

**Speeches on the occasion of
Annual Results Press Conference
Axel Springer AG**

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Chairman and Chief Executive Officer

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Chief Operating Officer and Chief Financial Officer

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Check against delivery

Ladies and Gentlemen,

It's not what we say that counts but rather what has been achieved.

Lothar Lanz and I will therefore keep it short today and let the facts speak for themselves.

It is a fact: 2009 net advertising revenues declined by 10 to 12 percent worldwide. And the circulation market was also under pressure. The year 2009 really was a tough test of how solid Axel Springer is positioned. And you – as business and media journalists – and, of course, our shareholders can now judge how well we passed this test.

(Chart 2)

- We posted an EBITDA margin of 12.8 percent. This means that every eighth euro of revenues was profit. From total revenues of 2.61 billion euros we generated earnings of some 334 million euros. Seven years ago we set a goal of achieving a double-digit EBITDA margin. Although this goal was set with a healthy economy mind, we managed to achieve it in the middle of the most serious economic and media crisis.
- The positive development of our equity ratio, which rose to 40.8 percent compared to 38 percent for the previous year, was an anticyclical signal as well.
- We managed to reduce our debt level to de facto zero.
- The dividend remained unchanged from the previous year at 4.40 euros. Like last year, it is the highest dividend ever paid by Axel Springer.
- We further expanded the market shares of our biggest-selling publications through additional investments in our brands.
- This year also showed that the Internet is no longer a vague future vision but rather a solid business of the present. Every fifth euro in revenues is now generated by our digital operations.

- Nine of our ten largest online assets are profitable. The three highest margins of our Group are generated online.
- And our staff again grew slightly contrary to the trend.

I therefore ask you: Do you know of any comparable media company that has been able to navigate the crisis so successfully?

(Chart 3)

The positive development of our company can be objectively judged by the price of Axel Springer's shares. Since the beginning of 2009 our stock has outperformed all of the relevant indices. And this includes not only the DAX, MDAX and SDAX but the media-specific indices Prime Media and EuroStoxx Media as well.

One year ago I announced to you here that we would continue to expand our lead over our competitors and invest in our brands and the digitization of our operations. So, how did we do?

(Chart 4)

When you look at the development of market shares, you can see that our focus on strong, cross-regional brands has paid off. Our strategy of focusing on reach is working.

In the advertising market our integrated marketing and sales unit gained considerable market share over other top German private marketers. Axel Springer Media Impact saw its gross market share grow by 2.5 percentage points in annual comparison.

(Chart 5)

BILD has successfully steered clear of the negative trend in the German gross advertising market: While the market plunged by 6.3 percent in 2009, BILD increased its advertising revenues by 6.5 percent.

This confirms our thesis that advertising customers concentrate on the market leaders in times of crisis. They spend their advertising money where it has the greatest effect on generating sales. For this reason our biggest selling and farthest-reaching publications were able to expand their positions in their respective advertising markets.

(Chart 6)

From the cross-media viewpoint the WELT Group, with DIE WELT, WELT KOMPAKT, WELT am SONNTAG and WELT ONLINE, outperformed other German premium newspapers and their respective online operations. This is also reflected by developments in the advertising market. In a declining market WELT and WELT am SONNTAG saw their share of the daily newspaper market grow to 23 percent over 19 percent in 2008.

(Chart 7)

Our strategy has remained unchanged since 2001. Last year we were not only successful in expanding our leadership in our German-language core business but were also able to steadfastly continue to pursue our goals of internationalization and digitization.

It seems like this would be a given, but it is not. In 2009 we were able to avoid drastic cuts, emergency management measures and hectic restructuring only because for years we have been exercising persistent cost discipline and implementing targeted restructuring measures.

Occasionally we hear that our digitization strategy is not clear enough. We value honest feedback like this. We would like to take this opportunity to again explain our strategy, because it is crystal-clear to us.

We are focusing on three types of businesses when it comes to launching new operations or acquiring existing ones in the digital world:

1. Market-leading content portals.
2. Classified advertising portals.
3. Performance-based marketing.

I would like to offer you an example of each of these three segments:

(Chart 8)

With regard to content portals, we are very glad that BILD.de has now been the German news portal with the strongest reach for several months.

BILD.de has now prevailed in its long, ongoing head-to-head battle with Spiegel Online in all relevant categories of visits and unique visitors (as depicted) as well as unique users and page impressions.

(Chart 9)

In the field of classified advertising portals, we have now completely taken over StepStone, a European job online portal.

We successively enlarged our stake. Axel Springer has held a 49.9-percent stake in StepStone Deutschland AG, a subsidiary of StepStone ASA, since 2004. In December 2008 Axel Springer acquired a 33-percent stake in StepStone ASA, which we expanded to 100 percent in the second half of 2009 through a block trade, a public tender offer and a squeeze out. Our position in the classified advertising and job portal markets, with which we are very

familiar, has thus become more international and more digital. Since acquiring a stake in StepStone at the end of 2008, the reach of the portal has developed positively across Europe.

(Chart 10)

In the field of performance-based marketing our majority stake in Zanox is already the market leader on the European continent. With the acquisition of Digital Window, a leading affiliate network in Great Britain, we gained access to the important British market, thereby further expanding our international activities in concert with our partner PubliGroupe. We further strengthened our position with the recent acquisition of Buy.at. We have thus further expanded our European market leadership in the field of performance marketing, thereby leaving the previous market leader, Tradedoubler, behind. And in contrast to our main competitor, we enjoyed an increase in earnings over the previous year despite the crisis.

Perhaps you remember the announcement I made a year ago that we had no transformational M&A activities planned but rather were focusing on a number of smaller, more reasonable steps that would fit seamlessly into our portfolio and online strategy. This is exactly what we did.

(Chart 11)

Overall, Axel Springer has managed to improve its strategic position during the largest financial and economic crisis. And as you can see in the details and financial figures of this presentation, the performance of Axel Springer is not based on special effects.

The strength of our business operations is reflected in our EBITDA, a figure that is viewed on international capital markets as the true expression of the success of a company. In contrast to net income, it does not contain special and non-recurring effects such as asset sales.

For 2010 we forecast a 10-percent increase in EBITDA with stable or slightly increasing revenues. Much like in 2009, we will employ our financial strength to make targeted improvements in growth segments.

Not included in this guidance or our budget planning for 2010 is the continuation of our premium initiative aimed at establishing paid content in the stationary Internet and for mobile devices.

We do not want to raise any high expectations here, because this is more of a long-term venture.

But we are firmly convinced that in the future users will be willing to pay for attractive content whether via print, online or mobile.

We are testing this premise through a number of creative experiments such as:

- iPhone Apps from BILD and WELT, from AUTO BILD, from auFeminin and our TV guides.
- Subscription models for regional online content of HAMBURGER ABENDBLATT and BERLINER MORGENPOST
- And finally: exclusive regional content from BILDmobil. Here we are working together with Telekom.

So far our premise has been confirmed. Our readers are willing to pay for highly attractive content and digital journalistic articles coupled with simple payment procedures.

We launched iPhone Apps from BILD and WELT on the market on December 9, 2009. By the end of the year we had already sold 100,000 apps. This was an encouraging way to close out 2009.

Our biggest challenge remains the targeted successful transformation into a fully integrated media company. The fate of our sector will depend on whether or not we succeed in establishing a business model for premium journalism in the digital world. In the end it will be content and not the channel that counts. I am therefore full of confidence.

And now I will turn the podium over to Lothar Lanz, who will present the 2009 financials.

(Chart 12)

Ladies and Gentlemen,

Axel Springer made it through the crisis year of 2009 better than many others as Mathias Döpfner has told you. Our figures underscore this.

Our revenues for the recently completed financial year were only 4.3 percent below the previous year. This is a very robust development in view of the combination of the deep recession and structural change.

Our revenue mix has had a stabilizing effect during the economic crisis. Circulation revenues declined a mere 3.3 percent to 1.18 billion euros. The dynamic growth of Digital Media helped cushion the decline of advertising revenues in the print segment.

The digital segment now generates 30 percent of total advertising revenues. In 2008 it was 22 percent. Our digital business was instrumental in pushing other revenues upward.

The share of pro forma revenues in the digital segment rose to 21 percent of our consolidated revenues. Here, the new acquisitions of StepStone and Digital Window are considered to have been consolidated since the beginning of the year. Digital business accounts for every fifth euro generated by Axel Springer.

Compared to the competition this is quite impressive. For most European newspaper publishers it accounts for only a single-digit share of revenues. Only Schibsted enjoys a slightly higher share. And please keep in mind that Schibsted is much smaller than Axel Springer.

Our international business, which accounts for 21 percent of revenues, remains very important to us despite the depressed markets of some Eastern European countries.

(Chart 13)

As announced, our EBITDA did not equal the record figure from the previous year. But no one seriously believed that it would. As we see it, our EBITDA of 334 million euros is quite respectable.

We are proud that we were able to generate a double-digit EBITDA margin despite the recession. Our EBITDA margin of 12.8 percent is also significantly higher than it was during the last downturn.

In 2001 Axel Springer posted an EBITDA margin of 6.7 percent; in 2002 it was 8.2 percent. This shows that the company has become much more efficient and that cost discipline has become firmly rooted throughout the Group.

Added to this is the fact that the 2009 results also contain restructuring costs in the amount of 75 million euros. Around 29 million euros were spent on restructuring during the previous year, which corresponds to the average in recent years. Last year's restructuring efforts involved primarily national newspapers and magazines.

(Chart 14)

Cost discipline in all segments of the Group also played a big role for us in 2009. Last year we were able to cut costs by a total of 70 million euros, primarily in the areas of production, paper and transport costs. Despite an increase in the number of employees in the digital media segment and wage increases throughout the entire Group, personnel costs remained comparatively stable. If one subtracts acquisitions such as StepStone and other special effects, personnel costs were below the 2008 level.

The additional 46 million euros in restructuring costs and consolidation effects wiped out the positive effect of the cost cuts. As a result total costs rose slightly by 18 million euros.

Finally, we invested a double-digit million amount in our brands during the fourth quarter. This also had an adverse effect on earnings.

(Chart 15)

Let us take a look at the segments.

Despite the slow market environment, we generated high returns in three of four segments. The fourth segment – Print International – remained well in the black despite a 24-percent decline in revenues. The segment Newspapers National posted an EBITDA of 244 million euros and a margin of 20.1 percent. This is significantly higher than in during the last crisis in 2001/2002 and underscores the strength and robustness of our business.

The segment Magazines National was quite successful with a double-digit margin of 10.6 percent despite a decline in revenues of over 8 percent. The segment Digital Media enjoyed an increase in EBITDA margin from 5.5 percent to a very good 9.2 percent. When launch costs are deducted it even comes to 13 percent. Despite the slow environment the segment Print International

posted a margin of 3.9 percent. As expected the segment Services/Holding generated a negative EBITDA of –21 million euros. This equates to the normal level in that the previous year was positively influenced by special effects.

(Chart 16)

Now we come to the financial situation which, as before, remains extremely solid. As Chief Financial Officer I am glad to know that despite the slow economy our company was able to further reduce the level of debt, which was already quite low. I therefore stand before you quite relaxed. Axel Springer is financially very healthy and has the financial leeway to finance further growth.

In 2009 despite low earnings we generated a free cash flow of 231 million euros or 5.2 percent more than the previous year. The increase in free cash flow was due primarily to the reduction in working capital in 2009 compared to 2008. We used a good portion of the money to again reduce net debt, which fell from 370 million euros at the end of 2008 to 193 million euros as of December 31, 2009. When you take into account the company's own shares at the current share price, net debt is de facto zero.

In addition to the strong cash flow we have a line of credit in the amount of 1.5 billion euros. We are thus able to take steps we consider useful at any time.

(Chart 17)

Finally, let us take a look at Group net income. You already know that net income for both the previous year and 2009 were greatly affected by special items. The 2008 figure included the profit from the sale of our stake in ProSiebenSat.1. In 2009 we recorded the income from the sale of stakes in regional newspapers. The reported net income for 2009 was 314 million euros, which corresponds to 10.19 euros per share.

When adjusted for special items net income comes to 153 million euros following 255 million euros for the previous year. We thus achieved an adjusted result of 5.13 euros per share.

We are very happy with the bottom line. Our key figure – as Mathias Döpfner just stressed – is and remains our EBITDA, because it reflects the true earnings power of the company and is considered the most important figure by the capital market.

(Chart 18)

Ladies and Gentlemen,

Axel Springer performed very well in 2009 and is emerging from the crisis as a winner. Our figures illustrate this in an impressive manner:

- We achieved an EBITDA margin of 12.8 percent.
- Our equity ratio rose from 38 to 41 percent.
- We again plan to pay our shareholders a record dividend of 4.40 euros.
- We reduced our level of debt to de facto zero.
- We defied the trend in expanding the market shares of our biggest selling publications.
- Our digital operations account for every fifth euro of revenues.
- Nine of our ten largest online assets are generating profits.
- Our staff grew anticyclically.

The year 2010 will certainly not be an easy one. We forecast stable or slightly higher revenues due primarily to growth in the digital segment. We are targeting a 10-percent growth in EBITDA primarily through operating improvements and continued cost discipline in all sectors of the Group. At the same time we plan to employ our financial strength in the same manner as in 2009 through improvements in our growth segments.

In 2010 Axel Springer will continue to pursue a strategy of digitization, internationalization and maintaining market leadership in the company's German-language core business. We are in an excellent position to gain further market share and play a significant role in effecting the structural change of the media sector.

Thank you very much.