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**Review of 3Q16 Results
OCTOBER, 2016**

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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** **ISTANBUL** **ATLAS** **heygirl**
LIFE

Information Technology and Computers

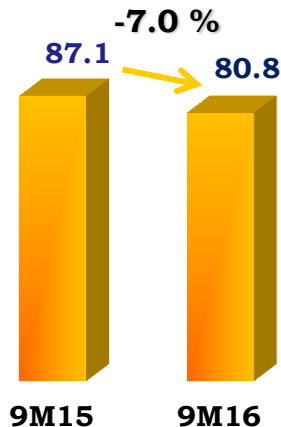
CHIP **PC**
YAKIN
DİJİTAL YAŞAM VE TEKNOLOJİ DERGİSİ

Hobbies. Cooking and Special Interest

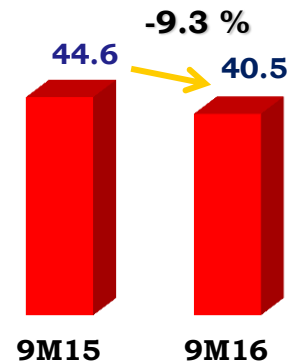
Lezzet **EvBahçe** **YACHT** **Auto** **LEVEL**
TEMPO **ATLAS** **POPULAR** **REVOLUTION**
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- The negative developments in Turkey in last quarter led to a 10.5% decline in Turkish magazine ad market in 3Q16, yoy.
- This led to a 7.0% yoy drop in Turkish magazine ad market in 9M16.
- In line with the market, Doğan Burda's (DB) ad revenue dropped by 9.3% yoy in 9M16. DB continued to maintain its leading position in the sector.

Magazine Advertising -
Turkey (TRYm)



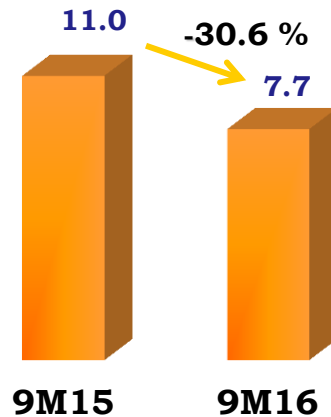
Doğan Burda Advertising
Revenues (TRYm)*



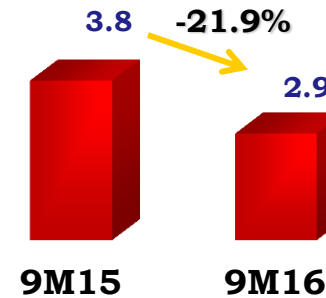
* Ad revenues = Reported ad revenues plus IAS adjustments & reclassifications.

- Together with the negative developments in 3Q16, Turkish magazine circulation market was down by 31% yoy in 9M16.
- Decline in youth and IT magazine circulation and shifted spin-offs resulted in a decline in DB's circulation figures as well; but performed better than the market.
- DB maintained its leadership position with 38% market share in 9M16.

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

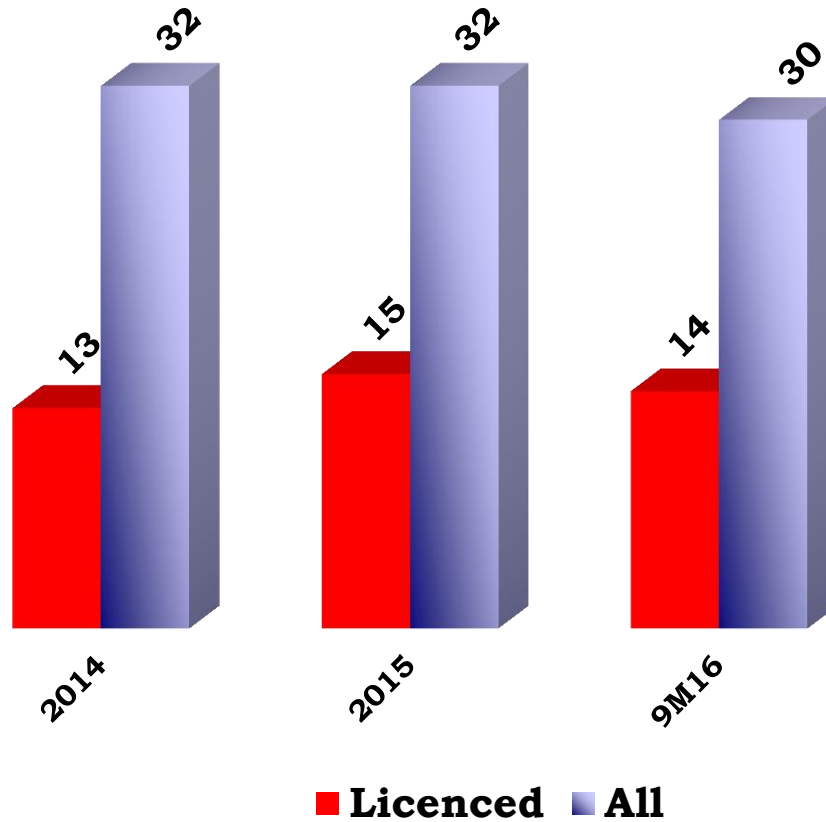


**Dogan Burda Net Circulation
(Units m)**



Number of Magazines (Period End)

- Focusing on the current portfolio; no new launches.



- Successful seasonal brands continued to add value in 9M16:
 - 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.
- In 9M16 cover prices were adjusted by Auto Show, Burda, Capital, Chip, Elele, Elle, Ekonomist, Ev Bahçe, Evim, Form Sante, Güncel Hukuk, Hafta Sonu, Hello, Hey Girl, İstanbul Life, Level, Lezzet, Pc Net, Popular Science, Tempo and Yacht Türkiye.
- Focusing on digital activities continued:
 - Elle Online and Lezzet.com.tr have been re-launched.
 - All magazines are available on Magzter; the world's largest and fastest growing cross platform global digital magazine newsstand.
 - E-Store platform for digital Burda Style patterns and sewing courses has been launched.
 - Started making deals for content providing services.
 - New native advertising format «Editor Test» has been launched.
 - Dogan Burda content and event studio (www.contentandeventstudio.com) web page has been established. All the creative 360 marketing services are listed.
- 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 initiated on March 28, 2016; dividend pay out ratio* was 122.1%.

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



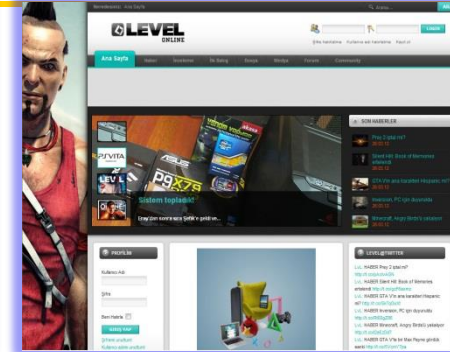
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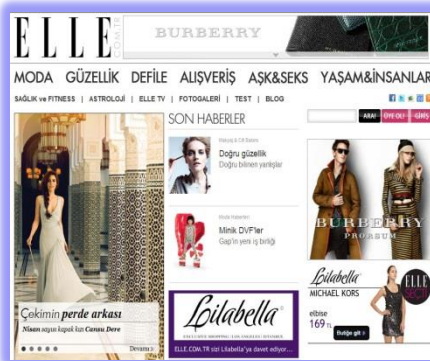
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- NeoTempo.com, the lifestyle news portal, has reached 2.5 mn UVs per month vs. 1 mn in Dec 2015.
- A new in-house agency, DB Content and Event Studio (www.contentandeventstudio.com), has been launched.
- Lezzet.com.tr has been re-launched.
- Monthly e-magazine downloads has reached to 70.000 in total.
- Approximately 9.9 mn monthly unique visitors in total on web sites.

*Sources: Google Analytics & Apple iTunes Connect

- In 3Q16, net sales contracted by 20% yoy to TRY 17.1 mn, led by negative market conditions. As a result, Net Sales dropped by 8.6% yoy in 9M16.
- Income from investing activities declined with the absence of fx gain that resulted from one-off building sale income that was reflected in 9M15 financial figures.

Million TL	FY15	3Q15	3Q16	Ch.%	9M15	9M16	Ch.%
Net Sales	97.95	21.22	17.08	(19.50)	73.36	67.03	(8,6)
Cost of Goods Sold (-)	59.31	15.15	12.53	(17.31)	43.70	40.44	(7,4)
Operating Exp. (-)	40.01	9.17	8.42	(8.11)	29.46	30.85	4,7
Operating Profit/(Loss)	(1.37)	(3.10)	(3.87)	24.87	0.20	(4.26)	n.m
Other Operating Income, net	2.13	0.21	0.40	88.23	1.92	1.13	(41,3)
EBITDA*	(0.29)	(2.83)	(3.64)	28.76	1.07	(3.49)	n.m
Income/Expenses from Investing Activities**	4.03	1.93	0.01	(99.73)	4.12	0.00	(99,9)
Operating Profit/(Loss) before Finance Exp.	4.79	(0.96)	(3.46)	261.06	6.24	(3.13)	n.m
Net Profit/(Loss)	3.52	(0.80)	(3.15)	293.27	4.67	(3.26)	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 – 9M16

- Despite fluctuations in fx, lower circulation figures led to a 7.4% decline in COGS.
- As the decline in COGS was limited vs. the drop in total revenues; gross profit was down by 10.4% yoy.

Million TRY	FY15	9M15	9M16	Ch.%
Total Revenues	97.95	73.36	67.03	(8.6)
Advertising	57.76	43.07	39.10	(9.2)
Circulation	35.81	26.59	24.07	(9.5)
Other	4.38	3.70	3.87	4.6
Total COGS	59.31	43.70	40.44	(7.4)
Production Costs	25.74	19.14	16.70	(12.7)
Depreciation	0.35	0.26	0.27	3.4
Other Costs	33.21	24.30	23.47	(3.4)
Gross Profit	38.64	29.66	26.59	(10.4)
Gross Margin	39.45	40.43	39.66	(0.8)

Operational Profitability –9M16

- Operational expenses increased by 4.7% as a result of shifted events from 2015; and Uludag Economic Summit expenses parallel to its income.

Million TRY	FY15	9M15	9M16	Ch.%
Total Operational Exp.(-)	40.01	29.46	30.85	4.7
Marketing, Sales & Distribution	29.68	22.72	22.85	0.5
General Administrative	10.33	6.74	8.00	18.8
Operating Profit/(Loss)	(1.37)	0.20	(4.26)	n.m
EBITDA*	(0.29)	1.07	(3.49)	n.m
Other Operating Income. net	2.13	1.92	1.13	(41.3)
Income/Expenses from Investing Activities**	4.03	4.12	0.00	(99.9)
Operating Profit/(Loss) before Finance Exp.	4.79	6.24	(3.13)	n.m
Financial Expense. net	(0.23)	(0.17)	(0.15)	(12.1)
Profit Bef.Tax	4.55	6.07	(3.28)	n.m
Tax	(1.04)	(1.40)	0.02	n.m
Net Profit/(Loss)	3.52	4.67	(3.26)	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	Sep 30. 2016
Cash & Cash Equivalents	17.9	15.9
Net Cash/(Net Debt)	17.6	15.6
Total Assets	61.1	54.8
Shareholder's Equity	34.9	27.6

- Net cash position was TRY 15.6 mn at 9M16-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 distributed on March 28, 2016.

- The recent developments in Turkey, may put a pressure on both circulation and ad revenues in subsequent quarters. Further actions will be taken to prevent negative deviation of circulation and ad revenues.
- Sustainability remains at the core of operations and strategies in order to keep revenues flat as much as possible, together with strong cash position.
- Ongoing studies for 360 degree publishing, for improving new revenue streams continues including all digital channels, such as: Targeting to focus more on digital natured ad kinds (video, native, etc.)
- Cover price increases will have a positive impact at 2016 year end.