

PRESS RELEASE

TRADER MEDIA EAST Third Quarter 2011 Trading Update

Naarden, The Netherlands – November 3, 2011

Trader Media East Limited (“TME” or the “Group”), a leader in print and online classified publishing, operating in Russia, CIS, and Eastern Europe, released today its third quarter (3Q) financial results for 2011.

Financial Summary (unaudited IFRS)

(US\$ millions)	3Q11	3Q10	Change	Org ch.*	9M11	9M10	Change	Org ch.*
Revenues	35.1	36.9	-4.8%	-2.7%	108.7	106.9	1.7%	0.5%
Russia	26.9	27.6	-2.4%	-2.8%	83.5	79.4	5.2%	2.5%
Moscow**	12.0	13.9	-13.9%	-17.7%	40.0	41.2	-2.9%	-7.6%
Regions	15.0	13.7	9.4%	13.8%	43.5	38.2	14.0%	14.4%
CIS	4.8	5.6	-14.2%	6.5%	14.7	15.7	-6.5%	4.6%
Eastern Europe	3.4	3.7	-8.4%	-14.1%	10.5	11.8	-11.0%	-16.6%
Operation EBITDA	5.2	8.2	-36.6%	-38.3%	13.6	18.7	-27.3%	-29.8%
- Corporate Cost	0.8	1.6	-51.5%	-	2.4	4.1	-41.1%	-
Consolidated EBITDA	4.4	6.6	-33.2%	-35.7%	11.1	14.5	-23.4%	-27.2%
Net (Loss) / Income	-11.0	4.5	-	-	-8.0	-1.6	-	-
Operation EBITDA Margin %	14.8%	22.2%	-	-	12.5%	17.5%	-	-
Consolidated EBITDA Margin %	12.6%	18.0%	-	-	10.2%	13.6%	-	-

*Organic Change: Local currency change, including only active operations.

**Some Moscow based entities that have been listed under "Russia Regions" in previous years, are reclassified under "Moscow" in 2010.

(US\$ millions)	3Q11	3Q10	Change	Org ch.*	9M11	9M10	Change	Org ch.*
Online Revenues	6.7	4.6	44.2%	40.5%	19.1	13.3	43.5%	37.0%
Share in total revenues	19.1%	12.6%			17.5%	12.4%		

Mr. Ahmet Özer, CEO of Trader Media East commented:

I perceive 2011 as a year of reconstruction and development to achieve our future goals. We have ongoing projects to improve the efficiency and profitability of our print publishing business. On the other hand, we achieved strong growth in online segment. I am very confident about our online development which will sustain long term growth and provide value creation of our digital operations.

Print publishing update

Our print publishing business underperformed in Q3, which had a negative impact on overall figures. The deviation is mainly coming from the weak topline in Moscow market, whereas Russia regions have grown 5.0% in print operations and 13.8% overall.

In Moscow, we rebranded our daily core title “Iz ruk v Ruki” with a new format and layout. In line with the rebranding, we introduced a new commercial policy and reduced prices in particular products in order to attract more module advertising. Although this caused some weakness in revenues in July –September period, we gained market share in all segments. I expect to see the planned volume increase in upcoming months. On the other hand, daily sold copies of Iz Ruk v Ruki increased by over 40%, after rebranding.

Online business update

In Q3, our internet revenues grew substantially at 40.5%, whereas the growth in Russia has been 46.0% in the same period. This brought the share of online in total revenues to 19.8% in September, which was only 13.0% in the beginning of this year.

Re-launch of IRR.ru

We completely renewed our main portal in mid September with substantially better functionality and search. Regional operations contributed positively to the monetization of the site.

Following the re-launch, we started a nation-wide advertising campaign in October, targeting the young C2C audience. The site traffic (unique) has increased 33% from 7.4 million in July to 9.8 million in October. Our target is to reach 12 million monthly visitors, covering most of the existing classified audience in Russia.

We continue to sustain the highest quality traffic in online classified market. Currently 65% of the IRR.ru audience is reaching us organically, 23% through search engines (non-paid) and only 12% of our traffic is paid, whereas other players mostly rely on paid traffic.

Job.ru development

JOB.ru has been the fastest growing recruitment site in Russia this year. We improved product functionality substantially since May 2011 with the new development roadmap. This caused site visits to increase 40% to 4.2 million UV from May to October. We are significantly growing our client base with more employers using our site to reach mass job seekers. This helped us to grow in revenues by 194% in Q3 compared to 2010. As of today, JOB.ru is operational in 40 cities in Russia. We also launched a new site myjob.by in Belarus in September.

Online development in CEE

Our internet operations in CEE markets also performed well in third quarter. Overall revenue growth in CEE was 10.9%. In Slovenia, our leading recruitment web site Mojedelo.com grew revenues by 28.2% and reached an EBITDA margin of over 30%. Expressz.hu, the leading online classified portal in Hungary has increased its traffic significantly to 2.2 million UVs monthly.

Future roadmap

In TME we have a clear strategy to exploit profitability of print publishing segment whereas to achieve strong growth and value creation on internet. I expect this transition to be the core issue of the company in next 5 years. We project our online revenues to exceed 100 million USD in 2015, reflecting half of the total revenue base.

EBITDA

We improved our control over the expenses in Q3. In spite of increasing social taxes in Russia, staff costs were 3.2% below last year in Q3, mainly as a result of efficiency and restructuring actions started in Q2. We reduced our overall headcount by 18% from April this year. The project of transferring Moscow production resources to Tombov city has also been completed, which will reflect into savings starting from November.

Although we compensated some of the revenue weakness by savings in costs, our group EBITDA has been 2.2 mn USD below last year; mainly due to Moscow revenue deficit and higher marketing spending.

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

	September, 30 2011 (Unaudited)	Dec, 31 2010 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment, net	12.9	14.7
Goodwill	80.3	82.7
Intangible assets, net	75.7	79.9
Available-for-sale financial assets	0.1	0.1
Deferred income tax assets	2.9	2.6
Other non-current assets	-	0.1
Total non-current assets	171.9	180.1
Current assets		
Inventories	0.9	2.2
Trade and other receivables	5.8	5.7
Cash and cash equivalents	11.0	13.4
Other current assets	9.8	5.6
Assets classified as held for sale	0.6	-
Total current assets	28.1	26.9
Total assets	200.0	207.0

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Consolidated Balance Sheets
(Unless otherwise stated US Dollars in thousands)

	September, 30 2011 (Unaudited)	Dec, 31 2010 (Audited)
EQUITY		
Capital and reserves attributable to equity holders of the company		
Share capital	8.0	8.0
Additional paid-in capital	683.1	683.1
Translation reserve	17.2	18.6
Accumulated losses	-628.6	-618.9
	79.7	90.8
Non-controlling interests	0.9	1.3
Total equity	80.6	92.1
LIABILITIES		
Non-current liabilities		
Financial liabilities - Senior credit facility	70.0	56.8
Deferred income tax liabilities	15.3	16.3
Other non-current liabilities	-	-
Total non-current liabilities	85.3	73.1
Current liabilities		
Financial liabilities - Senior credit facility	1.0	13.4
Financial liabilities to non-controlling interests	10.1	9.0
Trade and other payables	10.6	11.9
Due to shareholders	2.7	0.2
Current income tax liabilities	0.3	0.1
Other current liabilities	8.6	7.2
Liabilities directly associated with assets classified as held for sale	0.8	-
Total current liabilities	34.1	41.8
Total liabilities	119.4	114.9
Total liabilities and equity	200.0	207.0

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

	September, 30 2011	September, 30 2010
	(Unaudited)	(Unaudited)
Sales	108.7	106.9
Cost of sales	-58.1	-53.3
Gross profit	50.6	53.6
Marketing, selling and distribution expenses	-12.8	-10.1
General administrative expenses	-35.5	-37.3
Other income / expense, net	1.5	0.8
Operating profit	3.8	7.0
Financial income / expense, net	-10.4	-4.3
(Loss) / profit before income taxes	-6.6	2.7
Income tax expense	-1.4	-4.3
Net loss for the period	-8.0	-1.6
Attributable to:		
Equity holders of the parent	-9.7	-3.1
Minority interest	1.7	1.5
	-8.0	-1.6
Weighted average number of ordinary shares in issue (thousands)	50,000	50,000
Basic and diluted losses per share for profit from operations attributable to the equity holders of the parent during the period (expressed in full US Dollar per share)	-0.194	-0.062

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 167 print titles, and hosts 25 websites, with 15.6 million unique monthly visitors.

Trader Media East was incorporated in November 2005. It employs 3,566 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, Bosnia & Herzegovina, Serbia, Hungary, Kazakhstan, 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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