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Review of 3Q14 Results
October 31, 2014

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Dogan Burda: Leading Magazine Group in Turkey

Women, Health and Decoration

burda **elele** **ELLE** **ELLE** **-evim** **formsanté**
MAISON FRANÇAISE **Spa** **seninle**
WELLNESS Kadın olmak güzel

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

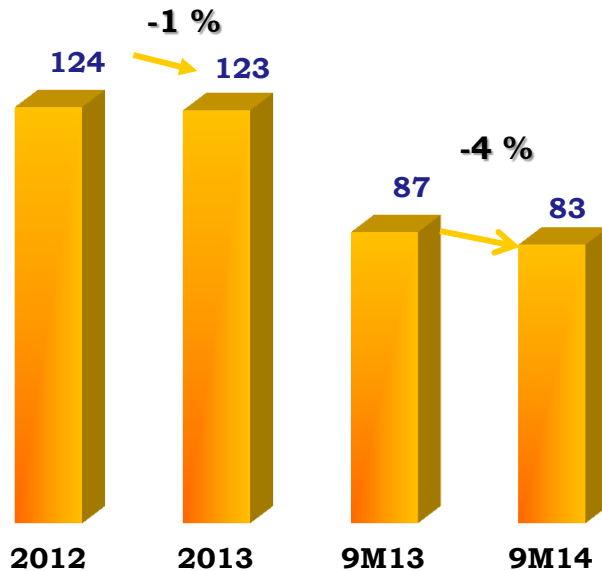
CHIP **PC**
DİJİTAL YAŞAM VE TEKNOLOJİ DERGİSİ

Hobbies, Cooking and Special Interest

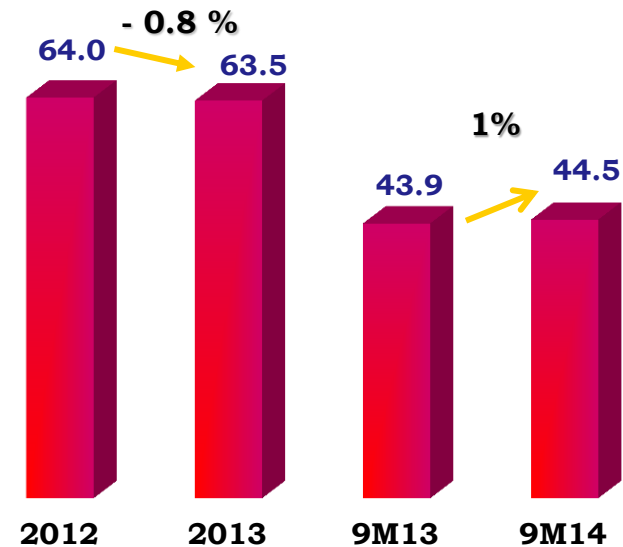
Lezzet **EvBahçe** **YACHT** **Auto SHOW** **LEVEL**
TEMPO **ATLAS Tarih** **POPULAR SCIENCE** **REVOLUTION**
BEEF & FISH **HOTELIER**
KEÇİMSİZ TADIMLI DİYENLER İÇİN INTERNATIONAL.COM

- Doğan Burda enhanced its leading position in the sector in 9M14: its ad revenues increased by 1% yoy, while Turkish magazine ad market declined by 4% yoy.

Magazine Advertising - Turkey (TRYm)



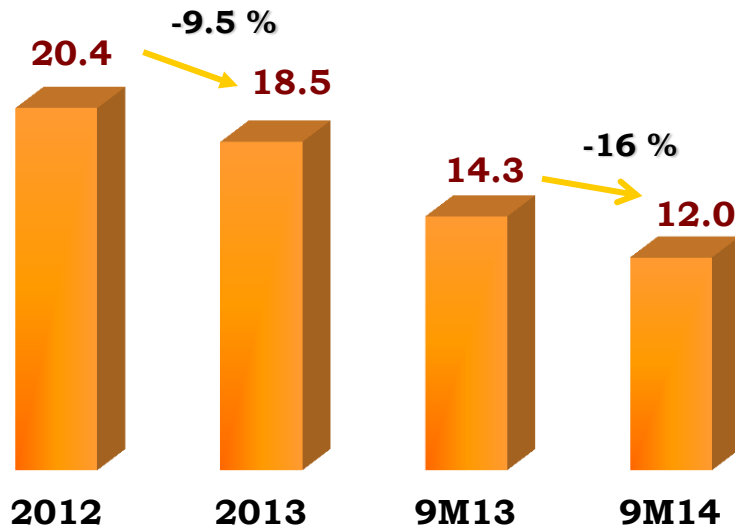
Doğan Burda Advertising Revenues (TRYm)*



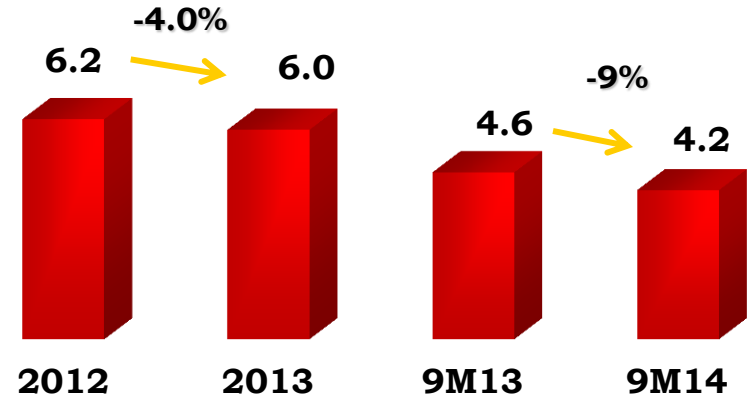
* Ad revenues = Reported ad revenues plus IAS adjustments & reclassifications.

- Turkish magazine circulation market was down by 16% yoy in 9M14.
- Through new launches, Dogan Burda managed to increase its circulation market share to 35% in 9M14.

Total Net Circulation Units – Turkey (Units m)

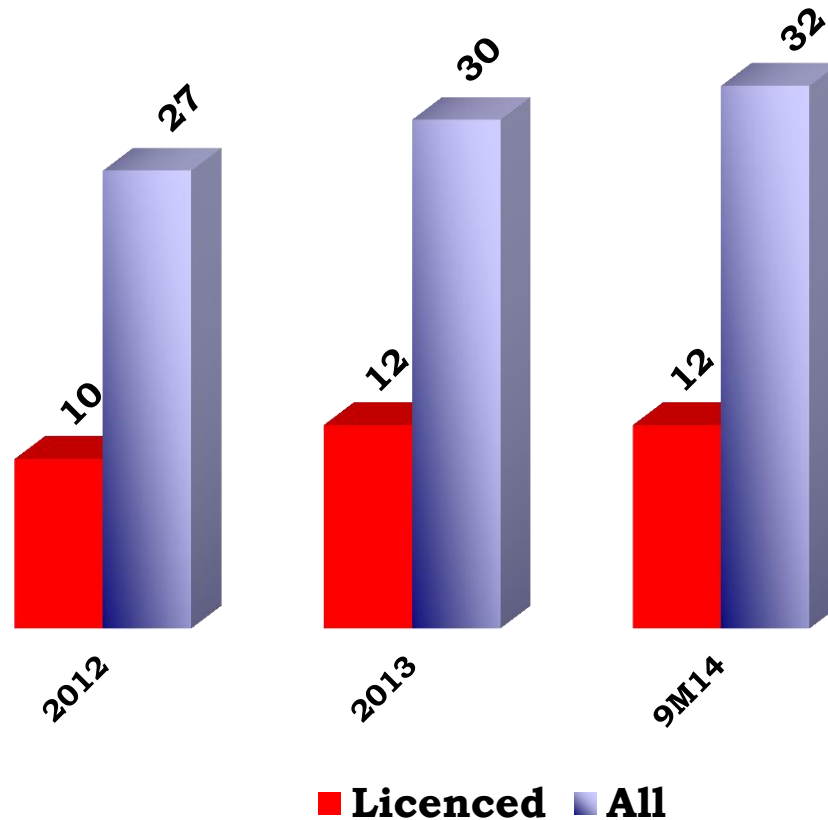


Dogan Burda Net Circulation (Units m)



Number of Magazines (Period End)

- **Successful launches in 2014:** Doğan Burda launched «Beef & Fish» magazine in Apr'14. Besides, «Fitmen», «Veggielife» and «Hotelier» magazines have been launched as special periodicals in 2014.
- **Hotelier magazine** has been successfully launched in Oct'14 and number of licenced magazines reached to 13.



- Successful seasonal brands continue to add value in 2014, main brands' various seasonal magazines launched during the period.
- Tablet edition of Level, Start-up, Popular Science, Beef & Fish and Spa & Wellness magazines have been launched in 9M14.
- Enhanced tablet edition of Atlas magazine has been launched.
- Focusing 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, Fitmen and VeggieLife in 2014 had positive contributions in circulation and ad revenues in 9M14.
- 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.



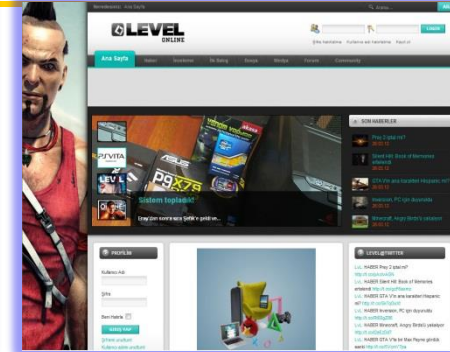
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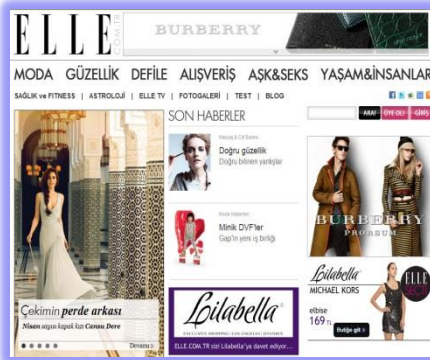
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www.elle.com.tr



www.kesfetmekicinbak.com



www.ekonomist.com.tr

- New tablet edition Apps launches: Atlas, Elele, Capital
- Capital Online (www.capital.com.tr) has been re-launched.
- 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 35.000*.
- **On web sites approximately 6.3 mn monthly unique visitors in total.**

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

- Net sales increased by 1% to TRY 72 mn, mainly due to the increase in ad revenues.
- New magazine launches in 9M14 led to higher marketing expenses. EBITDA margin was 4% 9M14 vs. 5% in 9M13.
- With the contribution of asset sale gain; net profit reached TRY 6.6 mn in 9M14.

Million TRY	FY13	9M13	9M14	Ch.%
Net Sales	100.69	71.65	72.28	0.9
Cost of Goods Sold	59.57	42.66	42.57	(0.2)
Operating Exp. (-)	38.49	26.65	27.93	4.8
Operating Profit/(Loss)	3.51	2.49	3.30	32.4
EBITDA*	4.06	3.34	2.81	(16.0)
Income/Expenses from Investing Activities**	0.00	0.00	5.04	n.m
Operating Profit/(Loss) before Finance Exp.	3.51	2.49	8.34	234.5
Net Profit/(Loss)	2.52	1.87	6.59	252.0

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

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

Revenue & Cost Analysis-9M14

- **Gross profit increased by 2.5% to TRY 29.7 mn, thanks to growth in total revenues and slight recovery in COGS in 9M14 vs. 9M13.**

Million TRY	FY13	9M13	9M14	Ch.%
Total Revenues	100.69	71.65	72.28	0.9
Advertising	61.04	42.38	42.95	1.3
Circulation	35.97	26.73	26.31	(1.6)
Other	3.68	2.53	3.02	19.4
Total COGS	59.57	42.66	42.57	(0.2)
Production Costs	43.64	34.81	34.62	(0.6)
Depreciation	0.40	0.30	0.30	(2.3)
Other Costs	15.53	7.55	7.65	1.4
Gross Profit	41.12	28.99	29.71	2.5
Gross Margin	40.84	40.46	41.11	0.7pp

Operational Profitability –9M14

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

Million TRY	FY13	9M13	9M14	Ch.%
Total Operational Exp.(-)	38,49	26.65	27.93	4.8
Advertising&Promotion	6.97	4.68	5.25	12.3
Depr.&Amortization	0.67	0.50	0.51	1.4
Other Marketing Exp.	12.63	9.31	9.37	0.7
Overhead&Gen.Admin	18.22	12.16	12.79	5.2
Net other operational inc./ (exp.)	0.88	0.16	1.52	879.0
Operating Profit/(Loss)	3.51	2.49	3.30	32.4
EBITDA*	4.06	3.34	2.81	(16.0)
Income/Expenses from Investing Activities**	0.00	0.00	5.04	n.m
Operating Profit/(Loss) before Finance Exp.	3.51	2.49	8.34	234.5
Financial Income, net	(0.24)	(0.17)	(0.16)	(10.3)
Profit Bef.Tax	3.28	2.32	8.19	252.9
Tax	(0.75)	(0.45)	(1.60)	256.6
Net Profit/(Loss)	2.52	1.87	6.59	252.0

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

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

Million TRY	2013	9M14
Cash & Cash Equivalents	5.5	6.3
Net Cash (Net Debt)	5.5	6.3
Total Assets	63.0	66.1
Shareholder's Equity	35.4	39.5

- Despite gross cash dividend distribution of TRY 2.5 mn on April 9, 2014, net cash reached TRY 6.3 mn, vs. TRY 5.5 mn at 2013-end, with the support of cash inflow through asset sale.

- Feasibility studies for 360 degree magazine publishing ongoing, including all digital channels for improving new revenue streams.
- Seeking opportunities for new brands both in local and licensed alternatives.
- Focusing on existing portfolio in terms of content and conventional revenue channels.
- New revenue channels such as sponsored sections, newsletters and video production are in plan.
- Launch of *Hotelier* in Oct'14, *Beef & Fish*, *Fitmen and VeggieLife* in Apr'14 will contribute positively to the total circulation in 2014.
- Further cash inflow through asset sale: Regarding the Hadımkooy 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, merged under the umbrella of its main shareholder Doğan Holding through all its assets and liabilities being "taken over" as a whole by Doğan Holding. Upon the registration of the Merger, DYH has ceased by being dissolved without liquidation as of August 26, 2014.