Rating Action: Dogan Yayin Holding AS

Moody's reviews Dogan Yayin Holding's Ba3 ratings for downgrade

London, 22 October 2008 -- Moody's Investors Service has today placed the Ba3 foreign and domestic currency Corporate Family Ratings and the Ba3 Probability of Default Ratings of Dogan Yayin Holding A.S. ("DYH" or "the Group") on review for possible downgrade. At the same time, DYH's Baa1.tr Turkish National Scale Ratings were also placed on review for possible downgrade.

Today's rating action follows a detailed assessment of DYH's results for H1 2008 together with the review of management's preliminary guidance, and reflects Moody's view that the Group's new venture investments in broadcasting and retail segments which began in 2007 and continued into H2 2008, together with additional investments, such as in the directory business Katalog-Bravoo, will continue to absorb a far greater proportion of the group's cash generation and debt capacity than had been originally assumed when the ratings were assigned; such that leverage as measured by Net debt/EBITDA (as adjusted by Moody's) is likely to remain well above Moody's original expectations and guidance of 3x at the end of 2008 with Net Debt/LTM EBITDA (as reported by the company), now standing at around 4x as of June 2008.

Looking prospectively into 2009, although Moody's acknowledges that EBITDA may settle at more normalized levels, Moody's cautions that, from a leverage standpoint, the prospects of an improvement are likely to be rather limited considering our expectation of potentially weaker advertising market growth in 2009, together with Moody's view that, associated with the Group's strategy to diversify beyond its core markets, DYH is likely to continue to invest in its own business as well as seek other inorganic growth potentials as opportunities arise. Additionally, the sharp depreciation of the Turkish currency (YTL) against the US dollar further undermines the group's financial risk profile, as a meaningful share of the group's net debt is denominated in US dollars. Therefore, Moody's believes there is a high probability of at least a one-notch downgrade.

The rating review will focus on DYH's operational and ad market outlook for the remainder of 2008 and into 2009 together with the Group's cost-cutting plans, and the resultant impacts on the group's free cash flow generation capacity, its credit metrics (i.e. Debt/EBITDA) and its liquidity profile - particularly at DoganTV - over the next 12 to 18 months. Moody's aims to conclude the review promptly following the publication of DYH's Q3 2008 results which will be announced on 13 November 2008.

Moody's notes that this rating action is not triggered by the Capital Markets Board of Turkey's recent suggestion relating to the Group companies' procurement policies relating to newsprint being sourced through affiliated companies owned by the Dogan Family, and does not incorporate any potential financial impact -- should there be any - at this stage. Nevertheless, Moody's notes that adverse regulatory actions could negatively impact the market positioning of the company.

The last rating action was implemented on 25 October 2007, when Moody's assigned Ba3 foreign currency and Ba3 domestic currency Corporate Family Ratings, a Turkish National Scale Rating of Baa1.tr and a Probability of Default Rating of Ba3 to DYH.

Headquartered in Istanbul, Turkey, DYH is the country's leading media conglomerate. Dogan Sirketler Grubu Holding A.S. owns 63% of DYH's equity, while 34% of DYH's shares are publicly quoted on the Istanbul Stock Exchange; the remainder is owned by the Dogan Family. In 2007, the Group reported revenues of YTL2.6 billion and EBITDA of YTL222 million under the financial reporting standards issued by Turkey's Capital Markets Board. As of 21 October 2008, DYH had a market capitalisation of YTL606 million.

London
Ayse Kayral
Analyst
Corporate Finance Group
Moody's Investors Service Ltd.
JOURNALISTS: 44 20 7772 5456
SUBSCRIBERS: 44 20 7772 5454

London
David G. Staples
Managing Director
Corporate Finance Group

Moody's Investors Service Ltd.
JOURNALISTS: 44 20 7772 5456
SUBSCRIBERS: 44 20 7772 5454