

Dođan Gazetecilik A.Ş.

Review of 1Q14 Results
May 09, 2014



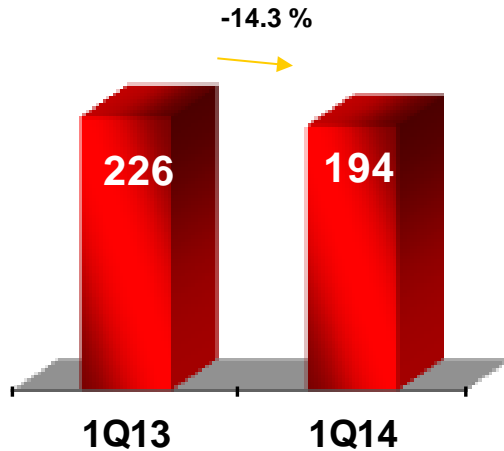
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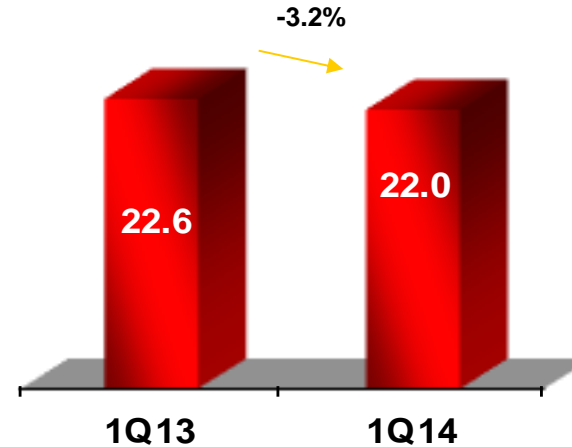
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Newspapers – Turkey (Est) (TLm) ⁽¹⁾





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



- Newspaper ad spending in Turkey decreased by 14.3% in 1Q14, yoy.
- Dogan Gazetecilik's print ad revenues outperformed the market; registering decrease by 3.2% in 1Q14, 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	1Q13	1Q14	Ch vs. 1Q14/13
CIRCULATION MARKET SHARE	12.7%	11.0%	-1.7 pp
Doğan Gazetecilik Daily Average Circulation (*)	650,000	585,000	-10.1%
	465,000	415,000	-10.9%
	185,000	170,000	-7.9%
Nationwide average circulation	5,111,000	5,294,000	3.6%

* Source: Basın İlan (Governmental Agency)



Dogan Gazetecilik's ad revenues (excluding internet revenue) decreased by 4.4% in 1Q14, yoy.



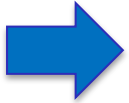
For Posta title; Strategy for mix of promotion, editorial page numbers and editorial content products continued in a flexible way, to get the best optimization in circulation/cost model.



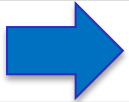
As of January 2014, the cover prices of Posta in regional cities increased by 25% to TL0.50 for weekdays and by 25% to TL0.75 for weekends.



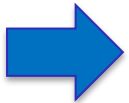
Fanatik positioned itself as "an integrated newspaper and digital platform channel for news and sports entertainment".



In 1Q14, Posta's average number of pages was 39 (vs. 43 in 1Q13), while Fanatik's was 19 (vs. 21 in 1Q13).



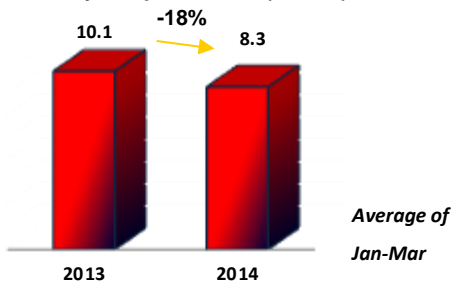
Posta.com.tr reached 5.4 mn unique monthly visitors in 1Q14, up by 0.1%, yoy (*). Meanwhile, arabam.com maintained its leading position in auto classifieds.



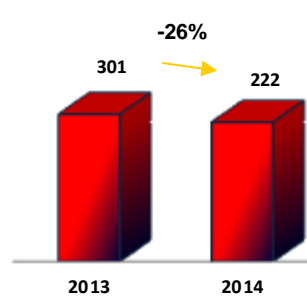
On top of TL 9.6 mn "cash dividend advance" paid from the profit of 2013 in September 2013; TL10.7 mn additional cash dividend was paid from FY13 earnings on April 2014. Together with the advance dividend, total dividends distributed in 2013 reached TL21.2 mn.



Monthly Unique Visitors (million)



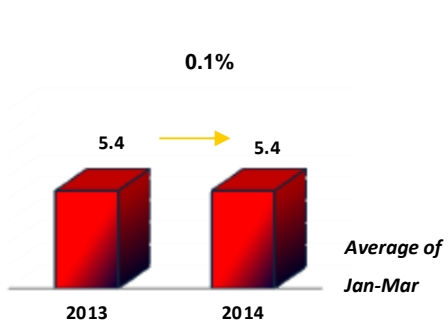
Page View (million)



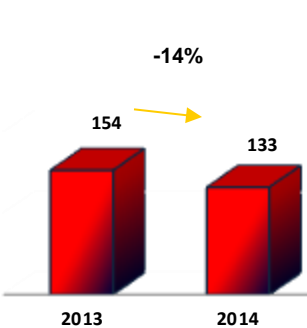
- Average page view in 1Q14 was 222 mn, down by 26% vs. 1Q13. (**)
- Average unique visitors in 1Q14 was 8.3 mn, down by 18% vs. 1Q13. (**)



Monthly Unique Visitors (million)



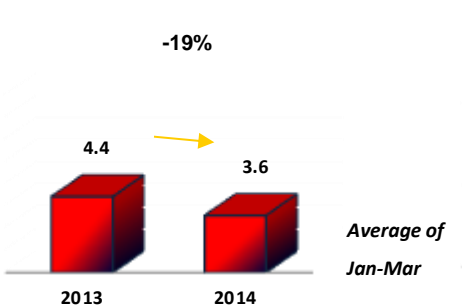
Page View (million)



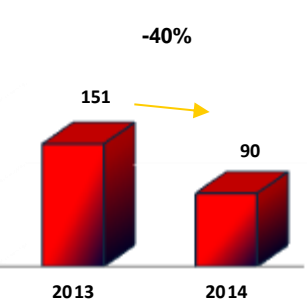
- Posta.com.tr launched as of October 2009
- Average page view in 1Q14 was 133 mn, down by 14% vs. 1Q13. (**)
- Average unique visitors in 1Q14 was 5.4 mn, up by 0.1% vs. 1Q13. (**)



Monthly Unique Visitors (million)

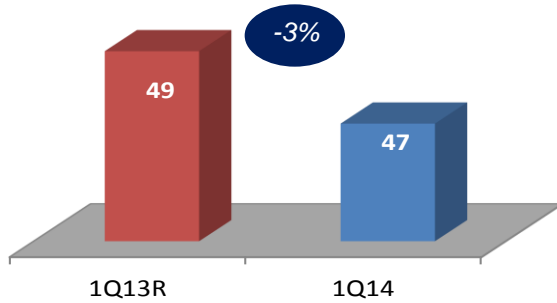


Page View (million)

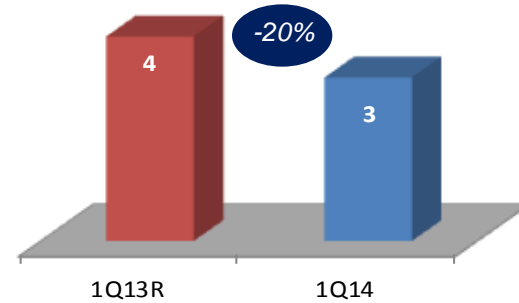


- Market leader in Turkey in online Auto Classifieds. (*)
- Average page view in 1Q14 was 90 mn, down by 40% vs. 1Q13; as a result of changes in calculation methods of page views. (**)
- Average unique visitors in 1Q14 was 3.6 mn, down by 19% vs. 1Q13. (**)

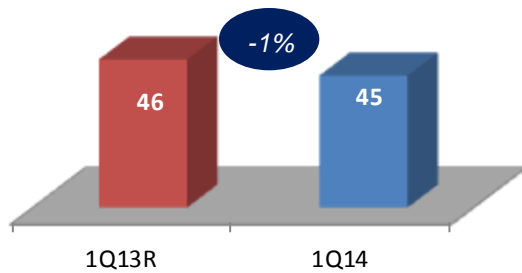
Revenues (TL mn)



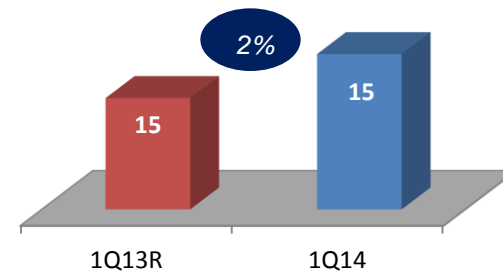
Ebitda (TL mn)



Total Costs (TL mn)



Raw material (TL mn)



(TL '000)	FY13	1Q13	1Q14	% Ch. 1Q14/13
Sales	202,728	48,947	47,442	-3%
(-) Cost of sales	129,683	29,860	30,457	2%
Gross profit	73,046	19,087	16,986	-11%
(-) Operating expenses	63,352	15,842	14,622	-8%
Operating profit	9,694	3,245	2,363	-27%
Operating profit margin	4.8%	6.6%	5.0%	
Other Operating Income/(Expenses)-net	4,269	761	890	17%
Investing Activities Income/(Expenses)-net	20,157	2,937	2,695	-8%
Profit before tax	34,119	6,943	5,948	-14%
Net Profit for the Period	27,703	5,769	4,113	-29%
<i>Amortised cost valuation income</i>	1,528	330	308	-7%
<i>Depreciation & amortisation</i>	2,966	724	764	6%
EBITDA	14,188	4,299	3,436	-20%
EBITDA Margin	7.0%	8.8%	7.2%	

- Total ad revenue (including print and internet ad revenue) decreased by 2,6% in 1Q14.

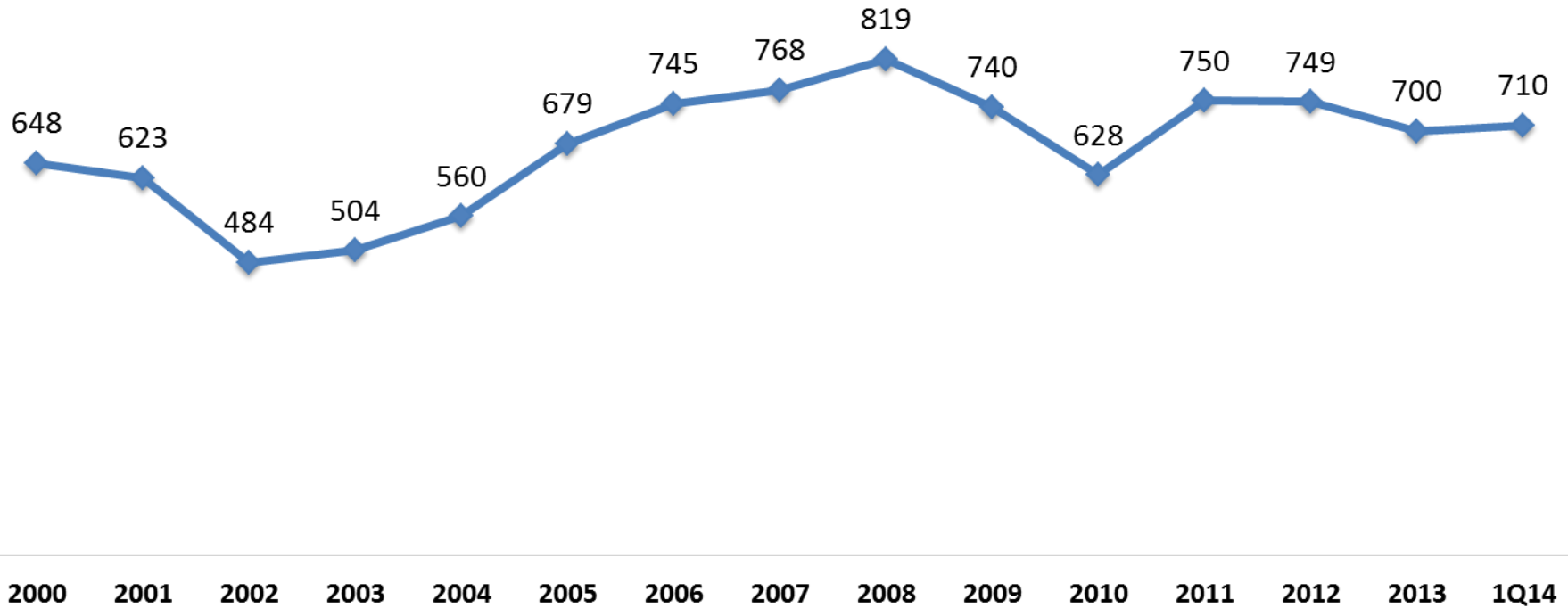
Revenues (TL '000)	FY12	FY13	1Q13	1Q14	1Q14/13 Ch (%)
Circulation Revenues	102,501	98,679	26,154	25,654	-1.9%
Avg. Daily Circulation	644,798	626,650	650,000	585,000	-10.1%
Total Ad Revenues	94,646	97,654	21,788	21,227	-2.6%
- <i>Print Ad Revenues</i>	89,565	91,118	20,353	19,462	-4.4%
- <i>Online Ad Revenues</i>	5,081	6,537	1,435	1,766	23.1%
Other Revenues	4,829	6,395	1,005	561	-44.2%
Total Revenues	201,976	202,728	48,947	47,442	-3.1%

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

Costs	FY13	1Q13	1Q14	1Q14/13 Ch (%)
Cost of Sales (TL '000)	129,683	29,860	30,457	2.0%
- Newsprint costs	63,986	14,893	15,247	2.4%
- Printing & other costs	65,697	14,966	15,210	1.6%
Operating Expenses (TL '000)	63,352	15,842	14,622	-7.7%
- General & Administrative Expenses	15,062	3,456	3,633	5.1%
- Sales & Marketing Expenses	48,290	12,387	10,989	-11.3%
Total Costs	193,035	45,702	45,079	-1.4%

Last year, the one-off expenses for the launch of Posta and Fanatik's E-newspaper led to a major increase 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 TL73.9 mn at 1Q14-end, vs. net cash of 59.2 mn TL in FY13, as a result of strong cash inflows from both operational performance and the sale of Milliyet - Vatan titles.

Cash Position & Investments (TL '000)	FY12	FY13	1Q14	ch%
CASH AND CASH EQUIVALENTS	34,903	59,764	74,463	25%
S.T. BANK BORROWINGS	456	561	519	-7%
NET CASH	34,447	59,203	73,943	25%
INVESTMENTS	4,862	1,982	65	-97%



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 flexible 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 focus on digital opportunities.



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