



Investor Presentation

Full Year Results
2017

March 13, 2018



gazete web cep tablet

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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.

KEY MESSAGES- 2017

**SUCCESSFULL
ROLLOUT OF OUR
DIGITAL STRATEGY
FOCUSING ON
VERTICALS**
(SporArena, Hurriyetoto)

**MARKET
LEADERSHIP
AD MARKET (34%)
CIRCULATION (10%)**

**ENTITLED TO
RECEIVE
“R&D CENTER”
CERTIFICATE**

**OPTIMIZE WORKING
CAPITAL THRU
LEVERAGING OF
POTENTIAL ASSETS**

**DISCONTINUE OF
OUR DIGITAL
OPERATIONS IN
RUSSIA**

*(To increase operational
efficiency and improve
cash flow)*

**LEADING
CLASSIFIED
BUSINESS IN REAL
ESTATE WITH A
COMPETITIVE
ADVANTAGE IN
PRIMARY MARKET**

**SEARCH FOR
TARGETED
INVESTMENT
ALTERNATIVES
CONTINUES**

HURRIYET WORLD

TURKEY



yenibiris:)com

 hurriyet
emlak.com

yakala.co

 hurriyet
oto.com

SPOR
ARENA

 hürriyet
projeland

GERMANY



Zweigneiderlassung
GmbH

RUSSIA & Others(*)

trader
media
east

HOLLAND

*Hürriyet Invest BV

*Publishing Int.
Holding BV



SporArena
Dijital Hizmetler
Pazarlama ve
Ticaret A.Ş. was
established.

5 Oct-17



Hürriyet has been
entitled to receive
the "R&D Center
Certificate"

3 Nov-17



Öncü Girişim,
subsidiary of Doğan
Group, acquired 8%
of the shares of
Glokal (Hürriyet Real
Estate) for **28 MTL**.

20 Dec-17



Glokal (Hürriyet Emlak)
received 14% shares of
«Prof Estate Ltd» to
strengthen its competitor
advantage in first hand
sales of real estate
market.

2 Jan-18

14 Nov-17

Sale of Trabzon
DPC Land
5.3MTL

22 Nov-17

Decision to cease
operations of
JOB.RU and
IRR.RU under
PMH is taken

26 Dec-17

Sale of Istanbul-
Bağcılar Land
38.5MTL

13 pyk & pyku

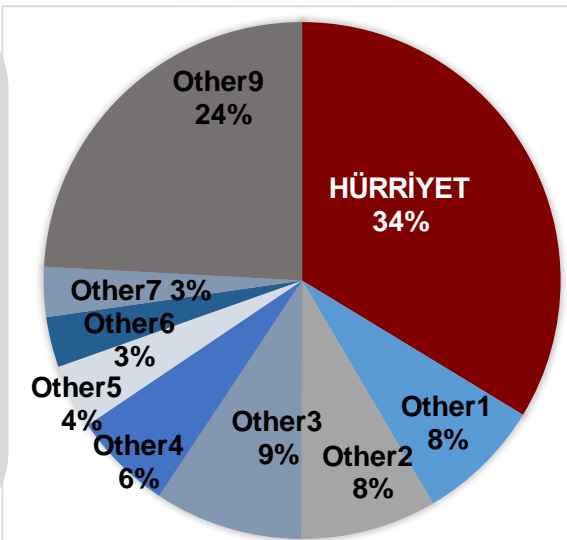
FINANCIAL HIGHLIGHTS: Stable revenue despite the decline in print media thanks to solid exponential growth of Digital Content and HEmlak

	2016		2017		yoy		
	Q4	FY	Q4	FY	Q4	FY	
REVENUE (*)	125	544	136	538	9%	-1%	Stable despite to the decline in print ad market
PRINT MEDIA	114	449	108	406	-5%	-10%	Below market decline (-17.6%)
DIGITAL CONTENT	10	43	19	57	85%	33%	Above market growth
HÜRRİYET EMLAK	11	29	17	53	60%	83%	Almost doubled
OTHER	10	24	8	22	-24%	-6%	
TOTAL COSTS		-487		-497		2%	
EBITDA		57		41		-28%	

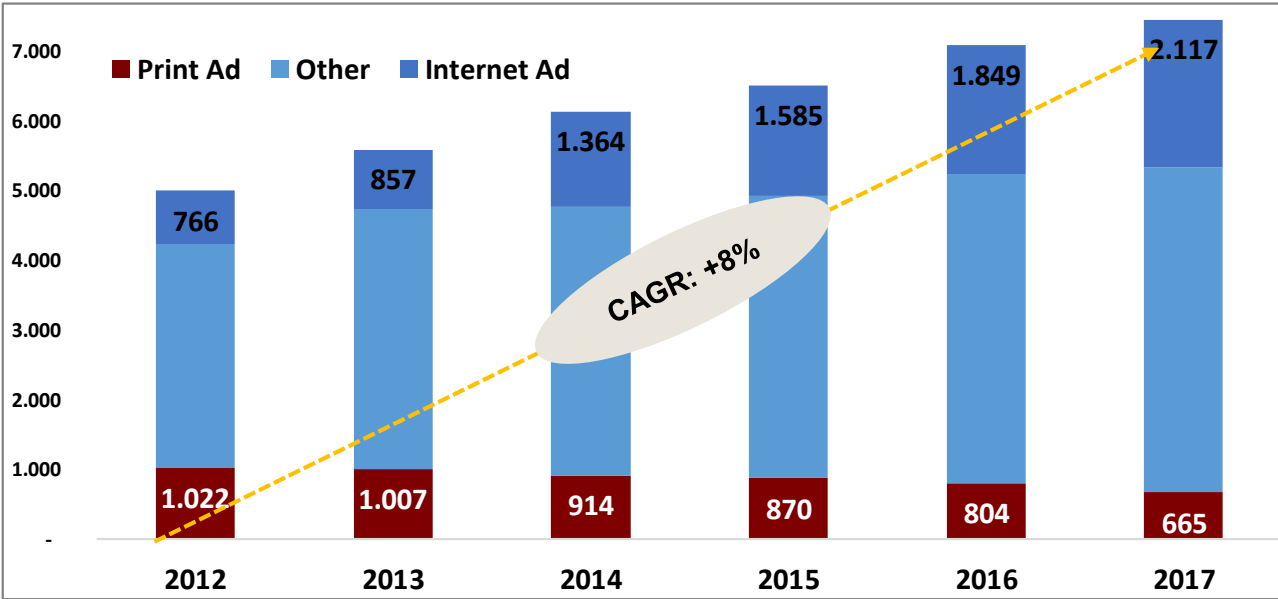
(*) As of 2017 year end, PMH has taken the decision to cease its digital operations, based on the considerations regarding market competitiveness of PMH in which it operates and its performance being under the intended level. We believe that this will lead to improvements in our cashflow and increase our operational effectiveness in our core business. Total net loss from this operations are classified as "Discontinued Operations" in the profit/loss statement as of 31 December 2017 and 2016.

AD MARKET IN TURKEY: Market Leader in Print Ad Market with 34 % market share

- ✓ **+8%** growth in total Ad Market in 5 yrs
 - Solid growth of 23% in Internet
 - 8% decline in Print
- ✓ **11%** yoy growth in total Ad market in Q417.



- **34%** market share in Print Ad Market
- **7%** market share in Internet Ad Market

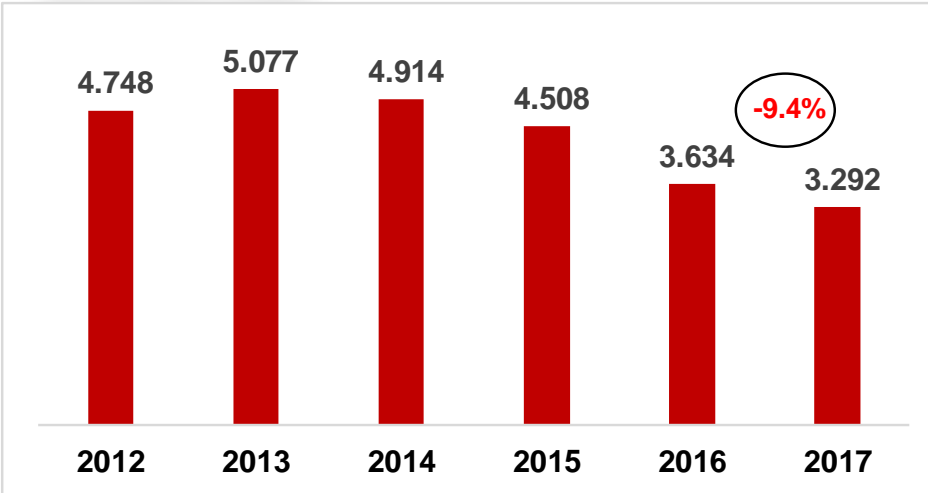


GROWTH in AD MARKET (CAGR)

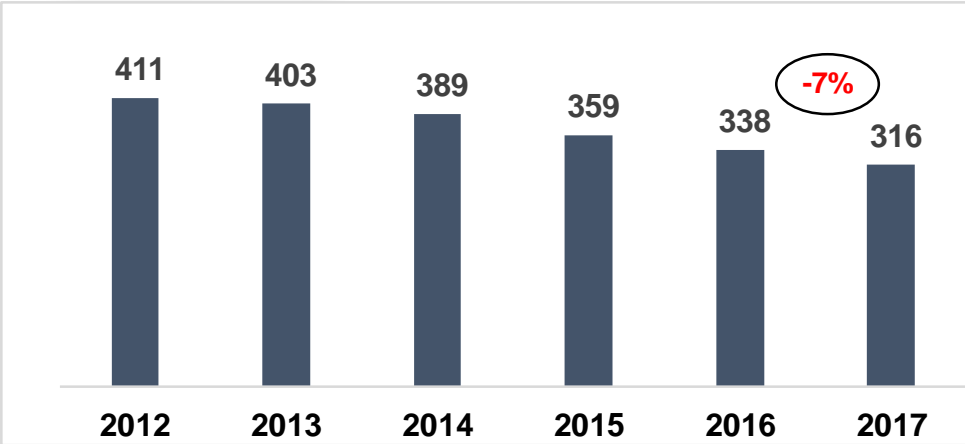
- + 23%** INTERNET
- + 8%** OTHER
- 8%** PRINT

CIRCULATION : Market Leader in Circulation

Average Daily Newspaper Circulation
(thousand units)



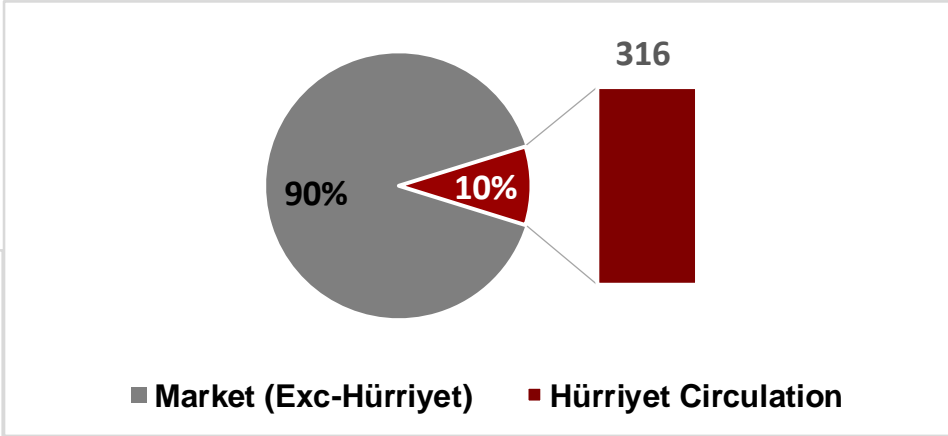
Average Daily Circulation of Hürriyet
(thousand units)



Circulation Market Share (%)

+ 0.3 pp increase in market share compared to 2016

Only 7% decrease in average daily circulation which is under decrease in market, 9.4%



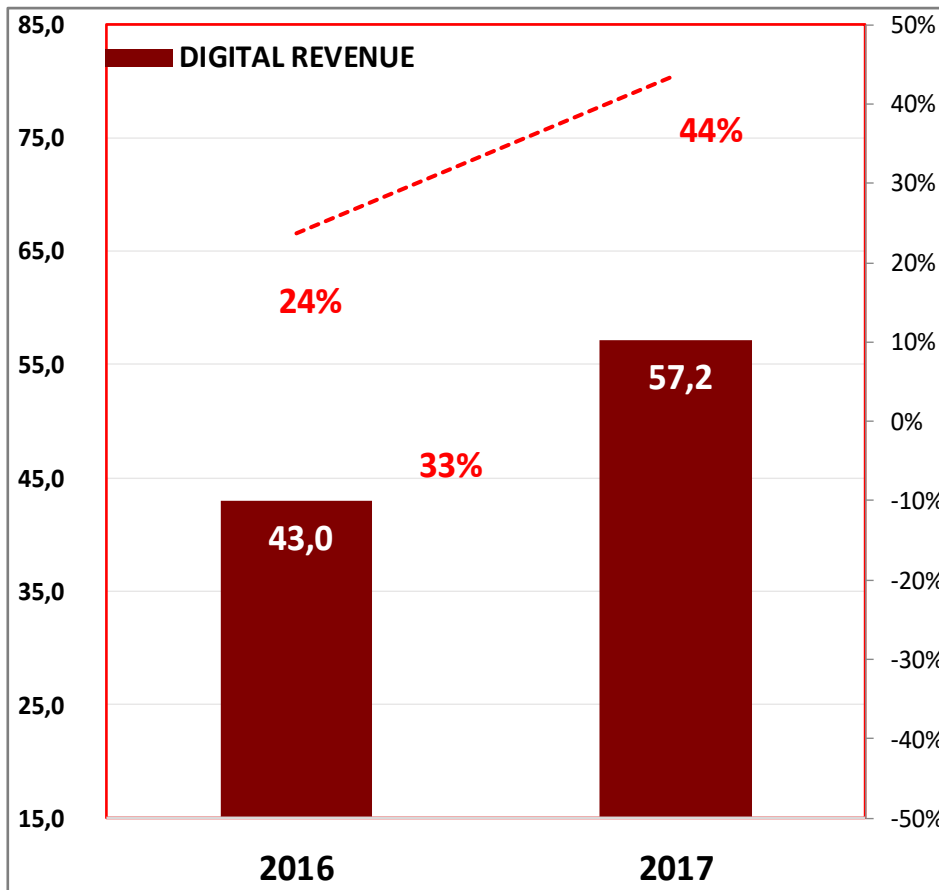
(*) Daily average net sales

(*) Daily average net sales

DIGITAL CONTENT: Above market revenue growth with an improved profitability margin

Key Highlights

- Focused growth and monetization via new Ad Formats (ie: SporArena)
- Increase traffic and customer engagement thru technical innovation and audience focus strenghting mobile conversion
- Continue to seach for investing on alternative market places
- Focus on content enrichment and technology investment for digital premium subscription model



BOOSTING DIGITAL AD REVENUES THRU INVESTMENT ON DIGITAL AD TECHNOLOGIES

- Focus and realignment with rapid advances in technology and dramatic shifts in consumer behavior.
- Engaging the right audience, with the right message, at the right time
- Using of data management platforms (DMPs) to manage the scale of data, while exploring new ways to increase customer engagement

Native Ad Model



Yeni sezon kazaklara çok
şaşıracaksınız!



**Data
Management
Platform**

360 Ad Model



Video



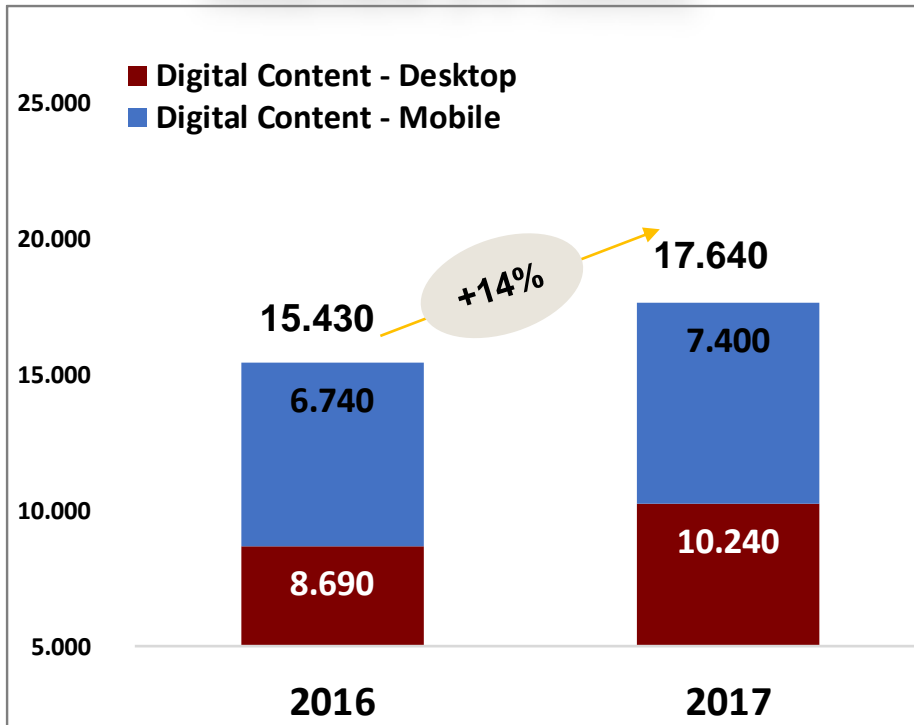
Header Bidding



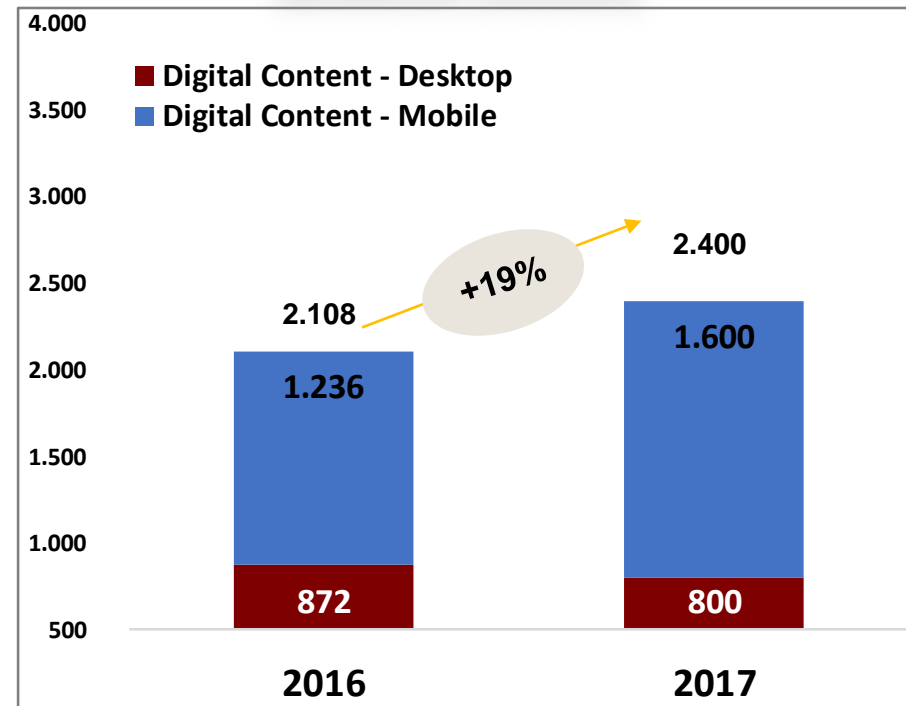
DIGITAL CONTENT : Hürriyet is among the top players in the market

- Hürriyet is the top local player in the market, including Facebook and Google with page views 1.7 bio and 215 mio visitor monthly.
- The traffic is 60% higher than the nearest competitor in news websites as of Dec 2017.

PAGEVIEW (PV- million)



SESSION (million)



DIGITAL CONTENT : Impressive Growth in Traffic and unique visitor

- **Hurriyet.com.tr** has reached to **1 million UV per day** in social media traffic and **50 million views** monthly on facebook
- **Hurriyet.com.tr** is in the LEADER position in social media engagement on media sector.

Top Websites Extended In Turkey (Total Traffic)



81%
Households with
access to the Internet

67%
Internet Usage
in Turkey
76% male, 59% female

98%
Smart Phone
Penetration

37%
Laptop
Penetration

30%
Tablet
Penetration

TOP 3 MOTIVATIONS

68.2%

To read news

61%

Uploading self-created
content

83.7%

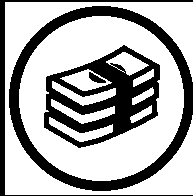
Spend time in
social media

Convergence

Fit for growth
(optimization
of costs and
integration in
operations)



Monatization
via new ad
formats



Increase traffic
and customer
engagement



Digital
premium
subscription



Invest on alternative market places



MONETIZATION IN DIGITAL CONTENT FOCUSING ON DIVERSIFIED VERTICALS



Monthly average Page View doubled to 187 million

Pageview	187 mio
----------	---------

Session	10.8 mio
---------	----------

User	9.5 mio
------	---------



Monthly average Page View is four times bigger than 2016

Pageview	32 mio
----------	--------

Session	0.6 mio
---------	---------

User	1.6 mio
------	---------



Monthly average Page View increased to 1.4 billion.

Pageview	1.4 bio
----------	---------

Session	188 mio
---------	---------

User	56 mio
------	--------



Monthly average Page View increased to 43 million.

Pageview	43 mio
----------	--------

Session	7.6 mio
---------	---------

User	3.8 mio
------	---------



Monthly average Page View is 15.1 million.

Pageview	15.1 mio
----------	----------

Session	3.9 mio
---------	---------

User	2.7 mio
------	---------



Monthly average Page View increased to 23.8 million.

Pageview	23.8 mio
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Session	3.8 mio
---------	---------

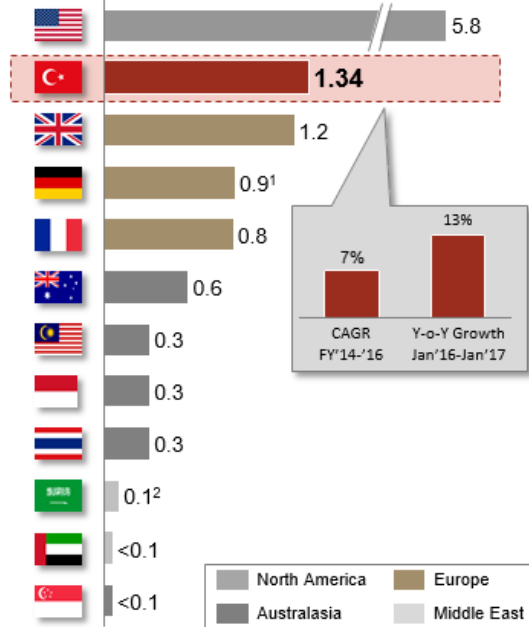
User	3 mio
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The above figures does not include referral traffic from hurriyet.com.tr.

HÜRRİYET EMLAK: Large Property Market with High Digitalization Potential

Turkey is one of the largest real estate markets in the world...

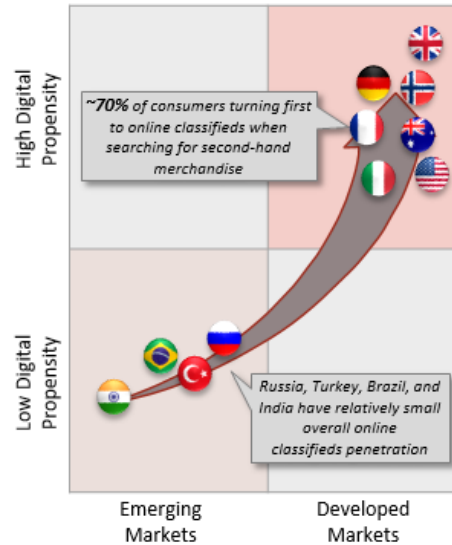
Residential Property Sales, 2016, Million Units



...where consumers are yet to embrace digital channels in classifieds search ...

Digital Propensity in Classifieds Search, 2015

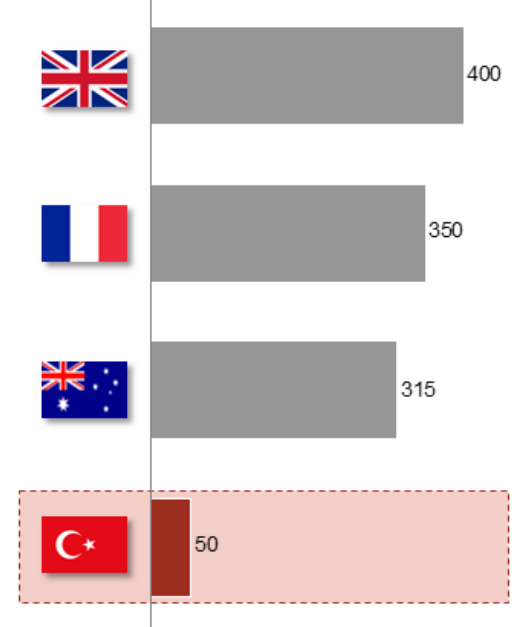
Indicative



Based on McKinsey Online Classifieds Ads Survey with ~11k classifieds ad consumers from 11 different countries

...leading to a nascent online classifieds market

Online R.E. Classifieds Market Size, 2015E, USD mn



1. Estimated figures for 2015

2. Excludes governmental project sales

Source: National Statistics, Frost & Sullivan, McKinsey Research, Goldman Sachs Research, Company Estimations

- HEmlak is the most recognized brand in Turkish Real Estate Advertising with approximately 1 million listings.
- Being the vertical leader with a market share of 25% , Hürriyet Emlak has over 7 million monthly unique visitors.

The most reputable and known real estate classifieds brand in Turkey

* Based on Future Bright Research Market Study in 2016



~ 1M listings

* As of Jan 2017



7M monthly unique
visitors
~20M visits

* As of Jan 2017, including app traffic



~ 13 K Real Estate
Offices with more than
40K consultants

* 2016 year-average, excluding individual listers



~25% market share in
the Real Estate
Classifieds vertical

* Estimated revenue share based on sector interviews



~ 50% revenue increase
for the last 2 years

* IFRS adjusted (accrual basis) revenue CAGR between FY 2014 - FY 2016

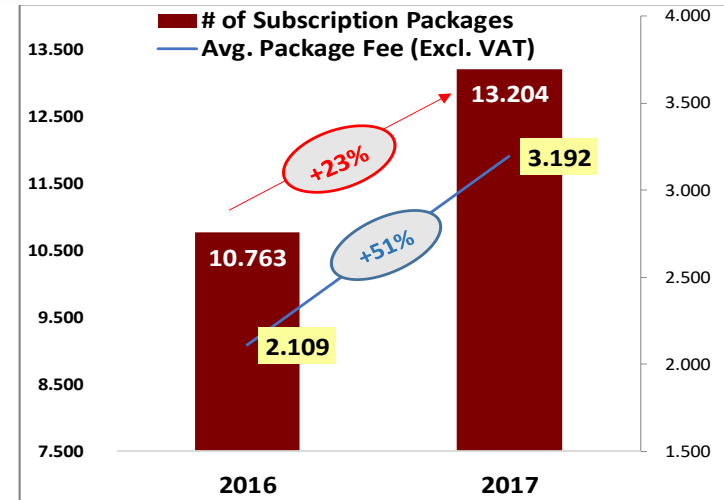
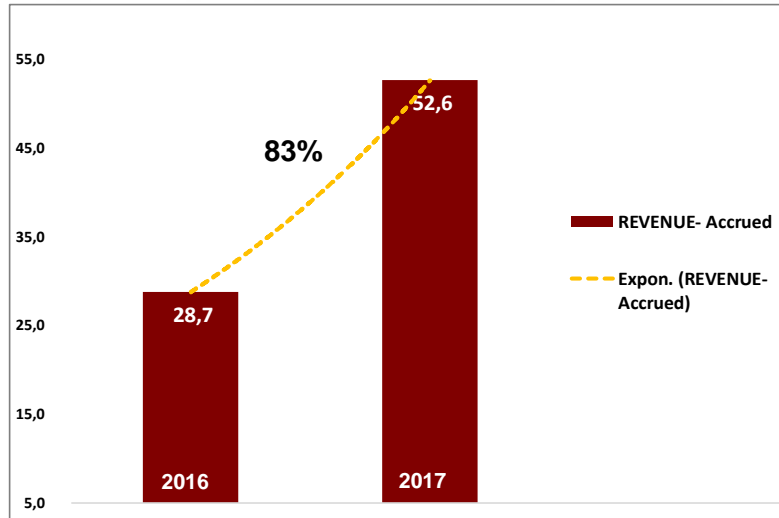


EBITDA positive

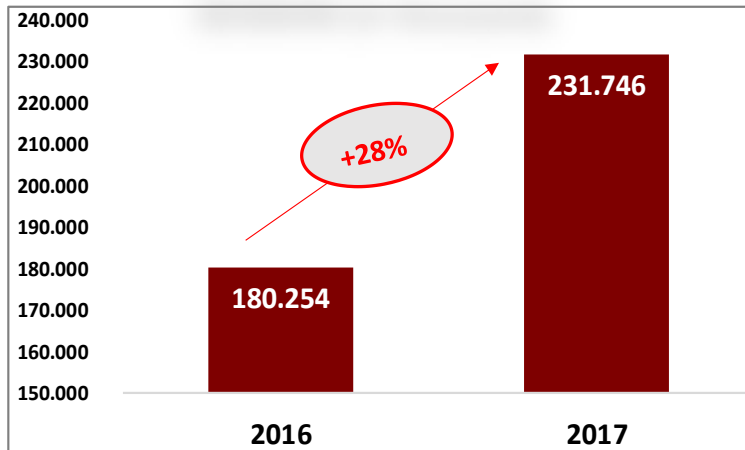
* Based on Sales Invoices

Vision: To become the market leader in the Real Estate Classifieds Vertical by 2021

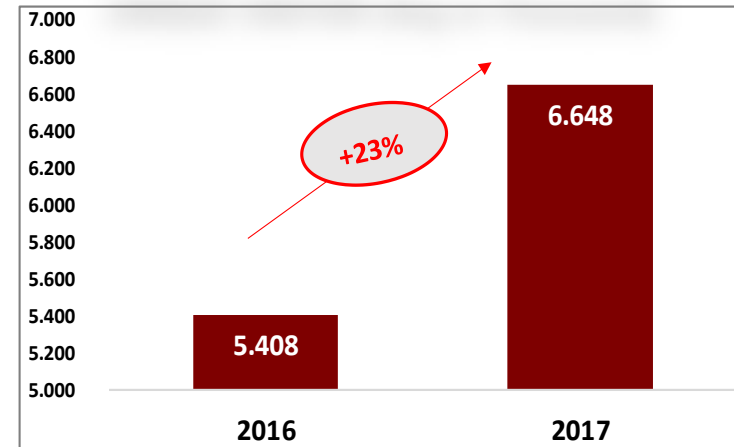
HÜRRİYET EMLAK – almost doubled the revenues



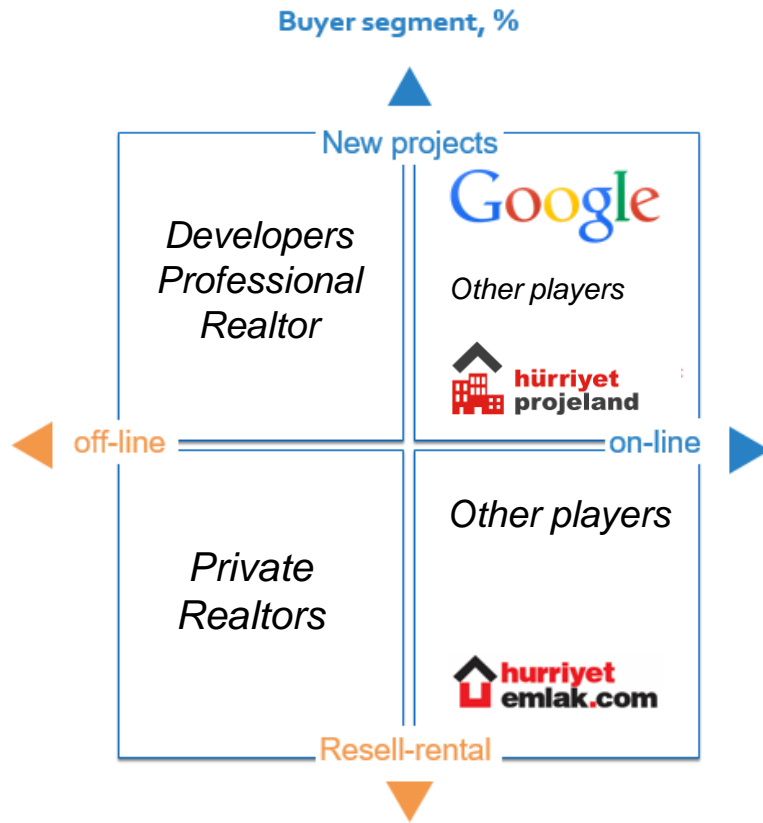
SESSION (in thousand)



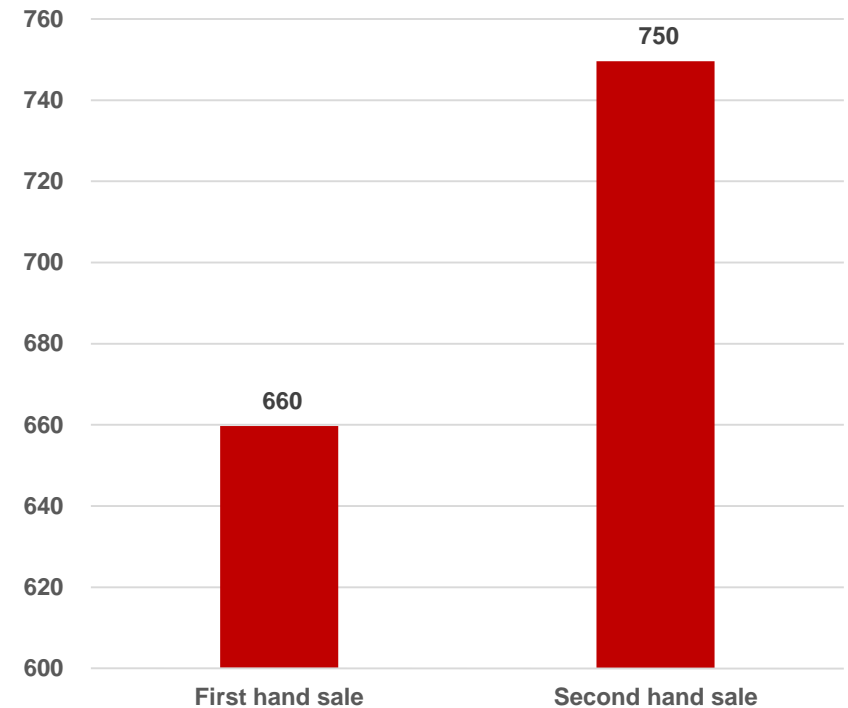
UNIQUE VISITOR (Avg in Thousand)



- 28% Traffic growth in 2017 (231 mio page views)
- Subscription Package Price almost doubled in 2017
- Decrease in churn rate to 45% from 49% along with increase in conversion



House sales (2017 in k Units)



- 1.5 mio real estate sales occurred during 2017
- 47% of total comprised from 1st hand sales.

SOLID BALANCE SHEET

	2016	2017
Cash and Cash Equivalents	24	66
Land and Buildings	76	206
Investment Properties	228	172
Total Assets	934	769
Total Loan	288	263
Total Liabilities	517	466
Total Equity	417	303

- ✓ Improved cash position thanks to sale of investment properties in Q417.
- ✓ Land and Buildings including the investment properties amounts to 378mTL as of Q417.
- ✓ Bank Borrowing amounts to 263mTL:
 - of which 112mTL is short term
 - interest rates ranging between 12.5-14.8% which is below market.
- ✓ Cash Management
 - Positive cash inflow from barter asset and investment property sales
 - Hedging of FX denominated payables at targeted level
 - Trade receivables secured with collaterals

The amounts are given in million TL.

More information available at investor relations:

Name	Title	Phone	E-mail
Nihan Sena HERTAŞ	Investor Relations Manager	+90 212 449 60 30	nshertas@hurriyet.com.tr
Elif Özcan	Investor Relations Specialist	+90 212 449 60 88	elifozcan@hurriyet.com.tr