

Dođan Gazetecilik A.Ş.

Review of 1H15 Results



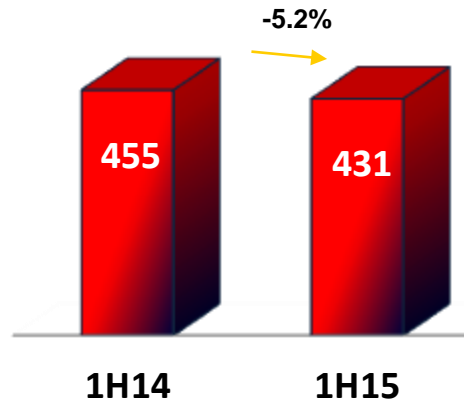
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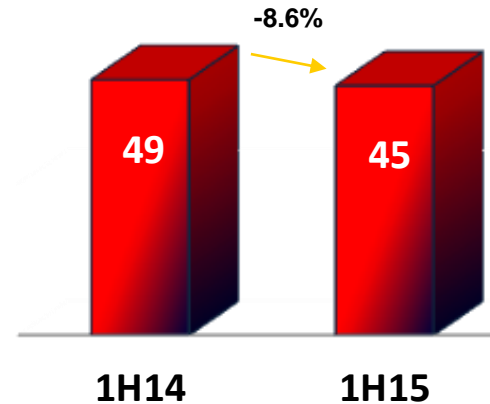
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Newspapers – Turkey (Est) (TLmn) ⁽¹⁾





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



- Turkish newspaper ad market declined by 5.2% in 1H15, yoy.
- Posta had underperformed the market this year, due to strong base year effect: local elections that took place in 2014 had a better impact on Posta.

⁽¹⁾ Ad market statistics are estimates compiled by Doğan Media Group 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	1H14	1H15	Ch vs. 1H15/14
CIRCULATION MARKET SHARE	11.2%	11.0%	-0.2 pp
Doğan Gazetecilik Daily Average Circulation (*)	571,713	510,468	-10.7%
 POSTA	405,599	369,919	-8.8%
 FANATIK	166,114	140,549	-15.4%
Nationwide average circulation	5,107,533	4,645,048	-9.1%

* Source: Basın İlan

Major Developments in 1H15



Dogan Gazetecilik's total revenues remained intact vs. 1H14; with the support of newspaper cover price adjustments and higher online revenues.



Getting the best optimization in circulation/cost model for «Posta»: options for promotion, editorial page numbers and editorial content continued to be implemented in an effective way.



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



Cover price adjustments in 1H15 :

As of Jan 2015, the cover prices of Posta in all cities for weekdays increased by 20% to TL0.60

As of Feb 2015, the cover prices of Fanatik increased by 25% to TL0.75 for all days.

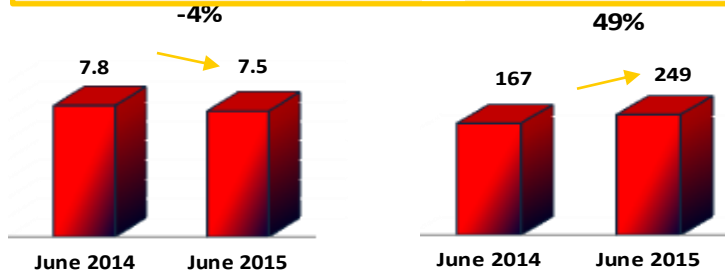


Decline in Posta's average page numbers in 1H15 from 41.0 (1H14) to 37.9 had positive impact on costs.

▪ A substantial increase in mobile traffic data.

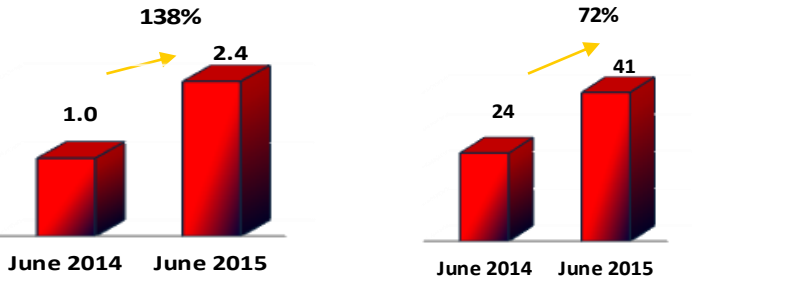
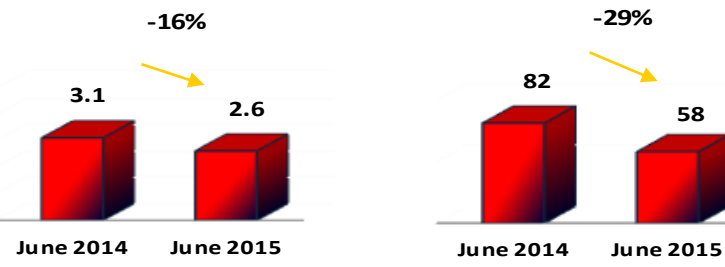
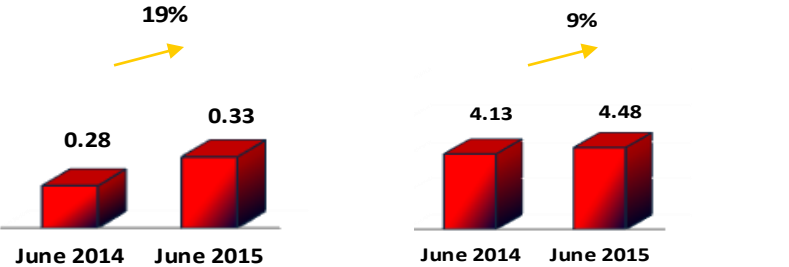
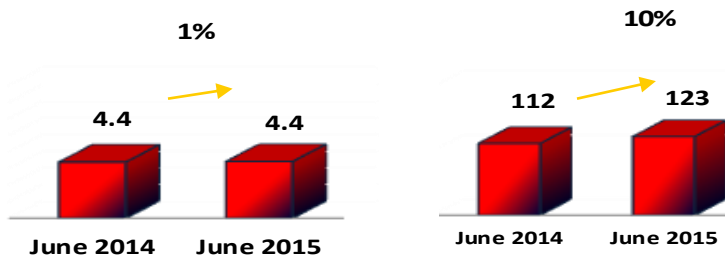
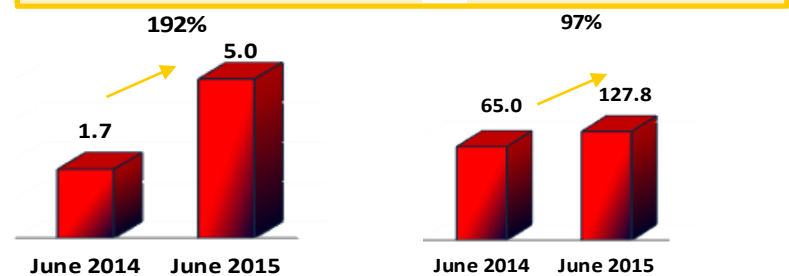
WEB

Monthly Unique Visitors (million)(*) Page View (million)(*)



MOBILE (excluding apps)

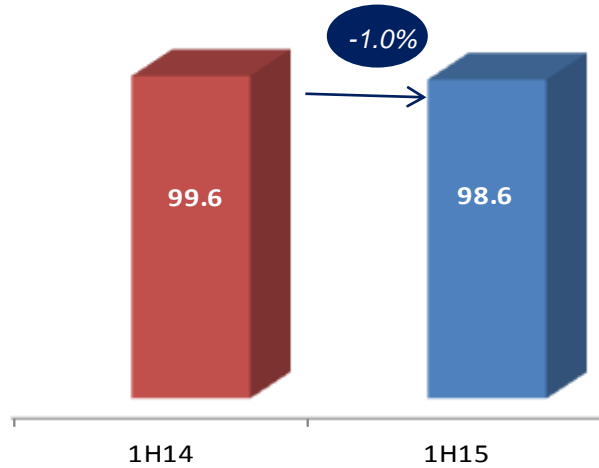
Monthly Unique Visitors (million)(*) Page View (million)(*)



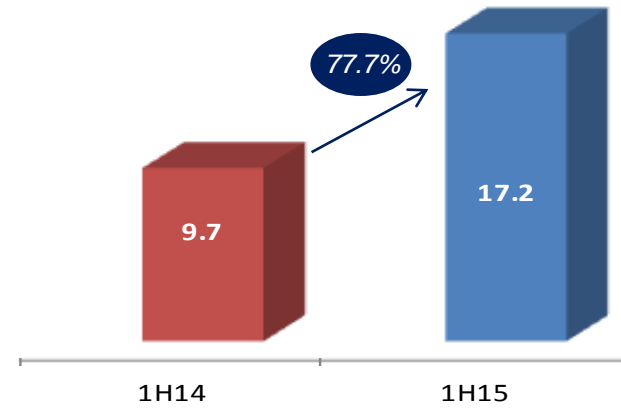
• Market leader in Turkey in online Auto Classifieds. (*)

(*) Source :Gemius (Monthly June 2014 and 2015)

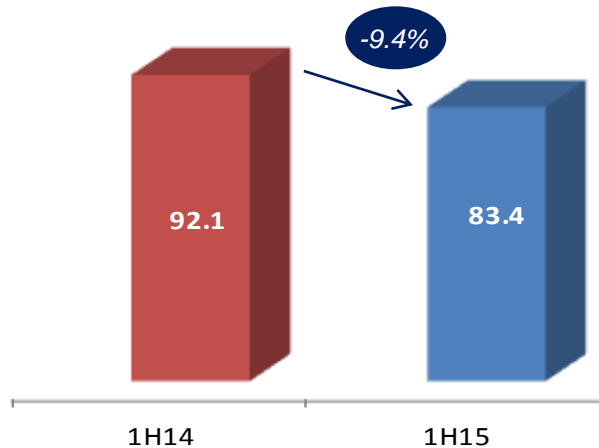
Revenues (TL mn)



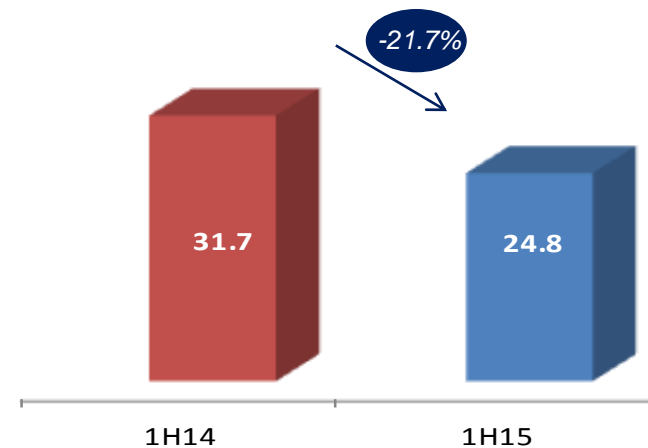
Ebitda (TL mn)



Total Costs (TL mn)



Raw Material (TL mn)



- Thanks to lower COGS ; EBITDA almost doubled in 1H15, and EBITDA margin reached 17.5% vs. 9.7% in 1H14.
- Strong contribution to net income from other operating income and fx gains.

(TL '000)	FY14	1H14	% Ch	
			1H15	1H15/14
Sales	199,295	99,630	98,645	-1%
(-) Cost of sales	122,399	63,209	54,501	-14%
Gross profit	76,896	36,421	44,145	21%
(-) Operating expenses	60,175	28,904	28,924	0%
Operating profit	16,721	7,517	15,221	102%
Operating profit margin	8.4%	7.5%	15.4%	
Other Operating Income/(Expenses)-net	781	(1,304)	17,418	n.m
Investing Activities Income/(Expenses)-net	26,968	3,303	1,005	-70%
Profit before tax	44,470	9,516	33,644	254%
Net Profit for the Period	37,423	6,805	25,395	273%
<i>Amortised cost valuation income</i>	1,348	664	434	-35%
<i>Depreciation & amortisation</i>	3,068	1,527	1,594	4%
EBITDA	21,137	9,708	17,249	78%
EBITDA Margin	10.6%	9.7%	17.5%	

- Total revenues at TL98.6mn in 1H15, remained intact with the figures attained in 1H14, with the support of newspaper cover price increases and higher online revenues.

Revenues (TL '000)	FY13	FY14	1H14	1H15	1H15/14 Ch (%)
Circulation Revenues	98,679	98,826	48,976	52,445	7.1%
Avg. Daily Circulation	626,650	562,906	584,845	532,529	-8.9%
Total Ad Revenues	97,654	94,326	47,572	44,696	-6.0%
- Print Ad Revenues	91,118	87,283	43,998	40,691	-7.5%
- Online Ad Revenues	6,537	7,043	3,573	4,005	12.1%
Other Revenues	6,395	6,143	3,082	1,504	-51.2%
Total Revenues	202,728	199,295	99,630	98,645	-1.0%

Newsprint costs were down by 21.7% yoy: lower circulation figures, decline in Posta's average page numbers, and 17.6% drop in average newsprint/ton prices in US\$ terms offset the sharp increase in exchange rates in 1H15.

Costs (TL '000)	FY13	FY14	1H14	1H15	1H15/14 Ch (%)
Cost of Sales	129,683	122,399	63,209	54,501	-13.8%
- Newsprint costs	63,986	61,761	31,667	24,798	-21.7%
- Printing & other costs	65,697	60,638	31,542	29,703	-5.8%
Operating Expenses	63,352	60,175	28,904	28,924	0.1%
- General & Administrative Expenses	15,062	15,402	7,250	6,845	-5.6%
- Sales & Marketing Expenses	48,290	44,773	21,654	22,079	2.0%
Total Costs	193,035	182,574	92,113	83,424	-9.4%

- Net cash position reached TL124.9 mn at 1H15-end, vs. 97.1 mn TL in FY14, as a result of cash inflows from operational performance, the collection of the receivables from Milliyet - Vatan titles sale, and the effect of fx volatility (Bank Deposits of US\$43.6 mn as of June 30, 2015).

Net Cash Position (TL '000)	FY13	FY14	1H15	ch%
Cash And Cash Equivalents	59,764	97,623	125,115	28%
S.T. Bank Borrowings	561	542	263	-51%
Net Cash	59,203	97,081	124,852	29%



Foreign currency risk in operational costs;
Company is exposed to foreign currency risk through the newsprint and printing costs which is dependent on US\$.



Posta title: the implementation of the circulation/cost optimization model is expected to keep promotion expenses under control, while continue to support strong position in circulation.



The positive impact of cover price increases will be in effect through 2015.



Strong cash position and profitability will be maintained in 2015, while decline in ad market share in 1H15 expected to be eliminated in 2H15.



TL15.3 mn gross cash dividend distributed from FY14 earnings in April 2015; bringing total dividends from FY14 earnings to TL23.2 mn, together with the advance cash dividend payment in Nov 2014.