



RiskMetrics Group

ISS CORPORATE GOVERNANCE RATING

BASED UPON

“The Corporate Governance Principles of Turkey” issued by
the Capital Markets Board of Turkey

RATING REPORT ON

Doğan Yayın Holding



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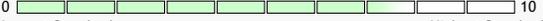
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RATING SUMMARY

COMPANY INFORMATION		ICS RATING RESULTS	
 <p>Doğan Yayın Holding Hürriyet Medya Towers 34212 Güneşli - İstanbul / TURKEY www.dyh.com.tr</p>	<p>CHAIRMAN Mr. Aydın Doğan</p>	<p>OVERALL SCORE 87.64%</p> <p>0  10 Lowest Standard Highest Standard</p>	<p>RESULTS BY CATEGORY</p>
	<p>CEO Mr. Mehmet Ali Yalçındağ</p> <p>CFO Mr. Soner Gedik</p>		
<p>INVESTOR RELATIONS Mr. M. Alpay Güler Phone: +90 212 677 05 93 Fax: +90 212 677 08 01 E-Mail: aguler@dmg.com.tr</p>	<p>CORPORATE GOVERNANCE Mr. Murat Doğu Phone: +90 212 677 05 56 Fax: +90 212 677 08 01 E-Mail: mdogu@dmg.com.tr</p>		

SUMMARY

ISS assigns a rating score of 9,0 to *Doğan Yayın Holding* (DYH). This rating reflects the very good overall performance of the company regarding its current corporate governance structures. Despite the relatively high compliance of around 87,64 % with the underlying Principles of the Turkish Capital Markets Board (CMB), the rating also indicates that beside the good performance there is still room for improvement and further implementation of corporate governance mechanisms.

The rating report at hand represents the second rating update after DYH had been subject to a first rating released on 19 April 2006. DYH then had been rated with a score of 8.0 (81%). In the first update, released on August 2007, it received a score of 8.5 (86%).

DYH scores particularly well on its *Disclosure and Transparency* standards and in respect to *Shareholders*.

It achieves a slightly lower result for both the *Stakeholders* and *Board of Directors* components.

METHODOLOGY AT A GLANCE

ISS Corporate Services division (ICS) was first appointed by Doğan Yayın Holding (DYH) in November 2005 to review its current corporate governance structures and workings in line with Corporate Governance Principles developed by the Turkish Capital Markets Board (CMB). ICS conducted updates of its analysis and rating throughout June 2007 and July 2008. The rating is

based on public information. “One-on-one” interviews with board members and senior executives clarified and expanded upon the disclosures.

The Rating Report is based on information provided to ISS Corporate Services until July 2008. The result may be changed, suspended or withdrawn as a result of changes in or unavailability of such information.

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RATING METHODOLOGY

UNDERLYING REFERENCE

The corporate governance (CG) rating at hand has been conducted by ISS' Corporate Services division based on the *Capital Markets Board (CMB) CG Principles (CMB Principles)*. As such, it differs in content and methodology from ISS' standard CG ratings that are based on ISS' own methodology.

With respect to global financial market developments the CMB of Turkey has defined CG principles in 2003, followed by an amendment in early 2005. The CMB Principles have been compiled in line with an approach to restructure and harmonise the country's capital market according to international standards. Created by a committee consisting of representatives of the CMB, the Istanbul Stock Exchange, the Turkish Corporate Governance Forum as well as participants from the academic field and the private sector, the established CMB Principles represent a synthesis of various national and international regulations and codes (e.g. the *OECD Corporate Governance Principles*) on the one side and particular domestic considerations on the other side.

The CMB Principles are divided into four main sections:

- Shareholders
- Public Disclosure and Transparency
- Stakeholders
- Board of Directors

In addition to existing legislation, the Principles include provisions that go beyond legal obligation. Though the company is not obliged to fulfill these additional provisions, it has to fully apply a "comply or explain" approach. However, the Principles also contain certain recommendations, where a deviation does not have to be disclosed.

THE RATING

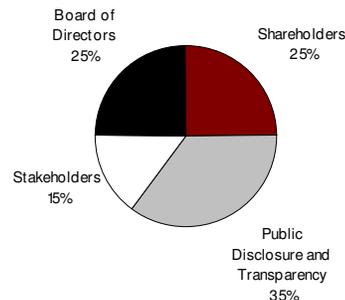
Based upon the CMB Principles, we identified more than 350 criteria to be included into the rating. Each single criterion has been examined thoroughly upon compliance by the company, on the basis of publicly available information. Additional information was

provided by the company upon request. "One-on-one" interviews with senior company representatives clarified and expanded upon the disclosures.

While in most instances a straightforward 0 (no) or 1 (yes) scoring approach has been applied, we also attributed a score of 0.5 points in some instances to acknowledge a partial fulfillment by the company or where due to the particularity of the holding structure of Doğan Yayın Holding the rating criteria could not be applied to the full extent. In order to reach the highest rating result, a company also has to comply with the recommendations put forward by the CMB Principles.

The weighting scheme to be applied to the four main sections was pre-determined by the CMB as outlined below:

Weighting Scheme



Further sub-weightings have been attributed to the sub-criteria according to ISS' own reference.

Based upon the scoring and adjusted weightings the overall rating result has been calculated. The result reflects the overall compliance of the company with the constituted CG rating criteria. Besides the overall assessment, results also have been calculated for each main section, providing a differentiated picture of the company's strengths and weaknesses.

The rating results are displayed as a percentage, thereby indicating the most accurate result, and as a numeric result on a scale from zero (lowest) to ten (highest) with half-point steps to provide nuanced results.

EXECUTIVE RATING SUMMARY

Though the corporate governance (CG) structure and performance on the company level is of particular interest for shareholders, one should also acknowledge the CG situation on the country level. Despite the fact that the country level is not a part of the rating itself, we believe that an overview can enable investors to enhance their CG perspective and evaluation in a more holistic approach.

Turkey, as a promising emerging market and a candidate for future EU accession, is well aware of structural changes and the need for an ongoing development and harmonisation of its capital market legislation and has amended its legislation accordingly. Although, Turkey can be considered as a latecomer in CG development, it has tried to speed up the progress since the year 2000. The overall legal framework regulating public companies in Turkey is determined by the Turkish Commercial Code, the Capital Markets Law, the Decree-law, Capital Markets Board (CMB) regulations, and *Istanbul Stock Exchange* (ISE) listing requirements. Focusing in particular on CG the CMB and the ISE can be observed as key players in promoting relevant regulations. They are supported by several other organisations such as the *Turkish Industrialists' and Businessmen's Association*, *Corporate Governance Association of Turkey*, *Corporate Governance & Sustainability Center* and the *Corporate Governance Forum of Turkey*. However, despite rapid process on the regulatory side to improve the legal and institutional framework, the necessary implementation on the companies' side remains dissatisfying. According to a survey on CG in Turkey, conducted by *The Institute of International Finance* in 2005, the country finds itself still at an early stage of implementing a strong equity culture.

In the following, general aspects of Turkish CG practice are outlined.

COUNTRY ROUNDUP

- Within Turkish companies stock ownership is concentrated, very often characterised by the presence of a majority shareholder. In addition, holding structures, conglomerates, pyramid shareholding structures, and cross-shareholdings are quite common. Through these mechanisms Turkish families control a considerable amount of

Turkish listed companies. Additionally one can also find shares containing multiple voting rights, thus preserving family control.

- Due to the influential holdings of the families, family members are often present on the boards of the holdings and subsidiaries or act as executives.
- Due to the limited free float, hostile takeovers appear to be rare, thus, weakening the market for corporate control. However, state ownership has declined significantly in line with massive privatization, but is still to be found in the energy, communication and mining industries. In the meantime, foreign institutional investors started to increase their holdings.
- Issued stocks in Turkey range from ordinary shares, to preference shares. Golden shares only exist in few state-owned companies. The two types of equity securities in Turkey are bearer and registered shares, whereby most of the shares traded at ISE belong to the former one.
- Minority rights are granted to shareholders that own at least 5 % of the company's capital, providing them with the right to call an extraordinary General Meeting or bring in a shareholder proposal.
- In order to vote at a General Meeting, shareholders must either be present in person or can be represented by a proxy. Provisions do not contain postal or electronic voting possibilities as well as voting via a company representative, so called oriented proxy voting.
- Even though preemptive rights are granted by Turkish law at the first instance, companies can, through their articles of association, exclude preemptive rights in case of capital increases up to 100 % of their registered capital.
- Mandatory tender offer bid requirements exist according to different thresholds (e.g. increasing stake above 25 %)
- Disclosure of indirect or direct ownership in case various thresholds (e.g. 5, 10, 15, 20, 25, 1/3, 50, 2/3, and 75%) are passed.
- With the beginning of 2008, listed companies have been urged to adopt IFRS accounting standards.
- Turkish companies have a single tier board structure.
- The CMB Principles outline rules that regulate the independence of board members, thereby also

indicating that the board should be composed of at least 2 independent members and/or to at least one third.

DYH'S PERFORMANCE OVERVIEW

Referring to the company's level, DYH's overall rating result of above 87 % indicates a high compliance with the established rating criteria with respect to the CMB Principles. Transferred on the numeric rating scale, the company's result equals a 9.0 conveying that the company has good CG structures and performance. The rating improvement of 0.5 points up from previously 8.5 (86%) in 2007 reconfirms DYH's continuous efforts to live up to high standards of good corporate governance. However, the result also signals that there is still room to add momentum to the compliance with the CMB Principles. The result underlines the company's efforts to implement existing regulations and to follow best practice as suggested by the CMB.

At an early stage DYH has revised its *articles of association* according to the CMB Principles. It also has been at the forefront regarding the establishment and disclosure of an *information policy*. Even though the disclosure of a *CG compliance report* within the annual report became only obligatory from 2005 on, DYH already had included such a report in its 2004 annual report. In line with that DYH also established a Corporate Governance Committee. Considering these developments one can assume DYH as being proactively involved in pursuing good CG practice.

Reflecting the single results of the four main components of the rating, DYH performs well in all of them, though showing particular strength in its Public Disclosure and Transparency as well as in respect to Shareholders on the one side and slightly more weaknesses in Stakeholders as well as Board of Directors issues. Both last-mentioned sections underperform the overall rating result slightly.

SHAREHOLDERS

With respect to shareholder issues, DYH tries to adhere and pursue good practice as outlined by the CMB Principles. A dividend policy has been established and voting rights are defined sufficiently. The company does not have registered shares and preferred stocks have not been issued, neither. The General Meeting follows principles ensuring fair and equitable treatment. A Shareholder Relations Department is present in order to maintain a continuous

communication with shareholders. As DYH is also controlled by a majority shareholder with a family background, this shareholder structure could potentially harm interests of minority shareholders. The company has not implemented cumulative voting procedures yet, and shareholders are not able to appoint external auditors on their behalf. However, the company may consider granting this right to shareholders in the future.

PUBLIC DISCLOSURE AND TRANSPARENCY

Public Disclosure and Transparency issues are duly respected by DYH. As mentioned, DYH issued a disclosure policy at a quite early stage. The company performs material disclosure through its website and its written disclosures. While most suggestions of the CMB are respected, some minor deficiencies could be identified and are outlined within the respective part of the rating report. The company takes measures to avoid insider trading and discloses a *list* of possible insiders. The audit company does not offer consulting services and is subject to regular rotation. Both conditions add up to ensure independence.

STAKEHOLDERS

Acknowledging the holding structure of the company, we found stakeholder issues less applicable for DYH in the first instance. Notwithstanding, we emphasize an integral perspective on the holding level, that coordinates and oversees stakeholder relations of the subsidiaries, in order to avoid potential risk. With a rating result of 8,0 (78,18%) DYH can be considered fairly aware of stakeholder relations, though the door for further recognition and improvement is left open.

BOARD OF DIRECTORS

The board of DYH consists of nine members, comprising five executive and four non-executive members. However, it does not qualify to a one-third proportion of independent directors according to a strict interpretation of the CMB Principles. In order to support the work of the board, four committees have been established, whereby the Corporate Governance Committee and the Audit Committee are of particular interest. Although the committees comprise non-executives directors and selected experts in its ranks, only the Corporate Governance Committee is headed by an independent board member.

The board can be considered as actively involved in the company's development and performance. While

contributing in a material extent to setting up the vision and mission of the company, the board also monitors and evaluates the executives.

Every board member is entitled to one vote without any privileges. Our assessment did not reveal issues that would question a good working atmosphere during board meetings. However, internal regulations lack to formalise procedures of the meetings.

A secretariat has been established to support the work of board members and ensure proper communication.

The Executive Committee is composed of eight members, of which four are board members and five are senior managers of the company. The executives' work is closely scrutinized every month in comparison to the company's budget and the CEO is to report at board meetings. Executives are, however, not liable to compensate losses that occur as a result of not-performing their duties properly. The salary is composed of a fixed component and a bonus payment at the end of the year.

FINAL REMARKS

With the rating at hand, investors are enabled to evaluate the CG practice of DYH according to their individual preference. On the whole, the established structures and mechanisms can be considered in line with the CMB Principles. Continuing the implementation of these principles and considering international best practice will further enhance CG practice at DYH and lower potential risk factors for investors. As structural changes in the capital market of Turkey proceed and economic development remains benign, one can assume Turkey to become more and more attractive to foreign investors. However, existing holding structures and majority shareholdings could be seen as a threat to minority shareholders, discouraging investments. Thus, an extension of the free float can be assumed as favourable.

COMPANY OVERVIEW

Doğan Yayın Holding (DYH), initially founded in 1980 under the name of Milliyet Basım Malzemeleri İthalat ve Ticaret A.S., mainly operates in the media sector. Through its subsidiaries and shareholdings, where it owns usually a majority stake, it is one of the leading media companies in Turkey. DYH divides its business into two lines of business. On the one side, the company sees itself as a content producer, including newspaper and magazine publishing as well as television and radio broadcasting. On the other side, DYH functions as a service provider including distribution and retail business as well as internet services and cable television. Despite this wide diversification the core business of DYH remains, however, newspaper publishing and television broadcasting. Here the company publishes seven daily newspapers, e.g. *Hürriyet* and *Milliyet*. Within its broadcasting operations DYH runs for example *Kanal D*, one of Turkey's leading television channels, *Star TV* and *CNN Türk*, a joint venture between AOL Time Warner and DYH. In 2007, DYH added to its holding Trader Media East Ltd, a leading company in Russia and Eastern Europe, with shares on the London Stock Exchange.

As a listed company DYH is registered within the Capital Markets Board. DYH has been listed at the Istanbul Stock Exchange since 1998 and its publicly traded shares amount to about 30 % of the company's total shares. At July 25, 2008 the number of shares amounted to around 618,5 million. The market capitalization at July 25, 2008 was around USD 898 million.

As it can be observed, DYH has a relatively small free float, but a strong family conglomerate background. However; the free float is held to almost 60% by foreign investors, including funds like Fidelity or Templeton.¹

¹ See the appendix for an extensive overview of DYH's biggest shareholders.

Table 1: Stock performance

	YTL
15.07.2008	1.51
52 Week High*	6.10
52 Week Low*	1.17
Average*	1.51

*One year / (Source: DYH)

Table 2: Shareholder Structure of DHY

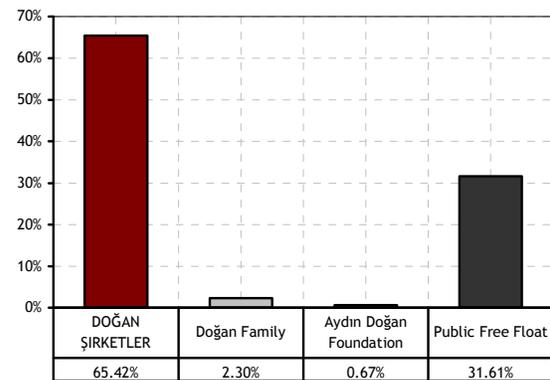


Table 3: Key Financial Figures DYH (in US\$ m)

	2003	2004	2005	2006	2007
Net Sales	680	1044	1277	1525	2031
Gross Profit	162	265	293	342	502
EBITDA	106	156	154	145	170
Net Profit	47	44	9	(16)	474

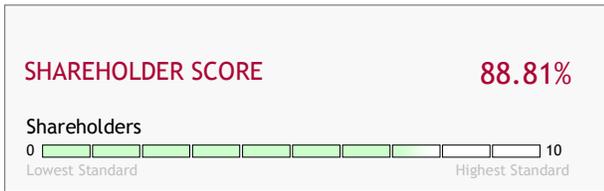
(Source: DYH)

Table 4: Segment performance (in US\$ m.)

	Net sales		Total assets	
	2006	2007	2006	2007
Publishing	800	1136	943	2010
Broadcasting	399	595	863	1311
Other	134	64	210	399

(Source: DYH)

SECTION 1 - SHAREHOLDERS



1 Summary

For this category the company achieves a 9.0 or slightly above 88 %, respectively. This result is in line with the overall rating result. The score indicates a very good corporate governance (CG) performance with respect to shareholder related aspects such as shareholder rights as well as procedures and mechanisms closely related to the General Meeting. A compliance of about 88% ensures shareholders to be protected sufficiently and enables them to exercise most of their rights properly. Though the free float of DYH is above the average of the Turkish capital market, it still remains relatively small. Thereby the majority stake of Doğan Şirketler could be assumed to potentially wield a strong influence over the company on the expense of minority interests. However, there is no indication that long-term interests of Doğan Şirketler should deviate from that of other shareholders. In addition, some suggested CG mechanisms have not been installed yet, as outlined in the respective sub chapters.

1.1 Rights of Shareholders

Governance Focus
+ Established dividend policy
+ Clearly defined voting rights
+ Proxy voting
+ No preferred stocks
+ Respect of one share - one vote - one dividend principle
+ Sufficient information provided to shareholders
+ Minority rights apply to shareholders owning at least 5 % of equity capital
- No cumulative voting procedures
- Shareholders are not able to appoint an external auditor

1.1.1 Dividend and Voting Rights

A dividend policy is established and accessible through the company's public documents. The initial disclosure of the dividend policy dates back to Sept. 29, 2003. Depending on the financial results of the companies belonging to DYH, a dividend will be paid to investors, currently aimed at 50 % of distributable net profits. In 2008 it was decided not to distribute dividends.² The most important aspects of the dividend policy are made available throughout the company's public documents. However, the separate disclosure of the dividend policy in one comprehensive document as demanded by the CMB Principles does not provide some aspects, e.g. the amount distributed to the board or founders of the company as well as acknowledging indirect shareholder relationships and indicating the amount distributed to "real" persons. An extension would considerably increase transparency and clarity for investors. The dividend policy is accessible on DYH's English website and also the information regarding the donations that are deducted from the profit.

Voting rights are defined in the company's *articles of association*, hence ensuring equal and clear voting procedures. According to the articles of association, voting is exercised by show of hands, though closed ballots are mandatory if requested by 5 % of shareholders represented at the General Meeting. No provisions are designed in order to apply certain ceilings on the number of votes a shareholder might exercise during the meeting. As the company hasn't issued any preferred stocks, each share is entitled to the favourable one share - one vote - one dividend principle without any further privileges. The right to vote is automatically granted when the share is purchased, and no arrangements should be installed that would hinder this right or cause a delay in exercising voting rights, following the share acquisition. In addition, shareholders are enabled to proxy voting, that can be exercised through either another shareholder or a non-shareholder. Postal or electronic voting procedures are not permitted by law in Turkey.

² Despite a net distributable profit of 120,890,366 YTL in 2007, it was unanimously decided by the board of directors and approved by the GM of 12 May 2008, that no dividend would be distributed to the shareholders.

There are no provisions installed or included in the articles of association that may impede the free transfer of shares by shareholders.

According to our analysis, we identified no reasons speaking against the equitable treatment of shareholders. As it is common standard in Turkish listed companies an official representative of the Ministry of Industry and Trade attends General Meetings to oversee legal aspects. And in case of prior awareness of contentions issues an additional observer of the CMB is present.

1.1.2 Shareholders' Right to Obtain and Evaluate Information

Sufficient information is provided to shareholders in an accurate, timely, and diligent manner. The articles of association contain provisions to disclose minimum information about candidates to the shareholders, as well as the possibility to open the General Meeting to the public, though without the right to speak for non-shareholders attendees, as it is recommended by the CMB Principles.

Up to now, shareholders have not been enabled by the articles of association to appoint an external auditor on their behalf, as suggested by the CMB Principles. However, as DYH is following the CG development proactively and according to interviews with company representatives this may be rethought as a next step to improve its CG practice.

The company has established a Shareholder Relations Department in order to ease access to information for shareholders, to keep shareholders updated, and to oversee the company's information policy. The Shareholder Relations Department is closely related to the Corporate Governance Committee. Its main duties cover: keeping record of the shareholder structure; responding to shareholders' requests; monitoring the General Meeting and preparing and attending investor meetings.

1.1.3 Minority Rights

Minority rights are granted to shareholders owning (collectively) at least 5 % of the equity capital.

In line with minority rights, the ability to appoint an external auditor is considered crucial, though this is

only a recommendation by the CMB Principles. However, as mentioned before, and expressed by interviewees the company might review its current policy and act accordingly.

Cumulative voting procedures are not intended by the company, but the advantages and disadvantages of this voting procedure are being assessed.

1.2 General Meeting

Governance Focus
+ Timely provision of information on agenda items
+ Sound execution of the General Meeting
+ Sufficient information disclosure on candidates
+ Board remuneration is determined by the General Meeting
± General Meeting allowed directors to engage in business and competitive activities with the company
- Remuneration of key executives is not subject to the General Meeting

1.2.1 Invitation

In the run-up to the General Meeting, shareholders are well informed by DYH. This is related to a well-ahead announcement of place and date of the General Meeting through all means of modern communication along with sufficient information on the agenda items. An additional document containing supplementary information on the agenda items is submitted to shareholders three weeks in advance to the meeting. The agenda is prepared in a solid manner, clearly indicating purpose and content of each agenda item.

Furthermore, the company ensures a sufficient flow of additional information, e.g. the annual report and financial statements which are accessible three weeks prior to the meeting. Considering the administrative proceeding, voting procedures are set up in a clear and understandable manner and proxy forms are available electronically through the company's website. Shareholders who have already dematerialized their shares in the files of the Central Registration Office (CRO) and who wished to attend the General Meeting were required to be personally registered and recorded in the "General Assembly Blocking List" by no later

than 17:00 hrs on Thursday, May 8th, 2008, in accordance with the general assembly blocking procedures determined by CRO. Accordingly, shareholders who failed to do that unfortunately were not allowed to use their rights to speak and vote in the meeting.

1.2.2 Functioning

According to its holding status and the large number of subordinated companies to be consolidated, DYH does not consider itself in the position to hold its General Meeting within the suggested period of three month following the end of its financial year. However, in line with legal regulations DYH tries to disclose the financial statement as soon as possible to minimize the delay of the General Meeting. In 2008 the disclosure took place on April 18, followed by the General meeting on May 12.

Since DYH's headquarter in Istanbul was chosen as the place of the General Meeting in 2008, it can be considered as easily accessible. In addition to that, the AoA allow to hold the meetings in a different location, where the majority of shareholders are located.

Following our examination General Meetings of DYH seem to be held in an appropriate way, apparently led in an unbiased way by the chairman and overseen by an official representative of the Ministry of Industry and Trade, and thereby ensuring that all shareholders are able to exercise their statutory rights.

The General Meeting functions as a forum to discuss the company's annual report and financial results. The appointed audit company is held responsible to present the latter to the auditorium. According to our impressions, the chairman of the meeting seems to ensure the equitable participation among shareholders and seems to lead the meeting in a fair and efficient manner, where each agenda item is voted separately.

Board members, auditors and other authorized and responsible persons attend the General Meeting to answer requests put forward by shareholders. In case of absence, reasons will be stated by the chairman of the meeting.

As the articles of association enable the General Meeting (with a majority of three-fourth) to allow

board members to be engaged in business with the company or competition, it did so again at the General Meeting in 2008. As reported in 2007, no board member made use of this authorization and was involved in neither business nor competitive activities with the company.

Candidates to be elected to the board of directors are obliged to disclose a wide range of information covering nearly all aspects put forward by the CMB Principles. These requests, which are also included in the company's articles of association, comprise for example their level of education, previous board membership and experience, their financial status as well as independence considerations.

Remuneration of the board members is subject to the General Meeting and is determined by shareholders. However, the remuneration of key executives is not subject to the General Meeting, and thereby deviating from the suggestion of the CMB Principles.

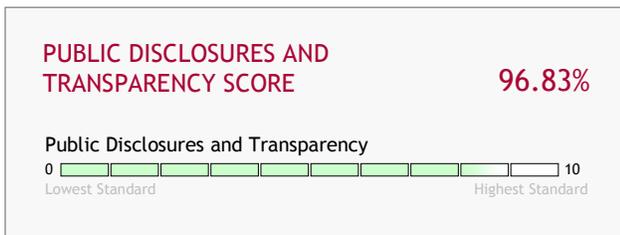
The articles of association contain a provision that clearly states which kind of business activities (e.g. changes of shares, acquiring assets exceeding more than 10 % of the company's assets) is to find approval by the General Meeting.

1.2.3 After the General Meeting

As a follow-up to the meeting, minutes are disclosed on the company's website, summarising and reflecting the meeting in an exhaustive and sufficient manner. The minutes of the last four years general meeting's are available through the English and Turkish versions of the website.

In case that any questions are opposed by shareholders that cannot be answered immediately, the Shareholder Relations Department is held responsible to answer them in the follow-up of the meeting.

SECTION 2 - PUBLIC DISCLOSURE AND TRANSPARENCY



2 Summary

Within the Public Disclosure and Transparency section of the rating the company reaches a very good result of 9.5, outperforming the overall rating result. This result corresponds with an external assessment of DYH that ranked the company within the top five transparent companies at the Istanbul Stock Exchange. Simultaneously, it marks a clear improvement from the 8.5 achieved in ICS' 2006 assessment. A compliance of 96,83% with respect to the CMB Principles ensures a sufficient flow of information between the company and investors and reflects a high degree of transparency. Although nearly reaching the maximum score towards the CMB guidelines, there is still room for improvement to further strengthen Public Disclosure and Transparency if compared to international standards.

2.1 Disclosure Means

Governance Focus
+ Website in Turkish and English version
+ Website contains and archives information disclosed to the public
+ Website provides valuable information for investors, including documents for download
+ Board members and members of the Audit committee signed the annual report
± The annual report provides fair information, though can be improved
- English and Turkish website still contain sections that are under construction

2.1.1 Website

The company's *website* functions as a satisfying instrument for shareholders to access information on the company. For foreign investors an English version of the website is available. The website is being enhanced

at the moment. The content is structured in a sound manner, especially offering three extensive sections covering corporate governance (CG), investor relations and social responsibilities issues. There, investors also find material documents (e.g. *annual reports*, *audit reports*, *analyst presentations*) available for download.

Examined more in-depth, it contains most of the information suggested by the CMB Principles, e.g. information about the *shareholder structure* and *the management*, all previous minutes of the General Meeting in the English version or *annual reports* and *financial statements*. The website also offers a section that includes and archives information previously disclosed to the public. However, some information is not provided or is currently under construction, e.g. prospectuses and circulars (there have not been any since the establishment of the website), the Social Responsibility Report in English or frequently asked questions (FAQs). Despite these issues that still remain under construction, we believe DYH's website to be within top group in the Turkish market. Indeed DYH's website has been rewarded as the third best among the top 50 companies of Istanbul Stock Exchange.

In reference to the General Meeting the website contains material information and facilities for shareholders. This includes the agenda, informative documents thereto, proxy forms, and general information about participation proceedings for the General Meeting.

As a means of communication the use of the website is also subject to and incorporated in the company's disclosure *policy*.

2.1.2 Annual Report

Overall, the annual report is prepared in a fair way according to the content provided and information relevant to investors.

For the financial year 2006, the board signed for the first time the annual report in order to explicitly indicate that the financial statements truly reflect the current financial status as well as that the company acts in accordance with the related legislation. The

financial statements are also signed by the four members of the Audit Committee as well as the CFO and three other responsible managers for Financial Affairs. The annual report also features a signed declaration of the internal auditors in addition to the audit report signed by external auditors.

The quality of the annual report has seen continuous improvement and provides the essential shareholder relevant elements. This being said, there is still room for improvement to cover more items, as outlined by the CMB Principles. Issues comprised in the recent annual report are for example: activities and industry of the company, a statement about the internal audit system, information on board members and executives, the ownership structure of the company, opinions of rating agencies about the company and a CG compliance evaluation. Further desirable information could be included, e.g. the opinion of the audit firm about the internal audit, a statement referring to how the company prevents conflicts of interest between the company and related companies offering investment, consulting, and auditor services as well as future forecasts.

Aspects that are not or not exhaustively covered are partly explained by the company. In this context, human resources aspects are only slightly touched by DYH as this is primarily attributed to every single subsidiary and to a lesser extent at the holding level, as the holding only employs 70 employees directly. It is the executive committee member assigned and the human resources coordinator, who finally takes on responsibility for the companywide human resources issues.

In contrast to previous reporting periods, where DYH did not demand individual independence statements of its independent board members, estimating its own evaluation as sufficient, it now provides explicit independent statements by its independent directors. Irrespective of a directors' effective independence, such statement further enhances credibility and transparency.

2.2 Disclosure Procedures

GOVERNANCE FOCUS
+ Disclosure policy is established and covers material disclosure aspects
+ Disclosure proceedings are clearly defined and assigned to high level personnel
+ Forward looking information is handled reasonably
+ Ethical rules are disclosed
+ Audit company is subject to regular rotation and does not provide any consulting services
+ The company takes measures to prevent insider trading and discloses a list of insiders
+ Independence statements issued by independent board members
± Unilateral and publicly disclosed declaration of the CEO and CFO, although not the entire board, stating that all disclosure principles are duly kept is provided

2.2.1 Information Policy

An information or disclosure policy, respectively, has been set up by DYH. It has been disclosed to the public and is permanently accessible through the *company's website*. As stated, the disclosure policy aims at providing and sharing material information and thereby establishes an active and open dialog between the company and the financial community. To underline the importance the board of directors enforces, supervises and develops the disclosure policy in a continuous process. The disclosure policy covers forms, frequency and methods of disclosure, informs about the company's authorized persons regarding public disclosure, outlines how the company deals with investors, proceeds with forward looking statements and provides information in reference to the quiet period. Being of particular interest for the investment community, guidelines covering communication to investors will be outlined. DYH principally does not comment on market expectations according to transition periods or business results, though it will comment on critical issues affecting results and strategy as well as on issues that enhance market participant's understanding of DYH's business. When conducting meetings with investors the Investor Relations coordinator from the Shareholder Relations Department will be present. DYH is intended not to

reveal information that has not been disclosed to the public during a non-public investor meeting such as one-on-one talks.

The company stated its adherence to the following principles: all amendments of the disclosure policy should be presented to the General Meeting and be disclosed to the public after the board's approval; developments that may affect the company's capital market instruments are to be disclosed to the public without delay; significant changes in the financial status or operations should be disclosed alike, and, in addition, already issued information should be monitored and updated if deemed necessary.

2.2.2 Public Disclosure

After reviewing the public disclosure of DYH no issues could be found, that would harm investors' interests. The responsibility for public disclosure is clearly defined and is mainly assigned to high level personnel, usually to the board of directors or senior key executives. Additionally, the established committees (Corporate Governance Committee and Audit Committee) are closely involved in public disclosure issues. A publicly available declaration by the CEO and CFO, although not the entire board, whether or not the principles are duly followed is provided in the annual report.

Within the scope of its public disclosure the company publicly announces its dividend policy. Further on, the company discloses its financial statements in line with legislation and international accounting standards. As current legislation does not allow companies to grant shares to employees as a means of incentive instruments, the company does not provide disclosure on this aspect.

When announcing forward looking information to the market the company states to act carefully and reasonably, providing underlying statistical data and avoiding exaggerated or misleading information. Due to the nature of forward looking information and the implied uncertainty, the company is reviewing its given predictions and assumptions and will disclose revised information immediately. As mentioned before, the principles applicable to forward looking information are included in the disclosure policy of the company.

2.3 Transparency Issues

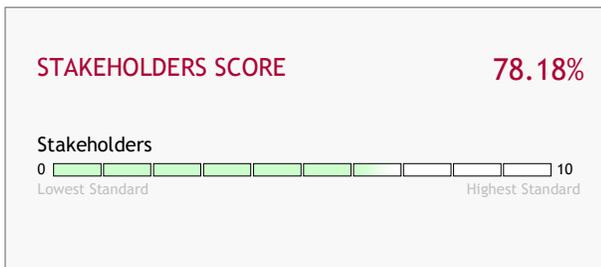
Transparency issues are covering ethical rules, insider trading aspects, and the functions of the external audit.

To ensure a high degree of transparency DYH discloses its ethical rules to the public. In addition to its *Code of Conduct*, DYH also issued *Publishing and Broadcasting Principles* to provide further guidance for its business activities.

In order to prevent insider trading DYH tries to take necessary measures and precautions. It publishes a *list* of people who due to their relation with the company could possess price sensitive information.

Since the appointed audit company (currently PricewaterhouseCoopers) does not provide any consulting services, it can be considered as independent. As the audit company should be subject to regular rotation DYH plans to do so after seven years as suggested in the Articles of Association and related legislation.

SECTION 3 - STAKEHOLDERS



3 Summary

As a holding company DYH is involved into stakeholder relations to a lesser extent. Therefore stakeholder issues are applicable in a limited dimension only. Notwithstanding, we believe that DYH can be affected by stakeholder issues through its subsidiaries and should therefore take care about mechanisms and reporting structures, that reduce this particular risk and ensure smooth stakeholder relations.

Due to this consideration, the company scored a 8.0 or slightly above 78 %, respectively. In fact, mechanisms are observable that address stakeholder issues, at least at the subsidiary level, but also coordinate or guide stakeholder relations at the holding level. Most visible, this applies for the human resources coordinator at DYH and for the new social responsibilities section on the corporate website.

Governance Focus
+ Companywide human resources policy
+ Employee rights are warranted
+ Ethical code and Publishing and Broadcasting Principles have been issued
+ New social responsibilities section on the website and social responsibility report
- Despite the holding structure DYH should not neglect to formalise stakeholder policies also on the holding level

3.1 Participation to the Management

In order to ensure that stakeholder issues are dealt with in the company's decision making process, the board discusses collected information during its meetings, though no specific measures have been set up to ensure an integral perspective. As the CMB Principles especially focus on employees, one can outline the procedures at Hürriyet, one of the biggest subsidiaries of DYH; where an intra-net application has been installed to enable employees to express any grievances or put forward ideas and suggestions. This mechanism is expected to be expanded on a companywide basis to enable the participation of all employees. In addition to that, according to the CG report, the feedback received from stakeholders is presented to senior management for evaluation. However, DYH does not provide board membership to an employee representative, as suggested by CMB principles. Here, one has to consider, that as a holding company DYH only employs about 70 employees, whereas the whole group employed over 13.000 people as of December 30, 2007.

Notwithstanding, DYH could commit itself to formulate and incorporate formalised mechanisms to ensure a stronger recognition of stakeholder matters.

3.2 Company Policy

3.2.1 Rights and Duties of Stakeholders

Since DYH is not involved in direct contact with customers and suppliers, several main issues are dealt with on the subsidiary level. As a well known media company, DYH strives to maintain its reputation, avoiding any conflicts with stakeholder groups or a possible violation of their rights, that in return could harm that reputation. This can be seen as a good mechanism to preserve the rights of stakeholders. To guide stakeholder relations, especially in the media business, one also has to mention the Broadcasting and Publishing Principles set up by DYH. These principles should guide the work of its core business in reference to stakeholder relations.

Employees are enabled to communicate their concerns or complaints. Any forwarded issues will be discussed and dealt with by the Audit Committee.

3.2.2 Relation with Customers and Suppliers

DYH takes a great effort to ensure customer satisfaction and within DYH the single subsidiaries established own customer relations departments. Additionally, suggestions and complaints can be transmitted through the company's website. If occurring, the company will take great care of the forwarded notice, discuss it internally by an internal audit and, if deemed necessary, next steps are taken in close coordination with senior executives.

A particular group of customers consists of advertisers. In line with that and its huge proportion in the company's revenues a coordinator position has been established to guide the policies and relations for this client group and to oversee the company's practices with respect to suppliers.

3.3 Employees and Social Responsibility

As mentioned before DYH only employs a small number of people directly. Out of that, issues regarding human resources are delegated to each single enterprise within DYH. However, the Human Resources Coordination Department of DYH with one Executive Committee member assigned outlines the common human resources policies. It thereby also assists its subsidiaries in implementing own policies and offers special trainings.

Within its responsibility DYH ensures that equal opportunities are provided to people with similar qualifications. While, according to the company, no cases of any kind of discrimination have been reported, the explicit mechanisms to avoid such instances remain unclear.

The company is continuously working on the improvement and safety of working conditions.

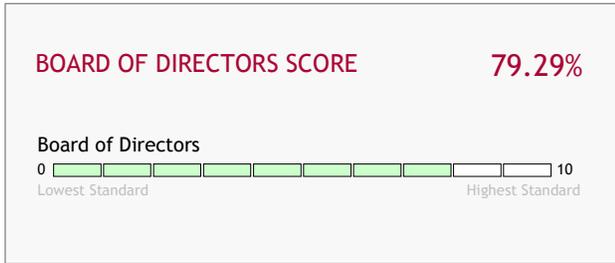
With respect to performance based compensation, DYH still needs to implement pertinent mechanisms. Union representatives, as suggested by the CMB Principles, are not present within the whole holding.

The company has prepared a code of ethics and disclosed it to the public. This code contains the main

core values of DYH, the main responsibilities of its employees, core guidelines in respect of customer, supplier, and official body relations, as well as other aspects. Additionally and attributed to the responsibility that media companies take over in society, DYH also issued Broadcasting and Publishing Principles that should provide guidance to its business activities as a media company.

The company provides information on its social responsibility activities within its annual report as well as on its *website*, thereby stating that it is well aware of its role in society according to social and environmental issues. A new social responsibilities section has been added to the corporate website. It contains information on the actions and institutions that received the Aydin Dogan Foundation's contributions. There is a subsection under construction that will show the different actions in the following areas: education, environment and health, culture and art, sport. A social responsibility report has been created but it is still not available in English.

SECTION 4 - BOARD OF DIRECTORS



4 Summary

With a result of 8,0, this section somewhat underperforms the overall rating result but has slightly improved as reflected in the increased compliance up to 79,29 % from 78% in 2007 and 76.6% in 2006. Though the compliance is still fairly good, DYH could focus more on its corporate governance (CG) structures and performance in terms of Board of Directors. This includes especially structural and remuneration issues.

4.1 Board of Directors

Governance Focus
+ The board plays an active role in the company's strategic planning
+ The so labeled independent directors provide a signed statement of independence
+ Each board member is entitled to one vote
+ Secretariat has been established to support the board
+ Training can be offered to new board members
+ Company does not lend money to board members or executives
- Less than one third of board members fully meet the independence criteria
- Majority of the board is composed of EDs
- No provision that enables share- or stakeholders to call a board meeting
- Compensation does not include incentive schemes
- No liability of the board members

4.1.1 Principles of Activity, Duties, and Responsibilities of the Board of Directors

According to the undertaken examination, the board of directors fulfills its duties with diligence and meets its responsibilities.

As stated in the articles of association, the board defines the mission and vision and is thereby leading the company. As a consequence the board reviews and discusses strategic proposals put forward by executives and constantly monitors the company's performance.

It is also a primary duty of the board to ensure that shareholders can exercise their rights properly. In line with that, a close cooperation with the Corporate Governance Committee and the Shareholder Relations Department has been established.

A timely flow of information is ensured, so that board members can easily carry out their duties.

Overall, the articles of association contain clearly set up rules describing the activities and duties of board members. As suggested by the CMB Principles the articles of association also provide guidance to the issue of board members engaging in business or competitive activities with the company. Accordingly, such activities have to be approved by three-fourth of the company's shareholders at the General Meeting.

DHY does not apply a recommendation put forward by the CMB Principles, envisioning that before board members start commencing their work, they are to declare compliance with all necessary internal and external regulations.

An official declaration confirming the careful preparation of financial statements is provided by the board, the Audit Committee and the responsible financial officers in the annual report. This declaration is also posted to the ISE as demanded by law.

Board members have to seek board approval before accepting outside duties. There are, however, no written internal provisions that would regulate this issue.

4.1.2 Structure

The board of DYH is currently composed of nine³ members of whom five are executive (ED) and four are non-executive (NED) directors. The suggested separation of the chairman of the board and the CEO is warranted. Chairman of the board is Mr. Aydın Doğan, representing the strong family ownership, as common in Turkey. DYH fails to fully comply with the suggested proportion of one-third independent directors. Indeed, Mr. Hubert Burda is considered as independent by DYH. In doing so, DYH itself mentions that Mr. Burda can be considered as independent according to OECD Principles but not according to CMB Principles. To qualify as an independent board member, in line with the CMB, the candidate has to fulfill the following criteria: e.g. no direct or indirect relations to the company in terms of employment, capital or commerce with the company within the last two years, have not been employed by neither an audit nor a consulting company that offered their services to the company, and do not receive any compensation beside the compensation for board membership.

With respect to Mr. Burda the first criterion is not valid, due to an existing stake in one of DYH's companies (Burda Group - Burda Media) through a company where Mr. Burda serves as president. Even though the well recognized CG principles of the OECD would focus more on the essence of the particular business relationship rather than its pure structure, we stick to the proposed strict interpretation of the CMB, as the essence of this relation can easily be subject to ongoing changes. However, we recognize very well the valuable experiences and international perspective Mr. Burda brings to the board. By the same token, Mr. Mathias Döpfner, designated independent director and newly elected in 2007 to complete the term of resigned board member Gianni D'Angelo and that finished his duty in December of the same year, couldn't be considered fully independent. As CEO of Axel Springer AG, the German publishing giant, Mr Döpfner is linked to DYH through a joint investment and business activity in Dogan TV Holding A.S. While DYH holds roughly 75% in Dogan TV Holding A.S. Axel Springer AG acquired a 25% stake in November 2006 and has the right to appoint two out of seven directors to the board.

³ Mr. Döpfner was a member of the board until the 28 December 2007 and was replaced by Mr. Nuri Çolakoğlu.

In addition to the company's designation of its independent board members, in 2007 it also provided a "statement of independence" confirming the independence status according to the governing laws, articles of association and the CMB guidelines. This statement exists for and is signed by each of the three directors labeled as independent, including Mr. Döpfner.

Table 5: Board Structure

Name	ED / NED	Independence
Mr. Aydın Doğan (Chairman)	NED	No
Mr. Mehmet Ali Yalçındağ	ED	No
Mr. Ertuğrul Özkök	ED	No
Mr. Soner Gedik	ED	No
Mr. Ahmet Toksoy	NED	No
Mr. Barbaros Hayrettin Çağa	NED	No
Mr. Cem Duna	NED	Yes
Mr. Nuri Çolakoğlu	ED	No*
Mr. Hubert Burda	NED	No*

*classified as independent by the company\ Mr. Döpfner retired from his duty in December 2007 and was replaced by Mr. Nuri Çolakoğlu.

Currently appointed board members at DYH seem to be highly qualified and show a high level of knowledge and experience, reflected in long-lasting career backgrounds. DYH's board can draw on a wealth of expertise in the media but also other sectors as law, public sector, and business.

In case new board members are appointed, special training can be offered by the Corporate Governance Committee. However, since there has not been such a case yet, a clear evaluation of the adaptation program remains open.

In reference to the election of the board members and as noted also in the first section a cumulative voting procedure is not applied by DYH.

4.1.3 Functioning

Board meetings appear to be conducted in an efficient and sound manner. Conducted interviews did not reveal any issue that could cause a different impression. Executives are to attend the meetings whenever necessary and requested. In case of dissenting votes the dissenting board members are urged to indicate the reasons in the minutes. Each board member is entitled

to one vote without any weighted voting rights or a certain kind of veto.

When important issues are discussed board members are required to attend in person. In addition, there is a range of agenda items that can only be approved by board members that attend the meeting in person (e.g. determine the line of activity of the company, election of the CEO, mergers).

In order to ensure adequate preparation the agenda and relevant documentation are provided to board members seven days in advance. A board secretariat is present in order to prepare and assist the board meetings as well as to support the communication between the board members.

As to our assessment the company misses to formalise the proceedings of board meetings either in internal documents, (as proposed by the CMB for the manner in which board meetings should be conducted), or in the articles of association (as proposed for proceedings for a board meeting to be called by shareholders or stakeholders). Additionally the latter instance does not seem to be acknowledged by DYH at all.

4.1.4 Remuneration

Considering remuneration aspects, DYH does not show a sufficient corporate governance performance according to the CMB Principles. Currently the compensation is solely composed of a fixed salary. No additional attendance or committee membership fees are paid. However, the compensation is discussed and determined by the General Meeting, providing material power to the shareholders.

Table 6: Board Compensation

Position	Compensation (per month, in YTL)
Chairman	10000
Vice-Chairman	8000
Member	7000

*according to a decision by the General Meeting 2008

DYH does not offer performance based incentive schemes, as proposed by the CMB Principles. The establishment of such schemes remains subject to the Corporate Governance Committee. While the CMB

Principles do not indicate a difference between ED and NED, one should keep in mind that international best practice suggests that performance based incentive scheme should be granted to ED only.

In line with performance based incentives the CMB Principles also recommend liability of the board members according to the company's level of success. Within this scope the board should declare possible deviations in the results within the annual report, conduct a self-assessment and a performance evaluation. Up to now, DYH has not complied with these recommendations, even though interviews revealed that this is considered as a strategic issue. In contrast to international practice D&O insurances are still not very common in Turkey but may gain ground in the upcoming years in respect to the issue of liability of board members.

To avoid conflict of interest DYH strictly adheres to the principle not to lend money in any way to board members or executives.

4.2 Board Committees

Governance Focus
+ Four committees have been established
+ Experts are elected to the committees
+ Audit Committee oversees external audit appointment and audit execution
+ Corporate Governance Committee deals with Corporate Governance issues proactively
+ Majority of the committees members are NED
- Majority of members are not independent
- Committees are not exclusively headed by independent board members

4.2.1 In General

The board of DYH has established four board committees to support its work and ensure an effective and efficient work flow.

Besides the Audit Committee and Corporate Governance Committee, that derive particular attention by the CMB Principles, DYH has formed, Advertisement and Public Relations Committees as well.

On the contrary to the suggestions of the CMB, not every chairman for each committee has been elected out of the independent board members. Solely, the

chairman of the Corporate Governance Committee can clearly be stated as an independent board member.

The committees fulfill the suggestion to be composed of a majority of NEDs. The CMB Principles suggest that experts are eligible to be commissioned. DYH makes use of this provision and with Mr. Doğu, for example, one can find a proven CG expert in the Corporate Governance Committee, a fact that may be of a high value in pursuing sound CG practice.

Table 7: Committee Overview

Committee	No. of Members	Independent Chairman*	No. of NED
Audit	4	No	2
Corporate Governance	3	Yes	2

*according to the status "Independent Board Member"

The work of each committee is closely related to the board, as the results of the committee meetings are summarised in the minutes along with special reports and reported to the board afterwards.

4.2.2 Audit Committee

The Audit Committee oversees the financial and operational activities of the company. In doing so the Committee shall be supported by the board and be enabled to access all necessary information.

It is the task of the Audit Committee to ensure that all internal and external audit activities are carried out adequately and transparently. It advises the board in appointing the external audit company and attends the appointing process. This includes a statement on the independence of the audit company for example. Furthermore it takes care of the company's financial disclosure. Internally, the Audit Committee is also responsible for evaluating the audit system and for responding to complaints and suggestions put forward by any member of the company.

To maintain a certain level of independence the Audit Committee is able to obtain opinions of external experts on company's expenses.

The *charter*, outlining more details of the work of the Audit Committee, cannot be found through the company's website, but will be soon uploaded.

Table 8: Audit Committee Composition

Name	Board Member	NED	Independence
Mr. Barbaros Hayrettin Çağa (Chairman)	Yes	Yes	No
Mr. Murat Ece	No	n/a*	Yes
Mr. Cem Duna	Yes	Yes	Yes
Mr. Murat Doğu	No	n/a**	n/a**

* non board member, considered as external expert
** company employee, considered as an expert

4.2.3 Corporate Governance Committee

It is the main purpose of the Corporate Governance Committee to monitor the company's compliance with Corporate Governance Principles. The committee seems to pursue its task actively and one can find a *CG compliance report* in the annual report. As suggested by the CMB the CEO of DYH does not fulfill a duty in this committee. However, the committee does not comprise a majority of independent board members. It is made up of two non-executive board members and one non-board member employee of the company. As mentioned before, the CMB provides the possibility to elect experts to the committees as well. In this case, Mr. Murat Doğu works as the Capital Market & Corporate Governance Coordinator. During his previous occupation Mr. Doğu contributed significantly to the development of the CMB Principles. We consider him to deliver valuable input for the work of the committee.

Table 9: Corporate Governance Committee Composition

Name	Board Member	NED	Independence
Mr. Cem Duna (Chairman)	Yes	Yes	Yes
Mr. Barbaros Hayrettin Çağa	Yes	Yes	No
Mr. Murat Doğu	No	n/a*	n/a*

* non board member, company employee, considered as an expert

Core responsibilities of the committee are: to advise the board on issues of CG, coordinate the work of the Shareholder Relations Department, establish a system to determine, train, evaluate, and reward candidates for the board, offer advice on structural matters of the

board (size, number of ED and NED), and set up a performance evaluation system for board members.

The *charter* of the Corporate Governance Committee outlines further responsibilities but it is not accessible through the English version of the website of the company. As for the Audit Committee charter, it'll be uploaded soon.

4.3 Internal Control and Risk Management

Referring to the holding status of the company the internal control and risk management appears to be rather specific and is subject to particular mechanisms. As the primary focus DYH monitors the financial risk of its subsidiaries. Beside the financial risk the operational risk is closely observed as well. According to the CG report, the risk management and its reporting were enhanced in 2007, but concrete information on that upgrade was not found.

The board of directors has installed the internal control and risk management, and the CFO takes direct responsibility to monitor the financial risk, whereby he is supported by several units of the company (Financial Affairs, Finance, Financial Reporting, and Capital Markets). In addition the financial and operational risk is also one of the duties of the Audit Committee and Corporate Governance Committee.

Further on, it is a duty of the board to oversee whether or not the company complies with the relevant legislation, articles of association, in-house regulations and policies. Our analysis did not reveal any instance that the board would fulfill this duty in an inadequate manner.

4.4 Executives

Governance Focus
+ Reporting to the Board of Directors
+ Comprehensive monitoring of the executives according to company's results
- Not liable for company's losses caused by a violation of their duties

The Executive Committee is formed of eight members of whom four belong to the board of directors. It is headed by Mr. Yalçındağ who is the vice chairman of the board.

Table 10: Composition of the Executive Committee

Name	Position / Function	Board Member
Mr. Mehmet Ali Yalçındağ	Chairman/CEO	Yes
Mr. Ertuğrul Özkök	Vice-Chairman/ Editorials	Yes
Mr. Soner Gedik	Vice-Chairman/ CFO	Yes
Ms. Hanzade V. Doğan	Vice-Chairman/ Strategic Planning	No
Ms. Begümhan Doğan Faralyalı	Vice-Chairman/ Foreign Investments and Business Development	No
Mr. Yalçın Balcı	Vice-Chairman/ Chief Operating Officer	No
Mr. Nuri Çolakoğlu	Member/ Broadcasting	Yes
Mr. Altan Edis	Member/ Human Resources	No

Within our analysis no issues have been revealed that would cause doubts about the transparent, reliable, and accountable work of the executives. There are periodic and special audits, examining the work of the committee. The CEO is reporting at the board meeting and company's results are scrutinised every month in comparison to the budget. However, there is no provision that executives are to compensate losses that occur as a result of not performing their duties properly.

New executives have to qualify according to professional as well as to personal requirements and have to undergo a sophisticated selection process. The CEO of DYH can look back on a long lasting career with a proven track record of managerial experience within the media industry. In line with the CMB Principles the CEO does not have any additional outside duties.

The salary of the executives is determined through their position and qualification and is currently situated in the upper middle in comparison to the market. In order to link the compensation to the company's performance a bonus is paid at the end of each year.

Up to now non-competition clauses have not been allowed under Turkish law. So, DYH cannot fulfill the recommendation of the CMB Principles that suggest including such provision into the employment contract.

5 Appendix

DETAILED SHAREHOLDER STRUCTURE

In order to clarify the shareholder structure of DYH, please refer to the following tables. The first one displays the biggest shareholders of DHY, while the second one provides an insight into the shareholder structure of Doğan Sirketler, as the majority stakeholder of DYH.

Table 6: Biggest shareholders of DYH

Shareholder	Shares held (in million) ³	% of Capital
Dogan Sirketler	383,760	63.02
Blackrock Group Ltd.	17,386	2.81
Aydın Doğan and Doğan Family	13,178	2.13
Aydın Doğan Foundation	4,154	0.67
BZ WBK AIB TOWARZYSTWO FUNDU	2,322	0.38
Franklin Templeton Investment	2,096	0.34
BZ WBK AIB TOWARZYSTWO FUNDU	2,027	0.33
Vanguard Group	1,620	0.26
BZ WBK AIB TOWARZYSTWO FUNDU	1,066	0.17
BZ WBK AIB TOWARZYSTWO FUNDU	719	0.12
Barclays Global	516	0.08
DWS Investment	455	0.07
Charlemagne Capital	442	0.07
Vanguard Group	421	0.07
KBC Fund Managers	408	0.07

Source: Bloomberg (16.07.2008)

Table 12: Main Shareholders of Doğan Şirketler

Shareholder	Shares held YTL	% of Capital
Dogan Şirketler Grubu Holding A.Ş.	389.760.403	63,02
Free float	210.381.462	34,01
Doğan family	14.203.193	2,30
Aydın Doğan Foundation	4.154.942	0,67

Source: company's website (16.07.2008)

BOARD OVERVIEW

Table 13: Board of Directors

Name	Age	First Appointment	Position	Executive / Non-Executive Director	Independence	Member of Executive Committee	Committees	
							CGC	AC
Mr. Aydın Doğan	72	1998	Chairman	NED	No			
Mr. Mehmet Ali Yalçındağ	44	1998	Vice Chairman	ED	No	X		
Mr. Ertuğrul Özkök	61	1998	Member	ED	No	X		
Mr. Soner Gedik	50	1998	Member	ED	No	X		
Mr. Ahmet Toksoy	49	2008	Member	NED	No			
Mr. Barbaros Hayrettin Çağa	67	2001	Member	NED	No		X	x
Mr. Cem Duna	61	2005	Member	NED	Yes		X	
Mr. Nuri Çolakoğlu	66	2008	Member	ED	No	x		
Mr. Hubert Burda	68	2004	Member	NED	No*			

*classified as independent by the company
CGC=Corporate Governance Committee / AC=Audit Committee / HRC=Human Resources Committee / IC=Investment Committee

EXECUTIVE COMMITTEE OVERVIEW

Table 14: Executive Committee

Name	Age	First Appointment	Position	Function	Board Membership	Committees			
						CGC	AC	ADC	PRC
Mr. Mehmet Ali Yalçındağ	44	1999	Chairman	CEO	X			x	x
Mr. Ertuğrul Özkök	61	1999	Vice-Chairman	Editorials	X				
Mr. Soner Gedik	50	1999	Vice-Chairman	CFO	X				
Ms. Hanzade V. Doğan	36	2002	Vice-Chairman	Strategic Planning				x	
Ms. Begümhan Doğan Faralyalı	32	2005	Vice-Chairman	Foreign Investments and Business Development					
Mr. Yalçın Balcı	50	2001	Vice-Chairman	Chief Operating Officer					x
Mr. Nuri Çolakoğlu			Member	Broadcasting	x				
Mr. Altan Edis	65	2005	Member	Human Resources					

*classified as independent by the company
CGC=Corporate Governance Committee / AC=Audit Committee / PRC=Public Relations Committee / Advertisement Committee