EARNINGS UPDATE ***April 14, 2008***

DOGAN HOLDING

2007 RESULTS

(DOHOL.IS)

Conglomerate

Current Share Price:	YTL1.53 / USD1.18	**Free Float Rate:**	34%
Current Mcap:	USD1,775mn	**Average Trading Volume:**	USD27.0mn
Target Mcap:	USD3,340mn	**Recommendation:**	OUTPERFORM (Maintained)
Upside Potential:	88%	**News effect:**	Neutral

Lower than expected earnings on new ventures in media…

Dogan Holding 2007 Consolidated Financial Highlights

USDmn	**4Q07**	4Q06	YoY Δ	3Q07	QoQ Δ	**2007**	2006	YoY Δ
Net Sales	**2,348**	1,693	39%	2,163	9%	**7,927**	8,372	-5%
Gross Profit	**277**	177	56%	237	17%	**873**	782	12%
Operating Profit	**51**	15	247%	59	-13%	**156**	175	-10%
EBITDA	**135**	79	71%	125	7%	**432**	426	2%
Net Income	**32**	18	75%	58	-45%	**304**	623	-51%
Net FX Position	**-959**	-683	40%	-428	124%	**-959**	-683	40%
Gross Margin	**11.8%**	10.5%	131 bps	11.0%	83 bps	**11.0%**	9.3%	167 bps
Operating Margin	**2.2%**	0.9%	131 bps	2.7%	-53 bps	**2.0%**	2.1%	-11 bps
EBITDA Margin	**5.7%**	4.6%	109 bps	5.8%	-6 bps	**5.5%**	5.1%	37 bps
Net Margin	**1.4%**	1.1%	29 bps	2.7%	-132 bps	**3.8%**	7.4%	-361 bps

Dogan Holding reported USD304mn net income in 2007, below market consensus of USD327mn and significantly lower than our expectation of USD449mn. Deviation of our expectation mainly results from lower than expected performance of the media segment due to new ventures such as Hurriyet's broadcasting subsidiary Kanal D Romania.

- Consolidated revenues declined by 5% YoY in 2007, mainly due to adoption of proportionate consolidation method for Petrol Ofisi after the stake sale to OMV in May, 2006. Petrol Ofisi (POAS) was fully consolidated until the sale of its 34% share to OMV (for USD1,054mn). Assuming that POAS was proportionately consolidated in 2006, revenues would have risen by 14% YoY. On a QoQ basis, revenues increased by 9% mainly due to higher performance of the media segment in 4Q07. TME (67.3% subsidiary of Hurriyet) was fully consolidated starting from 2Q07. TME's contribution is a factor in the 75% YoY surge of revenues in 4Q07.
- EBITDA in 2007 came in at USD432mn, remaining flat, slightly lower than market expectation of USD450mn. However, EBITDA recorded a YoY increase of 71% in 4Q07, fuelled by 229% YoY increase in Hurriyet's and 40% YoY increase in POAS' EBITDA. Higher rise in EBITDA compared to the increase in revenues, brought an improvement in operational profitability in 4Q07, which is observed from the 109 bps surge in EBITDA margin. EBITDA margin reached 5.7% in 4Q07 from its 4.6% level in 4Q06 thanks to high-margin TME operations.
- Net income declined by 51% in 2007, mainly due to the base effect stemming from POAS stake sale in 2006. Moreover, POAS tax settlement payment of USD275mn also put pressure on net income. On the other hand, Dogan Holding recorded USD462mn of profit from the sale of 25% share in Dogan TV and USD72mn of profit from 58% stake sale in Ray Sigorta. On a QoQ basis, net income declined by 45% due to diminishing FX gains and net interest revenues in 4Q07. Dogan Holding booked USD29mn of net FX gain (USD54mn in 3Q07) and USD12mn of net interest revenue (USD18mn in 3Q07) in 4Q07.
- Dogan Holding is trading at 46% discount to its current NAV, while the two-year historic average discount in 23%. Our target NAV for Dogan Holding with 15% holding discount stands at USD3,340mn, implying an upside potential of 88%. We maintain our "OUTPERFORM" recommendation.

Yurdal Yalman
Assistant Gen. Manager
yurdal.yalman@oyakmenkul.com.tr
+90 212 319 1301

Ezgi Ozturk
Analyst
ezgi.ozturk@oyakmenkul.com.tr
+90 212 319 1416

- Currently, holding-only net cash position stands at USD1,208mn. We made the adjustment to the holding's NAV for the slight increase in holding-only net cash position (which was previously USD1,187mn) and revised our target NAV to USD3,340mn from USD3,322mn. With such a large pile of cash, Dogan Holding will be a strong bidder in the upcoming energy and national lottery privatizations in our view. In addition, according to the management guidance more than half of the cash is kept in FX, creating an advantage in times of financial volatility.

Summary Balance Sheet (USDmn)	2007	9M07	QoQ Δ	2006	YoY Δ
CURRENT ASSETS	**3,958**	**3,759**	**5%**	**3,082**	**28%**
Liquid Assets	2,050	2,006	2%	1,696	21%
Short-Term Trade Receivables	1,198	1,051	14%	879	36%
Inventories	513	509	1%	374	37%
Other Current Assets	197	192	2%	132	49%
LONG TERM ASSETS	**3,865**	**3,490**	**11%**	**2,528**	**53%**
Long-Term Financial Assets	24	10	148%	3	671%
Tangible Fixed Assets	1,272	1,197	6%	1,006	26%
Intangible Fixed Assets	2,407	2,153	12%	1,433	68%
Other Long-Term Assets	162	130	24%	86	89%
TOTAL ASSETS	**7,822**	**7,249**	**8%**	**5,609**	**39%**
SHORT TERM LIABILITIES	**1,446**	**1,457**	**-1%**	**1,310**	**10%**
Short-Term Financial Loans	559	469	19%	399	40%
Short-Term Trade Payables	748	773	-3%	713	5%
Other Short-Term Liabilities	139	214	-35%	198	-30%
LONG TERM LIABILITIES	**2,095**	**1,800**	**16%**	**1,019**	**106%**
Long-Term Financial Loans	1,301	1,200	8%	883	47%
Long-Term Trade Payables	315	423	-26%	0	nm
Other Long-Term Liabilities	294	176	67%	136	116%
MINORITY INTERESTS	1,040	554	88%	906	15%
SHAREHOLDERS EQUITY	**3,241**	**3,087**	**5%**	**2,411**	**34%**
TOTAL LIABILITIES AND S.HOLDERS EQUITY	**7,822**	**7,249**	**8%**	**5,609**	**39%**

Financial Ratios					
Debt/Equity	57.4%	54.1%		53.2%	
Current Ratio (x)	2.74	2.58		2.35	
Trade receivables day	54	51		38	
Stock Turn.	26	28		18	
Trade payables day	38	42		34	
Cash Cycle	42	37		22	

DOGAN HOLDING

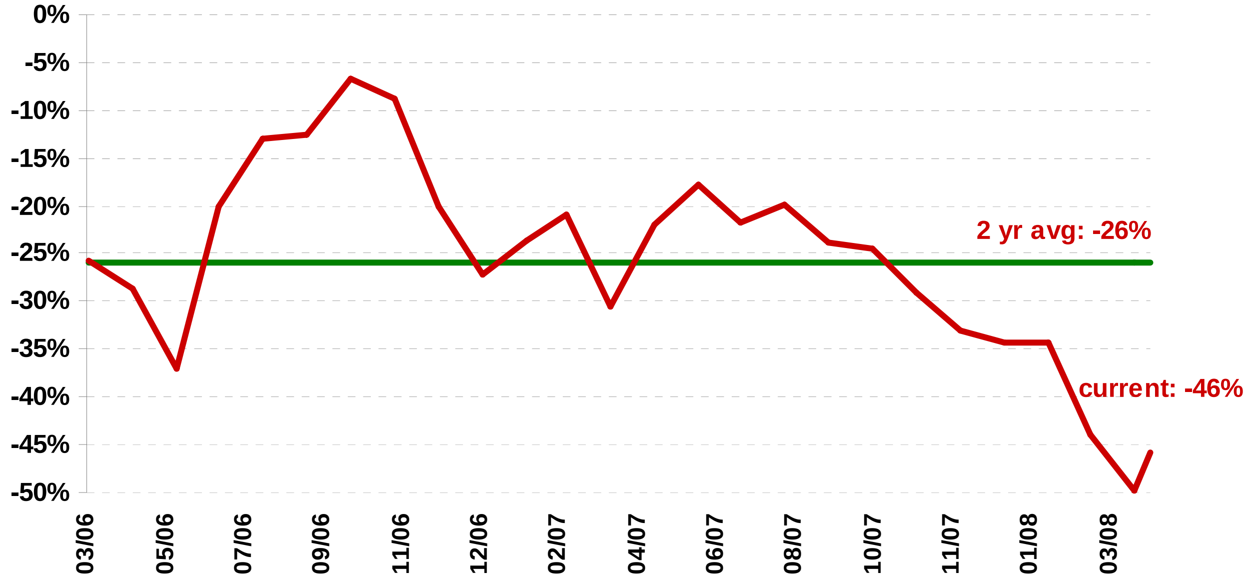
NET ASSET VALUE (NAV) BREAKDOWN

Segment/Company	Business Line	Valuation Basis	Share Price/ Valuation Multiple	Total Value USD mn	Current NAV: Holding's Stake %	Current NAV: Holding's Stake USD mn	Current NAV: % of NAV	Target NAV: Target Value USD mn	Target NAV: Holding's Stake USD mn
Media									
Dogan Yayin Holding	Media	Market Cap	2.72	1,301	63.4	824	25.1%	1,789	1,134
Energy									
Petrol Ofisi		Market Cap	5.60	2,130	53.8	1,145	34.9%	2,762	1,485
Others									
Ditas Dogan	Automotive Parts	Market Cap	2.30	18	60.4	11	0.3%	18	11
Celik Halat	Steel Wires	Market Cap	3.12	36	67.5	24	0.7%	36	24
Milpa	Trade & Marketing	Market Cap	1.52	42	65.0	28	0.8%	42	28
Ray Sigorta	Insurance	Market Cap	3.94	198	20.0	40	1.2%	198	40
Total						**102**	**3.1%**		**102**
Total Subsidiaries						**2,072**	**63.2%**		**2,721**
Listed						2,072	63.2%		2,721
Unlisted						-	0.0%		-
Net Cash - Holding only						1,208	36.8%		1,208
TOTAL NET ASSET VALUE						**3,280**			**3,340 ***
DOGAN HOLDING			**1.53**			**1,775**			**1,775**
Discount (-) or Premium to NAV						**-46%**			**-47%**

Source: Oyak Securities

*Incorporating 15% holding discount

DOHOL: Historic Discount to Current NAV



Valuation Approach

Valuation tools employed most frequently are Discounted Cash Flow (DCF) and International Peer Group Comparison, though other metrics such as Dividend Discount, Gordon Growth, and Replacement Value Methods are also used wherever appropriate. Oyak Securities analysts may calculate the target return of each stock considering only one method or assigning different weights to more than one method depending on the analyst's opinion. The "Expected Market Return" **(EMR)** of the ISE-100 is determined through aggregate target returns of each stock under coverage based on their respective free float market capitalisation. Our coverage accounts for around 80% of the total market capitalisation of the ISE.

Rating Methodology

Oyak Securities assigns recommendations to each stock according to the following criteria:

Price target for a stock represents the value analyst expects the stock to reach during our performance horizon, which is 12 months. For stocks with an OUTPERFORM recommendation, target return must exceed the EMR by at least 10% over the next 12 months. For a stock to be classified as UNDERPERFORM, the stock must be expected to underperform the EMR more that 10% over the next 12 months. Stocks that an analyst expects to perform parallel to the EMR within a band of +/- 10% are rated as MARKETPERFORM.

Summary of our Rating Methodology

Rating	Target Return of Stock
OUTPERFORM	> Expected Market Return (%) + 10%
MARKETPERFORM	= Expected Market Return (%) +/- 10%
UNDERPERFORM	< Expected Market Return (%) - 10%

Oyak Securities analysts review their recommendations under continuous screening. Nevertheless, at times, target return of a stock may be allowed to move outside our rating intervals as a result of share price fluctuations. Under such circumstances, the analyst may choose not to change his/her recommendation.