

Hürriyet

newspaper web mobile tablet



Review of 9M13 Results 8 Nov 2013

4th online player in Turkey after Google, Facebook and Microsoft sites

37% growth in domestic online revenues, more than triple the growth rate in online advertising market

Lower newsprint prices continue to effect margins positively despite the increase in fx rate

Strongest National Online Player



16,3 million reach out of 23,9 million internet audience in Turkey

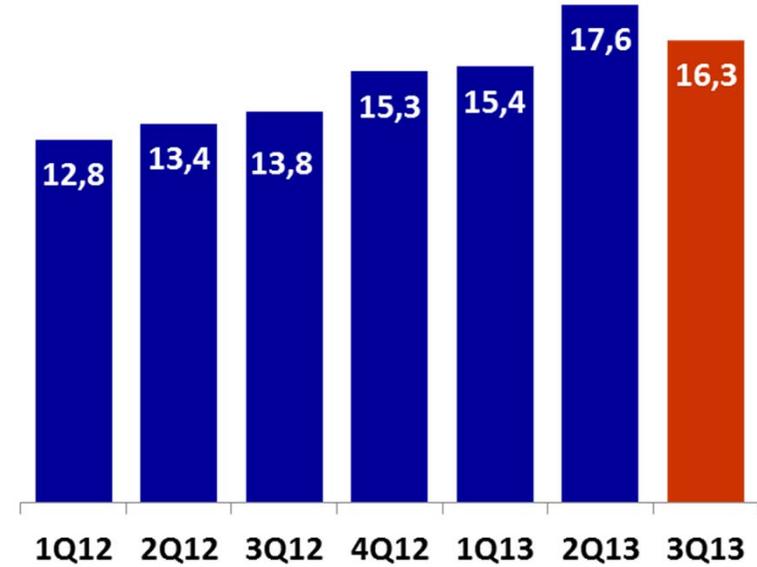
Right after international competitors : Google, Facebook, Microsoft Sites

18% increase (YoY) in unique visitors

Ranking improvement from 6th place to 4th place in Turkish online world compared to last year

(Comscore 9M13)

Unique Visitors (mn)

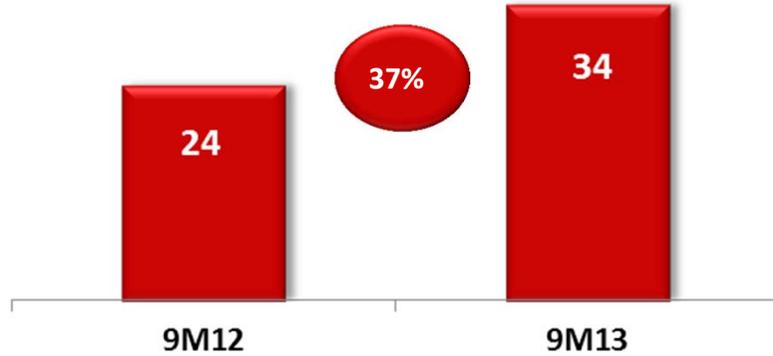


Hürriyet Internet Group

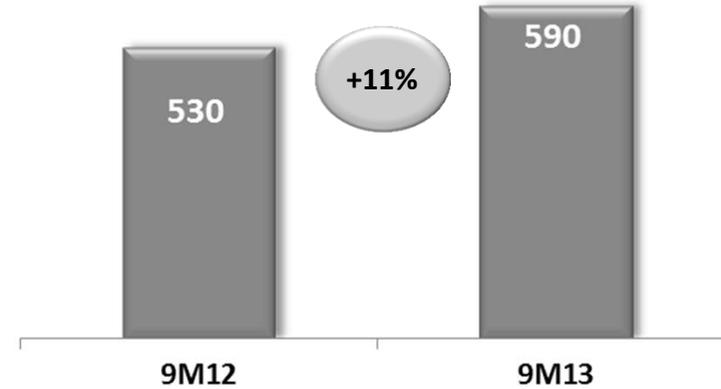


37% Growth Domestic Online Revenues and Ranking

Hürriyet Domestic Online Ad Rev. (TL mn)



Online Ad Market (TL mn)



Hürriyet internet group	9M12	9M13
Ranking	6	4
Unique Visitor (million)	13,8	16,3
Reach	57,9%	68,4%

Hurriyet.com.tr	9M12	9M13
Ranking	10	9
Unique Visitor (million)	10,9	11,9
Reach	45,4%	49,6%

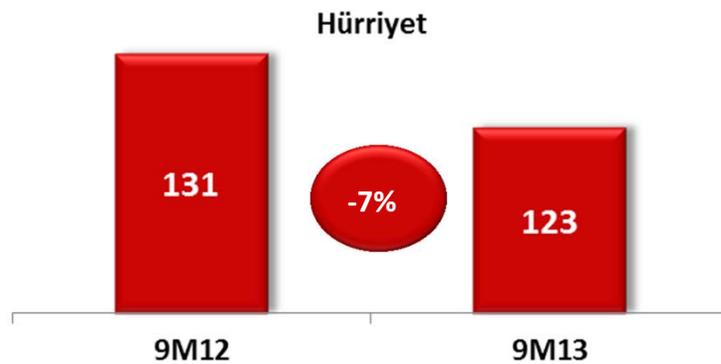
Hurriyetemlak.com	9M12	9M13
Ranking	1	1
Unique Visitor (million)	1,7	2,1
Reach	7,2%	8,8%

Yenibiris.com	9M12	9M13
Ranking	3	3
Unique Visitor (million)	1,4	1,6
Reach	5,8%	6,5%



Lower Newsprint Prices

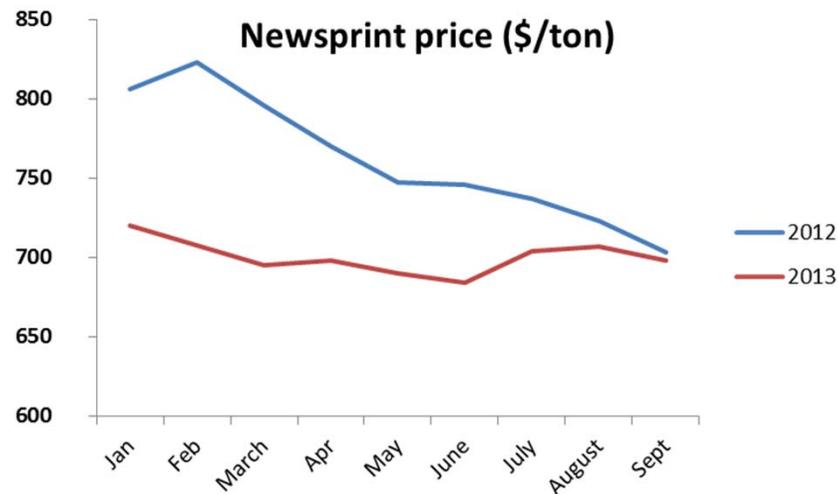
¹Raw material & printing costs (TL mn)



Hürriyet Newspaper	9M12	9M13	YoY (Ch.)
Average number of pages	78,0	80,3	2,3
Main paper	37,6	38,6	0,9
Supplements	40,4	41,7	1,3

	9M12	9M13	% (Ch.)
Average Newsprint Prices (\$/Ton)	761	700	-8%

	9M12	9M13	% (Ch.)
Average USD/TL rate	1,7942	1,8628	4%



Positive effects of

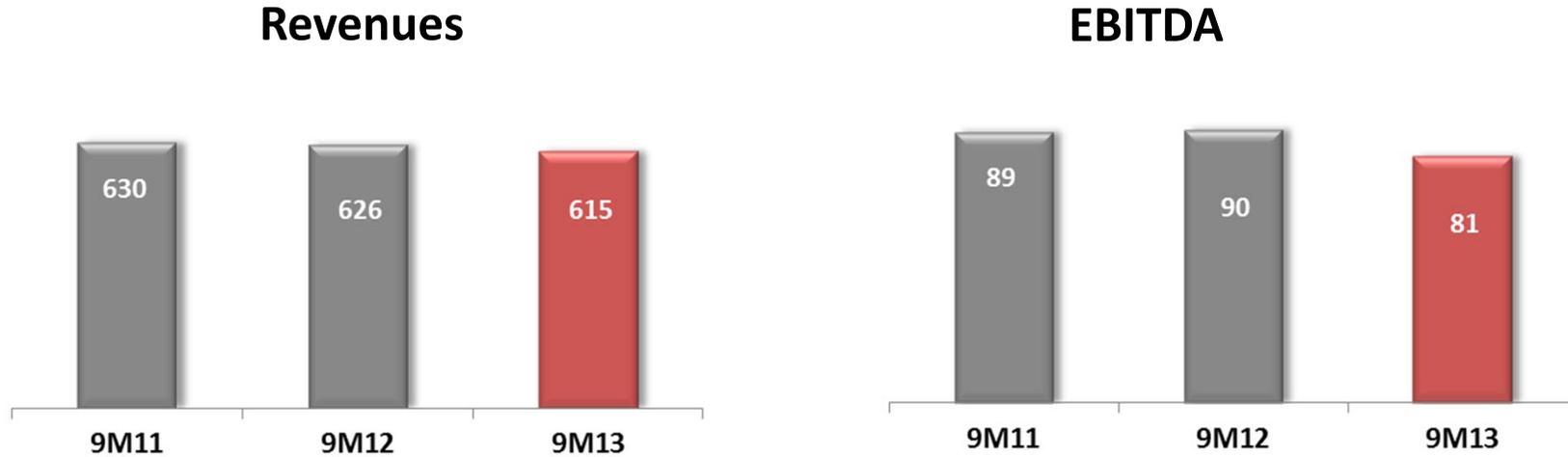
- Lower newsprint prices
- Width reduction

¹ Excluding TME raw material costs.

9M13

Financial Results

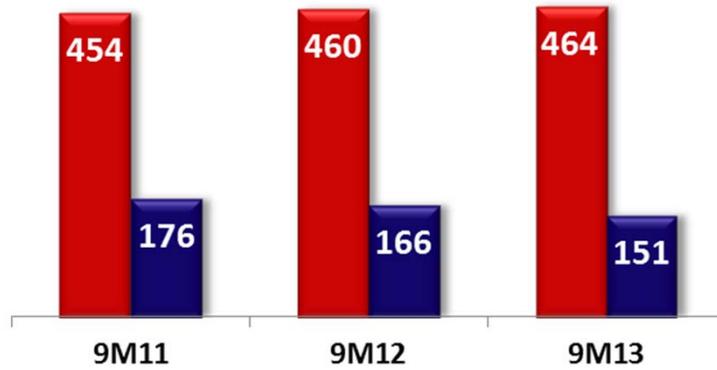
9M13 Financial Results: Summary



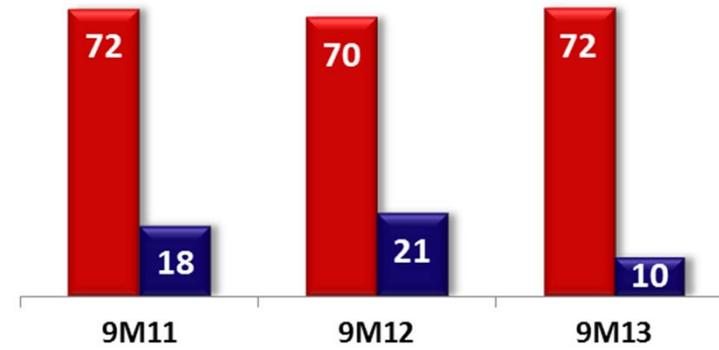
- Net Loss : -21,1 mn TL (9M12 net profit : +157,2 mn TL)
- Consolidated EBITDA : 81,4 mn TL (9M12 : 90,1 mn TL)
- Consolidated EBITDA margin : 13,2% (9M12 : 14,4%)
- Consolidated Revenues : 615,3 mn TL (9M12 : 625,9 mn TL)
- Fx Income /(Loss) (net): -41,6 mn TL (9M12 : +17,0 mn TL)

9M13 Financial Results: Summary

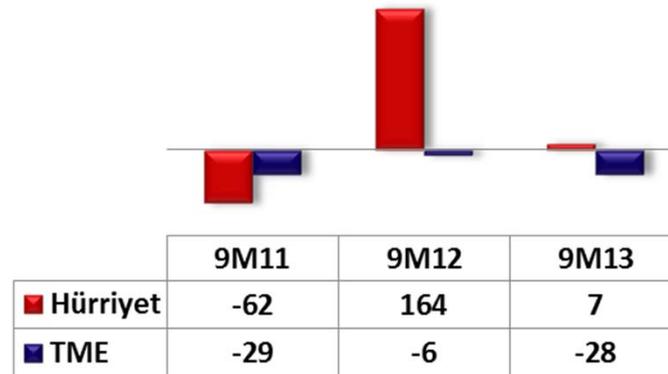
Revenues (TL mn)



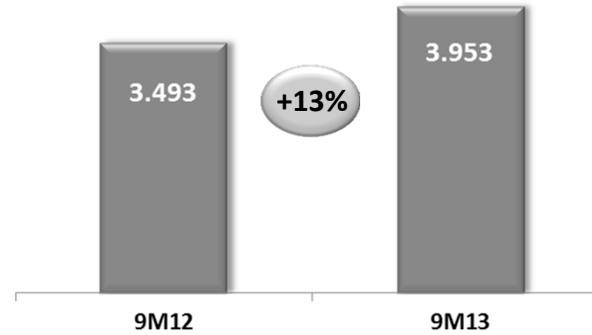
EBITDA (TL mn)



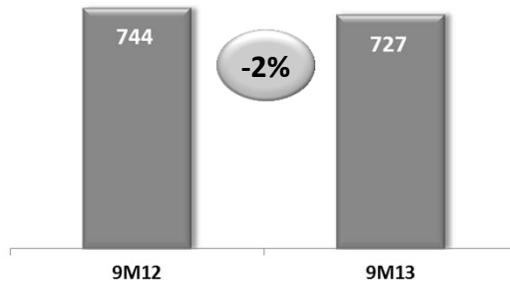
Net Profit / (Loss) (TL mn)



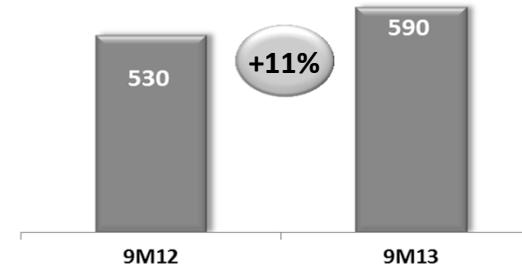
Total Ad Market* (TL mn)



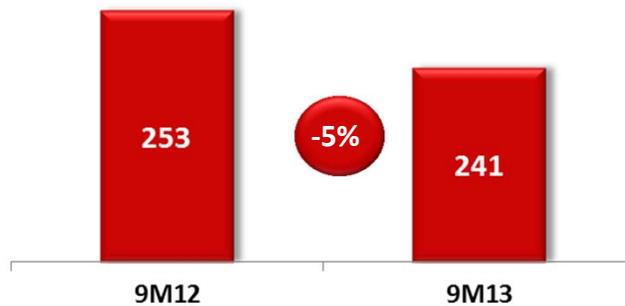
Newspaper Ad Market (TL mn)



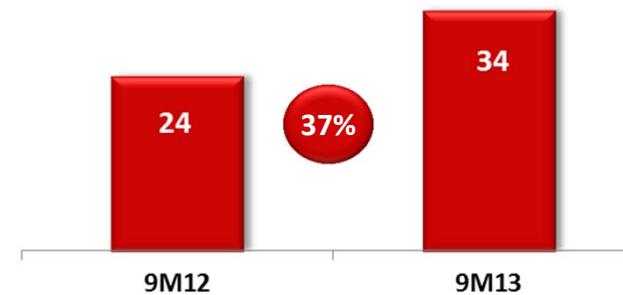
Online Ad Market (TL mn)



Hürriyet Print Ad Revenue (TL mn)



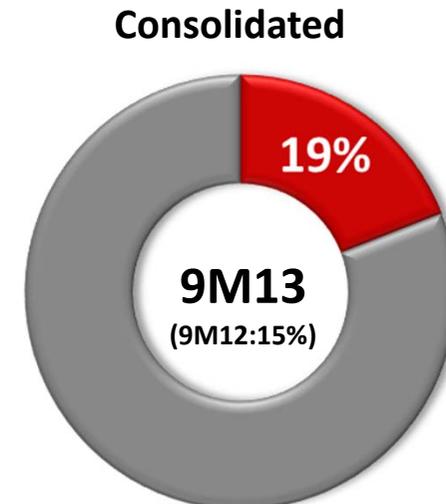
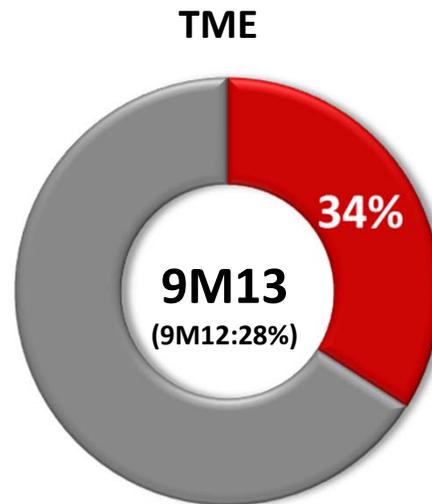
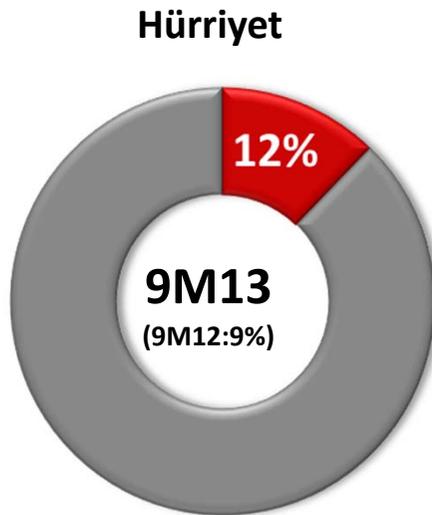
Hürriyet Domestic Online Ad Rev. (TL mn)



* 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

Share of Online Ad Revenues (mn TL)

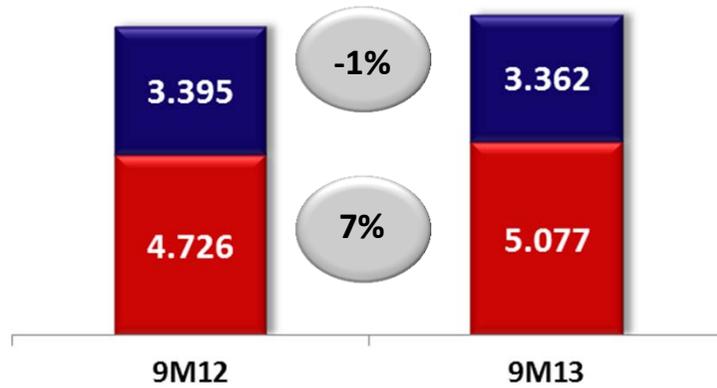


Ad Revenue	9M12	9M13
Online	24	34
Offline	253	241

Ad Revenue	9M12	9M13
Online	40	46
Offline	103	89

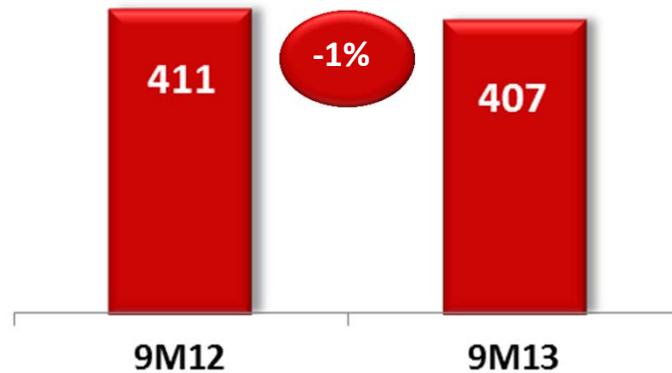
Ad Revenue	9M12	9M13
Online	65	79
Offline	356	330

National Circulation (000)*

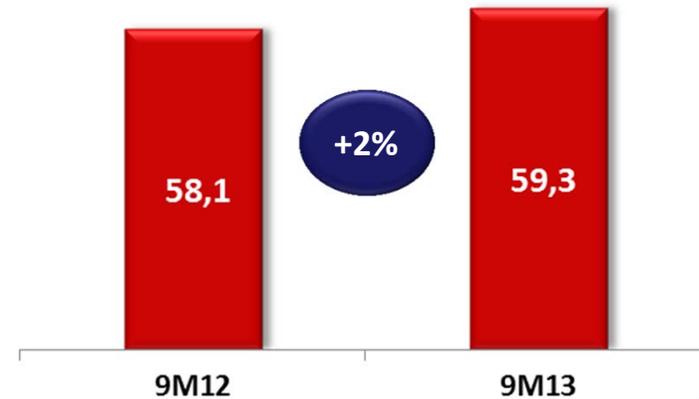


- Excluding market outliers , bulk sales (mostly free distribution) and new entrants, the decrease in national circulation is 1 %.

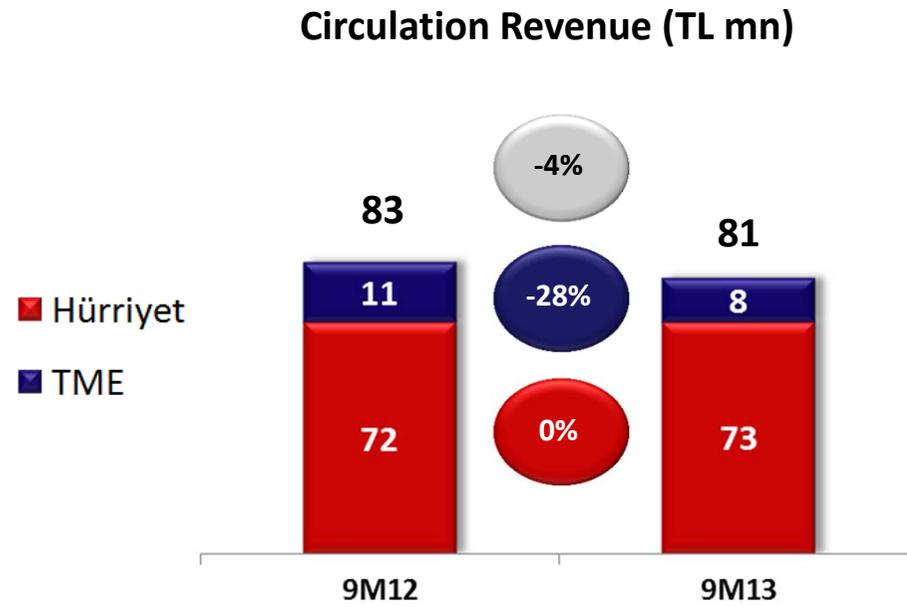
Hürriyet Circulation (000)

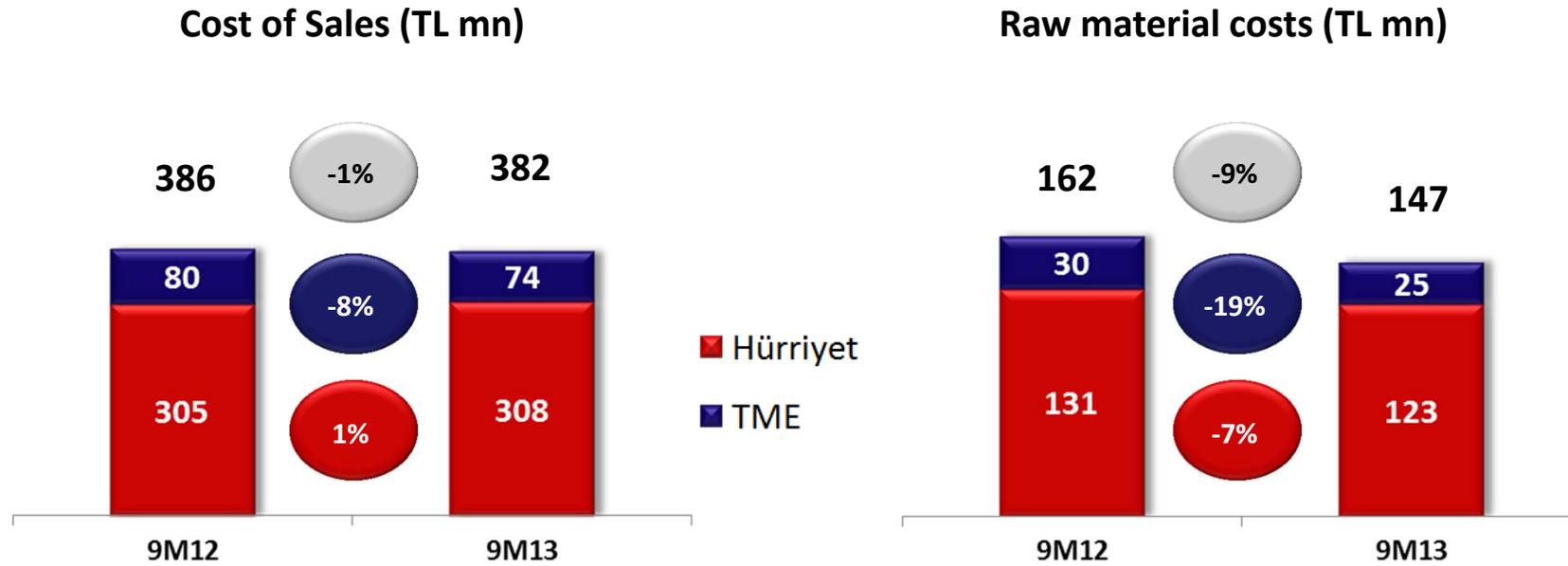


Average Cover Price (Kr)



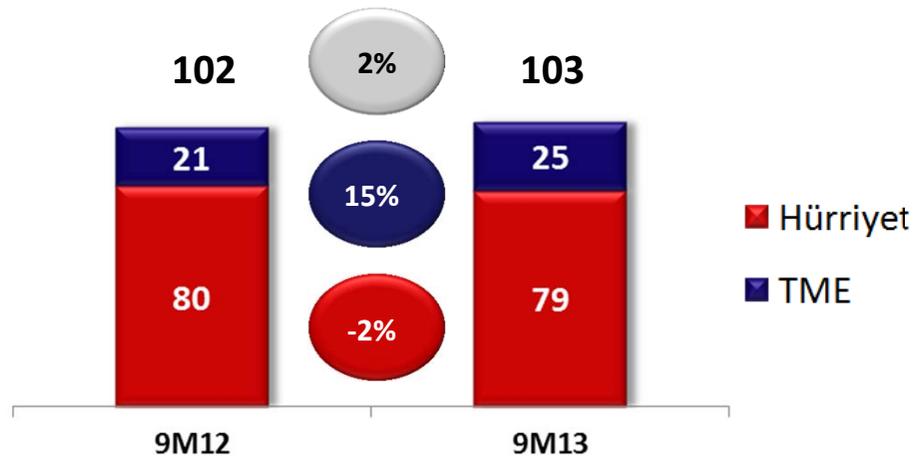
* Circulation figures are daily averages for related period. Total circulation figures are Dogan Dagitim estimates.



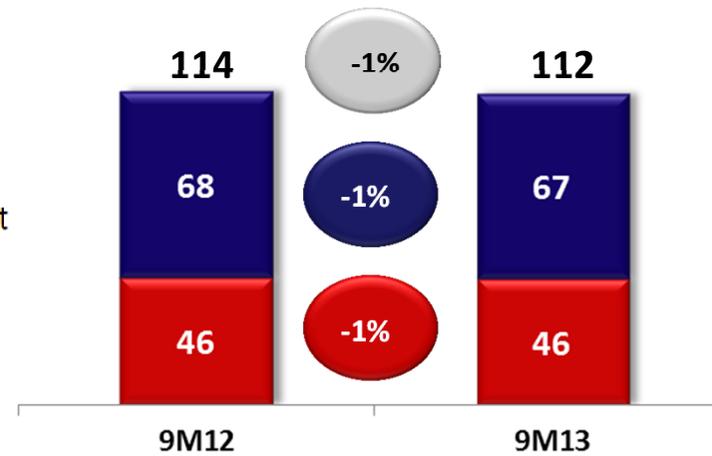


Operating expenses

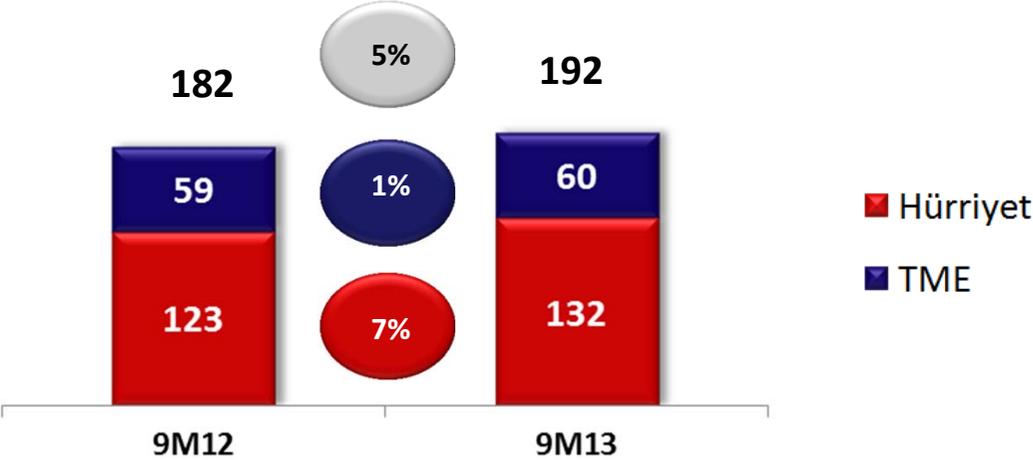
Sales, marketing and distribution costs (TL mn)



General administrative costs (TL mn)



Personnel Expenses (TL mn)



Net Debt Position

mn TL	31/12/2012	30/09/2013
Cash and Equivalents	115	84
S.T Bank Borrowings	262	287
L.T Bank Borrowings	201	107
Net Debt	-348	-310
Capex	62	24
Supplier Loans	41	21

includes TME's
net debt of TL 111 mn (\$55 mn).

mn \$	31/12/2012	30/09/2013
Cash and Equivalents	64	41
S.T Bank Borrowings	147	141
L.T Bank Borrowings	113	53
Net Debt	-195	-152
Capex	35	13
Supplier Loans	23	10

- Net debt improvement will gain acceleration as notes receivable from building sales are collected each month.
- \$ 10,7 million will be collected in the remaining part of 2013 (2014 : \$ 35 million).

TME Standalone IFRS Results (mn \$)



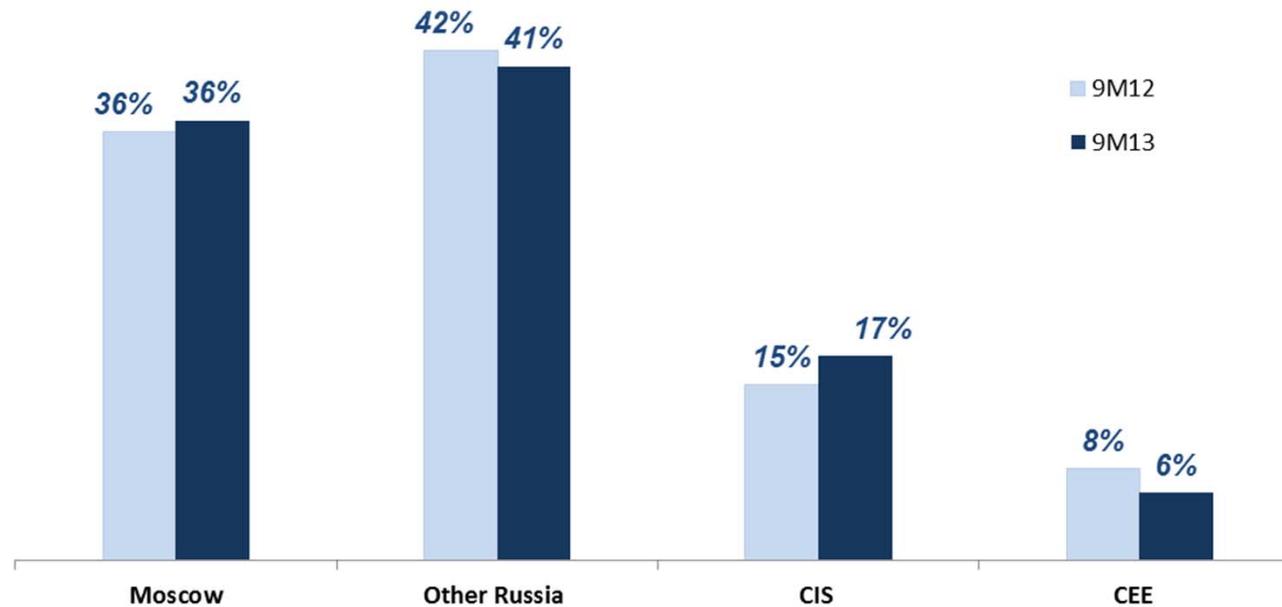
Profit / (Loss) Statement

mn \$	9M13	9M12	YoY (%)
Sales	81,3	92,7	-12%
Cost of sales	-39,5	-44,7	-12%
Gross Profit	41,8	48,0	-13%
Gross Profit Margin	51%	52%	
Marketing, selling & dist. expenses	-14,4	-13,0	11%
General administrative expenses	-30,6	-29,4	4%
Other income	1,6	3,5	-54%
Operating (loss) / profit	-1,6	9,1	
EBITDA	5,2	11,5	-54%
EBITDA margin	6,5%	12,4%	
Financial income / (expense), net	-9,0	-0,6	
Tax benefit/ (expense)	2,0	-3,1	
Net (loss) / profit for the year	-8,6	5,4	
Attributable to:			
Equity holders of the parent	-9,8	3,8	
Non-controlling interests	1,2	1,6	

Revenue Growth by Regions

mn \$	3Q12	3Q13	% Ch. (USD)	% Ch. (LCY)	9M12	9M13	% Ch. (USD)	% Ch. (LCY)
Russia	24,0	20,3	-16%	-13%	72,2	62,9	-13%	-11%
Moscow	10,4	9,1	-12%	-10%	32,9	29,7	-10%	-8%
Other Russia	13,7	11,2	-18%	-16%	39,2	33,3	-15%	-14%
CIS	4,8	4,9	3%	8%	13,5	13,8	2%	7%
CEE	2,2	1,4	-37%	-39%	7,0	4,6	-35%	-36%
Total	31,0	26,6	-14%	-12%	92,7	81,3	-12%	-10%

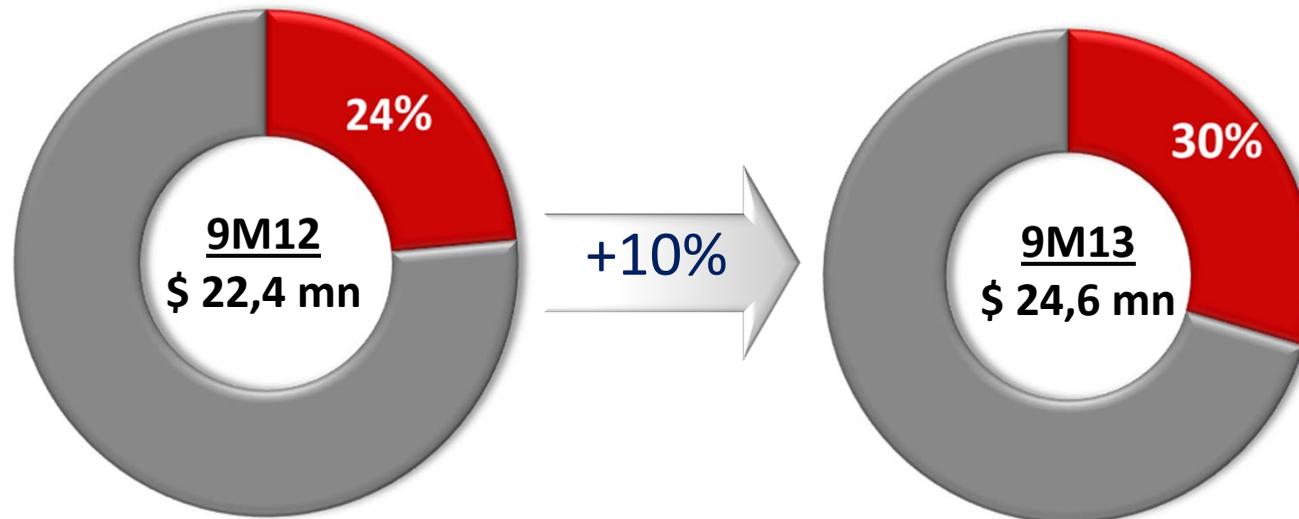
Revenue Breakdown by Regions (mn \$)



Online Revenue Growth by Regions

Online Revenue (mn \$)	3Q12	3Q13	% Ch. (USD)	% Ch. (LCY)	9M12	9M13	% Ch. (USD)	% Ch. (LCY)	Share in Online Revenue
Russia	6,4	7,0	9%	12%	17,7	20,2	14%	16%	82%
Moscow	4,4	5,1	14%	17%	12,7	14,9	18%	20%	61%
Other Russia	1,9	1,9	-2%	1%	5,1	5,3	4%	6%	21%
CIS	0,6	0,9	45%	50%	1,6	2,3	46%	51%	9%
CEE	0,9	0,6	-34%	-36%	3,1	2,2	-31%	-32%	9%
Total	7,9	8,4	7%	13%	22,4	24,6	10%	15%	100%

Online Share in Total Revenues



EBITDA & EBITDA Margin

mn \$	3Q12	3Q13	% Ch. (USD)	9M12	9M13	% Ch. (USD)
Russia	4,4	2,3	-48%	10,2	4,9	-52%
Moscow	0,6	-0,5	N.A	0,8	-1,4	N.A
Other Russia	3,8	2,8	-27%	9,5	6,4	-33%
CIS	1,2	1,3	9%	3,2	3,1	-3%
CEE	0,0	-0,5	N.A	0,2	-1,2	N.A
Operational EBITDA	5,7	3,2	-44%	13,6	6,8	-50%
Corporate Costs	0,8	0,6	-26%	2,1	1,6	-26%
Consolidated EBITDA	4,9	2,6	-47%	11,5	5,2	-54%

mn \$	3Q12	3Q13	pp ch.	9M12	9M13	pp ch.
Russia	18%	11%	-7%	14%	8%	-6%
Moscow	5%	-6%	-11%	2%	-5%	-7%
Other Russia	28%	25%	-3%	24%	19%	-5%
CIS	25%	27%	2%	24%	23%	-1%
CEE	2%	-33%	-35%	2%	-27%	-29%
C. EBITDA Margin	16%	10%	-6%	12%	6%	-6%

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 – table – mobile).

2

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

3

TME's revenues will continue to be under pressure due to visible slowdown in Russian economy.

4

Average newsprint prices are estimated to be 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%.

Appendix

9M13 Consolidated IFRS Results



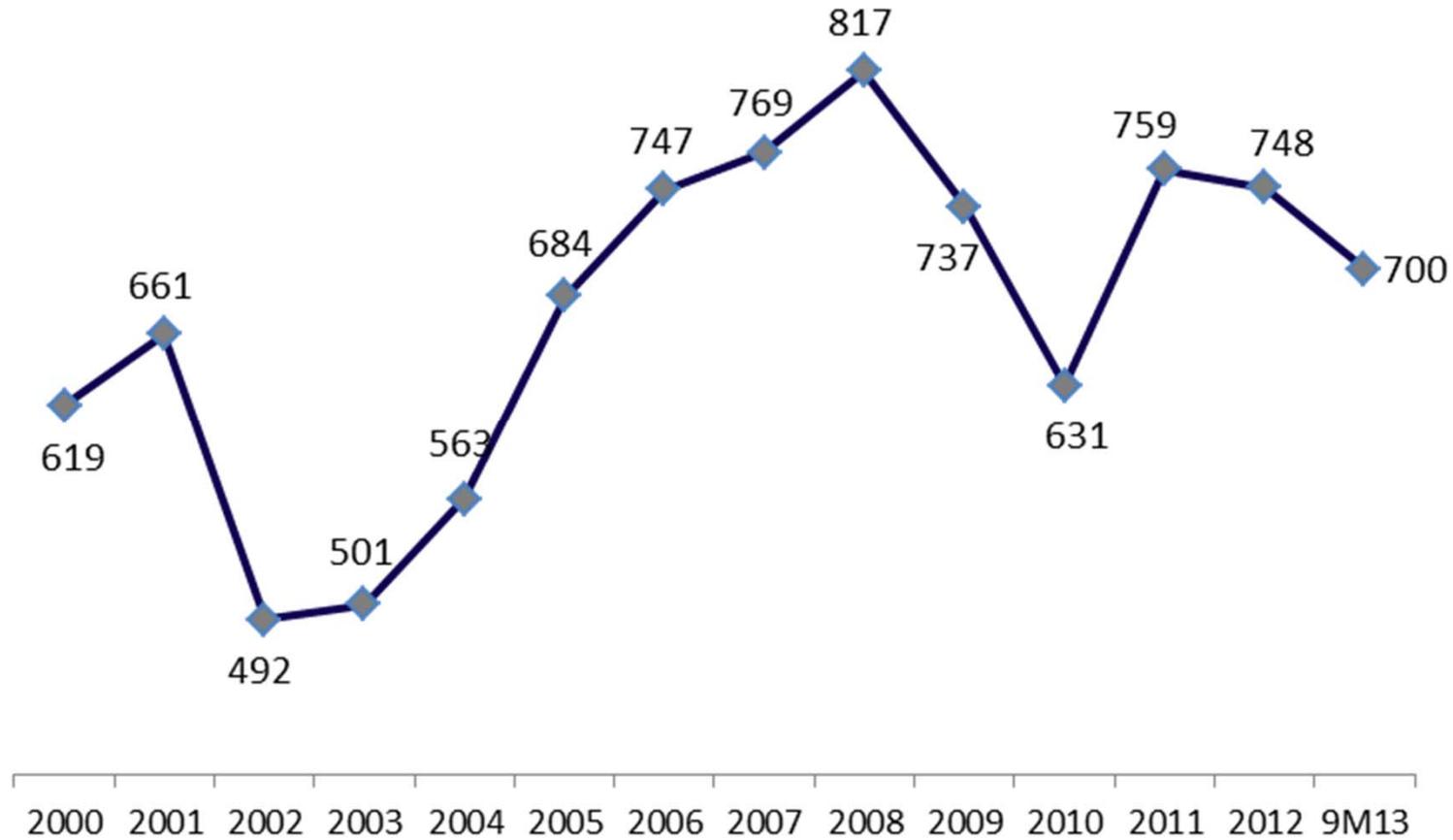
mn TL	1Q13	2Q13	3Q13	3Q12 Restated	YoY% Ch.	9M13	Restated 9M12	YoY% Ch.
Total revenues	193,3	230,0	191,9	195,3	-1,7%	615,3	625,9	-1,7%
Ad revenues (print)	102,3	128,1	99,3	108,3	-8,3%	329,7	356,1	-7,4%
Ad revenues (online)	23,0	29,3	27,2	21,6	25,8%	79,4	64,6	22,9%
Circulation revenues	28,0	26,8	25,8	27,3	-5,6%	80,5	83,5	-3,6%
Printing revenues	30,2	34,2	31,5	28,7	9,8%	95,9	89,7	6,9%
Other revenues	9,9	11,7	8,2	9,4	-13,2%	29,8	32,0	-6,9%
Cost of sales	-126,0	-129,7	-126,3	-121,2	4,2%	-382,0	-385,5	-0,9%
Operating expenses	-71,1	-74,8	-69,8	-66,7	4,7%	-215,7	-215,3	0,2%
Marketing, sales and distribution	-32,3	-40,1	-31,0	-30,8	0,4%	-103,4	-101,6	1,7%
General administrative	-38,8	-34,7	-38,9	-35,9	8,3%	-112,3	-113,6	-1,1%
Operating profit	-3,7	25,4	-4,2	7,4		17,5	25,1	
Other operating expenses (net)	-4,9	-2,2	-3,3	1,0		-10,4	137,1	
Income/loss from investments	-2,3	-2,9	0,8	-2,0		-4,3	-7,7	
Financial (expense) / income (net)	-6,0	-23,4	-12,1	8,0		-41,6	17,0	
Monetary gain/loss (net)	-	0,1	0,0	-		0,1	-	
Profit before tax	-16,9	-3,0	-18,8	14,4		-38,7	171,5	
Tax	0,1	0,2	10,3	-3,2		10,6	-14,8	
Net profit before minority	-16,9	-2,8	-8,5	11,2		-28,2	156,7	
Minority Interest	3,8	3,8	-0,5	-2,1		7,1	0,6	
Net profit	-13,1	1,0	-9,0	9,1		-21,1	157,2	
Depreciation	19,5	19,4	20,0	19,0	5,0%	58,8	57,5	2,2%
Amortised cost valuation income	2,3	1,7	1,1	2,1	-45,5%	5,1	7,5	-32,1%
Adj.EBITDA	18,1	46,5	16,9	28,5	-40,7%	81,4	90,1	-9,6%
EBITDA Margin	9,3%	20,2%	8,8%	14,6%		13,2%	14,4%	

9M13 IFRS Results: Hürriyet excluding TME



mn TL	1Q13	2Q13	3Q13	3Q12 Restated	YoY% Ch.	9M13	Restated 9M12	YoY% Ch.
Total revenues	148,5	176,0	139,4	139,6	-0,1%	463,9	459,6	0,9%
<i>Ad revenues (print)</i>	75,8	97,2	67,8	73,4	-7,6%	240,8	252,8	-4,7%
<i>Ad revenues (online)</i>	10,0	13,1	10,6	7,4	43,4%	33,6	24,4	37,5%
<i>Circulation revenues</i>	25,2	24,2	23,1	23,7	-2,5%	72,5	72,4	0,2%
<i>Printing revenues</i>	30,2	34,2	31,5	28,7	9,8%	95,9	89,7	6,9%
<i>Other revenues</i>	7,4	7,3	6,4	6,4	-0,4%	21,0	20,2	4,1%
Cost of sales	-102,1	-104,0	-102,3	-95,5	7,2%	-308,4	-305,3	1,0%
Operating expenses	-41,8	-44,4	-38,2	-37,7	1,5%	-124,4	-126,3	-1,5%
<i>Marketing, sales and distribution</i>	-25,5	-31,4	-21,9	-23,4	-6,2%	-78,8	-80,3	-1,9%
<i>General administrative</i>	-16,3	-13,0	-16,3	-14,3	14,0%	-45,6	-46,0	-0,8%
Operating profit	4,6	27,6	-1,2	6,5		31,1	28,0	10,8%
Other operating expenses (net)	-4,8	2,2	-2,4	0,7		-5,0	137,0	
Depreciation	11,9	11,8	12,0	11,1	7,5%	35,7	34,1	4,8%
Amortised cost valuation income	2,3	1,7	1,1	2,1	-45,5%	5,1	7,5	-32,1%
Adj.EBITDA	18,8	41,1	11,9	19,7	-39,3%	71,8	69,6	3,2%
EBITDA Margin	12,6%	23,4%	8,6%	14,1%		15,5%	15,1%	

Average Newsprint Costs (US\$) *



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

Sectors	9M12	9M13
Real Estate	17%	17%
Tourism	8%	10%
Retail	10%	9%
Social	9%	8%
Classifieds (incl. HR)	9%	7%
Automotive	9%	7%
Finance	5%	5%
Education	4%	5%
Furniture, Home Textile	3%	3%
Publishing	3%	3%
First 10 Total	76%	75%
Others	24%	25%

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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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