



**Invitation to Annual Shareholders' Meeting  
of the Axel Springer Aktiengesellschaft, Berlin**

**ISIN DE0005501357**

**WKN 550135**

**ISIN DE0005754238**

**WKN 575423**

We hereby invite the shareholders of our Company to the **ordinary Annual Shareholders' Meeting of 2006 on Thursday, April 27, 2006**  
at **10 a.m.** in the

Ullstein-Halle on the ground floor of the  
Axel Springer Haus  
at 10888 Berlin,  
Entrance: Axel-Springer-Straße 65.

**Agenda:**

- 1. Presentation of the established annual financial statements of the Axel Springer Aktiengesellschaft and the approved consolidated annual financial statements as at December 31, 2005, together with the management report of Axel Springer Aktiengesellschaft and of the Group for the fiscal year from January 1 to December 31, 2005, and the report of the Supervisory Board.**

The documents above are available at the business premises of the Axel Springer Aktiengesellschaft at  
10888 Berlin, Axel-Springer-Strasse 65 (Investor Relations)

for review by the shareholders and may also be downloaded from the Internet at [www.axelspringer.de](http://www.axelspringer.de). They can be mailed to the shareholders free of charge upon request.

**2. Resolution regarding the appropriation of profits.**

The Supervisory Board and the Management Board propose to allocate a share of €52.125.910 of net income of €71.585.647 for payment of dividends for the fiscal year from January 1 through December 31, 2005, at the rate of €1,70 per common share entitled to dividends and to allocate the remaining amount of €19.459.737 to retained earnings. The 3.337.700 shares owned by Axel Springer AG are not entitled to dividends.

**3. Resolution to discharge the Management Board for the fiscal year January 1 to December 31, 2005.**

The Supervisory Board and Management Board propose to grant the members of the Management Board officiating in fiscal year 2005 a discharge for this time period.

**4. Resolution to discharge the Supervisory Board for the fiscal year January 1 to December 31, 2005.**

The Supervisory Board and Management Board propose to grant the members of the Supervisory Board officiating in fiscal year 2005 a discharge for this time period.

**5. Appointment of auditors.**

The Supervisory Board proposes to appoint the audit firm PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, Hamburg branch, as auditors for fiscal year 2006 as well.

**6. Resolution on the authorization to acquire and dispose of the Company's own shares pursuant to section 71, paragraph 1, no. 8 of the Stock Corporation Act**

The authorization granted the Management Board by the Annual Shareholders' Meeting of April 20, 2005, pursuant to section 71, paragraph 1, no. 8 of the Stock Corporation Act, to acquire the Company's own shares lapses on October 19, 2006, and should therefore be renewed.

The Management Board and Supervisory Board propose resolution of the following:

- a) The Management Board is authorized, with the consent of the Supervisory Board, to acquire the Company's own shares to a maximum of ten percent of current share capital on or before October 26, 2007. Together with own shares that may have been acquired for other reasons and that is either held by the Company or can be attributed to the

Company under sections 71 a et seq. of the Stock Corporation Act, shares acquired based on this authorization may at no time exceed ten percent of the Company's share capital.

The acquisition may occur via the stock exchange or as part of a public tender offer to all shareholders.

In the event of a stock exchange transaction, consideration for the acquisition of shares (excluding ancillary acquisition costs) may not exceed or fall short of the average share price (closing price in Xetra trading or a comparable successor system replacing the Xetra system or – should a closing price not have been established – the cash settlement price on the Frankfurt securities exchange) during the three trading days preceding the obligation to acquire the shares by more than ten percent. In the event of a public tender offer the Company may determine either a price or a price range at which it is willing to acquire the shares. The purchase price (excluding ancillary acquisition costs) may not exceed or fall short of the average value of the share price (closing price in Xetra trading or a comparable successor system replacing the Xetra system or – should a closing price not have been established – the cash settlement price on the Frankfurt securities exchange) during the last three trading days prior to the public announcement of the offer by more than twenty percent, unless there has been an adjustment during the offer period. In the event, however, that after the public announcement of the offer significant variances in the applicable price occur, then the offer may be adjusted. In this case any adjustment will be made based on the price on the third trading day prior to the public announcement. If, in the event of a public tender offer, the volume of shares offered exceeds the designated repurchase volume, then the number of shares accepted must be in proportion to the respective shares offered. A preferential acceptance of small offers or small portions of offers up to 50 shares may be provided for.

- b) With respect to own shares that have been or will be acquired – by means other than the stock exchange or a tender offer to all shareholders - based on this authorization or prior authorizations of the Annual Shareholders' Meeting pursuant to section 71, paragraph 1, no. 8 of the Stock Corporation Act, the Management Board is authorized, with the consent of the Supervisory Board, and excluding shareholder subscription rights, to -
- dispose of the own shares against non-cash contributions as part of a merger transaction or for the purpose of acquiring companies or divisions or holdings therein, or other economic goods,
  - sell the own shares to third parties for cash, provided that the sale is transacted at a price that is not significantly lower than the trading price, or
  - offer them for purchase or transfer them to individuals who are employed by the Company or one of its affiliates.

Moreover, the Management Board is authorized to redeem designated shares without such redemption requiring an additional resolution by the Annual Shareholders' Meeting. With the consent of the Supervisory Board, shares can also be redeemed in such a manner that the share capital does not change, but rather that the proportion of share capital per remaining share is raised according to section 8, paragraph 3 of the Stock Corporation Act (simplified redemption procedure according to section 237, paragraph 3, no. 3 of the Stock Corporation Act). In the event that the redemption occurs according to the simplified redemption procedure, the Supervisory Board is authorized to modify the number of shares in the statutes.

- c) The Supervisory Board is also authorized to repurchase Company shares of former members of the Management Board after they have resigned from the Axel Springer Group, provided these shares were sold under the stock option plan for the Management Board resolved in the Annual Shareholders' Meeting of April 14, 2004 (hereinafter termed 'stock option plan') for the purpose of granting options to members of the Management Board. In this case the purchase price is €54.00 per share (plus two percent p.a. starting July 1, 2004). The right of shareholders to tender the Company's own shares for acquisition is excluded accordingly.

Finally, the Management Board is authorized to acquire own shares, based on the option agreement entered into with H&F Rose Partners, L.P., and H&F International Rose Partners, L.P., (termed 'H&F' hereinafter) on April 8, 2004, to an amount which has previously been sold by the Company, represented by the Supervisory Board, to members of the Management Board under the terms of the stock option plan. At the point when the option is exercised by the Company the agreed purchase price for these shares under 1.3 of the option agreement amounts to €54.00, corresponding to the price per share payable by members of the Management Board under the terms of the stock option program unless the sum of €53.00 together with the adjustment amount defined in 1.3 is higher. This adjustment amount per share corresponds to the proportional share of finance costs as documented by H&F arising from the acquisition of shares by H&F minus net dividends that H&F has received with regard to the number of shares under discussion at the point in time when the Company exercises its option. The right of shareholders to tender the Company's own shares for acquisition is excluded accordingly.

The two authorizations above concerning the acquisition of the Company's own shares in connection with the stock option program expire on October 26, 2007. Together with the own shares acquired for other reasons and which are either held by the Company or can be attributed to the Company under sections 71a et seq. of the Stock Corporation Act, own shares acquired based on the authorizations above may at no time exceed ten percent of the Company's share capital.

- d) These authorizations may be utilized at one time or on several occasions, in whole or in partial amounts, in fulfillment of one or more aims of the

Company, and also by affiliated companies or by third parties on the account of the Company or its affiliates.

- e) The authorization to acquire and dispose of the Company's own shares resolved by the Company's Annual Shareholders' Meeting (agenda item 7) on April 20, 2005, expires at the moment when this new authorization goes into effect. The authorization to dispose of own shares under the stock option plan as resolved at the Company's Annual Shareholders' Meeting on April 14, 2004, agenda item 7, remains unchanged.

**Report of the Management Board to the Annual Shareholders' Meeting pursuant to sections 71, paragraph 1, no. 8, clause 5, 186, paragraph 4, clause 2 of the Stock Corporation Act**

The authorization proposed above is intended to grant the Company the opportunity of acquiring own shares based on section 71, paragraph 1, no. 8 of the Stock Corporation Act. It would consequently be in a position to acquire own shares in a volume of up to ten percent of share capital by October 26, 2007 (section 71, paragraph 2 of the Stock Corporation Act); the Company, however, notes that it currently holds c. 9.82 percent of its own shares.

- a) Acquisition of own shares

The acquisition can occur via the stock exchange or via a public tender offer to all shareholders at the prices established in the authorization, based on the stock exchange price of the Company's share at the time of acquisition.

In acquiring own shares through a public tender offer, the principle of equal treatment as established in the Stock Corporation Act must be observed. In the event that a tender offer is oversubscribed, the number of shares accepted must be in proportion to the respective shares offered. If permissible, a preferential acceptance of small offers or small portions of offers up to 50 shares may be provided for. This provides an opportunity to avoid fractional amounts in establishing acquisition quotas, as well as small residual amounts, and thus facilitates processing from a technical standpoint.

Moreover, the resolution provides for acquisition of own shares by the Company under the stock option plan for the Management Board.

The stock option plan for the Management Board was resolved as part of the resolution to acquire and dispose of the Company's own shares in the Annual Shareholders' Meeting of April 14, 2004 (published together with the invitation and agenda in the electronic Federal Gazette dated March 5, 2004, which can be downloaded from [www.axelspringer.de](http://www.axelspringer.de)). A legal challenge was raised against this Annual Shareholders' Meeting resolution in the district court of Berlin by a shareholder. In its judgment of September 27, 2004, the district court of Berlin in the first instance rejected the legal challenge as being without foundation. The appeal initially filed against this judgment with the Court of Justice in Berlin

was withdrawn by the plaintiff on February 13, 2006. The suit is thus legally dismissed.

As a result of the stock option plan, members of the Management Board have acquired a total of 62,300 Company shares up to September 30, 2004 (0.18 percent of share capital) at a price of €54.00 per share (plus two percent p.a. since July 1, 2004). The Members of the Management Board received, for each acquired share, eight options for the purchase of further Company shares; an option entitles the holder to acquire a Company share contingent upon fulfillment of certain conditions as stipulated in the stock option plan.

The stock option plan provides the Company with the opportunity to repurchase shares acquired by a member of the Management Board, in the event that the member resigns from the Axel Springer Group prior to the expiration of the holding period established for the shares. The purchase price is €54.00 per share (plus two percent p.a. starting July 1, 2004) and thus corresponds to the price – disregarding the interest rate effect – at which management members have acquired the shares. This option of the Company to repurchase shares is designed to bind Management Board members to the Company over the long term. In order to enable the shares to be repurchased, however, an appropriate authorization to acquire shares on the part of the Company, with exclusion of the shareholders' right to tender, is required. The resolution proposal provides for this, as in the previous year.

As part of the stock option plan, the Company entered into an option agreement with H&F on April 8, 2004, shortly before the ordinary Annual Shareholders' Meeting on April 14, 2004. Based on this agreement the Company can acquire own shares from H&F, insofar as they have previously been sold to members of the Management Board under the stock option plan or are to be sold in future in the event that options are exercised. This option was granted the Company by H&F without any obligation to provide a consideration. Exercise of the option on the part of the Company is contingent upon the appropriate authorization by the Annual Shareholders' Meeting. Otherwise, the Company will simply receive cash compensation. This cash compensation will, however, only be paid by H&F after the shares have been sold and is, moreover, limited in amount to the proportional share of sale proceeds realized by H&F.

The price at which the Company's shares may be acquired under the option agreement, is, in principle, – as detailed above in the resolution proposal and taking into consideration financing and interest rate effects – €54.00 per share, thus corresponding to the option price at which members of the Management Board have acquired shares under the stock option plan or may acquire them by exercising their options. The Company can acquire a maximum of 560,700 shares in this manner from H&F. This corresponds to the number of shares available under the stock option plan.

As a result of the option agreement concluded with H&F the Company incurs no financial burden under the stock option plan. In order to utilize this advantageous opportunity for the Company to acquire own shares, however, an appropriate authorization for the purchase of own shares is required from the Annual Shareholders' Meeting, with exclusion of the shareholders' right to tender.

b) Disposal of own shares

In regard to the disposal of shares under exclusion of shareholder subscription rights, the authorization, which explicitly includes also those shares acquired based on the preceding Annual Shareholders' Meeting authorization under section 71, paragraph 1, no. 8 of the Stock Corporation Act, contains the following stipulations :

In the first instance authorization is requested to allow the Company to use repurchased shares with the consent of the Supervisory Board under exclusion of shareholder subscription rights for the purpose of corporate mergers, or as consideration in the acquisition of companies, divisions and holdings, or other economic goods. This approach, which is in principle already provided for in the legislative background of section 71, paragraph 1, no. 8 of the Stock Corporation Act and is increasingly customary in the international arena, can result in a lower cost in acquiring investments.

Moreover, the Company will be able to sell repurchased shares, under exclusion of shareholders' subscription rights and with the consent of the Supervisory Board, to third parties against cash payment, provided this occurs at a price not significantly lower than the stock exchange price. The administration will keep any potential discount from the stock exchange price as low as possible in accordance with statutory requirements. A dilution of shareholders' investment value is avoided, when the sale is effected at a price not significantly lower than the stock exchange price. This provides the Company with the opportunity of offering shares to national and international investors and of enlarging the shareholder circle, thereby stabilizing the share's value. It can adapt its equity flexibly to business requirements and react to favorable stock exchange situations.

Furthermore, own shares acquired can be offered for acquisition by employees of the Company or its affiliates, under exclusion of shareholders' subscription rights.

In addition, shares acquired can be redeemed with the consent of the Supervisory Board resulting in a reduction of share capital (without necessitating a further Annual Shareholders' Meeting resolution). In addition to the redemption with capital reduction and with the consent of the Supervisory Board, the authorization also provides for redeeming fully paid-up shares by adjusting the proportional amount of the Company's share capital of the remaining shares without a capital reduction. This automatically raises the theoretical proportion of the Company's share capital of the remaining shares. The Supervisory

Board should be authorized to undertake the modifications of the statutes that will become necessary in view of a change in the number of shares resulting from such redemption.

**7. Modification of the Axel Springer AG statutes**

According to section 131, paragraph 2, clause 2 of the new version of the Stock Corporation Act, as the result of the Act on Corporate Integrity and Modernization of Shareholder Law Suits (UMAG), the statutes can authorize the chairman to limit in time the shareholder's right to pose questions and speak and can define further details in this respect.

The Supervisory Board and Management Board therefore propose to supplement section 20 of the statutes with a new paragraph (3) with the following wording:

*“(3) The chairman determines the sequence of speakers. Moreover, he may limit in time the shareholders' right to pose questions and speak; he may, in particular establish appropriate time limits with respect to the length of the meeting, to discussions on agenda items, as well as to individual interventions in the form of questions or speech, either at the outset or during the course of the Annual Shareholders' Meeting. In establishing time frames available for individual questions or speech, the chairman can draw a distinction between initial and subsequent interventions and according to other appropriate criteria”.*

**8. Resolution concerning the omission of information under section 285, clause 1, no. 9, a, clause 5 to 9 of the HGB (German Commercial Code) and sections 315a, paragraph 1, 314, paragraph 1, no. 6, a, clause 5 to 9 of the HGB in the individual and consolidated financial statements (exemption from the obligation to disclose Management Board members' salaries individually)**

As a result of the law on disclosure of the salaries of the members of the Management Board (Management Board members' remuneration disclosure act – VorstOG) of August 3, 2005 (Federal Law Gazette 2005 I, p. 2267), the notes to the annual financial statements of a publicly quoted company are required to include, in addition to information on total remuneration paid to the members of the Management Board for their activities during the fiscal year, remuneration paid to individual members of the Management Board as detailed in section 285, clause 1, no. 9, a, clause 5 to 9 of the German Commercial Code. The same applies to the consolidated notes, according to sections 315a, paragraph 1, 314, paragraph 1, no. 6, a, clause 5 to 9 of the German Commercial Code. These requirements apply for the first time for fiscal 2006.

The Annual Shareholders' Meeting has, however, according to section 286, paragraph 5, clause 1 of the German Commercial Code or section 314, paragraph 2, clause 2 of the German Commercial Code, the option of deciding itself as to whether to disclose Management Board members' remuneration on an individual basis in the notes of the individual or consolidated annual financial statements. Disclosures under section 285, paragraph 1, no. 9, a, clause 5 to 9 of the German Commercial Code and sections 315a, paragraph 1, 314, paragraph 1, no. 6, a, clause 5 to 9 of the German Commercial Code may be omitted, if the Annual Shareholders' Meeting so resolves with a majority

of at least three quarters of share capital represented at the time the resolution is passed. Such a resolution can be in effect for a maximum of five years.

The Company has hitherto waived individual disclosure of Management Board members' remuneration, since competitors of Axel Springer AG do not disclose these amounts on an individual basis (see also the statement of Axel Springer AG on 4.2.4, clause 2 of the German Corporate Governance Code as part of the declaration of compliance by the Company's Executive and Supervisory Boards pursuant to section 161 of the Stock Corporation Act). For this reason disclosure of Management Board members' remuneration on an individual basis will continue to be waived.

The Management Board and Supervisory Board propose resolution of the following:

The disclosures required under section 285, clause 1, no. 9, a, clause 5 to 9 of the German Commercial Code and sections 315a, paragraph 1, 314, paragraph 1, no. 6, a, clause 5 to 9 of the German Commercial Code will be omitted in the individual and consolidated financial statements that are to be prepared for fiscal years 2006 through 2010.

### **Requirements for participation**

All shareholders entered in the Company's shareholder register are entitled to participate in the Annual Shareholders' Meeting and exercise their voting rights, provided that their registration for participation has been submitted no later than the fifth day prior to the Annual Shareholders' Meeting, i.e. – taking into consideration the calculation of the deadline in section 123, paragraph 4 of the Stock Corporation Act, according to which the preceding business day is used as basis - no later than Friday, April 21, 2006, to the Axel Springer AG Management Board in writing, by fax (030/2591 77422) or by email ([ir@axelspringer.de](mailto:ir@axelspringer.de)). A registration form will be mailed directly to our shareholders.

During preparations for the Annual Shareholders' Meeting, for technical reasons, no re-registration of shares may take place in the share register, i.e. those purchasing shares, whose re-registration requests are received by the Company after April 21, 2006, may not exercise either the participation or voting rights associated with these shares. In such cases participation and voting rights remain with the shareholder recorded in the share register until re-registration takes place. Furthermore, requests for re-registration in the share register that are received by the Company shortly before April 21, 2006, may not, due to the mandatory review of conditions for granting consent to the purchase according to section 5, paragraph 3 of the statutes, allow the purchaser to be recorded in the share register in time for participation in the Annual Shareholders' Meeting. All those purchasers of Company shares that have not yet been recorded in the share register are therefore asked to submit re-registration requests as promptly as possible.

Shareholders recorded in the share register and registered on time will be entitled to participate and vote on the day of the Annual Shareholders' Meeting.

### **Proxy**

Shareholders who do not wish to participate in the Annual Shareholders' Meeting in person may allow their voting right to be exercised by means of a proxy authorized in writing, e.g. by a bank or a shareholders' association.

We offer our shareholders a service by which a proxy appointed by the Company can be

authorized as a proxy bound to act in accordance with the shareholder's instructions. Proxy authorizations should be submitted in writing, by fax (030/2591 77422) or by email (ir@axelspringer.de). In the event that proxies appointed by the Company are authorized, they must be given instructions for exercising the voting right. Proxies are obligated to vote according to instructions. An instruction form will be mailed directly to our shareholders. The authorization and instructions must have been received by Axel Springer AG no later than April 21, 2006.

### **Queries and proposals from shareholders**

Counterproposals to a recommendation of the Executive and Supervisory Boards on a specific agenda item must, according to section 126, paragraph 1 of the Stock Corporation Act, be directed exclusively to:

Axel Springer AG  
Investor Relations  
Axel-Springer-Straße 65  
10888 Berlin  
Fax: 030/2591 77422  
ir@axelspringer.de

Shareholder proposals that are to be made accessible will be immediately publicized on the Internet at [www.axelspringer.de](http://www.axelspringer.de) ->Investor Relations ->Hauptversammlung. Proposals on agenda items received by midnight on April 12, 2006, will be taken into consideration. Proposals addressed elsewhere will not be considered. Positions on the part of the administration, if applicable, will also be publicized at the Internet address above after April 12, 2006.

Berlin, March 2006  
Axel Springer AG  
The Management Board

Our shareholders will receive their invitation to the Annual Shareholders' Meeting directly from us.