PRESS RELEASE

Amsterdam, The Netherlands – September 14, 2007 (0700 GMT).

Trader Media East Limited ("**Trader Media East**" or the "**Group**"), a leader in classified advertising operating in Central and Eastern Europe, releases today its unaudited half-year results for the six-months ended June 30, 2007, prepared under US GAAP.

First Half 2007 Highlights

Financial Results (in US dollar millions): 6 months ended June 30, 2007

Revenues	**127.6$**
Total growth	31.1%
Organic growth	17.4%
Operation EBITDA *	**34.5$**
Growth	25.0%
Margin	27.0%
Net income before non-recurring items	**4.4$**

Major developments

Hurriyet Offer
Further to the Offer made by Hurriyet Invest on 4 January 2007 to acquire the entire issued share capital of TME, Hurriyet has purchased approximately 67.29% of our issued share capital and the offer was closed on 29th March 2007.

Senior Credit Agreement
In May 2007, we completed the signing of our new senior credit agreement arranged by ABN AMRO, which amounts to a total facility of $200 million with a five-year maturity date.

Early Payment of Outstanding Balance of Pronto Moscow Purchase Price

In February 2006, we purchased from Mr Makaron his 12% interest in Pronto Moscow, for an amount equal to $100.9 million. The first instalment in the amount of $90.4 million was paid in February 2006 and the remaining $10.5 million was placed in an escrow account to be released on 31 December 2007 with a gross return on such funds of 7% per annum.

In May 2007, we reached an agreement with Mr Makaron whereby the escrow account was subject to early release subject to the fulfilment of certain conditions. In June 2007, such conditions were met and the additional amount was paid to Mr Makaron.

Kisokos Sale

In May 2007, we completed an agreement for the sale of Kisokos, our directory business in Hungary, transferring the business operations under license with effect from April 2007.

Acquisition of Impress Media Marketing

During the first quarter, we have finalized the acquisition of a majority stake in Impress Media Marketing, one of the leaders in commercial real estate advertising in the Russian market with its publication Commercial Real Estate. The company generated nearly $6 million in sales in 2006.

Acquisition of Moje Delo

In June 2007, we acquired a 55% interest in Moje Delo d.o.o. in Slovenia for a nominal amount of €2 million plus an earn-out to be determined on the basis of 2007 financial results, subject to a maximum of €1,000,000, and payable (if any) by no later than 30 June 2008. Moje Delo is a leading provider of recruiting services in Slovenia both online and offline.

Future Plans: Relocation of Paris organisation

Following a review of the Groups activities and strategic plans, the Board has resolved that the functions located in Paris will provide a more efficient contribution to the Group's performance by closer alignment with TME's field operations and Hurriyet's headquarters in Istanbul.

The transition of these responsibilities and the appointment of or transfer of staff to these newly located roles is expected to take place over a period of 6 months with an associated restructuring cost of approximately US$ 4.5 million.

Pierre-François Catté, Trader Media East's Chief Executive Officer, said:

"The first part of the year reflects to a large extent the results of the strategy that was implemented in the last part of 2006 resulting in strong recovery in Moscow and acceleration in acquisition related growth of 5%. The investments in Internet and printing costs have marginally impacted our EBITDA to a new structural level of 27%.

After having absorbed one time costs associated with the Hurriyet offer and non-cash stock option charges, we are reaching an adjusted Net Income of US$ 4.4 m.

Half Year 2007 Consolidated Results (US GAAP)

(In USD millions)	**H1 2006**	**H1 2007**	**Growth**
Revenues	97.3	127.6	31.1%
Operation EBITDA	27.6	34.5	25.0%
Margin %	28.4%	27.0%	
Consolidated EBITDA	24.4	28.0	14.8%
Margin %	25.1%	21.9%	
Net Income before non-recurring items	4.8	4.4	
Net Income/ (loss)	4.8	(4.9)	

Revenue Growth of 31.1%, organic growth of 17.4%

First half growth was 31.1%. Excluding exchange rate impact, total growth was up 22.4%, of which 17.4% was organic.

Print revenues reached $120.7 million, an increase of 29.4%, or 16.1% organically.

Online revenues reached $6.9 million, an increase of 72.5%, or 47.0% organically.

Operation EBITDA of $34.5 million, margin of 27.0%
Consolidated EBITDA of $28.0 million, margin of 21.9%

Operation EBITDA reached $34.5 million, an increase of 25.0%. Operation EBITDA margin decreased from 28.4% in the first half of 2006 to 27.0% in the first half of 2007.

Print operation EBITDA increased by 25.4% from $26.0 million to $32.6 million, and online operation EBITDA increased by 18.8% from $1.6 million in the first half of 2006 to $1.9 million in the first half of 2007.

Corporate costs increased by $3.3 million to $6.5 million in the first half of 2007.
Trader Media East implemented its own corporate structures in February 2006 and the costs for 2006 reflect these new structures for 4.5 months in H1 2006 compared to 6 months in H1 2007. In H1 2007, we have also incurred some costs due to a legal internal reorganization amounting to $0.6 million.

Consolidated EBITDA increased by 14.8% in the first half of 2007 to $28.0 million with a margin of 21.9%.

Net Income before non-recurring items US $ 4.4 million

We generated net income before non-recurring items of $ 4.4 million for the first half of 2007 compared to a net income of $4.8 million for the first half of 2006. After charges for non-recurring costs, principally incurred in connection with the offer and stock-based compensation expense the net loss for the period is US$ (4.9) m.

Free Cash Flow of $7.2 million

In the first half of 2007, the Group generated a Free Cash Flow (after capital expenditures) of $7.2 million or 5.6% of revenue. Total cash used for acquisitions in the half-year amounted to $4.4 million, mainly for the acquisition of Impress Media and Moje Delo.

The Group's net debt, after excess cash of $28.4 million, was $116.7 million as at June 30, 2007, representing a multiple of approximately 1.9 times the Group's first half 2007 EBITDA on a twelve months basis

Outlook for H2 2007

Pierre-François Catté, Trader Media East's Chief Executive Officer, said:

"Current Trading Performance leads us to believe that levels of organic revenue growth will continue to be strong and we will exceed our revenue guidance of 12 - 14% for the year.

Operation EBITDA margin percentage will be maintained at present levels.

In the second half of 2007 we expect to be able to benefit from improved market conditions in Moscow and continued strong Russia and CIS regional performance. Trading conditions in Hungary are not expected to improve but recent changes in management and restructuring initiatives are expected to deliver positive results.”

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
- Condensed Financial Statements for the half-year ended June 30, 2007

About Trader Media East

Trader Media East is a leader of online and print classified advertising with strong local brands serving local markets in Central and Eastern Europe. Trader Media East produces 193 print titles, with 5 million readers per week and hosts 15 websites, with 6.6 million unique monthly visitors.

Trader Media East was incorporated in November 2005. It employs 5,200 people in 9 countries.

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

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 Limited
Operating and Financial Review

We are pleased to present the condensed consolidated interim financial results of Trader Media East Limited ("TME" or the "Group" or "We") for the first six months of 2007. The financial results for the half-year have been prepared on the basis described in the section "Basis of presentation" of the notes to the accounts provided on page F - 7 of the half-year condensed consolidated interim financial statements.

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.

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Main events of the first-half year 2007

Hurriyet Offer
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of €1,000,000, and payable (if any) by no later than June 30 2008. Moje Delo is a leading provider of recruiting services in Slovenia both online and offline.

Future Plans: Relocation of Paris organisation

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The transition of these responsibilities and the appointment of or transfer of staff to these newly located roles is expected to take place over a period of 6 months with an associated restructuring cost of approximately US$ 4.5 million.

First half-year 2007 – 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 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.

In millions of $	**Half-year ended June 30, 2007**			**Half-year ended June 30, 2006**		
	Revenues	**Operation EBITDA**	**Operation EBITDA margin**	**Revenues**	**Operation EBITDA**	**Operation EBITDA margin**
	(millions of $)		**%**	**(millions of $)**		**%**
Russia, Baltics & the CIS	$98.6	$30.0	30.4	$70.6	$21.8	30.9
Hungary	18.1	2.8	15.5	17.5	3.8	21.7
Croatia	7.2	1.7	23.6	5.9	1.7	28.8
Poland	3.5	-0.1	-2.9	3.3	0.3	9.1
Slovenia	0.2	0.1	50.0	-	-	
Total excluding Kisokos	**$127.6**	**$34.5**	**27.0**	**$ 97.3**	**$ 27.6**	**28.4**

In order to reflect the effect of acquisitions on our financial statements, we measure revenues, EBITDA and Operation EBITDA on the basis of total growth and organic growth. In calculating organic growth, we include the revenue, EBITDA or Operation EBITDA contribution from an acquired business only with respect to entities that have been consolidated in our financial statements for at least twelve months.

Organic growth is computed by excluding the effect of foreign currency fluctuations.

Russia&CIS

Moscow experienced strong growth of +14.4% driven both by print (+9.8%) and internet (+141.6%) reflecting the impact of revenue operation initiatives in direct sales, distribution and agency management

Regions outside of Moscow showed outstanding growth of +35.9% and now represent 61.0% of total Russia and CIS revenues.

Operational costs have increased marginally in Moscow as a result of continued investment in the sales organization and additional costs of full color printing.

Russia regions operate at lower margins than Moscow (+/- 25%) and as the regions become a large proportion of Russia & CIS business the overall margin is impacted

Hungary:

Ongoing depressed market conditions of both vehicle and real estate segments result in used car sales and Real Estate transactions down respectively -15% and -25% in H1 with a consequent impact on our revenue performance in print

Strong specific internet revenue growth has however grown at +165% from our strong specific "offerings".

Our free distribution business Szuperinfo continues to perform well

The impact of declining revenue from both private ad and agency business puts strain on the Hungarian cost structure but has been mitigated by management actions to adjust to underperformance, such as reduction in headcount, sublease of office space and lowering of contract services

Croatia:

Despite the highly competitive market environment, Croatia has achieved solid overall organic growth of +10.4% with organic internet growth of +123.2%

Print growth was +8.7% driven by verticals launched in 2006 and also by the sound performance of our generalist publication

Additional costs incurred to support the launch of Real Estate and Vehicle vertical publications and websites have impacted margins negatively

Poland:

A slower internet growth of +11.9% was due to emerging competition impacting our private ad revenues and due to poor vehicle market conditions. The Real Estate websites and publications showed sound growth reflective of the healthy market conditions in that sector.

Consequently, our total revenues were lower than those at the comparative period in 2006 by 3.2%

EBITDA margin has declined as a result of the large investment in Google Adwords to support our market dominance in the internet market and increased "car market" selling costs as well as higher print runs and more inserts in the printing business.

Currency Fluctuations

We express our results in US dollar and generate revenues in nine currencies. The two most significant currencies are the Russian rouble, in which we have generated 66% of our revenues in the first half of 2007, and the Hungarian forint, in which we have generated 14% of our revenues in the first half 2007. Our results can be significantly impacted by fluctuations in these currencies compared to the US dollar.

Set up below is a table of June 2007 average rates against the US dollar compared to 2006.

	Half-year ended June 30, 2007 average rate	Half-year ended June 30, 2006 average rate	Fluctuation %
Russian rouble	0.0384	0.0362	6.1%
Hungarian forint	0.0053	0.0047	12.8%

Inflation

Our costs are closely linked to domestic cost factors in the countries in which we operate. Inflation moderated in Russia during the past five years, decreasing from 13.7% in 2003 to 5.7% in the first-half of 2007.

The table below presents changes in Russia's consumer price index from 2003 through 2007.

	2003	2004	2005	2006	2007 (first half)
Consumer Price Index, December to December change in RUR .... …………………	13.7%	10.9%	11.1%	9.0%	5.7%

First half-year 2007 – Operating results by source

Consolidated revenues	**Half- Year ended June 30, 2007**	**Half- Year ended June 30, 2006**	**Growth**	**Organic Growth**
	(millions of $)		**(%)**	**(%)**
Print Revenues				
Display	$ 57.2	$ 43.2	32.4%	17.5%
Classified Ads	40.5	32.2	25.8%	16.9%
Circulation	13.9	12.0	15.8%	6.9%
Service and other	9.1	5.9	54.2%	19.9%
Total Print Revenues	**120.7**	**93.3**	**29.4%**	**16.1%**
Online Revenues	6.9	4.0	72.5%	47.0%
Revenues (excluding Kisokos)	**$ 127.6**	**$ 97.3**	**31.1%**	**17.4%**

All revenue lines show organic growth with Display, classified ads and Internet showing the strongest progression. Circulation is growing by solid +6.9% driven by the strong performance in the Russian regions and CIS. Other revenues, mostly coming from telephone card revenues in Moscow, show outstanding growth of 47.0%.

Operation EBITDA (excluding Kisokos)	Half- Year ended June 30, 2007	Half- Year ended June 30, 2006 (millions of $)	Growth	Growth %	Growth constant exchange rate %	Organic growth %	EBITDA Margin %
Operation Print EBITDA	$ 32.6	$ 26.0	$ 6.6	25.4%	17.9%	13.3%	27.0%
Operation Online EBITDA	1.9	1.6	0.3	18.8%	7.9%	10.0%	27.5%
Operation EBITDA	**$ 34.5**	**$ 27.6**	**$ 6.9**	**25.0%**	**17.3%**	**13.1%**	**27.0%**

Operation Print EBITDA increased by $6.6 million, or 25.4% in the first half of 2007 compared to 2006 of which 13.3% organically.

- Higher margins achieved in Russia and CIS by outstanding revenue growth and good cost management against plan
- Margin attrition in the other countries resulted from revenue declines and certain cost initiatives to support revenue performance
- Cost savings against plan achieved in all cost categories except personnel where market conditions influence cost levels

Operating Profit

Operation profit is as follows:

	June 30, 2007	June 30, 2006
Operation EBITDA	$ 34.5	$ 27.6
Corporate costs	(6.5)	(3.2)
Consolidated EBITDA	28.0	24.4
Depreciation and amortization	(4.0)	(2.9)
Stock-based compensation expense	(3.5)	(1.4)
Other operating costs	(4.4)	
Operating profit	**$ 16.1**	**$ 20.1**

Corporate costs

Trader Media East has implemented its own corporate structures in February 2006 and the costs for 2006 reflect these new structures for 4.5 months in 2006 compared to 6 months in 2007. In 2007, we have also incurred some costs due to a legal internal reorganization amounting to $0.6 million.

Stock-based compensation expense

In February 2006, Trader Media East had implemented an equity incentive plan, through which certain employees of the group, directors, and members of executive management have been granted with stock-options and restricted shares. These grants resulted in an expense by $1.4 million in the first half of 2006. In March 2007, in connection with the Offer from Hurriyet being declared unconditional, the stock-options have been cancelled. The options cancellation and cash payment were accounted for in accordance with FAS 123(R) as an acceleration of vesting and related vesting acceleration resulted in additional stock compensation expense of US $ 3.2 million. The cash payment to the optionees of US $ 1.7 was recharged to Hurriyet Group.

Depreciation and Amortization

Depreciation and amortization increased by $1.1 million in the first half of 2007 following acquisitions and the implementation of our websites and internet platforms.

Other operating costs

Other operating costs amounted to $4.4 million, mainly due to costs we incurred with bankers and advisers in connection with the Offer made by Hurriyet on our GDRs.

Other Income and Expenses

Interest expenses in the first six-months of 2007 increased to $ 7.1 million from $5.8 million in the first six-months of 2006. In 2006 and up to May 2007, these expenses are due to the interest and financing fees related to our Senior Credit Facility with BNP in which we entered on February 9, 2006.
In May 2007, we have entered into a new credit agreement arranged by ABN AMRO, with five years maturity date. At the refinancing date, we have drawn down an amount of $142 million, mainly to replace the previous debt to BNP and finance the new financing fees incurred through the refinancing.

Income Taxes

Income taxes in the first half of 2007 increased by $ 3.1 million to $ 10.7 million from $7.7 million in the first half of 2006. Expressed as a percentage of our income before tax and minority interest, it represented 118% for the first half of 2007 compared to 50% for the first half of 2006. This increase is mainly due to the impact of operating costs associated with the offer, stock-based compensation expenses and an inefficient tax structure for the first five months of the semester.

Minority Interest

Minority interest for the first half of 2007 increased to $ 3.3 million from $1.9 million in the first half of 2006, mainly due to the impact of acquisitions in Russia and Slovenia and to the increase of operating performance in the Russian & CIS regions.

Net Income before Non-Recurring Items US$ 4.4 m

We generated net income before non-recurring items of $ 4.4 million for the first half of 2007 compared to a net income of $4.8 million for the first half of 2006. After charges for non-recurring costs, principally incurred in connection with the offer and stock-based compensation expense the net loss for the period is US$ (4.9) m..

Liquidity and Capital Resources

Net cash provided by operating activities amounted to $13.3 million and $14.5 million in the first halves of 2007 and 2006 respectively. The decrease essentially reflects the reduction in net income, partly offset by an increase in our working capital balances.
Net cash used in investing activities was $10.6 million and $103.5 million in the first halves of 2007 and 2006, respectively. In 2007, we purchased fixed assets for $6.1 million and paid $4.4 million in aggregate for the acquisitions of Impress Media and Moje Delo mainly.
Net cash provided by financing activities amounted to $6.3 million for the first half of 2007.

Subsequent events

- Settlement of Dispute with TCM

In July 2007, our Board of directors authorized the settlement of the pre-IPO dividend claimed by our previous owner Trader Classified Media.

Current Trading and Prospects

Current Trading Performance leads us to believe that levels of organic revenue growth will continue to be strong and we will exceed our revenue guidance of 12% - 14% for the year.

Operation EBITDA margins will be maintained at present levels.

In the second half of 2007 we expect to be able to benefit from improved market conditions in Moscow and continued strong Russia and CIS regional performance. Trading conditions in Hungary are not expected to improve but recent changes in management and restructuring initiatives are expected to deliver positive results.

Forward-Looking Statements

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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.

TRADER MEDIA EAST Ltd.

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Report on Review of Interim Financial Information

To the Shareholders and Board of Directors of Trader Media East Limited

Introduction

We have reviewed the accompanying consolidated condensed interim balance sheet of Trader Media East Limited ("TME") as of June 30, 2007 and the related consolidated condensed interim statements of operations, changes in shareholders' equity and cash flows for the six-month period then ended. Management is responsible for the preparation and presentation of this consolidated condensed interim financial information in accordance with accounting principles generally accepted in United States of America. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated condensed interim financial information is not prepared, in all material respects, in accordance with accounting principles generally accepted in United States of America.

PricewaterhouseCoopers

September 11, 2007

TRADER MEDIA EAST Ltd.
Condensed Consolidated Interim Balance Sheets
(Unaudited)

US Dollars in millions	**June 30, 2007**	**December 31, 2006**
Assets		
Current Assets		
Cash and cash equivalents	$ 28.4	$ 20.8
Restricted deposits	-	4.0
Accounts receivable, net of allowance	14.5	9.6
Other receivables	9.7	13.4
Other current assets	8.8	24.3
Assets held for sale – current	1.5	2.9
Total Current assets	**62.9**	**75.0**
Long term Assets		
Property, Plant and Equipment, Net	32.6	28.8
Goodwill, Net	135.4	126.0
Intangibles Assets, Net	97.6	93.2
Other non current assets	12.0	7.4
Assets held for sale – non current	1.5	0.8
Total Assets	**$ 342.0**	**$ 331.2**
Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities	$ 16.5	$ 16.3
Deferred revenues	9.0	4.2
Social and Fiscal liabilities	11.9	6.7
Other liabilities	1.3	11.5
Senior credit facility debt - current (note 6)	-	133.5
Liabilities held for sale – current	-	1.6
Total Current Liabilities	**38.7**	**173.8**
Long Term Liabilities		
Senior credit facility and other debt – non current (note 6)	145.1	0.2
Deferred income taxes	31.8	29.8
Other long term liabilities	0.5	0.4
Total liabilities	**216.1**	**204.2**
Commitments and contingencies (note 9)		
Minority interests (note 5)	4.0	3.2
Common stock (note 7)	8.0	8.0
Additional paid in capital	678.1	674.6
Accumulated other comprehensive income	36.0	30.6
Retained Earnings	(600.2)	(589.4)
Shareholders Equity	**121.9**	**123.8**
Total Liabilities and Shareholders Equity	**$ 342.0**	**$ 331.2**

The accompanying notes are an integral part of these condensed consolidated interim financial statements

TRADER MEDIA EAST Ltd.
Condensed Consolidated Interim Statements of Operations
(Unaudited)

US Dollars in millions, except shares and per share amounts	Six months ended June 30, 2007	Six months ended June 30, 2006
Revenues	**$ 127.6**	**$ 97.3**
Operating costs and expenses :		
Cost of sales	(61.5)	(45.2)
General and Administrative	(38.1)	(27.7)
Operating profit before certain expenses	**28.0**	**24.4**
Stock-based compensation Expenses	(3.5)	(1.4)
Depreciation and Amortization	(4.0)	(2.9)
Other operating costs	(4.4)	
Total Operating Profit	**16.1**	**20.1**
Interest and Financing fees	(7.1)	(5.8)
Foreign Exchange gain and other	0.1	1.0
Net financial result	**(7.0)**	**(4.8)**
Income before income tax and minority interest	**9.1**	**15.3**
Income tax net	(10.7)	(7.7)
Income before minority interest	**(1.6)**	**7.6**
Minority interest	(3.3)	(1.9)
Net Income / (loss) from continuing operations	**$ (4.9)**	**$ 5.7**
Net loss from discontinued operations (note 10)	**(0.0)**	**(0.9)**
Net income / (loss)	**(4.9)**	**4.8**
Average number of shares outstanding		
Basic	50 000 000	50 000 000
Diluted	50 000 000	50 000 000
Net income per share, in USD Dollar per share		
Basic	$ (0.098)	$ 0.096
Diluted	$ (0.098)	$ 0.096

The accompanying notes are an integral part of these condensed consolidated interim financial statements

TRADER MEDIA EAST Ltd.
Condensed Consolidated Interim Statements of Changes in Shareholders' Equity and Total Comprehensive Income
(Unaudited)

US Dollars in million	**Common Stock**	**Additionnal paid-in Capital**	**Other Comprehensive Income**	**Retained Earnings**	**Total shareholder's Equity**
As of January 1, 2007	**$ 8.0**	**$ 674.6**	**$ 30.6**	**$ (589.4)**	**$ 123.8**
Net loss for the half-year ended June 30, 2007				(4.9)	**(4.9)**
Pre-Offering dividend to Trader Classified Media				(5.9)	**(5.9)**
Net change related to cash-flow hedge, net of tax			(0.1)		**(0.1)**
Compensation expense for the half-year ended June 30, 2007		3.5			**3.5**
Currency translation adjustment			5.5		**5.5**
As of June 30, 2007	**$ 8.0**	**$ 678.1**	**$ 36.0**	**$ (600.2)**	**$ 121.9**

The accompanying notes are an integral part of these condensed consolidated interim financial statements

TRADER MEDIA EAST Ltd.
Condensed Consolidated Interim Statements of Cash Flows
(Unaudited)

US Dollars in millions	Six months ended June 30, 2007	Six months ended June 30, 2006
Operating activities:		
Net income / (loss)	**$ (4.9)**	**$ 4.8**
Adjustments to reconcile net income to net cash provided by operating activities:		
Minority interest	3.3	1.9
Amortization	2.3	0.8
Depreciation	3.2	2.3
Write-off of assets	0.2	-
Stock-based compensation expense	3.5	1.4
Provision for doubtful accounts	1.1	0.7
Provision for impairment	(1.2)	-
Unrealized foreign exchange gain	-	(1.3)
Non cash taxes	(0.3)	(0.1)
Non-cash interest and other	(0.2)	0.9
Net change in restricted deposit	4.0	-
Net change in working capital balances	2.3	3.1
Net cash provided by operating activities	**13.3**	**14.5**
Investing activities:		
Cash paid for investments	(0.1)	-
Cash paid for property, plant and equipment	(6.1)	(2.5)
Cash paid for acquisitions, net of cash acquired (note 4)	(4.4)	(101.0)
Net cash used in investing activities	**(10.6)**	**(103.5)**
Financing activities:		
Cash received from borrowings	144.8	144.0
Cash repayments for borrowings	(132.4)	(7.3)
Cash paid for financing costs	(3.6)	(5.2)
Dividends paid to minority shareholders	(2.5)	(2.8)
Cash paid to related parties	-	(28.2)
Increase in bank overdraft balances	-	0.2
Net cash provided by financing activities	**6.3**	**100.7**
Effect of exchange rate changes on cash and cash equivalents	(1.6)	0.5
Net increase in cash and cash equivalents	**7.4**	**12.2**
Cash and cash equivalents at beginning of period	21.1	18.7
Cash and cash equivalents at end of period (including cash held by Kisokos)	**$ 28.5**	**$ 30.9**

The accompanying notes are an integral part of these condensed consolidated interim financial statements

1. NATURE OF OPERATIONS AND BASIS OF PRESENTATION:

BACKGROUND

Formation of the group

Trader Media East Ltd (**"**TME**"**) was incorporated in November 2005 in Jersey. As of January 25, 2006, TME purchased from Trader Classified Media N.V. (TCM), its parent company at this date, and from some of its subsidiaries, the operations located in Russia, Croatia, Hungary, Poland, Ukraine, Belarus, Kazakhstan and Lithuania. Main steps of this restructuring process (**"**The Restructuring**"**) were:

- the incorporation by TCM of a wholly-owned subsidiary Trader East Holdings B.V. in The Netherlands.
- the purchase by Trader East Holdings from members of the TCM group of their investments in Hungary, Poland and Croatia in exchange for a promissory note to the TCM group.
- the contribution by TCM of its investment in Mirabridge International B.V., which owned 88% of Pronto-Moscow, in exchange for the shares of Trader East Holdings.
- the contribution by TCM of the shares of Trader East Holdings (and consequently its promissory note) to Trader Media East in exchange for a capital increase of Trader Media East beneficial to TCM.

In a Letter Agreement dated January 25, 2006, TCM and Trader Media East agreed that the assets and earnings of operations transfer and promissory notes issued in connection with the reorganization described above were deemed to have taken place with economic effect on January 1, 2006.

DESCRIPTION OF THE BUSINESS

Trader Media East is a leader in classified advertising and owns leading publications and websites in major metropolitan and regional markets in these regions. Trader Media East's major publications and websites include:

- in Hungary, the publications *Expressz, Kepes Auto, Kepes Ingatlan, Mai Hirdetes, Szuperinfo* and the website *www.expressz.hu*;
- in Moscow and major cities across Russia and the Commonwealth of Independent States, the publications *Iz Ruk v Ruki, Aviso, Avto, Nedvizhimost* and the websites *www.izrukvruki.ru* and *www.irr.ru*;
- in Croatia, the publication *Oglasnik* and the website *www.oglasnik.hr*; and
- in Poland, the publications *Auto Bit* and *Auto Biznes* and the websites *www.trader.pl* and *www.kupsprzedaj.pl*.

BASIS OF PRESENTATION

For all periods, the terms "**Trader Media East**", "**Group**" or the "**Company**" as used herein refer to Trader Media East Limited and its subsidiaries. The condensed consolidated interim financial statements of Trader Media East cover the six-months period closed as of June 30, 2007. The results presented for this period and for the comparative 2006 first half-year are the consolidated results of TME and its subsidiaries (as acquired in January 2006 in the course of the Restructuring), from January 1 to June 30 of 2007 and 2006 respectively.

(US Dollars and other currencies in millions)

For the month of January 2006, the consolidated financial statements include allocations of certain TCM corporate expenses, including legal, accounting, operation, acquisition, as well as treasury and other corporate and infrastructure costs. The expense allocations have been determined on the basis that TCM and Trader Media East are considered as being a reasonable reflection of the utilization of services provided or corresponding to the benefit received by Trader Media East.

Beginning February 2006, Trader Media East has used its newly created own corporate structures.

2. SIGNIFICANT ACCOUNTING POLICIES:

(a) Basis of preparation:

The Company's condensed consolidated interim financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP"). These financial statements include the results of consolidated entities.

All majority-owned subsidiaries of Trader Media East business have been consolidated in the accompanying condensed consolidated interim financial statements. Investments in affiliated companies over which the Company has a significant influence or ownership of more than 20% but less than or equal to 50% are accounted for under the equity method. Investments of 20% or less are accounted for under the cost method. All significant intercompany accounts and transactions have been eliminated.

(b) Foreign currency translation:

Over the reporting periods, all entities use their local currency as their functional currency. The financial statements of these entities are translated into US Dollars, the reporting currency of Trader Media East, using the period-end exchange rate for balance sheet items and the weighted average exchange rate for items in the statements of operations.

Gains and losses arising from the translation are reported separately in the cumulative translation adjustment account as part of other comprehensive income. Transaction gains and losses arising from certain intercompany loans that have been designated as permanently invested have been classified as a component of the cumulative translation adjustment account.

(c) Property, plant and equipment:

Property, plant and equipment are recorded at cost. Depreciation is computed for financial reporting purposes by use of the straight-line method over the estimated useful lives as follows:

Asset	Estimated useful lives
Buildings	25-50 years
Office furniture, computers and equipment	3-10 years
Software	1-5 years
Printing presses and related equipment	3-15 years
Leasehold improvements	2-20 years

Assets held under capital leases and leasehold improvements are amortized over the shorter of the term of the related lease or the useful life of the asset. Gains or losses on the sale of property, plant and equipment are recognized in the period of disposal of the asset. Improvements which extend the useful lives of assets are capitalized. Repairs and maintenance are expensed as incurred.

(d) Goodwill and intangible assets:

Goodwill represents the excess of purchase price over the fair value of identifiable assets and liabilities acquired. Intangible assets, substantially all of which resulted from business combinations, include tradenames and advertiser bases.

Purchase price amounts allocated to these intangibles, and their related amortization periods, are determined principally by external valuation studies and by the Company. Tradenames with definite life and advertiser base are amortized using the straight-line method over their estimated useful lives, which range from 10 to 20 years for tradenames and from 6 to 12 years for the advertiser base. In accordance with SFAS No. 142, goodwill and intangible assets with indefinite useful lives are not amortized but subject to at least an annual assessment for impairment.

(e) Impairment of assets:

SFAS No. 142 prohibits the amortization of goodwill and purchased intangible assets with indefinite lives. The Company reviews goodwill and purchased intangible assets with indefinite lives for impairment annually in the last quarter and whenever events and changes in circumstances suggest that the carrying amount may not be recoverable. The Company compares the carrying value of each of its geographic reporting units, including goodwill and intangible assets, to the fair value of the reporting unit, based on its projected cash flows, discounted with the appropriate weighted-average cost of capital. If the carrying amount of a geographic reporting unit’s goodwill exceeds its implied fair value, the Company records an impairment loss equal to the difference.

Long-lived assets, including intangible assets subject to amortization, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to the future net cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future undiscounted cash flows, an impairment charge is recognized by the amount by which the carrying amount of the asset exceeds the fair value of the asset, which is based on discounted cash flows.

(f) Revenue recognition:

The Group's primary source of print revenue is the sale of advertising space in its publications. Private and professional classified ads and display ads are published on a daily, weekly and monthly basis. The related revenues are recognized at the time the advertisement is published. Revenues related to advertisements appearing on multiple occasions are deferred and recognized during the period when the advertisement is run.

Circulation revenues, net of returns, are recognized on a weekly basis at the time when the publications are sold through to the customer. Circulation revenues are earned mainly through kiosks, newsstands and other points of sales.

Service and other revenues primarily include warranty services in Hungary and printing for third parties in Russia. The products or services are recognized as earned at the date the products are sold to the final

customer, or when contracts are activated. In addition, other revenue includes the sale of prepaid telephone cards, used by customers to call our centers to publish an ad. Prepaid telephone card revenue is recognized when the card is sold to the customer because the use of the card typically takes place in the month of its sale.
Online revenues are derived primarily from classified ads and display ads, including professional ads, consumer ads and banners which are deferred and recognized during the period when the advertisement is run.

Other types of revenue include **(1)** subscription or one-off access fees to content and information provided through the Company's websites which are recognized over the period of usage and **(2)** revenues generated from paid line usage for connecting buyers and sellers or other related services. Online revenues include revenues on products sold solely on website and revenues for contracts providing both print and online advertisements for which an allocation of revenues attributable to online revenues has been made by management based upon relative fair value.

(g) Website development costs:

The Group recognizes website development costs in accordance with EITF No. 00-02, "*Accounting for Website Development Costs*." As such, the Group expenses all costs incurred that relate to the planning and post implementation phases for development of its websites. Direct costs incurred in the development phase are capitalized and recognized over the estimated useful lives. Costs associated with repair and maintenance of the website are included in operating costs and expenses in the condensed consolidated interim statements of operations.

(h) Stock-Based Compensation Expense

The Company adopted SFAS No. 123 (revised 2004), *Share-Based Payment*, (SFAS No. 123(R)) with the application of the accounting standard as of January 1, 2006, which requires the measurement and recognition of compensation expense for all stock-based payment awards made to employees and directors based on estimated fair values. In March 2005, the SEC issued Staff Accounting Bulletin (SAB) No. 107 relating to SFAS No. 123(R). The Company has applied the provisions of SAB No. 107 in its adoption of SFAS No. 123(R).

SFAS No. 123(R) requires companies to estimate the fair value of stock-based payment awards on the date of grant using an option-pricing model. The value of the portion of the award that is ultimately expected to vest is recognized as expense over the requisite service periods in the Company's consolidated statement of earnings.

Stock-based compensation expense recognized during the period is based on the value of the portion of stock-based payment awards that is ultimately expected to vest during the period. Stock-based compensation expense recognized in the Company's consolidated statement of earnings for the year ended December 2006 included compensation expense for the stock-based payment awards granted and cancelled subsequent to January 1, 2006 based on the grant date fair value estimated in accordance with the provisions of SFAS No. 123(R).

Pursuant to the purchase by Hurriyet Invest B.V. of approximately 67.29% of the issued share capital of the company, TME option holders accepted the offer from Hurriyet to cancel their outstanding options for a cash amount. The options cancellation and cash payment were accounted for in accordance with FAS

123(R) as an acceleration of vesting and related vesting acceleration resulted in additional stock compensation expense of US $ 3.2 million. The cash payment to the optionees of US $ 1.7 was recharged to Hurriyet Group.

(i) Income taxes:

Under the provisions of SFAS No. 109, "*Accounting for Income Taxes*", income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating losses and tax credits carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in earnings in the period during which the change is enacted.

In assessing the realization of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will be realized. A valuation allowance is recorded to reduce a deferred tax asset to the portion which is more likely than not to be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible.

On July 13, 2006, the FASB issued FASB Interpretation No. 48, "Accounting for Uncertainty in Income Taxes—an Interpretation of FASB Statement No. 109" ("FIN No. 48"). FIN No. 48 clarifies what criteria must be met prior to recognition of the financial statement benefit of a position taken in a tax return. We adopted FIN No. 48 on January 1, 2007. The adoption had no impact on our financial statements.

(j) Earnings per share:

Basic earnings per share is computed using the weighted average number of common shares outstanding and diluted earnings per share is computed using the weighted average number of common and potentially dilutive common shares outstanding during the period. Potential common shares consist of the incremental common shares issuable upon the exercise of share options using the Treasury Stock method.

(k) Recent accounting pronouncements

The FASB issued Statement of Financial Accounting Standards No. 155, "Accounting for Certain Hybrid Financial Instruments" ("SFAS No. 155") in February 2006. SFAS No. 155 amends SFAS No. 133 "Accounting for Derivative Instruments and Hedging Activities" ("SFAS No. 133"), and SFAS No. 140 "Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities" ("SFAS No. 140") and addresses the application of SFAS No. 133 to beneficial interests in securitized financial assets. SFAS No. 155 establishes a requirement to evaluate interests in securitized financial assets to identify interests that are freestanding derivatives or that are hybrid financial instruments that contain an embedded derivative requiring bifurcation. Additionally, SFAS No. 155 permits fair value measurement for any hybrid financial instrument that contains an embedded derivative that otherwise would require bifurcation. SFAS No. 155 is effective for fiscal years beginning after September 15, 2006. The adoption did not have any impact on our financial statements.

The FASB issued Statement of Financial Accounting Standards No. 156, “Accounting for Servicing of Financial Assets an amendment of FASB Statement No. 140” (“SFAS No. 156”) in March 2006. SFAS No. 156 requires a company to recognize a servicing asset or servicing liability each time it undertakes an obligation to service a financial asset. A company would recognize a servicing asset or servicing liability initially at fair value. A company will then be permitted to choose to subsequently recognize servicing assets and liabilities using the amortization method or fair value measurement method. SFAS No. 156 is effective for fiscal years beginning after September 15, 2006. The adoption did not have any impact on our financial statements.

On September 15, 2006, the FASB issued SFAS No. 157, “Fair Value Measurements” (“SFAS No. 157”). SFAS No. 157 addresses how companies should measure fair value when they are required to use a fair value measure for recognition and disclosure purposes under generally accepted accounting principles. SFAS No. 157 will require the fair value of an asset or liability to be based on a market based measure which will reflect the credit risk of the company. SFAS No. 157 will also require expanded disclosure requirements which will include the methods and assumptions used to measure fair value and the effect of fair value measures on earnings. SFAS No. 157 will be applied prospectively and will be effective for fiscal years beginning after November 15, 2007 and to interim periods within those fiscal years. We are currently assessing the impact SFAS No. 157 will have on our consolidated financial statements.

In February 2007, the FASB issued SFAS No. 159, “The Fair Value Option for Financial Assets and Financial Liabilities” (“SFAS 159”) which permits entities to choose to measure many financial instruments and certain other items at fair value that are not currently required to be measured at fair value. SFAS 159 will be effective on January 1, 2008. We are currently evaluating the impact of adopting SFAS 159 on our financial position, cash flows, and results of operations.

(US Dollars and other currencies in millions)

3. GEOGRAPHIC INFORMATION:

The Group's geographic operating segments are organized on a regional basis for purposes of presenting internal financial information, consistent with its operating management structure. Geographical operating profit is analyzed by management at the EBITDA level. We define EBITDA as operating profit before depreciation and amortization, non-cash compensation expense, write down on impaired assets and other non-recurring operating expenses.

The Company considers its products to be classified advertisements, display advertisements and services. The channels through which these products are distributed, which today are print publications and Internet websites do not constitute separate business segments within the meaning of SFAS No.131 "*Disclosures about segments of an Enterprise and Related Information*".

Half-year ended June 30, 2007	**Russia & the CIS**	**Hungary**	**Poland**	**Croatia**	**Slovenia**	**Corporate**	**Total**
Print revenues	$ 95.7	$ 16.3	$ 1.9	$ 6.8	$ -	-	$ 120.7
Online revenues	2.9	1.8	1.6	0.4	0.2	-	6.9
Total revenues	**98.6**	**18.1**	**3.5**	**7.2**	**0.2**	**-**	**127.6**
EBITDA	$30.0	2.8	(0.1)	1.7	0.1	(6.5)	28.0
Interest (expense) income	(5.1)	(0.1)	(0.2)	(0.2)	-	(1.5)	(7.1)
Amortization	(0.1)	(0.6)	(0.1)	-	-	-	(0.8)
Depreciation	(1.6)	(0.7)	(0.1)	(0.2)	-	(0.6)	(3.2)
Income tax (expense) benefit	(9.6)	(0.5)	(0.2)-	(0.3)		(0.1)	(10.7)
Net income (loss) from discontinued operations	-	-	-	-	-	-	-
Total assets	**231.8**	**67.3**	**4.2**	**23.7**	**4.7**	**10.3**	**342.0**
Goodwill	**91.6**	**34.8**	**0.7**	**4.4**	**3.9**	**-**	**135.4**
Property, plant and equipment	**22.6**	**3.5**	**0.5**	**1.7**	**-**	**4.3**	**32.6**
Additions to property, plant and equipment	**$ 2.0**	**$ 0.6**	**$ 0.2**	**$ 0.4**	$ -	**$ 3.1**	**$ 6.3**

TRADER MEDIA EAST Ltd.
Notes to Condensed Consolidated Interim Financial Statements
(Unaudited)
(US Dollars and other currencies in millions)

Year ended December 31, 2006	**Russia & the CIS**	**Hungary**	**Poland**	**Croatia**	**Corporate**	**Total**
Print revenues	$ 155.0	$ 31.4	$ 3.8	$ 12.2	-	$ 202.4
Online revenues	2.7	3.1	3.0	0.2	-	9.0
Total revenues	**157.7**	**34.5**	**6.8**	**12.4**	**-**	**211.4**
EBITDA	54.0	7.0	0.6	3.6	(7.9)	57.3
Interest (expense) income	(0.4)	(1.0)	(0.6)	(0.9)	(9.5)	(12.4)
Amortization	(0.1)	(1.1)	(0.1)	-	-	(1.3)
Depreciation	(3.1)	(1.3)	(0.1)	(0.2)	(0.2)	(4.9)
Income tax (expense) benefit	(15.5)	1.0	-	(0.8)	(1.9)	(17.2)
Net income (loss) from discontinued operations		(2.1)				(2.1)
Total assets	**226.9**	**65.1**	**3.8**	**23.7**	**11.7**	**331.2**
Goodwill	**87.7**	**33.4**	**0.6**	**4.3**	**-**	**126.0**
Property, plant and equipment	**21.8**	**3.3**	**0.4**	**1.5**	**1.8**	**28.8**
Additions to property, plant and equipment	**$ 2.5**	**$ 0.4**	**$ 0.3**	**$ 0.6**	**1.9**	**$ 5.7**

Half-year ended June 30, 2006	**Russia & the CIS**	**Hungary**	**Poland**	**Croatia**	**Corporate**	**Total**
Print revenues	$ 69.5	$ 16.0	$ 2.0	$ 5.8	-	$ 93.3
Online revenues	1.1	1.5	1.3	0.1	-	4.0
Total revenues	**70.6**	**17.5**	**3.3**	**5.9**	**-**	**97.3**
EBITDA	21.8	3.8	0.3	1.7	(3.2)	24.4
Interest (expense) income	(2.7)	(0.7)	(0.3)	(0.4)	(1.7)	(5.8)
Amortization	(0.1)	(0.5)	(0.1)	-	-	(0.7)
Depreciation	(1.3)	(0.6)	(0.1)	(0.2)	-	(2.2)
Income tax (expense) benefit	(7.3)	(0.1)	-	(0.3)	-	(7.7)
Net income (loss) from discontinued operations		(0.9)				(0.9)
Total assets	**217.9**	**68.7**	**3.5**	**23.0**	**12.4**	**325.5**
Goodwill	**85.3**	**36.4**	**0.6**	**4.1**	**-**	**126.4**
Property, plant and equipment	**21.8**	**3.9**	**0.3**	**0.9**	**0.8**	**27.7**
Additions to property, plant and equipment	**$ 1.0**	**$ 0.1**	**$ 0.1**	**$ 0.5**	**$ 0.8**	**$ 2.5**

(US Dollars and other currencies in millions)

Revenues generated by channel are as follows:

	June 30, 2007	June 30, 2006
Print revenues		
Display	$ 57.2	$ 32.2
Classified Ads	40.5	43.2
Circulation	13.9	12.0
Services & Other	9.1	5.9
Total Print revenues	**120.7**	**93.3**
Online revenues	6.9	4.0
Total revenues	**$ 127.6**	**$ 97.3**

4. ACQUISITIONS:

2007 Acquisitions:

Acquisition of Impress Media in Russia

Impress Media is one of the leaders in commercial real estate advertising in the Russian market with its publication Commercial Real Estate. It also organizes and hosts the well-known "Golden Brick" annual award event aimed at promoting the best developers in Russia.
Impress Media's product portfolio includes, among others, magazines such as Tvoya Ipoteka ("Your Mortgage"), Novy Adress ("New Address") and Flooring Professional. The company generated nearly $6 million in sales in 2006.

In January 2007, Pronto-Moscow finalized the acquisition of 68.5% of the shares of the company for an amount of $4.5 million, plus due diligence and legal fees amounting to $0.1 million.

Pronto Moscow has granted the following put options to the minority shareholders:
-to each of the two minority shareholders each owning 8.2% of the shares of the Company, a put option on 2.5% of the shares of the company or on all shares held by them at the date of the exercise, exercisable from the date of completion of the share purchase agreement (the "Completion") until and subject to the occurrence of certain events, including changes in management employment, substantial changes in the business or in the marketing strategy, sale of major publications for less than fair market value or alienation of other significant assets.
- to the minority shareholder owning 15% of the shares of the company, a put option on all shares held by him at the date of exercise, exercisable from the third anniversary of Completion to the seventh anniversary of Completion, or at any time from Completion upon the occurrence of certain events mentioned above.

The minority shareholders have also granted to Pronto Moscow the following call options:

- by each of the two minority shareholders each owning 8.2% of the shares of the company, a call option on any shares held by them at the time of the exercise, exercisable in the event of changes in management employment.
- by the minority shareholder owning 15 % of the shares of the company, on all shares held by him at the date of exercise, exercisable at any time between the fifth and the seventh anniversary of Completion.

In addition, one of the minority shareholders has a call option exercisable upon the occurrence of certain events, pursuant to which he is entitled to repurchase shares previously purchased by Pronto Moscow, subject to a maximum of 10.1%.

Under the put and call option agreements, the purchase price of the shares will be either a fixed amount or the result of a calculation based on EBITDA or Revenues.

On a preliminary basis, the purchase price allocation results in the identification of an additional publication title (Commercial Real Estate) for an amount of $2.8 million. This publication title will be amortized over 10 years. The remaining amount will be allocated to goodwill for $2.3 million.

The acquisition was completed in January 2007.

Acquisition of Moje Delo

In June 2007, we acquired a 55% interest in Moje Delo d.o.o. in Slovenia for a nominal amount of €2 million plus an earn-out to be determined on the basis of 2007 financial results, subject to a maximum of €1 million and payable (if any) by no later than June 30, 2008. Moje Delo is a leading provider of recruiting services in Slovenia both online and offline. Moje Delo has 2 subsidiaries in Bosnia and Serbia (Bolji Posao Bosnia and Bolji Posao Serbia) fully owned, which have no activity as of today and will be operating in next months.

We have granted to the selling shareholders a put option on the remainder of the shares exercisable from January 2009 to January 2012 and have a call option exercisable from January 2011 to January 2014. Exercise price shall be calculated based on EBITDA and net financial debt of the company. We are currently assessing the purchase price allocation for this acquisition, and all the excess of purchase price as of June 30, 2007 has been allocated to the goodwill.

Acquisition of the remaining 30% in Internet Posao d.o.o. in Croatia

Posao.hr is a job site enabling employees to find a job and to prepare curricula vitae, and for employers, to publish openings and perform searches of curriculum vitae data based on specific criteria to find suitable candidates. The site was opened in October 2002, and since this date, has largely increased its number of visitors and registered users. Posao.hr has 25,000 visitors daily of which, more than 70% is within the age group of 25-44.
Our 70% owned subsidiary Oglasnik purchased 70% of Internet Posao d.o.o. for $0.7 million in December 2006. The former ultimate owner of the website had remained a minority shareholder owning 30% of the shares at that date. We have finally repurchased its shares on the June 29, 2007.

The group share in the purchase price has been allocated to the website Posao.hr. However, this purchase price allocation may be reviewed in the next coming months and before December 31, 2007.

(US Dollars and other currencies in millions)

<u>2006 Acquisitions:</u>

Acquisition of an additional 27% interest in Bel-Pronto

In December 2006, we concluded a preliminary agreement with one of the minority shareholders of our 60% owned subsidiary in Belarus Bel-Pronto to express our intention to repurchase its 27% interest for a total amount of $1.5 million before the end of March 2007. A first instalment in the amount of $0.1 million was paid in December 2006. At the end of June 2007, this acquisition has been delayed.

2006 purchase of the minority interest in Pronto-Moscow (Acquisition agreement between Mirabridge B.V. and Leonid Makaron)

Under the Acquisition Agreement dated January 22, 2006, the Group has purchased from Leonid Makaron, the general manager of our Russian and CIS operations, his interest in Pronto-Moscow, for a total consideration of $100.9. On this amount, an amount of $10.5 has been paid into escrow account payable on December 31, 2007, on which a 7% interest is due. In accordance with FAS 141, this part of the purchase price has been booked at its fair value as part of the investment in Pronto Moscow.

The purchase price has been allocated to the main publication titles identified in Moscow and valued based on a discounted cash-flow method. These intangible and goodwill have been allocated to Russia and the CIS and valued in Russian Rubbles. For the purpose of the table below, the amounts have been translated into US dollar, using the applicable rate at the date of the transaction.

In May 2007, we reached an agreement with Mr Makaron whereby the escrow account was subject to early release subject to the fulfilment of certain conditions. In June 2007, such conditions were met and the additional amount was paid to Mr Makaron.

Acquisition of Minority Interests in Szuperinfo

Under the purchase agreement dated May 30, 2004 Expressz has agreed to buy from minority interest its 7.6% remaining shares in the Company Szuperinfo as of May 31, 2006. This acquisition represented $0.1 of cash paid for acquisition.

<u>Summary of cash paid for acquisitions :</u>

	June 30, 2007	**December 31, 2006**	**June 30, 2006**
Minority Shareholders	$	$ 3.6	$ 3.6
Goodwill	5.9	58.0	58.0
Intangible assets	2.8	52.5	52.5
Fixed assets	0.4	0.7	
Other long term assets	(2.3)	2.4	
Deferred tax liabilities	(0.7)	(12.6)	(12.6)
Debt payable to the seller at fair value	-	(11.0)	(11.0)
Long-term debt	(1.1)		
Deposit on escrow account	-	10.5	10.5
Working capital	(0.6)		
Total cash paid for acquisition	**$ 4.4**	**$ 104.1**	**$ 101.0**

(US Dollars and other currencies in millions)

5. MINORITY INTERESTS

In First Half 2007, minority interests have changed as follows:

	Total Minority Interests
As of January 1, 2007	$ 3.2
Net income for first half June 30, 2007	3.3
Dividends paid	(2.5)
Purchase of minority interest	0.1
Currency translation adjustment	(0.1)
As of June 30, 2007	$ 4.0

6. LONG-TERM DEBT :

From February 9th, 2006 to May 22nd, 2007

On February 9, 2006, we entered into a $250 million multi-currency senior secured term loan and revolving credit facility (the "Senior Credit Facility"), with BNP PARIBAS as Global Co-ordinator and BNP PARIBAS and WestLB AG, London Branch, as Mandated Lead Arrangers.

Excluding the potential short-term repayment due to the issues mentioned below, the final maturity date of this Senior Credit Facility was five years from the date of signing. The Senior Credit Facility consists of three term loans available within 30 days of signing and amounting in aggregate up to $140 million. We have drawn down this amount on the closing of the Offering in February 2006. In addition, the Senior Credit Facility provides a revolving credit facility of up to $25 million and an acquisition facility of up to $85 million. Term Loan Facility 1, with up to $100 million available for drawing, has been used to purchase the 12% interest in Pronto-Moscow held by the General Manager of our Russian operations. Term Loan Facility 2, with up to $7.5 million available for drawing, has been used to refinance existing indebtedness of Trader Hungary Tanacsado Kft. Term Loan Facility 3, with up to $32.5 million available for drawing, has been used to pay outstanding related party balances with TCM, third party debt and certain fees, costs and expenses associated with the arranging and syndication of the Senior Credit Facility.

The rate of interest payable for each term loan was the sum, per annum, of the applicable margin (set at market rates and thereafter subject to adjustment according to the quarterly ratio of our Consolidated Net Debt to Consolidated EBITDA) plus the one, two, three or six month LIBOR or other interbank reference rate (as appropriate), plus any mandatory costs.

Contractually and in the absence of early repayment due to covenant violation or change of control, the term loan facilities would be repaid in biannual, progressively increasing installments beginning in July 2006.

This Senior Credit Facility required the Group generally and the Borrowers to comply with certain customary covenants, including, but not limited to, a negative pledge as well as covenants that restrict our ability to dispose of certain assets, make certain acquisitions, enter into mergers, incur additional indebtedness, make certain distributions and change our core business.

It also required that we complied with certain financial covenants including ratios with respect to net debt to Consolidated EBITDA, Consolidated EBITDA to Consolidated Net Interest Payable, and Operating Cash Flow to Total Debt Service (each as defined in the Senior Credit Facility). The covenants also specified maximum permissible capital expenditures.

It contained a number of customary events of default including: non-payment, failure to satisfy financial covenants, cross defaults, changes in our ownership and insolvency. Upon the occurrence and during the continuation of any event of default, the Lenders had the right, subject to waiver and applicable grace periods, to declare all or any portion of the obligations immediately due, cease advancing money or extending credit to any Borrower and terminate the Senior Credit Facility as to any future obligation of the Lenders.

Throughout 2006 the Group had complied with the above covenants with the exception of one minor infringement in December 2006 for which a waiver was subsequently granted. At the end of 2006, Management also considered that as a consequence of the changing business profile of the Group and the need to reorganise our Group structure, a new credit facility had to be renegotiated. As a consequence, the debt and related financing fees had been reclassified as current as of December 31st, 2006.

Borrowers under this Senior Credit Facility were Trader East Holdings and certain of its subsidiaries. Obligations of the Borrowers under the Senior Credit Facility were guaranteed by Trader East Holdings, the Borrowers and certain of its subsidiaries and were secured by pledges of certain intercompany loans, pledges over shares in Trader East Holdings, Mirabridge and certain of our other subsidiaries and of certain bank accounts.

On the 31st January 2007 Hurriyet Invest BV announced that the boards of Hürriyet and TME had reached agreement on the terms of a recommended cash offer of US$ 10.00 per TME Share. On March 16, 2007, The Offer became unconditional. Under the provision of the “change of control” clause of the agreement, lenders might require repayment of the debt outstanding and a cancellation of their commitments.

From May 22nd, 2007 to June 30th, 2007

In May 2007, following that change in our ownership, we completed the signing of our new senior credit agreement arranged by ABN AMRO, which amounts to a total facility of $200 million with a five-year maturity date and we early repaid our debt to BNP.

Description of the new Senior Credit Agreement :

The parties involved are for the lender ABN AMRO and for the borrower OOO Pronto Moscow. The total amount, up to $200 million is available in 2 series: the first up to $165 million and the second to $35 million.

The borrower will use the proceeds as follows :

Serie 1: Shall be used for making a capital contribution to a new holding company, Pronto Invest BV, 100% owned by Pronto-Moscow and mother company of our operations in Croatia, Hungary and Poland. The cash has been ultimately used as follows:

a. US$ 92 million for the repayment of all existing debt of Mirabridge International B.V.
b. US$ 35.6 million for the repayment of all existing debt of Trader East Holding B.V.
c. US$ 7.2 million for the payment of all existing debt of Trader Hungary Tanacsado Kft.
d. US$ 30.2 million to finance acquisitions planned for 2007 and general corporate purposes

Serie 2: The remaining US$35 million shall be used for acquisitions planned for 2008 and general corporate purposes.

The acquisitions are submitted to conditions related to the business core of TME Group, to the contributions in results and cash-flows of the targets before and after the acquisition and to the amounts of transactions.

The facility will be available 6 months after the signing date (Serie 2 : 18 months after the signing date). The total amount drawn at the end of June 2007 is $ 144.9 million.

If any of the following events occurs the Borrower shall prepay and cancel the Facility in full.

(i) Change of Control
(ii) Illegality provided that there will be mitigation language in the Facility Agreement

The Net Proceeds of the following shall be applied in prepayment and permanent reduction of the Facility:

(i) disposals or asset sales in aggregate in excess of the amount of 10% of the book value of the Group's consolidated assets;

(ii) equity issues received in excess of the amount of 10% of the book value of the Group's consolidated assets.

The Borrower shall repay the Facility in eight (8) equal, semi-annual installments commencing 18 months after the Signing Date.

Interest will be payable on Advances at the rate per annum which is the aggregate of:

(i) LIBOR for the relevant Interest Period;

(ii) the Applicable Margin; and

(iii) all mandatory reserve asset and regulatory costs

(LIBOR will be determined using the relevant Telerate reference screen. If the benchmark rates are not available LIBOR will be determined by the Reference Banks.)

Interest Periods :

1, 2, 3 or 6 months or such other periods as the Borrower & Facility Agent may agree. No Interest Period will end after the Final Maturity Date.

The Senior Credit Facility contains a number of customary events of default including: non-payment, failure to satisfy financial covenants, cross defaults, changes in our ownership and insolvency. Upon the occurrence and during the continuation of any event of default, the Lenders have the right, subject to waiver and applicable grace periods, to declare all or any portion of the obligations immediately due, cease advancing money or extending credit to any Borrower and terminate the Senior Credit Facility as to any future obligation of the Lenders.

We use derivative instruments, including swaps, forward contracts and options to manage certain foreign currency, commodity and interest rate exposures. We view derivative instruments as risk management tools and do not use them for trading or speculative purposes. Derivatives used for hedging purposes must be designated and effective as a hedge of the identified risk exposure at the inception of the contract. Accordingly, changes in the fair value of the derivative contract must be highly correlated with changes in the fair value of the underlying hedged item at inception of the hedge and over the life of the hedge contract.

At June 30, 2007, the fair value of derivatives recorded was immaterial, as far as the gains and losses recognized in earnings related to the ineffectiveness of cash flow hedges during the half-year ended June 30, 2007.

7. SHARE CAPITAL:

At January 1, 2006, Trader Media East Ltd had an issued share capital of two shares of £1.0 each, that have been each subdivided and reconsolidated into 11.03125 shares of $0.16 as of January 25, 2006, then brought to 12 shares of $0.16 at the same date after that each member of the company have allotted and issued as par to them 0.96875 of a share. These shares have been transferred to TCM. A further number of 49,999,976 ordinary shares have been issued in the restructuring process to the benefit of TCM, being the final owner of the 50,000,000 ordinary shares of TME.

(US Dollars and other currencies in millions)

In February 2006, TCM completed the Offering of these 50,000,000 shares in the form of Global Depositary Receipts. At that date, TCM had retained an interest of 6,521,739 shares in the company, or 13%. On March 29 2007, Hurriyet Invest BV has completed the acquisition of approximately 67,29% of our share capital through an Offer announced on January 4' 2007. TCM has sold its remaining shares to Hurriyet Invest BV in the Offer.

8. SHARE OPTIONS:

In February 2006, TME implemented an Equity Incentive Plan. Under the Plan, some TME employees and members of the Board of Directors have been granted stock options. The vesting period was generally divided into four tranches, i-e 25% at each anniversary of the grant date. Key executive management members have also been granted restricted shares in an aggregated amount of 193,500 shares, vesting in two tranches in 2008 and 2009 and subject to a two year trading restriction period. The weighted average fair value of these restricted shares granted in 2006 was 12.89 $.

The Company determined fair value of certain stock-based payment awards on the date of grant using the Black & Scholes model. This model is affected by the Company's stock price as well as assumptions regarding a number of highly complex and subjective variables. These variables include, but are not limited to, the Company's expected stock price volatility over the term of the awards, and actual and projected employee stock option exercise behaviours. Main hypotheses are as follows:

	June 30, 2007
Expected dividend yield	0%
Expected stock price volatility	30%
Risk-free interest rate	4.68%
Expected life*	7 years

As of December 31, 2006 all options were outstanding. As of March 16th, 2007, the Offer from Hurriyet Invest B.V. became unconditional, and subsequently TME option holders accepted the offer to cancel their outstanding options for a cash amount varying between US$ 1.36 and US$ 3.28 per option depending on the exercise price, paid by Hurriyet. The options cancellation and cash payment were accounted for in accordance with FAS 123(R) as an acceleration of vesting and related vesting acceleration resulted in additional stock compensation expense of US $ 3.2 million. The cash payment to the optionees of US $ 1.7 was recharged to Hurriyet Group.

(US Dollars and other currencies in millions)

9. COMMITMENTS AND CONTINGENCIES:

The Group is or may be involved in various litigation and tax audits arising in the normal course of business in several countries.

In particular, a media agent company filed a claim against one of our Hungarian subsidiaries, requesting payment of HUF 820.1 million (or $3.8 million) for an alleged breach of contract and breach of the Competition Act for failure to enter into an agreement in 2006. In June 2007, Media Wise reduced its claim to HUF 46 million (or $0.3 million). The Group believes that none of these actions, individually or in the aggregate, will have material adverse effect on the combined financial statements.

10. IMPACT OF DISCONTINUED OPERATIONS :

In September 2006, TME announced that the Kisokos directory business would be disposed of and consequently classified as discontinued operations in the financial statements for the year ended December 31, 2006.
As of December 31, 2006, TME was in the process of finding a potential buyer and in the absence of a firm offer as of December 31, 2006, the financial statements reflected the close-down of the operations, and a subsequent merger between the Hungarian companies.
As of December 31, 2006, the business was accounted at fair value for a net book value amounting to $2.1 million, corresponding to the amount that we have considered to be fully recoverable.
In May 2007, TME has completed an agreement for the sale of Kisokos, transferring the business operations under license with effect from April 2007. Under this agreement, the intellectual property of the brand will be transferred not after December 2008 for HUF 100 millions ($0.5 million). The fair value of business has been consequently adjusted. Amounts included in the discontinued operations are as follows:

	June 30, 2007	**December 31, 2006**	**June 30, 2006**
Revenues	0.3	4.5	2.5
Operating profit before certain expenses	(1.3)	(2.3)	(1.3)
Depreciation and amortization	(0.2)	(0.5)	(0.3)
Provision for impairment	1.2	(14.3)	-
Income tax and other	0.3	0.7	0.8
Net loss from discontinued operations	**$(0.0)**	**$(16.4)**	**$(0.8)**

11. SUBSEQUENT EVENTS

Relocation of Paris organization

TME, a company registered in Jersey with its administrative headquarters in Amsterdam has operations in Russia, CIS and Eastern Europe and certain support functions located in Paris.

Following a review of the Groups activities and strategic plans, the Board has resolved that the functions located in Paris will provide a more efficient contribution to the Group's performance by closer alignment with TME's field operations and Hurriyet's headquarters in Istanbul.

The transition of these responsibilities and the appointment of or transfer of staff to these newly located roles is expected to take place over a period of 6 months with an associated restructuring cost of approximately US$ 4.5 million .

Settlement of our dispute with Trader Classified Media

In July 2007, our Board of directors authorized the settlement of a pre-IPO dividend claimed by our previous owner Trader Classified Media.