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axel springer 

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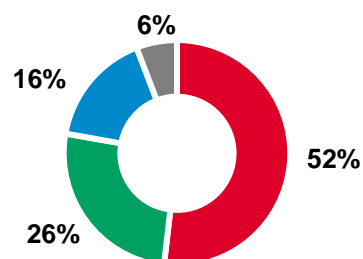
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Axel Springer at a Glance

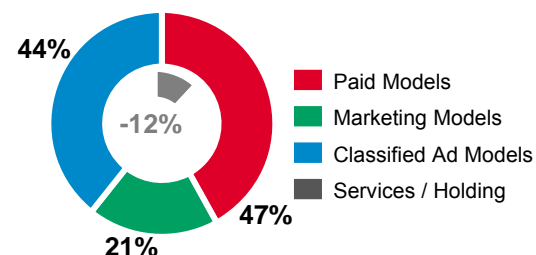
– Highlights

- Germany's leading publisher with unique media brands
- Successful transformation with 70% of EBITDA from digital activities
- Organic growth supported by active M&A with strong track record
- Strong balance sheet and cashflow
- High dividend yield

– Revenues by segment¹⁾



– EBITDA by segment¹⁾



– Financials

	2013	Outlook 2014
Revenues	2,801.4	Up single-digit %
EBITDA	454.3	Up low double-digit %
EBITDA-margin	16.2%	
EPS (adj.)	1.81	Up low double-digit %
DPS	1.80	

¹⁾ based on 9M/14

Axel Springer's transformation to digital along core areas of expertise



- Paid Models

- Portfolio of market-leading media brands in Germany and international markets
- Digital revenue share ~20%



- Marketing Models

- Portfolio of reach- and performance-based marketing models
- Digital revenue share 100%

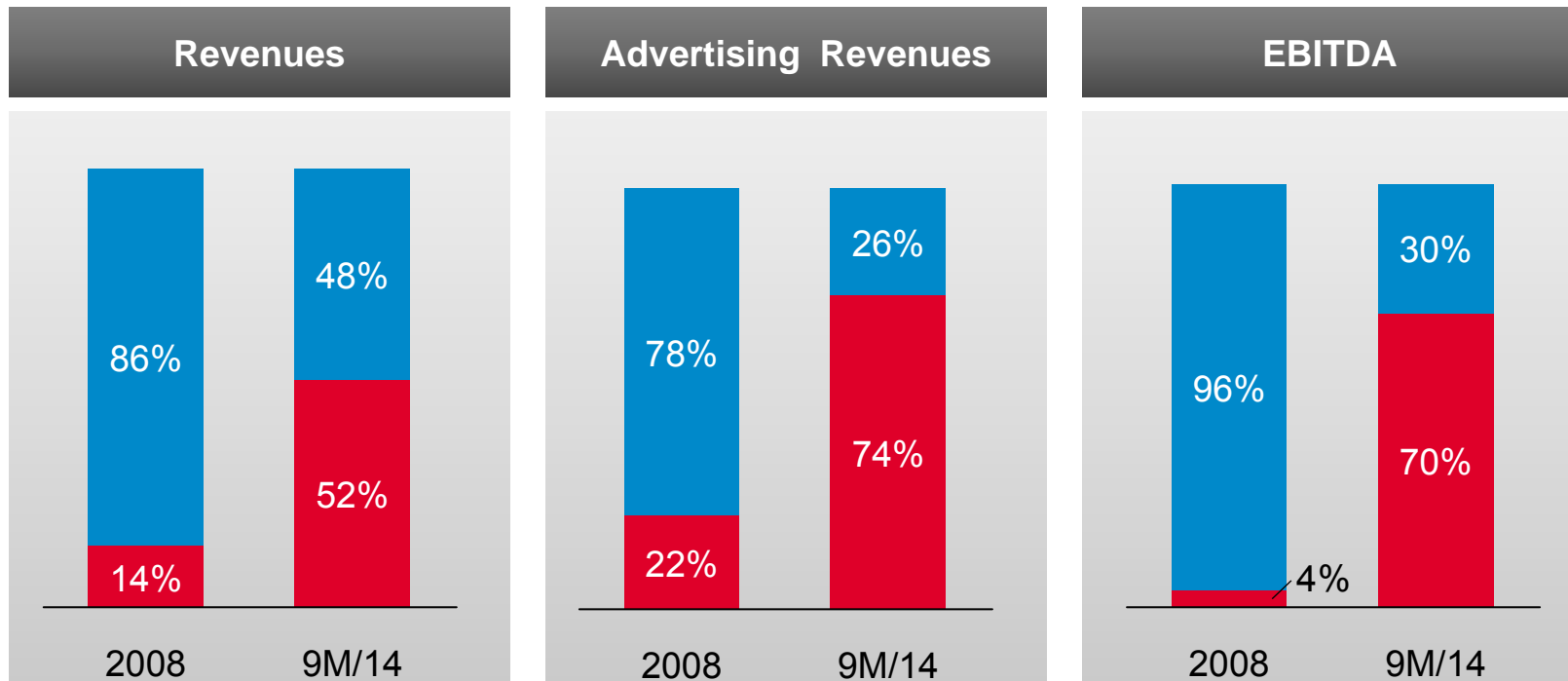


- Classified Ad Models

- Portfolio of classified ad models with focus on real estate, jobs and cars
- Digital revenue share 100%



Active portfolio management accelerates shift to digital



■ Other (incl. Services / Holding) ■ Digital

9M/2014 figures on the basis of continuing operations only.

Classifieds transaction – major transformational steps for Axel Springer

1

Acquisition of classifieds stake from General Atlantic (GA)

→ Full exposure to classifieds earnings potential

2

GA to become Axel Springer group investor

→ Shows conviction in value creation potential of Axel Springer

3

Axel Springer plans to change legal form from SE to KGaA

→ Enables mid- and long-term growth while securing influence of family holding

Partnership with GA has increased the pace of acquisitions since 2012

April 2012

SeLoger
com

StepStone

immonet.de
Wir sind Immobilien

April 2012 – today

meinstadt.de

IMMOWEB.be
Belgium's leading property website

YOURCAREERGROUP
HOTEL CAREER | GASTRONOMIE CAREER | TOURISTIK CAREER

totaljobs
GROUP

LaCentrale.fr

yad2
.co.il

saongroup.com

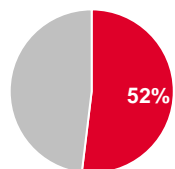
jobsite

Total investment of ~€800m since April 2012

Additional transparency shows high margins for jobs and real estate

Jobs

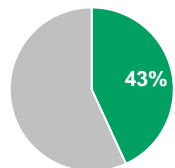
EBITDA share



in €m	9M/14	9M/13	yoy
Revenues	181.7	145.8	24.6%
EBITDA	84.1	57.6	46.0%
Margin	46.3%	39.5%	6.8pp

Real estate

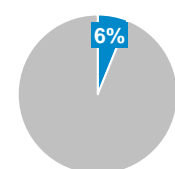
EBITDA share



in €m	9M/14	9M/13	yoy
Revenues	142.6	134.7	5.8%
EBITDA	69.2	61.4	12.7%
Margin	48.6%	45.6%	3.0pp

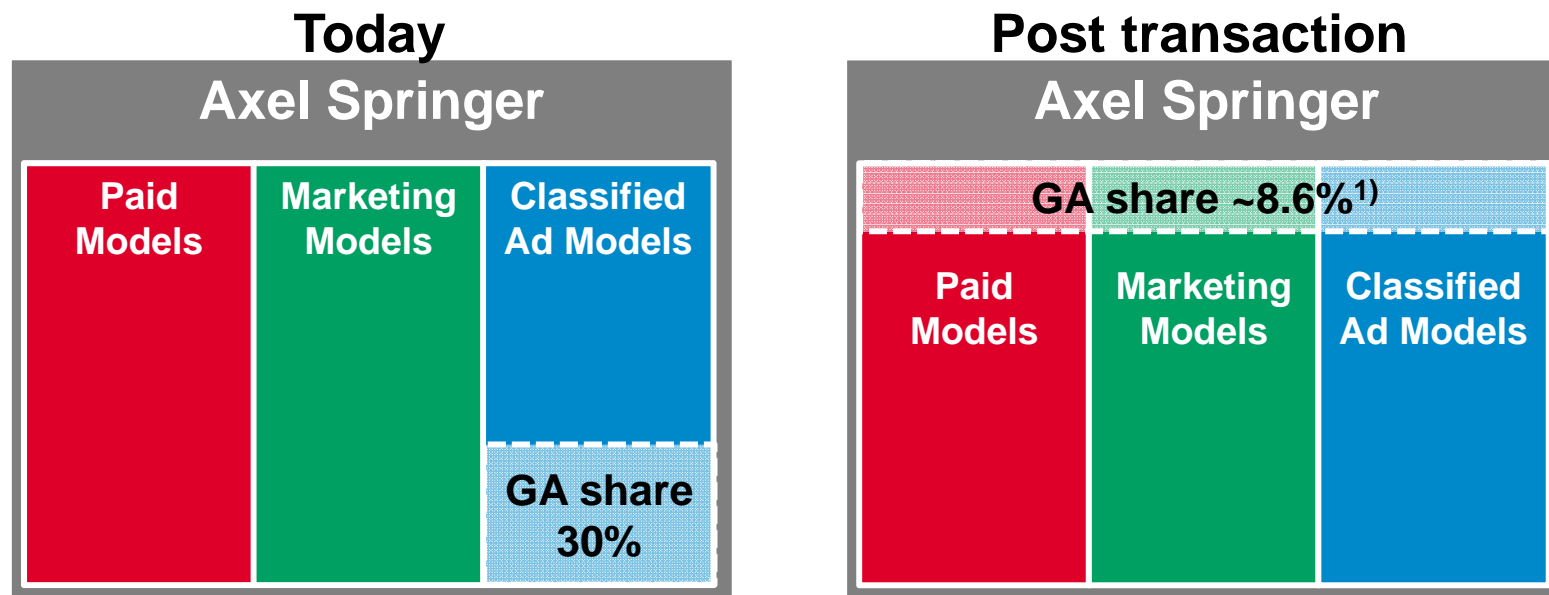
General/Other

EBITDA share



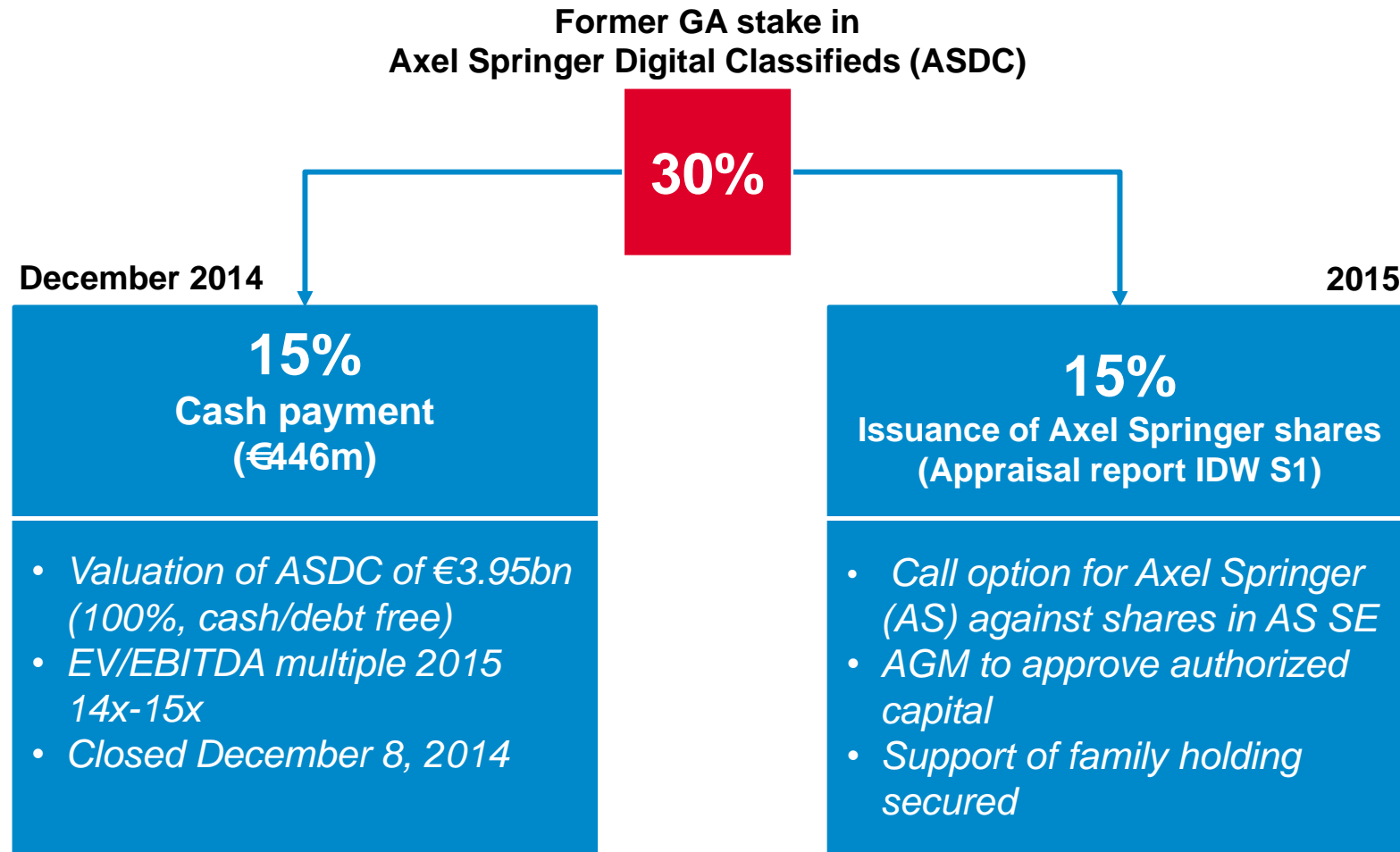
in €m	9M/14	9M/13	yoy
Revenues	32.8	15.8	>100%
EBITDA	9.4	2.3	>100%
Margin	28.6%	14.5%	14.2pp

GA to become Axel Springer group shareholder



¹⁾ Based on Axel Springer share price as of December 5, 2014 (€47.66) and valuation of first 15% tranche.

Deal structure



Financial impact

1.

Full ownership of classifieds earnings going forward

2.

Transaction eps accretive

3.

Net debt 2014 expected at ~€750m / leverage of ~1.4x¹⁾

4.

New legal form enables mid- and long-term growth

1) Based on Bloomberg consensus of €520.0m and including full repayment of vendor loan by Madsack (€63m)

Comfortable financial situation with headroom for investments and dividend

- Financial situation

- **Attractive financing** further optimized
- **Net financial debt**¹⁾ of ~€750m and **leverage** of ~1.4x expected by year-end
- **Strong free cash flow** generation (2013: €246m)
- **New legal form** enables further mid- and long-term growth

- Future cash inflows ~€500m

- €241m vendor loan to FUNKE Media Group
- €259m sale of stake in Doğan TV

Sufficient headroom for investments in digitization and **high dividend** (payout of €178m for 2013)

¹⁾ Excl. pension liabilities

Our corporate mission

**The leading
digital publisher**

Paid Models segment at a Glance

– Highlights

- Focus on market-leading media brands with clear path to digitization
- National paid models dominated by unique asset BILD
- WELT group complemented by leading news TV channel N24
- Pioneering paid content in Germany with encouraging first results
- Strong presence in Eastern Europe (JV with Ringier) and Switzerland (JV with Ringier envisaged)

Paid Models

– National

- BILD group 
- WELT group/N24  

– International

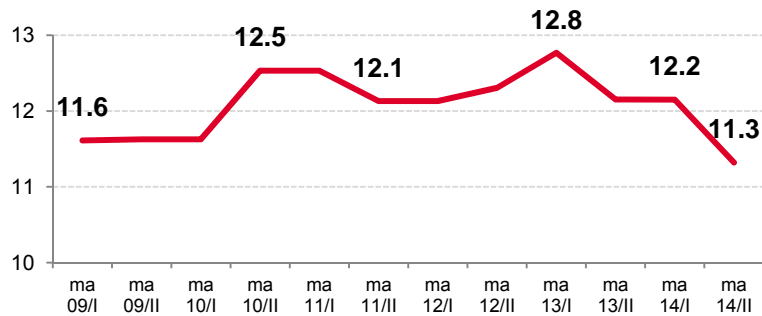
- Ringier Axel Springer Media (Central Eastern Europe)
- Switzerland
- France, Russia, Spain

– Current Financials

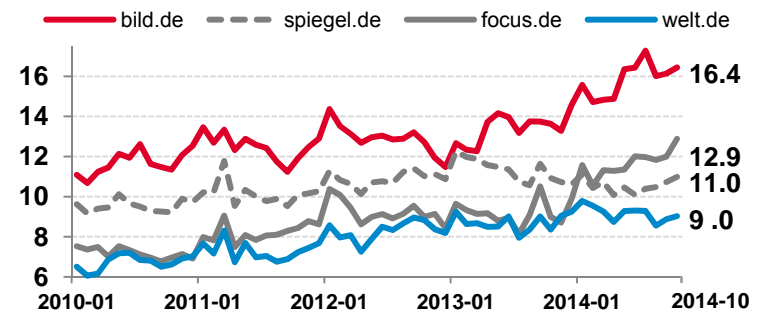
	2013	Outlook 2014
Revenues	1,521.5	Up low single-digit %
EBITDA	250.1	Down low to mid single-digit %
EBITDA-margin	16.4%	

BILD – a unique media brand print and online

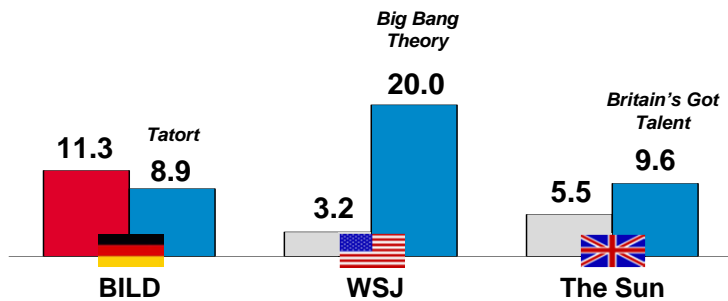
– Print, daily reach in million¹⁾



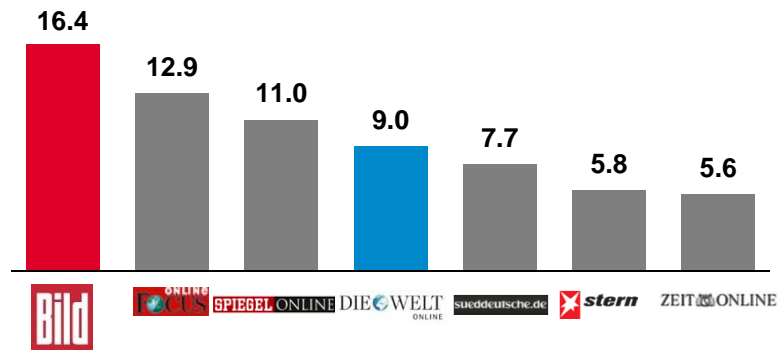
– Online, reach in million unique users²⁾



– BILD vs. TV



– Bild.de vs. Peers²⁾



¹⁾ ma Pressemedien, Note: change in population parameter after ma 2010

²⁾ AGOF UUs (14+) in million per month (not incl. mobile internet).

BILD reaches 250k digital subscribers



- Freemium model
- Introduced 06/2013
- Price range:
€4.99 – €9.99 per month
- Including German soccer league highlight clips

December 2014
18 months after start

253k



- Metered model
- Introduced 12/2012
- Price range:
€4.49 – €14.99 per month
- German soccer league highlight clips as additional option (€3.49 per month)

December 2014
25 months after start

58k

Marketing Models segment at a Glance

- Highlights


- #1 positions in all major marketing business models
- Reach based marketing with strong organic growth and margins >30%
- zanox group European market leader in performance marketing
- Performance marketing with structurally low margin (~5%)
- Investments for further growth affect 2014 EBITDA

Marketing Models

- Reach Based Marketing

- Idealo 
- aufeminin 
- kaufDA/Bonial 

- Performance Marketing

- zanox group 
 - Digital Window
 - eprofessional

(Main activities)

- Current Financials

	2013	Outlook 2014
Revenues	716.5	Up low double-digit %
EBITDA	103.4	stable
EBITDA-margin	14.4%	

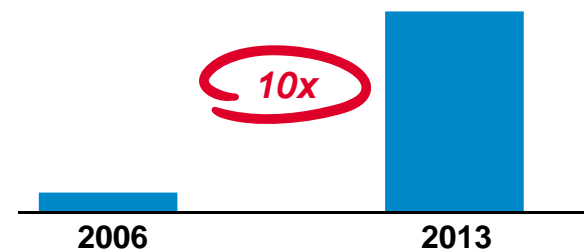
Idealo: Germany's #1 price comparison platform

– Company Overview / History

- Founded in 2000
- Break-even in 2003
- Acquisition by Axel Springer in 2006 (#5 market position)
- Marketing via print and online reach of Axel Springer helps to achieve #1 market position
- Today ~150m offers by >37,000 shops on idealo.de, >700 employees (FTE)
- Largest digital EBITDA contributor outside Classifieds segment

– Continuous success since acquisition

Revenues



EBITDA



All figures incl. acquisitions.

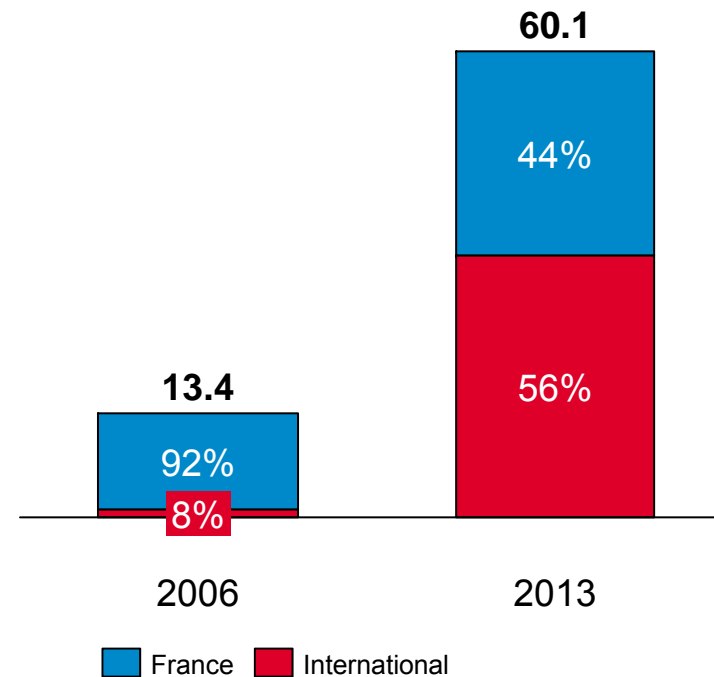
aufeminin.com: From a French website to the world's leading digital publisher for women

— Company profile

- The leading women's network
 - 40m unique users worldwide, 29m in Europe¹⁾
- Axel Springer invested since August 2007 (stake 82.3%)
- Active in 15 countries
- Bolt-on acquisitions to accelerate growth
 - 2008: onmeda.de in Germany
 - 2011: netmums.com in UK
 - 2013: MyLittleParis in France

Strong growth and successful internationalization

Revenues in €m

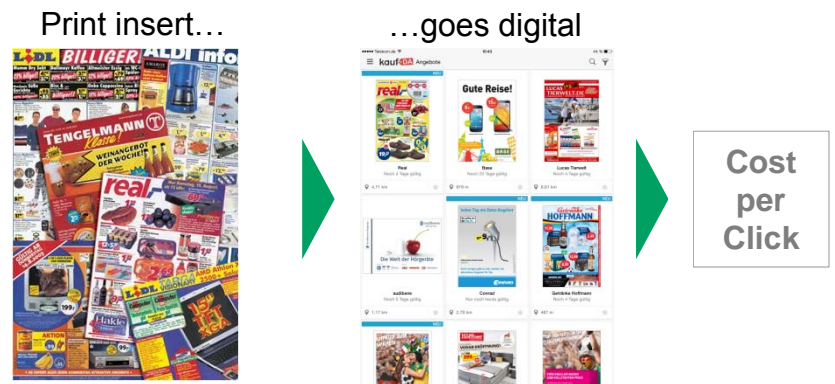


¹⁾ Source: comScore, monthly average, 2014 (Jan.-Sep.); not incl. mobile internet

kaufDA: Going fast track international

— Business model

- 2008: Start in Germany, quickly achieved market leading position
- Research online – buy offline
- Making use of location-based offerings, also adding push alert functions
- 2014: Bolt-on acquisition of MeinProspekt

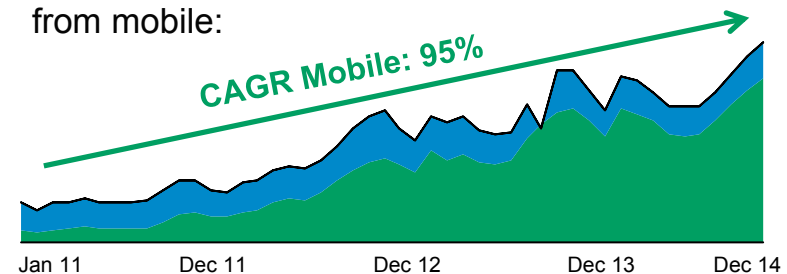


— Internationalization

- 2011: France
- 2012: Russia, Spain, Brazil
- 2013: USA
US market size for brochures (>15bn USD) exceeds European market

— Growth driven by mobile

- More than 80% of brochure view already coming from mobile:



Brochure views Germany and France

Classified Ad Models segment at a Glance

- Highlights

- Portfolio of market leading classified ad models
- Digital classifieds clear beneficiary of structural shift from print to online
- Strong market positions yielding high margins

Classified Ad Models

Real Estate

- #1 in France

- #1 in Belgium

- #2/3 in Germany


Jobs

- #1 in Germany

- #1 in UK

- #1 in Ireland, South Africa


Cars

- #1 in France


Local

- #1 in Germany


Generalist

- #1 in Israel


Travel

- #1 in Netherlands and Belgium


- Current Financials

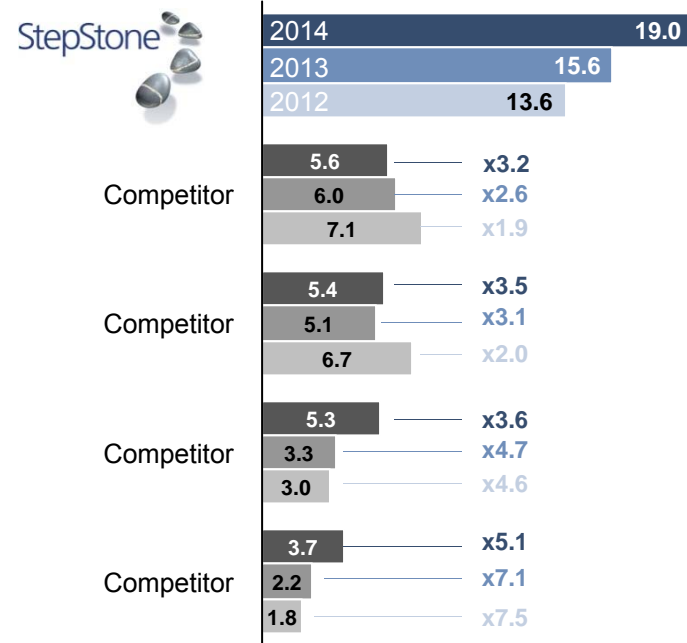
	2013	Outlook 2014
Revenues	402.6	Significant increase
EBITDA	163.8	Significant increase
EBITDA-margin	40.7%	

StepStone: Lead over competitors is widening

— Company profile

- #1 job portal in Germany, UK and Belgium
- High growth driven by operational excellence and market share gains
- Revenue growth and scalability of business resulting in strong margin improvement
- Several bolt-on acquisitions enabling know-how transfer and best practice exchange
- Relevance of direct search in Germany limited

— Applications per job ad in Germany; 2012 - 2014¹⁾



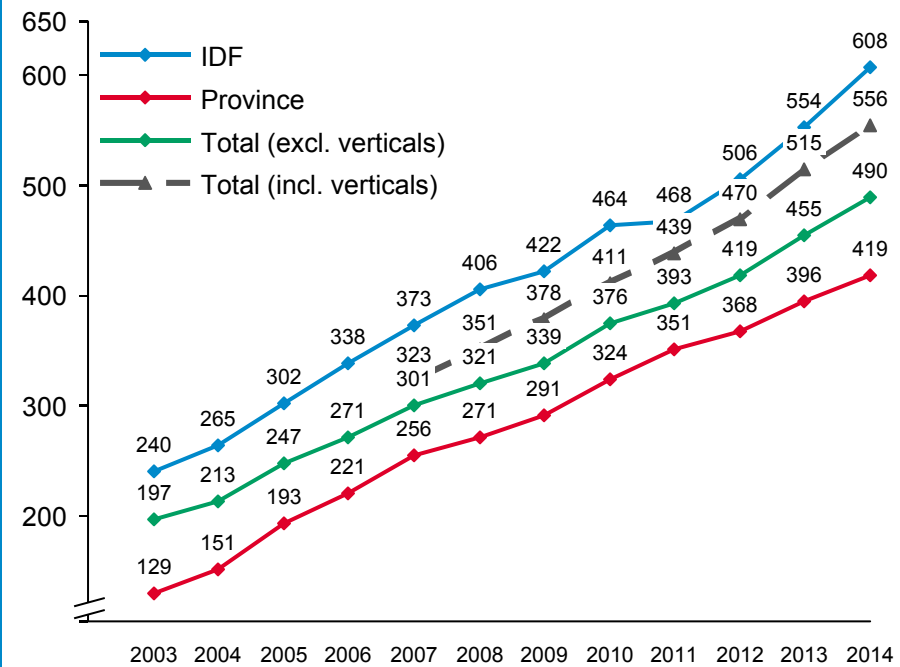
¹⁾ Source: TNS Infratest

SeLoger revenue growth driven by strong ARPA development

— Company profile

- #1 specialist real estate portal in France
- Penetration rate with real estate agents >80%
- Excellent competitive position and beneficiary from print to online shift
- Continued revenue growth driven by strong ARPA development over the last ten years

— Monthly ARPA depending on regions (EUR)



Note: ARPA figures as of December of each year

Three acquisitions in H1/2014 broadening the footprint in classifieds



- #1 portal for real estate, cars and generalist classifieds in Israel

Deal terms

- Acquisition of 100%
- Company valuation of ~€170m (cash/debt free)
- Transaction signed and closed in May 2014



- Add-on acquisition to complement #1 UK job portal Totaljobs

Deal terms

- Acquisition of 100%
- Company valuation of €112m (cash/debt free)
- Signed in May 2014, closed end of October 2014



- #1 specialist portal in French car segment

Deal terms

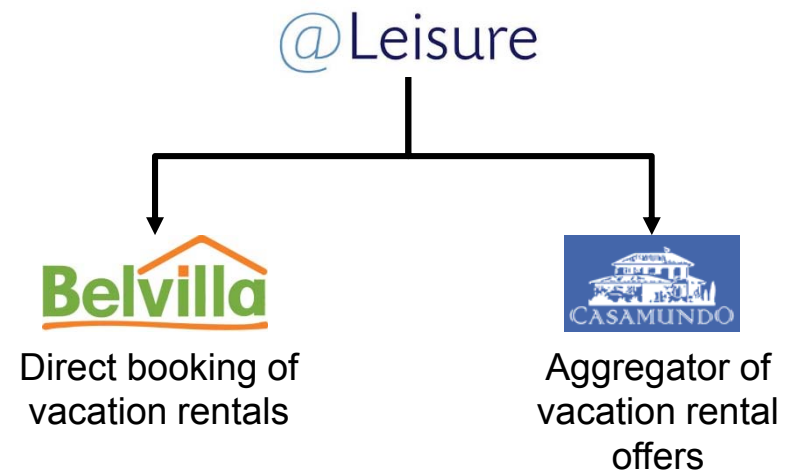
- Acquisition of 51%, options for remaining shares
- Company valuation of ~€142m (cash/debt free)
- Signed June, closed in July 2014

11/14: Majority acquisition of @Leisure, a leading specialist in online vacation rentals

— Company profile

- Acquisition of 51% in Dutch @Leisure Holding in November 2014¹⁾
- Company valuation of €120m (cash/debt free basis)
- Transaction based business model
- Market leader in Netherlands and Belgium, strong position in Germany
- Founded 1980, 190 employees
- Closed January 2015

— Major activities



Major divestments in 2014 – active portfolio management



- Sale of German regional newspapers, TV program guides and women's magazines to **FUNKE Mediengruppe** finalized 04/2014
- Asset valuation of €920m



- Sale of Ringier Axel Springer Media AG's activities in **Czech Republic** finalized 04/2014
- Asset valuation of €170m
- 11/2014: Integration of the **Hungarian** portfolio into Ringier Axel Springer Media AG



- Investment quadrupled: Attractive sale of **iProperty** for €74m results in profit of €55m in 07/2014

Clear investment criteria



Strategic fit along three areas of expertise

Proven and scalable business models

Clear path to profitability / profitable businesses

Experienced and incentivized management

Reasonable valuation

Added value through Axel Springer

Company transformation supported by digital acquisitions (total of €~3.3bn) and divestments (total of €~2.4bn) since 2006¹⁾

¹⁾ EV before purchase price adjustments, taxes etc.

Priorities 2014 and 2015

1.

Expanding European **market leadership in classifieds** on a global scale

2.

Establishing **paid models** as industry standard

3.

Successful integration of **WELT and N24**

4.

Continue value creating **M&A activities**

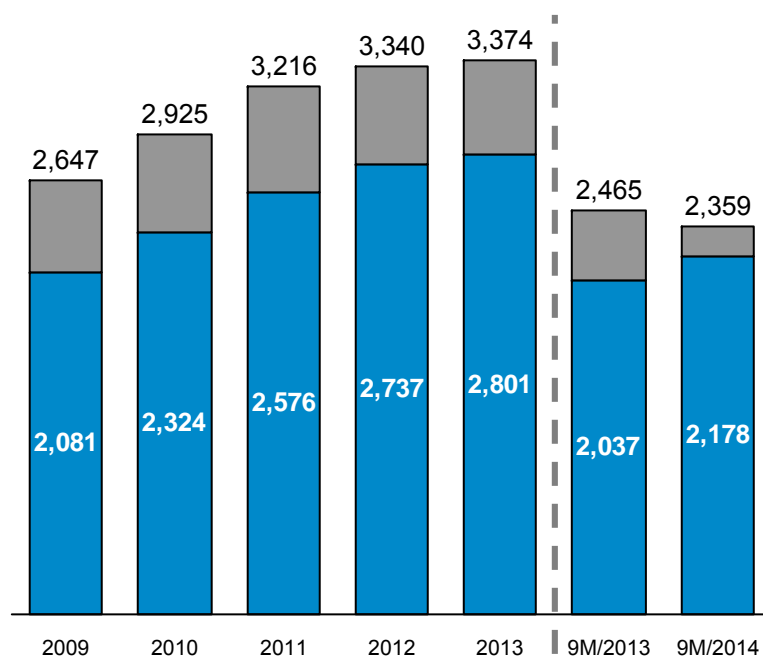
5.

Further successful **restructuring** of central departments

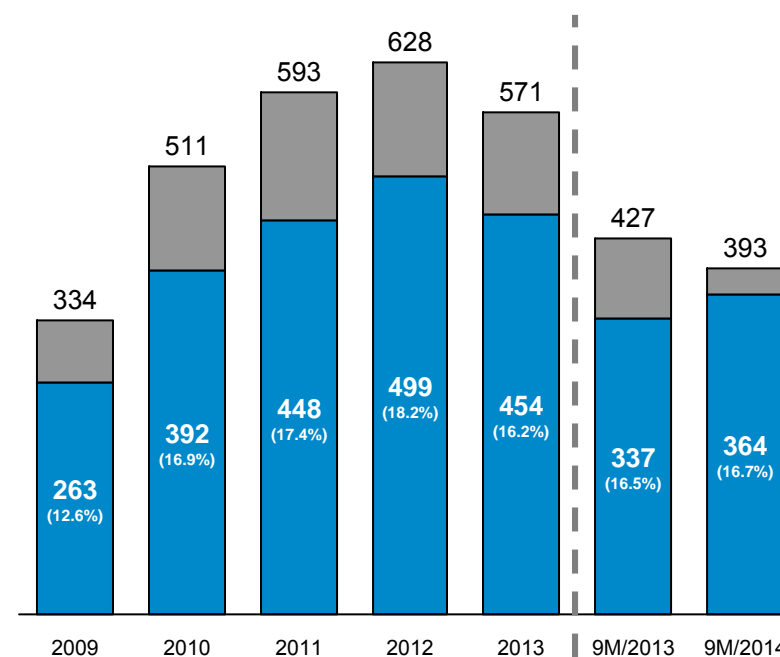
Financial performance

High profitability despite investments in digitization

Revenues in €m



EBITDA in €m



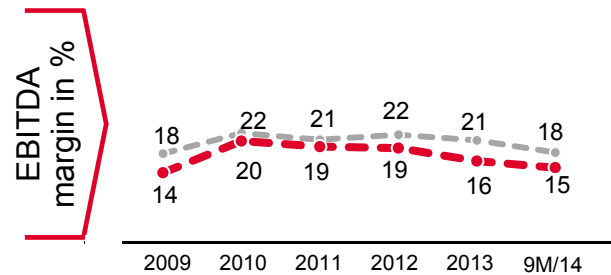
■ Discontinued operations ■ Continuing operations

2009-2011: Figures for discontinued operations not audited; 9M/2014 figures for discontinued operations only for January-April

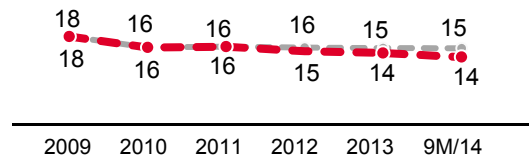
Margin profile segments: Classified Ad Models with strong margin increase

EBITDA in €m

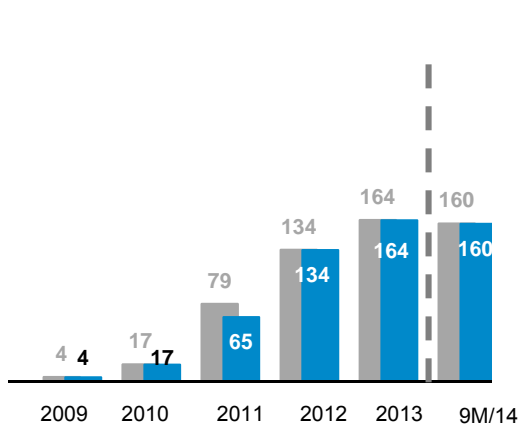
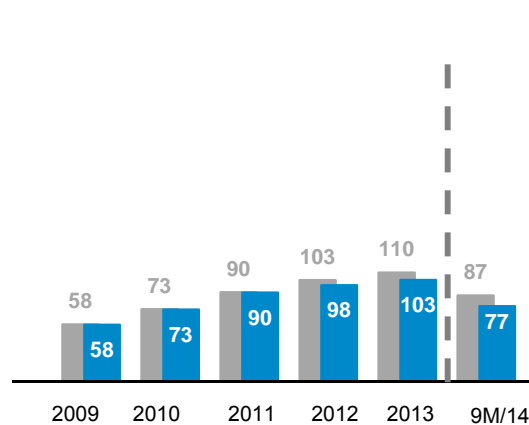
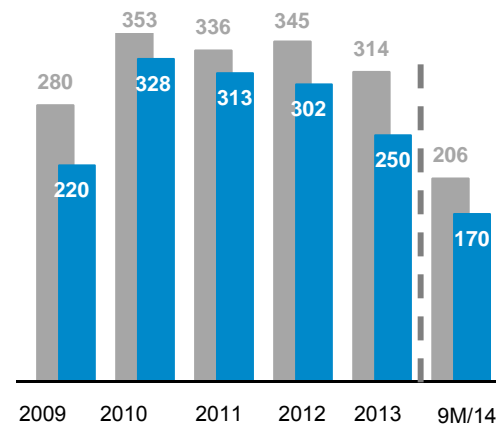
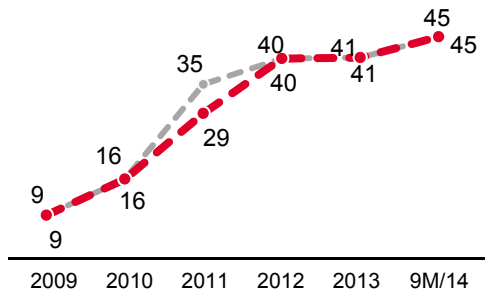
Paid Models



Marketing Models



Classified Ad Models

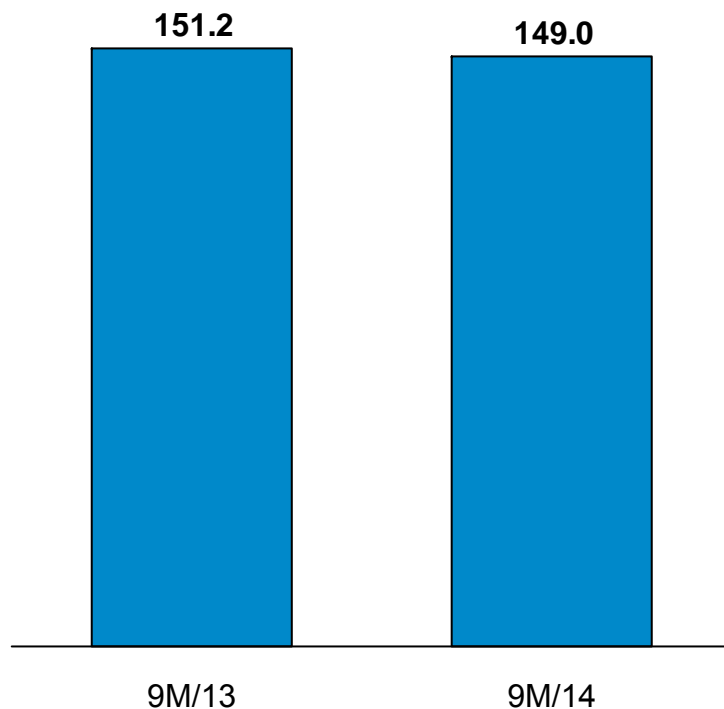


■ EBITDA ■ EBITDA ex restructuring / launch costs

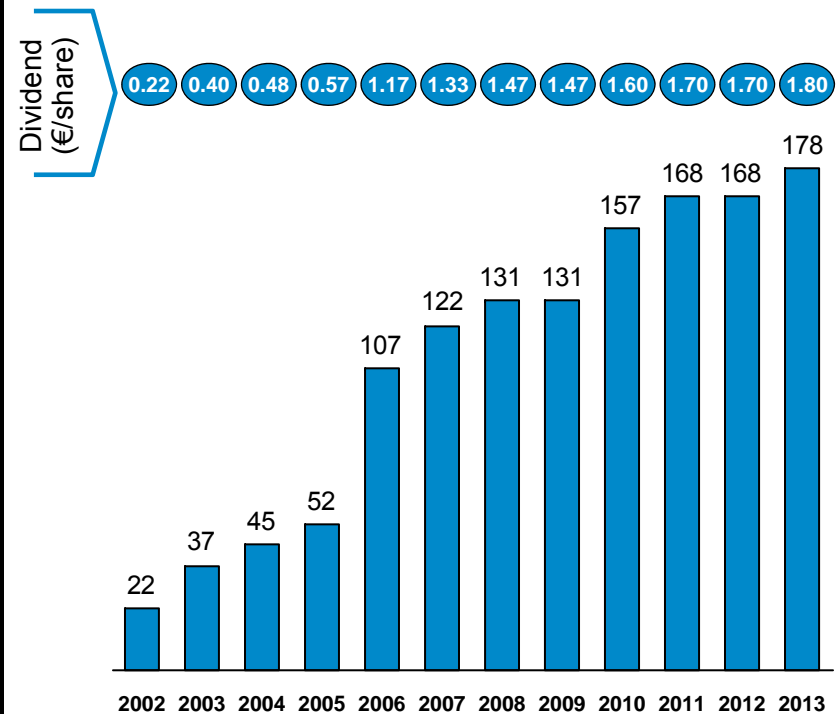
--- EBITDA margin --- EBITDA margin ex LC/RC

Stable free cash flow in 9M/14, expected to be slightly up yoy by year-end

- Free cash flow in €m



- Dividend volume in €m



Full year EBITDA guidance confirmed despite weaker Q3/14

in €m	9M/14	yoy	Q3/14	yoy
Revenues	2,177.9	6.9%	741.1	8.2%
Advertising	1,278.3	8.4%	423.0	7.7%
Circulation	557.2	-3.6%	192.5	-2.1%
Other	342.4	22.4%	125.6	31.8%
EBITDA	363.9	8.1%	97.8	1.9%
Margin	16.7%	+0.2pp	13.2%	-0.8pp
Restructuring Exp.	37.8	-1.1	16.8	-5.9
Launch Costs	23.0	+1.3	7.8	+1.6
EBITDA ex. Restr./LC	424.8	6.9%	122.4	-2.0%
Margin	19.5%	+0.0pp	16.5%	-1.7pp

- Revenues up 6.9% yoy, adjusted for consolidation effects +2.8%
- Digital media driving growth in advertising revenues and over-compensating decline in print
- Additional restructuring measures implemented
- EBITDA up 8.1% yoy, adjusted for consolidation effects stable yoy

Cost development in line with revenues

in €m	9M/14	yoy	Q3/14	yoy
Personnel	708.3	5.3%	244.6	0.3%
Purchased goods and services	707.6	7.4%	246.0	11.4%
Other operating	515.7	6.6%	177.8	12.1%
Total Costs	1,931.6	6.4%	668.4	7.3%

- Total costs up by 6.4% due to organic growth in digital and consolidation effects
- Adjusted for consolidation effects, total costs up by 3.0%
- Increase in personnel costs driven by build-up in digital

Continuous cost management ensures efficiency

Additional measures identified in 2014

- Reduction of staff in **printing plants** faster than expected

- Restructuring of **call center operations**

- Concentration of **IT operations** teams in Berlin

- Merger of **pre-press operations** (BILD and WELT)

- Top down saving targets set for all **central service units**

- Implementation of Shared Services Center for **HR functions**

- **Cost savings** of >€120m envisaged until 2016 (compared to cost base 2011)

Paid Models Q3/14 impacted by weaker print advertising and tough prior year comps

in €m	9M/14	yoy	Q3/14	yoy
Revenues	1,129.4	0.9%	369.2	-2.8%
<i>thereof digital (reported)</i>	214.9	46.7%	74.3	51.2%
<i>thereof digital (pro forma)</i>	230.3	7.2%	74.3	3.7%
Advertising	468.7	-1.1%	139.3	-13.1%
Circulation	557.2	-3.6%	192.4	-2.1%
Other	103.6	53.8%	37.4	63.4%
EBITDA	170.2	-9.0%	37.5	-39.6%
Margin	15.1%	-1.6pp	10.2%	-6.2pp
Restructuring Exp.	22.1	-4.2	8.8	-4.3
Launch Costs	13.7	-5.2	5.1	0.1
EBITDA ex. Restr./LC	206.0	-11.3%	51.4	-35.9%
Margin	18.2%	-2.5pp	13.9%	-7.2pp

- Share of digital revenues in segment almost 20%
- Advertising revenue decline in Q3/14 due to tough comps (BILD special edition in Q3/13) and weaker print ad market than in H1/14
- Circulation revenue decline softened by copy price increases and growing paid content revenues
- EBITDA decline in Q3/14 due to print ad revenue decline (special BILD edition in prior year), lower margins in other revenues (especially N24) and investments into digital journalism

Paid Models National: Revenue growth / International: Stable EBITDA margin

in €m	Paid Models National				Paid Models International			
	9M/14	yoy	Q3/14	yoy	9M/14	yoy	Q3/14	yoy
Revenues	849.7	3.2%	282.2	-3.2%	279.7	-5.5%	87.0	-1.5%
<i>thereof digital (reported)</i>	140.9	68.8%	49.5	69.0%	74.0	17.5%	24.8	25.0%
<i>thereof digital (pro forma)</i>	154.8	7.1%	49.5	1.1%	75.5	7.3%	24.8	9.5%
Advertising	347.7	0.1%	102.4	-16.8%	121.0	-4.4%	36.9	-0.9%
Circulation	438.4	-0.1%	155.7	0.4%	118.8	-14.6%	36.7	-11.4%
Other	63.6	71.6%	24.1	80.8%	39.9	32.1%	13.4	39.2%
EBITDA	138.5	-9.4%	28.2	-45.5%	31.7	-7.6%	9.3	-10.0%
Margin	16.3%	-2.3pp	10.0%	-7.7pp	11.3%	-0.3pp	10.7%	-1.0pp
Restructuring Exp.	21.4	-1.8	8.8	-4.3	0.8	-2.3	0.0	+0.0
Launch Costs	13.5	-5.3	5.1	+0.0	0.2	+0.2	0.0	+0.0
EBITDA ex. Restr./LC	173.4	-11.0%	42.1	-39.8%	32.6	-12.8%	9.3	-9.9%
Margin	20.4%	-3.3pp	14.9%	-9.0pp	11.7%	-1.0pp	10.7%	-1.0pp

Organic growth continues to drive Marketing Models

in €m	9M/14	yoy	Q3/14	yoy
Revenues	564.9	11.8%	194.1	16.4%
<i>Revenues (pro forma)</i>	566.5	10.2%	194.3	14.3%
Advertising	464.5	9.5%	157.1	13.6%
Other	100.4	23.8%	36.9	29.9%
EBITDA	76.8	2.0%	21.4	-2.4%
Margin	13.6%	-1.3pp	11.0%	-2.1pp
Restructuring Exp.	1.3	+1.3	1.3	+1.3
Launch Costs	9.2	+6.3	2.6	+1.6
EBITDA ex. Restr./LC	87.3	11.6%	25.4	10.1%
Margin	15.4%	0.0pp	13.1%	-0.7pp

- Majority of advertising revenue increase driven by organic growth
- Other revenues adjusted for consolidation effects up 9.6% in 9M/14
- EBITDA slightly up for 9M/14 despite significant increase in launch costs

Reach Based Marketing with launch costs / Performance Marketing slightly improved

in €m	Reach Based Marketing				Performance Marketing			
	9M/14	yoy	Q3/14	yoy	9M/14	yoy	Q3/14	yoy
Revenues	200.5	17.9%	67.9	22.3%	364.3	8.7%	126.1	13.4%
<i>Revenues (pro forma)</i>	202.2	13.7%	68.2	16.9%	364.3	8.3%	126.1	13.0%
Advertising	134.9	9.8%	42.6	8.7%	329.6	9.3%	114.6	15.5%
Other	65.6	39.0%	25.4	55.0%	34.8	2.7%	11.5	-4.2%
EBITDA	64.1	-0.6%	17.5	-5.9%	16.1	18.2%	5.2	18.4%
Margin	31.9%	-6.0pp	25.7%	-7.7pp	4.4%	+0.4pp	4.1%	+0.2pp
Restructuring Exp.	0.0	+0.0	0.0	+0.0	1.2	+1.2	1.2	+1.2
Launch Costs	9.2	+6.3	2.6	+1.6	0.0	-	0.0	-
EBITDA ex. Restr./LC	73.3	8.8%	20.1	2.4%	17.3	27.0%	6.4	45.9%
Margin	36.5%	-3.1pp	29.6%	-5.8pp	4.7%	+0.7pp	5.0%	+1.1pp

* Total EBITDA includes costs of €3.4m in 9M/2014 and €2.8m in 9M/2013 (thereof business development, M&A and other), not allocated to the two pillars.

Classified Ad Models with accelerated organic growth

in €m	9M/14	yoy	Q3/14	yoy
Revenues	357.1	20.5%	130.5	31.4%
<i>Revenues (pro forma)</i>	395.7	9.1%	135.5	12.1%
Advertising	345.1	22.9%	126.5	34.4%
Other	12.0	-23.2%	4.0	-23.1%
EBITDA	160.2	34.6%	59.3	55.8%
Margin	44.9%	+4.7pp	45.4%	+7.1pp

- Revenues up 20.5% yoy, ex consolidation effects 9.1%
- Fourth consecutive quarter of higher organic growth with 12.1% in Q3/14
- EBITDA up due to increased revenues and significant margin expansion

Net income of €903m significantly up yoy due to print disposals

<i>in €m</i>	9M/14	9M/13	Q3/14	Q3/13
Net income	902.7	204.5	86.8	48.8
Net income discontinued operations	673.8	60.2	-0.6	17.8
eps discontinued operations (in €) ¹⁾	6.43	0.56	-0.01	0.17
Net income continuing operations	228.9	144.3	87.4	31.0
Non-recurring effects	-69.5	-4.9	-54.2	7.2
Effects of purchase price allocations	52.1	42.9	19.7	13.4
Taxes attributable to these effects	-25.5	-13.8	-5.0	-5.3
Adjusted net income	186.0	168.5	47.9	46.2
Thereof attributable to non-controlling interests	40.6	33.5	13.5	10.1
Adjusted net income attributable to shareholders of Axel Springer SE	145.4	135.0	34.4	36.1
<i>in €</i>				
Adjusted eps continuing operations¹⁾	1.47	1.36	0.35	0.36

¹⁾ Based on weighted average number of shares outstanding in 9M/2014: 98.9m.

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