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Review of 1Q16 Results
APRIL, 2016

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Dogan Burda: Leading Magazine Group in Turkey

Women, Health and Decoration

burda **elele** **ELLE** **ELLE** **-evim** **formsanté**
MAISON **diabetic**
FRANCAISE **LIVING.**

Economy, News and Law

Ekonomist **Capital** **güncel**
hukuk

People, Youth, Travel and Life Style

HELLO! **HAFTA SONU** **İSTANBUL** **ATLAS** **GEO** **heygirl** **blue JEan**

Information Technology and Computers

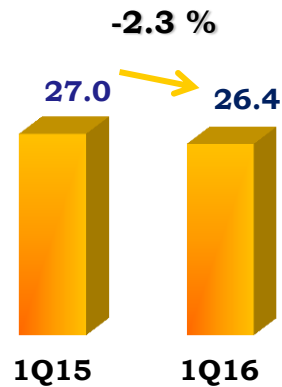
CHIP **PC**

Hobbies, Cooking and Special Interest

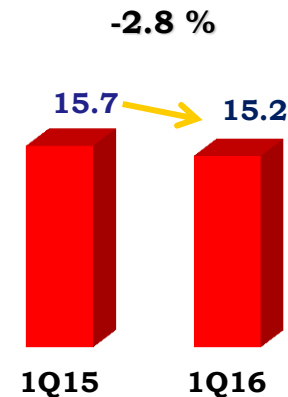
Lezzet **EvBahçe** **YACHT** **Auto** **LEVEL**
TEMPO **ATLAS** **Tarih** **POPULAR** **SCIENCE** **REVOLUTION**
BEEF & FISH **HOTELIER** **THE RAKE**
KAZANIN TADINI DELENLER İÇİN
INTERNATIONAL.COM

- The volatility in Turkish markets led to a slight decline of 2.3% yoy in Turkish magazine ad market in 1Q16.
- As a result of unfavourable market environment, Doğan Burda's (DB) advertising income dropped by 2.8% yoy in 1Q16, in line with the market. DB kept its leading position.

Magazine Advertising -
Turkey (TRYm)



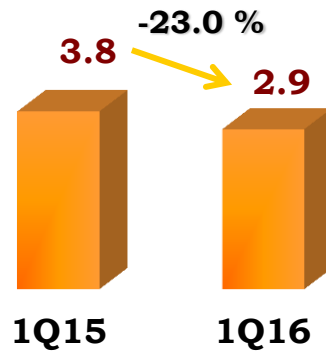
Doğan Burda Advertising
Revenues (TRYm)*



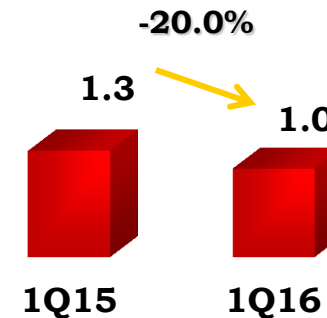
* Ad revenues = Reported ad revenues plus IAS adjustments & reclassifications.

- Turkish magazine circulation market was down by 23% yoy in 1Q16.
- Decline in youth and IT magazine circulation and shifted spin-offs resulted in a decline in DB's circulation figures as well; but slightly better than the market.
- DB maintained its undisputed circulation market leadership position with 34% share in 1Q16.

**Total Net Circulation Units –
Turkey (Units m)**

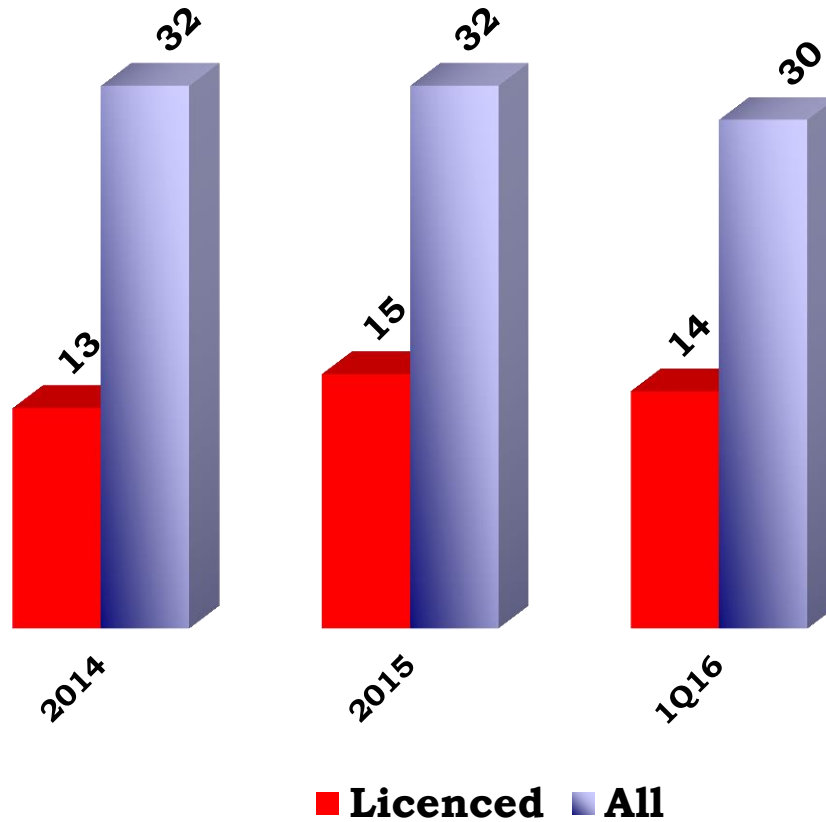


**Dogan Burda Net Circulation
(Units m)**



Number of Magazines (Period End)

- Focusing on the current portfolio; no new launches.



- Successful seasonal brands continued to add value in 1Q16:
 - The launch of Atlas Tarih Sport, Tempo Crossword (three new types) as sub-brands.
 - Auto Show was re-launched monthly period beginning from Jan'16.
- Cover price adjustments in 1Q16 by Auto Show, Evim, and Güncel Hukuk.
- Focusing on digital activities continued:
 - Elele Online has been re-launched.
 - All magazines are available on tablets.
 - E-Store platform for digital Burda Style patterns and sewing courses has been launched.
- Uludag Economic Summit, organized by Dogan Burda's Capital and Economist magazines, was held in March 2016 in Bursa with the participation of Turkey's leading economists, businessmen and administrators with the contribution of several international speakers.
- Gross cash dividend distribution of TRY 4.05 mn from 2015 earnings has been completed on March 31, 2016; dividend pay out ratio* was 122.1%.

** The ratio of proposed dividend to shareholders to net distributable income.*



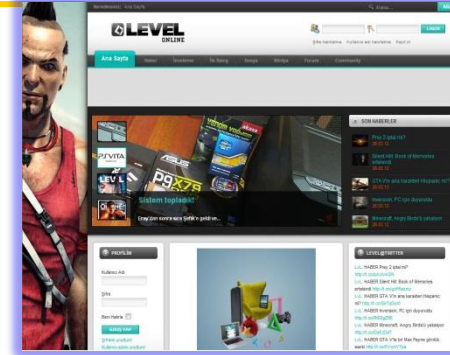
www.chip.com.tr



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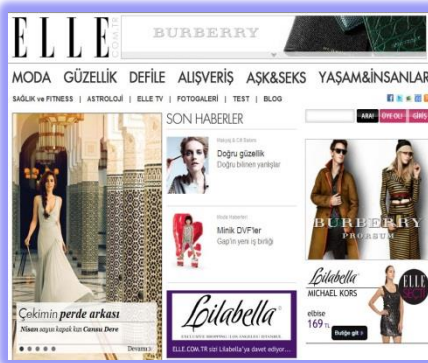
www.capital.com.tr



www.level.com.tr



www.lezzet.com.tr



www.elle.com.tr



www.kesfetmekicinbak.com



www.ekonomist.com.tr

- NeoTempo.com, the lifestyle news portal, has reached 1.3 Million UVs per month.
- E-Store platform for digital Burda Style patterns and sewing courses has been launched.
- CHIP Online has reached 3.5 Million UVs per month (www.chip.com.tr).
- Elele Online (www.elele.com.tr) has been re-launched.
- All magazines are available on tablets. Total number of monthly downloads is more than 25.000.
- Approximately 9.5 mn monthly unique visitors in total.

Sources: Google Analytics & Apple iTunes MICHAEL

Summary Results – 1Q16

- Significant negative impact of 1Q16's social and political unrest led to a decline in ad revenues.
- Total revenues increased by 1.2% yoy in 1Q16; owing to cover price adjustments and the expansion in imported magazines portfolio.
- Income from investing activities declined, with the absence of fx gain that resulted from one-off building sale that took place in June'14.

Million TRY	FY15	1Q15	1Q16	Ch.%
Net Sales	97.95	24.42	24.70	1.2
Cost of Goods Sold (-)	59.31	12.97	12.77	(1.6)
Operating Exp. (-)	40.01	10.92	12.46	14.2
Operating Profit/(Loss)	(1.37)	0.53	(0.53)	n.m
Other Operating Income, net	2.13	1.71	(0.09)	n.m
EBITDA*	(0.29)	0.86	(0.22)	n.m
Income/Expenses from Investing Activities**	4.03	1.66	(0.00)	n.m
Operating Profit/(Loss) before Finance Exp.	4.79	3.89	(0.62)	n.m
Net Profit/(Loss)	3.52	3.02	(0.70)	n.m

(*) Adjusted EBITDA by net IAS 39 impact and excluding other operational income/(exp.).

(**) FY15 includes F/X gain of USD 5.0 mn building receivable collected at Oct. 05, 2015.

Revenue & Cost Analysis – 1Q16

- Despite contraction in ad market in Turkey; DB's total revenues increased by 1.2%.
- Despite fluctuating fx rates, COGS were down by 1.6%, owing to lower circulation figures.
- Gross profit increased by 4.3% to TRY 11.93 mn, thanks to decline in COGS.

Million TRY	FY15	1Q15	1Q16	Ch.%
Total Revenues	97.95	24.42	24.70	1.2
Advertising	57.76	15.20	14.74	(3.0)
Circulation	35.81	7.13	7.53	5.7
Other	4.38	2.09	2.43	16.3
Total COGS	59.31	12.97	12.77	(1.6)
Production Costs	25.74	4.92	5.20	5.7
Depreciation	0.35	0.09	0.09	0.4
Other Costs	33.21	7.96	7.47	(6.1)
Gross Profit	38.64	11.45	11.93	4.3
Gross Margin	39.45	46.88	48.31	1.4pp

Operational Profitability –1Q16

- Operational expenses increased by 14.2% as a result of shifted event Elle Style Awards from 2015; and Uludag Economic Summit expenses parallel to its income.

Million TRY	FY15	1Q15	1Q16	Ch.%
Total Operational Exp.(-)	40.01	10.92	12.46	14.2
Marketing, Sales & Distribution	29.68	8.71	9.25	6.3
General Administrative	10.33	2.21	3.21	45.3
Operating Profit/(Loss)	(1.37)	0.53	(0.53)	n.m
EBITDA*	(0.29)	0.86	(0.22)	n.m
Other Operating Income, net	2.13	1.71	(0.09)	n.m
Income/Expenses from Investing Activities**	4.03	1.66	(0.00)	n.m
Operating Profit/(Loss) before Finance Exp.	4.79	3.89	(0.62)	n.m
Financial Expense, net	(0.23)	(0.06)	(0.05)	(14.6)
Profit Bef.Tax	4.55	3.83	(0.67)	n.m
Tax	(1.04)	(0.81)	(0.03)	(96.6)
Net Profit/(Loss)	3.52	3.02	(0.70)	n.m

(*) Adjusted EBITDA by net IAS 39 impact and excluding net other operational inc./ (exp.).

(**) FY15 includes F/X gain of USD 5.0 mn building receivable collected of Oct. 05, 2015.

Million TRY	Dec 31, 2015	Mar 31, 2016
Cash & Cash Equivalents	17.9	17.2
Net Cash/(Net Debt)	17.6	16.8
Total Assets	61.1	61.4
Shareholder's Equity	34.9	30.1

- Net cash position was TRY 16.8 mn at 1Q16-end, slightly below the level attained at Dec'15.
- Maintaining sufficient liquidity cushion to meet any short-term operational funding.
- Gross cash dividend of TRY 4.05 mn distribution completed on March 31, 2016.

- The pace of expansion in the advertising market depends on the economic and political stability in subsequent quarters.
- Ongoing studies for 360 degree publishing, for improving new revenue streams continues including all digital channels, such as:
 - Targeting to focus more on Custom Video streaming and live broadcasting.
 - Native Ad revenue is growing and expected to be one of the main digital revenue channels in the following years.
 - Focus on enhancing content by videos and building mobile app's in 2016
- Targeting profitable growth by seeking opportunities for new brands both in local and one shot magazines.
- Sustainability remains at the core of operations and strategies in order to keep revenue growth, together with strong cash position.