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**Review of 3Q12 Results**

**November 12, 2012**

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**Women, Health and Decoration**



**Economy, News and Law**



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



**Information Technology and Computers**

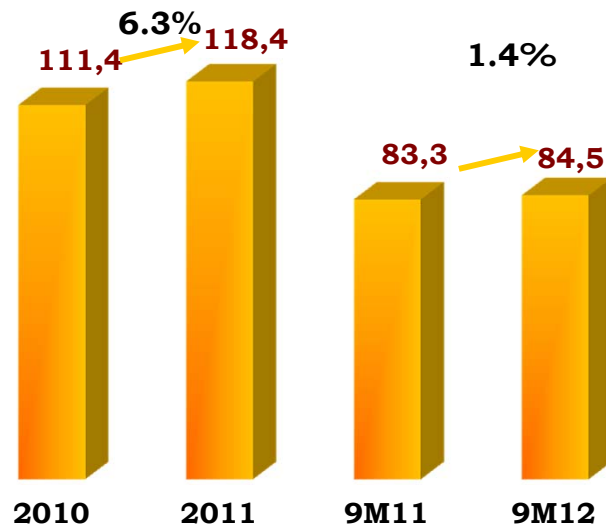


**Hobbies, Cooking and Special Interest**

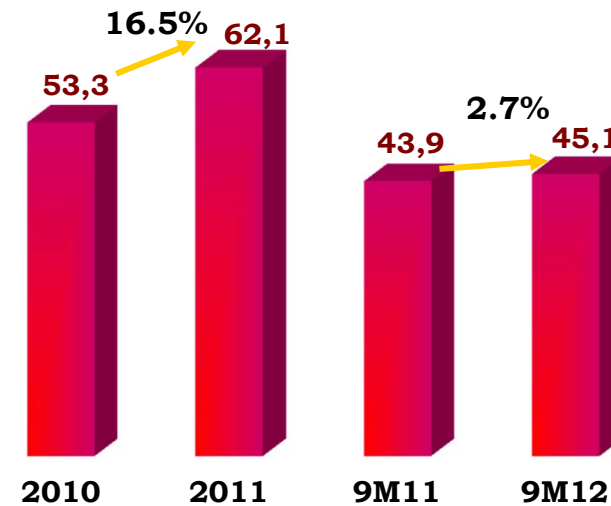


- Turkish magazine ad market continued its growth in 2012 and increased by 1.4% yoy to TL 84.5 mn in 9M12, whereas total Turkish ad market growth was 4.3%.
- Doğan Burda maintained its leading position in 9M12, while ad revenues were up by 2.7%.

**Magazine Advertising - Turkey (TLm)**



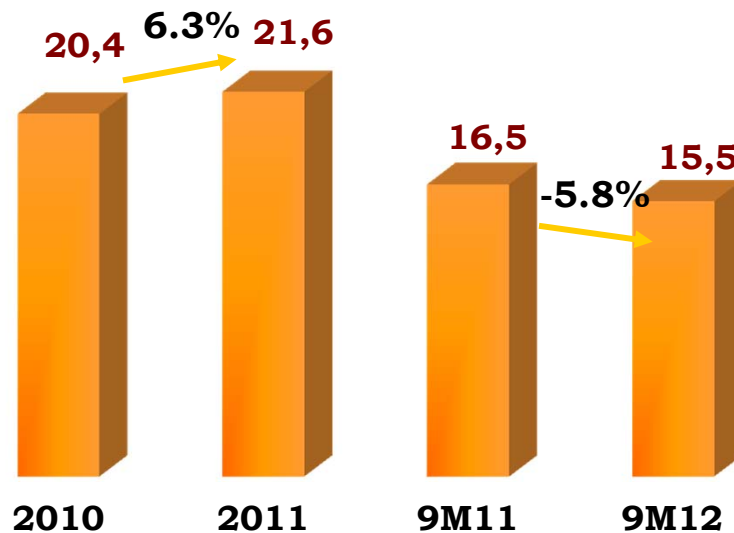
**Doğan Burda Advertising Revenues (TLm)\***



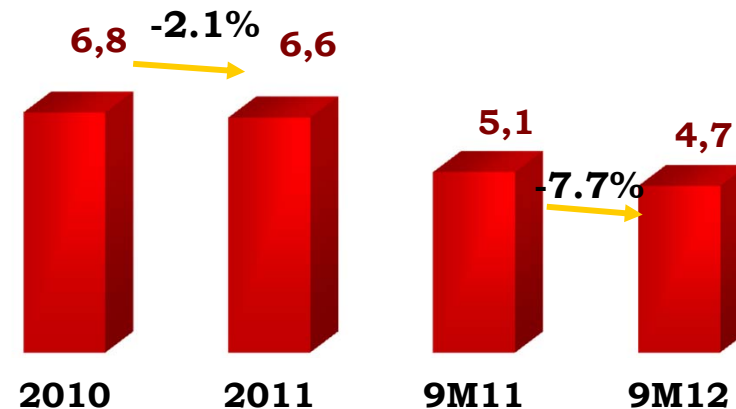
\* Ad revenues = Reported ad revenues plus IAS adjustments & reclassifications.

- Doğan Burda remains the market leader in magazine circulation with around 30% share.
- Due to life cycle of certain magazines. circulation figures were lower in 9M12. But the decline in total magazine circulation market was partially offset by the new launches of competitors.

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

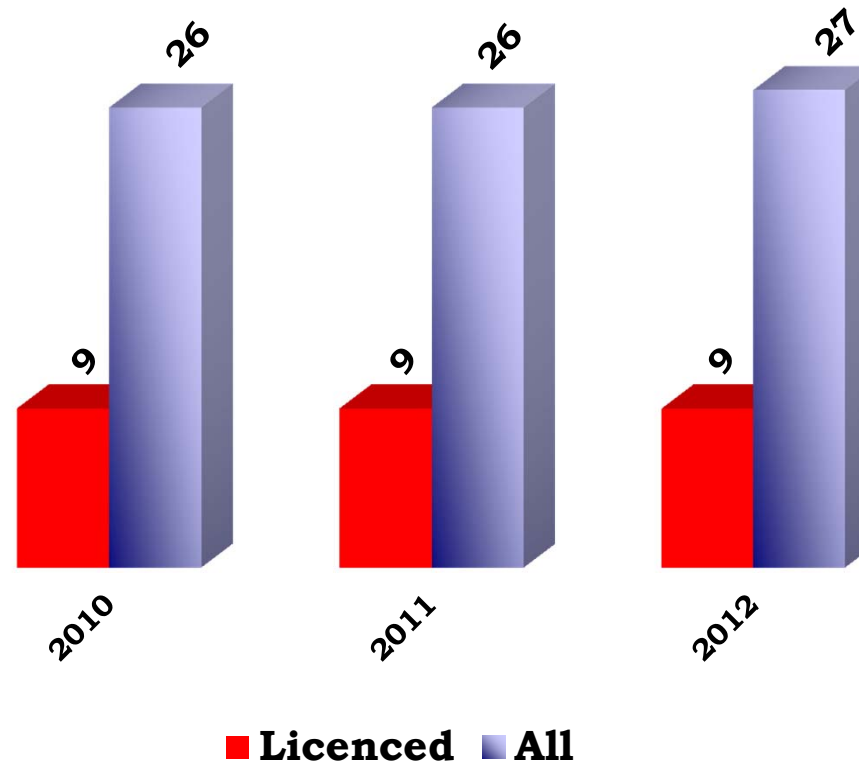


**Dogan Burda Net Circulation (Units m)**



## Number of Magazines (Period end)

- 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 9M12. especially 10 main brands’ various seasonal magazines launched during the period.
- Average cover prices were 10% higher yoy in 9M12: cover prices for 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).



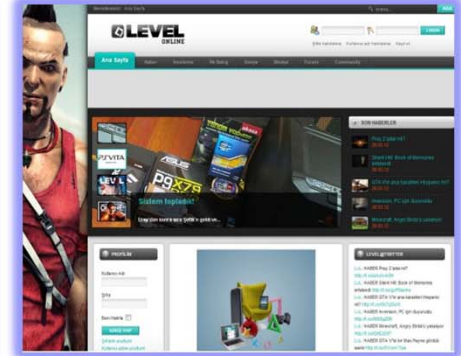
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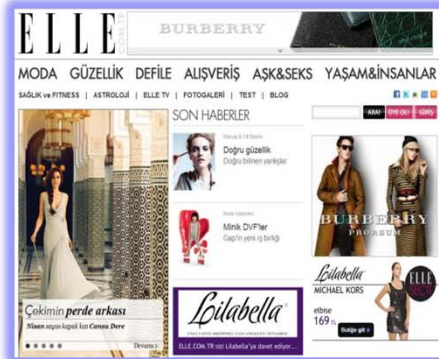
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- Web sites of 18 magazines successfully relaunched within 2010 & 2012.
- **Lezzet** iPad and iPhone applications have been launched and arrived 120.000 users in total.
- **Chip** mobile applications are also live, with around 50.000 downloads.
- Native apps for Atlas is completed; while Istanbul LIFE and ELLE's are in plan.
- All magazines are available on Tablets. Total number of monthly downloads is close to 110.000 thanks to the cooperation with Turkcell (The biggest mobile operator in Turkey).
- On web sites approximately 5 mn monthly unique visitors in total.



- Together with the savings in COGS increase in net sales had a positive impact on margins in 3Q12.

Million TL	FY11	3Q11	3Q12	Ch.%	9M11	9M12	Ch.%
Net Sales	98.4	21.34	22.02	3.2	71.02	72.60	2.2
Cost of Goods Sold	58.0	14.25	13.75	(3.5)	42.71	41.60	(2.6)
Operating Exp.	32.9	7.21	7.50	4.0	22.45	24.40	8.7
Operating Profit/(Loss)*	4.1	(0.32)	0.81	n.m	2.63	5.05	91.8
EBITDA**	8.8	0.19	1.11	482.3	6.84	7.62	11.3
Net Profit/(Loss)	2.9	(0.21)	0.86	n.m	1.69	4.13	143.6

(\* ) Includes Other Operating Income/(Exp), comprising TL 2.8 mn gross tax amnesty expense accrual in 9M11 and TL 1.2 mn net court case accrual in 9M12.

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

## Revenue & Cost Analysis-9M12

- Shifted ad projects from 2Q12 to 3Q12 affected ad expansion positively with higher net revenue growth in 3Q12 compared to 9M12.
- Despite lower circulation figures. circulation revenues were up by 1.4% yoy in 9M12, thanks to higher average cover prices.
- Revenue growth combined with continued attention to COGS led to a growth of 9.5% in gross profit and 2.8 pp in gross margin.

Million TL	FY11	3Q11	3Q12	Ch.%	9M11	9M12	Ch.%
<b>Total Revenues</b>	<b>98.4</b>	<b>21.34</b>	<b>22.02</b>	<b>3.2</b>	<b>71.02</b>	<b>72.60</b>	<b>2.2</b>
Advertising	59.7	10.82	11.26	4.0	42.24	43.30	2.5
Circulation	36.1	10.01	10.18	1.7	27.20	27.57	1.4
Other	2.6	0.51	0.59	14.4	1.58	1.73	9.2
<b>Total COGS</b>	<b>58.0</b>	<b>14.25</b>	<b>13.75</b>	<b>(3.5)</b>	<b>42.71</b>	<b>41.60</b>	<b>(2.6)</b>
Production Costs	42.4	9.20	9.65	4.9	30.52	30.54	0.1
Depreciation	0.4	0.10	0.09	(6.3)	0.29	0.27	(6.2)
Other Costs	15.2	4.95	4.01	(19.1)	11.90	10.79	(9.3)
<b>Gross Profit</b>	<b>40.4</b>	<b>7.09</b>	<b>8.27</b>	<b>16.6</b>	<b>28.31</b>	<b>31.00</b>	<b>9.5</b>
<b>Gross Margin</b>	<b>41.1%</b>	<b>33.25%</b>	<b>37.57%</b>	<b>4.3pp</b>	<b>39.86%</b>	<b>42.70%</b>	<b>2.8pp</b>

- Higher advertising & promotion expenses in 9M12 is led by the launch of Popular Science magazine in May'12.

Million TL	FY11	3Q11	3Q12	Ch.%	9M11	9M12	Ch.%
<b>Total Operational Exp.(-)</b>	<b>32.93</b>	<b>7.21</b>	<b>7.50</b>	<b>4.0</b>	<b>22.45</b>	<b>24.40</b>	<b>8.7</b>
Advertising&Promotion	5.38	0.98	0.55	(43.9)	3.90	4.17	6.9
Depr.&Amortization	0.57	0.14	0.18	24.7	0.44	0.45	4.1
Other Marketing Exp.	11.38	2.79	2.91	4.0	8.01	8.67	8.3
Overhead&Gen.Admin	15.60	3.29	3.87	17.4	10.11	11.10	9.9
<b>Net other operational inc. (exp.)*</b>	<b>(3.36)</b>	<b>(0.21)</b>	<b>0.03</b>	<b>n.m</b>	<b>(3.22)</b>	<b>(1.54)</b>	<b>(52.2)</b>
<b>Operating Profit/(Loss)*</b>	<b>4.09</b>	<b>(0.32)</b>	<b>0.81</b>	<b>n.m</b>	<b>2.63</b>	<b>5.05</b>	<b>91.8</b>
<b>EBITDA**</b>	<b>8.77</b>	<b>0.19</b>	<b>1.11</b>	<b>482.3</b>	<b>6.84</b>	<b>7.62</b>	<b>11.3</b>
Financial Income. net	0.37	0.14	0.25	80.6	0.26	0.52	98.5
<b>Profit Bef.Tax</b>	<b>4.46</b>	<b>(0.18)</b>	<b>1.06</b>	<b>n.m</b>	<b>2.90</b>	<b>5.58</b>	<b>92.4</b>
Tax	(1.53)	(0.02)	(0.21)	730.5	(1.20)	(1.45)	20.4
<b>Net Profit/(Loss)</b>	<b>2.93</b>	<b>(0.21)</b>	<b>0.86</b>	<b>n.m</b>	<b>1.69</b>	<b>4.13</b>	<b>143.6</b>

(\*) Including TL 2.8 mn gross tax amnesty expense accrual in 9M11 and TL 1.2 mn net court case accrual in 9M12.

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

Million TL	2011	9M12
Cash&Cash Equivalents	6.0	8.8
Short Term Bank Debt	-	-
Long Term Bank Debt	-	-
Net Cash (Net Debt)	6.0	8.8
<b>Total Assets</b>	<b>60.6</b>	<b>63.7</b>
<b>Shareholder's Equity</b>	<b>37.4</b>	<b>39.5</b>
Investment	-	-

- Despite gross cash dividend distribution TL 2.0 mn, net cash position reached TL 8.8 mn at September-end 2012, vs. TL 6 mn at 2011-end.
- TL 0.10/share gross cash dividend.

- **Focus on existing titles and leveraging of existing content will continue.**
- **Target to develop new revenue areas through additional magazine 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 2012 opportunities regarding new titles (licenced or local) and new revenue streams.**