

# Dođan Gazetecilik A.Ş.

Review of 1H13 Results  
Aug 20, 2013



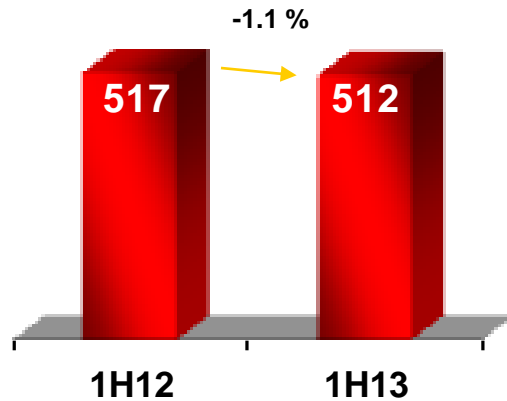
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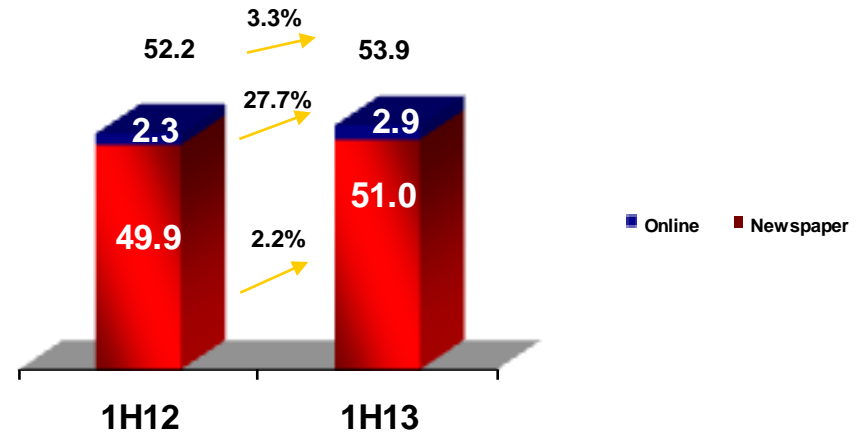
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Newspapers – Turkey (Est) (TLm) <sup>(1)</sup>





Dogan Gazetecilik's Ad Growth Performance (TL mn) <sup>(2)</sup>



- Newspaper ad spending in Turkey decreased by 1.1% in 1H13, yoy.
- The growth in Dogan Gazetecilik's print ad revenues in 1H13 was 2.2% yoy.
- The growth in Dogan Gazetecilik's online ad revenues in 1H13 was 27.7% yoy.

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

<sup>(2)</sup> 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.

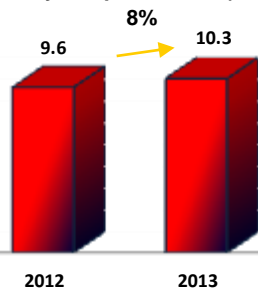
<b>Market Shares</b>	<b>1H12</b>	<b>1H13</b>	<b>Ch vs. 1H13/12</b>
<b>CIRCULATION MARKET SHARE</b>	<b>13.8%</b>	<b>12.5%</b>	<b>-1.3 pp</b>
<b>Doğan Gazetecilik Daily Average Circulation (000 units) (*)</b>	<b>648</b>	<b>639</b>	<b>-1.5%</b>
 <b>POSTA</b>	459	450	-2.0%
 <b>FANATIK</b>	189	189	-0.1%
<b>Nationwide average circulation (000 units)</b>	<b>4,713</b>	<b>5,109</b>	<b>8.4%</b>

\* Source: Basın İlan

- Dogan Gazetecilik's ad revenues (excluding internet revenue) increased by 3,4%, yoy.
- Fanatik.com.tr reached 11.5 mn monthly UV as of June 2013, up by 33% vs. Dec 2012. (\*)
- Mix of promotion, editorial page numbers and editorial content products are applied in a flexible way, to get the best optimization in circulation/cost model.
- In May 2013, TL11.6 million cash dividend was paid from the profit of 2012.

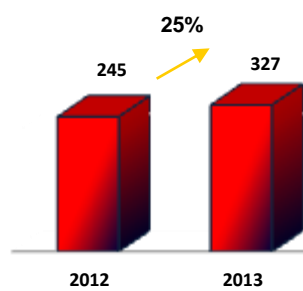


Monthly Unique Visitors (million)



Average of Jan-June

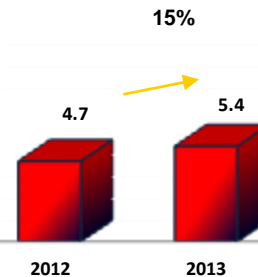
Page View (million)



- Average page view in 1H13 was 307 mn, up by 25% vs. 1H12. (\*\*)
- Average Unique Visitors in 1H13 was 10.3 mn, up by 8% vs. 1H12. (\*\*)

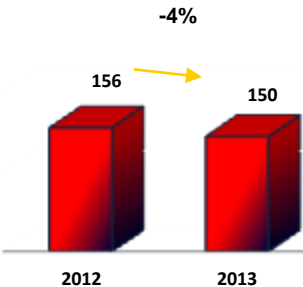


Monthly Unique Visitors (million)



Average of Jan-June

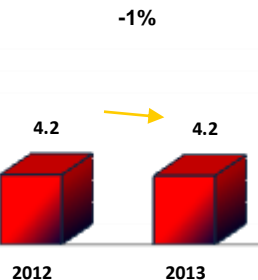
Page View (million)



- Posta.com.tr launched as of October 2009
- Average page view in 1H13 was 150 mn, down by 4% vs. 1H12. (\*\*)
- Average Unique Visitors in 1H13 was 5.4 mn, up by 15% vs. 1H12. (\*\*)

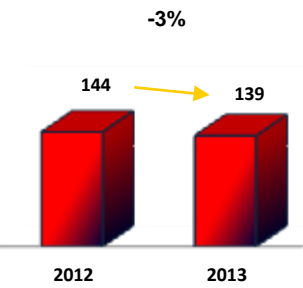


Monthly Unique Visitors (million)



Average of Jan-June

Page View (million)



- Market leader in Turkey in online Auto Classifieds. (\*)
- Average of Unique Visitors in 1H13 was 4.2 mn, down by 1% vs. 1H12. (\*\*)
- Average page view in 1H13 was 139 mn, down by 3% vs. 1H12. (\*\*)

(TL '000)	1H12	1H13	% Ch. 1H13/12
Sales	99,259	102,113	3%
(-) Cost of sales	65,102	61,328	-6%
Gross profit	34,157	40,785	19%
(-) Operating expenses	28,636	31,713	11%
<b>Operating profit</b>	<b>5,520</b>	<b>9,073</b>	<b>64%</b>
<b>Operating profit margin</b>	<b>5.6%</b>	<b>8.9%</b>	
Other Operating Income/(Expenses)-net	561	5,244	834%
Income/loss from investments	-	-11	n.a.
Other Income/(Expenses)-net	-4,186	5,261	n.a.
Profit before tax	1,895	19,567	932%
Net Profit for the Period	1,292	15,079	1067%
<i>Amortised cost valuation income</i>	814	701	-14%
<i>Depreciation &amp; amortisation</i>	1,482	1,456	-2%
<b>EBITDA</b>	<b>7,815</b>	<b>11,229</b>	<b>44%</b>
<b>EBITDA Margin</b>	<b>7.9%</b>	<b>11.0%</b>	

- Total ad revenue (including print and internet revenue) increased by 4,4% in 1H13.

Revenues (TL '000)	FY12	1H12	1H13	1H13/12 Ch (%)
<b>Circulation Revenues</b>	<b>102,501</b>	<b>50,580</b>	<b>50,691</b>	<b>0.2%</b>
Avg. Daily Circulation	644,798	648,107	638,612	-1.5%
<b>Total Ad Revenues</b>	<b>94,893</b>	<b>46,882</b>	<b>48,948</b>	<b>4.4%</b>
- <i>Print Ad Revenues</i>	89,812	44,385	45,880	3.4%
- <i>Online Ad Revenues</i>	5,081	2,497	3,068	22.8%
<b>Other Revenues</b>	<b>4,582</b>	<b>1,797</b>	<b>2,474</b>	<b>37.7%</b>
<b>Total Revenues</b>	<b>201,976</b>	<b>99,259</b>	<b>102,113</b>	<b>2.9%</b>



Newsprint prices were down by 10% yoy in TL terms in 1H13. In addition, together with reduction in circulation and page sizes; newsprint costs were down by 14,3% yoy in 1H13.

Costs	FY12	1H12	1H13	1H13/12 Ch (%)
<b>Cost of Sales (TL '000)</b>	<b>125,693</b>	<b>65,102</b>	<b>61,328</b>	<b>-5.8%</b>
- Newsprint costs	66,833	35,639	30,527	-14.3%
- Printing & other costs	58,860	29,463	30,800	4.5%
<b>Operating Expenses (TL '000)</b>	<b>55,271</b>	<b>28,636</b>	<b>31,713</b>	<b>10.7%</b>
- General & Administrative Expenses	14,265	7,526	7,155	-4.9%
- Sales & Marketing Expenses	41,006	21,110	24,558	16.3%
<b>Total Costs</b>	<b>180,964</b>	<b>93,738</b>	<b>93,041</b>	<b>-0.7%</b>

- Focus on cost controls and consulting expenses led to a 5% decline in general and administrative expenses.
- The one-off expenses for the launch of Posta and Fanatik's E-newspaper led to an increase in sales&marketing expenses.

- Cash inflows related from both operations and the sale of Milliyet - Vatan titles, net cash position in 1H13-end reached 52.2 mn TL, vs. net cash of 34.4 mn TL in FY12.

<b>Investments &amp; Financing (TL '000)</b>	<b>FY12</b>	<b>1H13</b>	<b>ch%</b>
<b>CASH AND CASH EQUIVALENTS</b>	<b>34,903</b>	<b>52,151</b>	<b>49%</b>
<b>S.T. BANK BORROWINGS</b>	<b>456</b>	<b>-</b>	<b>-100%</b>
<b>NET CASH</b>	<b>34,447</b>	<b>52,151</b>	<b>51%</b>
<b>INVESTMENTS</b>	<b>4,862</b>	<b>878</b>	<b>-82%</b>

- **Newspaper ad market was down by 1.1% yoy in 1H13, as a result of negative contribution in 2Q13.**

**Local newspaper ad market is expected to be under pressure in 2H13.**

- **Posta and Fanatik titles will continue to outperform in 2013 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 circulations.**

- **Fanatik title: continue to focus on digital opportunities.**

- **After the dividend payment from 2012 profit in May 2013, Board of Directors have decided to distribute TL9.6 mn “cash dividend advance” on September 23,2013.**

- **Strong cash position and profitability will be maintained in 2013 and onwards, which will be a source of consistent cash dividend.**