



## Review of 9M08 Results

**Doğan Gazetecilik A.Ş.**

November 12, 2008

 **Milliyet**  **Milliyet**.com.tr

**POSTA**  **Milliyet Emlak**

 **Radikal**  **arabam.com**

 **FANATIK**  **Milliyet**  
 **iSankaynaklari.com**

 **VATAN**  
İNTERNETİN EN HIZLI YÖKSELEN GAZETESİ

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.

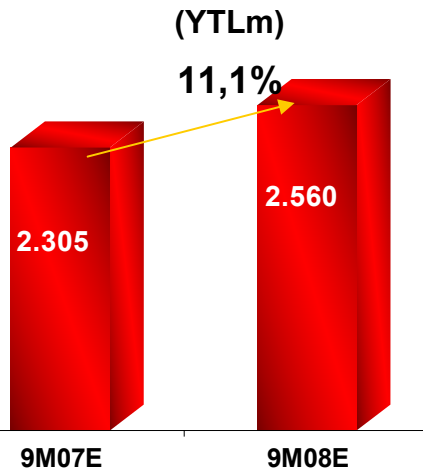
The figures related to advertisement, which are not stated in financial statements are based on management reports and not consistent with IFRS Figures. The market shares stated in this document are based on the estimates of various sources which are believed to be reliable and compiled by DYH and are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

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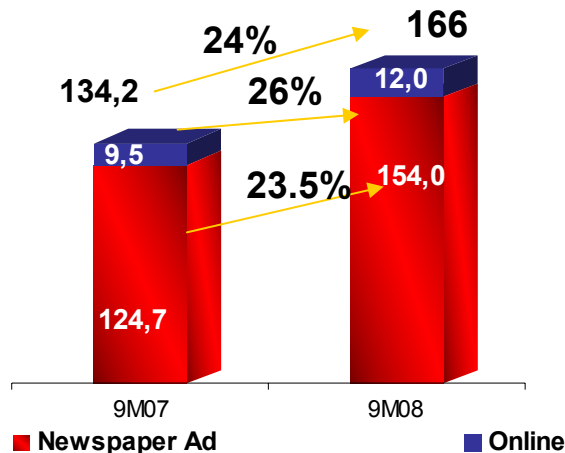
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# Ad Market Share

Total Ad Market – Turkey (Est)



Dogan Gazetecilik Ad Growth\* (YTL m)



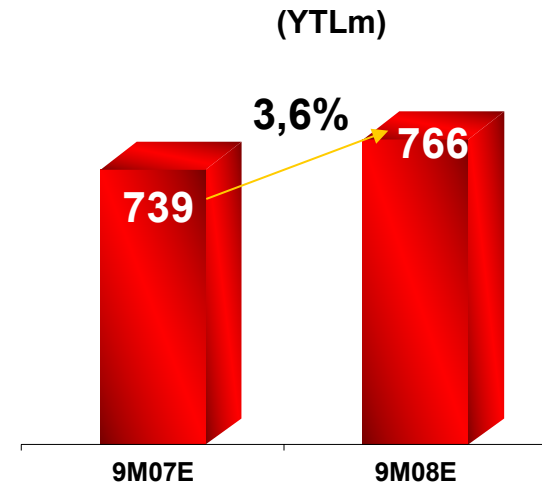
- Online advertising and Posta continued to outperform in 2008.

- Posta advertising revenues which accounts 39% of total ad revenues grew by 18.5% and helped stronger organic growth.

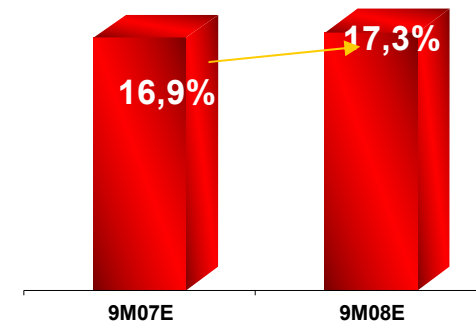
- Posta improved its estimated ad market share from 6.6% to 7.5%.

- Vatan acquisition brought ad growth to 24%






Newspapers – Turkey (Est)



Dogan Gazetecilik Newspaper Estimated Ad Market Share\* (organic)



- Posta “The best selling newspaper in Turkey” maintained its circulation levels.
- Milliyet maintained its recovery which has started in 1Q08 and posted 2% circ increase yoy.
- Vatan acquisition added 4% pts to circulation market share on proforma basis for 9M08.

<b>NEWSPAPER AD MARKET SHARE *</b>	<b>16,9%</b>	<b>17,3%</b>	<b>0,4%</b>
<b>CIRCULATION MARKET SHARE **</b>	<b>21,9%</b>	<b>26,5%</b>	<b>4,6%</b>
<b>Doğan Gazetecilik Daily Average Circulation (000 units)</b>	<b>1.140</b>	<b>1.354</b>	<b>19%</b>
 <b>Milliyet</b>	224	228	2%
 <b>POSTA</b>	643	638	-1%
 <b>Radikal</b>	38	43	13%
 <b>FANATİK</b>	235	239	2%
 <b>VATAN</b> <small>İNTERNETİN EN HIZLI YÖKSELEN GAZETESİ</small>	-	206	-
<b>Nationwide average circulation (000 units)</b>	<b>5.197</b>	<b>5.111</b>	<b>-1,7%</b>

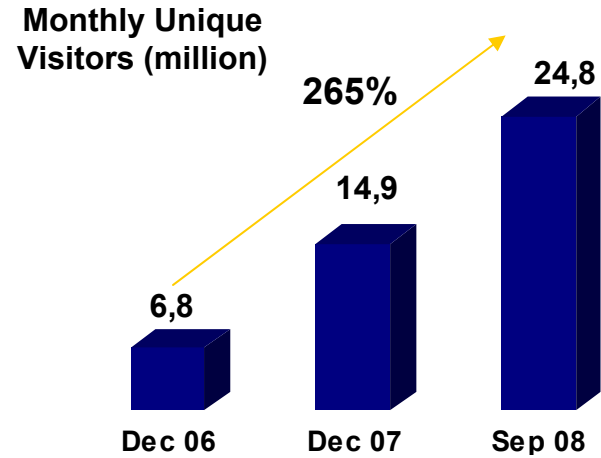
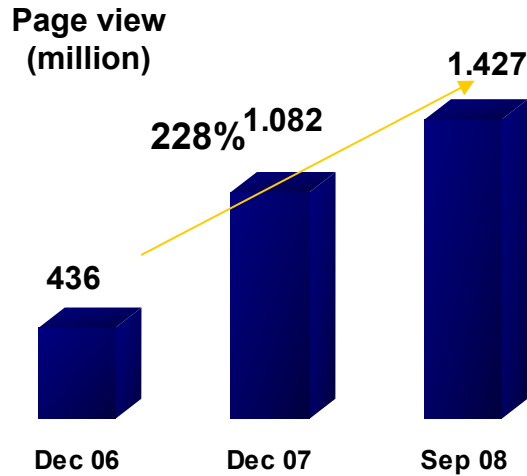
\* Market share and market statistics are estimates based on advertising department reports and DYH estimates. Milliyet Germany and Fanatik Germany figures are not included.

\* Newspaper Ad Market share excludes Vatan which had an estimated ad market share of 4,26 % in 9M08.

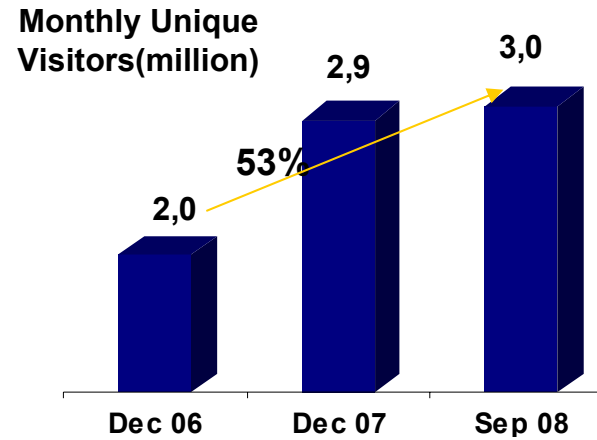
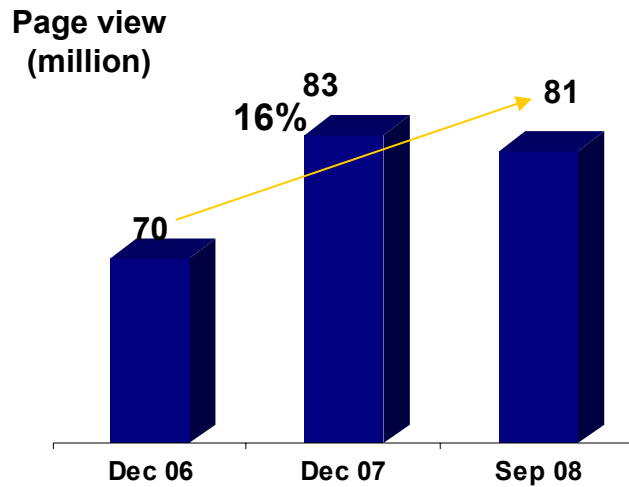
\*\* Circulation market share for 9M08 is on proforma basis.

- Posta and online advertising continued to outperform.
- Pressure on newspaper advertising were still driven by interest rate sensitive sectors.
- Slight increase in promotions in 9M08.
- 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 and 3Q08 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

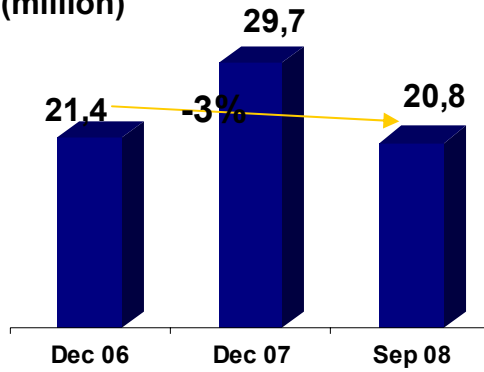


www.gazetevatan.com

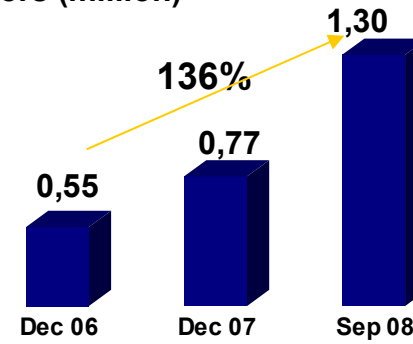
Recently acquired, reached 10.154.490 MUV

Milliyet Emlak

Page view  
(million)



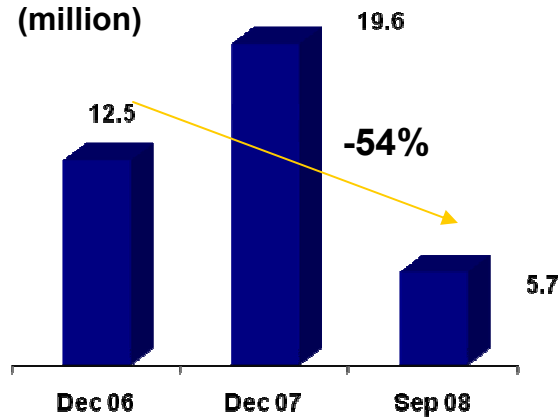
Monthly Unique  
Visitors (million)



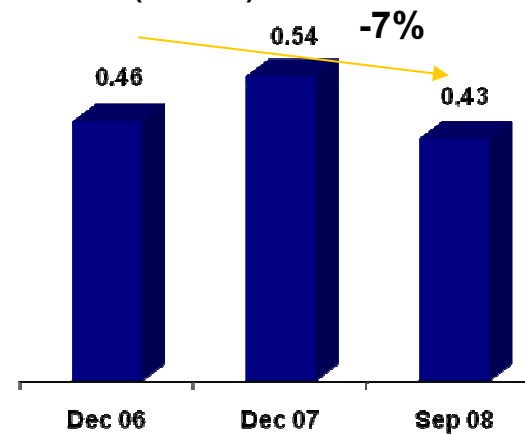
Real Estate  
Classifieds

Milliyet  
insankaynaklari.com

Page view  
(million)



Monthly Unique  
Visitors (million)



Job  
Classifieds

Quarterly Analysis (YTL '000)	FY07	3Q07	3Q08	% Ch.		% Ch.	
				3Q08/07	9M07	9M08	9M08/07
<b>Sales</b>	<b>296.896</b>	<b>75.848</b>	<b>87.898</b>	<b>16%</b>	<b>217.027</b>	<b>258.170</b>	<b>19%</b>
Cost of sales	181.686	43.984	57.091	30%	137.216	159.669	16%
Gross profit	115.210	31.864	30.807	-3%	79.811	98.501	23%
Operating expenses	107.362	23.200	29.195	26%	70.732	97.662	38%
EBIT *	7.848	8.664	1.612	-81%	9.079	839	-91%
EBIT MARGIN	2,6%	11,4%	1,8%	-84%	4,2%	0,3%	-92%
<b>EBITDA</b>	<b>14.928</b>	<b>9.721</b>	<b>4.997</b>	<b>-49%</b>	<b>14.970</b>	<b>9.869</b>	<b>-34%</b>
EBITDA MARGIN	5,0%	12,8%	5,7%		6,9%	3,8%	
<b>NET PROFIT</b>	<b>8.833</b>	<b>7.492</b>	<b>2.980</b>	<b>-60%</b>	<b>9.959</b>	<b>14.955</b>	<b>50%</b>
NET PROFIT MARGIN	3,0%	9,9%	3,4%		4,6%	5,8%	
<i>Amortised cost valuation income</i>	2.910	8	1.264	n.a	2.713	3.502	29%
<i>Depreciation &amp; amortisation</i>	4.170	1.049	2.121	102%	3.178	5.528	74%



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



Revenues (YTL '000)	FY07	3Q07	3Q08	3Q08/07 Ch (%)	9M07	9M08	9M08/07 Ch (%)
<b>Circulation Revenues</b>							
Revenue (YTL '000)	107.973	28.200	33.779	20%	81.545	93.347	14%
Circulation (000) (daily average sales)	1.134	1.184	1.354	14%	1.139	1.355	19%
<b>Advertisement Revenues</b>							
Revenue (YTL '000)	168.089	42.995	48.931	14%	121.168	148.972	23%
<b>Internet Revenues</b>							
Revenue (YTL '000)	14.243	3.306	4.200	27%	9.496	12.020	27%
<b>Other Revenues</b>							
Service and other (YTL '000)	6.591	1.347	988	-27%	4.818	3.831	-20%
<b>Total Revenues</b>	<b>296.896</b>	<b>75.848</b>	<b>87.898</b>	<b>16%</b>	<b>217.027</b>	<b>258.170</b>	<b>19%</b>

Newsprint costs increased by 11% and it would be decreased by 1% excluding Vatan impact, due to decline in FX rate by 9% approx. while a slight decrease in newsprint cost per ton by 1% in USD terms. Newsprint consumption increase by 24% mainly derived from Milliyet and Posta title by approx. 3 and 2 pages increase in average respectively.

Costs	FY07	3Q07	3Q08/07		9M07	9M08/07	
			3Q08	Ch (%)		9M08	Ch (%)
<b>Cost of Sales (YTL '000)</b>	<b>181.686</b>	<b>43.984</b>	<b>57.091</b> <sup>▲</sup>	<b>30%</b>	<b>137.216</b>	<b>159.669</b>	<b>16%</b>
<b>Newsprint costs*</b>	<b>98.972</b>	<b>24.370</b>	<b>29.427</b>	<b>21%</b>	<b>75.419</b>	<b>83.728</b>	<b>11%</b>
<b>Printing &amp; other costs</b>	<b>82.714</b>	<b>19.614</b>	<b>27.664</b>	<b>41,0%</b>	<b>61.797</b>	<b>75.941</b>	<b>22,9%</b>
<b>Operating Expenses (YTL '000)</b>	<b>107.362</b>	<b>23.200</b>	<b>29.195</b> <sup>▲</sup>	<b>26%</b>	<b>70.732</b>	<b>97.662</b>	<b>38%</b>
<b>General &amp; Administrative Expenses</b>	<b>22.850</b>	<b>4.766</b>	<b>6.975</b>	<b>46%</b>	<b>15.426</b>	<b>20.954</b>	<b>36%</b>
<b>Sales &amp; Marketing Expenses</b>	<b>84.512</b>	<b>18.434</b>	<b>22.220</b>	<b>21%</b>	<b>55.306</b>	<b>76.708</b>	<b>39%</b>
<b>Total Costs</b>	<b>289.048</b>	<b>67.184</b>	<b>86.286</b> <sup>▲</sup>	<b>28%</b>	<b>207.948</b>	<b>257.331</b>	<b>24%</b>

(YTL '000)

Profitability	FY07	3Q07	3Q08/07		9M07	9M08
			3Q08	Ch (%)		
EBIT	7.848	8.664	1.613	-81%	9.078	839
Other Income/(Expense) - net	5.090	467	883	89%	934	5.037
Financial Income/(Expense) - net	(1.818)	203	1.248	515%	2.702	12.687
Minority	(2)	10	-	-100%	30	(22)
<b>Profit before tax</b>	<b>11.118</b>	<b>9.344</b>	<b>3.744</b> <span style="color: green;">▲</span>	<b>-60%</b>	<b>12.744</b>	<b>18.541</b>
Taxation	(2.285)	(1.853)	(765) <span style="color: green;">▲</span>	-59%	(2.786)	(3.584)
- Corporate tax	(2.682)	(1.733)	(1.010)	-42%	(2.850)	(3.764)
- Deferred tax	398	(120)	245	-304%	64	180
<b>Net Income</b>	<b>8.833</b>	<b>7.491</b>	<b>2.979</b> <span style="color: green;">▲</span>	<b>-60%</b>	<b>9.958</b>	<b>14.957</b>

<b>Investments &amp; Financing (YTL '000)</b>	<b>FY07</b>	<b>9M08</b>	<b>ch%</b>
<b>CASH AND CASH EQUIVALENTS</b>	<b>106.334</b>	<b>17.625</b>	<b>-83,4%</b>
<b>S.T. BANK BORROWINGS</b>	<b>2.354</b>	<b>4.209</b>	<b>n.m</b>
<b>L.T. BANK BORROWINGS</b>	<b>-</b>	<b>113</b>	<b>n.m</b>
<b>NET CASH / (NET DEBT)</b>	<b>103.979</b>	<b>13.303</b>	<b>-87%</b>

- **Considering recent developments and uncertainties in global macro environment, FY08 organic ad growth is likely to be around 8-9%.**
- **Posta and Online advertising are likely to outperform.**
- **No aggressive promotion campaigns are planned.**
- **Cost cutting measures are being executed (Marketing, promotions, newprint consumption)**
- **Selective cover price increases in November, with 5-6% average price impact on the next twelve month's circulation revenues.**