



## **Review of FY 2011 Results**

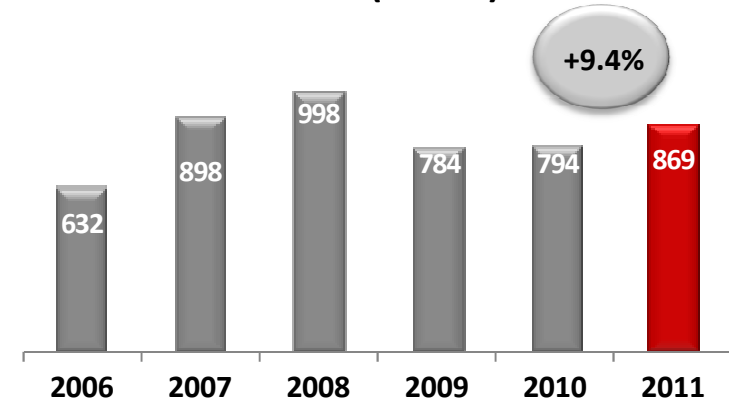
### **02 April 2012**

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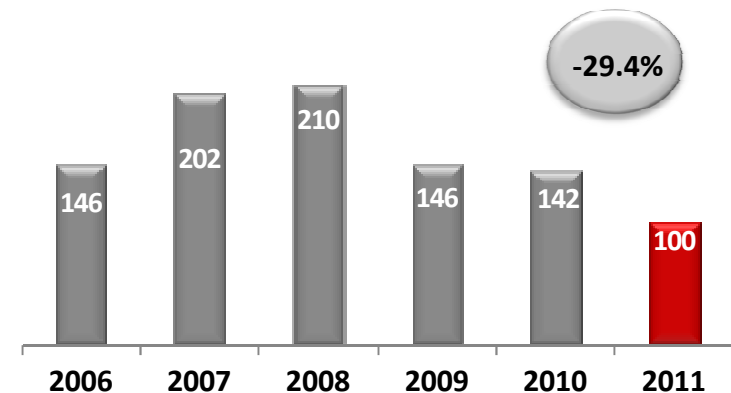
## 2011 Financial Results: Summary

- Consolidated revenues increased by 9.4%, to TL 869 mn, in 2011.
  - Print ad revenues increased by 9%, which is driven by 9.4% growth in domestic side outperforming the newspaper market.
  - Online revenues surged by 33%, fueled by the 55% increase in TME online revenues.
  - Online revenues made 12% of total ad revenues in 2011, compared to 10% in 2010.
- Consolidated EBITDA decreased to TL 100 mn in 2011, compared to TL 142 mn in 2010.
- Consolidated EBITDA margin declined to 11.5%, from 17.8% in 2010.
  - EBITDA margin for Hürriyet excluding TME was 13.7% (19.5% in 2010).
  - EBITDA margin of TME was 5.7% (13.4% in 2010).
- TL 235.7 mn of net loss has been realized in 2011, compared to a net loss of TL 40.1 mn in 2010.
  - The main reasons behind the net loss are FX loss (TL 88 mn), impairment (TL 113 mn) and tax settlement (TL 20 mn).

**Revenues (TL mn)**



**EBITDA (TL mn)**



# 2011 Consolidated IFRS Results

mn TL	1Q11	2Q11	3Q11	4Q11	4Q10	YoY% Ch.	2011	2010	YoY% Ch.
<b>Total revenues</b>	<b>190.3</b>	<b>239.5</b>	<b>200.3</b>	<b>238.7</b>	<b>206.9</b>	<b>15.4%</b>	<b>868.7</b>	<b>794.2</b>	<b>9.4%</b>
Ad revenues (print) <sup>1</sup>	108.5	148.2	112.4	144.7	128.5	12.6%	513.8	472.3	8.8%
Ad revenues (online)	14.3	18.3	17.3	20.8	14.9	40.0%	70.7	53.2	33.0%
Circulation revenues	29.1	26.1	27.3	31.2	27.8	12.6%	113.8	114.0	-0.2%
Printing revenues	26.1	32.0	31.1	33.6	26.3	27.8%	122.7	111.6	10.0%
Other revenues	12.2	14.8	12.2	8.4	9.5	-12.0%	47.7	43.1	10.6%
<b>Cost of sales</b>	<b>-130.1</b>	<b>-136.7</b>	<b>-133.5</b>	<b>-140.5</b>	<b>-114.3</b>	<b>22.9%</b>	<b>-540.8</b>	<b>-466.0</b>	<b>16.0%</b>
<b>Operating expenses</b>	<b>-63.8</b>	<b>-76.9</b>	<b>-70.1</b>	<b>-111.1</b>	<b>-96.3</b>	<b>15.4%</b>	<b>-321.9</b>	<b>-282.7</b>	<b>13.9%</b>
Marketing, sales and distribution	-27.1	-33.6	-30.3	-56.3	-45.3	24.2%	-147.2	-125.0	17.8%
General administrative	-36.7	-43.3	-39.8	-54.9	-51.0	7.5%	-174.7	-157.8	10.7%
<b>Operating profit</b>	<b>-3.6</b>	<b>25.8</b>	<b>-3.3</b>	<b>-12.9</b>	<b>-3.7</b>		<b>6.0</b>	<b>45.5</b>	
<b>Other operating expenses (net)</b>	<b>-21.2</b>	<b>-1.2</b>	<b>-7.5</b>	<b>-126.5</b>	<b>-60.0</b>		<b>-156.4</b>	<b>-69.1</b>	
Income/loss from investments	-2.1	-2.7	-1.9	-4.6	-2.1		-11.3	-8.9	
Financial expense (net)	0.5	-24.5	-60.8	-20.4	-17.5		-105.2	-17.0	
Monetary gain/loss (net) <sup>2</sup>				0.4			0.4		
<b>Profit before tax</b>	<b>-26.5</b>	<b>-2.5</b>	<b>-73.5</b>	<b>-164.0</b>	<b>-83.2</b>		<b>-266.5</b>	<b>-49.6</b>	
Tax	-1.6	-0.5	4.0	7.0	10.0		8.9	-5.9	
<b>Net profit before minority</b>	<b>-28.1</b>	<b>-3.0</b>	<b>-69.4</b>	<b>-157.0</b>	<b>-73.2</b>		<b>-257.6</b>	<b>-55.5</b>	
Minority Interest	2.0	0.6	7.4	12.0	12.1		21.9	15.4	
<b>Net profit</b>	<b>-26.1</b>	<b>-2.5</b>	<b>-62.1</b>	<b>-145.0</b>	<b>-61.2</b>		<b>-235.7</b>	<b>-40.1</b>	
Depreciation	21.8	21.4	21.3	20.9	20.8	0.4%	85.4	84.3	1.2%
Amortised cost valuation income	2.7	1.9	1.3	2.8	2.4	15.4%	8.7	7.4	17.6%
Effect of change in ETB calculation <sup>3</sup>					4.5			4.5	
<b>Adj.EBITDA</b>	<b>20.8</b>	<b>49.1</b>	<b>19.3</b>	<b>10.8</b>	<b>24.1</b>	<b>-55.0%</b>	<b>100.1</b>	<b>141.7</b>	<b>-29.4%</b>
EBITDA Margin	10.9%	20.5%	9.7%	4.5%	11.6%		11.5%	17.8%	

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

(2) Effects of inflation accounting in TME's Belarus operations

(3) There has been a change in the method of calculation for employment termination benefits (ETB) in FY10. EBITDA has been adjusted for this one-off change which is specific to FY10 due to method change.

## 2011 IFRS Results: Hürriyet excluding TME

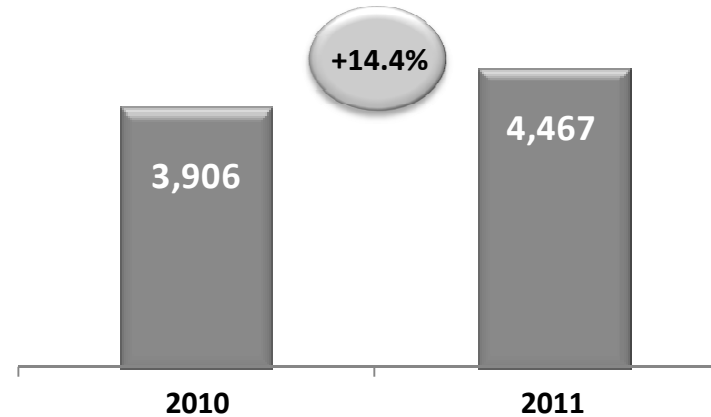
mn TL	1Q11	2Q11	3Q11	4Q11	4Q10	YoY% Ch.	2011	2010	YoY% Ch.
<b>Total revenues</b>	<b>138.4</b>	<b>176.1</b>	<b>139.5</b>	<b>175.1</b>	<b>153.9</b>	<b>13.8%</b>	<b>629.2</b>	<b>579.3</b>	<b>8.6%</b>
Ad revenues (print) <sup>1</sup>	76.5	107.2	73.0	103.7	91.8	12.9%	360.3	329.5	9.4%
Ad revenues (online)	5.9	7.3	5.8	8.1	7.0	16.4%	27.1	25.1	7.9%
Circulation revenues	23.6	23.1	23.3	24.0	23.1	4.2%	94.0	91.3	3.0%
Printing revenues	25.9	31.8	30.9	33.5	26.1	28.3%	122.1	110.6	10.4%
Other revenues	6.5	6.7	6.6	5.8	5.9	-1.8%	25.7	22.8	12.4%
<b>Cost of sales</b>	<b>-101.0</b>	<b>-104.0</b>	<b>-101.3</b>	<b>-108.2</b>	<b>-88.1</b>	<b>22.9%</b>	<b>-414.6</b>	<b>-359.1</b>	<b>15.5%</b>
<b>Operating expenses</b>	<b>-34.3</b>	<b>-46.3</b>	<b>-40.4</b>	<b>-67.5</b>	<b>-69.1</b>	<b>-2.2%</b>	<b>-188.5</b>	<b>-173.1</b>	<b>8.9%</b>
Marketing, sales and distribution	-21.4	-27.0	-23.5	-37.8	-39.1	-3.2%	-109.6	-104.3	5.1%
General administrative	-12.9	-19.3	-16.9	-29.7	-30.0	-1.0%	-78.9	-68.7	14.7%
<b>Operating profit</b>	<b>3.1</b>	<b>25.8</b>	<b>-2.1</b>	<b>-0.6</b>	<b>-3.3</b>	<b>-80.4%</b>	<b>26.1</b>	<b>47.1</b>	<b>-44.6%</b>
<b>Other operating expenses (net)</b>	<b>-20.8</b>	<b>-1.2</b>	<b>-6.6</b>	<b>-115.8</b>	<b>-57.3</b>		<b>-144.3</b>	<b>-66.2</b>	
Depreciation	13.5	12.8	12.7	12.6	13.7		51.7	54.0	
Amortised cost valuation income	2.7	1.9	1.3	2.8	2.4		8.7	7.4	
Effect of change in ETB calculation <sup>2</sup>					4.5			4.5	
<b>Adj.EBITDA</b>	<b>19.3</b>	<b>40.4</b>	<b>12.0</b>	<b>14.8</b>	<b>17.4</b>	<b>-14.8%</b>	<b>86.5</b>	<b>113.0</b>	<b>-23.5%</b>
EBITDA Margin	14.0%	23.0%	8.6%	8.4%	11.3%		13.7%	19.5%	

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

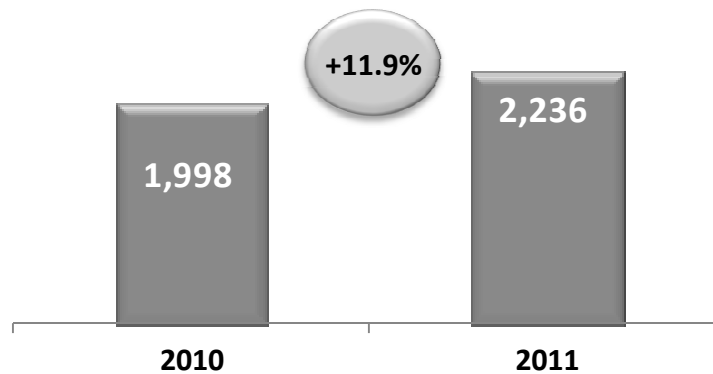
(2) There has been a change in the method of calculation for employment termination benefits (ETB) in FY10. EBITDA has been adjusted for this one-off change which is specific to FY10 due to method change.

- Due to some re-allocation of mainly personnel costs, there has been re-classifications in COGS, marketing, sales & distribution expenses and general administrative expenses in 2010 and 2011, fully reflected in 4Q financials. COGS has decreased by 22 mn TL in 2010, while marketing, sales & distribution expenses and general administrative expenses increased app. 11 mn TL, each.

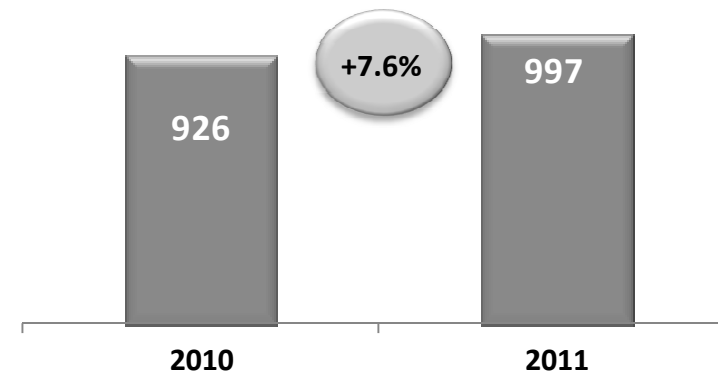
**Total Ad Market (TL mn)**



**TV Advertising (TL mn)**

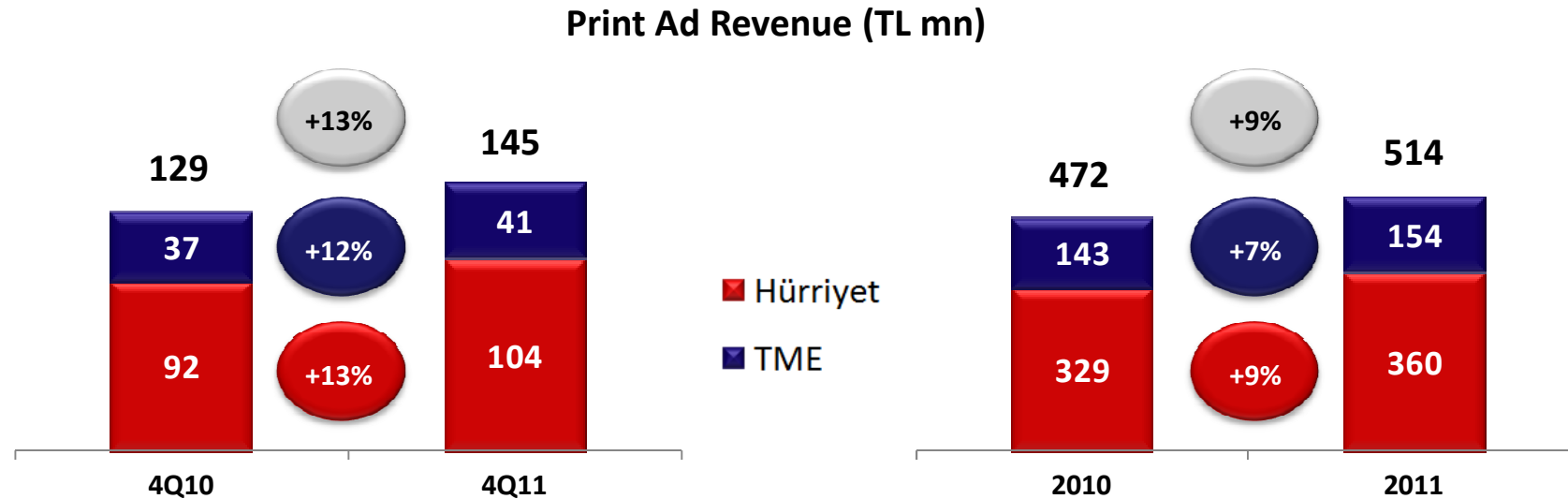


**Newspaper Advertising (TL mn)**



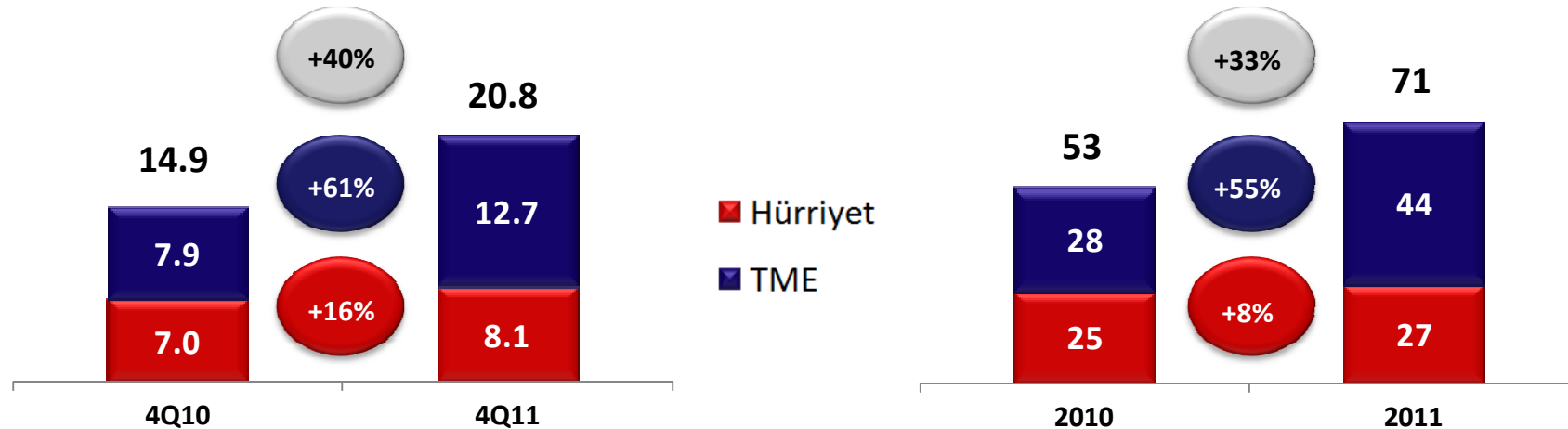
\* Ad market statistics are estimates compiled by DYH ad platform . Newspaper ad market size is estimated based on 25 national newspapers.

## Print advertising revenue



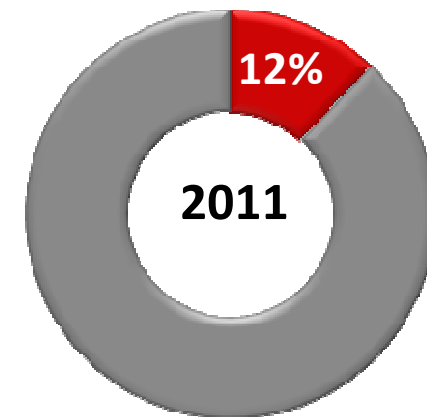
- The fourth quarter has been a strong period, especially in domestic operations.
- 9.4% growth in domestic print ad revenues exceeded the market growth of 7.6%.
- The fastest growing sectors in advertising were construction, retail and social ads for Hürriyet newspaper.

Online Revenue (TL mn)



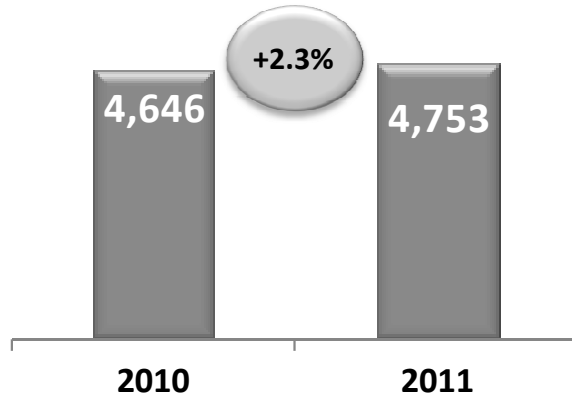
- 2011 has been an outstanding year for Hürriyet's online business
- New initiatives both in new business models and new geographies:
  - Yenicarsim.com, e-commerce website in Turkey
  - Re-launch of irr.ru in Russia followed by strong marketing campaign
  - Recruitment portals launched in Belarus and Kazakhstan
  - Regionalization of existing online portfolio in Russia

Online share in ad revenue

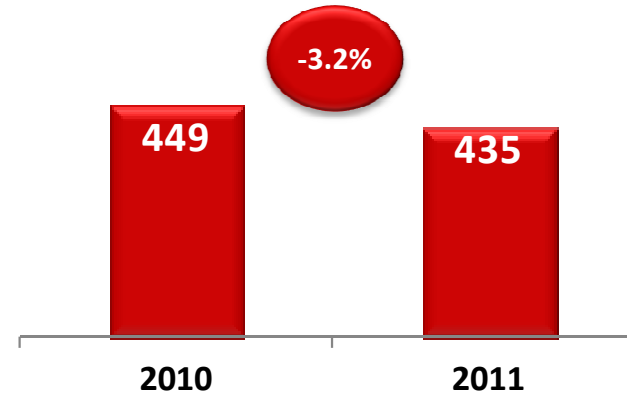




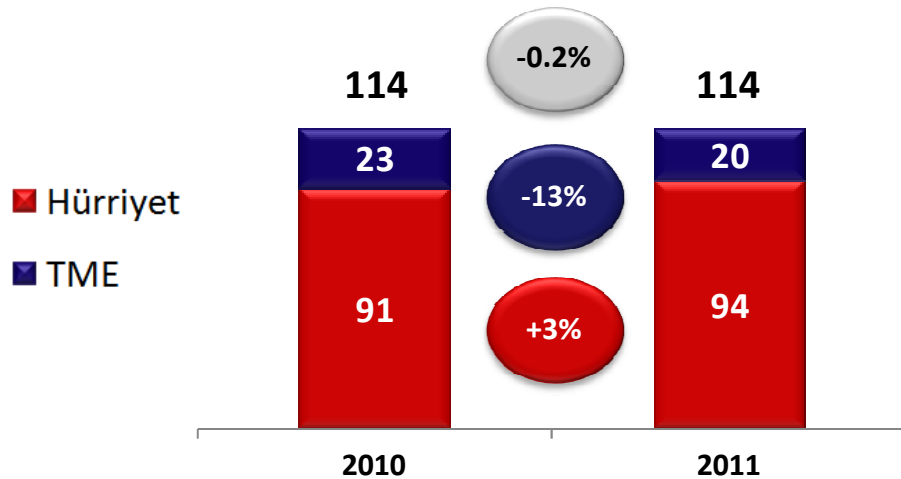
National Circulation (000)



Hürriyet Circulation (000)



Circulation Revenue (TL mn)

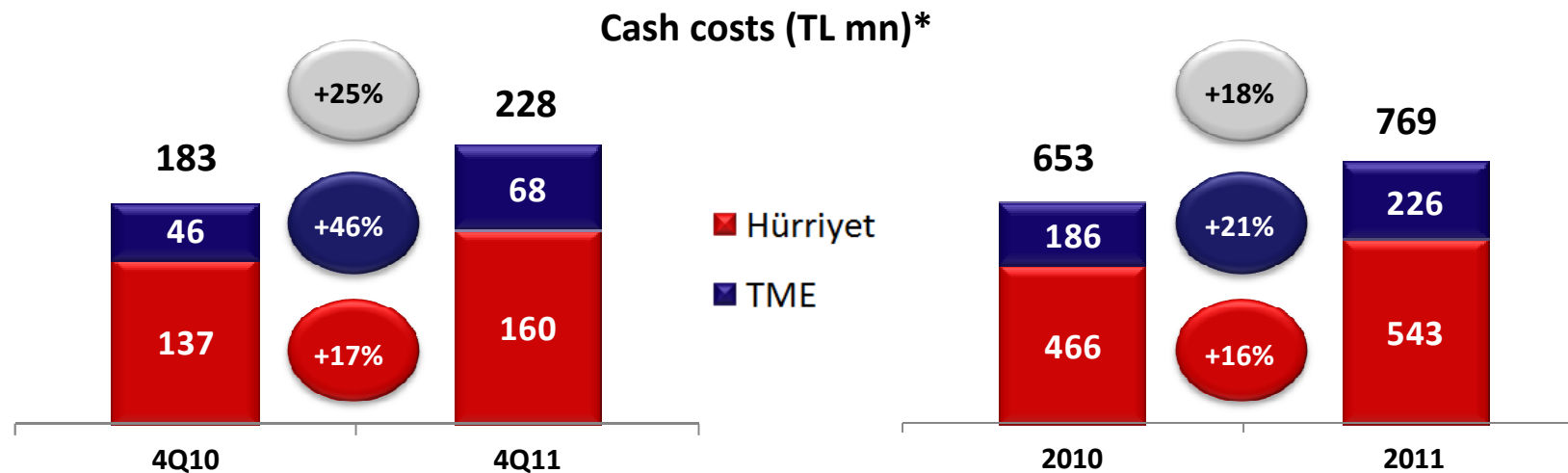


- Hürriyet newspaper's circulation market share was 9.1% in 2011.

- İstanbul, İzmir, Ankara city;

- Weekend cover prices have been raised up from 75 Kr to 1 TL as of the beginning September '11

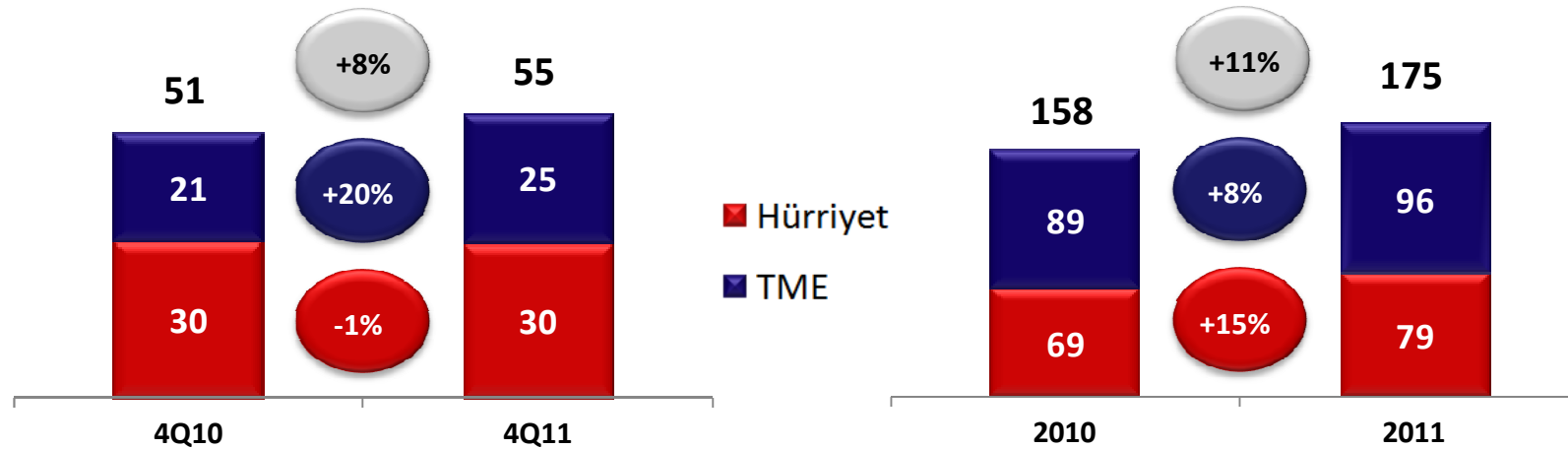
- Weekday cover prices have been raised up from 50 Kr to 60 Kr as of mid November '11.



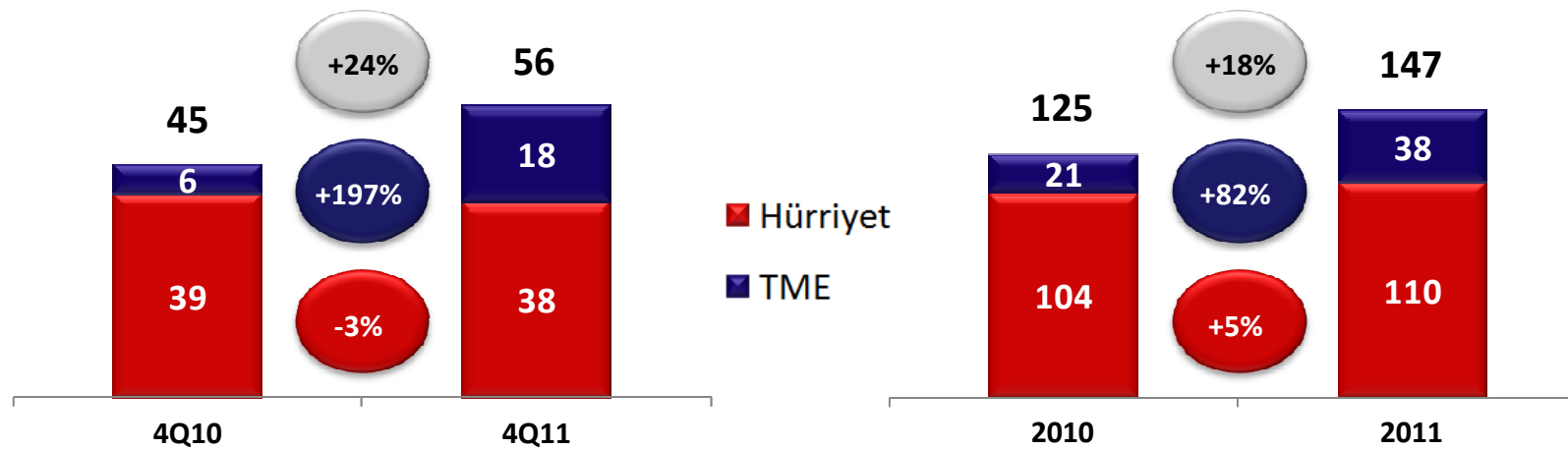
- Main reasons behind the increase in cash costs in 2011:
  - increase in newsprint prices.
  - TL depreciation
  - costs related to new businesses: Radikal newspaper re-launched by Hürriyet Group in 4Q10; new online initiatives both in Turkey and TME countries.
  - one-off type of restructuring costs in TME to improve long-term efficiency, such as relocation of production units from Moscow to Tombov.
  - Extensive marketing campaign of Irr.ru, mostly made in 4Q11.

## Cost analysis: operating expenses

General administrative costs (TL mn)

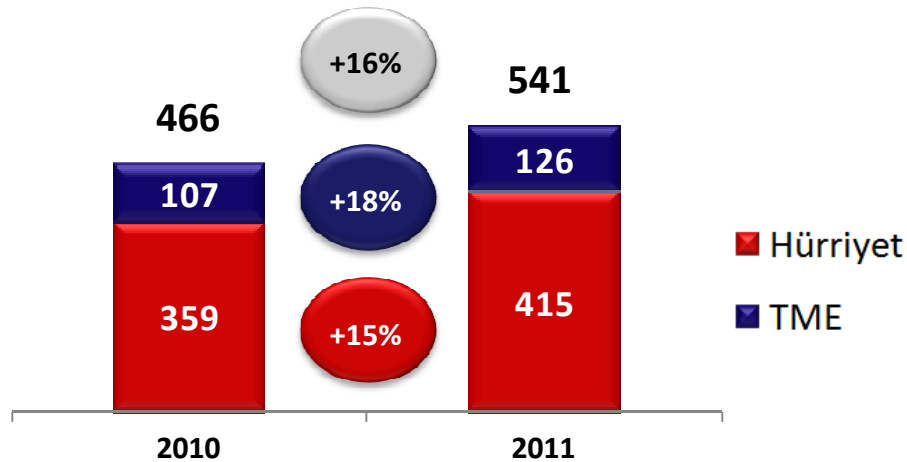


Sales, marketing and distribution costs (TL mn)

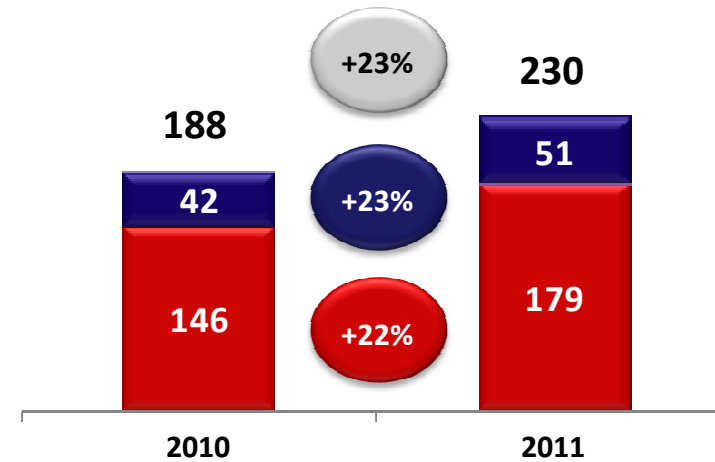


## Cost analysis: cost of sales

Cost of Sales (TL mn)



Raw material costs (TL mn)



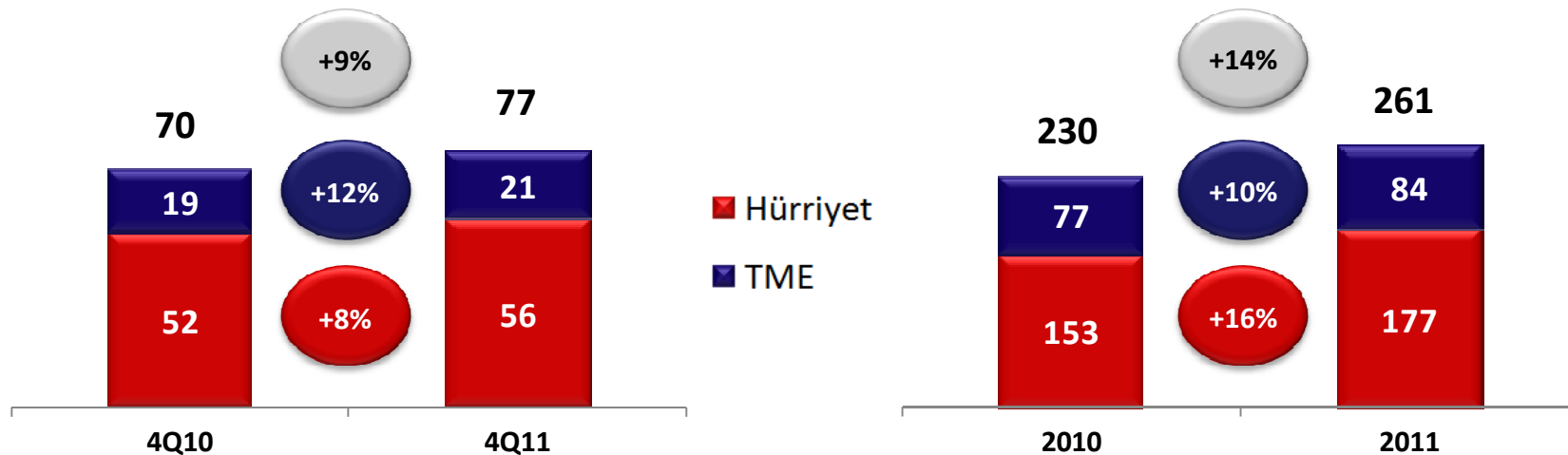
Hürriyet	2010	2011	YoY (Ch.)
<b>Average number of pages</b>	<b>81</b>	<b>82</b>	<b>0.3</b>
Main paper	39	38	-1
Supplements	42	43	1

Increase in the raw material costs was driven by:

- 20% surge in USD based prices of newsprint (domestic operations).
- 11% depreciation of the TL.
- Publishing a new title, Radikal, under Hurriyet Group.

## Cost analysis: personel cost

Personel costs (TL mn)



- Hürriyet :
  - wage adjustment in the beginning of 2011, in line with inflation.
  - increase in the headcount due to the new online initiatives and Radikal Newspaper.
- TME:
  - wages were increased in the beginning of 2011, only in some regions.
  - temporary headcount increase in the first half of the year due to the relocation of production units to Tombov , gradually reduced starting from second half of the year
  - 15% decline in headcount as of year end
  - increase in headcount in online business.

## Net Debt Position

mn TL	31/12/2010	31/12/2011
Cash and Equivalents	124	285
S.T Bank Borrowings	203	233
L.T Bank Borrowings	221	303
<b>Net Cash / (Net Debt)</b>	<b>-300</b>	<b>-252</b>
Capex	25	32
Supplier Loans	82	67

mn \$	31/12/2010	31/12/2011
Cash and Equivalents	80	151
S.T Bank Borrowings	131	124
L.T Bank Borrowings	143	160
<b>Net Cash / (Net Debt)</b>	<b>-194</b>	<b>-133</b>
Capex	17	19
Supplier Loans	53	35

- Net debt position of TL 252 mn (USD 133 mn) includes TME's net debt of TL 121 mn (USD 64 mn).

## Loan repayment schedule (principal payment, mn USD) \*

	2012			2013			2014		
	Hürriyet	TME	Total	Hürriyet	TME	Total	Hürriyet	TME	Total
Bank Loans	101.2	0	101.2	37.0	70.0	107.0	0.2	0.0	0.2
Supplier Loans	19.7	0	19.7	16.4	0	16.4	3.2	0	3.2
<b>Total</b>	<b>120.9</b>	<b>0</b>	<b>120.9</b>	<b>53.4</b>	<b>70.0</b>	<b>123.4</b>	<b>3.3</b>	<b>0.0</b>	<b>3.3</b>

## TME: Consolidated statements of operations (IFRS)

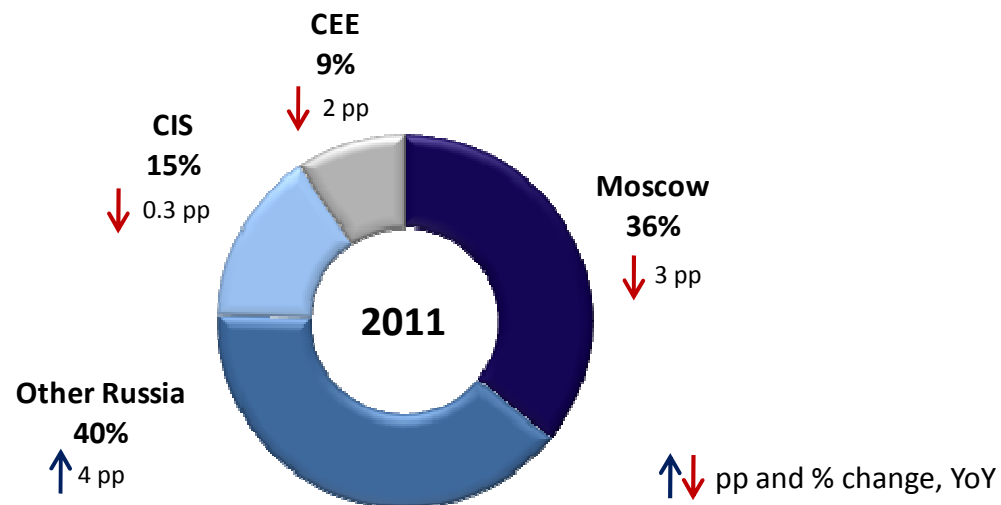
mn \$	2011	2010	YoY (%)
<b>Sales</b>	<b>143.4</b>	<b>143.4</b>	<b>0%</b>
Cost of sales	-75.5	-71.4	6%
Marketing, selling and distribution expenses	-23.4	-14.9	57%
General administrative expenses	-61.2	-83.0	-26%
Other income	1.7	0.5	240%
<b>Operating profit</b>	<b>-15.0</b>	<b>-25.4</b>	<b>-41%</b>
Financial income / (expense), net	-13.4	-6.1	-
Monetary gain	0.2	-	-
<b>Loss before income taxes</b>	<b>-28.2</b>	<b>-31.5</b>	<b>-</b>
Tax income / (expense)	1.5	-3.6	-
<b>Net loss for the year from continuing operations</b>	<b>-26.7</b>	<b>-35.1</b>	<b>-</b>
<b>Attributable to:</b>			
Equity holders of the parent	-29.1	-37.0	-
Non-controlling interests	2.4	1.9	-



## Revenue Growth by Regions – TME standalone

mn \$	4Q10	4Q11	% Ch. (USD)	% Ch. (LCY)	2010	2011	% Ch. (USD)	% Ch. (LCY)
Russia	27.0	24.6	-9%	-7%	106.3	108.1	2%	-2%
Moscow*	14.0	11.3	-19%	-17%	55.2	51.3	-7%	-10%
Other Russia	13.0	13.3	3%	5%	51.2	56.8	11%	8%
CIS	5.5	7.0	27%	75%	21.2	21.7	2%	23%
CEE	4.0	3.0	-25%	-19%	15.8	13.6	-14%	-17%
<b>Total</b>	<b>36.5</b>	<b>34.6</b>	<b>-5%</b>	<b>2%</b>	<b>143.4</b>	<b>143.4</b>	<b>0%</b>	<b>0%</b>

### Revenue Breakdown by Regions

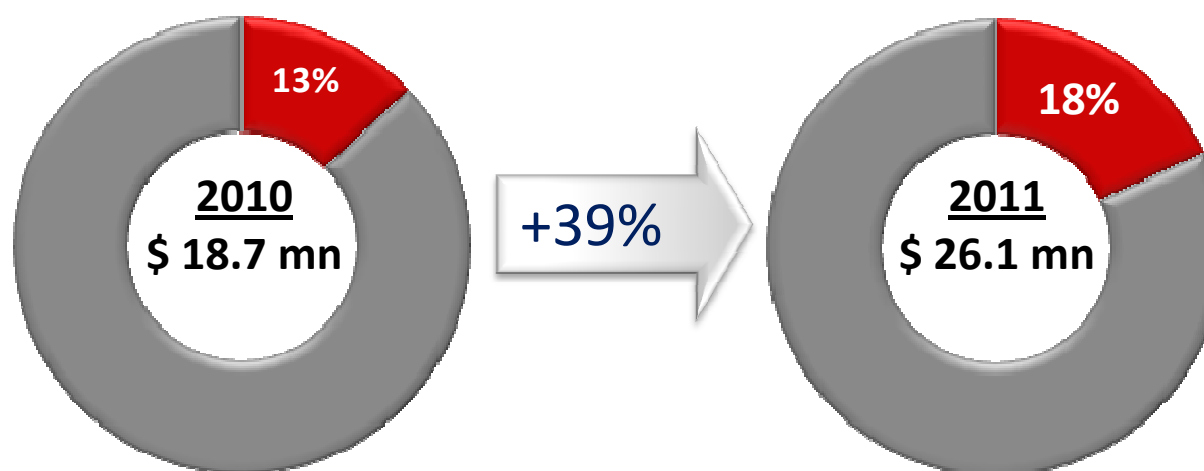


\*As of September 30, 2010, some entities that have been previously listed under "Russia Regions", started to be consolidated under "Moscow".

## Online Revenue Growth by Regions – TME standalone

Online Revenue (mn \$)	4Q10	4Q11	% Ch. (USD)	% Ch. (LCY)	2010	2011	% Ch. (USD)	% Ch. (LCY)
Russia	3.7	5.3	44%	46%	12.9	19.4	50%	45%
Moscow*	3.5	3.7	7%	9%	12.2	14.3	17%	13%
Other Russia	0.2	1.5	702%	706%	0.7	5.1	607%	585%
CIS	0.3	0.7	102%	233%	0.9	1.7	84%	169%
CEE	1.4	1.1	-25%	-19%	4.8	5.0	4%	0%
<b>Total</b>	<b>5.4</b>	<b>7.0</b>	<b>30%</b>	<b>37%</b>	<b>18.7</b>	<b>26.1</b>	<b>39%</b>	<b>37%</b>

Online Share in Total Revenues



\*As of September 30, 2010, some entities that have been previously listed under "Russia Regions", started to be consolidated under "Moscow".

## EBITDA by Regions – TME standalone

mn \$	4Q10	4Q11	% Ch. (USD)	2010	2011	% Ch. (USD)
Russia	4.2	-3.3	N.A	19.3	6.4	-67%
Moscow*	2.5	-6.5	N.A	10.8	-4.6	N.A
Other Russia	1.8	3.3	83%	8.6	11.0	28%
CIS	1.2	1.5	31%	4.9	4.5	-8%
CEE	0.1	-0.2	N.A	-0.1	0.7	N.A
<b>Operational EBITDA</b>	<b>5.5</b>	<b>-2.0</b>	<b>N.A</b>	<b>24.1</b>	<b>11.6</b>	<b>-52%</b>
Corporate Costs	-0.8	-0.6	-33%	-5.0	-3.0	-40%
<b>Consolidated EBITDA</b>	<b>4.6</b>	<b>-2.5</b>	<b>N.A</b>	<b>19.2</b>	<b>8.6</b>	<b>-55%</b>

\*As of September 30, 2010, some entities that have been previously listed under "Russia Regions", started to be consolidated under "Moscow".

## EBITDA Margins by Regions – TME standalone

mn \$	4Q10	4Q11	pp ch.	2010	2011	pp ch.
Russia	15.6%	-13.3%	-29%	18.2%	5.9%	-12%
Moscow*	17.4%	-57.9%	-75%	19.5%	-8.9%	-28%
Other Russia	13.7%	24.5%	11%	16.7%	19.3%	3%
CIS	20.9%	21.6%	1%	23.0%	20.7%	-2%
CEE	2.1%	-7.0%	-9%	-0.6%	5.3%	6%
<b>O. EBITDA Margin</b>	<b>14.9%</b>	<b>-5.7%</b>	<b>-21%</b>	<b>16.8%</b>	<b>8.1%</b>	<b>-9%</b>
<b>C. EBITDA Margin</b>	<b>12.6%</b>	<b>-7.3%</b>	<b>-20.0%</b>	<b>13.4%</b>	<b>6.0%</b>	<b>-7%</b>

\*As of September 30, 2010, some entities that have been previously listed under "Russia Regions", started to be consolidated under "Moscow".

1

Print advertising revenue for Hürriyet domestic operations is expected to grow by around 6% in 2012.

2

Online advertising revenue from domestic operations is expected to increase by 35-40% in 2012.

3

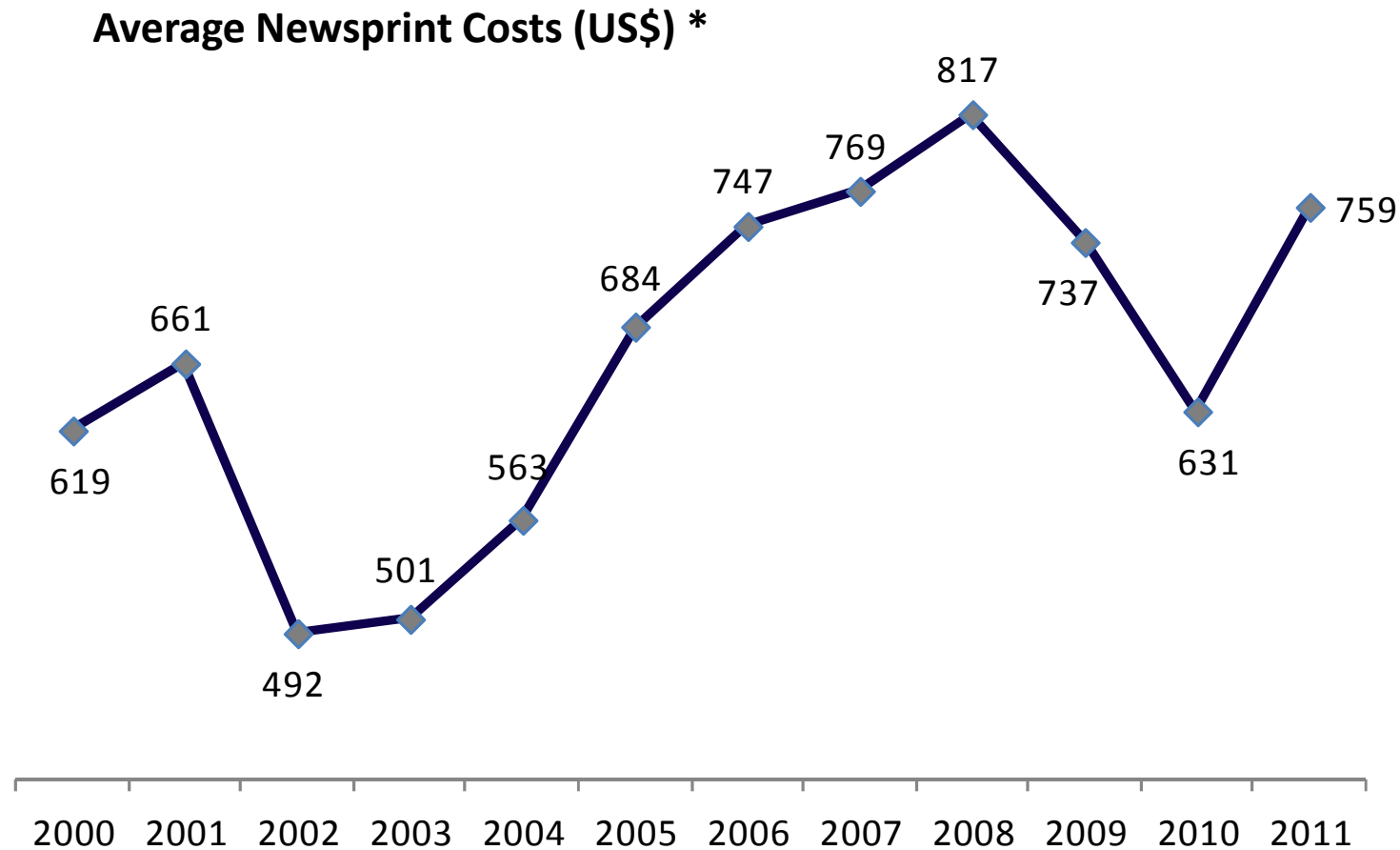
TME revenue is expected to stay flat in 2012.

4

EBITDA margin is expected to be around 15% for Hürriyet excluding TME and around 12% for TME.

5

Average newsprint prices are estimated to increase by 1% in 2012 and average out around 765 \$/ton.



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

Sectors	2010	2011
Real Estate	18%	20%
Retail	9%	10%
Classifieds (incl. HR)	10%	9%
Automotive	9%	9%
Social	6%	7%
Tourism	7%	6%
Finance	7%	5%
Education	4%	4%
Textile	3%	3%
Entertainment, Culture, Art & Sports	3%	3%
<b>First 10 Total</b>	<b>77%</b>	<b>76%</b>
<b>Others</b>	<b>23%</b>	<b>24%</b>

## Investor Contact

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