



## Review of 1H09 Results

### Doğan Gazetecilik A.Ş.

August 26, 2009

 [Milliyet.com.tr](http://Milliyet.com.tr)

Inflation accounting (IAS 29) is not applied in 2005&2006&2007 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.

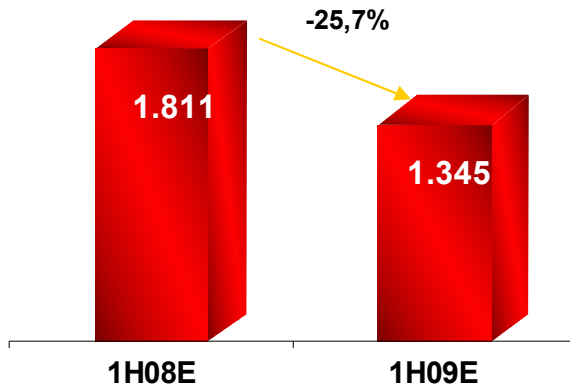
This presentation does not constitute an offer or invitation to purchase or subscription for any securities and no part of it shall form the basis of or be relied upon in connection with any contract or commitment whatsoever.

The information contained in this document has not been independently verified. No representation or warranty express or implied is made as to and no reliance should be placed on, the accuracy, completeness, correctness or fairness of the information or opinions contained herein. Neither the company nor any of its affiliates, advisors or representatives shall have any liability whatsoever (for negligence or otherwise) with respect to any loss howsoever arising from any use by third parties of this presentation or its contents or otherwise arising in connection with it.

# Ad Market Share

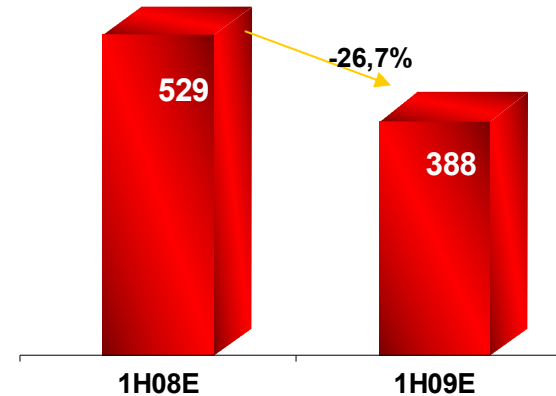
**Total Ad Market – Turkey (Est)**

(TLm)



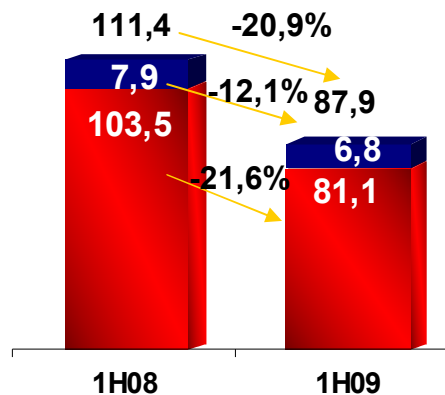
**Newspapers – Turkey (Est)**

(TLm)



**Dogan Gazetecilik Ad Growth\***






(TL m)



■ Newspaper ■ Online

- Dogan Gazetecilik outperformed the market especially in 1Q09, and moved parallel to the sector dynamics in 2Q09

- Expectedly, cover price increases from September 2008 to June 2009 reaching 40-66% caused circulations to decline.
- Newspaper circulation market share for 1H09 includes the impact of Vatan acquisition

Market Shares	1H08	1H09	% 1H09/08
<b>CIRCULATION MARKET SHARE</b>	<b>25,9%</b>	<b>24,8%</b>	<b>-1,1%</b>
<b>Doğan Gazetecilik Daily Average Circulation (000 units)</b>	<b>1.347</b>	<b>1.213</b>	<b>-10%</b>
 <b>Milliyet</b>	242	210	-13%
 <b>POSTA</b>	631	559	-11%
 <b>Radikal</b>	41	41	0%
 <b>FANATİK</b>	226	192	-15%
 <b>VATAN</b> <small>İNTERNETİN EN HIZLI YÖKSELEN GAZETESİ</small>	207	211	2%
<b>Nationwide average circulation (000 units)</b>	<b>5.202</b>	<b>4.894</b>	<b>-5,9%</b>

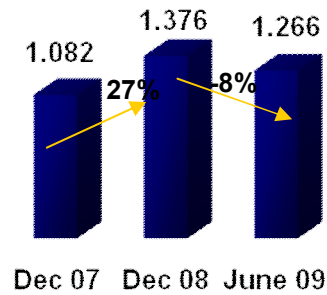
# Major Developments in 1H09

- **Pressure on advertising growth continued in 2Q09**
- **Copy prices raised further in 2Q09 in all titles, reaching up to 50% for selected titles.**
- **Weighted average cover price increases reached c%41 yoy in all titles by June 2009.**
- **Cost cutting measures and cover price increases helped EBITDA to recover from a loss in 1Q09 to a profit in 2Q09**

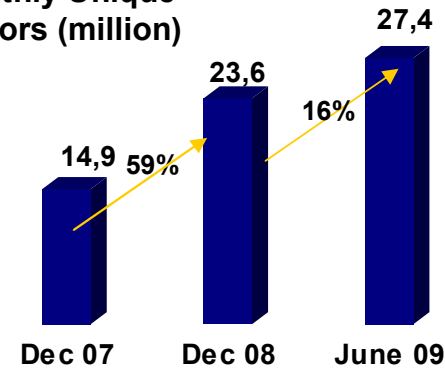
# Internet traffic on the rise...



**Page view (million)**

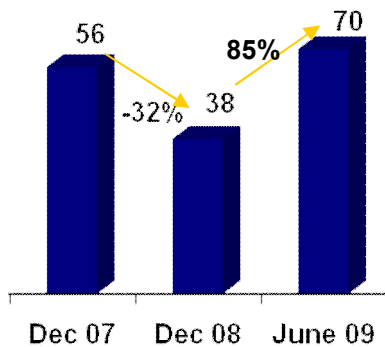


**Monthly Unique Visitors (million)**

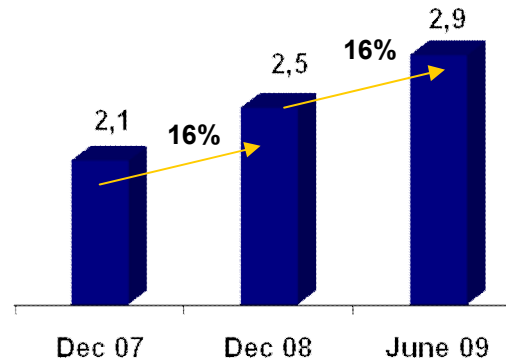


**News,  
blogging,  
video**

**Page view (million)**



**Monthly Unique Visitors(million)**



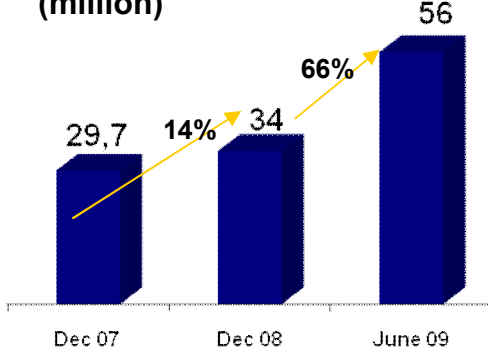
**Auto  
Classifieds\***

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

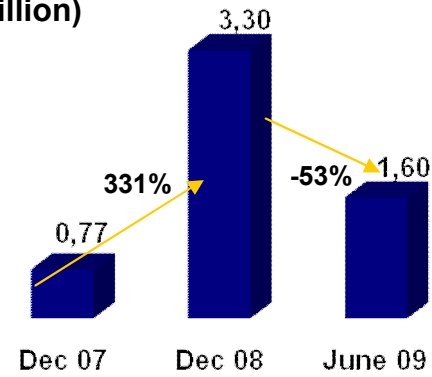
# ..and Vatan's strong news portal is added

Milliyet Emlak

Page view  
(million)



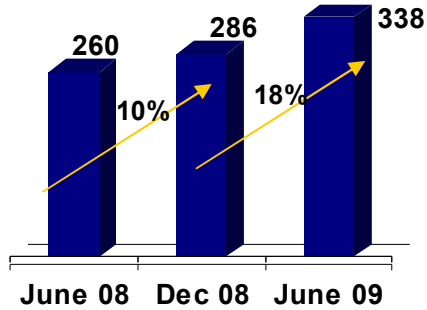
Monthly Unique  
Visitors (million)



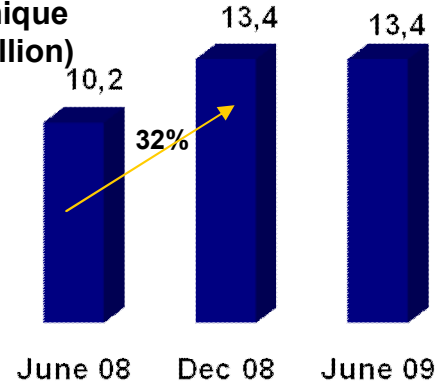
Real Estate  
Classifieds

Page view  
(million)

VATAN  
İNTERNETİN EN HIZLI YÜKSELEN GAZETESİ



Monthly Unique  
Visitors (million)



News,  
blogging,  
video

Quarterly Analysis (TL '000)	FY08	2Q08	2Q09	% Ch. 2Q09/08			% Ch. 1H09/08
					1H08	1H09	
Sales	341.353	102.181	90.042	-12%	170.273	169.739	0%
Cost of sales	231.755	60.150	56.880	-5%	103.158	121.961	18%
Gross profit	109.598	42.031	33.162	-21%	67.115	47.778	-29%
Operating expenses	121.643	40.840	32.082	-21%	67.888	58.846	-13%
Ebit*	-12.045	1.191	1.080	-9%	-773	-11.068	n.m
Ebit Margin	-3,5%	1,2%	1,2%		-0,5%	-6,5%	
<b>Ebitda</b>	<b>-43</b>	<b>4.955</b>	<b>3.346</b>	<b>-32%</b>	<b>4.872</b>	<b>-6.011</b>	<b>n.m</b>
Ebitda Margin	0,0%	4,8%	3,7%		2,9%	-3,5%	
Net Profit	-753	6.314	1.895	-70%	11.975	-12.207	n.m
Net Profit Margin	-0,2%	6,2%	2,1%		7,0%	-7,2%	
<i>Amortised cost valuation income</i>	<i>4.292</i>	<i>1.297</i>	<i>283</i>	<i>-78%</i>	<i>2.238</i>	<i>1.094</i>	<i>-51%</i>
<i>Depreciation &amp; amortisation</i>	<i>7.709</i>	<i>2.466</i>	<i>1.982</i>	<i>-20%</i>	<i>3.407</i>	<i>3.963</i>	<i>16%</i>



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



- Circulation revenues are up 36% in 1H09, thanks to raises in copy prices.

Revenues (TL '000)	FY08	2Q08	2Q09	2Q09/08 Ch (%)	1H08	1H09	1H09/08 Ch (%)
<b>Circulation Revenues</b>							
Revenue (TL '000)	126.397	32.014	42.327	32%	59.567	80.984	36%
Circulation (000) (daily average sales)	1.338	1.334	1.127	-16%	1.348	1.213	-10%
<b>Advertisement Revenues</b>							
Revenue (TL '000)	192.728	64.033	43.494	-32%	100.041	79.746	-20%
<b>Internet Revenues</b>							
Revenue (TL '000)	16.893	4.808	3.504	-27%	7.820	6.874	-12%
<b>Other Revenues</b>							
Service and other (TL '000)	5.335	1.327	717	-46%	2.844	2.135	-25%
<b>Total Revenues</b>	<b>341.353</b>	<b>102.182</b>	<b>90.042</b>	<b>-12%</b>	<b>170.272</b>	<b>169.739</b>	<b>0%</b>

Newsprint costs increased by 23%, mainly due to Vatan acquisition and strong weakness in TL yoy in 1H09. Newsprint costs per ton were approximately up by 12% in USD terms

Costs	FY08	2Q08	2Q09	2Q09/08 Ch (%)	1H08	1H09	1H09/08 Ch (%)
<b>Cost of Sales (TL '000)</b>	<b>231.755</b>	<b>60.150</b>	<b>56.880</b>	<b>-5%</b>	<b>103.158</b>	<b>121.961</b>	<b>18%</b>
Newsprint costs	121.591	32.034	30.031	-6%	54.301	67.041	23%
Printing & other costs	110.164	28.116	26.849	-4,5%	48.857	54.919	12,4%
<b>Operating Expenses (TL '000)</b>	<b>121.643</b>	<b>40.840</b>	<b>32.082</b>	<b>-21%</b>	<b>67.888</b>	<b>58.846</b>	<b>-13%</b>
General & Administrative Expenses	25.406	7.995	6.881	-14%	13.399	12.823	-4%
Sales & Marketing Expenses	96.237	32.845	25.201	-23%	54.489	46.023	-16%
<b>Total Costs</b>	<b>353.398</b>	<b>100.990</b>	<b>88.962</b>	<b>-12%</b>	<b>171.046</b>	<b>180.807</b>	<b>6%</b>

(TL '000)		2Q09/08			1H09/08		
Profitability	FY08	2Q08	2Q09	Ch (%)	1H08	1H09	Ch (%)
EBIT	(12.044)	1.191	1.080	-9%	(773)	(11.068)	n.m
Other Income/(Expense) - net	(4.187)	3.788	(875)	n.m	4.153	(1.209)	n.m.
Financial Income/(Expense) - net	7.026	2.657	3.147	18%	11.438	(1.635)	n.m.
Minority	(24)	23	1	n.m	22	(1)	n.m.
<b>Profit before tax</b>	<b>(9.229)</b>	<b>7.659</b>	<b>3.353</b>	<b>-56%</b>	<b>14.796</b>	<b>(13.913)</b>	<b>n.m</b>
Taxation	8.476	(1.345)	(1.458)	8%	(2.821)	1.706	n.m
- Corporate tax	(3.040)	(1.456)	(36)	-98%	(2.755)	(74)	-97%
- Deferred tax	11.516	111	(1.422)	n.m	(66)	1.780	nm
<b>Net Income</b>	<b>(753)</b>	<b>6.314</b>	<b>1.895</b>	<b>-70%</b>	<b>11.975</b>	<b>(12.207)</b>	<b>n.m</b>

<b>Investments &amp; Financing (TL '000)</b>	<b>FY08</b>	<b>1H09</b>	<b>ch%</b>
<b>CASH AND CASH EQUIVALENTS</b>	<b>16.218</b>	<b>3.804</b>	<b>-76,5%</b>
<b>S.T. BANK BORROWINGS</b>	<b>1.061</b>	<b>35.118</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>(31.314)</b>	<b>n.m.</b>
<b>INVESTMENTS</b>	<b>2.411</b>	<b>543</b>	<b>-77%</b>

- Considering recent developments and uncertainties in global macro environment, ad growth is likely to be under pressure in FY09 as expected.
- However the pace of contraction in ad revenues is expected to smooth in the following quarters
- No aggressive promotion campaigns are planned.
- Cost cutting measures are being executed as planned (Marketing, promotions, newprint consumption)
- Radikal increased weekend cover prices from 75krs to 1 TL in July 09 and weekdays prices from 50krs to 75krs in nationwide.
- Cover price increases executed until August 2009, implies a approx 40-45% blended copy price increase for FY09.
- Circulations will be under pressure due to copy price increases