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**Review of 4Q16 & 2016 Results  
MARCH, 2017**

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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

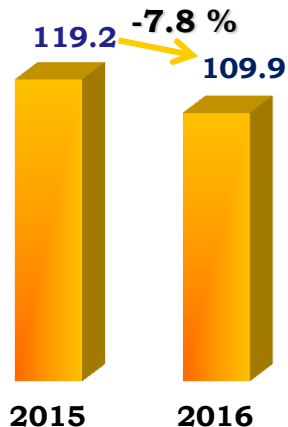
**CHIP** **PC**  
**YAKIN**  
**DİJİTAL YAŞAM VE TEKNOLOJİ DERGİSİ**

## Hobbies. Cooking and Special Interest

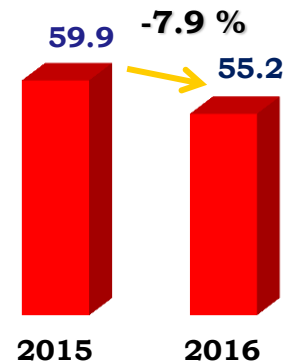
**Lezzet** **EvBahçe** **YACHT** **Auto** **LEVEL**  
**TEMPO** **ATLAS** **Tarih** **POPULAR** **REVOLUTION**  
**SCIENCE** **GELECEK** **YAKIN** **SİMİDİ**  
**BEEF & FISH** **HOTELIER** **THE RAKE**  
**INTERNATIONAL.COM**

- The negative developments in Turkey in 2016 led to a 7.8% yoy drop in Turkish magazine ad market.
- In line with the market, Doğan Burda's (DB) ad revenue decline was in line with the market and DB maintained its leading position in the sector.

**Magazine Advertising - Turkey (TRYm)**



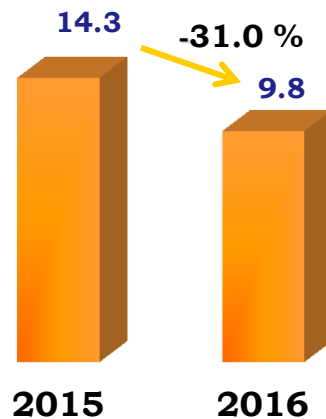
**Doğan Burda Advertising Revenues (TRYm)\***



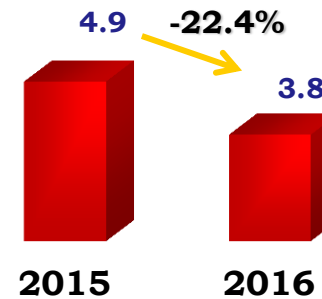
\* Ad revenues = Reported ad revenues plus IAS adjustments & reclassifications.

- Turkish magazine circulation market was down by 31% yoy in 2016, mainly due to the negative developments in 3Q16.
- DB's circulation figures were down due to ceased publications and shifted spin-offs; but was still able to outperform the market.
- DB maintained its leadership position with 39% market share in 2016.

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

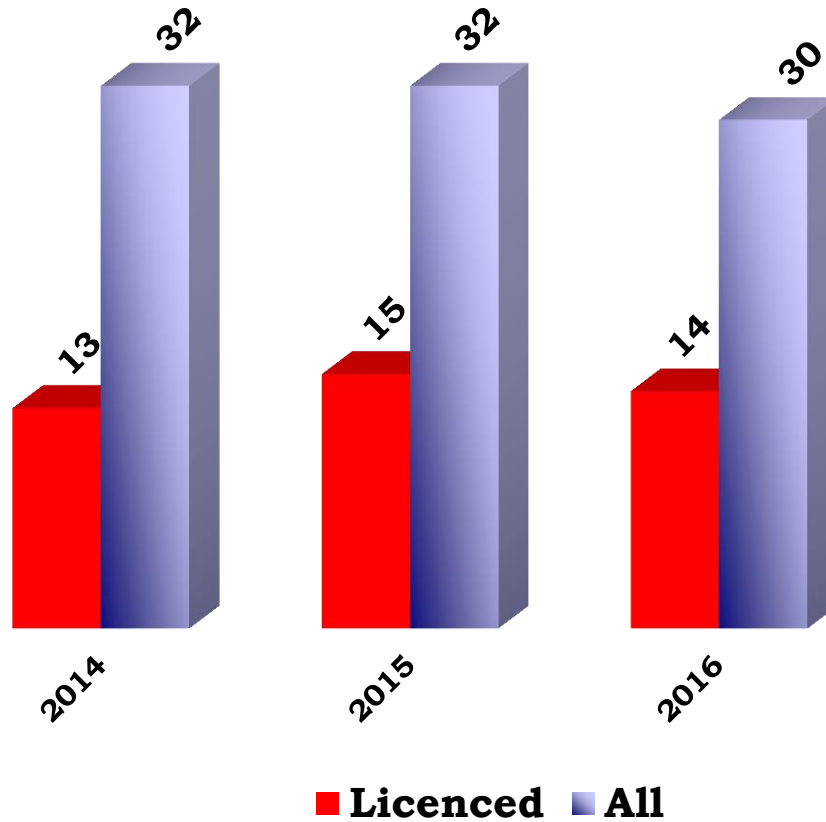


**Dogan Burda Net Circulation  
(Units m)**



## Number of Magazines (Period End)

- Focusing on the current portfolio; no new launches.



- Successful seasonal brands continued to add value in 2016:
  - The launch of Atlas Tarih Sport, Tempo Crossword (three new types), Hello Fashion Homes as sub-brands.
  - Auto Show was re-launched on a monthly period beginning from Jan'16.
- In 2016 cover prices were adjusted for selected magazines: 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, Lezzet.com.tr & Autoshow.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](http://www.contentandeventstudio.com)) web page has been established. All the creative 360 marketing services are listed.
  - A new deal has been made with Turkcell Dergilik, e-magazines has been downloaded more than 200K monthly.
- 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.



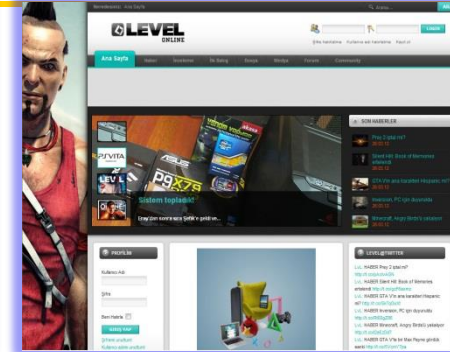
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[www.ekonomist.com.tr](http://www.ekonomist.com.tr)

- A new deal has been made with Turkcell Dergilik, e-magazines has been downloaded more than 200K monthly.
- CHIP Online has reached 3.7 mn UVs per month ([www.chip.com.tr](http://www.chip.com.tr)).
- Lezzet.com.tr has been re-launched.
- With the new e-commerce platform Burda patterns are being sold in digital format.
- On web sites approximately 9.9 mn monthly unique visitors in total.

Sources: Google Analytics , Apple iTunes Connect, Turkcell Dergilik



## Summary Results – 2016

- Cover price increases helped to partially offset the decline in revenues: Net Sales was down by 8.6% yoy in 2016 despite 20% contraction in 3Q16 led by negative market conditions.
- Income from investing activities declined with the absence of fx gain that resulted from one-off building sale income that was reflected in 2015 financial figures.

<b>Million TL</b>	<b>4Q15</b>	<b>4Q16</b>	<b>Ch.%</b>	<b>2015</b>	<b>2016</b>	<b>Ch.%</b>
<b>Net Sales</b>	<b>24.59</b>	<b>22.45</b>	<b>(8.7)</b>	<b>97.95</b>	<b>89.49</b>	<b>(8.6)</b>
<b>Cost of Goods Sold (-)</b>	<b>15.61</b>	<b>15.58</b>	<b>(0.2)</b>	<b>59.31</b>	<b>56.02</b>	<b>(5.5)</b>
<b>Operating Exp. (-)</b>	<b>10.55</b>	<b>10.70</b>	<b>1.4</b>	<b>40.01</b>	<b>41.55</b>	<b>3.8</b>
<b>Operating Profit/(Loss)</b>	<b>(1.57)</b>	<b>(3.82)</b>	<b>n.m.</b>	<b>(1.37)</b>	<b>(8.08)</b>	<b>n.m.</b>
<b>Other Operating Income, net</b>	<b>0.21</b>	<b>2.65</b>	<b>n.m.</b>	<b>2.13</b>	<b>3.78</b>	<b>77.6</b>
<b>EBITDA*</b>	<b>(1.35)</b>	<b>(3.66)</b>	<b>n.m.</b>	<b>(0.29)</b>	<b>(7.16)</b>	<b>n.m.</b>
<b>Income/Expenses from Investing Activities**</b>	<b>(0.09)</b>	<b>0.00</b>	<b>n.M</b>	<b>4.03</b>	<b>0.01</b>	<b>n.m.</b>
<b>Operating Profit/(Loss) before Finance Exp.</b>	<b>(1.46)</b>	<b>(1.17)</b>	<b>(19.9)</b>	<b>4.79</b>	<b>(4.30)</b>	<b>n.m</b>
<b>Net Profit/(Loss)</b>	<b>(1.16)</b>	<b>(0.71)</b>	<b>n.m.</b>	<b>3.52</b>	<b>(3.98)</b>	<b>n.m</b>

(\*) 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 – 2016

- Despite 11% depreciation of Turkish Lira against average EUR rate in 2016, lower circulation figures and cost control actions led to a 5.5% decline in COGS.
- As the decline in COGS was limited vs. the drop in total revenues; gross profit was down by 13.4% yoy.

Million TRY	4Q15	4Q16	Ch.%	2015	2016	Ch.%
<b>Total Revenues</b>	<b>24.59</b>	<b>22.45</b>	<b>(8.7)</b>	<b>97.95</b>	<b>89.49</b>	<b>(8.6)</b>
Advertising	14.69	14.10	(4.0)	57.76	53.19	(7.9)
Circulation	9.23	7.24	(21.5)	35.81	31.31	(12.6)
Other	0.68	1.11	64.3	4.38	4.98	13.8
<b>Total COGS</b>	<b>15.61</b>	<b>15.58</b>	<b>(0.2)</b>	<b>59.31</b>	<b>56.02</b>	<b>(5.5)</b>
Production Costs	6.61	5.70	(13.8)	25.74	22.40	(13.0)
Depreciation	0.09	0.09	(3.3)	0.35	0.36	1.8
Other Costs	8.92	9.80	9.9	33.21	33.26	0.2
<b>Gross Profit</b>	<b>8.98</b>	<b>6.88</b>	<b>(23.4)</b>	<b>38.64</b>	<b>33.46</b>	<b>(13.4)</b>
<b>Gross Margin</b>	<b>36.51</b>	<b>30.63</b>	<b>(5.9)</b>	<b>39.45</b>	<b>37.40</b>	<b>(2.1)</b>

## Operational Profitability –2016

- Operational expenses increased by 3.8% as a result higher general administrative expenses.

Million TRY	4Q15	4Q16	Ch.%	2015	2016	Ch.%
<b>Total Operational Exp.(-)</b>	<b>10.55</b>	<b>10.70</b>	<b>1.4</b>	<b>40.01</b>	<b>41.55</b>	<b>3.8</b>
Marketing, Sales & Distribution	6.96	6.60	(5.1)	29.68	29.45	(0.8)
General Administrative	3.59	4.10	14.0	10.33	12.10	17.1
<b>Operating Profit/(Loss)</b>	<b>(1.57)</b>	<b>(3.82)</b>	<b>n.m.</b>	<b>(1.37)</b>	<b>(8.08)</b>	<b>n.m.</b>
<b>EBITDA*</b>	<b>(1.35)</b>	<b>(3.66)</b>	<b>n.m.</b>	<b>(0.29)</b>	<b>(7.16)</b>	<b>n.m.</b>
Other Operating Income, net	0.21	2.65	n.m.	2.13	3.78	77.6
Income/Expenses from Investing Activities**	(0.09)	0.00	n.m.	4.03	0.01	n.m.
<b>Operating Profit/(Loss) before Finance Exp.</b>	<b>(1.46)</b>	<b>(1.17)</b>	<b>(20.0)</b>	<b>4.79</b>	<b>(4.30)</b>	<b>n.m.</b>
Financial Expense, net	(0.06)	(0.06)	(6.7)	(0.23)	(0.21)	(10.8)
<b>Profit Bef.Tax</b>	<b>(1.52)</b>	<b>(1.22)</b>	<b>(19.4)</b>	<b>4.55</b>	<b>(4.51)</b>	<b>n.m.</b>
Tax	0.36	0.51	42.1	(1.04)	0.53	n.m.
<b>Net Profit/(Loss)</b>	<b>(1.16)</b>	<b>(0.71)</b>	<b>n.m.</b>	<b>3.52</b>	<b>(3.98)</b>	<b>n.m.</b>

(\*) 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.

<b>Million TRY</b>	<b>Dec 31. 2015</b>	<b>Dec 31. 2016</b>
Cash & Cash Equivalents	17.9	14.9
Net Cash/(Net Debt)	17.6	14.9
<b>Total Assets</b>	<b>61.1</b>	<b>54.2</b>
<b>Shareholder's Equity</b>	<b>34.9</b>	<b>26.5</b>

- Net cash position was TRY 14.9 mn at 2016-end. slightly below the level attained at 2015 year-end.
- Maintaining sufficient liquidity cushion to meet any short-term operational funding.
- Gross cash dividend of TRY 4.05 mn distributed on March 28, 2016.

- 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.)
  - To capture high potential in native advertising market, we will focus on Content & Event Studio” in terms of marketing and productivity.
  - Expecting to have good results on the emagazine downloads & e-commerce of Elle Beauty Box sales.
  - Planning to increase video production capacity.
- Unless no major political, economic and market surprises; relatively better operational performance expected in 2017.
- There will be no cash dividend distribution proposed by Board of Directors, because of period loss.