred to Ülker Group's leasing company, FFK Fon Finansal Kiralama A.Ş. Tolga Sönmez resigned from his position as Finance Manager at this company in 2008 and continued his career as Finance Manager at Baklavacı Güllüoğlu A.Ş. until March 2011. Tolga Sönmez still serves at Boer Electronics as Financial Affairs Coordinator. He is married and has a daughter. In addition to attending to many seminars both at home and abroad, Mr. Sönmez has participated as a speaker in Finance Congresses organized by Middle East Technical University's Finance Club.



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ihlas media holdings affiliates in the written, visual and electronic media continue their activities with the principle of transmitting accurate news while remaining neutral and objective.

activities in 2010

Changes in technology enable existing content to be displayed on other platforms within the media industry, causing the formation of alternative media. It is expected that the development in the Internet is to increase the diversity of mediums. Although the essence of the work done in the media industry remains unchanged, the forms of methodology and presentation change rapidly as they keep pace with developing technology.

Rather than establishing their own printing plants, some newspapers in the industry prefer to subcontract their printing workload to the printing plants of other newspapers with higher capacities. On the other hand, some media organizations prefer to set up their own news agencies for the sake of establishing their own news networks and reducing unit costs. Thematic channels stand out in television broadcasting, whereas publishing magazines on the web is preferred to printed magazines and similarly, virtual trade fairs are being organized.

Although the development and spread of the Internet's structure affects printing jobs in the written press, this fluctuation maintains its balance due to the economic development of the country, causing greater need for printed material in different aspects. This, thus, brings about balance. Developing technology can reduce printing costs. Development in the communication sector enhances these needs of society in addition to stepping up the necessity of providing content to meet those needs. Meanwhile, greater purchasing power affects sales prices in a positive way.

The primary policy in strengthening İhlas Media Holding's performance is to make investments for subsidiaries with the net cash resulting from the production of operation profits. In other words, by using their own resources.



türkiye newspaper is a media organ that has high competitive strength, and has an experienced management perception, consistent publishing principles, brand awareness and wide readership.

ihlas media holding subsidiaries



ihlas gazetecilik (türkiye gazetesi / türkiye newspaper)

Türkiye Newspaper (www.turkiyegazetesi.com.tr) was established on April 22, 1970. Since its establishment, the newspaper's ownership and publishing policy have remained unchanged. Türkiye Newspaper is a newspaper committed to the principle of transmitting accurate and real news, uncompromisingly dedicated to press ethics and principles and faithful to universal and contemporary values.

The most significant development at Türkiye Newspaper in 2010 is the public offering on its shares. Due to the motivational factors of 2010 being the newspaper's 40th anniversary and the public offering, the newspaper's structure became more corporate. This year, one of the key goals includes taking key steps in enforcing this infrastructure and product.

Türkiye Newspaper is a media organ that has high competitive strength, and has an experienced management perception, consistent publishing principles, brand awareness and wide readership.

In addition to its content, Türkiye Newspaper has a powerful technical and logistics infrastructure. The Newspaper boasts printing facilities in Istanbul, Ankara, Izmir, Adana, Trabzon and Antalya. The capacity of the Istanbul facility alone is 55 thousand newspapers an hour. The individual printing offices in Ankara, Izmir, Adana, Trabzon and Antalya also produce pages supported by local news to report on regional current affairs.



Circulation Table of Türkiye Newspaper in 2010 and 2009

Months	2010 Total Circulation	2010 Daily Circulation	2009 Daily Circulation
January	4,465,298	144,042	143,402
February	3,948,294	141,011	142,916
March	4,358,699	140,603	143,976
April	4,210,256	140,342	142,076
May	4,263,585	137,535	140,889
June	4,259,337	141,978	141,315
July	4,326,259	139,557	141,851
August	4,157,030	134,098	143,032
September	3,810,039	127,001	143,078
October	4,055,125	130,810	144,151
November	3,931,724	131,057	146,156
December	4,086,546	131,824	146,626

As well as being sold at newsagents, Türkiye Newspaper is distributed directly to houses and offices, and was the first newspaper in Turkey to implement such a system. The manual delivery system, which is used commonly and especially in the USA and Japan, brings about good sales stability, in addition to establishing sound communication with readers. The manual delivery network also provides a strong customer base to İhlas Group's marketing operations.

With the trust obtained from merits such as being transparent, reliable and valuable, Türkiye Newspaper has provided its readers with the opportunity to be partners in a newspaper they have known and heard of for 40 years. For 40 years, Türkiye Newspaper has been continuing its business life with the same ownership structure and is a newspaper that is diversified with high future potential due to its pages, brand, stable principles of broadcasting and loyal reader base. İhlas Gazetecilik (İhlas Press), continues operations with printing plants located in six cities.

ihlas gazetecilik (ihlas press), provides services to the printing industry with printing plants located in six cities.



instead of competing with "shallow information", Türkiye newspaper prefers to announce information of "depth" and "quality" through "experts" in the related subjects.

A first in the Turkish press, "Yeşil Sayfa" (the Green Page) was published to fulfill our social responsibility regarding preservation of the environment and nature. It won the "Environment Award" from the Ministry of Environment and Forestry on World Environment Day.

2010 Daily Printing Amounts

Printing Facility	Printing Amount of Türkiye Newspaper	Printing Amount of Other Newspapers	Printing Capacity
Istanbul	63,415	138,935	1,920,000
Ankara	31,725	65,821	350,000
Izmir	18,889	47,732	350,000
Adana	25,376	63,332	300,000
Antalya	7,123	38,059	150,000
Trabzon	17,551	46,832	150,000
Total	164,079	400,709	3,220,000

Starting in 2008 and continuing in 2009, editorial and layout innovations were made in conformity with new content and new appearance. In 2010, the page layout and design of the newspaper were completely prepared anew. Türkiye Newspaper is determined to continue adapting and changing, with the motto of "a new concept of journalism", while making use of the possibilities and technology offered by the information age. The newspaper has managed to make significant changes in its design and content while preserving its professional traditions and principles. "Special Pages" have become extremely important for advertisers and this innovation has turned out to be one of the most successful aspects of this change and transformation.

In an era where news channels include live broadcasts on a per-minute basis and Internet journalism is threatening the newspaper pages, Türkiye Newspaper has displayed a "Different Kind of Journalism". Instead of competing with "shallow information", Türkiye Newspaper prefers to announce information of "depth" and "quality" through "experts" in the related subjects.

At the end of 2010, İhlas Holding and İhlas Media Holding's stakes in Türkiye Newspaper stood at 6.92% and 56.55%, respectively.

"Special Pages" have formed "a new style" in the Turkish press and has developed in a very short time while successfully fulfilling its mission of serving its purpose.

Ediz Hun'la Yeşil Sayfa® / Green Page with Ediz Hun®

Initially, Türkiye Newspaper brought the environmental problem to the table as it has become an issue that affects our lives directly. Together with the experienced environmental scholar, Ediz Hun, the newspaper introduced "the Green Page" to Turkey. The great interest generated by this page resulted in the newspaper being presented with an "Environment Award" and was perceived as a signal indicating how appropriate and timely this new structuring was. "Yeşil Sayfa" is a trademark of the newspaper, registered with the Turkish Patent Institute.

Çalışanın Dünyası / Employee's World

In the Employee's World page, Lütfi Köksal and Şerif Akcan produce tailor made solutions and provide private consultancy to everyone in the business world, be they employee or employer, within the framework of data given and questions asked.

Engelliler İçin "Engelsiz Sayfa"® / "No-Handicap Page" for the Handicapped®

10% of our population is handicapped and in an attempt to do something for them Türkiye Newspaper cooperated with TESYEV, the most experienced and reputable institution that focuses on the handicapped. Together they have commenced publishing the "No-Handicap Page", the first and still the only newspaper page in Turkey designed for the handicapped. "Engelsiz Sayfa" is also a trademark of the newspaper, registered with the Turkish Patent Institute.

Kadın ve Aile Sayfası / Women and Family Page

Female readers in particular have benefited from the "Women and Family Page" at every stage of their lives due to its broad spectrum varying from emergency home remedies to practical advice on quick careers.

Ailenizin Doktoru® / Your Family Doctor®

Another trademark of the newspaper that is registered with the Turkish Patent Institute is "Ailenizin Doktoru". On this page, in addition to regular warnings according to the season and developments, Dr. Hilmi Özkırış provides personal recommendations to readers in need, as well as forwarding them to the right contacts.

Sevimli Lezzetler / Lovely Tastes

The famous cuisine specialist Sevim Gökyıldız promotes the culture of Turkish cuisine all around the world, especially in Paris. Each week, she guides food enthusiasts to new flavors on the Lovely Tastes Page.

Pazar Sohbetleri / Sunday Chats

Sunday Chats, with different celebrity guests by Betül Altınbaşak and Gurbet Kalay Zorba, have taken the lead over their counterparts in other newspapers.

Business

Turkey's first business management page is at Türkiye Newspaper. Prof. Dr. Arman Kırım provides the business world with different points of view on the "Business" page. Prof. Kırım supplies a different angle on the business world by correcting misinformation and misunderstandings while gently opening the door to growth, development, change and transformation.

İz Bırakanlar / Those Who Made a Mark

With his exquisite style, İrfan Özfatura writes "İz Bırakanlar", a specialty of Türkiye Newspaper that "points an x-ray" at the lives of people who have left a mark on Turkey and on the world with their personalities and their actions.

Başyazarımızın Farkı / The Difference of Our Lead Writer

The detections and forecasts made by Yılmaz Öztuna in his leading articles at Türkiye Gazetesi are addictive. In these pages he writes separately, evaluates "Weekly Situations", and as a historian he helps readers to observe things from a different perspective.

Diplomatik Muhakeme / Diplomatic Reasoning

Prof. Dr. Çağrı Erhan makes an analysis of global political and diplomatic developments and holds his findings up to reason, especially in relation to Turkey.

Kurşun Kalem / Pencil

"Kurşun Kalem" focuses on secondary school students as its target audience and is presented to the world of education as the product of a rigorous study conducted by a team of experts in their particular fields.

Türkiye Gençlik / Türkiye Youth

Türkiye Gençlik is prepared by young communication students, as they are the journalists of the future. The page is especially recommended by university teachers to their students as a vocational education tool. Each week, a different faculty of communication prepares this page and due to its content and preparation format, Türkiye Gençlik is the only page of its kind in Turkey.

iha is the most powerful agency in the middle east in terms of operational activity, speed and activation.



iha has become one of the foremost agencies in the world thanks to its policy of making timely and appropriate technological investments.

ihlas haber ajansı (iha)
ihlas news agency

Ihlas News Agency (İHA) (www.iha.com.tr), commenced operations in 1993, and broadcasts written and photographed news and visual news by means of satellite to its subscribers. In addition to maintaining and reinforcing its position in the international arena, İHA has become one of the foremost agencies in the world thanks to its policy of making timely and appropriate technological investments.

İHA has a vast resource of visual and text-based news both nationally and internationally, with 140 offices, staffed by over 800 personnel, working payroll or freelance, using 460 television cameras and 320 digital cameras. Each day İHA processes an average of 160 video news segments, 750 text-based news stories, and 1,100 photographs, which reach its radio, TV and newspaper subscribers via satellite uplinks and the internet. Based on its superior capabilities such as rapid access to international news, capacity of live footage and the number of technical facilities in foreign countries, İHA has worldwide coverage. İHA is the most powerful agency in the Middle East in terms of operational activity, speed and activation.

İHA's 32 uplink stations, most of them outside Turkey, allow the agency to promptly reach the core of news stories and transmit live broadcasts, and to distribute them to the entire world via satellite. İHA also has 250 video footage transmission stations in Turkey.

In parallel with the improvement in its technological infrastructure, İHA has enhanced its diversity of service. In 1998 it started marketing news in Arabic and English. Following changing world trends after the September 11 attacks, İHA has concentrated its activities on Iran, Iraq, Afghanistan, Pakistan, Russia, Greece, Kosovo, Israel, Palestine and the Central Asian Turkic Republics. Widening its operational field in recent years, İHA has established offices in Cairo, Khartoum and Sana (Yemen), furnishing them with studios and uplink equipment, and has provided a more efficient news broadcast in the Middle East. Besides being peerless in domestic news coverage, İHA, known for its rapid broadcasting capability, is an important news source for Middle East based news services. During the war in Iraq, İHA displayed successful journalism in broadcasting from all war fronts, thanks to its satellite uplink stations and news correspondent teams in the region. With new offices in Kirkuk, Najaf, Falluja and Basra, İHA has expanded its operations to cover post-war security, insurgencies, sectarian conflicts and new political formations, and has started to transmit news and broadcasting services from the whole of Iraq.



thanks to its know-how, iha has been installing live broadcast systems, TV studios, and fully equipped TV and radio systems, in neighboring countries.



Transmitting news to many international media channels about the tsunami disaster in Indonesia and explosions in London and Egypt in 2005, İHA also showed live coverage during the Lebanon war in 2006 with broadcasts from the three fronts, Lebanon, Syria and Israel, as well as successfully broadcasting news on the war in Georgia in August 2008. In addition, the agency brought Khartoum together with international journalists in a teleconference organized on behalf of Sudan's President, and broadcast in eight countries. Again, during the terrorist attacks in Mumbai in 2008 and the Gaza war in 2009, İHA maintained its performance and became one of the very few organizations to broadcast from inside Gaza, as well as on both, the Israeli and Egyptian sides of the border.

From mid-2007, İHA extended its focus towards Africa and also in 2009 provided news services of all important regional developments to global media channels in Ethiopia, Ghana, Sierra Leone, Libya and Sudan.

İHA replaced its former transmitting system for news videos, photographs and texts with the SDC (Satellite Data Casting) system in early 2001. In addition to nearly 100 television subscribers in Turkey, İHA also has a large number of subscribers in Germany, the United Kingdom, Egypt, Qatar, the United Arab Emirates, Azerbaijan, Georgia and Iraq.

In cooperation with a foreign company, İHA is the first company in Turkey to perform direct sales of images over the internet. Moreover it is the first agency to manage the distribution of written and photographed news to subscribers via satellite.

The system of digitally archiving footage was launched with original software developed by İHA, long before the emergence of similar examples elsewhere in the world. More than 500 thousand images have been indexed under this system. Likewise, a total of 2 million 380 thousand news texts and 2 million 800 thousand, photographs, belonging to the last fourteen years, are digitally stored on computers and indexed under this system.

In line with the progress recorded in corporate journalism in Turkey, İHA has focused on corporate news by effectively transmitting the activities of private sectors, public organizations and institutions both official and non-governmental to the visual and written media by means of special production operations. In this regard, İHA has been a pioneer in Turkey and is the most readily recognized agency in the field of live broadcasts, providing teleconference services for congress and festival tourism activities.





Using live broadcast trucks manufactured by its own technical services team, İhlas News Agency provides services to various regions both in and out of Turkey via this system and equipment. In an effort to enhance the quality of the regions in which it operates, İHA put its Washington office at the service of TV channels as a fully equipped news studio in the last quarter of 2008. In this regard, within the year 2009, firstly London, then the Paris and Berlin offices became fully equipped, and the Moscow, Bangkok and Cairo offices were converted into fully equipped news studios in 2010.

During 2010, İHA attended the World Cup in South Africa with six uplink systems and a thirty-person team. Throughout the world cup, İhlas News Agency provided over 300 Turkish and foreign television channels with transition and live broadcast services. Moreover, in 2010, İHA recorded the elections in Sudan with five different live broadcasting teams.

the system of digitally archiving footage was launched with original software developed by İHA, long before the emergence of similar examples elsewhere in the world.

During 2010, İHA renewed its existing machine park by leasing to a value of US\$ 1,260,000 in order to purchase cameras, uplinks, live broadcasting vehicles, servers, computers and journalism related tools. For the year 2011, the Company is going to make a revised investment of approximately US\$ 1 million and plans to purchase six live broadcasting vehicles and two flyaway uplink systems within the scope of its investments. In 2011, the number of servers in use at İHA central will be reduced to three machines within the scope of this renewal. The software program used in operations will be replaced and changed. A CRM program will be activated for the marketing service and the number of vehicles that are held steady at four locations around the country (Ankara, Antalya, Bursa, Diyarbakır) will be expanded to five locations with the new addition to be located in Trabzon.

Thanks to its know-how, İHA installs live broadcast systems, TV studios, fully equipped TV and radio systems, trains users in the use of these systems and sells turnkey broadcast channels in neighboring countries.

The number of subscribers for İhlas Haber Ajansı / İHA (İhlas News Agency) grew to 1,300 in 2010. İHA's operations provide strong agency support to national, local and regional media channels in terms of rapid and dependable access to information.



with the principle, "tgrt news only features news" the company has successfully stayed true to its identity as an objective, genuine and honest news carrier for many years.



tgrt news continues operations by taking responsibility and does not compromise on its objectivity.

tgrt haber tv / tgrt news tv

Having amassed experience in bringing together the news on national and international current affairs through Türkiye Newspaper (İhlas Journalism A.Ş.) and İhlas News Agency (İhlas News A.Ş.), the İhlas Group transferred this amalgamation to TGRT News when it went on air on October 29, 2004.

TGRT News has earned the acclaim and trust of viewers adopting a stable broadcasting concept that addresses expectations, takes responsibility and does not compromise on its objectivity. Operating with the principle, "TGRT News only features news", the channel has stayed true to its identity as an objective, genuine and honest news carrier.

From morning till midnight, TGRT News airs news bulletins on an hourly basis, keeping viewers up to date on world and Turkish news. Both at home and abroad, the news channel transmits the opinions of guests who are experts in agenda related topics to viewers through live broadcasts. While doing so, the channel receives a substantial contribution from İHA, the country's largest news agency with offices in all Turkish cities and major world capitals.

Since August 2007, TGRT News has been broadcasting its programs in Europe via the Turksat West satellite and has emerged as a new source of information for Turks living in Europe.

In addition to successful journalism, TGRT News also features television shows in which current topics are debated by experts in the related topics as of the beginning of 2011. In 2011, TGRT News aims to make investments in renewing and up-dating most of its equipment and broadcasting in HD quality.

The participation share of İhlas Yayın Holding (İhlas Media Holding) in TGRT Haber (TGRT News) stands at 98.96%.



tgrt fm holds a distinctive, disciplined, and eminent place in radio broadcasting, due to its policy of using the latest technology with developing innovations.



with its great prestige in the hearts of the Turkish nation, with its news programs, various productions and classical radio plays, tgrt fm produces acclaimed and admired radio broadcasts.

tgrt fm

TGRT FM has worked as part of TGRT News with a policy of superior broadcasting quality with its respect for national and moral values and its support for Turkish traditions and culture since October 4, 1993. TGRT FM, presenting quality programs with a professional concept of broadcasting to its listeners, uses up-to-date technologies and program broadcasting.

TGRT FM has one broadcasting, two recording and two editing studios, all equipped with professional apparatus. The wide spectrum of contests, children's shows, cultural, artistic, women's programs, sport, chat and magazine programs, and audio plays set the radio station apart from others. With its great prestige in the hearts of the Turkish nation, with its news programs, various productions and classical radio plays, TGRT FM produces acclaimed and admired radio broadcasts.

TGRT FM has a distinctive, disciplined, and eminent place in radio broadcasting, due to its policy of using the latest technology with developing innovations.

TGRT FM can be received on radio via 120 transmitters throughout Turkey. It can be received via digital satellite transmitters anywhere within Turksat 2A Satellite coverage and has been streamed over the internet worldwide since 1998.

You can find updated information about radio frequency and satellite frequency on www.tgrt-fm.com.tr.

TGRT FM's plans for 2011 include replacing the Istanbul Çamlıca transmitter with a 10KW transistorized device, RDS installations to places that are categorized as advertising spots and for the transmitter stations located in city centers, the radio station is planning to replace those without professional satellite receivers with professional satellite receivers.



tgrt documentary serves the purposes of living up to culture, civilization, history and spiritual values as well as providing a service to humanity by following an editorial policy within this scope.

tgrt digital tv (tgrt documentary tv)



TGRT Digital TV Services used to display the TGRT Marketing logo and broadcast with television marketing format until April 22, 2010. Since then, the channel's name has been changed to TGRT Belgesel (TGRT Documentary) and completely-programmed broadcasting began.

TGRT Dijital TV has been broadcasting under the name of TGRT Belgesel (TGRT Documentary) since April 22, 2010 and serves the purposes of living up to culture, civilization, history and spiritual values as well as providing a service to humanity by following an editorial policy within this scope.

The contents of TGRT Documentary consist of documentaries dealing with history, civilization, culture, art, nature and spiritual values. The channel broadcasts continuously for 24 hours a day with its educational, relaxing and informative broadcasting policy. The most noteworthy feature of the channel, setting it apart from other documentary channels, is that there are no charges or satellite subscription systems required in order to view the channel.

New productions planned for 2011 include "Life of the Turkish Sultans", "Pioneers of Science" - a production to show the life stories of scientists that have made major contributions to the science world-, supplying foreign sourced new nature and animal documentaries as well as new high quality documentaries produced by professional teams on showing the natural and cultural treasures of Turkey. Moreover, TGRT Documentary's web page is under construction and when it is complete, viewers will be able to watch the broadcast over the Internet.

ihlas gelişim yayıncılık



İhlas Gelişim Yayıncılık A.Ş. is an umbrella company that gathers all of the İhlas Group's magazine and fair organization companies. This umbrella company conducts these activities through İletişim Magazin A.Ş. (Communications Magazine) and İhlas Fuar Hizmetleri A.Ş. (Fair Services).

İhlas Magazine Group, one of Turkey's largest sectoral magazine groups, was established in December 2007 under the title "İhlas Gelişim Yayıncılık A.Ş.". İhlas Yayın Holding owns 84% of this parent company.

İhlas Magazine Group enjoys a strong reputation thanks to its sector magazines, inserts, catalogues, official fair brochures and overseas specific projects. İhlas Magazine Group enjoys a prominent place in the sector, regularly and continuously offering business development projects to the Turkish economy.

İhlas Magazine Group (www.img.com.tr) published its first magazine in 1981. With its sector magazines and international publishing activities in particular, it is Turkey's largest magazine group. The magazine group's client base consists of SMEs, which also form the client base of Türkiye Newspaper. In 2010, four new magazines named Contract Textile, Home Textile Sourcing, Beauty Turkey and Baby Store began distribution, raising the total number of magazines to 16.

Companies of İhlas Fair Services and İhlas Magazine Group have been operating in the service of many different sectors. Even though many fairs were cancelled in 2009, İhlas Fair Services successfully fulfilled its fair schedule over the year. The Company's client-focused structure and ability to produce new ideas generated great success in satisfying customer needs and provided a real business developing environment in its fairs.

1 - Topical Magazines

- Yemek Zevki (Pleasure of Eating)
- Türkiye Çocuk (Turkey Child)

2 - Sector Publications

- Tekstil & Teknik (Textile & Technics)
- Konfeksiyon Teknik (Confectionary Technics)
- Ofis Partner (Office Partner)
- Toyuncak
- IT Network
- Baby Store
- Hi-Tech
- Home Textile Sourcing
- Edu.Play

3 - International Publications

- Made in Turkey Gazetesi
- Home Textile Exports
- Automotive Exports
- Décor
- Contract Textile International
- Beauty Turkey

ihlas magazine group enjoys a strong reputation thanks to its sector magazines, inserts, catalogues, official fair brochures and overseas specific projects.

a deep-rooted company in turkey's sectoral publishing and fair services sectors, ihlas fair services enjoys a strong reputation thanks to its solutions for the business world.



in addition to its fair services, ihlas fair services also operates in publishing and enjoys an excellent reputation in this area especially due to its sectoral publications.

ihlas fuarcılık (ihlas fair services)

A deep-rooted company in Turkey's sectoral publishing and fair services sectors, İhlas Fair Services enjoys a strong reputation thanks to its solutions for the business world. In addition to its fair services, it also operates in publishing and enjoys an excellent reputation in this area.

Along with its success in publishing, about 100 professional events in fairs, international congress organizations, sectoral summit programs, about 30 websites and internet portals, İhlas Fair Services remains at the centre of the economic world and guides customers with its innovative and solution-based structure.

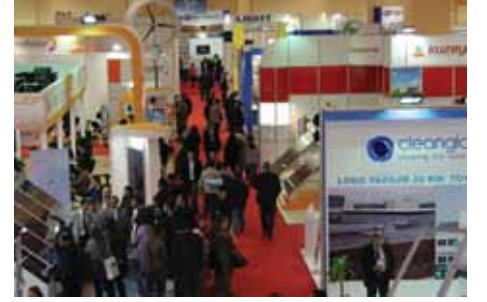
The Company was established in Istanbul in 1993 with the name, "İhlas Fuar Hizmetleri Ticaret A.Ş.". In 1996, the company's title was amended to "İhlas Fuar Hizmetleri A.Ş.". The Company's main areas of activity include organizing trade purposed and promotional fairs both domestically and abroad, and publishing periodicals on related subjects. The first event organized by the company was the Textile Machinery Exhibition (Tex - Con) in 1988.

In 2010, İhlas Fair Services and İhlas Magazine Group provided support to the existing international fair and sectoral publishing structure especially with advances in internet publishing. The Company started on-line up-to-date publishing with almost 30 sectoral websites and has been a leader in internet television due to its newly started Web TV projects.

The Company possesses an ISO 9001 Quality Certificate and TS Service Compliance Certificate, and has published the following periodicals:

- Yapı Malzeme (Construction Materials)
- Nalbur Teknik (Hardware Technique)
- Medikal Teknik (Medical Technique)
- Matbaa Teknik (Printing Press Technique)
- Kalıp (Mold)
- Hi-Tech
- Dijital Teknik (Digital Technique)
- Boru Teknolojileri (Pipe Technology)
- Un Teknik (Flour Technique)
- Deniz Teknik (Nautical Technique)
- Tel Kablo (Wire Cable)
- Market TR
- Tarım Teknik (Agriculture Technique)
- Güneş Enerjisi (Solar Energy)
- Kompozit (Composite)

Last year İhlas Fair Services continued its successful trend of recent years, and drew attention especially with its project productivity. Having organized almost 100 fairs since its first operation, İhlas Fair Services aims to present innovations to the Turkish economic world, and has set up new developments at the fairs it hosts. The Company led the way in making up for information and commercial deficits of the public on solar energy, by organizing a fair on the subject which was very enthusiastically received.



in 2010, ihlas fair services and ihlas magazine group provided support to the existing international fair and sectoral publishing structure especially with advances in internet publishing.



Moreover, in addition to fair organizations, İhlas Fair Services focused on international conference and summit organizations. Also, İhlas Fair Services organized the printing sector oriented event "Printing Summit 2010", at which the company brought the giants of the sector together and rewarded them for their success.

Fairs organized by İhlas Fair Services in recent years are as follows:

- Pipe and Spare Parts Fair
- Istanbul Paint Fair
- Insulation Equipment Fair
- Greater Anatolia Printing and Paper Technologies Fair
- Istanbul Molds Fair
- Solar Energy and Technologies Fair

FAIRS ORGANIZED IN 2010

Pipe and Spare Parts Fair: The 6th Pipe and Spare Parts Fair took place in two halls at the Istanbul Expo Centre on March 4 - 7, 2010. The International Trade Fair for Pipe and Fittings is the first and only fair specialized in its related subject. The fair had 156 participants, 120 local and 36 international, and 14,334 visitors.



Solar Energy and Technologies Fair:

The 3rd Solar Energy and Technologies Fair took place in two halls at the Istanbul World Trade Centre fairground at the Istanbul Exhibition Center on March 11 - 14, 2010. A total of 199 companies participated in the fair, which was visited by approximately 22,192 people. Some of the major product groups exhibited in the fair were solar energy photoelectric products, solar energy and structural integration products and applications, solar energy thermal protection materials, solar energy new materials and technologies, solar energy photovoltaic product and production equipment, solar energy charged products and equipment.

The magazines published by İhlas Fair Services which also operates in the publishing industry are as follows:

1. **Medikal Teknik Dergisi (Medical Tech Magazine)**
2. **Matbaa Teknik Dergisi (Printing Press Tech Magazine)**
3. **Dijital Teknik Dergisi (Digital Tech Magazine)**
4. **Güneş Enerjisi Teknolojileri Dergisi (Solar Energy Technologies Magazine)**
5. **Yapı Malzeme Dergisi (Construction Materials Magazine)**
6. **Nalbur Teknik Dergisi (Hardware Tech Magazine)**
7. **Kalıp Dergisi (Molding Magazine)**
8. **Boru ve Teknolojileri Dergisi (Pipe and Technologies Magazine)**

last year, ihlas fair services continued its successful trend of recent years, and drew attention especially with its project productivity.



led by toyuncak magazine and supported by EADER, Edu.Play is the leading magazine in its sector. the magazine is published once every two months and has a circulation of 5 thousand.

iletiřim magazin yayıncılık (communication magazine)

İletiřim Magazin (Communication Magazine) was established in İstanbul in 1997 with the name: "Klas Mümessillik ve Danıřmanlık ve Eđitim Hizmetleri A.ř.". In 2004, the Company's name was changed to "İletiřim Magazin Gazetecilik Sanayi ve Ticaret A.ř.".

The Company's main fields of activity include issuing, publishing and printing, sales, distribution and marketing of newspapers, magazines, books, encyclopedias and magazines. Magazines and newspapers published by the company are as follows:

A- CHILDREN'S MAGAZINES GROUP (4 magazines)

1- Türkiye Çocuk Dergisi (Children's Magazine Turkey): The magazine is İhlas Holding's first publication after Türkiye Newspaper and has been in circulation since November 1981. The magazine was initially published on a weekly basis. However, since the year 2000, it has been published monthly and has a circulation of 15 thousand. Hand delivered to 9,500 subscribers by the Regional Representatives of İhlas Marketing and marketed by 4 thousand Yay-Sat dealers, the magazine addresses children aged between 7 and 14. Returned issues of the magazine are distributed by İhlas Marketing teams for promotion purposes. Thus, the net number of monthly distributed magazines is 15 thousand.

2- Toyuncak Dergisi (Toyuncak Magazine): Published once every two months, the magazine is designed for the toys and teaching tools sectors. 90% of Toyuncak magazine is distributed domestically and it is one of three magazines in its related sector. The magazine's distribution is secured by participating in international fairs in addition to sending issues to manufacturers, wholesalers, importers, markets, schools, nursery schools and kindergartens. The magazine has a bi-monthly circulation of 5 thousand.

3- Baby Store Dergisi (Baby Store Magazine): An inter-industry magazine for companies, which addresses the needs of mothers and infants. The magazine has been in circulation since 2010. Published once every two months, the magazine has a circulation of 5 thousand.

4. Edu.Play Dergisi (Edu Play Magazine): The magazine has been in circulation since 2010 and provides services to the teaching tools sector. Led by Toyuncak Magazine and supported by EADER, Edu.Play is the leading magazine in its sector. The magazine is published once every two months and has a circulation of 5 thousand.

B- TEXTILE AND INTERIOR DECORATION MAGAZINES GROUP (6 magazines)

5- Tekstil & Teknik Dergisi (Textile & Tech Magazine): The magazine has been published since 1985 in Turkish / English format and has a monthly circulation of 5 thousand. Domestic receivers of the magazine include companies with a manufacturing scope of textile machinery and technologies, related universities, associations and societies; whereas the international audience is made up of manufacturers of textile machinery and technologies.

6- Konfeksiyon Teknik Dergisi (Ready-to-Wear / Apparel Tech Magazine): The magazine has been published since 1995 in Turkish / English format. The contents of the magazine include articles, comments and news related to the Ready-to-wear and apparel sector. The distribution scope of the magazine also consists of organizations related to these sectors.



7- Home Textile Exports Dergisi (Home Textile Exports Magazine):

The magazine has been published in English on a monthly basis since 1997. Nine thousand copies of the magazine are printed monthly. Domestic magazine receivers are the exporters of the sector, in addition to importers abroad. The magazine's distribution is carried out through participation with booths in all of the major fairs around the world. Some of these are in China, the USA, the UAE, Brazil, Belgium, Italy, Kazakhstan, Russia, Iran, Germany and the Ukraine.

8- Contract Textile International Dergisi (Contract Textile International Magazine):

The magazine was first brought out in January 2010. The scope of the magazine is limited to fireproof and technically enhanced "contract textile", a term used for textiles employed outside the home. The magazine is published three times a year for the most important fairs in the world relevant to its scope, namely Hemitextil - Frankfurt (January), Evteks - Istanbul (May) and Mood - Brussels (September). The magazine receives a great deal of interest both from within the country and abroad. An agreement of strategic cooperation was signed with UTIB (Uludağ Textile Exporters' Association). According to the agreement, the magazine undertakes the promotion of the association in exchange for services such as consultancy, research and articles regarding the textile industry.

9- Home Textile Sourcing Dergisi (Home Textile Sourcing Magazine):

The magazine is the only one of its kind in Turkey in the home textiles sub sector and has been published once every two months since January 2010. The magazine is distributed domestically and internationally and its main subjects include curtain accessories and curtain rails in addition to packaging materials, machinery, equipment and other related items used by the home textile sector.

10- Décor Dergisi (Décor Magazine):

From January 2006, the magazine was published monthly under the name "Furniture Exports". However, its name was changed to "Décor" on March 1, 2008. Since then, the magazine has continued its publications in the fields of interior decoration, focusing mainly on furniture, carpets and lighting in addition to 90% content about carpeting.

C- CUISINE AND WOMEN (2 magazines)

11- Yemek Zevki Dergisi (Food Pleasure Magazine):

After commencing circulation in 1997, the magazine paused publication due to the economic crisis in 2000. It recommenced publishing in 2002 and became one of the most influential magazines of the recipe and cuisine sector.



with the information technology magazine "IT Network", communication magazine's plans for the year 2011 include putting up a stand at the world's largest fair on informatics, CeBIT in Hannover.

12- Beauty Turkey Dergisi (Beauty Turkey Magazine): The magazine began circulation in 2009 and focuses on personal care products and the beauty sector. Published once every two months, the magazine is domestically distributed to the related sector in addition to product buyers, manufacturers and importers, and internationally delivered to importers by mailing system and hand delivered at fairs.

D- AUTOMOTIVE (1 magazine)

13- Automotive Exports Dergisi (Automotive Exports Magazine): The magazine has been published monthly in English since 1997. The main content and distribution scope of the magazine includes automotive sub sector products. There are approximately 50 magazines in the sector. Automotive Exports Magazine's international distribution is secured through exact point delivery via mailing system and by participating in the industry's leading international fairs. Some of these are in the United Kingdom, Germany, France, Russia, the Ukraine, Kazakhstan, Iran, Algeria, the Czech Republic, Romania, Poland and the UAE.

E- INFORMATICS (1 Magazine)

14- IT Network Dergisi (IT Network Magazine): The magazine began circulation in 2009, and since then it has been providing communication between companies with its publications once every 15 days. There are 3 magazines in the related sector.

F- OTHERS (3 publications)

15- Made in Turkey Gazetesi (Made in Turkey Newspaper): A monthly economics newspaper published in English since May 1982. It is the first Turkish exports newspaper to be distributed abroad. It is still the only publication in its field.

The international recipients of the newspaper in 107 countries include importing companies, all of Turkey's representative offices around the world, main chambers of commerce and industry and international economic organizations. Domestic recipients of the newspaper include exporting companies, banks and holding companies, government and bureaucracy societies, chambers of commerce and industry and all of the foreign representative offices in Turkey. Moreover, the newspaper is hand delivered by its own team at all the international fairs abroad in which Turkey has a national representation. Monthly circulation varies between 5 thousand and 10 thousand.

16- Ofis Partner Dergisi (Office Partner Magazine): The magazine is published once every two months and its content focuses on subjects such as office supplies, copying and digital printing. Office Partner Magazine is distributed to related organizations, municipalities, markets, schools and nursery schools.

17- Hi-Tech Dergisi (Hi-Tech Magazine): A monthly magazine that has been published since 1997 and is delivered to group companies. The magazine was re-transferred to İletişim Magazin A.Ş. in August 2010. Hi-Tech Magazine is a sectoral publication focusing on the needs of organizations such as hotels, motels and restaurants. 6,500 copies of High Tech Magazine are published monthly.

With the domestic information technology magazine "IT Network", Communication Magazine's plans for the year 2011 include putting up a stand at the world's largest fair on informatics, CeBIT in Hannover, and boosting the number of international fairs attended annually. Also among our plans for 2011 is the issue of a new magazine that focuses on the bedding sector.



alternatif medya görsel iletişim sistemleri (alternative media visual communication systems)

With its experienced staff in broadcasting technologies, Alternatif Medya serves its clients by targeting all kinds of digital broadcasting in addition to the normal perception of broadcasting, under the brand of "Alternatif Medya".

Moreover, with its staff of expert developers, Alternatif Medya provides the facility to create corporate television channels by creating broadcasting automation technologies and "digital signage" supported solutions. With the use of "digital signage" supported interactive services and solutions like IPTV systems, web broadcasting, interactive informative screen applications and broadcasting e-catalogue systems through information screens, all the needs of companies are fulfilled. Alternatif Medya continues to broadcast at nearly 200 points in the education, food, retail, health, municipal, technology and finance sectors.

Founded in 2008, the company positioned its first developed IPTV based "digital signage" application in the market. It continuously added new products with added values to its portfolio by adding new technologies via R&D activities. By doing so, the company continued its activities in 2010 and has broken into the mobile applications market with iPhone and android applications, with its Video-on-Demand system with IPTV base, especially developed for universities.

2010 was a year of encouraging progress for Alternatif Medya in which the company developed its product range and achieved sound success as a result of the marketing and sales of these products.

Alternatif Medya also provides production, graphic design and classic internet broadcasting solutions on demand. For system building processes, the company provides services through its experienced and expert technical staff to ensure that all work on network, internet and all hardware infrastructure continues flawlessly. The company informs its clients about the most appropriate system in terms of budget by performing the required analysis and inspecting the infrastructure independently of the brand and the product.

The success criterion for Alternatif Medya is the process of monitoring the screens continuously after the installation of the systems and solving problems through on-line remote connections. Moreover, the Company's own software created by its own coding staff also keeps the company prominent.

In past years, Alternatif Medya has made investments in technique and infrastructure. However, the company's plans for 2011 include focusing on sales and marketing activities as well as on R & D activities to enhance the products it has developed with interactive features.



ihlas advertising agency offers its clients all types of advertising services under the title of advertising operations, including promotions, public relations, media purchases and channel marketing.



with special emphasis on customer satisfaction, ihlas advertising agency has become one of turkey's leading advertising agencies.

ihlas reklam ajansı (ihlas advertising agency)

Ihlas Advertising Agency was established in 2005. With a combination of team spirit producing integrated solutions and teamwork, İhlas Advertising Agency operates as a Full Service Advertising Agency. It aims to be a pioneer for innovation, not a follower, and considers the companies it deals with as business partners rather than customers.

Ihlas Advertising Agency offers its clients all types of advertising services under the title of advertising operations, including promotions, public relations, media purchases and channel marketing. Under the title of visual operations, İhlas Advertising Agency produces advertising, promotional and educational films, interactive CD / DVDs, 2D-3D animations, cartoons, digital and special effects and web design. Under the title of publishing operations, İhlas Advertising Agency produces print media ads, all forms of printing works, catalogues, brochures, inserts, billboards and signboards, large size vinyl signboards, graphic designs and all related applications. Under the title of audio operations, the İhlas Advertising Agency presents radio advertising, vocalization, dubbing and jingles.

In media planning, İhlas Advertising Agency's services include printed media, television, radio, indoor - outdoor channel purchase services and marketing activities.

In the highly competitive environment of the sector, İhlas Advertising Agency implements a continuous process of self renovation, enhances its quality and is known as a creative, full service agency among its peers. With a special emphasis on customer satisfaction, the Company has become one of Turkey's leading advertising agencies.

There has been a fundamental transformation in all sectors in recent times. As markets are integrated locally and globally and the media becomes widespread, competition in all sectors will intensify. If you want to grow against the competition, it is important to be a brand. İhlas Advertising Agency aims to make the companies it deals with take a step forward so that they can compete, especially in times of crisis.

Ihlas Media Holding and İhlas Marketing's stakes in İhlas Advertising Agency stand at 99% and 1%, respectively.



ihlas communications
has been accredited
with the MVNO
license by the
information
technologies
corporation to
provide services
through VipCell - its
own brand.



in a very short period of time, ihlas communications introduced subscribers to number transfer with the VipCell brand, by way of vodafone's service.

ihlas iletişim hizmetleri (ihlas communication services)

Ihlas Communications was founded in 2009 to provide Mobile Virtual Network Operator (MVNO) services. Ihlas Communications has been accredited with the MVNO license by the Information Technologies Agency to provide services through VipCell - its own brand.

Ihlas Media Holding's subsidiary Ihlas Communications made a long-term collaboration agreement with Vodafone in October 2009. Within the context of this agreement, approximately 30 thousand people including Ihlas Group employees and their families will be provided with GSM and 3G services by Vodafone. It is planned to continue this cooperation between the two companies on different projects for the foreseeable future.

In a very short period of time, Ihlas Communications introduced subscribers to number transfer with the VipCell brand, by way of Vodafone's service. This major success will be followed by over 10 thousand Ihlas Marketing employees performing the marketing and sales of GSM-3G services and mobile phones.

Ihlas Communication is the proud owner of ISO / IEC 27001, Information Security Management System (ISMS) certificates.

ihlas holding a.ř. -
ihlas yayın holding
a.ř. - ihlas
pazarlama a.ř. joint
venture's project
named bizim evler
III covers a total
residential
construction site of
85,700 m².



the bizim evler III project consists of a total of 676 residences and three office areas, and it is planned that keys will be handed over in 2012.

joint venture of ihlas holding a.ş. - ihlas yayın holding a.ş. and ihlas pazarlama a.ş.

Emlak Pazarlama İnşaat Proje Yönetimi ve Ticaret A.Ş. transferred its rights and liabilities, which are set forth in the contract it signed with respect to the construction project "Istanbul, Bahçeşehir, Ispartakule, Region 2, Section 1, Block 548, Parcel 1 distribution of income after the provision of sale of land", to İhlas Holding A.Ş. - İhlas Yayın Holding A.Ş. - İhlas Pazarlama A.Ş. Joint Venture. The Bizim Evler III project covers a residential construction site totaling 85,700 m². The company was established to undertake the joint venture of the project entitled "distribution of income after the provision for the sale of land" with respect to the land in question.

The project consists of 676 residences and three office areas, and is 35% completed as of 31.12.2010. Equivalent to 234 residences, 35% of the project was sold for advance payment on 31.12.2010. The whole project is planned for completion in 2012.





ihlas yayın holding a.ş.
board of directors' report regarding the accounting period
01.01.2010 - 31.12.2010

board of directors' report

a) Period of the Report: Annual Report for the Period January 1 - December 31, 2010

Company's Name: İhlas Yayın Holding Anonim Şirketi

Names and Surnames, Limits of Authorization, and Terms of Office (Beginning and end Dates) of the Chairpersons and Members Who Took Charge at the Board of Directors and Board of Auditors, as well as Managing Directors:

Position	Name	Limits of Authority	Terms of Office Starting and Ending Date	
Chairman	Ahmet Mücahid Ören	Is Independently Authorized to Represent and Have Binding Power Concerning the Company	13.09.2010	2013*
Deputy Chairman, General Manager and Executive Member	Mustafa R. Selçuk	Is Jointly Authorized to Represent and Have Binding Power Concerning the Company	13.09.2010	2013*
Board Member	Nuh Albayrak	Is Jointly Authorized to Represent and Have Binding Power Concerning the Company	13.09.2010	2013*
Board Member	Fevzi Kahraman	Is Jointly Authorized to Represent and Have Binding Power Concerning the Company	13.09.2010	2013*
Board Member	Rıdvan Büyükçelik	Is Jointly Authorized to Represent and Have Binding Power Concerning the Company	13.09.2010	2013*
Board Member and Chairman of the Corporate Management Committee	Orhan Tanışman	Is Jointly Authorized to Represent and Have Binding Power Concerning the Company	13.09.2010	2013*
Board Member and Member of the Corporate Management Committee	Melih Rüçhan Arvasi	Independent Member - Not Authorized to Represent and Have Binding Power Concerning the Company	13.09.2010	2013*
Board Member and Chairman of the Audit Committee	Osman Duman	Independent Member - Not Authorized to Represent and Have Binding Power Concerning the Company	13.09.2010	2013*
Board Member and Member of the Audit Committee	Tolga Sönmez	Independent Member - Not Authorized to Represent and Have Binding Power Concerning the Company	13.09.2010	2013*

* He was elected for three years on September 13, 2010 to do his duty until the next General Meeting that will be held by the end of the third year.

b) Main factors influencing the performance of the Enterprise, significant changes in the environment where the Enterprise operates, policies implemented by the Enterprise to deal with such changes, the investment and dividend policy implemented by the Enterprise to strengthen its performance:

The stability in the national economy brought a steadiness to the general level of prices. Rapid changes in technology made the use of technology, which had been more expensive in previous years, cheaper.

It is expected that this tendency will continue in the coming years. Periodical changes are possible in the use of raw materials that depend on natural resources (like paper).

Changes in technology enable the display of existing content in the media sector through different channels. Alternative channels are born. The development of the internet is expected to step up variety in means of communication. The same applies while changing the production and presenting of the business parallel to developing technology.

Some of the newspapers in the sector prefer to outsource printing jobs to the big companies and their facilities instead of setting up their own facilities.

Also some media companies establish their own news agencies in order to create their own news networks and reduce unit cost.

In television broadcasting thematic channels stand out.

In the magazine sector, publishing magazines on the internet is often preferred instead of printing them. Similarly they tend to organize virtual fairs.

Even though the printing business has been negatively affected by the development and spread of the internet, the economic development of the country has kept this negativity at a certain level, while expanding the need for printed material in different fields. This has balanced the use of printing capacity. Developing technology may help to reduce costs. The development of the communications sector raises the need of people to communicate and find different ways to meet this need. Greater purchasing power affects selling prices positively.

The most essential element affecting the financial situation of the partnership is political stability. Any fluctuation in this area may harm the financial situation in terms of fixed cost since it can affect revenue. In addition, capital structures with low competitive strength that are willing to enter the sector affect activities, as can strong foreign capital. Frequency configuration in the television sector and possible regulations can also lead to obscurity. In order to reinforce the performance of the corporation we need to conduct a policy in which the investments of the subsidiaries are funded with net profit gained from production, which means they are funded with their own shareholders' equity.

c) Sources of finance and risk management policies of the Enterprise:

Sources of Finance

Required financial resources are provided from the Company's equity capital and/or foreign sources. Due to their costs and taxable liabilities, foreign sources are preferred if they are deemed to be more profitable. Foreign sources include Bank Loans, Leasing, and Factoring.

Risk in Collection

The Group's risk in collection generally arises from its trade receivables. Trade receivables are evaluated by the Group management in the light of past experiences and current market conditions and provisions for doubtful receivables are allocated at reasonable levels. Provisions have been allocated for doubtful receivables until the report date.

Exchange Rate Risk

The exchange rate risk resulting from changes in the value of any financial instrument because of variations in exchange rates. As of the date of preparation of this report, the balance of foreign currency transactions, created through operation, investment and financial activities of the group are stated in Annex 38. Since the net foreign currency positioning of the group is (+) as of 31.12.2010, a foreign currency risk arises in situations where exchange rates fall in favor of the TL (in situations where TL gains value against foreign currency).

Liquidity Risk

Liquidity risk refers to the risk of any enterprise encountering difficulty in raising funds in order to fulfill their commitments regarding financial instruments. The Group manages its liquidity risk by balancing the maturity distribution of its assets and liabilities.

d) Other matters not included in financial statements, but can be useful for users:

None.

e) Significant incidents that took place between the closing date of the accounting period and the date of publication of the related financial statements:

Approval of the financial tables

Consolidated financial tables of the Holding dated December 31, 2010 were approved by the Board of Directors on March 02, 2011. Only the Holding's Executive Board has the authority to change the consolidated financial tables of the Holding approved by the Holding Board of Directors.

f) Projections on the development of the Enterprise

Our Executive Board decided to buy the below and make the payment in cash by March 31, 2011:

38.57% of the stock owned by our main partner İhlas Holding A.Ş. in Promaş Profesyonel Medya Reklam ve Film Pazarlama Hizmetleri A.Ş. and 58.23% of the stock owned by İhlas Pazarlama A.Ş., again in the same Company;

25% of the stock owned by our main partner İhlas Holding A.Ş. in İhlas Reklam Ajans Hizmetleri Limited Şirketi and 74% of the stock owned by İhlas Pazarlama A.Ş.

g) Report in Compliance with Corporate Governance Principles:

1. Declaration of Compliance with Corporate Governance Principles

Our Company was offered to the public in 2010 and since the public offering we have exerted maximum efforts to comply with the "Corporate Management Principles of the Stock Market" (Principles) in corporate management activities.

Our Company established its core contract within the frame of the Principles and developed its organization around these principles. Accordingly, in order to comply with these Principles, our Holding's Executive Board is composed of one executive, five non-executive and three independent members apart from the Chairman of the Assembly and the Chief Executive. This means that more than half (five) of our Board is composed of non-executive members and one third (three) of independent members.

Independent member Osman Duman is president of the Audit Committee and non-executive member Orhan Tanışman is president of the Corporate Management Committee, two committees established within the Board of Management. Tolga Sönmez, one of our independent members still carries out his duty in the Audit Committee while the other independent member Melih Rüçhan Arvasi is on the Corporate Management Committee.

Selin Yalçın, holding an advanced level license in Capital Market Activities, is in charge of the Shareholder Relations Unit, established to organize relations. Selin Yalçın is responsible for meeting obligations arising from capital market law and coordinating corporate management activities. In cooperation with our Corporate Management Committee, our Shareholder Relations Unit answers questions raised by investors as part of our "Information Policy".

Until 2011, issues that do not fully comply with the Principles were observed fully by our Company and it is seen that those issues do not cause a conflict of interest in the current situation.

Our Corporate Management Committee prepared a report on compliance with Corporate Management Principles and presented it to our Executive Board on March 16, 2011. On March 18, 2011 our Executive Board accepted the report as it is and decided to present it to the Board of Directors during the Annual Meeting of the Board of Directors that will take place on April 08, 2011.

Mustafa R. Selçuk

Deputy Chairman of the Board of Directors,
General Manager and Executive Director

Rıdvan Büyükçelik

Member of the Board of Directors

SECTION I - SHAREHOLDERS

2. Shareholders Relations Unit

With the start of the public offering process a Shareholder Relations Unit was established and Hilal Arıkan was assigned to this unit. Also Selin Yalçın, holding an advanced level license on Capital Market Activities, was apportioned responsibility to make sure the obligations mentioned in the first paragraph of the article 8 of the Communiqué on Principles Regarding Joint-Stock Corporations Subject to Capital Market Law (serial IV, No:41), and coordinating corporate management activities.

The contact information of the Unit is:

İhlas Yayın Holding A.Ş. Shareholders Relations Unit
29 Ekim Cad. No: 23, 34197 Yenibosna / İstanbul
Tel: +90(212) 454 24 22 - Fax: +90(212) 454 24 21
Hilal Arıkan
e-mail: hilal.arikan@ihlasyayinholding.com.tr
Selin Yalçın
e-mail: selin.yalcin@ihlasyayinholding.com.tr

3. The Use of the Shareholders' Right to Obtain Information

During the period, questions regarding the Company's operations and performance in the Stock Exchange were responded to, unless the information had not been publicly disclosed, was deemed as being confidential or contained trade secrets, as defined by the CMB regulations and the Turkish Commercial Code.

The Company's Annual Report and the latest financial statements were presented during visits to the company by the press, intermediary institutions and investment banks. Other questions were responded to in writing. The electronic medium has been actively used on a daily basis in supplying such information.

No requests for the appointment of a Private Auditor were received, and no individual rights were instituted in this respect.

4. General Assembly Information

The General Assembly convened at Holding's registered office on April 27, 2010 at 09:00 AM local time with the participation of five people (all shareholders) holding 100% of the capital stock. The announcement for the General Assembly was published in the Istanbul Trade Registry on May 03, 2010 and was also announced on Türkiye Trade Registry Gazette.

Following the public offering decision, the Board of Directors held an extraordinary board meeting on September 13, 2010, regarding amendment of the articles of association in order to revert to a registered capital system. The meeting took place with the attendance of five members who own 100% of the capital. The Board of Directors was registered in the Istanbul Trade Registry on September 14, 2010 and was announced in the Turkish Trade Registry Gazette.

No rules were added to the articles of association stating that decision on division, purchasing, selling and hiring of large amounts of assets should be restricted to the Board of Directors.

Starting with the first Board of Directors meeting to be held after the public offering, announcements will be made in an electronic environment in order to facilitate attendance of the meeting. Also the necessary documents will be kept ready at points easily accessible by the members.

5. Voting Rights and Minority Rights

Type A shareholders have 1 (one) vote per share in ordinary and extraordinary meetings of the Board of Directors.

Type B shareholders have 100 (one hundred) votes for each share in ordinary and extraordinary meetings of the Board of Directors. All rights originating from article 387 of the Turkish Trade Act are reserved.

Article on voting privilege in the articles of association is stated above.

No companies exist with reciprocal shareholding. The affiliated companies have no participations in the company. Minority interests are not represented in the management and no method of cumulative voting is provided in the Articles of Association.

6. Profit Distribution Policy and Date of Profit Distribution

Dividend Distribution Policy (Profit Distribution Policy for 2010 and Following Years.)

- a) The portion of revenue that should be legally set aside according to the Turkish Trade Act, Tax Procedural Law, Capital Markets Law, Principles of the Capital Markets Board and related articles of the Company's articles of association is set aside. Once set aside, the distributable revenue is determined.
- b) Profit will be allocated in proportion with the minimum profit share amount designated by the Capital Markets Board. Arising needs of the Company's growth trend, profitability, strategic objectives, investment projects and net working capital will also be taken into consideration. The related articles of the Turkish Trade Act, Tax Procedural Law, Capital Markets Law, Principles of the Capital Markets Board and related articles of the Company's articles of association will be complied with. Bearing in mind the potential profit share of the Company, the Executive Board can always decide to share more than the minimum profit allocation amount and propose this to the Board of Directors for approval.
- c) Once the profit sharing decision is made, it is up to the Executive Board to decide on the method. It can be either cash and / or opt for a bonus share. This is then proposed to the Board of Directors for approval.
- d) A grant in profit allocation is not in question. The profit is distributed equally between all existing shareholders no matter what the issuance and acquisition dates may be.
- e) There is no article in the articles of association on profit allocation to managers and workers.
- f) The shared profit will be distributed within legal regulations and article 29 of the Company's articles of association following the approval of the General Assembly of Shareholders and on the date decided once again by the Board of Directors.
- g) Referring to article 28 of the articles of association, if the Board of Directors authorizes the Executive Board, and with the decision of the Executive Board, it is possible to give advance profit share to our partners.
- h) The management informs the public on donations and charity work made during the year and those that are planned to be made at the end of the year.
- i) During profit allocation the management pursues a coherent balance between the interests of the shareholders and the Company.

A grant in profit allocation is not an issue. According to article 28 of the Company's articles of association, regarding the principles of profit allocation, and article 29, regarding the date of the allocation;

PROFIT ALLOCATION (Turkish Trade Registry Gazette number 7651, dated September 20, 2010)

Article 28:

A. Dividend

Dividend is designated based on the Turkish Trade Act, Capital Markets Law and generally accepted accounting principles. Dividend is the amount left at the end of the accounting year and shown in the annual financial statement after sums such as general expenses and diverse depreciations that must be paid by the Company are deducted. Taxes that must be paid by the corporate body are deducted from the revenue determined at the end of the accounting year. Deficit from previous years, if any, is also deducted from that amount. What is left is allocated according to the following:

Primary Legal Reserve

- a. A legal reserve of five percent (5%) of the net profit is separated up to one fifth of the paid-in capital.

First Dividend

- b. A first dividend is separated at a rate decided by the Capital Markets Board from the amount remaining after the sum described in paragraph (a) is deducted from the profit.

Second Dividend

- c. The General Assembly is authorized to decide whether to allocate some or all of the amount remaining once the sums of dividend described in paragraphs (a) and (b) are deducted from the net profit, or to set aside an auxiliary reserve.

Secondary Legal Reserve

- d. One tenth of the amount of the profit remaining, after 5% of the paid-up capital is set aside from the sum decided to be allocated to shareholders and other participants, is set aside as secondary legal reserve according to the third sub clause of the second paragraph of article 466 of the Turkish Trade Act.
- e. Before the legal reserves that must be put aside according to law, and before the first dividend is distributed in cash and / or as shares, it cannot be decided to separate reserves, endorse profit for the next year and allocate dividend to preferred shareholders, owners of participation, constituent and redeemed shares, members of the Executive Board, officials, clerks, employees, foundations of any sort and individuals and / or institutions of this sort.
- f. If not contravening the 15th/last article of the Capital Markets Law, if necessary explanations are given and on condition that donations made during the year are presented to the knowledge of the members of the Board of Directors, it is possible to set aside part of the dividend for members of the Executive Board, officials, clerks, employees, foundations of any sort and individuals and/or institutions of this sort.
- g. Dividend is distributed equally to all existing shares by the accounting period no matter what their issuance and acquisition dates may be.
- h. The type and the date of the profit allocation are decided by the Board of Directors upon the proposal of the Executive Board. It complies with the articles of Capital Markets Law.

B. Advance Dividend

If authorized by the Board of Directors and complying with article 15 of Capital Markets Law and other communiqués of the Capital Markets Board, the Executive Board can distribute advance dividend limited to the related year. The authorization of distributing dividend, given to the Executive Board by the Board of Directors, is limited to the year that the authorization is given. Before the advance dividend of a previous year is fully entered into account, no extra or new advance dividend can be distributed.

DATE FOR PROFIT DISTRIBUTION (Turkish Trade Registry Gazette number 7651, dated September 20, 2010)

Article 29:

The date of the profit distribution is decided by the General Assembly upon the proposal of the Executive Board. It complies with the articles of the Capital Markets Law.

7. Transfer of Shares

According to article 8 of our articles of association titled Transfer of Shares; in order to transfer Type B registered stock, it must be offered to other type B shareholders at its current value. If none of the type B shareholders take up the offer within a month, then they can be sold to others. Any possession other than that would be null and void, and cannot be registered in the share ledger.

The above mentioned matters are applied even if there are pledges, confiscations or any other limited property rights. Sales through Compulsory Executions rights described in this article are kept as well. If these principles are not complied with, the Administrative Committee is authorized to absent the sale, assignment or right ownership from the share ledger.

However, if there is an obligatory assignment or transfer of share originating from the mandatory execution of Turkish laws in case of pledges, compulsory executions, heritage and other limited property rights the shares are offered to other Type B shareholders at the current value. If an offer is not taken up within 30 days, sale to others is allowed.

SECTION II - PUBLIC DISCLOSURE AND TRANSPARENCY

8. The Company Information Policy

Along with the procedures of the public offering, the Company Information Policy is designed as follows.

Purpose

With the offering of its shares to the public, it is the primary principle of our Company's information policy to publicize accurately, completely and with sufficient information content in due time, the developments which might have an impact on the value of all capital market instruments offered by our Company; to make no discrimination among Capital Market Participants (shareholders, investors, capital markets experts, brokerage houses) in the employment of information review rights; to offer the information

publicized by the Company in a comprehensible and interpretable manner, accessible at low cost and equally by those individuals and corporations who will benefit from such information in making their own decisions.

Regarding public disclosures, arrangements drawn up by the Capital Markets Board (CMB) and Istanbul Stock Exchange (ISE) are complied with and maximum attention is paid to the implementation of principles set forth in CMB's Principles of Corporate Governance.

It is the primary principle of the Company's Information Policy to use the internet, electronic mail, press releases, and media organizations effectively in addition to the means anticipated by laws and regulations; and to comply with all the rules promulgated or to be promulgated by the CMB.

Responsibility

The Board of Directors is responsible for the monitoring, reviewing and development of the Information Policy. The Corporate Governance Committee provides information and offers suggestions to the Board of Directors, Board of Auditors and Financial Affairs Coordination Unit on the "Information Policy".

Public Disclosure Methods and Instruments

Due to the responsibility assumed pursuant to the provisions of the Capital Markets Regulations and the Turkish Commercial Code, our Company uses the following basic public disclosure methods:

- To release the necessary special situation announcement to the ISE and to place such announcements on our website www.ihlas.com.tr in accordance with the forms stated in CMB's Communiqué of Principles on the Public Disclosure of Special Situations – Serial VIII, No. 54, if a special situation arises in compliance with the communiqué,
- To announce financial statements and their footnotes, independent audit reports, declarations and annual reports to the Public Disclosure Platform and on our website,
- To include the prospectus in the Turkish Trade Registry Gazette and on our website and to place the circular note in daily newspapers and our website during capital increase,
- To ensure that declarations and announcements such as summons for the General Board, dividend payments, etc. are published in the Turkish Trade Registry Gazette and daily newspapers.

Legislation-based explanations mentioned above, issued by our Company to the capital market participants, are submitted to investors;

- By appearing in written and visual media or through data distribution institutions such as Reuters, Foreks, etc. or
- At informative negotiations and meetings held in person with capital market participants or through teleconference facilities.

Public Disclosure of Financial Statements and Authorized Officers

Our Company's financial statements and their footnotes are prepared on a consolidated basis and in accordance with International Financial Reporting Standards (IFRS). Financial statements are subject to independent audit, based on independent audit standards published by the Capital Markets Board and submitted for the approval of the Board of Directors following the approval of the Audit Committee. After the attestation is signed by the authorized members of the Board of Directors, financial statements are disclosed to the public.

Following the approval of the Board of Directors, financial statements and their footnotes, as well as independent audit reports and their annexes are submitted to the Public Disclosure Platform in electronic form for publication in line with CMB and ISE regulations. Financial statements and their footnotes are also submitted through an electronic environment via KAP (Public Disclosure Platform) Submission.

Public Disclosure of the Annual Report and Authorized Officers

The Annual Report is prepared in accordance with the regulations of the Capital Markets and the Principles Corporate Governance as set out by the CMB, submitted for the approval of the Board of Directors and disclosed to public on the Public Disclosure Platform and on our website.

Capital market participants may obtain the Turkish and/or English version of the Annual Report from our Company's Investor Relations Department.

Public Disclosure of Special Situations and Authorized Officers

The Company's special situation announcements are prepared under the responsibility of the Financial Affairs Coordination Unit and signed and submitted to the Public Disclosure Platform together with the authorized members of the Board of Directors.

Keeping Related Information Confidential Until Special Situations are Disclosed to the Public

In order to keep related information confidential until special situations are disclosed to the public, no information other than that which had already been disclosed to the public is disclosed in one-to-one or collective meetings / negotiations with capital market participants / third persons. Changes related with disclosures made by the Company to the public, that arise afterwards, are disclosed to the public with special situations disclosures.

Officers Authorized to Disclose Information to the Public

Apart from the notifications stated above, written and / or verbal information requests submitted by capital market participants are replied to by the Financial Affairs Coordination Unit or the Investor Relations Department depending on the content of the request, provided that confidential information or trade secrets are excluded.

Only the Members of Board of Directors are allowed to issue press statements to written and / or visual media.

Apart from the above persons, Company employees are not permitted to answer questions forwarded to them by capital market participants, unless they are commissioned especially. Incoming information requests are forwarded to the Investor Relations Department.

In line with the information management policy, information regarding the Company's management, legal status and the Company's projects is only disclosed to the public by the commissioned managers or the members of the Board of Directors, with the exception of information requested in line with respective legislation.

Criteria Sought in the Determination of People with an Administrative Responsibility

Those who hold administrative responsibilities within the Company are selected from among individuals, who have a high level of knowledge and skill, specific experience and past, and information regarding the Company's field of activity and management, are qualified and preferably university graduates, as stated in the Corporate Governance Principles published by the CMB.

Communication with Capital Market Participants

Our Company does not direct regarding the expectations of the results of semiannual and annual activities. Instead, it prefers to share the critical matters affecting the results of its activities, its strategic approaches and the significant factors that allow the sector and the environment where the Company operates to be better understood with capital market participants.

Unless otherwise stated in the Information Policy, only those officers authorized to disclose information to the public may communicate with capital market participants on behalf of our Company. No information not yet disclosed to the public or important / private information is disclosed at the non-public negotiations held with capital market participants.

Face-to-Face Meetings or Phone Calls

Face-to-face meetings or meetings held by phone with capital market participants personally or in groups are a significant part of the investor relations development programs. In such environments, our Company shall not disclose any new information, shall not update information which was previously disclosed to the public or shall not disclose any important and/or private information which was not formerly disclosed to the public.

Furthermore, investor information meetings shall be organized where the Company's operations are required to be shared with investors in detail and / or as required by the Board of Directors. Requests for appointment with the Board of Directors or management by the press will be evaluated by the Investor Relations Unit and appointments will be organized with the approval of the Corporate Governance Committee. Use of the internet will be encouraged for forwarding questions in writing by potential investors, shareholders, stakeholders, the press and financial institutions representing investors; however, all questions will be answered by the Investor Relations Unit under the Information Policy.

Informing Small Investors

In order to provide interactive information and prevent speculation, no new information shall be disclosed; information previously disclosed to the public shall not be updated; and private information not previously disclosed to the public shall be disclosed in presentations and/or reports made public in introduction meetings, information meetings or press conferences held with specific groups of investors.

All such disclosures shall without fail be included in the website. The content of the website is updated with special situation announcements, also taking into account the fact that there are investors who lack access to the internet. The primary principle of the Company's Information Policy is to use the internet, electronic mail, press releases, and media organizations effectively in addition to means anticipated by laws and regulations; and to comply with all the rules published or to be published by the CMB.

Internal information shall principally be disclosed to the public by our Company on the date when it becomes a responsibility to do so. However, disclosure of the internal information may be postponed pursuant to Article 15 of the Communiqué by providing the confidentiality of such information when necessary so that the legal interests, rights and benefits of our Company are not harmed. For the disclosure to be postponed, our Company's Board of Directors shall reach a decision regarding the postponed information, the impacts of the postponement on the protection of our Company's legitimate rights, the fact that the postponement poses no risk of misleading investors and the measures taken to protect the confidentiality of such information during the duration of the postponement.

As soon as the reason for the postponement of the disclosure of internal information to the public is removed, related explanations shall immediately be provided to the public and submitted to the ISE by our Company on the basis of such internal information.

Untruthful News and Rumors in the Market

News and rumors about the Company appearing in media organs and in the public are followed by our Investor Relations Directorate on an up-to-date basis.

When news or rumors appear in media organs and/or in the public regarding our Company, and in the event that they are of a degree of significance such that they affect the investment decisions of investors or influence the value of capital market instruments, and which had not been disclosed by individuals authorized to represent our Company (other than information already disclosed to the public through special situation announcements, prospectuses, circular notes, proclamation texts approved by the Board, financial reports and other public disclosure documents), necessary explanations shall be provided by the associates in pursuance with Article 18 "Confirmation of News and Rumors" of the Communiqué on whether such news and / or rumors are true or sufficient.

However, no special situation announcement shall be made if the information in such news and / or rumors is composed of information which had been disclosed through special situation announcements, circular notes, prospectuses, promulgation texts approved by the Board and financial reports and did not include any additional information.

Announcement of Expectations

Our Company may announce its expectations from time to time in compliance with its Information Policy. In written documents in which expectations are stated, the assumptions that such expectations are based on, and the motives they were prepared in accordance with, shall also be explained. Such explanations shall clearly state that the actual results may differ from expectations due to possible risks, uncertainties or various other reasons. Future-oriented information included in public disclosures shall be explained along with the grounds that the forecasts are based on, as well as statistical data. Information shall not include groundless or exaggerated projections, shall not be misleading and shall be associated with the Company's financial status and results of its operations.

In public disclosures, in the event that forecasts and their grounds stated in regular financial statements and reports are not realized or understood not to be realized, revised information, statements and reports along with their grounds shall be immediately disclosed to the public.

Expectations shall be announced only by those persons authorized to issue public disclosures and by explicitly expressing the above stated warnings or by making reference to a written document (such as press release, information document, explanation formerly made within the framework of the Capital Markets Legislation, etc.) which is already disclosed to the public.

In the event that there is a significant change in the Company's financial status and/or operations or in cases in which it is expected that a significant change will take place in the near future, public disclosure is made within the framework of the Company's Public Disclosure Policy, provided that provisions stated in related regulations are preserved.

Website

In public disclosure, as suggested in the CMB's Corporate Governance Principles, the Company's website on the Corporate Website internet address (www.ihlasyayinholding.com.tr) is actively used. Explanations made on the Company's website shall not replace the notifications and the special situation announcements that have to be made pursuant to Capital Markets Regulations. All public disclosures shall be made available for access through the website.

The website is designed and divided into sections accordingly. All required security measures regarding the website are taken. The website is prepared in Turkish and English, and arranged to follow the form and content as stipulated in the CMB's Principles of Corporate Governance. In particular, room on the website is given over to the announcements for Annual General Meetings, items on the agenda, information documents related to agenda items, other information, documents and reports related to the items on the agenda and information regarding methods of participating in the General Board in a proper manner. Efforts to effect improvements in the website are continuously ongoing.

9. Special Situation Disclosures

All information on exceptional situations given after our Company was listed on the Istanbul Stock Exchange in 2010 complies with the Capital Markets Board's communiqué on the principles regarding the explanation of exceptional situations to the public (Serial VII, No: 54). By the end of December 2010 we made three exceptional occasion explanations. These explanations made by our Company were prompt and complete and the Capital Markets Board did not request for further explanation.

10. The Company's Website and Content

The Company website can be conveniently accessed at www.ihlas.com.tr, and includes all the information cited under Section II, Article 1.11.5 of the CMB's Corporate Governance Principles.

On the website: The "Corporate" page includes the company management organization, The "Affiliates" page includes information about all of the company's operations, The "Corporate Governance" page includes all information required to be disclosed under the Corporate Governance Principles, The "Investor Relations" page includes all financial information, the organization of the Company and participations, detailed information such as special situation announcement and internal information and related operations, The "News" page includes all announcements made by the company and press information; The "Career" page includes application procedures for those seeking employment in our Group and the "Contact" page includes contact information such as address, telephone, e-mail.

11. Announcement of Individuals who are Ultimate Controlling Shareholders

The Company's shareholding structure is disclosed on the website free from indirect participation relationships. All changes are immediately displayed in the tables.

12. Announcement of Persons Who Have Access to Inside Information

The list of persons who have access to inside information are:

Name	Title
Enver Ören	İhlas Yayın Holding A.Ş. Company Partner
Ahmet Mücahid Ören	İhlas Yayın Holding A.Ş. Chairman of the Board and Company Partner
Mahmut Kemal Aydın	İhlas Yayın Holding A.Ş. Company Partner
Mehmet Nurettin Yağcı	İhlas Yayın Holding A.Ş. Company Partner
Mustafa R. Selçuk	İhlas Yayın Holding A.Ş. Chairman of the Board, General Manager and Executive Member
Nuh Albayrak	İhlas Yayın Holding A.Ş. Board Member
Rıdvan Büyükçelik	İhlas Yayın Holding A.Ş. Board Member
Fevzi Kahraman	İhlas Yayın Holding A.Ş. Board Member
Orhan Tanışman	İhlas Yayın Holding A.Ş. Board Member
Melih Rüçhan Arvasi	İhlas Yayın Holding A.Ş. Board Member
Osman Duman	İhlas Yayın Holding A.Ş. Board Member
Tolga Sönmez	İhlas Yayın Holding A.Ş. Board Member
Mustafa Erdoğan	İhlas Yayın Holding A.Ş. Financial Affairs Manager
Sırrı Söztutan	İhlas Yayın Holding A.Ş. Secretary to the Board
Hilal Arıkan	İhlas Yayın Holding A.Ş. Investor Relations Unit Responsible
Selin Yalçın	İhlas Yayın Holding A.Ş. Corporate Governance Applications Responsible
Ali Tubay Gölbaşı	İhlas Holding A.Ş. Finance Coordinator
Hayati Çiftlik	İrfan Bağımsız Denetim Responsible Partner Chief Auditor
Şükrü Yavuz	Pür Bağımsız Denetim Responsible Partner Chief Auditor
Hüseyin Perviz Pür	Pür Bağımsız Denetim Responsible Partner Chief Auditor
Ercan Çardak	Pür Bağımsız Denetim Chief Auditor
Uğur Yıldırım	Pür Bağımsız Denetim Chief Auditor
Nilgün Karataş	Pür Bağımsız Denetim Auditor
Şeref Özçelik	Pür Bağımsız Denetim Auditor
Funda Songül Mantarcı	Pür Bağımsız Denetim Assistant Auditor
Faruk Çardak	Pür Bağımsız Denetim Assistant Auditor
Özkan Yavuz	Pür Bağımsız Denetim Assistant Auditor

SECTION III - STAKEHOLDERS

13. Informing Stakeholders

All questions forwarded by stakeholders during the period have been answered by the relevant units. No special medium was developed for such purposes, and existing information channels were used.

The Company's official web address, ihlasyayinholding.com.tr, has been actively used for both answering questions and making announcements.

14. Participation of Stakeholders in the Management

An e-mail address, insankaynaklari@ihlasyayinholding.com.tr, was introduced and announced to employees, facilitating participation in management and freely communicating all complaints and suggestions. Furthermore, it has been noted that suggestions sent to the official e-mail address should also be taken into consideration. Work towards ensuring more active participation of stakeholders in management is in progress.

15. Human Resources Policy

Our Company's human resources policy is as follows:

İHLAS YAYIN HOLDING HUMAN RESOURCES MANAGEMENT VISION AND POLICIES

Our Vision

- To establish a team spirit where trust, respect, lucidity and social responsibility assure organizational unity.
- To possess a work tempo without time and limits.
- To generate maximum productivity by conducting studies and organizations to employee motivation.
- To create a work environment where employees work in peace, and trust their company.
- To support the professional development of employees through training both in and outside the Company.
- To reward employees for their successful work.

Our Basic Policy

- To make sure that our organizational structures are dynamic in the face of change, parallel to our vision and objectives.
- To ensure an efficient and productive workforce working under the guidance of the company's main objectives, developing all systems in terms of individual and team performance within the context of process development, improving employees' professional skills to support their own performance, the corporate performance and for their career enhancement.
- Adherence to democratic principles of recruitment by not discriminating between candidates based on religion, language, sex or race during search, selection or during their employment.
- Preference to take disciplinary and regulatory measures rather than impose prohibitions
- Recruitment of employees who have outstanding academic credentials, are ethically conscious, demonstrate high emotional intelligence, display no behavioral problems, are open to dynamism and changes, able to think positively, exhibit superior delegation skills and relate to corporate values.

Functional Policy

- To set up a friendly atmosphere so that all employees will contribute to the company,
- To treat all employees equally and fairly,
- To provide all employees with equal opportunities so that they can contribute to the company, to the team they work in, and will self-improve to the utmost level,
- To help all employees utilize their skills, mental capacities and value production in the direction of corporate objectives,
- To establish and update systems that offer opportunities to employees for career development in the company (or subsidiaries), by bearing in mind the needs of the company, individual talents and professional goals,
- To establish and update performance and pay systems in accordance with the structure of the company; carrying out performance, career and salary appraisals in the fairest way,
- To make sure that employees will have clear and explicit information about how their role, capacities, authorities, responsibilities and work contribute to the main objectives of the company,
- To notify all employees in advance about a system to be introduced and decisions about targets,
- To achieve multi-dimensional interaction and communication during Human Resources Management practices,
- To collect, sort and update all information, files and administrative data concerning employees,
- To establish an all-embracing and integrative corporate culture,
- To organize social and cultural activities that will prompt feelings owning up to the corporate culture and increase morale/motivation,
- To revise human resources systems steadily to catch up with the developments in the world, while remaining loyal to beliefs/values of the company,
- To extend training activities in a fair manner, within a certain budget and system to develop personal skills of employees,
- To introduce necessary regulations and drafting procedures so all employees will have the same rights and their performance will be facilitated,
- To offer assistance as soon as possible in case of any personal problems that may befall employees.

16. Information Concerning Relations with Customers and Suppliers

In all subsidiaries, special emphasis is placed on relations with customers and suppliers around efforts of total quality management. In-house training is carried out; as expressed by the board chairman "Our credibility is more important than our money", all consumer problems are approached by the assumption that the consumer is right, and solutions are worked out by the same perspective.

A web address, etik@ihlasyayinholding.com.tr, was set up in order to make sure that any operation which our stakeholders (composed of shareholders, clients, suppliers and employees) think is against laws or our Company's internal ethics, can make their

feelings known. This address is directed to the Supervisory Board of the Executive Board. All information about the petitioner is kept confidential. All applications are evaluated by the Supervisory Board and then the necessary measures are taken. The petitioner is also informed about the results of their application.

17. Social Responsibility

Founders and employees of İhlas Group have come together around the maxim, "the best kind of person is one who provides good service". Our priority is to serve humanity regardless of religion, race, sex or age.

Effective and efficient usage of the world's resources, respect for the environment and honoring social responsibilities are indispensable parts of serving humanity. Individual peace of mind is primarily achieved through a good education and a healthy life. For this reason at certain intervals we publish "Green Page" in Türkiye Newspaper, one of our Group's publications. Also, again at certain intervals, we publish a "No-Handicap Page" for the handicapped. Another of our Group's publishing channels, TGRT News, also broadcasts for the environment and the handicapped and also sponsors meetings, conferences and seminars organized on these issues. Our Company performs no activity that may harm or violate the environment. No legal or financial court cases pertaining to this issue have been faced.

PART IV - BOARD OF DIRECTORS

18. The Structure and Composition of the Board of Directors and Independent Members

Name	Title
Ahmet Mücahid Ören	Chairman of the Board
Mustafa R. Selçuk	Deputy Chairman of the Board, General Manager and Executive Manager
Nuh Albayrak	Member of the Board
Fevzi Kahraman	Member of the Board
Rıdvan Büyükcelik	Member of the Board
Orhan Tanışman	Member of the Board and Corporate Management Committee Chairman
Melih Rüçhan Arvasi	Independent Board Member and Corporate Management Committee Member
Osman Duman	Member of the Board and Audit Committee Chairman
Tolga Sönmez	Member of the Board and Audit Committee Member

In our Board of Directors there are 9 members, the Chairman of the Board and Executive Chairman are aside; one Executive, five Non-Executive and three Independent Members.

Accordingly, more than half (five members) of the Board is composed of non-executive members and one third (three members) of the Board is composed of Independent Members. Osman Duman, Tolga Sönmez and Melih Rüçhan Arvasi have declared that they (in person, spouses or relatives to the third degree) have not been involved with any subsidiary or Group company under İhlas Yayın Holding A.Ş. in position where they have a direct or indirect interest. They have also declared that they have not taken part in the independent auditing process in the past two years.

Among the Independent Board Members, Osman Duman, Tolga Sönmez and Melih Rüçhan Arvasi submitted their statements of independence, copied below to the General Assembly on September 13, 2010 in relation to the financial year of 2010 for which they were elected.

STATEMENT OF INDEPENDENCE

I declare that in the past two years, there has not been any direct or indirect relationship of interest between İhlas Yayın Holding A.Ş. (the Company) or subsidiaries and myself, my spouse or relatives to the third degree with respect to employment, capital or commerce; I have not taken part in the independent auditing process in the past two years; I have not worked and served in any company that provides important amount of service and products to the Company in the past two years, I am independent according to criteria stated in the regulations, contracts and the Corporate Governance Principles issued by the Capital Markets Board.

Melih Rüçhan Arvasi

STATEMENT OF INDEPENDENCE

I declare that in the past two years, there has not been any direct or indirect relationship of interest between İhlas Yayın Holding A.Ş. (the Company) or subsidiaries and myself, my spouse or relatives to the third degree with respect to employment, capital or commerce; I have not taken part in the independent auditing process in the past two years; I have not worked and served in any company that provides important amount of service and products to the Company in the past two years, I am independent according to criteria stated in the regulations, contracts and the Corporate Governance Principles issued by the Capital Markets Board.

Osman Duman

STATEMENT OF INDEPENDENCE

I declare that in the past two years, there has not been any direct or indirect relationship of interest between İhlas Yayın Holding A.Ş. (the Company) or subsidiaries and myself, my spouse or relatives to the third degree with respect to employment, capital or commerce; I have not taken part in the independent auditing process in the past two years; I have not worked and served in any company that provides important amount of service and products to the Company in the past two years, I am independent according to criteria stated in the regulations, contracts and the Corporate Governance Principles issued by the Capital Markets Board.

Tolga Sönmez

19. Qualifications of Board Members

In principle, candidates for the Membership of the Board are chosen among those with a high level of knowledge and skill, qualified and with a certain experience. Those who have committed any crime against Capital Markets Law, insurance laws, banking laws, money laundering laws and laws on loans and / or those who have served more than five years incarceration, apart from convictions on negligence, may not become Member of the Board. Also, those who have been sentenced to penal service for debt fraud, extortion, bribe, theft, fraud, forgery of legal documents, abuse of trust for service, fraudulent bankruptcy, conspiracy to fix tenders and purchasing, revealing state secrets, and fiscal evasion through counterfeit. Those, going five years back from the date that they are chosen to the Board, convicted of one of the above crimes, must immediately resign from their duty and they cannot be re-elected in the following five years.

A Board Member is chosen from among qualified people with knowledge about the Company's field of activity and with experience gained through working in the public or private sector.

Besides the general characteristics described above, the minimum requirements sought in a candidate for Board Membership candidacy are as follows:

- a- Being able to read and analyze financial tables,
- b- Having fundamental information of the legal regulations that daily and long-term activities of the Company are subject to,
- c- Possessing the capacity and determination to attend all meetings of the Board that are planned to be held within the related accounting year.

Although minimum qualities required from board members are not specified in the Articles of Association, conventionally: As stated in the CMB Corporate Governance Principles, Section IV, articles 3.1.1, 3.1.2 and 3.1.5, board members should possess a high level of knowledge and skills, be qualified for the position, possess the appropriate experience and background, have no previous financial criminal convictions, be knowledgeable about the company's fields of activity and management and preferably hold university degrees. All board members have these minimum qualifications.

20. The Company's Mission, Vision and Strategic Goals

Our Mission

- To care about social peace, popular benefit and peace of mind in all services we offer,
- To be in a working tempo regardless of time and limits.

Our Vision

- To be confidential and preferable in every kind of visual and written media,
- To spread our sense of peace to the whole world,
- To provide fastest and most efficient content (news, entertainment, information) to the whole world,
- To provide candid and correct publishing in line with our editorial principles.

Our Values

- The best kinds of people are those who provide good service,
- Earning people's trust precedes earning their money,
- Individuals cannot live in peace and prosperity without a strong state,
- A management style open to change, to bring the company in line with corporate qualities fitting for the global economy, strong infrastructure and human resources unique to our Group.

Our Strategy

- To employ the latest technology in the most effective way,
- To seek the most effective ways to access customers,
- To produce the most up-to-date and effective content,
- To use resources efficiently and productively,
- To benefit from the social knowledge and sector experience of advanced countries and to learn from their mistakes,
- To develop content and products which meets the needs of all individuals of society (women, children, elderly, etc.),
- To be accessible at all times in all places,

The Board of Directors periodically and regularly perform an overview of the extent to which targets have been met, operations and past performance. Work is underway to reflect this on performance following objective criteria.

21. Risk Management and Internal Control Mechanism

Necessary steps for the functioning of risk management and internal auditing mechanisms have been taken and an Internal Audit Unit will be established. It is planned to make periodical observations in order to determine risks before they occur as part of a dynamic risk management approach.

Online data production and continuous monitoring of the whole system form the bases of the internal audit mechanism.

22. Authorities and Responsibilities of the Board Members and Company Executives

Authorities and Responsibilities of the Board Members

The authorities and responsibilities of the Board Members and Company Executives are identified through laws and regulations, rules of ethics, and Company procedures. No provisions are included in the Company's Articles of Association in this respect.

The responsibility for the administration and representation of the Company lies with the Board of Directors. All documents to be submitted and all agreements to be made by the Company shall only be legally sufficient under the official corporate name and signed by a person authorized to bind the Company. Ahmet Mücahid Ören with his several and individual signature; and any two of Mustafa R. Selçuk, Nuh Albayrak, Fevzi Kahraman, Rıdvan Büyükçelik, Orhan Tanışman and Financial Affairs Manager Mustafa Erdoğan with their joint signatures are authorized to represent and bind the Company.

Company executives perform their duties correctly and transparently, and are accountable and responsible for their performance. Executives comply with laws and regulations, the Company's Articles of Association, and Company rules and policies in the performance of their duties, and inform the Board of Directors accordingly.

23. Principles for the Activities of the Board of Directors

- The agenda for the Board of Directors meeting is identified upon the requests of Company management and committees; with the request made by managers for a meeting in situations where a Board of Directors resolution is required for Company operations, and whenever required by current events during the concerned period. The Board of Directors convenes at least once each month.

- The Board of Directors Secretariat is authorized to organize and announce the Board of Directors' meeting agenda and serve notices for the call to meetings; to inform the Board of Directors members and to draw up all documents related to the Board of Directors. Sırrı Söztutan acts as the Secretary for the Board of Directors. Board members are invited to attend meetings by the Board of Directors Secretariat via e-mail or telephone, informing Board members of the venue, date and time of the meeting.
- Members of the Board held 26 meetings in 2010, with an 89% participation rate.
- There was no objection which was required to be recorded as at the end of December 2010. No opposing votes were submitted by Independent Members during the same period.
- Personal participation is ensured at all the Board of Directors meetings and particularly those meetings with an agenda on the items included under Section IV, Article 2.17.4 of the CMB Principles of Corporate Governance.
- Questions forwarded at the meetings are not recorded.
- Members of the Board of Directors members are not entitled to preferential votes and / or veto rights.

24. Prohibition of Transactions and Competition with the Company

Prohibition for transactions with the Company was not applied to Board of Directors members at the end of December 2010 and yet no resulting conflict of interest occurred concerning this policy.

25. Rules of Ethics

The following rules of ethics have been developed by the Board of Directors for the Company and its employees. These rules of ethics have been announced to Company employees and publicized on the website in accordance with the Company's Information Policy.

Our Board of Directors;

believe that the capital markets are, first and foremost, based on trust and therefore rules of ethics are of high importance, and on top these rules of ethics lie the supremacy of the law and the defense of this supremacy. The Company's General Manager, the Chief Financial Officer and Accounting Finance Executives are assumed to:

- draw up complete, fair, true, timely and understandable disclosures in all reports and documentation publicized or submitted to the authorities of the capital market where the Company is a member thereof;
- comply with all the laws, regulations and principles binding the Company individually and the Company's relations with its shareholders;
- ensure compliance with the essence as well as the letter of these rules of ethics; and to expend effort to promote the development of Company culture which forms the basis of compliance with laws and company policies in all activities.

In addition to these,

Individuals within the Company who are in a position to possess knowledge regarding the financial statements, which nevertheless is not yet public, are expected to keep such information confidential in accordance with the rules of ethics.

Our employees;

- are honest and reliable people who give due care to, and make no compromise on ethical and moral values;.
- perform their duties in their units or departments for the benefit of the Company zealously and objectively in a disciplined and careful manner, in compliance with the principles of confidentiality;
- fulfill their duties in the best possible manner to enhance the Company's profitability and market share;
- are always reasonable and considerate in their language, manners and the way they are attired;
- are aware of the significance of proper relations between subordinates – top management and customers in business life, and organize themselves accordingly;
- have a positive impact on the people they address both within and outside the Company with their respectful, moderate, modest, active and positive attitudes;
- meticulously comply with the laws, professional principles and the concerned regulations;
- take the most effective, sound and appropriate decisions for the Company by evaluating different ideas, perspectives and suggestions with a conciliatory attitude;
- refrain from political, religious, ethnic arguments involving discrimination; and all unlawful activities;

• possess the knowledge and experience that the job they are performing requires, and demonstrate continuous effort to develop their general knowledge, professional knowledge and skills. Employees should fulfill their responsibilities in the best possible manner with all these qualifications and values.

26. Number, Structure and Independence of the Committees established by the Board of Directors

An Audit Committee and a Corporate Governance Committee have been set up in line with the Company principles. Each committee comprises of two people.

Distribution and qualifications of committee members are as follows:

Audit Committee Chairman	Osman Duman (Professional Manager; Independent Member)
Audit Committee Member	Tolga Sönmez (Professional Manager; Independent Member)
Corporate Management Committee Chairman	Orhan Tanışman (Professional Manager)
Corporate Management Committee Member	Melih Rüçhan Arvasi (Professional Manager; Independent Member)

The procedure to be followed in the performance of Committee activities is designated as: "Committees act within the scope of their authorities and responsibilities and make recommendations to the Board of Directors. The final decision however, lies with the Board of Directors."

27. Financial Benefits for the Board of Directors

- No payments are made to the members of the Board of Directors other than the rights and benefits designated by the General Assembly. Remunerations are paid to executive Board of Directors members however, for their executive duties.
- No performance based payment method exists which reflects performance within the Company.
- The Company does not extend loans or make available credits to members of the Board of Directors and Company managers.
- No credits have been made available under the name of personal credit via the mediation of third persons, and no guarantees have been given such as surety in favor.

h) Conducted research and development studies:

We have not performed any research and development studies.

i) Amendment(s) made to the articles of incorporation during the period and their reasons:

Upon deciding, on August 16, 2010, to offer some bonds owned by some of the partners to the public, our Company's Executive Board made changes to the following articles in order to adjust the articles of association to capital markets law: Purpose and Subject of the articles of association (article 3), Headquarters and branches of the Company (Article 4), Duration of the Company (Article 5), Capital (Article 6), Executive Board and its Duration (Article 7), Share Transfer (Article 8), Grants (Article 9), Representative Authority (Article 11), Comptrollers (Article 13), Meeting and Decision Quorum (Article 19), Vote (Article 20), Proxy Appointment (Article 22), Announcement (Article 23), Amendment of Articles of Association (Article 25), Yearly Reports (Article 26), Profit Allocation (Article 28), Date of Profit Distribution (Article 29), Contingency Reserve (Article 30), and Legal Provisions (Article 32). The Executive Board applied to the Capital Markets Board on August 17, 2010 in order to make these changes. Amendment to the articles of association were implemented upon approval of owners of both ordinary and privileged shares based on permission numbered B.02.1.SPK.0.13-1162 / 8915 of the Capital Markets Board, dated September 03, 2010, and the license from the Ministry of Industry and Trade General Directorate of Internal Trade numbered B.14.0.İTG.0.10.00.01 / 351.02-58848-115486 / 4944, dated 06.09.2010.

j) Type and amount of issued capital market instruments, if any:

Our main fund holder İhlas Holding A.Ş. offered 28.75% of its funds in İhlas Yayın Holding A.Ş. to the public, with a declared value of TL 57,500,000.

İhlas Yayın Holding A.Ş. offered 3% of its funds in İhlas Gazetecilik A.Ş. to the public, with a declared value of TL 2,400,000.

k) Information regarding the sector in which the enterprise operates and its position in the sector:

The Group is composed of the Holding and its subsidiaries.

İhlas Gazetecilik A.Ş. (İhlas Gazetecilik), one of the subsidiaries, publishes and prints newspapers, magazines, books, encyclopedias pamphlets and journals that are daily, weekly, monthly and longer or shorter termed, or of uncertain frequency, in Turkish and foreign languages. The Company also distributes and markets these in and outside Turkey. İhlas Gazetecilik has a total of six printing facilities in Istanbul, Ankara, Antalya, Izmir, Adana and Trabzon.

Another subsidiary, İhlas Haber Ajansı A.Ş. (İHA), is a news agency that produces written news, with photos and videos, in and outside Turkey. The Company also distributes these via satellite or by other means.

TGRT Haber TV A.Ş. (TGRT News) is another subsidiary that is active in television and radio broadcasting, film producing, video and advertising production, shooting, vocalization, renting TV channels and setting up radio stations. TGRT FM, which runs the radio broadcasting, is part of the legal entity that is TGRT Haber TV A.Ş.

TGRT Dijital TV Hizmetleri A.Ş. (TGRT Digital) is the subsidiary responsible for television and radio broadcasting, documentary broadcasting, video and advertising production, shooting and vocalization.

İletişim Magazin Gazetecilik ve Tic. A.Ş. (İletişim Magazin) is another subsidiary of the group. It publishes, prints and markets newspapers, magazines and books. It currently publishes four children's magazines, six textile and decoration magazines, two gastronomy and women's magazines, one automotive magazine, one informatics magazine, two magazines on other themes and one newspaper.

One of the Group companies, İhlas Fuar Hizmetleri A.Ş. (İhlas Fuar) organizes commercial and presentational exhibitions and fairs, works as a travel agency, and publishes advertising and periodicals related to its field of activity.

One of the Group companies, İhlas Gelişim Yayıncılık A.Ş. (İhlas Gelişim)'s field of operations includes marketing, selling and distributing of any kind of publication in Turkish and foreign languages in and outside Turkey. İhlas Gelişim is also the main partner of İhlas Fuar and İletişim Magazin.

One of the Group companies, Alternatif Medya Görsel İletişim Sis. Ltd. Şti. (Alternatif Medya) produces all kinds of sound, vision and photo software products, creates platforms through the internet, archives data for its clients or rents or publishes these on the internet for its clients.

One of the Group companies, İhlas Reklam Ajans Hizmetleri Ltd. Şti. is active in advertising, notice, photography and agency services.

l) Developments in investments and incentives and, if incentives were received, at what level:

Our Company received no incentives.

m) The prices of goods and services subject to activity, turnover, sale conditions and developments in all these areas during the year; developments regarding efficiency and productivity measures; reasons for any significant changes in these measures when compared to previous years:

a) Information on departments prepared on the basis of departmental activity is as follows:

Period: January 1 - December 31, 2010;

	Newsprinting and Printing Works	News Agency	TV Services	Fair and Magazine	Other ^(*)	In Group Eliminations	Group
Sales Revenue (Net)	70,398,199	24,762,318	8,082,047	7,977,238	1,774,182	(2,391,524)	110,602,460
Cost of Sales (-)	(58,514,495)	(22,124,353)	(4,450,932)	(4,988,607)	(456,449)	832,346	(89,702,490)
Gross Profit / Loss	11,883,704	2,637,965	3,631,115	2,988,631	1,317,733	(1,559,178)	20,899,970
Operating Expenses (-)	(17,103,807)	(2,348,611)	(3,705,623)	(2,724,219)	(4,049,032)	1,670,594	(28,260,698)
Income and Profit from Other Operations	6,928,297	925,194	306,846	200,250	1,580,183	(133,580)	9,807,190
Expenses and Losses from Other Operations (-)	(288,940)	(165,681)	(392)	(63,227)	(2,288,256)	22,164	(2,784,832)
Operating Profit / Loss	1,419,254	1,048,867	231,446	401,435	(3,439,372)	-	(338,370)
Shares in Profits / Losses of Investments Valued with the Equity Method	-	-	-	-	(50,070)	-	(50,070)
Financing Revenues / (Expenses), Net	5,983,343	(199,887)	(530,214)	(26,383)	1,222,957	-	6,449,816
Profit / Loss Before Tax of Continuing Operations	7,402,597	848,980	(298,768)	375,052	(2,266,485)	-	6,061,376
Total Assets	244,714,880	21,678,543	8,275,551	4,713,191	68,640,772	(5,514,629)	342,508,308
Total Liabilities	37,224,542	11,080,855	5,748,595	2,420,852	16,740,983	(5,514,629)	67,701,198

Period: January 1 – December 31, 2009;

	Newsprinting and Printing Works	News Agency	TV Services	Fair and Magazine	Other ⁽¹⁾	In Group Eliminations	Group
Sales Revenue (Net)	82,533,364	21,907,443	6,648,581	6,507,390	13,764,417	(7,100,042)	124,261,153
Cost of Sales (-)	(67,297,589)	(18,917,804)	(4,067,896)	(4,490,148)	(7,711,884)	5,522,980	(96,962,341)
Gross Profit / Loss	15,235,775	2,989,639	2,580,685	2,017,242	6,052,533	(1,577,062)	27,298,812
Operating Expenses (-)	(9,685,310)	(2,875,280)	(3,370,825)	(2,807,531)	(3,399,278)	1,883,889	(20,254,335)
Income and Profit from Other Operations	1,920,298	335,828	490,672	61,081	547,646	(306,827)	3,048,698
Expenses and Losses from Other Operations (-)	(547,552)	-	(33,217)	(228,191)	(310,066)	-	(1,119,026)
Operating Profit / Loss	6,923,211	450,187	(332,685)	(957,399)	2,890,835	-	8,974,149
Shares in Profits / Losses of Investments Valued with the Equity Method	-	-	-	-	-	-	-
Financing Revenues / (Expenses), Net	10,674,126	(612,581)	(497,304)	(17,691)	359,624	-	9,906,174
Profit / Loss Before Tax of Continuing Operations	17,597,337	(162,394)	(829,989)	(975,090)	3,250,459	-	18,880,323
Total Assets	245,495,550	19,298,751	5,541,817	5,604,533	56,789,054	(3,095,727)	329,633,978
Total Liabilities	44,640,205	9,323,792	4,815,887	3,660,968	6,588,957	(3,095,727)	65,934,082

⁽¹⁾ Timeshare sales show in the section titled "Others" in the charts prepared according to the reports of the activities mentioned above. Information on sale revenue and sale costs of this activity is given in the chart below. This is not a main activity for one of the Group companies, İhlas Gazetecilik. It is a temporary activity related to the sale of timeshare stocks arising from the merger with Media Advertising on November 18, 2008.

Timeshare Activity	01.01 - 31.12.2010	01.01 - 31.12.2009
Timeshare sales revenue (net)	345,885	4,494,696
Timeshare sales cost (-)	(141,043)	(1,998,230)
Total	204,842	2,496,466

board of directors' report

n) Basic ratios related to financial status, profitability and solvency, calculated based on financial statements and information prepared within the framework of this Communiqué's provisions:

Balance Sheet	31.12.2010	Ratio Analysis	31.12.2009	Ratio Analysis
Current Assets	117,760,317	34.38%	135,879,410	41.22%
Fixed Assets	224,747,991	65.62%	193,754,568	58.78%
TOTAL ASSETS	342,508,308	100.00%	329,633,978	100.00%
Short-Term Liabilities	33,905,925	9.90%	36,598,071	11.10%
Long-Term Liabilities	33,795,273	9.87%	29,336,011	8.90%
SHAREHOLDERS EQUITY	274,807,110	80.23%	263,699,896	80.00%
Equities Pertaining to the Parent Company	176,557,619	51.55%	176,071,138	53.41%
Minority Shares	98,249,491	28.69%	87,628,758	26.58%
TOTAL RESOURCES	342,508,308	100.00%	329,633,978	100.00%
Income Statement	31.12.2010	Ratio Analysis	31.12.2009	Ratio Analysis
Sales Revenue	110,602,460	100.00%	124,261,153	100.00%
Cost of Sales (-)	(89,702,490)	(81.10)%	(96,962,341)	(78.03)%
GROSS PROFIT / LOSS	20,899,970	18.90%	27,298,812	21.97%
Operating Costs	(28,260,698)	(25.55)%	(20,254,335)	(16.30)%
Other Operating Revenues	9,807,190	8.87%	3,048,698	2.45%
Other Operating Costs (-)	(2,784,832)	(2.52)%	(1,119,026)	(0.90)%
GROSS PROFIT / LOSS	(338,370)	(0.31)%	8,974,149	7.22%
Tax Income / Costs for Continuing Operations	(1,641,389)	(1.48)%	(4,393,792)	(3.54)%
PROFIT/LOSS BEFORE TAX FOR CONTINUING OPERATIONS	6,061,376	5.48%	18,880,323	15.19%
CEASED OPERATIONS				
Profit / Loss After Tax on Ceased Operations	0	0.00%	0	0.00%
PROFIT / LOSS FOR THE PERIOD	4,419,987	4.00%	14,486,531	11.66%
Breakdown of the Profit / Loss for the Period				
Minority Shares	3,071,531	2.78%	6,380,438	5.13%
Parent Company Shares	1,348,456	1.22%	8,106,093	6.52%
Ratios	31.12.2010	31.12.2009		
Liquidity Ratios				
Current Ratio	3.47	3.71		
Liquidity Ratio	3.47	3.62		
Cash Ratio	0.86	0.44		
Financial Structure Ratios				
Financial Leverage	0.20	0.20		
Total Liabilities / Shareholders Equity	0.25	0.25		
Short-Term Loans / Total Resources	0.10	0.11		
Long-Term Loans / Total Resources	0.10	0.09		
Financial Debts / Shareholders Equity	0.02	0.02		
Financial Debts / Total Assets	0.02	0.01		

o) Measures thought to be taken in order to improve the Enterprise's financial structure:

The Enterprise's financial structure is planned to be improved further by converting its short-term financial debts into long-term debts within the framework of the current economic conditions.

p) Changes to the senior management during the year and names, surnames and professional experience of those still serving:

There was no change in the senior management during the year. Those serving in their positions are listed as follows:

Name	Duty	Professional Experience
Ahmet Mücahid Ören	Chairman of the Board	21 years
Mustafa R. Selçuk	Deputy Chairman of the Board, General Manager and Executive Manager	17 years
Nuh Albayrak	Member of the Board	28 years
Fevzi Kahraman	Member of the Board	36 years
Rıdvan Büyükçelik	Member of the Board	28 years
Orhan Tanışman	Member of the Board and Corporate Management Committee Chairman	19 years
Melih Rüçhan Arvasi	Independent Board Member and Corporate Management Committee Member (Independent Member)	17 years
Osman Duman	Member of the Board and Audit Committee Chairman (Independent Member)	17 years
Tolga Sönmez	Member of the Board and Audit Committee Member (Independent Member)	13 years
Mustafa Erdoğan	Financial Affairs Manager	21 years

q) Personnel and employee actions, collective agreements, and rights and benefits provided to the personnel and employees:

The number of employees at İhlas Yayın Holding A.Ş. stood at 45 in the beginning of the period, falling to 19 by the end of the period. A total of 1,011 personnel are working in companies included in the consolidation. No collective agreements are made in our Company.

Personnel expenses included in operating costs in the parent capital within the period stood at TL 5,305,893.

r) Information on donations made during the period:

No donation was made during the period 01.01.2010 - 31.12.2010.

s) Information on whether there are organizations other than the registered office:

We have no off-center organization.

t) Information on the shares of enterprises subject to the consolidation within the parent capital (mutual association):

There is no mutual subsidiary among the consolidated companies.

u) In relation to the process of preparing the consolidated financial statements, explanations regarding the main components of the Group's internal audit and risk management systems:

The Group's internal control system includes a structure in which goals of the enterprise, risk determination and control activities are associated with each other. Moreover, the Group focuses on the minimization of any kinds of risks which will prevent it from reaching its goals. Components of the internal control system established for this purpose are grouped under three categories.

1- Control Environment

Management's views and approach,
Structure of the organization of the Enterprise,
Functions of the Board of Directors and Board of Auditors
Distribution of rights and responsibilities,
Management's control methods,
Enterprise's personnel policies, procedures, personnel structure and status,
External factors.

2- Accounting System

Enterprise's accounting system and structure,
Whether or not registered transactions do actually exist,
Whether or not transactions are performed based on granted authorization,
Whether or not realized transactions are registered,
Whether or not transactions are appropriately evaluated,
Whether or not transactions are registered to the correct accounts,
Whether or not transactions are registered on time,
Whether or not transactions are reflected to the statements and report as required,
Whether or not there is or not an account plan which is established in accordance with the Enterprise's operations,
Whether or not there is an accounting regulation which sufficiently sets forth the operation of accounts, an effective budget system and a cost accounting system arranged in accordance with operations, a document flow order that keeps transactions under control.

3- Control Procedures

The separation of principle duties,
Appropriate authorization in relation with transactions and operations,
Convenience of documents and registry entries,
Physical control on assets and registry entries,
Independent controls regarding performance.
The Group's internal audit structure is audited by internal auditors under the supervision of the Internal Audit Committee.

A risk assessment process is in place to determine and evaluate any obstacles that may prevent the Group from achieving its purpose during the execution of internal audits.

Elements of the risk assessment process are as follows:

Determination of goals and targets,
Determination of the risk tolerance level,
Determination of controls,
Evaluation of controls,
Improvement of controls,
Permanent monitoring.



ihlas yayın holding a.ş. proposal on the distribution of profits for the year 2010

At the Board of Directors meeting held today (March 15, 2011);

By the end of our Company's 2010 accounting period;

The profit for the period was TL 1,348,456.00 according to the consolidated balance sheet prepared according to International Accounting / Financial Reporting Standards, in compliance with the provisions of Communiqué - Serial: XI, No.: 29.

The Company has a total of TL 3,106,753.54 period loss in the unconsolidated statutory documents prepared in accordance with the provisions of the Tax Procedure Law (TPL).

It is decided to submit proposal to the Ordinary General Meeting of Shareholders about not distributing profit.

Our above explanation, in compliance with the provisions of Communiqué - Serial VIII, No: 54, reflects exact and right information attained us on this subject / subjects; the information is appropriate with the books, records and our documents; we make all efforts to get the exact and right information about the subject and we announce that we are responsible for these explanations

Respectfully yours,

Mustafa R. Selçuk
Deputy Chairman, General Manager,
and Executive Member

Rıdvan Büyükçelik
Board Member

ihlas yayın holding a.ş. audit report abstract for the accounting year 2010

To the General Assembly of İhlas Yayın Holding A.Ş.

Company's Name	: İHLAS YAYIN HOLDİNG A.Ş.
Registered Office	: İstanbul
Capital	: Authorized Capital: 600,000,000.00 TL Issued Capital: 200,000,000.00 TL
Business Lines	: Media, Publishing, Advertising
Auditors / Auditors' Name(s)	: Kürşat Karakebelioğlu
Status of whether the auditors are shareholders or personnel of the Company	: Designated on September 13, 2010 for a term of three years. They are neither shareholders nor personnel.
Number of Board of Directors meetings participated in and Audit Committee meetings held	: Participation in seven Board of Directors meetings, with a review of Board of Directors resolutions. Four Audit meetings held.
Scope of the audit carried out in the Company's accounts Partnership accounts, scope of the audit carried out in the Company's books and records, date of the audit and the result	: It was observed in the quarterly audits made on the statutory books and books and records at the audit dates and in the conclusion documents that the records were in compliance with the documents and accounting standards.
Number and results of cash audits made in accordance with sub-paragraph 3, paragraph 1, Article 353 of the TCC	: Apart from cash audits carried out in affiliated companies, four cash audits were carried out at the Head Office and it was observed that cash balances were in conformity with the records.
Dates and results of audits carried out as per sub-paragraph 4, paragraph 1, Article 353 of the TCC	: Company records were audited each month and it was observed that the cited assets existed and complied with records.
Complaints and information concerning embezzlements, which were referred to us, and procedures followed (if any)	: No complaints and information about embezzlement were referred to us.

I have audited the accounts and transactions of İhlas Yayın Holding A.Ş. for the period of January 1, 2010 - December 31, 2010 in accordance with the Turkish Commercial Code, the Company's Articles of Association, other laws and regulations and generally accepted accounting principles and standards.

It is my view that the annexed Balance Sheet drawn up as per December 31, 2010, the contents of which is recognized by me; and the Income Statement for the period January 1, 2010 - December 31, 2010 truly and accurately reflect the Company's financial situation as per the above date and the operating results as per the above period respectively; and the recommendation for the distribution of profits complies with the laws and the Company's Articles of Association.

I submit the approval of the Balance Sheet and Income Statement, and the discharge of the Board of Directors for your examination.

İstanbul, March 03, 2011

Auditor

Kürşat Karakebelioğlu

DATE: MARCH 02, 2011

DATE OF THE BOARD OF DIRECTORS' DECISION FOR THE FINANCIAL TABLES AND ANNUAL REPORTS: MARCH 02, 2011
NUMBER OF DECISION: 2011 / 04

**STATEMENT OF RESPONSIBILITY IN ACCORDANCE WITH THE 9TH ARTICLE OF CAPITAL MARKETS BOARD'S
"COMMUNIQUE ON THE PRINCIPLES OF FINANCIAL REPORTING IN CAPITAL MARKETS", SERIAL: XI, NO.: 29**

We declare that the consolidated financial statements and the Annual Report of İhlas Yayın Holding A.Ş., which were completed by December 31, 2010, in accordance with the International Accounting / Financial Reporting Standards pursuant to the provisions of the Capital Markets Board's "Communiqué on the Principles of Financial Reporting in Capital Markets", Serial: XI, No.: 29,

a) Were examined by our side;

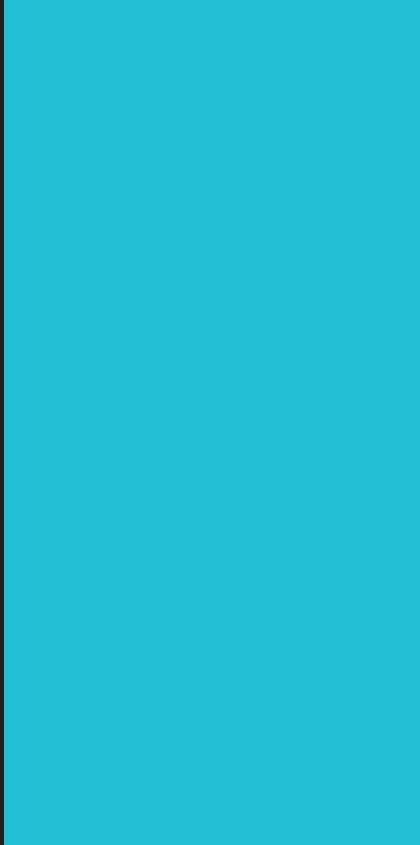
b) Did not include any explanation contrary to the facts in respect to important matters or any gaps that could be misleading as of the date when the explanation was made, to the extent of the information we have as per our duty and responsibility within the Enterprise; and

c) To the extent of the information we have as per our duty and responsibility within the Enterprise, financial statements along with those under the scope of consolidation, which were prepared in accordance with the financial reporting standards in effect, truly reflect the Enterprise's assets, liabilities, financial status and profit / loss; and the Annual Report solely reflects the truth regarding the development and performance of the business; and the Annual Report, along with those under the scope of consolidation, reflects the truth regarding the Enterprise's financial status, significant risks and uncertainties it faces.

Yours faithfully,

Mustafa R. Selçuk
Deputy Chairman, General Manager,
and Executive Member

Rıdvan Büyükçelik
Board Member



**ihlas yayın holding a.ş.
consolidated financial statements and
independent auditor's report for the accounting year
january 1 - december 31, 2010**



**PÜR BAĞIMSIZ DENETİM
YEMİNLİ MALİ MÜŞAVİRLİK A.Ş.**

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**İhlas Yayın Holding Anonim Şirketi
Independent Auditor's Report
for the Accounting Year January 01 - December 31, 2010**

To the Board of Directors of İhlas Yayın Holding Anonim Şirketi,

We have audited the accompanying consolidated financial statements (balance sheet) of İhlas Yayın Holding Anonim Şirketi ("the Holding"), applicable for December 31, 2010, and the related comprehensive statements of income, changes in shareholders' equity and cash flows and footnotes to these statements applicable for the same year ending.

The Responsibilities of the Group Management in Relation to the Financial Statements

The management of the Group is responsible for the preparation and correct disclosure of the consolidated financial tables in accordance with the financial reporting standards announced by the Capital Markets Board (CMB). This responsibility incorporates the preparation of consolidated financial tables in a manner free from any material errors which may stem from mistakes and / or deceptions and irregularities, the design, application and maintenance of internal auditing systems to enable a fair representation of the state of the company, the establishment of accounting projections proper for relevant conditions and the determination of proper accounting policies.

The Responsibility of the Independent Audit Company

Our responsibility is to release a view on these consolidated financial tables based on the results of our independent auditing. Our independent audit was carried out in accordance with independent auditing standards set out by the Capital Markets Board. These standards require compliance with ethical standards and the completion of an independent audit to provide sufficient confidence in the ability of the consolidated financial statements to present an accurate reflection of the state of the Holding.

Our independent audit incorporates the use of independent audit techniques in order to provide an independent audit of the consolidated financial tables and footnotes. We were responsible for the determination of the independent audit techniques, including the matter of whether there are any errors, which may stem from mistakes and / or deceptions and irregularities in the consolidated financial tables. The internal risk system of the Group was taken into consideration in this risk appraisal. However, our aim is not to disclose a view on the efficiency of the internal audit system, but to illustrate the relationship between financial tables prepared by the management and the internal audit system in order to develop independent techniques, which are proper for the relevant conditions. Our independent audit also incorporates the appraisal of the compatibility between accounting policies accepted by the Group management and accounting projections, and the presentation of consolidated financial tables as a whole.

We believe in that the independent audit results obtained through our internal audit are sufficient and proper to establish such a view.

Opinion

In our view, the enclosed consolidated financial statements truly and fairly reflect Group's financial status as of December 31, 2010, as well as its financial performance and cash flows for the fiscal year ending on the same date, within the framework of financial reporting standards published by the Capital Markets Board.

Although not influencing our opinions, we would also like to draw attention to the matter below:

The enclosed consolidated financial statements dated December 31, 2010 and the comparative financial statements dated December 31, 2009 were audited by another independent auditing firm and a qualified opinion was therefore set forth in respect to the consolidated financial statements in question.

Istanbul, March 02, 2011

**Responsible Partner, Chief Auditor
ŞÜKRÜ YAVUZ**

**PÜR BAĞIMSIZ DENETİM
YEMİNLİ MALİ MÜŞAVİRLİK A.Ş.**

CONTENTS

	Page No.
CONSOLIDATED FINANCIAL POSITION STATEMENTS (BALANCE SHEETS)	74
CONSOLIDATED COMPREHENSIVE INCOME STATEMENTS	76
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY	78
CONSOLIDATED CASH FLOW STATEMENTS	79
FOOTNOTES TO THE FINANCIAL STATEMENTS	80
Note 1 Organization and Line of Activity of the Group	80
Note 2 Principles Regarding the Presentation of Financial Statements	82
Note 3 Enterprise Mergers	98
Note 4 Joint Ventures	99
Note 5 Reporting on the Basis of Department of Activity	99
Note 6 Cash and Cash Equivalents	100
Note 7 Financial Investments	101
Note 8 Financial Liabilities	101
Note 9 Other Financial Liabilities	102
Note 10 Trade Receivables and Payables	103
Note 11 Other Receivables and Payables	103
Note 12 Receivables and Payables Resulting from Financial Sector Operations	104
Note 13 Inventories	104
Note 14 Biological Assets	104
Note 15 Balances Related to Construction Contracts in Progress	104
Note 16 Investments Evaluated with the Equity Method	105
Note 17 Investment Property	105
Note 18 Tangible Fixed Assets	107

		Page No.
Note 19	Intangible Fixed Assets	109
Note 20	Goodwill	111
Note 21	Government Grants and Incentives	112
Note 22 - 23	Provisions, Contingent Assets and Liabilities, Commitments	113
Note 24	Benefits Provided to the Personnel	114
Note 25	Pension Plans	115
Note 26	Other Assets and Liabilities	116
Note 27	Shareholders' Equity	116
Note 28	Sales Revenues and Costs	118
Note 29	Operating Costs	119
Note 30	Qualitative Distribution of Expenses	119
Note 31	Other Operating Incomes / Expenses	120
Note 32	Financial Revenues	121
Note 33	Financial Expenses	121
Note 34	Non-Current Assets Held-for-Sale and Ceased Operations	121
Note 35	Tax Assets and Liabilities	121
Note 36	Earnings Per Share	123
Note 37	Related Party Disclosures	124
Note 38	Nature and Extent of Risks Arising from Financial Instruments	128
Note 39	Financial Instruments	131
Note 40	Subsequent Events (Events After the Balance Sheet Date)	136
Note 41	Other Matters that May Affect the Financial Statements to a Significant Extent or Matters Which are Required to be Explained in Order for the Financial Statements to be Clear, Interpretable and Understandable	136

Consolidated Financial Position Statements (Balance Sheets) as of December 31, 2010 And December 31, 2009

(All amounts expressed in Turkish Lira ("TL") unless mentioned otherwise.)

	Footnote References	Independently Audited 31.12.2010	Audited 31.12.2009
ASSETS			
Current Assets		117,760,317	135,879,410
Cash and Cash Equivalents	6	29,115,852	16,016,736
Financial Investments	7	-	-
Trade Receivables	10	65,613,151	85,221,974
- Trade Receivables from Related Parties		8,748,375	16,865,409
- Other Trade Receivables		56,864,776	68,356,565
Receivables from Finance Sector Operations	12	-	-
Other Receivables	11	928,787	256,024
Inventories	13	6,739,021	3,479,964
Live Assets	14	-	-
Other Current Assets	26	15,363,506	30,904,712
(Sub Total)		117,760,317	135,879,410
Fixed Assets Held-for-Sale	34	-	-
Fixed Assets		224,747,991	193,754,568
Trade Receivables	10	-	-
Receivables from Finance Sector Operations	12	-	-
Other Receivables	11	37,603	42,260
Financial Investments	7	-	-
Investment by Equity Method	16	44,930	-
Live Assets	14	-	-
Real Estate Held-for-Investment	17	97,285,537	81,313,167
Tangible Assets	18	41,070,756	19,529,255
Intangible Assets	19	56,138,772	51,903,945
Goodwill	20	13,342,728	5,798,727
Deferred Tax Liabilities	35	16,696,405	16,331,058
Other Non-Current Assets	26	131,260	18,836,156
TOTAL ASSETS		342,508,308	329,633,978

The accompanying footnotes form an integral part of the consolidated financial statements.

		Independently	
	Footnote	Audited	Audited
	References	31.12.2010	31.12.2009
LIABILITIES			
Short-Term Liabilities		33,905,925	36,598,071
Financial Debts	8	3,238,050	3,461,946
Other Financial Liabilities	9	1,970,865	3,527,088
Trade Payables	10	20,377,625	20,501,719
- Trade Payables to Related Parties		7,474,753	2,912,851
- Other Trade Liabilities		12,902,872	17,588,868
Other Liabilities	11	1,765,139	1,956,067
Debts from Financial Sector Operations	12	-	-
Government Promotion and Aid	21	-	-
Tax Liability Profit for the Period	35	425,098	199,746
Provision of Debt	22	57,700	18,820
Other Short-Term Liabilities	26	6,071,448	6,932,685
(Sub Total)		33,905,925	36,598,071
Liabilities Related to Fixed Assets Held-for-Sale	34	-	-
Long-Term Liabilities		33,795,273	29,336,011
Financial Debts	8	2,841,906	984,049
Other Financial Liabilities	9	-	-
Trade Payables	10	-	-
Other Liabilities	11	-	-
Debts from Financial Sector Operations	12	-	-
Government Promotion and Aid	21	-	-
Provision of Debt	22	1,017,331	1,737,131
Allowances Related to Extended Benefit to Employees	24	8,106,846	4,413,667
Deferred Tax Liability	35	21,829,190	22,198,282
Other Long-Term Liabilities	26	-	2,882
SHAREHOLDERS' EQUITY		274,807,110	263,699,896
Shareholders' Equity Belonging to Main Partnership		176,557,619	176,071,138
Paid-in Capital	27	200,000,000	200,000,000
Capital Correction Discrimination	27	22,039,497	22,039,497
Opposite Affiliate Capital Correction (-)		-	-
Share Premiums	27	-	-
Value Increase Funds		-	-
FX Conversion Differences		-	-
Restricted Reserves Derived from Profit	27	6,949,691	6,545,359
Profit / Loss for the Previous Period	27	(53,780,025)	(60,619,811)
Net Profit / Loss for the Period	36	1,348,456	8,106,093
Minority Interest	27	98,249,491	87,628,758
TOTAL LIABILITIES		342,508,308	329,633,978

The accompanying footnotes form an integral part of the consolidated financial statements.

Consolidated Comprehensive Income Statements as of January 1 - December 31, 2010 And January 1 - December 31, 2009

(All amounts expressed in Turkish Lira ("TL") unless mentioned otherwise.)

			Independently Audited 01.01.2010- 31.12.2010	Audited 01.01.2009- 31.12.2009
	Footnote References			
CONTINUING OPERATIONS				
Income from Sales	28		110,602,460	124,261,153
Cost of Goods Sold (-)	28		(89,702,490)	(96,962,341)
Gross Profit / (Loss) from Trade Activities			20,899,970	27,298,812
Interest, Fee, Premium, Commission and Other Income	28		-	-
Interest, Fee, Premium, Commission and Other Expenses (-)	28		-	-
Gross Profit / (Loss) from Financial Sector Activities			-	-
GROSS PROFIT / (LOSS)			20,899,970	27,298,812
Marketing, Sales and Distribution Expenses (-)	29		(7,311,042)	(4,773,796)
General Administration Expenses (-)	29		(20,949,656)	(15,480,539)
Research and Development Expenses (-)	29		-	-
Other Operating Income	31		9,807,190	3,048,698
Other Operating Expenses (-)	31		(2,784,832)	(1,119,026)
OPERATING PROFIT / (LOSS)			(338,370)	8,974,149
Shares of Investments Evaluated by Equity Method in Profit / (Loss)	16		(50,070)	-
Financial Income	32		12,799,109	18,556,891
Financial Expenses (-)	33		(6,349,293)	(8,650,717)
PRE-TAX PROFIT / (LOSS) OF CONTINUING OPERATIONS			6,061,376	18,880,323
Continuing Operations Tax Income / (Expenditure)			(1,641,389)	(4,393,792)
- Tax Income / (Expenditure) of the Period	35		(1,899,366)	(199,746)
- Deferred Tax Income / (Expenditure)	35		257,977	(4,194,046)
PROFIT / (LOSS) FOR THE PERIOD OF CONTINUING OPERATIONS	36		4,419,987	14,486,531
CEASED OPERATIONS				
Profit / (Loss) After Tax of Ceased Operations	34		-	-
PROFIT / (LOSS) FOR THE PERIOD			4,419,987	14,486,531
Distribution of Profit / (Loss) for the Period			4,419,987	14,486,531
Minority Interest	36		3,071,531	6,380,438
Shares of Main Partnership	36		1,348,456	8,106,093
Earnings / (Loss) per Share	36		0.01	0.04
Earnings / (Loss) per Share from Continuing Operations	36		0.01	0.04

The accompanying footnotes form an integral part of the consolidated financial statements.

		Independently	
	Footnote	Audited	Audited
	References	01.01.2010- 31.12.2010	01.01.2009- 31.12.2009
PROFIT / LOSS FOR THE PERIOD	36	4,419,987	14,486,531
OTHER COMPREHENSIVE PROFIT			
Change in Financial Assets Value Increase Fund		-	-
Change in Fixed Assets Value Increase Fund		-	-
Change in the Fund of Protection from Financial Risk		-	-
Change in Foreign Currency Conversion Difference		-	-
Actuarial Gains and Loss in Pension Plans		-	-
Shares of Partnerships, Valued with Equity Method, in Other Comprehensive Income		-	-
Tax Income / Expenditure(s) Related with Other Comprehensive Income Items		-	-
OTHER COMPREHENSIVE INCOME (AFTER TAX)		-	-
TOTAL COMPREHENSIVE INCOME		4,419,987	14,486,531
Diversification of Total Comprehensive Income		4,419,987	14,486,531
Minority Interest	36	3,071,531	6,380,438
Main Partnership Shares	36	1,348,456	8,106,093

The accompanying footnotes form an integral part of the consolidated financial statements.

Consolidated Statement of Changes In Shareholders' Equity as of January 1 - December 31, 2010 and January 1 - December 31, 2009
(All amounts expressed in Turkish Lira ("TL") unless mentioned otherwise.)

	Footnote References	Paid-in Capital	Capital Correction Differences	Restricted Reserves Derived from Profit	Profit / (Loss) for the Previous Year	Net Profit / (Loss) for the Period	Minority Interests	Total Shareholders' Equity
January 1, 2010		200,000,000	22,039,497	6,545,359	(60,619,811)	8,106,093	87,628,758	263,699,896
Capital Increase - Cash Payment	27	-	-	-	-	-	229,139	229,139
Transfers	27	-	-	9,808	8,096,285	(8,106,093)	-	-
Efficient Share Changes	27	-	-	(28,715)	(1,256,499)	-	7,282,157	5,996,943
Effects of New Acquisitions	27	-	-	423,239	-	-	37,906	461,145
Net Profit / (Loss) for the Period	36	-	-	-	-	1,348,456	3,071,531	4,419,987
December 31, 2010		200,000,000	22,039,497	6,949,691	(53,780,025)	1,348,456	98,249,491	274,807,110

	Footnote References	Paid-in Capital	Capital Correction Differences	Restricted Reserves Derived from Profit	Value Increase Fund	Profit / (Loss) for the Previous Year	Net Profit / (Loss) for the Period	Minority Interests	Total Shareholders' Equity
January 1, 2009		200,000,000	22,039,497	590,203	193,030	(78,225,574)	17,412,733	75,266,392	237,276,281
Capital Increase - Cash Payment	27	-	-	-	-	-	-	3,287,935	3,287,935
Capital Increase - No. 5811 Assets Peace	27	-	-	5,955,167	-	-	-	2,695,557	8,650,724
Transfers	27	-	-	(193,030)	(193,030)	17,605,763	(17,412,733)	-	-
Efficient Share Changes	27	-	-	(11)	-	-	-	(1,564)	(1,575)
Net Profit / (Loss) for the Period	36	-	-	-	-	-	8,106,093	6,380,438	14,486,531
December 31, 2009		200,000,000	22,039,497	6,545,359	-	(60,619,811)	8,106,093	87,628,758	263,699,896

The accompanying footnotes form an integral part of the consolidated financial statements.



ihlas yayın holding a.ş.

Consolidated Cash Flow Statements as of January 1 - December 31, 2010 and January 1 - December 31, 2009

(All amounts expressed in Turkish Lira ("TL") unless mentioned otherwise.)

	Footnote References	Independently Audited 31.12.2010	Audited 31.12.2009
Cash flows from operating activities			
Net profit / (loss) for the period	36	1.348.456	8.106.093
Mutual agreement between cash flows from operating activities and net profit			
Depreciation	17, 18	8,871,277	10,944,332
Amortization and depletion allowance	19	14,965	39,659
Provisions for severance pay	24	4,535,455	2,904,148
Tax	35	1,641,389	4,393,792
Minority profit / (loss)	36	3,071,531	6,380,438
Sales loss of subsidiary (public offering)	31	2,230,132	-
Provision of law suit	31	132,400	59,500
Subsidiary allowance for impairment	16	50,070	-
Cancellation of brand impairment	31	(4,249,860)	-
Provision for doubtful accounts out of subject	31	(1,167,598)	(751,982)
Provision of severance payments out of subject	31	(396,725)	(708,954)
Other provisions out of subject	31	(813,320)	-
Interest revenue	32	(2,874,220)	(1,626,206)
Interest expenditure	33	1,438,086	2,251,185
Profit / (loss) on fixed assets sold, net	31	(20,780)	(90,302)
Other income / (expenses) not requiring cash inflow / (outflow), net		548,526	504,201
Net operating profit before changes in operating assets and liabilities		14,359,784	32,405,904
Changes in assets and liabilities			
Changes in trade receivables	10	19,608,823	(1,870,413)
Changes in other receivables	11	(668,106)	1,726,430
Changes in inventories	13	(3,259,057)	3,258,048
Changes in other current assets	26	15,541,206	572,906
Changes in other fixed assets	26	18,704,896	(18,807,600)
Changes in trade payables	10	(124,094)	(19,861,216)
Changes in other debts	11	(190,928)	(1,033,058)
Changes in other short and long-term debts	26	(864,119)	(5,229,060)
Taxes paid	35	(1,674,014)	-
Paid severance pays	24	(955,059)	(1,480,250)
Net cash provided by operating activities		60,479,332	(10,318,309)
Investment activities			
Tangible fixed asset and held-for-investment real estate purchases	17, 18	(46,565,525)	(3,479,118)
Intangible fixed assets purchases	19	(2,100)	(8,465)
Cash from fixed assets sales		308,924	4,598,450
Cash outflows from subsidiary acquisition	20	(9,610,780)	-
Cash derived from subsidiary sales		3,960,000	-
Cash capital increase of subsidiary (external main partnership)	27	229,139	3,287,935
Capital payment from assets peace of number 5811	27	-	8,650,725
Net cash derived from investment operations		(51,680,342)	13,049,527
Financial operations			
Interest received and paid, net	32, 33	1,436,134	(624,979)
Change in financial debts	8, 9	77,738	(1,194,046)
Net cash used in financial operations		1,513,872	(1,819,025)
Net increase in cash and cash equivalents		10,312,862	912,193
Cash from merges of enterprises at the beginning of the period		2,786,254	-
Balance of cash and cash equivalents at the beginning of the period	6	16,016,736	15,104,543
Balance of cash and cash equivalents at the end of the period	6	29,115,852	16,016,736

The accompanying footnotes form an integral part of the consolidated financial statements.

Footnotes to the Consolidated Financial Statements as of December 31, 2010

(All amounts expressed in Turkish Lira ("TL") unless mentioned otherwise.)

Note 1 - Organization and Line of Activity of the Group

İhlas Yayın Holding A.Ş.'s ("Holding") field of activity consists of participating or partaking in the capitals, management and controlling of all kinds of partnerships that are or will be established to operate in all kinds of written, audio and video broadcasting, advertising, news agency and other similar sectors as of their establishment or thereafter, in addition to establishing enterprises and companies in these sectors on the Holding's own behalf.

The Holding's headquarters is located at the address: "29 Ekim Cad. No: 23 Yenibosna, Bahçelievler - İstanbul".

The Holding's and its subsidiary companies' number of personnel as of the dates indicated below are as follows;

Periods	Holding	Subsidiary Companies	Group Total
31.12.2010	19	992	1,011
31.12.2009	44	924	968

The Holding's partnership structure as of 31.12.2010 and 31.12.2009 is as follows:

Name / Title	31.12.2010		31.12.2009	
	Share Ratio %	Share Amount (TL)	Share Ratio %	Share Amount (TL)
İhlas Holding A.Ş.	69.15	138,300,000	97.90	195,800,000
Free Float	28.75	57,500,000	-	-
Enver Ören	1.00	2,000,000	1.00	2,000,000
Ahmet Mücahid Ören	0.90	1,800,000	0.90	1,800,000
Mahmut Kemal Aydın	0.10	200,000	0.10	200,000
Mehmet Nureddin Yağcı	0.10	200,000	0.10	200,000
Total	100.00	200,000,000	100.00	200,000,000
Distinction from Share Capital Adjustments		22,039,497		22,039,497
Total		222,039,497		222,039,497

The Company's Main Partner, İhlas Holding A.Ş.'s application to the Capital Markets Board, for the public offering of the share stocks possessed by the Holding, was registered with the date 18.10.2010 and number 71/905. In the meeting of the Board of Directors of the Directorate of Istanbul Stock Exchange dated 03.11.2010, it was decided that stock shares representing İhlas Yayın Holding A.Ş.'s capital of TL 200,000,000 would be listed on the Stock Exchange and as of 05.11.2010, their trading on the National Market would be commenced with the code "İHYAY". For group A bearer's stock shares offered to the public with a nominal value of TL 57,500,000, a base price of TL 1.30 was set for each share with a nominal value of TL 1.

According to the General Assembly Decision regarding the amendment of the articles of association, dated 13.09.2010, the distribution of and the benefits provided by the Holding's preferential shares (group B shares) are as follows:

Partner's Name / Title	Registered / Bearer	Quantity	Amount
İhlas Holding A.Ş.	Registered	8,000,000	8,000,000
Enver Ören	Registered	1,000,000	1,000,000
Ahmet Mücahid Ören	Registered	900,000	900,000
Mahmut Kemal Aydın	Registered	100,000	100,000
Total		10,000,000	10,000,000

Benefits Provided from Preferential Shares

a- Regarding the prerogative of choosing a Member of the Board of Directors;

If the General Assembly of the Holding decides that the Board of Directors consist of 5 people, at least 4 of the Members of the Board of Directors are selected from among candidates nominated by group (B) shareholders. Similarly, at least 5 of the members are selected among those candidates if a board of 7 people is decided, at least 7 of the members are selected among those candidates if a board of 9 people is decided, and at least 9 of the members are selected among those candidates if a board of 11 people is decided.

b- Regarding the prerogative of choosing a Comptroller;

If the General Assembly decides the number of comptrollers as one, this comptroller is selected from among candidates nominated by group (B) shareholders. Similarly, at least two of the comptrollers are selected among those candidates if a comptroller number of three is decided upon.

c- Regarding the prerogative of voting at the General Assembly Meetings;

In the ordinary and the extraordinary General Assembly Meetings of the Holding, each group B shareholder has 100 (one hundred) vote rights for each share they possess. The provisions of TCC's article 387 are reserved.

The Group's Fields of Activity

The Group consists of the Holding and its subsidiary companies.

One of the group companies, İhlas Gazetecilik A.Ş. (İhlas Gazetecilik) is engaged in the following fields of activity: publishing and printing newspapers, magazines, books, encyclopedias, pamphlets and journals that are daily, weekly, monthly, shorter-term, longer-term or of uncertain frequency, in Turkish and in foreign languages, in addition to distribution and marketing of these products domestically and internationally. İhlas Gazetecilik owns six printing facilities, located in Istanbul, Ankara, Antalya, Izmir, Adana and Trabzon.

One of the Group companies, İhlas Haber Ajansı A.Ş. (İHA), is engaged in the news agency business. The Company's main fields of activity consist of generating visual, written and photographed news, in addition to marketing this news via satellite and other means.

The main fields of activity of one of the Group companies, TGRT Haber TV A.Ş. (TGRT Haber), consist of production of television and radio broadcasts, production, shooting and vocalization of television films, as well as video and advertising programs, rental of television channels and establishment of radio stations. TGRT FM is engaged in radio broadcasting and operates under the legal entity, TGRT Haber TV A.Ş.

The main fields of activity of one of the Group companies, TGRT Dijital TV Hizmetleri A.Ş. (TGRT Dijital), consist of production of television and radio broadcasts, broadcasts of documentaries, production, shooting and vocalization of television films, as well as video and advertising programs.

One of the Group companies, İletişim Magazin Gazt. ve Tic. A.Ş. (İletişim Magazin), is engaged in the issuing, printing and marketing of magazines, newspapers, books, etc. The Company produces 4 children's magazines, 6 magazines on textiles and interior decoration, 2 magazines on food culture and women, 1 automotive magazine, 1 magazine on information technology, 2 magazines on other miscellaneous subjects and 1 newspaper.

One of the Group companies, İhlas Fuar Hizmetleri A.Ş. (İhlas Fuar), is engaged in organizing trade and promotion purpose fairs and exhibitions, both domestically and internationally. The Company's fields of activity also include providing advertising services within its sector and issuing periodical publications.

The fields of activity of one of the Group companies, İhlas Gelişim Yayıncılık A.Ş. (İhlas Gelişim), consist of the domestic and international selling, distribution and marketing of newspapers and all kinds of other publications, both in Turkish and in foreign languages. İhlas Gelişim is also the main partner of İhlas Fuar and İletişim Magazin.

One of the Group companies, Alternatif Medya Görsel İletişim Sis. Ltd. Şti. (Alternatif Medya), is engaged in generating and producing software products for all kinds of audio, video and images, in addition to creating platforms over the internet, providing data archive services, as well as selling or renting these services and publishing them on the Internet.

The fields of activity of one of the Group companies, Promaş Profesyonel Medya Reklam ve Film Pazarlama Hizmetleri A.Ş. (Promaş), consist of advertising, publicity, photography, show bills and other similar announcement media, in addition to the Company's duties as an advertising agency.

The fields of activity of one of the Group companies, İhlas Reklam Ajans Hizmetleri Ltd. Şti. (İhlas Reklam), consist of advertising, publicity, photography, show bills and other similar announcement media in addition to the Company's duties as an advertising agency.

Footnotes to the Consolidated Financial Statements as of December 31, 2010

(All amounts expressed in Turkish Lira ("TL") unless mentioned otherwise.)

Subsidiary Companies

The Holding's final stock share ratios with its subsidiary companies as of December 31, 2010, and December 31, 2009, are as follows:

Company Title	Main Fields of Activity	Ownership Ratio %	
		December 31, 2010	December 31, 2009
1) İhlas Gazetecilik A.Ş. (İhlas Gazetecilik)	Issuing, distribution and marketing of Türkiye Gazetesi, as well as print and press related works	56.55%	59.55%
2) İhlas Haber Ajansı A.Ş. (İHA) ^(*)	News agency.	50.00%	50.00%
3) TGRT Haber TV A.Ş. (TGRT Haber)	Television broadcasting through TGRT Haber TV and radio broadcasting through TGRT FM.	98.96%	98.96%
4) TGRT Dijital TV Hizmetleri A.Ş. (TGRT Dijital)	Television broadcasting through TGRT Belgesel TV.	95.00%	95.00%
5) İletişim Magazin Gazt. San ve Tic. A.Ş. (İletişim Magazin)	Issuing, printing and marketing of magazines, newspapers, books etc.	79.80%	79.80%
6) İhlas Fuar Hizmetleri A.Ş. (İhlas Fuar)	Organizing fairs and exhibitions in addition to issuing periodical publications on subjects related to the Company's fields of activity.	77.28%	77.28%
7) İhlas Gelişim Yayıncılık A.Ş. (İhlas Gelişim)	The Company is the main partner of İhlas FuarHizmetleri A.Ş. and İletişim Magazin Gazt. San ve Tic. A.Ş.	84.00%	84.00%
8) Alternatif Medya Görsel İletişim Sis. Ltd. Şti. (Alternatif Medya)	Generating and producing software products for audio, video and images in addition to creating platforms over the internet and providing data archive services, as well as selling or renting these services and publishing them on the Internet.	93.13%	93.13%
9) Promaş Profesyonel Medya Reklam ve Film Pazarlama Hiz. A.Ş. (Promaş)	Advertising, publicity, photography and agency regarding show bills and other similar announcement media.	96.80%	-
10) İhlas Reklam Ajans Hizmetleri Ltd. Şti. (İhlas Reklam)	Advertising, publicity, photography, agency regarding show bills and other similar announcement media.	99.00%	-

^(*) The Group's active share ratio in the Company is 50%. The Group actively holds the authority and power to control the financial and operating policies of the Company in question, according to the Group's own interests.

Note 2 - Principles Regarding the Presentation of Financial Statements

A. Basic Guidelines Regarding the Presentation

Declaration of Conformity

The Group keeps its accounting records and prepares its legal financial statements according to Uniform Chart of Accounts, Turkish Commercial Code and Turkish Tax Legislation, and in conformity with the generally accepted accounting policies published by the Capital Markets Board (CMB), which apply to all companies listed on the Istanbul Stock Exchange.

With the "Communiqué on Principles Regarding Financial Reporting in Capital Markets" Serial: XI, No. 29, the Capital Markets Board specifies the principles, procedures and guidelines regarding financial reports prepared by entities, their preparation methods and their presentation to the interested parties. This Communiqué was put into effect to cover the financial statements of the first interim that ends after January 1, 2008 and it was repealed with the Capital Market Board's "Communiqué on Accounting Standards in Capital Markets" Serial: XI No. 25. Pursuant to Communiqué Serial: XI, No: 29, businesses apply International Accounting / Financial Reporting Standards (IAS / IFRS), endorsed by the European Union, and they include the provision endorsed by the European Union for IAS / IFRS in the footnotes of their financial statements. Within this context, Turkish Accounting / Financial Reporting Standards (TAS / TFRS), which are not contrary to the adopted standards, published by the Turkish Accounting Standards Board (TASB) shall prevail. However, the IAS / IFRS will remain in effect until the differences between the IAS / IFRS adopted by the European Union and those published by the International Accounting Standards Board (IASB) are announced by TASB.

The Group's consolidated financial statements and their attachments were prepared according to CMB's communiqué Serial: XI, No: 29. The consolidated financial statements and their footnotes were presented in compliance with the formats which were imposed as mandatory for implementation in CMB's announcement dated April 14, 2008.

In order to make fair measurements and presentations in accordance with IFRS, the consolidated financial statements of the Group are prepared to include revisions on legal records and re-classifications.

Comparative Information and Correction on the Financial Statements of the Previous Period

In order to provide an opportunity to detect the financial status and performance trends, the Group's consolidated financial statements are prepared by including comparison with the previous period. When the representation or the classification of financial statement items are changed, financial statements of the prior period are re-classified accordingly to provide comparability.

In the event of the Group applying an accounting policy in a retrospective manner, or a business adjusting the items of its financial statements in a retrospective manner, or making a re-classification on the items of its financial statements, it is required to present a minimum of a 3 period financial status statement (balance sheet), 2 period of statements for each of the other statements (comprehensive income statement, cash flow statement, changes in shareholders' equity statement) in addition to their related footnotes.

The Group makes the presentation of its consolidated financial status statements in the frequency defined by the periods below:

- as of the end of the current period,
- as of the end of the previous period,
- as of the beginning of the earliest comparative period.

Explanation Concerning Inflation Accounting and the Currency Unit of Reporting

With the decision taken by the Capital Markets Board on March 17, 2005, it was announced that implementation of inflation accounting is no longer required for companies that operate in Turkey and prepare their financial statements in accordance with the CMB Financial Reporting Standards, as of January 1, 2005. Therefore, as of January 1, 2005, the IAS 29 "Financial Reporting in Hyper Inflationary Economies", published by the IASB, was not implemented in the consolidated financial statements dated 31.12.2010.

The consolidated financial statements dated December 31, 2010 and the consolidated financial statements of the prior period to be used for comparative purposes, are prepared by using the currency unit Turkish Lira "TL".

As required by the standard IAS 21 "Effects of Changes in Foreign Exchange Rates", the Group records its foreign currency transactions in the functional currency unit with the amount that is calculated by applying the spot exchange rate between the foreign currency and the functional currency unit on the transaction date.

Closing exchange rates of foreign currencies published by the Central Bank of Turkey (CBT) on the dates December 31, 2010, and December 31, 2009, are listed below.

Currency Type	Exchange Rates (TL / Currency Unit)	
	31.12.2010	31.12.2009
US\$	1.5460	1.5057
EURO	2.0491	2.1603
GBP	2.3886	2.3892
CHF	1.6438	1.4492
SEK	0.22619	0.2082

Netting

Assets - liabilities and revenues - expenses are not deducted unless anticipated or allowed by the Standards or Comments. Assets and liabilities are displayed on a net basis in cases where a legal right is present, an intention to evaluate those assets and liabilities in question on a net basis is present, an acquisition of assets is subjected and where fulfillment of liabilities is taking place simultaneously. Presenting the assets in their net amounts, which is calculated after being deducted by the regulatory accounts such as provision for decrease in value of inventories and provision for doubtful receivables, is not a netting.

Applied Consolidation Guidelines

The consolidated financial statements consist of the Holding's, as the parent company, and the Holding's subsidiary companies' financial statements which end on the date December 31, 2010. Subsidiary companies are included in the consolidation as of the dates on which their control is transferred to the Group, and they are removed from the consolidated subsidiary companies as of the date on which their control is removed from the Group. The consolidated financial statements of the Group represent the companies in which the Group literally has the authority and the power to control financial and operating policies in line with the Group's interests, either by using the authority granted by the Group's voting rights derived from the shares which belong to the Group either directly and / or indirectly if they exceed a 50% ratio, or by using the Group's active control on the companies' financial and operating policies if the Group does not have the authority to use more than 50% of the voting rights.

Footnotes to the Consolidated Financial Statements as of December 31, 2010

(All amounts expressed in Turkish Lira ("TL") unless mentioned otherwise.)

Subsidiary companies were consolidated by using the full consolidation method. Therefore, their registered subsidiary values were netted by their related equities. Shareholders' equities and net profits for the period which belong to the subsidiary companies, and are attributed to the rights owners other than the main partnership, are represented in the consolidated statement of financial position (balance sheet), and in the consolidated comprehensive income statement, as minority shares.

The Group considers buying and selling transactions performed with the minorities, regarding the shares that belong to the partnerships the Group already has control of, as the usage of the expansion of the main partner method. Accordingly, for transactions regarding additional share purchasing from outside the main partnership, the difference between acquisition cost and the registered value of net assets calculated in proportion with the purchased share of the partnership is recognized as goodwill.

Balances and transactions among the Group companies were subjected to elimination, which was conducted by including inter Company profits, unrealized profits and losses. The consolidated financial statements were prepared by using similar accounting principles that are applied on transactions and events under similar conditions.

Partnerships subjected to joint management are companies in which an economic activity is undertaken through a contract, and they are subjected to the joint control of the Group and one or more entrepreneur partners. According to the standard TAS 31 "Shares in Joint Ventures", partnerships subjected to joint management are consolidated either by using the proportional consolidation method, or by using the equity method as an alternative to the proportional consolidation method. Accordingly, in the consolidation of the Group's partnership subjected to joint management, the Group has used the alternative method, which is the equity method. According to the equity method, the partnership subjected to joint management is presented in the consolidated balance sheet by adding the Group's shares in the net assets of the partnership subjected to joint management and the post purchase changes to the partnership's costs, and then deducting the related provision if there are any reductions in value. The consolidated comprehensive income statement reflects the Group's shares in the operating results of the partnership subjected to joint management.

As the Group's partnerships is subjected to joint management, The Group classifies "İhlas Holding A.Ş. – İhlas Yayın Holding A.Ş. ve İhlas Pazarlama A.Ş. Ortak Girişimi" and İhlas İletişim Hiz. A.Ş. (İhlas İletişim) among the Group's investments that are evaluated by the equity method.

B. Changes in Accounting Policies

Financial statement users should have the opportunity to compare an entity's financial statements over time, so that they can determine the entity's financial situation, performance and cash flow trends. Therefore, the same accounting policies are applied on each interim period and each accounting period.

The following conditions are not considered as changes in accounting policies;

- Implementation of an accounting policy on transactions or events which are different by nature when compared to previous transactions or events,
- Implementation of a new accounting policy on transactions or events which have not occurred before or were not of importance before.

As required by the principle of consistency, the Group implements the same accounting policies on all of the periods.

Implementation of International Financial Reporting Standards which are new and revised:**New standards, amendments and comments effective as of January 1, 2010:**

New standards and amendments which do not have any effect on the Group's financial situation or its performance are as follows;

IFRS 1 (Amendment) "First time Implementation of IFRS" - Additional exclusions concerning the first implementation: The amendment has no effect on the Group's financial performance.

IFRS 2 (Amendment) "Share Based Payments" - Share based payment transactions that are paid in cash: The amendment has no effect on the Group's financial performance.

IFRS 3 (Amendment), "Business Mergers" and IAS 27 (Amendment), "Consolidated and Unconsolidated Financial Statements"

IAS 39 (Amendment), "Financial Instruments: Recognition and Measurement" - Instruments with proper protection: The amendment has no effect on the Group's financial performance.

IFRIC 17, "Distribution of Non-Cash Assets to Shareholders": The amendment has no effect on the Group's financial performance.

Improvements in IFRS (published in 2008): The improvements have no effect on the Group's financial performance.

Improvements in IFRS (published in 2009): The improvements have no effect on the Group's financial performance.

The new standard, amendment and comments which will be valid after the date of December 31, 2010 (these changes have not yet been accepted by the European Union):

IFRIC 9 "Reassessment of Embedded Derivatives" (to be valid for accounting periods which begin on January 1, 2013, or later): The amendment has no effect on the Group's financial performance.

IFRS 9 'Brings new conditions related to the classification and measurement of financial assets. The Group is in an evaluating process regarding the effect of the comment in question.

IAS 24 (Revision) "Related Party Explanations" (to be valid for accounting periods which begin on January 1, 2011, or later): The Group will implement the revision in question on the footnotes of the accounting period which begins on January 1, 2011.

IAS 32 (Amendment) "Classification of Share Issues"

The amendment made on IAS 32 is applied for recognition of an issuer's shares that are denominated in a currency unit other than the functional currency unit. The amendment has no effect on the Group's financial performance.

IFRIC 14 (Amendment) "Reimbursement of Minimum Funding Conditions" (to be valid for accounting periods which begin on January 1, 2011, or later. An early implementation is permitted); this amendment solves the problem of entities not being able to perform recognition of some payments, which they perform voluntarily in advance to provide minimum funding requirements, as assets. The amendment has no effect on the Group's financial performance.

IFRIC 19 "Elimination of Financial Liabilities through Capital Instruments"

IFRIC 19 only indicates the recognition to be implemented by entities which issue capital instruments to eliminate a financial liability completely or partially. The comment has no effect on the Group's financial performance.

IFRS 1 (Amendment) - Limited exemption for the comparative IFRS 7 notes (to be valid for accounting periods which begin on July 1, 2010, or later; however, an early implementation is permitted): The amendment does not affect the Group's consolidated financial statements.

Improvements in IFRS (published in May 2010):

The International Accounting Standards Board published 11 amendments concerning 7 standards in May 2010. Revised standards are as follows:

IFRS 1: Changes in accounting policies during the first years of implementation

IFRS 1: Basis of revaluation as an estimated cost

IFRS 1: The estimated use of cost for operations subjected to rate regulation

IFRS 3: Transitional provisions regarding conditional fees arising from business mergers that have occurred before the date on which the revised IFRS was put into effect.

IFRS 3: The measurement of shares without any control power

IFRS 3: Awards regarding share based payments that are either unchangeable or voluntarily changeable

IFRS 7: Clarification in the footnotes

IAS 1: Clarification in the statement of changes in equity

IAS 27: Transitional provisions for the improvements in the standard IAS 27 "Consolidated and Solo Financial Statements"

IAS 34: Important events and transactions

IFRIC 13: The fair value of gift points

The Group is of the opinion that implementation of the Standards and Comments above will not constitute a significant impact on the Group's consolidated financial statements in future periods.

C. Revisions and Errors in the Accounting Estimates

Revisions and errors in the accounting estimates refer to corrections that are required due to changes in the amount of periodical usage which is caused by the determination of the book value of an asset, a foreign source or their current status, and the evaluation of their benefits or liabilities expected in the future. Revisions in the accounting estimates are caused by new information or a new development. Therefore, it does not mean the correction of errors.

During the preparation of financial statements according to IFRS, the Group management is required to make some estimates and assumptions which would affect the reported active and passive amounts, and the explanations concerning possible assets and liabilities as of the date of the balance sheet. Actual results may vary from the estimates and assumptions.

Footnotes to the Consolidated Financial Statements as of December 31, 2010

(All amounts expressed in Turkish Lira ("TL") unless mentioned otherwise.)

Significant changes in accounting policies and significant accounting errors detected are applied in a retrospective manner and financial statements of the prior period are re-issued. If the revisions in the accounting estimates relate to a single period, they are applied on the current period in which the change occurs. However, if the revisions in the accounting estimates relate to future periods, they are applied both on the current period in which the change occurs and on the next period in a prospective manner.

D. Summary of Significant Accounting Policies**Cash and Cash Equivalents**

Cash and cash equivalents include cash assets in the cash account, as well as cash money and time deposits in the banks, to be presented in the cash flow statement. Cash and cash equivalent values are shown with the sum of acquisition costs and their accrued interests. As required by the communiqué with Serial: XI, No. 29, financial investments with a maturity of less than three months are reported in the cash and cash equivalents group.

Financial Investments

Financial investments are classified into three groups which are financial assets with trading purposes (their fair value difference is recognized in the income statement), financial investments to be held until maturity, and financial investments that are available-for-sale.

During the initial recognition of financial investments, which have a fair value difference that has not been reflected in the profit or the loss, the transaction costs, which can be directly linked to the acquisition of the related financial asset, are added to the fair value in question.

Financial assets with trading purposes are composed of banks with a maturity longer than three months and marketable securities which are either obtained for generating profit from short-term market fluctuations in prices or similar elements, or are a part of a portfolio that is for generating profit in a short period of time regardless of the cause of acquisition. During their initial recognition, financial assets with trading purposes are measured by their fair values. Transaction costs regarding the acquisition of the related financial asset are added to its fair value, and they are subjected to valuation with their fair values in the periods following their recognition. Gains and losses calculated as a result of the valuation are included in the profit / loss accounts. Trading purpose financial investments without an active market are shown by their cost price in subsequent periods. Interests earned during the possession of marketable securities with trading purposes are firstly shown in the interest income and the dividend income derived from received profit shares. The purchasing and sales transactions of marketable securities with trading purposes are included to and excluded from the records according to their "delivery date".

Investments to be held until maturity are the financial investments which the entity has the intention and opportunity to hold onto until their maturity. These investments include payments of fixed or determinable nature and a fixed maturity date. Financial investments to be held until maturity are shown from their amortized cost price calculated by using the effective interest method in the periods following their recognition. Gains and losses calculated as a result of the valuation are included in the profit / loss accounts.

The effective interest method is a method which includes calculating the amortized costs of financial assets (or a group of financial assets) and distributing the related interest income or expenses to the associated period. The effective interest rate is the rate that exactly reduces the financial instruments' estimated cash payments and collections in the future (through the expected life or for a shorter period of time if applicable) to the net book value of the associated financial asset or liability.

Financial investments available-for-sale are financial investments which are defined as available-for-sale and are not classified as financial investments to be held until maturity, or financial investments that are reflected in the profit or loss. If an active market is present, the financial investments available-for-sale are evaluated over their fair value. All the gains and losses that result from the performed evaluation are shown as part of the equity, until the time the asset in question is sold. However, if an active market is not present, it is evaluated from its cost price.

Trade Receivables

Trade receivables arising from forward sales are evaluated from their amortized costs by using the effective interest method. If the effect of the interest accrued is insignificant, trade receivables without a specified interest rate are evaluated by regarding the invoice amount as a basis.

If the effective interest rates of trade receivables are unknown, a precedent interest rate is taken as a basis. A precedent interest rate is determined depending on the maturity of the trade receivable, which is followed by calculating an effective interest rate and the effective interest rate is used in the discounting process.

Promissory notes and post dated checks are classified as trade receivables; they are subjected to re-discounting and their reduced value (amortized cost values), which is calculated through the use of the effective interest rate method, is used when reporting.

According to the standard "IAS 39 Financial Instruments: Recognition and Measurement", the difference between the nominal amount of trade receivables and their amortized value is recognized as an interest expense.

Provision for doubtful receivables is recognized as expenses. The provision is the amount that is reckoned to compensate possible losses estimated by the Group management. These losses may arise from either economic conditions or the risk carried by the account due to its nature. There are various indicators when evaluating whether or not a receivable is a doubtful receivable. These indicators are as follows:

- a) Data regarding the presence of receivables in previous years which could not be collected,
- b) The debtor's ability to pay,
- c) Extraordinary circumstances arising in the sector related to the field of activity, and in the current economic environment.

As a requirement of the standard IAS 1 "Presentation of Financial Statements", trade receivables are classified as short-term, even if they are going to be collected in a period of time that is longer than twelve months from the balance sheet date. This is because they are a part of the business capital used by the entity within the normal operating period.

Inventories

When evaluating the inventories either the cost or the net realizable value is taken as a basis, depending on which of the two is the lower. The cost of inventories includes all purchasing costs, conversion costs and other costs incurred in bringing the inventories to their current condition and location. Unit cost of inventories is determined by the moving weighted average method. The distribution of fixed production overheads over the conversion costs is based on the assumption that production activities would be at normal capacity. Normal capacity is the average amount of production which is expected to be obtained under normal conditions in a period, more than one period, or seasons. It is determined by taking into consideration capacity reductions arising from planned maintenance and repair work. If the actual production levels are close to the normal capacity, then this capacity is accepted as the normal capacity.

The net realizable value is the amount calculated by adding the estimated cost of completion and the estimated cost of sales required to perform the sale, and then deducting this sum from the estimated sale price in the ordinary course of business. The renovation costs of raw materials and supplies might be the best measure that reflects the net realizable value. The acquisition costs of inventories are reduced to their net realizable values on the basis of each inventory item. This reduction is performed by allocating an allowance for the decline in the value of inventories. This means that if the cost prices of the inventories are greater than their net realizable value, then they are reduced to their net realizable value by allocating a provision for impairment. Otherwise, no action needs to be taken.

If the acquisition of the inventories was performed with a deferred payment condition or includes a financing element, the difference between the cash purchase price and the price that was actually paid for these elements, is recognized as interest expenses within the period of financing.

Tangible and Intangible Fixed Assets

The cost of a tangible or an intangible fixed asset item is reflected to the financial statements as an asset only in the event of the following conditions:

- a) If it is probable that the future economic benefit regarding this item is going to be reflected to the entity, and
- b) If the cost of the item in question can be measured reliably.

A tangible or an intangible fixed asset item, which meets the conditions of its recognition as an asset, is measured with its cost price during its initial recognition. In subsequent periods, these assets are evaluated by using either their cost or re valuation method.

The initial costs of fixed assets consist of the purchase price, including customs duties, non-refundable purchase taxes and all direct costs until the asset is brought to its operating location, and until it is in running condition.

The cost model is to present a tangible or an intangible fixed asset by deducting the accumulated depreciation and impairments (if there are any) from its cost values.

The revaluation model requires a tangible or an intangible fixed asset item, which has a fair value that can be measured reliably, to be shown with its revalued amount after being recognized as an asset. The revalued amount is the value obtained by deducting the losses of subsequent accumulated depreciation and subsequent accumulated impairment from the asset's fair value on its date of revaluation. Revaluations are done on a regular basis as of the date of the balance sheet, so that there will not be a significant difference between the amount calculated by using the fair value and the book value. The Group uses the revaluation model for its tangible fixed assets if there are symptoms indicating significant differences. And the Group uses the cost model for its intangible fixed assets due to lack of an active market.

Footnotes to the Consolidated Financial Statements as of December 31, 2010

(All amounts expressed in Turkish Lira ("TL") unless mentioned otherwise.)

When a tangible fixed asset is revalued, the accumulated depreciation on the date of the revaluation is corrected in proportion with the changes in the asset's gross book value, and by doing so, the asset's book value after the revaluation becomes equal to the revalued amount.

Depreciation is calculated according to normal and accelerated depreciation methods, in addition to the following useful life and methods, by taking the pro rata basis into consideration:

	Useful Life (Years)	Method
Buildings	50	Normal
Machinery, plant and equipment	5 - 13	Normal
Vehicles, tools and materials	5 - 10	Normal
Fixtures and fittings	3 - 15	Normal
Other tangible assets (Film) ⁽¹⁾	2	Normal / Accelerated
Special Costs	5	Normal
Rights	5	Normal
Other intangible fixed assets (computer software)	2 - 5	Normal

⁽¹⁾ For the calculation of depreciation regarding films, a ratio of 60% was used for the first year and a ratio of 40% was used for the second year. Useful life and depreciation method is reviewed on a regular basis, and accordingly, it is carefully examined to observe whether the method and the depreciation time are compatible with the economic benefits to be obtained from the asset in question.

Even when bought together, lands and buildings are separable tangible assets and they are recognized as separate assets. There are no depreciations allocated for assets such as lands and buildings as they have an undetectable useful life span. In other words, their useful life is considered as indefinite.

In case of events and changes in current conditions regarding impossibility of recovery in the carrying amount of tangible fixed assets, it is examined whether there is a decrease in the values of the tangible fixed assets in question. In the events of these kinds of symptoms, or if the carrying values exceed the realizable value, the related assets are reduced to their realizable values. Realizable value is either the net selling price or the use value of an asset, depending on which is the higher. When calculating the use value, estimated future cash flows are reduced to their present day value by using the pre-tax discount rate which reflects the asset specific risks. For assets that do not form large amounts of cash flow by themselves and independently, the realizable value is calculated for the cash forming units to which that asset belongs. The tangible fixed asset in question is depreciated from its estimated remaining useful life. In the income statement, the depreciation amounts and the impairment losses of tangible fixed assets are recorded under General Management Expenses, Marketing Sales and Distribution Expenses and Cost of Sales.

The Group has performed an impairment test for its assets and has determined their net selling prices by considering the assets' "second hand market values", and for those assets without a second hand market, the Group took the assets' "redeemed renovation costs" into consideration. Net selling prices were either equal to or more than the assets' net book values. Therefore, it was deemed unnecessary to calculate their use values and no impairment provisions were allocated.

Intangible fixed assets are used to represent brands, rights and other intangible items (such as computer software). For items purchased before January 1, 2005, intangible fixed assets are reflected by use of their corrected cost values due to the effects of inflation as of December 31, 2004. For items bought after December 31, 2004 intangible fixed assets are reflected by deducting the permanent impairment and the accumulated amortizations of their acquisition cost. Amortization regarding intangible fixed assets is allocated by using the straight-line amortization method, as of the date of purchase, over the useful life time of the related assets, provided that their economic life is not exceeded. In the income statement, the amortization of intangible fixed assets is recorded under General Management Expenses, Marketing Sales and Distribution Expenses and Cost of Sales.

The brand "Türkiye" was purchased by İhlas Gazetecilik, one of the Group companies, in the year 2000, and is used as the brand of the newspaper published by this Company. Due to the continuity of the entity, the brand is considered to have an indefinite useful life. Therefore, it was not subjected to amortization. As required by IAS 36 "Impairment of Assets", the first action performed during applications regarding the Group's initial transition to IFRS, was an impairment test that was conducted on the opening consolidated financial statements dated 01.01.2007. To this end, a brand valuation service was hired from an expert valuation provider company and the amount of impairment was determined. During the initial public offering in May and June of 2010, İhlas Gazetecilik conducted much image advertising in both written and visual media platforms. In addition, as April 22, 2010, was the 40th anniversary of Türkiye Newspaper's publishing career, İhlas Gazetecilik conducted many advertising programs both in written and visual media. Based on these two heavy advertising schedules, brand recognition progressed and this change caused an adjustment in the brand value.

Therefore, an expert valuation company was hired for a new brand evaluation and the findings of the report were reflected in the current period's consolidated financial statements as a value difference in comparison with the previous valuation report (See: Note 19 and Note 31).

Information regarding the remaining useful lives of the Group's tangible and intangible fixed assets that are important for the Group's consolidated financial statements are as follows:

Type of Asset	Date of Entry	Balance Sheet Value	Useful Life (Years)	Remaining Life
Land, Building (Konak - Izmir) ^(*)	2010	TL 6,675,000	50	50
Land, Building (Konak - Izmir) ^(*)	2010	TL 5,275,000	50	50
Land, Building (Kepez - Antalya) ^(*)	2010	TL 5,050,000	50	50
Land, Building (Tekkeköy - Samsun) ^(*)	2010	TL 1,075,000	50	50
Land, Building (Yüreğir - Adana) ^(*)	2010	TL 850,000	50	50
Brand	2000	TL 56,125,860	-	-

^(*) These assets were acquired within the current period by considering the valuation reports prepared by independent authorized appraisal companies (See: Note 18).

Any profits or losses occurring when selling off tangible and intangible fixed assets are determined by comparing their net book value to the sales amounts and in the current period, they are reflected in the related other operating income and expenses accounts.

Investment Purpose Real Estate Properties

Rather than the following purposes, investment purpose real estate properties are real estate properties that are kept in order to obtain a rental income, a gain from an increase in value, or both. These real estate properties are held by either the owner or the tenant, depending on the financial lease agreement. They can consist of land, a building, a part of a building, or both.

- a) To be used for administrative purposes or in the production or supplying of goods or services; or
- b) To be sold under the normal course of business.

Investment purpose real estate properties are held for obtaining rental income, capital gain (capital appreciation) or both.

If the following conditions are met, the Group records an investment purpose real estate property as an asset:

- a) If it is probable that the future economic benefit regarding this real estate property is going to be earned by the entity, and
- b) If the cost of the real estate property in question can be measured reliably.

An investment purpose real estate's initial measurement is performed according to its cost. Operation costs are also included in its initial measurement. However, investment purpose real estate properties purchased through financial leasing are recognized by either their fair values, or by the present value of the minimum lease payments, depending on which of the two is the lower.

Investment purpose real estate properties are valued in subsequent periods by electing to either use the fair value method or the cost method. In the valuation of its investment purpose real estate properties, the Group has chosen to use the fair value method.

When a tangible fixed asset is revalued, the accumulated depreciation on the date of the revaluation is corrected in proportion with the changes in the asset's gross book value; and by doing so, the asset's book value after the revaluation becomes equal to the revalued amount.

Gains or losses arising from changes of the fair value of an investment purpose real estate property are included in the profit or loss of the period in which they occur, and they are recognized in the other operating income / expenses accounts.

Depreciation is calculated according to straight-line method and the following useful life and methods by taking the pro rata basis into consideration:

	Useful Life (Years)	Method
Buildings	50	Straight-Line

Footnotes to the Consolidated Financial Statements as of December 31, 2010

(All amounts expressed in Turkish Lira ("TL") unless mentioned otherwise.)

Even when bought together, lands and buildings are separable tangible assets and they are recognized as separate assets. Plots and land which were bought together are considered as a complementary part of the building. Therefore, when preparing a separate report for land shares, the land share ratio provided separately in the real estate property appraisal report of another independent section was used for those which were not separately presented in the Group's expertise reports. The section in question belongs to one of the Group's associated companies within the building in which the Group has some of its investment purpose real estate properties. There are no depreciations allocated for assets such as lands and buildings as they have an undetectable useful life span. In other words, their useful life is considered as indefinite.

Goodwill

Goodwill obtained from business mergers represents the payment performed by the acquiring entity for expected future economic benefits that derive from assets, which can neither be determined individually nor allow a separate recognition. Goodwill does not generate cash flows that are independent from other assets or asset groups. Instead, goodwill generally contributes to the cash flows of more than one cash-generating unit. Sometimes goodwill may necessarily be deployed only to a group of cash generating units, instead of individual units that generate cash. As a result, the lowest level of an entity that keeps track of goodwill for in house managerial purposes may sometimes consist of a group of cash generating units which are related to goodwill, but the goodwill cannot be deployed to these units. In business mergers without cash generating units or in business mergers where the cash generating unit does not contribute to the cash flow, and probably will not provide an economic benefit in the future, the generated amounts which cannot be identified as goodwill are directly associated with expenses and they are not capitalized.

Purchasing method is used for the recognition of all business mergers. The implementation of the purchase method is applied by adhering to the following steps:

- a) Identifying the entity that conducts the acquisition,
- b) Identifying the cost of the business merger, and
- c) Deploying the cost of the business merger among the assets acquired, the liabilities undertaken and the contingent liabilities on the date of the business merger.

Goodwill is the difference between the cost of the acquired partnership, or the acquired assets as of the date of the acquisition, and the fair value of their net assets (or just the asset, for acquired assets). If the price of acquisition is more than the fair value of the acquired net assets, then the difference between these is reflected in the balance sheet as goodwill. If the price of acquisition is less than the fair value of the acquired net assets, then the difference is reflected in the income statement as profit derived from business mergers.

According to IFRS 3 "Business Mergers", a provision of impairment in relation to goodwill is allocated if goodwill's recoverable value is less than its book value, and if there are issues that can be considered as an indication of impairment in an asset. Conditions which are considered as an indicator of reduction in the value of an asset include, presence of major changes in the fields of activity of the acquired entity, presence of major changes between the projected estimates made on the acquisition date and the actual results, if the product, service or technology belonging to the acquired entity is outdated or out of use, and the presence of other similar issues indicating that the book value of the asset in question is no longer recoverable.

Taxation and Deferred Taxes

The Group's tax expense / income consists of the sum of its current tax expense and deferred tax expense / income. Current year tax liability is calculated over the taxable portion of the profit for the period. Taxable profit excludes income or expense items which can be taxed or deducted in other years, and items which are un-taxable or non deductible. Therefore, it may vary from the profit presented in the income statement. The Group's current tax liability was calculated by using the tax rate which is either already enacted, or certain to be enacted as of the date of the balance sheet.

If the current tax amounts to be paid are already paid or are going to be paid to the same tax authority, they are netted with the prepaid tax amounts. Deferred tax assets and liabilities are also netted in the same way.

Deferred taxes are calculated by using the temporary differences between the book values of the assets and liabilities that are included in the financial statements, and the related tax values (balance sheet method / balance sheet liability method). These temporary differences are classified into two categories, which are deductible and taxable. All temporary differences that have a deductible expense nature in tax aspects, are recognized as a deferred tax asset under the following conditions: it should be highly probable that there will be sufficient taxable income in future periods to deduct these expenses, the operation should not be a part of a business merger, and the debt should not be arising from its initial recognition. All taxable temporary differences are recognized as a deferred tax liability. However, a deferred tax liability is not recognized for the temporary differences if they are occurring during the initial recognition of goodwill, if they arise during the initial recognition of an asset or a liability, or if they are caused by operations which are not of a business merger nature. According to the tax laws, financial losses and tax advantages of the past year, which have not yet been used, are recognized as deferred tax assets if it is probable that a taxable income will be obtained in the subsequent period by an amount that is enough to make them deductible.

According to the tax legislation in force, the valid and enacted tax rates as of the date of the balance sheet are used for calculating the deferred income tax.

Deferred tax liabilities are calculated for all taxable temporary differences. However deferred tax assets arising from deductible temporary differences are calculated only if it is highly probable that a benefit from these differences will be obtained by generating taxable profit in the future (Note 35).

Regarding the deduction of current tax assets from current tax liabilities, tax assets and tax liabilities deferred because of a legally enforceable right shall be mutually deducted from each other, provided that all of these operations are subjected to the same country's tax legislation.

A 75% portion of the gains occurring from sales of the following are exempt from corporate tax: all real estate properties and participation stocks that were among the entities' assets for at least two full years, founder's shares, dividend right certificates and pre-emption rights. In order to benefit from the exemption, the gain in question is required to be kept in a fund account under the liabilities section of the balance sheet and they should not be withdrawn for 5 years; it is also required that the selling price should be collected, at the latest, by the end of the second calendar year following the year in which the sale occurs. Therefore, 25% of the differences regarding these assets are considered as temporary differences.

The brand "Türkiye" was acquired by one of the Group companies, İhlas Gazetecilik, through acquisition and this brand is part of the goodwill. The standard IAS 12 "Income Taxes" indicates that brands are subjected to amortization by the legal authorities. In other words, they are considered as a deduction item when calculating the financial profit. Therefore, the brand was evaluated as a temporary difference and it was subjected to deferred tax as a deferred tax liability.

Leasing

Financial Leasing

Financial leases envisioning the transfer of all risks and benefits related to the ownership of the asset that was leased to the Group, shall be recognized by reflecting one of the following as a basis, depending on which of the two is the lesser amount: the fair value of the asset subjected to leasing, or the present value of lease payments. Financial lease payments are allocated as capital and finance expenses all through the lease term, so that they would generate a constant periodic rate of interest over the remaining debt balance. Financing expenses are directly reflected in the income statement in periods. Capitalized leased assets are subjected to depreciation over the asset's estimated useful life.

Operational Lease

The form of leasing in which the lessor party holds all the risks and benefits of the leased asset to themselves is classified as operational leasing. All through the lease term, the operating lease payments are recognized as expenses in the consolidated and comprehensive income statement, using the straight-line method.

Provision for Employee Termination Benefits

Provision for severance pay indicates the reduction of the estimated total provisions for possible future liabilities to the value of the balance sheet date for the following conditions or terms: if the employee of the Group becomes retired in conformity with the "Law on Arrangement of Relationships Between Employees Working In Press and Turkish Labor Law", or if the employee's employment relationship is discontinued after completing at least one year of service (at least five years of service for Press employees), if the employee is called to duty for his military service, or in the event of the employee's death (Note 24). The actuarial valuation method is used for the reduction of liabilities for employee termination benefits. In order to do this, actuarial assumptions were made. The most important of these is the discount rate used in performing the reduction.

The ratio used for discounting the benefit obligations (provisions for employee termination benefits) after the release of the employee is determined by observing market returns regarding high quality corporate bonds on the date of the balance sheet. Due to the lack of a deep market for such bonds, the real interest rate was used by taking the market returns (compound interest rates) of state bonds (on the date of the balance sheet) into consideration. In other words an interest rate (real interest rate) which is net of the effects of inflation is used (Note 24). Within this context, as an institution subject to business law, a provision for severance pay was calculated in accordance with the "International Accounting Standard Regarding Benefits Provided to Employees" (IAS 19), and by using the actuarial method for future liability amounts which may arise if the entire personnel were to become retired, discontinued their working relations after completing a minimum of one year of service, if they were all called to duty for their military service, or in the event of death, the calculated severance pay is recognized in the attached consolidated financial statements.

The assumptions used in the calculation of provisions for employee termination benefits are described in Note 24.

Footnotes to the Consolidated Financial Statements as of December 31, 2010

(All amounts expressed in Turkish Lira ("TL") unless mentioned otherwise.)

Provisions, Contingent Assets and Liabilities

Provisions are recognized only if the Group has a liability (legal or structural) that has been carried over from the past, if there is a probability that the Group's benefit generating resources might have to be sold because of this liability, and if the amount of the liability can be determined in a reliable manner.

If another party is expected to partially or entirely compensate the expenditure required for fulfilling the obligations of the liability, the related compensation is also included in the financial statements. However, in this scenario, it must be highly probable that if the Group was to fulfill the obligations of the liability, the related compensation would be acquired by the Group.

When allocating a provision, one of the three methods is applied. The first of these methods is applied when the time value of money is important. When the loss of value encountered by money over time gains importance, provisions are reflected by the reduced value (on the date of the balance sheet) of the expenses likely to occur in the future. When the reduced value is used, the increases that are going to occur in the provisions due to the passage of time are recognized as interest expenses. For the provisions in which the time value of the money is of importance, it is assumed that there are no risks or uncertainties when determining the estimated cash flows. The reduction of these provisions is performed by using the estimated cash flow and the risk free discount rate which is based on similar term government bonds. The second method is the expected value method. This method is applied when the provision is related to a large batch or a large number of incidents. With this method, the liability is estimated by taking all possible results into consideration. Meanwhile, the third method is applied when there is only a single liability or an incident. The application of this method involves reflecting the provision to the financial statements by estimating the most likely outcome.

If a liability or an asset is of an uncertain nature, they are not included in the financial statements and they are considered as contingent liabilities and assets. Therefore, they are explained in the footnotes. This uncertain nature might be caused by past events, the asset's or liability's existence within the structure of the Group might be dependent on a condition over which the Group does not have full control, or it might be dependent on an event in the future which is not certain on the reporting date (See: Note 22 - 23).

Revenues

Revenue occurs when it is probable that an economic benefit is going to be received by an entity and it is recognized when the amount of income can be measured in a reliable manner. Revenues are shown in their net forms, which are obtained after deducting discounts, value added tax and sales taxes. For the formation of a revenue, the following criteria are required to be fulfilled.

Sales of Goods

Revenue is considered as occurring when the risks and benefits of the goods sold are transferred to the buyer, and when the amount of revenue can be calculated in a reliable manner. Net sales consist of the invoiced selling price, after the deduction of discounts and commissions are performed.

The Group's partnership subjected to joint management, which has been consolidated according to the equity method, does not have a progress price within its construction activities. Therefore, the provisions of IAS 11 are not applied and income regarding construction activities is measured by the standard IAS 18 "Revenue". The terms of reflecting sales of goods and services in financial statements are indicated in IAS 18, and the Group's construction proceeds are reflected in the financial statements in accordance with these terms. For sales that are performed in return for receipt of advance payment, the Group holds the risk until the product has been delivered and invoiced. The Group does not have any revenues until the delivery and invoice time.

Sales of Services

When income from the sale of a service achieves a measurable completion level, it is considered as having occurred. In cases where a gain obtained from an agreement made cannot be measured reliably, the income is accepted by the recoverable amount of the expenses incurred.

Interest

In cases where the collection is not classified as doubtful, the income is considered to be earned on an accrual basis.

Dividend

The income is considered to be earned when the right to receive a dividend is provided to the partners.

Revenues are measured by the fair value of a fee which is either obtained or will be obtained. If the sales are performed with a maturity, according to the standard "IAS 39 Financial Instruments: Recognition and Measurement", the difference between the nominal amount of the sales price and the fair value (the discounted value) is recognized as an interest income.

In cases where the result of a transaction related to a sale of services can be estimated in a reliable manner, the revenue regarding the transaction is recognized by taking into consideration the completion level of the procedure on the date of the balance sheet. Level of

completion regarding the service transaction is determined by using various methods. Depending on the nature of the transaction, the preference made is based on which method provides a reliable measurement. Depending on the nature of the transaction, these methods are as follows:

- a) investigations related to the work done,
- b) the ratio of the services to be provided until the date of the balance sheet, to the total of the services provided, and
- c) the ratio of total costs incurred until the present day within the estimated total costs.

Financing Income / Expenses which have not been Accrued

Financing income / expenses which have not been accrued, represent financial income and expenses regarding sales and purchases with terms. During the period of the credit sales and purchases, these revenues and expenses are calculated with the use of the effective interest method and they are shown under the item titled financial income and expenses.

Borrowing Costs

Borrowing costs which can be directly linked to the acquisition, construction or production of a qualifying asset, are capitalized as an element of the cost of the qualifying asset in question. If these types of costs can be measured in a reliable manner, and if it is probable that the future economic benefits deriving from them can be of benefit to the entity, they are included in the cost of the related qualifying asset. Borrowing costs other than those mentioned above are recognized as an expense in the period in which they occur.

In the following periods, these borrowing costs are presented in the financial statements at a discounted value. The difference between the provided cash entry and the repayment value is written off in the income statement throughout the borrowing period.

Earnings per Share

Earnings per share is calculated by dividing the part of the net profit or loss for the period that corresponds with the holders of ordinary shares, by the weighted average number of ordinary shares within the period. The weighted average of the total number of shares in circulation during the period is calculated by also taking the shares (bonus) issued into consideration without causing an increase in the sources.

Financial Instruments

Recognition and De-recognition of the Financial Instruments

The Group reflects financial assets or financial liabilities in its balance sheet only and only if the Group is defined as a party in the agreement of the financial instrument. The Group removes the financial asset or a portion of the financial asset from its books only and only if the Group cedes control over its contractual rights regarding the assets in question. The Group removes a financial liability from its books, only and only if the Group's liability as defined in the contract or agreement is eliminated, is cancelled or is subjected to expiry.

The Fair Value of Financial Instruments

The fair value of a financial instrument represents the amount for which the financial instrument in question can be exchanged between informed and willing parties through a current transaction under circumstances that the amount would not be affected by any relationship between the parties. If applicable, the fair value of a financial instrument is best determined by using a market price.

The estimated fair values of financial instruments are determined by the Group through the use of existing market information and the appropriate valuation methods. However, when estimating a fair value, the interpretation of the market data is left to the Group's decisions. As a result, the estimates presented herein, may not be an indication of the actual values which may be obtained by the Group in a current market transaction.

The following methods and assumptions were used while estimating the fair values of the financial instruments with a determinable fair value:

Financial Assets

Balances denominated in foreign currencies which are traded at the exchange rates at the end of the periods, are considered as an approximate for their book values. The foreign exchange rate expenses / income deriving from these types of financial instruments are reported within the financial expense / income account.

Financial assets presented at their cost price, including cash in hand and bank (including bank deposits), are of short-term nature, and losses of receivables regarding these assets are negligible. Therefore, they are considered as an approximate for their book value.

Foreign exchange rate expenses / income deriving from the appreciation of foreign currency balances, which are included in the cash and demand deposits accounts, are reported within the financial expense / income account. The amount of the term deposit (restricted

Footnotes to the Consolidated Financial Statements as of December 31, 2010

(All amounts expressed in Turkish Lira ("TL") unless mentioned otherwise.)

and unrestricted) is valued according to the effective interest method; and the gains and losses regarding the term deposit are reported within the financial expense / income accounts. Gains and losses regarding investment funds are reported within the financial expense / income accounts as a sales profit / loss of marketable securities.

The fair values of marketable security investments have been estimated on the basis of market price on the date of the balance sheet.

Trade receivables are valued according to the effective interest method. All gains and losses which may derive from these trade receivables are associated with the sales account and the financing expense / income accounts.

Financial Liabilities

Short-term and long-term bank loans are presented with their amortized cost values. Long-term loans with foreign currencies as their currency unit are exchanged by using the foreign exchange rates available at the end of the respective periods. Thus by doing so, their fair values become closer to their book values.

Trade payables are presented with their amortized cost values. As a requirement of the standard IAS 1, trade payables are classified as short-term, even if they are going to be paid in a period of time that is longer than twelve months from the balance sheet date. This is because they are a part of the business capital used by the entity within the normal operating period.

In the event the Group is planning or preferring to re finance or rotate its financial liability within at least twelve months after the reporting period, this liability is classified as a long-term liability, even if the new payment program is short-termed. However, if the re financing or the rotation of the liability is not subject to the Group's preference or choice (for example, if a re financing agreement is not present), the probability of a re financing is not taken into consideration and the liability is classified as a short-term liability.

Trade payables and financial payables are valued according to the effective interest method. All gains and losses which may derive from these trade payables and financial payables are associated with the cost of sales account and the financing expense / income accounts.

According to the standard, IAS 39 "Financial Instruments: Recognition and Measurement", financial assets are classified into four groups and financial liabilities are classified into two groups. Financial assets consist of those with a fair value (FV) difference that is reflected in the income statement, those which will be held until maturity, loans and receivables, and values that are available-for-sale. Financial liabilities are classified into two groups, which are those with a fair value difference that is reflected in the income statement, and other financial liabilities.

Fair value measurements are explained in the accounting policies regarding each and every financial asset and liability. There are no other incidents or events that require any valuation process. The book value of the cash and bank accounts are considered as an approximate for their fair value.

Financial Risk Management***Collection Risk***

A collection risk might be an issue for the Group, due to the Group's trade receivables in general. Trade receivables are evaluated by the Group management in light of market conditions and by taking past experiences into consideration. After this evaluation, a provision for doubtful receivables is allocated accordingly. A provision is allocated for doubtful receivables which will occur until the date of the report (Note 39).

Foreign Currency Risk

Foreign currency risk occurs due to changes in the value of a financial instrument which depend on changes in foreign currency exchange rates. As of the date of the report, the balances of the Group's transactions in foreign currencies resulting from its operations, investments and financial activities are described in Note 38. Due to the fact that the Group's net foreign currency is (+) as of 31.12.2010, a foreign currency risk arises for conditions where the foreign currency exchange rate falls in a manner that favors TL currency (when TL currency gains value against foreign currencies) (Note 39).

Liquidity Risk

The liquidity risk refers to the risk of encountering difficulties in providing funds to fulfill an entity's commitments regarding its financial instruments. The Group has been managing its liquidity risk by balancing the distribution of its assets and liabilities over time. (Note 39).

Related Parties

IAS 24 "Related Party Disclosures Standard" identifies an organization as an associated organization if the organization in question may directly or indirectly control, or significantly affect the other party through a relationship such as partnership, contractual rights, family relations or by similar means. The related parties also include the capital holders and the Group management. Related party operations consist of the resources and liabilities being transferred among the related parties with or without a fee.

In these financial statements, the parties identified as "related parties" include the Group's partners, companies that have an indirect capital relationship with the Group, members of the Board of Directors, senior managers and other key management personnel. The key management personnel consist of the people who directly or indirectly have the authority and responsibility of planning, managing and controlling the Group's activities and also include any of the directors in the Group (administrative or other). (Note 37).

In general, transactions with the related parties, which occur as a result of ordinary activities of the Group, are performed with prices that are in accordance with market conditions. The companies and real people who have a direct or indirect relationship with the Group are as follows:

Related Company Titles

- 1) İhlas Holding A.Ş. (İhlas Holding)
- 2) İhlas Ev Aletleri İmalat San. Tic. A.Ş. (İhlas Ev Aletleri)
- 3) İhlas Pazarlama A.Ş. (İhlas Pazarlama)
- 4) Kristal Kola ve Meşrubat Sanayi Ticaret A.Ş. (Kristal Kola)
- 5) İhlas Madencilik A.Ş. (İhlas Madencilik)
- 6) İhlas Holding A.Ş. - İhlas Yapı Turizm ve Sağlık A.Ş. Joint Venture (Joint Venture - 1)
- 7) Kuzuluk Kapl. İnş. Tur. Sağ. Petr. Ür. Tic. A.Ş. (Kuzuluk Kaplıcaları)
- 8) İhlas Net A.Ş. (İhlas Net)
- 9) İhlas Motor A.Ş. (İhlas Motor)
- 10) Bisan Bisiklet Moped Oto. San. Tic. A.Ş. (Bisan)
- 11) Bisiklet Pazarlama ve Tic. A.Ş. (Bispa)
- 12) İhlas Yapı Turizm ve Sağlık A.Ş. (İhlas Yapı)
- 13) Cyprus Office
- 14) Mir İç ve Dış Tic. Maden San. Ltd. Şti. (Mir Mining)
- 15) Detes Enerji Üretim A.Ş. (Detes Enerji)
- 16) Armutlu Tatil ve Turizm İşletmeleri A.Ş. (Armutlu Tatil Köyü)
- 17) Bayındır Madencilik ve Ticaret A.Ş. (Okan Tekstil Sanayi ve Ticaret A.Ş.) (Bayındır Mining)
- 18) İhlas Holding A.Ş. - İhlas Yapı Turizm ve Sağlık A.Ş. Joint Venture 2 (Joint Venture - 2)
- 19) İhlas Holding A.Ş. - İhlas Yapı Turizm ve Sağlık A.Ş. Joint Venture 3 (Joint Venture - 3)
- 20) İhlas Genel Antrepo Nakliyat ve Tic. A.Ş. (İhlas Antrepo)
- 21) Buryal Bursa Yalova Enerji Dağıtım Ltd. Şti. (Bur-yal)
- 22) Tasfiye Halinde İhlas Finans Kurumu A.Ş. (İhlas Finans in Liquidity)
- 23) Kia İhlas Motor San ve Tic. A.Ş. (Kia İhlas Motor)
- 24) İhlas Dış Ticaret A.Ş. (İhlas İnşaat Yapı Taahhüt ve Tic. A.Ş.) (İhlas Foreign Trade)
- 25) İhlas İnşaat Proje Taahhüt Turizm ve Tic. A.Ş. (İhlas Construction Project)
- 26) İhlas Enerji Üretim Dağıtım ve Tic. A.Ş. (İhlas Energy)
- 27) İhlas Net Ltd. Şti. (İhlas Net Ltd)
- 28) İhlas Mining Ltd. Şti.
- 29) İhlas Kimya San. Ltd. Şti. (İhlas Chemistry)
- 30) İhlas Oxford Mortgage İnş. ve Tic. A.Ş. (İhlas Oxford)
- 31) Detes Maden Enerji ve Çevre Tek. Sis. Ltd. Şti. (Detes Maden Ltd)
- 32) Doğu Yatırım Holding A.Ş. (Doğu Investment)
- 33) İhlas Kuzu Ulubol Adi Ortaklığı (İhlas Kuzu Ulubol)
- 34) Swiss PB AG
- 35) İhlas Pazarlama Yatırım Holding A.Ş. (Pazarlama Investment Holding)
- 36) İhlas İnşaat Holding A.Ş. (İnşaat Holding)
- 37) Kristal Gıda Dağ. Paz. ve Tic. A.Ş. (Kristal Food)
- 38) İhlas Meşrubat Üretim ve Pazarlama A.Ş. (İhlas Beverage)
- 39) İhlas Zahav Otomotiv A.Ş. (İhlas Zahav)

Footnotes to the Consolidated Financial Statements as of December 31, 2010

(All amounts expressed in Turkish Lira ("TL") unless mentioned otherwise.)

Real Partners (Partners)

- 1) Enver Ören
- 2) Ahmet Mücahid Ören
- 3) M. Muammer Gürbüz
- 4) Mahmut Kemal Aydın
- 5) Mehmet Nureddin Yağcı
- 6) Nuh Albayrak
- 7) Sinan Yılmaz
- 8) Hüseyin Ferruh Işık
- 9) Mücahit Ünlü
- 10) Mehmet Söztutan
- 11) Hüseyin Boz
- 12) Fevzi Kahraman
- 13) Orhan Tanışman
- 14) Coşkun Aktaş
- 15) Ahmet Kızıl
- 16) Mehmet Sırrı Arvas
- 17) Doğan Şimşek
- 18) Ali Taha Apak
- 19) Rıdvan Büyükçelik
- 20) İlhan Apak
- 21) Serdar Kayaoğlu
- 22) Mehmet Serkan Aldoğan
- 23) Necdet Suna

Events After the Date of the Balance Sheet

Events after the date of the balance sheet refer to those events occurring between the dates of the balance sheet and the date of authorization for the distribution of the balance sheet. These events may be in favor of or against a company. In accordance with the provisions of IAS 10 "International Accounting Standard Regarding Events After the Date of the Balance Sheet", the Group corrects its consolidated financial statements to comply with the requirements of a new situation if the following conditions for a correction are present: if there are new evidences indicating that the events in question are indeed present, or if the events in question are revealed after the date of the balance sheet, and if these events require the correction of the financial statements. If the events in question do not require the correction of the financial statements, the Group explains these aforementioned issues in its related footnotes (See: Note 40).

Cash Flow Statement

In terms of a cash flow statement, cash consists of the cash within the entity and the demand deposits of the entity. Whereas cash equivalents stand for investments which have an amount that can be easily converted into a certain amount of cash, these are short-term investments with high liquidity and the risk derived from changes occurring in their conversion is insignificant. Cash equivalents are assets that are retained for short-term cash liabilities and they are not used for investment purposes or other similar purposes. In order to consider an asset as a cash equivalent, it must be easily converted to a cash amount with a precisely detectable value, and it is essential that the risk of changes in its value should be insignificant. Accordingly, investments with a maturity of 3 months or less are considered as cash equivalent investments. Investments done on marketable securities which represent the shareholders' equity are not considered to be cash equivalents, unless they are fundamentally cash equivalents to begin with (for example, preferential stock shares which have a certain date of amortization written on them and which are acquired in a short period of time before their maturities).

The cash and cash equivalents of the Group are as follows:

	31.12.2010	31.12.2009
Cash	778,982	1,261,504
Bank	27,884,623	14,011,732
Other cash equivalents	34,770	27,306
Checks that will be expired on the day of the balance sheet	417,477	716,194
Total	29,115,852	16,016,736

The Group prepares its cash flow statements in order to inform the financial statement users about its ability to orient changes in its net assets, its financial structure, the amount of its cash flows and the timing of its cash flows, in accordance with changing conditions.

In the cash flow statement, the cash flow for the period is reported according to the classification made on the basis of its business, investment and financing activities. Cash flows derived from operating activities, represent the cash flows which are derived from issues included in the Group's field of activity. Cash flows related to investment activities indicate the cash flows obtained by the Group

through the investing activities (fixed investments and financial investments). Cash flows related to financing activities indicate the sources used by the Group in its financing activities, and the reimbursement of these sources.

Reporting According to Operation Departments

Within the structure of an entity, an operation department can be defined as follows:

- (a) An operation department is engaged in the business activities from which the entity is able to obtain revenues and perform payments (including revenues and expenses related to transactions performed with other parts of the same entity),
- (b) An operation department is reviewed on a regular basis by the authority assigned by the entity, who is authorized to make decisions in the related activities. The purpose of this review is decision making regarding the resources to be provided for the department, evaluating the operating results and assessing the performance of the department, and
- (c) An operation department represents a part of an entity with separate financial information.

Reportable Departments

The Group reports the following information regarding each and every operation department with a separate report:

- (i) Those determined as in compliance with the above mentioned paragraphs (paragraphs a, b and c) or the results obtained from combining two or more related departments together, and
- (ii) Those exceeding the threshold values presented in the following article consisting of the numerical lower limits, are reported separately.

Numerical Lower Limits

The Group prepares a separate report containing information about an operation department that meets any of the following numerical lower limits:

- (a) If the reported revenues obtained by the operation department, including sales to non-business customers and interdepartmental sales or transfers, constitute 10 percent or more of the total values of all operation departments, both inside the entity and outside the entity,
- (b) If the absolute amount of the profit or loss reported by an operation department is 10 percent or more than the absolute figures of the profit report prepared by combining all of the operation departments that have not declared a loss, or 10 percent or more than the absolute figures of the loss report prepared by combining all of the operation departments that have declared a loss,
- (c) If the assets of an operation department is 10 percent or more than the total assets of all the operation departments.

E. Significant Accounting Assessments, Estimates and Assumptions, and Sources of Uncertainties

Preparation of financial statements involves the amounts of assets and liabilities reported as of the date of the balance sheet, the disclosure of contingent assets and liabilities and the use of estimates and assumptions which may have an affect over the amounts of income and expenses that are reported throughout the accounting period. Accounting assessments, estimates and assumptions are continuously evaluated by taking reasonable expectations into account. These reasonable accounts involve past experience, other factors and future events based on conditions of the present day. Although these estimates and assumptions are based on the managements' best information regarding current events and transactions, the actual results may vary from the assumptions.

The important estimates and assumptions used by the Group while preparing its consolidated financial statements are included in the following footnotes:

Note 2 / D	Determination of fair values
Note 35 / B	Deferred tax assets and liabilities
Note 22 - 23	Provisions for litigation and other liabilities
Note 24	Provision for employee termination benefits
Note 2 / D, 17.18.19	Useful lives and provisions for impairment of investment purpose real estate properties, tangible and intangible fixed assets
Note 10 and 39 / E	Provision for impairment of trade receivables
Note 13	Provision for impairment of inventories

The descriptions provided below include assumptions regarding the upcoming period which carry a particular risk that may lead to significant alterations on the assets and liabilities of the balance sheet in the next reporting period. The descriptions also include the sources of uncertainty in the calculations.

- a) Within the framework of the specified accounting policies, the Group subjects intangible fixed assets with unlimited useful lives, and the registered values of goodwill, to an impairment test which may be conducted annually or when conditions indicate the presence of either a reduction in value, or a cancellation. An impairment test is conducted by comparing the intangible fixed assets that have unlimited useful lives and the registered values of goodwill, to their recoverable values. The recoverable values are determined by using the usage value calculations as a basis.
- b) Deferred taxes are recognized in the books only in the event of a detection indicating the probability of a taxable income in the years to come. If a taxable income is considered to be probable, the calculation regarding deferred tax assets is based on the unused accumulated losses and all deductible temporary differences. The Group has reviewed the transferred tax losses as of December 31, 2010.

Footnotes to the Consolidated Financial Statements as of December 31, 2010

(All amounts expressed in Turkish Lira ("TL") unless mentioned otherwise.)

c) The management has also used some assumptions and projections during the determination of useful lives, determining the provision for doubtful receivables (Note 10 and 39 / E), the calculation of provisions for litigation and other liabilities (Note 22 - 23), and the calculation of the provision for severance payments (Note 24).

Note 3 - Enterprise Mergers

01.01 - 31.12.2010:

In the meeting held by the Holding's Board of Directors, the following decision was made by taking into consideration the report prepared by Güreli Yeminli Mali Müşavirlik ve Bağımsız Denetim Hizmetleri A.Ş., which was based on the data of 30.09.2010, and was prepared according to the "Discounted Future Cash Flows Method". According to this decision, it was decided to buy the senior partner, İhlas Holding's shares in Promaş, which have a nominal value of TL 1,195,745, corresponding to 38.57%, for a price of TL 2,688,490. Also, it was decided to buy 58.23% of the shares owned by İhlas Pazarlama, which corresponds to TL 1,805,005 nominal value, for an amount of TL 4,058,880. The goodwill calculations regarding this decision are as follows:

	Date of Acquisition	Share of Participation Rate From Equity Amount	Cost	Positive Goodwill
Derived from Promaş's 96.8% shares acquired by the Holding	14.12.2010	731,809	6,747,370	6,015,561

The fair values of the definable assets and liabilities derived from the acquisition are as follows:

Cash and cash equivalents	92,814
Trade receivables (short and long-term)	3,246,350
Other receivables (short and long-term)	178,156
Inventories	64,212
Other current assets	390,151
Tangible fixed assets	106,102
Deferred tax assets	458,139
Trade payables (short and long-term)	(2,964,123)
Provisions for employee termination benefits	(502,125)
Deferred tax liability	(9,690)
Other short-term and long-term liabilities	(303,985)
The fair value of the acquired net assets	756,001
Share of participation rate from the fair value of the acquired net assets (96.8%) (1)	731,809
Acquisition amount (Purchasing fee) (2)	6,747,370
Positive Goodwill (2 - 1)	6,015,561

Again, in the meeting held by the Holding's Board of Directors, the following decision was made by taking into consideration the report prepared by Güreli Yeminli Mali Müşavirlik ve Bağımsız Denetim Hizmetleri A.Ş., which was based on the data of 30.09.2010, and was prepared according to the "Discounted Future Cash Flows Method". According to this decision, it was decided to buy the senior partner, İhlas Holding's shares in İhlas Reklam Ajans Hizmetleri Ltd. Şti., which have a nominal value of TL 562,500, corresponding to 25%, for a price of TL 723,080. Also, it was decided to buy 74% of the shares owned by İhlas Pazarlama, which corresponds to TL 1,665,000 nominal value, for an amount of TL 2,140,330. The goodwill calculations regarding this decision are as follows:

	Date of Acquisition	Share of Participation Rate From Equity Amount	Cost	Positive Goodwill
Derived from İhlas Reklam's 99% shares acquired by the Holding	14.12.2010	1,334,970	2,863,410	1,528,440

The fair values of the definable assets and liabilities derived from the acquisition are as follows:

Cash and cash equivalents	157,754
Trade receivables (short and long-term)	3,440,149
Other current assets	471,376
Tangible fixed assets	2,002
Deferred tax assets	36,936
Trade payables (short and long-term)	(2,668,854)
Provisions for employee termination benefits	(7,383)
Deferred tax liability	(8,925)
Other short-term and long-term liabilities	(74,600)
The fair value of the acquired net assets	1,348,455
Share of participation rate from the fair value of the acquired net assets (99%) (1)	1,334,970
Acquisition amount (Purchasing fee) (2)	2,863,410
Positive Goodwill (2 - 1)	1,528,440

01.01 - 31.12.2009:

None.

Note 4 - Joint Ventures

Partnerships Subjected to Joint Management

The Group has included its partnership subjected to joint management, titled "İhlas Holding A.Ş. - İhlas Yayın Holding A.Ş. ve İhlas Pazarlama A.Ş. Ortak Girişimi" (Joint Venture - 4) in its consolidation, which has been prepared in accordance with the equity method. The partnership was established as an ordinary partnership, in order to jointly supply for works regarding the distribution of income after provision for the sale of land. The Group's active participation in this partnership is 45%, and the financial information regarding this partnership is as follows:

	31.12.2010	31.12.2009
Current / floating assets	37,282,020	5,861,152
Non-current / fixed assets	21,740,856	299,350
Total assets	59,022,876	6,160,502
Short-term liabilities	1,408,790	6,160,502
Long-term liabilities	57,619,186	-
Shareholders' equity	(5,100)	-
Total sources	59,022,876	6,160,502
Net profit / (loss) for the period	(105,100)	-

Emlak Pazarlama İnşaat Proje Yönetimi ve Ticaret A.Ş. transferred their rights and liabilities to this partnership in question. These rights and liabilities are set forth in the contract signed regarding the construction project at İstanbul, Bahçeşehir, İspartakule, Region 2, Section 3, Block 543, Parcel 1 for distribution of income after the provision of sale of land. This project was titled "BİZİMEVLER - 3" by the Group, and covers a total residential and commercial construction site of 120,170 square meters. As of December 31, 2010, 35% of the project in question has been completed.

Note 5 - Reporting on the Basis of Department of Activity

For the period January 01 - December 31, 2010:

	Journalism and Printing Works	News Agency	TV Services	Fair and Magazine	Other ^(*)	Intra-group Eliminations	Group
Sales Revenues (net)	70,398,199	24,762,318	8,082,047	7,977,238	1,774,182	(2,391,524)	110,602,460
Sales Costs (-)	(58,514,495)	(22,124,353)	(4,450,932)	(4,988,607)	(456,449)	832,346	(89,702,490)
Gross Profit / Loss	11,883,704	2,637,965	3,631,115	2,988,631	1,317,733	(1,559,178)	20,899,970
Operating Expenses (-)	(17,103,807)	(2,348,611)	(3,705,623)	(2,724,219)	(4,049,032)	1,670,594	(28,260,698)
Income and Profits from Other Operations	6,928,297	925,194	306,846	200,250	1,580,183	(133,580)	9,807,190
Expenses and Losses from Other Operations (-)	(288,940)	(165,681)	(892)	(63,227)	(2,288,256)	22,164	(2,784,832)
Operating Profit / Loss	1,419,254	1,048,867	231,446	401,435	(3,439,372)	-	(338,370)
Profit / Loss Shares from Investments that are Evaluated by the Equity Method	-	-	-	-	(50,070)	-	(50,070)
Financial Income / (Expenses), Net	5,983,343	(199,887)	(530,214)	(26,383)	1,222,957	-	6,449,816
Pre-tax Profit / Loss from Ongoing Activities	7,402,597	848,980	(298,768)	375,052	(2,266,485)	-	6,061,376
Total Assets	244,714,880	21,678,543	8,275,551	4,713,191	68,640,772	(5,514,629)	342,508,308
Total Liabilities	37,224,542	11,080,855	5,748,595	2,420,852	16,740,983	(5,514,629)	67,701,198

Footnotes to the Consolidated Financial Statements as of December 31, 2010

(All amounts expressed in Turkish Lira ("TL") unless mentioned otherwise.)

For the period January 01 - December 31, 2009:

	Journalism and Printing Works	News Agency	TV Services	Fair and Magazine	Other ^(*)	Intra-group Eliminations	Group
Sales Revenues (net)	82,533,364	21,907,443	6,648,581	6,507,390	13,764,417	(7,100,042)	124,261,153
Sales Costs (-)	(67,297,589)	(18,917,804)	(4,067,896)	(4,490,148)	(7,711,884)	5,522,980	(96,962,341)
Gross Profit / Loss	15,235,775	2,989,639	2,580,685	2,017,242	6,052,533	(1,577,062)	27,298,812
Operating Expenses (-)	(9,685,310)	(2,875,280)	(3,370,825)	(2,807,531)	(3,399,278)	1,883,889	(20,254,335)
Income and Profits from Other Operations	1,920,298	335,828	490,672	61,081	547,646	(306,827)	3,048,698
Expenses and Losses from Other Operations (-)	(547,552)	-	(33,217)	(228,191)	(310,066)	-	(1,119,026)
Operating Profit / Loss	6,923,211	450,187	(332,685)	(957,399)	2,890,835	-	8,974,149
Profit / Loss Shares from Investments that are Evaluated by the Equity Method	-	-	-	-	-	-	-
Financial Income / (Expenses), net	10,674,126	(612,581)	(497,304)	(17,691)	359,624	-	9,906,174
Pre-tax Profit / Loss from Ongoing Activities	17,597,337	(162,394)	(829,989)	(975,090)	3,250,459	-	18,880,323
Total Assets	245,495,550	19,298,751	5,541,817	5,604,533	56,789,054	(3,095,727)	329,633,978
Total Liabilities	44,640,205	9,323,792	4,815,887	3,660,968	6,588,957	(3,095,727)	65,934,082

^(*) In the above charts regarding reports according to operation departments, the section reported under the category "Other" also includes the time share sales activity. Information regarding sales revenues and sales costs of this activity in question are presented in the chart below according to period. This activity is not one of the main fields of activity, but a temporary activity of İhlas Gazetecilik, one of the Group companies. The activity is related to the sales of inventory consisting of time shares which were obtained from İhlas Gazetecilik's merger with Medya Reklam Pazarlama, Film Prodüksiyon ve Basım Hizmetleri A.Ş. on 18.11.2008.

Time Share Activity	01.01-31.12.2010	01.01-31.12.2009
Time share sales revenue (net)	345,885	4,494,696
Cost of time share sales (-)	(141,043)	(1,998,230)
Total	204,842	2,496,466

As of 31.12.2010, the remaining time share stock amounts to TL 284,098 (31.12.2009: TL 425,141). Time share sales activity will be terminated by the Group after completion of the sales of these stocks.

Note 6 - Cash and Cash Equivalents

	31.12.2010	31.12.2009
Cash	778,982	1,261,504
- Turkish lira	566,603	869,068
- Foreign currency	212,379	392,436
Bank	27,884,623	14,011,732
- Demand Deposits	1,587,455	1,605,450
- Turkish lira	771,224	1,083,823
- Foreign currency	816,231	521,627
- Time Deposits	26,297,168	12,406,282
- Restricted term deposit(*)	20,934,300	6,853,968
- Unrestricted term deposit	-	500,000
- Repo	4,853,745	4,991,969
- Liquid funds	509,123	60,345
Other Liquid Assets	34,770	27,306
Checks that will be expired on the day of the balance sheet	417,477	716,194
Total	29,115,852	16,016,736

^(*) Information regarding restricted term deposits is explained in detail in Note 22 - 23a.

Note 7 - Financial Investments

Long-Term Financial Investments

31.12.2010: None.

İhlas İletişim's financial statements were excluded from the consolidation of the Group in 2009 as they did not bear enough monetary significance when compared to the consolidated financial statements of the year 2009, and as the Company was unable to provide a significant level of cash flow during the year. In the Group's consolidated financial statements for the year 2009, İhlas İletişim was counted among financial investments. In the year 2010, the Group has included this Company in the consolidation, and classified İhlas İletişim as one of the investments that are evaluated by the equity method.

31.12.2009

Financial Assets that are Ready-for-Sale	Effective Rate %	Amount of Participation	Capital Commitments (-)	Provision For Impairment of Inventory (-)	Net Value
İhlas İletişim Hiz. A.Ş.	20	200,000	(200,000)	-	-

İhlas İletişim's financial statements were excluded from the consolidation in 2009 as they did not have enough monetary significance when compared to the consolidated financial statements of the year 2009, and as the Company was unable to provide a significant level of cash flow during the year. In the aforementioned subsidiary company, the Group has no liabilities, except for the capital provided.

Information regarding the financial statements of the aforementioned subsidiary company for the year 2009 is as follows:

	31.12.2009
Current Assets	34,449
Fixed Assets	-
Short-Term Liabilities	36,570
Long-Term Liabilities	-
Shareholders' Equity	(2,121)
Net Sales	26,207
Net Profit / (Loss) For The Period	(13,121)

Note 8 - Financial Liabilities

	31.12.2010	31.12.2009
Short-Term Financial Liabilities	3,238,050	3,461,946
Bank loans	119,566	2,197,340
Financial leasing operations	3,118,484	1,264,606
Long-Term Financial Liabilities	2,841,906	984,049
Bank loans	68,244	31,062
Financial leasing operations	2,773,662	952,987

a) Bank Loans

31.12.2010	Currency Unit	Applied Interest Rate		Maturity	Amount in TL Currency
		Minimum	Maximum		
Short-term loans	TL	9.25%	18.00%	up to 3 months between 3 and 12 months	33,429
Total Short-Term Loans					119,566
Long-term loans	TL	15.60%	15.60%	between 1 - 5 years	68,244
Total Long-Term Loans					68,244

31.12.2009	Currency Unit	Applied Interest Rate		Maturity	Amount in TL Currency
		Minimum	Maximum		
Short-term loans	TL	12%	23.00%	up to 3 months between 3 and 12 months	25,383
Total Short-Term Loans					2,197,340
Long-term loans	TL	16.00%	23.00%	between 1 - 5 years	31,062
Total Long-Term Loans					31,062

Footnotes to the Consolidated Financial Statements as of December 31, 2010

(All amounts expressed in Turkish Lira ("TL") unless mentioned otherwise.)

The amortized values and contract values of bank loans are presented in Note 39-F.

The maturity analyses as of December 31, 2010 and December 31, 2009, are shown below:

	31.12.2010	31.12.2009
Up to 3 months	33,429	25,383
Between 3 and 12 months	86,137	2,171,957
Between 1 and 5 months	68,244	31,062
Total	187,810	2,228,402

b) Financial Leasing Operations

	Currency Unit	Maturity	31.12.2010 Amount in TL Currency	31.12.2009 Amount in TL Currency
Short-Term Leasing Payables	TL	up to 3 months	-	8,416
	US\$	up to 3 months	156,610	148,494
	EURO	up to 3 months	664,405	96,723
	TL	between 3 and 12 months	-	-
	US\$	between 3 and 12 months	505,773	482,287
	EURO	between 3 and 12 months	1,791,696	528,686
Total Short-Term Leasing Payables			3,118,484	1,264,606
Long-Term Leasing Payables		between 1 and 5 months		
	US\$	between 1 and 5 months	1,013,432	287,487
	EURO	between 1 and 5 months	1,760,230	665,500
Total Long-Term Leasing Payables			2,773,662	952,987

The maturity analyses of long-term financial leasing debts as of December 31, 2010 and December 31, 2009, are shown below:

	31.12.2010	31.12.2009
2011	-	952,987
2012	2,157,774	-
2013	328,718	-
2014	287,170	-
Total	2,773,662	952,987

Financial leasing transactions are reported with either the minimum lease payments or their present day values, depending on which of the two is the lower. The calculations performed indicated that the fair values (purchasing prices - capital payments) of the financial leasing transactions are lower than the present day values of the minimum lease payments. Financial leases are reported based on their fair values and as of the date of the balance sheet.

Note 9 - Other Financial Liabilities

Unamortized bank loans as of December 31, 2010 and December 31, 2009, are shown below:

	31.12.2010	31.12.2009
Other Short-Term Financial Liabilities	1,970,865	3,527,088
Unamortized Bank Loans	1,970,865	3,527,088
- Turkish Lira	1,970,865	2,756,260
- Foreign Currency	-	770,828
Other Long-Term Financial Liabilities	-	-
Total	1,970,865	3,527,088

As of the date 31.12.2010, unamortized bank loans consist of revolving loans.

In the previous period, loans denominated in foreign currencies are the accrued interest of loans which were pushed into default in previous periods. Loans denominated in foreign currencies consist of the Group's debt to the Export - Import Bank of the United States.

The debt was not obtained directly from the Export - Import Bank of the United States. Instead, this bank was the loan guarantor. As the payments were not made to the other banks from which the loan was granted, the related banks took recourse to the Export - Import Bank of the United States, and they have all collected their payments. The Export - Import Bank of the United States has taken recourse to Ihlaz Gazetecilik and Ihlaz Holding because of this debt. The principle payments of the debt were made in full in 2008, and a payment plan was prepared on June 13, 2008, covering the interests for the years 2009 and 2010. All payments were made according to this payment plan and as of 31.12.2010, the Group does not have any debt remaining.

Note 10 - Trade Receivables and Payables

	31.12.2010	31.12.2009
Trade receivables from related parties⁽¹⁾	8,748,375	16,865,409
- Gross amount of trade receivables	9,336,464	17,975,947
- Minus: rediscount regarding trade receivables from related parties	(588,089)	(1,110,538)
Other trade receivables	56,864,776	68,356,565
- Buyers	32,500,597	40,284,055
- Post dated checks and notes receivables	25,572,078	28,678,332
- Doubtful trade receivables	10,351,477	9,685,596
- Minus: rediscount regarding trade receivables	(2,085,035)	(2,924,062)
- Minus: Provision for doubtful receivables ⁽²⁾	(9,474,341)	(7,367,356)
Total	65,613,151	85,221,974

⁽¹⁾ Related details are described in Note 37.

⁽²⁾ Reconciliation regarding the provision for doubtful trade receivables as of the beginning and the end of the period is as follows:

	31.12.2010	31.12.2009
Balance as of January 1	(7,367,356)	(6,411,447)
Provisions derived from new acquisitions at the beginning of the period	(1,078,336)	-
Provisions no longer required in the period	1,167,598	751,982
The provision amount allocated during the period	(2,196,247)	(1,707,891)
Balance as of the end of the period	(9,474,341)	(7,367,356)

In addition to the allocated provisions, the ageing analysis for those without an allocated provision for impairment, even though they are past due, and for those that are overdue and a provision for impairment was allocated, are described in detail in Note 39-E.

	31.12.2010	31.12.2009
Trade payables to related parties⁽³⁾	7,474,753	2,912,851
- Gross amount of trade payables	7,703,429	3,016,703
- Minus: rediscount regarding trade payables to related parties	(228,676)	(103,852)
Other trade payables	12,902,872	17,588,868
- Gross amount of vendors	10,175,851	8,357,532
- Post dated checks and the gross amount of notes payable	2,931,811	9,559,934
- Minus: rediscount regarding trade payables	(204,790)	(328,598)
Total	20,377,625	20,501,719

⁽³⁾ Related details are described in Note 37.

The maturity analyses of (net) trade payables which are not past due as of the dates 31.12.2010 and 31.12.2009 are presented in Note 39 - F.

Note 11 - Other Receivables and Payables

	31.12.2010	31.12.2009
Receivables from shareholders ^(*)	448,379	142,459
Receivables from personnel	245,013	55,530
Other receivables	218,228	51,594
Deposits and guarantees given	17,167	6,441
Other Receivables (Short-Term)	928,787	256,024
Deposits and guarantees given	37,603	42,260
Other Receivables (Long-Term)	37,603	42,260

^(*) Described in Note 37.

Footnotes to the Consolidated Financial Statements as of December 31, 2010

(All amounts expressed in Turkish Lira ("TL") unless mentioned otherwise.)

	31.12.2010	31.12.2009
Payables to personnel	1,568,352	1,528,793
- Payables to key personnel ^(*)	87,150	47,932
- Payables to other personnel	1,481,202	1,480,861
Other various payables	196,787	45,418
Payables to shareholders ^(*)	-	293,235
Payables to the tax office	-	88,621
Other Payables (Short-Term)	1,765,139	1,956,067

^(*) Described in Note 37.

Note 12 - Receivables and Payables Resulting from Financial Sector Operations

31.12.2010: None (31.12.2009: None).

Note 13 - Inventories

	31.12.2010	31.12.2009
Raw materials and supplies	6,478,288	2,793,057
Finished goods	115,474	327,086
Goods	775,676	1,814,271
Other inventory	249,982	-
Provision for impairment of inventory (-)	(880,399)	(1,454,450)
Total	6,739,021	3,479,964

Reconciliation regarding the provision for impairment of inventory as of the beginning and end of the period is as follows:

	31.12.2010	31.12.2009
Balance as of the beginning of the period	(1,454,450)	(1,783,042)
Provision for impairment (-) / provisions that are no longer required (+), net	574,677	328,592
Provisions derived from new acquisitions	(626)	-
Balance as of the end of the period	(880,399)	(1,454,450)

Conditions that cause the cancellation of provisions for impairment in inventories are as follows:

- a) changes in estimated market selling price and expense,
- b) sales of inventory items for which a provision was allocated,
- c) current economic conditions, and
- d) the inventory policy pursued by the Group.

There are no inventories presented as guarantee for the Group's liabilities (Previous period: None).

As the inventories are not covered by the qualifying asset definition in the standard IAS 23 "Borrowing Costs", financing expenses regarding the inventories are associated with the income statement and they are not capitalized.

Note 14 - Biological Assets

31.12.2010: None (31.12.2009: None).

Note 15 - Balances Related to Construction Contracts in Progress

31.12.2010: None (31.12.2009: None).

Note 16 - Investments Evaluated with the Equity Method

31.12.2010

Company Title	Effective Rate %	Amount of Participation	Capital Commitments (-)	Provision For Impairment of Inventory (-)	Net Value
Joint Venture - 4	45	45,000	-	(47,295)	(2,295)
İhlas İletişim	20	200,000	(150,000)	(2,775)	47,225
Total		245,000	(150,000)	(50,070)	44,930

31.12.2009

Company Title	Effective Rate %	Amount of Participation	Capital Commitments (-)	Provision For Impairment of Inventory (-)	Net Value
Joint Venture - 4	45	45,000	(45,000)	-	-

The Group has included its partnership subjected to joint management, titled "İhlas Holding A.Ş. - İhlas Yayın Holding A.Ş. ve İhlas Pazarlama A.Ş. Ortak Girişimi" (Joint Venture - 4) in its consolidation, which has been prepared in accordance with the equity method. The partnership was established as an ordinary partnership, in order to jointly supply for works regarding the distribution of income after provision for the sale of land. The Group's active participation in this partnership is 45%. The summarized financial statement and information regarding the aforementioned partnership's activities are presented in Note 4.

İhlas İletişim is the other company included by the Group in the consolidation, which was prepared according to the equity method. İhlas İletişim's fields of activity include providing all kinds of telephone, telecommunication and similar services, and the summarized information regarding this Company's financial statements dated 31.12.2010 is as follows:

	31.12.2010
Current Assets	671,802
Fixed Assets	6,352
Short-Term Liabilities	420,597
Long-Term Liabilities	21,430
Shareholders' Equity	236,128
Net Sales	661,708
Net Profit / Loss for the Period	5,119

Note 17 - Investment Property

Investment purpose real estate properties are evaluated in accordance with the fair value method, and the behavior charts according to the periods are as follows:

January 01 - December 31, 2010

	01.01.2010	Inputs	Outputs	31.12.2010
Investment Purpose Real Estate Properties				
Lands and parcels	47,475,586	9,812,950	-	57,288,536
Buildings	38,147,140	7,003,700	-	45,150,840
Total	85,622,726	16,816,650	-	102,439,376
Minus: Accumulated Depreciation				
Buildings	(4,309,559)	(844,280)	-	(5,153,839)
Total	(4,309,559)	(844,280)	-	(5,153,839)
Investment Purpose Real Estate Properties (net)	81,313,167			97,285,537

January 01 - December 31, 2009

	01.01.2009	Inputs	Outputs	31.12.2009
Investment Purpose Real Estate Properties				
Lands and parcels	46,548,576	927,010	-	47,475,586
Buildings	38,014,857	132,283	-	38,147,140
Total	84,563,433	1,059,293	-	85,622,726
Minus: Accumulated Depreciation				
Buildings	(3,549,140)	(760,419)	-	(4,309,559)
Total	(3,549,140)	(760,419)	-	(4,309,559)
Investment Purpose Real Estate Properties (net)	81,014,293			81,313,167

Footnotes to the Consolidated Financial Statements as of December 31, 2010

(All amounts expressed in Turkish Lira ("TL") unless mentioned otherwise.)

The investment purpose real estates received by the Group through financial leasing are as follows:

	01.01.2010	Inputs	Outputs	31.12.2010
Investment Purpose Real Estate Properties				
Lands and parcels	17,415,321	-	-	17,415,321
Buildings	13,252,607	-	-	13,252,607
Total	30,667,928	-	-	30,667,928
Minus: Accumulated Depreciation				
Buildings	(2,530,409)	(300,642)	-	(2,831,051)
Total	(2,530,409)	(300,642)	-	(2,831,051)
Investment Purpose Real Estate Properties (net)	28,137,519			27,836,877

	01.01.2009	Inputs	Outputs	31.12.2009
Investment Purpose Real Estate Properties				
Lands and parcels	17,415,321	-	-	17,415,321
Buildings	13,252,607	-	-	13,252,607
Total	30,667,928	-	-	30,667,928
Minus: Accumulated Depreciation				
Buildings	(2,229,766)	(300,643)	-	(2,530,409)
Total	(2,229,766)	(300,643)	-	(2,530,409)
Investment Purpose Real Estate Properties (net)	28,438,162			28,137,519

The total amounts of pledges, restrictions or mortgages on the Group's real estate properties with investment purposes are TL 128,400,000 and US\$ 32,500,000 (31.12.2009: TL 87,400,000 and US\$ 32,500,000).

The Group has no investment purpose real estate properties that are already being used and have been fully amortized.

As investment purpose real estate properties are not covered by the qualifying asset definition in the standard IAS 23 "Borrowing Costs", financing expenses regarding investment purpose real estate properties are associated with the income statement and they are not capitalized.

The fair values of all the investment purpose real estate properties were determined by an independent and expert institution (expert). Information regarding the valuation process of the Group's investment purpose real estate properties is as follows:

Fixed Assets	Ownership	Date of Entry	Appraisal Values	The Company Performing the Valuation	The Date of the Valuation	Methods Used in the Valuation
Independent Sections No. 8 - 9 - 10 - 11 - 12 ⁽¹⁾	İhlas Gazetecilik	16.08.2001	29,766,000	Vektör Gayrimenkul Değerleme A.Ş.	02.12.2009	Cost Method, Peer Comparison Method, Income Capitalization Method
Independent Section No. 5 ⁽¹⁾	İhlas Gazetecilik	05.08.2004	6,600,000	Vektör Gayrimenkul Değerleme A.Ş.	21.10.2009	Cost Method, Peer Comparison Method, Income Capitalization Method
Independent Section No. 3 ⁽¹⁾	İhlas Gazetecilik	05.08.2004	6,600,000	Vektör Gayrimenkul Değerleme A.Ş.	02.12.2009	Cost Method, Peer Comparison Method, Income Capitalization Method
Independent Section No. 2 ⁽¹⁾	İhlas Gazetecilik	02.06.2005	6,600,000	Vektör Gayrimenkul Değerleme A.Ş.	02.12.2009	Cost Method, Peer Comparison Method, Income Capitalization Method
Independent Section No. 4 ⁽¹⁾	İhlas Gazetecilik	26.12.2007	6,600,000	Vektör Gayrimenkul Değerleme A.Ş.	02.12.2009	Cost Method, Peer Comparison Method, Income Capitalization Method
Independent Section No. 6 ⁽¹⁾	Holding	04.07.2006	6,600,000	Vektör Gayrimenkul Değerleme A.Ş.	04.12.2009	Cost Method, Peer Comparison Method, Income Capitalization Method
Independent Section No. 1 ⁽¹⁾	Holding	14.11.2006	17,485,000	Vektör Gayrimenkul Değerleme A.Ş.	29.12.2009	Cost Method, Peer Comparison Method, Income Capitalization Method
Independent Section No. 13 ⁽¹⁾	İhlas Gazetecilik	29.06.2010	16,816,650	TGD Gayrimenkul Değerleme A.Ş.	14.06.2010	Cost Method, Peer Comparison Method, Income Capitalization Method
M Block Independent Section No. 605 ⁽²⁾	İhlas Fuar	04.12.2009	1,000,000	Vektör Gayrimenkul Değerleme A.Ş.	16.08.2010	Cost Method, Peer Comparison Method, Income Capitalization Method

⁽¹⁾ These are the independent sections located within the building at Istanbul City, Bahçelievler District, Yenibosna Mah. Plot 24, Parcel No. 10913.

⁽²⁾ M Block Independent Section No. 605 has a net book value of TL 999,878 as of the date 31.12.2009. This real estate property is an independent section within the building which is located at Istanbul Province, Bahçelievler district, Yenibosna Mah. 243DS2D Plot, Block 1542, Parcel 13. According to the valuation report dated 16.08.2010, which was procured by the Group, the appraisal value of this independent section was determined as TL 1,000,000. As the net book value and the aforementioned appraisal value regarding this independent section are almost the same, the attached consolidated financial statements are grounded in this section's cost value.

Details regarding upward and downward trends in the values of the Group's investment purpose real estate properties, which were evaluated in accordance with the fair value method, are as follows (According to the gross value method):

Investment Purpose Real Estate Properties	Date	Gross Value of Expertise	Accumulated Depreciation	Net Value of Expertise (According to the Gross Value Method)	Book Value (net)	Increase in Value (+) / Decrease in Value (-)
Independent Sections						
No. 8 - 9 - 10 - 11 - 12	As of the date 01.01.2007	32,296,408	(1,628,481)	30,667,927	39,340,799	(8,672,872)
Independent Section No. 3	As of the date 01.01.2007	6,936,785	(150,258)	6,786,527	14,772,965	(7,986,438)
Independent Section No. 5	As of the date 01.01.2007	6,936,785	(150,258)	6,786,527	10,185,643	(3,399,116)
Total		46,169,978	(1,928,997)	44,240,981	64,299,407	(20,058,426)
Independent Section No. 1	As of the date 01.01.2007	17,981,549	(26,134)	17,955,415	7,459,941	10,495,474
Independent Section No. 2	As of the date 01.01.2007	6,879,743	(96,639)	6,783,104	5,920,201	862,905
Independent Section No. 6	As of the date 01.01.2007	6,808,646	(29,806)	6,778,840	5,053,685	1,725,155
Independent Section No. 4	As of the date 31.12.2007	6,720,523	(4,821)	6,715,702	5,096,431	1,619,271
Total		38,390,461	(157,400)	38,233,061	23,530,258	14,702,805
Grand Total		84,560,439	(2,086,397)	82,474,042	87,829,665	(5,355,621)

The Group has hired an expertise service for its lands, plots and buildings, and the calculations for impairment and revaluation increases were performed in accordance with the appraisal reports (The fair value method). During applications regarding the Group's initial transition to IFRS, the provisions for reductions and rises in value for real estate properties acquired before the date 01.01.2007 were associated with the prior years' profits / losses in the opening consolidated financial statements dated 01.01.2007. As the fair value of the investment purpose real estate property acquired in 2007 is TL 1,619,271 more than the property's book value, this increase in value is reported under the Other Operating Income item for the accounting period 2007.

Note 18 - Tangible Fixed Assets

January 01 - December 31, 2010

	01.01.2010	Inputs	Outputs	New Acquisitions	31.12.2010
Tangible Fixed Assets					
Lands and Parcels	152,041	12,754,098	-	-	12,906,139
Buildings	172,274	7,080,902	-	-	7,253,176
Plant, machinery and equipment	84,048,102	8,743,377	(367,070)	184,375	92,608,784
Vehicles	3,076,491	577,790	(292,440)	92,609	3,454,450
Fixtures	20,384,336	533,821	(2,970)	1,200,563	22,115,750
Other tangible fixed assets	582,500	46,000	-	1,199,229	1,827,729
Special costs	153,774	12,887	-	32,165	198,826
Total	108,569,518	29,748,875	(662,480)	2,708,941	140,364,854
Minus: Accumulated Depreciation					
Buildings	(20,614)	(90,756)	-	-	(111,370)
Plant, machinery and equipment	(68,136,950)	(6,322,352)	159,657	(161,090)	(74,460,735)
Vehicles	(2,097,793)	(425,807)	214,218	(90,628)	(2,400,010)
Fixtures	(18,607,865)	(824,605)	125	(1,117,726)	(20,550,071)
Other tangible fixed assets	(45,625)	(351,825)	-	(1,199,229)	(1,596,679)
Special costs	(131,416)	(11,652)	-	(32,165)	(175,233)
Total	(89,040,263)	(8,026,997)	374,000	(2,600,838)	(99,294,098)
Tangible Fixed Assets (net)	19,529,255				41,070,756

Footnotes to the Consolidated Financial Statements as of December 31, 2010

(All amounts expressed in Turkish Lira ("TL") unless mentioned otherwise.)

January 01 - December 31, 2009

	01.01.2009	Inputs	Outputs	31.12.2009
Tangible Fixed Assets				
Lands and parcels	2,762,041	-	(2,610,000)	152,041
Buildings	2,154,791	-	(1,982,517)	172,274
Plant, machinery and equipment	82,918,414	1,132,812	(3,124)	84,048,102
Vehicles	2,967,193	402,727	(293,429)	3,076,491
Fixtures	20,056,284	329,286	(1,234)	20,384,336
Other tangible fixed assets	27,500	555,000	-	582,500
Special costs	153,774	-	-	153,774
Total	111,039,997	2,419,825	(4,890,304)	108,569,518
Minus: Accumulated Depreciation				
Buildings	(70,035)	(43,096)	92,517	(20,614)
Plant, machinery and equipment	(59,587,537)	(8,553,005)	3,592	(68,136,950)
Vehicles	(1,952,723)	(456,467)	311,397	(2,097,793)
Fixtures	(17,531,673)	(1,076,192)	-	(18,607,865)
Other tangible fixed assets	(1,375)	(44,250)	-	(45,625)
Special costs	(120,513)	(10,903)	-	(131,416)
Total	(79,263,856)	(10,183,913)	407,506	(89,040,263)
Tangible Fixed Assets (net)	31,776,141			19,529,255

The details regarding real estate properties that have been acquired within the current period, by considering the valuation reports conducted by independent valuation companies, and the details regarding the valuation reports, are as follows:

Real Estates	Ownership	Appraisal Values	Acquisition Cost	The Company Performing the Valuation	The Date of the Valuation Report	Methods Used In the Valuation
1397 Sok., No: 3 Kahramanlar - Konak / İzmir	İhlas Gazetecilik	6,675,000	6,675,000	Elit Gayrimenkul Değerleme A.Ş.	10.12.2009	Cost Method, Peer Comparison Method, Income Capitalization Method
Mürselpaşa Bulvarı, No: 161 Kahramanlar - Konak / İzmir	İhlas Gazetecilik	5,275,000	5,275,000	Elit Gayrimenkul Değerleme A.Ş.	10.12.2009	Cost Method, Peer Comparison Method, Income Capitalization Method
12553 Ada, 11 Parsel, Koyunlar Köyü - Kepez / Antalya	İhlas Gazetecilik	4,880,000	5,050,000	Epos Gayrimenkul Danışmanlık ve Değerleme A.Ş.	20.01.2010	Cost Method, Peer Comparison Method
Samsun - Ordu Karayolu 13. km, 19 Mayıs Mah., 719 Ada, Parcels No. 2 and 3, Tekkeköy / Samsun	İhlas Gazetecilik	1,075,000	1,075,000	Elit Gayrimenkul Değerleme A.Ş.	10.12.2009	Cost Method, Peer Comparison Method, Income Capitalization Method
Levent Mah., Girne Bulvarı, No: 200 / A, (1927 Ada, parcel No. 187) Yüreğir / Adana	İhlas Gazetecilik	850,000	850,000	Elit Gayrimenkul Değerleme A.Ş.	09.12.2009	Cost Method, Peer Comparison Method, Income Capitalization Method
Zonguldak - Merkez Terakki Mah. Block 268, Parcel 72, Independent Sections No. 6 - 7 - 8 - 9 - 10	İHA	910,000	910,000	Piramit Gayrimenkul Değerleme ve Danışmanlık A.Ş.	16.09.2010	Peer Comparison Method
		19,665,000	19,835,000			

The tangible fixed assets received by the Group through financial leasing are as follows:

	01.01.2010	Inputs	Outputs	31.12.2010
Tangible Fixed Assets				
Plant, machinery and equipment	4,478,977	6,219,432	(173,611)	10,524,798
Total	4,478,977	6,219,432	(173,611)	10,524,798
Minus: Accumulated Depreciation				
Plant, machinery and equipment	(1,630,632)	(760,092)	85,359	(2,305,365)
Total	(1,630,632)	(760,092)	85,359	(2,305,365)
Tangible Fixed Assets (net)	2,848,345			8,219,433

	01.01.2009	Inputs	Outputs	31.12.2009
Tangible Fixed Assets				
Plant, machinery and equipment	4,478,977	-	-	4,478,977
Total	4,478,977	-	-	4,478,977
Minus: Accumulated Depreciation				
Plant, machinery and equipment	(1,026,330)	(604,302)	-	(1,630,632)
Total	(1,026,330)	(604,302)	-	(1,630,632)
Tangible Fixed Assets (net)	3,452,647			2,848,345

The total amounts of pledges, restrictions or mortgages on the Group's tangible fixed assets are TL 28,830,000 and US\$ 6,400,000. (31.12.2009: US\$ 1,300,000).

The Group's tangible fixed assets that are already being used and have been fully amortized are as follows:

	31.12.2010	31.12.2009
Plant, machinery and equipment	63,805,934	49,520
Vehicles	1,528,529	674,493
Fixtures	18,558,484	13,467,329
Other tangible fixed assets	1,226,729	-
Special costs	133,673	101,508
Total	85,253,349	14,292,850

As tangible fixed assets are not covered by the qualifying asset definition in the standard IAS 23 "Borrowing Costs", financing expenses regarding tangible fixed assets are associated with the income statement and they are not capitalized.

The Group does not possess any tangible fixed assets that are temporarily in an inactive condition.

As required by the standard IAS 36 "Impairment of Assets", the Group has performed an impairment test on its tangible fixed assets. The results of the impairment test indicated that the net selling prices of the assets (their fair value after the deduction of the related sales costs) are greater than the book value of the assets. Therefore, it was deemed unnecessary to calculate their usage values and no impairment provisions were allocated.

Note 19 - Intangible Fixed Assets

January 01 - December 31, 2010

	01.01.2010	Inputs	Outputs	New Acquisitions	Cancellation of Provision for Impairment	31.12.2010
Cost						
Brand	51,876,000	-	-	-	4,249,860	56,125,860
Rights	3,069,472	2,100	-	-	-	3,071,572
Computer software	373,762	-	(2,549)	13,424	-	384,637
Total	55,319,234	2,100	(2,549)	13,424	4,249,860	59,582,069
Minus: Accumulated Depreciation						
Rights	(3,069,471)	(35)	-	-	-	(3,069,506)
Computer software	(345,818)	(14,930)	381	(13,424)	-	(373,791)
Total	(3,415,289)	(14,965)	381	(13,424)	-	(3,443,297)
Intangible Fixed Assets (net)	51,903,945					56,138,772

Footnotes to the Consolidated Financial Statements as of December 31, 2010

(All amounts expressed in Turkish Lira ("TL") unless mentioned otherwise.)

January 01 - December 31, 2009

	01.01.2009	Inputs	Outputs	31.12.2009
Cost				
Brand	51,876,000	-	-	51,876,000
Rights	3,069,472	-	-	3,069,472
Computer software	365,297	8,465	-	373,762
Total	55,310,769	8,465	-	55,319,234
Minus: Accumulated Depreciation				
Rights	(3,069,471)	-	-	(3,069,471)
Computer software	(306,159)	(39,659)	-	(345,818)
Total	(3,375,630)	(39,659)	-	(3,415,289)
Intangible Fixed Assets (net)	51,935,139			51,903,945

Gross book values of the Group's intangible fixed assets that are already being used and have been fully amortized are as follows:

	31.12.2010	31.12.2009
Rights	3,069,471	3,069,471
Computer programs	220,062	177,005
Total	3,289,533	3,246,476

Pledges, restrictions or mortgages over the intangible fixed assets that belong to the Group;

31.12.2010: None.

31.12.2009: None.

The Group has conducted an impairment test on its intangible fixed assets as of the date December 31, 2010. Due to the results of the impairment test, it was decided that there were no impairments for the Group's intangible fixed assets which have a limited useful life. During the evaluation on whether the brand value has an unlimited useful life, the concept of continuity was taken into account.

During the applications regarding the Group's initial transition to IFRS, a brand valuation was conducted by AGD Bağımsız Denetim ve Danışmanlık SMMM A.Ş. on March 15, 2010 for the opening consolidated financial statements dated 01.01.2007. In the course of this brand valuation, the brand "Türkiye", owned by one of the Group companies, İhlas Gazetecilik, was subjected to an impairment test. During the initial public offering, İhlas Gazetecilik has conducted much image advertising in both written and visual media platforms in May and June of 2010. In addition, as April 22, 2010 was the 40th anniversary of Türkiye Newspaper's publishing career, İhlas Gazetecilik conducted many advertising programs both in the written and visual media. Based on these two heavy advertising schedules, brand recognition progressed, and this change caused an adjustment in the brand value. Therefore, Güreli Yeminli Mali Müşavirlik ve Bağımsız Denetim Hizmetleri A.Ş. was hired for a new brand evaluation, and after another impairment test the Company was presented with a new brand valuation report on August 27, 2010. Summarized information, assumptions and methods regarding the aforementioned new brand valuation report, which was conducted by Güreli Yeminli Mali Müşavirlik ve Bağımsız Denetim Hizmetleri A.Ş. on August 27, 2010, are as follows:

- During the brand valuation, the factors taken into consideration by the valuation company were the macroeconomic factors (economic indicators (the gross national product, inflation rates), data regarding the media and printing industries (newspaper circulations, advertising revenues, etc.)), in addition to the financial statements and projections regarding İhlas Gazetecilik.
 - The methods used for the valuation: During the brand valuation works, the methods that were the most useful included The Method of Determining the Brand by Separating Goodwill from the Company Value, The Method of Freeing from Name Rights, and the method which is used most by the OECD and Financial Institutions - the Profit Sharing Method.
 - In the valuation conducted in accordance with the Method of Freeing from Name Rights, the value of the brand was calculated as TL 33,419,268. In the valuation conducted in accordance with the Method of Determining the Brand by Separating Goodwill from the Company Value, the value of the brand was calculated as TL 56,125,860. In the valuation conducted in accordance with the Profit Sharing Method, the value of the brand was calculated as TL 38,637,511 for 25% of the reduced income, and as TL 77,275,022 for 50% of the reduced income.
 - Among the above methods, the appraisal company has chosen TL 56,125,860, which was determined by using the Method of Determining the Brand by Separating Goodwill from the Company Value, as the amount that represents the value of the brand "Türkiye" in a realistic manner.
- (Summarized information, assumptions and methods regarding the brand valuation for the brand in question, which was conducted by AGD Bağımsız Denetim ve Danışmanlık SMMM A.Ş. on March 15, 2010 for the opening financial statements dated 01.01.2007, is as follows:
- During the brand valuation, the factors taken into consideration by the valuation company were the macroeconomic factors (economic

indicators (the gross national product, inflation rates), data regarding the media industry (newspaper circulations, advertising revenues, etc.)), in addition to the financial statements and projections regarding İhlas Gazetecilik.

- The methods used for the valuation: During the brand valuation works, the methods that were the most useful included The Method of Determining the Brand by Separating Goodwill from the Company Value, The Method of Freeing from Name Rights, and the method which is used most by the OECD and Financial Institutions - the Profit Sharing Method.

- In the valuation conducted in accordance with the Method of Freeing from Name Rights, the value of the brand was calculated as TL 44,397,011. In the valuation conducted in accordance with the Method of Determining the Brand by Separating Goodwill from the Company Value, the value of the brand was calculated as TL 51,876,000. In the valuation conducted in accordance with the Profit Sharing Method, the value of the brand was calculated as TL 44,667,151 for 25% of the reduced income, and as TL 89,334,303 for 50% of the reduced income.

- Among the above methods, the appraisal company has chosen TL 51,876,000, which was determined by using the Method of Determining the Brand by Separating Goodwill from the Company Value, as the amount that represents the value of the brand "Türkiye" in a realistic manner.)

According to the expertise reports, the provisions for impairment regarding the brand are as follows:

	31.12.2010	31.12.2009
Book value of the Brand (a)	79,875,083	79,875,083
Appraisal value (b)	56,125,860	51,876,000
Provision for impairment (b-a)	(23,749,223)	(27,999,083)

TL 56,125,860 is presented by the recent valuation report conducted by Güreli Yeminli Mali Müşavirlik ve Bağımsız Denetim Hizmetleri A.Ş., dated August 27, 2010. TL 51,876,000 is presented by the previous valuation report. In the attached summarized consolidated financial statements, the Group has reflected the TL 4,249,860 difference between the two, on its other operating income account, as no longer required provisions (See: Note 31).

Note 20 - Goodwill

	31.12.2010	31.12.2009
a) Goodwill derived from İhlas Fuar's acquisition	3,894,202	3,894,202
b) Goodwill derived from İletişim Magazin's acquisition	1,904,525	1,904,525
c) Goodwill derived from Promaş's acquisition	6,015,561	-
d) Goodwill derived from İhlas Reklam's acquisition	1,528,440	-
Total Goodwill	13,342,728	5,798,727

a) On 28.03.2008, one of the Group companies, İhlas Gelişim acquired İhlas Holding's and Hüseyin Ferruh Işık's shares of İhlas Fuar, which were 92% of the Company shares, and had a nominal value of TL 230,000. The pricing of this acquisition was determined according to the company valuation report prepared by Can Uluslararası Bağımsız Denetim ve S.M.M.M. A.Ş. on 25.03.2008, and the method used in the report was "the discounted cash flow analysis method". According to the report the Company's worth was determined as TL 3,371,444 (92% of this value is TL 3,101,728), and the acquisition was completed for the amount of TL 3,100,400. The goodwill calculations regarding this acquisition are as follows:

	Date of Acquisition	Share of Participation Rate From Equity Amount	Cost	Goodwill
Derived from İhlas Gelişim's participation in İhlas Fuar	28.03.2008	(793,802)	3,100,400	3,894,202

In order to determine whether there are any reductions in value of the goodwill derived from the acquisition in question as of the date 31.12.2010, the Group has procured a company valuation report. The company valuation report, dated 16.08.2010, was prepared by Can Uluslararası Bağımsız Denetim ve S.M.M.M. A.Ş. according to "Net asset value and discounted cash flow analysis methods". According to this valuation report, the company's value was determined as TL 8,196,559 (92% of this value is TL 7,540,834). As can be observed in the chart below, there were no impairments regarding the goodwill;

The value of 92% of İhlas Fuar, According to the Valuation Report, Dated 16.08.2010	7,540,834
92% of İhlas Fuar's Equity Amount, as of the Date 31.12.2010	2,046,350
Positive Goodwill as of the Date 31.12.2010	5,494,484
Positive Goodwill as of the Date 31.12.2009	3,894,202
Provision for Impairment of the Goodwill as of the Date 31.12.2010 (-)	-

Footnotes to the Consolidated Financial Statements as of December 31, 2010

(All amounts expressed in Turkish Lira ("TL") unless mentioned otherwise.)

b) On 28.03.2008, one of the Group companies, İhlas Gelişim acquired İhlas Holding's and Mehmet Söztutan's shares of İletişim Magazin, which were 95% of the Company shares, and had a nominal value of TL 47,500. The pricing of this acquisition was determined according to the company valuation report prepared by Can Uluslararası Bağımsız Denetim ve S.M.M.M. A.Ş. on 25.03.2008, and the method used in the report was "the market factors analysis and the discounted cash flow analysis methods". According to the report the Company's worth was determined as TL 1,997,182 (95% of this value is TL 1,897,323) and the acquisition was completed for the amount of TL 1,895,250. The goodwill calculations regarding this acquisition are as follows:

	Date of Acquisition	Share of Participation Rate from Equity Amount	Cost	Goodwill
Derived from İhlas Gelişim's participation in İhlas Magazin	28.03.2008	(9,275)	1,895,250	1,904,525

In order to determine whether there are any reductions in value of the goodwill derived from the acquisition in question as of the date 31.12.2010, the Group has procured a company valuation report. The company valuation report, dated 16.08.2010, was prepared by Can Uluslararası Bağımsız Denetim ve S.M.M.M. A.Ş. according to "Net asset value, market factors analysis and discounted cash flow analysis methods". According to this valuation report, the Company's value was determined as TL 5,132,305 (95% of this value is TL 4,875,690). As can be observed in the chart below, there were no impairments regarding the goodwill;

The value of 95% of İhlas Magazin, According to the Valuation Report Dated 16.08.2010	4,875,690
95% of İletişim Magazin's Equity Amount, as of the Date 31.12.2010	68,045
Positive Goodwill as of the Date 31.12.2010	4,807,645
Positive Goodwill as of the Date 31.12.2009	1,904,525

Provision for Impairment of the Goodwill as of the date 31.12.2010 (-)

c) In the meeting held by the Holding's Board of Directors, the following decision was made by taking into consideration the report prepared by Güreli Yeminli Mali Müşavirlik ve Bağımsız Denetim Hizmetleri A.Ş., which was based on the data of 30.09.2010 and was prepared according to the "Discounted Future Cash Flows Method". According to this decision, it was decided to buy the senior partner, İhlas Holding's shares in Promaş, which have a nominal value of TL 1,195,745, corresponding to 38.57%, for a price of TL 2,688,490. Also, it was decided to buy 58.23% of the shares owned by İhlas Pazarlama, which corresponds to TL 1,805,005 nominal value, for an amount of TL 4,058,880. The goodwill calculations regarding this decision are as follows:

	Date of Acquisition	Share of Participation Rate From Equity Amount	Cost	Positive Goodwill
Derived from Promaş's 96.8% shares acquired by the Holding	14.12.2010	731,809	6,747,370	6,015,561

d) In the meeting held by the Holding's Board of Directors, the following decision was made by taking into consideration the report prepared by Güreli Yeminli Mali Müşavirlik ve Bağımsız Denetim Hizmetleri A.Ş., which was based on the data of 30.09.2010, and was prepared according to the "Discounted Future Cash Flows Method". According to this decision, it was decided to buy the senior partner, İhlas Holding's shares in İhlas Reklam Ajans Hizmetleri Ltd. Şti., which have a nominal value of TL 562,500, corresponding to 25%, for a price of TL 723,080. Also, it was decided to buy 74% of the shares owned by İhlas Pazarlama, which corresponds to TL 1,665,000 nominal value, for an amount of TL 2,140,330. The goodwill calculations regarding this decision are as follows:

	Date of Acquisition	Share of Participation Rate From Equity Amount	Cost	Positive Goodwill
Derived from İhlas Reklam's 99% shares acquired by the Holding	14.12.2010	1,334,970	2,863,410	1,528,440

Note 21 - Government Grants and Incentives

31.12.2010: None (31.12.2009: None).

Note 22 - 23 - Provisions, Contingent Assets and Liabilities, Commitments

a) Guarantees, mortgages and pledges given by the Group:

The Group's charts regarding its position for guarantees, pledges and mortgages (GPM) are as follows:

GPMs Given by the Group	US\$ Balance	EURO Balance	TL Balance	Total (in TL Currency)
(31.12.2010)				
A. The Total Amount of GPMs Given by the Main Partnership in Favor of Its Own Legal Entity	6,070,617	-	-	9,385,174
B. i. The Total Amount of GPMs Given by the Main Partnership in Favor of Subsidiary Companies Included in The Full Consolidation	697,934	-	2,800,172	3,879,178
B. ii. The Total Amount of GPMs Given by the Subsidiary Companies Included in The Full Consolidation in Favor of Their Own Legal Entities and in Favor of Each Others	6,943,680	88,851	1,342,657	12,259,650
B. iii. The Total Amount of GPMs Given by the Subsidiary Companies Included in The Full Consolidation in Favor of the Main Partnership	-	-	-	-
C. The Total Amount of GPMs Given by the Group for Assuring the Liabilities of Other 3rd Parties so that the Group's Ordinary Commercial Activities can be Executed	-	-	-	-
D. The Total Amount of Other GPMs Given by the Group	39,680,473	225,000	180,646,819	242,453,878
i. The Total Amount of GPMs Given by the Group in Favor of the Main Partner	32,500,000	-	156,230,000	206,475,000
ii. The Total Amount of GPMs Given by the Group in Favor of Other Group Companies Which are not Included in the Scopes of Articles B and C	7,180,473	225,000	23,416,819	34,978,878
iii. The Total Amount of GPMs Given by the Group in Favor of Third Parties Which are not Included in the Scope of Article C	-	-	1,000,000	1,000,000
Total	53,392,704	313,851	184,789,648	267,977,880
Total Equity of the Group				274,807,110
The Ratio of the Other GPMs Given by the Group over the Equity of the Group				88.23%

GPMs Given by the Group	US\$ Balance	EURO Balance	TL Balance	Total (in TL Currency)
(31.12.2009)				
A. The Total Amount of GPMs Given by the Main Partnership in Favor of Its Own Legal Entity	7,587,361	-	-	11,424,289
B. i. The Total Amount of GPMs Given by the Main Partnership in Favor of Subsidiary Companies Included in The Full Consolidation	111,665	-	2,269,472	2,437,606
B. ii. The Total Amount of GPMs Given by the Subsidiary Companies Included in the Full Consolidation in Favor of Their Own Legal Entities and in Favor of Each Others	1,811,838	-	3,150,547	5,878,631
B. iii. The Total Amount of GPMs Given by the Subsidiary Companies Included in the Full Consolidation in Favor of the Main Partnership	-	-	-	-
C. The Total Amount of GPMs Given by the Group for Assuring the Liabilities of Other 3rd Parties so that the Group's Ordinary Commercial Activities can be Executed	-	-	-	-
D. The Total Amount of Other GPMs Given by the Group	34,600,000	342,812	115,705,154	168,542,951
i. The Total Amount of GPMs Given by the Group in Favor of the Main Partner	32,600,000	-	110,291,419	159,377,239
ii. The Total Amount of GPMs Given by the Group in Favor of Other Group Companies Which are not Included in the Scopes of Articles B and C	2,000,000	342,812	5,413,735	9,165,712
iii. The Total Amount of GPMs Given by the Group in Favor of Third Parties Which are not Included in the Scope of Article C	-	-	-	-
Total	44,110,864	342,812	121,125,173	188,283,477
Total Equity of the Group				263,699,896
The Ratio of Other GPMs Given by the Group over the Equity of the Group				63.91%

Footnotes to the Consolidated Financial Statements as of December 31, 2010

(All amounts expressed in Turkish Lira ("TL") unless mentioned otherwise.)

In addition,

- Pursuant to the contract made between the Holding and News Netherlands regarding the sale of Huzur Radyo TV A.Ş. (TGRT) in the year 2006, 15% of the selling price was sequestered for 2 years in an account at Fortisbank Bahrain Branch under the joint names of the parties in 2006. The account was for possible liabilities and claims arising in the pre-sale period. The Holding presented 3 letters of guarantee to News Netherlands on July 31, 2009. As of 31.12.2010, 2 of these letters of guarantee have been returned and 1 letter of guarantee is retained (presented in the GPM chart). The sequestering in the bank account will be removed once the duration of the letters of guarantee has been completed. As of the date 31.12.2010, the remaining sequestered amount is US\$ 4,550,000.

(31.12.2009: US\$ 4,552,014).

- One of the Group companies, İHA's, term deposits of an amount of TL 6,000,000 was sequestered with the Company's own consent, as a guarantee for loans taken by an associated company, İhlas Pazarlama. (31.12.2009: None).

- The Holding's term deposits, with a principle amount of TL 7,900,000, was sequestered with the Holding's own consent, as a guarantee for loans taken by an associated company, İhlas Pazarlama.

b) The summarized information on important litigations and performances related to the Group as of the date 31.12.2010, is as follows:

	Quantity	Amount
Ongoing lawsuits that were initiated by the Group	40	297,362
Enforcement proceedings conducted by the Group	252	3,204,831
Ongoing lawsuits that were initiated against the Group	67	2,531,416
Enforcement proceedings conducted against the Group	8	374,573

There are 67 ongoing lawsuits filed against the Group, and these lawsuits amount to TL 2,531,416. In regard to the possibilities of winning these lawsuits, 18 of them cannot be classified as highly probable to win. Therefore the Group has allocated provisions for these lawsuits which amount to TL 325,031.

c) Details regarding provisions for litigation and provisions for other liabilities of the Group as of the dates December 31, 2010, and December 31, 2009, are as follows:

	31.12.2010	31.12.2009
Provisions for lawsuits	57,700	18,820
Debt Provisions (Short-Term)	57,700	18,820
Contractual provisions ⁽¹⁾	750,000	1,500,000
Provisions for lawsuits	267,331	237,131
Debt Provisions (Long-Term)	1,017,331	1,737,131

⁽¹⁾ Pursuant to the contract made between the Holding and News Netherlands for the sale of Huzur Radyo TV A.Ş. (TGRT) in the year 2006, and regarding possible liabilities and claims arising in the pre-sale period, the Group has allocated provisions worth TL 750,000 (31.12.2009: TL 1,500,000) as of the current period, to remain in accordance with the precautionary principle.

The transaction information regarding the provisions allocated for lawsuits against the Group as of the dates December 31, 2010, and December 31, 2009, is as follows:

	31.12.2010	31.12.2009
Balance at the beginning of the period	255,951	196,451
Payments	(5,000)	-
Provisions for no longer valid lawsuits	(58,320)	-
Provision expense	132,400	59,500
Balance at the end of the period	325,031	255,951

The Group did not allocate provision for lawsuits against the Group with high probability of winning. However, the Group has allocated provisions for those lawsuits which might be lost, or in other words, which might lead to the loss of economic resources.

Note 24 - Benefits Provided to the Personnel

	31.12.2010	31.12.2009
Long-Term Liabilities		
Provision for employee termination benefits	8,106,846	4,413,667
Total	8,106,846	4,413,667

According to Labor Law, the Group is obliged to pay severance pay to its personnel in the event of the presence of the following situations, provided that the employee has completed at least one full year of service: if the employment of an employee is terminated without any valid reasons, if the employee is called to duty by the military, if the employee dies. The severance pay which the Group is obliged to pay also applies to staff who have retired after completing the required service time, which is 25 years for men and 20 years for women, provided that they have reached their retirement age, which is 58 years of age for women and 60 years of age for men. The amount to be paid is capped at the following amounts and is equal to one month's salary.

- 31.12.2010: TL 2,517
- 31.12.2009: TL 2,365

On the other hand, the Group is subjected to the "Law on Arrangement of the Relationships Between Employees Working in the Press". Therefore, the Group is obliged to pay severance pay to each of its personnel whose employment is terminated after having worked in the Press sector for a minimum of five years, regardless of the grounds of the termination. The compensation to be paid is limited to an amount worth 30 days' salary for each year that the employee has worked. There are no maximum limit applications when calculating severance pay for press staff.

The right to early retirement for those working in the press, publishing, packaging and printing jobs have been removed as of October 1, 2008.

There are no regulations regarding pension commitments, except for the legal regulations explained above.

As it is not required to allocate a fund, no funds were allocated regarding this liability.

Provision for severance pay is calculated at an estimated value that represents the Group's possible liability in the future, which may arise from the retirement of its employees, on the date of the balance sheet.

IAS 19 "Benefits to Employees" requires companies to use actuarial valuation methods when estimating the companies' liabilities within the scope of certain social benefit plans. Accordingly, actuarial assumptions and existing legal obligations were used during calculations regarding the total liability.

The main actuarial estimates and assumptions used are as follows:

	31.12.2010	31.12.2009
Discount rate	4.66%	5.92%
Estimated interest rate	10%	11%
Estimated inflation rate (the expected rate of increase in salary)	5.10%	4.80%
Rate of unpaid severance pay liability (average)	12%	7%

Behavior chart of the net deferred tax assets is as follows:

	31.12.2010	31.12.2009
Balance on January 1	4,413,667	3,698,723
Provision derived from new acquisitions	509,508	-
Payments	(955,059)	(1,480,250)
Provisions cancelled during the period	(396,725)	(708,954)
Provisions allocated during the period	4,535,455	2,904,148
Balance at the End of the Period	8,106,846	4,413,667

Note 25 - Pension Plans

There are no regulations regarding pension commitments, except for the legal regulations explained in Note 24.

Footnotes to the Consolidated Financial Statements as of December 31, 2010

(All amounts expressed in Turkish Lira ("TL") unless mentioned otherwise.)

Note 26 - Other Assets and Liabilities

	31.12.2010	31.12.2009
Business advances	12,226,318	28,667,111
Advances given for purchase orders	1,643,248	1,842,808
Expenses for future months	1,246,853	89,893
Prepaid tax claims	173,656	268,608
Income accruals	67,876	19,620
Value Added Tax to be transferred	5,555	16,672
Other Current / Floating Assets	15,363,506	30,904,712
Expenses for future years	105,462	461,156
Advances paid (for the fixed assets)	25,798	(⁽¹⁾)18,375,000
Other Intangible / Fixed Assets	131,260	18,836,156

(⁽¹⁾) (See: Note 37)

	31.12.2010	31.12.2009
Advances received for purchase orders	2,716,645	4,288,276
Taxes, fees and other deductions to be paid	1,558,146	1,825,755
Deferred and installed public receivables	1,342,752	584,201
Income regarding future months	278,905	233,292
Income accruals	175,000	361
Other	-	800
Other Short-Term Liabilities	6,071,448	6,932,685
Deferred and Installed Public Receivables	-	2,882
Other Long-Term Liabilities	-	2,882

Note 27 – Shareholders' Equity

A. Paid-in Capital

The Holding's approved and issued share capital consists of shares and each of these shares have a registered nominal value of TL 1.

For the public offering, the Holding's application to the Capital Markets Board on 17.08.2010 for transition to the registered capital system with an upper limit of TL 600,000,000 received a positive response, and was published in the Weekly Newsletter of the Capital Markets Board which was issued for the period 31.08.2010 - 03.09.2010.

As of December 31, 2010, and December 31, 2009, the Holding's approved and issued share capital, and its capital structure are as follows:

Name / Title	31.12.2010		31.12.2009	
	Share ratio %	Share Amount (TL)	Share ratio %	Share Amount (TL)
İhlas Holding A.Ş.	69.15	138,300,000	97.90	195,800,000
Part Open to the Public	28.75	57,500,000	-	-
Enver Ören	1.00	2,000,000	1.00	2,000,000
Ahmet Mücahid Ören	0.90	1,800,000	0.90	1,800,000
Mahmut Kemal Aydın	0.10	200,000	0.10	200,000
Mehmet Nureddin Yağcı	0.10	200,000	0.10	200,000
Total	100.00	200,000,000	100.00	200,000,000
Distinction from Share Capital Adjustments		22,039,497		22,039,497
Total		222,039,497		222,039,497

According to the General Assembly Decision regarding the amendment of the articles of association, dated 13.09.2010, the distribution of and the benefits provided by the Holding's preferential shares (group B shares) are as follows:

Partner's Name / Title	Registered / Bearer	Quantity	Amount
İhlas Holding A.Ş.	Registered	8,000,000	8,000,000
Enver Ören	Registered	1,000,000	1,000,000
Ahmet Mücahid Ören	Registered	900,000	900,000
Mahmut Kemal Aydın	Registered	100,000	100,000
Total		10,000,000	10,000,000

Benefits Provided from Preferential Shares

a- Regarding the prerogative of choosing a Member of the Board of Directors;

If the General Assembly of the Holding decides that the Board of Directors consist of 5 people, at least 4 of the Members of the Board of Directors are selected from among candidates nominated by group (B) shareholders. Similarly, at least 5 of the members are selected among those candidates if a board of 7 people is decided, at least 7 of the members are selected among those candidates if a board of 9 people is decided and at least 9 of the members are selected among those candidates if a board of 11 people is decided.

b- Regarding the prerogative of choosing a Comptroller;

If the General Assembly decides the number of comptrollers as one, this comptroller is selected among the candidates nominated by group (B) shareholders. Similarly, at least two of the comptrollers are selected among those candidates if a comptroller number of three is decided.

c- Regarding the prerogative of voting at the General Assembly Meetings;

In the ordinary and extraordinary General Assembly Meetings of the Holding, each group B shareholder has 100 (one hundred) vote rights for each share they possess. The provisions of TCC's article 387 are reserved.

B. Restricted Reserves That are Allocated from Profit

According to the Turkish Commercial Code, legal reserves are classified into two, which are the primary and the secondary legal reserves. Until the primary legal reserves reach 20% of the sum of revalued paid-in capital, they are allocated by an amount that corresponds to 5% of the net profit in the legal financial statements. The secondary legal reserves are allocated as 10% of the sum of dividend distributions exceeding 5% of the revalued capital. Within the framework of TCC provisions, legal reserves are only used for netting the losses; and they are not allowed to be used for any other purpose unless they exceed 50% of the paid in capital.

	31.12.2010	31.12.2009
Legal reserves	94,670	60,140
Statuary reserves	10,015	10,015
Special reserves	6,845,006	6,475,204
Total	6,949,691	6,545,359

The transaction chart regarding the Legal Reserves according to fiscal period is as follows:

	31.12.2010	31.12.2009
Balance on January 1	60,140	60,140
Impact of new acquisitions	27,239	-
Transfer from the net profit for the period	9,808	-
Changes in active shares	(2,517)	-
Balance at the end of the period	94,670	60,140

The transaction chart regarding the Special Reserves according to fiscal period is as follows:

	31.12.2010	31.12.2009
Balance on January 1	6,475,204	520,048
Impact of new acquisitions	396,000	-
Changes in active shares	(26,198)	(11)
Increase of capital - cash repatriation No. 5811	-	5,955,167
Balance at the end of the period	6,845,006	6,475,204

Footnotes to the Consolidated Financial Statements as of December 31, 2010

(All amounts expressed in Turkish Lira ("TL") unless mentioned otherwise.)

C. Revaluation Fund

The transaction chart regarding the growth fund according to fiscal period is as follows:

	31.12.2010	31.12.2009
Balance on January 1	-	193,030
Transfer to the profit / loss for the previous years	-	(193,030)
Balance at the end of the period	-	-

D. Profit / Loss for the Previous Years

According to CMB's communiqué Serial: XI, No: 29, which entered into force as of January 1, 2008, "Paid-in Capital" is required to be presented from the amounts that represent "Restricted Reserves That Are Allocated from Profit" and "Premiums on Sale of Share Certificates" in the legal records. The differences occurring in the valuation during the implementation of the aforementioned communiqué are processed as follows:

- If the difference is derived from "Paid-in Capital" and if the difference has not yet been added to the capital, then the difference is associated with the item "Capital Adjustment Difference" coming right after the item "Paid-in Capital",
- If the difference is derived from "Restricted Reserves That Are Allocated from Profit" and "Premiums on Sale of Share Certificates", and if it is not subjected to profit sharing or share capital increase it is associated with the "Accumulated Profit/Loss of previous years".

The transaction chart regarding the profits / losses for previous years according to fiscal period is as follows:

	31.12.2010	31.12.2009
Balance on January 1	(60,619,811)	(78,225,574)
Net profit / (loss) for the previous period	8,106,093	17,412,733
Changes in active shares	(1,256,499)	-
Transfer to legal reserves	(9,808)	-
Transfer of the value increase fund	-	193,030
Balance at the end of the period	(53,780,025)	(60,619,811)

E. Minority shares

The transaction chart regarding minority shares according to fiscal period is as follows:

	31.12.2010	31.12.2009
Balance on January 1	87,628,758	75,266,392
Changes in active shares	7,282,157	(1,564)
Capital payments	229,139	3,287,935
Impact of new acquisitions	37,906	-
Deriving from cash repatriation No. 5811	-	2,695,557
Profit / loss aside from the main partnership	3,071,531	6,380,438
Balance at the end of the period	98,249,491	87,628,758

Note 28 - Sales Revenues and Costs

A. Gross Profit / Loss from Commercial Activities

	01.01-31.12.2010	01.01-31.12.2009
Domestic sales	98,817,831	113,135,843
International Sales	16,838,920	13,283,561
Other Sales	10,394	15,276
Total Gross Sales	115,667,145	126,434,680
Sales discounts (-)	(5,064,685)	(2,173,527)
Net Sales	110,602,460	124,261,153
Cost of sales (-)	(89,702,490)	(96,962,341)
Gross Sales Profit	20,899,970	27,298,812

B. Gross Profit / Loss from Activities in the Finance Sector

01.01 - 31.12.2010: None (01.01 - 31.12.2009: None).

Note 29 - Operating Costs

	01.01-31.12.2010	01.01-31.12.2009
Marketing, selling and distribution expenses	(7,311,042)	(4,773,796)
General management expenses	(20,949,656)	(15,480,539)
Research and development expenses	-	-
Total	(28,260,698)	(20,254,335)

Note 30 - Qualitative Distribution of Expenses

The details regarding expenses according to their nature for the periods 01.01 - 31.12.2010 and 01.01 - 31.12.2009 are as follows:

	01.01-31.12.2010	01.01-31.12.2009
Advertising commission and bonus expenses	(2,209,452)	(1,263,939)
Promotion expenses	(1,541,266)	(712,638)
Advertising and advertising expenses	(934,887)	(181,286)
Gross personnel wage expenses ^(a)	(796,815)	(741,347)
Provision expenses for business advances	(453,964)	(366,339)
Distribution, shipping and postal expenses	(406,595)	(345,145)
Maintenance, vehicle rental and insurance expenses	(271,801)	(162,914)
Outsourced benefits and services	(122,387)	(132,471)
Market research expenses	(116,474)	(276,446)
Depreciation and amortization expenses ^(b)	(88,442)	(93,749)
Traveling and accommodation expenses	(83,401)	(252,863)
Expense for the provision of employee termination benefits ^(c)	(42,648)	(3,166)
Rent expenses	(34,047)	(17,507)
Provision expenses for doubtful receivables	(13,408)	(84,985)
Other marketing, sales and distribution expenses	(195,455)	(139,001)
Marketing, Sales and Distribution Expenses	(7,311,042)	(4,773,796)

	01.01-31.12.2010	01.01-31.12.2009
Gross personnel wage expenses ^(a)	(4,509,078)	(4,725,881)
Expenses regarding the public offering ^(*)	(3,090,680)	-
Provision expenses for doubtful trade receivables	(2,182,839)	(1,622,906)
Outsourced benefits and services	(2,152,047)	(3,122,059)
Expense for the provision of employee termination benefits ^(c)	(2,087,339)	(1,730,560)
Depreciation and amortization expenses ^(b)	(1,641,517)	(1,028,341)
Rent expenses	(1,440,312)	(1,261,844)
Court, notary, land registry and membership fees expenses	(1,065,292)	(427,383)
Maintenance and insurance expenses	(826,783)	(874,924)
Taxes, duties and charges	(658,125)	(231,421)
Consulting, auditing and advisory expenses	(227,435)	(125,247)
Traveling, transport and accommodation expenses	(136,992)	(150,659)
Other general management expenses	(931,217)	(179,314)
General Management Expenses	(20,949,656)	(15,480,539)

^(*) TL 2,320,714 of this amount is one of the Group companies', İhlas Gazetecilik's, expenses regarding the initial public offering. The remaining TL 769,966 is the Holding's expense regarding the initial public offering.

^(a) Details regarding gross personnel wage expenses, which is included in the operating expenses, are as follows:

	01.01-31.12.2010	01.01-31.12.2009
Gross wage expenses	(4,255,403)	(4,365,230)
Social Security deductions (employee and employer)	(646,446)	(737,934)
Other expenses	(404,044)	(364,064)
Total	(5,305,893)	(5,467,228)

Footnotes to the Consolidated Financial Statements as of December 31, 2010

(All amounts expressed in Turkish Lira ("TL") unless mentioned otherwise.)

^(b) The details regarding expenses on depreciation and amortization are as follows:

	01.01-31.12.2010	01.01-31.12.2009
Cost of sales	(7,156,283)	(9,861,901)
Marketing, sales and distribution expenses	(88,442)	(93,749)
General management expenses	(1,641,517)	(1,028,341)
Total	(8,886,242)	(10,983,991)

^(c) The details regarding the Group's provision expenses for severance pay are as follows:

	01.01-31.12.2010	01.01-31.12.2009
Cost of sales	(2,405,468)	(1,170,422)
Marketing, selling and distribution expenses	(42,648)	(3,166)
General management expense	(2,087,339)	(1,730,560)
Total	(4,535,455)	(2,904,148)

Note 31 - Other Operating Incomes / Expenses

The details regarding other income for the periods 01.01 - 31.12.2010 and 01.01 - 31.12.2009 are as follows:

	01.01-31.12.2010	01.01-31.12.2009
Provisions that are no longer required	6,627,503	1,460,936
- Cancellation of provision for impairment of the brand	4,249,860	-
- Provision for doubtful receivables that are no longer required	1,167,598	751,982
- Cancellation of liabilities deriving from the contract	750,000	-
- Provisions for severance pay that are no longer required	396,725	708,954
- Provisions for no longer valid lawsuits	63,320	-
Reimbursement of expenses regarding the public offering ^(*)	914,131	-
Rental income	1,160,256	801,640
Financial aids	412,082	340,873
Damage income from insurance	219,871	-
Profit from the sale of fixed assets	74,932	90,302
Income derived from reconciliation differences	39,192	29,286
Treasury discount	14,593	6,651
Telephone line rental income	-	139,674
Other income	344,630	179,336
Total Other Income	9,807,190	3,048,698

^(*) This is the portion of İhlas Gazetecilik's, one of the Group companies, expenses related to the public offering of the Company, that is reflected to one of the Company's partners, İhlas Holding.

The details regarding other expenses for the periods 01.01 - 31.12.2010 and 01.01 - 31.12.2009 are as follows:

	01.01-31.12.2010	01.01-31.12.2009
Sales loss of subsidiary company (Public offering) ^(*)	(2,230,132)	-
Private communication tax and latency amounts	(179,115)	(351,881)
Provision expenses for lawsuits	(132,400)	(59,500)
Expenses derived from reconciliation differences	(124,263)	-
Loss from the sale of fixed assets	(54,152)	-
Commission expenses	(15,271)	(108,878)
Tax penalties	(4,583)	(135,352)
Cash repatriation tax	-	(218,443)
Other expenses	(44,916)	(244,972)
Total Other Expenses	(2,784,832)	(1,119,026)

^(*) These are losses from the sale of stock shares that derived when 3% of one of the Group companies', İhlas Gazetecilik's, shares owned by the Holding were sold during İhlas Gazetecilik's public offering.

Note 32 - Financial Revenues

The details regarding financial income for the periods 01.01 - 31.12.2010 and 01.01 - 31.12.2009 are as follows:

	01.01-31.12.2010	01.01-31.12.2009
Rediscounted interest income (including income derived from due date differences)	6,229,147	8,247,474
Profit from foreign currencies	3,572,197	8,515,433
Interest income	2,804,456	1,589,826
Profit from sales of financial investments	123,545	167,778
Other financial income	69,764	36,380
Total	12,799,109	18,556,891

Note 33 - Financial Expenses

The details regarding financial expenses for the periods 01.01 - 31.12.2010 and 01.01 - 31.12.2009 are as follows:

	01.01-31.12.2010	01.01-31.12.2009
Foreign exchange losses	(3,650,659)	(5,411,387)
Rediscounted interest expenses (including expenses derived from due date differences)	(1,260,548)	(988,145)
Interest expenses	(1,180,905)	(2,251,185)
Other financial expenses	(257,181)	-
Total	(6,349,293)	(8,650,717)

Note 34 - Non-Current Assets Held-for-Sale and Ceased Operations

A. Fixed Assets Kept for Sales Purposes

31.12.2010: None (31.12.2009: None).

B. Discontinued Operations

01.01 - 31.12.2010: None (01.01 - 31.12.2009: None).

Note 35 - Tax Assets and Liabilities

A. Tax Assets and Liabilities of the Current Period

Corporate tax rate is 20%. Profit shares (dividends) paid to institutions which obtain a revenue through an office in Turkey or through its permanent representative, and institutions which are established in Turkey, are not subjected to withholding tax. Apart from the above mentioned institutions, all paid dividends are subject to a withholding tax at a rate of 15%. Adding the profit to the capital is not considered as a profit distribution. Therefore, it is not subjected to a withholding tax. Advance tax paid during the year belongs to that year and is deducted from the corporate tax which is to be calculated according to the corporate tax return to be presented in the following year.

A 75% portion of the gains occurring from sales of the following are exempt from corporate tax: all real estate properties and participation stocks that were among the entities' assets for at least two full years, founder's shares, dividend right certificates and pre-emption rights. In order to benefit from the exemption, the gain in question is required to be kept in a fund account under the liabilities section of the balance sheet and they should not be withdrawn for 5 years. It is also required that the selling price should be collected, at the latest, by the end of the second calendar year following the year in which the sale occurs.

According to Corporate Tax Law, all financial losses declared on the returns can be deducted from the corporate tax base of the period, unless they exceed a 5-year period. Returns and related accounting records can be reviewed by the tax authorities for five years in a retrospective manner and tax accounts can be revised.

The main components of the tax expenses as of the dates December 31, 2010, and December 31, 2009, are as follows:

	31.12.2010	31.12.2009
Tax provisions for the current period	1,899,366	199,746
Prepaid taxes (-)	(1,474,268)	-
Total	425,098	199,746

Footnotes to the Consolidated Financial Statements as of December 31, 2010

(All amounts expressed in Turkish Lira ("TL") unless mentioned otherwise.)

As of the dates December 31, 2010 and December 31, 2009, tax provisions for the period, and reconciliation of accounting profit regarding the Group's subsidiary companies for which a corporate tax base occurs (ihlas Gazetecilik and Alternatif Medya), are as follows:

	01.01-31.12.2010	01.01-31.12.2009
Accounting Profit / (Loss)	6,774,057	18,810,160
Additions (+)	3,083,260	776,905
Discounts (-)	(237,176)	(158,402)
Financial losses used (-)	(123,313)	(18,429,931)
Financial Profit / (Loss)	9,496,828	998,732
Tax rate	20%	20%
Tax Provision Amount	1,899,366	199,746

The main components of the tax expenses which are reflected in the comprehensive income statement as of the periods January 01 - December 31, 2010, and January 01 - December 31, 2009, are as follows:

	01.01-31.12.2010	01.01-31.12.2009
Current period corporate tax	(1,899,366)	(199,746)
Deferred tax income / (expense)	257,977	(4,194,046)
Balance at the end of the period	(1,641,389)	(4,393,792)

B. Deferred Tax Assets and Liabilities

The Group calculates the assets and liabilities of the income tax, by taking into consideration the effects of the temporary differences between the evaluations of the items in the balance sheet IFRS and the legal tables. The temporary differences in question are generally caused by the recognition of income and expenses according to IFRS and tax laws in different reporting periods.

Corporate tax rate for the year 2010 is 20% (31.12.2009: 20%). Therefore the tax rate applied to the deferred tax assets and liabilities, which are calculated according to the Liability Over Temporary Differences Method, is 20%.

The detailed list prepared by using the enacted tax rates of the accumulated temporary differences, deferred tax assets and liabilities as of the dates December 31, 2010, and December 31, 2009, is as follows:

	31.12.2010		31.12.2009	
	Total Temporary Differences	Deferred Tax Asset / (Liability)	Total Temporary Differences	Deferred Tax Asset / (Liability)
Deferred Tax Associated with the Income Statement				
Temporary differences regarding investment purpose real estate properties and tangible fixed assets	(27,099,282)	(5,419,856)	(29,514,375)	(5,902,875)
Temporary differences regarding intangible fixed assets	(81,603,348)	(16,320,670)	(80,850,592)	(16,170,118)
Rediscount regarding payables	(443,322)	(88,664)	(626,439)	(125,289)
Temporary differences regarding tangible fixed assets	25,217,335	5,043,467	20,100,190	4,020,038
Temporary differences regarding intangible fixed assets	20,353,552	4,070,710	28,792,459	5,758,492
Provisions for employee termination benefits	8,106,846	1,621,369	4,413,667	882,733
Provision for doubtful receivables	5,745,837	1,149,167	4,604,138	920,828
Rediscount regarding receivables	2,691,127	538,225	4,024,786	804,957
Business advances	1,141,749	228,350	366,339	73,268
Inventories	920,511	184,102	1,457,679	291,536
Provisions for other liabilities	750,000	150,000	1,500,000	300,000
Unpaid social security accruals	690,017	138,005	1,401,948	280,390
Provision expenses for lawsuits	325,031	65,006	251,294	50,259
Provisions for other receivables	83,187	16,637	-	-
The amount of maturity differences in inventories	47,543	9,509	40,291	8,058
Accrued interest expense regarding bank loans	-	-	69,764	13,953
Expenses for the future months	-	-	36,413	7,282
Advances received	-	-	25,441	5,088
Foreign exchange difference income / expense (derived from the differences between foreign exchange rates)	-	-	356	71
Reduced financial losses	17,409,292	3,481,858	14,570,524	2,914,105
Gross deferred tax liability	(109,145,952)	(21,829,190)	(110,991,406)	(22,198,282)
Gross deferred tax asset	83,482,027	16,696,405	81,655,289	16,331,058
Net deferred tax assets / (liabilities)	(25,663,925)	(5,132,785)	(29,336,117)	(5,867,224)

Behavior chart of the net deferred tax assets is as follows:

	01.01-31.12.2010	01.01-31.12.2009
Balance on January 1	(5,867,224)	(1,690,238)
Deferred tax income / (expense)	257,977	(4,194,046)
Impact of new acquisitions	476,462	-
Deferred tax income / (expense) associated with shareholders' equity	-	17,060
Balance at the end of the period	(5,132,785)	(5,867,224)

In the Group's consolidated financial statements for the year that ends on December 31, 2010, which were prepared in accordance with International Financial Reporting Standards, the Group has calculated a deferred tax asset for deductible financial losses that amounts to TL 17,409,292 (31.12.2009: TL 14,570,524).

As of December 31, 2010, the maturities of the financial losses in question are as follows:

Expiration (Timeout) Dates	31.12.2010	31.12.2009
2011	7,467,783	7,467,783
2012	4,709,009	4,709,009
2013	1,242,333	447,138
2014	1,958,349	1,946,594
2015	2,031,818	-
Total	17,409,292	14,570,524

Deferred tax assets are reflected in the books for all deductible temporary differences in proportion with the probability of occurrence of a financial profit that can be benefited. As of the date December 31, 2010, the Group's deductible financial losses, for which a deferred tax asset is not calculated, are TL 9,727,350. The related maturities are as follows:

	31.12.2010	31.12.2009
2011	1,944,949	9,412,731
2012	4,233,155	8,942,163
2013	3,549,246	3,549,246
Total	9,727,350	21,904,140

The reconciliation regarding tax expenses, which are calculated by multiplying tax expense and pre-tax profit by the tax rate, is as follows:

	31.12.2010	31.12.2009
Profit / (Loss) Before Tax	6,061,376	18,880,323
Calculated tax expense (20%)	(1,212,275)	(3,776,065)
- The effect of income and expenses which are legally disallowed	778,879	331,553
- The recognition of deferred tax assets which are caused by the Group's financial losses	294,222	3,598,203
- The Group's tax loss which is not subjected to statutory tax or deferred tax, and the periodical effect of correction records	(1,502,215)	(4,547,483)
Tax Income / (Expense)	(1,641,389)	(4,393,792)

Note 36 - Earnings per Share

As of the dates December 31, 2010 and December 31, 2009, the weighted average of the Group's shares, and calculations regarding profit per share, are as follows:

	01.01-31.12.2010	01.01-31.12.2009
Earnings / (loss) obtained from ongoing activities, per share:		
The main partnership's net profit / (loss) for the period, regarding ongoing activities	1,348,456	8,106,093
The weighted average number of shares with a value of TL 1, each	200,000,000	200,000,000
Earnings / (loss) obtained from the ongoing activities, per share (TL)	0.01	0.04
Earnings / (loss) per share:		
Net profit / loss for the period	4,419,987	14,486,531
Net profit / (loss) of minority shareholders for the period	3,071,531	6,380,438
Net profit / (loss) of main partnership for the period	1,348,456	8,106,093
The weighted average number of shares with a value of TL 1, each	200,000,000	200,000,000
Earnings / (loss) per share (TL)	0.01	0.04

Footnotes to the Consolidated Financial Statements as of December 31, 2010

(All amounts expressed in Turkish Lira ("TL") unless mentioned otherwise.)

The reconciliation of the number of stock shares of the Group at the beginning and by the end of the period is as follows:

	31.12.2010	31.12.2009
The number of weighted stock shares at the beginning of the period	200,000,000	200,000,000
The number of weighted stock shares at the end of the period	200,000,000	200,000,000

No income per dilutive share has been calculated as the Group has no dilutive potential ordinary shares (Previous period: None).

There is no accrued dividends in the current period (Previous period: None).

Note 37 - Related Party Disclosures

A. The Group's existing account balances (net book value) with its partners, indirect capital through its partners, the management, the major companies with whom the Group has a business relationship, and with the Group's key personnel, as of 31 December 2010 and 31 December 2009 are as follows:

	31.12.2010	31.12.2009
Receivables from Shareholders and Parties Associated with Shareholders		
İhlas Pazarlama	5,727,088	1,712,599
Armutlu Tatil Köyü	1,490,654	1,454,860
İhlas Holding	911,283	(⁽¹⁾)13,088,282
İhlas Ev Aletleri	335,985	167,518
Joint Venture - 4	114,258	-
İhlas Dış Ticaret	45,533	-
İhlas Yapı	40,133	3,440
İhlas Kimya	16,350	-
İhlas Motor	15,072	19,659
İhlas Enerji	10,638	-
İhlas Oxford	7,353	-
Kristal Kola	6,437	-
Kuzuluk Kaplıcaları	5,986	3,440
Detes Enerji	5,216	-
İnşaat Holding	3,706	-
Pazarlama Yatırım Holding	3,369	-
İhlas İnşaat Proje	3,234	-
Joint Venture - 3	1,664	-
Joint Venture - 1	1,664	-
Joint Venture - 2	1,664	-
Mir Madencilik	1,088	-
İhlas Reklam	-	198,756
Promaş	-	195,775
İhlas Net	-	21,080
Receivables from shareholders (Hüseyin Ferruh Işık)	435,917	142,459
Receivables from shareholders (Hüseyin Boz)	7,462	-
Receivables from shareholders (Coşkun Aktaş)	5,000	-
Total	9,196,754	17,007,868

An interest number is processed and an interest is accrued for receivables from the related parties which exceed the limits of commercial size.

(⁽¹⁾) TL 6,844,191 of this receivable is mainly derived from the Holding's financial transactions. An interest number was processed for the receivable in question and interest was charged. As for the remaining receivable that amounts to TL 6,244,091, an interest number was processed for the receivable in question and interest was charged, as this receivable is derived from one of the Group companies', İhlas Gazetecilik's sales of goods, services, advertising and rents, in addition to financial transactions.

	31.12.2010	31.12.2009
Advances Given to Related Parties		
İhlas Madencilik	402,177	-
İhlas Pazarlama	136,218	-
İhlas Holding	4,424	-
İhlas Pazarlama (for the fixed assets) ^(*)	-	18,375,000
İhlas Net	-	10,246
Total	542,819	18,385,246

(*) In the decision taken by the Board of Directors of one of the Group companies, İhlas Gazetecilik, on 30.12.2009, it was decided to acquire İhlas Pazarlama A.Ş.'s buildings located in the cities of Adana, Antalya, İzmir and Samsun. For this purpose, İhlas Gazetecilik included the updated expertise appraisal reports prepared for the related real estate properties and gave İhlas Pazarlama A.Ş., as consideration, an advance payment of TL 18,375,000. Conveyance of title regarding the aforementioned real estate properties was transferred to İhlas Gazetecilik on 31.12.2010; therefore, the advance payment account was closed.

	31.12.2010	31.12.2009
Payables to Shareholders and Parties Associated with Shareholders		
İhlas Pazarlama	4,503,176	689,930
İhlas Holding	2,800,498	333,453
İhlas Net	133,974	98,357
İhlas Net Ltd.	18,137	-
İhlas Ev Aletleri	16,561	-
İhlas İletişim	2,142	-
İhlas Antrepo	265	3,921
İhlas Madencilik	-	1,720,061
Promaş	-	65,581
Kuzuluk Kaplıcaları	-	1,548
Payables to Shareholders (Hüseyin Ferruh Işık)	-	293,235
Payables to Other Associated Parties (Key Personnel)	87,150	47,932
Total	7,561,903	3,254,018

	31.12.2010	31.12.2009
Advances Received from Related Parties		
İhlas Pazarlama	46,299	3,245
Total	46,299	3,245

Footnotes to the Consolidated Financial Statements as of December 31, 2010

(All amounts expressed in Turkish Lira ("TL") unless mentioned otherwise.)

B. The Group's sales to and purchases from its partners, indirect capital through its partners, the management and the major companies with whom the Group has a business relationship, within the periods January 1 - December 31, 2010 and January 1 - December 31, 2009, are as follows:

	Performed Advertising Sales	Performed Service Sales	Performed Goods Sales	Performed Advertising Purchases	Performed Service Purchases	Performed Goods Purchases	Other Expenses
01.01 - 31.12.2010							
Promaş ^(a)	6,649,160	24,049	-	268,190	83,851	-	-
Armutlu Tatil Köyü	1,586,000	112,935	-	-	1,815	-	-
İhlas Holding	^(b) 973,721	260,994	6,104	-	699,695	-	-
İhlas Pazarlama	631,915	470,737	6,973	617,810	3,033,117	549,018	-
İhlas Reklam ^(a)	391,358	250	-	33,000	-	-	-
İhlas Ev Aletleri	132,459	521,715	-	-	54	-	-
Kristal Kola	46,334	37,554	-	-	116	-	-
Kuzuluk Kaplıcaları	39,750	44,776	-	-	15,920	-	-
İhlas Motor	22,989	19,975	-	-	-	-	-
İhlas Net	3,360	910	-	-	171,265	-	-
Joint Venture - 1	-	14,110	-	-	-	-	-
Tasfiye Halinde İhlas Finans	-	630	-	-	-	-	-
İhlas Madencilik	-	524	-	-	-	-	-
Kristal Gıda	-	500	-	-	-	-	-
Joint Venture - 2	-	370	-	-	-	-	-
Bayındır Madencilik	-	200	-	-	-	-	-
İhlas Net Ltd.	-	-	800	-	96,365	90	-
Joint Venture - 4	-	-	-	-	-	-	18,270
İhlas Antrepo	-	-	-	-	1,313	-	-
Total	10,477,046	1,510,229	13,877	919,000	4,103,511	549,108	18,270

^(a) The purchases and sales performed in relation with these Group companies, before their acquisition within the current period, and before their inclusion in the consolidation, are presented herein.

^(b) TL 914,131 of this amount is the portion of İhlas Gazetecilik's, which is one of the Group companies, advertising expenses related to the public offering of the Company, and is reflected to one of the Company's partners, İhlas Holding.

	Performed Advertising Sales	Performed Service Sales	Performed Goods Sales	Performed Advertising Purchases	Performed Service Purchases	Performed Goods Purchases
01.01 - 31.12.2009						
Armutlu Tatil Köyü	1,650,214	106,000	115,254	-	389	-
Promaş	688,949	1,200	-	76	17	-
İhlas Pazarlama	406,793	505,222	118,036	399,353	2,888,898	1,736,909
İhlas Reklam	375,453	2,378,162	-	39,339	-	-
İhlas Ev Aletleri	150,304	390,754	-	-	798	-
İhlas Kuzu Ulubol	70,000	-	-	-	-	-
Kuzuluk Kaplıcaları	39,634	5,411	-	-	2,627	-
İhlas Holding	25,835	224,559	1,497,913	-	1,224,152	-
İhlas Motor	3,000	16,377	-	-	-	-
Bispa	1,008	-	-	-	-	-
Bayındır Madencilik	720	-	-	-	-	-
Joint Venture - 4	720	-	-	-	-	-
İhlas Net	620	3,070	-	-	160,348	-
Joint Venture - 1	26	6,290	-	-	-	-
İhlas Finans in Liquidity	-	1,210	-	-	-	-
İhlas Net Ltd.	-	-	-	-	39,017	-
İhlas Antrepo	-	-	-	-	6,688	-
Total	3,413,276	3,638,255	1,731,203	438,768	4,322,934	1,736,909

C. Interest, rent and other income / expenses that are received or paid by the Group from and to its partners, indirect capital through its partners, the management and the major companies with whom the Group has a business relationship, within the periods January 1 - December 31, 2010 and January 1 - December 31, 2009, are as follows:

01.01 - 31.12.2010	Interest Revenues	Rent Revenues	Other Income	Interest Expenses	Rent Expenses	Fixed Asset Purchases
İhlas Holding	869,485	201,915	23,752	87,573	596,158	-
İhlas Pazarlama	690,805	106,385	3,561	-	703,609	18,925,000 ^(a)
Joint Venture - 4	255,115	1,519	-	70,870	-	-
Armutlu Tatil Köyü	66,308	3,661	-	-	-	-
Promaş ^(b)	38,517	45,000	-	-	-	-
İhlas Ev Aletleri	27,886	1,475	-	-	380,313	-
İhlas Reklam ^(b)	10,699	10,128	-	-	-	-
İhlas Dış Ticaret	4,327	5,898	-	-	-	-
İhlas Finans in Liquidity	-	43,932	-	-	-	-
İhlas Yapı	-	33,422	-	-	-	-
İhlas Oxford	-	6,712	-	-	-	-
Kuzuluk Kaplıcaları	-	4,424	-	-	-	-
İhlas Kimya	-	4,424	-	-	-	-
İhlas Motor	-	3,661	-	-	-	-
Detes Enerji	-	3,661	-	-	22,481	-
Bur-yal	-	3,661	-	-	-	-
İnşaat Holding	-	3,383	-	-	-	-
İhlas Madencilik	-	3,076	-	76,372	-	-
Pazarlama Yatırım Holding	-	3,075	-	-	-	-
İhlas Enerji	-	2,949	-	-	-	-
İhlas İnşaat Proje	-	2,214	-	-	-	-
Joint Venture - 1	-	1,519	-	-	-	-
Joint Venture - 2	-	1,519	-	-	-	-
Joint Venture - 3	-	1,519	-	-	-	-
İhlas Zahav Otomotiv	-	1,014	-	-	-	-
Mir Madencilik	-	993	-	-	-	-
İhlas Net	-	-	-	5,302	-	-
İhlas İletişim	-	-	-	-	-	2,441
Total	1,963,142	501,139	27,313	240,117	1,702,561	18,927,441

^(a) (See: Note 18)

^(b) The income and expenses occurring in relation with these Group companies, before their acquisition within the current period, and before their inclusion in the consolidation, are presented herein.

Footnotes to the Consolidated Financial Statements as of December 31, 2010

(All amounts expressed in Turkish Lira ("TL") unless mentioned otherwise.)

01.01 - 31.12.2009

	Interest Revenues	Rent Revenues	Disposals of Fixed Assets	Interest Expenses	Rent Expenses	Fixed Asset Purchases
İhlas Holding	1,159,307	201,915	-	56,290	723,401	-
Armutlu Tatil Köyü	101,873	3,661	-	-	-	-
İhlas Pazarlama	-	93,051	3,921	-	866,357	-
Promaş	-	45,000	-	-	-	555,000
İhlas Finans in Liquidity	-	43,932	-	-	-	-
İhlas Oxford	-	6,712	-	-	-	-
İhlas Dış Ticaret	-	5,898	-	-	-	-
Kuzuluk Kaplıcaları	-	4,424	-	-	-	-
İhlas Kimya Ltd. Şti.	-	4,424	-	-	-	-
İhlas Motor	-	3,661	-	-	-	-
Detes Enerji	-	3,661	-	-	-	-
Bur-yal	-	3,661	-	-	-	-
İhlas Enerji	-	2,820	-	-	-	-
İhlas Madencilik	-	2,517	-	-	-	-
İhlas Ev Aletleri	-	1,475	-	-	277,014	-
Joint Venture - 1	-	839	-	-	-	-
İhlas İnşaat Proje	-	185	-	-	-	-
İhlas Kuzu Ulubol	-	-	-	-	19,919	-
Total	1,261,180	427,836	3,921	56,290	1,886,691	555,000

D. The short-term benefits provided to the Group's key management personnel in the periods January 1 - December 31, 2010 and January 1 - December 31, 2009 are as follows:

01.01 - 31.12.2010: TL 1,001,287

01.01 - 31.12.2009: TL 696,824

Redundancy compensations for the Group's top level (key) management personnel in the event of termination of their business relationships are as follows:

01.01 - 31.12.2010: TL 615,320 (A part that amounts to TL 111,770 belongs to the companies acquired within the current period.)

01.01 - 31.12.2009: TL 231,341

E. The long-term benefits provided to the Group's key management personnel in the periods January 1 - December 31, 2010 and January 1 - December 31, 2009 are as follows:

None.

Note 38 - Nature and Extent of Risks Arising from Financial Instruments

The (net) book values of the financial assets and liabilities that are denominated in foreign currencies as of the dates December 31, 2010 and December 31, 2009 are as follows:

	31.12.2010	31.12.2009
A. Foreign currency assets	14,199,690	17,866,640
B. Foreign currency liabilities	9,318,429	8,545,859
Net Foreign Exchange Position (A-B)	4,881,261	9,320,781

FOREIGN EXCHANGE POSITION CHART

	31.12.2010			31.12.2009				
	TL Equivalent	US\$	EURO	Other	TL Equivalent	US\$	EURO	Other
1. Trade Receivables	2,657,787	1,609,489	82,727	-	3,087,655	1,369,134	203,960	245,076
2a. Monetary Financial Assets (Including Cash and Bank Accounts)	8,062,910	5,002,444	160,622	-	7,768,031	5,025,865	92,851	-
2b. Non-Monetary Financial Assets	-	-	-	-	-	-	-	-
3. Other	3,418,029	1,673,758	404,169	928	6,981,909	1,836,969	1,949,589	1,795
4. Current Assets (1+2+3)	14,138,726	8,285,691	647,518	928	17,837,595	8,231,968	2,246,400	246,871
5. Trade Receivables	-	-	-	-	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-	-	-	-	-
6b. Non-Monetary Financial Assets	-	-	-	-	-	-	-	-
7. Other	60,964	22,160	13,033	-	29,045	19,290	-	-
8. Fixed Assets (5+6+7)	60,964	22,160	13,033	-	29,045	19,290	-	-
9. Total Assets (4+8)	14,199,690	8,307,851	660,551	928	17,866,640	8,251,258	2,246,400	246,871
10. Trade Payables	2,170,352	1,007,599	284,821	36,883	3,486,206	1,242,461	575,010	180,938
11. Financial Liabilities	3,118,484	428,449	1,198,624	-	2,027,018	930,869	289,501	-
12a. Other Monetary Liabilities	-	-	-	-	-	-	-	-
12b. Other Non-Monetary Liabilities	1,255,931	657,937	116,519	-	2,079,648	1,313,900	46,896	-
13. Short-Term Liabilities (10+11+12)	6,544,767	2,093,985	1,599,964	36,883	7,592,872	3,487,230	911,407	180,938
14. Trade Payables	-	-	-	-	-	-	-	-
15. Financial Liabilities	2,773,662	655,519	859,026	-	952,987	190,933	308,059	-
16a. Other Monetary Liabilities	-	-	-	-	-	-	-	-
16b. Other Non-Monetary Liabilities	-	-	-	-	-	-	-	-
17. Long-Term Liabilities (14+15+16)	2,773,662	655,519	859,026	-	952,987	190,933	308,059	-
18. Total Liabilities (13+17)	9,318,429	2,749,504	2,458,990	36,883	8,545,859	3,678,163	1,219,466	180,938

Footnotes to the Consolidated Financial Statements as of December 31, 2010

(All amounts expressed in Turkish Lira ("TL") unless mentioned otherwise.)

FOREIGN EXCHANGE POSITION CHART

	31.12.2010				31.12.2009			
	TL		TL		TL		TL	
	Equivalent	US\$	EURO	Other	Equivalent	US\$	EURO	Other
19. Net Asset / (Liability) Position of Off-Balance Sheet Derivative Instruments (19a-19b)								
19a. Amount of Off-Balance Sheet Derivative Instruments of an Active Nature, Denominated in Foreign Exchange	-	-	-	-	-	-	-	-
19b. Amount of Off-Balance Sheet Derivative Instruments of a Passive Nature, Denominated in Foreign Exchange	-	-	-	-	-	-	-	-
20. Net Foreign Currency Asset / (Liability) Position (9-18+19)	4,881,261	5,558,347	(1,798,439)	(35,955)	9,320,781	4,573,095	1,026,934	65,933
21. Net Foreign Asset / (Liability) Position of Monetary Items								
(I + 2a + 5 + 6a - 10 - 11 - 12a - 14 - 15 - 16a)	2,658,199	4,520,366	(2,099,122)	(36,883)	4,389,475	4,030,736	(875,759)	64,138
22. Total Fair Value of Financial Instruments used for Foreign Exchange Hedge	-	-	-	-	-	-	-	-
23. Amount of Hedged Portion of Foreign Exchange Assets	-	-	-	-	-	-	-	-
24. Amount of Hedged Portion of Foreign Exchange Liabilities	-	-	-	-	-	-	-	-
25. Exports	16,929,037	6,486,570	3,577,046	-	13,281,536	4,653,916	2,814,928	-
26. Imports	23,591,329	8,226,414	5,616,925	64,000	25,327,694	12,193,490	3,053,162	150,774

There is no obligation for the hedging of foreign currency as the Group has no maturity transactions as of the dates December 31, 2010 and December 31, 2009. Hedging ratio of imports from total foreign currency liabilities is exchange rate risk through a derivative instrument liability for returning the total foreign exchange rate.

Note 39 - Financial Instruments

A) Capital risk management

The Group aims to enhance its profit and market value by maintaining an efficient debt and equity balance while trying to ensure continuity of operations in capital management. The Holding's capital structure, formed by debts and loans which are described in Notes 8 and 9, and the paid-in capital, capital reserves, restricted profit reserves and equity components including prior years' profits/losses explained in Note 27.

Risks associated with each class of capital and the Group's cost of capital are evaluated by the senior management of the Group. During this evaluation, senior management evaluates the risks associated with each class of capital and cost of capital, and presents those dependent on the decision of the Board of Directors for the evaluation of the Board of Directors. The Group optimizes diversification of capital, based on the evaluation of the senior management and the Board of Directors by acquisition of new debt, repayment of existing debt and / or capital increase. The Group's overall strategy is not different from the previous period.

The Group monitors the capital adequacy by using the debt/equity ratio. The calculation of this ratio is performed through dividing the net debt by total shareholders' equity. Net debt is calculated by deducting cash and cash equivalents from the total debt amount (short- and long-term loans in the balance sheet, include trade and other payables).

	31.12.2010	31.12.2009
Total liabilities	67,701,198	65,934,082
Minus: Cash and cash equivalent values (Note 6)	(29,115,852)	(16,016,736)
Net liability	38,585,346	49,917,346
Total shareholders' equity (Note 27)	274,807,110	263,699,896
The ratio of net liability /shareholders' equity	14.04%	18.93%

B) Significant accounting policies

The significant accounting policies of the Group regarding financial instruments are described in detail in the "Financial Instruments" section within footnote No: 2 "Summary of Significant Accounting Policies".

C) Financial risk management objectives

Currently, a Group-wide defined risk management model or its active applications are not present. Exchange rate risk, interest rate risk and liquidity risk are among the significant financial risks of the Group.

Although there are no defined risk management models, the Group manages its risks through decisions it takes, and through the implementation of these decisions. Forming a corporate risk management model is targeted and this aim is currently a work in progress.

D) The market risk

Due to its activities, the Group is exposed to financial risks regarding fluctuations in currency exchange rates and interest rates. Distribution of revenue and expenses according to foreign exchange types and distribution of debts according to foreign exchange rates, and variable and fixed interest rates are monitored by the Group's management.

The changes in market conditions leading to market risk include benchmark interest rate, price of financial instrument of another company, commodity price, exchange rate or price or differences in the rate index.

Management of changes in inventory prices (price risk)

The Group is subjected to a price risk because of the selling prices being affected by price changes of stocked raw materials. There is no derivative instrument that can be used to avoid the negative effects of price movements on selling price margins. The Group tries to reflect raw material price changes by taking the balances of production-order-purchase according to future price movements for raw materials.

Risk management for foreign currency ratio

The Group becomes indebted through fixed interest rates. The interest rates regarding the Group's liabilities are described in detail in footnote No: 8.

Footnotes to the Consolidated Financial Statements as of December 31, 2010

(All amounts expressed in Turkish Lira ("TL") unless mentioned otherwise.)

Interest Position Table

		31.12.2010	31.12.2009
Financial instruments with fixed rate			
Financial assets	Financial assets to be kept until maturity	26,297,168	12,406,282
	Financial assets that are ready for sale	-	-
Financial liabilities (bank loans)		187,810	2,228,402
Financial instruments with variable interest rate			
Financial assets		-	-
Financial liabilities		-	-

As of the dates December 31, 2010 and December 31, 2009, if the base point of interest were to be changed by 100 points, which means if interest rates were changed by 1%, and if all other variables could be held constant, a net interest expense / income would have emerged due to the interest change applied on the financial instruments with fixed interest rates. In this case the pre-tax net profit / loss for the current period would be TL 2,642 (31.12.2009: TL 23,895) higher / lower.

The Group's interest rate sensitivity is as follows:

Interest Rate Sensitivity Analysis Table				
	31 December 2010		31 December 2009	
	Profit / Loss		Profit / Loss	
	Increase of basis point	Decrease of basis point	Increase of basis point	Decrease of basis point
In case basis point is 100 (1%):				
TL	(2,642)	2,642	(8,830)	8,830
US\$	-	-	(15,065)	15,065
Total Effect of Financial Instruments with Fixed Rate	(2,642)	2,642	(23,895)	23,895
In case basis point is 100 (1%):				
Effect of Financial Instruments with Variable Interest Rate	-	-	-	-
Total	(2,642)	2,642	(23,895)	23,895

Foreign currency risk management

There is a natural balance between the income and expenses of the Group in terms of exchange rate risk. It is attempted to protect this balance by including predictions for the future and taking the market conditions into consideration.

As of the dates December 31, 2010 and December 31, 2009, if the currency unit TL were to change by 10% against US\$, EURO and other foreign currency units, and if all other variables could be held constant, the pre-tax net profit / loss derived for the current period, which resulted from the net foreign exchange profit / loss of the assets and liabilities denominated by these currency units, would be TL 488,126 (31.12.2009 : TL 932,078) higher / lower.

The exchange rate sensitivity analysis table regarding the Group's foreign exchange position is as follows:

Exchange Rate Sensitivity Analysis Table				
	31 Aralık 2010		31 Aralık 2009	
	Profit / Loss		Profit / Loss	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
In case of a 10% change in US\$ currency:				
1- Net US\$ assets / (liabilities)	859,320	(859,320)	688,571	(688,571)
2- Part protected from US\$ risk (-)	-	-	-	-
3- US\$ Net Impact (1+2)	859,320	(859,320)	688,571	(688,571)
In case of a 10% change in EURO currency:				
4- Net EURO assets / (liabilities)	(368,518)	368,518	221,849	(221,849)
5- Part protected from EURO risk (-)	-	-	-	-
6- EURO Net Impact (4+5)	(368,518)	368,518	221,849	(221,849)
In case of a 10% change in other currencies:				
7- Net assets in other foreign currency / (liabilities)	(2,676)	2,676	21,658	(21,658)
8- Part protected from other foreign currency risk (-)	-	-	-	-
9- Other Currency Assets Net Impact (7+8)	(2,676)	2,676	21,658	(21,658)
Total (3+6+9)	488,126	(488,126)	932,078	(932,078)

E) Credits and collection risk management

The credits and collection risk of the Group is basically related to its trade receivables. The amount shown in the balance sheet consists of the net amount which is obtained after the deduction of doubtful receivables predicted by the Group, due to its past experiences and current economic conditions. The Group's credit risk has been distributed as the Group has been working with a large number of customers and there is no significant concentration of credit risk.

Exposed credit risks in terms of financial instrument types:

	Receivables		Receivables		Deposit at Banks	Cash and Other
	Trade Receivables	Other Receivables	Trade Receivables	Other Receivables		
December 31, 2010	Related Party	Other Party	Related Party	Other Party		
Maximum credit risk exposed as of the reporting date (A+B+C+D+E)⁽¹⁾	8,748,375	56,864,776	448,379	518,011	27,884,623	1,231,229
Part of maximum risk secured by Guarantee etc.	-	-	-	-	-	-
A. Net book value of financial assets which are neither overdue nor subjected to impairment ⁽²⁾	8,748,375	55,987,640	448,379	518,011	27,884,623	1,231,229
B. Book value of financial assets with renegotiated conditions, which would have been overdue or considered to be subjected to impairment	-	-	-	-	-	-
C. Net book value of assets which are overdue but not subjected to impairment ⁽³⁾	-	-	-	-	-	-
- Part secured by Guarantee etc.	-	-	-	-	-	-
D. Net book value of assets subjected to impairment ⁽⁴⁾	-	877,136	-	-	-	-
- Overdue (gross book value)	-	10,351,477	-	-	-	-
- Impairment (-)	-	(9,474,341)	-	-	-	-
- Part of the net value secured by Guarantee etc.	-	-	-	-	-	-
- Undue (gross book value)	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-
- Part of the net value secured by Guarantee etc.	-	-	-	-	-	-
E. Off-balance sheet items with credit risk	-	-	-	-	-	-

⁽¹⁾ Factors that increase the reliability of credit, such as received guarantees, were not taken into account when determining the amount.

⁽²⁾ An impairment and credit risk is expected for financial assets which are neither overdue nor impaired in their present condition.

⁽³⁾ For financial assets which are overdue but have not been subjected to impairment, impairment is not expected in the future either, as the guarantees and / or maturities regarding these financial assets are short-term. The ageing analysis for financial assets which are overdue but not impaired as of 31.12.2010 is as follows:

December 31, 2010	Receivables		Bank Deposits	Derivative Instruments	Other
	Trade Receivables	Other Receivables			
1 - 30 days overdue	-	-	-	-	-
1 - 3 months overdue	-	-	-	-	-
3 - 12 months overdue	-	-	-	-	-
1 - 5 years overdue	-	-	-	-	-
More than 5 years overdue	-	-	-	-	-
Part secured by Guarantee etc.	-	-	-	-	-

Footnotes to the Consolidated Financial Statements as of December 31, 2010

(All amounts expressed in Turkish Lira ("TL") unless mentioned otherwise.)

⁽⁴⁾ The ageing analysis for financial assets which are overdue and impaired as of 31.12.2010 is as follows:

December 31, 2010

	Receivables	
	Overdue Amount	Doubtful Receivables Provisions
1 - 30 days overdue	57,935	(5,794)
1 - 3 months overdue	99,251	(34,738)
3 - 12 months overdue	2,076,386	(1,315,904)
1 - 5 years overdue	6,210,763	(6,210,763)
More than 5 years overdue	1,907,142	(1,907,142)
Total	10,351,477	(9,474,341)
Part secured by Guarantee etc.	-	-

	Receivables					
	Trade Receivables		Other Receivables		Bank deposits	Cash and Other
December 31, 2009	Related Party	Other Party	Related Party	Other Party		
Maximum credit risk exposed as of the reporting date (A+B+C+D+E)⁽¹⁾	16,865,409	68,356,565	142,459	155,825	14,011,732	2,005,004
Part of maximum risk secured by Guarantee etc.	-	-	-	-	-	-
A. Net book value of financial assets which are neither overdue nor subjected to impairment ⁽²⁾	16,865,409	66,038,325	142,459	155,825	14,011,732	2,005,004
B. Book value of financial assets with renegotiated conditions, which would have been overdue or considered to be subjected to impairment	-	-	-	-	-	-
C. Net book value of assets which are overdue but not subjected to impairment ⁽³⁾	-	-	-	-	-	-
- Part secured by Guarantee etc.	-	-	-	-	-	-
D. Net book value of assets subjected to impairment ⁽⁴⁾	-	2,318,240	-	-	-	-
- Overdue (gross book value)	-	9,685,596	-	-	-	-
- Impairment (-)	-	(7,367,356)	-	-	-	-
- Part of the net value secured by Guarantee etc.	-	-	-	-	-	-
- Undue (gross book value)	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-
- Part of the net value secured by Guarantee etc.	-	-	-	-	-	-
E. Off-balance sheet items with credit risk	-	-	-	-	-	-

⁽¹⁾ Factors that increase the reliability of credit, such as received guarantees, were not taken into account when determining the amount.

⁽²⁾ An impairment and credit risk is expected for financial assets which are neither overdue nor impaired in their present condition.

⁽³⁾ For financial assets which are overdue but have not been subjected to impairment, an impairment is not expected in the future either, as the guarantees and / or maturities regarding these financial assets are short-term. The ageing analysis for financial assets which are overdue but not impaired as of 31.12.2009 is as follows:

December 31, 2009

	Receivables		Bank	Derivative	Cash and
	Trade	Other	deposits	Instruments	Other
	Receivables	Receivables			
1 - 30 days overdue	-	-	-	-	-
1 - 3 months overdue	-	-	-	-	-
3 - 12 months overdue	-	-	-	-	-
1 - 5 years overdue	-	-	-	-	-
More than 5 years overdue	-	-	-	-	-
Part secured by Guarantee etc.	-	-	-	-	-

⁽⁴⁾ The ageing analysis for financial assets which are overdue and impaired as of 31.12.2009 is as follows:

December 31, 2009

	Receivables	
	Overdue	Doubtful
	Amount	Receivables
		Provisions
1 - 30 days overdue	1,030,747	(12,301)
1 - 3 months overdue	1,036,452	(222,012)
3 - 12 months overdue	944,682	(494,719)
1 - 5 years overdue	4,525,472	(4,490,081)
More than 5 years overdue	2,148,243	(2,148,243)
Total	9,685,596	(7,367,356)
Part secured by guarantee etc.	-	-

F) Liquidity risk management

The Group manages liquidity risk by following the estimated and actual cash flows regularly while supplying sufficient funds and maintaining continuity of debt reserves by matching their maturities and liabilities.

31.12.2010

		Total Cash			
		Outflows as			
		per the Terms	Less than	Between 3	Between 1
		of Agreement	3 months	- 12 months	- 5 years
Maturities as per the Terms of Agreement	Book Value				
Non-Derivative Financial Liabilities	11,431,920	11,491,031	4,272,762	4,376,363	2,841,906
Bank Loans	187,810	187,810	33,429	86,137	68,244
Finance Lease Obligations	5,892,146	5,892,146	821,015	2,297,469	2,773,662
Trade Payables ^(*)	2,934,333	2,993,444	1,682,240	1,311,204	-
Other Debts and Liabilities ^(**)	2,417,631	2,417,631	1,736,078	681,553	-

		Total			
		Expected			
		Cash Outflows	Less than	Between 3	Between 1
			3 months	- 12 months	- 5 years
Expected Maturities	Book Value				
Non-Derivative Financial Liabilities	26,333,242	26,725,287	2,475,802	23,117,710	1,131,775
Bank Loans (of uncertain maturities) ^(***)	1,970,865	1,970,865	-	1,970,865	-
Trade Payables ^(****)	17,443,292	17,817,646	812,932	16,896,270	108,444
Other Debts and Liabilities	6,919,085	6,936,776	1,662,870	4,250,575	1,023,331

		Total Cash			
		Outflows			
		Expected /			
		as per the Terms	Less than	Between 3	Between 1
		of Agreement	3 months	- 12 months	- 5 years
Maturities Expected	Book Value				
(or as per the terms of agreement)					
Derivative Cash Inflows	-	-	-	-	-
Derivative Cash Outflows	-	-	-	-	-

^(*) As indicated by TCC, promissory notes are contracts between two parties. Therefore, notes payable are observed in this group.

^(**) Liabilities with legal payment periods, such as tax provisions, tax installments, taxes payable and social security premiums, are observed in this group.

^(***) There are revolving loans and they have unidentified maturities. They are observed in the 3 - 12 months section.

^(****) Suppliers and other trade payables are observed within this group.

Footnotes to the Consolidated Financial Statements as of December 31, 2010

(All amounts expressed in Turkish Lira ("TL") unless mentioned otherwise.)

31.12.2009

Maturities as per the Terms of Agreement	Book Value	Total Cash Outflows as per the Terms of Agreement	Less than 3 months	Between 3 - 12 months	Between 1 - 5 years
Non-Derivative Financial Liabilities	16,548,406	16,792,259	11,131,539	4,676,347	984,373
Bank Loans	2,228,402	2,355,587	92,602	2,231,599	31,386
Finance Lease Obligations	2,217,593	2,217,592	253,632	1,010,973	952,987
Trade Payables ^(*)	9,492,709	9,609,378	8,375,349	1,234,029	-
Other Debts and Liabilities ^(**)	2,609,702	2,609,702	2,409,956	199,746	-

Expected Maturities	Book Value	Total Expected Cash Outflows	Less than 3 months	Between 3 - 12 months	Between 1 - 5 years
Non-Derivative Financial Liabilities	22,773,727	23,142,447	2,188,696	19,150,850	1,802,901
Bank Loans (with certain maturities)	770,828	770,828	112,927	657,901	-
Bank Loans (of uncertain maturities) ^(***)	2,756,260	2,756,260	-	2,756,260	-
Trade Payables ^(****)	11,009,010	11,324,791	433,156	10,828,747	62,888
Other Debts and Liabilities	8,237,629	8,290,568	1,642,613	4,907,942	1,740,013

Maturities Expected (or as per the terms of agreement)	Book Value	Total Cash Outflows Expected / as per the Terms of Agreement	Less than 3 months	Between 3 - 12 months	Between 1 - 5 years
Derivative Cash Inflows	-	-	-	-	-
Derivative Cash Outflows	-	-	-	-	-

^(*) As indicated by TCC, promissory notes are contracts between two parties. Therefore, notes payable are observed in this group.

^(**) Liabilities with legal payment periods, such as tax provisions, tax installments, taxes payable and social security premiums, are observed in this group.

^(***) There are revolving loans and they have unidentified maturities. They are observed in the 3 - 12 months section.

^(****) Suppliers and other trade payables are observed within this group.

G) Hedge Accounting

In order to protect derivative products from the buying and selling process and from foreign currencies and / or interest rates (fixed and variable), the Group does not perform forward, future, option and swap transactions.

Note 40 - Subsequent Events After the Balance Sheet Date

Endorsement of the financial statements

The Holding's consolidated financial statements dated 31.12.2010 were endorsed by the Holding's Board of Directors on 02.03.2011. The only authority with the power to make changes on the consolidated financial statements endorsed by the Holding's Board of Directors is the Holding's General Assembly.

Note 41 - Other Matters that may Affect the Financial Statements to a Significant Extent or Matters which are Required to be Explained in Order for the Financial Statements to be Clear, Interpretable and Understandable

None.

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