

# Dođan Gazetecilik A.Ş.

Review of 1Q13 Results  
May 15, 2013

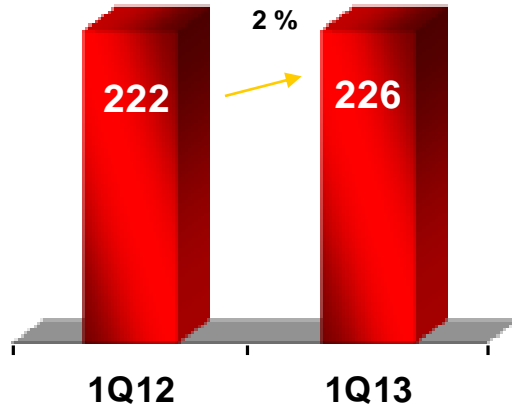


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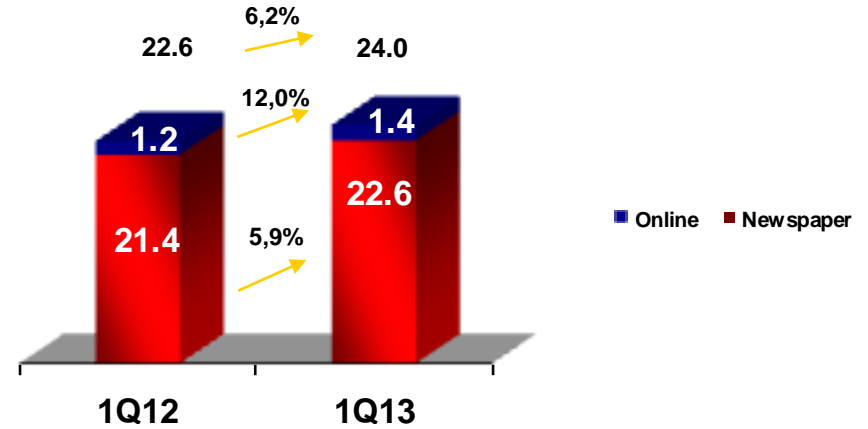
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**Newspapers – Turkey (Est)**  
(TLm)



**Dogan Gazetecilik's Ad Growth Performance (TL mn)**



- Newspaper ad spending in Turkey increased by 2.0% in 1Q13, yoy.
- The growth in online ad revenues in 1Q13 was 12.0% yoy.
- 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>1Q12</b>  | <b>1Q13</b>  | <b>Ch vs.<br/>1Q13/12</b> |
|--|--------------|--------------|---------------------------|
| <b>CIRCULATION MARKET SHARE</b>  | <b>13,9%</b> | <b>12,7%</b> | <b>-1,2 pp</b>            |
| <b>Doğan Gazetecilik Daily Average<br/>Circulation (000 units) (*)</b>                           | <b>653</b>   | <b>650</b>   | <b>-0,5%</b>              |
|  <b>POSTA</b>   | 467          | 465          | -0,4%                     |
|  <b>FANATIK</b> | 186          | 185          | -0,5%                     |
| <b>Nationwide average circulation (000 units)</b>  | <b>4.685</b> | <b>5.111</b> | <b>9,1%</b>               |

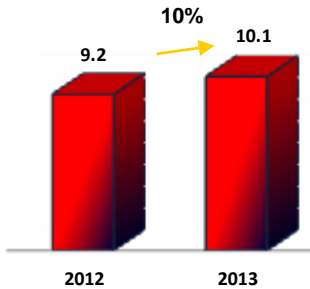
\* Source: Basın İlan

- Dogan Gazetecilik's ad revenues (excluding internet revenue) increased by 6,9%, yoy, better than the newspaper ad market growth of 2,0%.
- Fanatik.com.tr reached a monthly UV as of 9.2 mn Mar 2013, up by 7% vs. Dec 2012. (\*)
- Mix of the promotion, editorial page numbers and editorial content product are applied in a flexible way, to get the best optimization in circulation/cost model.
- Board of Directors decided to propose TL11.6 mn cash dividend for FY12 to the approval of the General Assembly that will be held on June \*\*, 2013, with a dividend yield of 7%. \*\*

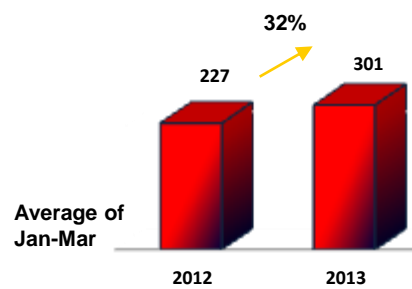
# News web sites are well positioned in the market



Monthly Unique Visitors (million)



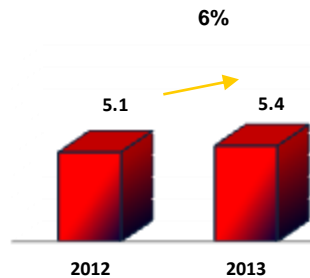
Page View (million)



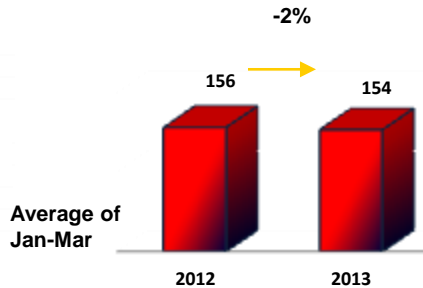
- Average page view in 1Q13 was 301 mn, up by 32% vs. 1Q12. (\*\*)
- Average Unique Visitors in 1Q13 was 10.1 mn, up by 10% vs. 1Q12. (\*\*)



Monthly Unique Visitors (million)



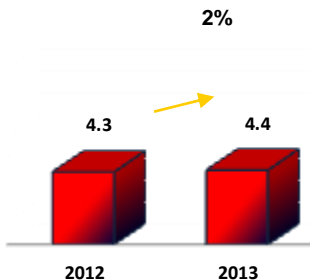
Page View (million)



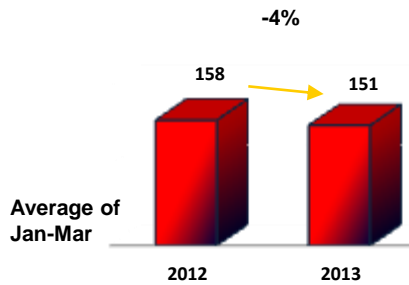
- Posta.com.tr launched as of October 2009
- Average page view in 1Q13 was 154 mn, down by 2% vs. 1Q12. (\*\*)
- Average Unique Visitors in 1Q13 was 5.4 mn, up by 6% vs. 1Q12. (\*\*)



Monthly Unique Visitors (million)



Page View (million)



- Market leader in Turkey in online Auto Category. (\*)
- Average page view in 1Q13 was 151 mn, down by 4% vs. 1Q12. (\*\*)
- Average of Unique Visitors in 1Q13 was 4.4 mn, up by 2% vs. 1Q12. (\*\*)

| (TL '000)  | FY12    | 1Q12   | 1Q13   | % Ch.<br>1Q13/12 |
|--|---------|--------|--------|------------------|
| Sales  | 201.976 | 46.982 | 48.947 | 4%               |
| Cost of sales  | 125.693 | 33.178 | 29.860 | -10%             |
| Gross profit   | 76.283  | 13.804 | 19.087 | 38%              |
| Operating expenses                                       | 55.271  | 13.206 | 15.842 | 20%              |
| Operating profit   | 21.012  | 598    | 3.245  | 443%             |
| Operating profit margin                                  | 10,4%   | 1,3%   | 6,6%   |                  |
| Other Income/(Expenses)-net                              | 5.389   | 1.175  | 1.566  | 33%              |
| Income/loss from investments                             | -       | -      | -9     | n.a.             |
| Financial Income/(Expense)-net                           | -3.426  | -5.298 | 2.141  | n.a.             |
| Profit before tax  | 22.975  | -3.525 | 6.943  | n.a.             |
| Net Profit for the Period                                | 19.172  | -2.657 | 5.769  | -317%            |
| Net Profit Attributable to Equity Holders of the Company |         |        |        |                  |
| <i>Amortised cost valuation income</i>                   | 1.344   | 386    | 330    | -15%             |
| <i>Depreciation &amp; amortisation</i>                   | 3.312   | 887    | 940    | 6%               |
| EBITDA   | 25.667  | 1.870  | 4.514  | 141%             |
| EBITDA Margin  | 12,7%   | 4,0%   | 9,2%   |                  |

- Total ad revenue (including print and internet revenue) increased by 7,2% in 1Q13.

| <b>Revenues (TL '000)</b>    | <b>FY12</b>    | <b>1Q12</b>   | <b>1Q13</b>   | <b>1Q13/12<br/>Ch (%)</b> |
|------------------------------|----------------|---------------|---------------|---------------------------|
| <b>Circulation Revenues</b>  |                |               |               |                           |
| Revenue (TL '000)            | 102.501        | 25.848        | 26.154        | 1%                        |
| Avg. Daily Circulation (000) | 645            | 653           | 650           | 0%                        |
| <b>Advertising Revenues</b>  |                |               |               |                           |
| Revenue (TL '000)            | 89.812         | 19.093        | 20.413        | 7%                        |
| <b>Internet Revenues</b>     |                |               |               |                           |
| Revenue (TL '000)            | 5.081          | 1.293         | 1.435         | 11%                       |
| <b>Other Revenues</b>        |                |               |               |                           |
| Service and other (TL '000)  | 4.582          | 748           | 945           | 26%                       |
| <b>Total Revenues</b>        | <b>201.976</b> | <b>46.982</b> | <b>48.947</b> | <b>4%</b>                 |



Newsprint prices were down by 13% yoy in TL terms in 1Q13. In addition, together with reduction in circulation and page sizes; newsprint costs were down by 18% yoy in 1Q13.

| Costs                               | FY12           | 1Q12          | 1Q13          | 1Q13/12<br>Ch (%) |
|-------------------------------------|----------------|---------------|---------------|-------------------|
| <b>Cost of Sales (TL '000)</b>      | <b>125.693</b> | <b>33.179</b> | <b>29.859</b> | <b>-10,0%</b>     |
| - Newsprint costs                   | 66.833         | 18.162        | 14.893        | -18,0%            |
| - Printing & other costs            | 58.860         | 15.017        | 14.966        | -0,3%             |
| <b>Operating Expenses (TL '000)</b> | <b>55.271</b>  | <b>13.206</b> | <b>15.843</b> | <b>20,0%</b>      |
| - General & Administrative Expenses | 14.265         | 3.917         | 3.456         | -11,8%            |
| - Sales & Marketing Expenses        | 41.006         | 9.289         | 12.387        | 33,4%             |
| <b>Total Costs</b>                  | <b>180.964</b> | <b>46.385</b> | <b>45.702</b> | <b>-1,5%</b>      |

- Focus on cost controls and consulting expenses led to a decline in general and administrative expenses.
- E-newspaper launches led to an increase in one-off sales & marketing expenses.

Cash inflows related from both operations and the sale of Milliyet - Vatan titles, net cash position in 1Q13-end reached 49.5 mn TL, vs. net cash of 34.4 mn TL in FY12.

| <b>Investments &amp; Financing (TL '000)</b> | <b>FY12</b>   | <b>1Q13</b>   | <b>ch%</b>   |
|--|---------------|---------------|--------------|
| <b>CASH AND CASH EQUIVALENTS</b>             | <b>34.903</b> | <b>49.533</b> | <b>42%</b>   |
| <b>S.T. BANK BORROWINGS</b>                  | <b>456</b>    | <b>-</b>      | <b>-100%</b> |
| <b>NET CASH</b>                              | <b>34.447</b> | <b>49.533</b> | <b>44%</b>   |
| <b>INVESTMENTS</b>                           | <b>4.862</b>  | <b>546</b>    | <b>-89%</b>  |

- In 2013, Dogan Gazetecilik's print ad revenue growth is expected to be above the Turkish ad market growth.
- Posta title with its high reach in total readers is likely to continue to outperform in 2013.
- Posta title: less aggressive strategies in promotions are expected to continue to support circulation owing to the flexible implementation of the circulation/cost optimization models.
- Fanatik title: considers the digital opportunities.
- Strong cash position and profitability will be maintained in 2013 and onwards so will be a source of steady cash dividend.