

Hürriyet

Review of 1H07 Results

18 September 2007

Hürriyet Group Structure for 1H07 results



Major Subsidiaries			
Company	Operations	Shareholding (%)	Consolidation Method
Hürriyet	Hürriyet, Referans, TDN, internet operations, newspaper printing in Turkey	100%	1H
Doğan Ofset	Magazine printing	100%	1H
Hürriyet Zweign	Printing plant in Germany	100%	1H
Trader Media East	Pronto Moscow, Expres, Trader.com, Oglasnik & Others	67,3%	only 2Q
Doğan News Agency		50%	1H
Doğan Media International	Kanal D Romania	41,3%	Equity Method

New Business Structure



**Publishing
(82%)***



Referans

IN THE 48th YEAR AS TURKEY'S ENGLISH DAILY
TURKISH DAILY NEWS



KANAL D Romania

**Printing
(15%)***



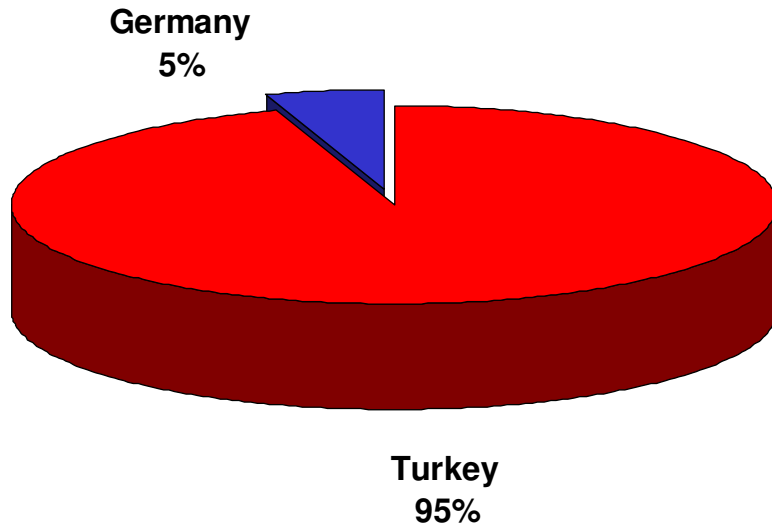
Hürriyet Germany

**Online
(3%)***

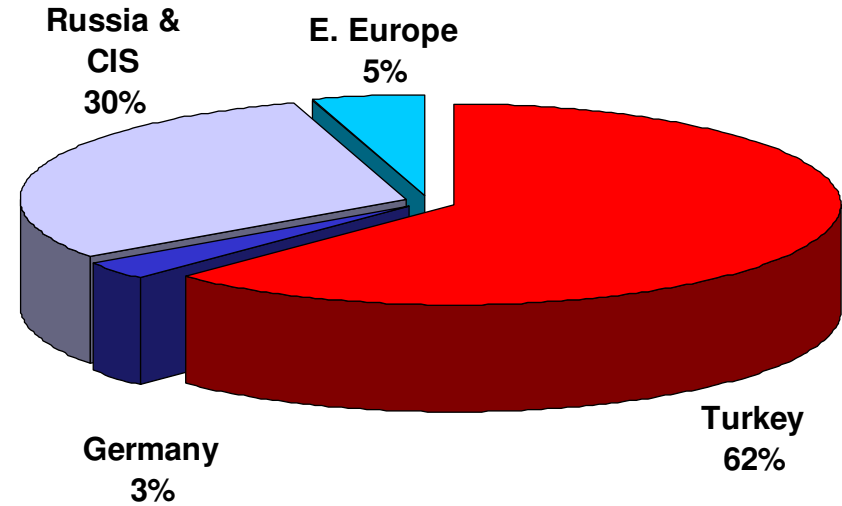


* As of 1H07.

Geographically Diversified Revenue Stream



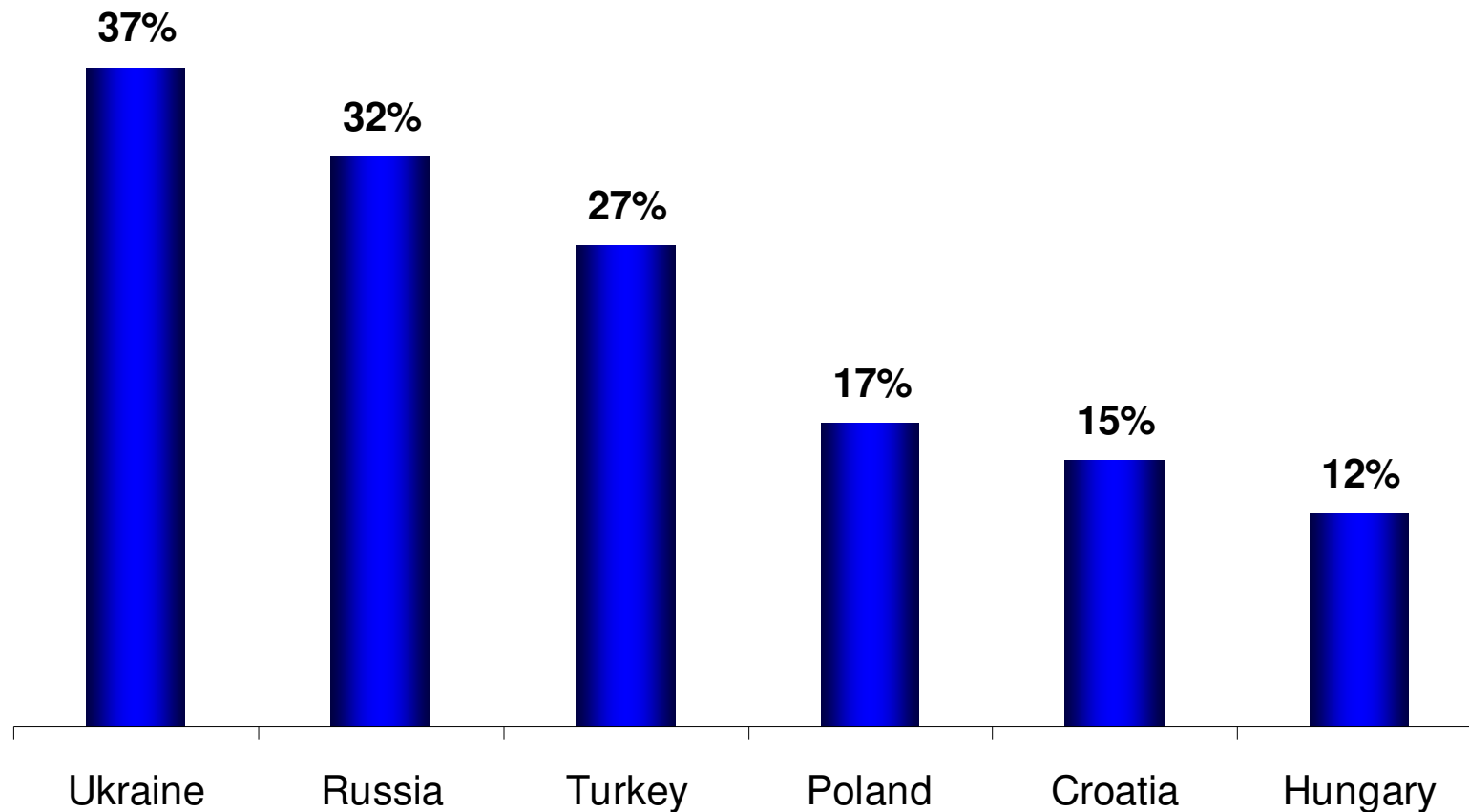
2Q06



2Q07

- ✓ Hürriyet became the leading publishing medium in Turkey, Russia, CIS and Eastern Europe.
- ✓ Around 40% of EBITDA is generated in 9 countries outside of Turkey, as of 2Q07.

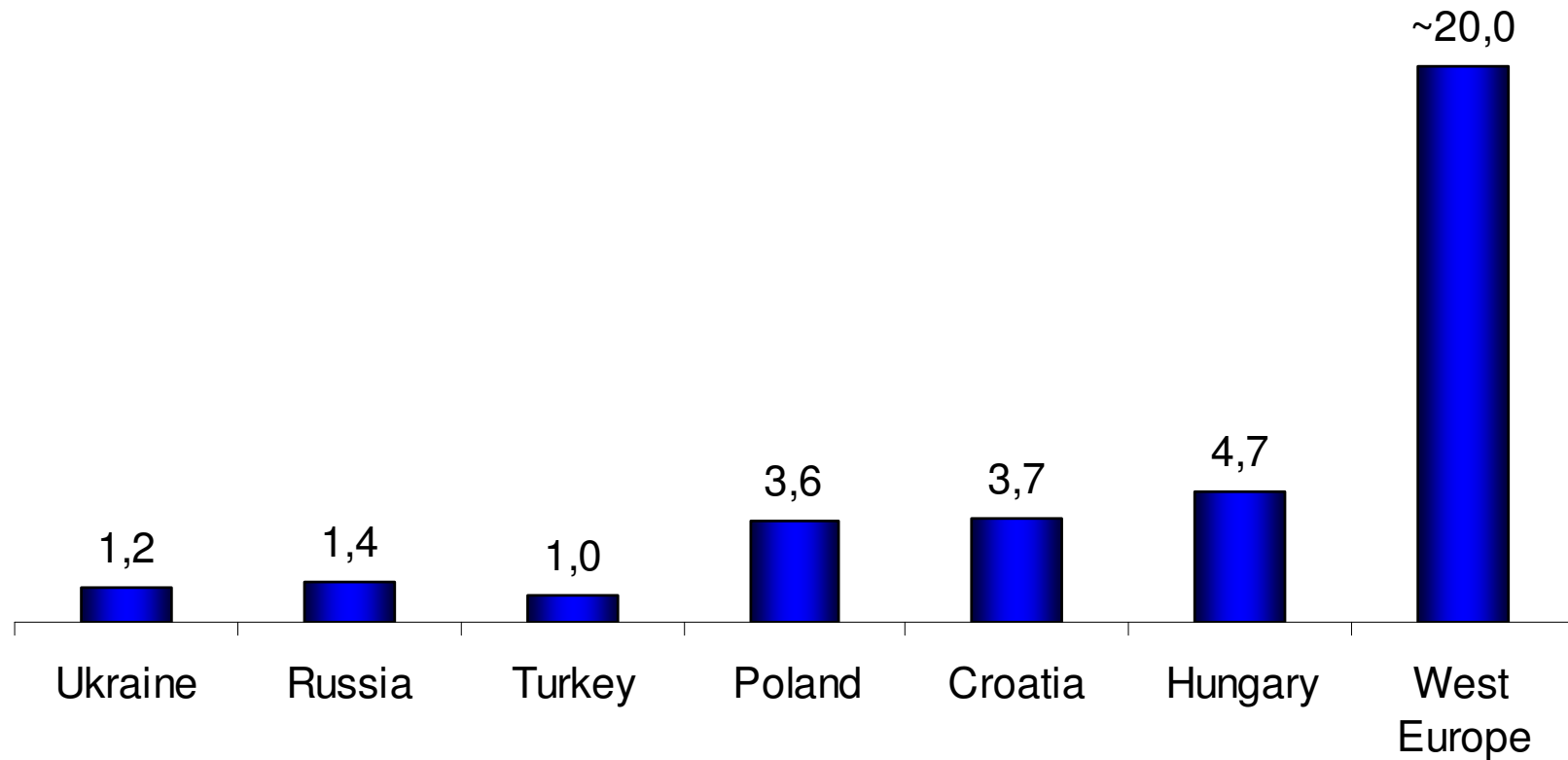
2003-2006 CAGR of advertising spend



... with high potential to grow

Hürriyet

Classified Spend per capita - 2006 (\$)



1H07 Consolidated IFRS Results

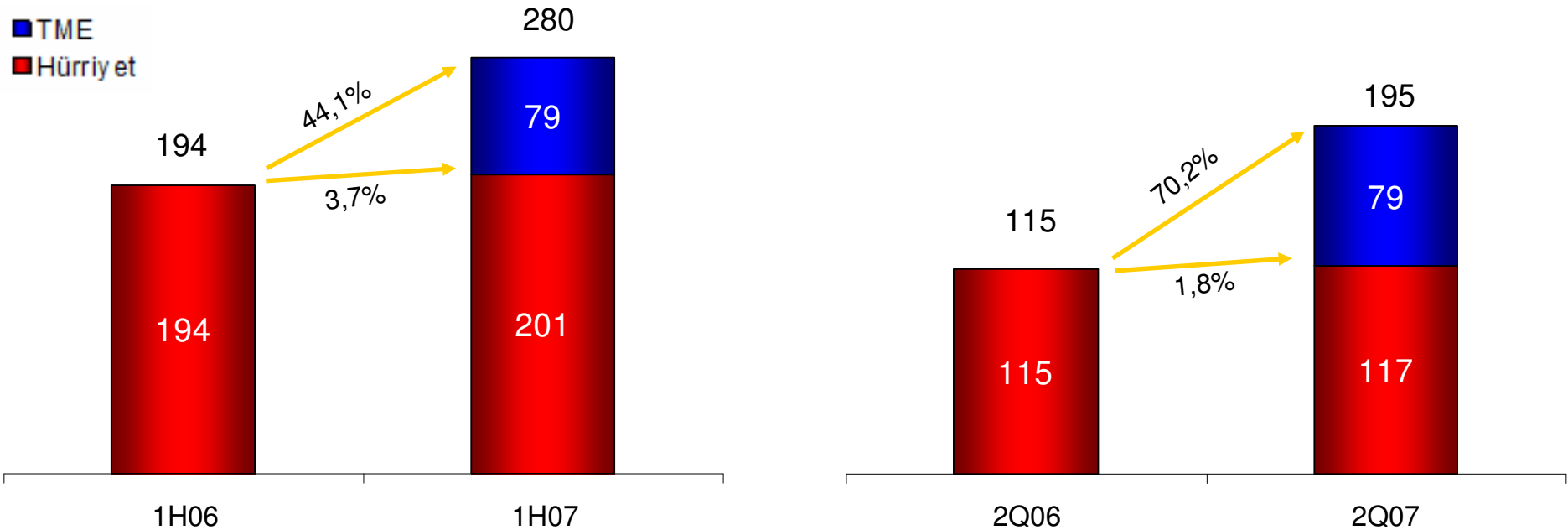


(YTL mn)	FY06	1Q07	2Q07	2Q06	%Ch.	1H07	1H06	%Ch.
Ad Revenues (print)*	374	78	183	111	65%	261	186	40%
Ad Revenues (online)	6	4	9	2	318%	13	3	298%
Circulation Revenues	81	23	29	21	39%	52	44	19%
Printing Revenues	118	31	30	30	2%	61	58	6%
Other Revenues	53	5	14	18	-25%	18	32	-42%
Total Revenues	632	141	265	182	46%	406	323	25%
Cost of Sales	-423	-104	-136	-110	23%	-240	-205	17%
Operating Expense	-122	-35	-86	-35	145%	-120	-67	79%
Operating Profit	87	2	44	37	19%	46	52	-12%
Depreciation	49	12	16	12	36%	29	24	18%
Amortised cost valuation	10	3	3	2	67%	6	4	43%
Adj.EBITDA	146	17	63	51	25%	81	81	0%
Net Profit	104	6	34	48	-28%	41	66	-38%
Operating Margin	13,8%	1,5%	16,5%	20,2%		11,3%	16,1%	
EBITDA Margin	23,1%	12,2%	23,9%	27,9%		19,9%	25,0%	
Net Profit Margin	16,5%	4,4%	13,0%	26,4%		10,0%	20,3%	

* Excludes amortized cost valuation income, which is part of ad revenues classified under interest income according to IFRS regulations.



Total Ad Revenue Growth*

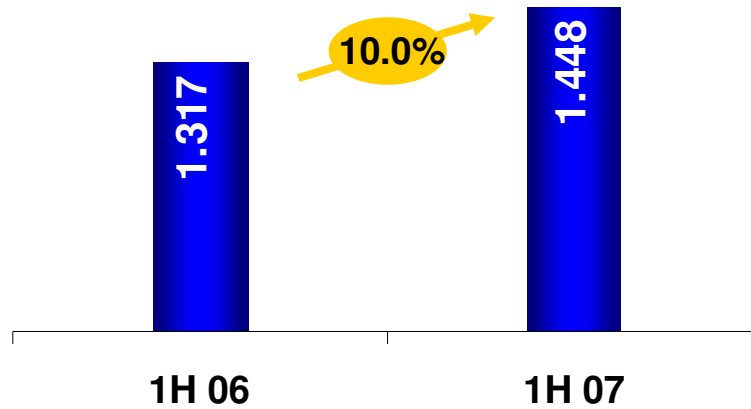


- ✓ Ad revenues were up 70% in 2Q yoy mainly driven by TME consolidation.
- ✓ Turkish ad revenues continued to be weak. The growth of 3.7% in 1H was mainly driven by internet, regional editions and inserts.
- ✓ Finance, tourism and telecoms were outperforming industries; whereas automotive and retail ad spending continued to decline.
- ✓ Ad revenue growth was price driven. Ad volumes have declined in main title and periodicals.

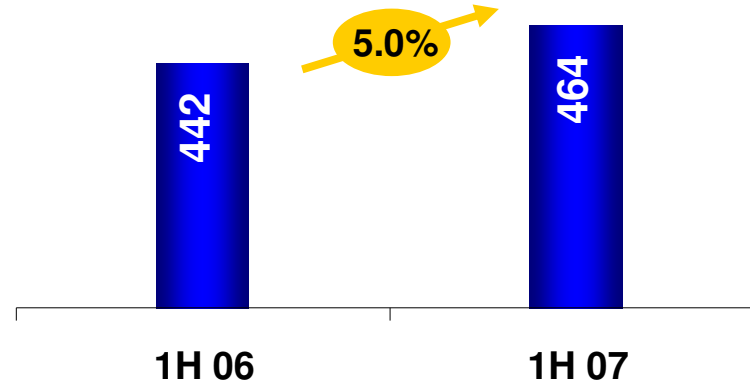
Ad Growth 1H07 – Turkish Market

Hürriyet

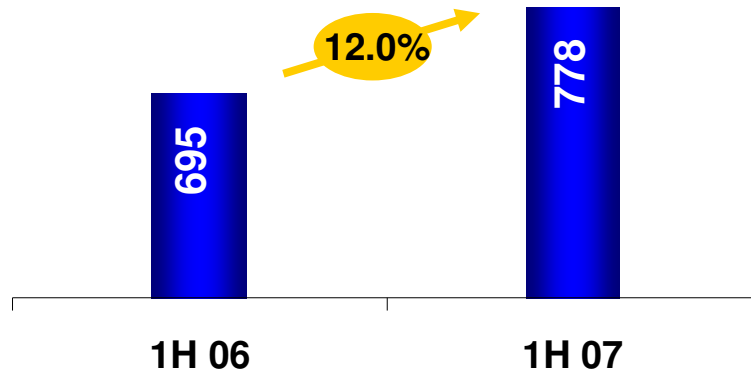
Total Ad Growth (YTL mn)



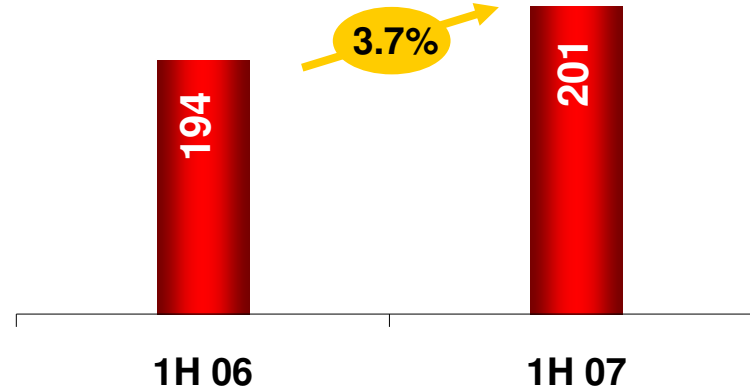
Newspaper Ad Growth (YTL mn)



TV Ad Growth (YTL mn)

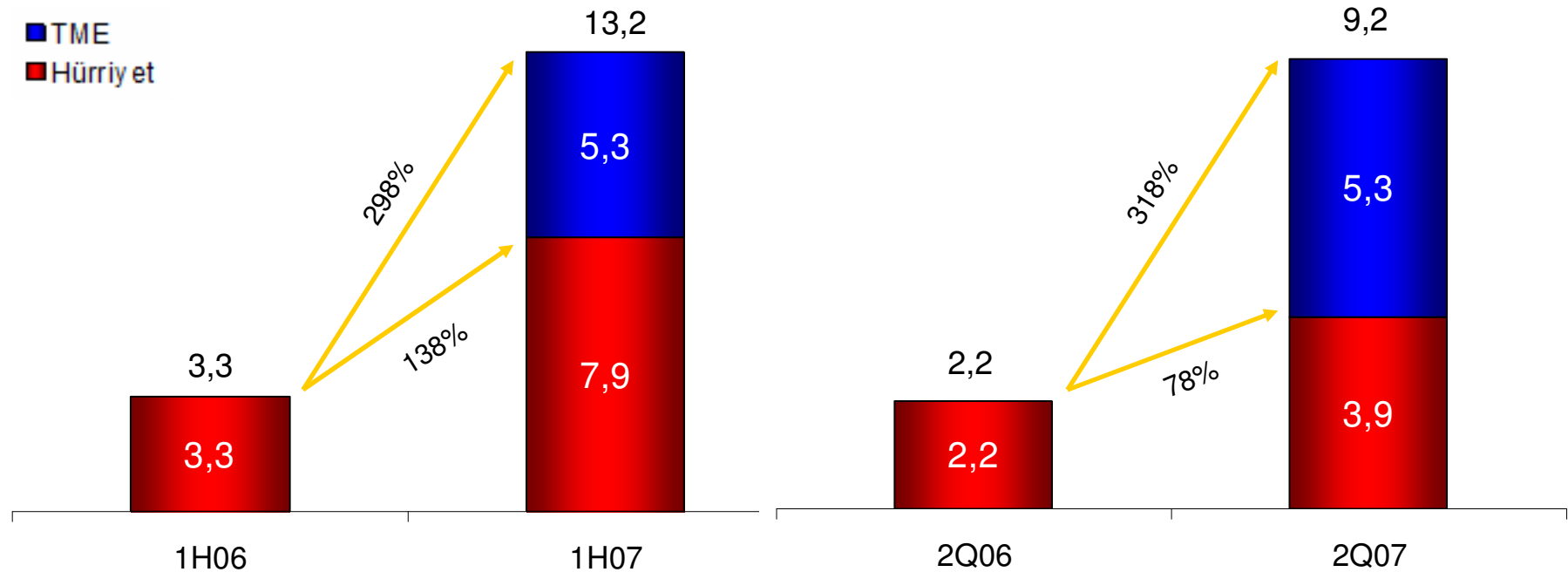


Hürriyet Ad Growth (YTL mn)



- Ad market figures are based on management reports for market comparisons.
- Hürriyet ad revenue figures include Referans, Daily News and internet ad revenues; excluding TME.

Online Revenue Growth



- ✓ Internet revenues continued to grow substantially.
- ✓ Online revenues reached 5% of total ad revenues.
- ✓ Growth will continue organically and through acquisitions.

hurriyet.com.tr: the leading Turkish newsportal



	Site	Reach %
1	bbc.co.uk	1,474
2	cnn.com	0,978
3	nytimes.com	0,454
4	elmundo.es	0,280
5	clarin.com	0,239
6	spiegel.de	0,232
7	guardian.co.uk	0,192
8	washingtonpost.com	0,181
9	milliyet.com.tr	0,171
10	hurriyet.com.tr	0,170
11	foxnews.com	0,167
12	usatoday.com	0,149
13	forbes.com	0,141
14	wsj.com	0,112
15	lemonde.fr	0,111

- ✓ 10th mostly visited newsportal in the world.
- ✓ 10,7 million UMGs.
- ✓ Turkey's 2nd most visited turkish website.

Leading regional online classified company



	Classifieds			
	General	Auto	Real Estate	Job
Turkey				
Russia & CIS		4Q	3Q	
Hungary		4Q	4Q	4Q
Poland		 		
Croatia				
Slovenia				

✓ 15 leading classified websites in real estate, auto, recruitment and general classifieds

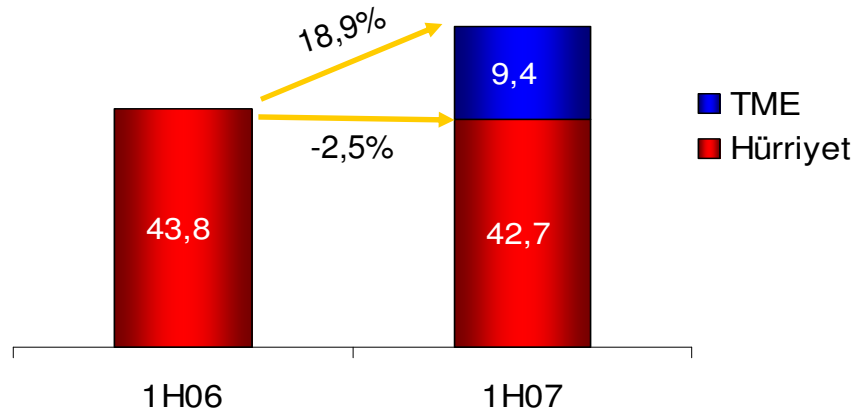
✓ New launches are planned in Russia and Hungary.

*Dates indicate planned launch period.

Circulation Revenues



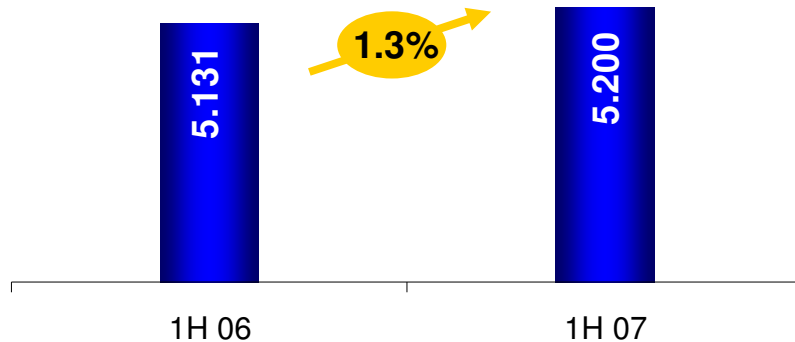
Circulation Revenues (YTL mn)



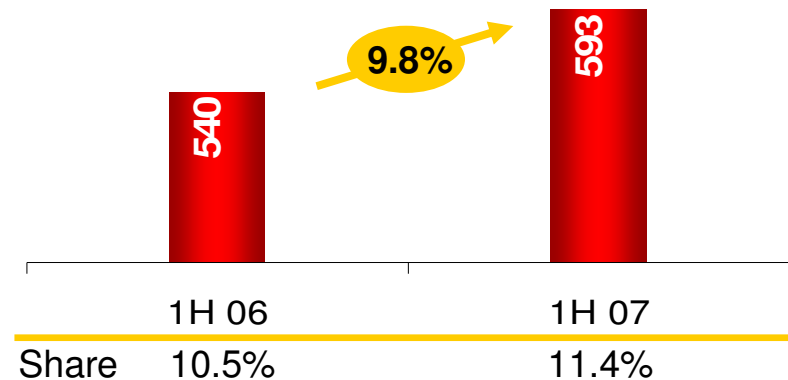
✓ The decline in local circulation revenues stemmed from much lower promotion revenues in 2007 compared to 2006.

✓ Hürriyet gained circulation market share despite cover price increases.

National Circulation Growth (000)



Hürriyet Circulation Growth (000)



* Circulation figures are daily averages for related period. Total circulation figures are Yaysat estimates.

Cost Breakdown



(000 YTL)	1H06	1Q07	2Q07	1H07	% Ch.
Cost of Sales	204.536	103.936	135.770	239.706	17%
Hürriyet Group	134.390	75.138	78.894	154.032	15%
<i>Raw Material Costs</i>	62.416	34.950	33.943	68.893	10%
<i>Depreciation</i>	14.412	7.582	8.902	16.484	14%
<i>OPEX of Production**</i>	57.563	32.607	36.048	68.655	19%
Subsidiaries	70.146	28.798	56.876	85.674	22%
Gross Profit	118.749	36.612	129.387	165.999	40%
Operating Expenses	66.543	34.528	85.623	120.151	81%
EBIT	52.206	2.084	43.764	45.848	-12%

5% newsprint unit cost increase and 5% newsprint consumption increase

Hürriyet*	1H06	1H07	Δ Ch.
Average Number of Pages	85	85	0
<i>Main Paper</i>	41	36	-5
<i>Supplements</i>	44	49	5

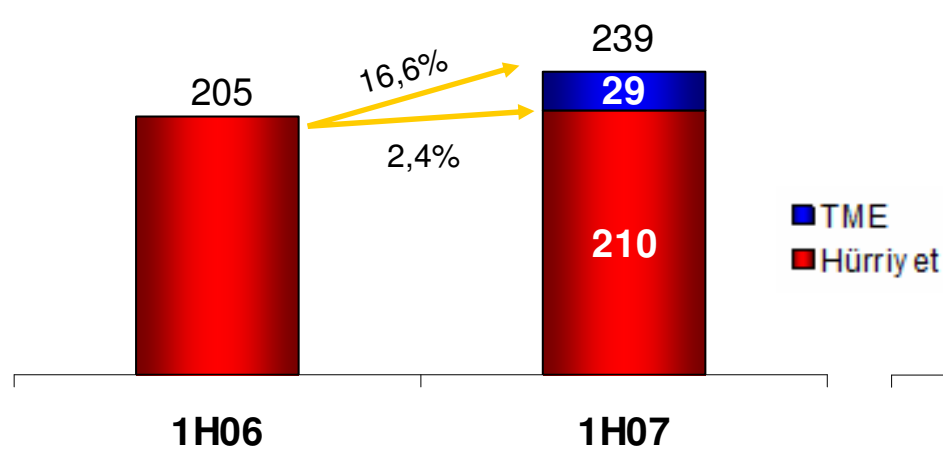
* Stand alone figures, based on management reports

** Includes production costs, 3rd printing costs and direct personnel costs

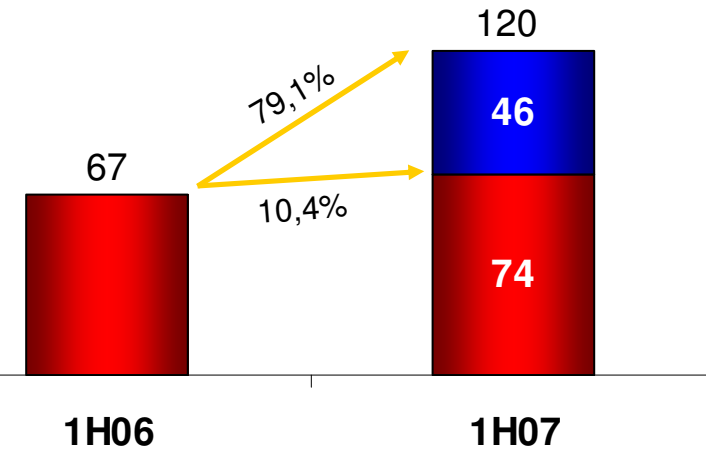
Cost Analysis



Cost of Sales (YTL mn)



Operating Expense (YTL mn)

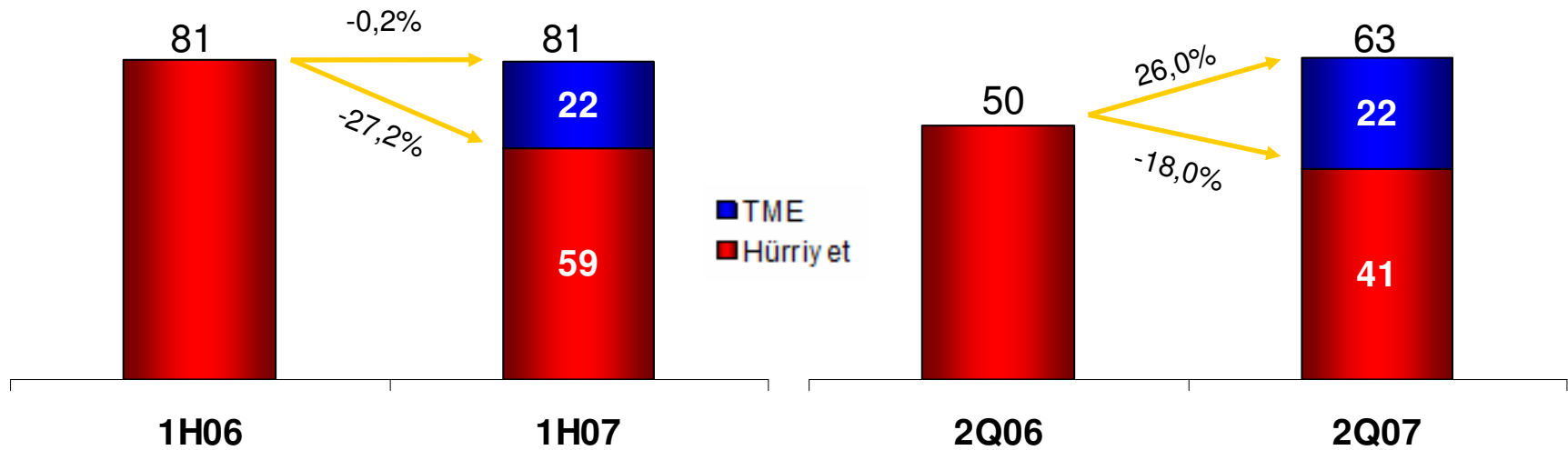


- ✓ The increase in raw material costs slowed down significantly in 2Q. Discountinued operations were also effective in reducing cost of sales.
- ✓ As a result, Hürriyet only cost of sales declined by 2,7% in 2Q.
- ✓ The impact of cost saving program is not reflected in 1H figures.

EBITDA Analysis



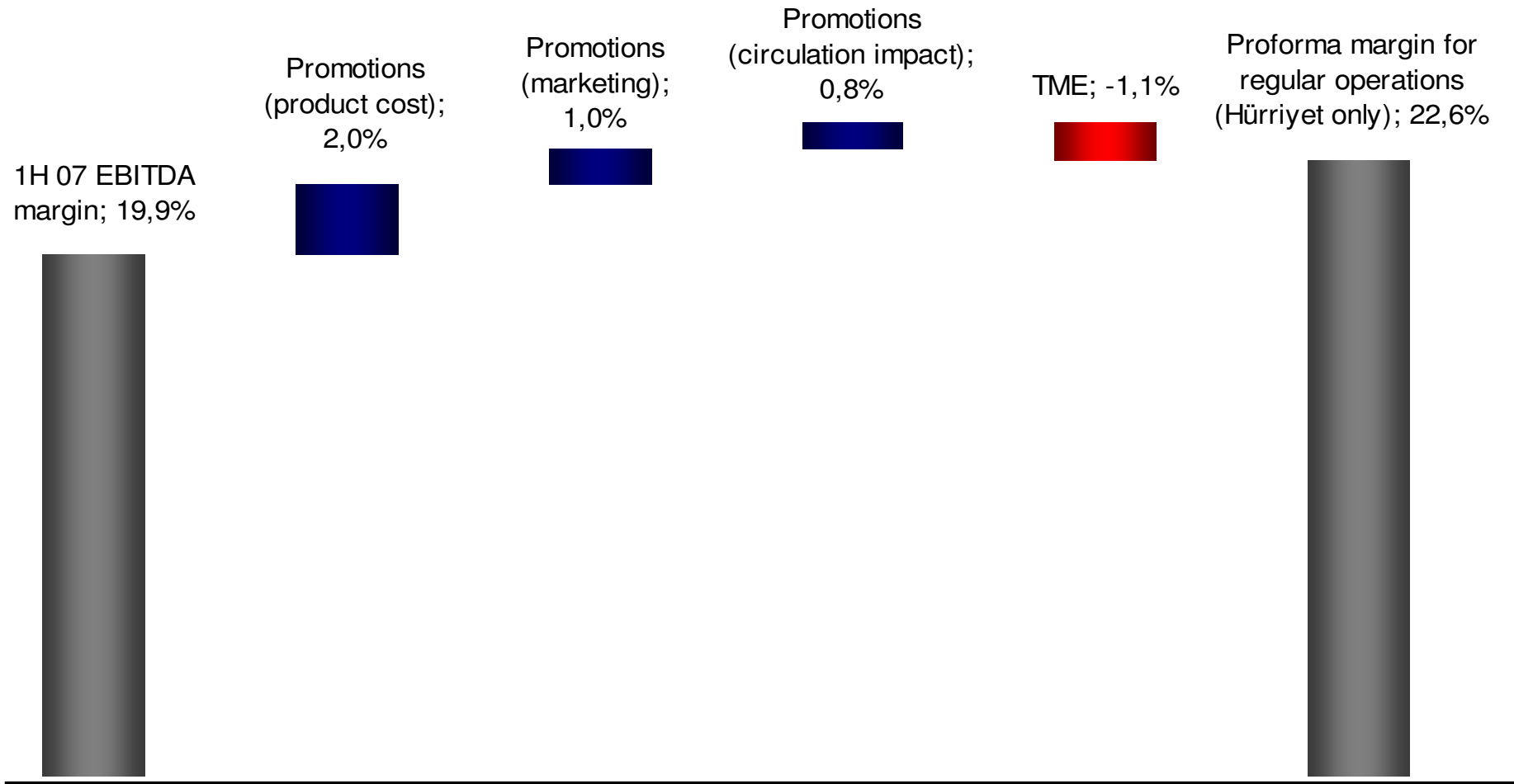
EBITDA (YTL mn)



Margin	25,0%	19,9%	27,9%	23,9%
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- ✓ Margins improved significantly in 2Q compared to 1Q EBITDA of 17 mn YTL.
- ✓ Promotions continued to pressure margins, though at a lesser degree.
- ✓ TME acquisition increased EBITDA by 26%.

1H07 Margin Bridge for Hürriyet



Profitability

(000 YTL)	1H06	1Q07	2Q07	1H07
O.Operating Income/(Expense) - Net	27.018	3.096	-6.650	-3.553
Amortised Cost Valuation Income (IFRS 39)	4.385	2.568	3.564	6.132
Interest Income	10.264	4.461	2.644	7.104
FX Gain/(Loss) -Net	5.713	-2.210	-2.438	-4.649
Provisions	-1.664	-210	-1.097	-1.307
FA Sales Loss	-55	-1.431	0	-1.431
Other Operating Income/(Expense) -Net	8.374	-80	-9.323	-9.403
Financial Expense (net)*	-14.736	1.703	14.709	16.412
Minority	1.312	94	-2.449	-2.355
Profit Before Tax	65.801	6.977	49.375	56.352
Tax	-245	-779	-14.691	-15.470
Corporate Tax	-12.862	-706	-15.997	-16.703
Deferred Tax	12.616	-73	1.306	1.233
Other	0	0	-264	-264
Net Profit	65.556	6.197	34.420	40.617

Factors that caused the decline in net profit are:

- ✓ financial loss from the subsidiary Kanal D Romania (41% shareholding);
- ✓ lower deferred tax income compared to 2006.

Net Cash Position



(000 YTL)	2006	1H06	1H07
Cash and Equivalents	164.880	136.226	141.612
S.T Bank Borrowings	7.087	18.477	24.974
L.T Bank Borrowings	39.027	34.201	592.955
Net Cash	118.766	83.547	-476.318
Investments	124.118	44.016	44.581
Supplier Loans	93.520	55.792	108.702

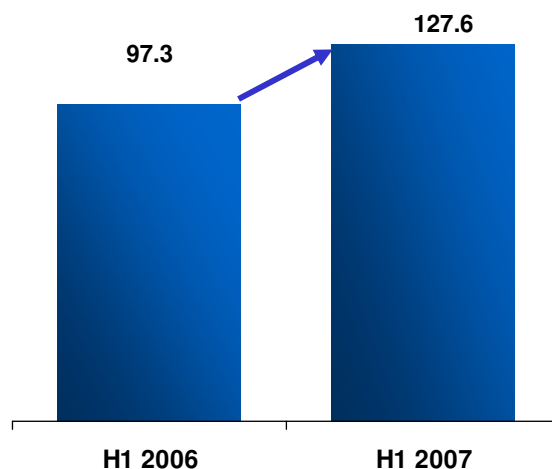
- ✓ Net debt position of YTL 476 mn includes TME's net debt of YTL 146 mn.
- ✓ Hürriyet's capex budget for 2007 is almost fully realized in the first half.

Revenue Growth – TME standalone

Hürriyet

trader
media
east

Growth (in USD million)



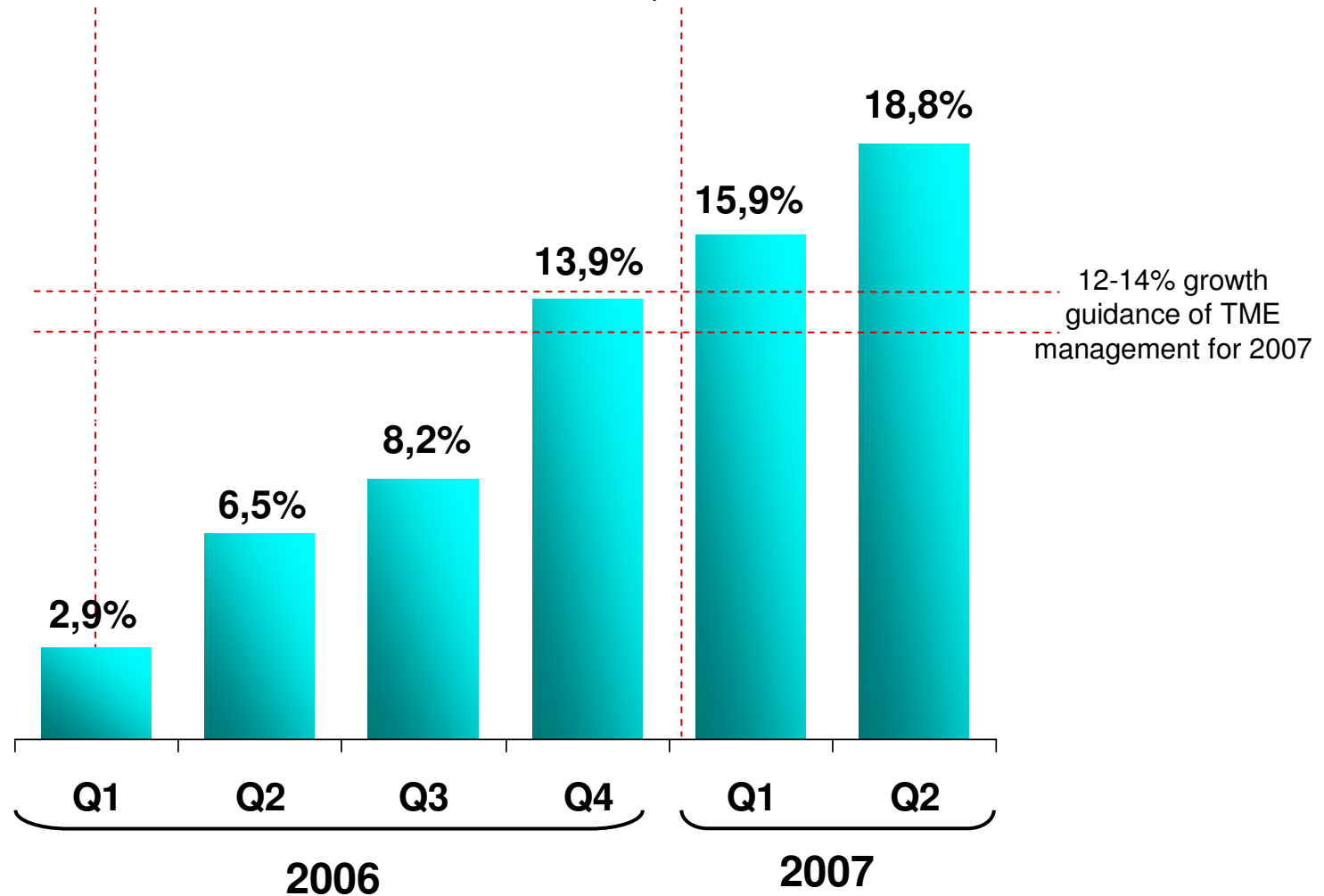
Org.: +17.4%
USD: +31.1%

	H1 2006		H1 2007
Organic revenue growth %	+ 4.9%	➡	+ 17.4%
Acquisition Impact %	+ 0.0%		+ 5.0%
Growth % (at constant exchange rate)	+ 4.9%	➡	+ 22.4%
Currency Impact %	- 1.3%		+ 8.7%
Growth %	+ 3.6%	➡	+ 31.1%

TME organic revenue growth per quarter

IPO at 13 \$ per share

Date acquisition announced at
10 \$ per share



- ✓ Ad growth in Turkey is still under pressure due to difficult market environment, driven by high interest rates. Pick-up is expected to start by 4Q07.
- ✓ Margin improvement continues with measures and positive developments on cost side. Promotion activities are still remaining, with lower impact on margins.
- ✓ TME operations are very strong, indicating much higher growth than the original guidance of 12-14%.
- ✓ Future efficiency improvements are expected in TME with the move of Paris headquarters to other locations in the next 6 months.
- ✓ Financial restructuring in TME will provide significant tax benefits starting from 2nd half.
- ✓ Online growth is expected to continue both organically and with new launches and acquisitions.