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**Review of 1H14 Results
August 14, 2014**

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Women, Health and Decoration



Economy, News and Law



People, Youth, Travel and Life Style



Information Technology and Computers

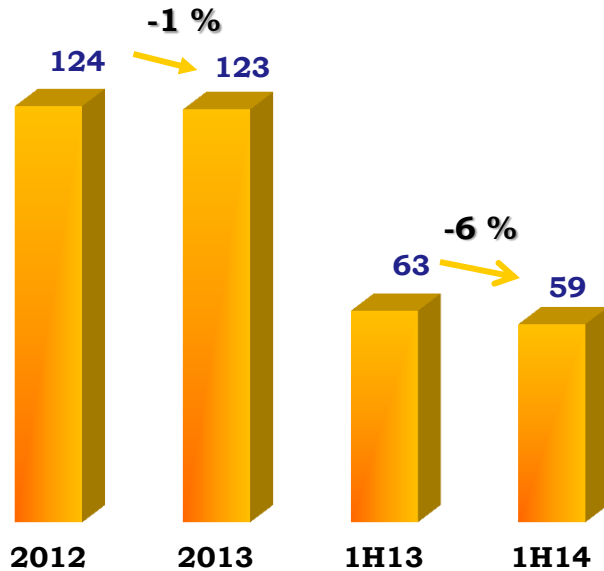


Hobbies, Cooking and Special Interest

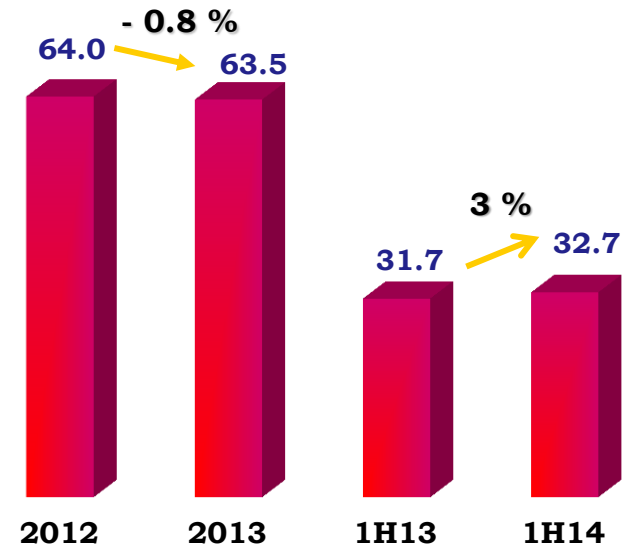


- Doğan Burda strengthened its leading position in the sector in 1H14; its ad revenues increased by 3% yoy, while Turkish magazine ad market declined by 6% yoy.

Magazine Advertising - Turkey (TRYm)



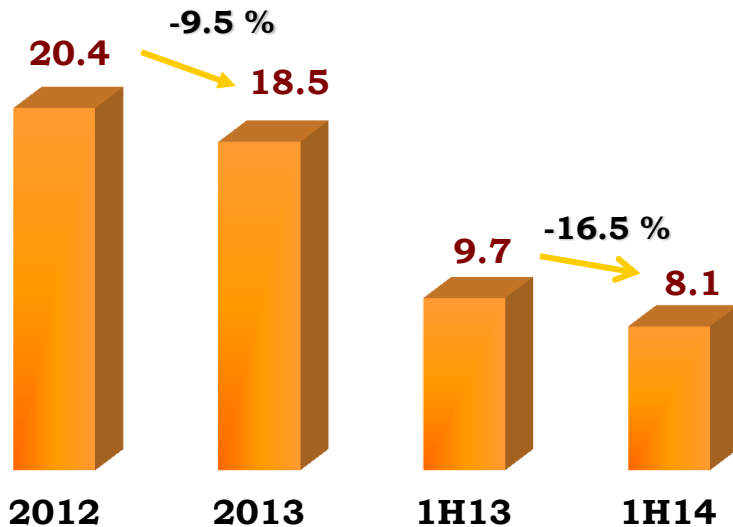
Doğan Burda Advertising Revenues (TRYm)*



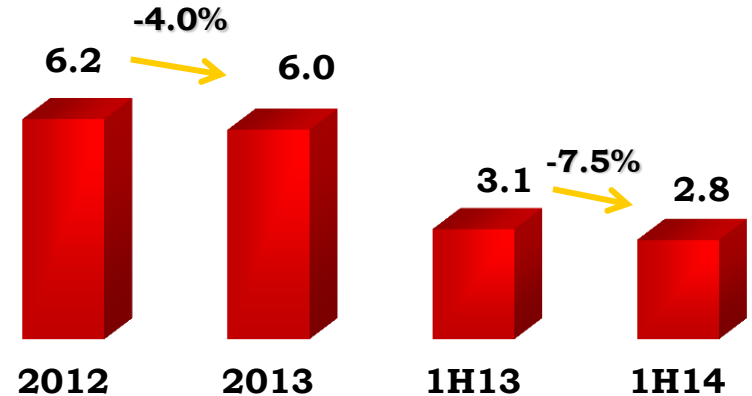
* Ad revenues = Reported ad revenues plus IAS adjustments & reclassifications.

- Turkish magazine circulation market was down by 16.5% yoy in 1H14.
- Through new launches, Dogan Burda managed to increase its circulation market share to 35% in 1H14.

Total Net Circulation Units – Turkey (Units m)

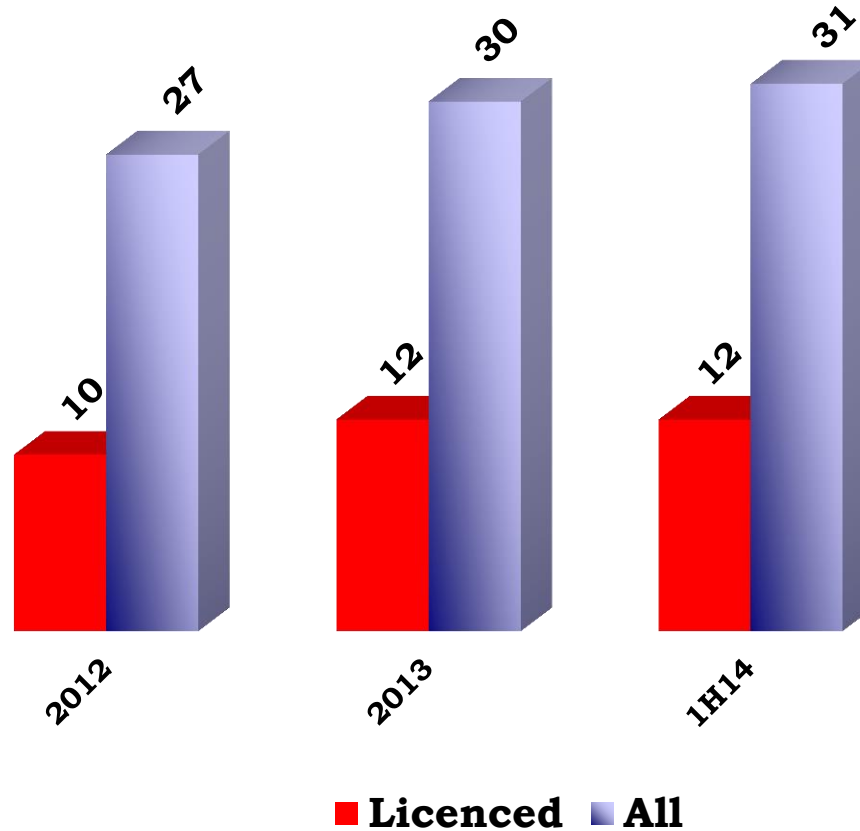


Dogan Burda Net Circulation (Units m)



Number of Magazines (Period end)

- **Successful launches in 2014:** Doğan Burda launched «Beef & Fish» magazine in Apr'14. Besides, «Fitmen» and «Veggielife» magazines have been launched as special periodicals in 2014.



- Successful seasonal brands continue to add value in 2014, main brands' various seasonal magazines launched during the period.
- Doğan Burda's tablet store *Dergi Burada* is active since March 2013 and continue its growth.
- Tablet edition of Level, Start-up, Popular Science, Beef & Fish and Spa & Wellness magazines have been launched in 1H14.
- Focus on digital activities continues: CHIP Online has started live video streaming on web.
- Extending the magazine portfolio by adding Geo, Spa & Wellness and Revolution in 2013 and Beef & Fish in 2014 had positive contributions in circulation and ad. revenues in 1H14.
- Distributed gross cash dividend of TRY 2.47 mn in April 2014; dividend pay out ratio* was 101.59 %
- Dogan Burda had sold its Hadımkoş building for US\$10 mn in June 2014. Out of US\$10 mn, US\$2 mn has been received as an advance payment, while there will be two more installments for the remaining amount: US\$3 and US\$5 mn to be paid on January 1 and October 5, 2015, respectively.

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



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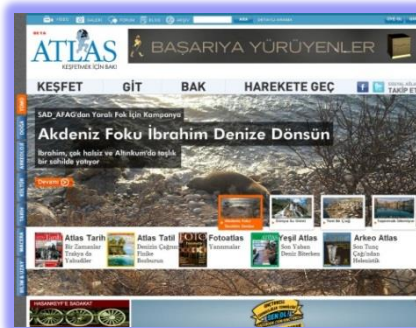
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- New tablet edition Apps launches: Level, Start-up, Popular Science, Beef & Fish, Spa & Wellness.
- **İstanbul LIFE Weekly**, a tablet-only City Guide magazine, has been launched (weekly).
- New content syndication deals has been made with Microsoft and Samsung.
- Elele Online (www.elele.com.tr) has been re-launched and reached monthly 1 Million UVs.
- CHIP Online has started live video streaming with the sponsorship of Vodafone.
- **All magazines are available on tablets. Total number of monthly downloads is close to 30.000*.**
- **On web sites approximately 5.8 mn* monthly unique visitors in total.**

*Sources: Google Analytics, iTunes. Including monthly figures (June 2014).

- Net sales increased by 2.2% to TRY 51 mn. mainly due to the increase in ad revenues.
- Due to higher marketing expenses, EBITDA margin dropped to 6% 1H14 vs. 8% in 1H13.

Million TL	FY13	1H13	1H14	Ch.%
Net Sales	100.69	49.61	50.71	2.2
Cost of Goods Sold	59.57	28.29	28.67	1.3
Operating Exp.	38.49	18.05	19.52	8.1
Operating Profit/(Loss)	3.51	3.48	2.38	(31.7)
EBITDA*	4.06	3.95	3.18	(19.5)
Income/(Expenses) from Investing Activities **	0.00	0.00	4.88	n.m
Operating Profit/(Loss) before Finance Exp.	3.51	3.48	7.26	108.7
Net Profit/(Loss)	2.52	2.73	5.75	110.7

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

(**) Including TRY 6.0 mn income from assets sale.

- **Gross profit increased by 3.4% to TRY 22.04 mn. thanks to growth in total revenues and relatively stable COGS in 1H14 vs. 1H13.**

Million TL	FY13	1H13	1H14	Ch.%
Total Revenues	100.69	49.61	50.71	2.2
Advertising	61.04	30.62	31.66	3.4
Circulation	35.97	17.01	16.66	(2.0)
Other	3.68	1.98	2.38	20.6
Total COGS	59.57	28.29	28.67	1.3
Production Costs	43.64	23.06	23.24	0.8
Depreciation	0.40	0.20	0.20	(2.9)
Other Costs	15.53	5.03	5.23	4.1
Gross Profit	41.12	21.32	22.04	3.4
Gross Margin	40.84	42.97	43.46	0.5pp

Operational Profitability –1H14

- **Launch & project and event expenses led to a rise in operating expenses.**

Million TL	FY13	1H13	1H14	Ch.%
Total Operational Exp.(-)	38.49	18.05	19.52	8.1
Advertising&Promotion	6.97	3.67	4.57	24.7
Depr.&Amortization	0.67	0.34	0.34	1.1
Other Marketing Exp.	12.63	5.89	6.07	3.1
Overhead&Gen.Admin	18.22	8.16	8.53	4.6
Net other operational inc. (exp.)	0.88	0.22	(0.14)	n.m
Operating Profit/(Loss)	3.51	3.48	2.38	(31.7)
EBITDA*	4.06	3.95	3.18	(19.5)
Income/(Expenses) from Investing Activities**	0.00	0.00	4.88	n.m
Operating Profit/(Loss) before Finance Exp.	3.51	3.48	7.26	108.7
Financial Income, net	(0.24)	(0.13)	(0.11)	(15.1)
Profit Bef.Tax	3.28	3.35	7.15	113.6
Tax	(0.75)	(0.62)	(1.40)	126.4
Net Profit/(Loss)	2.52	2.73	5.75	110.7

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

(**) **Including TRY 6.0 mn income from assets sale.**

Million TRY	2013	1H14
Cash & Cash Equivalents	5.5	6.1
Short Term Bank Debt*	-	0.9
Long Term Bank Debt	-	-
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Net Cash (Net Debt)	5.5	5.2
Total Assets	63.0	68.3
Shareholder's Equity	35.4	38.7
Investment	-	-

- Despite gross cash dividend distribution TRY 2.5 mn on April 9, 2014, net cash slightly declined to TRY 5.2 mn, vs. TRY 5.5 mn at 2013-end, with the support of cash inflow through asset sale.

*Short term bank dept consists of spot loan.

- Feasibility studies for 360 degree magazine publishing including all digital channels for improving new revenue streams.
- Seeking opportunities for new brands both in local and licensed alternatives.
- Focus on existing portfolio in terms of content and conventional revenue channels.
- Launch of *Beef & Fish* in Apr'14, *Revolution* in Dec'13, *Spa & Wellness* in Sept'13, *Geo* in Mar'13 and *Popular Science* in May'12 will contribute positively to the total circulation in 2014.
- 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\$8 mn will be collected in 2015 (US\$3 mn on January 1 and US\$5 mn in October 5, 2015).
- Doğan Yayın Holding (DYH), Doğan Burda's shareholder, disclosed in April 2014 its Board decision to merge DYH under the umbrella of its main shareholder Doğan Holding through all its assets and liabilities being "taken over" as a whole by Doğan Holding. The merger transaction has been approved at the extraordinary general assembly meetings of DYH and Doğan Holding that took place respectively in August 6 & 7, 2014.