trader media east

PRESS RELEASE

2008 Results
Revenues of $296.9 million
EBITDA of $55.4 million
Net Loss from continuing operations of $-24.8 million

Istanbul, Turkiye – April 8, 2009

Trader Media East Limited ("**Trader Media East**" or the "**Group**"), a leader in classified advertising operating in Russia, CIS and CEE region, releases today its draft results for the year ended December 31st 2008, prepared under IFRS.

2008 Highlights

Financial Results (in US dollars)

- Revenues of $296.9 million, up 9.4%, of which organic growth 6.3% in local currencies.
- Operation EBITDA of $68.1 million, down 12.8% (margin of 23%)
- Consolidated EBITDA of $55.4 million, down 9.4% (margin of 18.7%)
- Net loss from continuing operations of $-24.8 million, down 303.3%
- Net income from discontinued operations $50.2 million, following the disposal of Trader Polska.

Major developments

Sale of Trader.com (Polska) Sp. Z.o.o.
On May 14, 2008, TME agreed to sell Trader.com (Polska) Sp. Z.o.o. ("Trader.com") to Polish media group Agora SA, for a cash consideration of US$ 54.3 million. The transaction was completed on June 25, 2008 and the sale proceeds was used in credit repayment.

Acquisition of Real Estate Magazine Infonekretnine and CREM Magazine
In June 2008, TME's affiliate in Croatia, Oglasnik d.o.o., acquired the operations of Info-Media d.o.o., a real estate publisher in Croatia. InfoMedia's products and services include bi-monthly real estate magazine called Infonekretnine, quarterly real estate magazine called CREM and real estate websites named www.info-nekretnine.com and www.crem-magazine.com.

CEO Appointment
Mr. Sahin Tulga joined the company as "Chief Executive Officer" as of June 2nd, 2008. Mr. Tulga has 25 years of experience in the IT & Telecom industries.

Full Year 2008 Consolidated Results (IFRS)

(In USD millions)	**2007**	**2008**	**Growth**
Revenues	271.5	296.9	+9.4%
Operation EBITDA*	78.1	68.1	-12.8%
Margin %	28.8%	22.9%	
Consolidated EBITDA	61.2	55.4	-9.4%
Margin %	22.5%	18.7%	
Net Income/loss from Continuing Operations	12.2	-24.8	
Net Income/loss from Discontinued Operations	(1.5)	50.2	

* Poland operations are followed under discontinued operations for both years. Therefore, the figures exclude EBITDA from Poland.

Revenue Growth of 9.4%, organic growth of 6.3%

Print revenues reached $278.4 million, an increase of 8.2%. Excluding exchange rate impact, print revenues grew by 5.7%, of which 5.4% was organic.

Online revenues reached $18.5 million, an increase of 27.3%. Excluding exchange rate impact, online revenue growth was 22.3%, of which 21.6% was organic.

Operation EBITDA of $68.1 million, down 12.8%, margin of 23.0%
Consolidated EBITDA of $55.4 million, down 9.4%, margin of 18.7%

Operation EBITDA decreased by 12.8% to $68.1 million. Operation EBITDA margin decreased from 28.8% in 2007 to 22.9% in 2008.

Print operation EBITDA margin decreased from 28.9% to 23.1%, and online operation EBITDA margin decreased from 27.2% in 2007 to 20.6% in 2008.

Corporate costs – are the costs incurred by the centralised administrative group and the internet development team based in Poland.

- Recurring costs for the Group Administrative centres decreased to $8.5 million (2007 $10.7 million).
- Non recurring costs related to the internal reorganisation of the Corporate HQ amounted to $2.1 million in 2008
- The Competency Centre costs increased to $2.1 million.

Consolidated EBITDA decreased by 9.4% in 2008 to $55.4 million with a margin of 18.7%.

About Trader Media East's Shares

- Total number of outstanding Shares : **50,000,000**
- Listing : London Stock Exchange (ticker: TME)

Please also see the attachments:

- Operating and Financial Review
- Combined Balance Sheets
- Combined Statements of Operations
- Combined Statements of Cash Flows

About Trader Media East

We are the leading marketplace for communities of real estate, auto and recruitment, with strong local brands, serving local markets in Russia, CIS, Central and Eastern Europe. Trader Media East produces 233 print titles, with 4 million readers per week and hosts 25 websites, with 7.2 million unique monthly visitors.

Trader Media East was founded in November 2005 and comprises former operations of Trader Classified Media N.V. Today, it employs 5,375 people in 10 countries.

Our branded classified advertising websites and publications and related specialized services have leading positions in specific markets in the following countries: Belarus, Bosnia, Croatia, Hungary, Kazakhstan, Lithuania, Russia, Serbia, Slovenia and Ukraine.

Trader Media East Limited
Operating and Financial Review

We are pleased to present the consolidated financial results of Trader Media East Limited ("**Trader Media East**" or "**TME**" or the "**Group**" or **"We"**) for the year ended December 31, 2008.

The financial results for both periods have been prepared on the basis described below, in the section "Basis of Presentation".

This report contains statements regarding future events or conditions that may or may not be accurate in the future. You should refer to the risks identified in the "Forward Looking Statements" section of this report.

Basis of Presentation

The consolidated financial statements of TME are for the year ended December 31, 2008 have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted in the European Union ("EU"). International Financial Reporting Standards 1 "First-time Adoption of IFRS" ("IFRS 1"), has been applied in preparing these consolidated financial statements. The consolidated financial statements have been prepared in accordance with those IFRS standards and International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued and effective or issued and early adopted as at the time of preparing these statements (April 8, 2009).

Business Overview

Our registered office is in Jersey and we maintain our principal administrative offices in the Netherlands. Our operating structure is designed to provide centralized control over financial management, acquisitions, strategic partnerships and Internet development. We provide local managers with support for finance, sales, marketing, production and distribution while giving them the responsibility and the flexibility to react quickly and effectively to varying local market conditions. Within each of our major metropolitan and regional markets, we have operations managers, sales and marketing teams, a production group and distribution managers.

Market Conditons

The global economic crisis has affected our business the same way it has affected many businesses operating in the same field and the same geography. From September 2008 onwards we have experienced an ongoing drop in revenues especially in display advertising as many advertisers started to cut their advertising budgets. This effect continued across all our geographies till the end of the year with different levels of impact in different countries. Due to the global uncertainty and the lack of real estate sales, the publications and web sites concentrating in this field specifically suffered considerable revenue losses in the last quarter which traditionally was the strongest revenue months. The lack of new jobs in the market also led to a decreased number of advertisements in the job publications and web sites.

TME has quickly responded to the downturn of revenues since the onset of the crisis and launched a new comprehensive exercise where the business model is re-engineered to encompass the present and future developments affecting our business. We are working to remodel our cost structure making costs a variable function of revenues as far as possible; therefore eliminating to the best of our abilities any fixed costs that would reduce profitability when revenues decline. This exercise is a work in progress and a top priority for the Group.

Sales and Marketing

We sell advertisements in our print publications and on our websites through our local direct sales force, centralized marketing team and customer service call centers. Our websites and a limited number of our print publications, such as *Iz Ruk v Ruki* in Russia, have a national reach, and in these cases we solicit national advertising, either directly or through advertising agencies. In December 2008, our field sales force consisted of approximately 2,440 individuals operating almost exclusively at the local level. All our sales personnel receive commissions-based compensation.

Each of our local print and online media operations has a dedicated direct sales force focused on retaining existing advertisers and acquiring new ones, particularly local businesses such as car dealers, real estate brokers and other local retailers, through sales visits to customers. In addition, our sales forces in both our satellite offices and call centers up-sell enhancements to advertisements and value-added services including our ‘‘Power Pages’’ solutions and inventory lot management. Our local sales forces are also instrumental in promoting our websites to advertisers in our print publications with integrated print and online advertising offered to professional advertisers for an incremental fee. Our local managers set advertising rates and cover prices of our local publications, after consultation with our centralized management. The advertisements we sell typically run for one to four editions and are generally published on a daily, weekly or monthly basis.

Customers typically place advertisements in our publications either through our local call centers (via standard or premium rate telephone lines) or by filling in a coupon from the relevant publication and taking it to one of our ad placement offices located within each city or region. Our customers in Moscow may also place advertisements either by purchasing a telephone card from one of our ad placement offices and placing an advertisement over the phone, by purchasing an Internet card from one of our websites or ad placement offices and placing the advertisement online, or via SMS and MMS services by mobile phone.

Distribution of Print Publications

We distribute our products through a variety of channels, including:

- independent wholesalers: third party distributors who purchase from us directly at wholesale prices and sell through their own sales networks or to other networks;
- individual distributors; and
- satellite offices.

Our ability to distribute publications in an efficient and cost-effective manner is a decisive factor in our business. All of our publications have or share an internal distribution department dedicated to managing the distribution process. Local distribution managers, through frequent contact with wholesalers, third party distributors and retailers, closely monitor the flow of publications to ensure that an adequate number of copies are available for sale or distribution, while minimizing the number of unsold or undistributed copies. In many of our regions, this process has been automated through the use of planning software. Our distribution channels vary from region to region and we have sought to expand our distribution network where feasible.

Production, Printing and Technology

We prepare our own page layout design for print publications using desktop publishing systems with modern commercial software packages. This is efficient in terms of the amount of labor and materials required and helps minimize the lead-time necessary to produce each edition. These digitally formatted layouts can be conveniently transferred by our designers to printing facilities or uploaded to websites at minimal added cost.
A majority of our publications are printed by third party printers and we seek to outsource our printing wherever possible in order to control costs. We seek to establish contracts (generally for 12-month terms with the option to extend) with reliable and proven printers, typically on a publication-by-publication basis. In addition, we have invested in three in-house printing facilities

in Russia in order to ensure availability of printing facilities, increase control and security over our content (i.e., to prevent advertisements from being copied by competitors) and to overcome technical limitations of third party printing in terms of print volume and frequency.
With the help of our Internet Competency Center in Warsaw, we are implementing a technology initiative focusing on providing a comprehensive and flexible technology platform to support our online strategy.

Paper Supply

We typically consolidate purchases of large quantities of paper in each country to obtain volume discounts. We buy paper either directly from paper manufacturers or from third party printers. In the absence of fixed price, long-term contracts or discount arrangements, we purchase paper at market prices. Historically, we have been able to charge higher cover prices to compensate for paper price increases. In 2007 and in 2008, paper costs represented approximately 9% of our revenues, which we believe is significantly less than traditional newspapers. We generally do not have editorial content and, therefore, almost every page of our publications generates revenues.

Full year 2008 – key operating results by geographic segment

The key operating indicators we use to measure the performance of our consolidated operations are EBITDA and EBITDA margin and of our geographical operating units on a regional level are Operation EBITDA (operating profit before certain expenses) and Operation EBITDA margin.

We define EBITDA as operating profit before bad debt, depreciation and amortization, non-cash compensation expense and write down on impaired assets and EBITDA margin as the ratio of EBITDA to revenues.

We define Operation EBITDA (or operating profit before certain expenses) as EBITDA before management service expenses / corporate costs and Operation EBITDA margin as the ratio of Operation EBITDA to revenues.

None of EBITDA, EBITDA margin, Operation EBITDA or Operation EBITDA margin is defined under IFRS. We present EBITDA (and the related measures EBITDA margin, Operation EBITDA and Operation EBITDA margin) because it is the measure we use to evaluate the performance of our operating units and because it is a widely accepted financial indicator of a company's ability to incur and service debt.

However, EBITDA (a) is not intended to be a performance measure that should be regarded as an alternative to, or as more meaningful than, operating profit or net earnings, as an indicator of operating performance or cash flow from operations or as a measure of liquidity; (b) is not intended to represent funds available for dividends, reinvestment or other discretionary uses; (c) should not be a consideration in isolation or as a substitute for measures of performance prepared in accordance with IFRS; and (d) may be calculated differently by other companies in our industry, or may be used for different purposes than the purposes we use it for, limiting its usefulness as a comparative measure.

The following table shows a summary of our revenues, Operation EBITDA and Operation EBITDA margin (defined as the ratio of Operation EBITDA to revenues) by geographic segment:

	December 31, 2008			December 31, 2007		
	Revenues	Operation EBITDA	Operation EBITDA margin	Revenues	Operation EBITDA	Operation EBITDA margin
	(millions of $)		%	(millions of $)		%
Russia, Baltics & the CIS	$248.2	$63.5	25.6	$218.4	$69.0	31.6
Hungary	29.6	2.7	9.0	35.5	5.6	15.7
Croatia	15.8	2.4	15.1	14.9	3.7	24.5
Poland**	-	-	-	0.0	(0.4)	(318.2)
Mojedelo*	3.3	(0.4)	(12.9)	2.7	0.3	9.4
Total	**$296.9**	**$68.1**	**22.9**	**$271.5**	**$78.1**	**28.8**

* Mojedelo group includes Slovenia, Bosnia and Serbia.
**The Polish Operation Trader.com (Polska) Sp. Z.o.o was sold on June 25th, 2008, the proceeds from sales and the results of Trader.com is shown under Profit from Discontinued operations. Therefore, the above EBITDA figures exclude Poland Results. The above figure is the operations of Siodemka S.p. Z.o.o, the remaining small Polish entity.

Revenues

Russia, Baltics and the CIS.
Russia & CIS grew by 11.8% organically, driven both by print (10.5%) and online (47.6%)
The focus of growth in 2008 was however in the Russian regions – experiencing organic growth of 20.6%.

Hungary
Revenue declined organically by 21% compared to 2007 despite the 25.8% organic revenue growth in online (after removing the calculated bundled revenues from 2007, as the practice ceased at the end of 2007). The performance in Hungary reflects the impact of the global economic crisis which has accelerated the rapid transition from Print to Online. We believe that Hungarian economic conditions will continue to be challenging in the short to medium term.

Croatia.
The impact of the global economic crisis was slower to take hold in Croatia and overall organic growth for 2008 declined by 5.2%. The transition from print to online is the most advanced in Croatia and will accelerate as a result of the crisis. Organic revenue growth for online business in 2008 was 64.8%. Online revenue accounts for 11.5% of total revenues in 2008 and is expected to reach 16.6% in 2009. The Offline business is experiencing more difficult conditions as the market shrinks. Revenue declined in 2008 by 10.3% organically.

Mojedelo
The acquisition of Mojedelo was completed in June 2007 and added revenue of US$3.2m to the group in 2008. Mojedelo operates in the job sector with the leading Online recruitment portal in Slovenia, and launched websites in Bosnia and Serbia in 2008, although revenue has been negligible so far. The job sector has been particularly hard hit by the global economic crisis but Mojedelo achieved 6.6% organic revenue growth in 2008.

Source of Revenues

We primarily derive revenues from selling advertising space in our publications. To a lesser extent, we derive revenues from paid circulation of some of our print publications and from additional services we provide. We generate revenues from print activities (94% in 2008 and 95% in 2007) and Internet activity (6% of revenues in 2008 and 5% in 2007).

We generate print revenues principally from four sources, or ”channels”, which are display advertisements, private and professional classified advertisements, circulation and services.
We earn circulation revenues primarily through sales to individuals who purchase at kiosks or newsstands, through subscriptions or from street vendors.

Service and other revenues include commissions earned for selling products and services to third parties including warranty services. They also include printing for third parties in Russia and revenues associated with services such as pre-paid telephone calling cards used by private customers to access our call centers and place advertisements. The commissions earned are a percentage of the value of the products or services.

We derive online revenues primarily from classified and display advertisements, including professional advertisements, consumer advertisements and banners. We also derive online revenue from subscription or one-off access fees to content and information we provide through our websites. In online revenues we include revenues deriving from products advertised solely on our websites, as well as the portion of revenues attributable to the online component (as determined by management based upon relative fair value) for bundled contracts providing both print and online advertisements.

The channel of revenue varies in importance depending on the individual publication. Our primary channels of revenue are:

	Relative importance of revenues by channel	
	Year ended December 31, 2008	**Year ended December 31, 2007**
	(percentage of total revenues)	
Print revenues	**94%**	**95%**
Classified Ads	33%	31%
Display	45%	46%
Circulation	9%	10%
Services & Other	7%	7%
Online revenues	**6%**	**5%**

Management believes that the Group is operating under one business segment as the scope of the business for the Group is classified advertisements, display advertisements and services and as there is no significant difference in terms of risk and return between these activities. Nature of products, nature of production processes, type of customers, methods used to distribute the products are similar.

Classified advertising is the key to our revenue generation. The revenues generated by this channel are split between private individuals and professionals, or business customers. We experience the highest margins with display advertisement, which constituted 48% of revenues in 2008.

We publish private and professional classified advertisements and display advertisements on a daily, weekly and monthly basis depending on the publication, and recognize the related revenues at the time the advertisement is published. We defer revenues related to advertisements appearing on multiple occasions and recognize them proportionally during the period when the advertisement is run. We recognize circulation revenues at the time a publication is sold to a customer. We recognize service revenues (i.e., commissions) as earned at the date the service is rendered, or when contracts are activated. We recognize online revenues at the time the advertisement is run. We recognize revenues from subscription and one-off access fees to content and information we provide through our websites over the period of usage, and other related services.

Currency Fluctuations

We express our results in US dollar and generate revenues in eleven currencies. The two most significant currencies are the Russian rouble, in which we have generated 70% of our revenues in 2008, and the Hungarian forint, in which we have generated 10% of our revenues in 2008. Our results can be significantly impacted by fluctuations in these currencies compared to the US dollar.

Set up below is a table of December 2008 average rates against the US dollar compared to 2007.

	December 31, 2008 average rate	*December 31, 2007 average rate*	*Fluctuation %*
Russian Rouble	0.0400	0.0392	2%
Hungarian Forint	0.0058	0.0055	5%

Inflation

Our costs are closely linked to domestic cost factors in the countries in which we operate. Inflation has been high in Russia during the past five years.

The table below presents changes in Russia's consumer price index from 2003 through 2008.

	2004	**2005**	**2006**	**2007**	**2008**
Consumer Price Index, December to December change in RUR…………………	10.9%	11.1%	9.0%	11.9%	13.3%

Forward-Looking Statements

Some of the statements in this document are forward-looking. Forward-looking statements include statements regarding the intent, belief and current expectations of Trader Media East or its officers with respect to various matters. When used in this document, the words "expects," "believes," "anticipates," "plans," "may," "will," "should" and similar expressions, and the negatives thereof, are intended to identify forward-looking statements. Such statements are not promises or guarantees, and are subject to risks and uncertainties that could cause actual outcome to differ materially from those suggested by any such statements.

Those factors include, but are not limited to, risks or uncertainties relating to our highly competitive industry, our dependence on advertising including print and online advertising, our ability to make and integrate acquisitions, our ability to obtain financing for acquisitions and other needs on terms acceptable to us, the uncertain operating environment created by political, economic and social conditions, including corruption, in some of the countries in which we operate, the currencies in which we do business, our ability to remit funds freely from the jurisdictions in which we operate, restraints on our operations resulting from minority holdings in some of our subsidiaries, our ability to manage foreign exchange exposures, our dependence on our management team and key personnel, our ability to attract and retain key sales staff, our content, our brands, our limited operating history of our online operations in the countries in which we do business, our inability to adapt to technological changes, as well as general economic and market conditions relating generally to emerging markets.

These forward-looking statements speak only as of the date of this document. We expressly disclaim any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in our expectations with regard thereto or any change in events, conditions or circumstances on which any forward-looking statement is based.

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TRADER MEDIA EAST
Consolidated Balance Sheets
(US Dollars in millions)

	As at December 31, 2008	As at December 31, 2007
ASSETS		
Non-current assets		
Property, plant and equipment	$ 18.3	$ 24.5
Goodwill	117.3	152.8
Intangible assets	98.1	112.7
Available-for-sale financial assets	0.1	0.1
Deferred income tax assets	0.7	4.5
Other non-current assets	0.3	0.8
Total non-current assets	**234.8**	**295.4**
Current assets		
Inventories	4.5	4.0
Trade and other receivables	12.8	19.7
Cash and cash equivalents	58.7	25.2
Other current assets	15.3	14.0
Total current assets	**91.3**	**62.9**
Total assets	**326.1**	**358.3**
EQUITY		
Capital and reserves attributable to equity holders of the company		
Share capital	8.0	8.0
Additional paid-in capital	678.1	678.1
Translation reserve	24.6	42.2
Accumulated losses	(573.6)	(592.8)
	137.1	**135.5**
Minority interest in equity	**2.9**	**3.0**
Total equity	**140.0**	**138.5**
LIABILITIES		
Non-current liabilities		
Financial liabilities - *Senior credit facility*	86.6	120.5
Financial liabilities to minorities	4.0	16.3
Deferred income tax liabilities	24.1	30.6
Other non-current liabilities	0.3	0.8
Total non-current liabilities	**115.0**	**168.2**
Current liabilities		
Financial liabilities - *Senior credit facility*	37.2	19.6
Financial liabilities to minorities	9.0	-
Trade and other payables	15.2	19.4
Due to shareholders	0.3	0.4
Current income tax liabilities	1.4	1.0
Other current liabilities	8.0	11.2
Total current liabilities	**71.1**	**51.6**
Total liabilities	**186.1**	**219.8**
Total liabilities and equity	**326.1**	**358.3**

TRADER MEDIA EAST
Consolidated Statements of Operations
(US Dollars in millions)

	For the years ended	
	December 31, 2008	**December 31, 2007**
Continuing operations		
Sales	$ 296.9	$ 271.5
Cost of sales	(142.6)	(124.8)
Gross profit	**154.3**	**146.7**
Marketing, selling and distribution expenses	(34.3)	(18.8)
General administrative expenses	(91.9)	(85.7)
Other income	0.7	1.0
Operating profit	**28.8**	**43.2**
Financial income	1.9	9.9
Financial expenses	(36.1)	(15.5)
(Loss)/profit before income taxes	**(5.4)**	**37.6**
Income tax expense	(19.4)	(25.4)
Net (loss)/profit for the year from continuing operations	**(24.8)**	**12.2**
Discontinued operations		
Net profit/(loss) for the year from discontinued operations	**50.2**	**(1.5)**
Net profit for the year	**25.4**	**10.7**
Attributable to:		
Equity holders of the parent	19.2	3.6
Minority interest	6.2	7.1
	25.4	**10.7**
Weighted average number of ordinary shares in issue (thousands)	50,000	50,000
Basic and diluted (losses)/earnings per share for profit from continuing and discontinued operations attributable to the equity holders of the parent during the period (expressed in full US Dollar per share)		
Continuing operations	(0.62)	0.10
Discontinued operations	1.00	(0.03)

TRADER MEDIA EAST
Consolidated Statements of Cash Flows
(US Dollars in millions)

	For the years ended December 31, 2008	December 31, 2007
Net (loss)/profit for the year from continuing operations	$ (24.8)	$ 12.2
Adjustments:		
Depreciation and amortisation	9.8	8.3
Financing costs	1.9	1.7
Deferred tax expenses	-	0.2
Stock based compensation expense	-	3.5
Goodwill impairment	12.3	3.3
Interest expenses of written put options	1.4	0.9
Provision for doubtful receivables	4.0	1.4
Interest expenses, net	8.5	11.9
Profit/(loss) after tax of discontinued operations	0.4	(1.5)
Change in working capital, net	(2.5)	(2.3)
Cash flows provided by operating activities	**11.0**	**39.6**
Cash flows from investing activities:		
Purchases of property, plant and equipment and intangible assets	(11.8)	(10.7)
Proceeds from sales of property, plant and equipment	1.8	0.7
Cash paid for acquisition of subsidiaries, net of cash acquired	(0.9)	(4.7)
Proceeds from sale of subsidiary	54.4	-
Net cash provided by/(used in) investing activities	**43.5**	**(14.7)**
Cash flows from financing activities:		
Dividends paid to minority interests	(6.9)	(5.5)
Cash received from borrowings	55.2	144.8
Cash repayment for borrowings	(54.4)	(133.7)
Cash paid for financing costs	(1.9)	(3.7)
Interest receipts and payments, net	(8.8)	(11.9)
Pre-offering dividend paid to TCM	-	(2.5)
Net cash used in financing activities	**(16.8)**	**(12.5)**
Exchange losses on cash and cash equivalents	(4.5)	(8.3)
Change in cash and cash equivalents	**33.2**	**4.1**
Cash and cash equivalents at beginning of period	**25.2**	**21.1**
Cash and cash equivalents at end of period	**58.4**	**25.2**