

Hürriyet

trader
media
east

Review of 1H09 Results

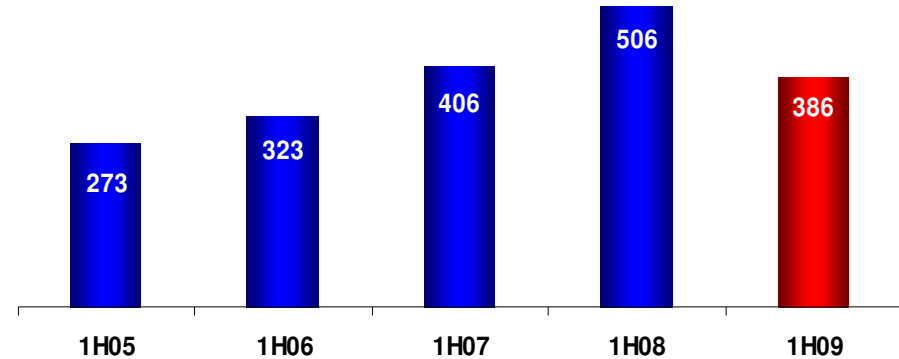
27 August 2009

- This presentation does not constitute an offer or invitation to purchase or subscription for any securities and no part of it shall form the basis of or be relied upon in connection with any contract or commitment whatsoever.
- The information contained in this document has not been independently verified. No representation or warranty express or implied is made as to and no reliance should be placed on, the accuracy, completeness, correctness or fairness of the information or opinions contained herein. Neither the company nor any of its affiliates, advisors or representatives shall have any liability whatsoever (for negligence or otherwise) with respect to any loss howsoever arising from any use by third parties of this presentation or its contents or otherwise arising in connection with it.
- Turkish ad market figures are estimates of DYH; based on currently available data. Ad market statistics may show inconsistency with IFRS figures.

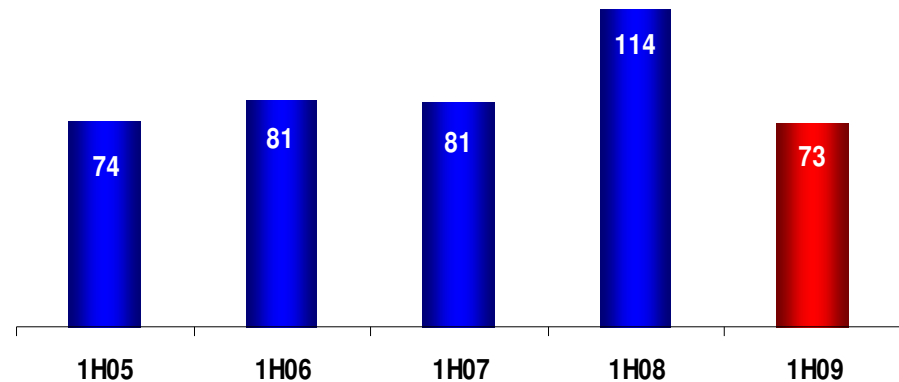
1H09 Financial Results: Summary

- Consolidated revenues declined by 24%, to TL 386 mn.
- Online revenues made 8% of total ad revenues in 1H09, compared to 6% in 1H08.
- Significant reduction on costs, as cost of sales declined by 12% and operating expenses fell by 26%.
- Consolidated EBITDA declined to TL 73 mn in 1H09, compared to TL 114 million in 1H08.
- Consolidated EBITDA margin amounted to 18.8% in 1H09, down from 22.6% in 1H08.
- EBITDA margin for domestic operations improved significantly in 2Q09. EBITDA margin of Hürriyet excluding TME was as high as 27.3% in 2Q09.
- Hence, the consolidated EBITDA margin improved as well in 2Q09 (22.5%) versus 1Q09 (14.4%).
- The appreciation of TL against USD in 2Q09, reversed the non-cash FX losses registered in 1Q09 and thus, improved the bottom line significantly.
- TL 14.5 of net loss has been realized in 1H09, mainly due to TL 15.2 mn provision booked for tax penalty, as well as decrease in deferred tax income due to utilization of carry-forward losses.

Revenues (TL mn)



EBITDA (TL mn)



1H09 Consolidated IFRS Results



(TL mn)	1Q09	2Q09	2Q08	%Ch. (2Q09/2Q08)	1H09	1H08	%Ch. (1H09/1H08)
Total revenues	174,0	212,2	286,0	-25,8%	386,2	506,4	-23,7%
Ad revenues (print)(1)	98,5	128,1	202,0	-36,6%	226,6	346,2	-34,6%
Ad revenues (online)	8,3	11,3	11,7	-3,8%	19,6	22,6	-13,5%
Circulation revenues	26,4	30,4	27,6	10,1%	56,7	55,1	2,9%
Printing revenues	28,7	30,6	30,1	1,9%	59,3	56,8	4,4%
Other revenues	12,2	11,9	14,7	-19,1%	24,1	25,7	-6,1%
Cost of sales	-122,9	-129,0	-157,0	-17,9%	-251,8	-286,9	-12,2%
Operating expenses	-51,9	-59,2	-83,3	-28,9%	-111,1	-150,2	-26,1%
Marketing, sales and distribution	-16,3	-20,3	-37,1	-45,4%	-36,6	-64,2	-43,0%
General administrative	-35,5	-38,9	-46,2	-15,7%	-74,5	-86,0	-13,4%
Operating profit	-0,7	24,1	45,8	-47,4%	23,3	69,2	-66,3%
Other operating expenses (net)	-0,8	-22,2	0,4	-	-23,0	0,2	-
Income/loss from investments	-3,3	-1,0	-0,9	-	-4,3	-3,7	16,6%
Financial expense (net)	-62,5	51,2	16,1	-	-11,3	-39,2	-
Profit before tax from continued operations	-67,4	52,1	61,3	-15%	-15,3	26,5	-
Tax	9,2	-14,8	-17,2	-	-5,5	-17,4	-
Net profit before minority from cont. operations	-58,2	37,3	44,2	-15%	-20,8	9,1	-
Income/loss from discontinued operations	0,0	0,0	58,8	-	0,0	59,2	-
Net profit before minority	-58,2	37,3	103,0	-64%	-20,8	68,3	-
Minority Interest	8,4	-2,1	-20,6	-	6,3	-21,6	-
Net profit	-49,8	35,3	82,3	-57%	-14,5	46,7	-
Depreciation	21,5	21,6	19,9	-	43,1	39,0	-
Amortised cost valuation	4,3	1,9	3,0	-	6,2	6,2	-
Adj.EBITDA	25,0	47,7	68,8	-30,7%	72,7	114,4	-36,4%
EBITDA Margin	14,4%	22,5%	24,0%	-	18,8%	22,6%	-

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

1H09 IFRS Results: Hürriyet excluding TME

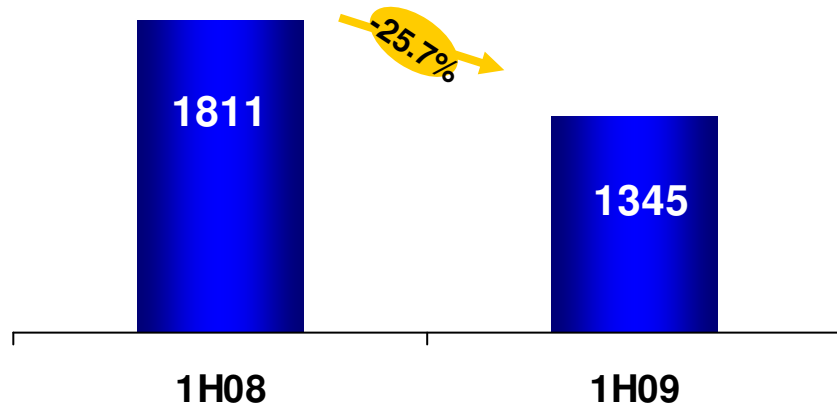


(TL mn)	1Q09	2Q09	2Q08	%Ch. (2Q09/2Q08)	1H09	1H08	%Ch. (1H09/1H08)
Total revenues	116,3	148,9	179,9	-17,2%	265,2	318,0	-16,6%
Ad revenues (print)(1)	57,9	84,3	119,5	-29,5%	142,2	201,2	-29,4%
Ad revenues (online)	3,8	5,1	5,4	-5,0%	9,0	11,1	-19,4%
Circulation revenues	19,5	23,4	18,8	24,5%	42,9	37,5	14,2%
Printing revenues	28,4	30,4	29,7	2,5%	58,9	56,0	5,1%
Other revenues	6,7	5,7	6,5	-13,0%	12,4	12,1	2,1%
Cost of sales	-94,3	-97,1	-104,9	-7,5%	-191,4	-195,3	-2,0%
Operating expenses	-22,0	-27,4	-40,3	-32,1%	-49,4	-71,9	-31,4%
Marketing, sales and distribution	-11,8	-15,5	-26,1	-40,6%	-27,3	-46,3	-41,0%
General administrative	-10,1	-11,9	-14,3	-16,6%	-22,0	-25,6	-13,9%
Operating profit	0,0	24,5	34,7	-29,5%	24,5	50,9	-51,8%
Other operating expenses (net)	-0,6	-17,4	1,7	-	-18,0	2,2	-
Depreciation	13,9	14,2	13,2	-	28,1	26,1	-
Amortised cost valuation	4,3	1,9	3,0	-	6,2	6,2	-
Adj.EBITDA	18,2	40,6	51,0	-20,3%	58,8	83,2	-29,3%
EBITDA Margin	15,6%	27,3%	28,3%	-	22,2%	26,2%	-

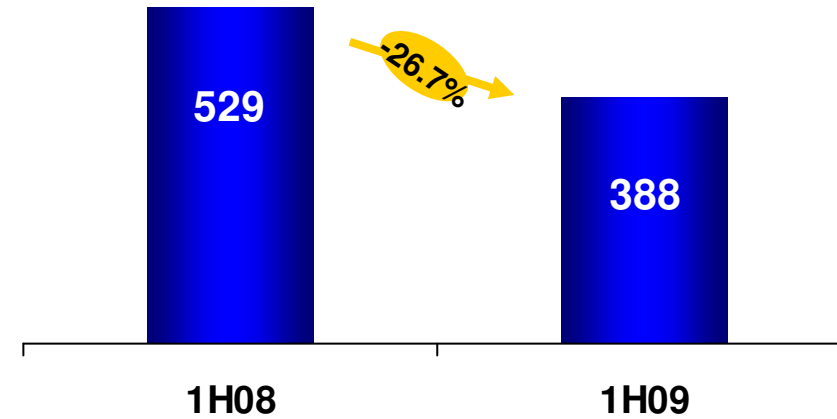
(1) Excludes amortized cost valuation income, which is part of ad revenues classified under interest income according to IFRS regulations.

Turkish ad market *

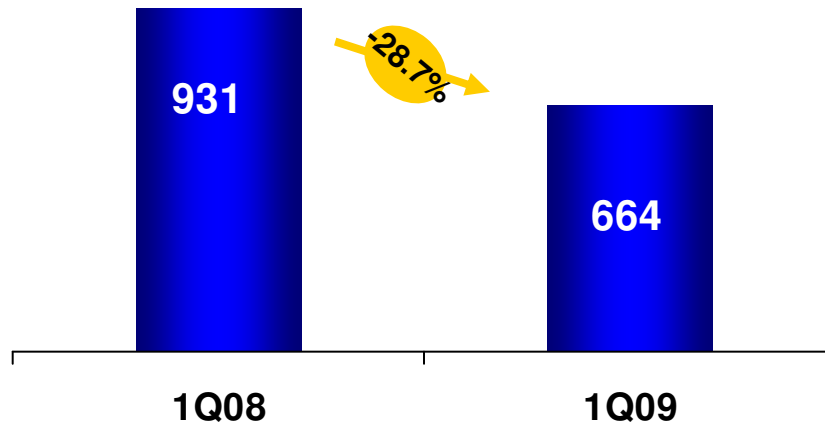
Total Ad Market (TL mn)



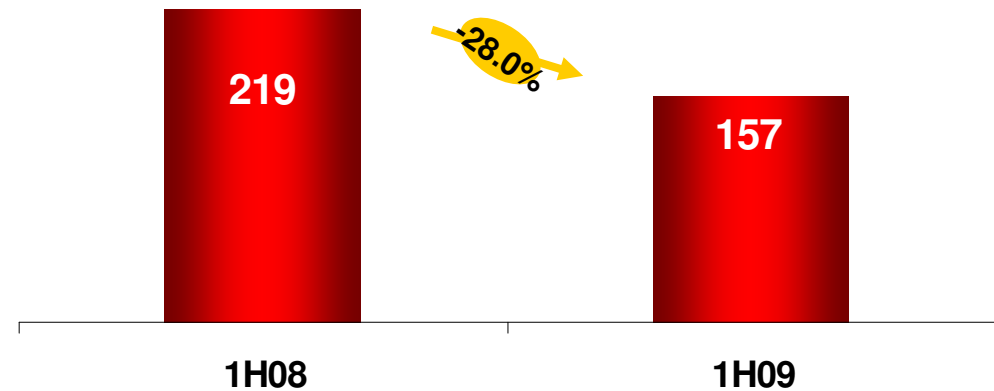
Newspaper Advertising (TL mn)



TV Advertising (TL mn)



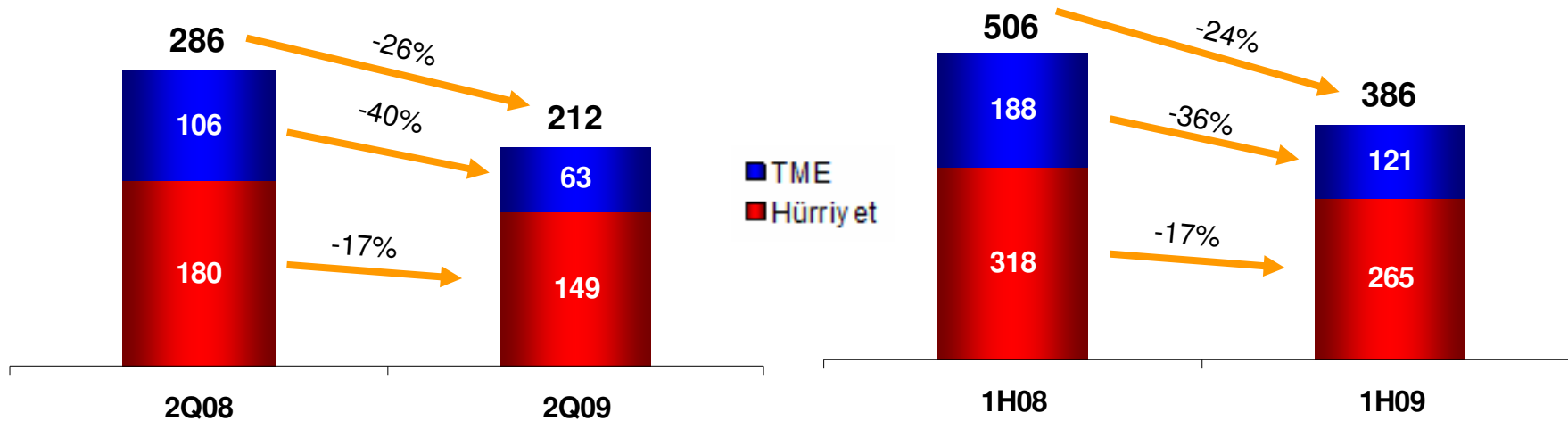
Hürriyet Ad Growth ** (TL mn)



* Ad market statistics are estimates compiled by DYH ad platform . Newspaper ad market size is estimated based on 28 national newspapers.

** Hürriyet ad revenue figures include Referans, Daily News and internet ad revenues; excludes TME. Adjusted for amortized cost valuation income.

Total Revenue (TL mn)

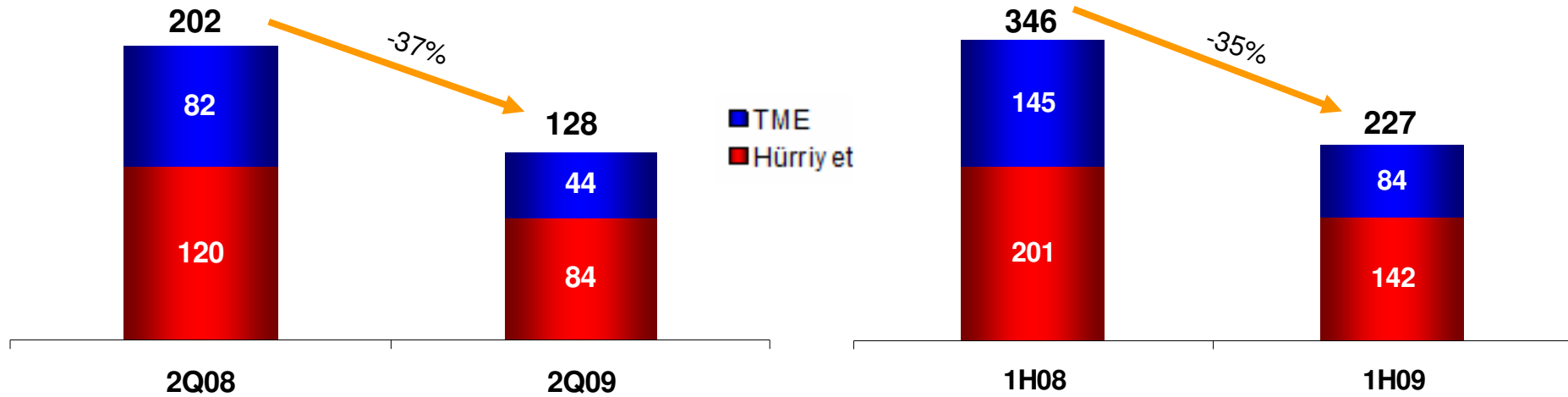


- Contraction in ad revenues continued in 2Q09, both in Turkey and in TME region.
- **Hürriyet excluding TME:** the fall in ad revenues was partly offset by the increase in circulation and printing revenues. Hence, the decline in total revenues remained at 17% despite the 29% decline in ad revenues, in 1H09.
- **TME:** Ad revenues contracted around 34% in local currency (39% in TL) in 1H09.

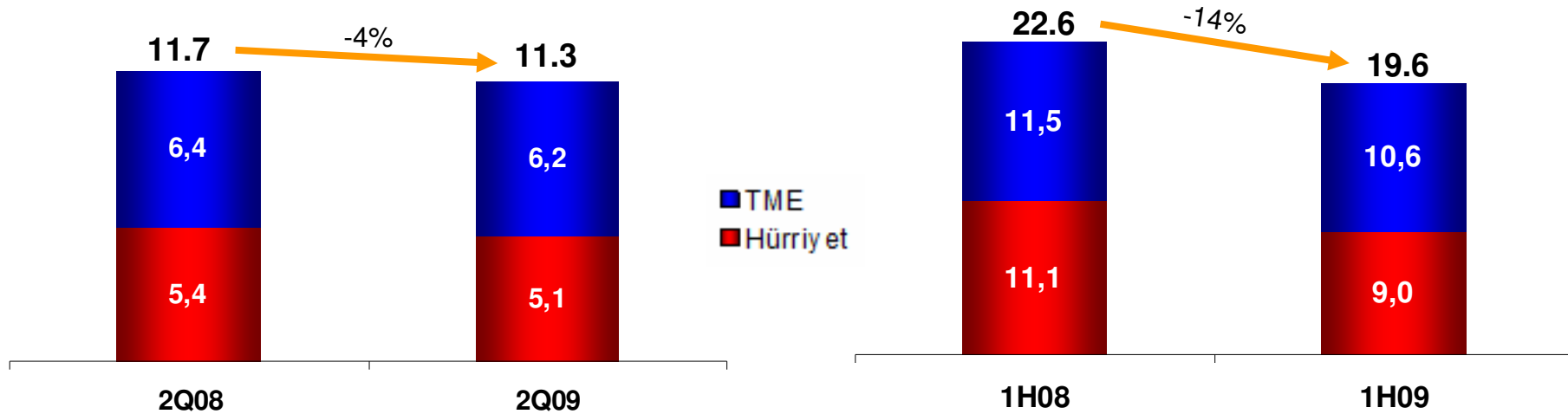
Ad revenue growth : Print & Online



Print Ad Revenue (TL mn)

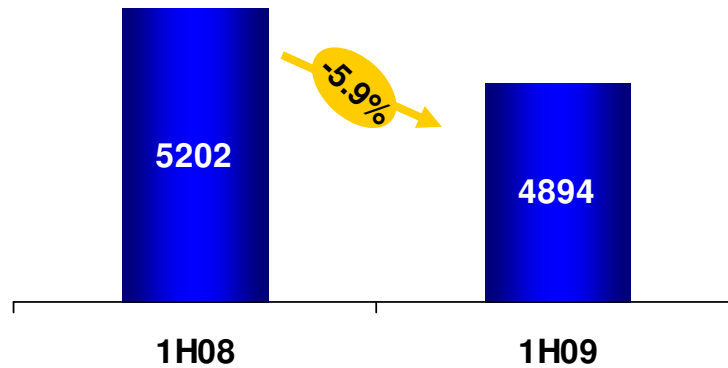


Online Revenue (TL mn)

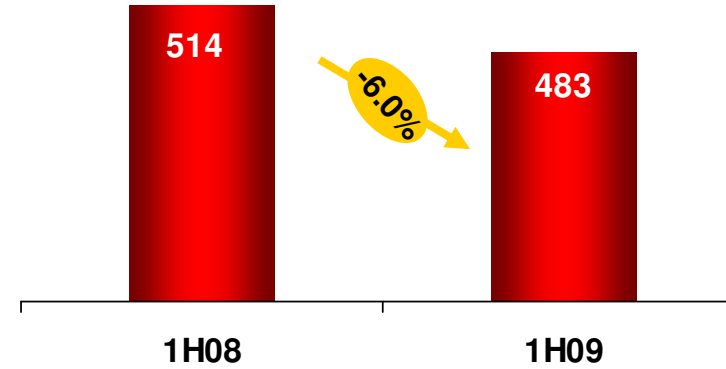


Circulation market *

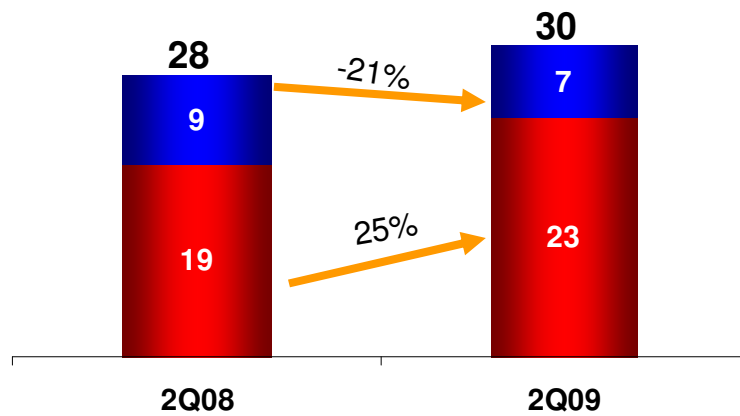
National Circulation (000)



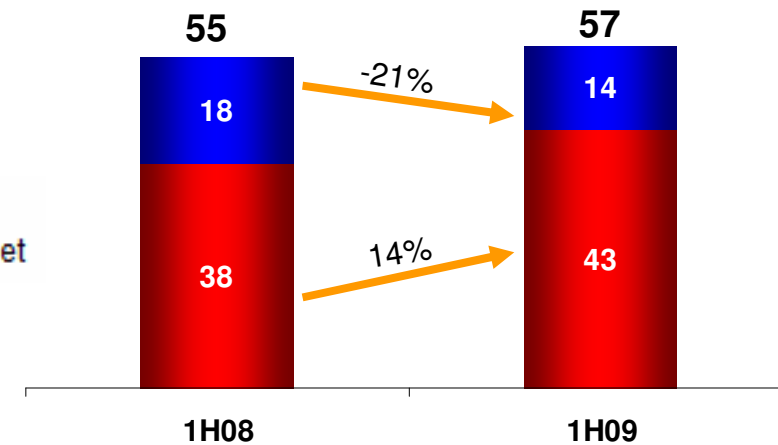
Hürriyet Circulation (000)



Circulation Revenue (TL mn)



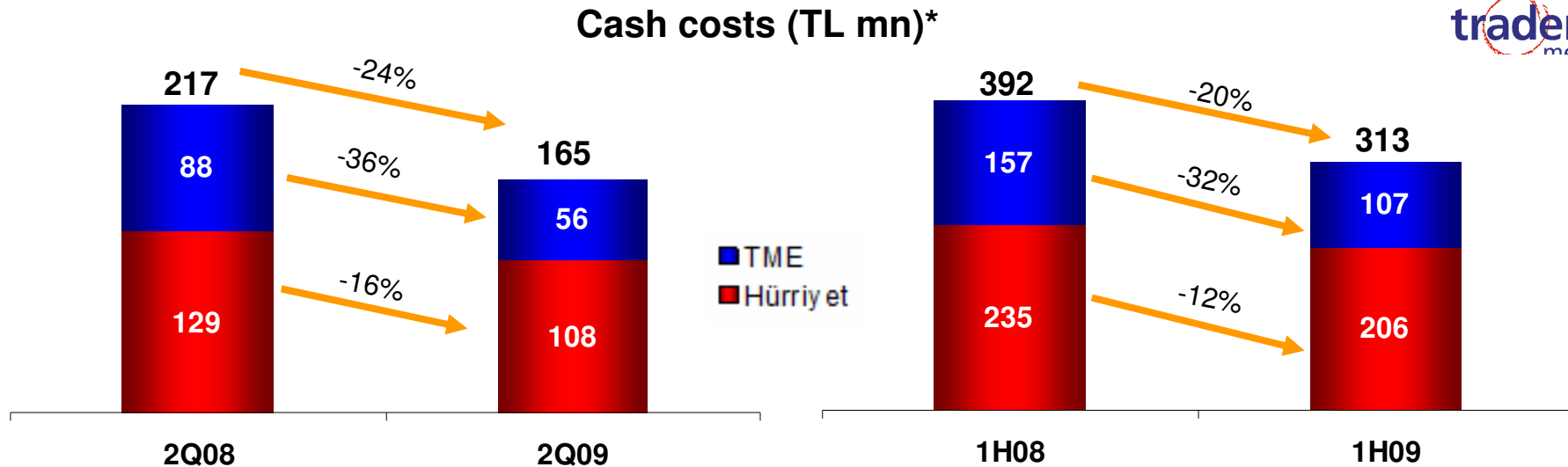
■ TME
■ Hürriyet



- Hürriyet's average daily circulation declined by 6%, in line with the fall in national circulation.
- Circulation revenues in domestic operations rose by 14%, thanks to the cover price increases.
- Average cover price of Hürriyet in 1H09 was 25% higher compared to 1H08.

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

Cash costs: reflecting the results of tight cost control measures



Efficient cost control measures led to significant decline on the cost side, both in domestic and TME operations:

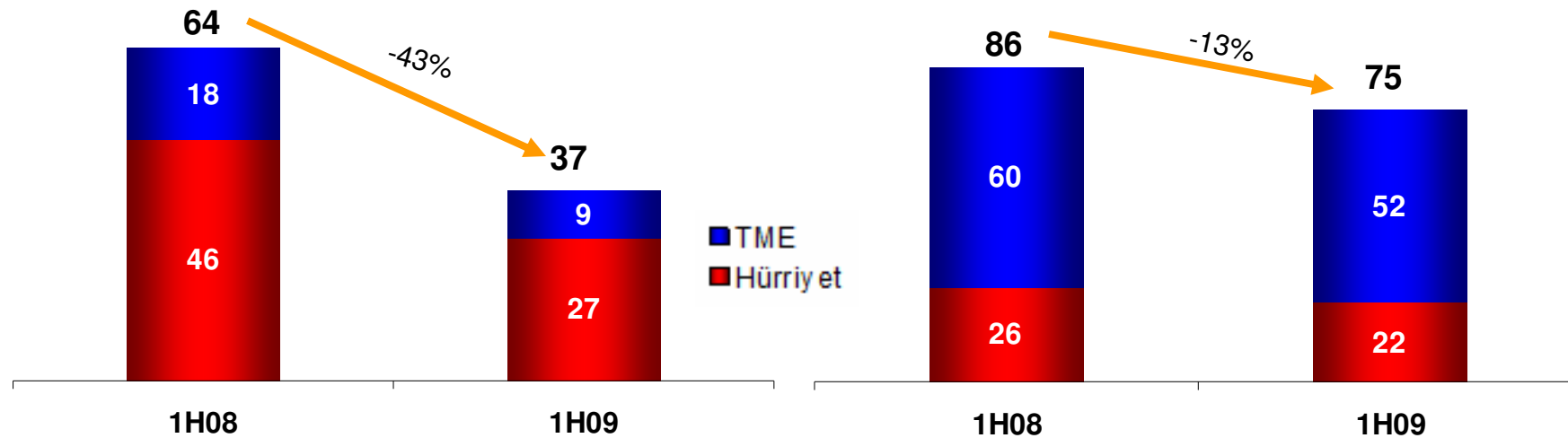
- Significant reduction in the number of pages of Hürriyet newspaper.
- Closure of some supplements of Hürriyet
- Closure of the free newspaper, 20dk
- Closure of loss making publications of TME
- Reduction in the weight of newsprint (Hürriyet), from 48.8 gr to 45 gr
- Headcount reduction.
- Savings in marketing expenditures
- Re-negotiation of all contracts (newsprint, rent, insurance, out-sourced services, etc...)
- In-house printing of TME publications instead of out-sourcing
- Cheaper paper replacement for some TME publications.
- Increased share of variable costs in TME through shifting to a revenue-indexed compensation scheme.

* Defined as EBITDA - Revenues

Cost analysis: operating expenses

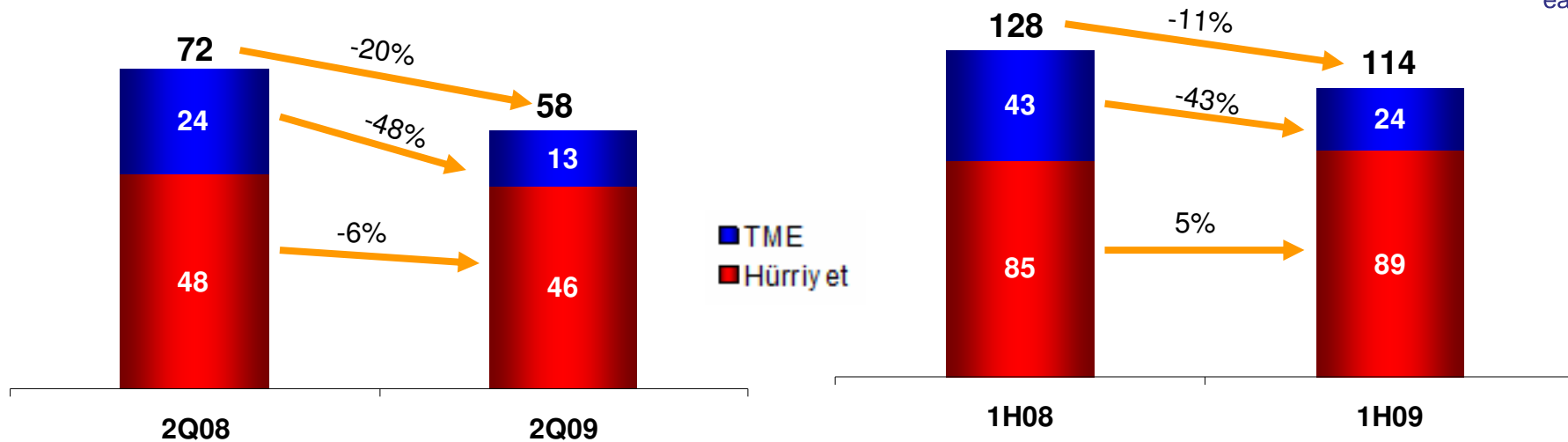
Sales, marketing and distribution costs (TL mn)

General administrative costs (TL mn)



Cost analysis: developments in major cost items - I

Raw material costs (TL mn)



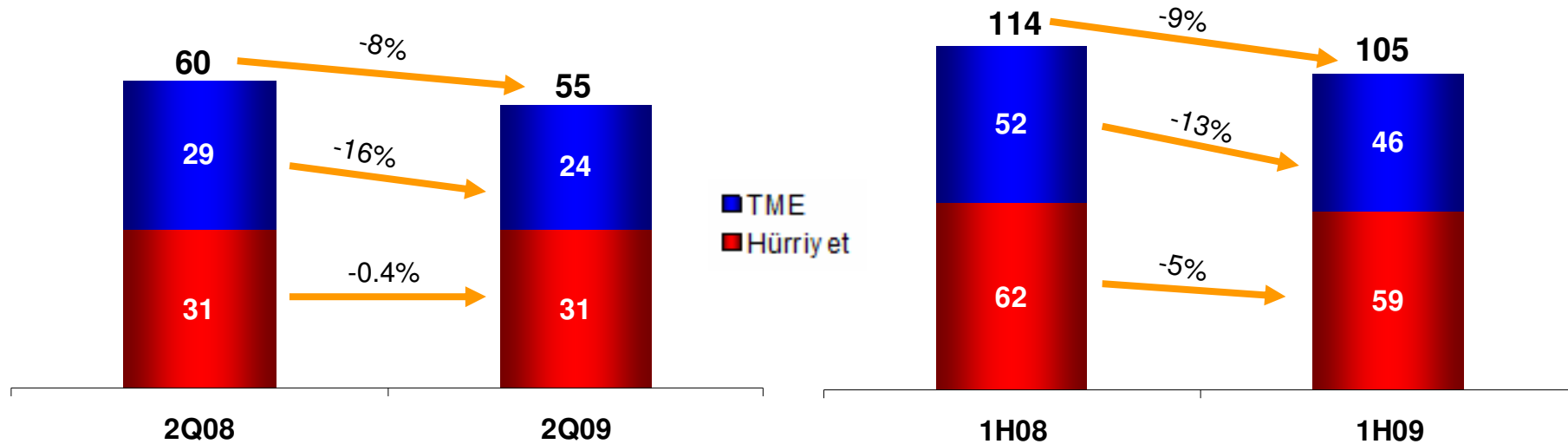
Hürriyet	2008	1H08	1H09	Δ (1H09/1H08)
Average number of pages	87	91	72	-19
Main paper	38	38	38	0
Supplements	49	53	34	-19

Hürriyet newspaper:

- Despite the 3% yoy increase in \$ prices of newsprint and the 25% yoy depreciation of the TL, raw material costs declined by 6% in 2Q09.
- This was achieved through 30% reduction in newsprint utilization, as a result of lower number of pages and the decline in circulation.

Cost analysis: developments in major cost items - II

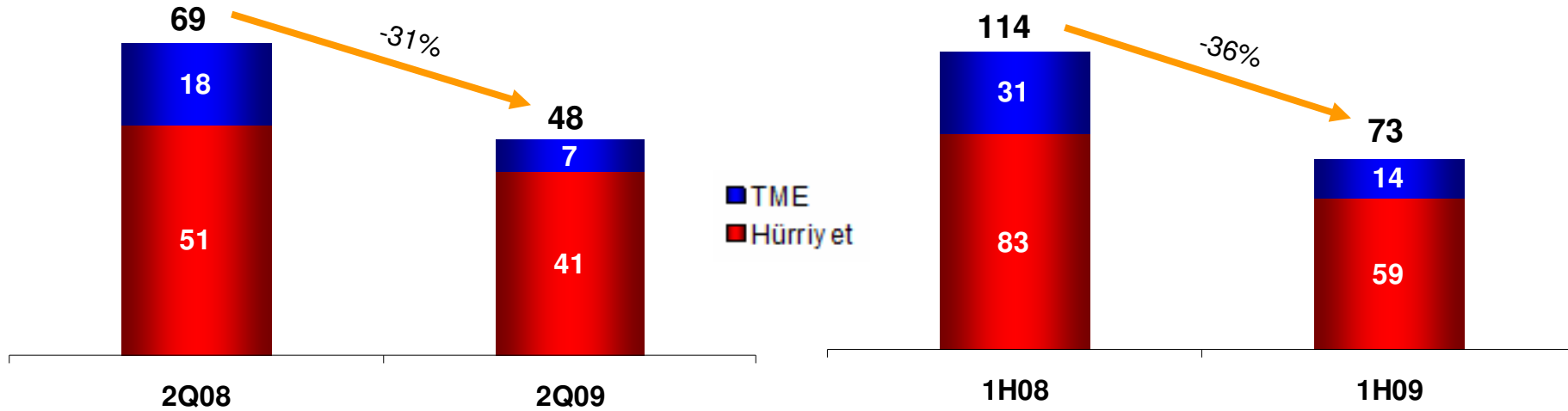
Personel costs (TL mn)



Personel costs reduced through :

- Lowering the headcount : since September 2008, the number of personel declined by 11% in domestic operations and 16% in TME.
- No wage increase in 2009.
- Voluntary salary cuts and temporary unpaid vacations in TME.

EBITDA (TL mn)



<i>EBITDA margin</i>	1Q09	2Q09	2Q08	1H09	1H08
Consolidated	14.4%	22.5%	24.0%	18.8%	22.6%
Hürriyet	15.6%	27.3%	28.3%	22.2%	26.2%
TME	11.9%	11.2%	16.8%	11.5%	16.5%

Net Debt Position

(mn TL)	31.12.2008	30.06.2009
Cash and Equivalents	370.3	281.1
S.T Bank Borrowings	244.4	183.7
L.T Bank Borrowings	537.6	442.3
Net Cash / (Net Debt)	-411.7	-344.9
Investments	68.0	37.2
Supplier Loans	114.6	116.4

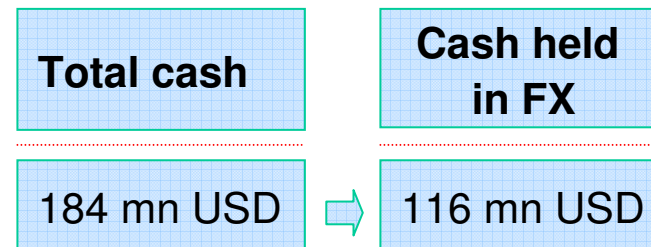
(mn USD)	31.12.2008	30.06.2009
Cash and Equivalents	245	184
S.T Bank Borrowings	162	120
L.T Bank Borrowings	355	289
Net Cash / (Net Debt)	-272	-225
Investments	53	24
Supplier Loans	76	76

- Net debt position of TL 345 mn (USD 225 mn) includes TME's net debt of TL 98 mn (USD 64 mn)

Loan repayment schedule *

Loan repayment schedule (principal payment, mn USD)

	July - December 2009			2010		
	Hürriyet	TME	Total	Hürriyet	TME	Total
Bank loans	31	18	49	79	36	116
Supplier loans	12	0	12	22	0	22
Total	42	18	61	101	36	138



TME: Consolidated statements of operations (IFRS)



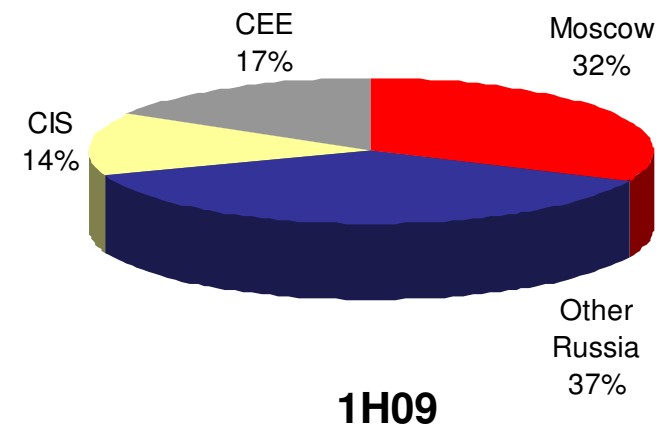
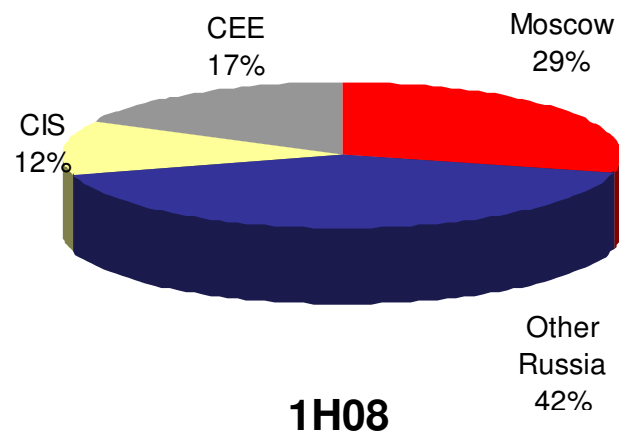
(USD mn)	1H09	1H08	%Ch. (1H09/1H08)
Sales	75,3	153,3	-50,9%
Cost of sales	-37,6	-75,3	-50,1%
Marketing, selling and distribution expenses	-8,4	-15,5	-45,8%
General administrative expenses	-27,5	-41,6	-33,9%
Other income / expense, net	-0,5	49,3	-
Operating profit	1,3	70,7	-
Financial income / expense, net	-9,8	0,3	-
(Loss)/profit before income taxes	-8,5	71,0	-
Income tax expense	0,0	-13,4	-
Net (loss)/profit for the year from continuing operations	-8,5	57,6	-
Net profit/(loss) for the year from discontinued operations	0,0	0,4	-
Net profit for the year	-8,5	58,0	-
Attributable to:			
Equity holders of the parent	-9,4	54,8	-
Minority interest	0,9	3,4	-

Revenue Growth by Regions – TME standalone



Mn USD	1H08	1H09	Growth (USD)	Growth (LCY)
Russia	108.3	52.4	-52%	-33%
Moscow	44.5	23.8	-47%	-26%
Other Russia	63.8	28.6	-55%	-38%
CIS	18.6	10.5	-44%	-22%
CEE	26.6	12.5	-53%	-42%
Total	153.5	75.3	-51%	-34%

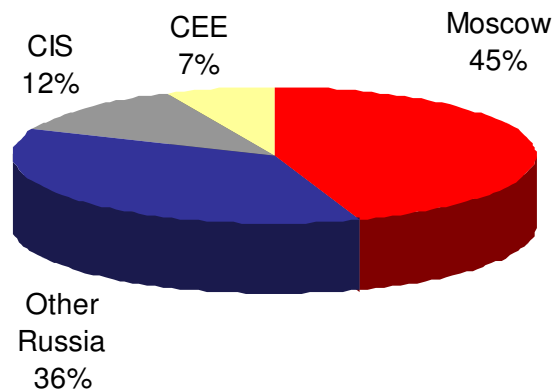
Revenue Breakdown by Regions



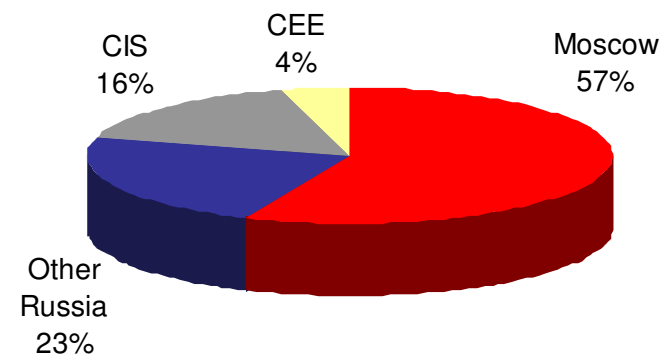
EBITDA by Regions – TME standalone

Mn USD	1H08	1H09	Growth (USD)	Growth (LCY)	EBITDA margin 1H08	EBITDA margin 1H09
Russia	29.0	10.4	-64%	-51%	26.8%	19.8%
Moscow	16.0	7.4	-54%	-37%	36.0%	30.9%
Other Russia	13.0	3.0	-77%	-68%	20.3%	10.6%
CIS	4.4	2.1	-52%	-31%	23.8%	20.2%
CEE	2.4	0.6	-77%	-71%	8.9%	4.5%
Operational EBITDA	35.8	13.1	-64%	-50%	23.3%	17.3%
Consolidated EBITDA	28.3	8.8	-69%	-55%	18.4%	11.6%

EBITDA Breakdown by Regions



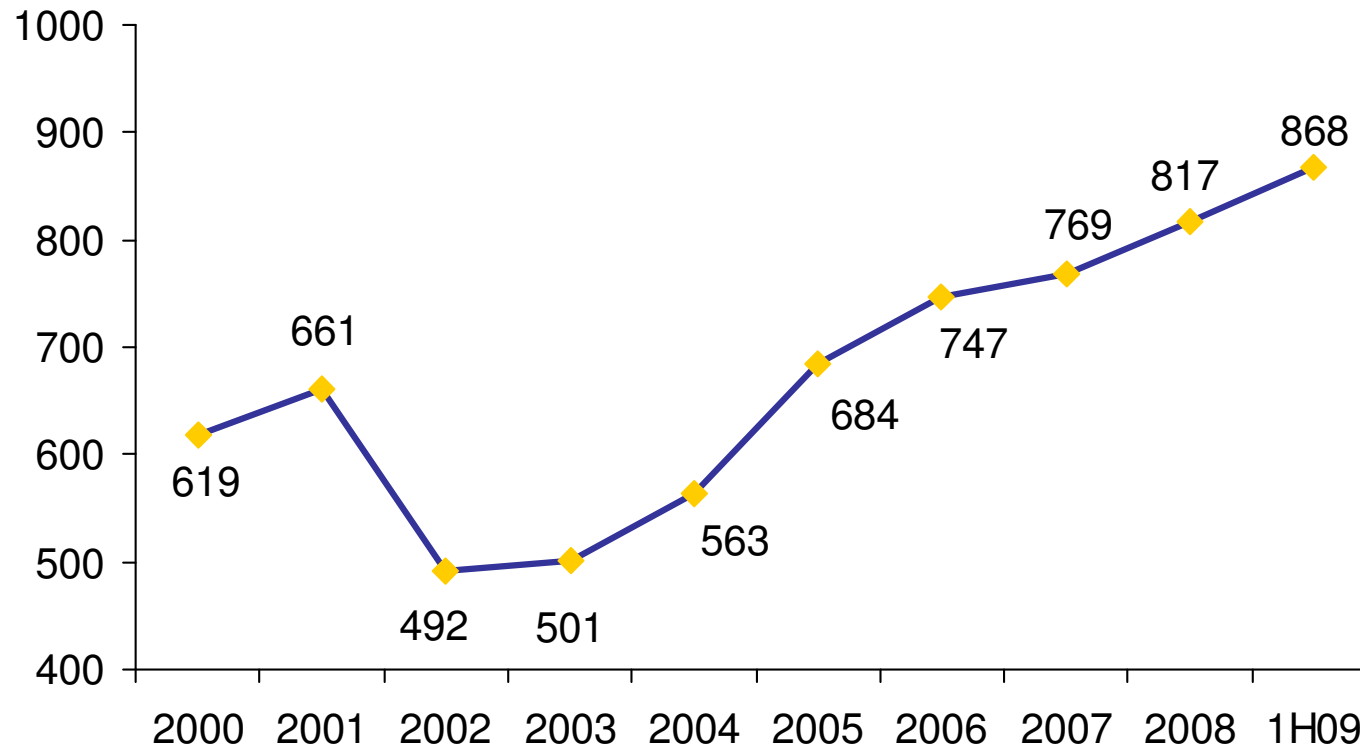
1H08



1H09

- Hürriyet ad revenues in domestic operations is expected to decline around 20% in 2009.
- Total revenues of Hürriyet excluding TME operations is expected to decline around 10% in 2009.
- TME revenues are expected to decline around 35% in local currency.
- Costs will continue to be monitored tightly, both domestically and in TME operations.
- Declining newsprint prices beginning from April 2009. Average newsprint prices is expected to be around 760 \$ / ton in 2009.
- With increased emphasis for the development of internet business, we continue to invest in internet. To maximize synergy and increase efficiency, internet businesses have been consolidated under a single management.

Average Newsprint Costs (US\$) *



* Including all costs and expenses like custom duties, transportation etc.

Hürriyet's major advertisers



Sectors	1H08	1H09
Real Estate	15%	18%
Classifieds (incl. HR)	13%	11%
Tourism	7%	9%
Retail	9%	8%
Automotive	11%	8%
Social	5%	7%
Finance	7%	6%
Entertainment, culture, art & sports	2%	3%
Textile	3%	3%
State enterprises & political parties	1%	2%
First 10 Total	73%	75%
Others	27%	25%

Investor Contact

<http://www.hurriyetcorporate.com>

<http://www.dyh.com.tr>

<http://www.tmeast.com>

e-mail: ir@hurriyet.com.tr

tel: (90) 212 677 0850