

Dođan Gazetecilik A.Ş.

Review of 2015 Results



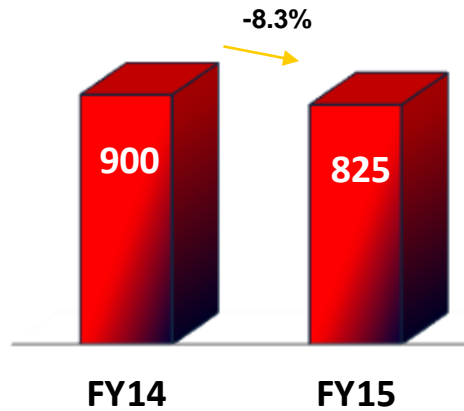
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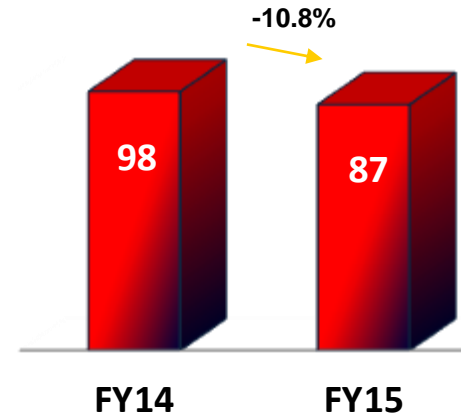
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Newspapers – Turkey (TLmn) ⁽¹⁾





Dogan Gazetecilik's Print Ad Revenues (TL mn) ⁽²⁾



- Turkish newspaper ad market declined by 8.3% in FY15, yoy, mainly with poor performance in second half of 2015.

⁽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	FY14	FY15	FY15/14 Ch (%)
CIRCULATION MARKET SHARE	11.5%	10.7%	-0.8 pp
Doğan Gazetecilik Daily Average Circulation (*)	562,906	480,773	-14.6%
 POSTA	400,517	345,237	-13.8%
 FANATIK	162,389	135,537	-16.5%
Nationwide average circulation	4,913,776	4,508,274	-8.3%

* Source: Basın İlan

Major Developments in FY15



Despite contraction in newspaper circulation and ad market in Turkey; Dogan Gazetecilik's total revenues were almost flat; with the support of newspaper cover price adjustments and higher online revenues.



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



Cover price adjustments in FY15 :

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 from 40.4 in FY14 to 37.2 in FY15 had positive impact on costs.



Sale of arabam.com title was completed as of December 2015.



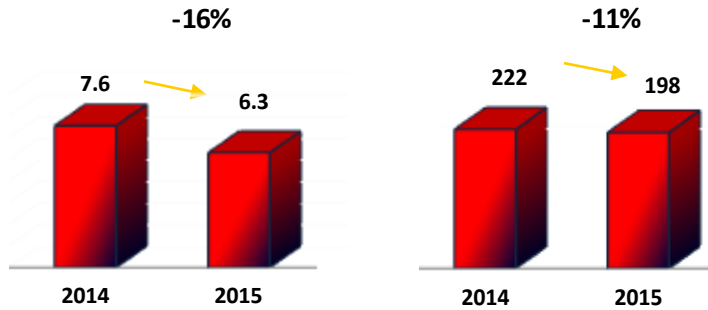
TL15.3 mn gross cash dividend distributed from FY14 earnings in April 2015; bringing total dividends from FY14 earnings to TL23.2 mn, together with the advance cash dividend payment in Nov 2014.

■ A substantial increase in mobile traffic data at Fanatik.

WEB

Monthly Unique Visitors (million)(*)

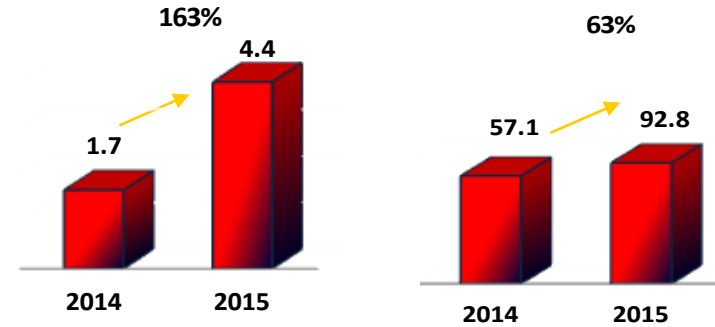
Page View (million)(*)



MOBILE (excluding apps)

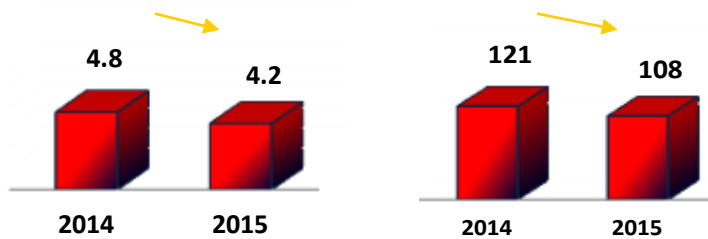
Monthly Unique Visitors (million)(*)

Page View (million)(*)



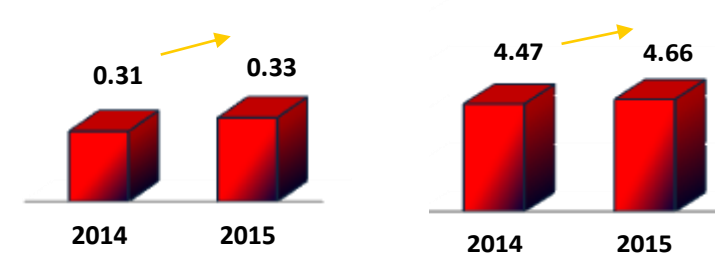
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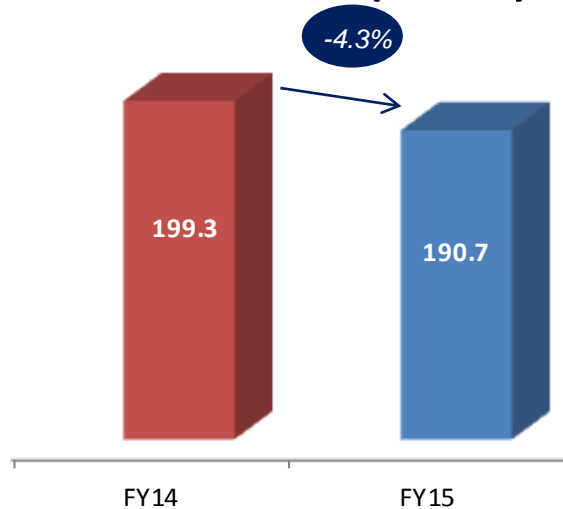
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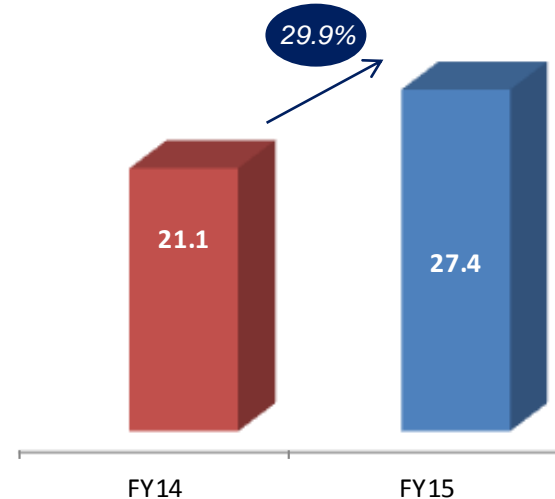


(*) Source :Gemius (Average Jan-Dec 2014 and 2015)

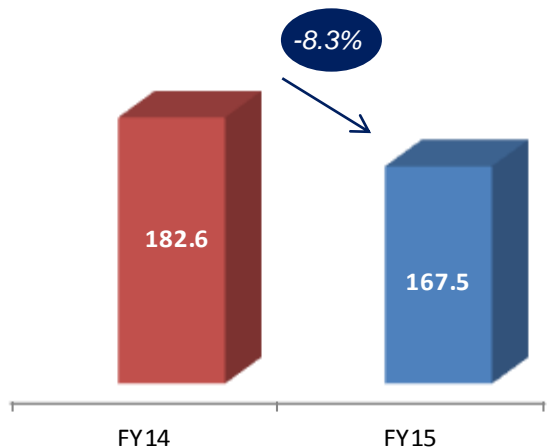
Revenues (TL mn)



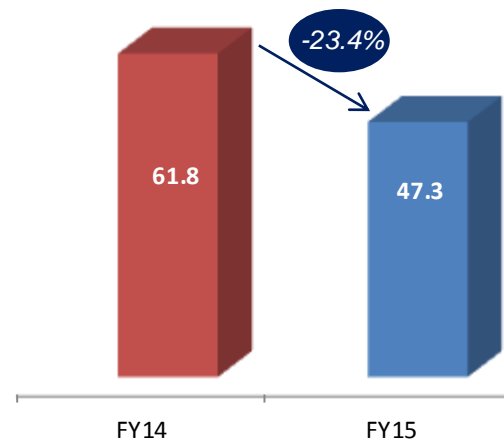
Ebitda (TL mn)



Total Costs (TL mn)



Raw Material (TL mn)



- Thanks to continued cost controls, EBITDA up by 30%, and EBITDA margin reached 14.4% vs.10.6% in FY14.
- Strong contribution to net income from other operating income, mainly led by fx gains.

(TL '000)	% Ch		
	FY14	FY15	FY15/14
Sales	199,295	190,681	-4%
(-) Cost of sales	122,399	108,580	-11%
Gross profit	76,896	82,102	7%
(-) Operating expenses	60,175	58,881	-2%
Operating profit	16,721	23,221	39%
Operating profit margin	8.4%	12.2%	
Other Operating Income/(Expenses)-net	781	26,571	n.m
Investing Activities Income/(Expenses)-net	26,968	25,710	-5%
Profit before tax	44,470	75,502	70%
Net Profit for the Period	37,423	60,817	63%
<i>Amortised cost valuation income</i>	1,328	1,118	-16%
<i>Depreciation & amortisation</i>	3,068	3,099	1%
EBITDA	21,117	27,439	30%
EBITDA Margin	10.6%	14.4%	

- With the support of newspaper cover price increases and higher online revenues, the decline in total revenues were limited at 4.3% yoy in FY15.
- Decline in other revenues is led by reduction in sales of promotional products, which also had a positive impact on costs.

Revenues (TL '000)	FY13	FY14	FY15	FY15/14 Ch (%)
Circulation Revenues	98,679	98,826	99,934	1.1%
Avg. Daily Circulation	626,650	562,906	480,773	-14.6%
Total Ad Revenues	97,654	94,326	86,806	-8.0%
- Print Ad Revenues	91,118	87,283	78,584	-10.0%
- Online Ad Revenues	6,537	7,043	8,222	16.7%
Other Revenues	6,395	6,143	3,942	-35.8%
Total Revenues	202,728	199,295	190,681	-4.3%

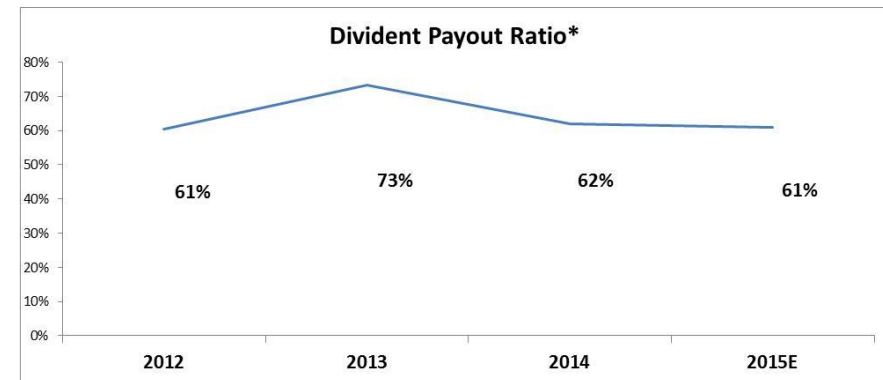
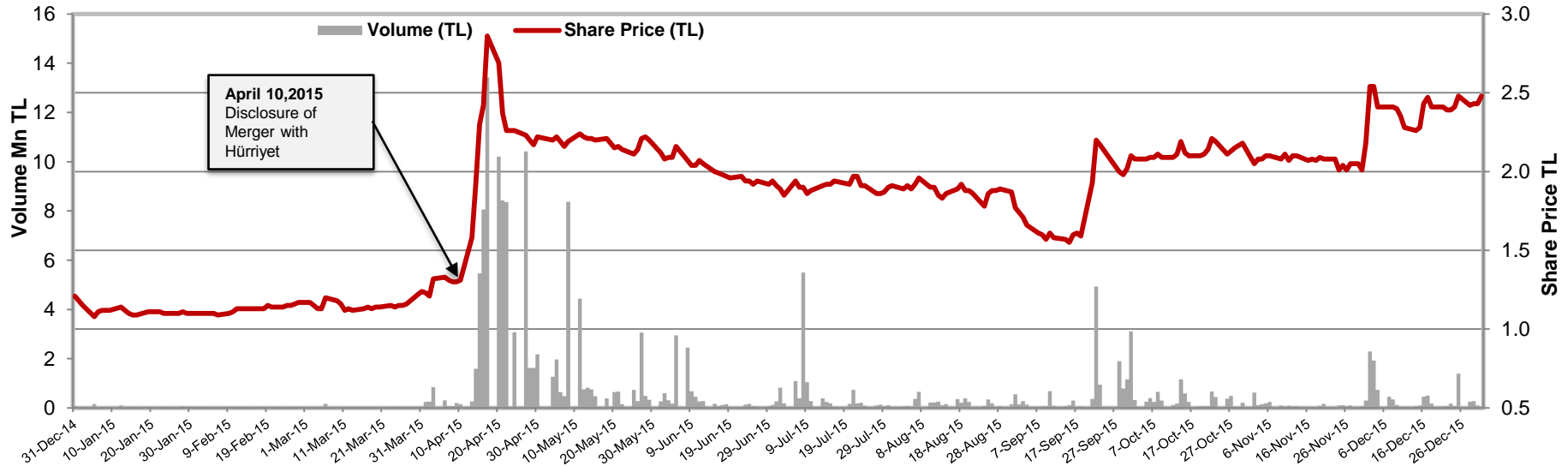
Despite the negative impact of sharp increase in exchange rates; newsprint costs were down by 23%, owing to lower circulation figures, decline in Posta's average page numbers, and 20% drop in average newsprint/ton prices in US\$ terms.

Costs (TL '000)	FY13	FY14	FY15	FY15/14 Ch (%)
Cost of Sales	129,683	122,399	108,580	-11.3%
- Newsprint costs	63,986	61,761	47,286	-23.4%
- Printing & other costs	65,697	60,638	61,293	1.1%
Operating Expenses	63,352	60,175	58,881	-2.2%
- General & Administrative Expenses	15,062	15,402	15,757	2.3%
- Sales & Marketing Expenses	48,290	44,773	43,124	-3.7%
Total Costs	193,035	182,574	167,460	-8.3%

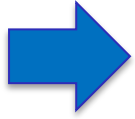
- Despite cash dividend payment of TL15.3 mn in 2015, net cash position reached TL160.5 mn at FY15-end, vs. 97.1 mn TL in FY14, as a result of:
 - Cash inflows from operational performance,
 - arabam.com title sale, and the collection of the receivables from Milliyet - Vatan titles sale,
 - and the impact of fx volatility (Bank Deposits of US\$49.0 mn as of December 31, 2015).

Net Cash Position (TL '000)	FY13	FY14	FY15	ch%
Cash And Cash Equivalents	59,764	97,623	161,140	65%
S.T. Bank Borrowings	561	542	602	11%
Net Cash	59,203	97,081	160,538	65%

- Doğan Gazetecilik's <DGZTE> share price increased by 105% in 2015, whereas BIST 100 declined by 16%.
- Mcap of DGZTE reached US\$ 89.5 mn as of 2015-end.



* Divident / Net income



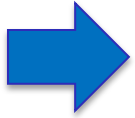
Getting the best optimization in circulation/cost model for «Posta»: options for promotion, editorial page numbers and editorial content will be continued to be implemented in an effective way.



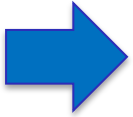
Cover price adjustments in 1Q16 expected to support circulation revenues:
As of Jan 2016, the cover prices of Posta increased by 25% to TL0.75 for weekdays



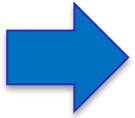
Strong cash position and profitability will be maintained in 2016 and onwards, which will be the potential for consistent cash dividend.



Cash position in fx eliminates the foreign currency risk in operational costs:
Company is exposed to foreign currency risk through the newsprint and printing costs which is dependent on US\$.



Organizational restructuring in advertising departments that took place at Posta and Fanatik, aims to support advertising revenues in 2016.



BoD decided to propose gross cash dividend of TL37.1 mn for 2015 earnings.