



Review of FY09 Results

Doğan Gazetecilik A.Ş.

April 5, 2010

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

 **POSTA**  **Milliyet Emlak**

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

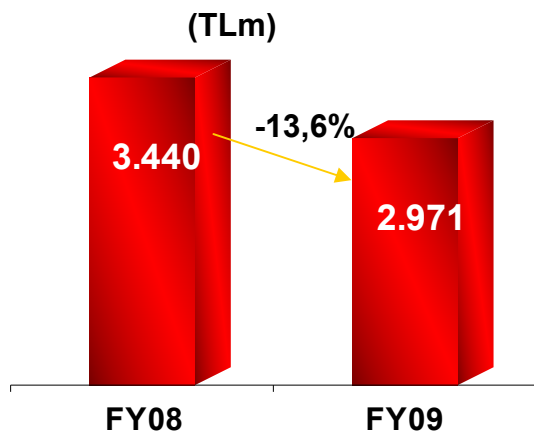
 **FANATIK**  **VATAN**
İNTERNETİN EN HIZLI YOKSÜZLERİ GAZETESİ

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 may not be fully consistent with IFRS Figures, as there are adjustments in accordance with IAS 39 and IAS 18. 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.

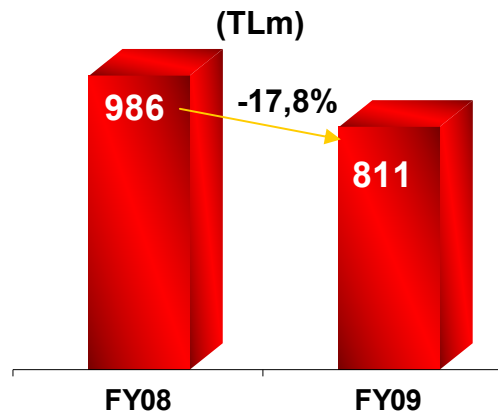
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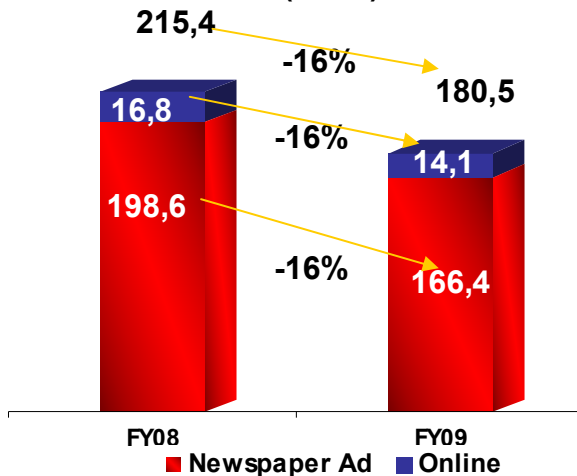
Total Ad Market – Turkey (Est)



Newspapers – Turkey (Est)








Dogan Gazetecilik Ad Growth*
(TL m)



- Dogan Gazetecilik slightly outperformed the market in newspaper advertising, mainly thanks to Posta title.

*Ad revenue plus amortised cost valuation income

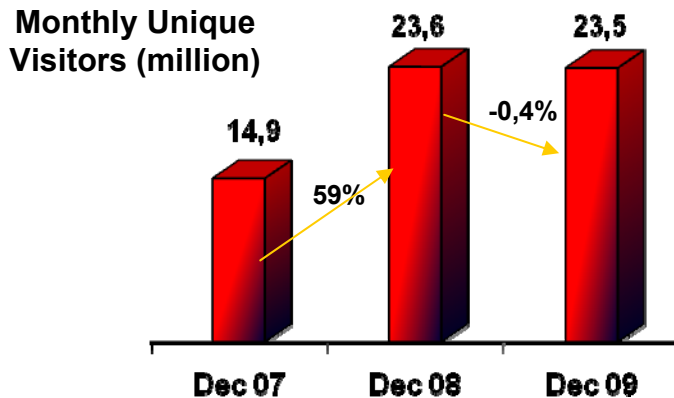
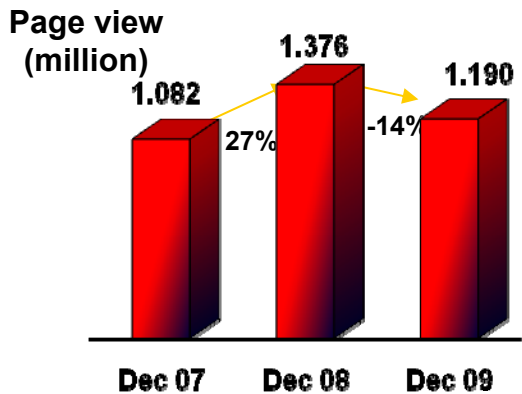
- Expectedly, cover price increases in the last 12 months average, reaching 41-50%, caused circulations to decline.

| Market Shares | FY08 | FY09 | Ch YOY |
|---------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|--------------|--------------|
| CIRCULATION MARKET SHARE | 26,3% | 24,7% | -1,6% |
| Doğan Gazetecilik Daily Average Circulation (000 units) | 1.342 | 1.181 | -12% |
|  Milliyet | 227 | 203 | -11% |
|  POSTA | 632 | 541 | -14% |
|  Radikal | 43 | 40 | -6% |
|  FANATİK | 233 | 202 | -13% |
|  VATAN <small>İNTERNETİN EN HIZLI YÜKSELEN GAZETESİ</small> | 207 | 194 | -6% |
| Nationwide average circulation (000 units) | 5.106 | 4.782 | -6,3% |

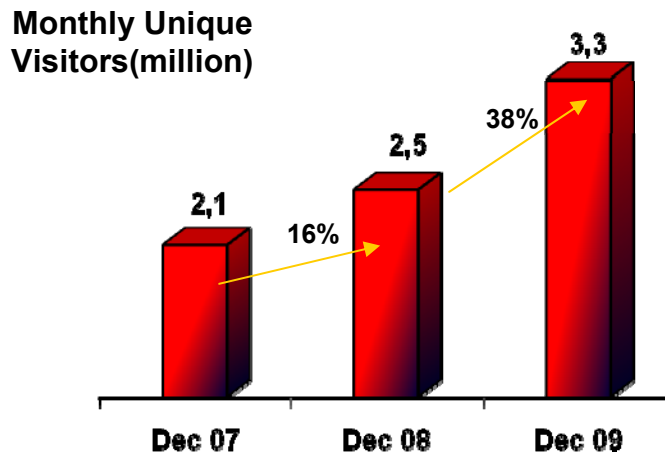
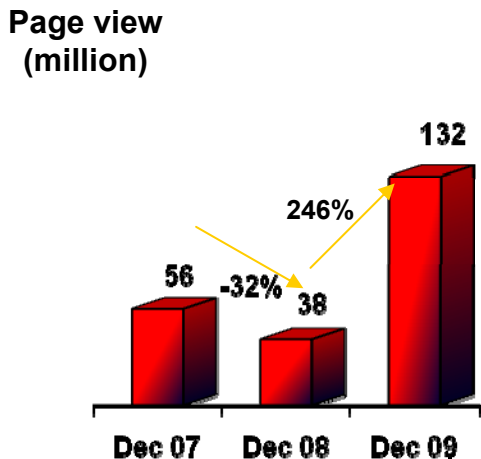
* Vatan was acquired as of March 2008. However, for presentation purposes, circulation figures reflect 12 month averages.

- In advertising revenues, Posta outperformed the market in FY09, while the remaining titles moved parallel to the market.
- Copy prices raised mainly in 2Q09 in all titles, reaching up to 50% for selected titles.
- Weighted average cover price increases reached %44 yoy in all titles by December 2009.
- Cost cutting measures and cover price increases helped EBITDA to recover from a loss in 1H09 to a profit in FY09.
- Chief Editor change in Milliyet in October 2009
- Marketing and image campaigns for Milliyet title accelerated in 4Q09.
- Total 8.833.140 TL of tax settlement is concluded with the Tax Authority. Currently, there is 948.012 TL tax issues in legal process.

Strong audience maintained in news portal



**News,
blogging,
video**



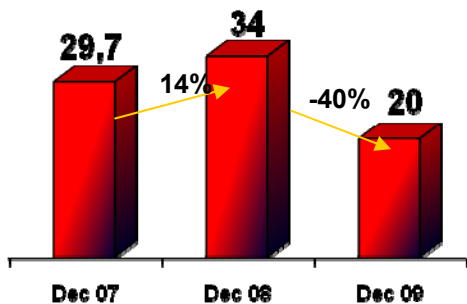
**Auto
Classifieds***

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

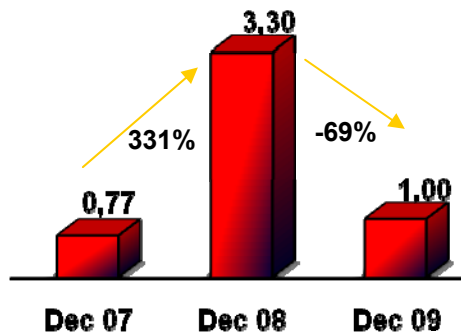
... Classifieds were temporarily under pressure due to slowdown

Milliyet Emlak

Page view (million)

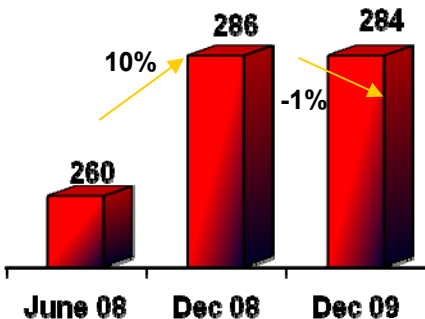


Monthly Unique Visitors (million)

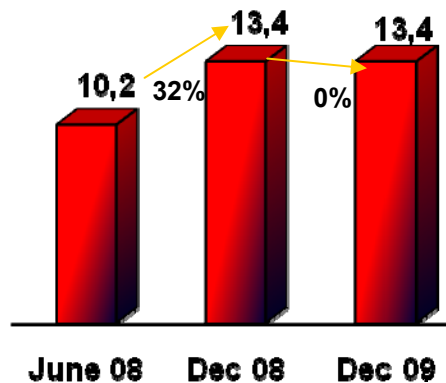


Real Estate Classifieds

Page view (million)



Monthly Unique Visitors (million)



News, blogging, video

VATAN
İNTERNETİN EN HIZLI YÖKSELEN GAZETESİ

| | FY08 | FY09 | % Ch. FY09/08 | 4Q08 | 4Q09 | % Ch. 4Q09/08 |
|----------------------------------------|--------------|--------------|------------------|---------------|--------------|------------------|
| Sales | 341.353 | 350.364 | 3% | 83.183 | 91.303 | 10% |
| Cost of sales | 231.755 | 230.046 | -1% | 71.216 | 55.958 | -21% |
| Gross profit | 109.599 | 120.318 | 10% | 11.968 | 35.345 | 195% |
| Operating expenses | 121.643 | 122.760 | 1% | 24.851 | 36.712 | 48% |
| Ebit* | -12.044 | -2.442 | -80% | -12.883 | -1.368 | -89% |
| Ebit Margin | -3,5% | -0,7% | | -15,5% | -1,5% | |
| Ebitda | -43 | 6.696 | NA | -9.914 | 509 | NA |
| Ebitda Margin | 0,0% | 1,9% | | -11,9% | 0,6% | |
| Net Profit | -753 | -16.255 | NA | -15.709 | -10.323 | -34% |
| Net Profit Margin | -0,2% | -4,6% | | -18,9% | -11,3% | |
| <i>Amortised cost valuation income</i> | <i>4.292</i> | <i>1.709</i> | <i>-60%</i> | <i>790</i> | <i>351</i> | <i>-56%</i> |
| <i>Depreciation & amortisation</i> | <i>7.709</i> | <i>7.428</i> | <i>-4%</i> | <i>2.180</i> | <i>1.525</i> | <i>-30%</i> |



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

- Circulation revenues are up 33% in FY09, thanks to raises in copy prices.

| Revenues (TL '000) | FY08 | FY09 | FY09/08 Ch (%) | 4Q08 | 4Q09 | 4Q09/08 Ch (%) |
|-----------------------------------------|----------------|----------------|-------------------|---------------|---------------|-------------------|
| Circulation Revenues | | | | | | |
| Revenue (TL '000) | 126.397 | 167.587 | 33% | 33.050 | 43.371 | 31% |
| Circulation (000) (daily average sales) | 1.342 | 1.181 | -12% | 1.316 | 1.150 | -13% |
| Advertisement Revenues | | | | | | |
| Revenue (TL '000) | 192.728 | 164.129 | -15% | 43.910 | 42.897 | -2% |
| Internet Revenues | | | | | | |
| Revenue (TL '000) | 16.893 | 14.137 | -16% | 4.719 | 3.845 | -19% |
| Other Revenues | | | | | | |
| Service and other (TL '000) | 5.336 | 4.512 | -15% | 1.504 | 1.191 | -21% |
| Total Revenues | 341.353 | 350.365 | 3% | 83.183 | 91.303 | 10% |

Main reasons of the decrease in newspaper costs by 7% are the decline in circulation and average number of pages and 9% decline in newsprint costs per ton in USD terms. Newsprint costs decreased by 39% in quarterly basis mainly caused by the decrease in paper costs per ton in USD terms by 33% and devaluation of USD against TL by 3%.

| Costs | FY08 | FY09 | FY09/08 Ch (%) | 4Q08 | 4Q09 | 4Q09/08 Ch (%) |
|-------------------------------------|----------------|----------------|-------------------|---------------|---------------|-------------------|
| Cost of Sales (TL '000) | 231.755 | 230.046 | -1% | 71.216 | 55.958 | -21% |
| Newsprint costs* | 121.591 | 113.492 | -7% | 37.863 | 23.164 | -39% |
| Printing & other costs | 110.164 | 116.554 | 6% | 33.353 | 32.794 | -2% |
| Operating Expenses (TL '000) | 121.643 | 122.760 | 1% | 24.851 | 36.712 | 48% |
| General & Administrative Expenses | 25.406 | 27.222 | 7% | 5.322 | 7.647 | 44% |
| Sales & Marketing Expenses | 96.237 | 95.538 | -1% | 19.528 | 29.065 | 49% |
| Total Costs | 353.398 | 352.806 | 0% | 96.067 | 92.671 | -4% |

Increase in sales & marketing expenses in the last quarter is mainly due to promotion campaigns for Posta and Milliyet titles and related advertising and distribution. Personnel expenses mainly caused general & administrative expenses to rise.

| (TL '000) | | | FY09/08 | | 4Q09/08 | |
|----------------------------------|----------------|------------------------------------------------------|---------------|-----------------|------------------------------------------------------|---------------|
| Profitability | FY08 | FY09 | Ch (%) | 4Q08 | 4Q09 | Ch (%) |
| EBIT | (12.044) | (2.442) | -80% | (12.884) | (1.368) | -89% |
| Other Income/(Expense) - net | (4.187) | (9.600) | NA | (9.223) | (7.864) | -15% |
| Financial Income/(Expense) - net | 7.026 | (4.376) | NA | (5.660) | (1.399) | -75% |
| Minority | (24) | (132) | NA | (2) | (130) | NA |
| Profit before tax | (9.229) | (16.549) ▲ | 79% | (27.769) | (10.761) ▲ | -61% |
| Taxation | 8.476 | 293 | -97% | 12.060 | 438 | -96% |
| - Corporate tax | (3.040) | (2.276) | -25% | 725 | 269 | -63% |
| - Deferred tax | 11.516 | 2.569 | -78% | 11.336 | 170 | -99% |
| Net Income | (753) | (16.255) | NA | (15.709) | (10.323) ▲ | -34% |

| Investments & Financing (TL '000) | FY08 | FY09 | ch% |
|----------------------------------------------|---------------|-----------------|---------------|
| CASH AND CASH EQUIVALENTS | 16.218 | 1.231 | -92,4% |
| S.T. BANK BORROWINGS | 1.061 | 20.015 | NA |
| L.T. BANK BORROWINGS | - | - | NA |
| NET CASH / (NET DEBT) | 15.157 | (18.784) | NA |
| INVESTMENTS | 2.411 | 1.603 | -34% |

- Total advertising market is expected to recover in 2010.
- Posta title with its high reach in total readers is likely to continue outperform in 2010.
- Milliyet title have recovered circulations in 4Q09 significantly. This is likely to have a positive impact on 2010 ad growth.
- Marketing and promotion campaigns will be accelerated parallel to the recovery in the market.
- Operational profitability is expected to normalize further within 2010.