

Hürriyet

newspaper web mobile tablet



Review of 2Q14 Results

18 August 2014

Total ad market growth is 2%, slightly better than 1Q14

Hürriyet print ad revenues outperform newspaper ad market, online revenues continue to grow

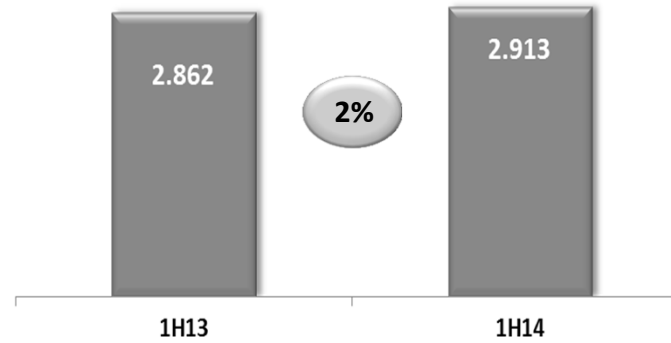
TME operations under pressure due to political and economic uncertainties in Russia

Operating costs continue to be strictly monitored

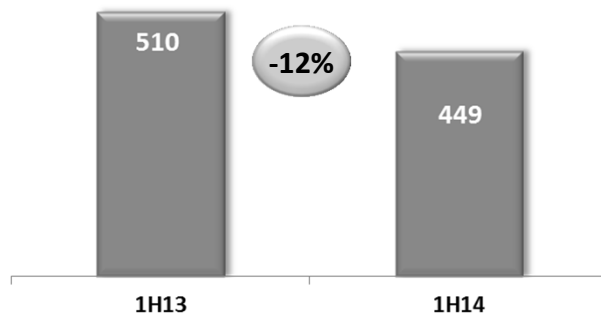
Stabilized Fx rates' positive effect on bottom line

Advertising market in Turkey slightly better than 1Q14

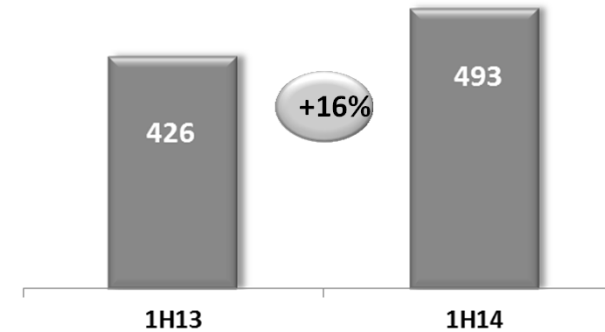
Total Ad Market* (TL mn)



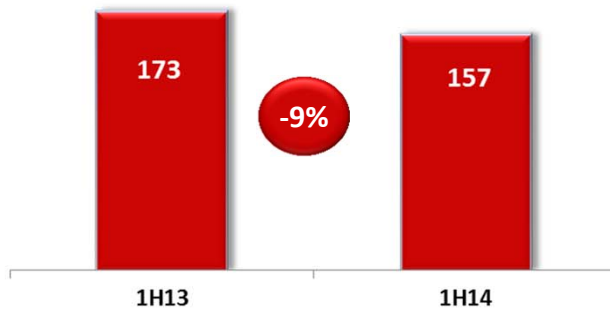
Newspaper Ad Market (TL mn)



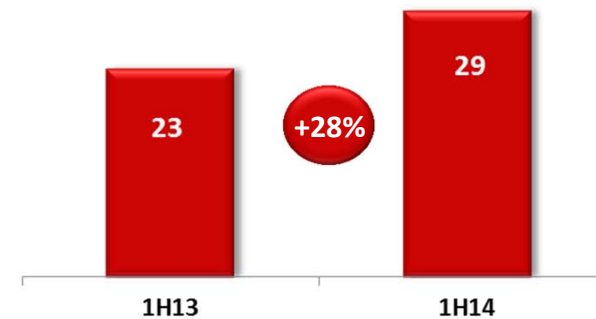
Online Ad Market (TL mn)



Hürriyet Print Ad Revenue (TL mn)



Hürriyet Domestic Online Ad Rev. (TL mn)



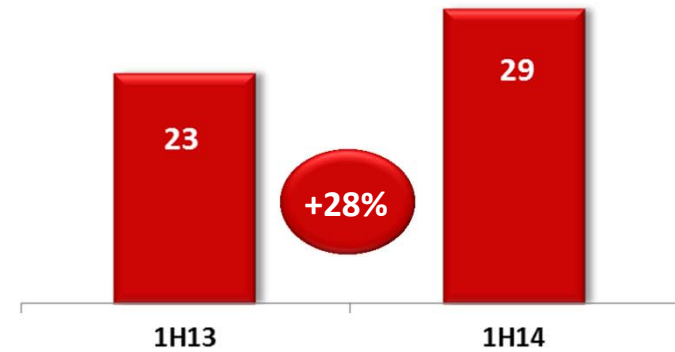
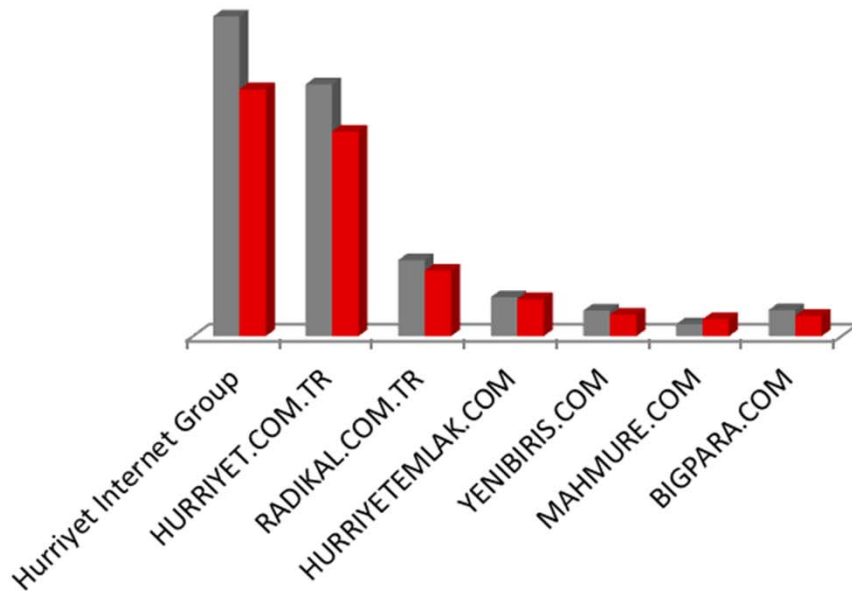
* Ad market statistics are estimates compiled by DYH ad platform, based on 25 national newspapers.

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

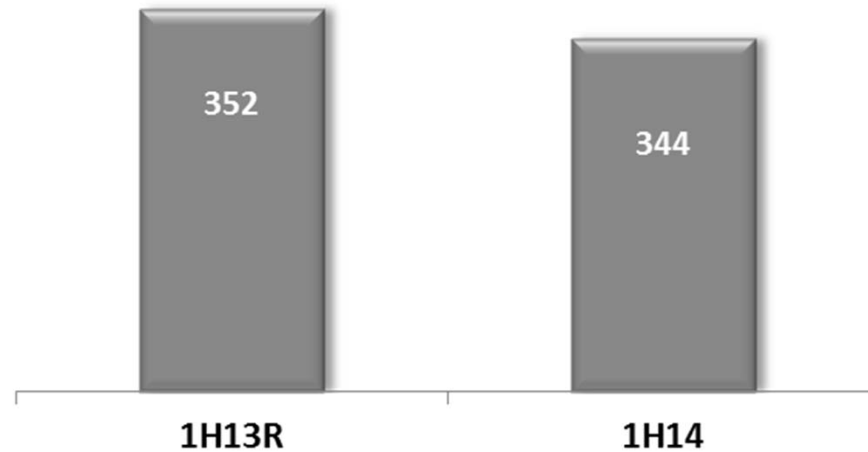
Domestic online revenue growth outperform the market



- Domestic online revenues grew by 28% which is above market average of 16%
- Domestic online revenues' share to total ad revenues has increased from 12% to 16%



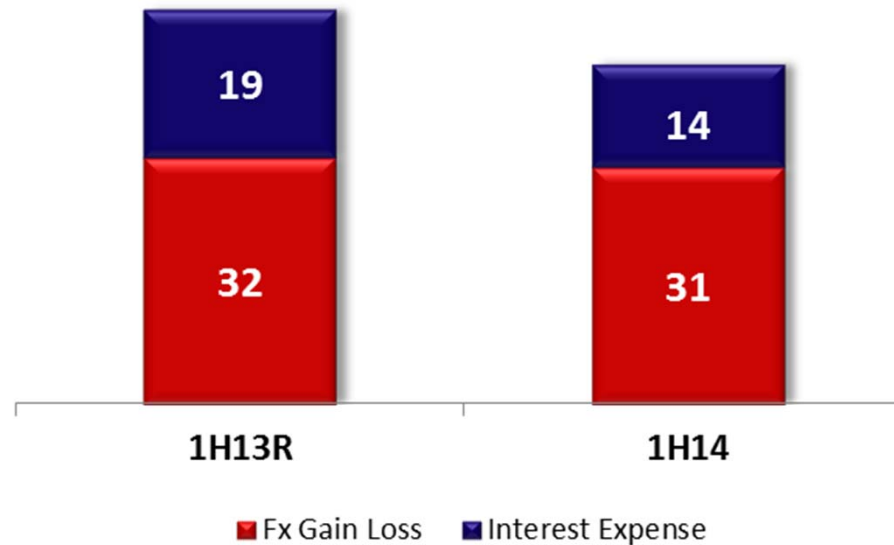
Production and Operating Expenses*



	1H13R	1H14	Change
Personnel	123,8	125,4	1%
Raw material	97,6	95,6	-2%
Advertising, promotion and sponsorship	40,5	31,7	-22%
Transportation and travel	20,8	19,9	-4%
Other	69,7	71,7	3%
Total Production and Operating Expense	352,4	344,3	-2%

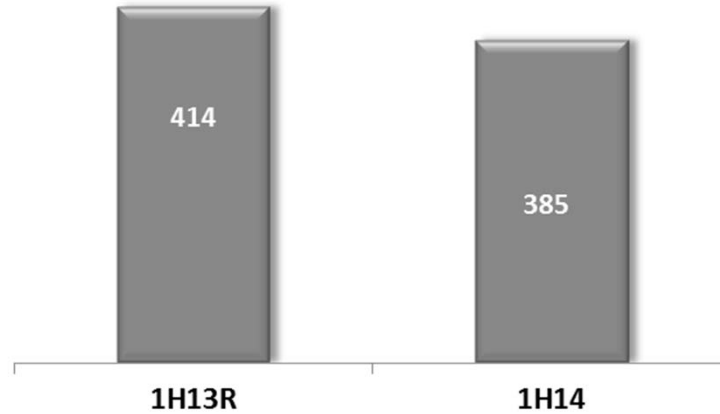
* Total of cost of goods sold, marketing & selling and general administrative expenses excluding depreciation

Financial Expenses

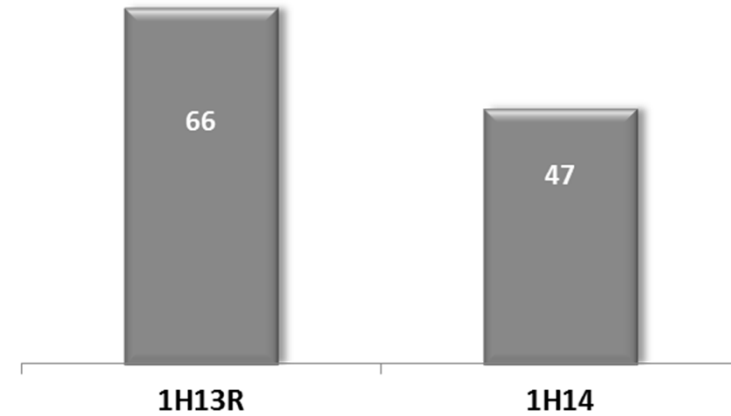


- 2 factors had a positive impact on financial expenses
 - Stabilized USD/Ruble and USD/TL rates
 - Lower interest expenses due to improved net debt position

Revenues



EBITDA



Number of pages	1H13	1H14
Main newspaper	39,8	37,1
Supplements	43,8	36,1

Cost	1H13	1H14
Paper Cost (USD/ton)	699	736

Consumption	1H13	1H14
Paper Consumption (ton)	82,109	64,041

Fx Rate	1H13	1H14
Average USD rate	1,8089	2,1629

- Print ad revenues picked up in 2Q14, yet there is still some decline
- Increase in online revenues continue to outperform market
- Offline ad revenues down 29,3 million TL; online revenues up 7,5 million TL
- Number of pages and paper consumption under strict control, paper cost and fx rate up 5% and 20% respectively

Financial Developments

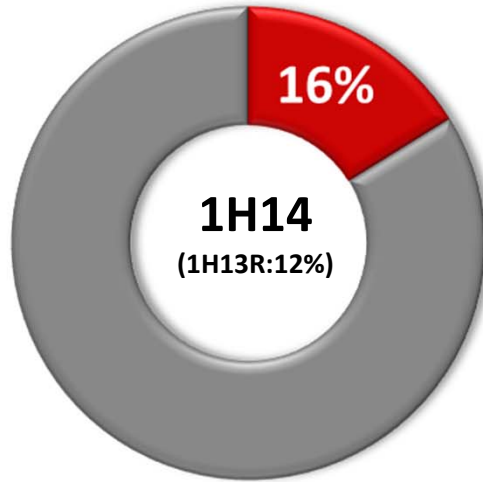
2Q14 IFRS Results: Hürriyet excluding TME



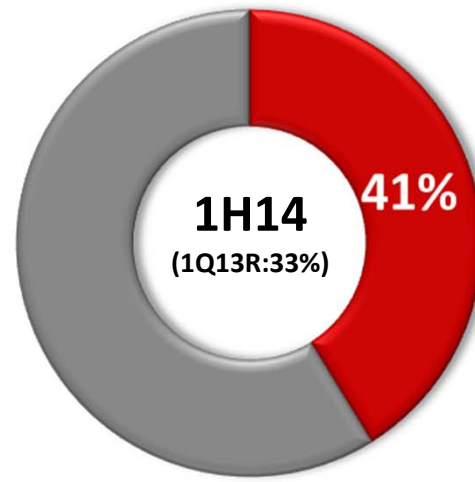
mn TL	1Q14	2Q14	2Q13 Restated	YoY% Ch.	1H14	1H13 Restated	YoY% Ch.
Total revenues	138,3	171,7	176,0	-2,4%	310,0	324,5	-4,5%
<i>Ad revenues (print)</i>	63,8	93,3	97,2	-4,0%	157,1	173,0	-9,2%
<i>Ad revenues (online)</i>	13,9	15,6	13,1	19,1%	29,4	23,0	27,8%
<i>Circulation revenues</i>	23,2	23,2	24,2	-4,1%	46,3	49,4	-6,3%
<i>Printing revenues</i>	29,5	29,8	34,2	-12,9%	59,3	64,4	-7,9%
<i>Other revenues</i>	7,9	9,8	7,3	34,2%	17,7	14,7	20,4%
Cost of sales	-102,9	-111,3	-104,0	7,0%	-214,2	-206,1	3,9%
Operating expenses	-35,2	-42,1	-44,4	-5,2%	-77,3	-86,1	-10,2%
<i>Marketing, sales and distribution</i>	-19,7	-24,2	-31,4	-22,9%	-43,9	-56,8	-22,7%
<i>General administrative</i>	-15,5	-17,9	-13,0	37,7%	-33,4	-29,3	14,0%
Operating profit	0,3	18,3	27,6	-33,7%	18,6	32,2	-42,2%
Other operating expenses (net)	0,0	-16,8	2,7		-16,8	-2,3	
Depreciation	12,2	11,5	11,8	-2,5%	23,8	23,7	0,4%
Amortised cost valuation income	4,2	2,5	1,7	47,1%	6,7	4,0	67,5%
Adj.EBITDA	16,7	32,3	41,1	-21,4%	49,0	59,9	-18,2%
EBITDA Margin	12,1%	18,8%	23,4%		15,8%	18,5%	

Share of Online Ad Revenues (mn TL)

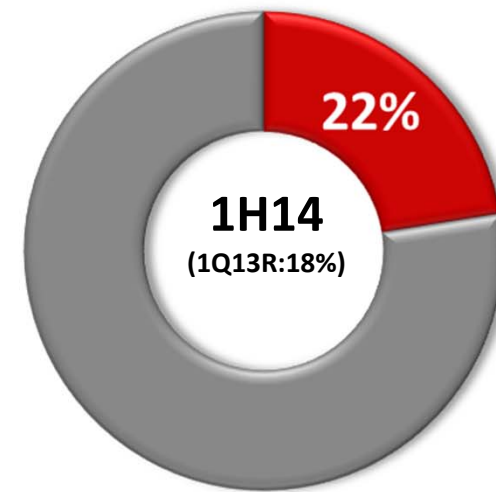
Hürriyet



TME



Consolidated



Ad Revenue	1H13R	1H14
Online	23	29
Offline	173	157

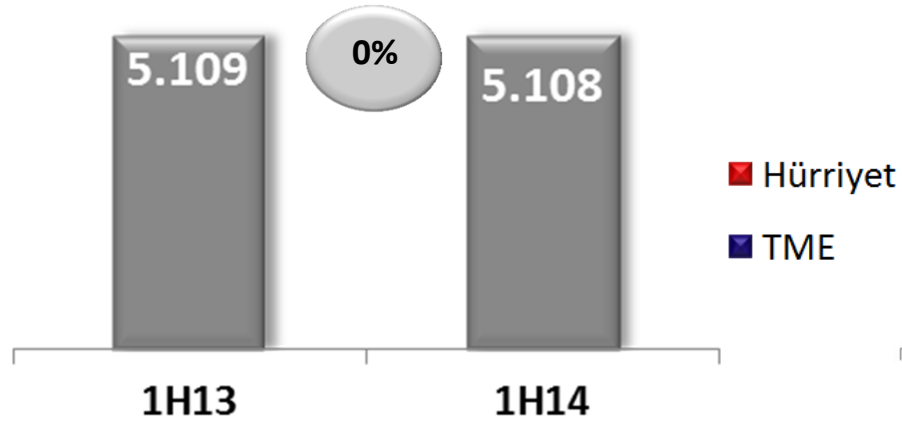
Ad Revenue	1H13R	1H14
Online	26	28
Offline	53	39

Ad Revenue	1H13R	1H14
Online	49	57
Offline	226	196

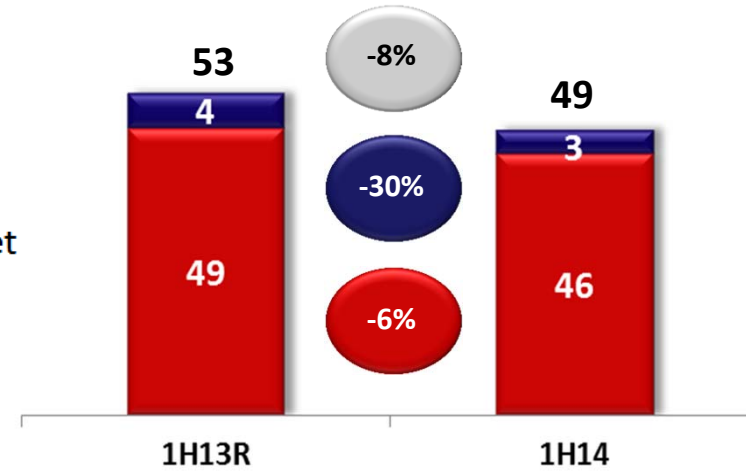
National Newspaper Circulation & Hürriyet



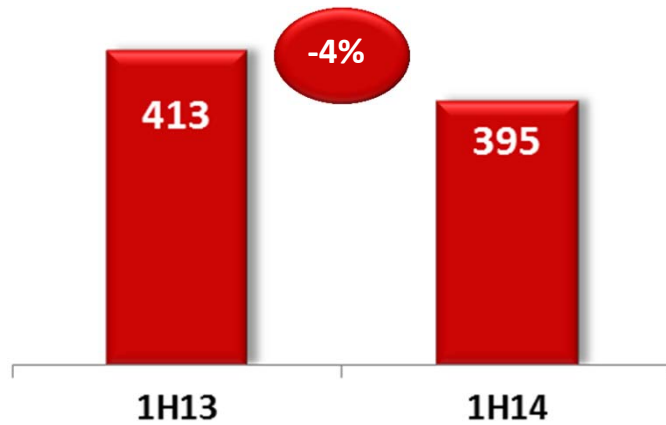
National Circulation (000)*



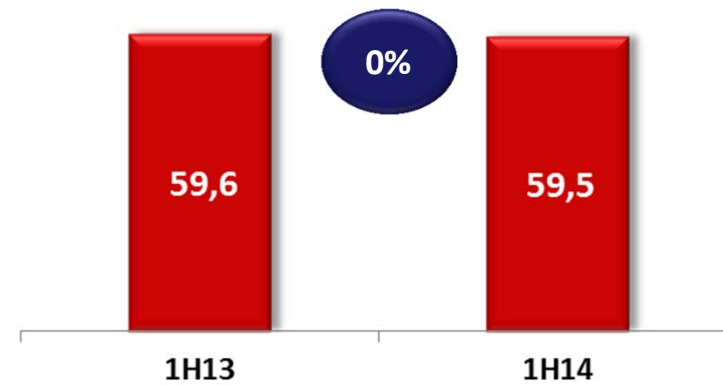
Circulation Revenue (TL mn)



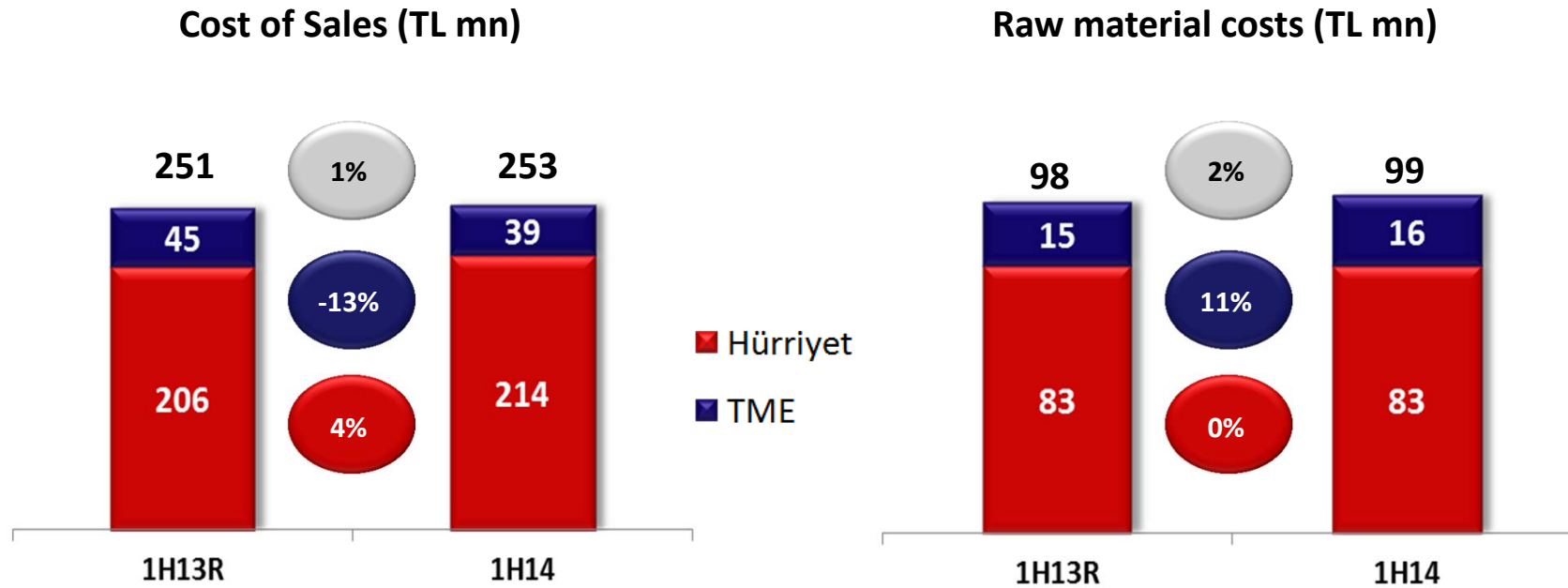
Hürriyet Circulation (000)



Average Cover Price (Kr)



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



Net Debt Position

mn TL	30/06/2014	31/12/2013
Cash and Equivalents ¹	98	47
S.T Bank Borrowings	228	149
L.T Bank Borrowings	153	261
Net Debt	-283	-364
Capex	9	20
Supplier Loans	0	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 64,8 mn USD (31.12.2013: 61 mn USD).

mn \$	30/06/2014	31/12/2013
Cash and Equivalents	45	22
S.T Bank Borrowings	104	70
L.T Bank Borrowings	70	123
Net Debt	-129	-170
Capex	4	10
Supplier Loans	0	3

- Net Debt continued to improve

TME STANDALONE IFRS RESULTS (mn \$)

Financial Summary (IFRS)

Financial Summary (IFRS)

(US\$ millions)	2Q14	2Q13R ***	Change *	Org ch. **	1H14	1H13R ***	Change *	Org ch. **
Revenue	18,7	26,9	(30,5%)	(22,7%)	34,6	49,4	(30,0%)	(19,1%)
Russia	15,6	23,1	(32,5%)	(25,3%)	28,9	42,6	(32,2%)	(21,6%)
CIS	3,1	3,8	(18,4%)	(6,6%)	5,8	6,8	(14,7%)	(3,7%)
Operating EBITDA	1,0	3,6	(72,2%)	(66,1%)	(0,2)	4,2		
- Corporate Cost	(0,2)	(0,5)	(60,0%)		(0,6)	(1,0)	(40,0%)	
Consolidated EBITDA	0,8	3,1	(74,2%)	(68,7%)	(0,8)	3,2		
Net (loss)/profit from continuing operations	5,6	(6,5)			(5,8)	(10,8)		
Operating EBITDA Margin %	5,3%	13,4%			(0,6%)	8,5%		
Consolidated EBITDA Margin %	4,3%	11,5%			(2,3%)	6,5%		

(US\$ millions)	2Q14	2Q13R ***	Change *	Org ch. **	1H14	1H13R ***	Change *	Org ch. **
Online Revenue	6,6	7,9	(16,5%)	(6,4%)	12,7	14,3	(11,2%)	3,7%
Share of total revenue	35,3%	29,4%			36,7%	28,9%		

*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.

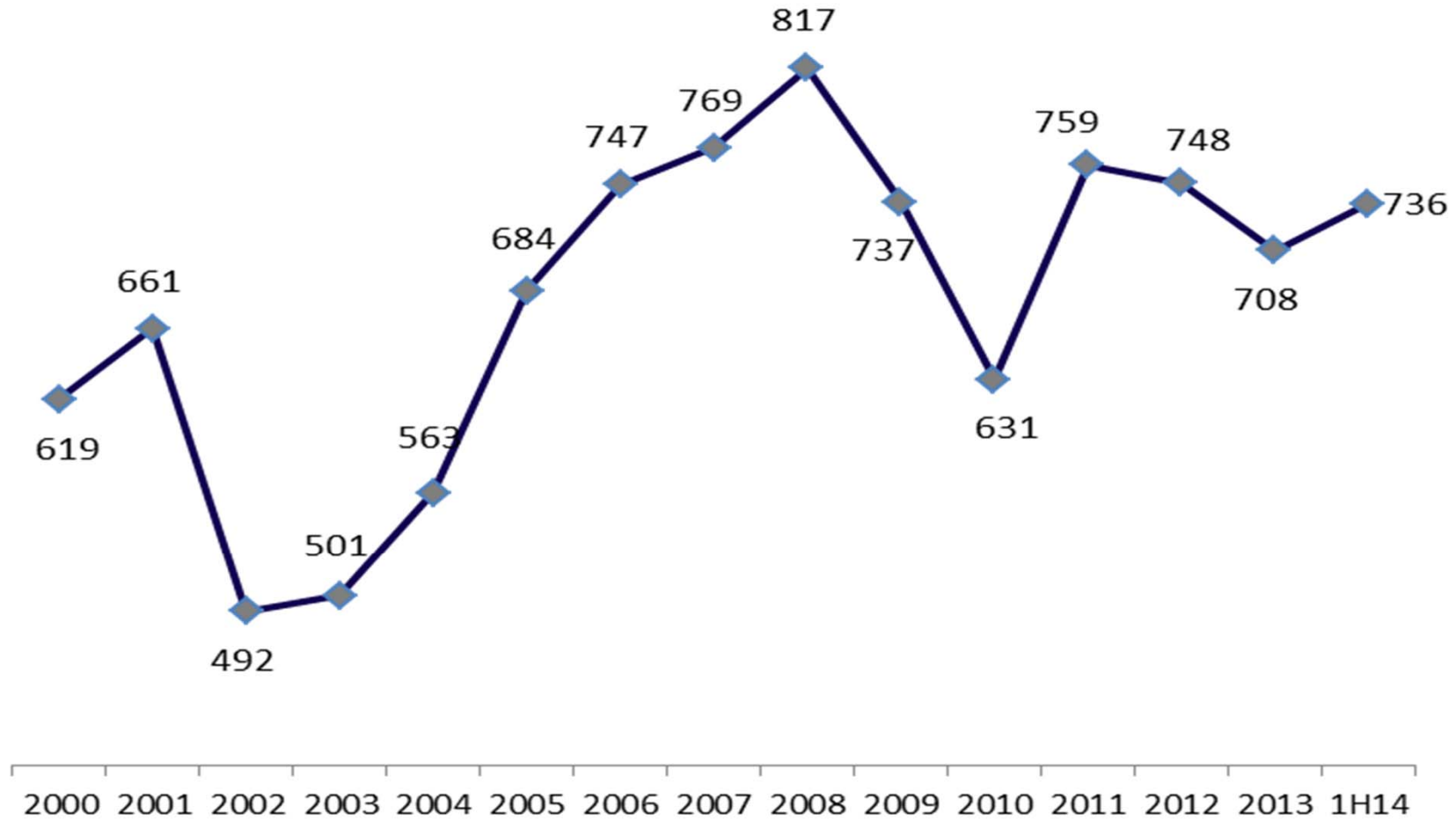
Appendix

2Q14 Consolidated IFRS Results

mn TL	1Q14	2Q14	2Q13 Restated	YoY% Ch.	1H14	1H13 Restated	YoY% Ch.
Total revenues	173,6	211,3	225,3	-6,2%	384,9	414,4	-7,1%
Ad revenues (print)	82,6	113,8	125,7	-9,5%	196,4	225,7	-13,0%
Ad revenues (online)	27,3	29,6	27,6	7,2%	56,9	49,4	15,2%
Circulation revenues	24,7	24,6	26,2	-6,1%	49,2	53,5	-8,0%
Printing revenues	29,5	29,8	34,2	-12,9%	59,3	64,4	-7,9%
Other revenues	9,5	13,5	11,6	16,4%	23,0	21,4	7,5%
Cost of sales	-122,3	-131,0	-127,4	2,8%	-253,2	-251,0	0,9%
Operating expenses	-62,0	-66,6	-71,9	-7,4%	-128,6	-140,2	-8,3%
Marketing, sales and distribution	-26,8	-33,5	-39,4	-15,0%	-60,3	-71,2	-15,3%
General administrative	-35,2	-33,1	-32,5	1,8%	-68,3	-69,0	-1,0%
Operating profit	-10,6	13,7	25,9	-47,1%	3,1	23,1	-86,6%
Other operating expenses (net)	-1,3	-18,3	-2,7	578%	-19,6	-7,8	151%
Income/loss from investments	-0,1	0,0	-2,8	-100,0%	-0,2	-4,9	-95,9%
Financial expense (net)	-24,0	14,9	-23,5		-9,1	-29,7	
Monetary gain/loss (net)	0,0	0,0	0,0		0,0	0,0	
Profit before tax	-36,1	10,3	-3,1		-25,8	-19,3	
Tax	3,9	-4,6	0,3		-0,6	0,3	
Net profit before minority	-32,2	5,7	-2,8		-26,4	-18,9	
Minority Interest	7,6	-1,0	3,9		6,6	7,7	
Profit/loss from discontinued op.	0,0	0,0	0,8		0,0	0,0	
Net profit	-24,6	4,8	1,9		-19,8	-11,2	
Depreciation	20,3	17,2	19,4	-11,3%	37,6	38,9	-3,3%
Amortised cost valuation income	4,2	2,5	1,7	47,1%	6,7	4,0	67,5%
Adj.EBITDA	13,9	33,4	47,0	-28,9%	47,3	65,9	-28,2%
EBITDA Margin	8,0%	15,8%	20,9%		12,3%	15,9%	

(*) 1H13 and 2Q13 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	1H13	1H14
Real Estate	8%	10%
Tourism	19%	16%
Retail	9%	10%
Social	9%	10%
Classifieds (incl. HR)	8%	6%
Automotive	5%	5%
Finance	3%	4%
Publishing	3%	3%
Entertainment, Culture, art & sports	2%	4%
Education	4%	4%
First 10 Total	68%	72%
Others	32%	28%

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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.

Investor Contact

<http://www.hurriyetcorporate.com>

<http://www.dyh.com.tr>

<http://www.tmeast.com>



ir@hurriyet.com.tr



(90) 212 449 6030