



## Business Review & 1Q12 Financial Results

May 21, 2012

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## *1Q12 Highlights*

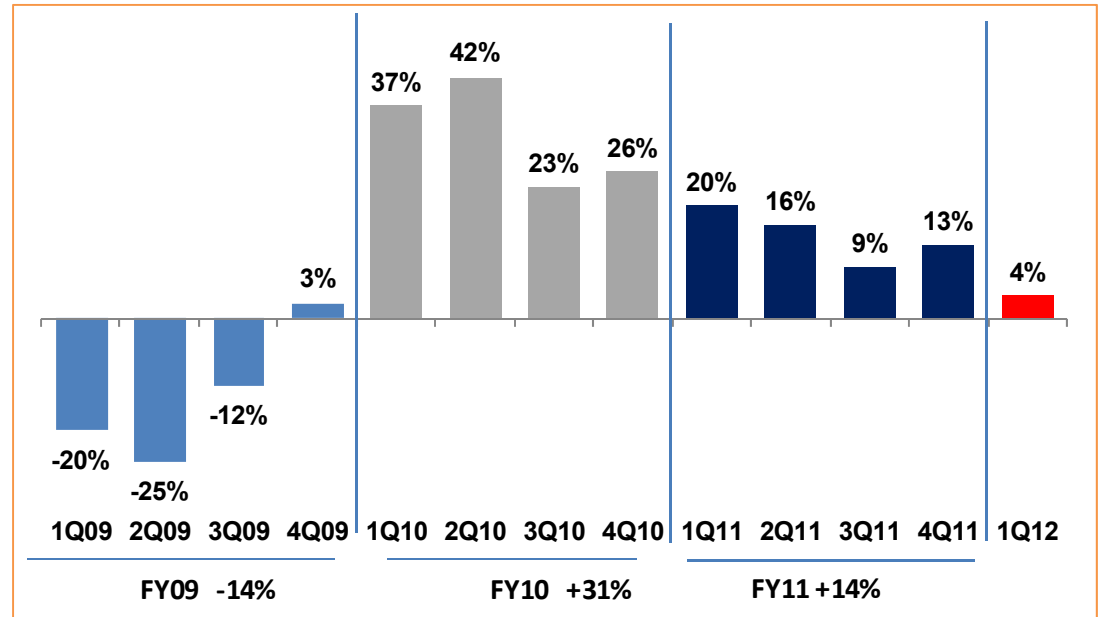
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- Following 14% growth in 2011, Turkish ad market growth was 4% in 1Q12.
- Internet had the highest yoy growth with 16%, while growth in TV segment was 5%.
- In 1Q12, finance sector ad spent increased by 30% yoy, which was down by 9% in FY11. Meanwhile, communication sector's ad spent was down by 18%.

## Advertising Market

	FY11		1Q12		
	TL mn	YoY	TL mn	YoY	Share
TV	2,236	12%	549	5%	54%
Newspaper	997	8%	206	-1%	20%
Magazine	118	6%	25	10%	2%
Radio	119	12%	26	-7%	3%
Outdoor	360	22%	76	-5%	7%
Cinema	58	13%	14	-1%	1%
Internet	578	39%	128	16%	12%
<b>Total Market</b>	<b>4,467</b>	<b>14%</b>	<b>1,024</b>	<b>4%</b>	<b>100%</b>

## Advertising Market Trend by Quarter (yoy growth)



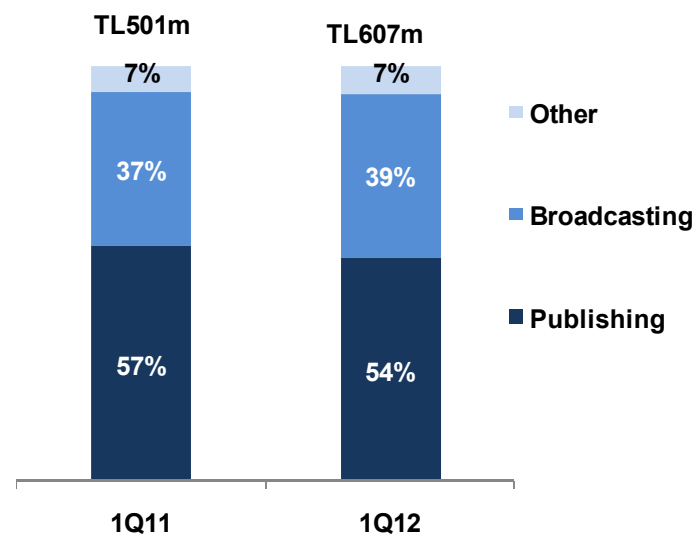
- Consolidated revenues were up by 21%, with the support of printing & other revenues, mainly led by Star TV, Milliyet and Vatan becoming 3rd party.
- Circulation revenues increased by 4%, thanks to higher cover prices.
- Recurring EBITDA (after Star TV, Vatan and Miliyet sale) was at TL54 mn and EBITDA margin was 9%.
- Net other operating income was TL139 mn, due to Hurriyet's asset sale, versus TL 333 mn net other expenses in 1Q11, due to tax expenses set aside through "tax base increase" and restructuring of "disputed tax debts".
- Net financial income was TL37 mn, stemming from fx gains due to strong TL, vs. net financial expense of TL23 mn.
- Net profit stood as TL108 mn vs. net loss of TL337 mn.

Doğan Yayın Holding (TL mn)	P&L Consolidated Results		
	1Q11	1Q12	YoY
<b>Consolidated Revenues</b>	<b>501</b>	<b>607</b>	<b>21%</b>
<i>Advertising</i>	292	293	0%
<i>Circulation</i>	65	67	4%
<i>Printing Revenues</i>	13	19	48%
<i>Other</i>	131	228	74%
<b>EBITDA*</b>	<b>60</b>	<b>54</b>	<b>-9%</b>
<i>EBITDA Margin</i>	12%	9%	
<b>Net Profit (Loss)**</b>	<b>-337</b>	<b>108</b>	<b>n.m.</b>

\*As calculated by DYH

\*\*Income attributable to Equity Holders of the Company

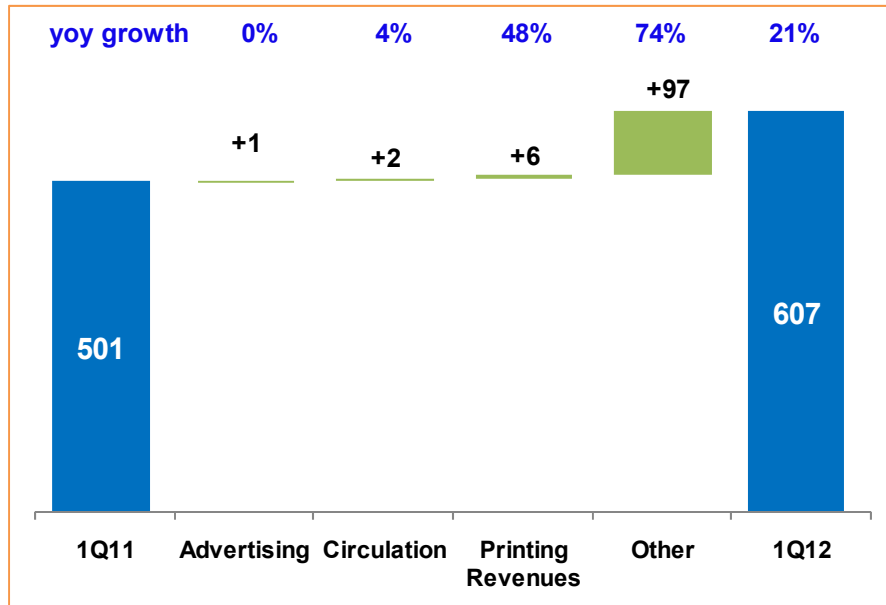
## Consolidated Revenues 1Q12 (TL mn)



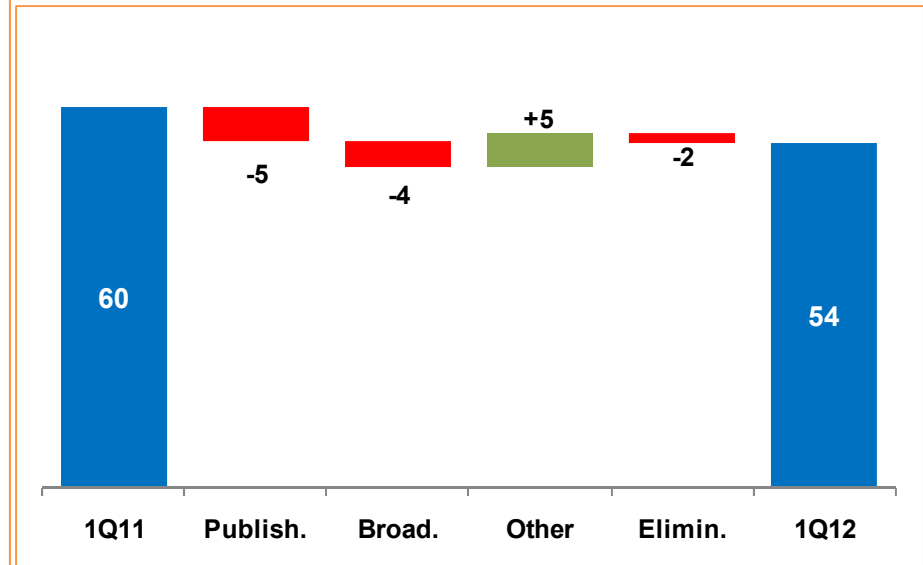
Doğan Yayın Holding – 1Q12 Financial Results

- Higher newsprint prices led to lower publishing margins; newsprint prices averaged at US\$808/ton in 1Q12, up by 11% yoy. During the same term, TL depreciated by 14%.
- Recurring broadcasting EBITDA was TL30 mn, vs. restated TL34 mn in 1Q11 (unadjusted 1Q11 EBITDA was TL12 mn). Higher programming expenses led to a contraction in margins in 1Q12, but this was in line with the budget.
- Consolidated EBITDA was TL54 mn, while EBITDA margin was 9%.

Revenue Bridge 1Q11 – 1Q12  
(TL mn)



EBITDA Bridge 1Q11 – 1Q12  
(TL mn)



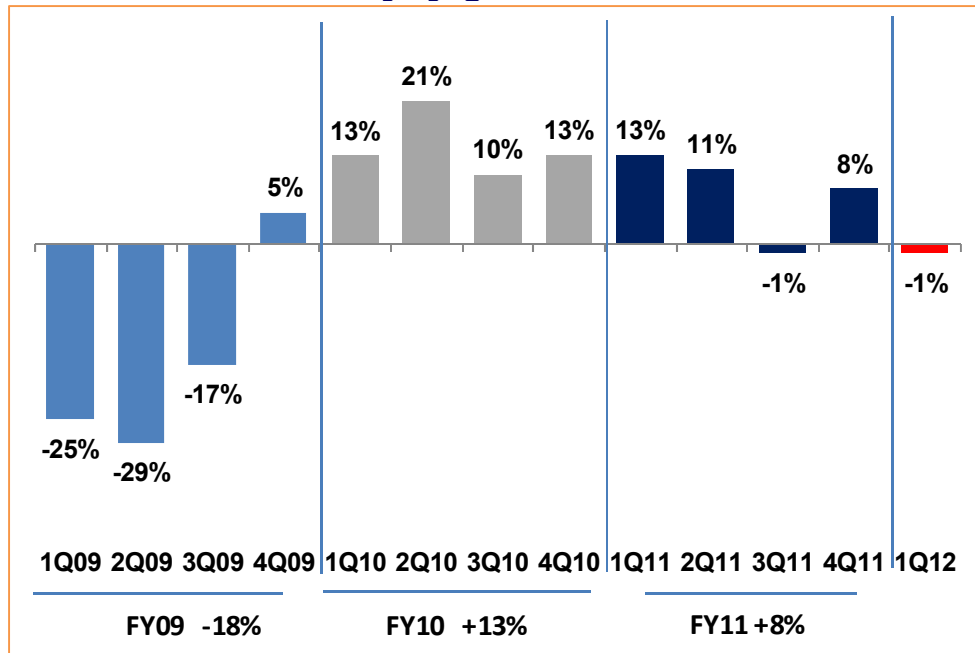
## *Publishing Segment*

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- In 1Q12, newspaper ad market declined by 1%, yoy, this was mainly cut down in ad spending mainly in real estate sector.
- Retail sector continued to support newspaper ad market in 1Q12.

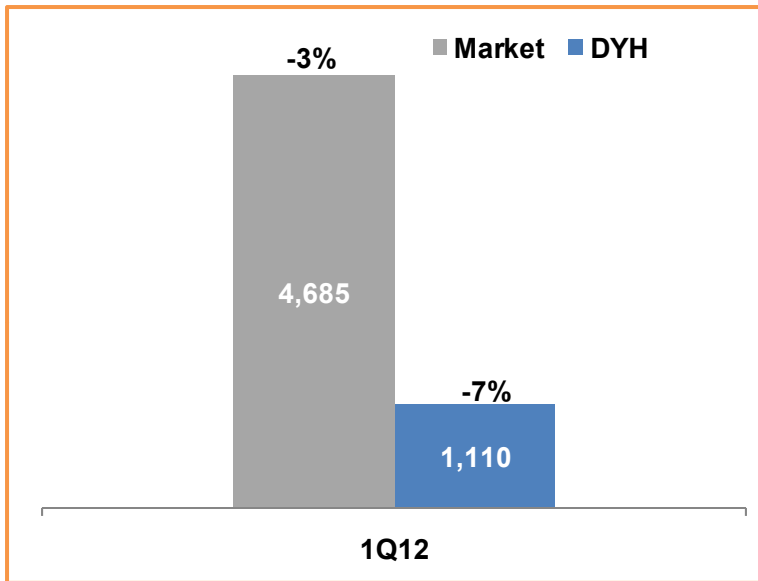
**Newspaper Advertising  
(yoy growth)**



**Newspaper Ad Market by Sectors  
1Q11 vs. 1Q12**

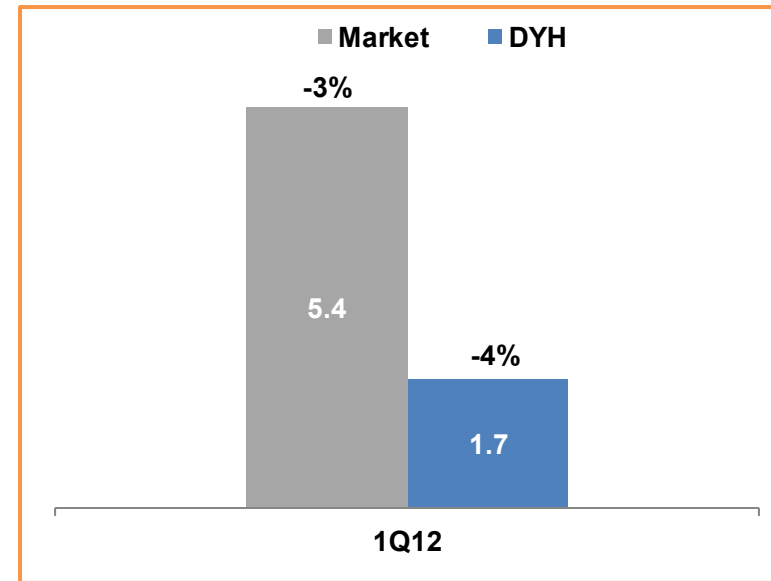
Sectors	Share	Δ Share	YoY
Retail	12%	+1.6 pp	13%
Real Estate	11%	-1.7 pp	-14%
Automotive	9%	+0.5 pp	4%
Finance	6%	+0.1 pp	0%
Communication	4%	+0.4 pp	8%
Furniture	3%	-0.1 pp	-6%
Food	2%	+0.9 pp	62%
Beverages	2%	-1.2 pp	-39%
Cosmetics	1%	-0.2 pp	-18%
Cleaning Products	0%	+0.2 pp	131%
Others	48%	-0.3 pp	-2%
<b>Total</b>	<b>100%</b>		<b>-1%</b>

**Newspaper Circulation in 1Q12\***  
(000 copies daily & change vs. 1Q11)



Source: Basın –İlan

**Total Magazine Circulation in 1Q12**  
(Units m & yoy growth)



Source: DPP & Dogan Burda Dergi Yay.

• DYH includes Dogan Burda & Dogan Egmont

- Average daily newspaper circulation in the market was down by 3% yoy in 1Q12.
- DYH's circulation share in 1Q12 was 24%.
- Higher copy prices for Hurriyet and Posta in 1Q12.

- Doğan Burda and Doğan Egmont had a total market share of 31% in 1Q12.
- Dogan Burda increased cover prices of some its magazines, in line with the market conditions

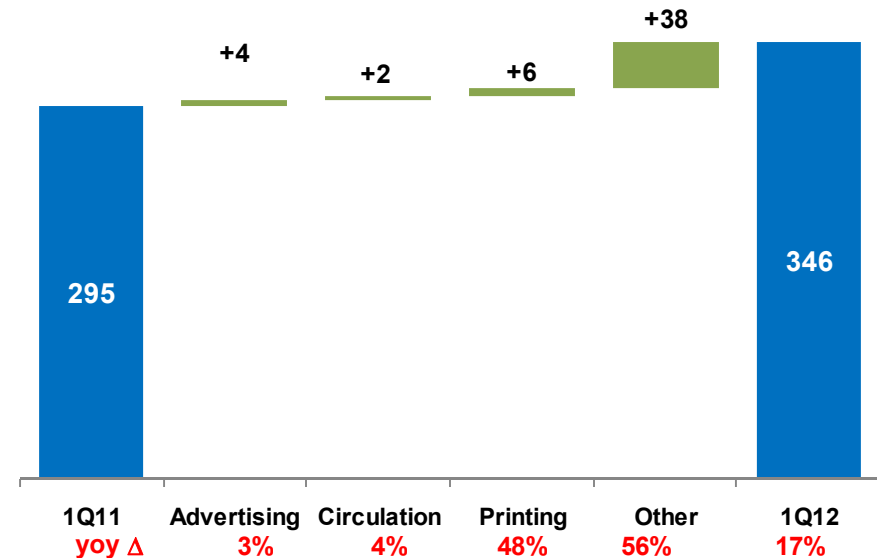
**Higher newsprint prices continued to put pressure on margins.**

- Total publishing revenues increased by 17% in 1Q12.
- Domestic ad revenue growth was 4%, vs. 1% drop in Turkish newspaper ad market.
- TME registered strong online revenue growth of 41% yoy, increasing its online revenues share in its total revenues to 23% (vs. 16% in 1Q11).
- Total circulation revenues at TL67 mn, registered growth of 4%, thanks to higher cover prices.
- Printing and other revenues increased: Milliyet and Vatan became 3<sup>rd</sup> party company, as they continue to procure newsprint, as well as distribution and printing services.
- EBITDA margin was down to 7%, due to higher newsprint prices.

Publishing (TL mn)	P&L Results		
	1Q11	1Q12	YoY
<b>Revenues</b>	<b>295</b>	<b>346</b>	<b>17%</b>
Advertising	150	154	3%
<i>Domestic</i>	107	111	4%
<i>International</i>	42	43	1%
Circulation	65	67	4%
Printing Revenues	13	19	48%
Other Revenues	67	105	56%
<b>EBITDA*</b>	<b>30</b>	<b>25</b>	<b>-18%</b>
<i>EBITDA Margin</i>	10%	7%	
<b>Net Profit (Loss)</b>	<b>-42</b>	<b>154</b>	<b>n.m.</b>

\*As calculated by DYH; before intersegment eliminations

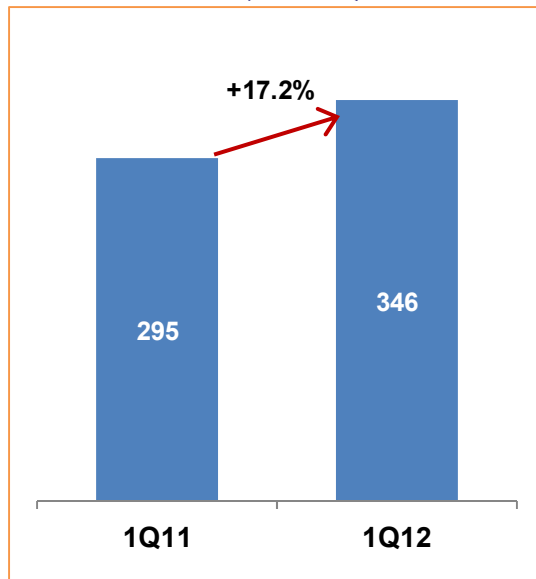
Revenue Bridge 1Q11 – 1Q12 (TL mn)



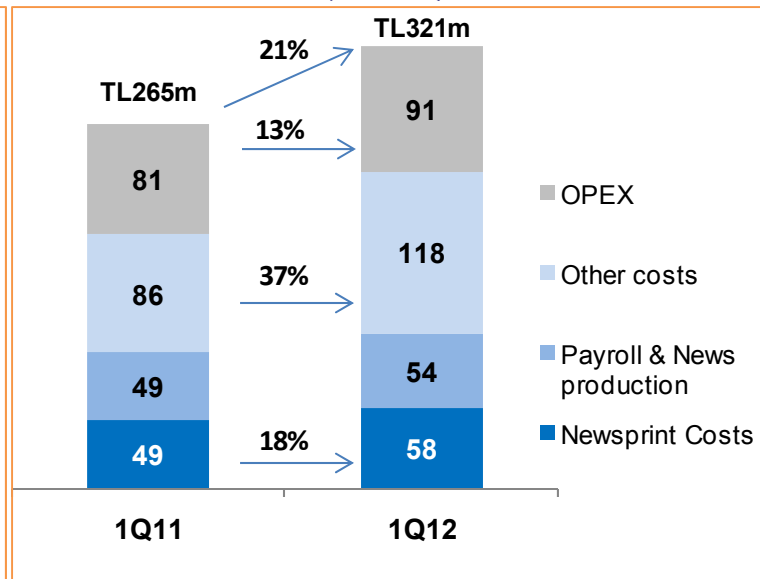
Doğan Yayın Holding – 1Q12 Financial Results

- Higher newsprint prices in 1Q12 (averaged at US\$808/ton; up by 11% yoy) and weak TL, which led to an increase in total newsprint costs by 18% yoy.
- Increase in other costs mainly stemming from “cost of trade goods sold” as sales to third parties now include Milliyet and Vatan.

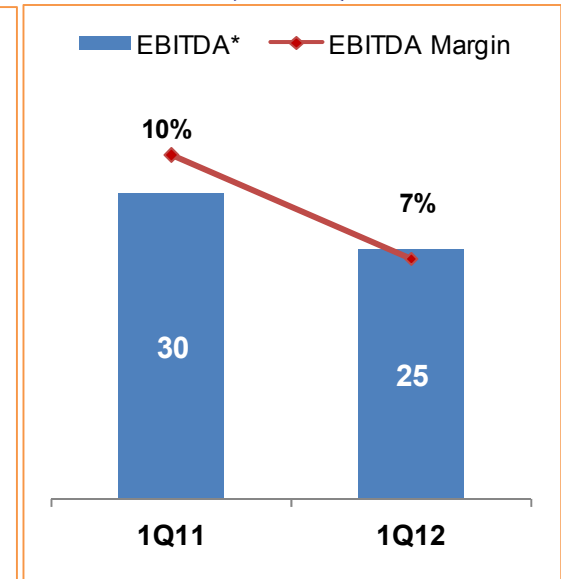
1Q12 Revenue  
(TL mn)



1Q12 Cash Costs Breakdown  
(TL mn)



1Q12 EBITDA  
(TL mn)

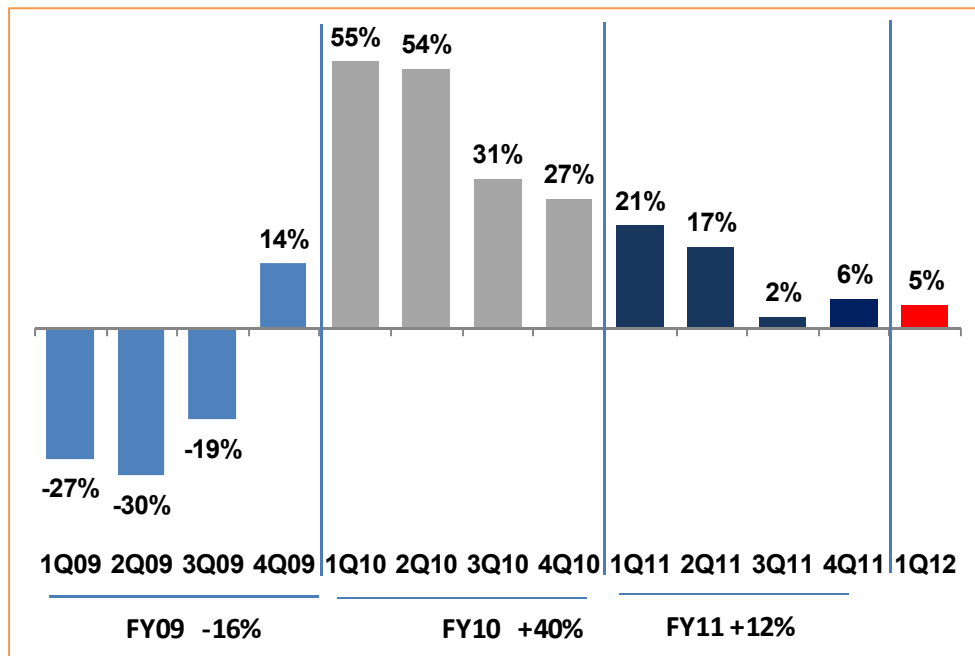


*Broadcasting Segment*

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- TV ad market continued to grow at around 5% in 1Q12.
- Despite lower ad spend in communication sector, increase in advertising budgets of finance and automotive supported the TV ad spend.

## TV Advertising (yoy growth)




## TV Ad Market by Sectors 1Q11 vs. 1Q12

Sectors	Share	Δ Share	YoY
Food	17%	-0.2 pp	4%
Communication	13%	-3.0 pp	-15%
Finance	10%	+3.1 pp	54%
Cosmetics	7%	-1.0 pp	-8%
Furniture	6%	-0.3 pp	-1%
Automotive	5%	+0.3 pp	12%
Cleaning Products	5%	-0.8 pp	-8%
Real Estate	5%	+0.1 pp	8%
Beverages	4%	+0.1 pp	6%
Retail	3%	+0.7 pp	32%
Others	25%	+0.9 pp	9%
<b>Total</b>	<b>100%</b>		<b>5%</b>

- According to 1Q12, Kanal D is still the leading channel\*.

Prime Time - Audience Share  
FY11 (%)

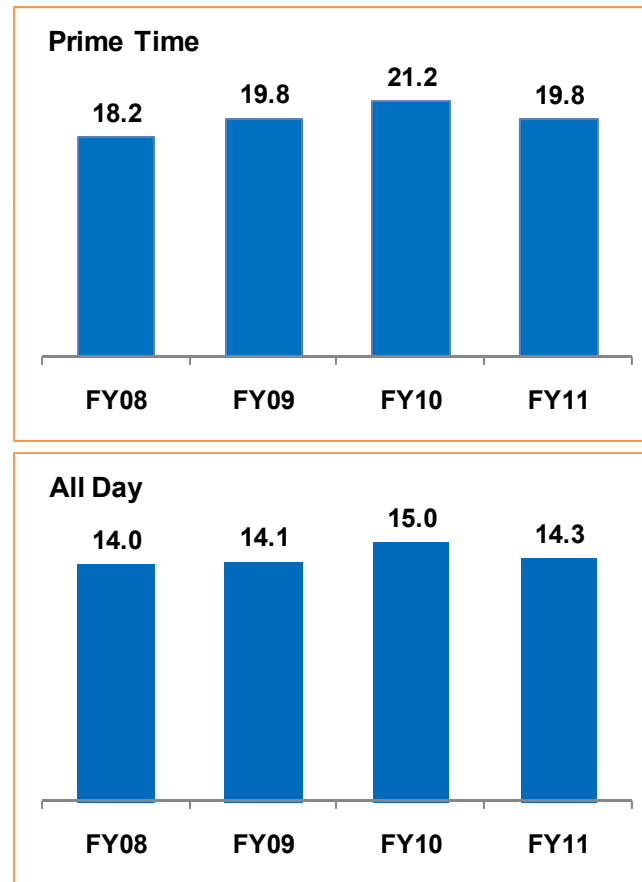
Audience Share	Prime Time	Total Day
Kanal D 	19.8	14.3
DYH Total	19.8	14.3
Show TV	13.2	10.5
ATV	11.3	9.6
Fox	7.6	8.5
Star TV	7.6	7.3
Others	40.6	49.7

Source: AGB Nielsen Media Research (Total Individual)

\* Based on prevailing market research. Following TIAK's termination of AGB Nielsen's contract (previous TV rating provider) in December 2011, TNS will provide TV ratings, but has not initiated ratings yet.



Kanal D – Audience Share (%)



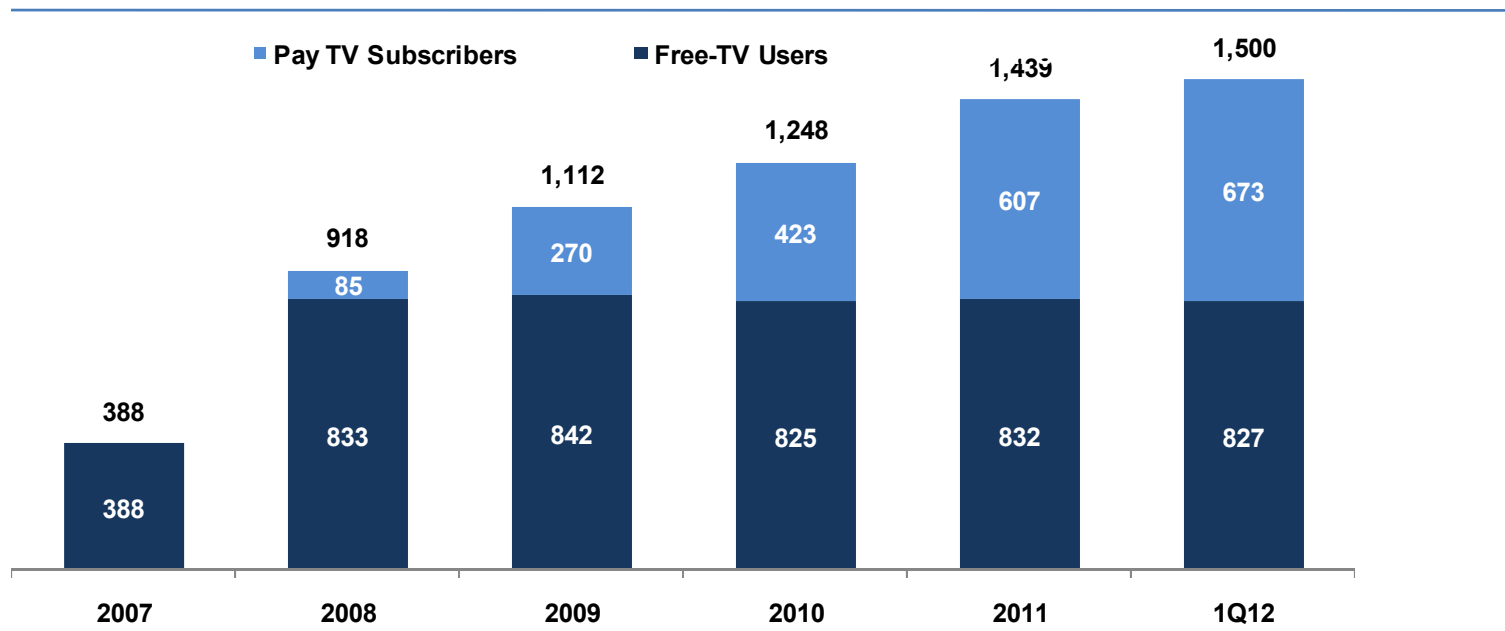


- Attractive demographics and viewing trends
  - Young population in Turkey and increasing number of households.
  - Average daily TV viewing time of 339 min in Turkey vs. European peer average of 240 min.
- D-Smart will benefit from the attractive demographics and viewing trends:
  - Exclusive sports content including Champions League, UEFA League, NBA, Formula 1.
  - 27 HD channels, some are exclusive to D-Smart.



- Number of users reached 1.5 million at March-end 2012.
- The number of Pay TV subscribers continued to grow: reached 673K by 1Q12-end, up by 59% yoy.
- Pay TV Subscribers currently account for 45% of total active users.

D-Smart Statistics (in thousands)



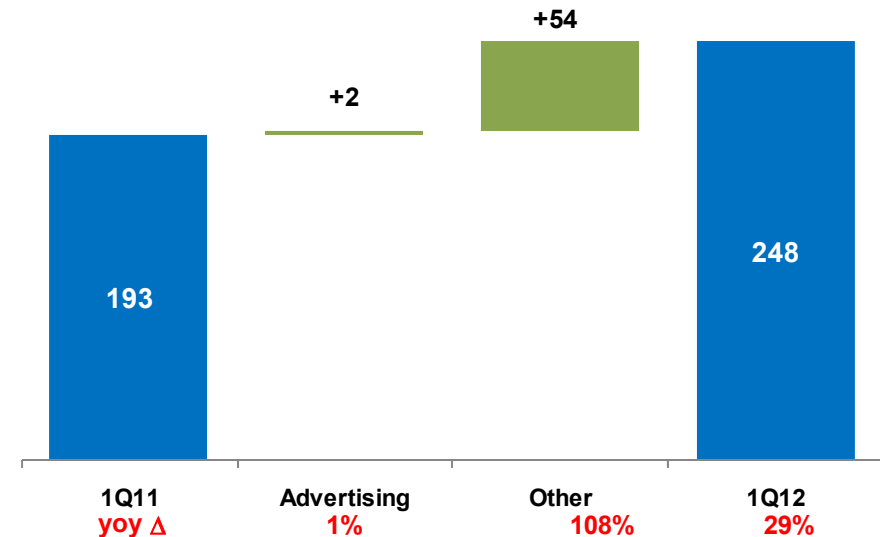
## ***Ad revenues remained intact.***

- Total broadcasting revenues increased by 29% yoy, due to the rise in other revenues.
- Broadcasting segment's other revenues in 1Q12 included sales to Star TV which became 3rd party as of Nov 2011, whereas its 2011 operations grouped under discontinued operations.
- Higher revenues from D-Smart also contributed positively to the broadcasting revenues.
- Recurring EBITDA was TL30 mn, vs. restated figure of TL34 mn in 1Q11, while EBITDA margin was 12%.

Broadcasting (TL mn)	P&L Results		
	1Q11	1Q12	YoY
<b>Revenues</b>	<b>193</b>	<b>248</b>	<b>29%</b>
Advertising	143	145	1%
Other Revenues	50	103	108%
<b>EBITDA*</b>	<b>34</b>	<b>30</b>	<b>-11%</b>
<i>EBITDA Margin</i>	<i>18%</i>	<i>12%</i>	
<b>Net Profit (Loss)</b>	<b>-282</b>	<b>-12</b>	<b>n.m.</b>

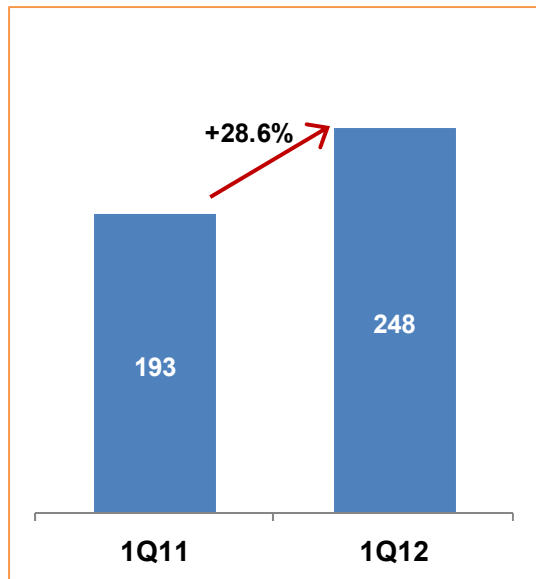
*\*As calculated by DYH; before intersegment eliminations*

Revenue Bridge 1Q11 – 1Q12 (TL mn)

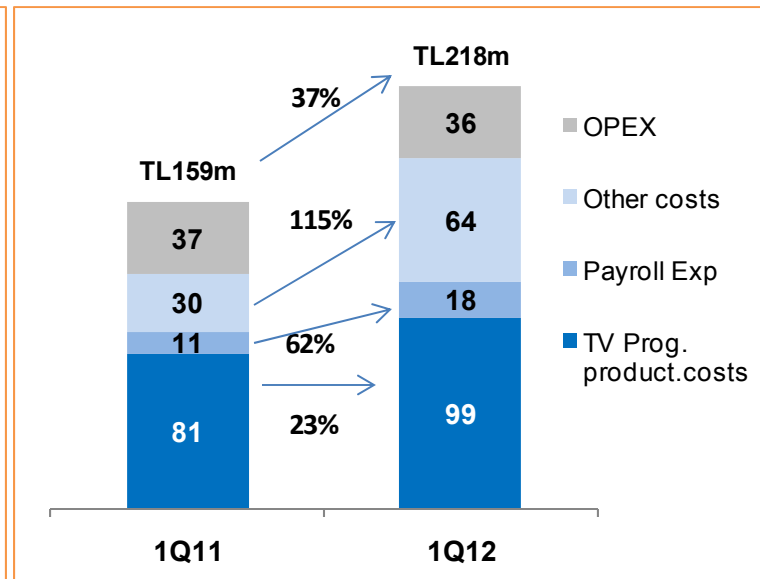


- In line with the reasoning for the rise in other revenues, cost of trade goods sold item increased from TL5 mn in 1Q11 to TL42 mn in 1Q12. This is mainly led by the cost of sales to Star TV, which became 3rd party in 1Q12.
- Programming costs were higher in 1Q12, but in line with the budget due the new season programs.
- Recurring EBITDA was TL30 mn and margin was 12%.

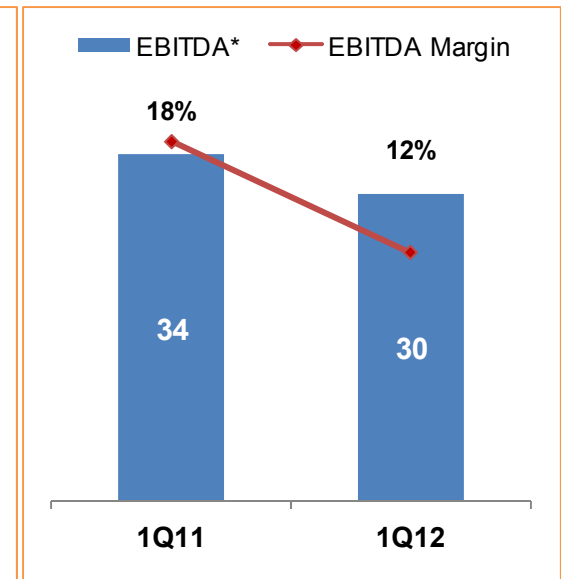
1Q12 Revenue  
(TL mn)



1Q12 Cash Costs Breakdown  
(TL mn)



1Q12 EBITDA  
(TL mn)



*Other Segment*

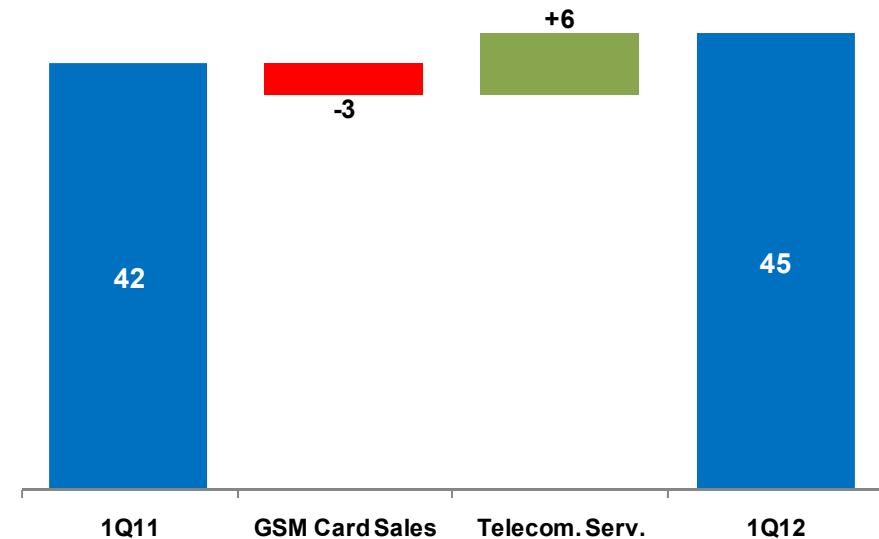
## **Other revenues increased by 7%.**

- Following the sale of D&R, other revenues included telecom services (adsl operations) and prepaid card sales.
- Revenues grew by 7% yoy, despite the negative contribution of the decline in prepaid card sales.
- EBITDA was TL1 mn, and margin reached 2% in 1Q12, vs. -11% in 1Q11.

Other (TL mn)	P&L Results		
	1Q11	1Q12	YoY
<b>Revenues</b>	<b>42</b>	<b>45</b>	<b>7%</b>
Prepaid Card Sales	13	10	-23%
Telecom. Serv.	29	35	21%
<b>EBITDA*</b>	<b>-5</b>	<b>1</b>	<b>n.m.</b>
<i>EBITDA Margin</i>	<i>-11%</i>	<i>2%</i>	
<b>Net Profit (Loss)</b>	<b>-31.2</b>	<b>14.6</b>	<b>n.m.</b>

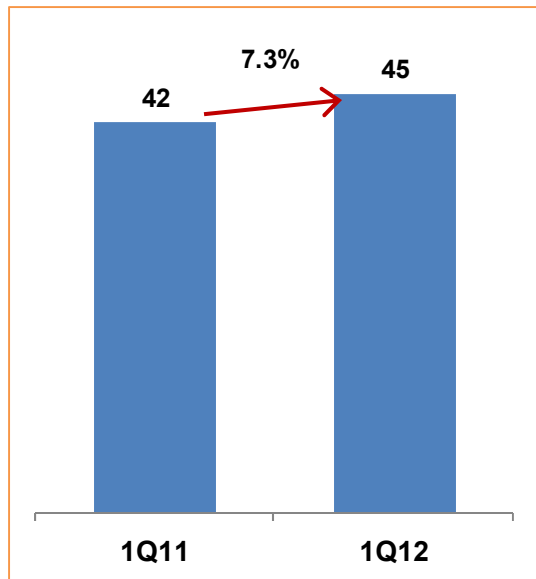
*\*As calculated by DYH; before intersegment eliminations*

Revenue Bridge 1Q11 – 1Q12 (TL mn)

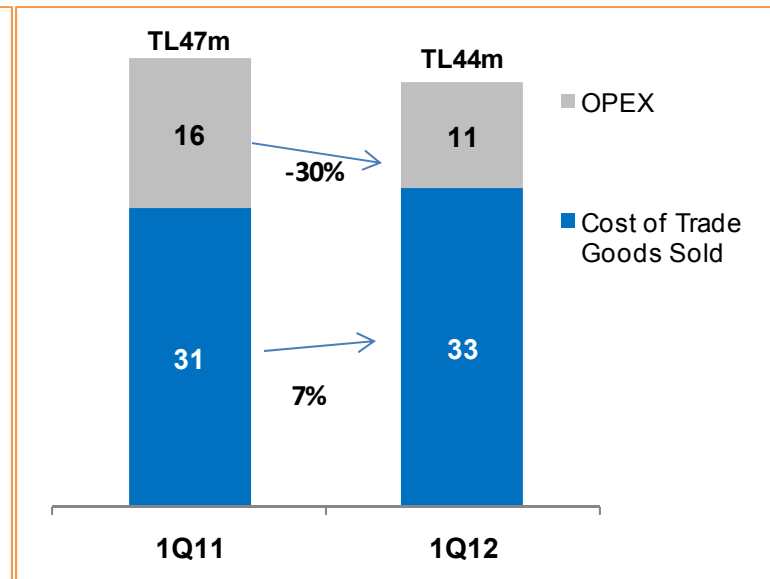


- Thanks to D-Smart's bundle packages of pay TV and ADSL operations, telecommunication services revenues increased by 21% in 1Q12.
- With higher revenues and drop in operating expenses, margins improved EBITDA margin in 1Q11 was -11% levels, compared to 1Q12 EBITDA margin of 2%.

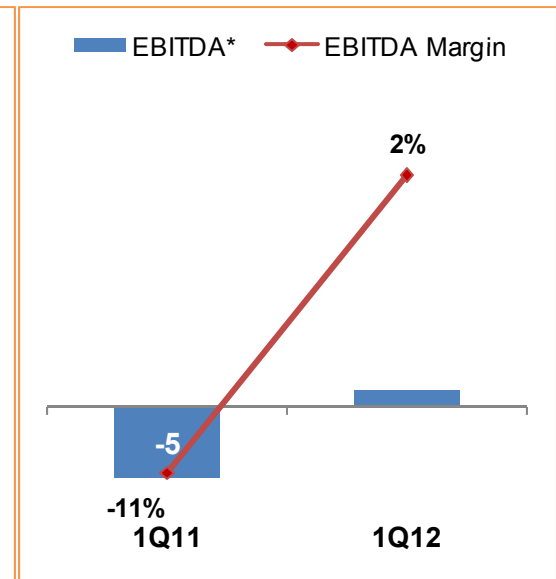
1Q12 Revenue  
(TL mn)



1Q12 Cash Costs Breakdown  
(TL mn)



1Q12 EBITDA  
(TL mn)



## *Investments & Financing*

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	in US\$ mn			in TL mn		
	FY11	1Q12	Δ vs. FY11	FY11	1Q12	Δ vs. FY11
<b>Cash &amp; Bank and Mark. Sec.</b>	617	485	-21%	1,165	860	-26%
<b>S/T Bank Borrowings</b>	392	361	-8%	741	640	-14%
<b>L/T Bank Borrowings</b>	456	410	-10%	861	727	-16%
<b>Other Financial Liabilities*</b>	166	166	1%	313	295	-6%
<b>Net Debt/(Cash)</b>	397	452	14%	751	802	7%
<b>Tax Liability</b>	359	331	n.m.	679	587	n.m.

\* Other financial liabilities include supplier loans, leasing credits and loans related to options

Tax liability: Dogan Yayın Holding and its affiliates have filed for applications under Law No.6111 in 1H11 in relation to “undue and on trial tax liabilities in dispute” amounting to TL5 bn in total, and is required to pay TL1 bn. Currently, total tax liability as of 1Q12-end was TL587 mn (excluding interest), which will be paid in 12 installments (remaining) until Mar 2014.

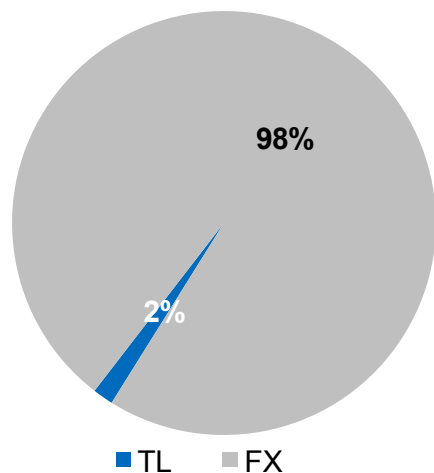
### 1Q12

#### INVESTMENTS (TL mn)

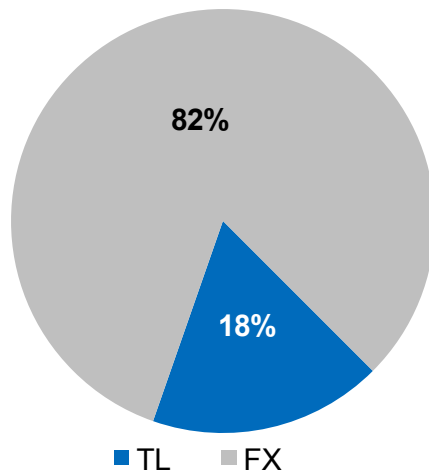
	Publishing	Broadcasting	Other	TOTAL
<b>Fixed Assets</b>	17,369	33,499	2,006	52,874
<b>Programme Rights</b>		6,740		6,740
<b>TOTAL</b>	17,369	40,239	2,006	59,614



Total Bank Debt as of 1Q12-end  
US\$771 mn (TL1,367 mn)



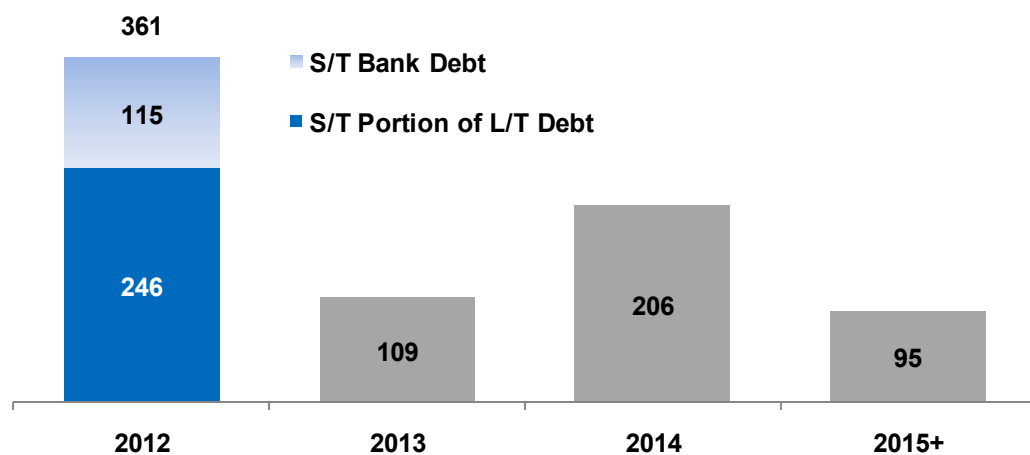
Cash as of 1Q12-end  
US\$485 mn (TL860 mn)



- The cash inflow through restructuring of assets and capital increase that took place in 2011 will be used for meeting the needs of cash working capital, acquitting bank credits, and for the payments to be made within the scope of Law No. 6111.

- Total Bank debts was US\$771 mn in 1Q12-end.

Bank Debt Payment Schedule\*, as of 1Q12-end (US\$)



## *Outlook*

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- Ad market growth in 2012 is likely to be around 10%.
- Expect print media and broadcasting subsidiaries to maintain their market shares and project to have similar ad revenue growth.
- Better financial structure through cash inflows via asset sales.
- Uncertainty on the tax issues is over.
  - Tax liabilities of TL587 mn (excluding interest) as of 1Q12-end will be paid in 12 installments until March-2014 (already paid 6 installments).
- Focusing more on new growth opportunities in internet.

## *Financials*

	in US\$ mn			in TL mn		
	1Q11	1Q12	Δ YoY	1Q11	1Q12	Δ YoY
<b>REVENUES</b>	<b>319</b>	<b>339</b>	<b>6%</b>	<b>501</b>	<b>607</b>	<b>21%</b>
GROSS PROFIT	96	85	-12%	151	152	1%
<b>EBIT<sup>1</sup></b>	<b>13</b>	<b>6</b>	<b>-54%</b>	<b>20</b>	<b>11</b>	<b>-47%</b>
<i>Depreciation &amp; Amortization</i>	21	19	-11%	33	34	1%
<b>EBITDA<sup>2</sup></b>	<b>38</b>	<b>30</b>	<b>-20%</b>	<b>60</b>	<b>54</b>	<b>-9%</b>
NET FINANCIAL INCOME/(EXP.)	-15	21	n.m.	-23	37	n.m.
<b>PROFIT BEFORE TAX</b>	<b>-214</b>	<b>104</b>	<b>n.m.</b>	<b>-337</b>	<b>186</b>	<b>n.m.</b>
NET PROFIT FROM DISCONTINUED OPER.	-30	0	n.m.	-47	0	n.m.
<b>NET PROFIT (After Minority)</b>	<b>-214</b>	<b>60</b>	<b>n.m.</b>	<b>-337</b>	<b>108</b>	<b>n.m.</b>

(<sup>1</sup>) EBIT: Before other operating income and expenses.

(<sup>2</sup>) EBITDA: Adjusted by net IAS 39 impact.

(TL mn)	1Q11	1Q12	Δ YoY
<b>Publishing</b>	<b>295</b>	<b>346</b>	<b>17%</b>
Advertising	150	154	3%
Circulation	65	67	4%
Printing Revenues	13	19	48%
Other Revenues	67	105	56%
Distribution	28	44	57%
Other	39	61	56%
<b>Broadcasting</b>	<b>193</b>	<b>248</b>	<b>29%</b>
Advertising	143	145	1%
Other Revenues	50	103	108%
<b>Other Revenues</b>	<b>42</b>	<b>45</b>	<b>7%</b>
<b>Cumulative Total</b>	<b>530</b>	<b>639</b>	<b>21%</b>
Intersegment Eliminations (-)	-29	-31	9%
<b>Total</b>	<b>501</b>	<b>607</b>	<b>21%</b>

\* As reported

(TL mn)	1Q11	1Q12	Δ YoY
<b>Publishing</b>	<b>150</b>	<b>153</b>	<b>2%</b>
Hurriyet Grup excluding TME	83	85	3%
TME	40	41	1%
Dogan Gazetecilik	19	20	6%
Magazines	5	6	5%
DMG International	2	2	5%
Other	0	0	n.m.
<i>Interseg. Elim. (-)</i>	<i>0</i>	<i>-1</i>	<i>n.m.</i>
<b>Broadcasting</b>	<b>142</b>	<b>139</b>	<b>-2%</b>
Doğan TV Radio	139	139	0%
Kanal D Romanya	4	6	29%
<i>Interseg. Elim. (-)</i>	<i>-2</i>	<i>-5</i>	<i>n.m.</i>
<b>Total Advertising</b>	<b>292</b>	<b>293</b>	<b>0%</b>
<b>Total Combined</b>	<b>293</b>	<b>299</b>	<b>2%</b>

(TL mn)	1Q11	1Q12	Δ YoY
<b>Revenues</b>	<b>501</b>	<b>607</b>	<b>21%</b>
Publishing	295	346	17%
Broadcasting	193	248	29%
Other	42	45	7%
Intersegment Eliminations	-29	-31	n.m.
<b>COGS</b>	<b>350</b>	<b>455</b>	<b>30%</b>
Publishing	199	246	24%
Broadcasting	132	196	48%
Other	31	33	7%
Intersegment Eliminations	-12	-20	n.m.
<b>Operating Expenses</b>	<b>131</b>	<b>142</b>	<b>8%</b>
Publishing	92	100	8%
Broadcasting	38	39	3%
Other	17	12	-30%
Intersegment Eliminations	-16	-9	n.m.

\* As reported



(TL mn)	1Q11	1Q12	Δ YoY
<b>EBIT</b>	<b>20</b>	<b>11</b>	<b>-47%</b>
Publishing	4	-1	n.m.
Broadcasting	23	13	-42%
Other	-6	0	n.m.
Intersegment Eliminations	0	-2	n.m.
<b>EBITDA</b>	<b>60</b>	<b>54</b>	<b>-9%</b>
Publishing	30	25	-18%
Broadcasting	34	30	-11%
Other	-5	1	n.m.
Intersegment Eliminations	0	-2	n.m.
<b>Consolidated EBIT Margin</b>	<b>4.0%</b>	<b>1.7%</b>	
Publishing	1.2%	-0.2%	
Broadcasting	11.8%	5.3%	
Other	-14.7%	-0.2%	
<b>Consolidated EBITDA Margin</b>	<b>11.9%</b>	<b>8.9%</b>	
Publishing	10.2%	7.1%	
Broadcasting	17.8%	12.2%	
Other	-10.8%	2.5%	

(TL mn)	1Q11	1Q12
Operating Profit (EBIT)	20	11
Depreciation & Amortization (+)	46	44
Programme Rights Amortization (-)	-13	-10
Net IAS Impact (+)	6	10
<b>EBITDA</b>	<b>60</b>	<b>54</b>

(1) EBIT: Before other operating income and expenses.

For further information

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