İHLAS YAYIN HOLDİNG ANONİM ŞİRKETİ

CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT FOR THE ACCOUNTING YEAR JANUARY 1 - DECEMBER 31, 2011

PÜR BAĞIMSIZ DENETİM
YEMİNLİ MALİ MÜŞAVİRLİK A.Ş.
Bahariye Cad. Site 64 No.: 25/9 B Blok Kadıköy - İSTANBUL
Tel. : (0216) 449 37 00 (pbx) Fax : (0216) 449 37 71
e-mail : purymm@purymm.com www.purymm.com

İhlas Yayın Holding Anonim Şirketi
Independent Auditor's Report
for the Accounting Year January 01 - December 31, 2011

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, 2011, 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, 2011, as well as its financial performance and cash flows for the fiscal year ending on the same date, excluding the impact of matters described in the above Grounds for Qualified Opinion section, within the framework of financial reporting standards published by the Capital Markets Board.

ISTANBUL, March 20, 2012

Responsible Partner, Chief Auditor
ŞÜKRÜ **YAVUZ**

PÜR BAĞIMSIZ DENETİM YEMİNLİ MALİ MÜŞAVİRLİK A.Ş.

Contents

İhlas Yayın Holding A.Ş.

Consolidated Financial Position Statements (Balance Sheets) as of December 31, 2011 and December 31, 2010

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

		Independently	
	Footnote References	**Audited 31.12.2011**	**Audited 31.12.2010**
ASSETS			
Current Assets		**111,597,159**	**117,760,317**
Cash and Cash Equivalents	6	10,085,865	29,115,852
Financial Investments	7	-	-
Trade Receivables	10	69,589,337	65,613,151
- Trade Receivables from Related Parties	10	26,906,905	8,748,375
- Other Trade Receivables	10	42,682,432	56,864,776
Receivables from Finance Sector Operations	12	-	-
Other Receivables	11	450,909	928,787
Inventories	13	7,433,045	6,739,021
Live Assets	14	-	-
Other Current Assets	26	24,038,003	15,363,506
(Sub Total)		111,597,159	117,760,317
Fixed assets Held-for Sale	34	-	-
Fixed Assets		**232,197,071**	**224,747,991**
Trade Receivables	10	-	-
Receivables from Finance Sector Operations	12	-	-
Other Receivables	11	54,679	37,603
Financial Investments	7	-	-
Investment by Equity Method	16	9,097,876	44,930
Live Assets	14	-	-
Real Estate Held-for-investment	17	91,809,903	97,285,537
Tangible Assets	18	42,561,760	41,070,756
Intangible Assets	19	57,184,086	56,138,772
Goodwill	20	13,342,728	13,342,728
Deferred Tax Liabilities	35	17,574,536	16,696,405
Other Non-Current Assets	26	571,503	131,260
TOTAL ASSETS		**343,794,230**	**342,508,308**

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

	Footnote References	Independently Audited 31.12.2011	Independently Audited 31.12.2010
LIABILITIES			
Short-Term Liabilities		**27,879,473**	**33,905,925**
Financial Debts	8	3,796,722	3,238,050
Other Financial Liabilities	9	1,968,805	1,970,865
Trade Payables	10	12,362,485	20,377,625
- Trade Payables to Related Parties	10	1,277,491	7,474,753
- Other Trade Liabilities	10	11,084,994	12,902,872
Other Liabilities	11	1,908,815	1,765,139
Debts from Financial Sector Operations	12	-	-
Government Promotion and Aid	21	-	-
Tax Liability Profit for the Period	35	94,719	425,098
Provision of Debt	22	84,861	57,700
Other Short-Term Liabilities	26	7,663,066	6,071,448
(Sub Total)		27,879,473	33,905,925
Liabilities Related to Fixed Assets Held-for-sale	34	-	-
Long-Term Liabilities		**35,761,520**	**33,795,273**
Financial Debt	8	3,541,907	2,841,906
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	604,262	1,017,331
Allowances Related to Extended Benefit to Employees	24	9,528,218	8,106,846
Deferred Tax Liability	35	21,732,496	21,829,190
Other Long-Term Liabilities	26	354,637	-
SHAREHOLDERS' EQUITY		**280,153,237**	**274,807,110**
Shareholders' Equity Belonging to Main Partnership		**181,550,340**	**176,557,619**
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	6,950,444	6,949,691
Profit / Loss for the Previous Period	27	(52,431,569)	(53,780,025)
Net Profit / Loss for the Period	36	4,991,968	1,348,456
Minority Interest	**27**	**98,602,897**	**98,249,491**
TOTAL LIABILITIES		**343,794,230**	**342,508,308**

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

İhlas Yayın Holding A.Ş.

Consolidated Comprehensive Income Statements as of January 1 - December 31, 2011 and January 1 - December 31, 2010

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

		Independently	
	Footnote References	Audited 01.01.2011 - 31.12.2011	Audited 01.01.2010 - 31.12.2010
CONTINUING OPERATIONS			
Income from Sales	28	153,140,536	110,602,460
Cost of Goods Sold (-)	28	(133,953,723)	(89,702,490)
Gross Profit / (Loss) from Trade Activities		**19,186,813**	**20,899,970**
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)		**19,186,813**	**20,899,970**
Marketing Sales and Distribution Expenses (-)	29	(8,037,285)	(7,311,042)
General Administration Expenses (-)	29	(25,007,589)	(20,949,656)
Research and Development Expenses (-)	29	-	-
Other Operating Income	31	4,686,688	9,807,190
Other Operating Expenses (-)	31	(2,890,224)	(2,784,832)
OPERATING PROFIT / (LOSS)		**(12,061,597)**	**(338,370)**
Shares of Investments Evaluated by Equity Method in Profit / (Loss)	16	8,902,946	(50,070)
Financial Income	32	14,716,456	12,799,109
Financial Expenses (-)	33	(7,447,550)	(6,349,293)
PRE-TAX PROFIT / (LOSS) OF CONTINUING OPERATIONS		**4,110,255**	**6,061,376**
Continuing Operations Tax Income / (Expenditure)		**(183,787)**	**(1,641,389)**
- Tax Income / (Expenditure) of the Period	35	(1,158,612)	(1,899,366)
- Deferred Tax Income / (Expenditure)	35	974,825	257,977
PROFIT / (LOSS) FOR THE PERIOD OF CONTINUING OPERATIONS	**36**	**3,926,468**	**4,419,987**
CEASED OPERATIONS			
Profit / (Loss) After Tax of Ceased Operations	**34**	**-**	**-**
PROFIT / (LOSS) FOR THE PERIOD		**3,926,468**	**4,419,987**
Distribution of Profit / (Loss) For the Period		**3,926,468**	**4,419,987**
Minority Interest	36	(1,065,500)	3,071,531
Shares of Main Partnership	36	4,991,968	1,348,456
Earnings / (Loss) per Share	**36**	**0.02**	**0.01**
Earnings / (Loss) per Share from Continuing Operations	**36**	**0.02**	**0.01**

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

	Footnote References	Independently Audited 01.01.2011 - 31.12.2011	Independently Audited 01.01.2010 - 31.12.2010
PROFIT / LOSS FOR THE PERIOD	**36**	**3,926,468**	**4,419,987**
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		**3,926,468**	**4,419,987**
Dıversification of Total Comprehensive Income		**3,926,468**	**4,419,987**
Minority Interest	36	(1,065,500)	3,071,531
Main Partneship Shares	36	4,991,968	1,348,456

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, 2011 and January 1 - December 31, 2010

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

	Footnote Referansları	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, 2011		**200,000,000**	**22,039,497**	**6,949,691**	**(53,780,025)**	**1,348,456**	**98,249,491**	**274,807,110**
Capital Increase - Cash Payment	27						1,395,000	1,395,000
Transfers	27	-	-	-	1,348,456	(1,348,456)	-	-
Efficient Share Changes	27	-	-	753	-	-	23,906	24,659
Net Profit / (Loss) for the Period	36	-	-	-	-	4,991,968	(1,065,500)	3,926,468
December 31, 2011		**200,000,000**	**22,039,497**	**6,950,444**	**(52,431,569)**	**4,991,968**	**98,602,897**	**280,153,237**

	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
Impact of the 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**

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

İhlas Yayın Holding A.Ş.

Consolidated Cash Flow Statements as of January 1 - December 31, 2011 and January 1 - December 31, 2010

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

		Independently	
	Footnote References	**Audited 31.12.2011**	**Audited 31.12.2010**
Cash flows from operating activities			
Net profit / (loss) for the period	36	4,991,968	1,348,456
Mutual agreement between cash flows from operating activities and net profit			
Depreciation	17,18	5,899,396	8,871,277
Amortization and depletion allowance	19	200,474	14,965
Provisions for severance pay	24	2,705,665	4,535,455
Tax	16	183,787	1,641,389
Minority profit / (loss)	36	(1,065,500)	3,071,531
Cancellation of brand impairment	31	-	(4,249,860)
Sales loss of subsidiary (public offering)	31	-	2,230,132
Provision of law suit	31	431,792	132,400
Shares of Investments Valued by Equity Method in Profit / (Loss)	16	(8,902,946)	50,070
Provision for doubtful accounts out of subject	31	(341,409)	(1,167,598)
Provision of severance payments out of subject	31	(185,583)	(396,725)
Other provisions out of subject	31	(958,587)	(813,320)
Interest revenue	32	(2,994,489)	(2,874,220)
Interest expenditure	32	958,841	1,438,086
Loss / (profit) on fixed assets sold, net	31	(470,232)	(20,780)
Other expenses / (income) not requiring cash (inflow) / outflow, net		425,428	548,526
Net operating profit before changes in operating assets and liabilities		**878,605**	**14,359,784**
Changes in assets and liabilities			
Changes in trade receivables	10	(3,976,186)	19,608,823
Changes in other receivables	11	460,802	(668,106)
Changes in inventories	13	(694,024)	(3,259,057)
Changes in other current assets	26	(8,674,497)	15,541,206
Changes in other fixed assets	26	(440,243)	18,704,896
Changes in trade payables	10	(8,015,140)	(124,094)
Changes in other debts	11	143,676	(190,928)
Changes in other short and long-term debts	26	1,946,255	(864,119)
Taxes paid	35	(1,488,991)	(1,674,014)
Paid severance pays	24	(1,098,710)	(955,059)
Net cash provided by operating activities		**(20,958,453)**	**60,479,332**
Investment activities			
Tangible fixed asset and held-for-investment real estate purchases	17,18	(8,943,764)	(46,565,525)
Intangible fixed assets purchases	19	(1,245,788)	(2,100)
Cash from fixed assets sales		7,430,757	308,924
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	1,395,000	229,139
Net cash derived from investment operations		**(1,363,795)**	**(51,680,342)**
Financial operations:			
Interest received and paid, net	32,33	2,035,648	1,436,134
Change in financial debts	8,9	1,256,613	77,738
Net cash used in financial operations		**3,292,261**	**1,513,872**
Net increase in cash and cash equivalents		**(19,029,987)**	**10,312,862**
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**	**29,115,852**	**16,016,736**
Balance of cash and cash equivalents at the end of the period	**6**	**10,085,865**	**29,115,852**

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

Footnotes to the Consolidated Financial Statements as of December 31, 2011

(The amounts are expressed in Turkish Lira ("TL"), unless otherwise indicated.)

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 - Istanbul”.

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
31.12.2011	23	1,098	1,121
31.12.2010	19	992	1,011

The Holding's partnership structure as of 31.12.2011 and 31.12.2010 is as follows:

	31.12.2011		31.12.2010	
Name / Title	**Share ratio %**	**Share Amount (TL)**	**Share ratio %**	**Share Amount (TL)**
İhlas Holding A.Ş.	69.15	138,300,000	69.15	138,300,000
Free Float	28.75	57,500,000	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
Other	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	Bearer / Registered	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, which has 5 studios consisting of one broadcasting, two recording and two montage studios, operates under the legal entity of TGRT News TV.

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, Communications Magazine (İletişim Magazin), is engaged in the issuing, printing and marketing of magazines, newspapers, books, etc. The company produces the following publications: 3 children's magazines, 7 magazines on textiles and interior decoration, 2 magazines on food culture and women, 1 automotive magazine, 1 magazine on information technologies, 4 magazines on building and construction, 1 health magazine, 3 magazines on digital printing, print houses, paper and office systems, 1 magazine on entertainment, 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 Media, is engaged in advertising, publicity, photography and billboards in addition to the company's duties as an advertising agency.

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 Media Planning and Buying (former title: İhlas Advertising Agency Services) (İhlas Media) consist of advertising, publicity, photography and billboards in addition to the company's duties as an advertising agency.

Subsidiary Companies

The Holding's final stock share ratios with its subsidiary companies as of December 31, 2011, and December 31, 2010, are as follows:

	Main Fields of Activity	**Ownership Ratio % 31.12.2011**	**Ownership Ratio % 31.12.2010**
İhlas Gazetecilik A.Ş. (İhlas Gazetecilik)	Issuing, distribution and marketing of Türkiye Gazetesi, as well as print and press related works	56.55%	56.55%
İhlas Haber Ajansı A.Ş. (İHA)(*)	News Agency	50.00%	50.00%
TGRT Haber TV A.Ş. (TGRT Haber)	Television broadcasting through TGRT Haber TV and radio broadcasting through TGRT FM	98.96%	98.96%
TGRT Dijital TV Hizmetleri A.Ş. (TGRT Dijital)	Television broadcasting through TGRT Belgesel TV	95.00%	95.00%

İletişim Magazin Gazt. San ve Tic. A.Ş. (İletişim Magazin)	Issuing, printing and marketing of magazines, newspapers, books etc	79.80%	79.80%
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%
İhlas Gelişim Yayıncılık A.Ş. (İhlas Gelişim)	The Company is the main partner of İhlas Fuar Hizmetleri A.Ş. and İletişim Magazin Gazt. San ve Tic. A.Ş.	84.00%	84.00%
Alternatif Medya Görsel İletişim Sis. Ltd. Şti. (Alternatif Medya)	Advertising, publicity, photography and agency regarding show bills and other similar announcement media	93.13%	93,13%
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%	96.80%
İhlas Medya Planlama ve Satınalma Hiz. Ltd. Şti. (Eski Unvanı: İhlas Reklam Ajans Hizmetleri Ltd. Şti.) (İhlas Medya)	Advertising, publicity, photography and agency regarding show bills and other similar announcement media	99.00%	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. Moreover, as explained in Note 40, the share of the Holding in this company rose to 75% in 2012.

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 31.12.2011.

The consolidated financial statements dated December 31, 2011 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, 2011, and December 31, 2010, are listed below.

	Exchange Rates (TL / Currency Unit)	
Currency Type	**31.12.2011**	**31.12.2010**
US$	1.8889	1.5460
EURO	2.4438	2.0491
GBP	2.9170	2.3886
CHF	2.0062	1.6438
SEK	0.2722	0.22619

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, 2011. 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. 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 IAS 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 (Joint Venture - 4)” 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, 2011 - December 31, 2011:

IAS 24 (Revision) "Related Party Explanations" (to be valid for accounting periods which begin on January 1, 2011, or later):

The aforementioned amendment is not expected to have any impact on the financial position and performance of the Company. This amendment was published on July 20, 2010 in the European Union official gazette.

IAS 32 (Amendment) “Classification of Rights Issues ” (The amendment is effective for annual periods beginning on or after February 1, 2010, with earlier application permitted.): The amendment to IAS 32 addresses the accounting for rights issues (rights, options or warrants) that are denominated in a currency other than the functional currency of the issuer. The aforementioned standard has no impact on the financial position and performance of the Group. This amendment was published on December 20, 2009 in the European Union official gazette.

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. This amendment was published on July 20, 2010 in the European Union official gazette.

IFRIC 19 “Extinguishing Financial Liabilities with Equity Instruments” (It is effective for annual periods beginning on or after July 1, 2010, with earlier application permitted.): IFRIC 19 only clarifies the accounting that will be applied by entities which export capital instruments to fully or partially extinguish a financial liability. The interpretation has no impact on the financial position and performance of the Company. This amendment was published on July 20, 2010 in the European Union official gazette.

IFRS 7 “Financial Instruments – Disclosures as part of its comprehensive review of off balance sheet activities (Amendment)”: The amendment is effective for annual periods beginning on or after July 1, 2011. This amendment allows users of financial statements to improve their understanding of transfer transactions of financial assets, including understanding the possible effects of any risks that may remain with the entity which transferred the assets. The amendment also requires additional disclosures if a disproportionate amount of transfer transactions are undertaken around the end of a reporting period. This standard has not yet been endorsed by the EU. The aforementioned standard is not expected to have any impact on the financial position and performance of the Company. This amendment was published on November 23, 2011 in the European Union official gazette.

IFRS 1 “First-time Adoption of IFRS- Other Exceptional Situations” (Amendment): The new standard is effective for annual periods beginning on or after July 1, 2011. The amendment addresses the retrospective application of IFRSs to particular situations, and is aimed at ensuring that entities applying IFRSs will not face undue expense or effort in the transition process. There are also some additional amendments to IFRS 1 in order to provide explanatory information for companies who have recently came out of an inflationary medium among the first-time adopters of the financial statements according to IFRS. It has not yet been approved by the European Union. The Company is in the process of assessing the impact of the amended standard on the financial position and performance of the Company.

New standards, amendments and comments effective as of January 1, 2010 - December 31, 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.

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 has 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.

Improvements in IFRS (published in May 2010):

In May 2010, IASB issued its third omnibus of amendments to its standards, primarily with a view to removing inconsistencies and clarifying wording. Various dates were announced for the date of implementation but for the earliest option, the standard is effective for annual periods beginning on or after 1 July 1, 2010 with earlier application permitted. This improvement project was endorsed by the European Union on February 19, 2011.

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.

Standards and interpretations in issue but not effective and yet adopted on financial statements:

IFRS 9 “Financial Instruments”: Phase 1 Financial Assets and Liabilities, Classification and Explanation. The new standard is effective for annual periods beginning on or after January 1, 2015. Phase 1 of this new IFRS introduces new requirements for classifying and measuring financial instruments. Early adoption is permitted. This standard has not yet been endorsed by the EU. The Group is in the process of assessing the impact of the amended standard on the financial position and performance of the Group.

IFRS 10 “Consolidated Financial Statements”: The new standard is effective for annual periods beginning on or after January 1, 2013. IFRS 10 “Consolidated Financial Statements” replaces the portion of IAS 27 Consolidated and Separate Financial Statements that addresses the accounting for consolidated financial statements. Besides, it includes the IFRIC 12 “Consolidation - Special Purpose Entities” Interpretation. IFRS 10 has formed the only control model which is applied to all entities (including special purpose entities and structural entities). This standard has not yet been endorsed by the EU. The aforementioned standard is not expected to have any impact on the financial position and performance of the Group.

IFRS 11 “Joint Regulations”: The new standard is effective for annual periods beginning on or after 1 January 2013. IFRS 11 has replaced the Standard IAS 31 “Interests in Joint Ventures” and the IAS Interpretation 13 “Jointly Controlled Entities-Non-Monetary Contributions by Venturers”. IFRS 11 accepts two different types of joint arrangements; joint operations and joint ventures. IFRS 11 uses the definition of control in IFRS 10 in order to define joint control. This standard has not yet been endorsed by the EU. The aforementioned standard is not expected to have any impact on the financial position and performance of the Group.

IFRS 12 “Interests in Other Entities “: The new standard is effective for annual periods beginning on or after January 1, 2013. IFRS 12 includes all of the disclosures that were previously in IAS 27 Consolidated and Separate Financial Statements related to consolidated financial statements, as well as all of the disclosures that were previously included in IAS 31 Interests in Joint Ventures and IAS 28 Investment in Associates. This standard has not yet been endorsed by the EU. The aforementioned standard is not expected to have any impact on the financial position and performance of the Group.

IFRS 13 “Fair Value Measurement”: The new standard is effective for annual periods beginning on or after January 1, 2013. It is a single source of guidance under IFRS for all fair value measurements. IFRS 13 provides guidance on how to measure the fair value of financial and nonfinancial assets and debts, but does not change when an entity is required to use fair value. This standard has not yet been endorsed by the EU. The aforementioned standard is not expected to have any impact on the financial position and performance of the Group.

IAS 27 “Separate Financial Statements (Amendment)”: The amendment is effective for annual periods beginning on or after January 1, 2013. As a part of IAS 27 (2008), the regulation related to consolidation was removed from this standard, and it was re-amended as a result. This standard is now limited to accounting and explaining for subsidiaries, joint ventures and associates in the preparation of separate financial statements. In the event that an entity presents separate financial statements, either of its own will or by requirement of the legislation, this standard is applied in accounting of the investments for subsidiaries, joint ventures and associates. This standard has not yet been endorsed by the EU. The aforementioned standard is not expected to have any impact on the financial position and performance of the Group.

IAS 28 “Investments in Associates and Joint Ventures (Amendment)”: The amendment is effective for annual periods beginning on or after January 1, 2013. As a consequential amendment to IFRS 10, IFRS 11 and IFRS 12, this standard is a part of IAS 28(2003). This standard describes the accounting of the investments of the associates, and the application of the equity method to investments if accounted, in joint ventures in addition to associates. This standard has not yet been endorsed by the EU. The aforementioned standard is not expected to have any impact on the financial position and performance of the Group.

IAS 12 “Income Taxes - Deferred Taxes: Recovery of Underlying Assets (Amendment)”: The amendment is effective for annual periods beginning on or after January 1, 2012. IAS 12 has been updated to include i) a rebuttable presumption that deferred tax on investment property, measured using the fair value model in IAS 40, should be determined on the basis that its carrying amount will be recovered through sale and ii) a requirement that deferred tax on non-depreciable assets, measured using the revaluation model in IAS 16, should always be measured on a sale basis. This standard has not yet been endorsed by the EU. The aforementioned standard is not expected to have any impact on the financial position and performance of the Group.

IAS 1 "Presentation of Financial Statements (Amendment)": The amendment is effective for annual periods beginning on or after July 1, 2012. The amendments to IAS 1 change only the grouping of items presented in other comprehensive income. Items that could be reclassified to profit or loss at a future point in time would be presented separately from items which will never be reclassified. This standard has not yet been endorsed by the EU. The aforementioned standard is not expected to have any impact on the financial position and performance of the Group.

IAS 19 "Employee Benefits (Amendment)": The amendment is effective for annual periods beginning on or after January 1, 2013. The corridor mechanism was removed with this amendment. The presentation choices of the profit or loss were also removed due to the provision of reporting the amendments at the time they occur. The service cost and the financial cost will be presented in profit or loss, and re-measurements will be presented in other comprehensive income. This standard has not yet been endorsed by the EU. The aforementioned standard is not expected to have any impact on the financial position and performance of the Group.

IFRS 7 "Offsetting Financial Assets and Financial Liabilities - Disclosures (Amendment)" : The amendment is effective for annual periods beginning on or after January 1, 2015. This standard has not yet been endorsed by the EU. The aforementioned standard is not expected to have any impact on the financial position and performance of the Group.

IAS 32 "Offsetting Financial Assets and Financial liabilities" (Amendment): The amendment is effective for annual periods beginning on or after January 1, 2014. This standard has not yet been endorsed by the EU. The aforementioned standard is not expected to have any impact on the financial position and performance of the Group.

IFRIC 20 "Stripping Costs in the Production Phase of a Surface Mine": This interpretation is effective for annual periods beginning on or after January 1, 2013. The Interpretation clarifies when, and under which conditions, production stripping should lead to the accounting of an asset and how that asset should be measured and accounted. This standard has not yet been endorsed by the EU. The aforementioned standard is not expected to have any impact on the financial position and performance of the Group.

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.

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.

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.

The clauses of the standards IAS 2 "Inventories" and IAS 16 "Tangible Fixed Assets" are applied for the transfers of the Group from its inventories to tangible fixed assets in order to be used in operating activities. Accordingly, the fair value as of the transfer date is taken as a basis.

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)(*)	2	Normal / Accelerated
Special Costs	5	Normal
Rights	5	Normal
Other intangible fixed assets (computer software)	2-5	Normal

(*) 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 aforementioned brand is undergoing an impairment test.

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

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.

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.

Sale 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 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 31.12.2011, a foreign currency risk arises for conditions where the foreign currency exchange rate falls in a manner that favors TL currency (when TL currency loses 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) Kuzuluk Kapl. İnş. Tur. Sağ. Petr. Ür. Tic. A.Ş. (Kuzuluk Kaplıcaları)
7) İhlas Net A.Ş. (İhlas Net)
8) İhlas Motor A.Ş. (İhlas Motor)
9) Bisan Bisiklet Moped Oto. San. Tic. A.Ş. (Bisan)
10) Bisiklet Pazarlama ve Tic. A.Ş. (Bispa)
11) İhlas Yapı Turizm ve Sağlık A.Ş. (İhlas Yapı)
12) Kıbrıs Bürosu
13) Mir İç ve Dış Tic. Maden San. Ltd. Şti. (Mir Mining)
14) Detes Enerji Üretim A.Ş. (Detes Enerji)

15) Armutlu Tatil ve Turizm İşletmeleri A.Ş. (Armutlu Tatil Köyü)
16) İhlas Holding A.Ş. - İhlas Yapı Turizm ve Sağlık A.Ş. Joint Venture 2 (Joint Venture-2)
17) İhlas Holding A.Ş. - İhlas Yapı Turizm ve Sağlık A.Ş. Joint Venture 3 (Joint Venture-3)
18) İhlas Genel Antrepo Nakliyat ve Tic. A.Ş. (İhlas Antrepo)
19) Buryal Bursa Yalova Enerji Dağıtım Ltd. Şti. (Bur-yal)
20) Tasfiye Halinde İhlas Finans Kurumu A.Ş. (İhlas Finans in Liquidity)
21) Kia İhlas Motor San ve Tic. A.Ş. (Kia İhlas Motor)
22) İhlas Dış Ticaret A.Ş. (İhlas İnşaat Yapı Taahhüt ve Tic. A.Ş.) (İhlas Foreign Trade)
23) İhlas İnşaat Proje Taahhüt Turizm ve Tic. A.Ş. (İhlas Construction Project)
24) İhlas Enerji Üretim Dağıtım ve Tic. A.Ş. (İhlas Energy)
25) İhlas Net Ltd. Şti. (İhlas Net Ltd)
26) İhlas Mining Ltd. Şti.
27) İhlas Kimya San. Ltd. Şti. (İhlas Chemistry)
28) İhlas Oxford Mortgage İnş. ve Tic. A.Ş. (İhlas Oxford)
29) Detes Maden Enerji ve Çevre Tek. Sis. Ltd. Şti. (Detes Maden Ltd)
30) Doğu Yatırım Holding A.Ş. (Doğu Investment)
31) Swiss PB AG
32) İhlas Pazarlama Yatırım Holding A.Ş. (Pazarlama Investment Holding)
33) İhlas İnşaat Holding A.Ş. (İnşaat Holding)
34) Kristal Gıda Dağ. Paz. ve Tic. A.Ş. (Kristal Food)
35) İhlas Meşrubat Üretim ve Pazarlama A.Ş. (İhlas Beverage)
36) İhlas Zahav Otomotiv A.Ş. (İhlas Zahav)
37) Şifa Yemek ve Gıda Üretim Tesisleri Tic. A.Ş. (Şifa Catering)
38) KPT Lojistik Taşımacılık Tur. Rek. Paz. İç ve Dış Tic. A.Ş. (KPT Logistics)
39) Tasfiye Halinde İhlas Barter A.Ş. (İhlas Barter)

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).

	31.12.2011	**31.12.2010**
Cash	1,034,447	778,982
Bank	8,273,322	27,884,623
Other cash equivalents	57,156	34,770
Checks that will be expired on the day of the balance sheet	720,940	417,477
Total	**10,085,865**	**29,115,852**

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 10 ve 39 / E	Provision for impairment of trade receivables
Note 13	Provision for impairment of inventories
Note 2 / D, 17,18,19	Useful lives and provisions for impairment of investment purpose real estate properties, tangible and intangible fixed assets
Note 20	Provision for Impairment of Goodwill
Note 22-23	Provisions for litigation and other liabilities
Note 24	Provision for employee termination benefits
Note 35 / B	Deferred tax assets and liabilities

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, 2011.
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

01.01-31.12.2011: None.

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	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
Inventory	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
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 Medya, 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	Goodwill
Derived from İhlas Media'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
Goodwill (2-1)	**1,528,440**

Footnotes to the Consolidated Financial Statements as of December 31, 2011

(The amounts are expressed in Turkish Lira ("TL"), unless otherwise indicated.)

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:

	31.12.2011	31.12.2010
Current / floating assets	68,566,756	37,282,020
Non-current / fixed assets	189	21,740,856
Total assets	**68,566,945**	**59,022,876**
Short-term liabilities	48,703,795	1,408,790
Long-term liabilities	72,880	57,619,186
Shareholders' Equity	19,790,270	(5,100)
Total sources	**68,566,945**	**59,022,876**
Net profit / loss for the period	**19,795,370**	**(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 Istanbul, Bahçeşehir, Ispartakule, Region 2, Section 3, Block 543, Parcel 1 for distribution of income after the provision of sale of land. The project, consisting of 680 residences and 1 office space, is completed as of December 12, 2011 and the 438 houses were transferred to the owners together with invoices.

Note 5 - Reporting on the Basis of Department of Activity

For the period January 01 - December 31, 2011:

	Journalism and Printing Works	News Agency	TV Services	Fair and Magazine	Advertising Agency	Other	Intra-group Eliminations	Group Total
Sales Revenues (net)	80,268,189	28,164,329	21,616,444	9,408,956	25,536,046	672,782	(12,526,210)	153,140,536
Sales Costs (-)	(71,763,395)	(25,615,337)	(15,734,277)	(5,630,233)	(25,241,154)	(329,297)	10,359,970	(133,953,723)
Gross Profit / Loss	**8,504,794**	**2,548,992**	**5,882,167**	**3,778,723**	**294,892**	**343,485**	**(2,166,240)**	**19,186,813**
Operating Expenses (-)	(14,647,587)	(4,670,320)	(8,917,323)	(3,711,481)	(131,705)	(3,608,471)	2,642,013	(33,044,874)
Income and Profits from Other Operations	2,546,681	239,612	491,299	197,776	33,393	1,653,700	(475,773)	4,686,688
Expenses and Losses from Other Operations (-)	(732,599)	(615,187)	(747,218)	(583,416)	(81,053)	(130,751)	-	(2,890,224)
Operating Profit / Loss	**(4,328,711)**	**(2,496,903)**	**(3,291,075)**	**(318,398)**	**115,527**	**(1,742,037)**	**-**	**(12,061,597)**
Profit / Loss Shares from Investments that are Evaluated by the Equity Method	-	-	-	-	-	8,902,946	-	8,902,946
Financial income / (expenses), net	5,725,056	58,815	(105,250)	97,630	31,622	1,461,033		7,268,906
Pre-tax Profit / Loss from Ongoing Activities	**1,396,345**	**(2,438,088)**	**(3,396,325)**	**(220,768)**	**147,149**	**8,621,942**	**-**	**4,110,255**
Total assets	**245,889,237**	**22,825,893**	**11,269,511**	**5,293,372**	**5,143,032**	**66,308,225**	**(12,935,040)**	**343,794,230**
Total Liabilities	**37,521,523**	**12,085,475**	**10,946,115**	**3,353,844**	**2,395,820**	**10,273,256**	**(12,935,040)**	**63,640,993**

The distribution of the Group's Sales Revenues (net) is as follows:

	Journalism and Printing Works	News Agency	TV Services	Fair and Magazine	Advertising Agency	Other	Group Total
Sales Revenues (net)	**80,268,189**	**28,164,329**	**21,616,444**	**9,408,956**	**25,536,046**	**672,782**	**165,666,746**
Intra-Group	1,749,286	456,689	9,651,207	428,797	-	240,231	12,526,210
Out-Group	78,518,903	27,707,640	11,965,237	8,980,159	25,536,046	432,551	153,140,536

For the period January 01 - December 31, 2010:

	Journalism and Printing Works	News Agency	TV Services	Fair and Magazine	Other	Intra-group Eliminations	Group Total
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**

The distribution of the Group's Sales Revenues (net) is as follows:

	Journalism and Printing Works	News Agency	TV Services	Fair and Magazine	Other	Group Total
Sales Revenues (net)	**70,398,199**	**24,762,318**	**8,082,047**	**7,977,238**	**1,774,182**	**112,993,984**
Intra-Group	1,047,540	391,006	751,000	129,196	72,782	2,391,524
Out-Group	69,350,659	24,371,312	7,331,047	7,848,042	1,701,400	110,602,460

Note 6 - Cash and Cash Equivalents

	31.12.2011	31.12.2010
Cash	**1,034,447**	**778,982**
- Turkish lira	450,270	566,603
- Foreign currency	584,177	212,379
Bank	**8,273,322**	**27,884,623**
- Demand Deposits	**2,632,706**	**1,587,455**
- Turkish lira	1,161,002	771,224
- Foreign currency	1,471,704	816,231
- Time Deposits	**5,640,616**	**26,297,168**
- Restricted term deposit	-	20,934,300
- Unrestricted term deposit	5,002,192	-
- Repo	314,000	4,853,745
- Liquid funds	324,424	509,123
Other Liquid Assets	**57,156**	**34,770**
Checks that will be expired on the day of the balance sheet	**720,940**	**417,477**
Total	**10,085,865**	**29,115,852**

Note 7 - Financial Investments

Short and Long-Term Financial Investment

31.12.2011: None (31.12.2010: None).

Note 8 - Financial Liabilities

	31.12.2011	31.12.2010
Short-Term Financial Liabilities	**3,796,722**	**3,238,050**
Bank Loans	154,401	119,566
Financial leasing operations	3,642,321	3,118,484
Long-Term Financial Liabilities	**3,541,907**	**2,841,906**
Bank Loans	39,073	68,244
Financial leasing operations	3,502,834	2,773,662

a) Bank Loans

31.12.2011		Applied Interest Rate			Amount in
	Currency Unit	Minimum	Maximum	Maturity	TL Currency
Short-term loans	TL	9.25%	18.00%	up to 3 months	41,903
	TL	9.25%	18.00%	between 3 and 12 months	112,498
Total Short-Term Loans					**154,401**
Long-term loans	TL	15.60%	15.60%	1-5 years	39,073
Total Long-Term Loans					**39,073**

31.12.2010		Applied Interest Rate			Amount in
	Currency Unit	Minimum	Maximum	Maturity	TL Currency
Short-term loans	TL	9.25%	18.00%	up to 3 months	33,429
	TL	9.25%	18.00%	between 3 and 12 months	86,137
Total Short-Term Loans					**119,566**
Long-term loans	TL	15.60%	15.60%	1-5 years	68,244
Total Long-Term Loans					**68,244**

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

The maturity analyses as of December 31, 2011 and December 31, 2010, are shown below:

	31.12.2011	31.12.2010
up to 3 months	41,903	33,429
Between 3 and 12 months	112,498	86,137
Between 1 and 5 years	39,073	68,244
Total	**193,474**	**187,810**

b) Financial Leasing Operations

	Currency Unit	Maturity	31.12.2011 Amount in TL Currency	31.12.2010 Amount in TL Currency
Short-Term Leasing Payables	TL	up to 3 months	-	-
	US$	up to 3 months	211,750	156,610
	EURO	up to 3 months	850,783	664,405
	TL	Between 3 and 12 months	-	-
	US$	Between 3 and 12 months	735,769	505,773
	EURO	Between 3 and 12 months	1,844,019	1,791,696
Total Short-Term Leasing Payables			**3,642,321**	**3,118,484**
	US$	Between 1 and 5 years	1,844,118	1,013,432
	EURO	Between 1 and 5 years	1,658,716	1,760,230
Total Long-Term Leasing Payables			**3,502,834**	**2,773,662**

The maturity analyses of long-term financial leasing debts as of December 31, 2011 and December 31, 2010, are shown below:

	31.12.2011	31.12.2010
2012	-	2,157,774
2013	1,562,814	328,718
2014	1,217,820	287,170
2015	649,184	-
2016	73,016	-
Total	**3,502,834**	**2,773,662**

Note 9 - Other Financial Liabilities

Unamortized bank loans as of December 31, 2011 and December 31, 2010, are shown below:

	31.12.2011	31.12.2010
Other Short-Term Financial Liabilities	**1,968,805**	**1,970,865**
Unamortized Bank Loans	1,968,805	1,970,865
- Turkish Lira	1,968,805	1,970,865
- Foreign Currency	-	-
Other Long-Term Financial Liabilities	**-**	**-**
Total	**1,968,805**	**1,970,865**

As of the date 31.12.2011 and 31.12.2010 unamortized bank loans consist of revolving loans.

Note 10 - Trade Receivables and Payables

	31.12.2011	31.12.2010
Trade receivables from related parties[1]	**26,906,905**	**8,748,375**
-Gross amount of trade receivables	29,128,223	9,336,464
-Doubtful trade receivables	112,307	-
-Minus: rediscount regarding trade receivables from related parties	(2,221,318)	(588,089)
-Minus: Provision for doubtful receivables[2]	(112,307)	-
Other trade receivables	**42,682,432**	**56,864,776**
-Buyers	22,296,280	32,500,597
-Post dated checks and notes receivables	22,022,344	25,572,078
-Doubtful trade receivables	12,256,238	10,351,477
-Minus: rediscount regarding trade receivables	(1,998,356)	(2,085,035)
-Minus: Provision for doubtful receivables[2]	(11,894,074)	(9,474,341)
Total	**69,589,337**	**65,613,151**

[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:

	31.12.2011	31.12.2010
Balance as of January 1	**(9.474.341)**	**(7.367.356)**
Provisions derived from new acquisitions at the beginning of the period	-	(1.078.336)
Provisions no longer required in the period	341.409	1.167.598
The provision amount allocated during the period	(2.873.449)	(2.196.247)
Balance as of the end of the period	**(12.006.381)**	**(9.474.341)**

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.

	31.12.2011	31.12.2010
Trade payables to related parties[3]	**1,277,491**	**7,474,753**
-Gross amount of trade payables	1,331,256	7,703,429
-Minus: rediscount regarding trade payables to related parties	(53,765)	(228,676)
Other trade payables	**11,084,994**	**12,902,872**
-Gross amount of vendors	9,710,497	10,175,851
-Post dated checks and the gross amount of notes payable	1,685,526	2,931,811
-Minus: rediscount regarding trade payables	(311,029)	(204,790)
Total	**12,362,485**	**20,377,625**

[3] Related details are described in Note 37.

The maturity analyses of (net) trade payables which are not past due as of the dates 31.12.2011 and 31.12.2010 are presented in Note 39-F.

Note 11 - Other Receivables and Payables

	31.12.2011	31.12.2010
Receivables from shareholders[*]	-	448,379
Receivables from personnel	253,604	245,013
Other receivables	184,617	218,228
Deposits and guarantees given	12,688	17,167
Other Receivables (Short-Term)	450,909	928,787
Deposits and guarantees given	54,679	37,603
Other Receivables (Long-Term)	**54,679**	**37,603**

[*] Described in Note 37.

	31.12.2011	31.12.2010
Payables to personnel	1,699,077	1,568,352
- Payables to key personnel[*]	62,347	87,150
- Payables to other personnel	1,636,730	1,481,202
Other various payables	209,738	196,787
Other Payables (Short-Term)	**1,908,815**	**1,765,139**

[*] Described in Note 37.

Note 12 - Receivables and Payables Resulting from Financial Sector Operations

31.12.2011: None (31.12.2010: None).

Note 13 - Inventories

	31.12.2011	31.12.2010
Raw materials and supplies	7,034,427	6,478,288
Finished goods	89,929	115,474
Goods	625,594	775,676
Other inventory	179,070	249,982
Provision for impairment of inventory (-)	(495,975)	(880,399)
Total	**7,433,045**	**6,739,021**

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

	31.12.2010	31.12.2010
Balance as of the beginning of the period	**(880,399)**	**(1,454,450)**
Provision for impairment (-) / provisions that are no longer required (+), net	384,424	574,677
Provisions derived from new acquisitions	-	(626)
Balance as of the end of the period	**(495,975)**	**(880,399)**

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

31.12.2011: None (31.12.2010: None).

Note 15 - Balances Related to Construction Contracts in Progress

31.12.2011: None (31.12.2010: None).

Note 16 - Investments Evaluated with the Equity Method

31.12.2011

Company Title	Effective Rate %	Amount of Participation	Capital Commitments (-)	Difference in Valuation	Net Value
Joint Venture - 4	45	45,000	-	8,860,622	8,905,622
İhlas İletişim	20	200,000	-	(7,746)	192,254
TOTAL		**245,000**	**-**	**8,852,876**	**9,097,876**

31.12.2010

Company Title	Effective Rate %	Amount of Participation	Capital Commitments (-)	Difference in Valuation	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**

Shares of Investments Valued by Equity Method in Profit / (Loss)

	Current Period	Previous Period
Revaluation Funds for the Beginning of the Period (a)	(50,070)	-
Revaluation Funds for the End of the Period (b)	8,852,876	(50,070)
Revaluation Funds During the Period (Increase - Decrease) (b-a)	**8,902,946**	**(50,070)**

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 31.12.2011 is as follows:

	31.12.2011	31.12.2010
Current Assets	1,039,709	671,802
Fixed Assets	12,418	6,352
Short-Term Liabilities	65,077	420,596
Long-Term Liabilities	25,778	21,430
Shareholders' Equity	961,272	236,128
Net Sales	1,667,547	661,708
Net Profit / Loss for the Period	(22,676)	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:

	01.01.2011	Inputs	Outputs	31.12.2011
Investment Purpose Real Estate Properties				
Lands and Parcels	57,288,536	1,045,184	(4,002,198)	54,331,522
Buildings	45,150,840	1,263,345	(3,189,080)	43,225,105
Total	**102,439,376**	**2,308,529**	**(7,191,278)**	**97,556,627**
Minus: Accumulated Depreciation				
Buildings	(5,153,839)	(894,770)	301,885	(5,746,724)
Total	**(5,153,839)**	**(894,770)**	**301,885**	**(5,746,724)**
Investment Purpose Real Estate Properties (net)	**97,285,537**			**91,809,903**

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

	01.01.2011	Inputs	Outputs	31.12.2011
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	(2,831,051)	(300,642)	-	(3,131,693)
Total	**(2,831,051)**	**(300,642)**	**-**	**(3,131,693)**
Investment Purpose Real Estate Properties (net)	**27,836,877**			**27,536,235**

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**

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**

The total amounts of pledges, restrictions or mortgages on the Group's real estate properties with investment purposes are TL 125.400.000 and US$ 25.000.000 (31.12.2010: TL 128.400.000 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.

Revaluation for the investment purpose real estate is done with expertise, and the impairments and revaluation funds are evaluated as a result of the expertise reports. (Fair value method)

Note 18 - Tangible Fixed Assets

January 01 - December 31, 2011

	01.01.2011	Inputs	Outputs	Transfers (*)	31.12.2011
Tangible Fixed Assets					
Lands and Parcels	12,906,139	-	-	-	12,906,139
Buildings	7,253,176	-	-	-	7,253,176
Plant, machinery and equipment	92,608,784	4,937,950	(16,400,075)	-	81,146,659
Vehicles	3,454,450	833,775	(446,735)	-	3,841,490
Fixtures	22,115,750	742,253	(523,522)	13,674	22,348,155
Other tangible fixed assets	1,827,729	88,000	(46,000)	-	1,869,729
Special costs	198,826	33,257	-	-	232,083
Total	**140,364,854**	**6,635,235**	**(17,416,332)**	**13,674**	**129,597,431**
Minus: Accumulated Depreciation					
Buildings	(111,370)	(145,064)	-	-	(256,434)
Plant, machinery and equipment	(74,460,735)	(3,666,666)	16,387,147	-	(61,740,254)
Vehicles	(2,400,010)	(336,776)	321,963	-	(2,414,823)
Fixtures	(20,550,071)	(630,052)	527,343	-	(20,652,780)
Other tangible fixed assets	(1,596,679)	(211,650)	26,600	-	(1,781,729)
Special costs	(175,233)	(14,418)	-	-	(189,651)
Total	**(99,294,098)**	**(5,004,626)**	**17,263,053**	**-**	**(87,035,671)**
Tangible Fixed Assets (net)	**41,070,756**				**42,561,760**

(*) These are the transfers from the stocks to tangible fixed assets in order to be used in operating activities.

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**

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

	01.01.2011	Inputs	Outputs	31.12.2011
Tangible Fixed Assets				
Plant, machinery and equipment	10,524,798	4,026,430	-	14,551,228
Total	**10,524,798**	**4,026,430**	**-**	**14,551,228**
Minus: Accumulated Depreciation				
Plant, machinery and equipment	(2,305,365)	(1,655,444)	-	(3,960,809)
Total	**(2,305,365)**	**(1,655,444)**	**-**	**(3,960,809)**
Tangible Fixed Assets (net)	**8,219,433**			**10,590,419**

	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**

Revaluation for the lands, parcels and buildings is done with expertise, and the impairments and revaluation funds are evaluated as a result of the expertise reports. (Fair value method)

The total amounts of pledges, restrictions or mortgages on the Group's tangible fixed assets are TL 29.630.000. (31.12.2010: TL 28.830.000 and US$ 6.400.000).

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, 2011

	01.01.2011	Inputs	Outputs	31.12.2011
Cost				
Brand	56,125,860	-	-	56,125,860
Rights	3,071,572	-	-	3,071,572
Computer software	384,637	1,245,788	-	1,630,425
Total	**59,582,069**	**1,245,788**	**-**	**60,827,857**
Minus: Accumulated Depreciation				
Rights	(3,069,506)	(140)	-	(3,069,646)
Computer software	(373,791)	(200,334)	-	(574,125)
Total	**(3,443,297)**	**(200,474)**	**-**	**(3,643,771)**
Intangible Fixed Assets (net)	**56,138,772**			**57,184,086**

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**

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

	31.12.2011	**31.12.2010**
Other Intangible Fixed Assets	117,181	117,181
Total	**117,181**	**117,181**

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

31.12.2011: None (31.12.2010: None).

The concept of continuity was taken into consideration in the assesment of whether or not the brand value has an unlimited useful life. The summary information, assumptions and methods related to the assessment report of the "Türkiye" brand, which is owned by the Company, being tested for impairment by an assessment company and used as the brand name of the newspaper issued by the Company, are as follows:

-During the brand valuation, the factors taken into consideration by the valuation company were the macroeconomic factors (economic indicators (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 Journalism.

- 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.
The details for the provisions/cancellations for impairment regarding the aforementioned brand are as follows:

	31.12.2011	**31.12.2010**
Opening balance	**(23,749,223)**	**(27,999,083)**
Provision (-) / Cancellation for Impairment	-	4,249,860
Period end balance	**(23,749,223)**	**(23,749,223)**

Note 20 - Goodwill

	31.12.2011	31.12.2010
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	6,015,561
d) Goodwill derived from İhlas Reklam's acquisition	1,528,440	1,528,440
Total Goodwill	**13,342,728**	**13,342,728**

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 goodwill derived from the acquisition in question as of 31.12.2011, the Group has procured a company valuation report. The company valuation report, dated 16.01.2012, was prepared by Yeditepe Bağımsız Denetim according to the Net asset value method, market factors analysis method and discounted cash flow analysis method. According to this valuation report, the company's value was determined as TL 7,073,853 (92 % of the company’s value: TL 6,507,945). As can be observed in the table below, there were no impairments regarding the goodwill;

The value of 92 % of İhlas Fair Services, according to the valuation report, dated 05.01.2012	6,507,945
92 % of İhlas Fair Services’ Equity Amount, as of 31.12.2011	1,864,336
Positive Goodwill as of 31.12.2011	4,643,609
Positive Goodwill as of 31.12.2010	3,894,202
Provision for Impairment of Goodwill as of 31.12.2011 (-)	**-**

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 31.12.2011, the Group has procured a company valuation report. The company valuation report, dated 29.12.2012, was prepared by Yeditepe Bağımsız Denetim 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 5,140,259 (95% of this value is TL 4,883,246). As can be observed in the chart below, there were no impairments regarding the goodwill;

The value of 95% of İletişim Magazin's, According to the Valuation Report, Dated 29.12.2012	4,883,246
95% of İletişim Magazin's Equity Amount, as of the Date 31.12.2011	(82,578)
Positive Goodwill as of 31.12.2011	4,965,824
Positive Goodwill as of 31.12.2010	1,904,525
Provision for Impairment of the Goodwill as of the date 31.12.2011 (-)	**-**

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 Flow Method". According to this decision, it was decided to buy the main 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	Goodwill
Derived from Promaş's 96.8% shares acquired by the Holding	14.12.2010	731,809	6,747,370	6,015,561

In order to determine whether there are any reductions in value of goodwill derived from the acquisition in question as of 31.12.2011, the Group has procured a company valuation report. The company valuation report, dated 26.12.2012, was prepared by Güreli Yeminli Mali Müşavirlik ve Bağımsız Denetim Hizmetleri according to the "Discounted Future Cash Flow Method". According to this valuation report, the company's value was determined as TL 8,175,523 (96,8 % of this value is TL 7,913,906). As can be observed in the table below, there were no impairments regarding the goodwill;

The value of 96,8% of Promaş's, According to the Valuation Report, Dated 26.12.2011	7,913,906
96,8% of Promaş's Equity Amount, as of the Date 31.12.2011	125,939
Positive Goodwill as of 31.12.2011	7,787,967
Positive Goodwill as of 31.12.2010	6,015,561
Provision for Impairment of the Goodwill as of the Date 31.12.2011 (-)	**-**

d) In the meeting held by the Holding's Board of Directors 13.12.2010, 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 Media, 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 a 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	Goodwill
Derived from İhlas Medya's 99% shares acquired by the Holding	14.12.2010	1,334,970	2,863,410	1,528,440

In order to determine whether there are any reductions in the value of goodwill derived from the acquisition in question as of 31.12.2011, the Group has procured a company valuation report. The company valuation report, dated 26.12.2011, was prepared by Güreli Yeminli Mali Müşavirlik ve Bağımsız Denetim Hizmetleri A.Ş. according to the "Discounted Future Cash Flow Method". According to this valuation report, the company's value was determined as TL 3,242,026 (99 % of this value is TL 3,209,606). As can be observed in the table below, there were no impairments regarding the goodwill;

The value of 99% of İhlas Medya's, According to the Valuation Report, Dated 26.12.2011	3,209,606
99% of İhlas Medya's Equity Amount, as of the Date 31.12.2011	1,350,973
Positive Goodwill as of 31.12.2011	1,858,633
Positive Goodwill as of 31.12.2010	1,528,440
Provision for Impairment of Goodwill as of 31.12.2011 (-)	**-**

Note 21 - Government Grants and Incentives

31.12.2011: None (31.12.2010: None).

Footnotes to the Consolidated Financial Statements as of December 31, 2011

(The amounts are expressed in Turkish Lira ("TL"), unless otherwise indicated.)

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)
(31.12.2011)				
A. The Total Amount of GPMs Given by the Main Partnership in Favor of Its Own Legal Entity	-	-	-	-
B. i. The Total Amount of GPMs Given by the Main Partnership in Favor of Subsidiary Companies Included in The Full Consolidation	1,093,153	-	2,971,389	5,036,246
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	841,435	88,851	57,497,088	59,303,608
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	30,103,470	225,000	122,527,640	179,939,939
i. The Total Amount of GPMs Given by the Group in Favor of the Main Partner	25,103,470	-	118,763,640	166,181,584
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	5,000,000	225,000	2,764,000	12,758,355
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	**32,038,058**	**313,851**	**182,996,117**	**244,279,793**
Total Equity of the Group				280,153,237
The Ratio of the Other GPMs Given by the Group over the Equity of the Group				**64.23%**

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	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%**

b) The summarized information on important litigations and performances related to the Group as of the date 31.12.2011, is as follows:

	Amount
Ongoing lawsuits that were initiated by the Group	323,548
Enforcement proceedings conducted by the Group	3,247,745
Ongoing lawsuits that were initiated against the Group	1,280,973
Enforcement proceedings conducted against the Group	102,799

c) Details regarding provisions for litigation and provisions for other liabilities of the Group as of the dates December 31, 2011, and December 31, 2010, are as follows:

	31.12.2011	**31.12.2010**
Provisions for lawsuits	84,861	57,700
Debt Provisions (Short-Term)	**84,861**	**57,700**
Contractual provisions(*)	-	750,000
Provisions for lawsuits	604,262	267,331
Debt Provisions (Long-Term)	**604,262**	**1,017,331**

(*) 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, there are no liabilities in the current period about possible liabilities and claims arising in the pre-sale period. (31.12.2010: TL 750,000)

The transaction information regarding the provisions allocated for lawsuits against the Group as of the dates December 31, 2011, and December 31, 2010, is as follows:

	31.12.2011	**31.12.2010**
Balance at the beginning of the period	**325,031**	**255,951**
Payments	(57,700)	(5,000)
Provisions for no longer valid lawsuits	(10,000)	(58,320)
Provision expense	431,792	132,400
Balance at the end of the period	**689,123**	**325,031**

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

	31.12.2011	**31.12.2010**
Long-Term Liabilities		
Provision for employee termination benefits	9,528,218	8,106,846
Total	**9,528,218**	**8,106,846**

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.

- 31.12.2011: TL 2,732
- 31.12.2010: TL 2,517

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:

	31.12.2011	31.12.2010
Discount rate	4.25%	4.66%
Estimated interest rate	9.52%	10%
Estimated inflation rate (the expected rate of increase in salary)	6.56%	5.10%
Rate of unpaid severance pay liability (average)	13%	7%

Behavior chart of the net deferred tax assets is as follows:

	31.12.2011	31.12.2010
Balance on January 1	**8,106,846**	**4,413,667**
Provision derived from new acquisitions	-	509,508
Payments	(1,098,710)	(955,059)
Provisions cancelled during the period	(185,583)	(396,725)
Provisions allocated during the period	2,705,665	4,535,455
Balance at the End of the Period	**9,528,218**	**8,106,846**

Note 25 - Pension Plans

There are no regulations regarding pension commitments, except for the legal regulations explained in Note 24.

Note 26 - Other Assets and Liabilities

	31.12.2011	31.12.2010
Business advances	19,526,034	12,226,318
Advances given for purchase orders(*)	2,907,338	1,643,248
Expenses for future months	1,145,905	1,246,853
Prepaid tax claims	275,246	173,656
Income accruals	-	67,876
Value Added Tax to be transferred	183,480	5,555
Other Current / Floating Assets	**24,038,003**	**15,363,506**
Expenses for future years	355,881	105,462
Advances paid (for the fixed assets)	215,622	25,798
Other Intangible / Fixed Assets	**571,503**	**131,260**

	31.12.2011	31.12.2010
Advances received for purchase orders(*)	3,435,999	2,716,645
Taxes, fees and other deductions to be paid	2,525,912	1,558,146
Deferred and installed public receivables	1,408,389	1,342,752
Income regarding future months	292,766	278,905
Income accruals	-	175,000
Other Short-Term Liabilities	**7,663,066**	**6,071,448**
Deferred and Installed Public Receivables	329,285	-
Expenses for future years	25,352	-
Other Long-Term Liabilities	**354,637**	**-**

(*) Advances given for purchases to related parties are described in Note 37.

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. The Holding's upper limit of registered capital is TL 600,000,000.

As of December 31, 2011, and December 31, 2010, the Holding's approved and issued share capital, and its capital structure are as follows:

	31.12.2011		31.12.2010	
Name / Title	**Share ratio %**	**Share Amount (TL)**	**Share ratio %**	**Share Amount (TL)**
İhlas Holding A.Ş.	69.15	138,300,000	69.15	138,300,000
Free Float	28.75	57,500,000	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
Other	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.

	31.12.2011	**31.12.2010**
Legal reserves	94,670	94,670
Statuary reserves	10,015	10,015
Special reserves	6,845,759	6,845,006
Total	**6,950,444**	**6,949,691**

The transaction chart regarding the Legal Reserves according to fiscal period is as follows:

	31.12.2011	31.12.2010
Balance on January 1	**94,670**	**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**	**94,670**

The transaction chart regarding the Special Reserves according to fiscal period is as follows:

	31.12.2011	31.12.2010
Balance on January 1	**6,845,006**	**6,475,204**
Impact of new acquisitions	-	396,000
Changes in active shares	753	(26,198)
Balance at the end of the period	**6,845,759**	**6,845,006**

C. Revaluation Fund

31.12.2011: None (31.12.2010: None).

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:

	31.12.2011	31.12.2010
Balance on January 1	**(53,780,025)**	**(60,619,811)**
Net profit / (loss) for the previous period	1,348,456	8,106,093
Changes in active shares	-	(1,256,499)
Transfer to legal reserves	-	(9,808)
Balance at the end of the period	**(52,431,569)**	**(53,780,025)**

E. Minority shares

The transaction chart regarding minority shares according to fiscal period is as follows:

	31,12,2011	31.12.2010
Balance on January 1	**98,249,491**	**87,628,758**
Changes in active shares	23,906	7,282,157
Capital payments	1,395,000	229,139
Impact of new acquisitions	-	37,906
Profit / loss aside from the main partnership	(1,065,500)	3,071,531
Balance at the end of the period	**98,602,897**	**98,249,491**

Note 28 - Sales Revenues and Costs

A. Gross Profit / Loss from Commercial Activities

	01.01-31.12.2011	01.01-31.12.2010
Domestic sales	140,253,334	98,817,831
International Sales	19,755,408	16,838,920
Other Sales	32,907	10,394
Total Gross Sales	**160,041,649**	**115,667,145**
Sales discounts (-)	(6,901,113)	(5,064,685)
Net Sales	**153,140,536**	**110,602,460**
Cost of sales (-)	(133,953,723)	(89,702,490)
Gross Sales Profit	**19,186,813**	**20,899,970**

B. Gross Profit / Loss from Activities in the Finance Sector

01.01-31.12.2011: None (01.01-31.12.2010: None).

Note 29 - Operating Costs

	01.01-31.12.2011	01.01-31.12.2010
Marketing, selling and distribution expenses	(8,037,285)	(7,311,042)
General management expenses	(25,007,589)	(20,949,656)
Research and development expenses	-	-
Total	**(33,044,874)**	**(28,260,698)**

Note 30 - Qualitative Distribution of Expenses

The details regarding expenses according to their nature for the periods 01.01 - 31.12.2011 and 01.01 - 31.12.2010 are as follows:

	01.01-31.12.2011	01.01-31.12.2010
Advertising commission and bonus expenses	(1,589,140)	(2,209,452)
Advertising and advertising expenses	(1,586,293)	(934,887)
Distribution, shipping and postal expenses	(1,142,648)	(406,595)
Gross personnel wage expenses[(a)]	(1,062,368)	(796,815)
Provision expenses for business advances	(812,940)	(453,964)
Promotion expenses	(590,743)	(1,541,266)
Outsourced benefits and services	(383,819)	(122,387)
Market research expenses	(150,970)	(116,474)
Traveling and accommodation expenses	(87,365)	(83,401)
Depreciation and amortization expenses[(b)]	(74,768)	(88,442)
Expense for the provision of employee termination benefits[(c)]	(27,141)	(42,648)
Rent Expenses	(6,052)	(34,047)
Maintenance, vehicle rental and insurance expenses	(1,806)	(271,801)
Provision expenses for doubtful receivables	-	(13,408)
Other marketing, sales and distribution expenses	(521,232)	(195,455)
Marketing, Sales and Distribution Expenses	**(8,037,285)**	**(7,311,042)**

	01.01-31.12.2011	01.01-31.12.2010
Gross personnel wage expenses[(a)]	(8,014,019)	(4,509,078)
Outsourced benefits and services	(4,194,882)	(2,152,047)
Provision expenses for doubtful trade receivables	(2,873,449)	(2,182,839)
Rent Expenses	(2,094,084)	(1,440,312)
Expense for the provision of employee termination benefits[(c)]	(1,649,833)	(2,087,339)
Depreciation and amortization expenses[(b)]	(1,477,086)	(1,641,517)
Maintenance and insurance expenses	(1,264,507)	(826,783)
Taxes, duties and charges	(852,991)	(658,125)
Court, notary, land registry and membership fees expenses	(658,294)	(1,065,292)
Consulting, auditing and advisory expenses	(514,783)	(227,435)
Traveling, transport and accommodation expenses	(240,390)	(136,992)
Expenses regarding the public offering[(*)]	-	(3,090,680)
Other general management expenses	(1,173,271)	(931,217)
General Management Expenses	**(25,007,589)**	**(20,949,656)**

(*) TL 2,320,714 of this previous period expense is the public offering expense of one of the Group companies, İhlas Journalism, and the remaining TL 769,966 is the public offering expense of the Holding.

(a) Details regarding gross personnel wage expenses, which is included in the operating expenses, are as follows:

	01.01-31.12.2011	01.01-31.12.2010
Gross wage expenses	(7,787,766)	(4,255,403)
Social Security deductions (employee and employer)	(1,263,929)	(646,446)
Other expenses	(24,692)	(404,044)
Total	**(9,076,387)**	**(5,305,893)**

(b) The details regarding expenses on depreciation and amortization are as follows:

	01.01-31.12.2011	01.01-31.12.2010
Cost of sales	(4,548,016)	(7,156,283)
Marketing, sales and distribution expenses	(74,768)	(88,442)
General management expenses	(1,477,086)	(1,641,517)
Total	**(6,099,870)**	**(8,886,242)**

(c) The details regarding the Group's provision expenses for severance pay are as follows:

	01.01-31.12.2011	01.01-31.12.2010
Cost of sales	(1,028,691)	(2,405,468)
Marketing, selling and distribution expenses	(27,141)	(42,648)
General management expenses	(1,649,833)	(2,087,339)
Total	**(2,705,665)**	**(4,535,455)**

Note 31 - Other Operating Incomes / Expenses

The details regarding other income for the periods 01.01 - 31.12.2011 and 01.01 - 31.12.2010 are as follows:

	01.01-31.12.2011	01.01-31.12.2010
Rental income	1,861,570	1,160,256
Provisions that are no longer required	1,485,579	6,627,503
- Cancellation of liabilities deriving from the contract	750,000	750,000
- Provision for doubtful receivables that are no longer required	341,409	1,167,598
- Provisions for severance pay that are no longer required	185,583	396,725
- Provisions for no longer valid lawsuits	10,000	63,320
- Cancellation of provision for impairment of the brand	-	4,249,860
- Provisions no longer required	198,587	-
Financial aids	535,053	412,082
Profit from the sale of fixed assets	470,232	74,932
Treasury discount	17,498	14,593
Damage income from insurance	-	219,871
Reimbursement of expenses regarding the public offering(*)	-	914,131
Other income	316,756	383,822
Total Other Income	**4,686,688**	**9,807,190**

(*) 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 - 31.12.2011 and 01.01 - 31.12.2010 are as follows:

	01.01-31.12.2011	01.01-31.12.2010
Tax expenses (under article 6111)	(1,882,149)	(4,583)
Provision expenses for lawsuits	(431,792)	(132,400)
Commission expenses	(260,904)	(15,271)
Private communication tax and latency amounts	(10,723)	(179,115)
Sales loss of subsidiary company	-	(2,230,132)
Expenses derived from reconciliation differences	-	(124,263)
Loss from the sale of fixed assets	-	(54,152)
Other expenses	(304,656)	(44,916)
Total Other Expenses	**(2,890,224)**	**(2,784,832)**

Note 32 - Financial Revenues

The details regarding financial income for the periods 01.01 - 31.12.2011 and 01.01 - 31.12.2010 are as follows:

	01.01-31.12.2011	01.01-31.12.2010
Rediscounted interest income (including income derived from due date differences)	7,443,399	6,229,147
Profit from foreign currencies	4,059,681	3,572,197
Interest income	2,945,089	2,804,456
Profit from sales of financial investments	218,887	123,545
Other financial income	49,400	69,764
Total	**14,716,456**	**12,799,109**

Note 33 - Financial Expenses

The details regarding financial expenses for the periods 01.01 - 31.12.2011 and 01.01 - 31.12.2010 are as follows:

	01.01-31.12.2011	01.01-31.12.2010
Foreign exchange losses	(3,467,878)	(3,650,659)
Rediscounted interest expenses (including expenses derived from due date differences)	(3,020,831)	(1,260,548)
Interest expenses	(941,316)	(1,180,905)
Other financial expenses	(17,525)	(257,181)
Total	**(7,447,550)**	**(6,349,293)**

Note 34 - Non-Current Assets Held-for-Sale and Discontinued Operations

A. Fixed Assets Kept for Sales Purposes

31.12.2011: None (31.12.2010: None).

B. Discontinued Operations

01.01-31.12.2011: None (01.01-31.12.2010: 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, 2011, and December 31, 2010, are as follows:

	31.12.2011	**31.12.2010**
Tax provisions for the current period	947,750	1,897,636
Prepaid taxes (-)	(947,750)	(1,474,268)
Total	**-**	**423.368**

Reconciliation of the current period tax provisions and the accounting profit as of the dates December 31, 2011 and December 31, 2010 are as follows:

	31.12.2011	**31.12.2010**
Current period tax provisions	1,158,612	1,899,366
Prepaid taxes (-)	(1,063,893)	(1,474,268)
Total	**94,719**	**425,098**

As of the dates December 31, 2011 and December 31, 2010, tax provisions for the period, and reconciliation of accounting profit regarding the Group's subsidiary companies for which a corporate tax base occurs (İhlas Gazetecilik and Alternatif Medya), are as follows:

	01.01-31.12.2011	**01.01-31.12.2010**
Accounting Profit / (Loss)	11,484,704	6,774,057
Additions (+)	4,233,690	3,083,260
Discounts (-)	(745,208)	(237,176)
Financial losses used (-)	(9,180,126)	(123,313)
Financial Profit / (Loss)	**5,793,060**	**9,496,828**
Tax rate	20%	20%
Tax Provision Amount	**1,158,612**	**1,899,366**

The main components of the tax expenses which are reflected in the comprehensive income statement as of the periods January 01 - December 31, 2011, and January 01 - December 31, 2010, are as follows:

	01.01-31.12.2011	**01.01-31.12.2010**
Current period corporate tax	(1,158,612)	(1,899,366)
Deferred tax income / (expense)	974,825	257,977
Balance at the end of the period	**(183,787)**	**(1,641,389)**

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 2011 is 20% (31.12.2010: 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, 2011, and December 31, 2010, is as follows:

Deferred Tax Associated with the Income Statement	Total Temporary Differences	31.12.2011 Deferred Tax Asset / (Liability)	Total Temporary Differences	31.12.2010 Deferred Tax Asset / (Liability)
Temporary differences regarding investment purpose real estate properties and tangible fixed assets	(25,670,783)	(5,134,157)	(27,099,282)	(5,419,856)
Temporary differences regarding intangible fixed assets	(82,595,450)	(16,519,090)	(81,603,348)	(16,320,670)
Rediscount regarding payables	(396,222)	(79,244)	(443,322)	(88,664)
Foreign exchange difference income / expense (derived from the differences between foreign exchange rates)	(25)	(5)	-	-
Temporary differences regarding tangible fixed assets	20,110,044	4,022,009	25,217,335	5,043,467
Temporary differences regarding intangible fixed assets	26,589,090	5,317,818	20,353,552	4,070,710
Provisions for employee termination benefits	9,528,218	1,905,644	8,106,846	1,621,369
Provision for doubtful receivables	6,139,324	1,227,865	5,745,837	1,149,167
Rediscount regarding receivables	4,197,166	839,434	2,691,127	538,225
Business advances	2,274,252	454,850	1,141,749	228,350
Inventory	510,934	102,187	920,511	184,102
Provisions for other liabilities	83,187	16,637	750,000	150,000
Unpaid social security accruals	221,372	44,274	690,017	138,005
Provision expenses for lawsuits	591,026	118,205	325,031	65,006
Provisions for other receivables	26,200	5,240	83,187	16,637
The amount of maturity differences in inventories	-	-	47,543	9,509
Reduced financial losses	17,601,865	3,520,373	17,409,292	3,481,858
Gross deferred tax liability	**(108,662,480)**	**(21,732,496)**	**(109,145,952)**	**(21,829,190)**
Gross deferred tax asset	**87,872,678**	**17,574,536**	**83,482,027**	**16,696,405**
Net deferred tax assets / (liabilities)	**(20,789,801)**	**(4,157,960)**	**(25,663,925)**	**(5,132,785)**

Behavior chart of the net deferred tax assets is as follows:

	01.01-31.12.2011	01.01-31.12.2010
Balance on January 1	**(5,132,785)**	**(5,867,224)**
Deferred tax income / (expense)	974,825	257,977
Impact of new acquisitions	-	476,462
Balance at the end of the period	**(4,157,960)**	**(5,132,785)**

In the Group's consolidated financial statements for the year that ends on December 31, 2011, 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 17,601,865 (31.12.2010: TL 17,409,292).

As of December 31, 2011 and December 31, 2010, the maturities of the financial losses in question are as follows:

Expiration (Timeout) Dates	31.12.2011	31.12.2010
2011	-	7,467,783
2012	9,418,017	4,709,009
2013	1,046,547	1,242,333
2014	985,051	1,958,349
2015	3,533,232	2,031,818
2016	2,619,018	-
Total	**17,601,865**	**17,409,292**

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, 2011, the Group's deductible financial losses, for which a deferred tax asset is not calculated, are TL 8,929,835. The related maturities are as follows:

	31.12.2011	31.12.2010
2011	4,349,246	1,944,949
2012	3,607,292	4,233,155
2013	973,297	3,549,246
Total	**8,929,835**	**9,727,350**

The reconciliation regarding tax expenses, which are calculated by multiplying tax expense and pre-tax profit by the tax rate, is as follows:

	31.12.2011	31.12.2010
Profit / (Loss) Before Tax	**4,110,255**	**6,061,376**
Calculated tax expense (20%)	822,051	(1,212,275)
- The effect of income and expenses which are legally disallowed	697,696	778,879
- The recognition of deferred tax assets which are caused by the Group's financial losses	1,836,025	294,222
- The Group's tax loss which is not subjected to statutory tax or deferred tax, and the periodical effect of correction records	(3,539,559)	(1,502,215)
Tax Income / (Expense)	**(183,787)**	**(1,641,389)**

Note 36 - Earnings per Share

As of the dates December 31, 2011 and December 31, 2010, the weighted average of the Group's shares, and calculations regarding profit per share, are as follows:

	01.01-31.12.2011	01.01-31.12.2010
Earnings / (loss) obtained from ongoing activities, per share:		
The main partnership's net profit / (loss) for the period, regarding ongoing activities	4,991,968	1,348,456
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)	**0.02**	**0.01**
Earnings / (loss) per share:		
Net profit / loss for the period	**3,926,468**	**4,419,987**
Net profit / (loss) of minority shareholders for the period	(1,065,500)	3,071,531
Net profit / (loss) of main partnership for the period	4,991,968	1,348,456
The weighted average number of shares with a value of TL 1, each	200,000,000	200,000,000
Earnings / (Loss) per Share (TL)	**0.02**	**0.01**

The reconciliation of the number of stock shares of the Group at the beginning and by the end of the period is as follows:

	31.12.2011	31.12.2010
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 2011 and 31 December 2010 are as follows:

	31.12.2011	31.12.2010
Receivables from Shareholders and Parties Associated with Shareholders		
İhlas Pazarlama	19,973,655	5,727,088
İhlas Holding	5,626,358	911,283
Armutlu Tatil Köyü	927,302	1,490,654
İhlas Ev Aletleri	136,843	335,985
Tasfiye Halinde İhlas Finans	24,835	-
İhlas Dış Ticaret	57,371	45,533
İhlas İnşaat Proje	9,064	3,234
İhlas Motor	54,586	15,072
Kristal Kola	18,139	6,437
İhlas Kimya	18,672	16,350
Kuzuluk Kaplıcaları	14,041	5,986
Bur-yal	16,878	-
İhlas Enerji	11,457	10,638
İhlas Oxford	8,973	7,353
Detes Enerji	5,618	5,216
Mir Madencilik	3,113	1,088
İnşaat Holding	-	3,706
Pazarlama Yatırım Holding	-	3,369
Joint Venture - 4	-	114,258
İhlas Yapı	-	40,133
Joint Venture - 3	-	1,664
Joint Venture - 1	-	1,664
Joint Venture - 2	-	1,664
Receivables from shareholders	-	448,379
Total	**26,906,905**	**9,196,754**

An interest number is processed and an interest is accrued for receivables from the related parties which exceed the limits of commercial size.

	31.12.2011	31.12.2010
Payables to Shareholders and Parties Associated with Shareholders		
İhlas Pazarlama	252,143	4,503,176
İhlas Holding	292,673	2,800,498
İhlas Net	188,926	133,974
İhlas Madencilik	250,875	-
İhlas İnşaat Proje	61,080	-
İhlas Ev Aletleri	76,437	16,561
Şifa Yemek	47,289	-
KPT Lojistik	71,285	-
İhlas Net Ltd.	35,407	18,137
İhlas İletişim	662	2,142
İhlas Antrepo	642	265
Kristal Gıda	72	-
Payables to Other Associated Parties (Key Personnel)	62,347	87,150
Total	**1,339,838**	**7,561,903**

	31.12.2011	31.12.2010
Advances Given to Related Parties		
İhlas Pazarlama	925,596	136,218
İhlas Madencilik	-	402,177
İhlas Holding	-	4,424
Total	**925,596**	**542,819**

Footnotes to the Consolidated Financial Statements as of December 31, 2011

(The amounts are expressed in Turkish Lira ("TL"), unless otherwise indicated.)

	31.12.2011	31.12.2010
Advances Received from Related Parties		
İhlas Pazarlama	-	46,299
Total	**-**	**46,299**

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, 2011 and January 1 - December 31, 2010, are as follows:

01.01-31.12.2011	Advertising Sales	Service Sales	Goods Sales	Advertising Purchases	Service Purchases	Goods Purchases
Armutlu Tatil Köyü	2,547,600	34,300	-	-	743	-
İhlas Pazarlama	196,299	640,924	2,550,621	101,974	3,584,998	636
Bispa	190,053	-	-	-	-	-
İhlas Holding	177,215	290,050	6,873,894	-	812,212	-
Kuzuluk Kaplıcaları	50,129	62,217	6,356	-	16,663	-
Bisan	45,000	-	-	-	-	-
Kristal Gıda	38,453	2,970	-	-	-	-
Kristal Kola	35,683	20,550	-	-	-	-
İhlas İnşaat Proje	9,619	150,707	-	-	-	-
İhlas Motor	4,020	3,339	-	-	-	-
İhlas Ev Aletleri	3,043	485,452	-	-	216	-
Şifa Yemek	3,017	9,128	-	-	445,806	-
İhlas Antrepo	900	-	-	-	900	-
İhlas Net	120	8,015	-	-	211,381	-
Mir Maden	103	-	-	-	-	-
Joint Venture - 4	8,344	11,004	-	-	-	-
Joint Venture - 3	-	5,932	-	-	-	-
İhlas Net Ltd.	15,120	7,395	-	17,358	102,439	-
Tasfiye Halinde İhlas Finans	-	1,675	-	-	-	-
İhlas Madencilik	-	403	-	-	60,838	-
İhlas Motor	-	250	-	-	-	-
KPT Lojistik	-	-	-	-	582,622	13,980
Detes Maden Ltd.	-	-	-	-	410	-
Total	**3,324,718**	**1,734,311**	**9,430,871**	**119,332**	**5,819,228**	**14,616**

01.01-31.12.2010	Advertising Sales	Service Sales	Goods Sales	Advertising Purchases	Service Purchases	Goods Purchases	Other Expenses
Promaş	6,649,160	24,049	-	268,190	83,851	-	-
Armutlu Tatil Köyü	1,586,000	112,935	-	-	1,815	-	-
İhlas Holding	(1) 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	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**

(1) 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.

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, 2011 and January 1 - December 31, 2010, are as follows:

01.01-31.12.2011	Interest Revenues	Rent Revenues	Other Income	Asset Sales	Interest Expenses	Rent Expenses	Other Expenses	Asset Purchases
İhlas Pazarlama	1,350,149	202,327	2,709	82,267	56,343	110,735	12,354	15,320
İhlas Holding	381,785	554,862	153,590	-	107,618	463,300	59,350	-
Joint Venture - 4	159,493	103,992	-	-	122,832	-	-	-
İhlas Ev Aletleri	20,011	1,800	-	-	-	575,901	-	-
İhlas Madencilik	25,873	-	-	-	6,496	329,214	-	-
Tasfiye Halinde İhlas Finans	-	135,900	-	-	-	-	-	-
İhlas Motor	-	64,126	-	-	-	-	-	-
İhlas İnşaat Proje	-	54,736	-	-	-	-	-	-
İhlas Yapı	-	8,400	-	-	-	-	-	-
İhlas Dış Ticaret	1,296	7,680	-	-	-	-	-	-
Armutlu Tatil Köyü	-	4,500	-	-	-	-	-	-
Joint Venture - 1	-	3,150	-	-	-	-	-	-
Joint Venture - 2	-	4,200	-	-	-	-	-	-
Joint Venture - 3	-	4,200	-	-	-	-	-	-
Kuzuluk Kaplıcaları	-	2,700	-	-	-	-	-	-
Mir Maden	-	1,778	-	-	-	-	-	-
İhlas Zahav	-	1,566	-	-	-	-	-	-
Bur-Yal	-	960	-	-	-	-	-	-
İhlas Oxford	-	960	-	-	-	-	-	-
İnşaat Holding	-	900	-	-	-	-	-	-
Pazarlama Yatırım Holding	-	900	-	-	-	-	-	-
İhlas Kimya	-	900	-	-	-	-	-	-
İhlas Net	-	-	-	-	4,126	-	-	-
Detes Maden Ltd.	-	-	-	-	-	14,999	-	-
Total	**1,938,607**	**1,160,537**	**156,299**	**82,267**	**297,415**	**1,494,149**	**71,704**	**15,320**

01.01-31.12.2010	Interest Revenues	Rent Revenues	Other Income	Interest Expenses	Rent Expenses	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
Joint Venture - 4	255,115	1,519	-	70,870	-	-
Armutlu Tatil Köyü	66,308	3,661	-	-	-	-
Promaş	38,517	45,000	-	-	-	-
İhlas Ev Aletleri	27,886	1,475	-	-	380,313	-
İhlas Reklam	10,699	10,128	-	-	-	-
İhlas Dış Ticaret	4,327	5,898	-	-	-	-
Tasfiye Halinde İhlas Finans	-	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**

D. The short-term benefits provided to the Group's key management personnel in the periods January 1 - December 31, 2011 and January 1 - December 31, 2010 are as follows:

01.01-31.12.2011: TL 1,341,130
01.01-31.12.2010: TL 1,001,287

E. The long-term benefits provided to the Group's key management personnel in the periods January 1 - December 31, 2011 and January 1 - December 31, 2010 are as follows:

None (Previous period: 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, 2011 and December 31, 2010 are as follows:

	31.12.2011	31.12.2010
A. Foreign currency assets	2,858,362	14,199,690
B. Foreign currency liabilities	10,000,991	9,318,429
Net Foreign Exchange Position (A-B)	**(7,142,629)**	**4,881,261**

FOREIGN EXCHANGE POSITION CHART

	31.12.2011				31.12.2010			
	TL Equivalent	**US$**	**EURO**	**Other**	**TL Equivalent**	**US$**	**EURO**	**Other**
1. Trade Receivables	568,937	68,324	179,998	-	2,657,787	1,609,489	82,727	-
2a. Monetary Financial Assets (Including Cash and Bank Accounts)	2,055,881	718,989	285,531	-	8,062,910	5,002,444	160,622	-
2b. Non-Monetary Financial Assets	-	-	-	-	-	-	-	-
3. Other	193,707	94,525	4,100	1,762	3,418,029	1,673,758	404,169	928
4. Current Assets (1+2+3)	**2,818,525**	**881,838**	**469,629**	**1,762**	**14,138,726**	**8,285,691**	**647,518**	**928**
5. Trade Receivables	-	-	-	-	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-	-	-	-	-
6b. Non-Monetary Financial Assets	-	-	-	-	-	-	-	-
7. Other	39,837	21,090	-	-	60,964	22,160	13,033	-
8. Fixed Assets (5+6+7)	**39,837**	**21,090**	**-**	**-**	**60,964**	**22,160**	**13,033**	**-**
9. Total Assets (4+8)	**2,858,362**	**902,928**	**469,629**	**1,762**	**14,199,690**	**8,307,851**	**660,551**	**928**
10. Trade Payables	2,621,296	1,198,865	139,386	29,633	2,170.352	1,007,599	284,821	36,883
11. Financial Liabilities	3,642,321	501,625	1,102,710	-	3,118,484	428,449	1,198,624	-
12a. Other Monetary Liabilities	-	-	-	-	-	-	-	-
12b. Other Non-Monetary Liabilities	233,933	122,582	977	-	1,255,931	657,937	116,519	-
13. Short-Term Liabilities (10+11+12)	**6,497,550**	**1,823,072**	**1,243,073**	**29,633**	**6,544,767**	**2,093,985**	**1,599,964**	**36,883**
14. Trade Payables	-	-	-	-	-	-	-	-
15. Financial Liabilities	3,502,834	976,292	678,745	-	2,773,662	655,519	859,026	-
16a. Other Monetary Liabilities	607	279	33	-	-	-	-	-
16b. Other Non-Monetary Liabilities	-	-	-	-	-	-	-	-
17. Long-Term Liabilities (14+15+16)	**3,503,441**	**976,571**	**678,778**	**-**	**2,773,662**	**655,519**	**859,026**	**-**
18. Total Liabilities (13+17)	**10,000,991**	**2,799,643**	**1,921,851**	**29,633**	**9,318,429**	**2,749,504**	**2,458,990**	**36,883**
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)	**(7,142,629)**	**(1,896,715)**	**(1,452,222)**	**(27,871)**	**4,881,261**	**5,558,347**	**(1,798,439)**	**(35,955)**
21. Net Foreign Asset / (Liability) Position of Monetary Items (l + 2a + 5 + 6a - 10 - 11 - 12a - 14 - 15 - 16a)	**(7,142,240)**	**(1,889,748)**	**(1,455,345)**	**(29,633)**	**2,658,199**	**4,520,366**	**(2,099,122)**	**(36,883)**
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	**19,342,057**	**6,981,956**	**3,226,907**	**-**	**16,929,037**	**6,486,570**	**3,577,046**	**-**
26. Imports	**38,107,569**	**12,880,528**	**5,481,937**	**8,319**	**23,591,329**	**8,226,414**	**5,616,925**	**64,000**

There is no obligation for the hedging of foreign currency as the Group has no maturity transactions as of the dates December 31, 2011 and December 31, 2010. 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).

	31.12.2011	**31.12.2010**
Total liabilities	63,640,993	67,701,198
Minus: Cash and cash equivalent values (Note 6)	(10,085,865)	(29,115,852)
Net liability	53,555,128	38,585,346
Total shareholders' equity (Note 27)	280,153,237	274,807,110
The ratio of net liability /shareholders' equity	**19%**	**14%**

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.

Interest Position Table

		31.12.2011	31.12.2010
	Financial instruments with fixed rate		
Financial assets	Financial assets to be kept until maturity	5,640,616	26,297,168
	Financial assets that are ready for sale	-	-
Financial liabilities (bank loans)		193,474	187,810
	Financial instruments with variable interest rate		
Financial assets		-	-
Financial liabilities		-	-

As of the dates December 31, 2011 and December 31, 2010, 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 948 (31.12.2010: TL 2,642) higher / lower.

The Group's interest rate sensitivity is as follows:

Interest Rate Sensitivity Analysis Table

	31 December 2011 Profit / Loss		31 December 2010 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	(948)	948	(2,642)	2,642
US$	-	-	-	-
Total Effect of Financial Instruments with Fixed Rate	**-**	**-**	**-**	**-**
	In case basis point is 100 (1%):			
Effect of Financial Instruments with Variable Interest Rate	**-**	**-**	**-**	**-**
Total	**(948)**	**948**	**(2,642)**	**2,642**

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, 2011 and December 31, 2010, 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 714,263 (31.12.2010 : TL 488,126) higher / lower.

The exchange rate sensitivity analysis table regarding the Group's foreign exchange position is as follows:

Exchange Rate Sensitivity Analysis Table

	31 December 2011 Profit / Loss		31 December 2010 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)	(358,270)	358,270	859,320	(859,320)
2- Part protected from US$ risk (-)	-	-	-	-
3- US$ Net Impact (1+2)	**(358,270)**	**358,270**	**859,320**	**(859,320)**
	In case of a 10% change in EURO currency:			
4- Net EURO assets / (liabilities)	(354,894)	354,894	(368,518)	368,518
5- Part protected from EURO risk (-)	-	-	-	-
6- EURO Net Impact (4+5)	**(354,894)**	**354,894**	**(368,518)**	**368,518**
	In case of a 10% change in other currencies:			
7- Net assets in other foreign currency / (liabilities)	(1,099)	1,099	(2,676)	2,676
8- Part protected from other foreign currency risk (-)	-	-	-	-
9- Other Currency Assets Net Impact (7+8)	**(1,099)**	**1,099**	**(2,676)**	**2,676**
Total (3+6+9)	**(714,263)**	**714,263**	**488,126**	**(488,126)**

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:

31 Aralık 2011	**Receivables**					
	Trade Receivables		**Other Receivables**			
	Related Party	**Other Party**	**Related Party**	**Other Party**	**Deposit at Bank**	**Cash and Other**
Maximum credit risk exposed as of the reporting date (A+B+C+D+E)[1]	**26,906,905**	**42,682,432**	**-**	**505,588**	**8,273,322**	**1,812,543**
Part of maximum risk secured by Guarantee etc.	-	-	-	-	-	-
A. Net book value of financial assets which are neither overdue nor subjected to impairment[2]	26,906,905	42,320,268	-	505,588	8,273,322	1,812,543
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]	-	362,164	-	-	-	-
- Overdue (gross book value)	112,307	12,256,238	-	-	-	-
- Impairment (-)	(112,307)	(11,894,074)	-	-	-	-
- 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. There are no financial assets which are overdue but not subjected to impairment as of December 31, 2011.

Footnotes to the Consolidated Financial Statements as of December 31, 2011

(The amounts are expressed in Turkish Lira ("TL"), unless otherwise indicated.)

[4] The ageing analysis for financial assets which are overdue and impaired as of 31.12.2011 is as follows:

December 31, 2011	Receivables	
	Overdue Amount	Doubtful Receivables Provisions
1 - 30 days overdue	276,993	(27,699)
1 - 3 months overdue	18,800	(6,580)
3 - 12 months overduet	405,180	(304,530)
1 - 5 years overdue	11,372,124	(11,372,124)
More than 5 years overdue	295,448	(295,448)
Total	12,368,545	(12,006,381)
Part secured by Guarantee etc.	-	-

December 31, 2010	Receivables					
	Trade Receivables		Other Receivables			
	Related Party	Other Party	Related Party	Other Party	Bank Deposits	Cash and Other
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, an impairment is not expected in the future either, as the guarantees and / or maturities regarding these financial assets are short-term. There are no financial assets which are overdue but not subjected to impairment as of December 31, 2010.

[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.	-	-

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.

31.12.2011

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	**12,955,526**	**14,061,961**	**4,691,625**	**4,665,123**	**4,705,213**
Bank Loans	193,474	230,446	48,729	134,455	47,262
Finance Lease Obligations	7,145,155	8,116,970	1,168,383	2,873,836	4,074,751
Trade Payables(*)	1,587,878	1,685,526	718,104	384,222	583,200
Other Debts and Liabilities(**)	4,029,019	4,029,019	2,756,409	1,272,610	-

Expected Maturities	Book Value	Total Expected Cash Outflows	Less than 3 months	Between 3 - 12 months	Between 1 - 5 years
Non-Derivative Financial Liabilities	**19,424,753**	**19,873,424**	**7,544,905**	**11,369,620**	**958,899**
Bank Loans (of uncertain maturities)(***)	1,968,805	1,968,805	-	1,968,805	-
Trade Payables(****)	10,774,607	11,041,753	5,069,938	5,971,815	-
Other Debts and Liabilities	6,681,341	6,862,866	2,474,967	3,429,000	958,899

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.

31.12.2010

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	**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	-

Expected Maturities	Book Value	Total Expected Cash Outflows	Less than 3 months	Between 3 - 12 months	Between 1 - 5 years
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

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 performs forward, future, option and swap transactions.

Note 40 - Subsequent Events (Events After the Balance Sheet Date)

Endorsement of the financial statements

The Holding's consolidated financial statements dated 31.12.2011 were endorsed by the Holding's Board of Directors on 20.03.2012. 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.

Increase of the Participation Share in IHA

The Holding decided to acquire all of the 25% shares of İhlas Marketing in İhlas News, one of the group companies, through Güreli Yeminli Mali Müşavirlik ve Bağımsız Denetim Hizmetleri A.Ş. according to the valuation report based on "Discounted Future Cash Flow Analysis Method" with respect to the information dated September 30, 2011 at a price of TL 22,625,000 at the Board of Directors Meeting held on January 23, 2012.

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.