

# Review of 9M12 Results

**Dođan Gazetecilik A.Ş.**

Nov 06, 2012

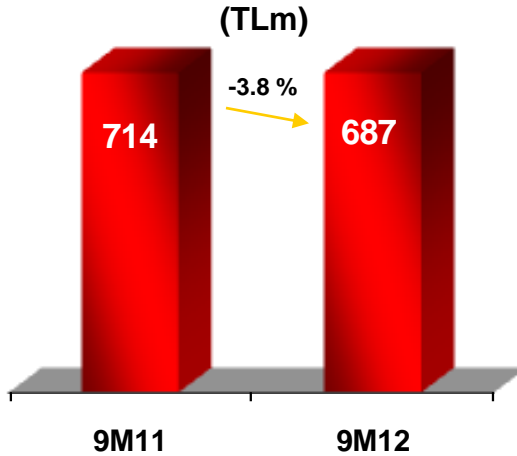


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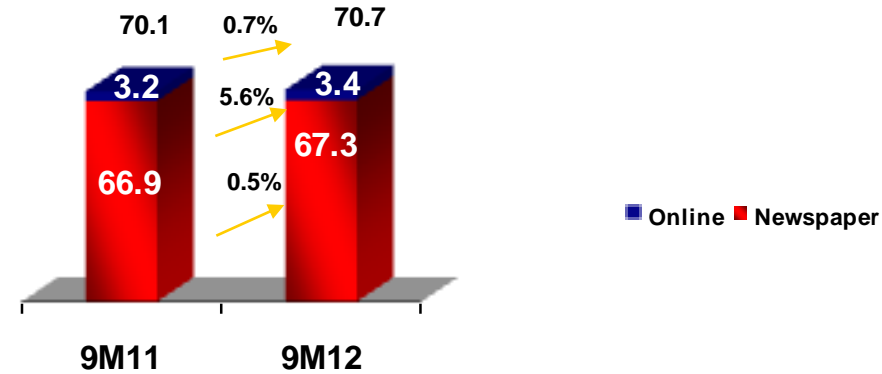
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## Newspapers – Turkey (Est)



## Continued Operations of Dogan Gazetecilik Proforma Ad Growth\* (TL m)





- Newspaper ad spending in Turkey decreased by 3.8% in 9M12, yoy.
- Doğan Gazetecilik outperformed the newspaper ad market; as Posta title proforma ad revenues increased by 0.4% yoy.

Moreover, Posta and Fanatik newspaper title's "ad revenues before IAS adjustments & reclassifications" increased by 1.9% yoy. \*\*

- Excluding one-off revenue effect in 9M11 (stemming from milliyet.com & milliyetemlak.com sale and discontinued assets), the DG internet revenue growth in 9M12 would be 13.9% yoy. (instead of 5.6%) (growths yoy: posta.com.tr: 35.7%, fanatik.com.tr: 24.7%, arabam.com.tr: 0.1%)

\*Reported ad revenue plus amortised cost valuation income

\*\* This figure is more meaningful for newspaper sector comparisons.

<b>Market Shares</b>	<b>9M11</b>	<b>9M12</b>	<b>Ch vs. 9M12/11</b>
<b>CIRCULATION MARKET SHARE</b>	<b>14.0%</b>	<b>13.9%</b>	<b>-0.1 pp</b>
<b>Doğan Gazetecilik Daily Average Circulation (000 units) (*)</b>	<b>671</b>	<b>655</b>	<b>-2.4%</b>
	478	459	-4.2%
	192	196	2.0%
<b>Nationwide average circulation (000 units)</b>	<b>4,794</b>	<b>4,726</b>	<b>-1.4%</b>

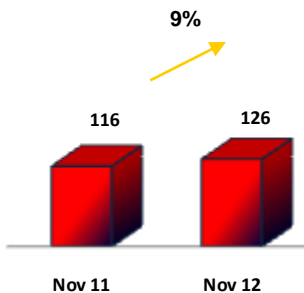
\* Source: Basın İlan

- Dogan Gazetecilik's ad revenues (excluding internet revenue) registered up by 0.5%, yoy, outperforming the newspaper ad market (decreased by 3.8%).
- Posta.com.tr was launched at 2009-end with a strategy to differentiate from other news web sites and reached a monthly unique visitor of 4.6 mn as of Nov 2012, up by 21% vs. Nov 2011. (\*)
- Posta title's weekend cover price increased by 20% as of January 1, 2012 in overall Turkey (from 0,50 to 0,60 TL); and by 25% as of July 7, 2012 in Istanbul, Ankara and Izmir (from 0,60 to 0,75 TL).
- The sale of Milliyet and Vatan titles has a positive impact on profitability.
- In March 2012, moved our headquarters to a new location at Mecidiyekoy/Istanbul.

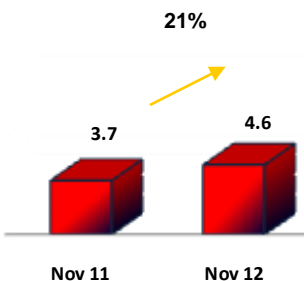
# News web sites are well positioned in the market



Page view (million)



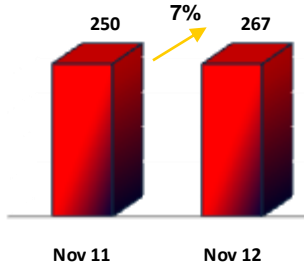
Monthly Unique Visitors (million)



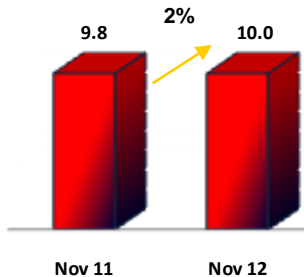
- Posta.com.tr was launched as of October 2009
- Ranked 6th newsportal as of Nov 2012.(\*)
- Monthly Page view as of Nov 2012 was 126 mn, up by 9% vs. Nov 2011. (\*\*)
- Monthly Unique Visitors as of 4.6 mn Nov 2012, up by 21% vs. Nov 2011. (\*\*)



Page view (million)



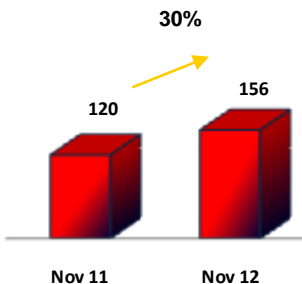
Monthly Unique Visitors (million)



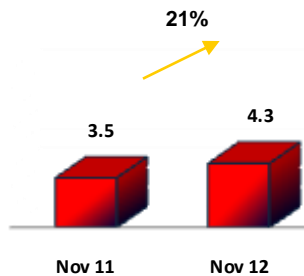
- Monthly Page view as of Nov 2012 was 267 mn, up by 7% vs. Nov 2011. (\*\*)
- Monthly Unique Visitors as of 10.0 mn Nov 2012, up by 2% vs. Nov 2011. (\*\*)



Page view (million)



Monthly Unique Visitors (million)



- Market leader in Turkey in online Auto Category. (\*)
- Monthly Page view as of Nov 2012 was 156 mn, up by 30% vs. Nov 2011. (\*\*)
- Monthly Unique Visitors as of 4.3 mn Nov 2012, up by 21% vs. Nov 2011. (\*\*)

# Continued Operations Summary Results

(TL '000)	FY11	9M11	9M12	9M12/11
Sales	193,166	143,311	149,100	4%
Cost of sales	126,377	90,812	95,395	5%
Gross profit	66,789	52,499	53,705	2%
Operating expenses	56,951	41,407	41,506	0%
Operating profit	9,838	11,092	12,199	10%
<i>Operating profit margin</i>	5.1%	7.7%	8.2%	
<b>Net Profit for the Period (Incl. Discontinued Operations)</b>	<b>8,848</b>	<b>5,755</b>	<b>6,258</b>	<b>9%</b>
From Continued Operations	15,206	12,113	6,258	-48%
From Discontinued Operations	-6,359	-6,358		
<b>Net Profit Attributable to Equity Holders of the Company</b>	<b>8,891</b>	<b>5,803</b>	<b>6,279</b>	<b>8%</b>
<i>Amortised cost valuation income</i>	1,856	1,179	1,262	7%
<i>Depreciation &amp; amortisation</i>	2,910	2,039	2,505	23%
<b>Continued Operations EBITDA</b>	<b>14,604</b>	<b>14,310</b>	<b>15,966</b>	<b>12%</b>
EBITDA Margin	7.6%	10.0%	10.7%	

\* Operating profit figures are based on reported balances before the net of other operational income /expenses.

# Continued Operations Revenues

- Circulation revenues were up by 6%, despite lower average daily circulation. Ad revenues (including internet revenue) were increased by 1%, despite the decline in newspaper ad market in Turkey.

Revenues (TL '000)	FY11	9M11	9M12	9M12/11 Ch (%)
<b>Circulation Revenues</b>				
Revenue (TL '000)	97,123	72,982	77,464	6%
<i>Avg. Daily Circulation (000)</i>	663	671	655	-2%
<b>Advertisement Revenues</b>				
Revenue (TL '000)	87,527	64,893	65,355	1%
<b>Internet Revenues</b>				
Revenue (TL '000)	4,554	3,266	3,448	6%
<b>Other Revenues</b>				
Service and other (TL '000)	3,961	2,170	2,833	31%
<b>Total Revenues</b>	<b>193,165</b>	<b>143,311</b>	<b>149,100</b>	<b>4%</b>



# Continued Operations Costs

Newsprint costs increased by 4.3% yoy in 9M12. This is mainly due to the higher average newsprint prices in 9M12 (up by 3.2% in US\$ terms) and devaluation of TL against USD (10.8%).

Costs	FY11	9M11	9M12	9M12/11 Ch (%)
<b>Cost of Sales (TL '000)</b>	<b>126,377</b>	<b>90,812</b>	<b>95,395</b>	<b>5.0%</b>
Newsprint costs	70,041	49,565	51,677	4.3%
Printing & other costs	56,336	41,248	43,718	6.0%
<b>Operating Expenses (TL '000)</b>	<b>56,951</b>	<b>41,407</b>	<b>41,505</b>	<b>0.2%</b>
General & Administrative Expenses	16,129	10,548	11,335	7.5%
Sales & Marketing Expenses	40,822	30,859	30,170	-2.2%
<b>Total Costs</b>	<b>183,328</b>	<b>132,219</b>	<b>136,900</b>	<b>3.5%</b>

Increase in general & administrative expenses yoy is mainly due to personnel, consultancy expenses; led mainly by the classification from discontinued operations to continued operations.

(TL '000)

Profitability	FY11	9M11	9M12	9M12/11 Ch (%)
<b>Operating profit</b>	<b>9,838</b>	<b>11,091</b>	<b>12,199</b>	<b>10%</b>
Other Income/(Expense) - net	(4,091)	(5,626)	(294)	-95%
Financial Income/(Expense) - net	16,976	13,134	(3,617)	n.a
<b>Profit from Continued Operations</b>	<b>22,723</b>	<b>18,599</b>	<b>8,288</b>	<b>-55%</b>
Taxation	(7,517)	(6,485)	(2,031)	-69%
- Corporate tax	(6,564)	(6,013)	(2,824)	-53%
- Deferred tax	(954)	(472)	793	n.a
Net Profit from Continued Operations	15,206	12,114	6,257	-48%
Net Profit / (Loss) from Discontinued Operations (*)	(6,358)	(6,359)	-	-100%
<b>Net Income for the Period</b>	<b>8,848</b>	<b>5,755</b>	<b>6,257</b>	<b>9%</b>
Attributable to non-controlling interests	43	48	21	-55%
<b>Attributable to Equity Holders of the Company</b>	<b>8,891</b>	<b>5,803</b>	<b>6,279</b>	<b>8%</b>

\* Please see page 14.

<b>Investments &amp; Financing (TL '000)</b>	<b>FY11 *</b>	<b>9M12</b>	<b>ch%</b>
<b>CASH AND CASH EQUIVALENTS</b>	<b>340</b>	<b>21,233</b>	<b>6145%</b>
<b>S.T. BANK BORROWINGS</b>	<b>5,166</b>	<b>647</b>	<b>-87%</b>
<b>L.T. BANK BORROWINGS</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CASH / (NET DEBT)</b>	<b>(4,826)</b>	<b>20,586</b>	<b>n.a</b>
<b>INVESTMENTS</b>	<b>1,222</b>	<b>4,457</b>	<b>265%</b>

- In 2012, Dogan Gazetecilik's print ad revenue growth is expected to be above the ad market growth.
- Posta title with its high reach in total readers is likely to continue to outperform in 2012.
- Less aggressive strategies are expected in promotion campaigns in 2012; similar to 2011.
- Cover price increases in 4Q11, 1Q12 and 3Q12 are expected to support circulation revenues in 2012.
- Started to collect rent income from Hürriyet Gazetecilik Company in May 2012. Overall; relocation of headquarters will have a positive contribution to the bottom line in 2012.

(TL'000)	9M11	9M12	ch%
<b>Net Loss from Discontinued Operations</b>	<b>(6,359)</b>	<b>0</b>	<b>-100%</b>
Profit on Sale Trademark and Subsidiary	-	0	
Taxation Expense Profit on Sale	-	0	
<b>After Taxation Net Loss from Discontinued Operations</b>	<b>(6,359)</b>	<b>0</b>	<b>-100%</b>

\* Discontinued operations are related with the sale of Milliyet and Vatan brand.