



# PRESS RELEASE

## TRADER MEDIA EAST Third quarter 2007 Trading update

Amsterdam, The Netherlands- November 23, 2007 (0700 GMT)

Trader Media East Limited, a leader in classified advertising operating in Central and Eastern Europe, releases today its third quarter 2007 trading update for the period ended 30 September 2007.

### Group Financial Summary (unaudited US GAAP)

<i>(In USD millions)</i>	<b>2007</b>	<b>2006</b>	<b>Growth</b>	<b>2007</b>	<b>2006</b>	<b>Growth</b>
	<i>(YTD)</i>	<i>(YTD)</i>		Q3	Q3	
<b>Revenues</b>	200,4	152,0	+31.8 %	72,8	54,7	+33.1%
<b>Operation EBITDA</b>	56,3	45,0	+25.1 %	21,7	17,4	+24.7 %
<b>Margin %</b>	28.1%	29.6%		29.8%	31.8%	
<b>Operating profit</b>	32,9	32,8	+0.3 %	16,8	12,8	+31.3 %

Revenue growth for the third quarter was 33.1%. Excluding exchange rate impact, total growth was up 23.5%, of which 17.7 % was organic. This growth was mainly driven by the good performance in Russia & CIS regions, partly offset by ongoing adverse market conditions in Hungary.

Operation EBITDA increased by 24.7%, of which 11.2% was organic. The EBITDA growth was mainly driven by the increase in revenues. Operation EBITDA margin was 29.8% versus 31.8% in 2006, principally due to increased spend in Marketing and Direct selling in our Moscow operations and a further weakening of Hungarian margins as a consequence of ongoing difficult trading conditions. These margin declines have been partially offset by an improvement in the margin for the Russian and CIS regional businesses.

Q3 operating profit growth was 31.3%. The 9months cumulated operating profit was up 0.3% impacted by \$4.8 million non-recurring costs incurred in connection with the Hurriyet Offer, an increase in corporate costs due to the implementation of our own corporate structures in

mid-February 2006, and a non-cash expense accrual amounting to \$3.5 million for stock-based compensation according to US GAAP rules.

## **2007 Major Events**

### **Hurriyet Offer**

Further to the Offer made by Hurriyet Invest on 4 January 2007 to acquire the entire issued share capital of TME, Hurriyet purchased approximately 67.29% of our issued share capital and the offer was closed on 29<sup>th</sup> 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 installment in the amount \$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 fulfillment 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 major part of the relocation is planned to be completed by the end of this year.

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.

### **Resignation of Trader Media East's Chief Executive Officer, Pierre-François Catté**

Trader Media East Limited announced that Pierre-François Catté, Chief Executive, has resigned to pursue other business interests as of 26 October 2007. The process to appoint a

successor has already commenced. In the interim period, Vuolat Dogan Sabanci, Vice-Chairman, will act as Chief Executive Officer.

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

US Dollars in millions	<b>Sept 30, 2007 (unaudited)</b>	<b>December 31, 2006</b>
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 34,0	\$ 20,8
Restricted deposits	-	4,0
Accounts receivable, net of allowance	15,2	9,6
Other receivables	6,4	13,4
Other current assets	11,5	24,3
Assets held for sale – current	1,2	2,9
<b>Total current assets</b>	<b>68,3</b>	<b>75,0</b>
<b>Long term assets</b>		
Property, Plant and Equipment, net	33,4	28,8
Goodwill, net	139,6	126,0
Intangibles assets, net	100,5	93,2
Other non current assets	11,9	7,4
Assets held for sale - non current	1,4	0,8
<b>Total Assets</b>	<b>\$ 355,1</b>	<b>\$ 331,2</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	\$ 17,7	\$ 16,3
Deferred revenues	8,3	4,2
Social and fiscal liabilities	11,0	6,7
Other liabilities	1,3	11,5
Senior credit facility debt – current	0,0	133,5
Liabilities held for sale – current	0,2	1,6
<b>Total current liabilities</b>	<b>38,5</b>	<b>173,8</b>
<b>Long term liabilities</b>		
Senior credit facility and other debt – non current	144,6	0,2
Deferred income taxes	32,9	29,8
Other long term liabilities	0,6	0,4
<b>Total liabilities</b>	<b>216,6</b>	<b>204,2</b>
Commitments and contingencies		
<b>Minority interests</b>	<b>4,3</b>	<b>3,2</b>
Common stock	8,0	8,0
Additional paid in capital	679,0	674,6

Accumulated other comprehensive income	39,4	30,6
Retained earnings	-592,2	-589,4
<b>Shareholders' equity</b>	<b>134,2</b>	<b>123,8</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 355,1</b>	<b>\$ 331,2</b>

**TRADER MEDIA EAST Ltd.**  
**Condensed Consolidated 9 months & Q3 Statements of Operations**  
**(Unaudited)**

US Dollars in millions, except shares and per share	9 months ended		Quarter 3	
	Sept 30, 2007	Sept 30, 2006	Sept 30, 2007	Sept 30, 2006
<b>Revenues</b>	<b>\$ 200,4</b>	<b>\$ 152,0</b>	<b>\$ 72,8</b>	<b>\$ 54,7</b>
<b>Operating costs and expenses :</b>				
Cost of sales	-96,0	-71,0	-34,5	-25,8
General and administrative	-57,0	-41,4	-18,9	-13,7
Stock-based compensation expense	-3,5	-2,3	0,0	-0,9
Depreciation and amortization	-6,1	-4,4	-2,1	-1,5
Other operating costs	-4,9	-0,1	-0,5	0,0
<b>Operating profit</b>	<b>32,9</b>	<b>32,8</b>	<b>16,8</b>	<b>12,8</b>
Interest and financing fees	-10,0	-9,4	-3,0	-3,6
Foreign exchange gain and other	6,0	0,7	5,9	-0,4
<b>Net financial result</b>	<b>-4,0</b>	<b>-8,7</b>	<b>2,9</b>	<b>-4,0</b>
<b>Income before income tax and minority interest</b>	<b>28,9</b>	<b>24,1</b>	<b>19,7</b>	<b>8,8</b>
Income tax net	-19,0	-12,4	-8,3	-4,7
<b>Income before minority interest</b>	<b>9,9</b>	<b>11,7</b>	<b>11,4</b>	<b>4,1</b>
Minority interest	-5,1	-3,0	-1,8	-1,1
<b>Net income / (loss) from continuing operations</b>	<b>4,8</b>	<b>8,7</b>	<b>9,6</b>	<b>3,0</b>
<b>Net income / (loss) from discontinued operations</b>	<b>-0,4</b>	<b>-1,6</b>	<b>-0,4</b>	<b>-0,7</b>
<b>Net income / (loss)</b>	<b>\$ 4,4</b>	<b>\$ 7,1</b>	<b>\$ 9,2</b>	<b>\$ 2,3</b>
<b>Average number of shares outstanding</b>				
Basic	50 000 000	50 000 000	50 000 000	50 000 000
Diluted	50 000 000	50 000 000	50 000 000	50 000 000
<b>Net income per share, in USD Dollar per share</b>				
Basic	\$0.088	\$0.142	\$0.184	\$0.046
Diluted	\$0.088	\$0.142	\$0.184	\$0.046

## 2007 Financial Calendar

- **2007 Full Year Revenues** will be announced by **January 25 2008**

### 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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