



Review of 1H08 Results

Doğan Gazetecilik A.Ş.

August 22, 2008

Milliyet **Milliyet.com.tr**

POSTA **Milliyet Emlak**

Radikal **arabam.com**

FANATIK **Milliyet**
isankaynaklari.com

VATAN
İNTERNETİN EN HIZLI YÖRÜĞÜ EN SAĞLIKLI SAĞIĞI

Inflation accounting (IAS 29) is not applied in 2005&2006&2007&2008 financials on the back of CMB's requirements. The financial statements are reclassified for presentation purposes, the CMB format is also available through ISE and DYH websites.

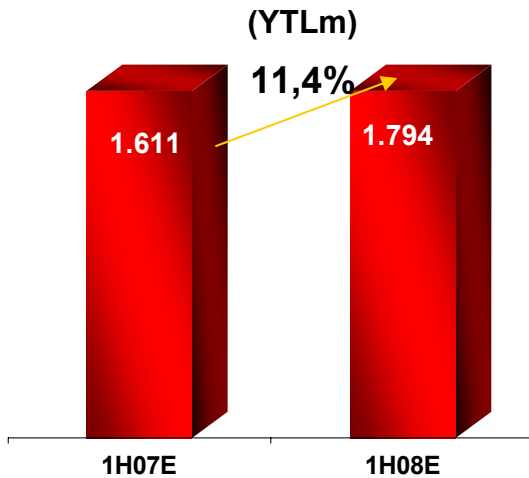
The figures related to advertisement, which are not stated in financial statements are based on management reports and not consistent with IFRS Figures. The market shares stated in this document are based on the estimates of various sources which are believed to be reliable and compiled by DYH and are subject to slight revisions in one year period.

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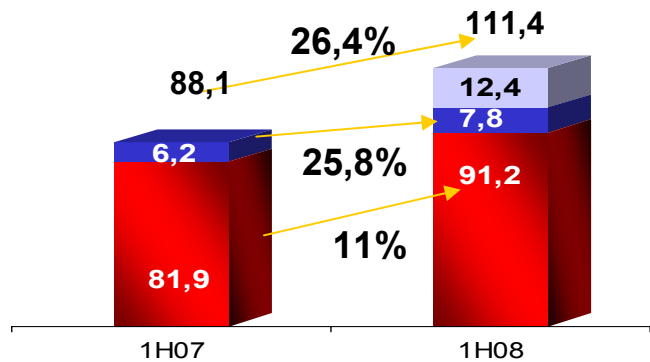
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Ad Market Share

Total Ad Market – Turkey (Est)



Dogan Gazetecilik Ad Growth* (YTL m)



■ Newspaper Ad ■ Online ■ Vatan 2Q08 Impact

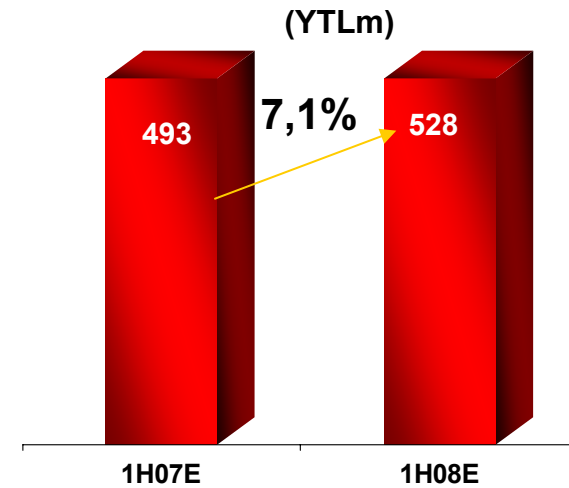
- Online advertising and Posta continued to outperform in 2008.

- Posta advertising revenues which accounts 39% of total ad revenues grew by 27.7% and helped stronger organic growth.

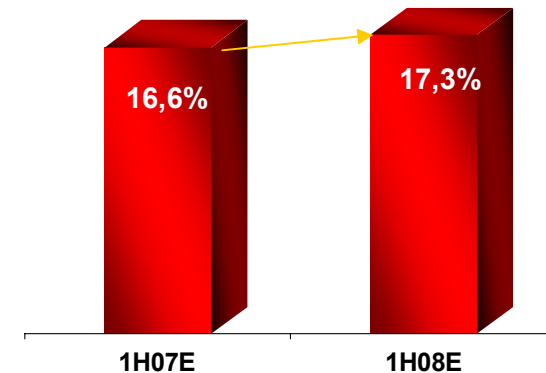
- Posta improved its estimated ad market share from 6.2% to 7.4%.

- Vatan acquisition brought ad growth to 26.4%






Newspapers – Turkey (Est)



Dogan Gazetecilik Newspaper Ad Market Share*



- Posta “The best selling newspaper in Turkey” maintained its circulation levels.
- Milliyet maintained its recovery which has started in 1Q08.
- Vatan acquisition added 4% pts to circulation market share on proforma basis for 1H08.
- Vatan newspaper had an estimated ad market share of 4.1% in 2Q08.

Market Shares	1H07	1H08E	% 1H08/07
NEWSPAPER AD MARKET SHARE *	16,6%	17,3%	0,7%
CIRCULATION MARKET SHARE **	21,9%	26,1%	4,2%
Doğan Gazetecilik Daily Average Circulation (000 units)	1.115	1.347	21%
 Milliyet	226	242	7%
 POSTA	636	631	-1%
 Radikal	38	41	8%
 FANATIK	215	226	6%
 VATAN <small>İNTERNETİN EN HIZLI YÜKSELEN GAZETESİ</small>	-	207	-
Nationwide average circulation (000 units)	5.091	5.155	1,3%

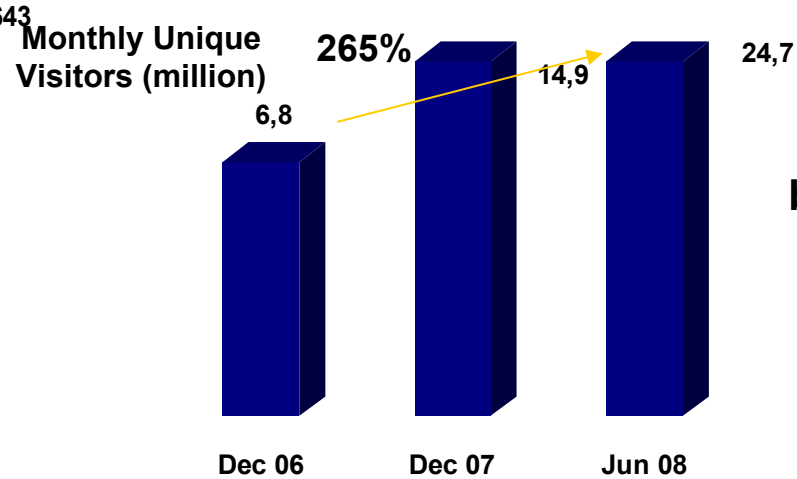
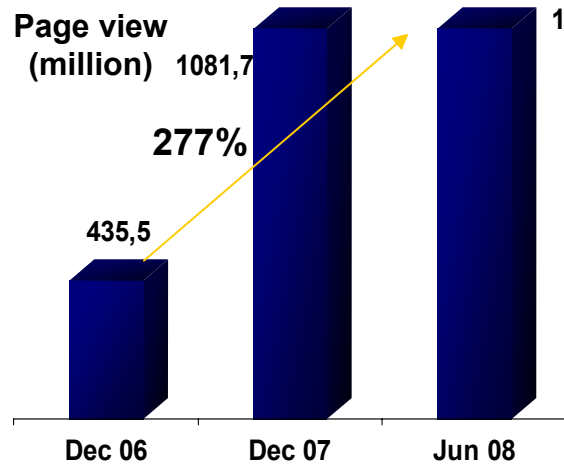
* Market share and market statistics are estimates based on advertising department reports and DYH estimates. Milliyet Germany and Fanatik Germany figures are not included.

* Newspaper Ad Market share excludes Vatan which had an estimated ad market share of 4,13 % in 2Q08.

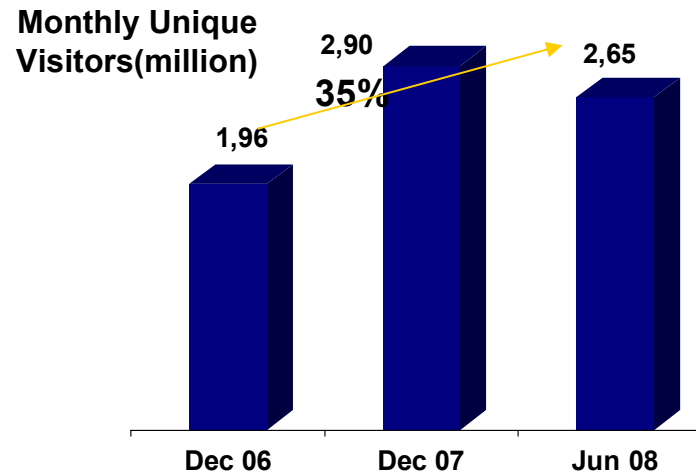
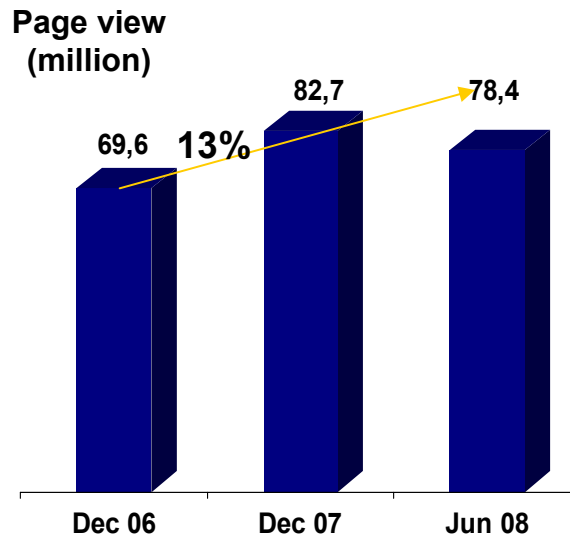
** Circulation market share for 1H08 is on proforma basis.

- Posta and online advertising continued to outperform.
- Pressure on newspaper advertising were still driven by interest rate sensitive sectors.
- Slight increase in promotions in 1H08.
- Posta increased weekend cover prices from 30krs to 35krs nationwide and weekday prices from 25krs to 30krs in three big cities in June 08.
- Acquisition of Vatan Newspaper realized as of March 13, 2008 at a consideration of US\$18m for 99,99% of the shares and Vatan's financial statements are fully consolidated in 2Q08 results of Dogan Gazetecilik.
- Vatan's capital increased from 8 mYTL to 70 mYTL in 2Q08.
- Dogan Gazetecilik did not join the capital increase in Milliyet Verlags which is the publishing company based in Germany.

Internet traffic on the rise...



News, blogging, video



Auto Classifieds*

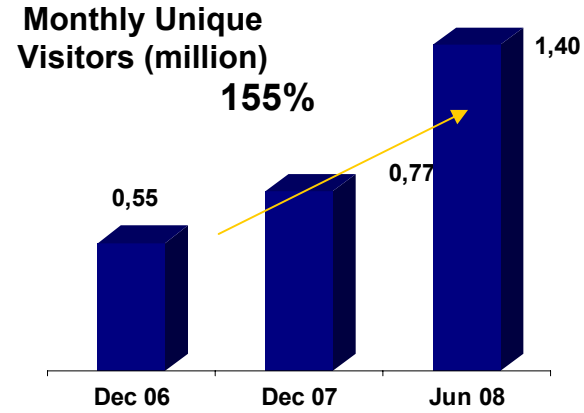
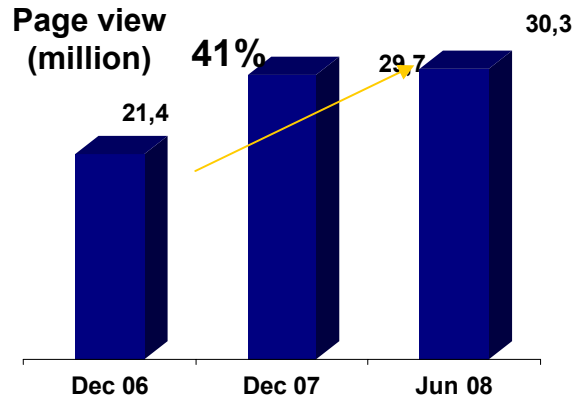
* arabam.com internet traffic statistics as of 2006 and 2007 are derived from the data channeled from milliyet.com.tr



www.gazetevatan.com

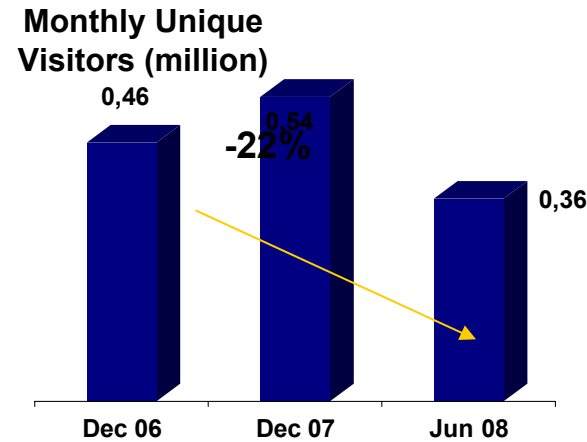
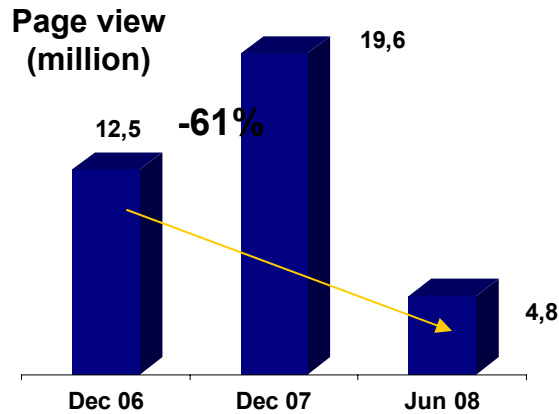
Recently acquired, reached 10.226.910 MUV

Milyet Emlak



Real Estate Classifieds

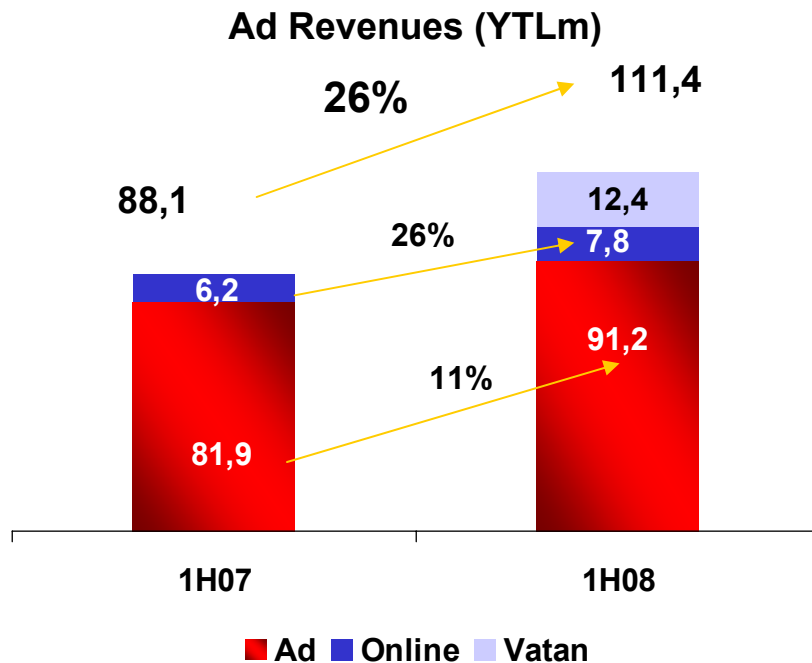
Milyet
insankaynaklari.com



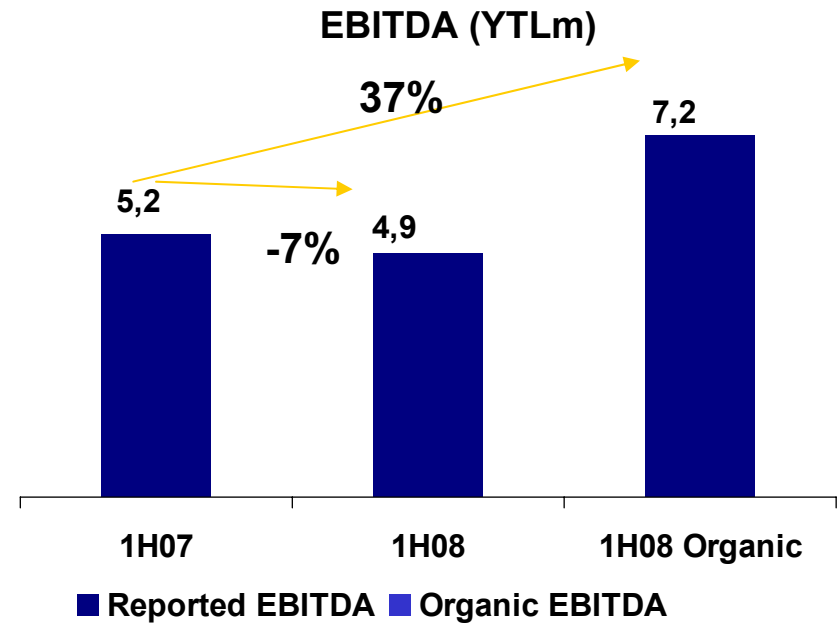
Job Classifieds*

Strong Organic Growth in 1H08

Vatan newspaper added 15 pct. points to Dogan Gazetecilik's growth in 2Q08.



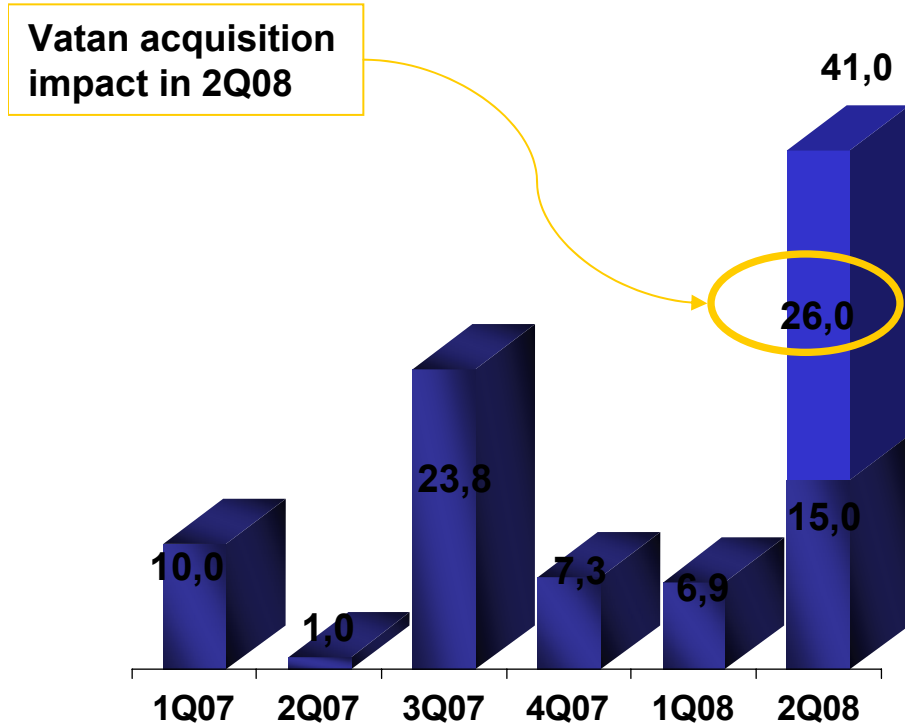
Vatan acquisition which improved ad and circulation market share is yet to enhance margins. Organic recovery in EBITDA was much stronger.



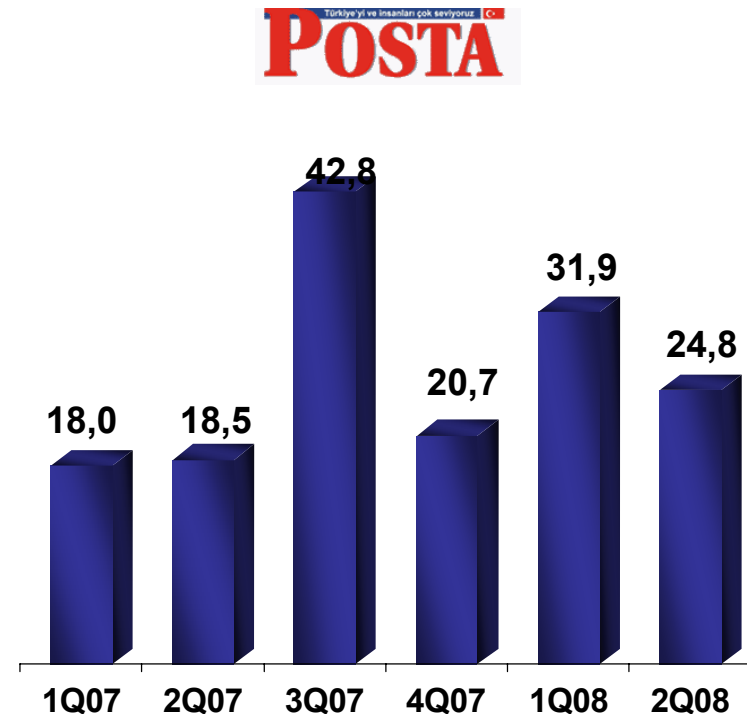
Posta overperforms expectedly..

Posta “Best Seller Newspaper” in Turkey improves Doğan Gazetecilik’s overall growth dynamics substantially.

Doğan Gazetecilik Advertisement Revenue (growth % yoy)



Posta Advertisement Revenue (growth % yoy)



Quarterly Analysis (YTL '000)	FY07	2Q07	2Q08	% Ch. Organic				% Ch. Organic	
				2Q08/07	2Q08/07	1H07	1H08	1H08/07	1H08/07
Sales	296.896	76.666	102.181	33%	9%	141.179	170.273	21%	8%
Cost of sales	181.686	47.259	59.570	26%	1%	93.232	102.578	10%	-3%
Gross profit	115.210	29.407	42.611	45%	22%	47.947	67.695	41%	27%
Operating expenses	107.362	24.315	41.420	70%	29%	47.532	68.468	44%	23%
EBIT	10.758	6.844	2.488	-64%	-15%	3.120	1.465	-53%	53%
EBIT MARGIN	3,6%	8,9%	2,4%			2,2%	0,9%		
EBITDA	14.928	7.902	4.955	-37%	-8%	5.249	4.872	-7%	37%
EBITDA MARGIN	5,0%	10,3%	4,8%			3,7%	2,9%		
NET PROFIT	8.833	5.869	6.271	7%	64%	2.468	11.975	385%	522%
NET PROFIT MARGIN	3,0%	7,7%	6,1%			1,7%	7,0%		
<i>Amortised cost valuation income</i>	2.910	1.753	1.297	-26%	-26%	2.706	2.238	-17%	-17%
<i>Depreciation & amortisation</i>	4.170	1.058	2.466	133%	40%	2.129	3.407	60%	14%



* EBIT figures are based on reported balances. FY07 and 1Q07 EBIT are reclassified and comparable with 1Q08 reporting format.

Revenues (YTL '000)	FY07	2Q07	2Q08	2Q08/07 Ch (%)	1H07	1H08	1H08/07 Ch (%)
Circulation Revenues							
Revenue (YTL '000)	107.973	27.188	32.014	18%	53.345	59.567	12%
Circulation (000) (daily average sales)	1.134	1.138	1.334	17%	1.115	1.348	21%
Advertisement Revenues							
Revenue (YTL '000)	168.089	44.356	64.033	44%	78.173	100.041	28%
Internet Revenues							
Revenue (YTL '000)	14.243	4.102	4.808	17%	6.189	7.820	26%
Other Revenues							
Service and other (YTL '000)	6.591	1.017	1.327	30%	3.470	2.844	-18%
Total Revenues	296.896	76.663	102.181	33%	141.178	170.273	21%
<i>Amortised cost valuation income</i>	<i>(4.132)</i>	<i>(2.519)</i>	<i>(2.039)</i>	<i>-19%</i>	<i>(3.758)</i>	<i>(3.514)</i>	<i>-7%</i>

- Volume growth driven by Milliyet and Posta titles helped newspaper advertising revenues to increase % 13 in 2Q08 excluding Vatan impact.

Revenues per dailies

Revenues per dailies	FY07	2Q07	2Q08	2Q08/07 Ch (%)	1H07	1H08	1H08/07 Ch (%)
Advertisement Revenue (YTL '000)							
Milliyet	76.566	20.190	22.565	12%	36.123	37.246	3%
Posta	67.382	18.237	22.759	25%	30.630	39.106	28%
Radikal	13.483	3.484	3.649	5%	6.669	6.412	-4%
Fanatik	8.735	1.967	2.702	37%	3.775	4.492	19%
Vatan	-	-	12.358	0%		12.358	0%
European sales (Milliyet & Fanatik)	1.922	481	-	0%	976	427	-56%
Doğan Gazetecilik	168.089	44.359	64.032	44%	78.174	100.041	28%
<i>Amortised cost valuation income</i>	4.132	2.519	2.039	-19,0%	3.758	3.514	-6,5%
Doğan Gazetecilik (incl. ACVI)	172.221	46.878	66.072	41%	81.932	103.555	26%
Circulation Revenue (YTL '000)							
Milliyet	25.943	6.613	5.100	-23%	13.148	12.059	-8%
Posta	53.306	13.253	13.290	0%	26.336	26.722	1%
Radikal	4.905	1.245	1.481	19%	2.574	2.823	10%
Fanatik	21.479	5.516	5.368	-3%	10.070	10.607	5%
Vatan			6.774	0%		6.774	0%
European sales (Milliyet & Fanatik)	2.339	561	-	0%	1.216	582	-52%
Doğan Gazetecilik	107.973	27.188	32.014	18%	53.345	59.567	12%



■ 2Q figures of Milliyet Verlags are not consolidated in 1H08 financials following the dilution of ownership in Milliyet Verlags in 2Q08.

Newsprint costs increased by 6% and it would be decreased by 4% excluding Vatan impact, due to decline in FX rate by 10% approx. while a slight decrease in newsprint cost per ton by 1% in USD terms. Newsprint consumption increase by 19% mainly derived from Milliyet and Posta title by approx. 4 and 2 pages increase in average respectively.

Costs	FY07	2Q07	2Q08/07		1H07	1H08	1H08/07	
			2Q08	Ch (%)			Ch (%)	Ch (%)
Cost of Sales (YTL '000)	181.686	47.259	59.570	26%	93.232	102.578	10%	
Newsprint costs*	98.972	26.132	31.504	21%	51.050	54.301	6%	
Printing & other costs	82.714	21.127	28.066	32,8%	42.182	48.277	14,4%	
Operating Expenses (YTL '000)	107.362	24.315	41.420	70%	47.532	68.468	44%	
General & Administrative Expenses	22.850	5.211	8.575	65%	10.660	13.979	31%	
Sales & Marketing Expenses	84.512	19.104	32.845	72%	36.872	54.489	48%	
Total Costs	289.048	71.574	100.990	41%	140.764	171.046	22%	

Operating expenses increased by 44% and it would be 23% excluding Vatan impact. Sales & marketing expenses increased mainly due to Milliyet & Posta's advertising campaigns in 1H08. Additionally, transportation charges which accounts 27% of M&S expenses increased by 31,8% due to increases in circulation, page and oil prices.

(YTL '000)

Profitability	FY07	2Q07	2Q08/07		1H07	1H08/07	
			2Q08	Ch (%)		1H08	Ch (%)
EBIT	8.055	3.439	3.683	7%	(1.824)	1.142	-163%
Amortised cost valuation income - net	2.910	1.753	1.297	-26%	2.706	2.238	-17%
EBIT adjusted	10.965	5.192	4.980	-4%	882	3.380	283%
Financial Income/(Expense) - net	154	1.617	2.657	64%	2.499	11.438	358%
Minority	(2)	10	22	120%	20	(22)	n.m.
Profit before tax	11.118	6.819	7.659	12%	3.401	14.796	335%
Taxation	(2.285)	(950)	(1.344)	41%	(933)	(2.821)	202%
- Corporate tax	(2.682)	(1.100)	(1.455)	32%	(1.116)	(2.755)	147%
- Deferred tax	398	150	111	-26%	183	(66)	n.m.
Net Income	8.833	5.869	6.315	8%	2.468	11.975	385%

Investments & Financing (YTL '000)	FY07	1H08	ch%
CASH AND CASH EQUIVALENTS	106.334	24.507	-77,0%
S.T. BANK BORROWINGS	2.354	9.813	n.m
L.T. BANK BORROWINGS	-	118	n.m
NET CASH / (NET DEBT)	103.979	14.576	-86%
INVESTMENTS	1.971	969	-51%

- **2008 Ad growth is expected to be in the range of 15-17% including online advertising excluding Vatan under the assumption of stable macroeconomic scenario of 4-5% GDP growth.**
- **Posta and Online advertising are expected to be the main drivers of growth.**
- **No aggressive promotion campaigns are planned.**
- **Further focus to improve operational performance of Vatan to deliver positive results in 2009.**