

Hürriyet

trader
media
east

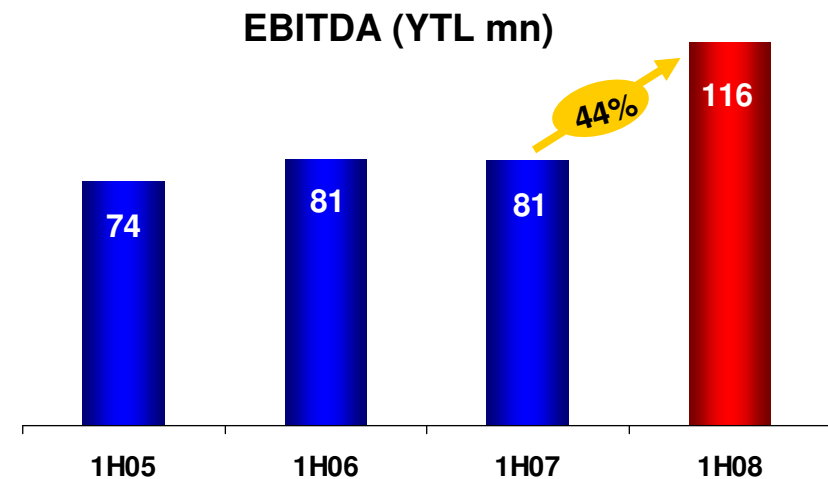
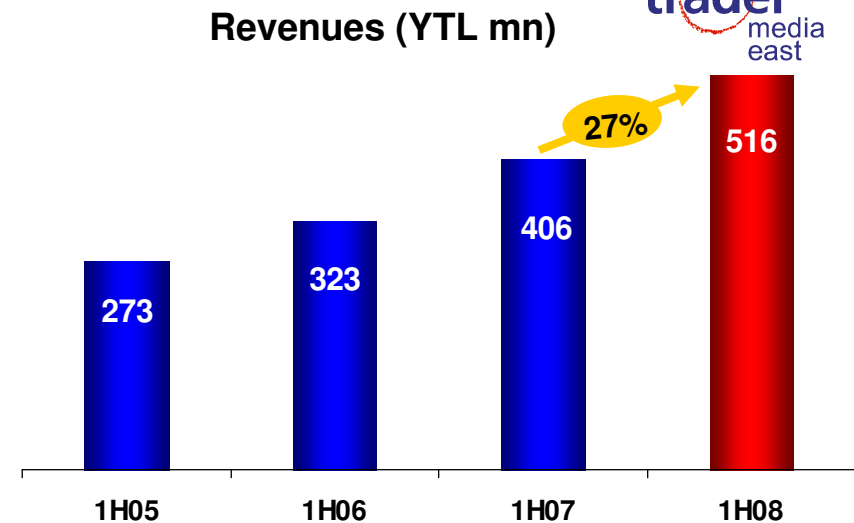
Review of 2Q08 Results

28 August 2008

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- The information contained in this document has not been independently verified. No representation or warranty express or implied is made as to and no reliance should be placed on, the accuracy, completeness, correctness or fairness of the information or opinions contained herein. Neither the company nor any of its affiliates, advisors or representatives shall have any liability whatsoever (for negligence or otherwise) with respect to any loss howsoever arising from any use by third parties of this presentation or its contents or otherwise arising in connection with it.
- Turkish ad market figures are estimates of DYH; based on currently available data. Ad market statistics may show inconsistency with IFRS figures.
- Balance sheet figures include TME. TME P&L figures were consolidated starting from 2Q07.
- CMB changed the reporting format as of March 2008. Balance sheet and P&L statements in this presentation are prepared accordingly.

1H08 Financial Results: Summary

- Consolidated revenues increased by 27%, to YTL 516 million in 1H08.
 - Excluding TME, Hürriyet's ad revenues rose by 10.4%.
 - Consolidated online revenues surged by 96%; as a result of which online revenues reached 7% of total ad revenues. Excluding TME, Hürriyet's internet revenues increased by 41%.
- EBITDA increased by 44% to YTL 116 million. The EBITDA margin rose to 22.5% in 1H08 versus 19.9% in 1H07.
 - EBITDA margin for Hürriyet excluding TME was 25.9% in 1H08 , up from 18.8% in 1H07.
 - TME stand-alone EBITDA margin was 18% in 1H08, compared to 20.6% in 1H07.
- YTL 46.7 mn of net profit was registered in 1H08.



1H08 Consolidated IFRS Results



(YTL mn)	1Q08	2Q08	2Q07	%Ch. (2Q 08/ 07)	1H08	1H07	%Ch. (1H 08/ 07)
Total revenues	226,1	289,8	265,2	9%	515,9	405,7	27%
Ad revenues (print)(1)	148,4	203,7	182,6	12%	352,2	260,5	35%
Ad revenues (online)	12,5	13,7	9,4	46%	26,2	13,4	96%
Circulation revenues	27,6	27,6	29,2	-6%	55,1	52,1	6%
Printing revenues	26,7	30,1	30,2	0%	56,8	61,3	-7%
Other revenues	11,0	14,7	13,7	7%	25,7	18,4	40%
Cost of sales	-132,5	-158,3	-145,0	9%	-290,8	-248,9	17%
Operating expense	-69,4	-84,8	-76,4	11%	-154,2	-111,0	39%
Marketing, sales and distribution	-29,8	-38,9	-40,3	-4%	-68,7	-65,0	6%
General administrative	-39,7	-45,9	-36,1	27%	-85,5	-46,0	86%
Other operating expenses (net)	-0,2	59,1	-1,1	-	58,9	-1,8	-
Operating profit	24,0	105,8	42,6	148%	129,9	44,0	195%
Income/loss from investments	-2,8	-1,0	-8,4	-	-3,7	-9,1	-
Financial expense (net)	-54,6	15,4	17,6	-	-39,2	23,8	-
Profit before tax from continuing operations	-33,3	120,3	51,8	132%	87,0	58,7	48%
Tax	-0,3	-17,1	-14,7	-	-17,4	-15,5	-
Net profit from continuing operations	-33,6	103,1	37,1	178%	69,5	43,2	61%
Profit / loss from discontinued operations	-1,1	-0,2	-0,3	-	-1,2	-0,3	-
Minority Interest	-1,0	-20,6	-2,4	-	-21,6	-2,4	-
Net profit	-35,6	82,3	34,4	139%	46,7	40,6	15%
Depreciation	19,1	19,9	16,3	22%	39,0	28,6	36%
Amortised cost valuation	3,1	3,0	3,3	-9%	6,2	6,1	1%
Adj.EBITDA	46,4	69,7	63,5	10%	116,1	80,6	44%
EBITDA Margin	20,5%	24,0%	23,9%	-	22,5%	19,9%	-

(1) Excludes amortized cost valuation income, which is part of ad revenues classified under interest income according to IFRS regulations.

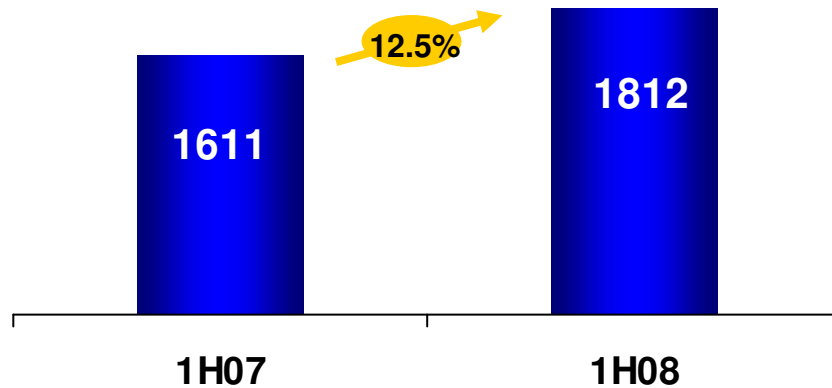
1H08 IFRS Results: Hürriyet excluding TME



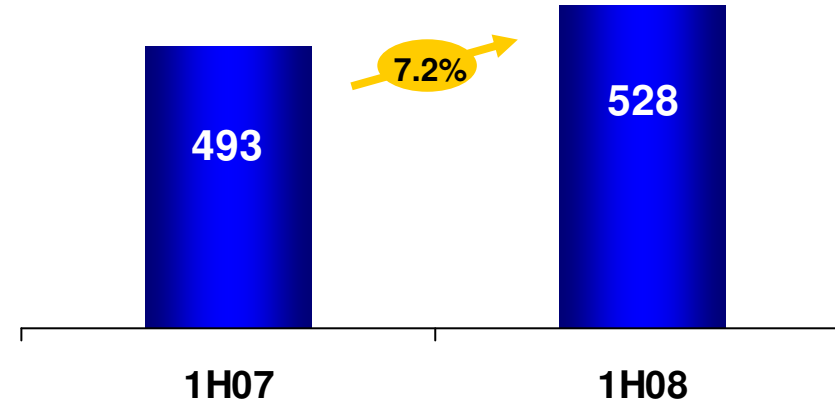
(YTL mn)	1Q08	2Q08	2Q07	%Ch. (2Q 08/ 07)	1H08	1H07	%Ch. (1H 08/ 07)
Total revenues	140,0	181,4	170,9	6%	321,4	311,4	3%
Ad revenues (print)(1)	83,6	121,0	109,6	10%	204,6	187,5	9%
Ad revenues (online)	5,7	5,4	3,9	37%	11,1	7,9	41%
Circulation revenues	18,7	18,8	19,9	-5%	37,5	42,7	-12%
Printing revenues	26,3	29,7	29,7	0%	56,0	60,9	-8%
Other revenues	5,6	6,5	7,7	-15%	12,1	12,4	-2%
Cost of sales	-90,3	-104,9	-106,5	-1%	-195,3	-210,5	-7%
Operating expense	-33,5	-41,8	-39,5	6%	-75,3	-74,0	2%
Marketing, sales and distribution	-22,2	-27,5	-28,2	-	-49,7	-52,8	-6%
General administrative	-11,3	-14,3	-11,3	-	-25,6	-21,2	21%
Other operating expenses (net)	0,4	1,8	-0,6	-	2,2	-1,4	-
Operating profit	16,6	36,5	24,3	50%	53,1	25,6	107%
Depreciation	14,1	12,0	13,2	-9%	26,1	25,5	3%
Amortised cost valuation	3,1	3,0	3,3	-9%	6,2	6,1	1%
Adj.EBITDA	33,4	49,8	41,5	20%	83,2	58,6	42%
EBITDA Margin	23,9%	27,4%	24,3%	-	25,9%	18,8%	-

(1) Excludes amortized cost valuation income, which is part of ad revenues classified under interest income according to IFRS regulations.

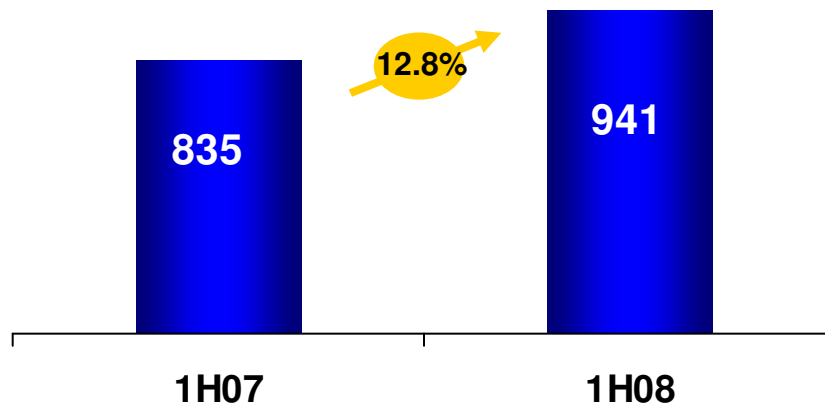
Total Ad Market (YTL mn)



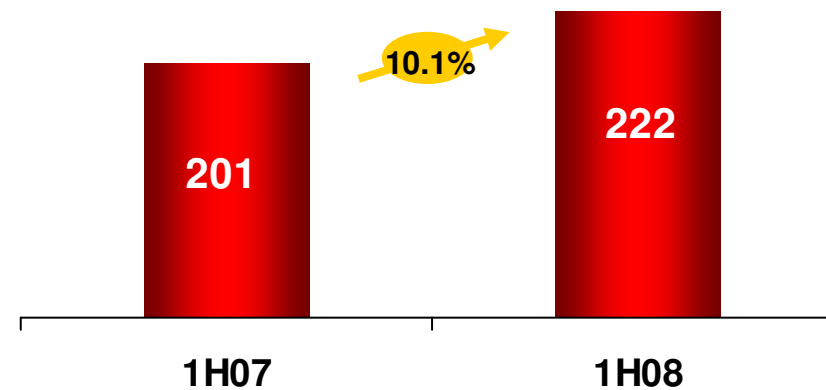
Newspaper Advertising (YTL mn)



TV Advertising (YTL mn)



Hürriyet Ad Growth ** (YTL mn)

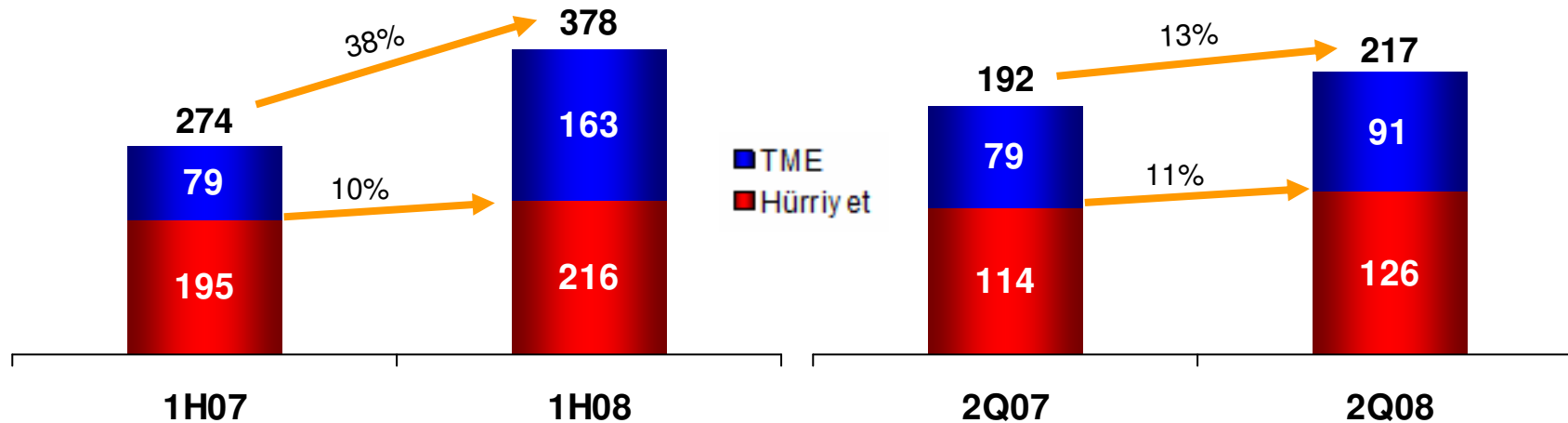


* Ad market statistics are estimates compiled by DYH ad platform .

** Hürriyet ad revenue figures include Referans, Daily News and internet ad revenues; excluding TME. Adjusted for amortized cost valuation income.

Ad revenue growth *

Ad Revenue (Print+online)

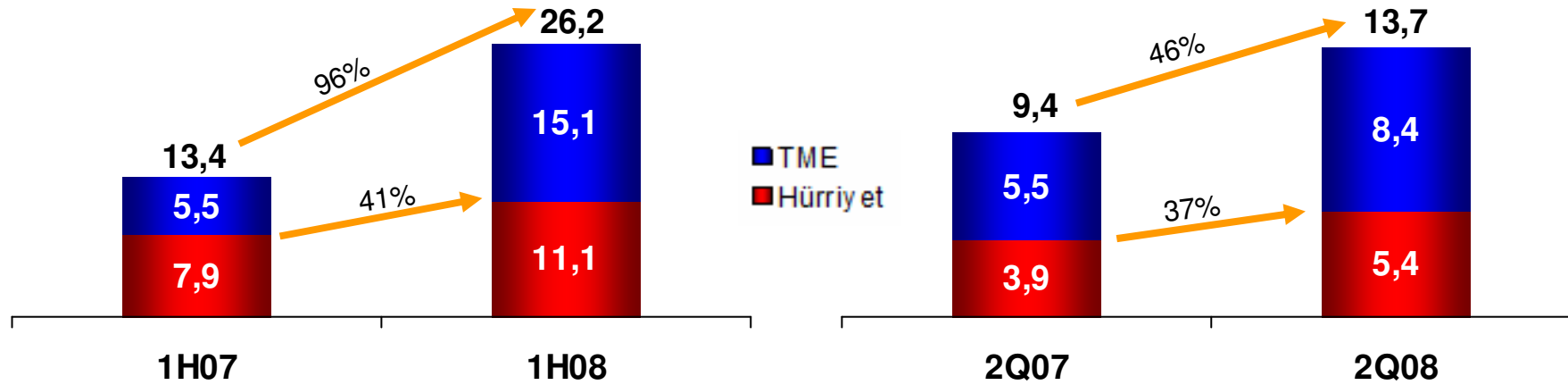


- Strong growth in ad revenues in the domestic market continued in 2Q08 as well.
- Among the top advertising sectors for Hürriyet, retail registered the highest growth, followed by textile, construction, tourism, and automotive.

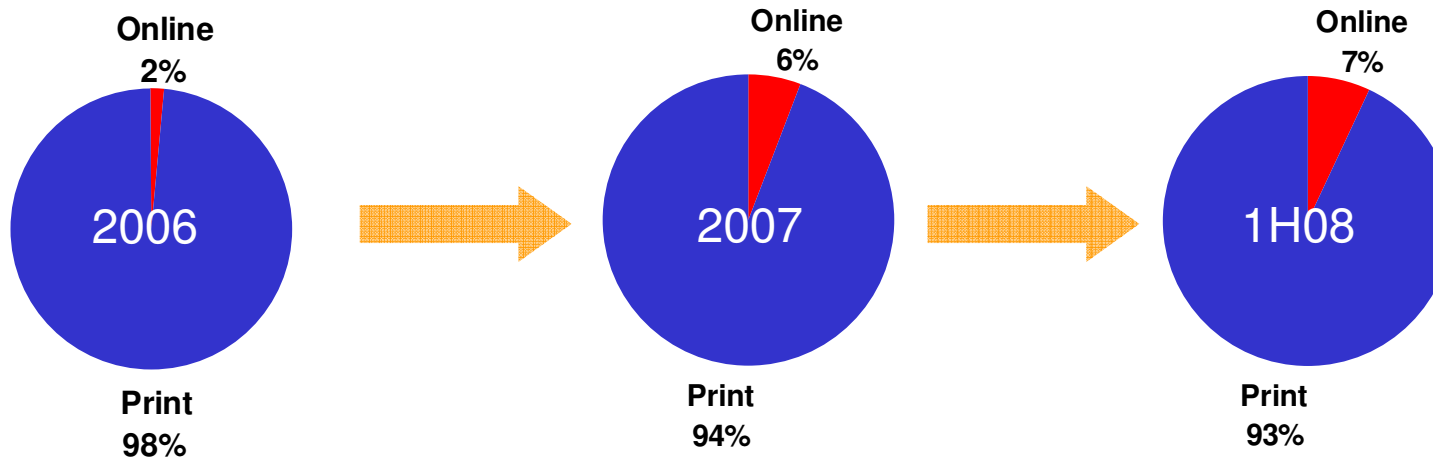
* Figures are YTL mn.

Online revenue growth *

Online revenue

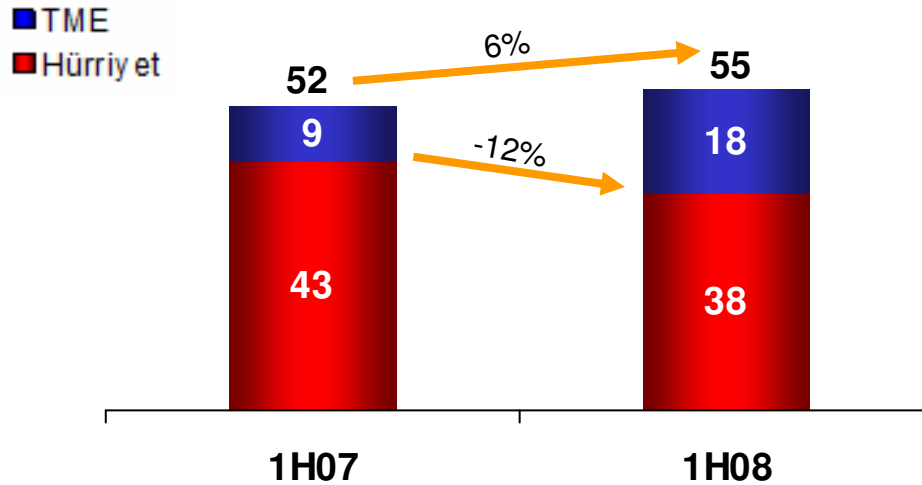


Online share in ad revenue



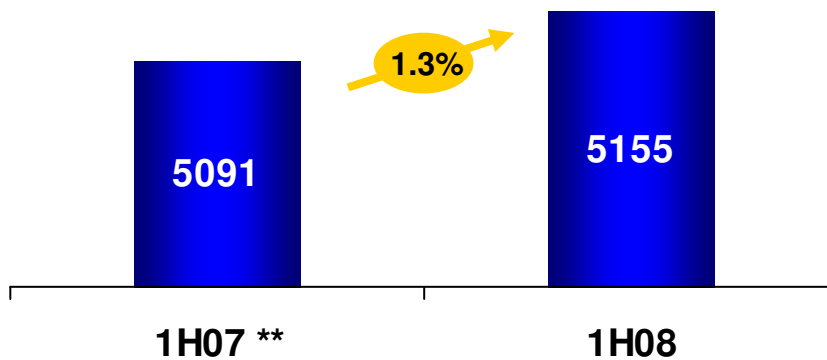
* Figures are YTL mn.

Circulation Revenues (YTL mn)

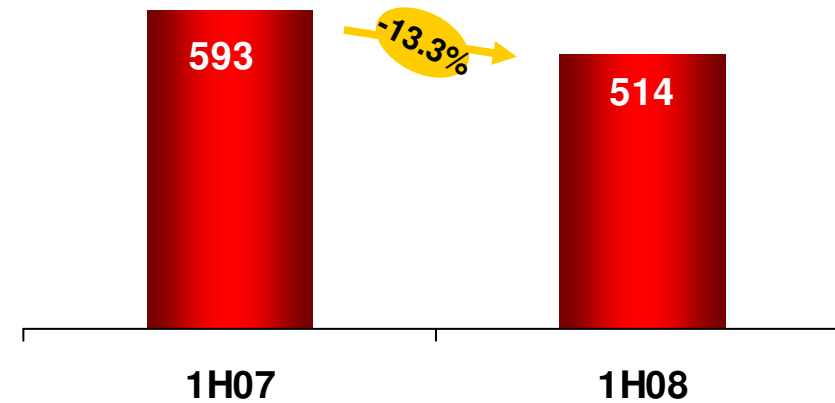


- Last year's circulation was inflated by heavy promotions. This year, with lower promotions, circulation declined to its normal level.

National Circulation (000)



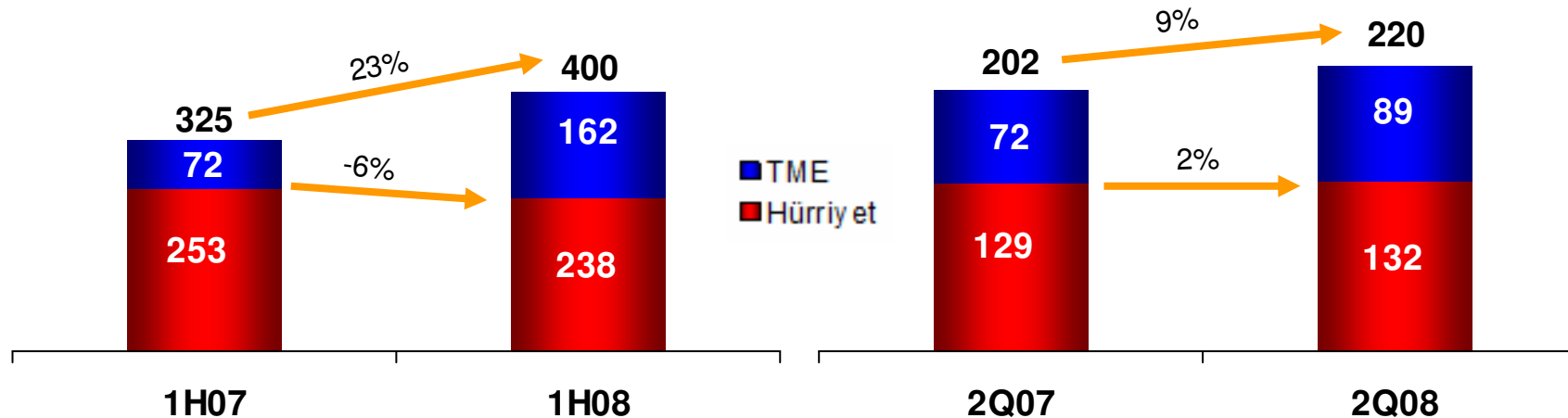
Hürriyet Circulation (000)



* Circulation figures are daily averages for related period. Total circulation figures are Dogan Dagitim estimates.

** 1H07 national circulation figures excludes Gözcü, which was closed down in April 07.

Cost analysis: cash costs *



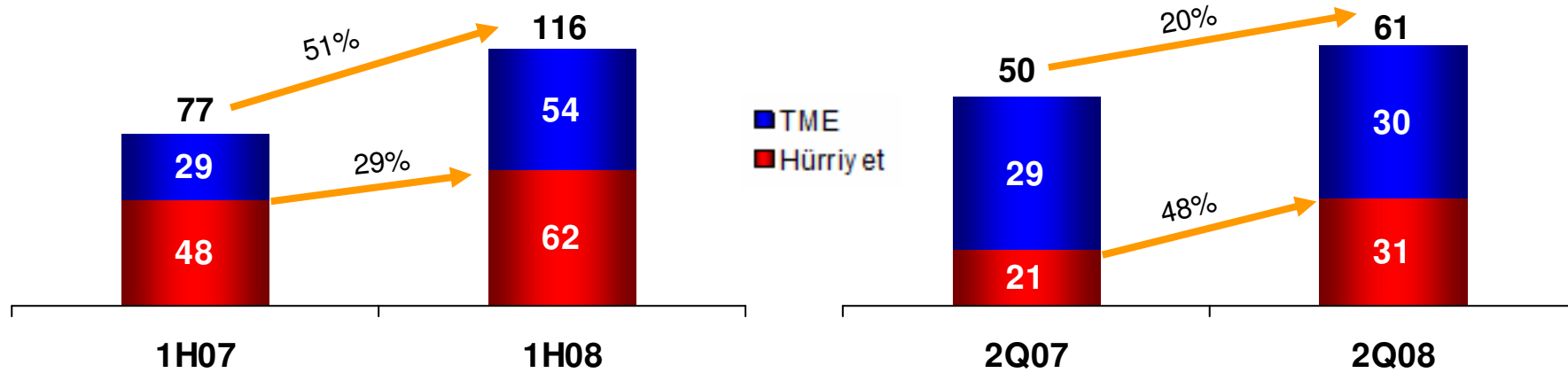
- Effective cash control, initiated in 2Q07 continues:
 - More effective marketing,
 - Control on the headcount, especially on the publishing side.
- As a result, despite higher newsprint prices and increased number of pages in 2Q08, the rise in cash costs remained very limited.
- Active cash control will continue in the rest of the year.

* Figures are YTL mn.
Cash costs are defined as EBITDA – Revenues.

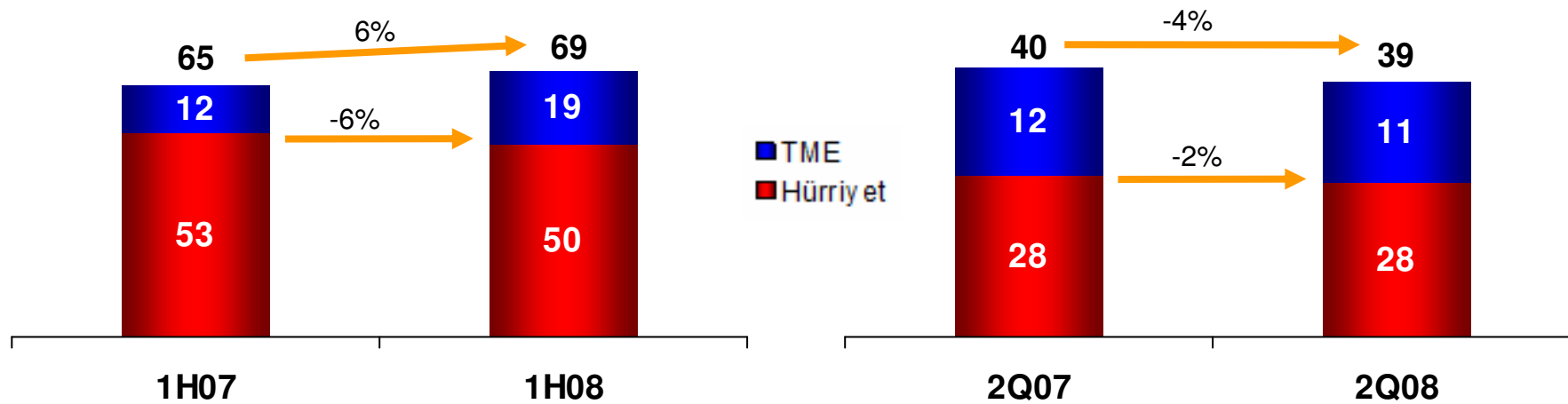
Cost analysis: personel costs and sales, marketing & distribution costs *



Personel costs



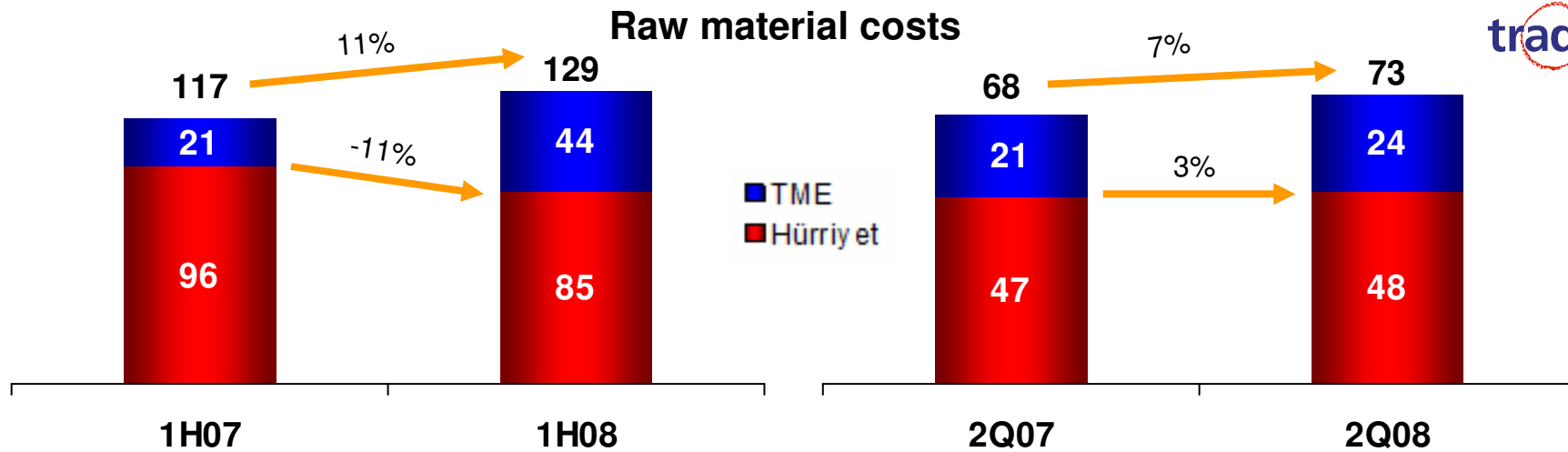
Sales, marketing and distribution costs



* Figures are YTL mn.

** Defined as EBITDA - Revenues

Raw material costs *

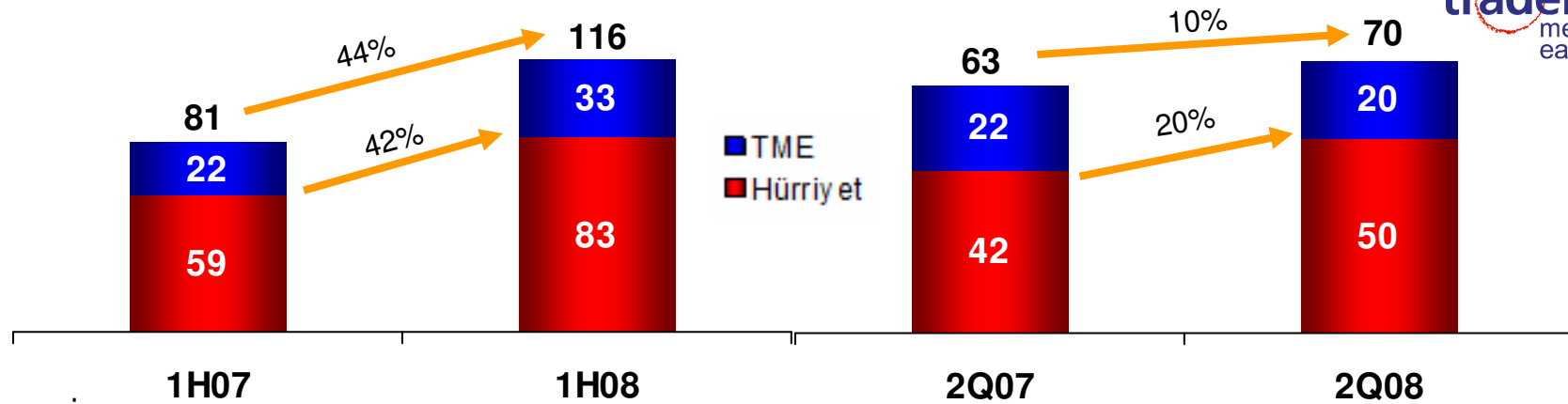


Hürriyet	2007	1H07	1H08	Δ (1Q08/1Q07)
Average number of pages	85	85	91	+6
Main paper	37	36	38	+2
Supplements	48	49	52	+3

- Factors affecting raw material costs:
 - 1% increase in US\$ newsprint prices in 1H08 versus 1H07;
 - Increase in the number of pages.
- However,
 - Stronger Turkish Lira;
 - and lower circulation limited the increase in raw material costs.

* Figures are YTL mn.

EBITDA



EBITDA margins

	1H07	1H08	2Q07	2Q08
Consolidated	19.9%	22.5%	23.9%	24.0%
Hürriyet **	18.8%	25.9%	24.3%	27.4%
TME	23.4%	16.9%	23.4%	18.3%

- EBITDA margin continued to improve for domestic operations.
- EBITDA margin for TME declined in 1H08 compared to 1H07, due to the ongoing restructuring in TME.
- The consolidated EBITDA margin rose to 23% in 1H08, versus 20% in 1H07.

* Figures are YTL mn.

** Hürriyet group excluding TME operations.

Net Debt Position



(mn YTL)	31.12.2007	31.03.2008	30.06.2008
Cash and Equivalents	140,0	189,7	231,3
S.T Bank Borrowings	41,4	127,5	156,9
L.T Bank Borrowings	516,7	509,2	417,9
Net Cash	-418,1	-447,0	-343,5
Investments	64,6	15,7	26,1
Supplier Loans	99,1	112,7	103,8

- Net debt position of YTL 451 mn includes TME's net debt of YTL 69 mn.

Recent developments on financial debt

- Proceeds from the sale of Polska.com used in early repayment of the syndication loan.
- €/ \$ swap, worth of USD 80,3 mn: A portion of our USD-denominated debt was converted to EUR, since we expect USD to appreciate against EUR in coming years. The share of USD in FX denominated payables dropped to 61% from 77%.

Currency Composition of all FX denominated payables

	USD	Euro	Others	Total
31.12.2007	75%	12%	13%	100%
30.06.2008	77%	12%	11%	100%

Currency Composition with the effect of USD/EUR swap transaction

30.06.2008	61%	28%	11%	100%
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- \$/YTL forward, worth of USD 15 mn: In order to hedge our USD/YTL currency risk, we have forward transactions with options, for various maturities until the end of the year.
- To hedge some of our FX rate risk against YTL depreciation, we keep %75 of our cash in FX, which covers our newsprint purchases and debt repayments until March 2009.

TME stand-alone: Consolidated statements of operations (IFRS)



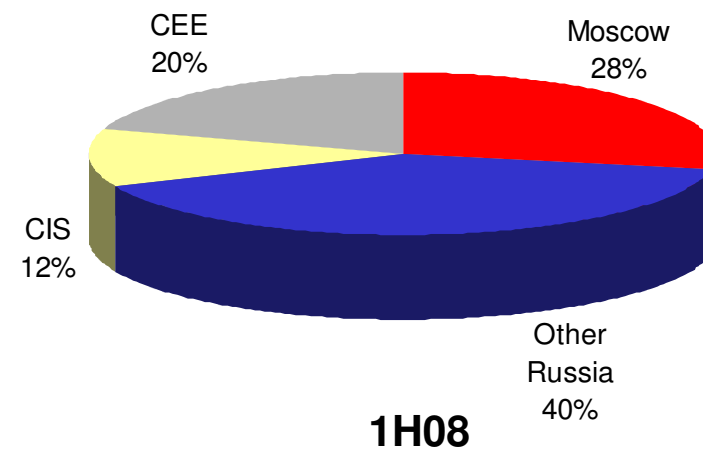
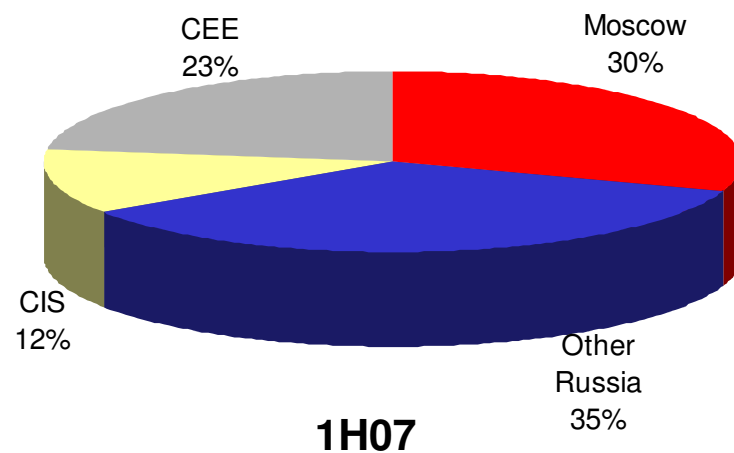
mn USD	1H07	1H08
Revenues	127,6	158,6
Cost of sales	-59,8	-78,2
Operating expenses		
Marketing, sales, distribution expenses	-8,2	-15,5
General and administrative	-37,3	-41,2
Other operating revenues	-	50,2
Other operating expenses	-1,1	-1,7
Operating profit	21,2	72,1
Financial income	0,1	9,5
Financial expenses	-7,4	-9,2
Continued operations profit/ (loss) before tax	14,0	72,4
Tax for continued operations	-11,1	-13,4
Continued operations profit/ (loss)	2,9	59,0
Discontinued operations loss after tax	0,0	-1,0
Profit/ (loss) for the period	2,9	58,0
Allocation of the profit/ (loss) for the period		
Minority interests	-3,3	-3,3
Majority interests	-0,5	54,8

Revenue Growth by Regions – TME standalone



Mn USD	1H07	1H08	Growth in USD terms
Russia	83.6	108.3	+ 29.5%
Moscow	38.5	44.5	+15.4 %
Other Russia	45.1	63.8	+ 41.5%
CIS	15.0	18.6	+ 23.7%
CEE	29.0	31.7	+ 9.5%
Total	127.6	158.6	+ 24.7%

Revenue Breakdown by Regions

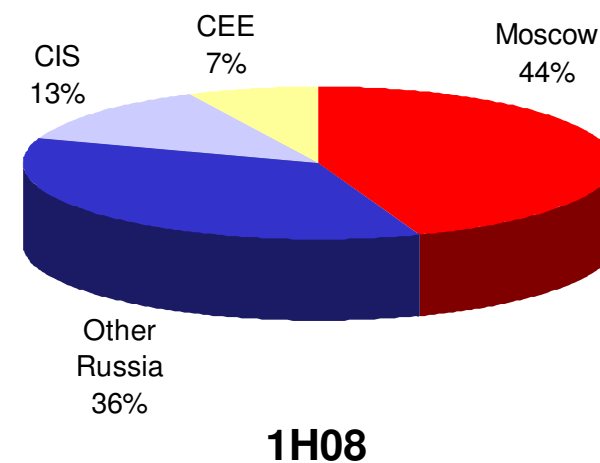
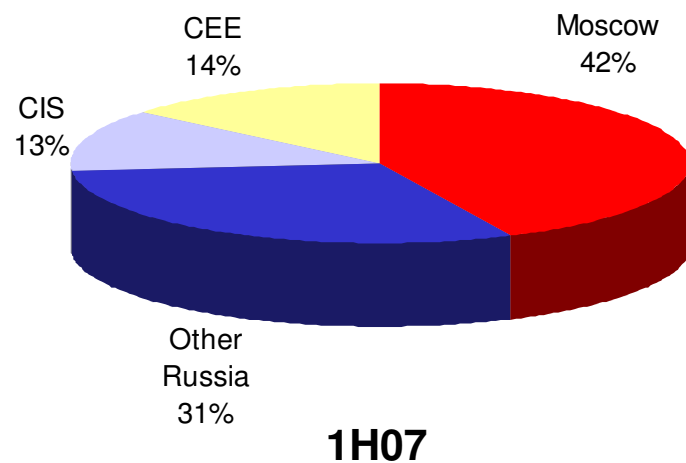


EBITDA by Regions – TME standalone



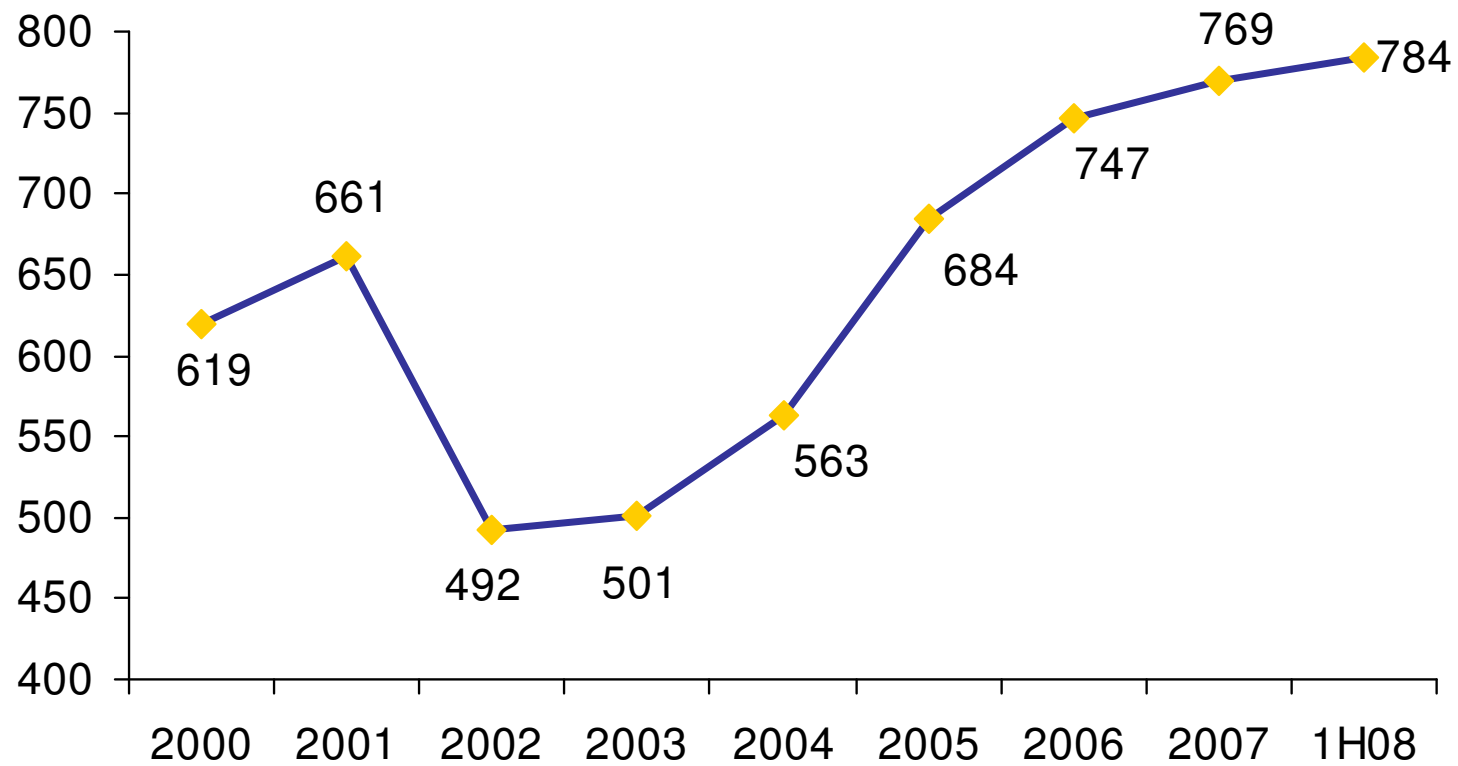
Mn USD	1H07	1H08	Growth	EBITDA margin 1H07	EBITDA margin 1H08
Russia	26.2	28.9	+ 10.2%	31.3%	26.7%
Moscow	15.3	16.0	+ 4.7 %	39.7%	36.0%
Other Russia	10.9	12.9	+ 18.2%	24.1%	20.1%
CIS	4.5	4.5	+ 0.9%	30.0%	24.4%
CEE	4.9	2.6	- 46.9%	16.9%	8.2%
Operational EBITDA	35.6	36.0	+ 1.2%	27.9%	22.7%
Consolidated EBITDA	26.3	28.5	+ 8.4%	20.6%	18.0%

EBITDA Breakdown by Regions



- Ad revenues of Hürriyet in domestic market, including online, is expected to grow by 10% in 2008.
- Promotion activity is expected to remain low.
- The average newsprint price in 2008 is expected to be around 10% higher than 2007.
- Active cost control will continue throughout the year.
- EBITDA margin for domestic operations is expected to increase by 3-4 percentage points in 2008 vs 2007.
- The strong revenue growth in TME is expected to continue. The growth guidance for 2008 is set as 17%-18% in local currency and 24% in US\$.
- The ongoing restructuring process in TME –especially the headquarter relocation- and the marketing costs necessitated by the competition in Moscow will result the EBITDA margin of TME to remain flat in 2008.
- Internet launches continues in Russia, CIS and Hungary.

Average Newsprint Costs (US\$)



* Including all costs and expenses like custom duties, transportation etc.

Hürriyet's major advertisers



Sectors	1H07	1H08
Real Estate	14%	15%
Classifieds (incl. HR)	15%	14%
Automotive	11%	11%
Retail	6%	8%
Finance	8%	7%
Tourism	7%	7%
Social	5%	5%
Textile	3%	4%
Furniture & home textile	3%	2%
Electronic home appliances	3%	2%
First 10 Total	75%	75%
Others	25%	25%

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