

Diversified Services  
Turkey  
Credit Analysis

**Dogus Holding A.S.**

**Ratings**

	Current Ratings
Foreign Currency	
Long-Term IDR	BB-
Local Currency	
Long-Term IDR	BB-

**Outlooks**

Foreign Long-Term IDR	Stable
Local Long-Term IDR	Stable

**Financial Data**

**Dogus Holding A.S.**

(IFRS Consolidated)	31 Dec 2007	31 Dec 2006
Revenue (TRYm)	5,682.2	5,283.3
Operating EBITDAR (TRYm)	977.4	852.0
Op. EBITDAR/revenues (%)	17.2	16.1
Op. EBITDAR/fixed charges (x)	38.6	20.9
Cash flow From operations	1,055.2	262.1
Free cash flow	420.2	-99.4
FFO/interest expense net of interest income (x)	-21.6	-4.2
Total debt (TRYm)	4,847.8	2,861
Closing net debt (TRYm)	3,745.4	1,219.6
Total adjusted debt/op. EBITDAR (x)	5.0	3.4
Total adjusted (recourse) debt/p. EBITDAR (x)	5.0	3.4
Adjusted leverage/FFO (x)	5.6	8.7

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**Related Research**

- [Republic of Turkey \(14 Jan 09\)](#)
- [Rating Industrial Investment Holding Companies \(22 May 08\)](#)
- [Parent and Subsidiary Rating Linkage \(Fitch's Approach to Rating Entities Within a Corporate Group Structure\) \(19 Jun 07\)](#)

**Rating Rationale**

- The revision on 8 January 2009 of Dogus Holding A.S.'s (Dogus) Outlook to Stable from Positive reflects a substantial increase in leverage at the holding company level since financial year 2006 (FY06). The industrial operations (i.e. excluding financial subsidiaries) net debt position was USD832m (approximately TRY1bn) at end-H108, having reversed from a net cash position of just under USD550m (approximately TRY770m) at financial year-end 2006 (FYE06). The company is exposed to foreign currency risk through its largely US dollar-denominated debt, against the backdrop of exchange rate volatility and the devaluation of the Turkish lira between September 2008-February 2009. This position is mitigated by around two-thirds of its revenues (excluding financial subsidiaries) being generated either in foreign currency or in local currency linked to the prevailing exchange rate.
- The additional debt has mainly been used by Dogus to finance its acquisition of an increased stake in its main asset Turkiye Garanti Bankasi A.S. (Garanti, 'BB'/Stable). Garanti's profitability, prevailing equity valuation and credit ratings remain important components of Dogus's consolidated profitability and the value of its asset portfolio – and, therefore, its credit ratings.

**Key Rating Drivers**

- The Stable Outlook reflects Fitch Ratings' expectation that Dogus will not increase its leverage further. Its diversified portfolio helps stabilise consolidated earnings and the debt profile to a certain extent. However, Fitch believes that Dogus's media and automotive subsidiaries are likely to endure an operating margin squeeze during 2009. Nonetheless, the agency feels that Dogus's subsidiaries should not prove to be burdens on the holding company in the intermediate term, given their moderate leverage.
- Credit positives focus on the strength of Garanti, while weaknesses include structural subordination, limited dividend income, and the high standalone leverage of the holding company. The holding company's future cash flows and ability to service its debt remain dependent on the interest income from its cash position, capital gains from potential asset or equity stake disposals from its investment portfolio, rental income from its real estate portfolio, and the operating profitability of its subsidiaries.

**Liquidity and Debt Structure**

Dogus reported USD1.7bn industrial gross debt and USD734m cash at end-Q308. On a standalone basis, the holding company had USD1bn gross debt and USD600m cash.

The increase in industrial net debt to USD1bn at end-Q308 from USD670m at FYE07 is largely due to the acquisition of an increased stake in the company's key investment – Garanti Bank. In July 2007, the holding company signed a USD300m five-year club loan facility. Dogus raised its stake in Garanti in December 2007 to 30.22% from 25.9%, partially funded by a seven-year USD560m loan raised in two installments during the first half of 2008. Dogus has sufficient liquidity to meet its debt servicing requirements in 2009-2010. In total, the holding company (on a standalone basis) has around USD300m in interest and principal payments spread over the 2009-2010 period. Industrial subsidiaries have a reasonably well-spread debt maturity profile over this period as well.

## Company Update

Dogus was established in 1975 to coordinate the activities of its subsidiaries, some of which have been operational since 1951. Members of the holding company board also sit on the boards of the various group companies. Garanti, Dogus Otomotiv A.S. (DOAS), Dogus GE Gayrimenkul Yatırım Ortaklığı A.S., Garanti Faktoring A.S. ('BB'/Stable), and Garanti Yatırım Ortaklığı A.S. are listed on the Istanbul Stock Exchange. Dogus continues to pursue diversification in its cash-generating base while reinforcing both its financial and non-financial businesses (please refer to the diagram at the end of this report for a detailed outline of the group structure).

## Methodology

Fitch has applied its parent and subsidiary rating linkage methodology in the rating of Dogus, concluding that a weak relationship exists between Dogus and its major associate, Garanti. The agency has also applied its methodology for rating industrial investment holding companies. In summary, credit positives focus on the strength of Garanti while weaknesses include structural subordination and the high standalone leverage of the holding company, with debt service partly reliant on one-off asset disposals.

The spreadsheet annex refers to Dogus's consolidated IFRS financials, although Fitch also bases its analysis on the summary standalone financials of privately-owned Dogus Holding and its subsidiaries and associates, including publicly listed Garanti and DOAS. The agency continues to take account of the creditworthiness of Dogus's financial and non-financial businesses, as these provide dividend and service income and are also of significant value as assets.

Fitch has made an exception to its industrial investment holding company rating methodology where the agency would normally analyse the full standalone financial statements of the holding company under consideration in addition to its consolidated financials.

## Credit Strengths

Garanti benefits from good operating profitability and a strong franchise in the local banking market, making it the second-largest privately-owned commercial bank in Turkey in terms of asset size. Dogus proportionately consolidates Garanti results at 30.22%, starting with its FY07 financials. Garanti and its financial subsidiaries accounted for 71% of group EBITDA and 82% of the asset base at end-Q308. (please refer to Fitch's credit update on Garanti, dated 26 June 2008, available on [www.fitchratings.com](http://www.fitchratings.com).)

DOAS, the automotive subsidiary, an importer and distributor in the passenger car, light commercial and heavy commercial vehicle segments with a 10.6% overall market share in Turkey, is also a one-third partner in the TUVTURK consortium that operates the motor vehicle inspection stations in Turkey. Fitch expects this venture to bring a certain degree of stability to the automotive division's revenues and earnings in 2009 and beyond. Considering the state of new automotive sales at both the global and local level, inclusion of a recurring service revenue stream to DOAS's overall financial profile would be a credit positive. DOAS reported TRY1.7bn in revenue and TRY48m in EBITDA in Q308.

## Credit Concerns

Overall, structural subordination of the holding company, limited dividend income and high leverage at the holding company level remain credit concerns. Dogus's limited dividend income, due to the expected operating profitability squeeze in its automotive and media divisions, limits its possible sources of cash generation. Dogus continues to benefit from interest income from its cash holdings, capital gains from potential asset or equity stake disposals from its investment portfolio, and rental income from its real estate portfolio, although these are unlikely to

cover debt service and maturities, and the holding company remains inherently reliant on asset sales.

Dogus increased its debt in 2008. Based on Q308 results, Dogus consolidated industrial net debt increased to USD1.0bn from USD550m net cash at FYE06. The holding company raised a seven-year USD560m loan in two instalments during January-June 2008, to fund part of its acquisition of an additional equity stake in Garanti in December 2007. Being the largest contributor to consolidated EBITDA and assets, Garanti's profitability, prevailing equity valuation and credit ratings remain important components of Dogus's credit ratings. Garanti has retained its earnings and chose not to pay cash dividends to its shareholders in the recent years.

DOAS is the largest asset and EBITDA contributor within the group's industrial subsidiaries. The domestic automotive market contracted by 17% in volume terms in FY08, and Fitch expects it to remain depressed in 2009 and to contract by a further 15% at least. After Garanti, DOAS is the second-largest potential dividend generator for the group. DOAS paid out TRY22.5m in cash dividends in 2008 (out of its FY07 earnings). However, the dividend potential of DOAS in 2009 and 2010 is limited, implying lower dividend income at the holding level.

In broad terms, the economic slowdown and exchange rate volatility would adversely affect Dogus Media's lira-denominated advertising revenue stream and its ability to comfortably service its dollar-denominated debt. Fitch notes that the visible slowdown in the Turkish economy, especially during Q408 – and compounded by the turmoil in the global financial markets – is likely to translate into lower domestic advertising spending in 2009 and, possibly, in 2010. Fitch estimates the Turkish economy will contract by 0.5% in 2009.

Increased leverage (albeit at moderate levels) in the media division (Dogus Media) is an additional risk for Dogus. The USD150m debt at the media division level is not a very significant amount in the consolidated level, and the ability of the media division to service its debt hinges on its ability to generate sufficient operating income and cash. While Dogus Media is unlikely to be a burden on the holding company – especially with respect to its ability to service its own debt – the media division is also unlikely to be a dividend contributor to the holding company in the interim. Historically, the media division has not up-streamed dividends to the holding company.

### **Business Segments in Brief**

The two key listed subsidiaries - Garanti and DOAS generate over 70% of revenues and around 90% of operating income on a consolidated basis.

### **Financial Businesses**

The financial businesses of the group comprise Garanti and its subsidiaries. Dogus exercises joint control of the bank at the board level with General Electric Consumer Finance (GECF), with 30.22% and 20.8% shares, respectively, in the bank.

In FY07, financial services overall contributed USD2,152m (approximately TRY2.6bn) of the USD4,879m (approximately TRY5.8bn) consolidated revenue and USD666m (approximately TRY800m) of the USD852m consolidated EBITDA, all based on 30.22% proportionate consolidation of the financial services subsidiaries. The EBITDA includes USD190m (approximately TRY230m) from the disposal of insurance and custody services subsidiaries. Garanti and its financial subsidiaries consolidated, generated TRY2.4bn operating and TRY1.9bn net income in 2008.

The profitability, funding profile and asset quality of the financial sector subsidiaries held under Garanti – and the bank itself – remained robust in 2008, and Dogus benefits overall from greater diversification in terms of both assets and revenue. Fitch forecast Garanti to sustain its financial profile in 2009 and remain the most important asset within Dogus Holding's investment portfolio.

## Industrial Businesses

In the first 9 months of 2008 (9M08), the industrial operations reported TRY2.4bn in revenue and TRY261m EBITDA. DOAS represented 73% of revenues and 23% EBITDA within the industrial results.

### Automotive

DOAS, 72.5% owned by Dogus, is an importer and distributor in the passenger car, light commercial and heavy commercial vehicle segments. It represents the group brands of Volkswagen, Porsche, Scania, Krone and Meiller in Turkey. Other activities include a Porsche dealership in Switzerland and manufacturing of Krone- and Meiller-branded trailers and tippers in Turkey and a Volkswagen light commercial vehicle distribution franchise in Egypt. DOAS had around a 10.6% and 11.4% market share during 2008 and 2007, respectively, in Turkey.

The automotive division reported revenue of TRY2.6bn in FY07 (FY06: TRY2.6bn). DOAS reported TRY1.7bn in revenue and TRY48m in EBITDA in Q308. The Turkish automotive market contracted by 17% in 2008, mainly in H2.

TUVTURK, a JV with TUV SUD of Germany, commenced operations in 2008. It paid USD552m for a 20-year concession, and the company will require around an additional USD200m in capex to build new stations. TUVTURK is expecting to raise around USD870m one-time licensing fees from its business associates, which will also share their revenues with TUVTURK. In its initial phases of operation, TUVTURK is financing itself with equity participation from its shareholders, project finance funding, as well as the licensing fees it charges and revenue share income from its franchisees. TUVTURK-related project-finance debt stays at the DOAS level, ringfenced from Dogus Holding.

As part of its commitment to its investors at the time of its IPO in 2004, DOAS will pay out a minimum 50% of its distributable profit as dividends until 2009.

### Construction

Dogus Insaat A.S. (Dogus Construction) had for long been the flagship business of the group, with the construction division being instrumental in funding expansion into other business lines.

At end-2008, the construction division had an order book in excess of USD3.0bn spread out to 2014. In some of the large infrastructure projects, Dogus Construction is in partnership with a larger consortium undertaking the projects. The division has a fairly balanced portfolio of active contracts at various phases in Turkey, Morocco, Ukraine, Libya and Bulgaria, and its overall target is to achieve 20% annual growth, with a minimum 10% project-based profitability.

The construction segment reported revenue of USD261m in FY07, with USD31m in EBITDA. Segment revenues reached USD285m with USD20m in EBITDA at end-Q308.

### Media and Tourism

Dogus Media generated USD155m in revenue and USD15m in EBITDA in FY07. These numbers came in at USD108m and -USD13m at end-Q308.

In October 2008, Dogus Media acquired a new TV channel and radio station (Kral TV and Kral FM) at a total cost of USD95m, which will give Dogus Media exposure to the mainstream TV and radio markets, in addition to its currently strong presence in the thematic-content TV and printed media segments.

The combined media group companies have around 10% of the TV and 7% radio advertising market in the country, with a blended 6% of the total market (including magazine and internet advertising market shares).

In Turkey, overall advertising is mostly conducted via TV (54%), followed by printed media (30%). With USD2.5bn total ad spending, advertising is around 0.35% of GDP, expected to gradually grow to 0.5% over the next five years, catching up with statistics in countries to which it could be compared. Fitch estimates market growth in the local advertising sector to derive more from price than volume. As outlined earlier in this report, due to the visible macroeconomic slowdown in the last quarter of 2008 and the expected 0.5% contraction in the Turkish economy, the agency expects the local media sector at large (and, therefore, Dogus Media) to suffer a decline in revenue and operating profit over the next one to two years.

## Financial Analysis

### Accounting Issues

The financial data presented at the end of this report are based on IFRS-standard consolidated financials. In addition, as outlined above, Fitch analyses holding company standalone financials. Fitch also calculates the industrial key credit metrics (i.e. excluding financial subsidiaries) to exclude the impact of the proportionate consolidation of Garanti.

### Earnings Profile and Profitability

The combined EBITDA margin of the industrial operations has been within the 3% to 7% during 2004-2007. During this period, however, the consolidated EBITDA margin has been within the 14% to 33% range, exhibiting the weight and effect of the results of the financial subsidiaries on the consolidated operating profitability.

From FYE05, the automotive business became the largest industrial revenue source and EBITDA generator for the group, representing 45% of group revenue and 13% of group EBITDA in 2007.

### Liquidity, Cash Flow and Leverage

The liquidity-related information in the consolidated financials at the end of this report incorporate cash and liquid assets held by financial subsidiaries. The table Industrial Debt exclude the debt and cash effects of the financial subsidiaries. Industrial net debt/EBITDA leverage (excluding financial subsidiaries) was around 3.6x at FYE07. On a standalone basis, the holding company had USD1,079m of gross debt and USD600m cash at end-Q308.

Over the last two years, the holding company has been raising debt to refinance its existing maturities or to invest in new ventures. In July 2007, it signed a USD300m five-year bullet payment loan facility at a cost of LIBOR+1.325% – primarily to refinance its existing maturities at the time. In 2008, the holding company took a seven-year USD560m bank loan to fund its acquisition of an additional stake in Garanti. In summary, Dogus has invested its liquidity and newly-raised debt financing partly in its existing businesses (Garanti) and partly in new ventures in its existing lines of business (financial ventures in Romania).

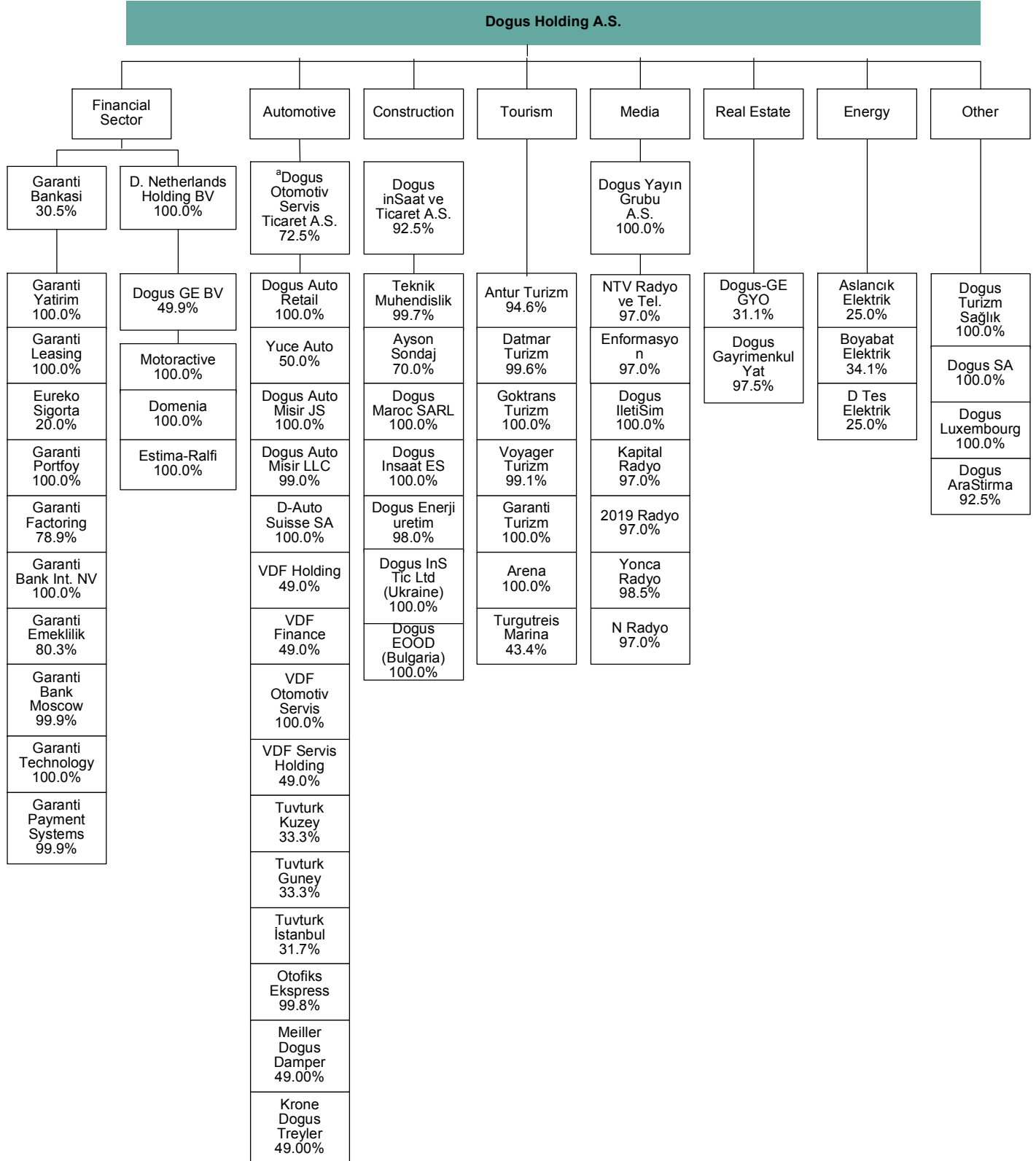
### Industrial Debt

(USDm)	2004	2005	2006	2007	30.09.2008
Gross debt	1,007	720	280	901	1,765
Cash	140	1,491	829	234	734
Net debt/(cash)	867	-771	-549	667	1,031
<b>Holding company standalone debt</b>					
Gross debt	1,007	404	111	402	1,079

Source: Dogus

**Group Structure Diagram**

As of 30 Jun 08



<sup>a</sup> 6.96% additional free float shares of DOAS is held by Dogus Holding  
Source: Dogus Holding

**DOGUS HOLDING A.S.**

Consolidated Results	31 Dec 2007 TRYm Original	31 Dec 2006 TRYm Original	31 Dec 2005 TRYm Original	31 Dec 2004 TRYm Original	31 Dec 2003 TRYm Original
<b>Summary Balance Sheet</b>					
<b>ASSETS</b>					
Cash and Marketable Securities	1,102.4	1,641.4	2,260.0	1,447.2	618.6
Accounts Receivable/Trade Debtors	765.4	766.7	634.5	592.6	482.4
Inventory	359.9	486.7	432.4	488.0	193.0
Other Current Assets	6,588.5	4,259.5	7,620.9	18,720.8	14,893.6
Property, Plant & Equipment	2,240.2	1,966.2	1,708.3	3,187.1	3,899.2
Intangible Assets	1,006.0	170.0	139.9	287.0	233.8
Other Non-current Assets	15,829.2	9,309.4	4,067.3	7,171.7	10,331.7
<b>TOTAL ASSETS</b>	<b>27,891.6</b>	<b>18,599.9</b>	<b>16,863.3</b>	<b>31,894.4</b>	<b>30,652.3</b>
<b>LIABILITIES</b>					
Short-term Debt (inc. CPLTD)	2,177.9	1,263.4	2,099.2	4,716.8	4,943.2
Accounts Payable/Trade Creditors	691.4	876.6	662.4	728.2	463.0
Provisions	57.8	29.9	154.1	157.1	143.3
Other Short-term Liabilities	17,003.5	10,732.1	9,205.0	21,573.1	21,111.3
Other Long-term Liabilities	179.4	107.5	19.8	201.0	70.9
Long-term Secured Debt	0.0	0.0	0.0	0.0	0.0
Long-term Unsecured Debt	2,669.9	1,597.6	1,207.3	1,804.1	1,687.0
<b>TOTAL LIABILITIES</b>	<b>22,779.9</b>	<b>14,607.1</b>	<b>13,347.8</b>	<b>29,180.3</b>	<b>28,418.7</b>
<b>EQUITY</b>					
Minority Interest/Minorities	212.2	186.9	223.4	1,495.2	1,120.4
Equity Capital & Reserves	4,899.5	3,805.9	3,292.1	1,218.9	1,113.2
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>27,891.6</b>	<b>18,599.9</b>	<b>16,863.3</b>	<b>31,894.4</b>	<b>30,652.3</b>
<b>Adjusted Gross Debt</b>	<b>4,847.8</b>	<b>2,861.0</b>	<b>3,306.5</b>	<b>6,520.9</b>	<b>6,630.2</b>
<b>Debt Schedule</b>					
<b>DEBT PRIORITY</b>					
Lease Liabilities	0.0	0.0	0.0	0.0	0.0
Secured	0.0	0.0	0.0	0.0	0.0
Unsecured	4,847.8	2,861.0	3,306.5	6,520.9	6,630.2
Convertible	0.0	0.0	0.0	0.0	0.0
Subordinated	0.0	0.0	0.0	0.0	0.0
<b>Total Debt</b>	<b>4,847.8</b>	<b>2,861.0</b>	<b>3,306.5</b>	<b>6,520.9</b>	<b>6,630.2</b>
Off-Balance Sheet Debt	0.0	0.0	0.0	0.0	0.0
<b>Total Adjusted Debt</b>	<b>4,847.8</b>	<b>2,861.0</b>	<b>3,306.5</b>	<b>6,520.9</b>	<b>6,630.2</b>
Non-recourse + Equity Hybrid Component	0.0	0.0	0.0	0.0	0.0
<b>Total Adjusted Debt with Equity Credit</b>	<b>4,847.8</b>	<b>2,861.0</b>	<b>3,306.5</b>	<b>6,520.9</b>	<b>6,630.2</b>
<b>Adjusted Liabilities~~</b>	<b>4,847.8</b>	<b>2,861.0</b>	<b>3,306.5</b>	<b>6,520.9</b>	<b>6,630.2</b>
<b>DEBT SOURCE</b>					
Bank	4,847.8	2,861.0	3,306.5	6,520.9	6,630.2
Capital Markets	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0
<b>TOTAL DEBT</b>	<b>4,847.8</b>	<b>2,861.0</b>	<b>3,306.5</b>	<b>6,520.9</b>	<b>6,630.2</b>
<b>DEBT MATURITY</b>					
Less than 1 Year	2,177.9	446.7	1,482.0	4,716.8	4,943.2
1 To 2 Years	189.0	530.2	938.8	598.6	494.9
2 To 5 Years	2,480.9	1,884.1	885.7	1,205.5	1,192.1
More than 5 Years	0.0	0.0	0.0	0.0	0.0
<b>TOTAL DEBT</b>	<b>4,847.8</b>	<b>2,861.0</b>	<b>3,306.5</b>	<b>6,520.9</b>	<b>6,630.2</b>
Unrestricted Cash & Deposits	1,102.4	1,641.4	2,260.0	1,447.2	618.6
<b>CURRENT DEBT NET OF CASH</b>	<b>1,075.5</b>	<b>-378.0</b>	<b>-160.8</b>	<b>3,269.6</b>	<b>4,324.6</b>
<b>TOTAL DEBT NET OF CASH</b>	<b>3,745.4</b>	<b>1,219.6</b>	<b>1,046.5</b>	<b>5,073.7</b>	<b>6,011.6</b>
<b>TOTAL ADJUSTED DEBT NET OF CASH</b>	<b>3,745.4</b>	<b>1,219.6</b>	<b>1,046.5</b>	<b>5,073.7</b>	<b>6,011.6</b>
<b>Adjusted Liabilities Net of Cash</b>	<b>3,745.4</b>	<b>1,219.6</b>	<b>1,046.5</b>	<b>5,073.7</b>	<b>6,011.6</b>
Restricted Cash & Deposits	0.0	0.0	661.6	1,347.9	1,281.4

~ includes Restricted Cash

~~ Total Adjusted Debt with Equity Credit plus Debt-like Pref. Stock

**DOGUS HOLDING A.S.**

**Summary Income Statement**

Consolidated Results	31 Dec 2007	31 Dec 2006	31 Dec 2005	31 Dec 2004	31 Dec 2003
	TRYm	TRYm	TRYm	TRYm	TRYm
	Original	Original	Original	Original	Original
<b>SUMMARY INCOME STATEMENT</b>					
Revenue*	5,682.2	5,283.3	9,138.5	7,931.5	6,481.8
Cost of Goods Sold	3,911.3	3,713.2	5,466.7	5,135.1	4,743.2
<b>GROSS PROFIT</b>	<b>1,770.9</b>	<b>1,570.1</b>	<b>3,671.8</b>	<b>2,796.4</b>	<b>1,738.6</b>
Selling, Distribution & Administrative Expenses	892.6	832.8	1,730.6	1,549.6	1,440.8
Other Operating Expenditure**	-99.1	-114.7	-1,096.8	141.8	-220.4
Presentational only: L-T Rentals (incl. in SG&A above)	0.0	0.0	0.0	0.0	0.0
<b>Operating EBITDAR</b>	<b>977.4</b>	<b>852.0</b>	<b>3,038.0</b>	<b>1,105.0</b>	<b>518.2</b>
Depreciation & Amortisation	138.8	124.1	249.0	283.9	309.6
Non-recurring, non-operational and non-recourse income***	0.0	0.0	0.0	0.0	0.0
Associate Income/Loss	2.8	0.0	0.0	0.0	0.0
Other Income/Expense	-25.7	-83.6	-18.5	-106.9	-232.2
<b>EBIT</b>	<b>815.7</b>	<b>644.3</b>	<b>2,770.5</b>	<b>714.2</b>	<b>-23.6</b>
Interest Income	62.6	96.8	31.5	30.1	80.0
Interest Expense	25.3	40.7	158.9	218.8	288.2
Non-interest Financial Income/Charges	-139.5	-66.0	146.3	486.6	980.4
<b>PBT</b>	<b>713.5</b>	<b>634.4</b>	<b>2,789.4</b>	<b>1,012.1</b>	<b>748.6</b>
Taxation	70.7	159.1	200.9	388.0	7.0
Minorities	-19.7	-5.3	-332.3	-188.3	-161.1
<b>NET INCOME</b>	<b>623.1</b>	<b>470.0</b>	<b>2,256.2</b>	<b>435.8</b>	<b>580.5</b>
Extraordinary Items/Accounting Changes	0.0	0.0	0.0	0.0	0.0
NET INCOME AFTER EXTRAORDINARY ITEMS (before dividends)	623.1	470.0	2,256.2	435.8	580.5

**Summary Cash Flow**

	31 Dec 2007	31 Dec 2006	31 Dec 2005	31 Dec 2004	31 Dec 2003
	TRYm	TRYm	TRYm	TRYm	TRYm
	Original	Original	Original	Original	Original
<b>SUMMARY CASH FLOW</b>					
<b>Operating EBITDAR</b>	<b>977.4</b>	<b>852.0</b>	<b>3,038.0</b>	<b>1,105.0</b>	<b>518.2</b>
Cash Interest Paid, Net of Interest Income	754.3	571.6	50.1	71.9	-298.3
Cash Tax Paid	70.8	79.7	186.0	67.7	66.5
Associate Dividends	0.0	0.0	0.0	0.0	0.0
Other Changes before Funds From Operations****	690.2	88.4	-902.4	232.9	150.3
<b>FUNDS FROM OPERATIONS</b>	<b>842.5</b>	<b>289.1</b>	<b>1,899.5</b>	<b>1,198.3</b>	<b>900.3</b>
Working Capital	212.7	-27.0	-3,181.6	-3,298.4	-960.6
<b>CASH FLOW FROM OPERATIONS</b>	<b>1,055.2</b>	<b>262.1</b>	<b>-1,282.1</b>	<b>-2,100.1</b>	<b>-60.3</b>
Non-Operational Cash Flow***	-7.8	0.0	2,476.2	2,739.8	-628.3
Capital Expenditure	604.8	361.5	142.7	156.6	168.8
Dividends Paid	22.4	0.0	12.9	0.0	0.0
<b>FREE CASH FLOW</b>	<b>420.2</b>	<b>-99.4</b>	<b>1,038.5</b>	<b>483.1</b>	<b>-857.4</b>
Receipts from Asset Disposals	62.0	76.2	85.9	32.6	48.1
Business Acquisitions	928.7	86.1	-86.9	163.7	133.8
Business Divestments	-3.2	6.8	1,956.2	566.5	192.5
Exceptional & Other Cash Flow Items	-1,183.1	-545.1	0.0	-8.1	12.4
<b>NET CASH IN/OUTFLOW</b>	<b>-1,632.8</b>	<b>-647.6</b>	<b>3,167.5</b>	<b>910.4</b>	<b>-738.2</b>
Equity Issuance/(Buyback)	0.0	0.0	0.0	0.0	5.7
FX movement	0.0	0.0	0.0	0.2	-0.1
Other Items Affecting Cash Flow****	-893.0	474.5	173.4	93.8	3.7
<b>NET CASH FLOW AVAILABLE FOR FINANCING</b>	<b>-2,525.8</b>	<b>-173.1</b>	<b>3,340.9</b>	<b>1,004.4</b>	<b>-728.9</b>
<b>OPENING TOTAL DEBT NET OF CASH</b>	<b>1,219.6</b>	<b>1,046.5</b>	<b>3,725.8</b>	<b>4,730.2</b>	<b>4,001.3</b>
Net Debt Increase/(Decrease)	2,525.8	173.1	-3,340.9	-1,004.4	728.9
<b>CLOSING TOTAL DEBT NET OF CASH</b>	<b>3,745.4</b>	<b>1,219.6</b>	<b>384.9</b>	<b>3,725.8</b>	<b>4,730.2</b>

\* Net of Sales, Royalty & Other Operational Taxes

\*\* Excludes Depreciation & Amortisation

\*\*\* Analyst Estimate

\*\*\*\* Balancing Item

**DOGUS HOLDING A.S.**

**Ratio Analysis**

Consolidated Results	31 Dec 2007	31 Dec 2006	31 Dec 2005	31 Dec 2004	31 Dec 2003
	TRYm	TRYm	TRYm	TRYm	TRYm
	Original	Original	Original	Original	Original
<b>EARNINGS/PROFITABILITY</b>					
Revenue Growth (%)	7.6	-42.2	15.2	22.4	11.2
Gross Profit/Revenues (%)	31.2	29.7	40.2	35.3	26.8
Op. EBITDAR/Revenues (%)	17.2	16.1	33.2	13.9	8.0
EBIT/Revenues (%)	14.4	12.2	30.3	9.0	-0.4
Pre-Tax Profit/Revenues (%)	12.6	12.0	30.5	12.8	11.6
Profit after tax/Revenues (%)	11.3	9.0	28.3	7.9	11.4
Effective Tax Rate (%)	9.9	25.1	7.2	38.3	0.9
Profit after tax/Average Equity (%)	15.7	16.9	89.6	40.9	36.9
Return on Average Assets (%)	2.9	2.9	11.3	2.7	3.4
FFO Return on Adjusted Capital (%)	8.7	4.8	30.2	15.3	13.4
Free Cash Flow Margin (%)	7.4	-1.9	11.4	6.1	-13.2
<b>COVERAGES</b>					
FFO/Gross Interest Expense and Preferred Dividends (x)	34.3	8.1	13.0	6.5	4.1
FFO Fixed Charge Cover (x)	34.3	8.1	13.0	6.5	4.1
(Op. EBITDAR-Capex)/Gross Fixed Charges(x)	14.7	12.1	19.2	5.3	2.2
Op. EBITDAR/Net Fixed Charges (x)	-26.2	-15.2	23.9	5.9	2.5
FFO/Interest Expense Net of Interest Income (x)	-21.6	-4.2	15.9	7.4	5.3
Free Cash Flow Debt Service Coverage (x)	0.2	0.0	0.5	0.1	-0.1
Net Fixed Charges Cover (x)	254.1	220.6	55.7	11.4	-0.7
<b>LEVERAGE</b>					
Total Adjusted Debt/Op. EBITDAR (x)	5.0	3.4	1.1	5.9	12.8
Total Adjusted Debt Net of Cash/Op. EBITDAR(x)	3.8	1.4	0.3	4.6	11.6
Adjusted Liabilities Net of Cash/Op. EBITDAR (x)	3.8	1.4	0.3	4.6	11.6
Adjusted Net Leverage/FFO (x)	4.7	5.2	0.5	3.7	5.4
Adjusted Leverage/FFO (x)	5.6	8.7	1.6	4.6	5.6
Free Cash Flow/ Adjusted Liabilities (%)	8.7	-3.5	31.4	7.4	-12.9
CFO/Total Debt Net of Cash (%)	28.2	21.5	-122.5	-41.4	-1.0
CFO/Adjusted Liabilities Net of Cash (%)	28.2	21.5	-122.5	-41.4	-1.0
Total Adjusted Debt/Total Adjusted Capitalisation (%)	48.7	41.7	48.5	70.6	74.8
<b>FINANCIAL STRUCTURE</b>					
Secured and Lease Debt/Total Debt (%)	0.0	0.0	0.0	0.0	0.0
Current Debt/Total Debt (%)	44.9	15.6	44.8	72.3	74.6
Off-Balance Sheet Debt/Total Adjusted Debt (%)	0.0	0.0	0.0	0.0	0.0
Total Debt Net of Cash/Tangible Equity (%)	91.2	31.9	31.0	209.0	300.6
<b>PENSION ADJUSTED RATIOS</b>					
Mixed Scheme Pension Liability	0.0	0.0	0.0	0.0	0.0
Pension Adjusted Net Leverage	3.8	1.4	0.3	4.6	11.6
Pension Adjusted Net Coverage	0.0	0.0	n.a.	n.a.	n.a.
Pension Adjusted Net Coverage (Implied)	0.0	0.0	n.a.	n.a.	n.a.
Implied Interest Cost	0.0	0.0	n.a.	n.a.	n.a.
Pension Adjusted Gross Coverage	0.0	0.0	n.a.	n.a.	n.a.
Pension Adjusted Gross Coverage (Implied)	0.0	0.0	n.a.	n.a.	n.a.
<b>WORKING CAPITAL CYCLE</b>					
Average Inventory Processing Period (days)	39.5	45.2	30.7	24.2	12.9
Average Receivables Collection Period (days)	49.2	48.4	24.5	24.7	21.9
Gross Cash Cycle (days)	88.7	93.6	55.2	48.9	34.7
Average Payables Payment Period (days)	73.2	75.6	46.4	42.3	38.2
Cash Conversion Cycle (days)	15.6	17.9	8.8	6.6	-3.5
<b>ADDITIONAL INFORMATION</b>					
Depreciation	138.8	124.1	249.0	283.9	309.6
Amortisation	0.0	0.0	0.0	0.0	0.0
Capital Expenditure/Depreciation (x)	4.4	2.9	0.6	0.6	0.6
CFO/Capital Expenditure (x)	1.7	0.7	-9.0	-13.4	-0.4
Interest Capitalised	0.0	0.0	0.0	0.0	0.0
Hire/Lease/Rent Costs for Current Assets	0.0	0.0	0.0	0.0	0.0
Hire/Lease/Rent Costs for Long-term Assets	0.0	0.0	0.0	0.0	0.0
Contingent Liabilities	0.0	0.0	0.0	0.0	0.0
Operating Exceptionals in Operating Costs	0.0	0.0	0.0	0.0	0.0
Staff cost/Revenues (%)	0.0	0.0	0.0	0.0	0.0
R&D (net)/Revenues (%)	0.0	0.0	0.0	0.0	0.0

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