

Dođan Gazetecilik A.Ş.

Review of 1H14 Results
Aug 15, 2014



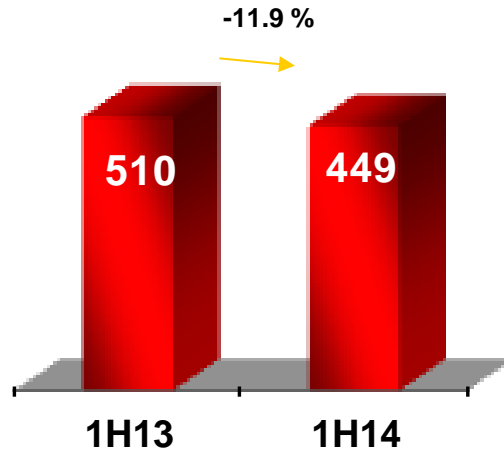
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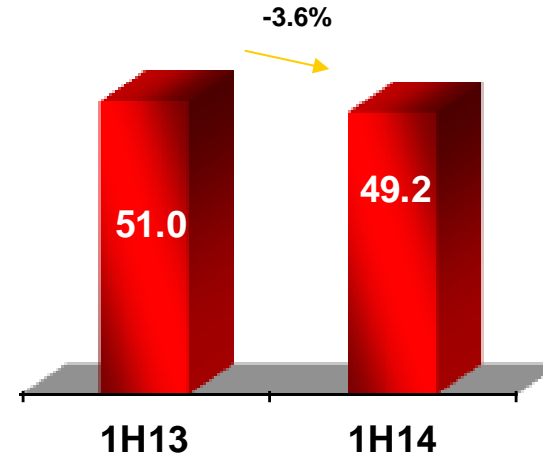
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Newspapers – Turkey (Est) (TLm) ⁽¹⁾





Dogan Gazetecilik's Print Ad Growth Performance (TL mn) ⁽²⁾



- Newspaper ad spending in Turkey contracted by 11.9% in 1H14, yoy.
- Dogan Gazetecilik's print ad revenues outperformed the market; registering only 3.6% decline in 1H14, yoy.

⁽¹⁾ Ad market statistics are estimates compiled by DYH ad platform, based on 25 national newspaper.

⁽²⁾ Ad revenues : To be comparable with the market data, the ad revenue figures are given as "invoiced ad revenues before IAS adjustments & reclassifications", and so different from reported consolidated figures.

Market Shares	1H13	1H14	Ch vs. 1H14/13
CIRCULATION MARKET SHARE	12,5%	11,2%	-1,3 pp
Doğan Gazetecilik Daily Average Circulation (*)	639.000	572.000	-10,1%
 POSTA (1)	450.000	406.000	-10,9%
 FANATIK	189.000	166.000	-7,9%
Nationwide average circulation	5.109.000	5.108.000	0,0%

* Source: Basın İlan (Governmental Agency)



Dogan Gazetecilik's ad revenues (excluding internet revenue) decreased by 4.1% in 1H14, yoy.



For Posta title; Getting the best optimization in circulation/cost model; options for promotion - editorial page numbers - editorial content products continued to be implemented in a effective way.



Cover price adjustment in 1H14:

- As of Jan 2014, the cover prices of Posta in regional cities increased by 25% to TL0.50 for weekdays and by 25% to TL0.75 for weekends.
- As of June 2014, the cover prices of Fanatik in Turkey increased by 20% to TL0.60 for all week.



Fanatic positioned itself as "an integrated newspaper and digital platform channel for news and sports entertainment".



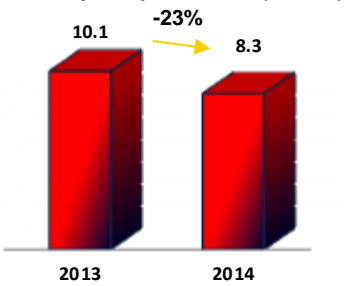
Decline in average page number in 1H14: Posta's average number of pages was 40.9 (vs. 45.4 in 1H13), while Fanatik's was 19.2 (vs. 20.5 in 1H13).



TL10.7 mn additional cash dividend was paid from FY13 earnings on April 2014. Together with the advance dividend, total dividends distributed in 2013 reached TL21.2 mn.

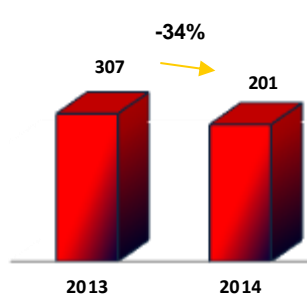


Monthly Unique Visitors (million)



Average of
Jan-June

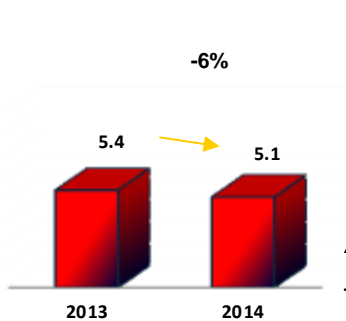
Page View (million)



- Average page view in 1H14 was 201 mn, down by 34% vs. 1H13. (**)
- Average unique visitors in 1H14 was 8.3 mn, down by 23% vs. 1H13. (**)

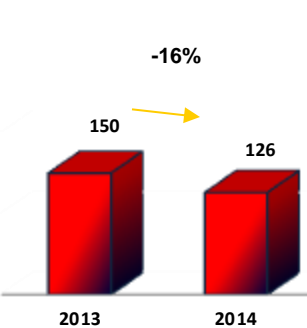


Monthly Unique Visitors (million)



Average of
Jan-June

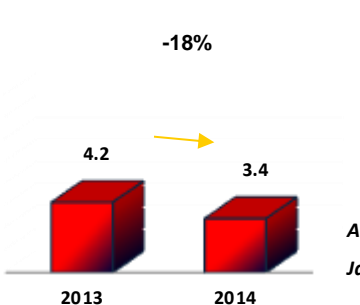
Page View (million)



- Posta.com.tr launched as of October 2009
- Average page view in 1H14 was 126 mn, down by 16% vs. 1H13. (**)
- Average unique visitors in 1H14 was 5.1 mn, down by 6% vs. 1H13. (**)

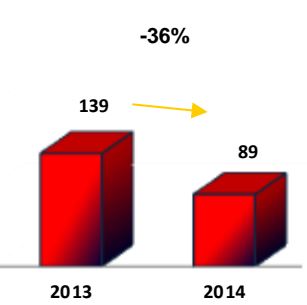


Monthly Unique Visitors (million)



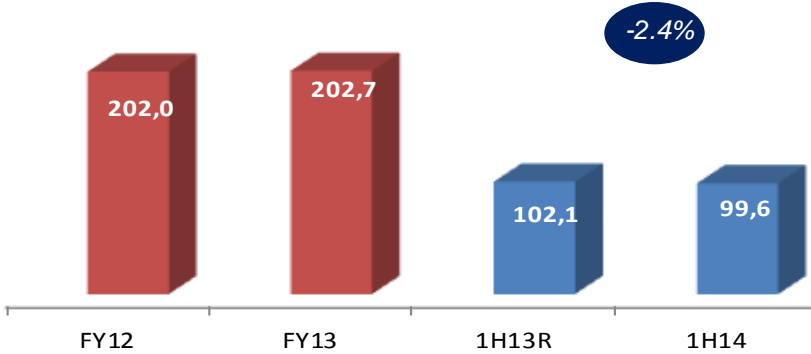
Average of
Jan-June

Page View (million)

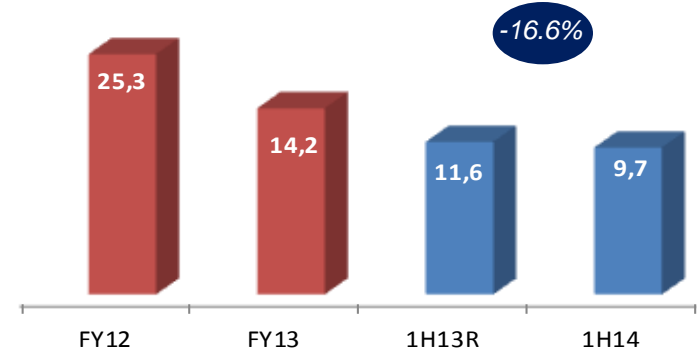


- Market leader in Turkey in online Auto Classifieds. (*)
- Average page view in 1H14 was 89 mn, down by 36% vs. 1H13; as a result of changes in calculation methods of page views. (**)
- Average unique visitors in 1H14 was 3.4 mn, down by 18% vs. 1H13. (**)

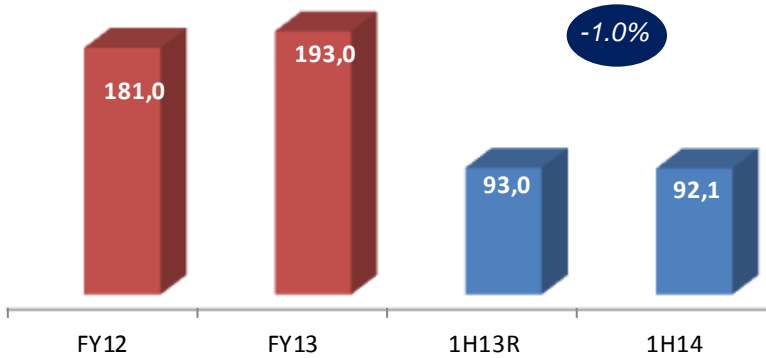
Revenues (TL mn)



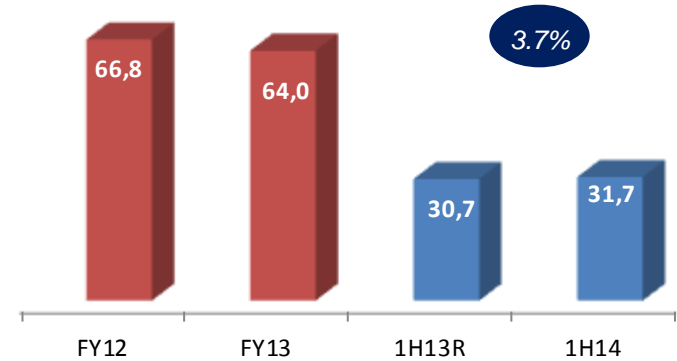
Ebitda (TL mn)



Total Costs (TL mn)



Raw material (TL mn)



(TL '000)	FY13	1H13	1H14	% Ch. 1H14/13
Sales	202.728	102.113	99.630	-2%
(-) Cost of sales	129.683	61.328	63.209	3%
Gross profit	73.046	40.785	36.421	-11%
(-) Operating expenses	63.352	31.713	28.904	-9%
Operating profit	9.694	9.073	7.517	-17%
Operating profit margin	4,8%	8,9%	7,5%	
Other Operating Income/(Expenses)-net	4.269	2.034	-1.304	-164%
Investing Activities Income/(Expenses)-net	20.157	8.461	3.303	-61%
Profit before tax	34.119	19.567	9.516	-51%
Net Profit for the Period	27.703	15.079	6.805	-55%
<i>Amortised cost valuation income</i>	1.528	701	664	-5%
<i>Depreciation & amortisation</i>	2.966	1.861	1.524	-18%
EBITDA	14.188	11.635	9.705	-17%
EBITDA Margin	7,0%	11,4%	9,7%	

- Total ad revenue (including print and internet ad revenue) decreased by 2,8% in 1H14.

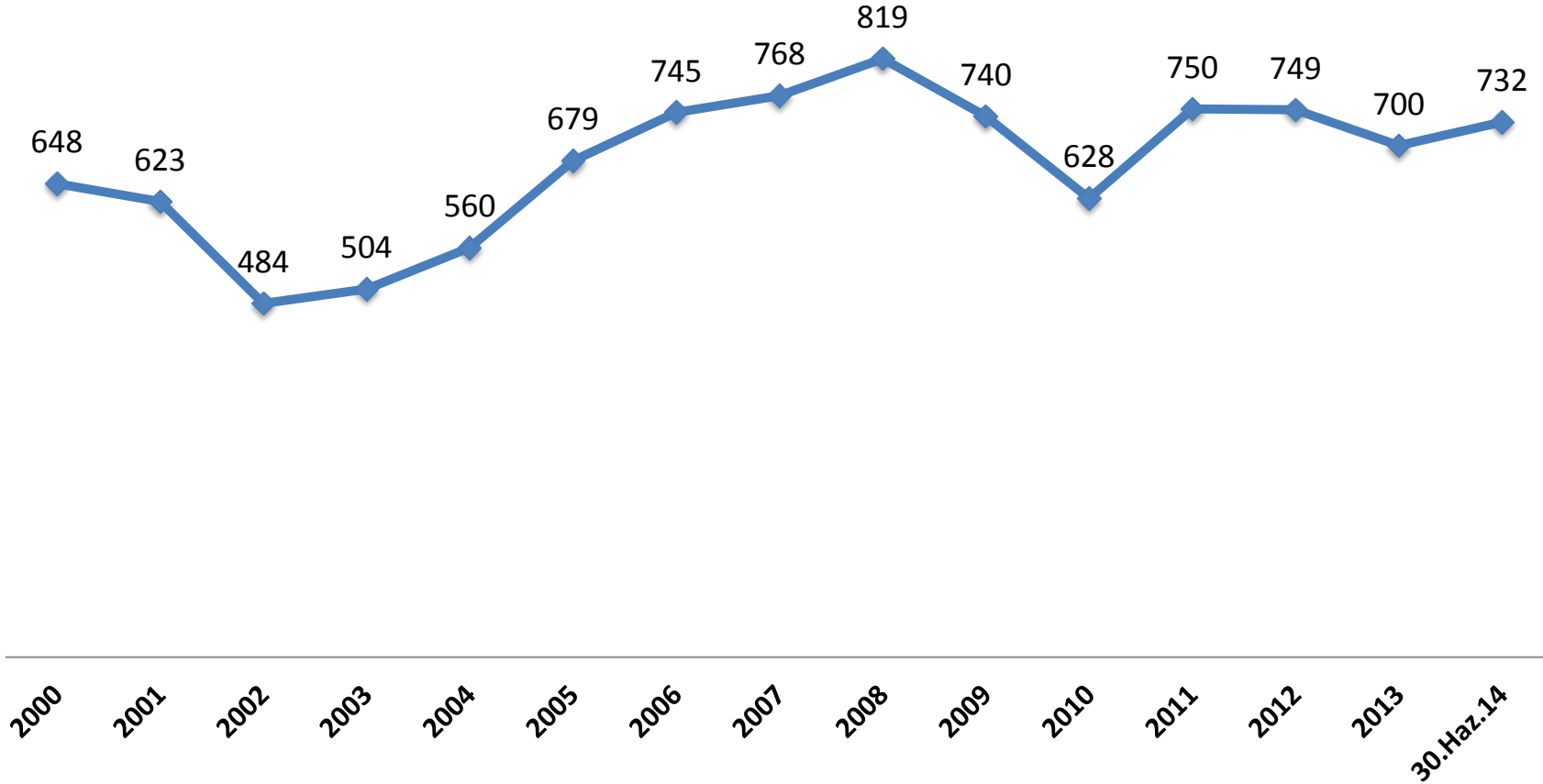
Revenues (TL '000)	FY12	FY13	1H13	1H14	1H14/13 Ch (%)
Circulation Revenues	102.501	98.679	50.691	48.976	-3,4%
Avg. Daily Circulation	644.798	626.650	639.000	572.000	-10,1%
Total Ad Revenues	94.646	97.654	48.948	47.572	-2,8%
- <i>Print Ad Revenues</i>	89.565	91.118	45.880	43.998	-4,1%
- <i>Online Ad Revenues</i>	5.081	6.537	3.068	3.573	16,5%
Other Revenues	4.829	6.395	2.474	3.082	24,6%
Total Revenues	201.976	202.728	102.113	99.630	-2,4%

Despite the decline in circulation and average page numbers; newsprint costs increased mainly due to the currency impact on average paper prices.

Costs	FY13	1H13	1H14	1H14/13 Ch (%)
Cost of Sales (TL '000)	129.683	61.328	63.209	3,1%
- Newsprint costs	63.986	30.672	31.667	3,2%
- Printing & other costs	65.697	30.656	31.542	2,9%
Operating Expenses (TL '000)	63.352	31.713	28.904	-8,9%
- General & Administrative Expenses	15.062	7.155	7.250	1,3%
- Sales & Marketing Expenses	48.290	24.558	21.654	-11,8%
Total Costs	193.035	93.041	92.113	-1,0%

Last year's one-off expenses for the launch of Posta and Fanatik's E-newspaper is the major decrease in sales&marketing expenses.

Doğan Gazetecilik (P+F) Average Newsprint Costs (US\$)



• Together with the advance dividend of TL9.6 mn in September 2013, total dividends distributed for 2013 reached TL21.2 mn.

Despite cash outflows through dividend payments, net cash position reached TL73.5 mn at 1H14-end, vs. net cash of 59.2 mn TL in FY13, as a result of cash inflows from both operational performance and the sale of Milliyet - Vatan titles.

Cash Position & Investments (TL '000)	FY12	FY13	1H14	ch%
CASH AND CASH EQUIVALENTS	34.903	59.764	74.865	25%
S.T. BANK BORROWINGS	456	561	1.401	150%
NET CASH	34.447	59.203	73.465	24%
INVESTMENTS	4.862	1.982	355	-82%



Print ad market is expected to continue to decline in 2014 and onwards.



Cover price adjustment in Posta and Fanatik newspaper in 1H14 expected to support circulation revenues in 2H14.



Posta and Fanatik titles will continue to perform better than market in 2014 thanks to their high readership ratios (print and online operations).



Posta title: the implementation of the circulation/cost optimization models is expected to keep promotion expenses under control, while continue to support circulation leadership.



Fanatik title: continue to increase its digital presence, while maintaining its strong position in printed media.



Strong cash position and profitability will be maintained in 2014 and onwards, which will be the source of consistent cash dividend.