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**Review of 4Q12 & 2012 Results**

**April , 2013**

Inflation accounting (IAS 29) is not applied in 2005-2012 financials on the back of CMB's requirements. The financial statements are reclassified for presentation purposes, the CMB format is also available through KAP "[www.kap.gov.tr](http://www.kap.gov.tr)" and DYH websites.

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**Women, Health and Decoration**



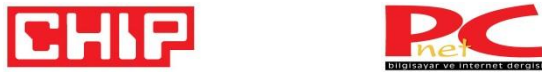
**Economy, News and Law**



**People, Youth, Travel and Life Style**



**Information Technology and Computers**

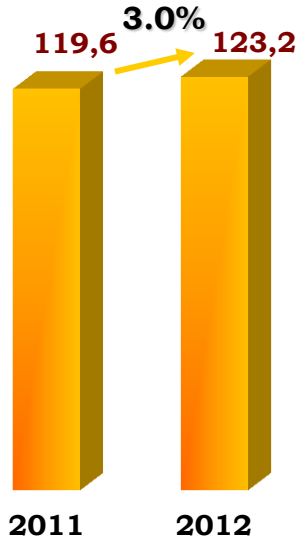


**Hobbies, Cooking and Special Interest**



- Turkish magazine ad market continued its growth in 2012 and increased by 3.0% yoy to TL 123.2 mn in 2012, whereas total Turkish ad market growth was 7.4%.
- **Doğan Burda outperformed the ad market slightly and maintained its leading position.**

**Magazine Advertising - Turkey (TLm)**



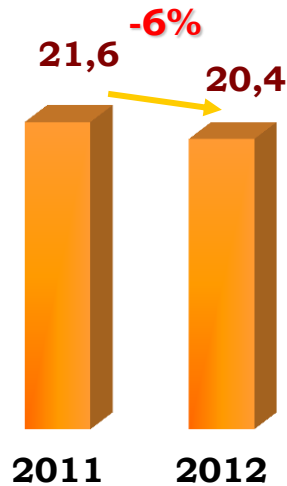
**Doğan Burda Advertising Revenues (TLm)\***



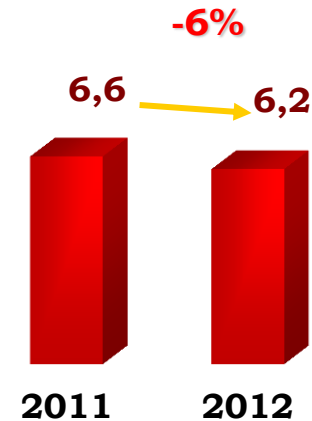
\* Ad revenues = Reported ad revenues plus IAS adjustments & reclassifications.

- Doğan Burda remains the market leader in magazine circulation with around 30% share.
- Due to life circle of certain magazines, circulation figures were lower in 2012. But the decline in total magazine circulation market was partially offset by the new launches.

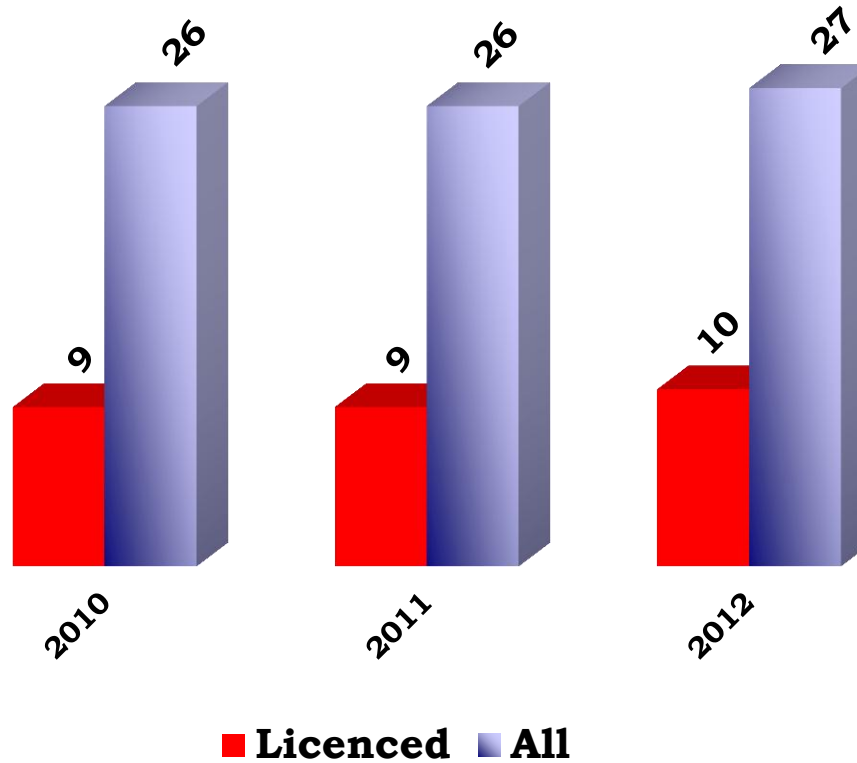
**Total Net Circulation Units – Turkey (Units m)**



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



- Popular Science magazine, with a history over 140 years in USA and 1 million readers, has been successfully launched in May 2012.



- Maintained its leading position against expansion of magazine ad market due to new launches of other competitors.
- One of the oldest scientific magazines in the world ‘ Popular Science’ was launched in Doğan Burda’s portfolio in May 2012.
- Successful seasonal brands continued to add value in 2012. especially 10 main brands’ various seasonal magazines launched during the period.
- Average cover prices were 10% higher yoy in 2012: cover prices of 4 magazines were raised in line with the market conditions in 1H12: Evim, Level, Maison Française (in January 2012) and Auto Show (in March 2012).
- Distributed gross cash dividend of TL **2.02** mn in 2012; dividend pay out ratio was 71 %.





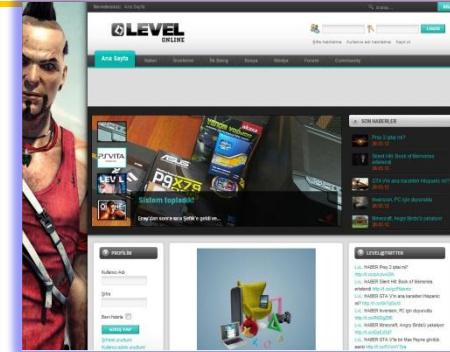
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- Web sites of 18 magazines successfully relaunched within 2010 & 2012.
- **Content providing to SMS/MMS services of Turkcell (Mobile Operator)**
- **Lezzet iPad and iPhone applications** have been launched and arrived 150.000 downloads in total.
- **Chip mobile applications** are also live, with around 60.000 downloads.
- **All magazines are available on Tablets. Total number of monthly downloads is close to 100.000.**
- **On web sites approximately 5.5 mn monthly unique visitors in total.**



- Higher net sales, together with the savings in COGS, had a positive impact on margins in 4Q12.
- Overall in FY12, revenues and EBITDA registered yoy growths of 3% and 35%, respectively.
- EBITDA margin reached 12% in 2012 , vs. 9% in FY11.

Million TL	4Q11	4Q12	Ch.%	FY11	FY12	Ch.%
Net Sales	27,33	28,89	5,7	98,35	101,50	3,2
Cost of Goods Sold	15,34	14,98	(2,3)	58,05	56,58	(2,5)
Operating Exp.	10,40	9,97	(4,1)	32,85	34,37	4,6
Operating Profit/(Loss)*	1,45	3,81	162,1	4,09	8,87	116,8
EBITDA**	1,93	4,22	118,9	8,77	11,84	34,9
Net Profit/(Loss)	1,23	2,95	139,1	2,93	7,08	141,7

(\*) Includes Other Operating Income/(Exp), comprising TL 2.8 mn gross tax amnesty expense accrual in FY11 and TL 1.2 mn net court case accrual in FY12.

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

- Revenue growth combined with continued attention to COGS led to a growth of 11.4% in gross profit and 8.0 pp in gross margin.

Million TL	4Q11	4Q12	Ch.%	FY11	FY12	Ch.%
<b>Total Revenues</b>	<b>27,33</b>	<b>28,89</b>	<b>5,7</b>	<b>98,35</b>	<b>101,50</b>	<b>3,2</b>
Advertising	17,42	18,48	6,1	59,67	61,78	3,5
Circulation	8,90	9,24	3,8	36,10	36,81	2,0
Other	1,01	1,18	16,9	2,59	2,91	12,2
<b>Total COGS</b>	<b>15,34</b>	<b>14,98</b>	<b>(2,3)</b>	<b>58,05</b>	<b>56,58</b>	<b>(2,5)</b>
Production Costs	11,86	11,66	(1,7)	42,39	42,20	(0,4)
Depreciation	0,09	0,09	1,1	0,39	0,37	(4,5)
Other Costs	3,38	3,23	(4,6)	15,28	14,01	(8,3)
<b>Gross Profit</b>	<b>11,99</b>	<b>13,91</b>	<b>16,0</b>	<b>40,30</b>	<b>44,91</b>	<b>11,4</b>
<b>Gross Margin</b>	<b>43,87</b>	<b>48,15</b>	<b>9,8</b>	<b>40,98</b>	<b>44,25</b>	<b>8,0</b>

- Higher advertising & promotion expenses in 2012 is led by the launch of Popular Science magazine in May'12 and sub-brands.

Million TL	4Q11	4Q12	Ch.%	FY11	FY12	Ch.%
<b>Total Operational Exp.(-)</b>	<b>10,40</b>	<b>9,97</b>	<b>(4,1)</b>	<b>32,85</b>	<b>34,37</b>	<b>4,6</b>
Advertising&Promotion	1,48	1,65	11,5	5,38	5,82	8,1
Depr.&Amortization	0,13	0,18	34,7	0,57	0,63	11,3
Other Marketing Exp.	3,51	3,33	(4,9)	11,51	12,01	4,3
Overhead&Gen.Admin	5,27	4,81	(8,9)	15,38	15,91	3,4
Net other operational inc/ (exp.)*	(0,14)	(0,13)	(6,1)	(3,36)	(1,67)	(50,2)
<b>Operating Profit/(Loss)*</b>	<b>1,45</b>	<b>3,81</b>	<b>162,1</b>	<b>4,09</b>	<b>8,87</b>	<b>116,8</b>
<b>EBITDA**</b>	<b>1,93</b>	<b>4,22</b>	<b>118,9</b>	<b>8,77</b>	<b>11,84</b>	<b>34,9</b>
Financial Income, net	0,11	(0,05)	n.m	0,37	0,47	26,7
<b>Profit Bef.Tax</b>	<b>1,56</b>	<b>3,76</b>	<b>140,8</b>	<b>4,46</b>	<b>9,33</b>	<b>109,4</b>
Tax	(0,33)	(0,81)	147,2	(1,53)	(2,26)	47,5
<b>Net Profit/(Loss)</b>	<b>1,23</b>	<b>2,95</b>	<b>139,1</b>	<b>2,93</b>	<b>7,08</b>	<b>141,7</b>

(\* ) Including TL 2.8 mn gross tax amnesty expense accrual in 2011 and TL 1.2 mn net court case accrual in 2012.

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

<b>Million TL</b>	<b>2011</b>	<b>2012</b>
Cash&Cash Equivalents	6.0	7.4
Short Term Bank Debt	-	-
Long Term Bank Debt	-	-
Net Cash (Net Debt)	6.0	7.4
<b>Total Assets</b>	<b>60.6</b>	<b>64.0</b>
<b>Shareholder's Equity</b>	<b>37.4</b>	<b>40.6</b>
Investment	-	-

- Despite cash dividend distribution in FY12, cash position was well managed: net cash position reached TL7.4 mn vs. TL 6 mn at 2011-end.
- Gross cash dividend distribution of TL 2.0 mn; TL 0.10/share.

- **Outperformed ad market in 2012 and will continue to maintain its leading position in the market.**
- **Focus on existing titles and leveraging of existing content will continue.**
- **Target to develop new revenue areas through additional innovative magazine and digital activities.**
- **Popular Science magazine, with a history over 140 years in USA and 1 million readers, has been successfully launched in May 2012. The ongoing successful launch process of the magazine will help to settle to a good sales level after sixth edition.**
- **Feasibility studies ongoing for opportunities regarding new titles (licenced or local) and new revenue streams for the coming years.**
- **Board of Directors will propose cash dividend of TL7.65 mn for 2012 at the General Assembly, with a pay out ratio of 112 %.**