



# Investor Presentation

March, 2017



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

# HÜRRİYET WORLD:

THE MOST EFFECTIVE PLATFORM FOR BRINGING ADVERTISERS AND READERS TOGETHER



**STRONGEST CONTENT PROVIDER**

**THREE-CHANNEL CONTENT ACCESS:  
NEWSPAPER + WEB + MOBILE**

24/7-DELIVERABLE READER-CUSTOMIZED RICH CONTENT

NEWSPAPER AND DIGITAL MEDIA ADS

PRECISELY-TIMED ADS  
PLACABLE IN DIFFERENT MEDIA

## HÜRRİYET WORLD:

THE MOST EFFECTIVE PLATFORM FOR BRINGING ADVERTISERS AND READERS TOGETHER

**THE MOST EFFECTIVE DIGITAL CLASSIFIED ADS**

WEB & MOBILE-ACCESSIBLE  
REAL ESTATE, HUMAN RESOURCES, AUTOMOTIVE, SERVICE, AND OPPORTUNITY  
DIGITAL CLASSIFIEDS

COMMITTED TO PROVIDING ADVERTISERS AND READERS WITH EVER-GREATER POSSIBILITIES

## PRINT MEDIA

THE PIONEER OF THE  
TURKISH MEDIA

## DIGITAL MEDIA

THE STRONGEST NAME IN  
DIGITAL CONTENT  
PUBLISHING IN TURKEY

## E BUSINESS

ONE OF THE LEADERS OF  
DIGITAL CLASSIFIEDS

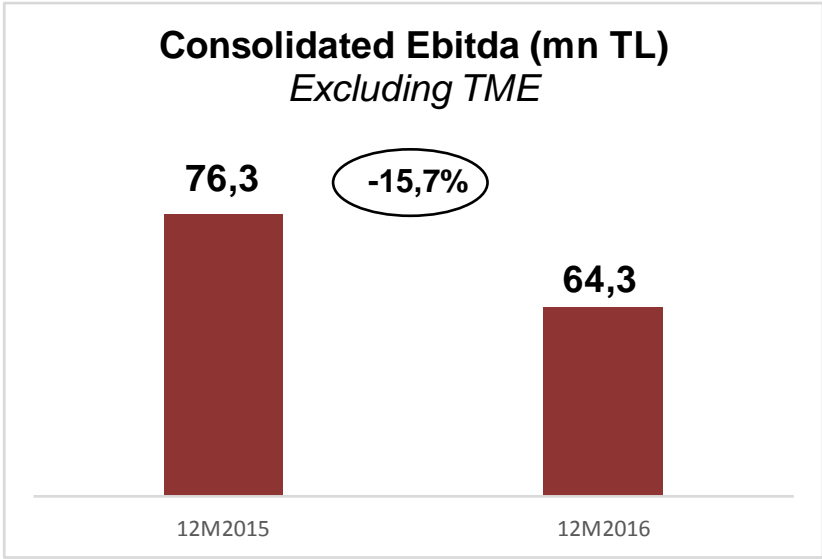
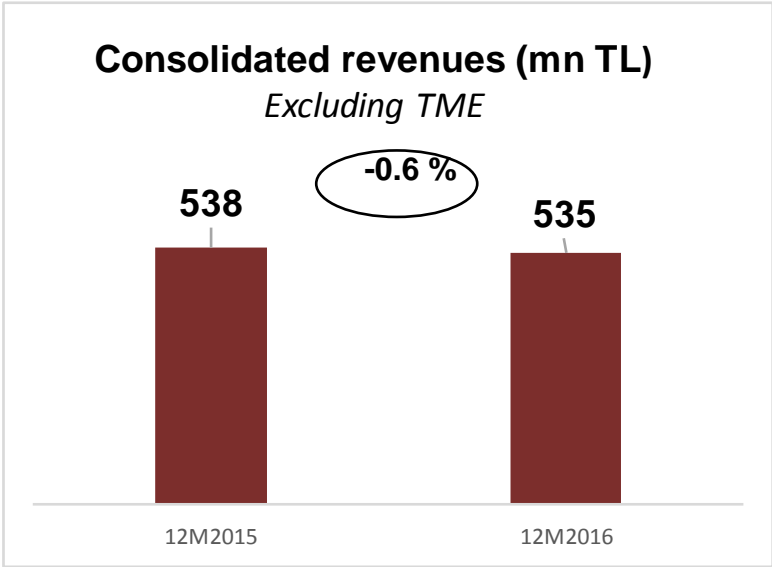
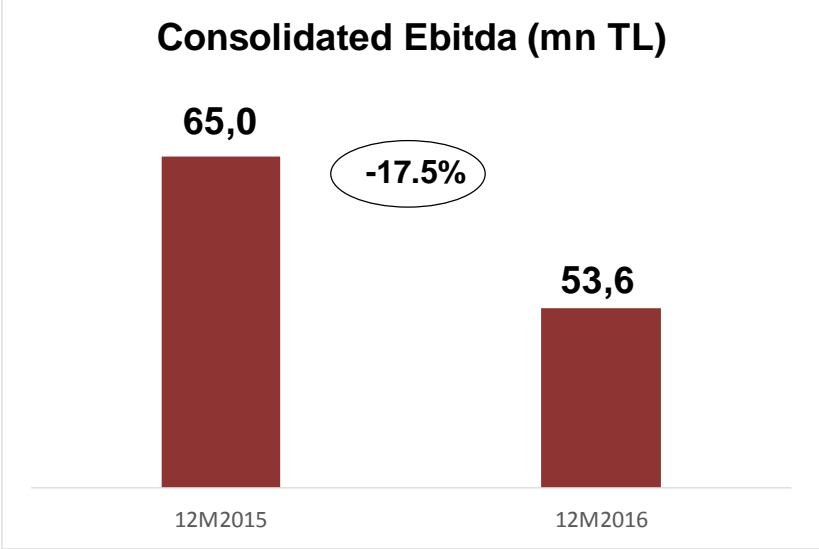
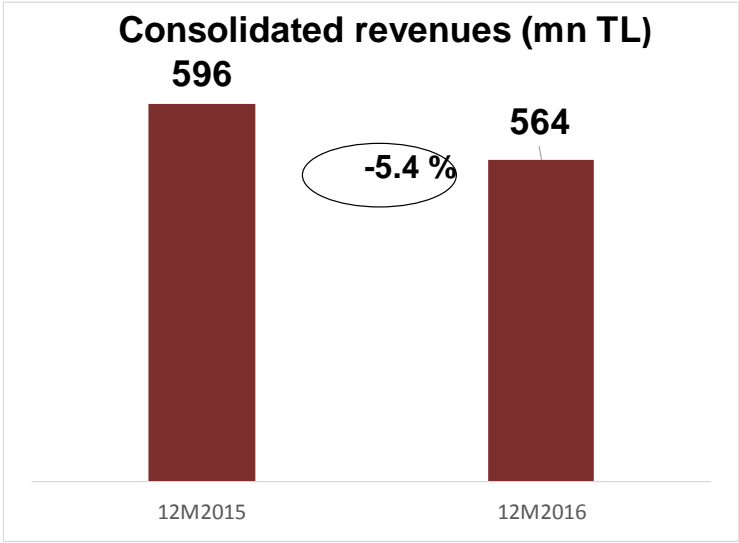
## OPERATIONS ABROAD

TME –TRADER MEDIA EAST  
HÜRRİYET ALMANYA



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# PROFIT & LOSS STATEMENT



# HÜRRİYET REVENUE – (excluding TME)

## Reduced decline in revenues thanks to Digital and E-business

### Revenue Growth YoY 2016

Print Media

↓ - 2%

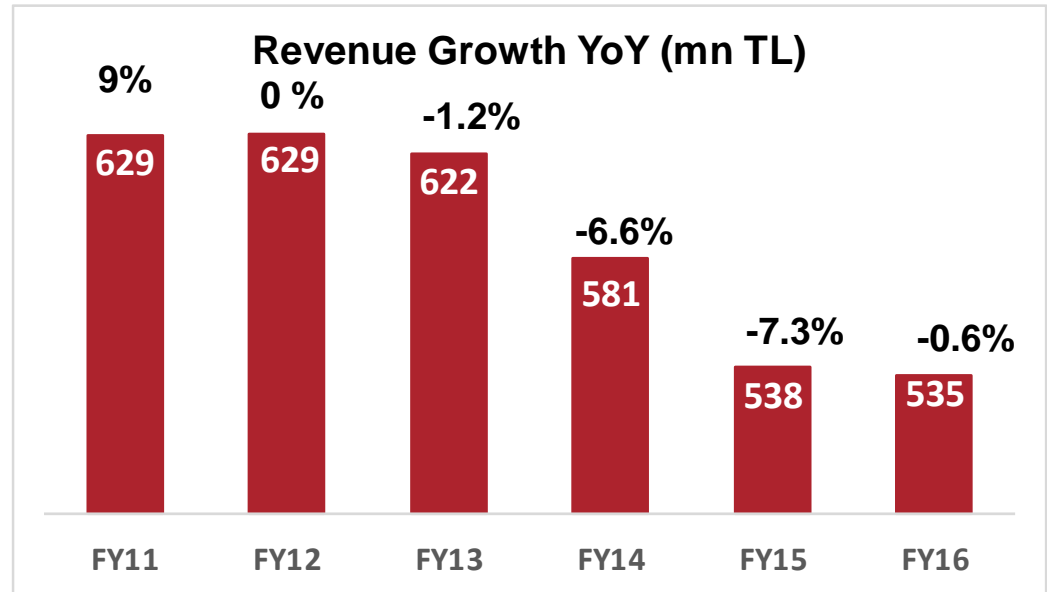
Digital Media

↑ + 11%

E-Business

↑ +0.3%

### Revenue Growth YoY (mn TL)



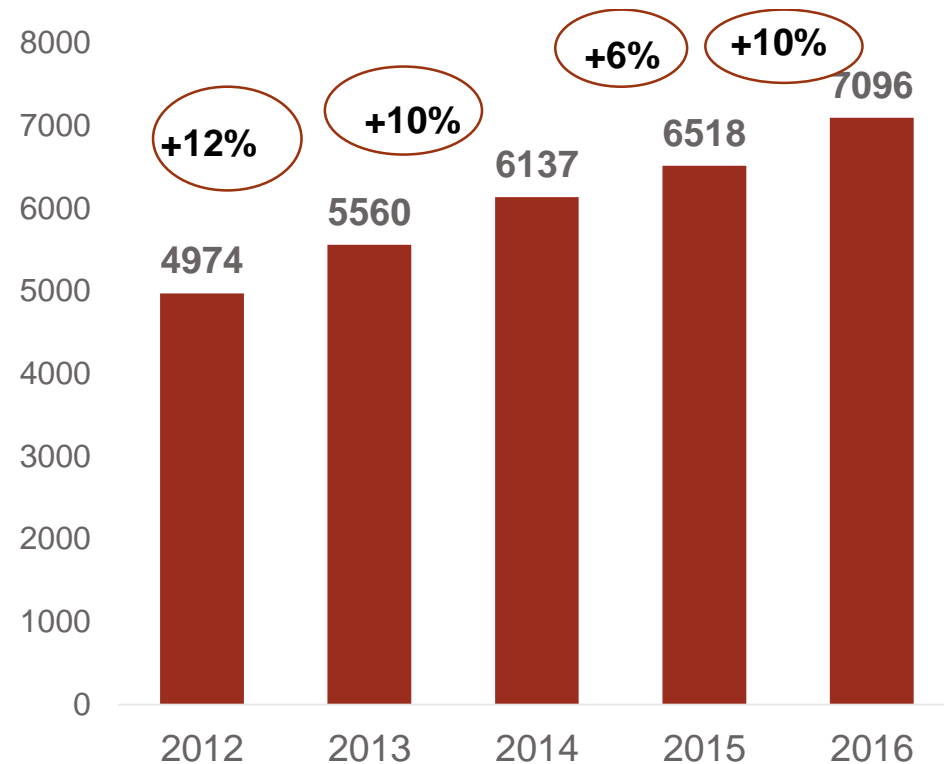
- In 27 March 2015 Hürriyet transferred its Doğan Haber Ajans (DHA) shares to Doğan Holding. Excluding DHA Revenues regarding the period 1 January- 27 March 2015, **Hürriyet Revenues increases by 1%**
- Hürriyet positions itself as a strong player in the digital world. Excluding the one of impact of the closure of “Radikal” online business, Digital Revenue increased by 20% yoy

# TOTAL AD MARKET

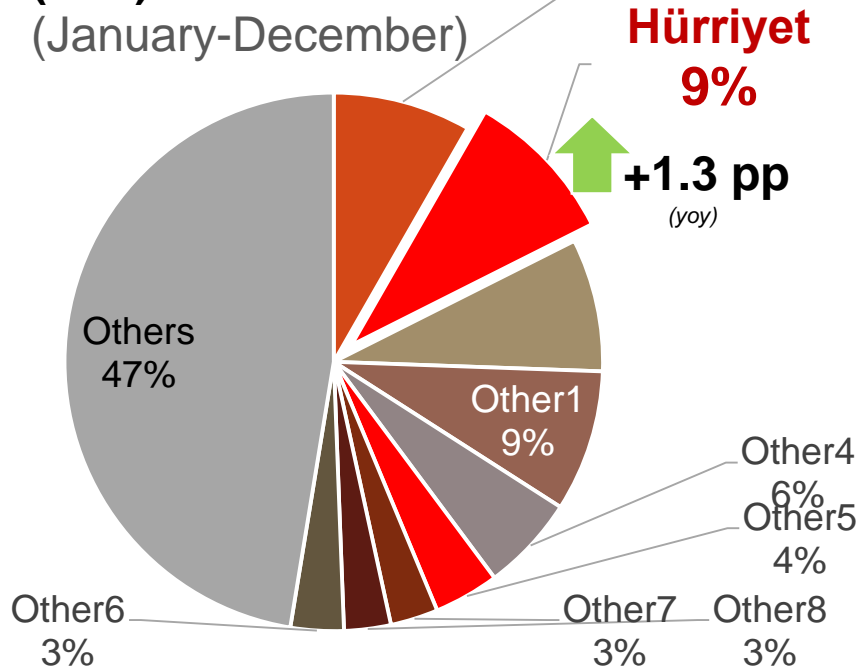
16% increase in Internet Add Market vs 8% decline in newspaper add

## Ad Market Growth in Turkey (mn TL)

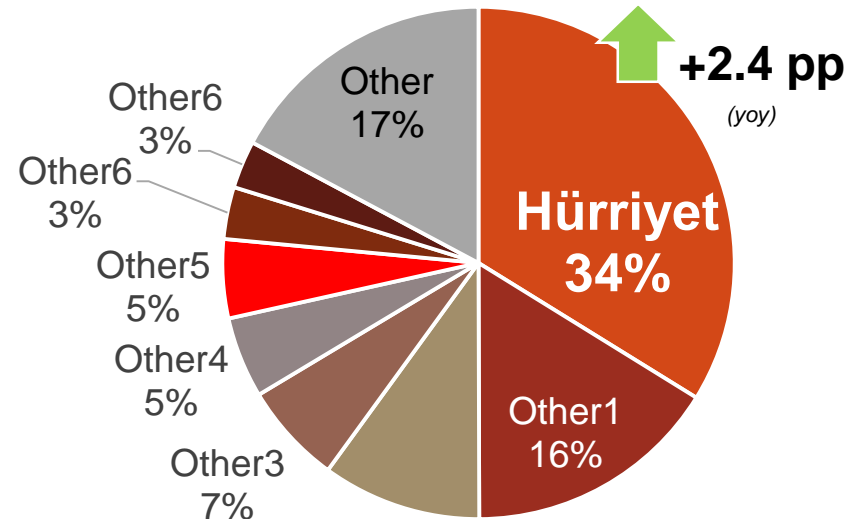
	TL Mn	2016 Share	yoy
TV	3.561	50%	10%
Internet	1.848	26%	16%
Newspaper	804	11%	-8%
Outdoor	496	7%	9%
Radio	200	3%	4%
Magazine	110	2%	-8%
Cinema	76	1%	18%
Total Market	7.095	100%	10%



**Circulation Market Share  
(unit)**  
(January-December)



**Ad. Market Share (TL)**  
(January-December)

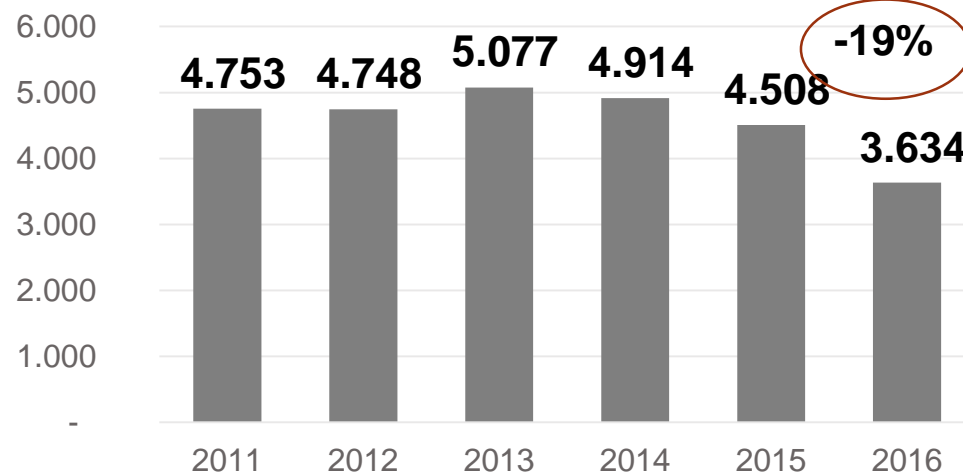


Zaman newspaper included

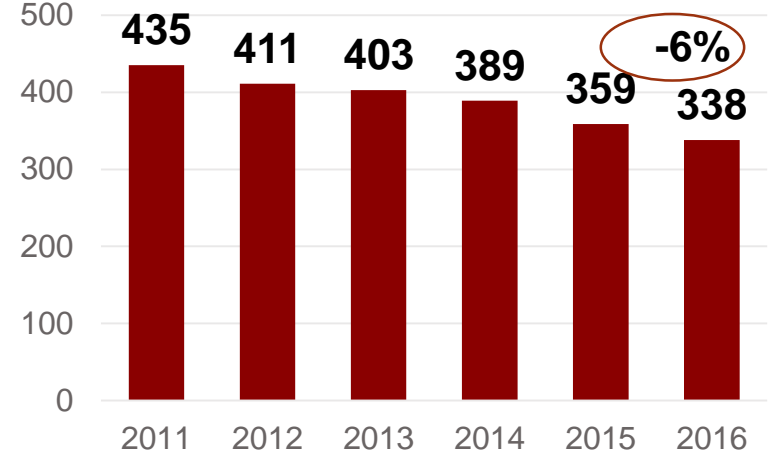
## PRINT MEDIA

### Increased market share in daily Newspaper Circulation

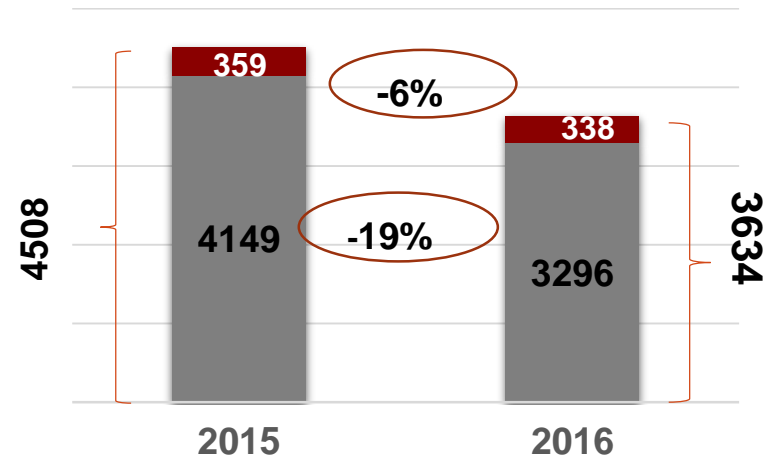
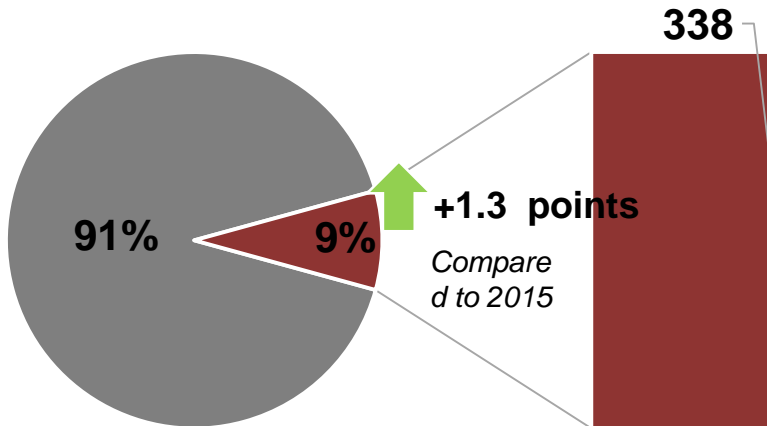
Average Daily Newspaper Circulation  
(thousand units)



Average Daily Circulation of Hürriyet  
(thousands units)



Market share of Hürriyet (million units)





# Balance Sheet

Consolidated ('000 TL)	31.12.2016	31.12.2015
Total Cash	24,3	87,0
Total Assets	935,4	873,3
Total Debt	287,8	316,0
Short Term	148,1	253,7
Long Term	139,7	62,3
Net Debt	263,5	229,0
Total Equity	417,8	353,2

➤ **Increase in total assets**

Over 60 mtl increase in total assets, despite to 63mtl decrease in cash and cash equivalents

Which majorly stems from the increasing fair value of investment properties

➤ **Credit restructuring**

Existing debt is restructured and 77 mTL is postponed to 2018 and 2019

➤ **To lever fx exposure**

All loans are converted to TL, and raw material purchases is supported by hedge instruments



## Growth and Efficiency in Print

- Keep and Grow Market Share in Circulation
- Reach new readers and advertisers
- Global brand with foreign language publishing
- Increase subscription revenues and create new revenue streams
- Maintain EBITDA thru «Fit For Growth» programme

## Digital Leadership

- Transformation in digital via leveraging company wide content and resources
- Accelerate the leadership in Digital
- Diversify digital revenue via new verticals
- Enrich digital production and user experience

## Focus on Classified

- Create New Digital Revenue Streams
- Value Maximization at Classifieds

# Print Media

- The most important contributor to Hürriyet's Reputation as TURKEY'S LEADING DAILY is its absolute mastery of the Business of News- Reporting



HÜRRİYET'S SUPERIOR POSITION IN THE TURKISH NEWSPAPER INDUSTRY IS CONFIRMED BY ITS ASSOCIATION WITH SUCH CRITERIA AS "DEEPLY-ROOTED", "STRONG LEADER", "SERIOUS STANCE", "AGENDA-SETTING" AND "INNOVATIVENESS" \*

\* IPSOS

#### ✓ Printing Facilities

# 18

THE NUMBER OF PRODUCTS PRINTED ON A DAILY BASIS BY DPC REACHED 18 IN 2016.



**%14,6**

THE MARKET SHARE OF  
NEWSSTAND SALES OF  
HÜRRİYET NEWSPAPER HAS  
BEEN INCREASED FROM 13.8%  
TO 14.6 COMPARED TO THE  
PRIOR YEAR.

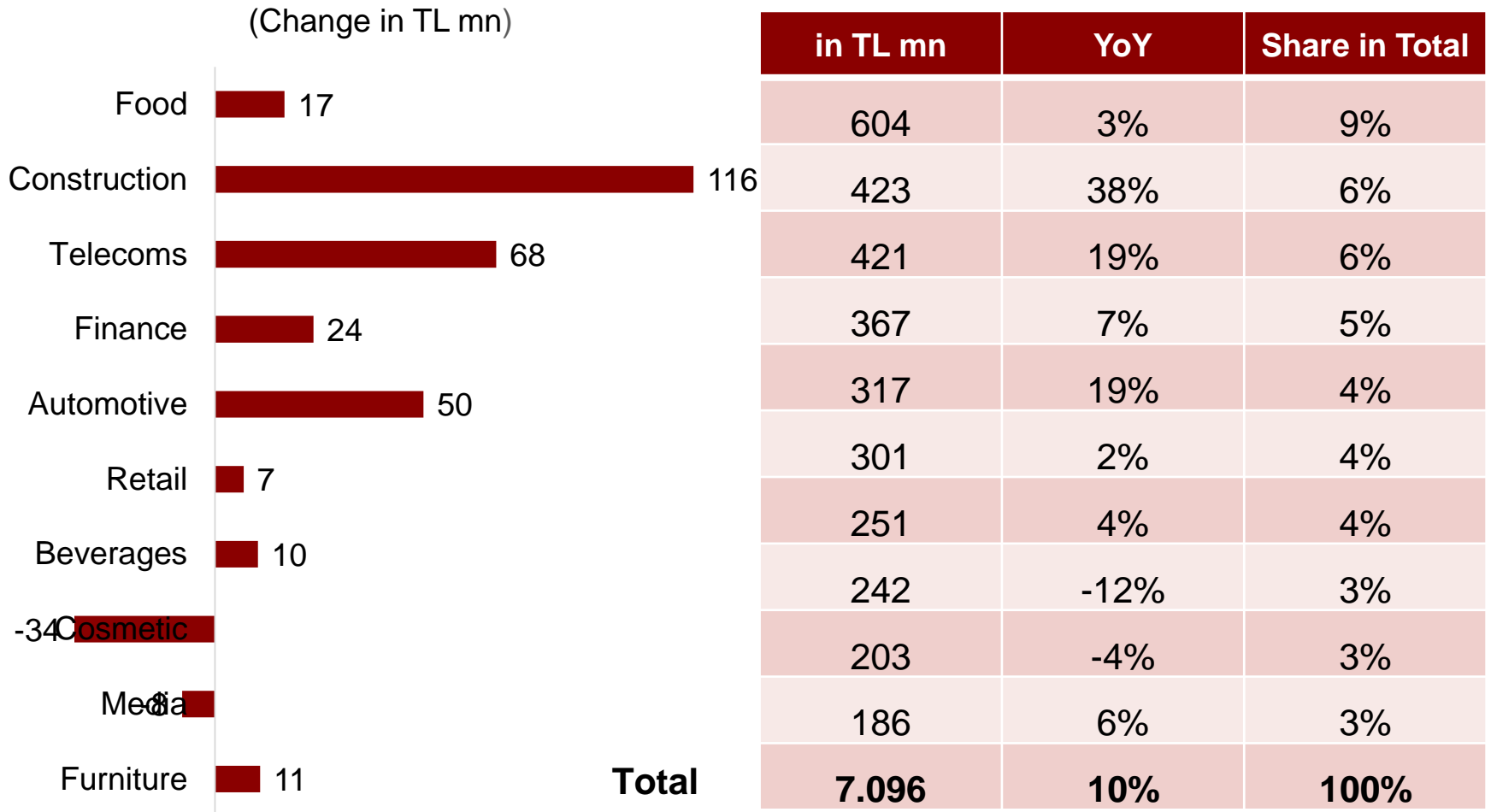


**1.5 mn**  
NUMBER OF READERS  
HÜRRİYET ACCESSES  
EVERY DAY

In addition to its unchallenged leading share of 34% of Turkey's printed newspaper advertisement sector, Hürriyet is also the leader in digital advertisement revenues.

# FOOD AND CONSTURCUION SUPPORTED TOTAL AD MARKET

Turkish Ad Market by top 10 sectors in 2016



Source: Estimated figures by Medyanet

# CONSTRUCTION SECTOR & RETAIL SUPPORTED NEWSPAPER AD MARKET IN 2016

## Turkish Newspaper Ad Market by top 10 sectors

(TL Mn)

Construction 104

Retail 91

Otomotive 61

Social Ads 54

Tourism 49

Finance 40

Media 39

Education 30

Classifieds 27

Public comp.& Political... 27

**Total**

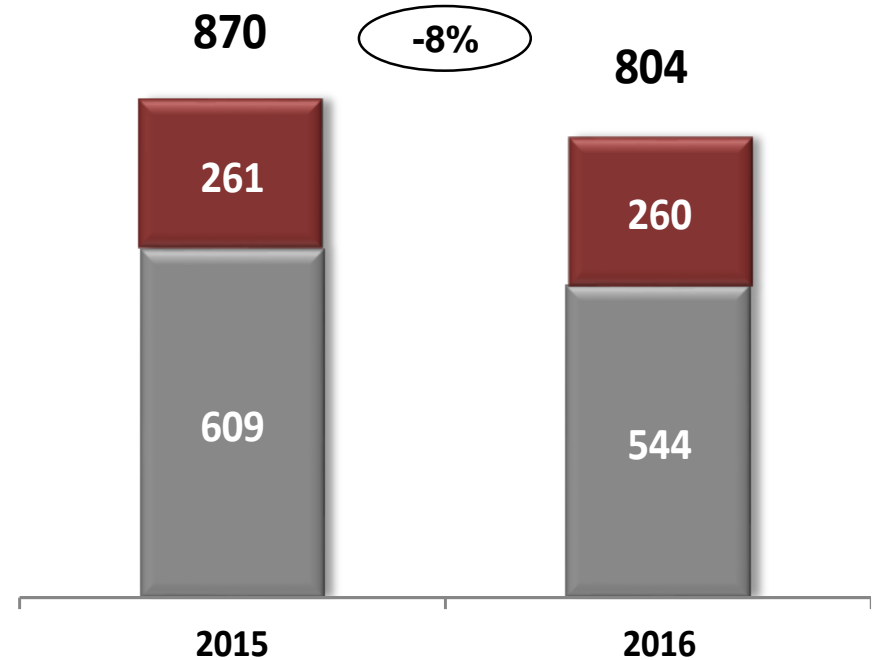
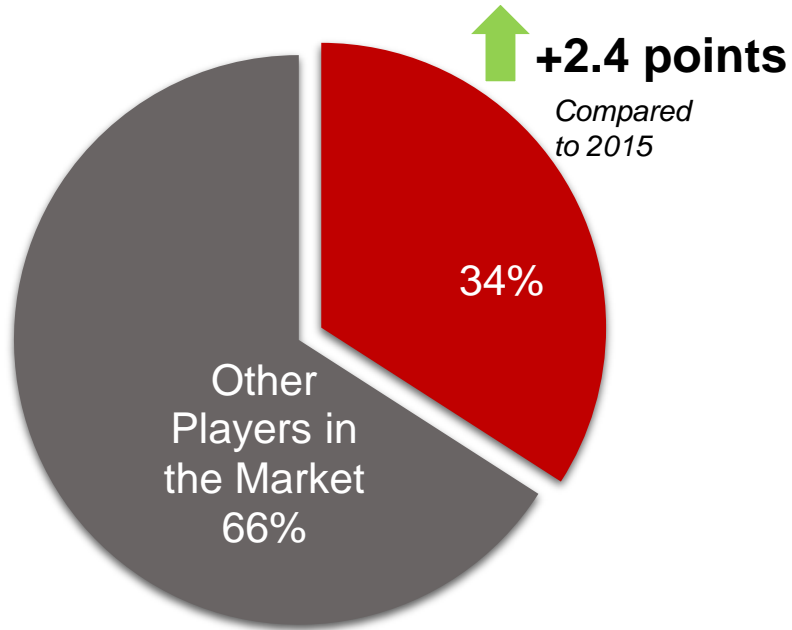
in TL mn	YoY	Share in Total
104	11%	13%
91	-24%	11%
61	3%	8%
54	37%	7%
49	3%	6%
40	-13%	5%
39	-15%	5%
30	-19%	4%
27	-20%	3%
27	-50%	3%
<b>804</b>	<b>-8%</b>	<b>100%</b>

**Source:** Estimated figures by Doğan Holding Advertising Platform

## PRINT MEDIA

Print Ad Market decreases by 8% , while Hürriyet market share increases by 2.4pp

### 2016 Newspaper Ad. Revenues

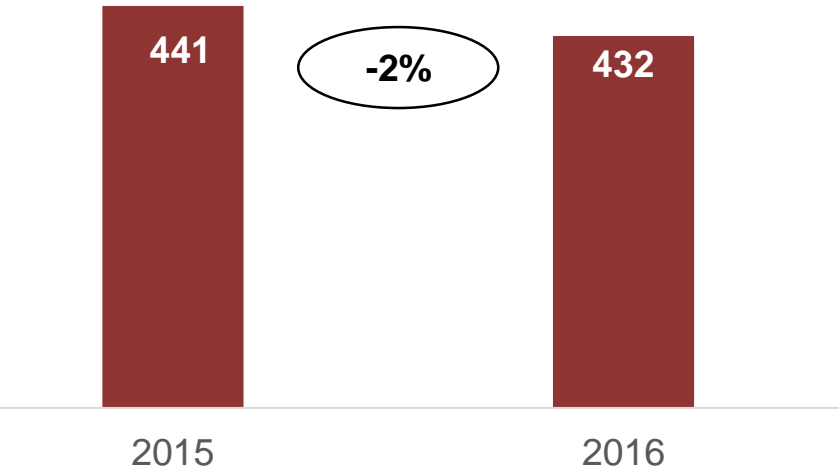


- While social and construction sectors increases in Ad market, retail- finance- education sectors decrease in Ad market causing an 8% decline in total
- No decline in Hürriyet Print Ad Revenue despite to 8 % market decrease
- Hürriyet Market Share increases to 34% by 2.4pp

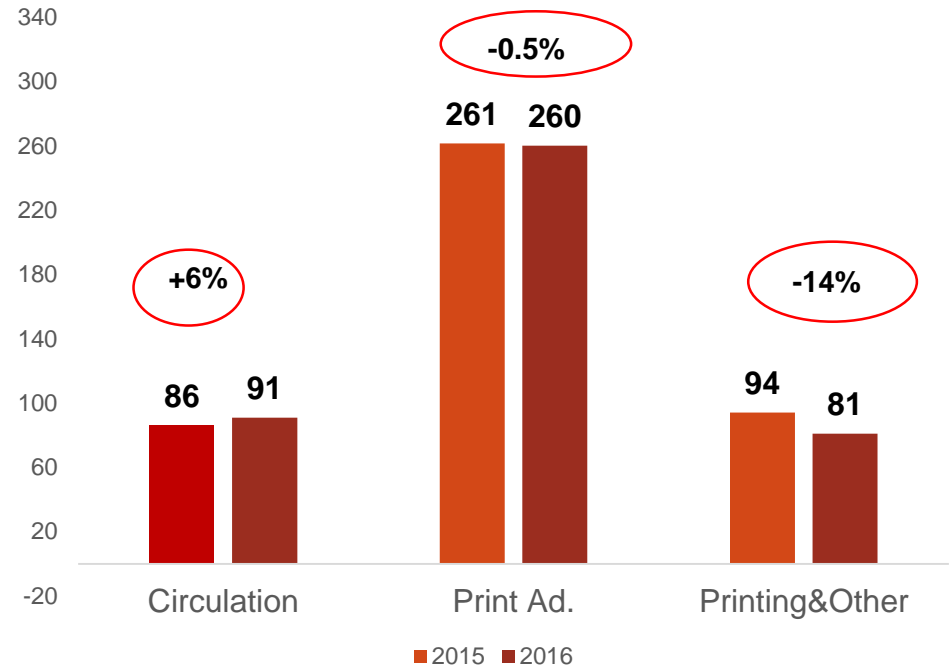
Source: Doğan Holding Advertising Department



### FY16 Revenue Growth (mn TL)

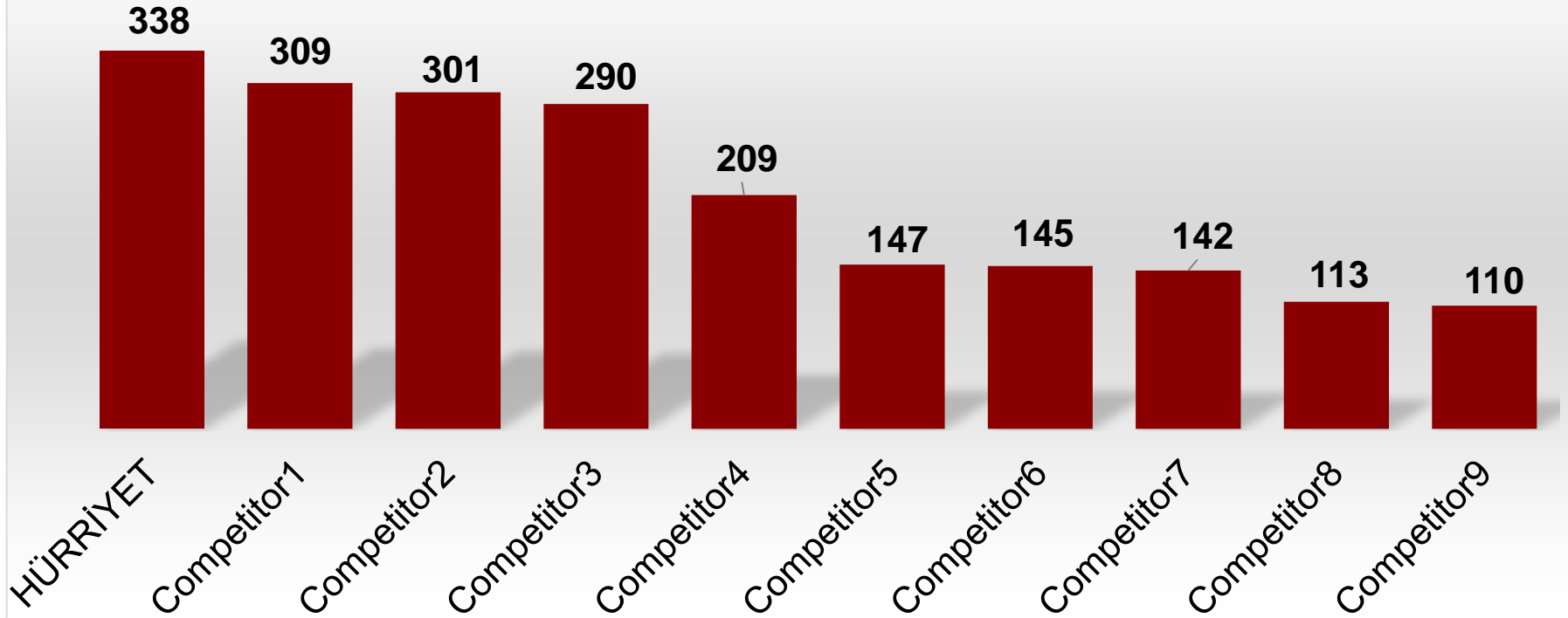


### Print Revenue Split



- Despite to 6% decrease in Circulation numbers, revenues increases by 6%, due to the price increase
- In 27 March 2015 Hürriyet transferred its Doğan Haber Ajans (DHA) shares to Doğan Holding. In 2016 Printing and other revenues 6 mtl due to absence of DHA Revenues regarding the period 1 january- 27 March 2015.
- Printing and other revenue decline also includes H.Zweign revenue decrease of 2.5mtl in 2016

12M16 Daily Average Circulation (thousand)

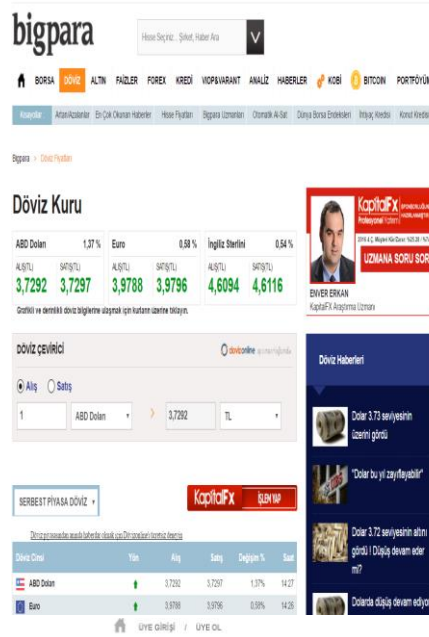


Source : Press Ad Agency

# Digital Media

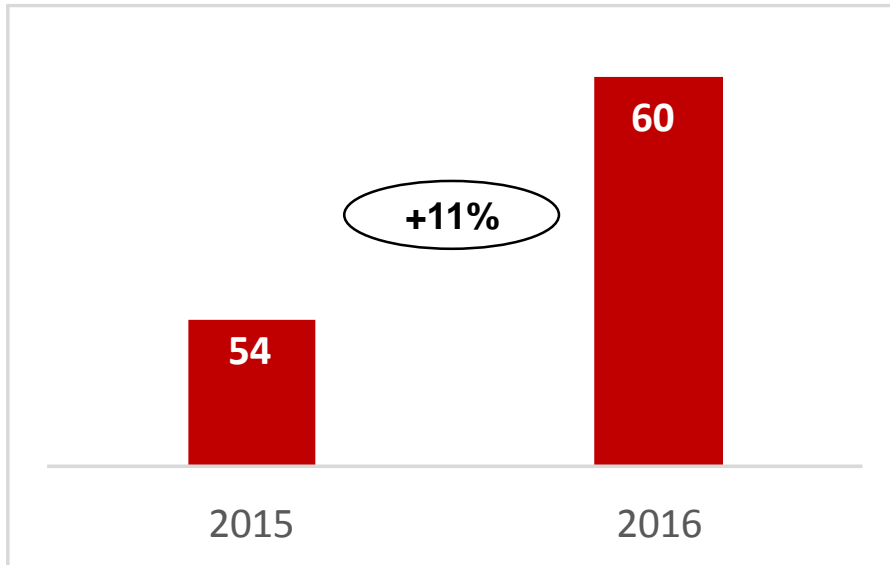
# DIGITAL MEDIA

## THE TURKISH MEDIA INDUSTRY'S MOST VALUABLE PORTFOLIO



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### Digital Growth (mn TL)

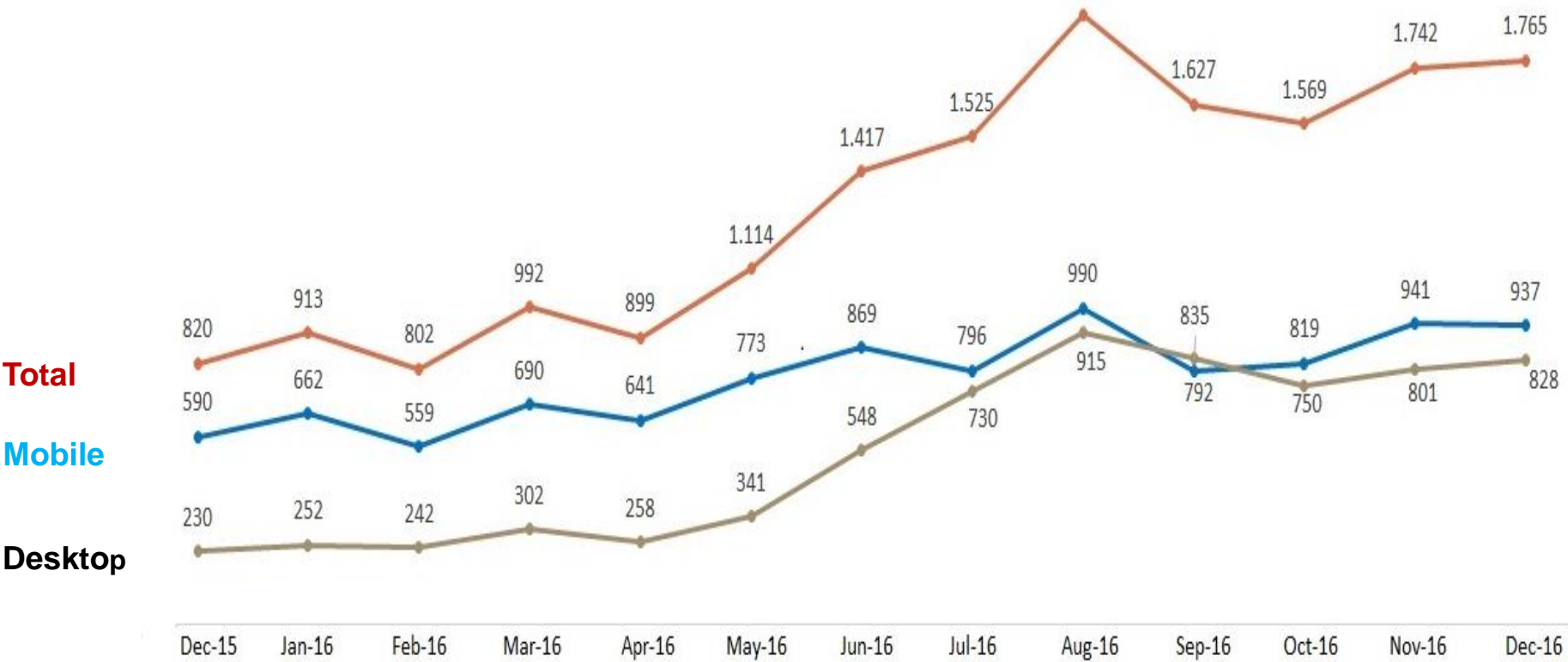


- Hürriyet Online Revenues increases parallel to Online Ad market by 11%. **Excluding «Radikal», Hürriyet Online Ad Revenue increases by 20%.**
- 115 % increase in monthly page view from 820 mio to 1.765 mio
- Significant increase in session (monthly number of visits) from 135 mio to 189 mio

# DIGITAL MEDIA

115% increase in Page View numbers in 2016 compared to 2015 year- end figures

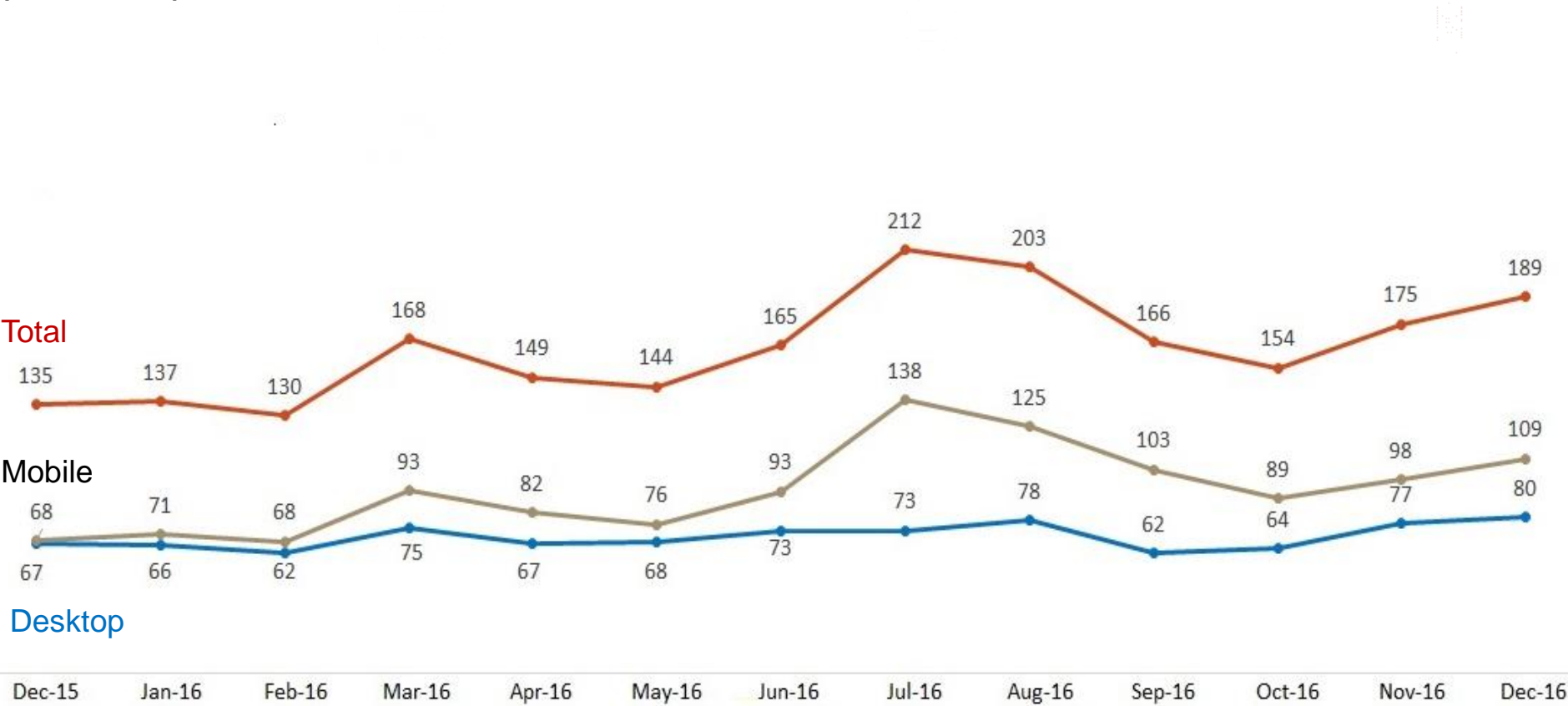
Hürriyet Monthly Page View  
(million PV)



## DIGITAL MEDIA

We achieved a significant increase in the number of Mobile and Desktop visits

Hürriyet Monthly Number of Visits  
(milion visit)

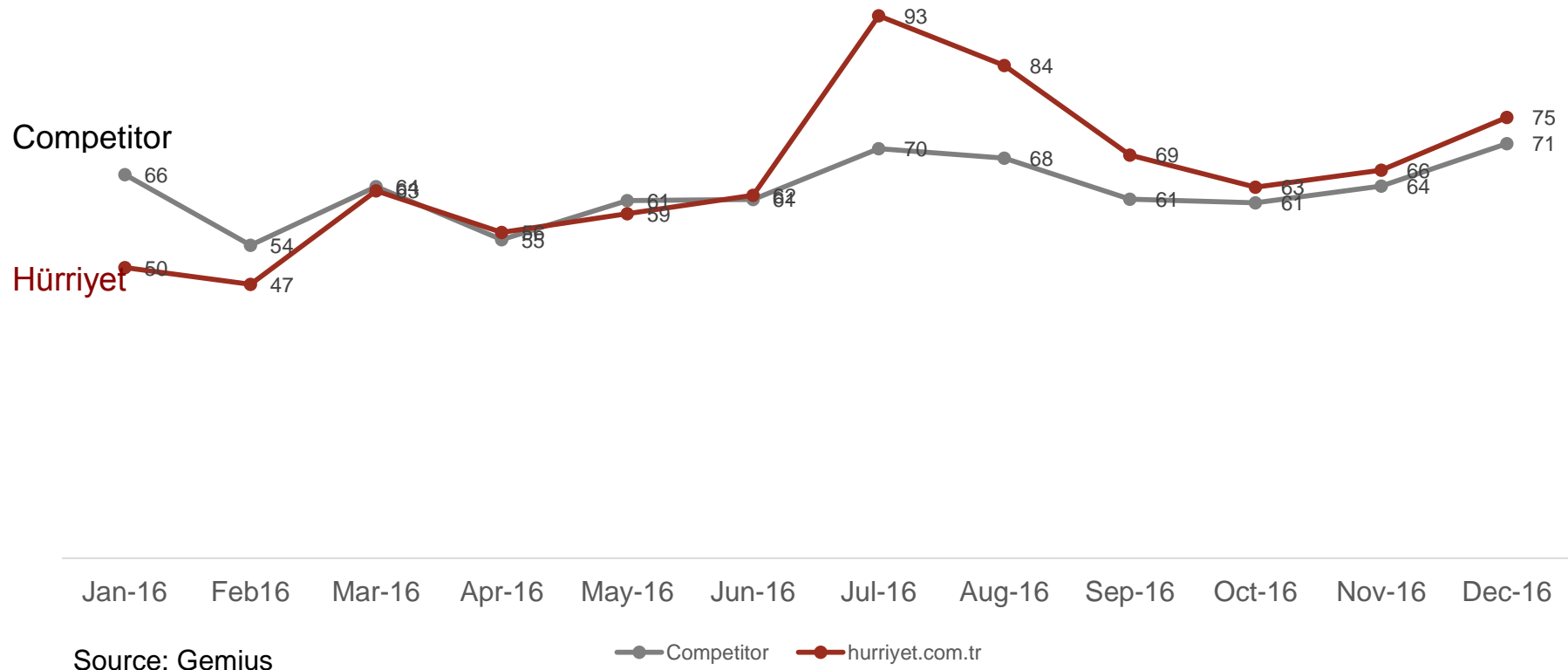




# DIGITAL MEDIA

Hürriyet has strong position in mobile; Ranked #1 in mobile visits

Mobile Visits (monthly average million TL)

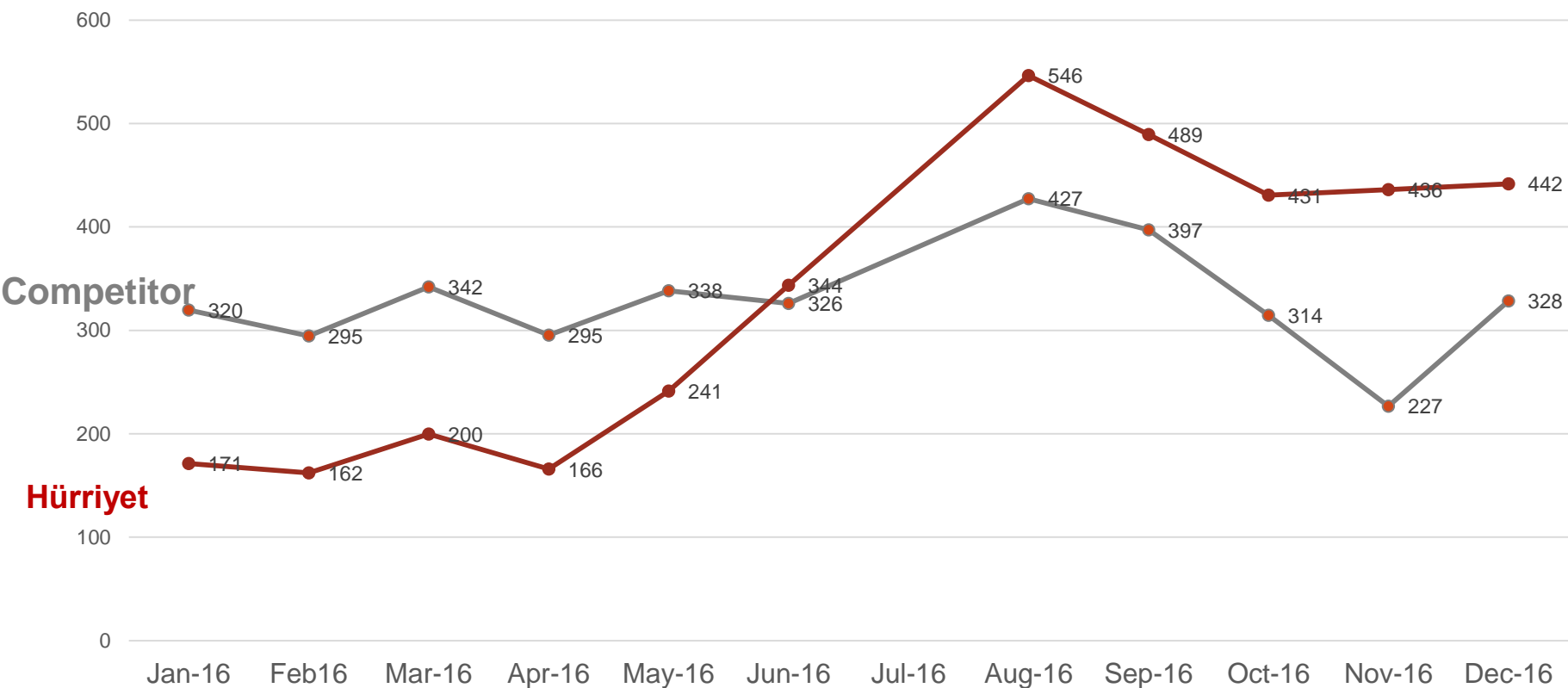




# DIGITAL MEDIA

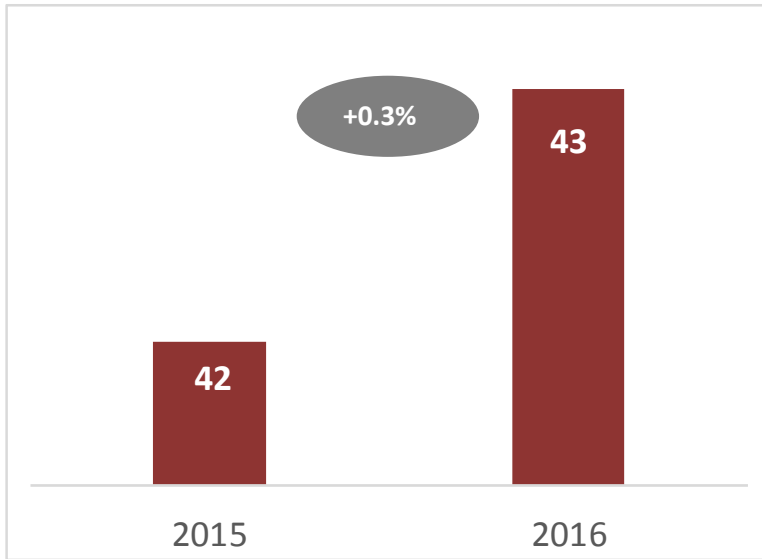
Digital Media Competitors Hürriyet is ranked #1 in mobile Pageviews too.

Mobile Pageviews (million)



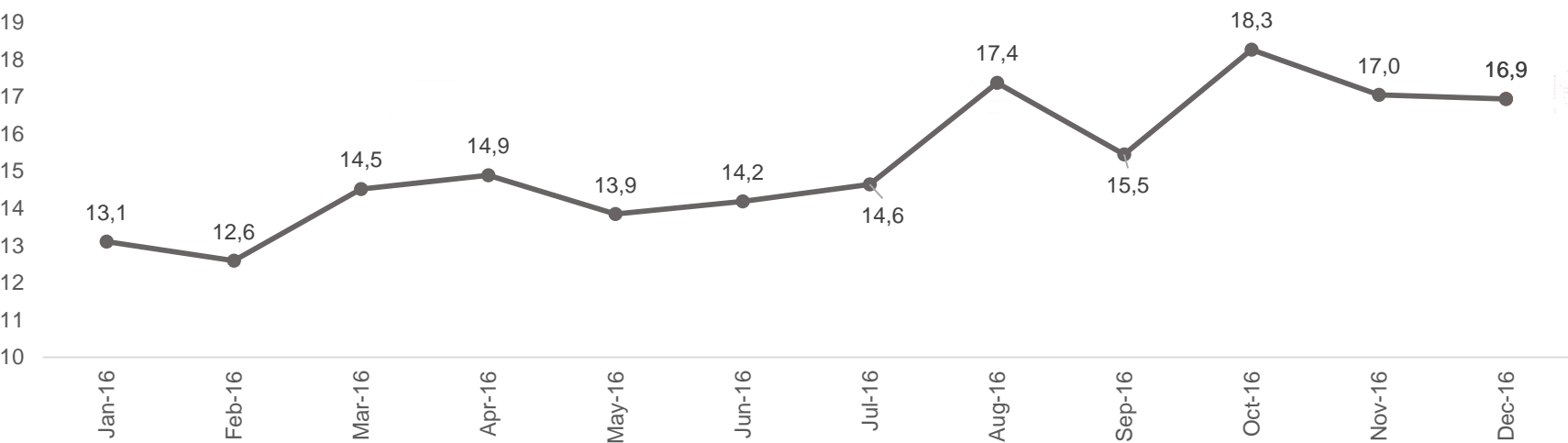
Source: Gemius

## E-business revenue growth

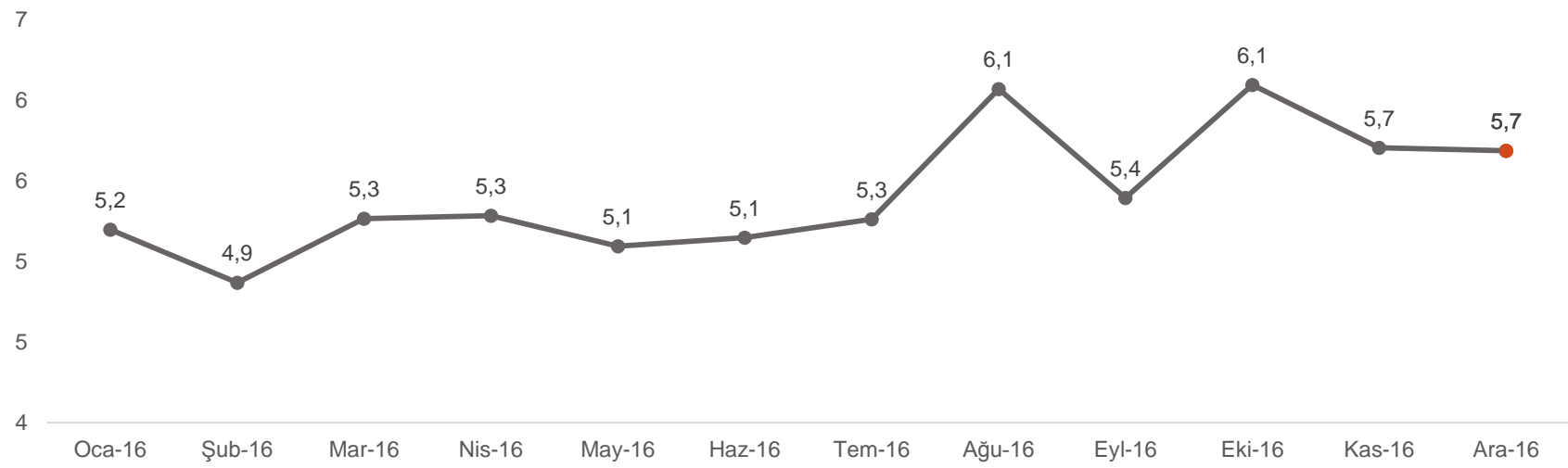


- 29 % increase in monthly visits from 13 mio to 17 mio
- 9% increase in number of unique visitors from 5.2 mio to 5.7 mio

Number of Visits(millon session)

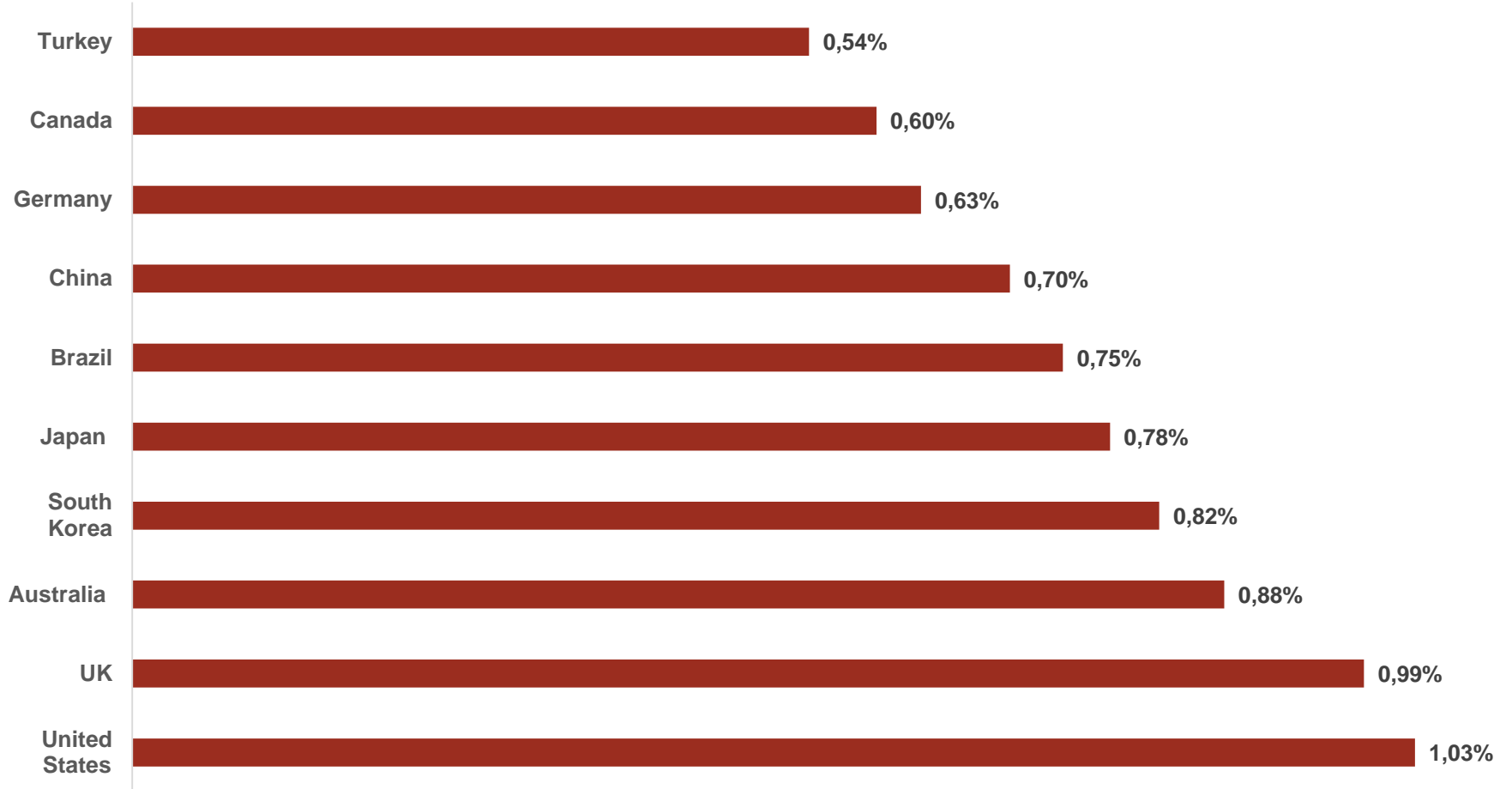


Unique Visitor(million user)



# ADVERTISEMENT EXPENDITURES/ GDP BY COUNTRY

2016 (billion USD)



## Major Advertisers of Hürriyet

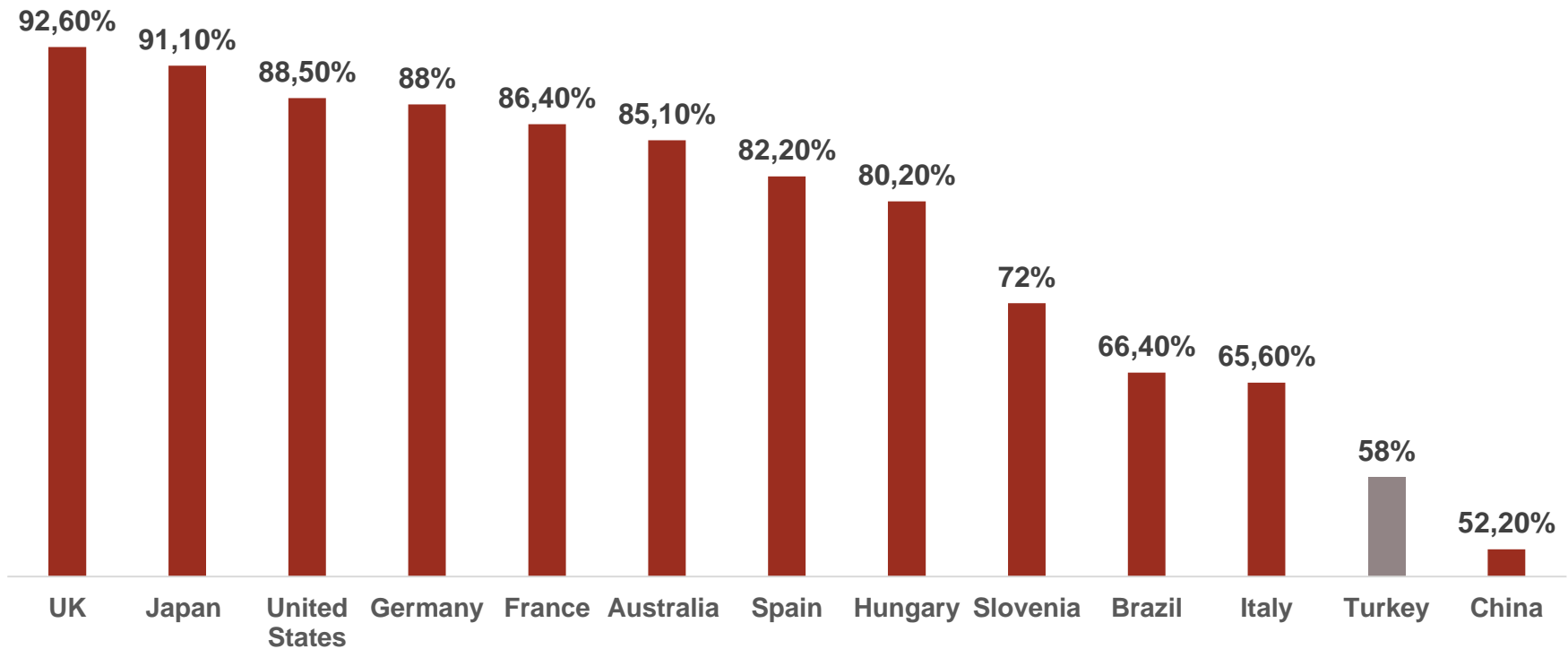
Sectors	FY2015	FY2016
Social	12%	15%
Real Estate	14%	15%
Tourism	10%	10%
Perakendecilik	9%	9%
Automotive	6%	7%
Insert Distribution	5%	4%
Education	5%	4%
Finance	5%	4%
Classifieds	5%	4%
Public Organizations and Political Parties	3%	3%
<b>First 10 Total</b>	<b>73%</b>	<b>75%</b>
<b>Others</b>	<b>27%</b>	<b>25%</b>

# TURKEY INTERNET PENETRATION TRENDS

- Computer and Internet usage of individuals aged 16-74 were 54.9% and 58.8% respectively.
- 76.3% of households have access to the Internet. 8 out of 10 households have Internet Access.
- 96.9% of households have mobile phone (incl. smart phones)
- The percentage of ordering or buying goods or services over the Internet for private purposes was 34.1%
- Individual used internet for participating in social networks (82%), watching video content from sharing services (74.5%), reading online news, newspapers, news magazines (69.5%), seeking health-related information (65.9%), finding information about goods and services (65.5%) and listening to music (e.g. web radio, music streaming) (63.7%).
- 94.9% of individuals who used the Internet in the first quarter of 2016, used the Internet almost every day or at least once a week (regularly Internet use).

**Source :** Turkish statistical institute (press release Information and Communication Technology (ICT) Usage Survey on Households and Individuals, 2016)

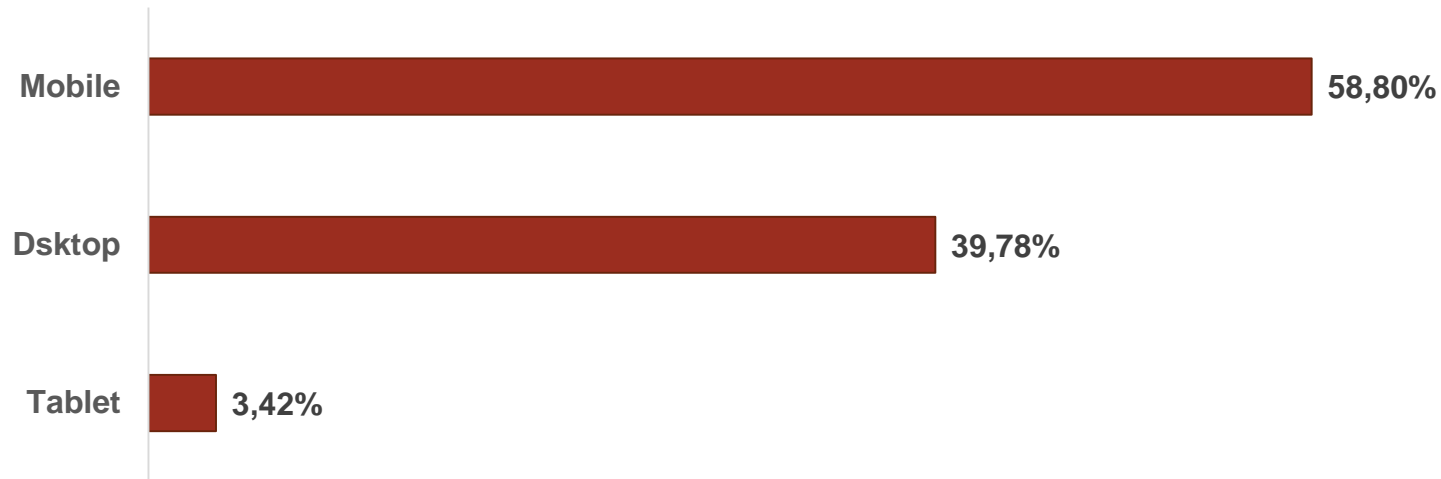
# INTERNET IS STILL DEVELOPING SEGMENT IN TURKEY



- Right time to invest in online
- Great “content” advantage through leveraging print
- Target is to achieve “clear leadership position” in all markets, including digital and e-business.

Source: internetlivestats.com

# PLATFORM COMPARISON IN TURKEY FROM DEC 2015-DEC 2016



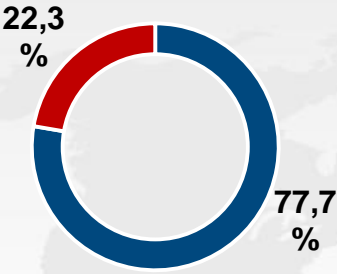
- The share of the population in Turkey ages 16 to 74 who use the internet has nearly doubled since 2008, from 32.2% to 58.8% in 2016
- Mobile is growing significantly in recent years.
- Most people today are multi-device oriented. Rather than mobile taking a larger share of the pie, the pie is simply getting bigger.

Source: StatCounter Global Stats, State Statistical Institute

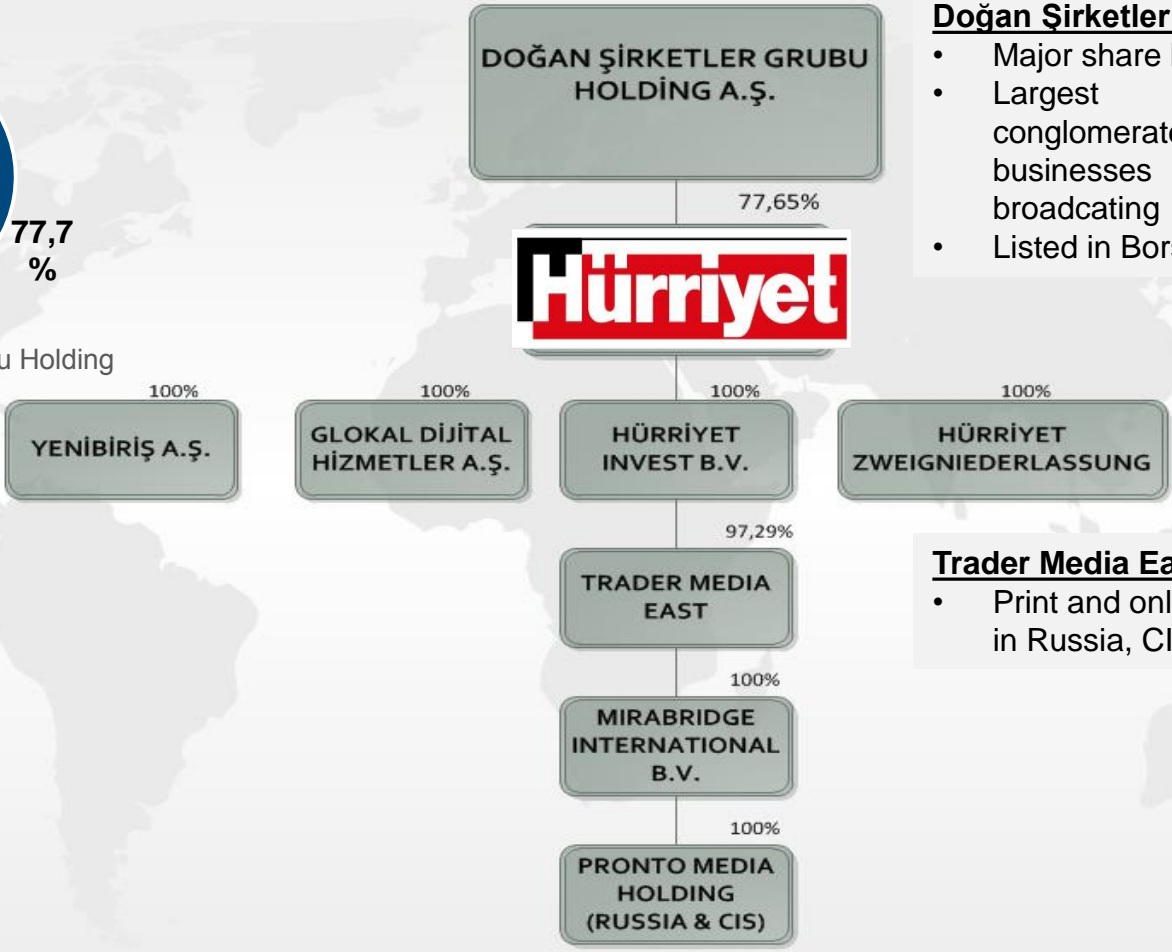


# HÜRRİYET GROUP STRUCTURE

## Hürriyet Shareholder Structure



- Doğan Şirketler Grubu Holding A.Ş.
- Free Float



### Doğan Şirketler Grubu Holding A.Ş.

- Major share holder of Hurriyet
- Largest Turkish media conglomerate with core businesses of publishing and broadcasting
- Listed in Borsa Istanbul

### Trader Media East (TME)

- Print and online classified company in Russia, CIS and Eastern Europe.



❑ Consolidated Revenue decreased by 5% due to decrease in TME revenues.

❑ Hürriyet Revenues-Excluding TME

- Revenue decrease is 0.6%. Excluding revenue decline impact regarding the transfer of Dogan Haber Ajansı shares to Dogan Holding, revenue increased by 0.5%.
- Print media decreases by 2.1%, despite to 8% decrease in NewsPaper Ad market. In parallel newspaper advertising revenues increased by 6% leading to 4pp increase in market share. (\*\*)
- Hürriyet still continues to be the market leader in circulation numbers. (\*)
- Digital media revenue growth reached to 10%. This substantial increase stemmed from the increasing trend in number of visits, page views which were doubled within a year.
- EBITDA decreases by 16% excluding TME\* due to increase in paper costs, driven by increasing fx rates.

**TME\*** : TME is our operation in Russia

**Source (\*)**: Press Ad. Agency

**Source (\*\*)**: Doğan Holding Advertising Department

**Source (\*\*\*)**: Gemius

# CONSOLIDATED FINANCIAL INDICATORS

Consolidated '000 TL	4Q16	YoY Change
Total Revenues	144.3	-7%
Gross Profit	53.9	-14%
Operating Profit/(Loss)	-14.6	-32%
EBITDA	5.6	-33%
EBITDA Margin	3.9%	(1.5pp)
Net Income	-32.8	13%

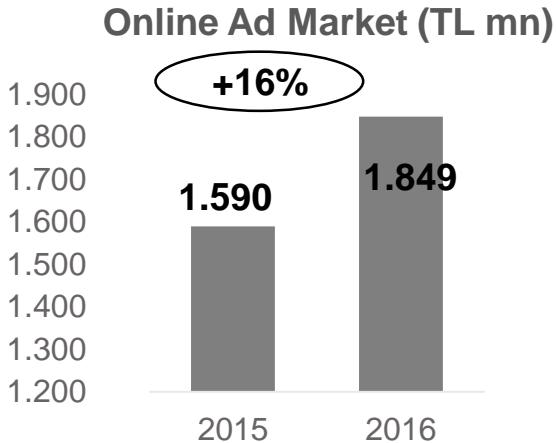
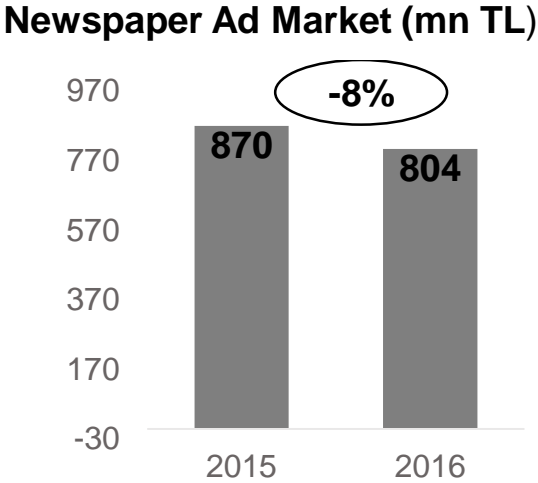
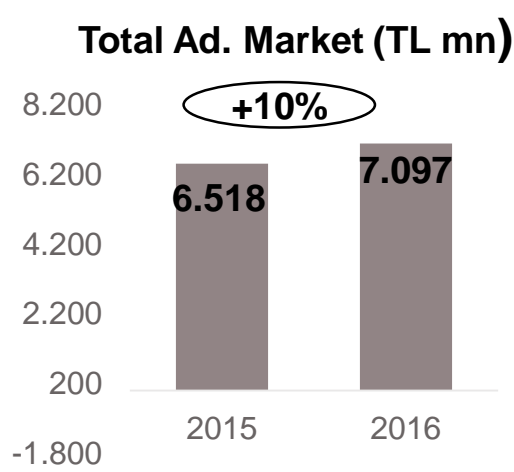
12M16	YoY Change
564.1	-5%
228.1	-11%
10.6	-53%
53.6	-18%
9.5%	(1.4pp)
-72.5	138%

## CONSOLIDATED PROFIT & LOSS STATEMENT – excluding TME

Mn TL	12M16	12M15	YoY % Change
Total Revenues	534,6	538,0	-0,6%
Cost of Sales	-317,2	-308,7	2,7%
Operating Expenses	-195,3	-198,9	-1,8%
Depreciation	35,7	39,2	-9,0%
Amortised cost valuation income	6,5	6,7	-2,7%
Adj. EBITDA	64,3	76,3	-15,7%
EBITDA Margin	12,0%	14,2%	(2,1pp)

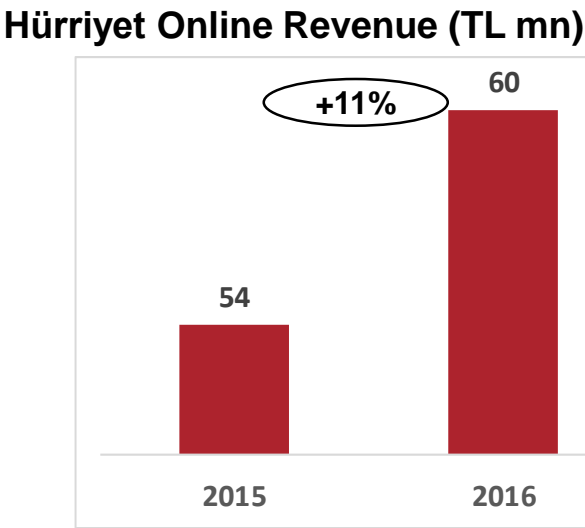
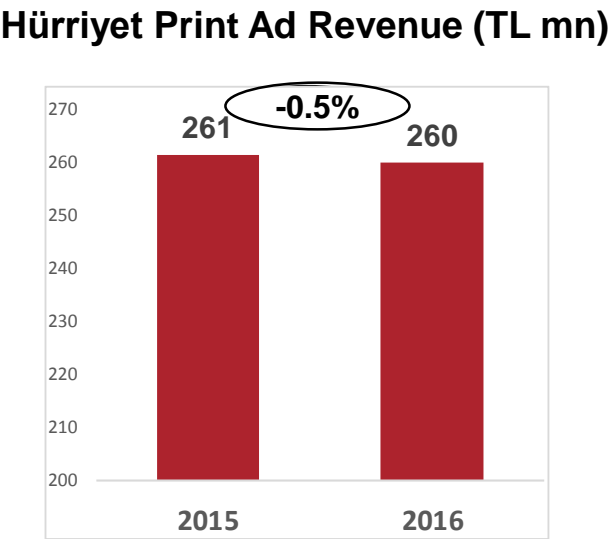
# AD REVENUE MARKET in TURKEY vs HÜRRIYET AD REVENUES

20% increase in Online Ad Revenue (excl Radikal)



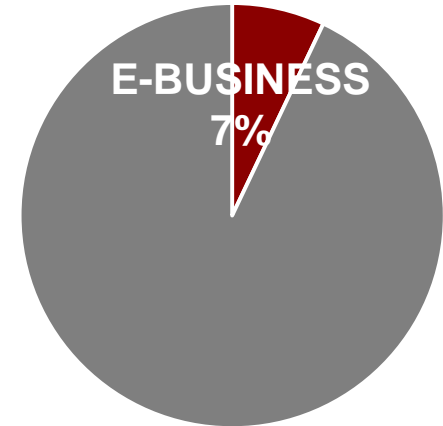
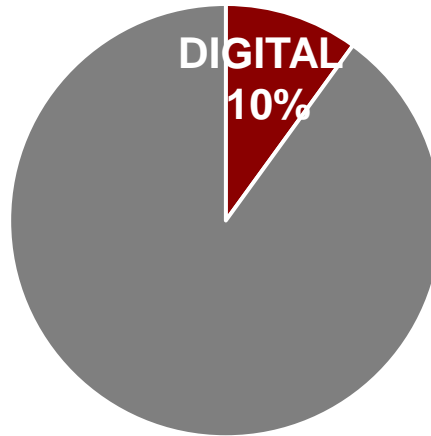
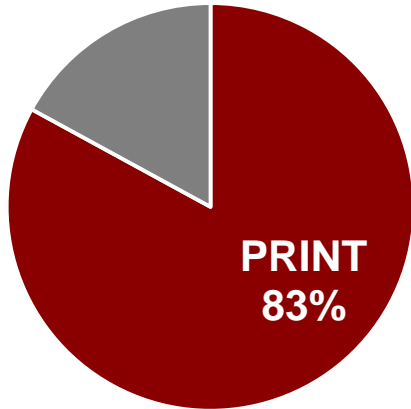
- No decline in Hürriyet Print Ad Revenue despite to 8 % market decrease

- Hürriyet Online Revenues increases parallel to Online Ad market by 11%.  
**Excluding «Radikal», Hürriyet Online Ad Revenue increases by 20%.**



# HÜRRİYET REVENUE BREAKDOWN – *excluding TME*

2015



-2pp

+1pp

+1pp

2016

