



# Review of FY07 Results

**Doğan Gazetecilik A.Ş.**

**March 28, 2008**

**Milliyet** SANCA GÖRER **Milliyet.com.tr**

**POSTA** **Milliyet Emlak**

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

**FANATİK** **Milliyet**  
**insankaynaklari.com**

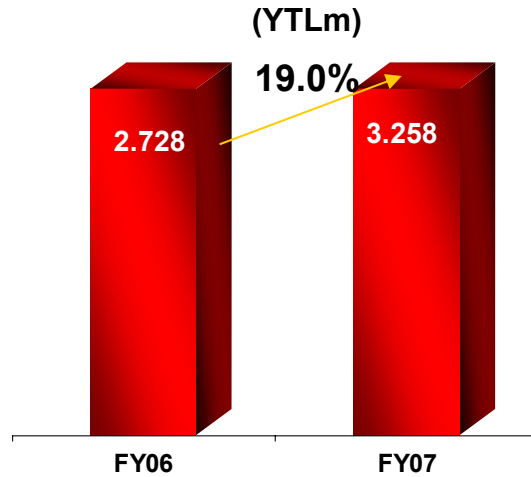
Inflation accounting (IAS 29) is not applied in 2005&2006&2007 financials on the back of CMB's requirements. The financial statements are reclassified for presentation purposes, the CMB format is also available through ISE and DYH websites.

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.

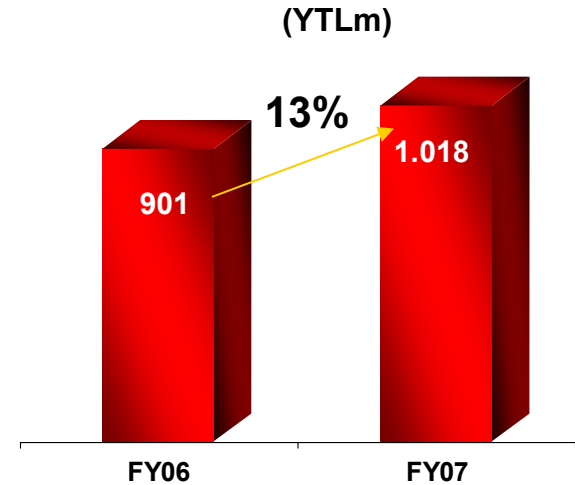
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Total Ad Market – Turkey (Est)



Newspapers – Turkey (Est)

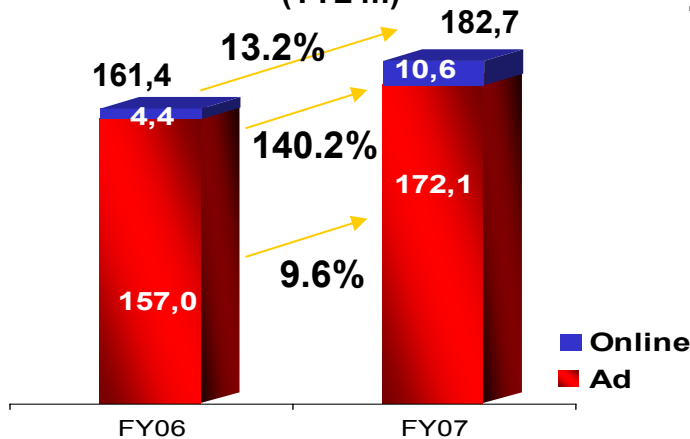


- Online advertising and Posta continued to outperform in 2007.

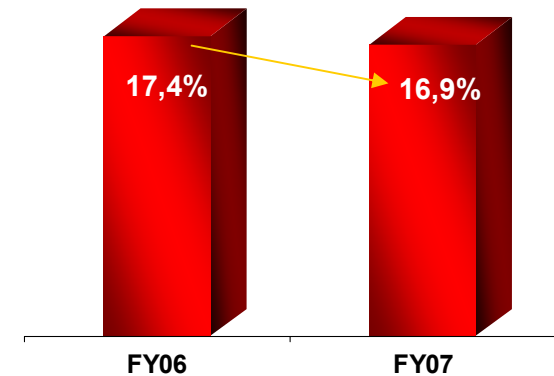
- Posta advertising revenues which accounts c37% of total ad revenues grew by **25%**.

- Posta improved its market share from 6.2% to 6.9%.

Dogan Gazetecilik Ad Growth\* (YTL m)







Dogan Gazetecilik Newspaper Ad Market Share\*



\*Ad figures are adjusted for market comparison and growth figures on this page are based on these adjusted data and nominal. Therefore, these figures will not comply with audited results presented on the following pages where the calculation&recognition basis differs and IAS 39 is applied.

Dogan Gazetecilik did not join the super promotions of major newspapers in FY07 and lost market share in circulation.

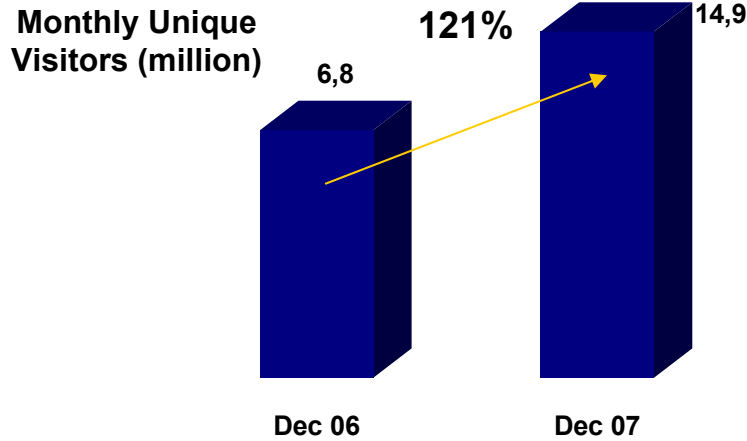
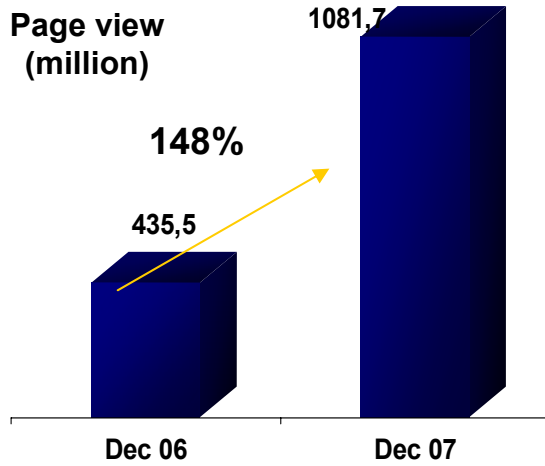
Posta “The best selling newspaper in Turkey” maintained its circulation levels.

Market Shares	FY06Est.	FY07Est.	% FY07/06
<b>ADVERTISEMENT MARKET SHARE *</b>	<b>17,4%</b>	<b>16,9%</b>	<b>-0,5%</b>
<b>CIRCULATION MARKET SHARE *</b>	<b>23,2%</b>	<b>21,9%</b>	<b>-1,2%</b>
<b>Doğan Gazetecilik Daily Average Circulation (000 units)</b>	<b>1.193</b>	<b>1.134</b>	<b>-5%</b>
 <b>Milliyet</b>	281	233	-17%
 <b>POSTA</b>	636	635	0%
 <b>Radikal</b>	36	36	2%
 <b>FANATIK</b>	241	230	-4%
<b>Nationwide average circulation (000 units)**</b>	<b>5.148</b>	<b>5.170</b>	<b>0,4%</b>

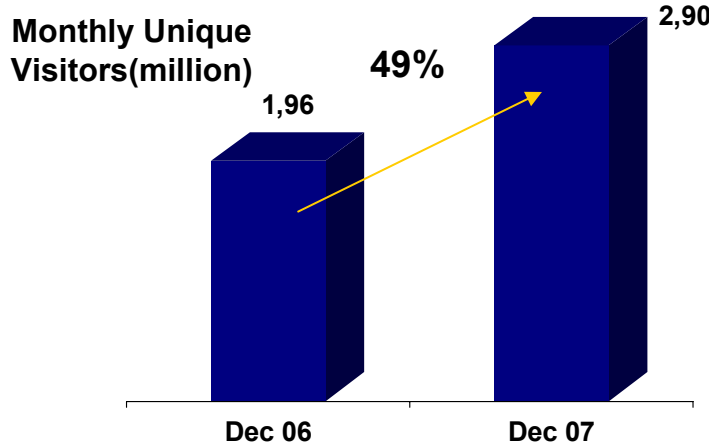
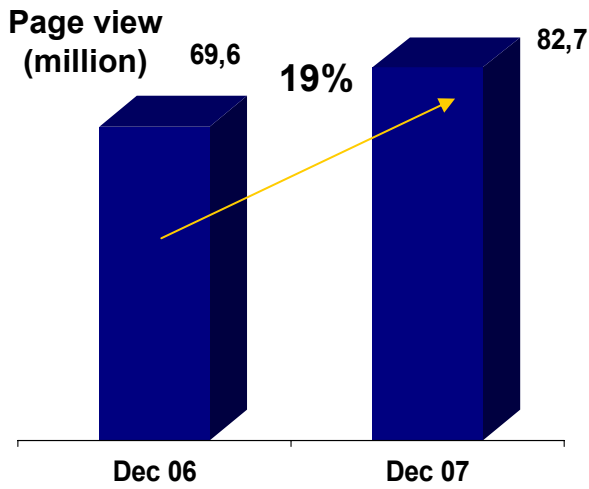
\* Market share and market statistics are estimates based on advertising department reports and DYH estimates. Milliyet Germany and Fanatik Germany figures are not included.

- Dogan Gazetecilik enjoyed high growth in Election period in July and captured additional market share.
- Posta and online advertising continued to outperform, while Milliyet title was weaker after the elections.
- Pressure on newspaper advertising were still driven by interest rate sensitive sectors.
- Promotion campaigns shaped the circulation dynamics in FY07.
- Dogan Gazetecilik slightly increased promotions in 4Q07.
- Copy price increases only in Radikal newspaper in 1Q07.
- The contribution of online revenues continued to be strong.
- 22 million additional shares were issued increasing the paid-in capital from YTL78m to YTL100m at YTL4.73 per share.

# Internet traffic on the rise...



News, blogging, video

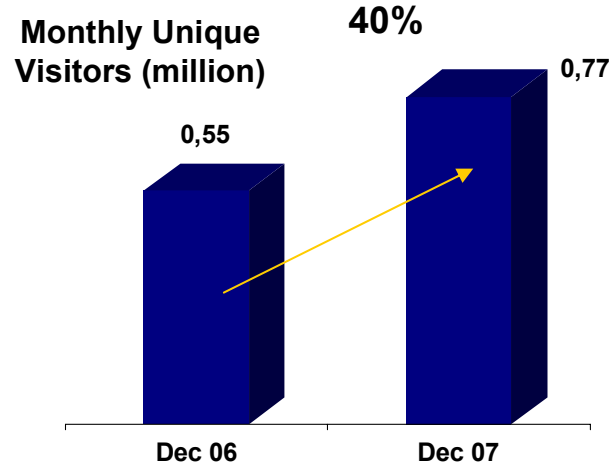
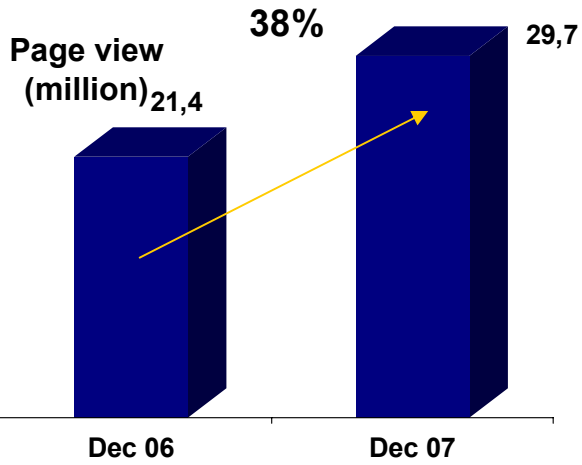


Auto Classifieds\*

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

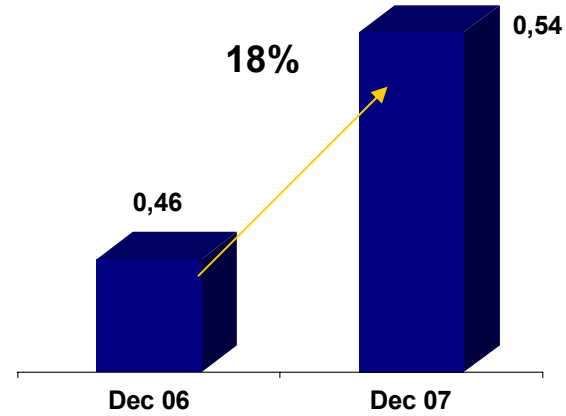
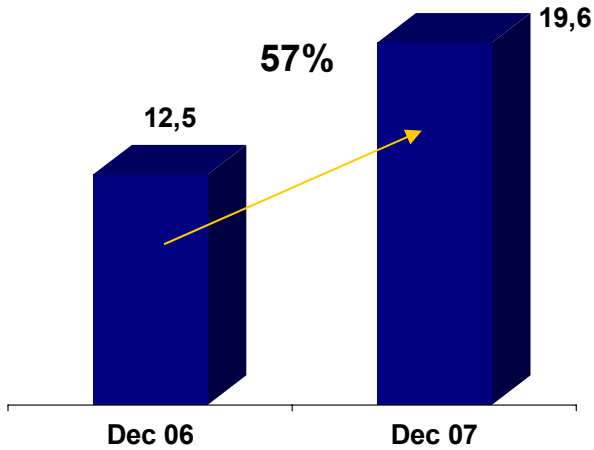
# Internet traffic on the rise...

Milliyet Emlak



Real Estate Classifieds

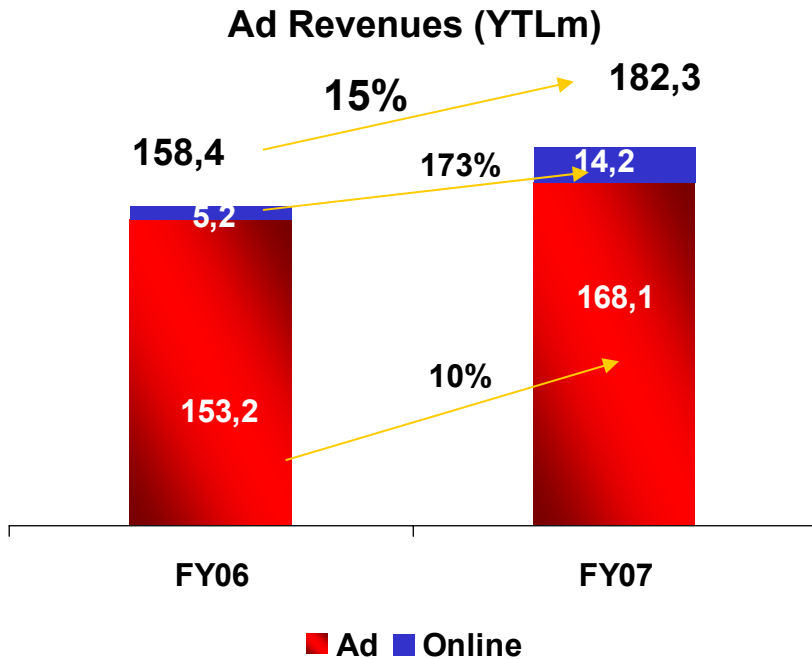
Milliyet  
insankaynaklari.com



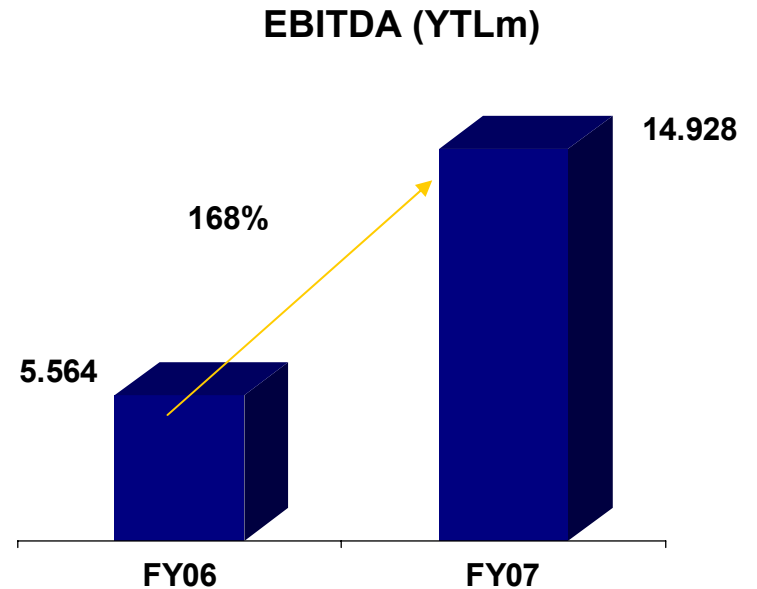
Job Classifieds

# Internet boosts growth..

Internet added 5 pct. points to Dogan Gazetecilik's Organic Growth in FY07.



Operational Profitability recovered...



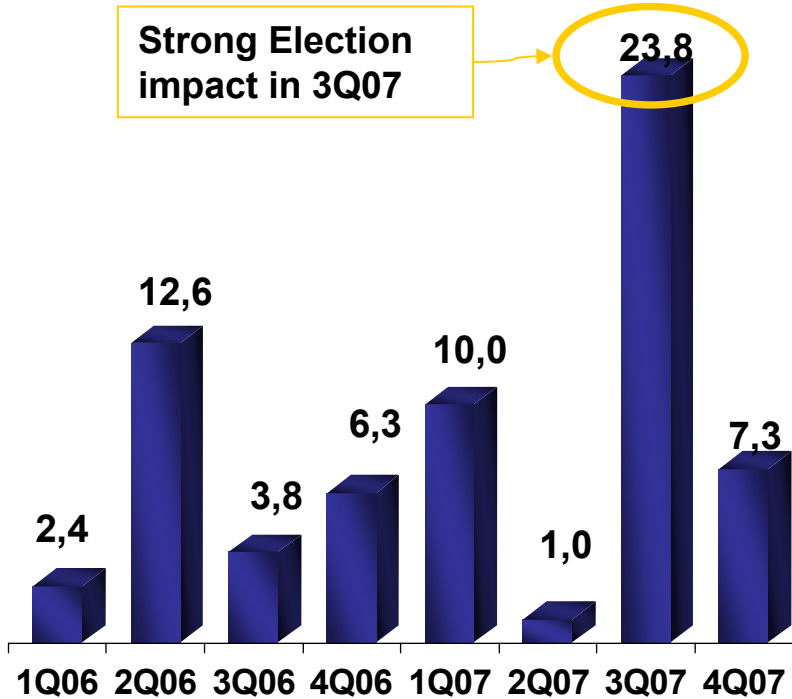
\*Ad revenue and EBITDA presented on this slide are based on IFRS figures.



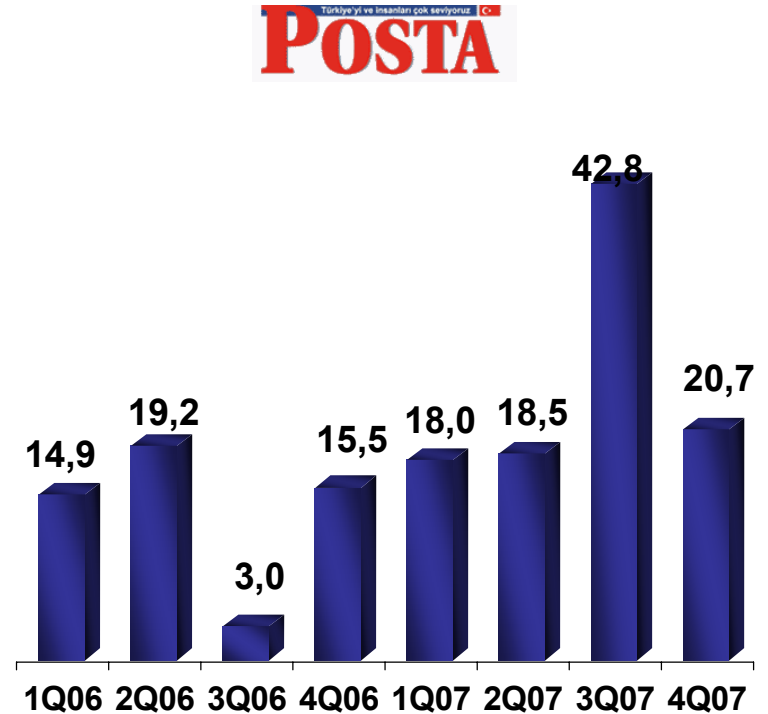
# Posta overperforms expectedly..

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

Doğan Gazetecilik Advertisement Revenue (growth % yoy)



Posta Advertisement Revenue (growth % yoy)



Quarterly Analysis (YTL '000)	% Ch.			% Ch.		
	4Q06	4Q07	4Q07/06	FY06	FY07	FY07/06
<b>Sales</b>	<b>72.963</b>	<b>78.583</b>	<b>8%</b>	<b>281.235</b>	<b>296.896</b>	<b>6%</b>
Cost of sales	45.758	43.183	-6%	187.674	181.686	-3%
Gross profit	27.206	35.400	30%	93.562	115.210	23%
Operating expenses	27.653	36.630	32%	96.398	107.362	11%
EBIT	46	(1.033)	n.m.	724	10.758	1386%
EBIT MARGIN	0,1%	-1,3%		0,3%	3,6%	
<b>EBITDA</b>	<b>1.238</b>	<b>(41)</b>	<b>-103%</b>	<b>5.565</b>	<b>14.928</b>	<b>168%</b>
EBITDA MARGIN	1,7%	-0,1%		2,0%	5,0%	
<b>NET PROFIT</b>	<b>(400)</b>	<b>(1.126)</b>	<b>n.m.</b>	<b>(1.006)</b>	<b>8.833</b>	<b>n.m.</b>
NET PROFIT MARGIN	-0,5%	-1,4%		-0,4%	3,0%	
<i>Amortised cost valuation incom</i>	493	197	-60%	3.560	2.910	-18%
<i>Depreciation &amp; amortisation</i>	1.192	992	-17%	4.841	4.170	-14%



\* All figures stated are based on consolidated balances. EBIT and EBITDA are adjusted by Amortised Cost Valuation Income also presented on slide 10.

Revenues (YTL '000)	4Q06	4Q07	4Q07/06 Ch (%)	FY06	FY07	FY07/06 Ch (%)
<b>Circulation Revenues</b>						
Revenue (YTL '000)	26.777	26.428	-1%	112.326	107.973	-4%
Circulation (000) (daily average sales)	1.100	1.120	2%	1.193	1.134	-5%
<b>Advertisement Revenues</b>						
Revenue (YTL '000)	43.743	46.921	7%	153.223	168.089	10%
<b>Internet Revenues</b>						
Revenue (YTL '000)	1.789	4.748	165%	5.223	14.243	173%
<b>Other Revenues</b>						
Service and other (YTL '000)	655	487	-26%	10.464	6.591	-37%
<b>Total Revenues</b>	<b>72.964</b>	<b>78.583</b>	<b>7,7%</b>	<b>281.236</b>	<b>296.896</b>	<b>5,6%</b>

- Price and Volume growth driven by Posta title helped newspaper advertising revenues to increase 10% in FY07.

# Revenues per dailies

Revenues per dailies	4Q06	4Q07	4Q07/06 Ch (%)	FY06	FY07	FY07/06 Ch (%)
<b>Advertisement Revenue (YTL '000)</b>						
Milliyet	21.836	21.457	-2%	77.370	76.566	-1%
Posta	15.681	18.924	21%	54.037	67.382	25%
Radikal	3.788	3.579	-6%	13.207	13.483	2%
Fanatik	1.949	2.460	26%	6.759	8.735	29%
European sales (Milliyet & Fanatik)	489	502	3%	1.850	1.922	4%
<b>Doğan Gazetecilik</b>	<b>43.743</b>	<b>46.921</b>	<b>7,3%</b>	<b>153.223</b>	<b>168.089</b>	<b>10%</b>
<b>Circulation Revenue (YTL '000)</b>						
Milliyet	7.082	6.824	-4%	30.897	25.943	-16%
Posta	12.874	12.964	1%	52.373	53.306	2%
Radikal	1.037	1.077	4%	4.460	4.905	10%
Fanatik	5.027	4.989	-1%	21.755	21.479	-1%
European sales (Milliyet & Fanatik)	756	573	-24%	2.841	2.339	-18%
<b>Doğan Gazetecilik</b>	<b>26.777</b>	<b>26.428</b>	<b>-1%</b>	<b>112.326</b>	<b>107.973</b>	<b>-4%</b>



Newsprint costs down by 6%, due to decline in FX rate by 9% while a slight increase in newsprint cost per ton by 3% in USD terms.

Costs	4Q06	4Q07/06		FY06	FY07/06	
		4Q07	Ch (%)		FY07	Ch (%)
<b>Cost of Sales (YTL '000)</b>	<b>45.759</b>	<b>43.183</b>	<b>-6%</b>	<b>187.674</b>	<b>181.686</b>	<b>-3%</b>
<b>Newsprint costs*</b>	<b>26.189</b>	<b>23.117</b>	<b>-12%</b>	<b>105.050</b>	<b>98.972</b>	<b>-6%</b>
<i>- Average pages</i>	<i>35,03</i>	<i>38,00</i>	<i>8%</i>	<i>34,36</i>	<i>36,05</i>	<i>5%</i>
<b>Printing &amp; other costs</b>	<b>19.570</b>	<b>20.066</b>	<b>2,5%</b>	<b>82.625</b>	<b>82.714</b>	<b>0,1%</b>
<b>Operating Expenses (YTL '000)</b>	<b>27.653</b>	<b>36.630</b>	<b>32%</b>	<b>96.398</b>	<b>107.362</b>	<b>11%</b>
<b>General &amp; Administrative Expenses</b>	<b>7.044</b>	<b>7.424</b>	<b>5%</b>	<b>22.863</b>	<b>22.850</b>	<b>0%</b>
<b>Sales &amp; Marketing Expenses</b>	<b>20.609</b>	<b>29.206</b>	<b>42%</b>	<b>73.535</b>	<b>84.512</b>	<b>15%</b>
<b>Total Costs</b>	<b>73.411</b>	<b>79.813</b>	<b>9%</b>	<b>284.072</b>	<b>289.048</b>	<b>2%</b>

Sales & marketing expenses increased by 15% mainly due to accelerated advertising activities in 4Q07 in order to improve market share and maintain strong newspaper image. Additionally, marketing personnel have been increased due to the extended internet activities in 2007.

(YTL '000)

Profitability	4Q06	4Q07	4Q07/06	FY06	FY07	FY07/06
			Ch (%)			Ch (%)
EBIT	(447)	(1.230)	n.m.	(2.836)	7.848	n.m.
Amortised cost valuation income	493	197	-60%	3.560	2.910	-18%
EBIT adjusted	46	(1.033)	-2350%	724	10.758	1386%
Other Income/(Expense) - net	(607)	(727)	n.m.	759	207	-73%
Financial Income/(Expense) - ne	246	165	-33%	(1.064)	154	n.m.
Minority	10	(32)	n.m.	78	(2)	-102%
<b>Profit before tax</b>	<b>(305)</b>	<b>(1.628)</b>	<b>n.m.</b>	<b>497</b>	<b>11.118</b>	<b>2136%</b>
Taxation	(95)	501	n.m.	(1.503)	(2.285)	n.m.
- Corporate tax	104	167	61%	(334)	(2.682)	n.m.
- Deferred tax	(199)	334	n.m.	(1.169)	398	n.m.
<b>Net Income</b>	<b>(400)</b>	<b>(1.126)</b>	<b>n.m.</b>	<b>(1.006)</b>	<b>8.833</b>	<b>n.m.</b>

<b>Investments &amp; Financing (YTL '000)</b>	<b>FY06</b>	<b>FY07</b>	<b>FY07/06 Ch (%)</b>
<b>CASH AND CASH EQUIVALENTS</b>	<b>3.339</b>	<b>106.334</b>	<b>3084%</b>
<b>S.T. BANK BORROWINGS</b>	<b>2.892</b>	<b>2.354</b>	<b>-19%</b>
<b>L.T. BANK BORROWINGS</b>	<b>2.811</b>	<b>-</b>	<b>-100%</b>
<b>NET CASH / (NET DEBT)</b>	<b>(2.364)</b>	<b>103.979</b>	<b>-4499%</b>
<b>INVESTMENTS</b>	<b>2.344</b>	<b>2.462</b>	<b>5%</b>

- **2008 Ad growth is expected to be in the range of 18-20% including online advertising 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.**
- **Further cover price adjustments are not planned.**
- **No aggressive promotion campaigns are planned.**
- **Acquisition of Vatan Newspaper realized as of March 13, 2008 at a consideration of US\$18m for 100% of the shares. Vatan's financial statements will be fully consolidated in 2Q08 results of Dogan Gazetecilik.**
- **Positive impact of Vatan newspaper is likely to be visible in 2009.**