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**Review of 1H16 Results
AUGUST, 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** **İSTANBUL** **ATLAS** **heygirl**
LIFE

Information Technology and Computers

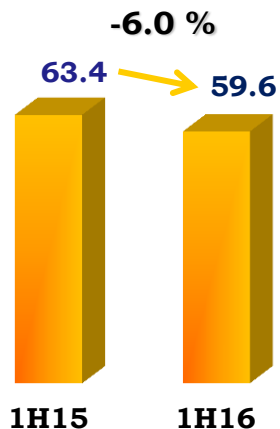
CHIP **PC**
YAKIN
DİJİTAL YAŞAM VE TEKNOLOJİ DERGİSİ

Hobbies, Cooking and Special Interest

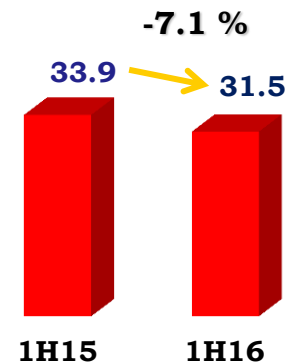
Lezzet **EvBahçe** **YACHT** **Auto** **LEVEL**
TEMPO **ATLAS** **POPULAR** **REVOLUTION**
Tarih **SCIENCE** **GELECEK**
BEEF & FISH **HOTELIER** **THE RAKE**
AKADİNİN TAÇINI DELENLER İÇİN **INTERNATIONAL.COM**

- The volatility in Turkish markets led to a decline of 6.0% yoy in Turkish magazine ad market in 1H16.
- In line with the market, Doğan Burda's (DB) ad revenue dropped by 7.1% yoy in 1H16. DB continued to maintain its leading position in the sector.

Magazine Advertising -
Turkey (TRYm)



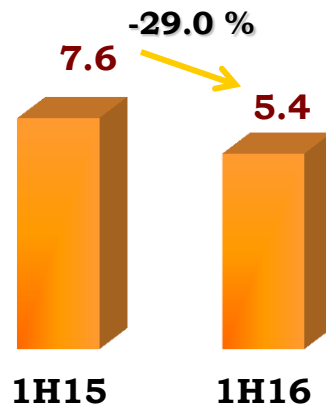
Doğan Burda Advertising
Revenues (TRYm)*



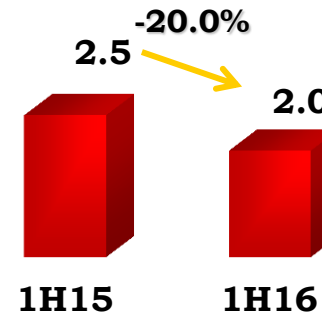
* Ad revenues = Reported ad revenues plus IAS adjustments & reclassifications.

- Turkish magazine circulation market was down by 29% yoy in 1H16.
- 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 37% market share in 1H16.

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

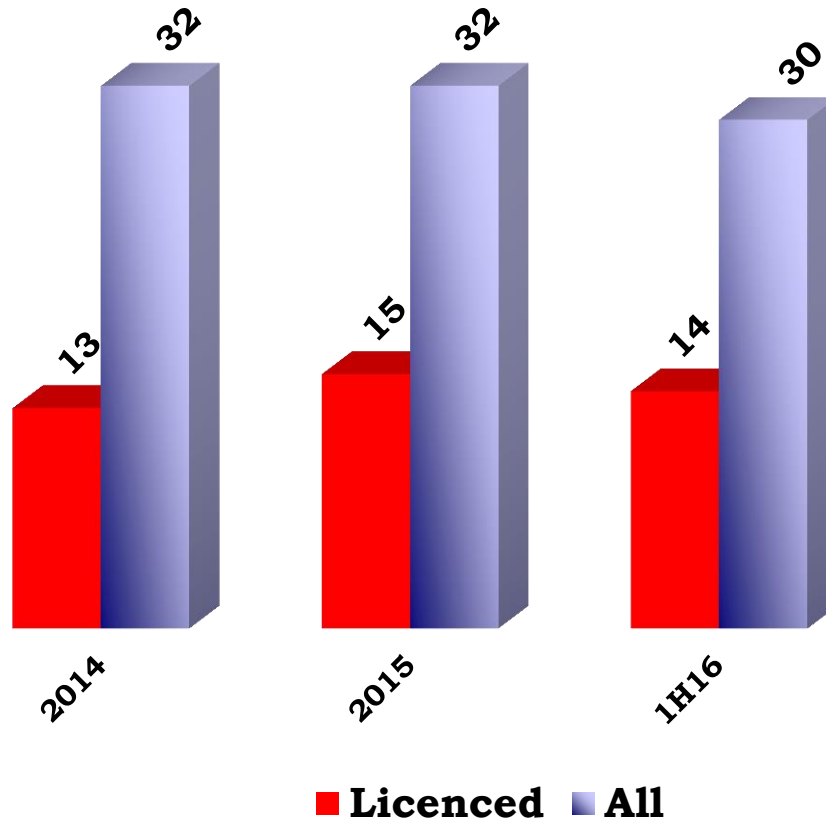


**Dogan Burda Net Circulation
(Units m)**



Number of Magazines (Period End)

- Focusing on the current portfolio; no new launches.



- Successful seasonal brands continued to add value in 1H16:
 - 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 1H16 by *Auto Show*, *Evim*, *Güncel Hukuk*, *Hafta Sonu* and *Hello*.
- Focusing on digital activities continued:
 - Elle Online has 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.
- 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.



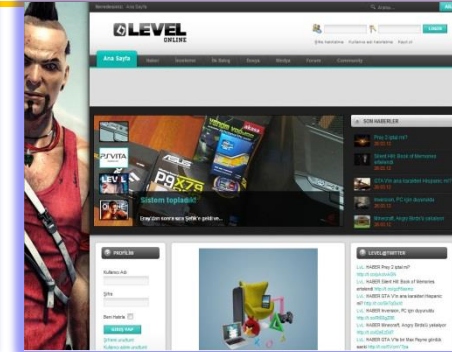
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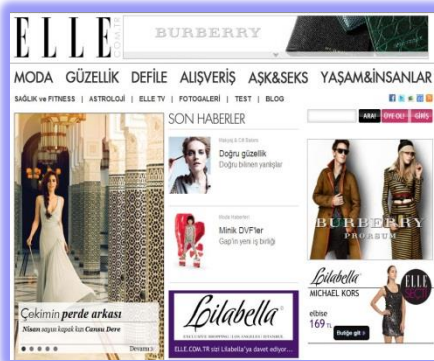
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www.ekonomist.com.tr

- NeoTempo.com, the lifestyle news portal, has reached 2.4 Million UVs per month.
- CHIP Online has reached 3.6 Million UVs per month (www.chip.com.tr).
- Elle.com.tr has been re-launched.
- All magazines are available on Magzter.
- Approximately 9.8 mn monthly unique visitors in total on web sites.

Sources: Google Analytics & Apple iTunes Connect

Summary Results – 1H16

- Despite higher operating expenses due to «event» expenses to support revenues in 1H16; slight loss figure attained in operating level.
- Net Other Operating Income was down by TRY 1.0 mn in 1H16 vs. 1H15; led by lower fx gain in 1H16 due to fx cash position and strong TRY against USD.
- Income from investing activities declined, with the absence of fx gain that resulted from one-off building sale income that took place in June'14.

Million TRY	FY15	1H15	1H16	Ch.%
Net Sales	97.95	52.14	49.95	(4.2)
Cost of Goods Sold (-)	59.31	28.55	27.92	(2.2)
Operating Exp. (-)	40.01	20.30	22.43	10.5
Operating Profit/(Loss)	(1.37)	3.30	(0.39)	n.m
Other Operating Income, net	2.13	1.71	0.72	(57.6)
EBITDA*	0.29	3.89	0.15	(96.2)
Income/Expenses from Investing Activities**	4.03	2.19	(0.00)	n.m
Operating Profit/(Loss) before Finance Exp.	4.79	7.20	0.33	(95.4)
Net Profit/(Loss)	3.52	5.48	(0.11)	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 – 1H16

- With the support of cover price increases, the decline in ad revenues was partially offset: total revenues was down by 4.2% yoy in 1H16.
- Despite fluctuations in fx, COGS were down by 2.2%, owing to lower circulation figures.

Million TRY	FY15	1H15	1H16	Ch.%
Total Revenues	97.95	52.14	49.95	(4.2)
Advertising	57.76	32.78	30.43	(7.2)
Circulation	35.81	16.46	16.36	(0.6)
Other	4.38	2.91	3.16	8.6
Total COGS	59.31	28.55	27.92	(2.2)
Production Costs	25.74	12.09	11.66	(3.6)
Depreciation	0.35	0.18	0.18	2.9
Other Costs	33.21	16.28	16.08	(1.2)
Gross Profit	38.64	23.60	22.03	(6.6)
Gross Margin	39.45	45.25	44.11	(1.1)

Operational Profitability –1H16

- Operational expenses increased by 10.5% as a result of shifted events from 2015; and Uludag Economic Summit expenses parallel to its income.

Million TRY	FY15	1H15	1H16	Ch.%
Total Operational Exp.(-)	40.01	20.30	22.43	10.5
Marketing, Sales & Distribution	29.68	15.79	16.77	6.2
General Administrative	10.33	4.50	5.66	25.6
Operating Profit/(Loss)	(1.37)	3.30	(0.39)	n.m
EBITDA*	0.29	3.89	0.15	(96.2)
Other Operating Income, net	2.13	1.71	0.72	(57.6)
Income/Expenses from Investing Activities**	4.03	2.19	(0.00)	n.m
Operating Profit/(Loss) before Finance Exp.	4.79	7.20	0.33	(95.4)
Financial Expense, net	(0.23)	(0.13)	(0.11)	(10.3)
Profit Bef. Tax	4.55	7.08	0.21	(97.0)
Tax	(1.04)	(1.60)	(0.33)	(79.6)
Net Profit/(Loss)	3.52	5.48	(0.11)	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	June 30, 2016
Cash & Cash Equivalents	17.9	15.9
Net Cash/(Net Debt)	17.6	15.6
Total Assets	61.1	58.7
Shareholder's Equity	34.9	30.7

- Net cash position was TRY 15.6 mn at 1H16-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 started on March 28, 2016.

- The recent negative developments in Turkey, may put a pressure on both circulation and ad revenues in subsequent quarters.
- Sustainability remains at the core of operations and strategies in order to keep revenue growth, 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.)