

DOĐAN GAZETECİLİK

INVESTOR PRESENTATION

March 2018



Doğan Gazetecilik at a Glance

Comprising Turkey's reputable media brands of Posta & Fanatik, Doğan Gazetecilik's core activities include print & online newspaper publishing.

Highlights

- Reaches one-third of Turkey's total newspaper readers with Posta & Fanatik titles.
- Fanatik.com.tr #1 in online sports daily
- Strong financial position; net cash of US\$30 mn.
- Solid operational performance
- Investment property valued at US\$70 mn & 25% stake in Öncü Venture Capital Investment Trust.
- High dividend yield & pay out ratio since 2012
- Listed on Borsa Istanbul since 1993; current Mcap of US\$129.5 mn*. * As of March 07, 2018

Print & Online

National Print Titles



#1 in reach &
#4 in circulation



10.2 mn UV monthly
284 mn PV monthly



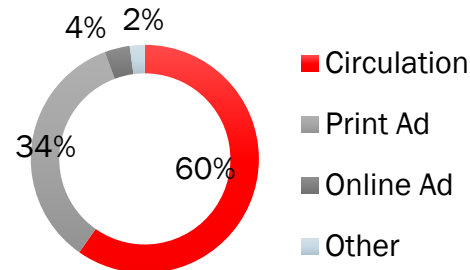
#1 in reach
sports daily



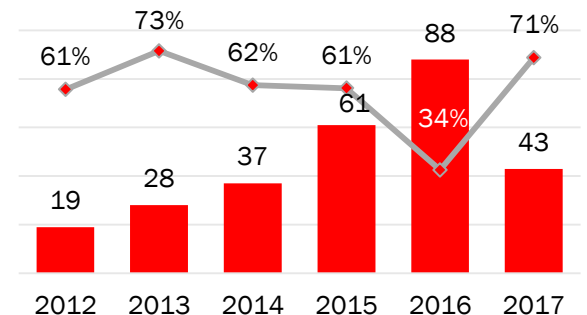
12.6 mn UV monthly
364 mn PV monthly
#1 in sports daily

Online¹

Revenue Breakdown²



Net Profit (TL mn) & Div. Payout Ratio (%)

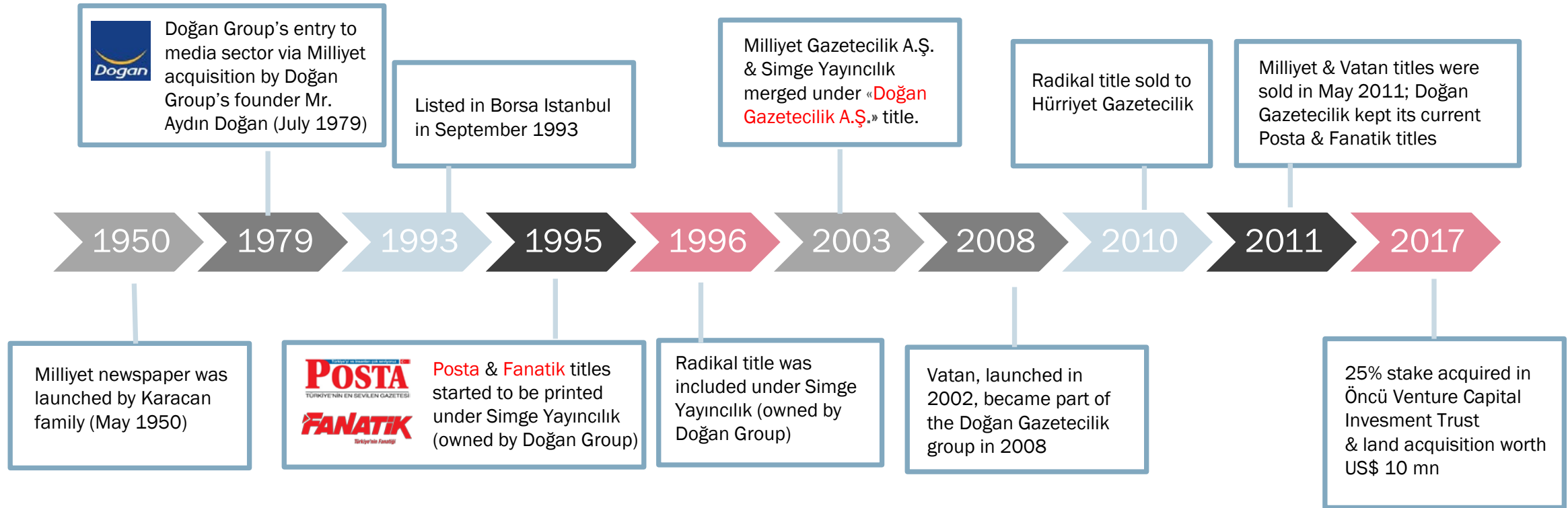


* TL30.7 mn gross cash dividend from FY17 earnings will be proposed at the General Assembly.

¹ Gemius Prism December 2017

² Based on 2017 financials

Milestones



Following the sale of Milliyet and Vatan newspapers in 2011, Doğan Gazetecilik implemented a series of initiatives to update its news portals

Doğan Holding: leading & long-standing player in the media sector

- Doğan Holding is one of the leading conglomerates in Turkey operating in diverse sectors such as Media, Energy, Retail, Industry, Trade and Financial Services.
- Doğan Holding <DOHOL> is listed in Borsa Istanbul since 1993.
- Doğan Holding's entry to media business back in 1979 through Milliyet acquisition lay the foundation for Doğan Gazetecilik.
- Doğan Holding is the leading & fully integrated media player in Turkey with pioneering brands:
 - Newspaper Publishing & Distribution, News Agency: *Hurriyet, Posta, Fanatik, Hurriyet Daily News, DHA, Yaysat*
 - Magazine & Book Publishing with global partners of *Burda & Egmont: Doğan Burda, Doğan Egmont, Doğan Kitap*
 - TV & Radio Broadcasting & Production; *Kanal D, CNN Türk, Radyo D, Slow Türk radio,*
 - Digital platform; *D-Smart & BluTV*
 - Online classifieds web sites



Reaching one-third of daily newspaper readers¹



Posta thinks like the public & writes in the public's language

Fanatik, as the most read sports daily, also aims to establish sport ethics & awareness in the community.



DGZTE: Print media at a glance

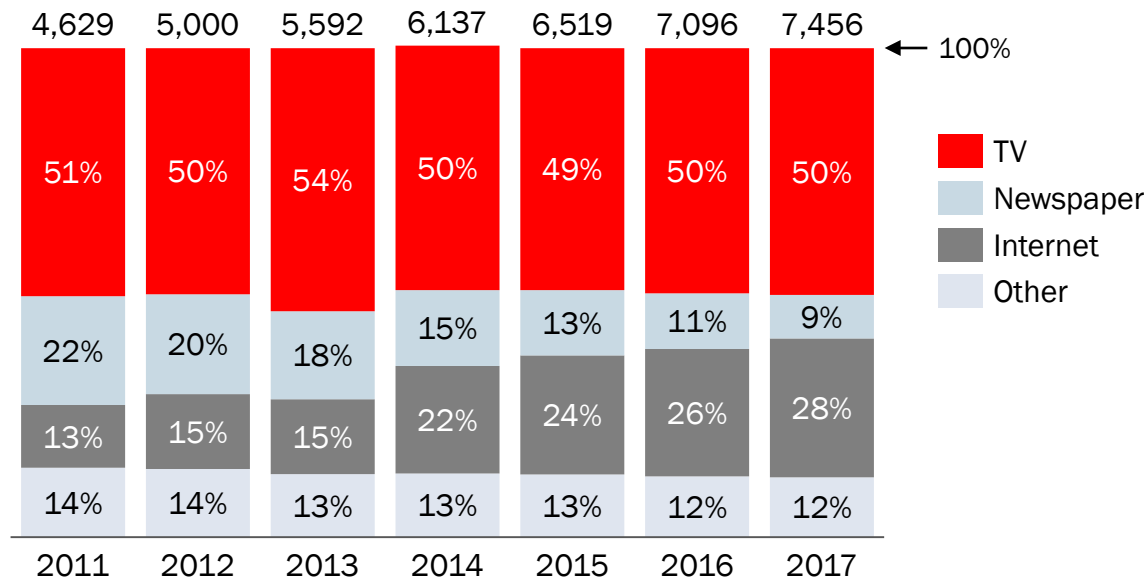
- Among 1/3 of newspaper readers in Turkey prefers Doğan Gazetecilik titles (Posta & Fanatik).
- Around 11% of an average of 3.3 million newspapers sold daily nationwide are Doğan Gazetecilik newspapers.
- Posta ranks #1 in daily reach based on readership survey; #4 in nationwide average daily circulation
- Fanatik ranks #1 in reach as sports daily.

National Print Titles	Avg. Daily Circulation (in 000)	Market Share in Circulation	Reach (mn people)
POSTA Türkiye'nin En Sevilen Gazetesi	259	7.9%	1.39
FANATIK Türkiye'nin Fanatığı	100	3.0%	0.76
Doğan Gazetecilik	359	10.9%	2.2
Turkish Market	3,292		6.3

¹ Based on The Turkish National Readership Survey for period Dec 16/17, conducted by the Turkish Joint Industry Committee for National Readership Survey (BİAK).

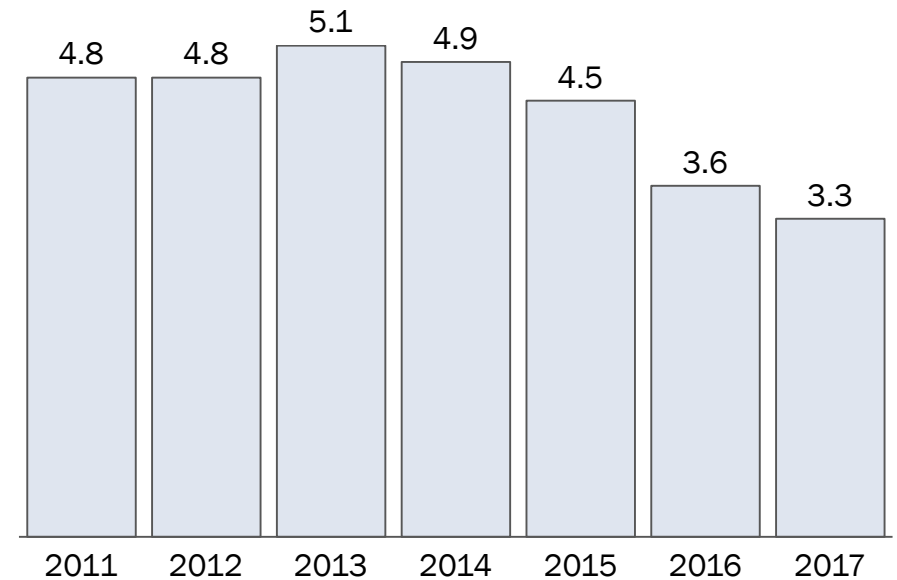
Newspaper Ad Market declining, but online is taking the share

Ad Market in Turkey (TL mn)



Source: Company Data (previous years restated)

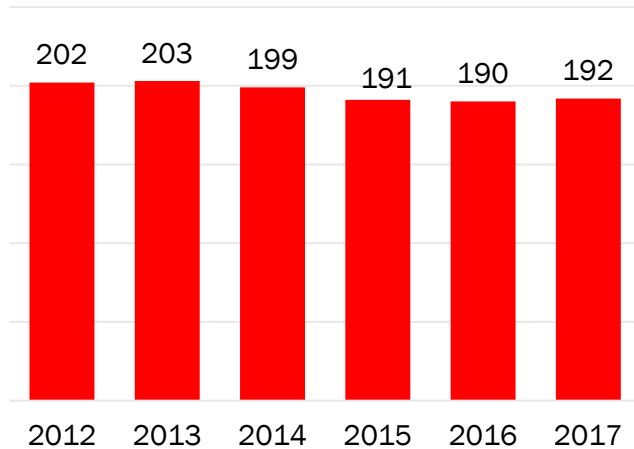
Avg. Daily Newspaper Circulation in Turkey (mn units)



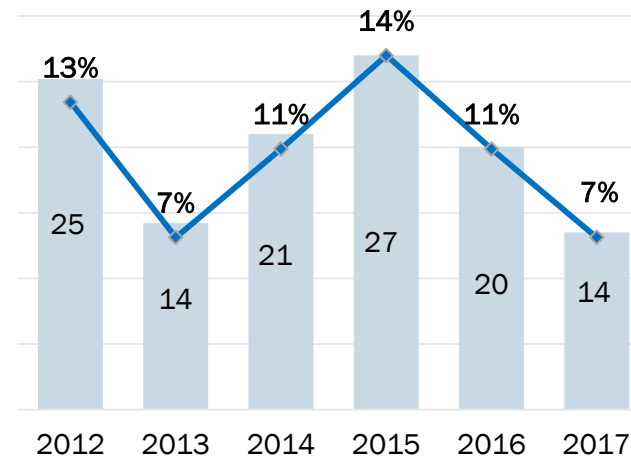
Source: Basın-İlan , The Company

Doğan Gazetecilik maintains revenues, despite adverse market conditions

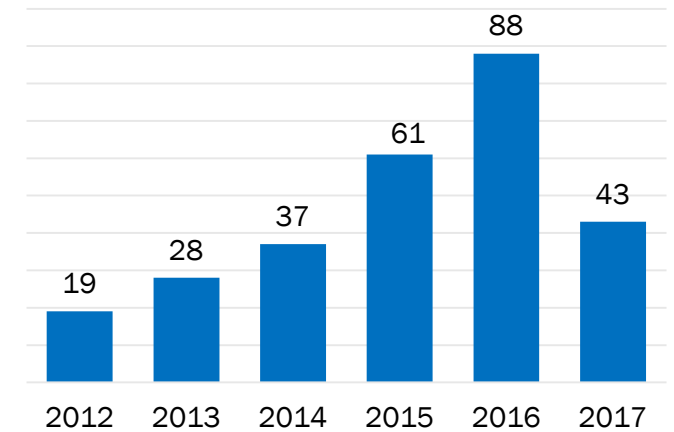
Consolidated Revenues
(TL mn)



EBITDA (TL mn) & EBITDA Margin



Net Income
(TL mn)



* 2016 net income includes 47 mn TL additional income due to an increase on fair value of investment properties led by a change in accounting methods.

- The Company managed to keep its revenues almost intact over the years; thanks to cover price adjustments.

Focuses on growth with: posta.com.tr & fanatik.com.tr



Turkey's best sports website!



www.fanatik.com.tr

- 5.1 mn monthly UV
- 169.2 mn monthly PV

Fanatik mobile

- 5.9 mn monthly UV
- 144.7 mn monthly PV

“Your Home Page for Life!”



www.posta.com.tr

- 2.4 mn monthly UV
- 126.7 mn monthly PV

Posta mobile

- 3.8 mn monthly UV
- 86.9 mn monthly PV

DGZTE: Online media at a glance

Posta.com.tr

- From its launch in 2009, posta.com.tr has offered readers fast and exciting access to all news related to life and living.
- A new editor in chief in posta.com.tr appointed in 4Q16, positive PV figures realized in newsportal's web traffic in 2017.
 - Posta expanded its monthly UV to 10 mn in December 2017 from 4 mn in Dec 2016.
 - All classified ads are also digital in 2017

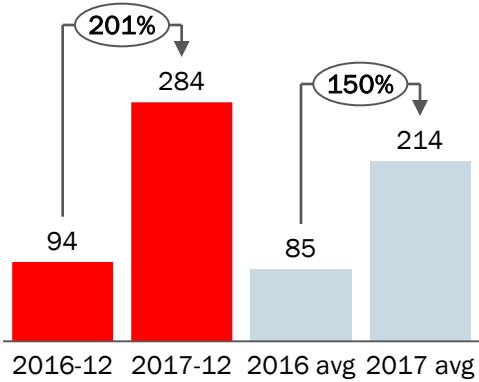
Fanatik.com.tr

- Fanatik positions itself as a multi-platform channel for news and sports entertainment and focus more on mobiles.
- Fanatik.com.tr # 1 sports daily with UV: 5.9 mn UV in mobile & 5.1 mn desktop in 2017.
- Fanatik web TV started broadcasting in 2013 with a 24-hour broadcast cycle.
- «Fanatik Live Score» application was renewed in 2017, which led to a jump in number of users by 244%.
- Fanatik included ESports (competitive digital gaming) content starting at 2017-end, which is booming among youth fans.

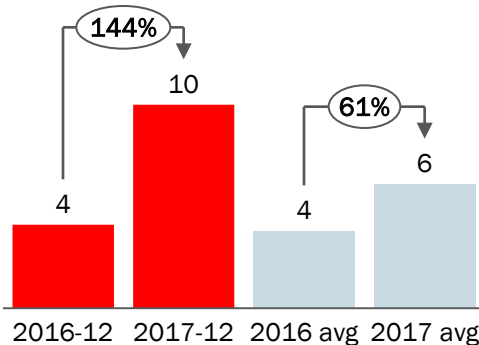
Increase in monthly UV & PV in 2017



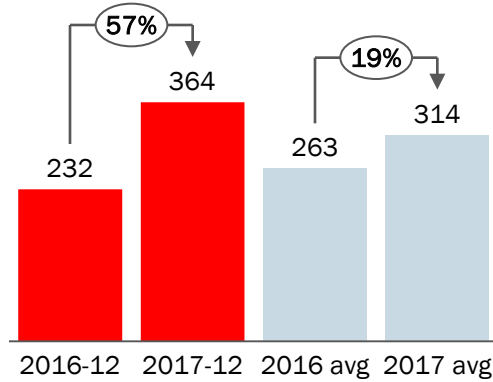
Monthly PV (mn)



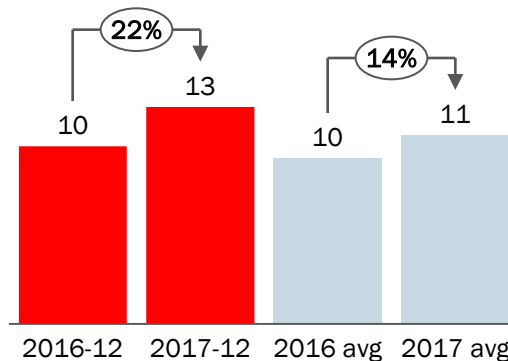
Monthly UV (mn)



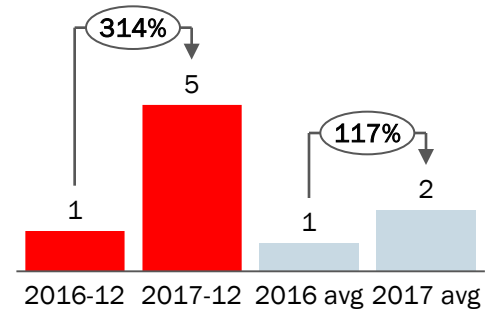
Monthly PV mn



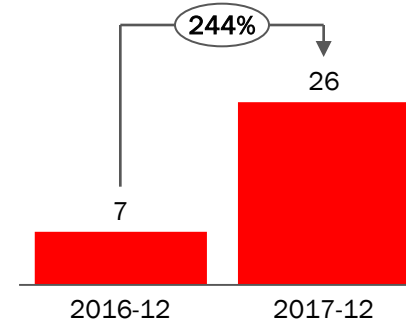
Monthly UV (mn)



Monthly PV mn



User population (in 000)

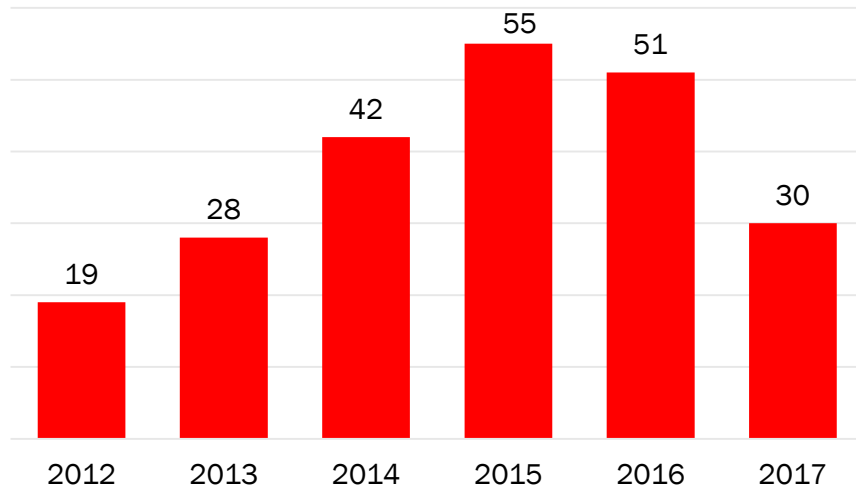


Source :Gemius Prism (December & 12 month average)

Strong financial position & valuable investments

- Net cash of US\$30 mn & Total Investment Properties of US\$70 mn as of 2017-end.

Net Cash Position (US\$mn)



* Decline in net cash in FY17 is due to cash outflows of TL38.5 mn for land acquisition & TL20 mn for 25% stake in Öncü Venture Capital Investment Trust in 4Q17.

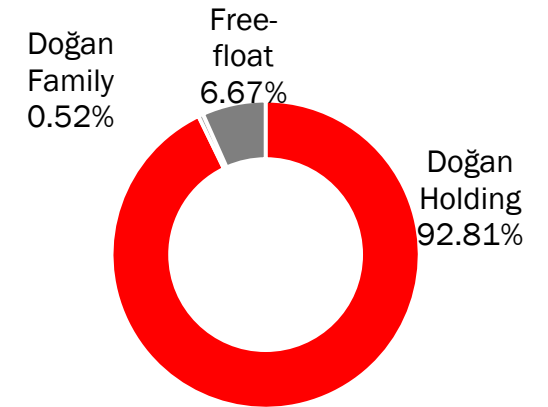
Balance Sheet Summary (TL mn)	Dec 31, 2016	Dec 31, 2017	Change
Current Assets	222.2	160.8	-27.6%
Cash & Equivalents	177.8	106.2	-40.3%
Financial Investments	-	8.6	0.0%
Non-Current Assets	277	357.3	29.0%
Financial Investments	-	20	0.0%
Investment Properties ¹	210.8	265	25.7%
Total Assets	499.2	518.2	3.8%
Short-Term Liabilities	34.5	32.3	-6.4%
Long-Term Liabilities	16	26.9	68.1%
Equity	448.6	459.1	2.3%
Total Liabilities	499.2	518.2	3.8%

¹ As of Dec 31, 2017, out of the total TL265 mn (US\$70 mn) investment properties, TL226 mn consists of rented buildings, TL38.5 mn land acquisition, while the rest is properties acquired via barter agreements.

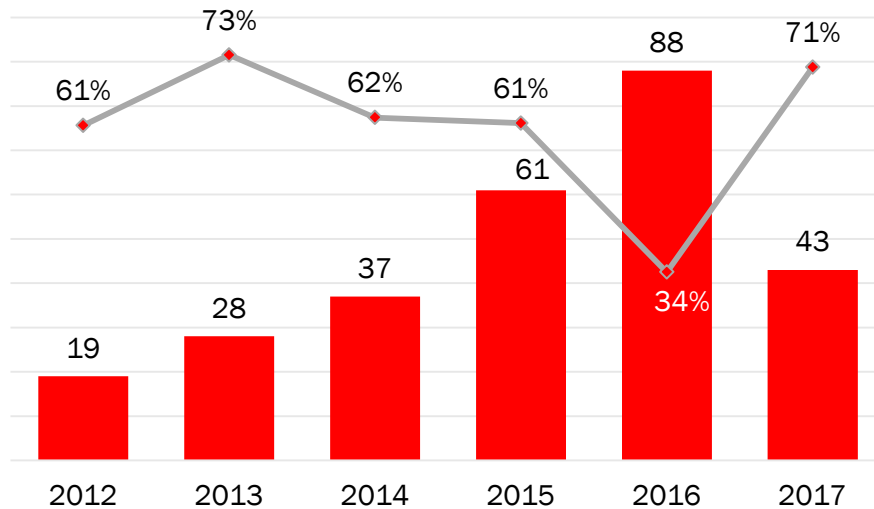
Shareholder Return <DGZTE>

- Doğan Gazetecilik <DGZTE> has been trading on Borsa Istanbul since 1993.
- The company paid gross cash dividend of TL30.0 mn from 2016 earnings in December 2017, representing a dividend yield of 10.5%, and pay out ratio of 34%
- DGZTE is currently trading at 4.69 TL/share and at Mcap of US\$129.5 mn (Mar 7, 2018).

DGZTE Shareholder Structure

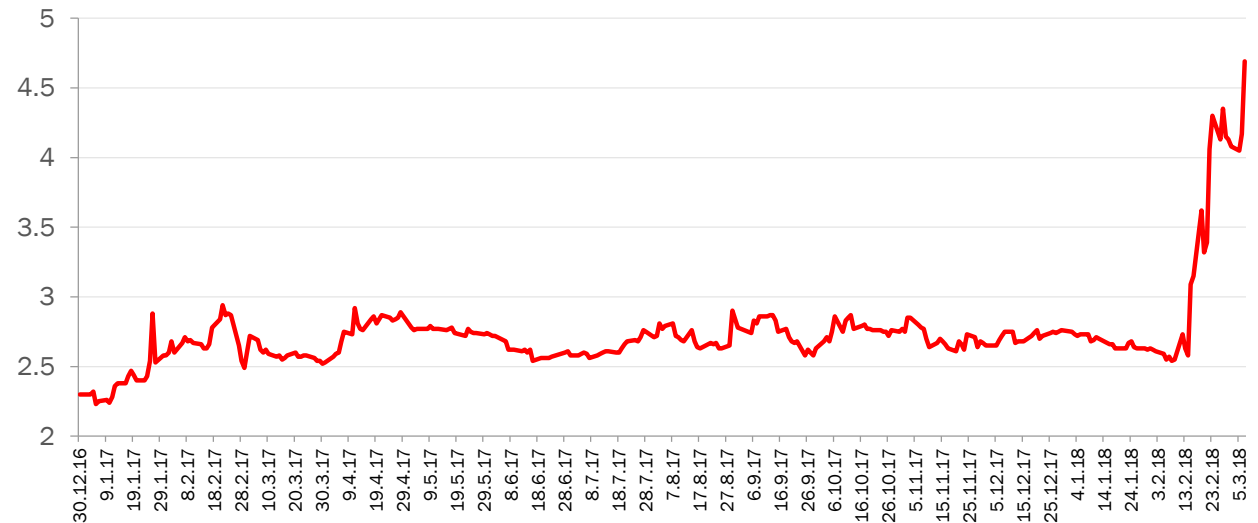


Net Profit (TL mn) & Dividend Payout Ratio (%)



* TL30.7 mn gross cash dividend from FY17 earnings will be proposed at the General Assembly.

DGZTE Share Price in TL (2017 to date)



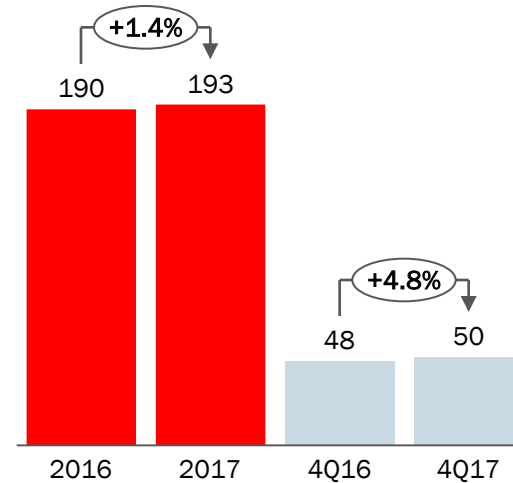
FINANCIAL REVIEW

Based on 4Q17 FINANCIALS

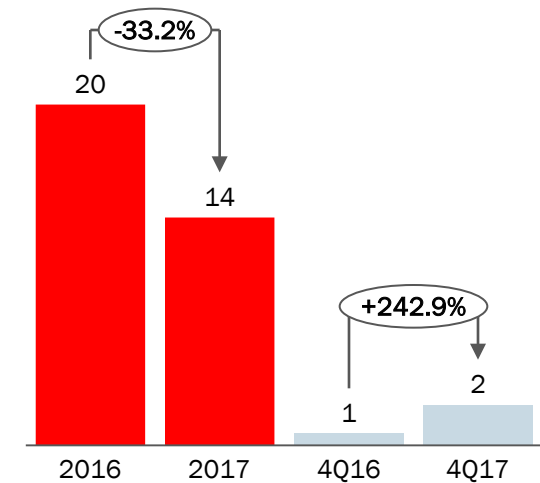
Highlights of 2017

- Revenues was up by 4.8% in 4Q17 & 1.4% in FY17 yoy; despite the contraction in newspaper ad market & circulation in Turkey.
- Newspaper cover price adjustments offset the negative impact of lower circulation.
 - Posta's cover price in all cities for all days increased by 33% to TL1.0/copy in Jan 2017.
 - Fanatik's cover price was up by 25% to TL1.25/copy in June 2017.
- Higher OPEX, due to elevated distribution expenses, EBITDA narrowed to TL14 mn in 2017.
- Net income was TL43 mn in 2017, down from TL88 mn (a one-off income of TL47 mn in FY16 as a result of increase in fair value of investment properties due to change in accounting methods).
- Despite the cash outflows of TL20 mn for 25% stake in Öncü VCIT, TL30.0 mn for cash dividend and TL38.5 mn for land acquisition in 2H17, the company maintained its strong net cash position at US\$30 mn.
- BoD decided to propose gross cash dividend of TL30.7mn from FY17 earnings.

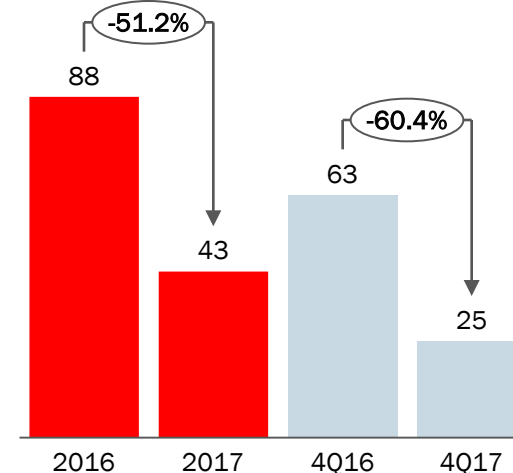
REVENUES (TL MN)



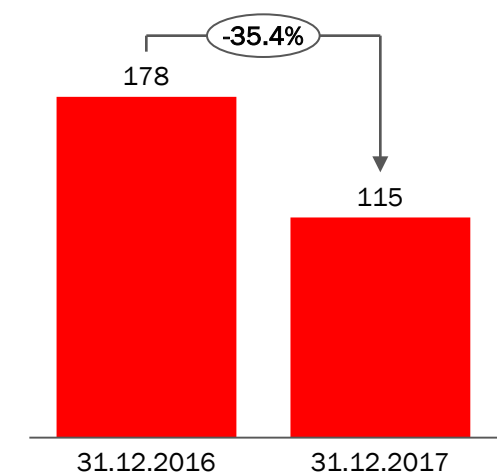
EBITDA (TL MN)



NET INCOME/(LOSS) (TL MN)

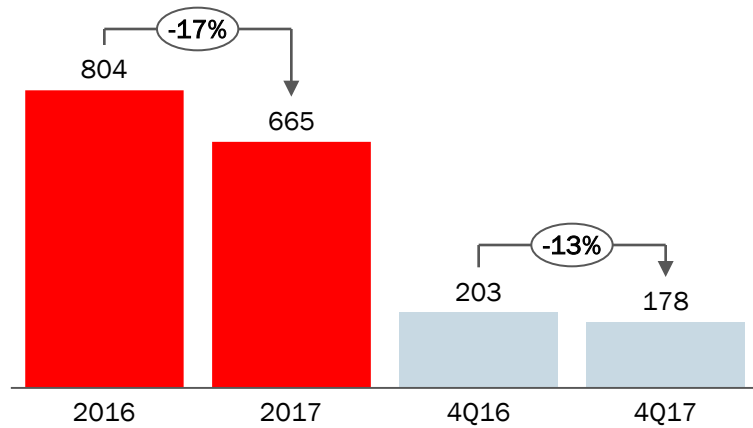


NET CASH (TL MN)

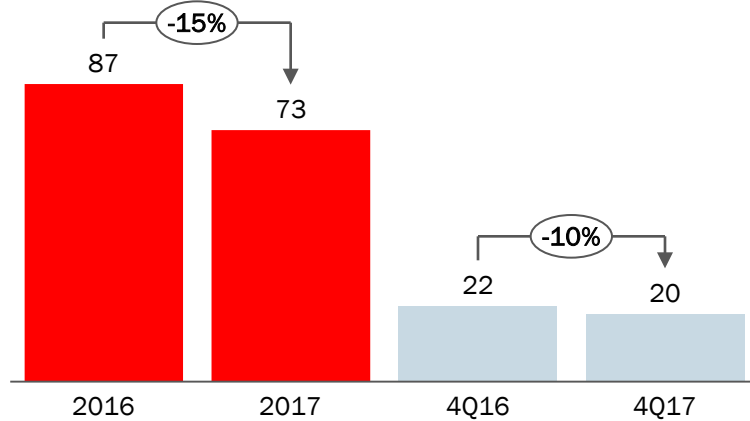


Newspaper Ad Market

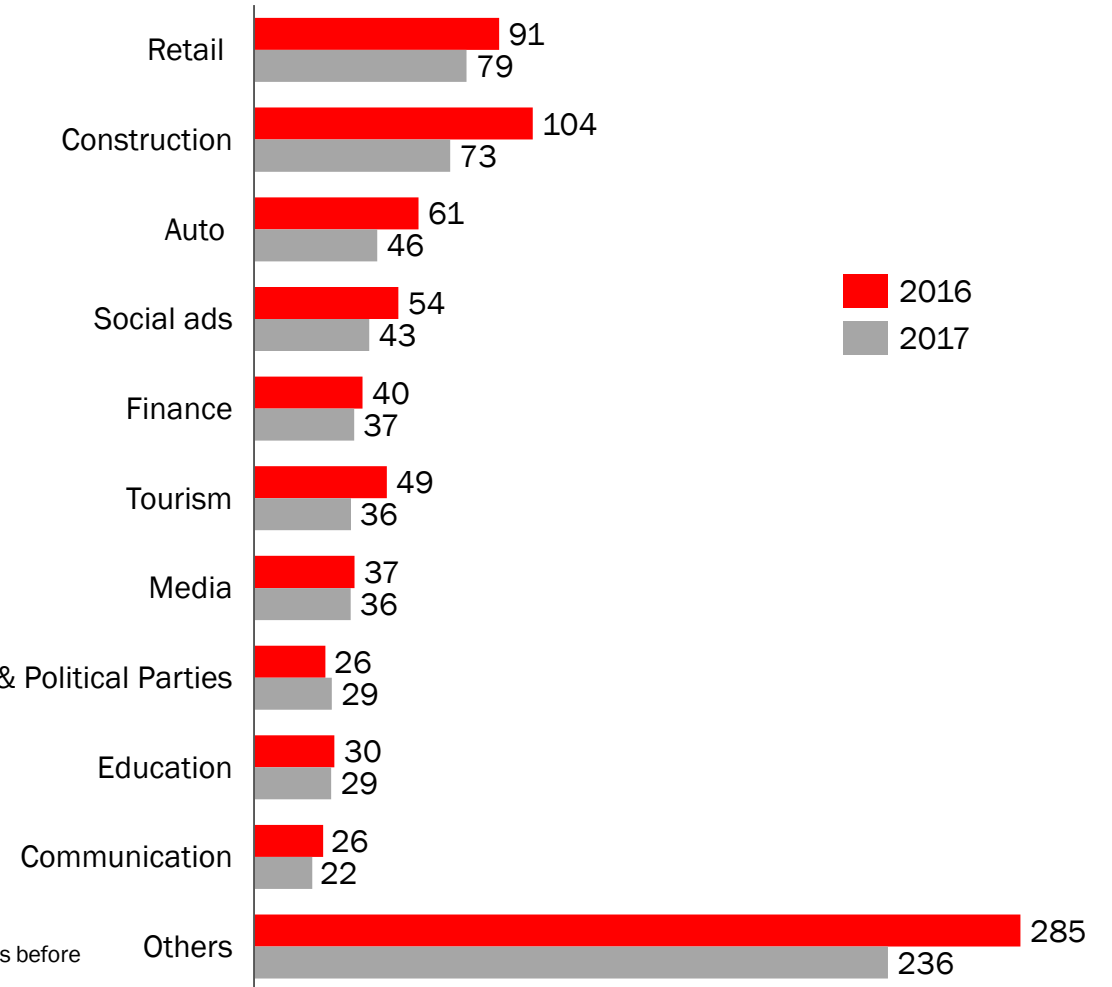
Turkish Newspaper Ad Market (TL mn)¹



Doğan Gazetecilik Print Ad Revenues (TL mn)²



Top sectors in Newspaper Ad Market (TL mn)



(1) Ad market statistics are estimates compiled by Doğan Media Group ad platform.

(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.

Summary Results

Income Statement Summary (TL mn)	FY16	FY17	Change Yoy	4Q16	4Q17	Change Yoy
Revenues	189.9	192.5	1.4%	47.5	49.8	4.8%
Cost of Sales (-)	114.8	115.0	0.2%	31.7	30.3	-4.6%
Gross Profit	75.1	77.5	3.1%	15.8	19.6	23.7%
Operating Expenses	57.9	66.5	14.9%	15.8	17.9	13.4%
Operating Profit	17.3	10.9	-36.5%	0.0	1.6	n.m
Other Operating Income/(Exp)	28.4	18.9	-33.5%	19.9	12.1	-39.1%
Net Income/(Exp) from Investing Act.	55.2	29.4	-46.8%	49.4	23.0	-53.3%
Profit Before Tax	100.8	59.2	-41.3%	69.2	36.8	-46.9%
Net Profit	88.2	43.0	-51.3%	62.9	24.9	-60.4%
Amortised cost valuation income	1.0	0.9	-6.4%	0.2	0.4	81.3%
Depreciation & Amortisation	1.9	1.6	-17.9%	0.5	0.4	-16.7%
EBITDA	20.2	13.5	-33.3%	0.7	2.4	243.0%
EBITDA Margin	10.6%	7.0%		1.5%	4.9%	

Revenue Breakdown

Revenues (TL mn)	FY16	FY17	Change Yoy	4Q16	4Q17	Change Yoy
Circulation Revenues	101.8	115.0	13.0%	24.9	28.6	14.9%
Total Ad Revenues	84.7	73.4	-13.3%	21.7	20.1	-7.4%
Print Ad Revenues	78.8	66.5	-15.7%	20.3	17.9	-11.8%
Online Ad Revenues	5.8	6.9	18.3%	1.4	2.2	55.0%
Other Revenues	3.4	4.1	19.0%	1.0	1.1	16.5%
Total Revenues	189.9	192.5	1.4%	47.5	49.8	4.8%

- Total Revenues in 2017 remained intact with the same levels attained in FY16, despite negative newspaper market in terms of both in advertising & circulation.
 - *Circulation revenues were up by 13.0%: 13.4% yoy decline in average daily circulation figures was totally offset by newspaper cover price adjustments.*
 - *Total ad revenues declined by 13.3% yoy.*

Costs

Costs (TL mn)	FY16	FY17	Change Yoy	4Q16	4Q17	Change Yoy
Cost of Sales	114.8	115.0	0.2%	31.7	30.3	-4.6%
Newsprint Costs	47.5	44.2	-7.0%	12.4	11.0	-11.4%
Printing & Other Costs	67.2	70.8	5.3%	19.3	19.3	-0.3%
Operating Expences	57.9	66.5	14.9%	15.8	17.9	13.4%
General & Administrative Expenses	15.1	17.0	12.5%	4.2	4.0	-5.7%
Sales & Marketing Expenses	42.8	49.6	15.8%	11.6	14.0	20.4%
Total Costs	172.6	181.5	5.2%	47.5	48.2	1.4%

- Despite 21.0% increase in average US\$ rate and 1.3% increase in average newsprint/ton prices in US\$ terms in 2017 vs 2016; newsprint costs declined by 7.0% 2017 yoy, due to page number optimizations and lower circulation figures.
- Total costs were up by 5.2% yoy; due to higher operating expenses.

Strategies for further growth in digital

fanatik.com.tr

Website will be renewed and fanatik targets to have more video content in 2018

ESports

Fanatik turns its focus to ESports (professional competitive gaming) and its younger fans; more news content will be provided in 2018.

LiveScore

Fanatik's LiveScore app will be improved and more users expected in 2018

Posta.com.tr

Website will be renewed and Posta targets to have more video content in 2018

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THANK YOU

For further information, please contact:

Bura Canbaz

Head of IR & Financial Reporting

Email: burca.canbaz@dogangazetecilik.com.tr

DOĐAN GAZETECİLİK A.Ő.

Trump Towers Kule 2 Kat:9 No:12

34387 Mecidiyeköy/İstanbul

Tel : +90 212 505 61 11

www.kurumsal.dogangazetecilik.com.tr