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Review of 3Q13 Results
NOVEMBER 07, 2013

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Women, Health and Decoration



Economy, News and Law



People, Youth, Travel and Life Style



Information Technology and Computers

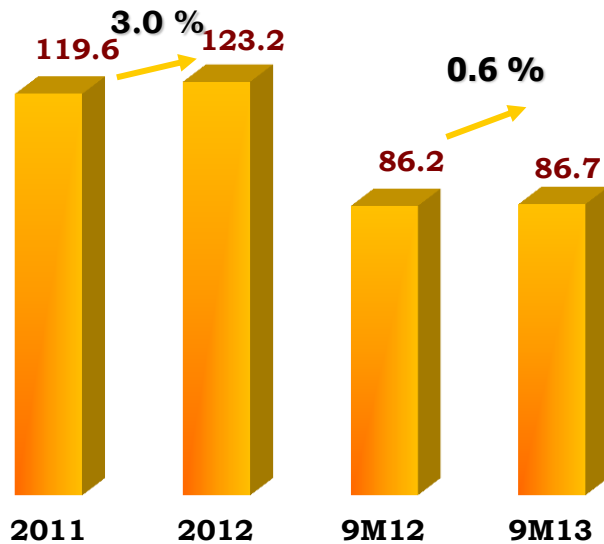


Hobbies, Cooking and Special Interest

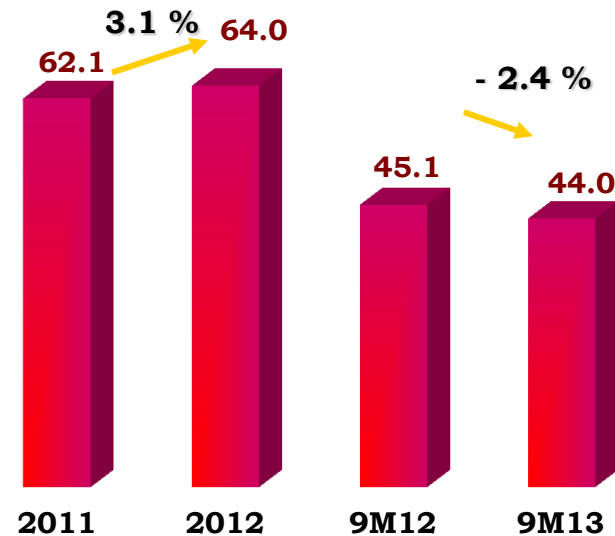


- Turkish magazine ad market increased slightly by 0.6% yoy to TL 86.7 mn in 9M13, whereas total Turkish ad market growth was 13%.
- Doğan Burda’s overall ad sales volumes were slightly below the level of 9M12, due to shift of some events and spin-offs.
- Reported Ad Revenues stood at TL 44 mn, down by 2.4 % vs. 9M12.

Magazine Advertising - Turkey (TLm)



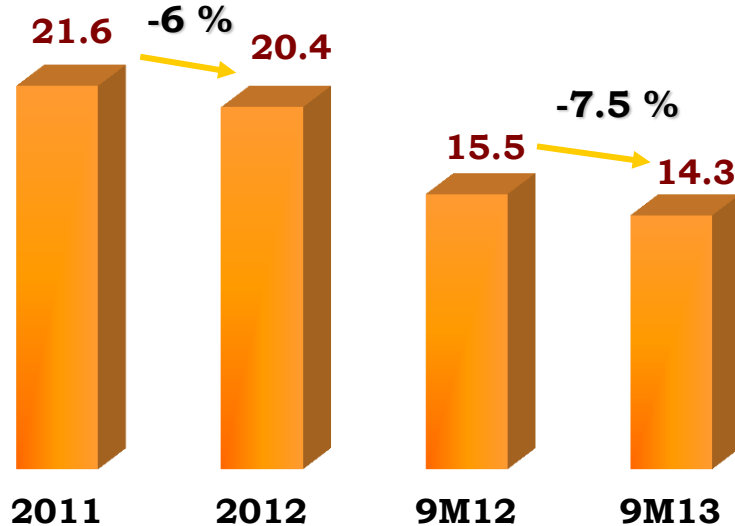
Doğan Burda Advertising Revenues (TLm)*



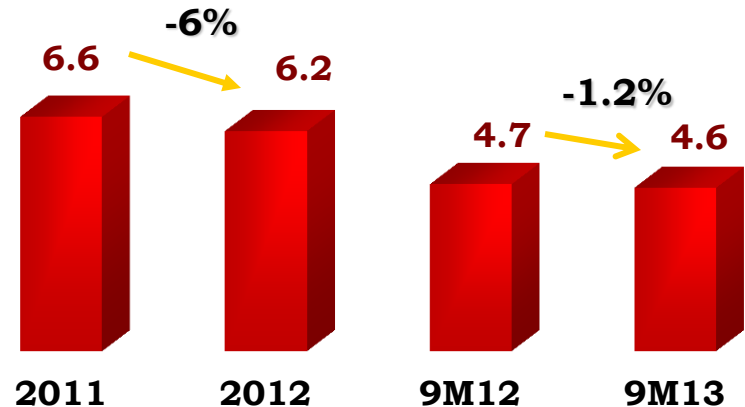
* Ad revenues = Reported ad revenues plus IAS adjustments & reclassifications.

- Doğan Burda maintains its leading position in magazine circulation with around 32% share.
- Magazine circulation market in Turkey was down by 7.5% yoy in 9M13. Through new launches, Doğan Burda managed to keep its circulation figures almost intact.

Total Net Circulation Units – Turkey (Units m)

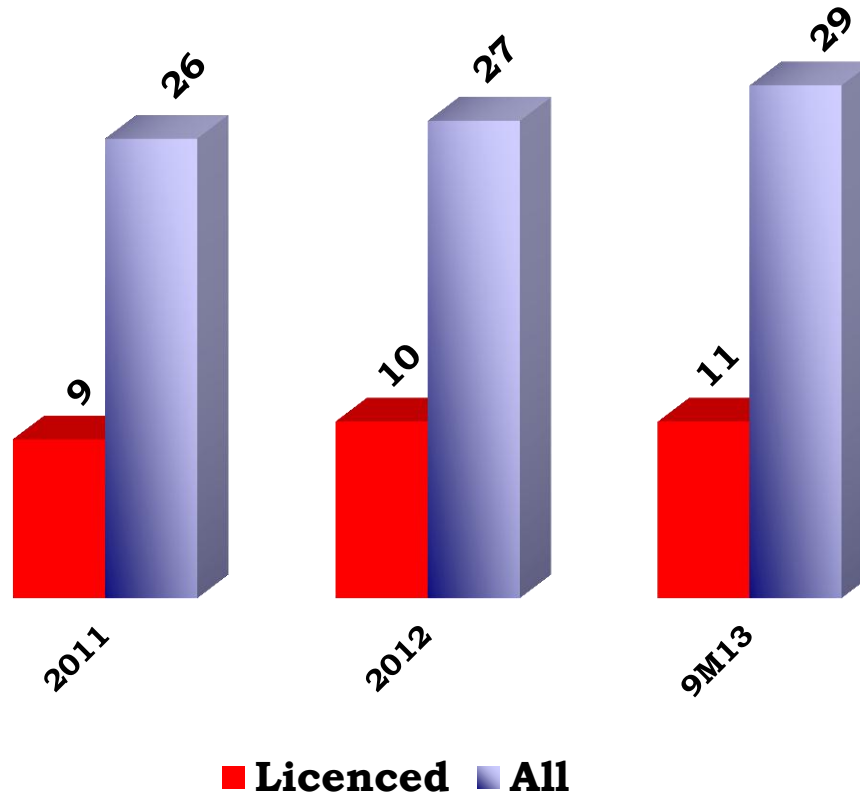


Dogan Burda Net Circulation (Units m)



Number of Magazines (Period end)

- Following the successful launch of «Geo» magazine in Mar'13, Spa & Wellness was launched in Sep'13.



- Successful seasonal brands continued to add value in 9M13, main brands' various seasonal magazines launched during the period.
- Dogan Burda's tablet store ' Dergi Burada' is active since Mar'13.
- Fluctuations in EUR/USD exchange rate had a negative impact on major cost items (paper, imported magazines ,copyrights etc.).
- Around 6.4 mn UMV in total web sites, up by 28% yoy.
- Spa & Wellness was launched in Sep'13 and will be published bi-monthly.
- Dogan Burda made an option to sell its Hadımkoş building for a total of US\$10 mn in September 2013, and received US\$1 mn as advance payment. The option can be exercised until June 30, 2014.



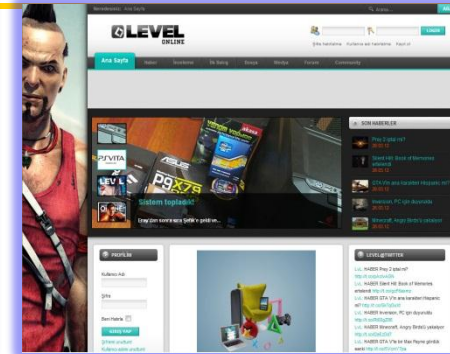
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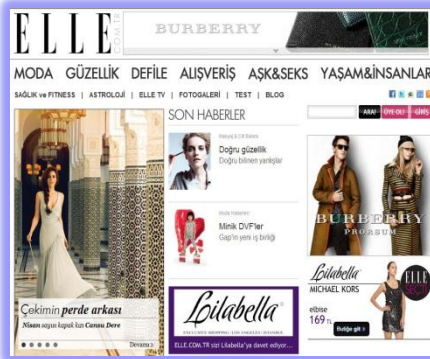
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- iPad App of **ELLE Magazine** has been launched. The app has been downloaded 117.785 times so far.
- **Nexxt**, a tablet-only CE magazine, has been launched (bi-weekly)
- Lezzet cooking recipes will be provided in the next version of Microsoft Windows.
- **Lezzet iPad** and **iPhone** applications have reached 185.000 downloads in total.
- Elele Online (www.elele.com.tr) has been relaunched and reached monthly 985K UVs
- **All magazines are available on Tablets.** Total number of monthly downloads is close to 100.000.
- **On web sites approximately 6.4 mn** monthly unique visitors in total.

- Net sales were down slightly by 1% to TL 72 mn, due to shift of some events & spin-offs in 3Q13.
- EBITDA declined to TL 3 mn, as a result of shift in ad revenues and higher COGS and operating expenses due to launch & projects expenditures.

Million TL	FY12	9M12	9M13	Ch.%
Net Sales	101.50	72.60	71.65	(1.3)
Cost of Goods Sold	56.58	41.76	42.66	2.2
Operating Exp.	34.37	24.24	26.65	9.9
Operating Profit/(Loss)	9.74	5.91	2.49	(57.8)
EBITDA*	11.84	7.62	3.34	(56.1)
Net Profit/(Loss)	7.08	4.13	1.87	(54.6)

(*) Operating profit/(loss) in FY12 have been reclassified in accordance with the Turkish Accounting Standards and Turkish Financial Reporting Standards under the Capital Markets Board's ("CMB").

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

- **Effect of currency fluctuations led to rise in COGS and ad revenue shifts led to lower gross margin in 9M13.**

Million TL	FY12	9M12	9M13	Ch.%
Total Revenues	101.50	72.60	71.65	(1.3)
Advertising	61.78	43.30	42.38	(2.1)
Circulation	36.81	27.57	26.73	(3.1)
Other	2.91	1.73	2.53	46.6
Total COGS	56.58	41.76	42.66	2.2
Production Costs	42.20	30.54	31.00	1.5
Depreciation	0.37	0.27	0.30	10.6
Other Costs	14.01	10.95	11.36	3.8
Gross Profit	44.91	30.84	28.99	(6.0)
Gross Margin	44.25	42.48	40.46	-2.0pp

▪ **Launch & project expenses led to a rise in operating expenses.**

Million TL	FY12	9M12	9M13	Ch.%
Total Operational Exp.(-)	34.37	24.24	26.65	9.9
Advertising&Promotion	5.82	4.17	4.68	12.1
Depr.&Amortization	0.63	0.45	0.50	11.1
Other Marketing Exp.	12.01	8.95	9.31	4.1
Overhead&Gen.Admin	15.91	10.67	12.16	13.9
Net other operational inc. (exp.)*	(0.80)	(0.69)	0.16	n.m
Operating Profit/(Loss)*	9.74	5.91	2.49	(57.8)
EBITDA**	11.84	7.62	3.34	(56.1)
Financial Income, net	(0.40)	(0.33)	(0.17)	(48.1)
Profit Bef.Tax	9.33	5.58	2.32	(58.4)
Tax	(2.26)	(1.45)	(0.45)	(69.0)
Net Profit/(Loss)	7.08	4.13	1.87	(54.6)

(*) Operating profit/(loss) in FY12 have been reclassified in accordance with the Turkish Accounting Standards and Turkish Financial Reporting Standards under the Capital Markets Board's ("CMB").

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

Million TL	2012	9M13
Cash&Cash Equivalents	7.4	7.6
Short Term Bank Debt	-	-
Long Term Bank Debt	-	-
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Net Cash (Net Debt)	7.4	7.6
Total Assets	64.0	63.0
Shareholder's Equity	40.6	34.9
Investment	-	-

- Net cash position reached TL 7.6 mn together with the advance amount of US\$1 million as of September 30, 2013, compared to TL 7.4 mn at 2012-end.

- **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 channel.**
- **Launch of Spa & Wellness in Sept'13, Geo in Mar'13 and Popular Science in May'12 will contribute positively to the total circulation in 2013.**