



## Review of 9M09 Results

**Doğan Gazetecilik A.Ş.**

November 10, 2009

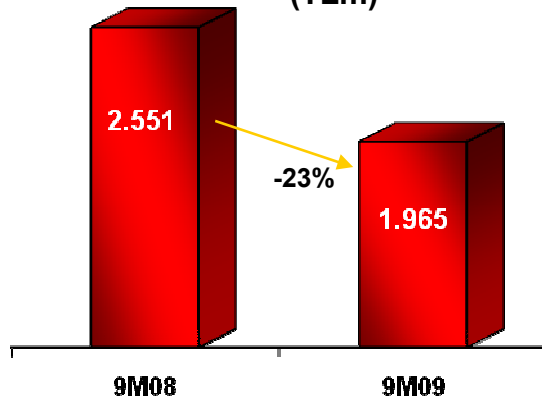
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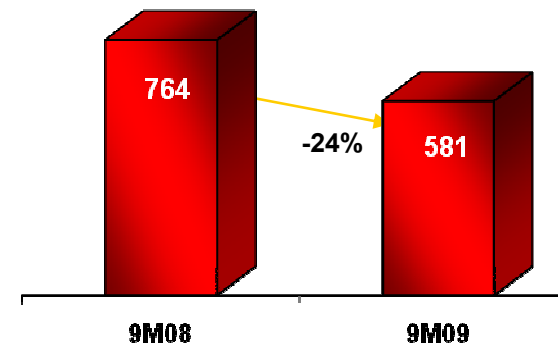
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# Ad Market Share

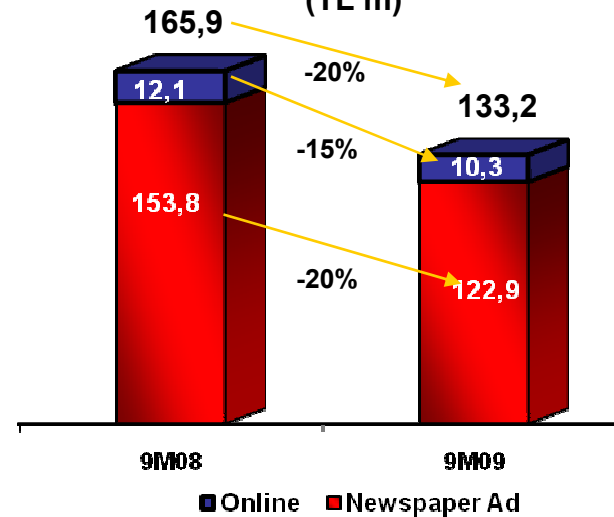
**Total Ad Market – Turkey (Est)**  
(TLm)



**Newspapers – Turkey (Est)**  
(TLm)








**Dogan Gazetecilik Ad Growth\***  
(TL m)



■ Dogan Gazetecilik outperformed the market in newspaper advertising.

\*Ad revenue plus amortised cost valuation income

- Expectedly, cover price increases in the last 12 months, reaching 40-66%, caused circulations to decline.

Market Shares	9M08	9M09	Ch YOY
<b>CIRCULATION MARKET SHARE</b>	<b>26.2%</b>	<b>24.7%</b>	<b>-1.5%</b>
<b>Doğan Gazetecilik Daily Average Circulation (000 units)</b>	<b>1,352</b>	<b>1,192</b>	<b>-12%</b>
 <b>Milliyet</b>	228	195	-14%
 <b>POSTA</b>	638	550	-14%
 <b>Radikal</b>	41	41	0%
 <b>FANATIK</b>	239	208	-13%
 <b>VATAN</b> <small>İNTERNETİN EN HIZLI YOKSULER GAZETESİ</small>	206	198	-4%
<b>Nationwide average circulation (000 units)</b>	<b>5,152</b>	<b>4,821</b>	<b>-6.4%</b>

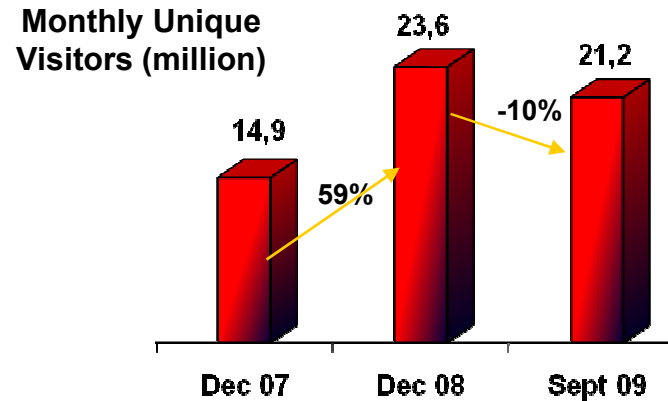
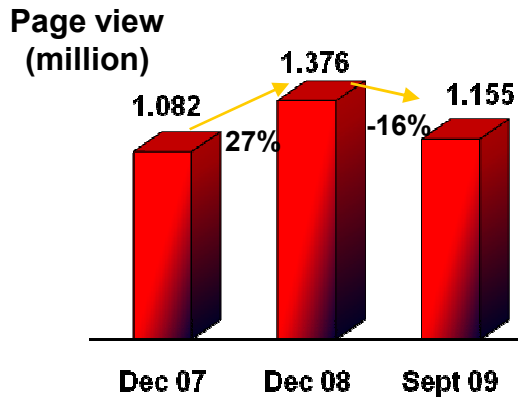
\* Vatan was acquired in March 2008. But, for presentation purposes, circulation figures reflect 9 month averages

## Major Developments in 9M09

- In advertising revenues, Posta and Fanatik outperformed the market in 3Q09 YoY, while the remaining moved parallel to the market.
- Copy prices raised mainly in 2Q09 in all titles, reaching up to 50% for selected titles. In 3Q09, only Radikal increased weekend cover prices from 75krs to 1 TL in July 09 and weekdays prices from 50krs to 75krs in nationwide.
- Weighted average cover price increases reached %41 yoy in all titles by September 2009.
- Cost cutting measures and cover price increases helped EBITDA to recover from a loss in 1H09 to a profit in 3Q09
- Chief Editor change in Milliyet in 3Q09.

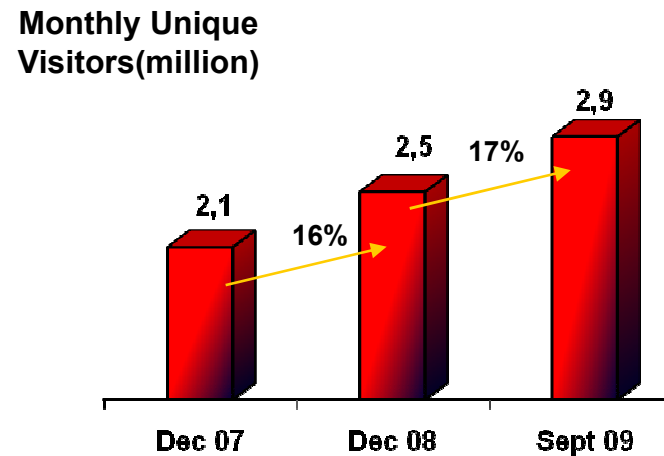
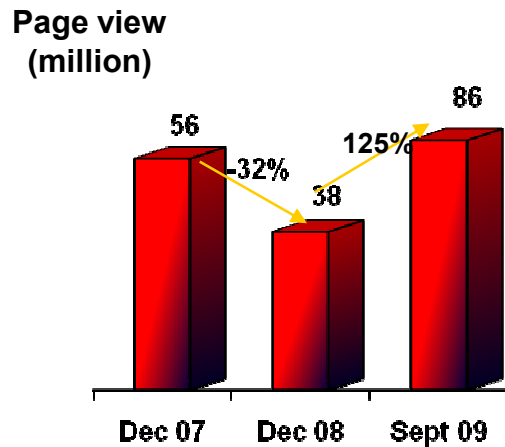
# Internet traffic on the rise...

Milliyet.com.tr  
BASINDA GÜVEN



**News,  
blogging,  
video**

arabam.com



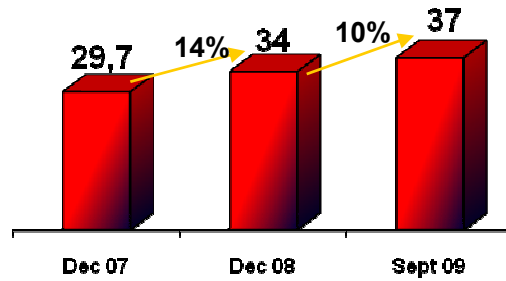
**Auto  
Classifieds\***

\* arabam.com internet traffic statistics as of 2007 and 2008 are derived from the data channeled from milliyet.com.tr

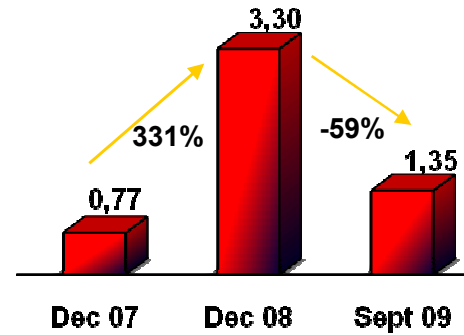
# ..and Vatan's strong news portal is added

Milliyet Emlak

Page view (million)



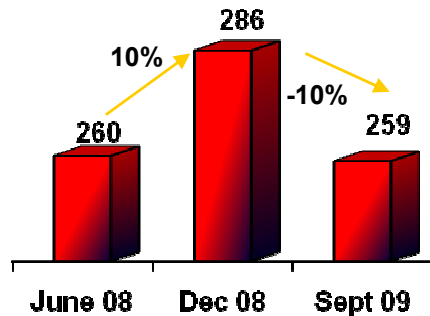
Monthly Unique Visitors (million)



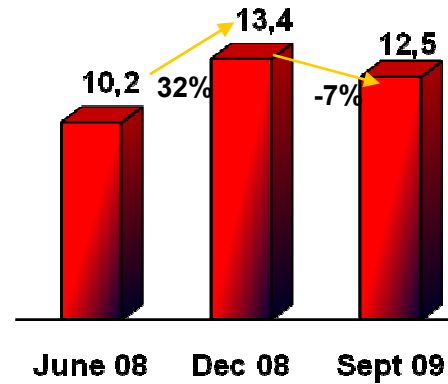
Real Estate Classifieds

Page view (million)

VATAN  
İNTERNETİN EN HIZLI YERİNE KATILAN GAZETESİ



Monthly Unique Visitors (million)



News, blogging, video

Quarterly Analysis (TL '000)	FY08	3Q08	3Q09	% Ch.			% Ch.
					9M08	9M09	
Sales	341,353	87,898	89,322	2%	258,171	259,061	0%
Cost of sales	231,755	57,381	52,127	-9%	160,539	174,087	8%
Gross profit	109,598	30,517	37,195	22%	97,632	84,974	-13%
Operating expenses	121,643	28,904	27,201	-6%	96,792	86,048	-11%
Ebit*	-12,045	1,613	9,994	n.m	840	-1,074	n.m
Ebit Margin	-3.5%	1.8%	11.2%		0.3%	-0.4%	
<b>Ebitda</b>	<b>-43</b>	<b>4,998</b>	<b>12,198</b>	<b>n.m</b>	<b>9,870</b>	<b>6,187</b>	<b>-37%</b>
Ebitda Margin	0.0%	5.7%	13.7%		3.8%	2.4%	
Net Profit	-753	2,980	6,274	n.m	14,955	-5,933	n.m
Net Profit Margin	-0.2%	3.4%	7.0%		5.8%	-2.3%	
<i>Amortised cost valuation income</i>	<i>4,292</i>	<i>1,264</i>	<i>264</i>	<i>-79%</i>	<i>3,502</i>	<i>1,358</i>	<i>-61%</i>
<i>Depreciation &amp; amortisation</i>	<i>7,709</i>	<i>2,121</i>	<i>1,940</i>	<i>-9%</i>	<i>5,528</i>	<i>5,903</i>	<i>7%</i>



\* EBIT figures are based on reported balances before other income /expenses and financial income /expenses



- Circulation revenues are up 33% in 9M09, thanks to raises in copy prices.

Revenues (TL '000)	FY08	3Q08	3Q09	3Q09/08 Ch (%)	9M08	9M09	9M09/08 Ch (%)
<b>Circulation Revenues</b>							
Revenue (TL '000)	126,397	33,779	43,232	28%	93,347	124,217	33%
<b>Advertisement Revenues</b>							
Revenue (TL '000)	192,728	48,777	41,487	-15%	148,818	121,233	-19%
<b>Internet Revenues</b>							
Revenue (TL '000)	16,893	4,354	3,417	-22%	12,174	10,292	-15%
<b>Other Revenues</b>							
Service and other (TL '000)	5,335	988	1,186	20%	3,831	3,320	-13%
<b>Total Revenues</b>	<b>341,353</b>	<b>87,898</b>	<b>89,322</b>	<b>2%</b>	<b>258,170</b>	<b>259,062</b>	<b>0%</b>

Newsprint costs increased by 8%, mainly due to Vatan acquisition and strong weakness in TL yoy in 9M09, despite heavy reduction in number of pages. Newsprint costs per ton were approximately up by 0,7% in USD terms

Costs	FY08	3Q09/08			9M09/08		
		3Q08	3Q09	Ch (%)	9M08	9M09	Ch (%)
<b>Cost of Sales (TL '000)</b>	<b>231,755</b>	<b>57,381</b>	<b>52,127</b>	<b>-9%</b>	<b>160,539</b>	<b>174,088</b>	<b>8%</b>
Newsprint costs	121,591	29,427	23,286	-21%	83,728	90,328	8%
Printing & other costs	110,164	27,954	28,841	3.2%	76,811	83,760	9.0%
<b>Operating Expenses (TL '000)</b>	<b>121,643</b>	<b>28,905</b>	<b>27,201</b>	<b>-6%</b>	<b>96,792</b>	<b>86,048</b>	<b>-11%</b>
General & Administrative Expenses	25,406	6,685	6,751	1%	20,084	19,574	-3%
Sales & Marketing Expenses	96,237	22,219	20,450	-8%	76,708	66,473	-13%
<b>Total Costs</b>	<b>353,398</b>	<b>86,286</b>	<b>79,328</b>	<b>-8%</b>	<b>257,331</b>	<b>260,136</b>	<b>1%</b>

(TL '000)		3Q09/08			9M09/08		
<b>Profitability</b>	<b>FY08</b>	<b>3Q08</b>	<b>3Q09</b>	<b>Ch (%)</b>	<b>9M08</b>	<b>9M09</b>	<b>Ch (%)</b>
EBIT	(12,044)	1,613	9,994	n.m	839	(1,074)	n.m
Other Income/(Expense) - net	(4,187)	884	(525)	n.m	5,037	(1,735)	n.m.
Financial Income/(Expense) - net	7,026	1,248	(1,342)	n.m	12,686	(2,977)	n.m.
Minority	(24)	(1)	(2)	n.m	23	(2)	n.m.
<b>Profit before tax</b>	<b>(9,229)</b>	<b>3,744</b>	<b>8,125</b>	<b>117%</b>	<b>18,539</b>	<b>(5,788)</b>	<b>n.m</b>
Taxation	8,476	(764)	(1,851)	142%	(3,584)	(145)	n.m
- Corporate tax	(3,040)	(1,010)	(2,470)	145%	(3,764)	(2,544)	-32%
- Deferred tax	11,516	246	619	n.m	180	2,399	nm
<b>Net Income</b>	<b>(753)</b>	<b>2,980</b>	<b>6,274</b>	<b>111%</b>	<b>14,955</b>	<b>(5,933)</b>	<b>n.m</b>

<b>Investments &amp; Financing (TL '000)</b>	<b>FY08</b>	<b>9M09</b>	<b>ch%</b>
<b>CASH AND CASH EQUIVALENTS</b>	<b>16.218</b>	<b>3.820</b>	<b>-76,4%</b>
<b>S.T. BANK BORROWINGS</b>	<b>1.061</b>	<b>31.372</b>	<b>n.m.</b>
<b>L.T. BANK BORROWINGS</b>	<b>-</b>	<b>-</b>	<b>n.m.</b>
<b>NET CASH / (NET DEBT)</b>	<b>15.157</b>	<b>(27.552)</b>	<b>n.m</b>
<b>INVESTMENTS</b>	<b>2.411</b>	<b>1.176</b>	<b>-51%</b>

- The pace of contraction in ad revenues is smoothing already; change in ad spending is expected to be slightly positive in 4Q09 YoY due to the base year effect.
- Promotion campaigns on Posta title are being executed in 4Q09. Posta increased the number of pages in weekend newspaper supplements from 4 to 14.
- Cover price increases executed until August 2009, implies a approx 40-45% blended copy price increase for FY09.
- With an expected ad spending growth in 4Q09, operating profitability is expected to be positive under normal circumstances.