



Review of 1Q13 Results

16 May 2013

From a leading newspaper to a 7/24 Hürriyet World

Hürriyet

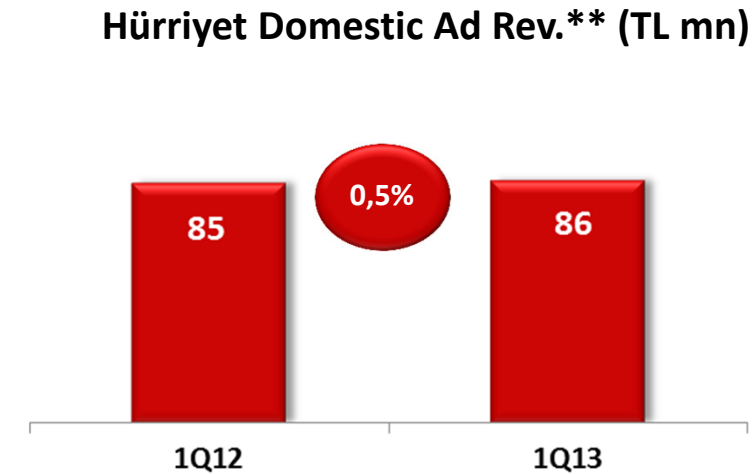
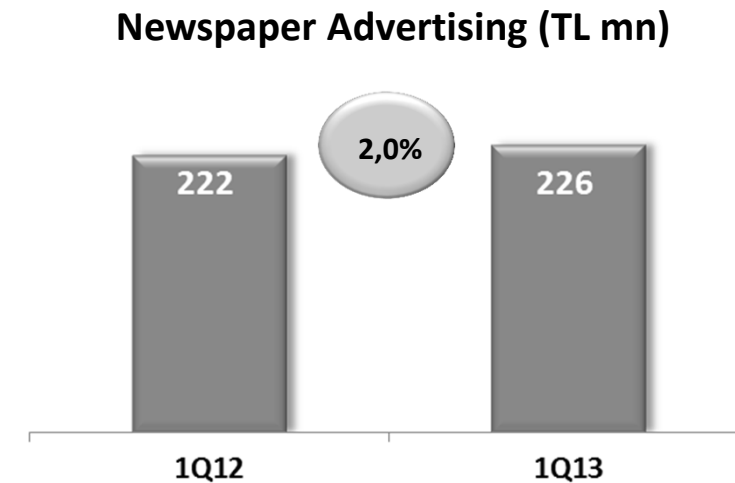
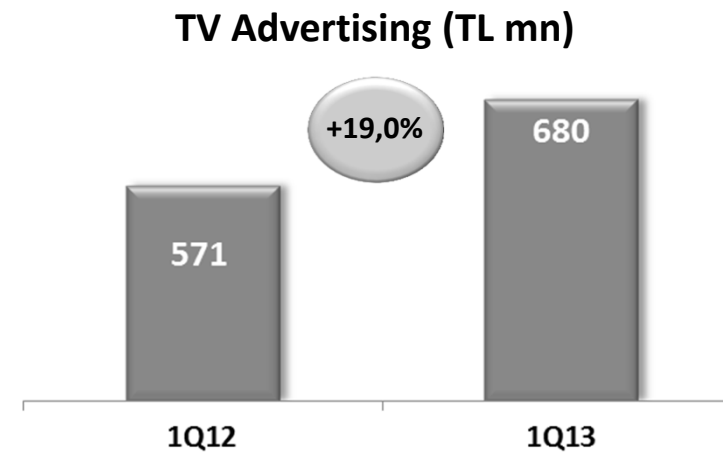
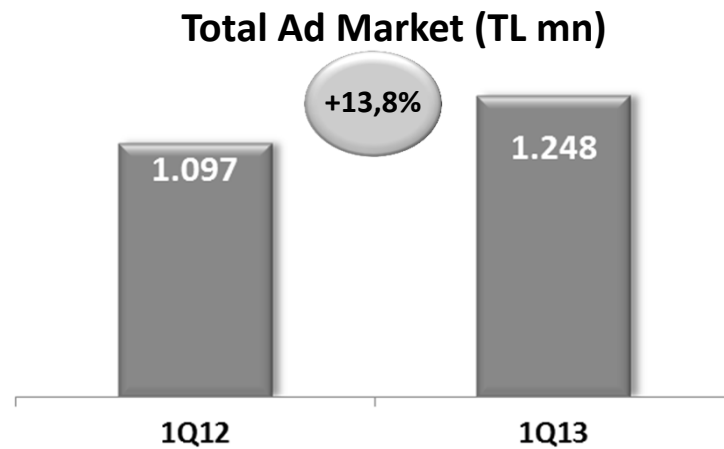


Hürriyet domestic online revenues almost tripled the growth in online ad market

Cost control was effective both for domestic and foreign operations

EBITDA margin improvement mainly due to effective cost control

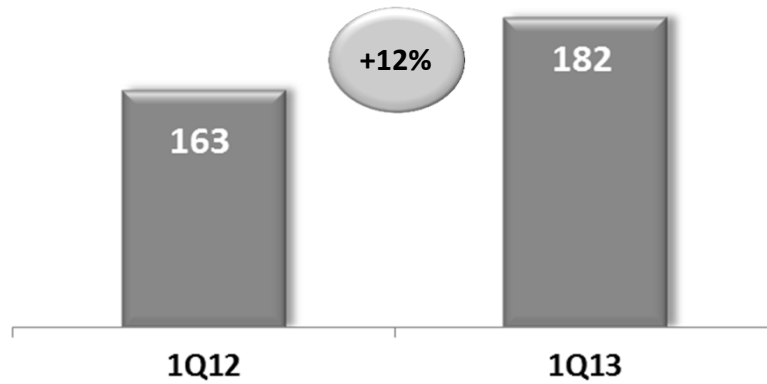
1Q13 Financial Results



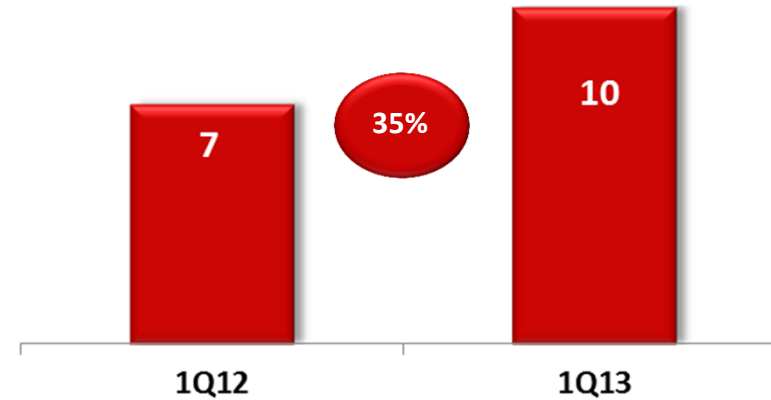
* Ad market statistics are estimates compiled by DYH ad platform, based on 25 national newspapers.

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

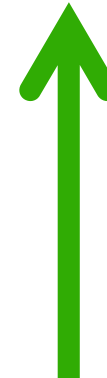
Online Ad Market (TL mn)



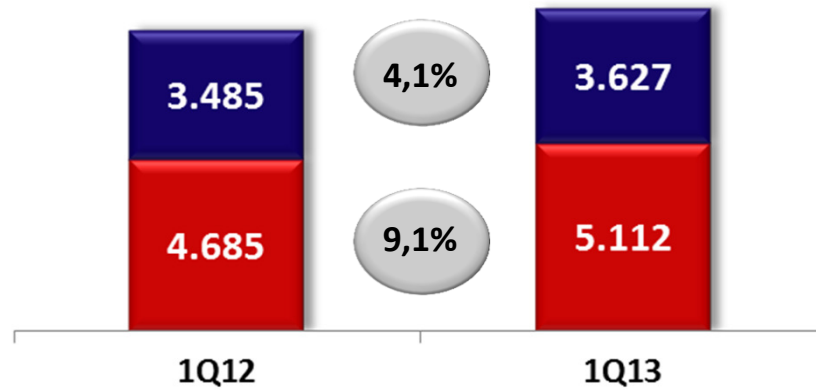
Hürriyet Domestic Online Ad Rev. (TL mn)



Hurriyet.com.tr	1Q12	1Q13
Ranking	14	11
Unique Visitor (million)	9,7	11,3
Reach	41,2%	47,2%
Hurriyetemlak.com	1Q12	1Q13
Ranking	1	1
Unique Visitor (million)	1,7	2,1
Reach	7,3%	8,8%
Yenibiris.com	1Q12	1Q13
Ranking	3	3
Unique Visitor (million)	1,4	1,5
Reach	6,1%	6,4%

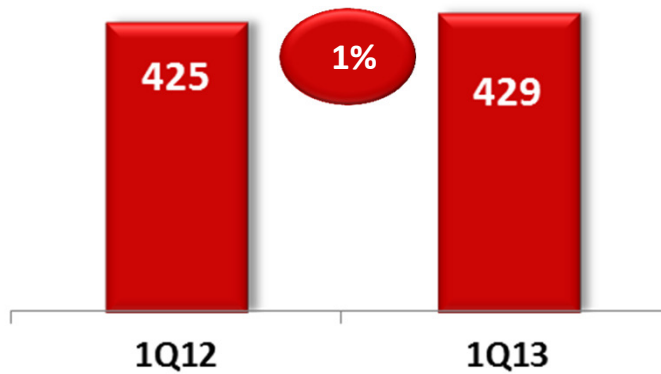


National Circulation (000)

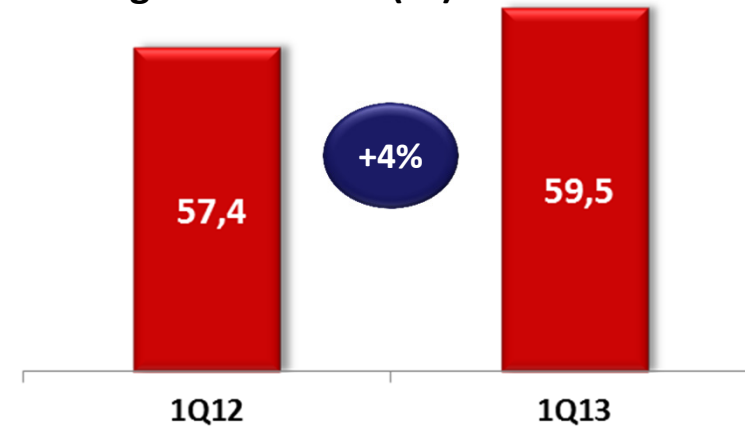


- Excluding market outliers and new entrants, the increase is 4 %.
- There is actually a decrease of 3% when bulk sales (mostly free distribution) excluded as well.

Hürriyet Circulation (000)

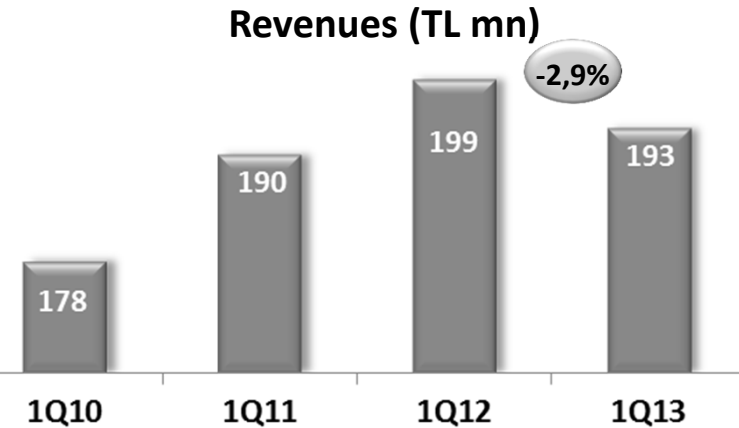


Average Cover Price (Kr)

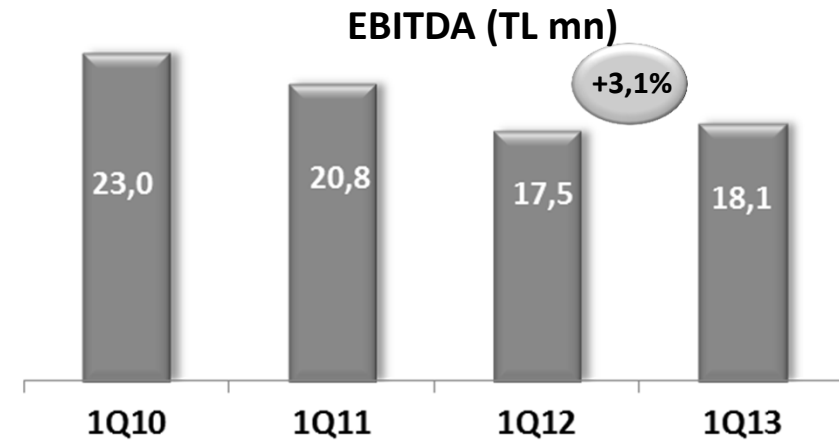


1Q13 Financial Results: Summary

- Net Loss : -13,1 mn TL (1Q12 net profit : +147,8 mn TL)
- Consolidated EBITDA : 18,1 mn TL (1Q12 : 17,5 mn TL)
- Consolidated EBITDA margin : 9,3% (1Q12 : 8,8%)
- Consolidated Revenues : 193,3 mn TL (1Q12 : 199,1 mn TL)

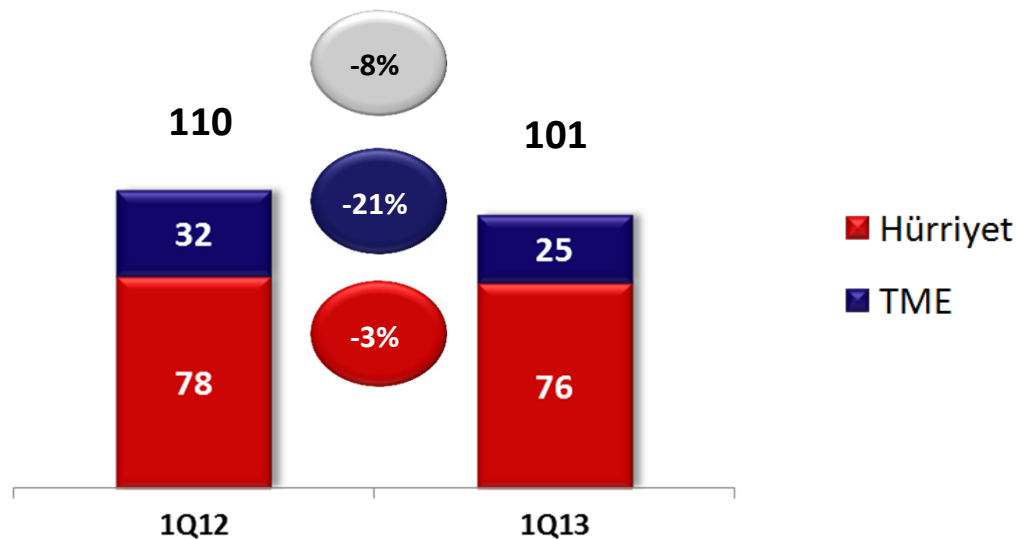


- TME Net Loss : -5,2 mn \$ (1Q12 : +6,2 mn \$)
- TME EBITDA : -0,3 mn \$ (1Q12 : 1,7 mn \$)
- TME EBITDA margin : -1% (1Q12 : 6%)
- TME Revenues : 25,2 mn \$ (1Q12 : 28,5 mn \$)

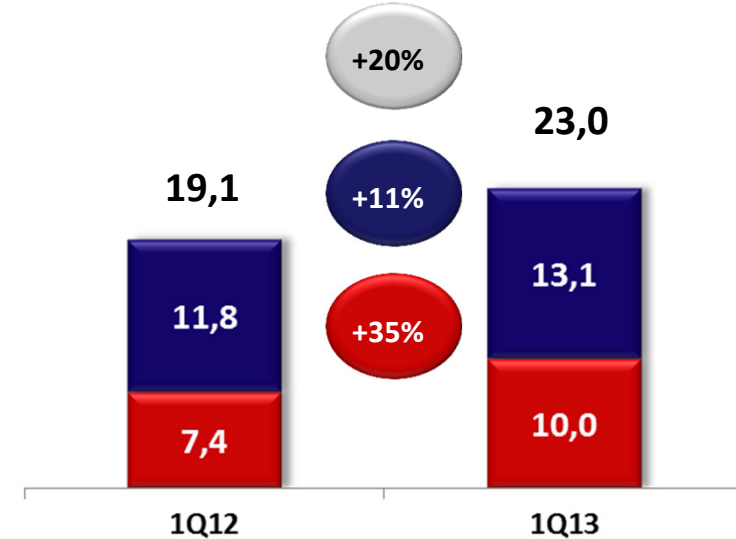


Print & Online Advertising Revenues

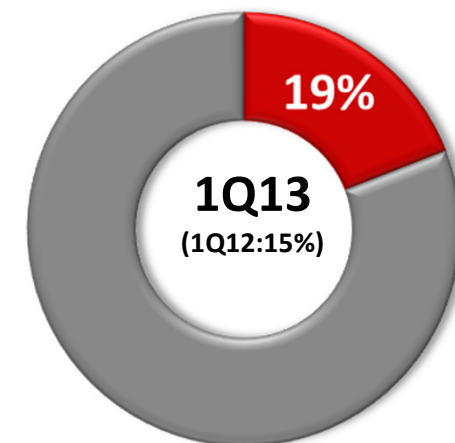
Print Ad Revenue (TL mn)



Online Revenue (TL mn)



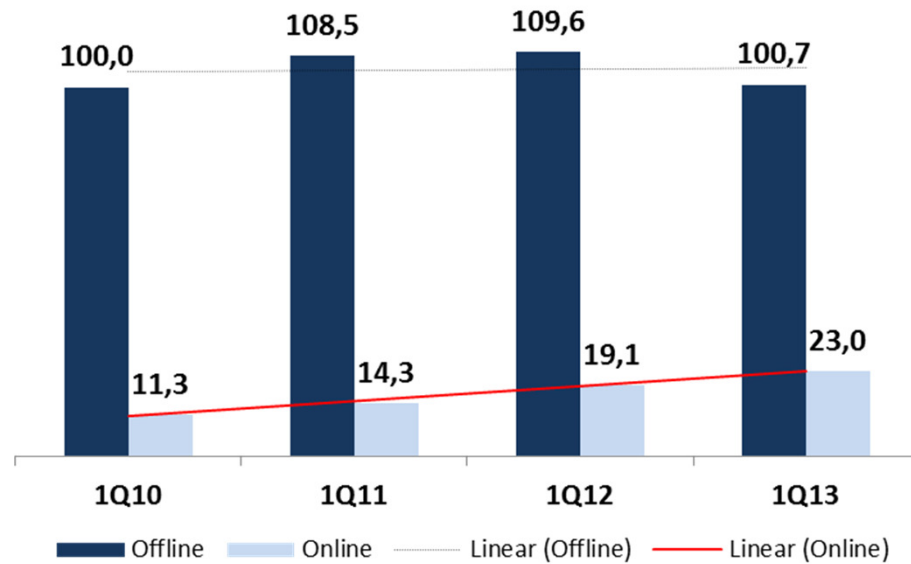
Online Share in Ad Revenue



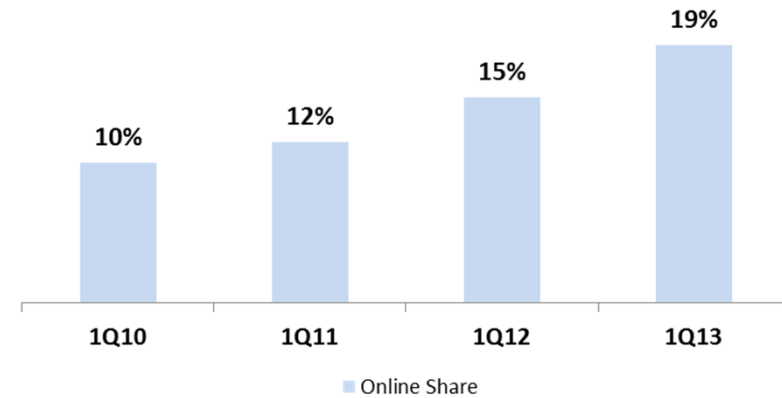
- Domestic online revenues outperformed the market growth rate by far (35% vs 12%).
- TME's online revenues performed slightly weaker than expected.
- GDP growth rate expectation for Russia was cut back from 3.6% to 2.4% for 2013 by government.
- If Russian economy continues to perform this way, we will reconsider our growth rate guidance for FY2013.

Ad Revenue Analysis (TL mn)

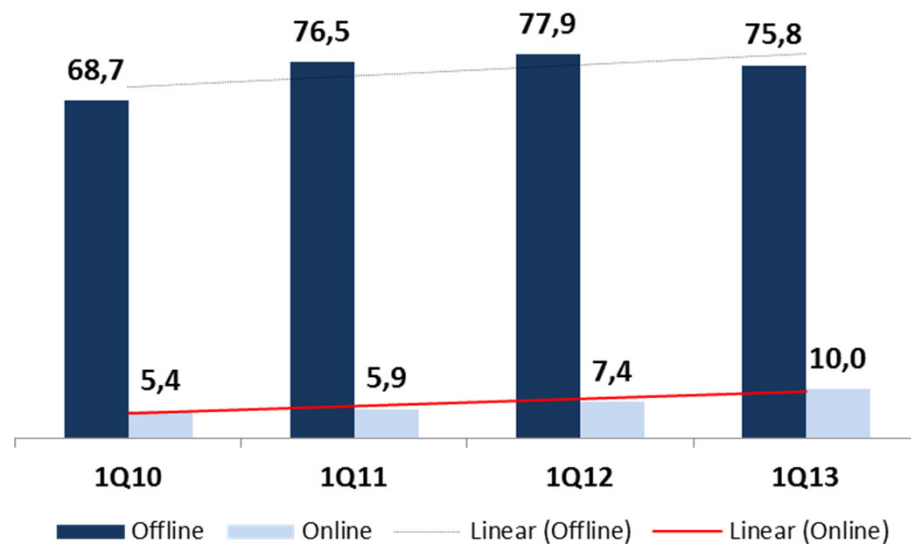
Print vs Online share of Ad revenues



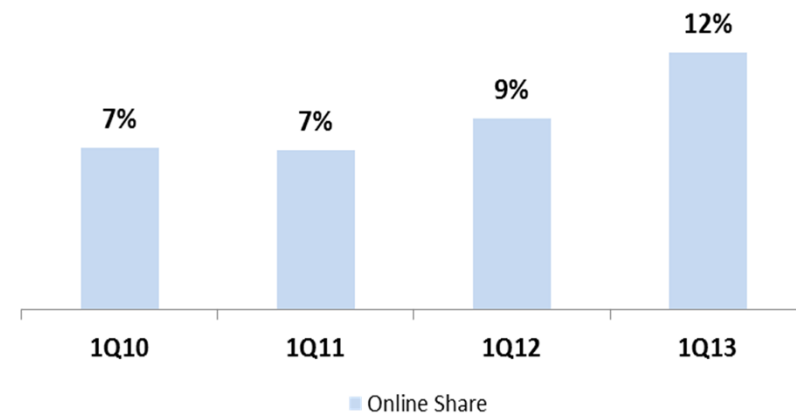
Online Ad Revenues %

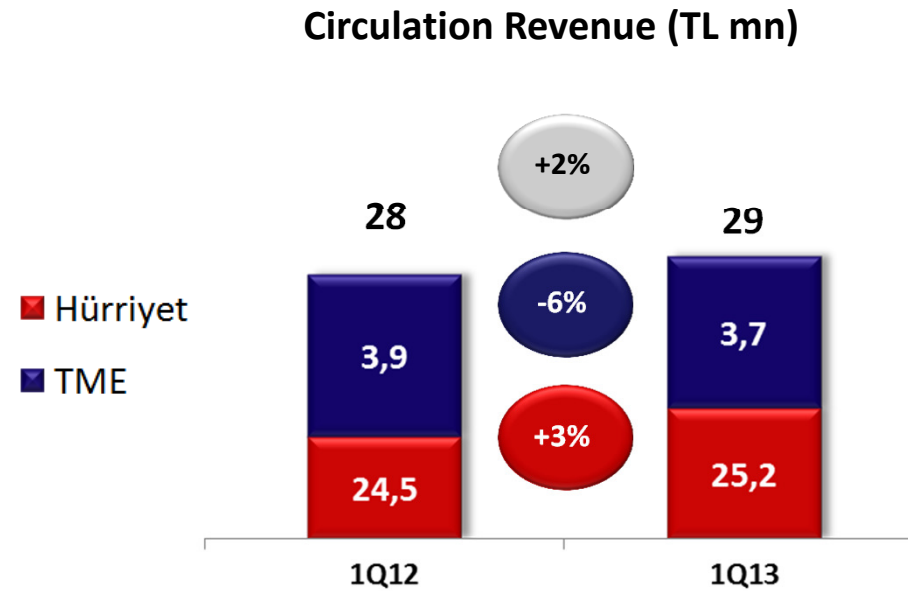


Domestic Print vs Online share of Ad revenues



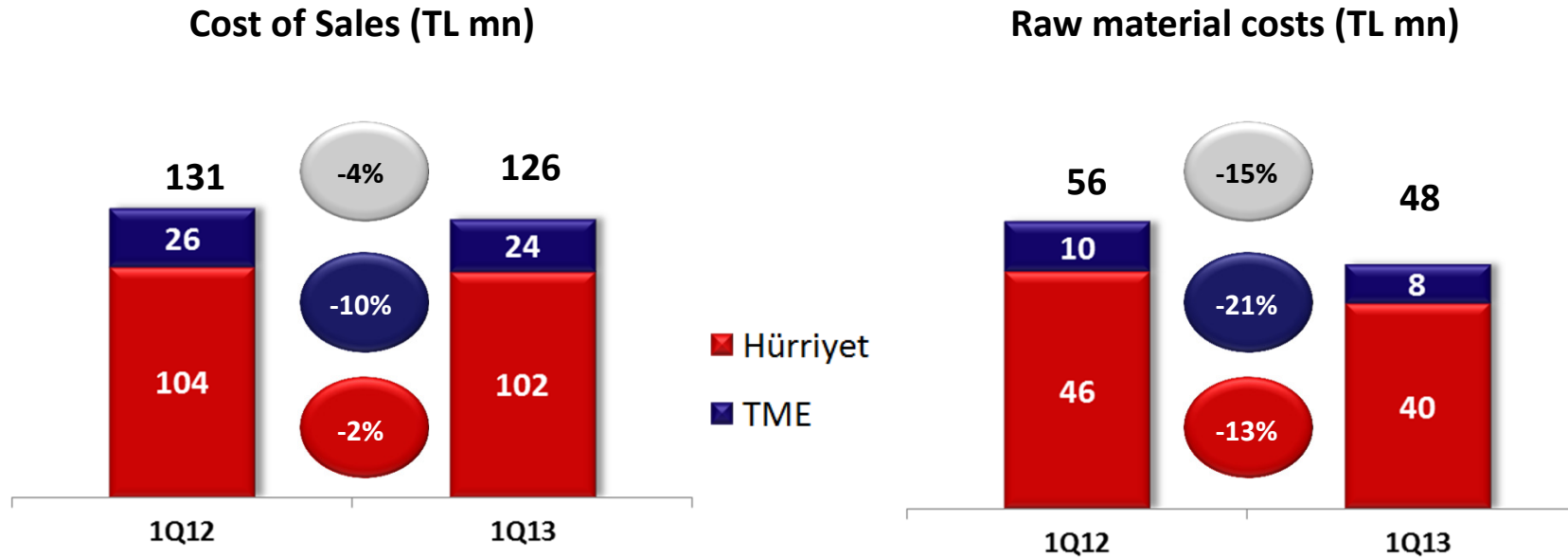
Domestic Online Ad Revenues %





- Circulation revenues increased due to cover price changes in 2Q12 (4% average cover price increase).
- TME's circulation revenues are almost flat.

Production expenses

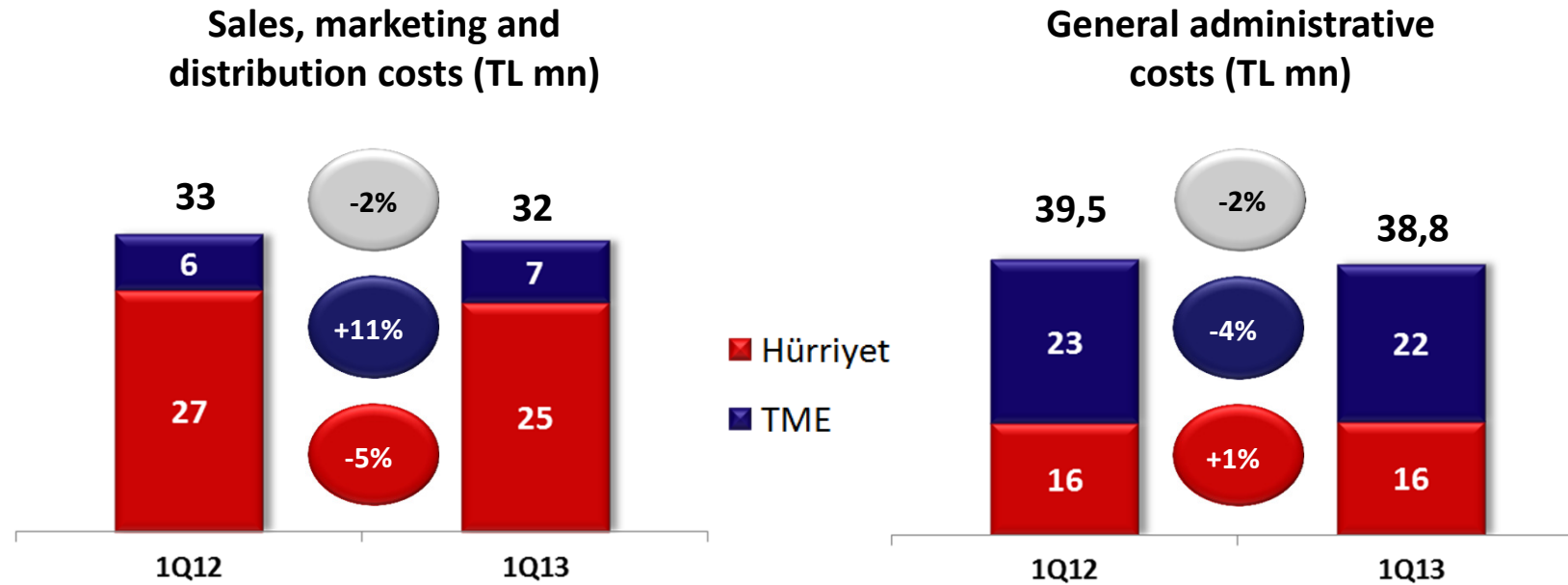


Hürriyet Newspaper	1Q12	1Q13	YoY (Ch.)
Average number of pages	76,27	79,20	2,9
Main paper	37,3	38,8	1,5
Supplements	38,9	40,4	1,4

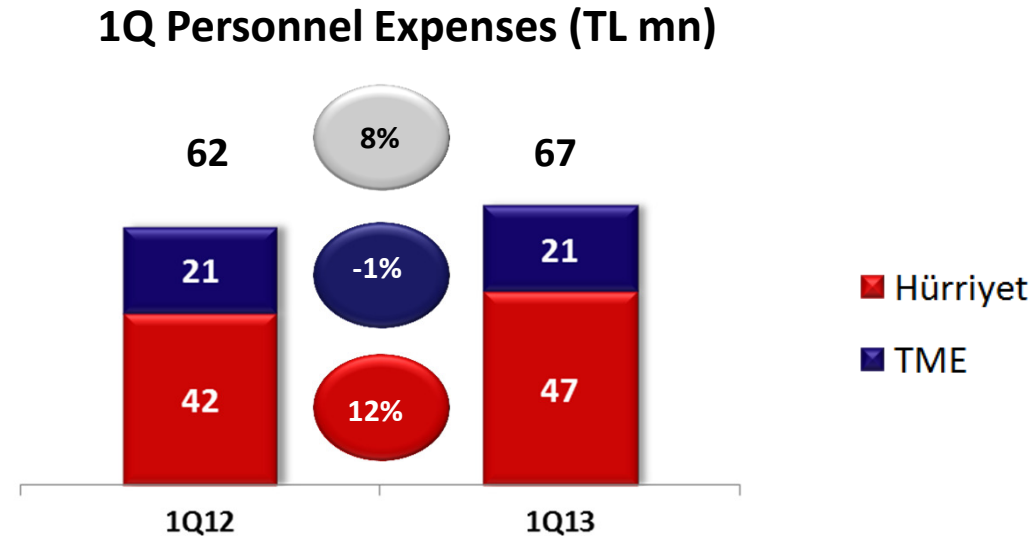
	1Q12	1Q13	% (Ch.)
Average Newsprint Prices (\$/Ton)	801	707	-12%

	1Q12	1Q13	% (Ch.)
Average USD/TL rate	1,7899	1,7803	-1%

Operating expenses



- Cost decreases in both companies, are due to continuing strict cost measures.
- Advertising expenditures will continue to be higher than 2012 at TME level which is in line with the budget.



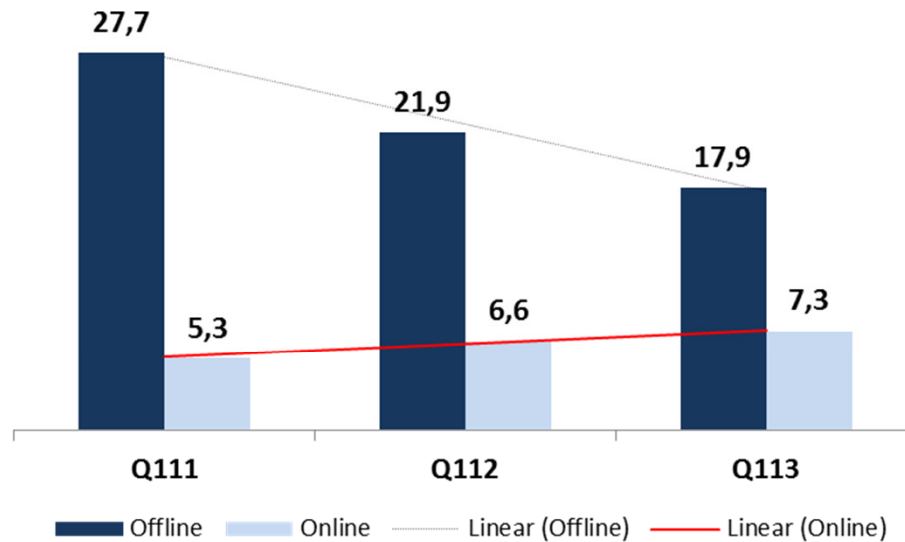
- The increase at Hürriyet level is mainly due to ETB and unused vacation provision (increase of TL 3 million), which is a non-cash expense.

TME : Consolidated IFRS statements of operations (mn \$)

mn \$	1Q13	1Q12	YoY (%)
Sales	25,2	28,5	-12%
Cost of sales	-13,4	-14,7	-9%
Gross Profit	11,8	13,8	-14%
Gross Profit Margin	47%	48%	
Marketing, selling and distribution expenses	-3,9	-3,7	5%
General administrative expenses	-10,4	-10,4	0%
Other income	0,4	0,6	-33%
Operating (loss) / profit	-2,1	0,3	-
EBITDA	-0,3	1,7	
EBITDA margin	-1%	6%	
Share of profit of associates	0,2	-	
Financial income / (expense), net	-3,4	8,1	-
Monetary gain	-	-	-
Tax benefit/ (expense)	0,1	-2,2	-
Net (loss) / profit for the year	-5,2	6,2	-
Attributable to:			
Equity holders of the parent	-5,4	5,8	-
Non-controlling interests	0,2	0,4	-

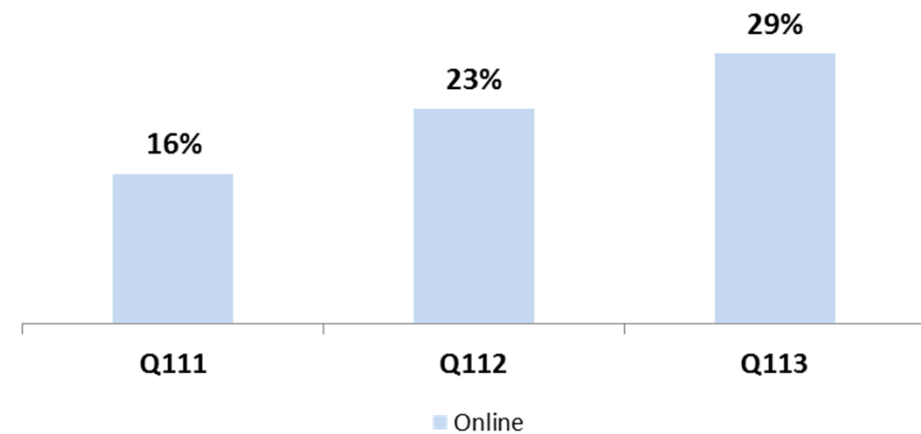
Revenue Analysis TME stand alone (mn \$)

Print vs Online share of revenues



Online transition will accelerate in the following years.

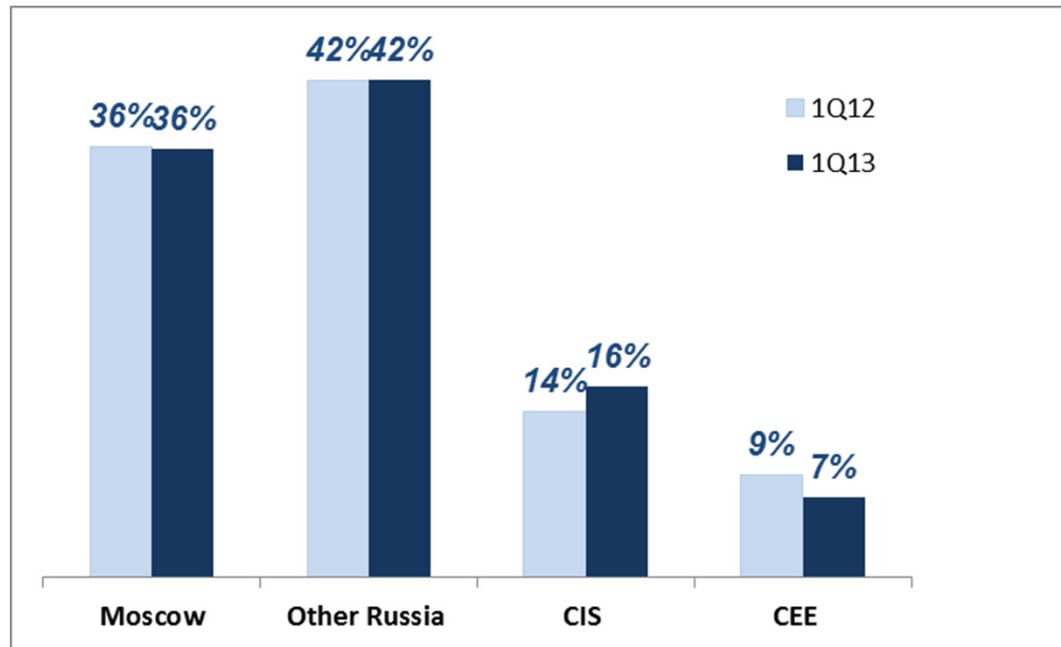
Online Revenues



Revenue Growth by Regions – TME stand alone

mn \$	1Q12	1Q13	% Ch. (USD)	% Ch. (LCY)
Russia	22,1	19,5	-12%	-11%
Moscow	10,3	9,0	-12%	-11%
Other Russia	11,8	10,5	-11%	-11%
CIS	4,0	4,0	1%	6%
CEE	2,4	1,7	-31%	-31%
Total	28,5	25,2	-12%	-10%

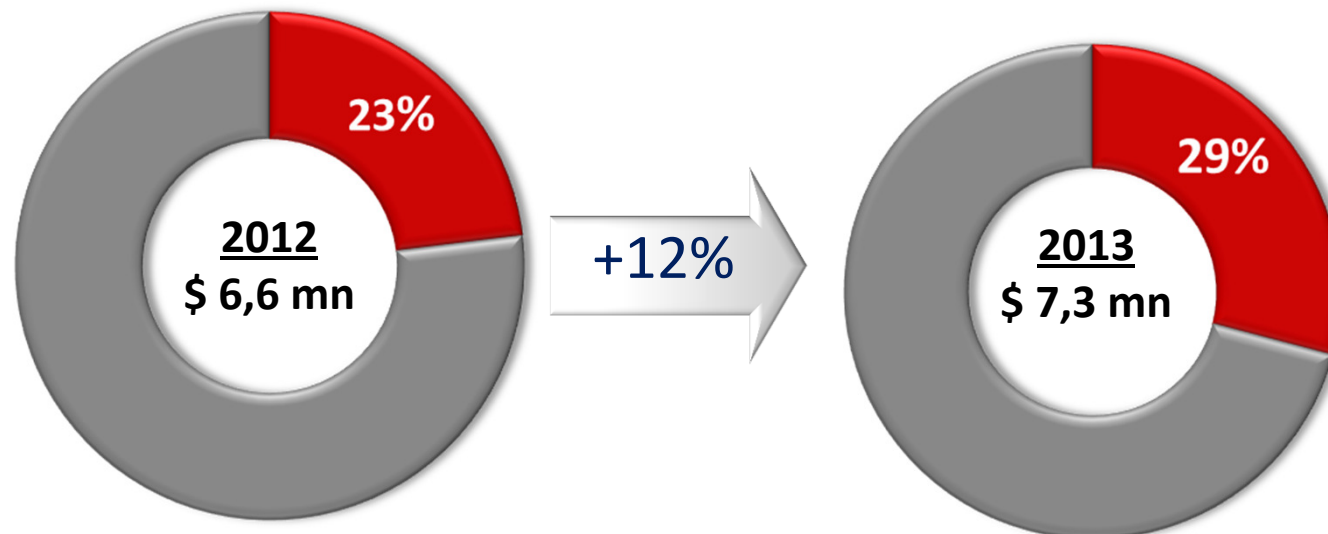
Revenue Breakdown by Regions (mn \$)



Online Revenue Growth by Regions – TME stand alone

Online Revenue (mn \$)	1Q12	1Q13	% Ch. (USD)	% Ch. (LCY)
Russia	5,1	5,9	14%	15%
Moscow	3,7	4,4	17%	18%
Other Russia	1,4	1,5	7%	8%
CIS	0,4	0,6	66%	72%
CEE	1,1	0,9	-19%	-19%
Total	6,6	7,3	12%	16%

Online Share in Total Revenues



EBITDA by Regions – TME stand alone

mn \$	EBITDA		% Ch. (USD)	EBITDA Margin		
	1Q12	1Q13		1Q12	1Q13	pp ch.
Russia	1,6	0,0	-98,8%	7,1%	0,1%	-7%
Moscow	-0,5	-1,2	N.A	-4,6%	-13,1%	-9%
Other Russia	2,0	1,2	-40,7%	17,2%	11,5%	-6%
CIS	0,8	0,6	-20,0%	19,6%	15,5%	-4%
CEE	0,1	-0,4	N.A	2,8%	-26,2%	-29,0%
Operational EBITDA	2,4	0,2	-91,8%	8,4%	0,8%	-7,7%
Corporate Costs	0,7	0,5	-28,2%			
Consolidated EBITDA	1,7	-0,3	N.A	6,0%	-1,2%	-7,2%

Net Debt Position

mn TL	31/12/2012	31/03/2013
Cash and Equivalents	115	53
S.T Bank Borrowings	262	60
L.T Bank Borrowings	201	331
Net Debt	-348	-337
Capex	62	8
Supplier Loans	41	35

includes TME's
net debt of TL 99 mn (\$55 mn).

mn \$	31/12/2012	31/03/2013
Cash and Equivalents	64	29
S.T Bank Borrowings	147	33
L.T Bank Borrowings	113	183
Net Debt	-195	-186
Capex	35	4
Supplier Loans	23	19

- Net debt improvement will gain acceleration as notes receivable from building sales are collected each month.
- \$ 33 million will collected in the remaining part of 2013 (2014 : \$ 35 million).

1

Domestic newspaper ad market will be under pressure in 2013 which we plan to overcome by increasing our sales channels and making 360 degree sales (newspaper - web TV - tablet - mobile).

2

Domestic online revenues are expected to outperform the market significantly by a growth rate of over 30%.

3

Foreign online revenues are expected to grow over 30% which will be lead by the growth in Russia & CIS regions. TME Russia performance is below this target for 1Q13 due to economic conditions. We will consider revising our guidance depending on 1H13 results.

4

Average newsprint prices are estimated to below 2012 levels. Currently it is better than our year end guidance of 2-4%. Consolidated EBITDA margin is expected to be between 12 - 14%.

5

Subscription project took off in Dec 2012 and it is gaining acceleration in 2013.

6

CRM project will enable us to minimize promotional advertising which is already effective.

Appendix

1Q13 Consolidated IFRS Results

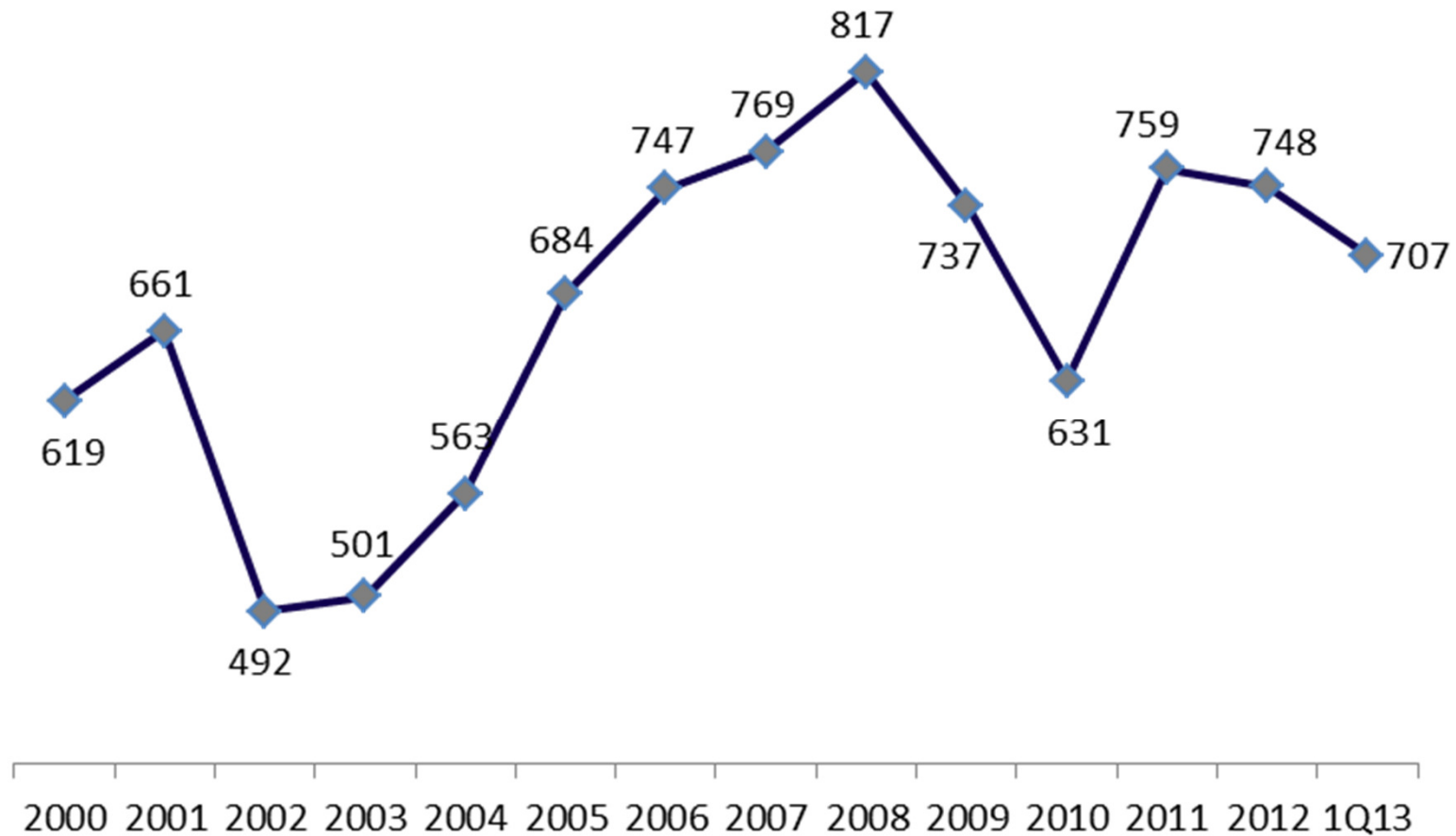
mn TL	2012	1Q13	1Q12 Restated	YoY% Ch.
Total revenues	853,1	193,3	199,1	-2,9%
Ad revenues (print)	485,5	100,7	109,6	-8,1%
Ad revenues (online)	89,8	23,0	19,1	20,3%
Circulation revenues	111,4	28,9	28,4	1,6%
Printing revenues	122,4	30,2	31,4	-3,8%
Other revenues	44,0	10,5	10,5	0,3%
Cost of sales	-529,9	-126,0	-130,6	-3,5%
Operating expenses	-297,6	-71,1	-72,5	-1,9%
Marketing, sales and distribution	-144,3	-32,3	-33,0	-2,1%
General administrative	-153,3	-38,8	-39,5	-1,8%
Operating profit	25,6	-3,7	-4,0	
Other operating expenses (net)	142,2	-4,9	139,1	-103,5%
Income/loss from investments	-12,0	-2,3	-2,7	
Financial (expense) / income (net)	12,8	-6,0	33,7	
Monetary gain/loss (net)	0,1	-	-	
Profit before tax	168,8	-16,9	166,1	
Tax	-20,9	0,1	-17,4	
Net profit before minority	147,9	-16,9	148,7	
Minority Interest	2,8	3,8	-0,9	
Net profit	150,7	-13,1	147,8	
Depreciation	76,7	19,5	19,4	0,2%
Amortised cost valuation income	7,4	2,3	2,1	11,0%
Adj.EBITDA	109,8	18,1	17,5	3,1%
EBITDA Margin	12,9%	9,3%	8,8%	

1Q13 IFRS Results: Hürriyet excluding TME



mn TL	2012	1Q13	1Q12 Restated	YoY% Ch.
Total revenues	629,4	148,5	148,1	0,3%
Ad revenues (print)	347,2	75,8	77,9	-2,8%
Ad revenues (online)	34,7	10,0	7,4	35,2%
Circulation revenues	97,0	25,2	24,5	2,8%
Printing revenues	122,3	30,2	31,4	-3,8%
Other revenues	28,2	7,4	7,0	6,7%
Cost of sales	-422,4	-102,1	-104,2	-2,0%
Operating expenses	-177,5	-41,8	-42,9	-2,7%
Marketing, sales and distribution	-114,3	-25,5	-26,8	-5,2%
General administrative	-63,2	-16,3	-16,1	1,4%
Operating profit	29,5	4,6	0,9	391,6%
Other operating expenses (net)	142,5	-4,8	139,0	
Depreciation	45,5	11,9	12,0	-0,8%
Amortised cost valuation income	7,4	2,3	2,1	11,0%
Adj.EBITDA	82,4	18,8	15,0	25,3%
EBITDA Margin	13,1%	12,6%	10,1%	

Average Newsprint Costs (US\$) *



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

Sectors	1Q12	1Q13
Real Estate	13%	16%
Tourism	8%	9%
Retail	12%	8%
Social	10%	8%
Classifieds (incl. HR)	10%	8%
Automotive	9%	8%
Finance	5%	6%
Publishing	3%	4%
Entertainment, Culture, art & sports	4%	4%
Education	3%	4%
First 10 Total	77%	74%
Others	23%	26%

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