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**Review of 1H15 Results
AUGUST, 2015**

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Dogan Burda: Leading Magazine Group in Turkey

Women, Health and Decoration

burda **elele** **ELLE** **ELLE** **-evim** **formsanté**
MAISON **seninle** **Bebeğimle** **diabetic**
FRANÇAISE Kadın olarak güzel elele LIVING

Economy, News and Law

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

People, Youth, Travel and Life Style

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

Information Technology and Computers

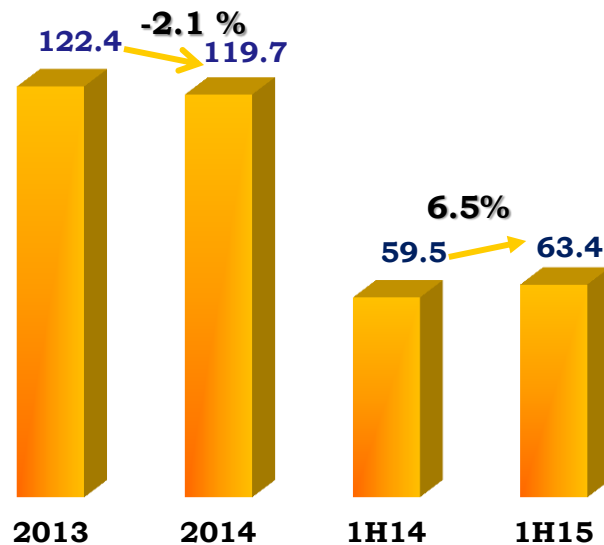
CHIP **PC**
bilgisayar ve teknoloji dergisi

Hobbies, Cooking and Special Interest

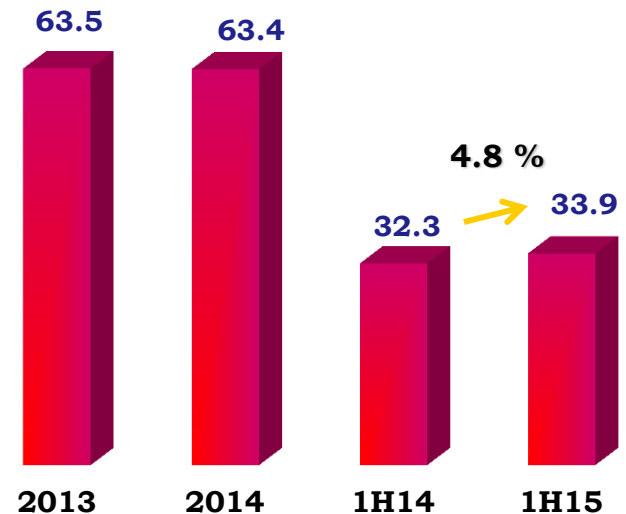
Lezzet **EvBahçe** **YACHT** **Auto** **LEVEL**
TEMPO **ATLAS** **Tarih** **POPULAR** **SCIENCE** **REVOLUTION**
BEEF & FISH **HOTELIER** **THE RAKE**
AĞZININ TADINI DEĞİLER İÇİN INTERNATIONAL.COM

- Following a slow decline in FY14, Turkish magazine ad market had healthy growth in 1H15 by 6.5% yoy to TRY 63.4 mn with the contribution of new launches, mainly monthlies and spin-offs.
- Doğan Burda's (DB) ad revenue growth in the same term was 4.8% yoy. DB kept its leading position.

Magazine Advertising -
Turkey (TRYm)



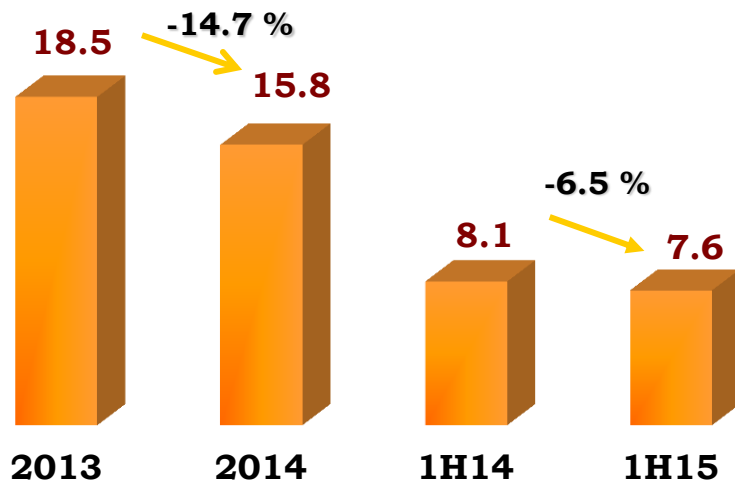
Doğan Burda Advertising
Revenues (TRYm)*



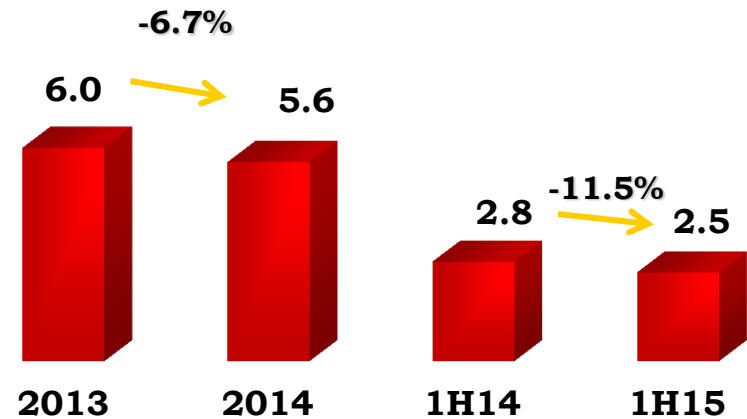
* Ad revenues = Reported ad revenues plus IAS adjustments & reclassifications.

- Turkish magazine circulation market was down by 6.5% yoy in 1H15.
- Decline in youth and IT magazine circulation, delayed spin-offs and re-planning of distribution as a cost-cutting move resulted in a decline of DB's circulation figures.
- DB maintained its undisputed circulation market leadership position with 33% share in 1H15.

Total Net Circulation Units – Turkey (Units m)

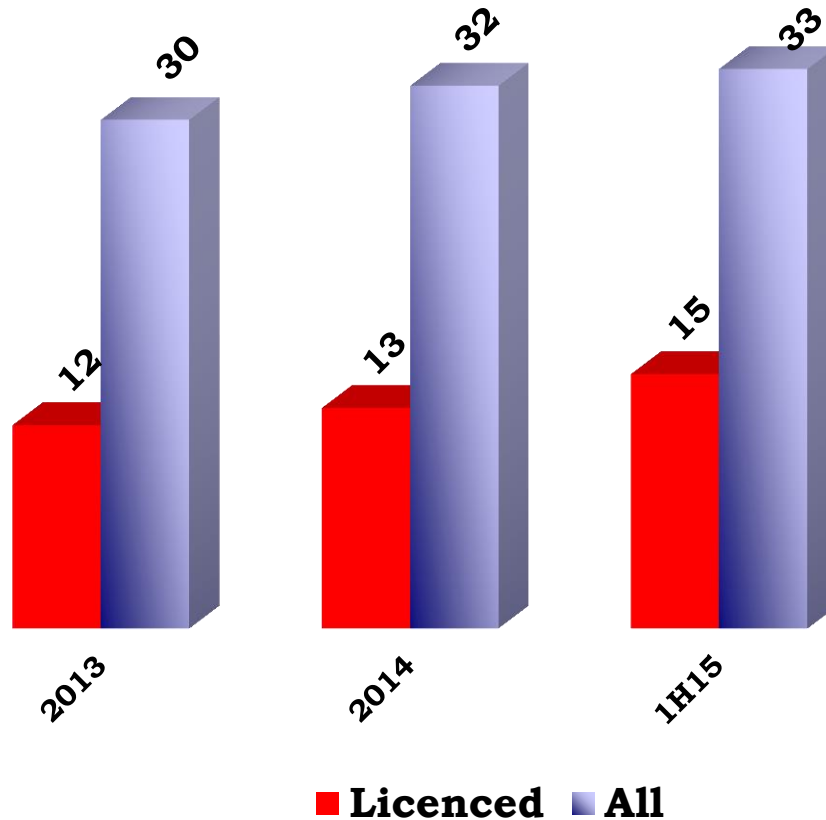


Dogan Burda Net Circulation (Units m)



Number of Magazines (Period End)

■ Number of licenced magazines reached 15 after the launch of The Rake magazine on Apr'15, and Diabetic Living on May'15.



- Successful seasonal brands continue to add value in 1H15: such as the launch of *Lezzet Kid Recipes*, *Burda Vintage*, *Elle Wedding*, *Pc Net Inventions*, *Pc Net Android*, *Pc Net Iphone*, *Pedal as* sub-brands; and both licensed *Diabetic Living*, *The Rake* as main brands.
- DB's differentiation in the sector helped the company maintain its leading position in spite of intensifying competition.
- Focusing on digital activities continued:
 - Chip Online has been re-launched and designed as a comprehensive shopping guide with widgets such as product comparison on web.
 - Webinars have started on CHIP Online.
 - Started sponsored eNewsletters as a new revenue channel
 - A social and viral content platform NeoTempo.com's beta version has been launched.
 - All magazines are available on Tablets.
- DB made an agreement with a new distributor to import and sell foreign magazines in May'15. DB added its existing portfolio a variety of magazines and newspapers in different languages.
- Macroeconomic items have a negative impact on major cost items, but its effect has been balanced thanks to the paper optimization & cost control strategies and year-on-year growth in net sales.
- Gross cash dividend distribution of TRY 9.0 mn from 2014 earnings has been completed in April 2015;dividend pay out ratio* was 127.7%.

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



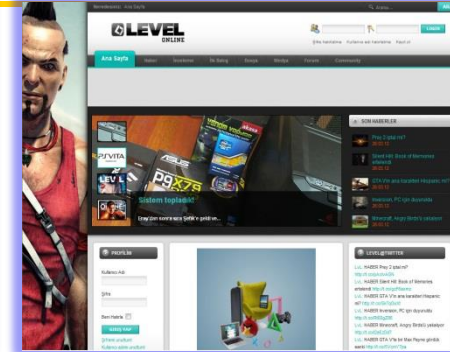
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- NeoTempo.com, a lifestyle news portal, has been launched. Number of UVs in the first month reached 1 Million.
- CHIP Online has been re-launched (www.chip.com.tr).
- Webinars and Live Video Streaming has started on CHIP Online (www.chip.com.tr).
- Elle Online (www.elle.com.tr) has been re-launched.
- All magazines are available on Tablets. Total number of monthly downloads exceeds 30.000.
- Around 8 mn monthly unique visitors in total web sites.

Sources: Google Analytics & Apple iTunes Connect

Summary Results – 1H15

- Net sales increased by 2.8% to TRY 52.14 mn, led by ad revenue growth.
- Stable COGS level, supported EBITDA growth in 1H15.
- Income from investing activities declined by 55% to TRY 2.19 mn, due to the impact of building sale income in June'14.
- DB managed to keep EBIT before financial exp. almost at the same levels vs. 1H14.

Million TRY	FY14	1H14	1H15	Ch.%
Net Sales	99.55	50.71	52.14	2.8
Cost of Goods Sold	58.19	28.67	28.55	(0.4)
Operating Exp.	39.23	19.52	20.30	4.0
Operating Profit/(Loss)	2.71	2.38	5.01	110.8
EBITDA*	3.42	3.18	3.89	22.5
Income/Expenses from Investing Activities	6.73	4.89	2.19	(55.1)
Operating Profit/(Loss) before Finance Exp.	9.44	7.26	7.20	(0.8)
Net Profit/(Loss)	7.52	5.75	5.48	(4.8)

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

(**) FY14 includes TRY 6,0 mn income from asset sale and 1H15 includes F/X gain of USD 5.0 mn notes receivable due date Oct. 05, 2015.

Revenue & Cost Analysis – 1H15

- Improvement in profitability margins backed by stronger operational results.
- Together with new launches and increase in total revenues, improved COGS stimulated to a gross profit growth of 7.1%.
- Well managed negative unit price effects on COGS helped to reach 45% gross margin in 1H15 vs. 43% in 1H14.

Million TRY	FY14	1H14	1H15	Ch.%
Total Revenues	99.55	50.71	52.14	2.8
Advertising	61.10	31.66	32.78	3.5
Circulation	34.79	16.66	16.46	(1.3)
Other	3.66	2.38	2.91	22.1
Total COGS	58.19	28.67	28.55	(0.4)
Production Costs	42.02	23.24	22.51	(3.1)
Depreciation	0.39	0.20	0.18	(10.7)
Other Costs	15.78	5.23	5.86	12.0
Gross Profit	41.36	22.04	23.60	7.1
Gross Margin	41.55	43.46	45.25	1.8

Operational Profitability –1H15

- Operational expenses increased by 4%, in line with ad revenue growth.

Million TRY	FY14	1H14	1H15	Ch.%
Total Operational Exp.(-)	39.23	19.52	20.30	4.0
Advertising&Promotion	7.37	4.57	4.65	1.6
Depr.&Amortization	0.67	0.34	0.30	(12.7)
Other Marketing Exp.	12.57	6.07	6.23	2.6
Overhead&Gen.Admin	18.62	8.53	9.12	6.9
Net other operational inc. (exp.)	0.58	(0.14)	1.71	n.M
Operating Profit/(Loss)	2.71	2.38	5.01	110.8
EBITDA*	3.42	3.18	3.89	22.5
Income/Expenses from Investing Activities**	6.73	4.89	2.19	(55.1)
Operating Profit/(Loss) before Finance Exp.	9.44	7.26	7.20	(0.8)
Financial Income, net	(0.25)	(0.11)	(0.13)	14.1
Profit Bef.Tax	9.19	7.15	7.08	(1.1)
Tax	(1.67)	(1.40)	(1.60)	14.5
Net Profit/(Loss)	7.52	5.75	5.48	(4.8)

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

(**) FY14 includes TRY 6,0 mn income from asset sale and 1H15 includes F/X gain of USD 5.0 mn notes receivable due date Oct. 05, 2015.

Million TRY	Dec 31, 2014	June 30, 2015
Cash & Cash Equivalents	4.2	5.0
Net Cash/(Net Debt)	4.2	5.0
Total Assets	64.8	66.9
Shareholder's Equity	39.9	36.4

- Net cash position was TRY 5.0 mn at 1H15-end.
- Gross cash dividend of TRY 9.0 mn distributed on April 6, 2015.
- Maintaining sufficient liquidity cushion to meet any short-term operational funding.

- Growth in the advertising market in 1H15 will be dependent on the economical and political stability in subsequent quarters.
- Ongoing studies for 360 degree publishing, including all digital channels for improving new revenue streams, such as:
 - Custom Video streaming and live broadcasting have revenue potential. Targeting to focus more on this channel.
 - Native Ad revenue is growing and expected to be one of the main digital revenue channels in the following years.
- Targeting profitable growth by seeking opportunities for new brands both in local and licensed alternatives.
- Sustainability remains at the core of our operations and strategies in order to keep revenue growth.
- Further cash inflow through asset sale: Regarding the Hadımkoş building sale that took place in June 2014 for a total of US\$10 mn, the remaining balance of US\$5 mn will be collected on October 5, 2015.