

# DOĐAN HOLDİNG & DOĐAN YAYIN HOLDİNG

## MERGER

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*Create long-term Shareholder Value*



May 28, 2014

# Overview of Proposed Transaction

## Overview

- Board of Directors announced their decision to merge Doğan Holding & Doğan Yayın Holding (DYH) on April 14, 2014
- DYH will be merged under the umbrella of Doğan Holding through all its assets and liabilities taken over as a whole by Doğan Holding

## Time table

- Doğan Holding & DYH's 2013 year-end audited financials released in March 2014, & General Assembly meetings for the approval of FY13 financial results were held on March 31, 2014
- Board decision announced on April 14, 2014
- CMB application filed on April 30, 2014
- Expert Institution report released on May 22, 2014 (revised on May 26, 2014)
- Merger report, merger agreement and disclosure document released on May 26, 2014
- Following CMB approval, General Assembly will be held for the approval of the merger
- Expected finalization of the transaction is 3Q14

## Key Conditions

- Exchange ratio: 1 DYH share = 0.4864 DOHOL share; as announced in the Expert Institution Report
- If shareholders prefer to exercise their Exit Right<sup>1</sup>:
  - *Exit price for DOHOL: TL0.67/share<sup>2</sup>*
  - *Exit Price for DYH: TL0.50/share<sup>2</sup>*
- There will be an upper limit for exit rights and merger may not take place if the amount exceeds this limit.
- The completion of the merger is subject to CMB & Shareholders approval

<sup>1</sup> The shareholders or their representatives that cast negative votes, and have the opposition clause entered in the minutes of meeting at the general assembly meeting; and later apply the brokerage firm will be entitled to exercise exit rights.

<sup>2</sup> Exit right Prices is calculated as the "arithmetic mean of the weighted average prices" that occurred in the Stock Exchange during the thirty days prior to the date of the Board Resolution (pursuant to the provisions of Article 24 of the Capital Market Law, "Exit Rights", and Article 10, the "Price for Exercising the Exit Rights", of CMB's "The communiqué on common principles for material transactions and exit rights" (II-23.1))

# Transaction Highlights

Create long-term Shareholder Value

Simpler & more efficient structure

Effective capital allocation

Efficient financial structure

Broader investor base

Further cost synergies

Further improved Corporate Governance Practices

# Doğan and Doğan Yayın Holding Operations



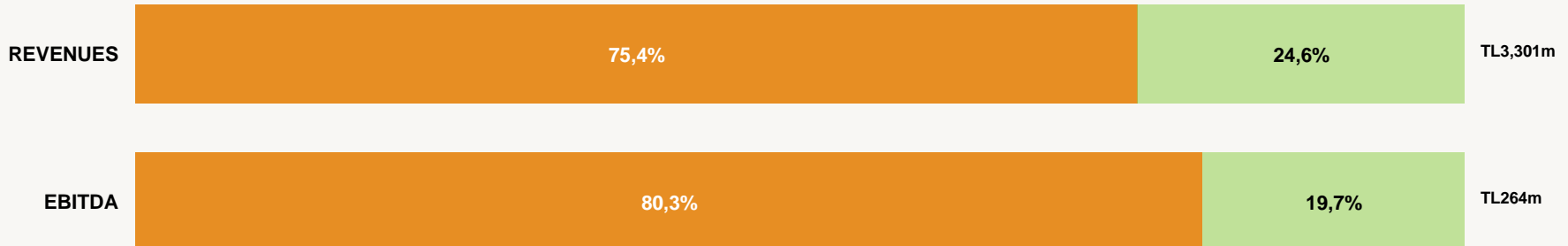
- As of 2013, Media operations, which come from Doğan Yayın Holding, represent 75% of Doğan Holding's revenues and 80% of its EBITDA

## DOĞAN HOLDİNG



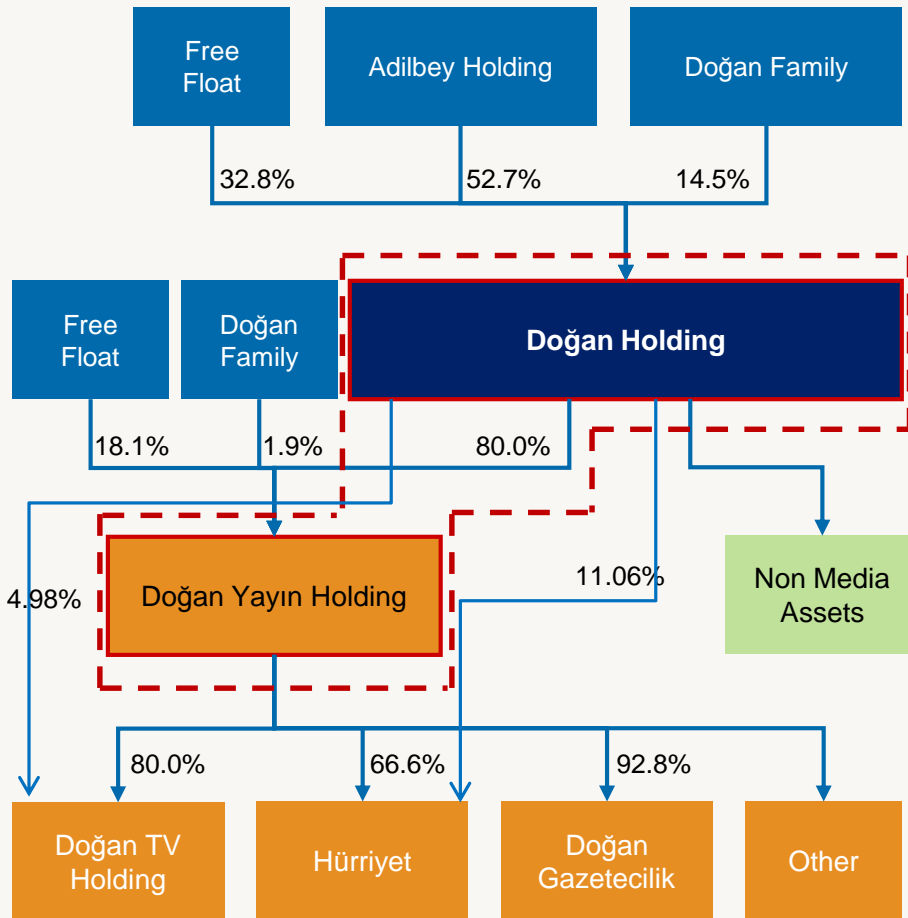
### Broadcasting

### Publishing

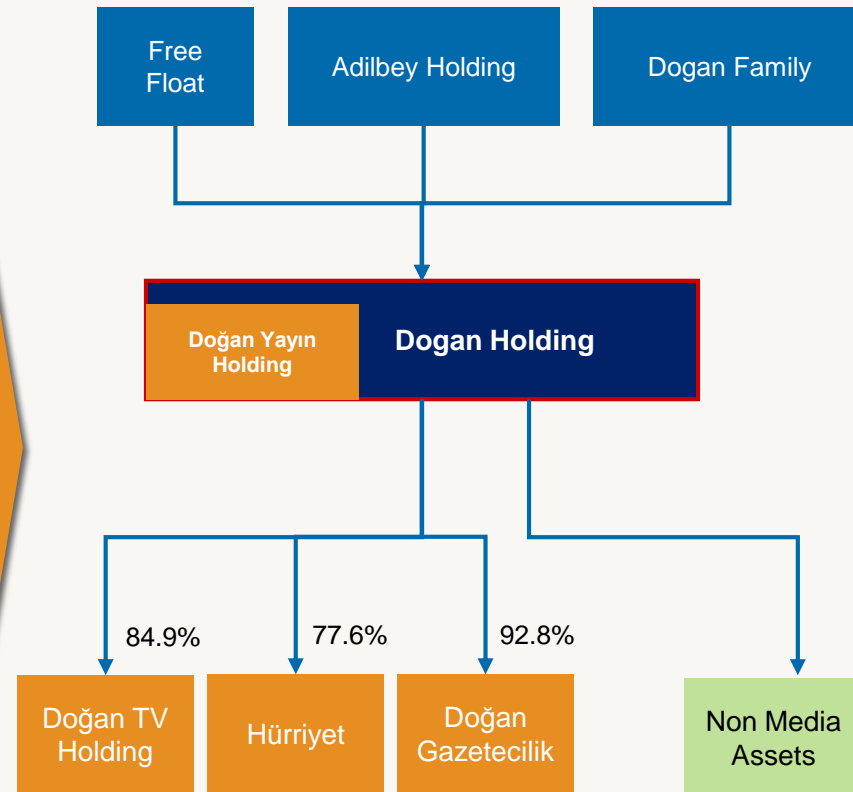


# Simplified Group Structure

## CURRENT STRUCTURE



## PROPOSED MERGED STRUCTURE



# Existing Board Structure of Doğan Holding will Remain



## Doğan Holding Board Members

Name	Title
Y. Begümhan DOĞAN FARALYALI	Chairwoman
Hanzade V. DOĞAN BOYNER	Vice Chairwoman
Arzuhan DOĞAN YALÇINDAĞ	Board member
Vuslat DOĞAN SABANCI	Board member
Yahya ÜZDİYEN	Executive Board member
İmre BARMANBEK	Board member
Ertuğrul Feyzi TUNCER	Independent Board member
Ali Aydın PANDIR	Independent Board member
Tayfun BAYAZIT	Independent Board member

## Doğan Holding Executive Board Members

Name	Title
Yahya ÜZDİYEN	President, CEO
Soner GEDİK	Member
Ahmet TOKSOY	Member, CFO

DYH will be merged under the umbrella of Doğan Holding through all its assets and liabilities taken over as a whole by Doğan Holding.

# Expected Timetable for the Merger



# Applied Valuation Methodologies

- Expert Institution\* used weighted average of three valuation methods to determine the exchange ratio as provided in Expert Institution Report.
  - Book Value
  - Peer Comparison
  - Average Market Cap

\* KPMG Akis Bağımsız Denetim ve SMMM A.Ş.

	Expert Institution Analysis
Merger ratio	91.21%
Paid-in capital after merger <sup>1</sup>	2,685,977,233
Exchange ratio	0.4864
Capital increase amount	235,977,233

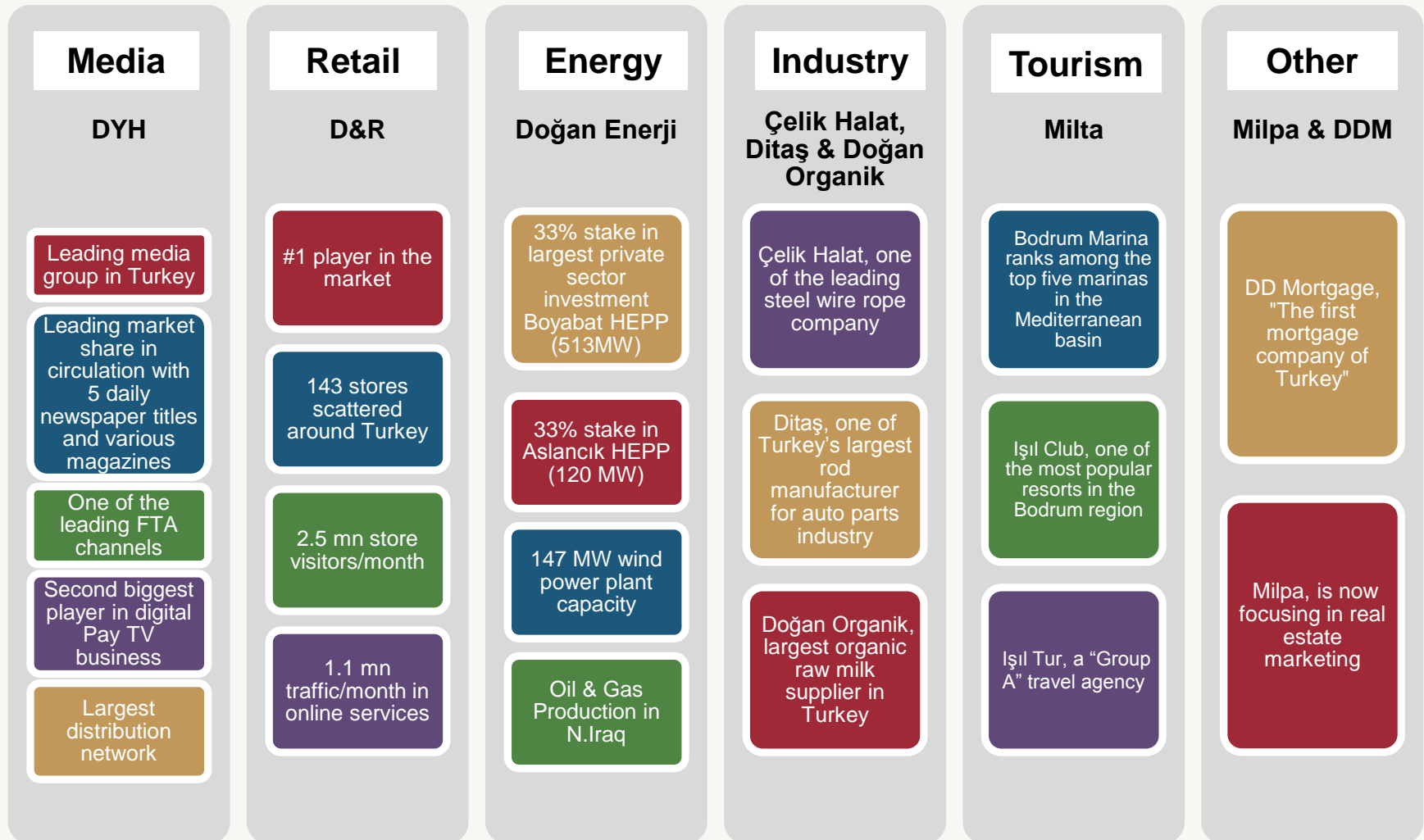
<sup>1</sup> Under the assumption that there will not be any execution of exit rights.



# APPENDIX

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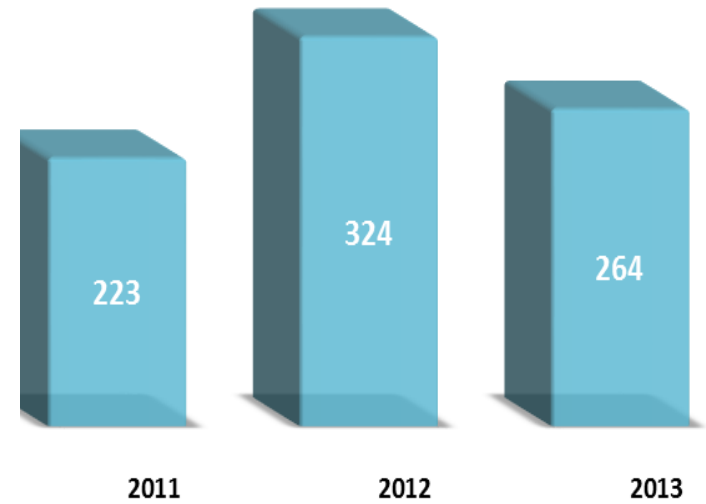
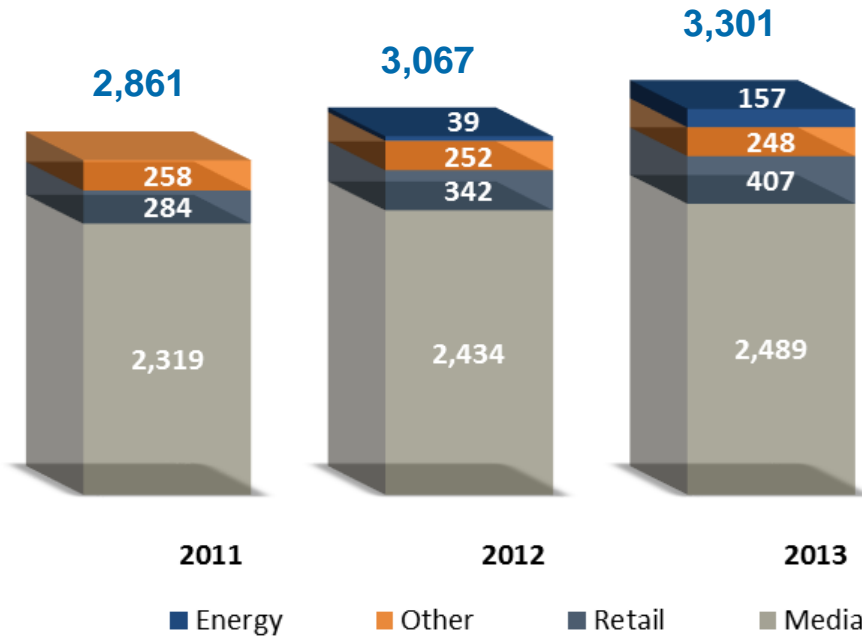
# Strong Asset Portfolio of Doğan Holding



# Financial Summary

Doğan Holding Consolidated Revenues (TL mn)

Doğan Holding Consolidated EBITDA (TL mn)



# Consolidated Balance Sheet - Summary

in TL mn	12/31/2013	12/31/2012	Δ
<b>Current Assets</b>	3,978	4,120	-3%
<b>Non Current Assets</b>	3,610	3,664	-1%
<b>Total Assets</b>	7,588	7,785	-3%
<b>Current Liabilities</b>	2,024	2,138	-5%
<b>Non Current Liabilities</b>	1,563	1,562	0%
<b>Minority Interest</b>	750	904	-17%
<b>SHs Equity, parent</b>	3,250	3,181	2%
<b>Total Liabilities &amp; SH's Equity</b>	7,588	7,785	-3%

# Consolidated Income Statement- Summary

in TL mn	2013	2012	Δ YoY
<b>Sales</b>	<b>3,301</b>	<b>3,067</b>	<b>8%</b>
<b>Gross Profit</b>	<b>847</b>	<b>893</b>	<b>-5%</b>
<i>Gross Margin</i>	25.7%	29.1%	-3.5 p.p.
General Administrative Expenses	-372	-379	-2%
Marketing Expenses	-461	-390	18%
Other Operating Income/(Expense),net	393	98	302%
Share of Profit/(Loss) on Investments Accounted by Equity Method	-106	23	n.m.
<b>Operating Profit</b>	<b>301</b>	<b>244</b>	<b>23%</b>
Income/(Expense) From Investment Activities, net	105	205	-49%
Financial Income/(Expense),net	-455	-131	246%
<b>Profit/(Loss) Before Income Taxes From Continued Operations</b>	<b>-50</b>	<b>318</b>	<b>n.m.</b>
Profit After Tax From Continued Operations	-166	257	n.m.
<b>Net Profit After Minority</b>	<b>-38</b>	<b>156</b>	<b>n.m.</b>
EBITDA	264	324	-19%
<i>EBITDA Margin</i>	8.0%	10.6%	-2.6 p.p.

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## Thank You

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