



# PRESS RELEASE

## TRADER MEDIA EAST Third Quarter 2008 Trading Update

**Amsterdam, The Netherlands- November 12, 2008**

Trader Media East, a leader in classified advertising operating in Russia, CIS and CEE region, releases today its third quarter 2008 trading update for the period ended 30 September 2008.

### Group Financial Summary (unaudited IFRS)

<i>(In USD millions)</i>	<b>9M08</b>	<b>9M07</b>	<b>Growth</b>	<b>3Q08</b>	<b>3Q07</b>	<b>Growth</b>
<b>Revenues</b>	242.2	200.4	+20.8 %	83.6	72.8	+14.8%
<b>Operation EBITDA</b>	57.2	57.5	-0.6 %	21.1	21.9	-3.6 %
<b>Margin %</b>	23.6%	28.7%		25.3%	30.1%	
<b>Consolidated EBITDA</b>	47.7	45.9	+3.9 %	19.2	19.6	-2.1 %
<b>Margin %</b>	19.7%	22.9%		22.9%	26.9%	
<b>Operating profit</b>	86.3	38.5	+124.0 %	14.1	17.3	-18.1 %

Revenue growth for the third quarter was 14.5%. Excluding exchange rate impact, revenue growth was 7.3%, of which 10.3 % was organic.

In January-September period, the revenue growth was 20.8%. Excluding exchange rate impact, revenue growth was 11.1%, whereas organic growth was 11.4%. This growth was mainly driven by the good performance in Russia & CIS regions, partly offset by ongoing adverse market conditions in Eastern Europe.

Consolidated EBITDA decreased by -2.1% in the third quarter of 2008. Consolidated EBITDA margin was 22.9% in 3Q08 versus 26.9% in 3Q07. Although the EBITDA margin in 3Q08 was lower compared to 3Q07, there has been a significant improvement compared to the first half of the year, where the consolidated EBITDA margin was 18.0%. The finalization of the relocation of the headquarters was one of the factors behind the improvement in the margins.

In the first nine months of 2008, consolidated EBITDA increased by 3.9%. Consolidated EBITDA margin was 19.7% in 9M08, compared to 22.9% during the same period of 2007.

## **Major Events**

### **Sale of Trader.com ( Polska) Sp z.o.o**

As part of our strategic positioning plans, the Board approved the sale of Trader.com (Polska) Sp.z.o.o. to Polish media group Agora SA for a cash consideration of \$54.3 million. The transaction was completed on the 27<sup>th</sup> June 2008. The competency centre in Poland which develops software and gives support and maintenance services for all TME's internet operations was not part of the sale.

### **Acquisition of Real Estate Magazine Infonekretnine and CREM magazine**

In June 2008, Trader Media East Limited's Croatian affiliate Oglasnik d.o.o. acquired the operations of Info-Media d.o.o., a real estate publisher in Croatia. The products and services acquired include a bi-monthly real estate magazine 'Infonekretnine', a quarterly real estate magazine 'CREM' and web-sites operating under the same brand names.

### **Mojedelo enters new markets in Bosnia & Herzegovina and Serbia**

At the end of 2007 Mojedelo entered the Bosnia & Herzegovinan and Serbian markets launching career portals Boljiposao.ba and Boljiposao.com

### **Restructuring**

The TME management team has embarked on a major simplification of the organisation, which started with the closure of the Paris HQ, which was replaced with the representative office of Pronto Moscow in Istanbul. The immediate impact was to make HQ costs tax deductible. The next stage involves the merger of businesses that operate out of the same location. The objective again is to streamline the business and to improve its tax efficiency. At the end of September the remaining balance sheet of Kisokos has been merged into Expressz Magyarország RT in Hungary.



**TRADER MEDIA EAST**  
**Consolidated Balance Sheets**

*(Unless otherwise stated US Dollars in thousands)*

	<b>September 30, 2008</b>	<b>December 31, 2007</b>
	<b>(unaudited)</b>	<b>(audited)</b>
<b>ASSETS</b>		
<b>Current assets</b>	<b>73.728</b>	<b>64.232</b>
Cash and cash equivalents	34.547	\$ 25.245
Financial investments	-	-
Trade receivables	15.076	14.402
Due from related parties	-	-
Other trade receivables	15.076	14.402
Other receivables	3.604	-
Inventories	4.350	4.028
Other current assets	12.843	16.790
Advances given to related parties	-	-
Other current assets	16.151	16.790
<b>Non current assets</b>	<b>297.559</b>	<b>293.760</b>
Financial assets	127	92
Property, plant and equipment	23.356	25.389
Intangibles assets	111.512	111.776
Goodwill, net	156.818	152.781
Deferred tax assets	5.561	3.635
Other non current assets	185	87
<b>Total assets*</b>	<b>371.287</b>	<b>357.992</b>

\* Assets held for sale are included in normal operations due to the decision to merge Kisokos Directory Kft. With Hungarian operations.

**TRADER MEDIA EAST**  
**Consolidated Balance Sheets**  
*(Unless otherwise stated US Dollars in thousands)*

	September 30, 2008	December 31, 2007
	(unaudited)	(audited)
<b>LIABILITIES</b>		
<b>Current liabilities</b>	<b>60.780</b>	<b>51.275</b>
Financial liabilities	23.039	18.125
Trade payables	12.787	12.802
Due to related parties	-	380
Other trade payables	12.787	12.422
Other liabilities	9.994	12.978
Taxes payable	2.518	982
Other current liabilities	12.442	6.388
<b>Non current liabilities</b>	<b>118.796</b>	<b>167.135</b>
Financial liabilities	66.158	120.516
Other financial liabilities	21.298	16.013
Deferred income taxes	30.850	30.600
Other non current liabilities	490	6
<b>SHAREHOLDERS' EQUITY</b>	<b>191.711</b>	<b>139.582</b>
<b>Majority Interest</b>	<b>188.516</b>	<b>136.502</b>
Paid in capital	8.000	8.000
Additional paid in capital	671.173	671.173
Cumulative translation adjustment	11.598	8.779
Prior period income	(551.450)	(560.650)
Net profit/ (loss) for the period	49.195	9.200
<b>Minority interests</b>	<b>3.195</b>	<b>3.080</b>
<b>Total liabilities and shareholders' equity</b>	<b>371.287</b>	<b>357.992</b>

**TRADER MEDIA EAST**  
**Consolidated Profit and Loss Statement**  
*(Unless otherwise stated US Dollars in thousands)*

	2008		2007	
	January 1- September 30 (unaudited)	July 1- September 30 (unaudited)	January 1- September 30 (unaudited)	July 1- September 30 (unaudited)
<b><u>Continued Operations</u></b>				
Sales Revenues	242.206	83.625	200.437	72.829
Cost of sales (-)	-116.040	-37.797	-93.220	-33.426
<b>Gross Profit</b>	<b>126.166</b>	<b>45.828</b>	<b>107.217</b>	<b>39.403</b>
Marketing, sales, distribution expense	-24.653	-9.202	-12.503	-4.325
General and administrative	-61.110	-19.874	-54.895	-17.581
Other operating revenues	50.091	-90		0
Other operating expenses (-)	-4.231	-2.524	-1.312	-232
<b>Operating profit</b>	<b>86.263</b>	<b>14.138</b>	<b>38.507</b>	<b>17.265</b>
Financial income*	1.639	(7.902)	5.910	5.782
Financial expenses (-)	(14.471)	(5.245)	(10.636)	(3.286)
<b>Continued operations profit/ (loss) before tax</b>	<b>73.431</b>	<b>991</b>	<b>33.781</b>	<b>19.761</b>
<b>Tax for continued operations</b>				
Current tax	(18.533)	(5.346)	(18.649)	(7.873)
Deferred tax income/ (expense)	(355)	(142)	(307)	40
<b>Continued operations profit/ (loss)</b>	<b>54.543</b>	<b>-4.497</b>	<b>14.825</b>	<b>11.928</b>
<b><u>Discontinued operations</u></b>				
Discontinued operations loss after tax**	-	991	(411)	(364)
<b>Profit/ (loss) for the period</b>	<b>54.543</b>	<b>-3.506</b>	<b>14.414</b>	<b>11.564</b>
<b>Allocation of the profit/ (loss) for the period</b>				
Minority interests	(5.348)	(2.064)	(5.148)	(1.819)
Majority interests	49.195	(5.570)	9.266	9.739

\* The decrease in financial income is due to decreased foreign exchange income as a result of the operating currencies against US \$ in the third quarter.

\*\* Discontinued operations are included in normal operations due to the decision to merge Kisokos Directory Kft. With Hungarian operations.

## **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 251 print titles, with 5 million readers per week and hosts 24 websites, with 7.8 million unique monthly visitors.

Trader Media East was incorporated in November 2005. It employs 5, 540 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, Croatia, Slovenia, Bosnia & Herzegovina, Serbia, Hungary, Kazakhstan, Lithuania, 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.

## **Investor Relations Contact Information**

Suzi Apalaci Dayan  
Investor Relations Director  
Tel: +90 212 449 60 30  
e-mail: [sapalaci@hurriyet.com.tr](mailto:sapalaci@hurriyet.com.tr)