

Hürriyet

newspaper web mobile tablet



Review of 3Q14 Results

11 November 2014

Turkish ad market growth is 3%, slightly better than previous quarter

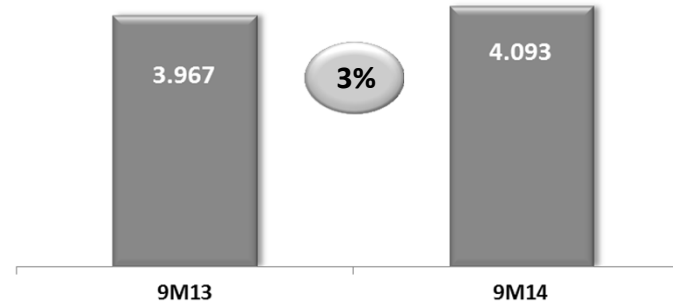
Hürriyet print ad revenues perform better than newspaper ad market, online revenues continue to grow

Economic developments in Russia continue to effect TME results negatively

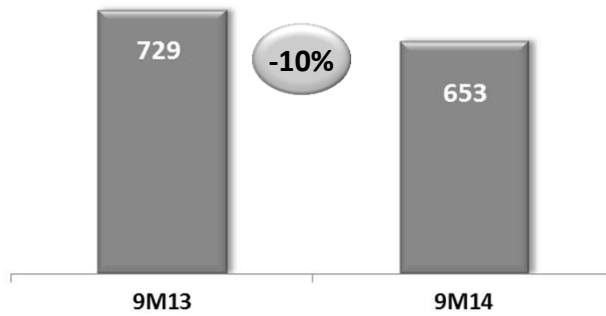
Production and operating costs under control

Positive effects of gain from land sales and some negative effects caused by high fx rates

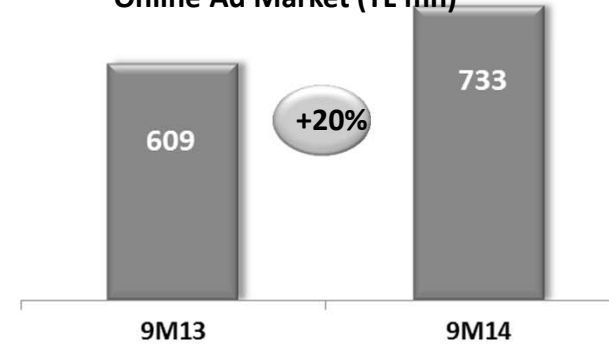
Total Ad Market* (TL mn)



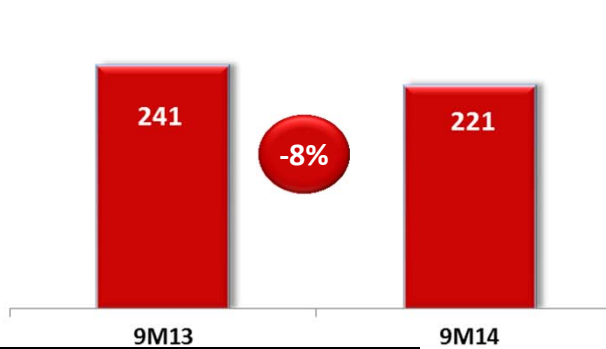
Newspaper Ad Market (TL mn)



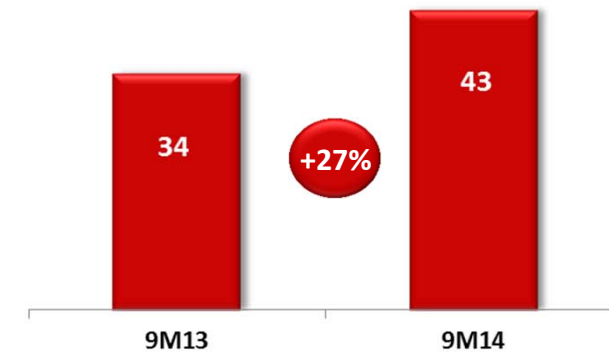
Online Ad Market (TL mn)



Hürriyet Print Ad Revenue (TL mn)



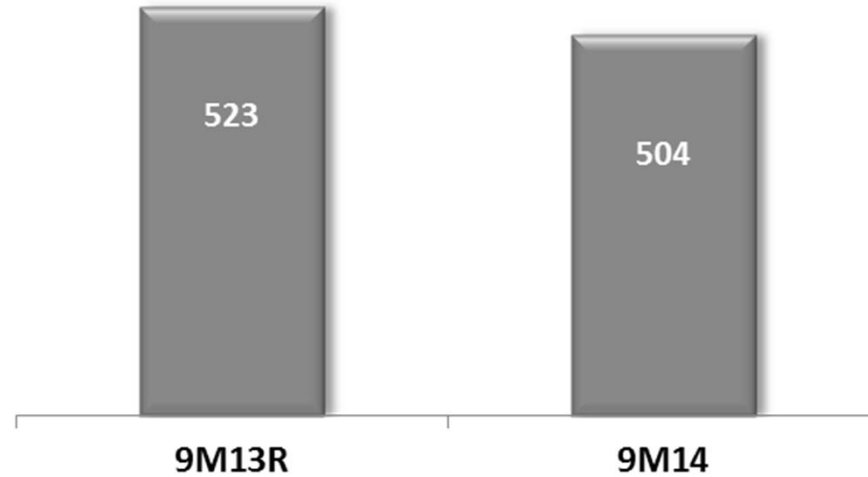
Hürriyet Domestic Online Ad Rev. (TL mn)



* Ad market statistics are estimates compiled by DYH ad platform, based on 25 national newspapers.

** Includes all domestic online & offline advertising revenues, minus all **IFRS** adjustments

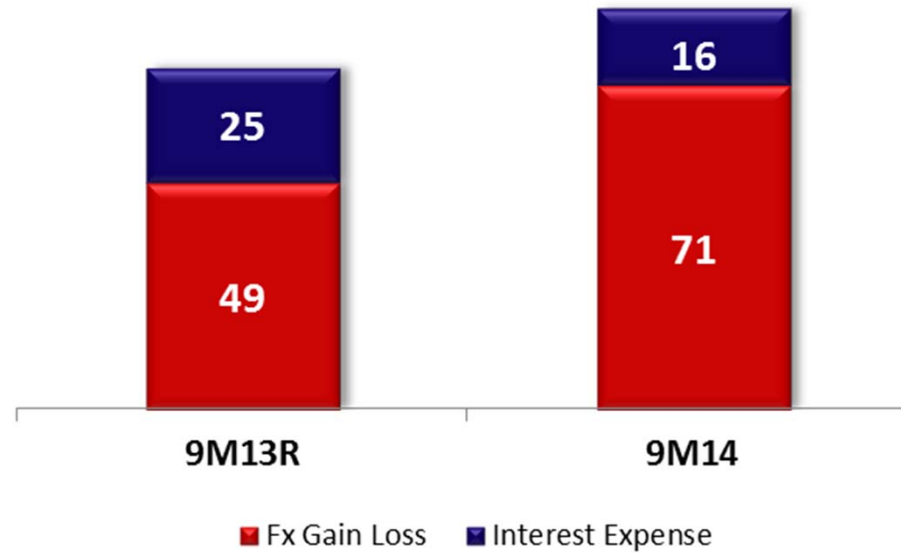
Production and Operating Expenses*



	9M13R	9M14	Change
Personnel	184,9	185,3	0%
Raw material	144,7	133,5	-8%
Advertising, promotion and sponsorship	55,2	48,5	-12%
Transportation and travel	30,8	29,4	-5%
Other	107,4	107,6	0%
Total Production and Operating Expense	523,0	504,3	-4%

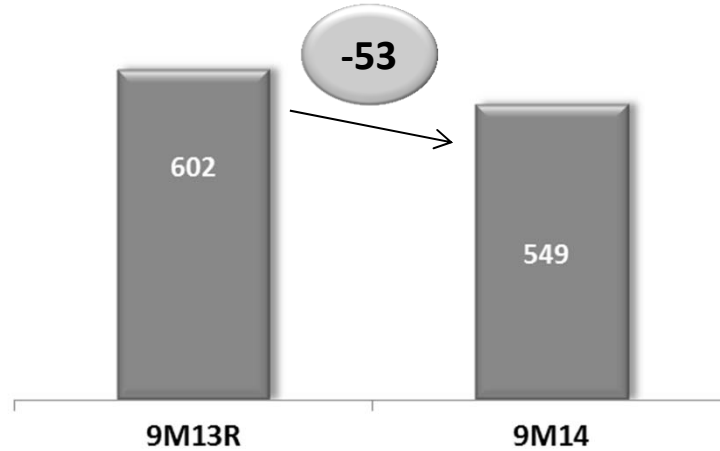
* Total of cost of goods sold, marketing & selling and general administrative expenses excluding depreciation

Financial Expenses

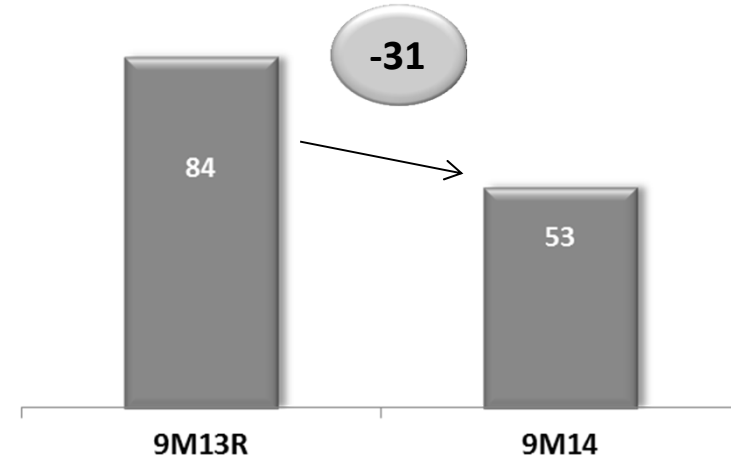


- Interest expenses falling due to lower borrowings
- Fx expenses increase due to stronger USD against TL and Ruble

Revenues



EBITDA



Number of pages	9M13	9M14
Main newspaper	38,6	36,4
Supplements	41,7	35,3

Cost	9M13	9M14
Paper Cost (USD/ton)	700	733

Consumption	9M13	9M14
Paper Consumption (ton)	49,92	42,776

Fx Rate	9M13	9M14
Average USD rate	1,8628	2,1618

- Increase in online revenues continue to outperform market (online revenues up 10,3 million TL)
- Offline ad revenues down 43,7 million TL (24,3 million TL from TME)
- Printing revenues down 14 million TL due to sales of Doğan Ofset in July
- Number of pages and paper consumption under strict control, paper cost and fx rate up 5% and 16% respectively

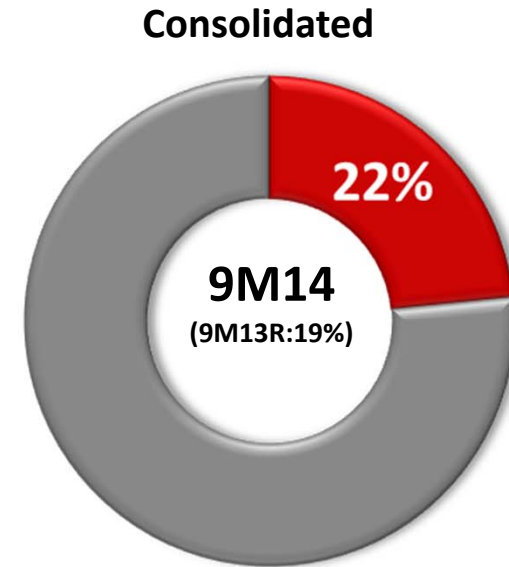
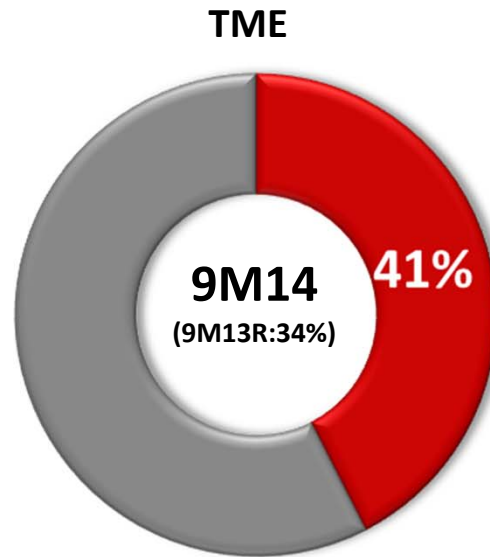
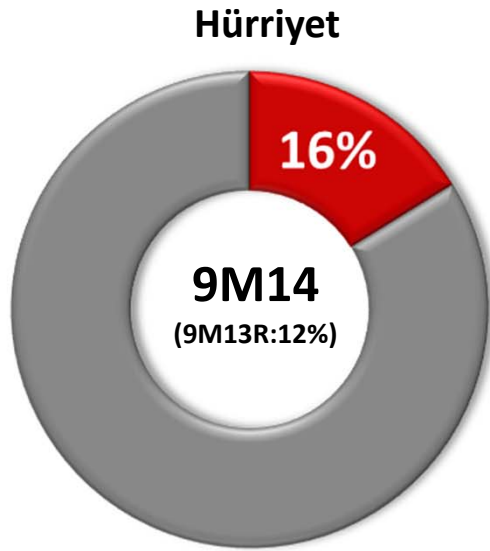
Financial Developments

3Q14 IFRS Results: Hürriyet excluding TME



mn TL	1Q14	2Q14	3Q14	3Q13 Restate	YoY% Ch.	9M14	9M13 R	YoY% Ch.
Total revenues	138,3	171,7	128,4	139,4	-7,9%	438,4	463,9	-5,5%
<i>Ad revenues (print)</i>	63,8	93,3	64,3	67,8	-5,2%	221,5	240,8	-8,0%
<i>Ad revenues (online)</i>	13,9	15,6	13,4	10,6	26,4%	42,8	33,6	27,4%
<i>Circulation revenues</i>	23,2	23,2	22,0	23,2	-5,2%	68,3	72,6	-5,9%
<i>Printing revenues</i>	29,5	29,8	20,3	31,5	-35,6%	79,6	95,9	-17,0%
<i>Other revenues</i>	7,9	9,8	8,4	6,4	31,3%	26,2	21,0	24,8%
Cost of sales	-102,9	-111,3	-92,0	-102,3	-10,1%	-306,2	-308,4	-0,7%
Operating expenses	-35,2	-42,1	-41,9	-38,2	9,7%	-119,2	-124,4	-4,2%
<i>Marketing, sales and distribution</i>	-19,7	-24,2	-24,6	-21,9	12,3%	-68,5	-78,8	-13,1%
<i>General administrative</i>	-15,5	-17,9	-17,3	-16,3	6,1%	-50,7	-45,6	11,2%
Operating profit	0,3	18,3	-5,6	-1,2	366,7%	13,0	31,1	-58,2%
Other operating expenses (net)	0,0	-16,8	26,9	-2,8		10,2	-5,0	
Depreciation	12,2	11,5	9,6	12,0	-20,0%	33,3	35,7	-6,7%
Amortised cost valuation income	4,2	2,5	1,7	1,1	54,5%	8,4	5,1	64,7%
Adj.EBITDA	16,7	32,3	5,8	11,9	-51,3%	54,8	71,8	-23,7%
EBITDA Margin	12,1%	18,8%	4,5%	8,6%		12,5%	15,5%	

Share of Online Ad Revenues (mn TL)



Ad Revenue	9M13R	9M14
Online	34	43
Offline	241	221

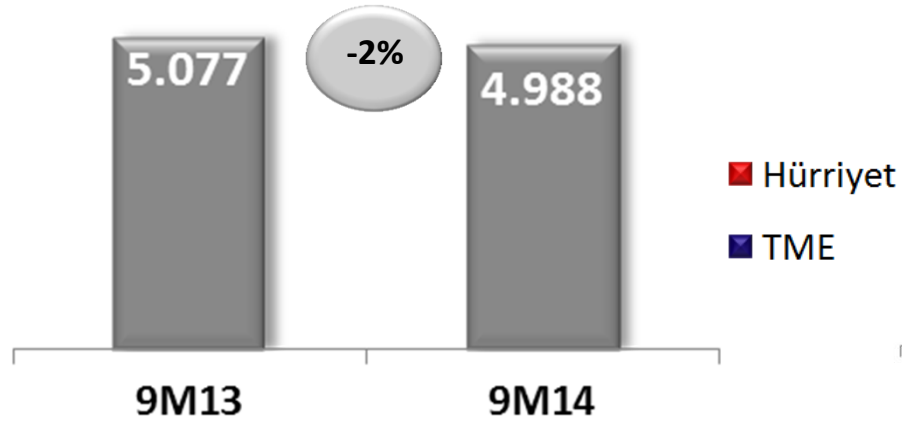
Ad Revenue	9M13R	9M14
Online	41	42
Offline	82	57

Ad Revenue	9M13R	9M14
Online	75	85
Offline	323	279

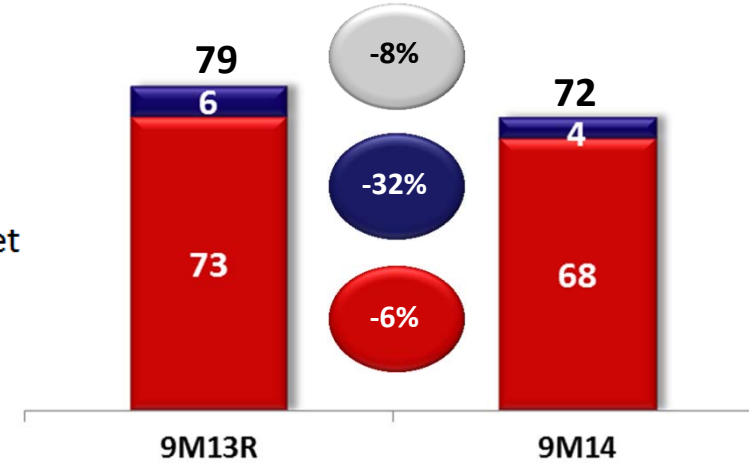
National Newspaper Circulation & Hürriyet



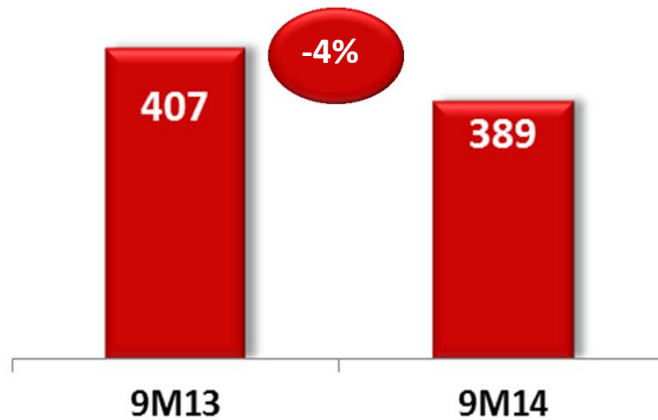
National Circulation (000)*



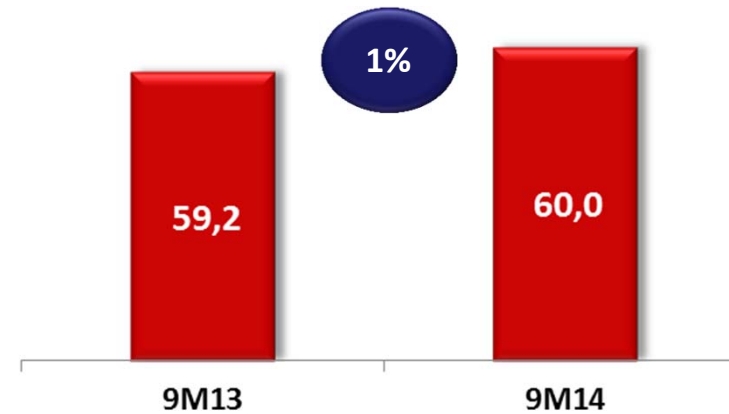
Circulation Revenue (TL mn)



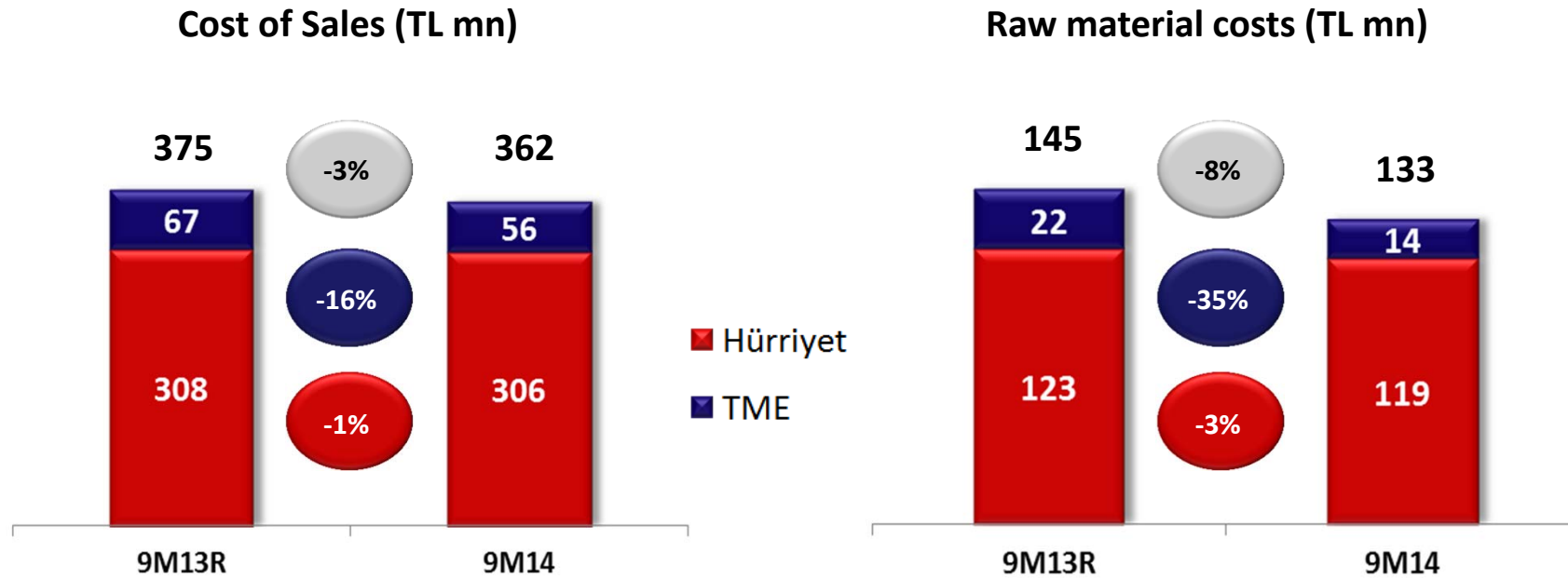
Hürriyet Circulation (000)



Average Cover Price (Kr)



* Circulation figures are daily averages for related period. Total circulation figures are Dogan Dagitim estimates.



Net Debt Position

mn TL	30/09/2014	31/12/2013
Cash and Equivalents	70	47
S.T Bank Borrowings	94	149
L.T Bank Borrowings	197	261
Net Debt	-221	-364
Capex	12	20
Supplier Loans	4	7

Does not include 17,1 mn USD (36,6 mn TL) blocked deposit classified under other current assets

includes TME's

net debt of 68,5 mn USD (31.12.2013: 61 mn USD).

mn \$	30/09/2014	31/12/2013
Cash and Equivalents	31	22
S.T Bank Borrowings	41	70
L.T Bank Borrowings	86	123
Net Debt	-97	-170
Capex	6	10
Supplier Loans	2	3

- Net Debt continued to improve

TME STANDALONE IFRS RESULTS (mn \$)

Financial Summary (IFRS)

Financial Summary (IFRS)

(US\$ millions)	3Q14	3Q13R	Change	Org ch.	9M14	9M13R	Change	Org ch.
		***	*	**		***	*	**
Revenue	16,4	24,2	(32,2%)	(24,0%)	51,0	73,6	(30,7%)	(20,5%)
Russia	13,4	20,3	(34,0%)	(26,8%)	42,3	62,9	(32,8%)	(23,0%)
CIS	3,0	3,9	(23,1%)	(9,5%)	8,7	10,7	(18,7%)	(5,8%)
Operating EBITDA	0,2	3,4	(94,1%)	(90,0%)	0,1	7,6	(98,7%)	(96,8%)
- Corporate Cost	(0,5)	(0,6)	(16,7%)		(1,1)	(1,6)	(31,3%)	
Consolidated EBITDA	(0,3)	2,8			(1,0)	6,0		
Net (loss)/profit from continuing operations	(16,9)	3,2			(25,1)	(7,6)		
Operating EBITDA Margin %	1,2%	14,0%			0,2%	10,3%		
Consolidated EBITDA Margin %	(1,8%)	11,6%			(2,0%)	8,2%		

(US\$ millions)	3Q14	3Q13R	Change	Org ch.	9M14	9M13R	Change	Org ch.
		***	*	**		***	*	**
Online Revenue	6,9	7,6	(9,2%)	0,9%	19,6	21,9	(10,5%)	3,8%
Share of total revenue	42,1%	31,4%			38,4%	29,8%		

*Change: Change is calculated in USD terms.

**Organic change: Change in local currency terms, including only continuing operations.

***2013 comparative figures have been restated to: i) retrospectively designate the Group's Ukrainian subsidiaries as investments in associates following the Group's reassessment of control under IFRS 10, and ii) present the Group's Hungarian, Croatian and Eastern European operations as discontinued operations in accordance with the requirements of IFRS 5.

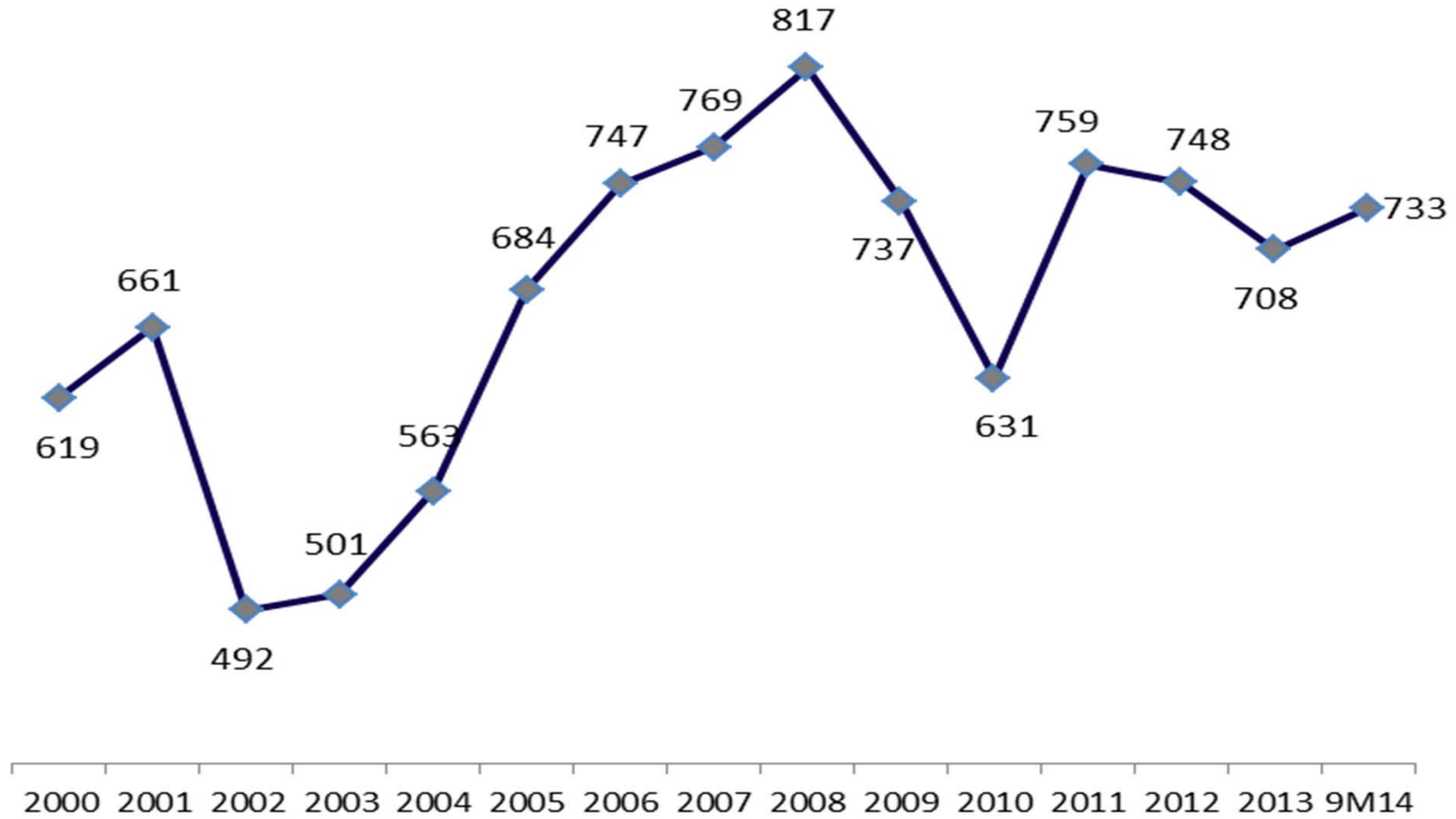
Appendix

3Q14 Consolidated IFRS Results

mn TL	1Q14	2Q14	3Q14	3Q13 Restated	YoY% Ch.	9M14	9M13 R	YoY% Ch.
Total revenues	173,6	211,3	163,7	187,1	-12,5%	548,6	601,5	-8,8%
<i>Ad revenues (print)</i>	82,6	113,8	82,5	96,9	-14,9%	278,9	322,6	-13,5%
<i>Ad revenues (online)</i>	27,3	29,6	28,3	25,5	11,0%	85,2	74,9	13,8%
<i>Circulation revenues</i>	24,7	24,6	23,3	25,0	-6,8%	72,5	78,5	-7,6%
<i>Printing revenues</i>	29,5	29,8	20,3	31,5	-35,6%	79,6	95,9	-17,0%
<i>Other revenues</i>	9,5	13,5	9,4	8,1	16,0%	32,4	29,6	9,5%
Cost of sales	-122,3	-131,0	-108,8	-123,9	-12,2%	-362,0	-374,9	-3,4%
Operating expenses	-62,0	-66,6	-67,4	-66,7	1,0%	-196,0	-206,9	-5,3%
<i>Marketing, sales and distribution</i>	-26,8	-33,5	-32,7	-30,2	8,3%	-93,0	-101,5	-8,4%
<i>General administrative</i>	-35,2	-33,1	-34,7	-36,5	-4,9%	-103,0	-105,4	-2,3%
Operating profit	-10,6	13,7	-12,5	-3,5		-9,4	19,7	
Other operating expenses (net)	-1,3	-18,3	28,8	-2,9		9,2	-10,7	
Income/loss from investments	-0,1	0,0	-1,9	1,1		-2,0	-3,8	
Financial expense (net)	-24,0	14,9	-38,2	-12,4		-47,3	-42,1	
Monetary gain/loss (net)	0,0	0,0	0,0	0,0		0,0	0,0	
Profit before tax	-36,1	10,3	-23,7	-17,7		-49,5	-36,9	
Tax	3,9	-4,6	7,2	10,2		6,6	10,6	
Net profit before minority	-32,2	5,7	-16,5	-7,5		-42,9	-26,4	
Minority Interest	7,6	-1,0	10,3	-0,3		16,9	7,4	
Profit/loss from discontinued op.	0,0	0,0	0,0	-2,2		0,0	-2,2	
Net profit	-24,6	4,8	-6,2	-9,9		-26,0	-21,1	
Depreciation	20,3	17,2	16,1	20,0	-19,5%	53,7	58,8	-8,7%
Amortised cost valuation income	4,2	2,5	1,7	1,1	54,5%	8,4	5,1	64,7%
Adj.EBITDA	13,9	33,4	5,4	17,6	-69,3%	52,7	83,6	-37,0%
EBITDA Margin	8,0%	15,8%	3,3%	9,4%		9,6%	13,9%	

(*) 9M13 and 3Q13 results were restated due to discontinuation of Croatian and Hungarian operations of TME.

Average Newsprint Costs (US\$) *



* Including all costs and expenses like custom duties, transportation etc.

Sectors	9M13	9M14
Real Estate	17%	15%
Tourism	10%	11%
Retail	9%	10%
Social	8%	10%
Automotive	7%	5%
Classifieds (incl. HR)	5%	5%
Education	5%	5%
Finance	5%	5%
Textile	3%	4%
Government and political parties	2%	3%
First 10 Total	72%	73%
Others	28%	27%

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- Turkish ad market figures are estimates of DYH; based on currently available data. Ad market statistics may show inconsistency with IFRS figures.

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