



Interim Report

January 1 to June 30, 2008

Group Key Figures

Group Key Figures

| in € millions | Q1-2/2008 IFRS | Q1-2/2007 IFRS | Change yoy |
|--|-------------------|-------------------|---------------|
| Revenues | 1,343.1 | 1,208.5 | 11.1 % |
| Adjusted for consolidation effects ¹⁾ | 1,209.5 | 1,195.5 | 1.2 % |
| International revenues | 299.8 | 233.9 | 28.2 % |
| EBITDA²⁾ | 213.9 | 199.4 | 7.2 % |
| EBITDA margin ²⁾ | 15.9 % | 16.5 % | |
| EBITA ²⁾ | 183.0 | 184.1 | - 0.6 % |
| EBITA margin ²⁾ | 13.6 % | 15.2 % | |
| EBIT ²⁾ | 183.0 | 184.1 | - 0.6 % |
| Consolidated net income | 526.2 | 88.8 | > 100 % |
| Total assets ³⁾ | 2,918.8 | 3,826.9 | - 23.7 % |
| Equity ³⁾ | 1,119.1 | 1,211.8 | - 7.7 % |
| Equity ratio ³⁾ | 38.3 % | 31.7 % | |
| Capital expenditures ⁴⁾ | 139.6 | 532.2 | - 73.8 % |
| Cash flow from operating activities | 92.6 | 149.6 | - 38.1 % |
| Net debt ³⁾ | - 366.3 | - 743.0 | - |
| Earnings per share (diluted, in €) | 16.96 | 2.72 | > 100 % |
| Closing price ³⁾ (in €) | 68.68 | 98.00 | - 29.9 % |
| Employees (average number) | 10,637 | 10,136 | 4.9 % |

¹⁾ Adjusted for effects from changes in the consolidation group.

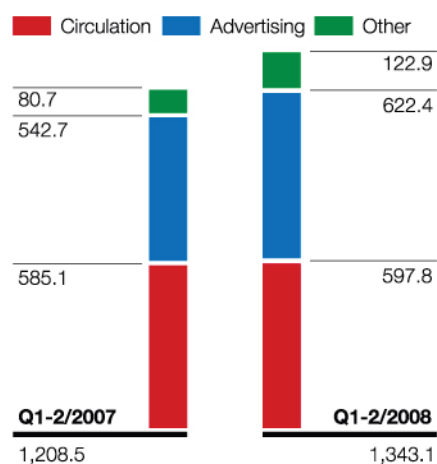
²⁾ Adjusted for non-recurring effects and the effects of purchase price allocations.

³⁾ At June 30, 2008 and December 31, 2007, respectively.

⁴⁾ Thereof investments in intangible assets, property, plant and equipment and investment property in Q1-2/2008: € 27.0 million (PY: € 16.7 million).

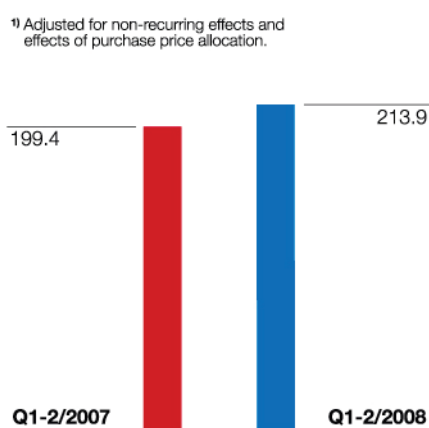
Revenues

in € million



EBITDA¹⁾

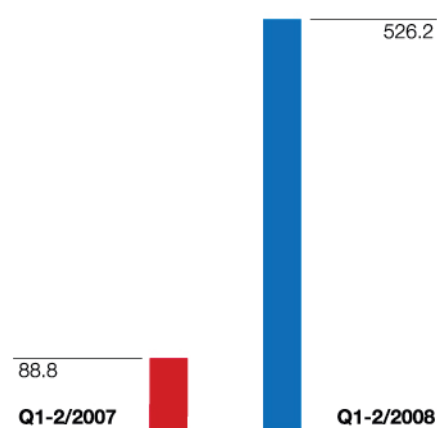
in € million



¹⁾ Adjusted for non-recurring effects and effects of purchase price allocation.

Net Income

in € million



Interim Report

January – June 2008

Axel Springer Group

Overview

Revenues and EBITDA significantly higher than the previous year's figures – Despite the continued difficult conditions in the advertising market, Axel Springer achieved a positive interim result for the first six months of 2008. As expected, the declines recorded in the first quarter were compensated by the company's stronger performance in the second quarter. The increase in revenues is mainly attributable to the acquisitions and to the price increases carried out in the second quarter, especially in the Newspapers National segment.

Axel Springer consolidated and extended its strong, and in many cases dominant, market positions in all key market segments. In the Digital Media segment, Axel Springer achieved record reach indicators and expanded the range of offerings. Axel Springer's organizational structures were adjusted to provide the best possible support to the company's cross-media strategy in the future. Various relaunches and new multimedia concepts underscore the company's innovation capacity.

The positive performance was reflected in the company's income statement. At € 1,343.1 million, revenues for the first six months of 2008 were 11.1 % higher than the corresponding figure for the previous year, mainly due to acquisition effects and the increased circulation revenues. Thanks to the earnings contribution of the newly acquired companies and the lower start-up costs for new activities, EBITDA adjusted for non-recurring effects and effects of purchase price allocations totaled € 213.9 million, 7.2 % higher than the corresponding figure for the previous year. Earnings per share (diluted) increased from € 2.72 in the first six months of 2007 to € 3.05 in the first half of 2008. Including income from the sale of shares in ProSiebenSat.1 Media AG, earnings per share amounted to € 16.96.

The Management Board has confirmed its target of generating higher total revenues and higher EBITDA, adjusted for the income from the Kirch insolvency and the dividend on the shares in Pro-SiebenSat.1 Media AG that have since been sold, as compared to the previous year.

Organizational Structure and Segments

Organizational Structure

Effective January 1, 2008, Axel Springer reorganized its Management Board divisions on a cross-segment basis and created new areas of responsibility as a result. Within the new Management Board division BILD Group and Magazines, the company's activities were concurrently consolidated into four publishing groups and one advertising sales and marketing unit. The online offerings derived from the company's print brands are closely interlinked with these areas of responsibility. Axel Springer upgraded its advertising service in the interest of customers by creating a new advertising unit, "Axel Springer Media Impact", to market the titles of the BILD Group and the company's magazines, and by creating "First Media" as a self-standing marketing unit of the WELT/BERLINER MORGENPOST group of newspapers.

After the women's magazines, youth magazines and music magazines and their corresponding online offerings were pooled within the new publishing group "Women & Lifestyle" on February 1, 2008, the print and online offerings in the subject area of "Computers, Automotive, Sports" were likewise consolidated within a new publishing group, effective May 1, 2008.

The reorganization was completed on June 1, 2008, when Axel Springer Vertriebs GmbH was assigned to the Management Board division of "BILD Group and Magazines." By implementing this measure, Axel Springer is further consolidating and strengthening its sales and marketing expertise within the company.

General Economic Conditions

State of the Economy

Global economic growth in the first half of 2008 was dampened by the crisis in the international financial markets and the U.S. housing crisis. The U.S. economy is in a downturn. Consumer spending has increased only slightly and business investment has fallen off. The economies of China, India and other countries of East Asia continued to experience strong growth, although the growth rate was slightly crimped by the anti-inflationary policies of central banks. In the Eastern European member states of the European Union, key interest rates were raised on multiple occasions in a bid to stem inflation.

Germany experienced robust economic growth in the first six months of 2008. According to an estimate of the Ifo-Institut, the inflation-adjusted growth rate was 2.7 % and consumer spending rose 0.7 % during this period. On the other hand, consumer prices jumped sharply, also in Germany. According to the German Federal Statistical Office, the inflation rate climbed to 2.9 %, mainly under the effect of rising food and energy prices. According to Gesellschaft für Konsumklimaforschung (GfK), consumer spending did not exhibit a lasting recovery in the second quarter of 2008.

Industry Environment

The previously observed trend in the German **press distribution market** continued in the first half of 2008, as the total paid circulation of newspapers and magazines was 3.3 % lower than the comparable figure for the first half of 2007. As a result of the price increases effected last year, however, the circulation revenues declined by only 1.8 % over the same period.

Due to the growing economic uncertainties and especially the rising food and energy prices, German consumers are increasingly holding back on their spending. As a result, companies are generally cautious in their advertising expenditures. The **total gross advertising market** (excluding media advertising and online media) expanded by only 0.7 % to reach € 8.5 billion in the first half of 2008. Including traditional online advertising (excluding search term marketing and affiliates) and excluding media advertising, the advertising market expanded by 2.8 % to reach € 9.2 billion. At the same time, however, the pressure on advertising rates was unrelentingly strong, so that the net revenue performance of the print and online media was less positive. The gross advertising revenues of the print media (excluding classifieds and advertising supplements and media advertising) were basically unchanged (+ 0.1 %) at € 3.6 billion.

The total circulation of the 375 **daily and Sunday newspapers** tracked by IVW averaged 24.0 million copies per issue in the first six months of 2008. Thus, the total paid circulation declined by 2.2 % within a year's time. Once again, single-unit sales suffered a considerably greater loss of 4.7 %, as compared with subscription sales, which lost 1.9 %. Weighted for the different publication frequencies, the demand for press distribution products contracted by 2.5 %. The gross advertising revenues of

newspapers (excluding classifieds and advertising supplements and media advertising) rose 2.0 % to reach € 1.9 billion. Advertisers in the sectors of retail and mail-order sales, as well as services, energy, beverages and tourism, boosted their gross advertising expenditures in newspapers significantly. Advertising growth was driven by the discount grocery store chains, in particular, which again raised their advertising expenditures considerably. By contrast, advertisers in the sectors of telecommunications, textiles and clothing, financial services, photography and optics, as well as the automotive market, scaled back their advertising expenditures considerably. Including classified ads, which are a key revenue source for subscription newspapers in particular, net advertising expenditures in the period from January to May 2008 were nearly unchanged (– 0.1 %) from the previous year's figure. The performance of classified ads was mixed. Whereas employment and family ads showed a positive development, the amount of published real estate, automobile, travel and event ads declined.

The average paid circulation of **general-interest magazines** (including member and club magazines) was 2.8 % lower than the comparable previous year's figure. The average paid circulation of subscription magazines was 4.4 % and that of single-unit sales was 3.2 % lower than the corresponding figures for the previous year. For the first time in a long time, the number of general-interest magazines tracked by IVW declined from the previous year period (– 0.3 %). Weighted for the different publication frequencies, the paid circulation of general-interest magazines decreased 5.9 %. At € 1.5 billion, the gross advertising revenues (excluding media advertising) were 1.8 % lower than the corresponding figure for the previous year. The decline of advertising revenues was especially pronounced in the categories of TV listings (– 10.8 %), business and financial press (– 6.8 %), automotive magazines (– 4.2 %), glossy current-interest magazines (– 3.3 %) and biweekly women's magazines (– 1.9 %). By contrast, the categories of monthly women's magazines (+ 5.4 %) and sports magazines (+ 5.8 %) in particular saw their advertising revenues increase over the previous year period.

According to Nielsen Media Research, the gross advertising revenues (excluding media advertising) of the German **online market** (traditional online advertising excluding search term marketing and affiliates) increased 40.2 % to

reach € 635.1 million. Although the online advertising sector continued to show positive growth, the rate of growth in the area of traditional online advertising slowed from the level of earlier periods. According to recent surveys, online marketers expect that net revenues from traditional online advertising will grow at a rate between 10 % and 20 % in the current year.

At € 4.0 billion, the gross revenues of **advertising TV** (excluding media advertising) were 1.8 % higher than the corresponding figure for 2007, according to Nielsen Media Research. The gross advertising revenues of **radio** (excluding media advertising) were 2.9 % lower than the corresponding figure for the previous year.

Business Developments and Operating Results – Group

Business Developments

Despite the largely difficult market environment, Axel Springer consistently pursued its strategy in the first six months of 2008, with the aim of becoming Europe's best-integrated and most customer-friendly multimedia company. The Group also bolstered its digital media offerings and continued the successful integration of its acquisitions.

In the first half of 2008, Axel Springer continued to take steps to achieve a cross-media positioning of the BILD family of brands. One such step was the consolidation of the operational staff of BILD and Bild.de in connection with the relocation of the BILD Group to Berlin. This consolidation created the biggest integrated newsroom for print, online and moving image contents. The BILD Group, the company's magazines and the corresponding digital media are now being marketed by Axel Springer Media Impact. The sales channels have been redefined along target group lines (newspapers, automotive and sports, women, family and lifestyle, computers and infotainment, and TV listings). Axel Springer gained the chain stores of ALDI Nord as additional sales outlets for its BILD newspaper.

Axel Springer further strengthened the positioning of its Digital Media growth segment in the area of women's media, with the acquisition of the healthcare portal ONMEDA by the auFeminin subsidiary goFeminin.de GmbH in June. With more than 10.1 million page impressions,

more than 1.6 million visits and more than 700 thousand unique users, ONMEDA is the leading healthcare portal in Germany.

In connection with its strategy of internationalization, Axel Springer entered the Indian market in late June of this year. Together with the India Today Group, one of the biggest publishing companies in the Asian sub-continent, Axel Springer is publishing the Indian edition of AUTO BILD. Other licensed editions were launched in the first six months of 2008, including AUTO BILD Georgia in May and AUTO BILD Mexico in mid-June. The latter is the first licensed edition of AUTO BILD in Latin America.

Also in the first half of 2008, Axel Springer made progress towards its declared aim of becoming Europe's most customer-friendly multimedia company by 2010. In the second quarter of 2008, asdirekt, the customer service center of Axel Springer AG, was honored as Germany's best direct marketing company and customer center in the contest for "Germany's most customer-friendly service providers."

Operating Results

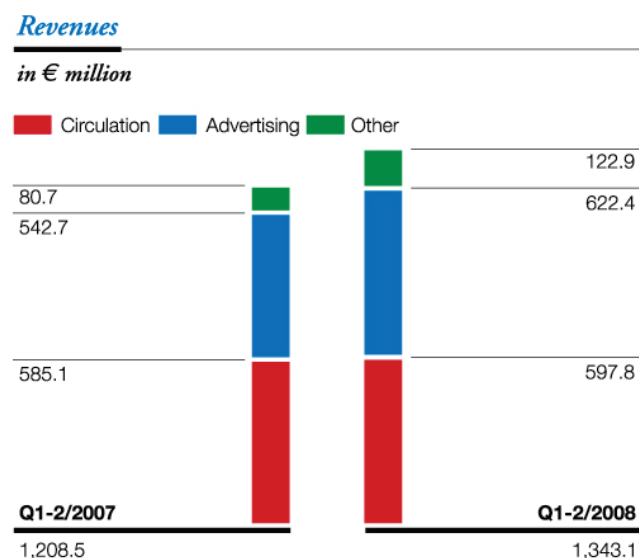
Axel Springer generated **revenues** of € 1,343.1 million in the first six months of 2008, indicative of a substantial 11.1 % increase over the revenues for the first half of 2007. Key growth drivers were the companies acquired in the previous year, in particular the zanox Group and auFeminin.com, along with their subsidiaries, accounted for a significant portion of the revenue increase. Adjusted for consolidation effects, revenues for the first six months of 2008 amounted to € 1,209.5 million, up 1.2 % on the same period in the previous year. Revenues for the second quarter of 2008 stood at € 634.9 million, representing a 4.0 % increase compared with the second quarter of 2007.

At € 597.8 million, **circulation revenues** for the first six months of 2008 were 2.2 % higher than the comparative figure for the previous year. The strong market position of Axel Springer's many publications enabled the company to raise its prices. These price increases, which have been generally well accepted so far, were largely responsible for the 3.9 % increase in circulation revenues for the second quarter, which totaled € 303.9 million. Adjusted for consolidation effects, circulation revenues for the first six months of 2008 amounted to € 586.0 million, 1.2 %

higher than the comparative figure for the previous year. At € 298.0 million, circulation revenues for the second quarter were, 3.1 % higher than the corresponding figure for 2007.

Advertising revenues for the first six months of 2008 amounted to € 622.4 million, representing a substantial 14.7 % increase compared with the first half of 2007. This increase is essentially attributable to acquisitions and the positive performance of the international and digital business ventures. Net of consolidation effects, advertising revenues stood at € 529.7 million, down slightly on the corresponding figure for the previous year (PY: € 537.7 million). In contrast, adjusted advertising revenues for the second quarter of € 287.9 million were 3.0 % higher than the in the second quarter of 2007, reflecting a positive trend.

At € 122.9 million, **other revenues** were 52.3 % higher than the previous year's figure, mainly as a result of the newly acquired companies. Adjusted for consolidation effects, they amounted to € 93.8 million, 18.6 % higher than the previous year's figure.



The **segment revenues** of Newspapers National and Magazines National were slightly slower than those for the comparative period of the previous year. Nonetheless, the print media published in the German market were still the

biggest revenue contributors by far, accounting for 68.1 % of Axel Springer's total revenues in the first half of 2008 (PY: 77.1 %). In the Print International and Digital Media segments, Axel Springer continued its dynamic growth.

At € 299.8 million, **international revenues** generated in the first six months of 2008 were up 28.2 % year-on-year. The main factors contributing to this increase were the first-time consolidation of the revenues of zanox and auFeminin.com and the acquired business activities in Switzerland. The proportion of total revenues generated internationally increased from 19.4 % in the first six months of 2007 to 22.3 % in the corresponding six-month period of 2008.

Total expenses included in the EBITDA figure for the first six months amounted to € 1,185.5 million, 10.4 % higher than the previous year's figure (PY: € 1,074.1 million). This increase was mainly due to the acquired activities and to the company's organic growth.

Especially pronounced was the increase in **purchased goods and services**, which at € 468.0 million was 16.7 % higher than the corresponding figure for the previous year. The main reason for this increase was the consolidation of the zanox Group, with its success-based business model. Excluding the zanox Group, the ratio of purchased goods and services to revenues was slightly lower than the corresponding ratio for the previous year.

The **personnel expenses** for the first six months of 2008 amounted to € 365.7 million, that being 3.7 % higher than the previous year's figure. This increase can be attributed to the acquisitions and the growth initiatives in the existing business areas, which caused the average number of employees to rise from 10,136 in the first six months of 2007 to 10,637 in the first six months of 2008.

Depreciation, amortization and impairments amounted to € 40.8 million, 24.9 % higher than the corresponding previous year's figure of € 32.7 million). This increase resulted primarily from the depreciation, amortization and impairments deriving from purchase price allocations in connection with the acquisition of shares in the Digital Media and Print International segments, which totaled € 9.9 million (PY: € 1.6 million).

The newly consolidated companies and the organic growth in the Digital Media segment were also the reasons behind the 9.8 % increase in **other operating expenses**, which came to € 351.8 million in the first half of 2008 (PY: € 320.3 million).

Investment income of € 451.0 million (PY: € 33.1 million) was largely influenced by the profit from the sale of shares in ProSiebenSat.1 Media AG, a transaction that occurred in the first quarter of 2008. Adjusted for this non-recurring effect, investment income would have been € 20.3 million less, at € 12.8 million. This decrease resulted mainly from the restructuring expenses of € 5.3 million incurred by PRINOVIS for the planned closure of a printing plant in Darmstadt and from the foreign exchange effects in the net income of Doğan TV Holding A.S. (PY: – € 9.9 million).

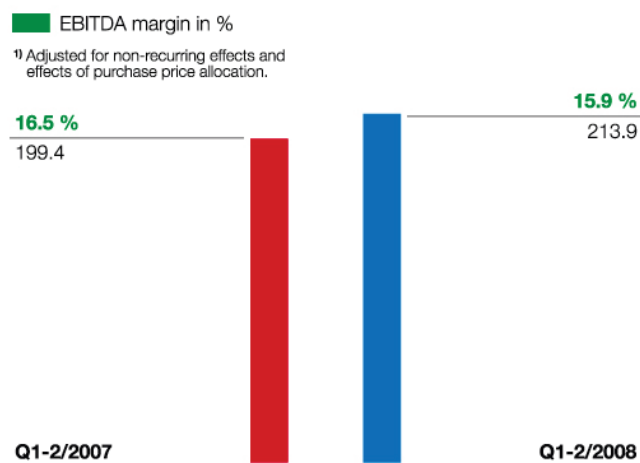
The reduction in **net financial expenses** to € 28.4 million (PY: € 18.8 million) was caused by the increased usage of the credit facility, as compared with the first half of 2007, due to the acquisition of new business activities.

Axel Springer's income **tax expenses** for the first half of 2008 amounted to € 55.9 million, which was around € 19.7 million less than for the first half of 2007. The principal reason for this decrease was the more favorable tax rate resulting from the corporate tax reform in Germany.

Earnings before interest, taxes, depreciation and amortization (**EBITDA**), adjusted for non-recurring effects and the effects of purchase price allocations, amounted to € 213.9 million, substantially higher (by 7.2 %) than the corresponding figure for the previous year. The main factors contributing to this increase were the earnings contributions of the newly acquired businesses, the lower start-up costs for new activities and the practice of strict cost discipline in the core business.

EBITDA, EBITDA Margin¹⁾

in € million



Adjusted for non-recurring effects and for the effects of purchase price allocations, Axel Springer generated earnings before interest, taxes and amortization of goodwill (**EBITA**) of € 183.0 million (PY: € 184.1 million). The EBITA figure for the previous year had contained a non-recurring positive effect in the form of a reversal in an earlier impairment loss recognized in real estate, due to restructuring (€ 15.8 million). At € 526.2 million, **income from continuing operations** was many times higher than the corresponding figure for the previous year of € 92.4 million, mainly due to the profit from the sale of shares in ProSiebenSat.1 Media AG.

Based on the significantly higher consolidated net income for the period, the diluted earnings per share totaled € 16.96 (PY: € 2.72). Excluding income from the sale of ProSiebenSat.1 Media AG, the diluted earnings per share amounted to € 3.05. This figure includes the dilution effect resulting from the stock options granted in connection with the Management Participation Program.

Business Developments and Operating Results – Segments

Newspapers National

Although the market environment for newspapers in Germany continued to be difficult in the first half of 2008, the newspapers of Axel Springer AG benefited from the price increases implemented for some titles in the second quarter and from the improved conditions in the advertising market, compared with the first quarter.

BILD increased its copy price from € 0.50 to € 0.60 in the old federal states of the former West Germany. The price increase has been well accepted by the market so far. The paid circulation in the second quarter of 2008 was 2.8 % less than the corresponding figure for the previous year, having stabilized somewhat from the first quarter. The reach held steady at more than 11.6 million readers (Media-Analyse, MA II 08). BILD am SONNTAG increased its price from € 1.40 to € 1.50 per copy. With a circulation of 1.7 million copies and a reach of 11.2 million readers, BILD am SONNTAG is still Germany's biggest Sunday newspaper.

Circulation Newspapers National

| Average paid circulation, IWV data | Q1-2/2008 | Change yoy |
|------------------------------------|-----------|------------|
| BILD | 3,363,847 | - 3.1 % |
| BILD am SONNTAG | 1,738,034 | - 4.7 % |
| DIE WELT/WELT KOMPAKT | 279,264 | 2.7 % |
| WELT am SONNTAG | 403,180 | - 0.1 % |
| HAMBURGER ABENDBLATT | 252,574 | - 1.4 % |
| BERLINER MORGENPOST | 147,782 | - 1.2 % |
| B.Z./B.Z. am SONNTAG | 202,552 | - 2.3 % |

The circulation of the daily newspaper DIE WELT (including the tabloid format WELT KOMPAKT) experienced a very positive development. Bucking the market trend, DIE WELT sold 280 thousand copies in the second quarter of 2008, that being four thousand or 1.3 % more copies on average than the first quarter, which had itself been a record circulation figure. According to Media-Analyse

2008/II, the reach declined slightly, by 1.0 % to 0.7 million readers, from the previous quarter. With 1.2 million readers, WELT am SONNTAG extended its lead (by 130 thousand readers) over its competitors.

Amid a difficult market environment, the average circulation of the regional newspapers HAMBURGER ABENDBLATT, BERLINER MORGENPOST and B.Z. remained almost stable on the whole, despite the subscription price increases of € 1.95 for HAMBURGER ABENDBLATT (bringing the subscription price to € 24.90) and € 0.70 for BERLINER MORGENPOST (bringing the subscription price to € 19.90). All three titles successfully defended their leading positions in their respective market segments. Having declined by only 1.2 % from the corresponding figure for the previous year, the paid circulation of BERLINER MORGENPOST performed better than the average for the premium Berlin newspapers. With an average paid circulation of 203 thousand copies, B.Z. is still Berlin's biggest newspaper. In fact, B.Z. extended its lead over its competitors.

Key Figures Newspapers National Q1-2/2008

| in € millions | Q1-2/2008 | Q1-2/2007 | Change |
|--------------------------|--------------|--------------|-----------------|
| External revenues | 627.0 | 635.0 | - 1.3 % |
| Share of cons. revenues | 46.7 % | 52.5 % | |
| Circulation revenues | 302.6 | 293.9 | 3.0 % |
| Advertising revenues | 312.6 | 330.7 | - 5.5 % |
| Other revenues | 11.8 | 10.4 | 13.5 % |
| EBITDA | 159.5 | 180.1 | - 11.4 % |
| EBITDA margin | 25.4 % | 28.4 % | |
| EBITA | 158.0 | 178.4 | - 11.4 % |
| EBITA margin | 25.2 % | 28.1 % | |

The revenues of the Newspapers National segment amounted to € 627.0 million in the first six months of 2008, slightly below the corresponding figure for 2007 (PY: € 635.0 million). The weaker performance of the first quarter was almost made up by a significant increase in circulation revenues and steady advertising revenues in

the second quarter. Consequently, the Newspapers National segment is still the biggest revenue contributor within the Axel Springer Group.

Due in particular to the price increases in the second quarter, the circulation revenues were significantly higher, especially at BILD. The circulation revenues for the first six months of 2008 amounted to € 302.6 million, 3.0 % higher than the comparative period for the previous year. The advertising revenues declined by 5.5 % to € 312.6 million. At € 167.1 million, the advertising revenues for the second quarter of 2008 was stable compared to the corresponding figure for the second quarter of 2007 (PY: € 167.7 million).

Due to the lower advertising revenues and the non-recurring costs incurred for the relocation of BILD personnel, EBITDA for the first six months of 2008 amounted to only € 159.5 million, that being 11.4 % less than the previous year's figure (PY: € 180.1 million). However, EBITDA for the second quarter, at € 91.0 million, was 6.0 % higher than the corresponding figure for 2007 (PY: € 85.8 million). This development can be attributed in large part to the price increase at BILD. With an EBITDA margin of 25.4 % (PY: 28.4 %), the Newspapers National segment was again the biggest earnings contributor in the first half of 2008.

Key Figures Newspapers National Q2/2008

| in € millions | Q2/2008 | Q2/2007 | Change |
|--------------------------|--------------|--------------|--------------|
| External revenues | 330.3 | 320.7 | 3.0 % |
| Share of cons. revenues | 47.1 % | 52.0 % | |
| Circulation revenues | 156.7 | 147.0 | 6.7 % |
| Advertising revenues | 167.1 | 167.7 | -0.3 % |
| Other revenues | 6.4 | 6.1 | 6.5 % |
| EBITDA | 91.0 | 85.8 | 6.0 % |
| EBITDA margin | 27.5 % | 26.8 % | |
| EBITA | 90.1 | 85.0 | 6.1 % |
| EBITA margin | 27.3 % | 26.5 % | |

Magazines National

Continuing the positive trend of earlier periods, the magazines published by Axel Springer in Germany performed better than the overall market in the second quarter. The magazines of the BILD family of brands increased their market shares on aggregate. In the segment of **TV listings**, TV DIGITAL further extended its position as Germany's biggest TV magazine for digital television. On average, TV DIGITAL sold 2.0 million copies, reflecting an increase of 9.8 % over the corresponding previous year period. In the group of weekly TV listings, HÖRZU successfully defended its No. 1 position in Germany, with an average circulation of 1.5 million copies (-3.7 %). As a consequence of the ongoing trend in favor of monthly TV listings, the overall circulation of the weekly TV listings declined.

Circulation Magazines National

| Average paid circulation, IVW data | Q1-2/2008 | Change yoy |
|------------------------------------|-----------|------------|
| TV DIGITAL | 2,043,926 | 9.8 % |
| HÖRZU | 1,467,076 | -3.7 % |
| FUNK UHR | 689,233 | -5.7 % |
| BILDWOCHE | 206,895 | -12.1 % |
| TV NEU | 152,671 | -14.1 % |
| BILD der FRAU | 1,057,817 | -4.7 % |
| JOLIE | 275,468 | -22.0 % |
| FRAU von HEUTE | 260,676 | -32.3 % |
| COMPUTER BILD | 724,776 | 2.3 % |
| COMPUTER BILD SPIELE | 298,752 | -18.5 % |
| AUDIO VIDEO FOTO BILD | 216,471 | -24.4 % |
| AUTO BILD | 609,396 | -3.3 % |
| AUTO TESTS | 213,399 | 71.0 % |
| AUTO BILD SPORTSCARS | 65,421 | 7.2 % |
| AUTO BILD MOTORSPORT | 61,846 | 1.1 % |
| AUTO BILD ALLRAD | 61,726 | -1.7 % |
| SPORT BILD | 482,613 | 0.6 % |
| EURO | 179,139 | 4.3 % |
| EURO am SONNTAG | 111,283 | 0.4 % |
| POPCORN | 197,106 | -12.3 % |
| MÄDCHEN | 158,955 | 2.1 % |
| ROLLING STONE | 54,759 | -1.2 % |
| MUSIKEXPRESS | 51,471 | -8.9 % |
| METAL HAMMER | 44,948 | -2.1 % |

With 5.9 million weekly readers (Media-Analyse, MA II 08), BILD der FRAU remained the undisputed market leader in the fiercely contested segment of **women's magazines** in Germany. Despite the increasingly competitive market environment, the market share of BILD der FRAU rose 2.0 %. A total of 1.1 million copies were sold in the first two quarters of 2008, the same number as in the first two quarters of 2007. According to Media-Analyse 2008/II, the monthly pocket title JOLIE increased its reach to more than 600 thousand readers, a new record for that title. In the group of youth magazines, MÄDCHEN achieved significant gains over the previous year in the first six months of 2008. With a paid circulation of 159 thousand copies in the first half of 2008, MÄDCHEN regained the market leadership position in the segment of biweekly girls' magazines. Since May of this year, YAM!, the magazine for young adults, has appeared on a monthly basis with a new design.

The **computer, automotive and sports magazines** of the BILD Group performed very well in the first half of 2008. COMPUTER BILD increased its average paid circulation by 2.3 % to 725 thousand copies within a year's time and retained its status as the undisputed market leader in the segment of computer magazines. COMPUTER BILD SPIELE and AUDIO VIDEO FOTO BILD also defended their market leadership positions in their respective segments.

The AUTO BILD Group was very successful in the period from January to June 2008. Despite the € 0.10 increase in the copy price, to € 1.40, AUTO BILD's total sales were only 3.3 % less than the corresponding figure for the previous year. According to Media-Analyse 2008/II, Europe's biggest automotive magazine reached more than 2.8 million readers and further extended its comfortable lead over the nearest competitor. Within the core demographic of men, the magazine's reach increased to 8.2 % (2.6 million readers). The AUTO BILD family of brands also made good progress towards the goal of internationalization. A total of seven new licensed editions of the AUTO BILD Group were launched in foreign countries in the first half of 2008. In the group of biweekly to monthly special issues of AUTO BILD, AUTO TESTS showed the highest growth over the previous year period. With a paid circulation of 213 thousand copies (+ 71.0 %), AUTO TESTS is the third-biggest publication in the market of general automotive magazines. Thanks to the popularity of this publication, the 10 % increase in the copy price was well accepted by its readers. The circulation figures of AUTO BILD MOTORSPORT (+ 1.1 %) and AUTO BILD SPORTSCARS (+ 7.2 %) likewise exhibited a

positive development. According to Media-Analyse 2008/II, the sportscar magazine achieved a very good reach of 320 thousand readers. Also according to Media-Analyse 2008/II, AUTO BILD ALLRAD reached 260 thousand male readers. All together, Axel Springer increased its share of the automotive magazines market by 0.5 %.

SPORT BILD sold an average of more than 483 thousand copies in the period between January and June 2008. Subscription sales in particular contributed to the 0.6 % increase over the previous year period. According to the latest Media-Analyse 2008/II, the reach of this publication rose by 0.9 % to 3.9 million readers. The circulation was boosted by the numerous soccer-related marketing campaigns and by the Pannini Collector's Album for the 2008 Euro Cup and the German National League DVD supplement for the 2007/2008 season. At 48.6 %, the market share was 1.6 % higher than the previous year's figure.

In the group of **business magazines** published by Axel Springer Finanzen Verlag, the weekly EURO am SONNTAG expanded its advertising placements. And the monthly finance magazine EURO was the only title in its peer group to maintain the same volume of advertising placements as in the previous year period. The content and optical qualities of both these publications had been overhauled in the first quarter.

Key Figures Magazines National Q1–2/2008

| in € millions | Q1–2/2008 | Q1–2/2007 | Change |
|--------------------------|--------------|--------------|----------------|
| External revenues | 287.4 | 296.4 | – 3.0 % |
| Share of cons. revenues | 21.4 % | 24.5 % | |
| Circulation revenues | 186.3 | 191.2 | – 2.5 % |
| Advertising revenues | 93.6 | 98.1 | – 4.5 % |
| Other revenues | 7.5 | 7.1 | 5.3 % |
| EBITDA | 51.0 | 41.8 | 22.1 % |
| EBITDA margin | 17.8 % | 14.1 % | |
| EBITA | 49.3 | 39.9 | 23.5 % |
| EBITA margin | 17.2 % | 13.5 % | |

The magazines published in Germany generated revenues of € 287.4 million in the first six months of 2008. That figure was 3.0 % lower than the corresponding figure for 2007 (PY: € 296.4 million). Whereas the circulation revenues declined slightly in the second quarter, the advertising revenues were roughly the same as the previous year's figure, after a weaker first quarter.

The circulation revenues of € 186.3 million were 2.5 % lower than the previous year's figure. With regard to this result, it can be noted that the improved circulation revenues of TV DIGITAL, SPORT BILD and AUTO BILD resulting from the price increases did not completely offset the market trend of declining circulation figures.

At € 93.6 million, the total advertising revenues were 4.5 % lower than the previous year's figure. With regard to this result, it can be noted that the higher advertising revenues of BILD der FRAU and SPORTBILD resulting from the European Soccer Championship in the second quarter did not completely offset the general decline associated with the market trend.

Thanks to the lower level of start-up losses or development costs for new titles and disciplined cost management, EBITDA of the Magazines National segment, at € 51.0 million, was 22.1 % higher than the comparative figure for 2007 (PY: € 41.8 million). Over this period, the EBITDA margin rose from 14.1 % to 17.8 %.

Key Figures Magazines National Q2/2008

| in € millions | Q2/2008 | Q2/2007 | Change |
|--------------------------|--------------|--------------|----------------|
| External revenues | 146.3 | 149.4 | - 2.1 % |
| Share of cons. revenues | 20.9 % | 24.2 % | |
| Circulation revenues | 92.4 | 95.5 | - 3.2 % |
| Advertising revenues | 50.0 | 50.9 | - 1.8 % |
| Other revenues | 3.9 | 3.1 | 27.3 % |
| EBITDA | 26.1 | 22.0 | 18.6 % |
| EBITDA margin | 17.9 % | 14.7 % | |
| EBITA | 25.3 | 21.1 | 19.6 % |
| EBITA margin | 17.3 % | 14.1 % | |

Print International

The newspapers and magazines published in the other countries of Europe besides Germany again experienced significant growth in the first six months of 2008. The circulation and advertising revenues of these publications, in particular, were substantially higher than the corresponding figures for the previous year. Axel Springer achieved especially impressive gains in the Polish market and in Switzerland.

In **Poland**, Axel Springer extended its leading position in the segment of national daily newspapers in the first half of 2008. Taken together, the tabloid newspaper FAKT, the premium newspaper DZIENNIK and the sports newspaper PRZEGLAD SPORTOWY achieved a market share of 43.5 %, based on paid circulation (January-May 2008). FAKT extended its lead over the next-biggest competitor. According to Expert Monitor, NEWSWEEK generated the highest advertising revenues of any magazine in the period from January to June 2008. Also in the first half, Axel Springer Polska purchased the regional daily sports newspaper SPORT from the Polish publisher KTK Sport.

With ten newspapers, 30 magazines and an extensive online portfolio, Axel Springer is the biggest publishing company in **Hungary** and the leading publisher of women's magazines, regional magazines and TV listings, as well as the leading publisher of magazines in the cate-

gories of auto, cooking, puzzles and home and furnishings. In Hungary, Axel Springer has a circulation-based market share of 22.1 %. The paid circulation of the Sunday newspaper, the business newspaper and the eight regional newspapers trended slightly lower, due to the development of disposable income in that country, but the advertising business showed a positive development.

In **Switzerland**, the integration of Jean Frey AG and the Ringier TV listings, which were acquired in 2007, was successfully concluded in the first half of 2008. Both activities are highly profitable, delivering earnings contributions that have surpassed the original assumptions at the time of the acquisition. The magazine BILANZ underwent a relaunch in the second quarter. Since June of this year, Switzerland's biggest TV magazine TELE has featured a completely revised TV listings section and a new weekly supplement of digital TV listings, the first of its kind in Switzerland, known as TELEdigital.

In **Spain**, the Spanish edition of AUTO BILD further extended its lead over the competition. Also, AUTO BILD 4x4 successfully defended its position as the highest-circulation magazine in the segment of magazines for all-wheel drive vehicles. Furthermore, Axel Springer's computer and gaming magazines held on to their No. 1 position in Spain.

In **Russia**, COMPUTER BILD continued the trend of successful sales in the first half of 2008, increasing its average circulation by around 25 % over the previous year period, despite the increased copy price. The licensed edition of OK! for the Russian market solidified its market leadership position in the segment of weekly people magazines. According to the Gallup readership analysis, OK! RUSSIA lengthened its lead over the competition.

In the print market of the **Czech Republic**, Axel Springer's automotive and motor magazines successfully defended their leading positions. Starting in June of this year, the world's first licensed edition of AUTO BILD SPORTSCARS will appear semiannually under the title AUTO TIP SPORTSCARS. In February, moreover, the music magazine POPCORN was successfully repositioned as a lifestyle magazine.

Axel Springer is also active in **India**. In collaboration with the India Today Group, one of the biggest publishing

houses of the Indian sub-continent, Axel Springer started publishing the first Indian edition of AUTO BILD in late June.

In May, AUTO BILD started publishing a licensed edition in **Georgia**. The specialty magazine AUTO BILD ALLRAD also improved its international presence. It is now published in **Bulgaria** as AUTO BILD 4x4. In Central America, the first licensed edition of AUTO BILD was launched in **Mexico**. The licensing partner in this venture is the Mexican publisher Lyrsa Editores.

Key Figures Print International Q1–2/2008

| in € millions | Q1–2/2008 | Q1–2/2007 | Change |
|--------------------------|--------------|--------------|--------------|
| External revenues | 207.9 | 195.3 | 6.4 % |
| Share of cons. revenues | 15.5 % | 16.2 % | |
| Circulation revenues | 108.8 | 100.0 | 8.8 % |
| Advertising revenues | 90.0 | 80.6 | 11.6 % |
| Other revenues | 9.1 | 14.8 | – 38.6 % |
| EBITDA | 10.4 | – 9.8 | - |
| EBITDA margin | 5.0 % | - | |
| EBITA | 7.4 | – 12.9 | - |
| EBITA margin | 3.6 % | - | |

Axel Springer generated revenues of € 207.9 million on its international print products in the first half of 2008, that being 6.4 % more than the corresponding figure for 2007 (PY: € 195.3 million). The publications in Switzerland and Poland performed especially well.

At € 108.8 million, the circulation revenues of the Print International segment in the first six months of 2008 were 8.8 % higher than the comparative figure for the previous year, mainly due to the newly acquired activities in Switzerland and the positive performance of FAKT.

The advertising revenues of € 90.0 million were 11.6 % higher than the previous year's figure, essentially as a result of the improved advertising business of the newspapers in Poland and the magazines in Russia.

The segment earnings (EBITDA) of € 10.4 million were significantly better than the corresponding figure for the first half of 2007 (-€ 9.8 million), which had been seriously affected by the costs of discontinuing the development activities for a tabloid newspaper in France (€ 13.7 million). Furthermore, the earnings generated in Poland, Russia and Switzerland were likewise stronger than the corresponding previous year period. The investment income amounted to € 2.7 million (PY: € 2.1 million), mainly as a result of the printing plants in Hungary.

Key Figures Print International Q2/2008

| in € millions | Q2/2008 | Q2/2007 | Change |
|--------------------------|--------------|--------------|--------------|
| External revenues | 109.9 | 102.2 | 7.5 % |
| Share of cons. revenues | 15.7 % | 16.6 % | |
| Circulation revenues | 54.8 | 50.0 | 9.7 % |
| Advertising revenues | 50.7 | 46.1 | 10.0 % |
| Other revenues | 4.5 | 6.2 | -28.5 % |
| EBITDA | 9.7 | -7.8 | - |
| EBITDA margin | 8.8 % | - | |
| EBITA | 8.0 | -9.4 | - |
| EBITA margin | 7.3 % | - | |

Digital Media

Axel Springer's **online** initiative is based on the company's three core competencies. Axel Springer is seeking to transfer its existing print brands and content to digital distribution channels and to open up new distribution channels by acquiring additional online brands. Furthermore, Axel Springer is expanding its activities in the area of traditional and success-based online marketing. Finally, the company is strengthening its competitive position in the market for online classified ads and market places by expanding its own portals and related portfolio investments.

Visits Digital Media

| Offerings (selection) in thousands | Q1-2/2008 ¹⁾ | Change yoy |
|---------------------------------------|-------------------------|------------|
| www.bild.de | 58,927 | 35.1 % |
| www.welt.de | 18,893 | > 100 % |
| www.immonet.de ²⁾ | 15,217 | 34.5 % |
| www.computerbild.de ³⁾ | 7,917 | > 100 % |
| www.ideal.de ²⁾ | 7,295 | 6.7 % |
| www.gofeminin.de ⁴⁾ | 5,642 | 17.8 % |
| www.stepstone.de ²⁾ | 4,551 | 27.6 % |
| www.wallstreet-online.de | 4,339 | -11.0 % |
| www.autobild.de | 4,212 | 7.6 % |
| www.abendblatt.de | 3,635 | 22.0 % |
| www.finanzen.net | 2,840 | 78.1 % |
| www.hamburg.de ⁵⁾ | 2,224 | - |
| www.morgenpost.de | 1,841 | 26.8 % |

¹⁾ Source: IWW data, monthly average.

²⁾ Company data.

³⁾ Company data for Q1-2/2007, IWW data for Q1-2/2008.

⁴⁾ Pls on worldwide auFeminin network: 535.4 million (source: Smart Adserver).

⁵⁾ Prior-year comparison is not possible due to conversion of the measurement method to IWW as of November 2007.

The online and mobile portals of the newspapers of Axel Springer increased their user figures – in some cases quite substantially – in the first six months of 2008.

Bild.de achieved new record figures. The number of page impressions rose 46.3 % to 728.3 million in the second quarter. In June alone, 65.8 million visitors visited the portal, 43.5 % more than the corresponding figure for the previous year. With 4.5 million unique users, Bild.de was among the top 20 of all German Internet sites (AGOF range rankings). Also, the new video service registered an average of more than 20.4 million video clicks in the second quarter, making it one of the leading editorial moving image platforms in the German web. After the big regional editions of Bild.de in Hamburg and Berlin launched their own websites featuring an abundance of information and service offerings related to life in those cities in the first three months of 2008, Bild.de followed suit in Munich in May of this year. Having registered almost 14 million page impressions in June, BILDmobil solidified its position as one of the biggest mobile information portals in Germany.

WELT ONLINE, the news portal of the WELT Group, set new records by registering an average of 144.6 million page impressions and 19.4 million visits per month in the second quarter, making it the top-ranked news portal of all the premium newspapers in the German web. According to AGOF, the reach increased by 1.9 million to 3.4 million unique users. Thanks in part to the new user interface and the broadened information offering, the traffic on the mobile portal WELT MOBIL increased steadily in the second quarter to reach the previous record mark. The website of BERLINER MORGENPOST underwent a relaunch in June. Furthermore, the video services of BERLINER MORGENPOST and WELT ONLINE were upgraded and relaunched with various new functions, plus a connection that will enable the company to exploit all relevant marketing opportunities for moving image content. The online portal of HAMBURGER ABENDBLATT, abendblatt.de, was relaunched with a new design at the start of the second quarter.

The online offerings of the German-language magazines likewise experienced significant growth.

The portal computerbild.de posted more than 61.8 million page impressions in the second quarter, making it the second-ranked portal in the IVW category of Computers, Telecommunications and Consumer Electronics and bolstering its claim as one of the top technology sites in Germany. With 1.9 million unique users, computerbild.de ranks third among technology sites in Germany on the basis of reach, according to AGOF.

The auto portal autobild.de extended its position as the leading online provider of editorial content related to automobiles, by registering an average of 4.2 million visits and achieving a reach of more than 1.0 million unique users (AGOF 2008/I). Having upgraded its offering of moving image content, autobild.tv now offers its users the chance to play embedded videos on all pages with only one click.

The women's portals of Axel Springer AG likewise exhibited a positive development in the first half of 2008. Following the relaunch in August 2007, jolie.de is now the fastest-growing online offering for women in Germany. In the period from January to June of this year, the number of page impressions jumped 104.9 % to 13.2 million, with nearly 500 thousand visits and more than 100 thousand

registered users. Following the earlier relaunches of bildderfrau.de and frauvonheute.de, maedchen.de underwent a relaunch in May.

In the first half of 2008, auFeminin.com drew an average of 21.4 million unique users per month, indicative of a 10.2 % gain over the previous year period. With more than 535.4 million page impressions per month, the portal backed by its worldwide network amply demonstrated its outstanding competitive position. The preliminary gross advertising and service revenues presented in the semi-annual financial statements of this exchange-listed company amounted to € 12.5 million, indicative of a 10.2 % increase over the previous year's figure. The slight decrease in France was offset by substantial gains in other European countries. Due to the planned expenditures for further strengthening the company's international structures, the preliminary earnings before interest and taxes (EBIT) presented in the semiannual financial statements of the auFeminin Group amounted to only € 5.8 million, as compared with the € 7.1 million generated in the very strong previous year period. By the beginning of August, Axel Springer has boosted its equity interest in auFeminin.com to 79.7 %.

In the second quarter of 2008, the auFeminin-subsi-dary goFeminin.de GmbH acquired the healthcare portal ONMEDA from OnVista Media GmbH. With more than 10.1 million page impressions, more than 1.6 million visits (IVW 06/08) and about 700 thousand unique users (AGOF 2008/1), ONMEDA is the leading independent healthcare portal in Germany. By means of this acquisition, Axel Springer has taken up a strong position in yet another important topic area with enormous marketing potential. And Axel Springer is now the leading provider of premium online healthcare information in Germany. After undergoing a fundamental strategic reorientation, the official portal of the Hanseatic city of Hamburg, hamburg.de, in which Axel Springer has held a 51 % equity stake since March 2007, picked up a large number of new users and advertising customers and has been operating on a profitable basis for some months now. According to IVW, the reach of this online offering targeted to the residents of Hamburg and visiting tourists swelled to 2.2 million visits and nearly 17.0 million page impressions in June of this year.

Having upgraded its online offering yet again, idealo.de is still one of the leading product/price search engines in

Germany. In the second quarter of 2008, the number of clicks in the flight search category soared 120 % over the previous year quarter. In June, the number of properties listed on *immonet.de*, the cross-media portal for real estate marketing, rose to 900 thousand, representing a 28.6 % increase over the corresponding previous year period. Moreover, vacation properties were added to the offering of real estate listings. The online jobs portal *stepstone.de* increased its traffic by nearly 27.6 % to 4.6 million visits within a year's time, while the number of employment ads increased by almost 20.0 % to 43 thousand. The specialty portal *arbeiten.de*, a subsidiary of *stepstone.de* which is targeted to the commercial labor market, initiated a cooperation with the print edition of *BILD-Zeitung*. Launched in October 2007, the e-commerce platform *myby.de* further extended its strong position as a leading electronics vendor.

TV DIGITAL ventured into the market for digital entertainment electronics by way of the cooperation between Axel Springer and Philips on the introduction of a personalized TV offering available throughout the world. TV DIGITAL PERSONAL uses the software-based technology solution APRICO from Philips, plus the programming guide technology and editorial program information service of Axel Springer Digital TV Guide. As a result, viewers can assemble their own personalized TV channels, based on conventional TV programming and the moving image content available on the Internet.

In the first half of 2008, ZANOX.de AG systematically internationalized its business and expanded its range of offerings. The provider of online marketing services opened new offices in New York, Warsaw and Zurich. In Berlin, *zanox.de* created the Global Alliance Partner Campus as a central meeting place for publishers and developers working on new web-based business models and innovative projects. *zanox.de* also boosted its marketing efforts by launching product-specific and industry-specific weblogs, among other steps. Axel Springer had acquired a majority interest in this market-leading provider of success-based online marketing services specializing in affiliate marketing last year.

At € 2.6 million, the revenues presented in the published semiannual financial statements of *wallstreet:online* were € 1.7 million lower than the corresponding previous year figure. By contrast, the EBITDA of € 0.8 million was

€ 0.5 million higher than the corresponding previous year figure. The earnings were positively affected by the income from a project sale. The weak stock market environment led to a decrease in the user numbers, which contributed to a corresponding decrease in the advertising bookings. Amid this difficult environment, the company rid itself of projects and investments that do not belong to the core business. The investor portal *finanzen.net* crossed the mark of three million visits for the first time in April and is now the third-biggest non-bank-affiliated finance portal in Germany.

Axel Springer's digitization campaign extended also to the online portals of the company's international newspapers and magazines. In Poland, *FAKT*'s website was upgraded and new services were added in April in connection with the relaunch as the web portal *eFakt.pl*. In the period from January to June 2008, the number of unique users of the Polish web portal *AUTO SWIAT* rose by more than 150 % over the corresponding previous year period. Furthermore, the websites in Hungary, including the regional news portals, which have since grown to eight in number, also attracted growing numbers of users. The online edition of the Swiss *HANDELSZEITUNG* continued to reap the benefits of its relaunch at the end of last year, with 50 % more unique users in the first six months of 2008, as compared with the previous year period. In June, moreover, *HANDELSZEITUNG* launched a new investment fund tool, in cooperation with the VWD Group. And the biggest multi-service portal for college students in Switzerland, *students.ch* of *Amiado AG*, saw its number of unique users grow by 61.4 % over the corresponding previous year period.

In the TV sector, *Doğan TV*, as the biggest private-sector television and radio company in Turkey, successfully defended its market leadership position with regard to both audience market shares and advertising market shares. *Doğan TV* operates *Kanal D* and *Star TV*, two of the four biggest TV broadcast companies in Turkey. In addition, *Doğan* operates more than 50 other TV and radio stations in Turkey. *Doğan TV* is generating a growing proportion of its revenues from the sales of its digital TV offering *D-Smart*. Since it was launched last year, *Doğan*'s digital platform offering is now reaching more than 600 thousand users. Axel Springer holds a 25 % equity interest in *Doğan TV*. In Germany, the two metropolitan area broadcasters *Hamburg 1* and *TV.Berlin* continued to exhibit a

positive development. Since the end of the first quarter, Schwartzkopff-TV, the producer of top-rated entertainment and talk show formats, has been producing the daily TV format “Fast Food Duell” for Kabel Eins. In this format, top-rated chefs compete with a catering service. Also in the second quarter, the company’s portfolio of radio investments benefited from the positive development of the radio market in this period.

Key Figures Digital Media Q1–2/2008

| in € millions | Q1–2/2008 | Q1–2/2007 | Change |
|----------------------------|--------------|-------------|-------------------|
| External revenues | 171.5 | 44.3 | > 100 % |
| Share of cons. revenues | 12.8 % | 3.7 % | |
| Advertising revenues | 126.3 | 33.4 | > 100 % |
| Other revenues | 45.2 | 10.9 | > 100 % |
| EBITDA¹⁾ | 6.0 | 3.9 | 53.4 % |
| EBITDA margin | 3.5 % | 8.8 % | |
| EBITA ¹⁾ | 3.7 | 2.7 | 37.6 % |
| EBITA margin | 2.2 % | 6.2 % | |

¹⁾ This figure contains investment income of € 1.7 million (PY: € 10.9 million).

In its Digital Media segment, Axel Springer generated revenues of € 171.5 million in the first six months of 2008, almost four times as much as the previous year’s figure of € 44.3 million. This increase can be attributed in large part to the subsidiaries zanox.de and auFeminin.com acquired in 2007.

The pro-forma revenues of the Digital Media segment rose 23.9 %, from € 107.5 million in the first six months of 2007 to € 133.2 million in the corresponding period of 2008. The pro-forma revenues reflect the operating results of the businesses acquired since 2006 on the basis of unaudited financial data. The zanox Group is consolidated proportionally at the rate of 60.0 %, corresponding to the corporate structure planned by the shareholders at the time of the acquisition.

Despite the fact that exchange rate developments produced a negative effect of – € 9.9 million in the earnings contribution of Doğan TV Holding A.S., EBITDA of the Digital Media increased from € 3.9 million in the previous year period to € 6.0 million in the first six months of 2008, due to the acquisitions effected in the meantime.

Key Figures Digital Media Q2/2008

| in € millions | Q2/2008 | Q2/2007 | Change |
|----------------------------|-------------|-------------|-------------------|
| External revenues | 90.0 | 24.8 | > 100 % |
| Share of cons. revenues | 12.8 % | 4.0 % | |
| Advertising revenues | 65.4 | 17.9 | > 100 % |
| Other revenues | 24.6 | 6.9 | > 100 % |
| EBITDA¹⁾ | 17.7 | 8.9 | > 100 % |
| EBITDA margin | 19.7 % | 35.9 % | |
| EBITA ¹⁾ | 16.5 | 8.2 | > 100 % |
| EBITA margin | 18.4 % | 33.1 % | |

¹⁾ This figure contains investment income of € 13.9 million (PY: € 12.6 million).

Services/Holding

The Services/Holding segment comprises the company’s three newspaper printing plants, plus the investment income/expenses of the rotogravure joint venture PRINOVIS and the logistics, sales, services and holding company departments.

Key Figures Services/Holding Q1–2/2008

| in € millions | Q1–2/2008 | Q1–2/2007 | Change |
|--------------------------|---------------|---------------|---------------|
| External revenues | 49.4 | 37.5 | 31.6 % |
| Share of cons. revenues | 3.7 % | 3.1 % | |
| Internal revenues | 163.9 | 148.8 | 10.1 % |
| Segment revenues | 213.2 | 186.3 | 14.5 % |
| EBITDA | - 13.1 | - 16.6 | - |
| EBITA | - 35.5 | - 24.0 | - |

¹⁾ This figure contains investment income of € 3.6 million (PY: investment income of € 2.1 million).

The external revenues of the Services/Holding segment rose to € 49.4 million (PY: € 37.5 million), mainly due to the new contribution of the subscription business of PVG Presse-Vertriebs-Gesellschaft KG to the subsidiary im.s. The job printing revenues of the newspaper printing plants were significantly higher than the corresponding figure for the previous year.

EBITDA of the Services/Holding segment improved to – € 13.1 million (PY: – € 16.6 million). The previous year's figure had been weighed down by charges related to the relocation of BILD personnel. EBITDA for the first six months of the current year was affected by the lower amount of investment income/expenses and by the heightened expenses for central projects. The decrease in the investment income/expenses was mainly caused by the restructuring expenses of € 5.3 million incurred by the rotogravure company PRINOVIS for the planned closure of a printing plant in Darmstadt.

EBITA declined to – € 35.5 million (PY: – € 24.0 million). The previous year EBITA had contained a non-recurring positive effect from the reversal of an impairment loss in real estate due to restructuring measures (€ 15.8 million).

Key Figures Services/Holding Q2/2008

| in € millions | Q2/2008 | Q2/2007 | Change |
|--------------------------|--------------|---------------|---------------|
| External revenues | 24.9 | 20.1 | 23.9 % |
| Share of cons. revenues | 3.5 % | 3.3 % | |
| Internal revenues | 84.1 | 67.7 | 24.3 % |
| Segment revenues | 109.0 | 87.8 | 24.2 % |
| EBITDA | - 9.3 | - 15.6 | - |
| EBITA | - 20.5 | - 11.4 | - |

¹⁾ This figure contains investment income of € 2.9 million (PY: investment income of € 2.4 million).

Financial Position**Cash Flow and Capital Expenditures**

The cash flow from operating activities amounted to € 92.6 million, that being € 57.0 million less than the corresponding amount for the first half of 2007 (€ 149.6 million). The cash inflows from claims related to the Kirch insolvency in the first half of 2008 were € 20.6 million lower than the comparative figure for the previous year. As a result of income tax payments, the net balance of current income tax liabilities and receivables changed by € 18.5 million, from a net liability to a net receivable (PY: accumulation of net liability in the amount of € 16.2 million).

The cash flow from investing activities amounted to € 400.5 million (PY: – € 511.8 million). The positive effect of the receipt of the purchase price for the sold shares in ProSiebenSat.1 Media AG was diminished in particular by the cash payments for the acquisition of minority interests in BILD digital GmbH & Co. KG (formerly BILD.T-Online.de AG & Co. KG) and the cash payments resulting from the exercise of the put options granted in connection with the acquisition of shares in auFeminin.com S.A. The previous year's figure contained cash payments for the acquisition of Axel Springer Schweiz AG (formerly Jean Frey AG) and for the 25 % interest in Doğan TV Holding A.S.

The cash flow from financing activities was negative, at – € 557.0 million (PY: € 6.7 million). The principal reasons for this result included the repayment of liabilities due to banks following the receipt of the purchase price

for the sale of shares in ProSiebenSat.1 Media AG and the payment of the dividend for fiscal year 2007.

Net Liquidity

On balance, net funds of € 135.7 million were € 62.3 million less than the corresponding figure at the end of 2007 (€ 198.1 million). Over the same period, the financial liabilities were reduced from € 941.1 million to € 502.0 million as a result of principal repayments. Consequently, the company's net debt in the first half of 2008 declined from € 743.0 million at year-end 2007 to € 366.3 million at June 30, 2008.

Balance Sheet

The total assets presented in the consolidated balance sheet declined by € 908.1 million or 23.7 % to € 2,918.8 million at June 30, 2008, as compared with the corresponding figure at year-end 2007 (€ 3,826.9 million).

The carrying amount of non-current assets decreased by € 23.2 million (1.1 %) to € 2,163.6 million. This decrease resulted mainly from the scheduled depreciation of property, plant and equipment and from the receipt of dividend payments from associated companies accounted for the equity method.

The current assets decreased by € 880.4 million (55.7 %) to € 699.6 million, mainly as a result of the sale of shares in ProSiebenSat.1 Media AG and the deconsolidation of the PIN Group sub-group. The current provisions and liabilities declined by € 379.0 million (34.3 %), mainly due to the deconsolidation of the PIN Group sub-group.

As a result of the repayment of liabilities due to banks following receipt of the purchase price for the sold shares in ProSiebenSat.1 Media AG, the non-current provisions and liabilities were reduced by € 436.4 million (28.9 %).

The company's equity amounted to € 1,119.1 million, that being € 92.8 million (7.7 %) less than the corresponding figure at the end of 2007. This decrease resulted mainly from the dividend payment for fiscal year 2007, from the recognition in equity of charges related to the acquisition of minority interests in BILD digital GmbH & Co. KG, and from deconsolidation effects. The equity

ratio rose from 31.7 % at December 31, 2007 to 38.3 % at June 30, 2008.

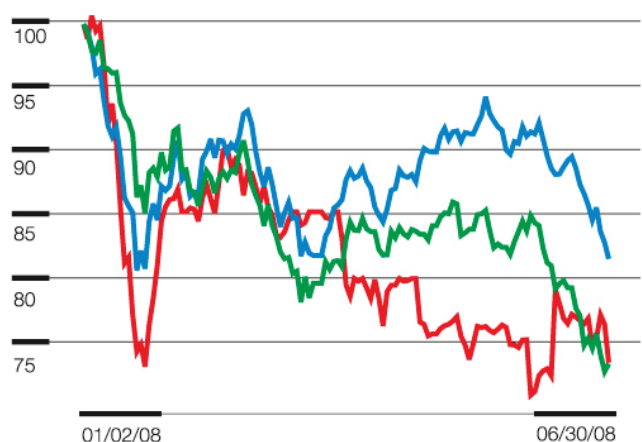
The Axel Springer Share

Share Price

The Axel Springer share closed at € 68.68 on June 30, 2008, 29.9 % lower than its closing price at the end of 2007 (€ 98.00). The share reached its year-to-date high of € 94.73 at the beginning of January and fell to its year-to-date low of € 66.24 at the beginning of June. With regard to the falling share price, the Axel Springer share followed the trend of other European media stocks. The DJ EuroStoxx Media lost about 26.6 % of its value, and the SDAX lost 18.3 % of its value in the first six months of 2008. The general decline in share prices reflected the continued nervousness in the financial markets resulting from the financial markets crisis, the rising price of oil and the growing uncertainties about the future direction of the economy.

Performance Axel Springer Share

■ Axel Springer ■ SDAX ■ DJ EuroStoxx Media

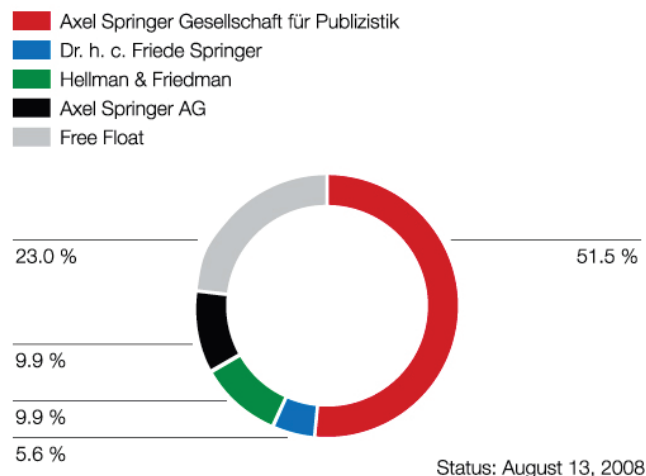


Share Buyback

Axel Springer AG took advantage of its low debt and the favorable share price to offer its shareholders a buyback of up to 918 thousand shares against payment of € 80.00

per share. The offer price reflected a premium of 17.7 % on the average closing prices of the last three trading days before announcement of the offer. The acceptance period began on June 25, 2008 and ended on July 25, 2008 (see Events after the Balance Sheet Date on page 19). The buyback offer was based on the resolution adopted by the annual shareholders' meeting of April 24, 2008. The resolution authorizes the company to buy back shares of an amount representing up to 10.0 % of the share capital at the date of the annual shareholders' meeting, in the time until October 23, 2009. Upon completion of the buyback program, Axel Springer now holds treasury shares representing 9.99 % of the company's share capital.

Shareholder Structure



Annual Shareholders' Meeting

The annual shareholders' meeting of Axel Springer AG, which was held in Berlin on April 24, 2008, was attended by 262 shareholders. All management proposals, including the proposed utilization of the unappropriated net profit, were adopted by majorities ranging from 99.79 % to 99.99 % of the shareholders present and represented at the meeting, who accounted for 80.32 % of the company's share capital. A dividend of € 4.00 (PY: € 3.50) per qualifying share was paid for fiscal year 2007.

On May 24, 2006, Dr. Oliver Krauß filed an action to nullify the resolutions of the annual shareholders' meeting of April 27, 2006 relating to Agenda Item 3 (Ratification of the actions of the Management Board), Agenda Item 4 (Ratification of the actions of the Supervisory Board) and Agenda Item 6 (Authorization to purchase and use the company's own shares according to Section 71 (1) (8) AktG). Pomoschnik Rabotajet GmbH joined the action before the Berlin Regional Court (Case No. 93 O 86/06) on the side of the plaintiff. Following the oral proceedings of April 26, 2007, the Berlin Regional Court dismissed the action and assigned the costs to the plaintiff. On June 12, 2007, the plaintiff filed an appeal with the Berlin Appellate Court against this judgment of the Berlin Regional Court (Case No. 93 O 88/07). The appeal was denied and the costs were assigned to the appellant by the judgment of May 26, 2008. The appeal against this denial of appeal was allowed only to a limited extent, with regard to Agenda Item 4 (Ratification of the actions of the Supervisory Board). Thereupon, the plaintiff filed an appeal with the Federal Supreme Court against the judgment of the Berlin Appellate Court (Case No. II ZR 174/08), and, to the extent that the appeal was not allowed, the appellant also filed an appeal against denial of leave to appeal.

On May 18, 2007, Dr. Oliver Krauß filed an action to nullify the resolutions of the annual shareholders' meeting of April 19, 2007 relating to Agenda Item 3 (Ratification of the actions of the Management Board), Item 4 (Ratification of the actions of the Supervisory Board), and Item 8 (Special authorization to purchase and use the company's own shares according to Section 71 (1) (8) AktG in connection with the Management Participation Program). Mr. Frank Scheunert joined this action pending before the Berlin Regional Court (Case No. 95 O 51/07) on the side of the defendant. By judgment of November 1, 2007, the action was dismissed and the costs were assigned to the plaintiff. Dr. Krauß filed an appeal with the Berlin Appellate Court against the judgment of dismissal (Case No. 93 O 188/07). The appeal was denied and the costs were assigned to the appellant in the oral proceedings of July 7, 2008. An appeal against the denial of appeal was not allowed.

By way of an action for declaratory judgment according to Section 132 AktG of May 8, 2008, Dr. Oliver Krauß filed a motion to place the Management Board under the obligation to provide information about his questions that were

allegedly not answered at the 2008 annual shareholders' meeting. The date for the oral proceedings before the Berlin Regional Court (Case No. 90 O 40/08) has been set for October 27, 2008.

On May 20, 2008, Dr. Oliver Krauß filed another action to nullify the resolutions of the annual shareholders' meeting of April 24, 2008 relating to Agenda Item 2 (Utilization of the unappropriated net profit), Agenda Item 3 (Ratification of the actions of the Management Board) and Agenda Item 4 (Ratification of the actions of the Supervisory Board) as well as Agenda Item 7 (Special authorization to purchase and use the company's own shares according to Section 71 (1) (8) AktG in connection with the Management Participation Program). On May 26, 2008, moreover, the shareholder Klaus Zapf filed an action to nullify, or failing that, to annul the resolution of the annual shareholders' meeting of April 24, 2008 relating to the Agenda Item 3 (Ratification of the actions of the Management Board). The Berlin Regional Court combined the two actions into one (Case No. 98 O 49/08). A date for the oral proceedings before the Berlin Regional Court has not yet been set.

Investor Relations

Axel Springer further intensified its contacts with individual investors, institutional investors and stock analysts in the first half of 2008. Among other measures, Axel Springer participated in the Dresdner Kleinwort German Investment Seminar and in the Merrill Lynch German/Austria/Switzerland All Stars Conference, which were followed by a road show in New York und Boston to accommodate the strong interest of U.S. investors. In addition, the Management Board presented the business developments and strategy of Axel Springer at the German Corporate Conference of Cheuvreux in Frankfurt/Main, at a road show in Düsseldorf and in numerous one-on-one discussions with stock analysts and investors in Berlin. The two-day German & Austrian Corporate Conference of Deutsche Bank, which was held in Frankfurt in early June, set the tone for the subsequent road shows in London, Edinburgh, Amsterdam, Milan and Paris.

In connection with the relaunch of the company's website www.axelspringer.de, Axel Springer also revised the content and simplified the structure of the Investor Relations page.

Employees

Axel Springer had an average of 10,637 employees in the first six months of 2008 (PY: 10,136, in both cases excluding vocational trainees and journalism students/interns).

Report on Risks and Opportunities

The risks and opportunities of Axel Springer have not changed significantly from the description provided in the Annual Report for 2007.

Events after the Balance Sheet Date

On July 25, 2008, Axel Springer AG completed the stock buyback program, initiated on June 25, 2007, for up to 918 thousand shares at an offer price of € 80.00 per share, in accordance with plan. A total of 3,553,698 shares were offered to the company for sale. The principal shareholders of Axel Springer AG – the company Axel Springer Gesellschaft für Publizistik GmbH & Co., the investment companies H&F Rose Partners, L.P. and H&F International Rose Partners, L.P., both of which are managed by Hellman & Friedman, plus Good Media Investment Holdings S.á.r.l. and TriAlpha Oceana Concentrated Opportunities Fund Ltd., both of which are associated with Michael Lewis, as well as Friede Springer and the management – did not participate in the share buyback program.

As part of this program, the company bought back a total of 917,341 shares, representing 2.78 % of the share capital and voting rights (disregarding the treasury shares already held by the company). The preferential acceptance declarations for up to 50 shares each were honored in full, in accordance with the offering terms, and the other acceptance declarations were honored at the rate of 24.17 %. Upon the completion of the buyback offer, Axel Springer AG now holds a total of 3,297,341 treasury shares, representing 9.99 % of the share capital and voting rights. The company is not entitled to exercise any voting rights in relation to the treasury shares. Thus, the total number of voting shares amounted to 29,682,659 at the end of July 2008.

Beyond the foregoing, no other significant events that would have an impact on the balance sheet, financial position and operating results of Axel Springer AG occurred after the balance sheet date.

Forecast Report

General Economic Environment

The prospects for dynamic global economic growth have progressively dimmed of late. For the full year 2008, the Ifo Institut predicts a significant slowing of the global economy. Aside from the normal weakening of the business cycle, other factors inhibiting economic growth include the ongoing global financial crisis, falling home prices and share prices and the high level of oil prices. Experts anticipate that the German economy will continue to experience robust but less dynamic growth for the full year 2008, as compared with the previous year.

According to the forecast of the Ifo Institut from June of this year, Gross Domestic Product (GDP) is expected to grow at a real rate of 2.4 % in 2008. The early-year forecast of the German federal government (April) calls for GDP to increase at a rate of 1.6 %, while the early-year expert opinion of the economic research institutions (April) calls for GDP growth of 1.8 %. The Ifo Institut estimates that the number of employed persons will rise. The heightened food and energy prices will push the inflation rate for 2008 to 3.1 %, significantly higher than the inflation rate for 2007 (+ 2.3 %). Furthermore, the heightened energy prices are increasingly putting the brakes on business investment and robbing private households of purchasing power. The Ifo Institut anticipates that consumer spending for 2008 as a whole will be only 0.5 % higher than the same period in the previous year.

In the countries of Eastern Europe, which are especially important for the Axel Springer AG, economic growth will cool somewhat. According to Ifo Institut, the economy of Poland can be expected to expand at an inflation-adjusted rate of 5.2 %, that of the Czech Republic at an inflation-adjusted rate of 5.0 % and that of Hungary at an inflation-adjusted rate of 2.0 % for the full year 2008. The DIW experts anticipate that the Russian economy will expand at a full-year rate of 7.0 %. Inflation rates will remain high in the countries of Eastern Europe and could even reach into double digits in Russia.

Industry Environment

The German Advertising Association (ZAW) is currently predicting a slight nominal 0.5 % decrease in net advertising expenditures for the year 2008. This increase will extend to traditional media, as well as direct advertising and online advertising, among others. The recent study “Advertising Expenditure Forecast” by ZenithOptimedia assumes an overall market growth of 1.9 % for 2008. According to this forecast, newspapers and magazines will see their revenues contract by 0.8 % and 2.8 %, respectively. The anticipated overall growth in advertising is largely supported by the positive developments in the online sector. ZenithOptimedia predicts that the net advertising revenues of the online advertising market (banner advertising, including search term marketing but excluding affiliates) will register growth of 22.9 % in 2008. Recent surveys of marketing companies indicate the expectation that traditional online advertising will experience net growth of 10 % to 20 % in the current year, due to the trend of slowing growth.

Factors that could possibly lead to further revisions of the forecast development of the advertising market include the chance that rising energy prices could spook consumers and reduce the demand for more heavily advertised consumer goods, and the possibility of a protracted crisis in the financial markets.

In the international markets, the trend of net advertising expenditures in newspapers and magazines will be mixed in 2008, according to the ZenithOptimedia forecast. In **Poland**, the advertising revenues of newspapers are expected to grow at the rate of 2.3 % and that of magazines at the rate of 4.3 % in 2008. In **Hungary**, an increase of 0.9 % is predicted for the net advertising revenues of newspapers and an increase of 1.9 % for those of magazines. In **Switzerland**, the newspaper advertising revenues are expected to grow at the rate of 4.0 %, those of magazines at the rate of 1.9 %. For **Spain**, the forecast is for a 1.5 % decrease in the net advertising revenues of magazines. In the **French** market, the advertising revenues of magazines for the full year 2008 are expected to be 3.5 % less than the corresponding figure for 2007, according to the ZenithOptimedia forecast. Again in 2008, **Russia** is expected to log the highest growth in the net advertising revenues of print media, with a gain of 20.9 %. For the **Czech Republic**, a 2.1 % increase in advertising revenues of magazines is expected for the current year.

With regard to the online market, ZenithOptimedia predicts that online advertising in Western Europe will amount to US\$ 16.3 billion for the full year 2008 (assuming constant exchange rates), indicative of a 27.9 % increase over the previous year. With regard to the radio sector in **Germany**, ZenithOptimedia is forecasting a decrease of around 2.2 % in advertising revenues for 2008.

Outlook for the Group

The Management Board is reaffirming the forecast announced at the annual financial statements press conference. The Management Board anticipates that the total revenues for 2008 will be slightly higher than the comparative figure for 2007; advertising revenues are expected to rise particularly as a result of the stronger growth of online advertising media. The Management Board anticipates that the circulation revenues for the full year 2008 will be similar to those of the previous year. On this basis, EBITDA for 2008 is expected to be higher than EBITDA for 2007, adjusted for the income from the Kirch insolvency and the dividend from the shares in ProSiebenSat.1 Media AG, which have since been sold.

Segments

The Management Board is likewise reaffirming the segment forecast announced in conjunction with the new segmentation introduced in May as follows:

A slight increase in revenues is anticipated for the Newspapers National segment. EBITDA is expected to be on the same level as or slightly higher than EBITDA for 2007.

For the Magazines National segment, the Management Board anticipates a slight decrease in revenues. EBITDA for the full year 2008 is expected to be higher than the corresponding figure for the previous year.

An increase in revenues and a significant increase in EBITDA are anticipated for the Print International segment.

For the Digital Media segment, the Management Board anticipates a significant increase in revenues on the strength of organic growth and acquisition effects. EBITDA is expected to be significantly higher than the previous year EBITDA, adjusted for the dividend from ProSiebenSat.1 Media AG.

The Management Board anticipates that the revenues of the Services/Holding segment will be roughly similar to the corresponding revenues in 2007. Due to the non-recurrence of the effect of the Kirch insolvency, EBITDA for 2008 is expected to be lower than the corresponding figure for 2007.

Interim Financial Statements

Consolidated Balance Sheet

Consolidated Balance Sheet at June 30, 2008

| € thousands | | |
|--|------------------|------------------|
| ASSETS | 06/30/2008 | 12/31/2007 |
| Non-current assets | 2,219,256 | 2,246,986 |
| Fixed assets | 2,163,618 | 2,186,787 |
| Intangible assets | 709,676 | 704,707 |
| Property, plant and equipment | 741,537 | 756,789 |
| Investment property | 27,073 | 27,369 |
| Non-current financial assets | 685,332 | 697,922 |
| Investments in associated companies accounted for by the equity method | 624,464 | 639,371 |
| Other non-current financial assets | 60,868 | 58,551 |
| Receivables from income tax | 46,510 | 46,511 |
| Other financial assets | 2,894 | 2,812 |
| Other assets | 129 | 254 |
| Deferred taxes | 6,105 | 10,622 |
| Current assets | 699,554 | 1,579,953 |
| Inventories | 38,304 | 37,990 |
| Trade receivables | 278,057 | 269,221 |
| Receivables due from related parties | 58,263 | 63,417 |
| Receivables from current income taxes | 41,334 | 70,292 |
| Other financial assets | 63,794 | 89,355 |
| Other assets | 28,879 | 20,926 |
| Cash and cash equivalents | 135,708 | 198,056 |
| Assets held for sale | 55,215 | 830,696 |
| Total assets | 2,918,810 | 3,826,939 |

Consolidated Balance Sheet at June 30, 2008

| € thousands | | |
|--|------------------|------------------|
| EQUITY AND LIABILITIES | 06/30/2008 | 12/31/2007 |
| Equity | 1,119,067 | 1,211,828 |
| Shareholders of Axel Springer AG | 1,071,225 | 1,130,733 |
| Minority interests | 47,842 | 81,095 |
| Non-current provisions and liabilities | 1,073,305 | 1,509,684 |
| Provisions for pensions | 303,948 | 299,838 |
| Other provisions | 20,950 | 20,936 |
| Financial liabilities | 494,909 | 930,149 |
| Trade payables | 376 | 519 |
| Liabilities due to related parties | 838 | 2,925 |
| Other financial liabilities | 70,446 | 69,227 |
| Other liabilities and accruals | 9,904 | 9,325 |
| Deferred taxes | 171,934 | 176,765 |
| Current provisions and liabilities | 726,438 | 1,105,427 |
| Provisions for pensions | 46,696 | 47,971 |
| Other provisions | 163,290 | 192,417 |
| Financial liabilities | 7,101 | 10,988 |
| Trade payables | 213,537 | 234,525 |
| Liabilities due to related parties | 28,038 | 39,860 |
| Liabilities for current income taxes | 36,140 | 83,597 |
| Other financial liabilities | 63,627 | 100,312 |
| Other liabilities and accruals | 155,017 | 137,210 |
| Liabilities in connection with assets held for sale | 12,992 | 258,547 |
| Total equity and liabilities | 2,918,810 | 3,826,939 |

Consolidated Income Statement

Consolidated Income Statement Q1-2 2008

| € thousands | Q2 2008 | Q2 2007 | Q1-2 2008 | Q1-2 2007 |
|--|---------------|----------------|----------------|----------------|
| Revenues | 701,434 | 617,322 | 1,343,147 | 1,208,535 |
| Other operating income | 20,056 | 31,851 | 41,249 | 48,912 |
| Change in inventories and internal costs capitalized | 1,121 | 1,209 | 1,427 | 3,065 |
| Purchased goods and services | (237,510) | (206,071) | (467,977) | (401,112) |
| Personnel expenses | (187,674) | (193,190) | (365,723) | (352,736) |
| Depreciation, amortization and impairments | (21,354) | (16,501) | (40,824) | (32,686) |
| Other operating expenses | (182,529) | (166,168) | (351,784) | (320,322) |
| Income from investments | 19,936 | 24,260 | 451,022 | 33,089 |
| Income from associated companies accounted for by the equity method | 7,360 | 11,709 | (2,336) | 14,514 |
| Other investment income | 12,576 | 12,551 | 453,358 | 18,575 |
| Net financial income/expenses | (10,475) | (8,749) | (28,441) | (18,769) |
| Interest income | 1,217 | 3,775 | 7,980 | 8,938 |
| Interest and similar expenses | (12,964) | (12,368) | (28,125) | (23,682) |
| Other net financial income/expenses | 1,272 | (156) | (8,296) | (4,025) |
| Income taxes | (26,693) | (36,804) | (55,933) | (75,572) |
| Income from continuing operations | 76,312 | 47,159 | 526,163 | 92,404 |
| Income/expenses from discontinued operations | 0 | (2,283) | 0 | (3,570) |
| Consolidated net income | 76,312 | 44,876 | 526,163 | 88,834 |
| Consolidated net income attributable to shareholders of Axel Springer AG | 73,536 | 42,449 | 520,903 | 84,272 |
| Consolidated net income attributable to minority interests | 2,776 | 2,427 | 5,260 | 4,562 |
| Basic earnings per share from continuing operations (in €) | 2.40 | 1.45 | 17.02 | 2.86 |
| Diluted earnings per share from continuing operations (in €) | 2.41 | 1.45 | 16.96 | 2.84 |
| Basic earnings per share (in €) | 2.40 | 1.39 | 17.02 | 2.75 |
| Diluted earnings per share (in €) | 2.41 | 1.37 | 16.96 | 2.72 |

Condensed Consolidated Cashflow Statement

Condensed Consolidated Cashflow Statement Q1-2 2008

| € thousands | Q1-2 2008 | Q1-2 2007 |
|--|------------------|------------------|
| Income from continuing operations | 526,163 | 92,404 |
| Income/expenses from discontinued operations | 0 | (3,570) |
| Consolidated net income | 526,163 | 88,834 |
| Depreciation, amortization, impairments and write-ups of fixed assets | 40,814 | 16,827 |
| Gains (-)/losses (+) of associated companies accounted for by the equity method | 2,336 | (14,514) |
| Dividends received from associated companies accounted for by the equity method | 17,795 | 11,414 |
| Gains (-)/losses (+) on disposal of fixed assets | (438,919) | (4,961) |
| Other non-cash income and expenses | 1,916 | 11,454 |
| Changes in deferred taxes | (314) | 5,591 |
| Changes in other balance sheet items | (57,199) | 34,957 |
| Cashflow from operating activities | 92,592 | 149,602 |
| Cash receipts from disposals of intangible assets held as fixed assets and of property, plant and equipment | 2,694 | 1,505 |
| Cash receipts from disposals of shares in consolidated subsidiaries (less cash and cash equivalents given up) and of other non-current financial assets | 537,424 | 18,858 |
| Cash payments for investments in intangible assets held as fixed assets, property, plant and equipment and investment property | (27,018) | (16,747) |
| Cash payments for the acquisition of shares in consolidated subsidiaries (less cash and cash equivalents acquired) and for investments in other non-current financial assets | (112,599) | (515,411) |
| Cashflow from investing activities | 400,501 | (511,795) |
| Profit distribution to shareholders of Axel Springer AG | (122,400) | (107,318) |
| Profit distribution to other shareholders | (2,358) | (2,488) |
| Cash receipts from equity appropriation | 6,900 | 0 |
| Cash payments for the repayment of liabilities under finance leases | (193) | (212) |
| Cash receipts from the borrowing of other financial liabilities | 766 | 251,727 |
| Cash payments for the repayment of other financial liabilities | (439,698) | (135,039) |
| Cashflow from financing activities | (556,983) | 6,670 |
| Cashflow-related changes in cash and cash equivalents | (63,890) | (355,523) |
| Changes in cash and cash equivalents due to exchange rates | 1,273 | (892) |
| Changes in cash and cash equivalents due to changes in consolidation group | 269 | 1,217 |
| Cash and cash equivalents at beginning of period | 198,056 | 588,709 |
| Cash and cash equivalents at end of period | 135,708 | 233,511 |

Consolidated Statement of Changes in Equity

Consolidated Statement of Changes in Equity Q1-2 2008

| € thousands | Accumulated other comprehensive income | | | | | | | | Shareholders of Axel Springer AG | Minority interests | Consolidated equity |
|--|--|--------------------|----------------------------|-------------------------------|------------------|--|------------------|---------------|----------------------------------|--------------------|---------------------|
| | Number of shares outstanding (shares) | Subscribed capital | Additional paid-in capital | Accumulated retained earnings | Treasury shares | Changes in fair value of financial instruments | | | | | |
| | | | | | | Currency translation adjustments | | Other | | | |
| Balance at 01/01/2008 | 30,600,000 | 98,940 | 39,002 | 689,749* | (133,762) | 1,144 | 434,365* | 1,295* | 1,130,733 | 81,095 | 1,211,828 |
| Currency translation differences | | | | | | 5,507 | | | 5,507 | 111 | 5,618 |
| Changes in fair value of financial instruments after taxes ¹⁾ | | | | | | | (426,141) | | (426,141) | (35) | (426,176) |
| Comprehensive other income recognized directly in equity | 0 | 0 | 0 | 0 | 0 | 5,507 | (426,141) | 0 | (420,634) | 76 | (420,558) |
| Consolidated net income | | | | 520,903 | | | | | 520,903 | 5,260 | 526,163 |
| Consolidated comprehensive income/loss | 0 | 0 | 0 | 520,903 | 0 | 5,507 | (426,141) | 0 | 100,269 | 5,336 | 105,605 |
| Dividends paid | | | | (122,400) | | | | | (122,400) | (2,358) | (124,758) |
| Management participation program | | | 892 | | | | | | 892 | | 892 |
| Other changes not recognized in income in companies accounted for by the equity method | | | | | | | | 3,124 | 3,124 | | 3,124 |
| Change in consolidation group | | | | | | | | | 0 | (16,884) | (16,884) |
| Purchase of minority interests | | | | (41,354) | | | | | (41,354) | (19,885) | (61,239) |
| Other changes | | | 90 | (2,870) | | | | 2,741 | (39) | 538 | 499 |
| Balance at 06/30/2008 | 30,600,000 | 98,940 | 39,984 | 1,044,028 | (133,762) | 6,651 | 8,224 | 7,160 | 1,071,225 | 47,842 | 1,119,067 |

*) adjusted, see explanations in "General information".

1) For included disposals see explanations in "Acquisitions and disinvestments".

Consolidated Statement of Changes in Equity Q1-2 2007

| € thousands | Accumulated other comprehensive income | | | | | | | | Shareholders of Axel Springer AG | Minority interests | Consolidated equity |
|--|--|--------------------|----------------------------|-------------------------------|------------------|--|-----------------|---------------|----------------------------------|--------------------|---------------------|
| | Number of shares outstanding (shares) | Subscribed capital | Additional paid-in capital | Accumulated retained earnings | Treasury shares | Changes in fair value of financial instruments | | | | | |
| | | | | | | Currency translation adjustments | | Other | | | |
| Balance at 01/01/2007 | 30,662,300 | 102,000 | 35,231 | 1,218,373* | (181,203) | 2,096 | 592,758* | 9,351* | 1,778,606 | 16,472 | 1,795,078 |
| Currency translation differences | | | | | | (1,722) | | | (1,722) | (94) | (1,816) |
| Changes in fair value of financial instruments after taxes | | | | | | | 82,760 | | 82,760 | 57 | 82,817 |
| Comprehensive other income recognized directly in equity | 0 | 0 | 0 | 0 | 0 | (1,722) | 82,760 | 0 | 81,038 | (37) | 81,001 |
| Consolidated net income | | | | 84,272 | | | | | 84,272 | 4,562 | 88,834 |
| Consolidated comprehensive income/loss | 0 | 0 | 0 | 84,272 | 0 | (1,722) | 82,760 | 0 | 165,310 | 4,525 | 169,835 |
| Dividends paid | | | | (107,318) | | | | | (107,318) | (2,488) | (109,806) |
| Management participation program | | | 484 | | | | | | 484 | | 484 |
| Other changes not recognized in income in companies accounted for by the equity method | | | | | | | | (408) | (408) | | (408) |
| Other changes | | | (59) | (1,137) | | | | (129) | (1,325) | 7,114 | 5,789 |
| Balance at 06/30/2007 | 30,662,300 | 102,000 | 35,656 | 1,194,190* | (181,203) | 374 | 675,518* | 8,814* | 1,835,349 | 25,623 | 1,860,972 |

*) adjusted, see explanations in "General information".

Explanatory notes

Segment Report

Segment Report: Operative Segments 2nd Quarter 2008

| € thousands | Continuing operations | | | | | | | | | | Discontinued operations | | Consolidated totals | |
|---|-----------------------|----------------|--------------------|----------------|---------------------|----------------|---------------|---------------|--------------------|-----------------|-------------------------|----------------|---------------------|----------------|
| | Newspapers National | | Magazines National | | Print International | | Digital Media | | Services / Holding | | Q2 2008 | Q2 2007 | Q2 2008 | Q2 2007 |
| | Q2 2008 | Q2 2007 | Q2 2008 | Q2 2007 | Q2 2008 | Q2 2007 | Q2 2008 | Q2 2007 | Q2 2008 | Q2 2007 | | | | |
| | Q2 2008 | Q2 2007 | Q2 2008 | Q2 2007 | Q2 2008 | Q2 2007 | Q2 2008 | Q2 2007 | Q2 2008 | Q2 2007 | Q2 2008 | Q2 2007 | Q2 2008 | Q2 2007 |
| External revenues | 330,327 | 320,731 | 146,281 | 149,449 | 109,917 | 102,242 | 90,027 | 24,813 | 24,881 | 20,087 | | | 701,434 | 617,322 |
| Internal revenues | 5,426 | 3,730 | 2,668 | 1,530 | 3,054 | 1,381 | 4,951 | 861 | 84,141 | 67,699 | | | | |
| Segment revenues | 335,753 | 324,461 | 148,949 | 150,979 | 112,971 | 103,623 | 94,979 | 25,674 | 109,023 | 87,786 | | | | |
| EBITDA ¹⁾ | 90,958 | 85,840 | 26,127 | 22,028 | 9,722 | (7,825) | 17,736 | 8,904 | (9,349) | (15,587) | | (2,329) | 135,194 | 93,360 |
| thereof investment income/expenses | 7,337 | 6,816 | 173 | 664 | 1,442 | 1,439 | 13,909 | 12,575 | (2,924) | 2,427 | | (2,329) | 19,936 | 23,921 |
| thereof accounted for by the equity method | 4,787 | 4,186 | 174 | 637 | 1,331 | 1,138 | 7,429 | 6,359 | (6,362) | (611) | | (2,329) | 7,360 | 11,709 |
| Depreciation, amortization and impairments (except from purchase price allocations) | (811) | (841) | (873) | (911) | (1,678) | (1,572) | (1,197) | (690) | (11,146) | (11,620) | | | (15,706) | (15,634) |
| Write-ups | 0 | 0 | 0 | 0 | 0 | 0 | 10 | 0 | 0 | 15,834 | | | 10 | 15,834 |
| EBITA ¹⁾ | 90,147 | 84,999 | 25,254 | 21,117 | 8,043 | (9,396) | 16,549 | 8,214 | (20,495) | (11,373) | | (2,329) | 119,499 | 93,560 |
| Impairment losses in goodwill | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | | 0 | 0 |
| EBIT ¹⁾ | 90,147 | 84,999 | 25,254 | 21,117 | 8,043 | (9,396) | 16,549 | 8,214 | (20,495) | (11,373) | | (2,329) | 119,499 | 93,560 |
| Effects of purchase price allocations | 0 | 0 | (46) | (47) | (1,231) | (1,086) | (4,723) | (282) | (18) | 0 | | | (6,019) | (1,415) |
| non-recurring effects | 0 | 461 | 0 | 106 | 0 | 0 | 0 | 0 | 0 | 0 | | | 0 | 567 |
| Segment earnings before interest and taxes | 90,147 | 85,460 | 25,207 | 21,176 | 6,813 | (10,482) | 11,826 | 7,932 | (20,513) | (11,373) | | (2,329) | 113,480 | 92,712 |
| Net financial income/expenses | | | | | | | | | | | | | (10,475) | (8,749) |
| Income taxes | | | | | | | | | | | | 46 | (26,693) | (36,804) |
| Income from continuing operations | | | | | | | | | | | | | 76,312 | 47,159 |
| Income/expenses from discontinued operations | | | | | | | | | | | | (2,283) | 0 | (2,283) |
| Consolidated net income | | | | | | | | | | | | | 76,312 | 44,876 |

¹⁾ Adjusted for non-recurring effects and effects of purchase price allocations.

Segment Report: Geographical Information 2nd Quarter 2008

| € thousands | Domestic | | Foreign | | Consolidated totals | |
|-----------------------|----------|---------|---------|---------|---------------------|---------|
| | Q2 2008 | Q2 2007 | Q2 2008 | Q2 2007 | Q2 2008 | Q2 2007 |
| Consolidated revenues | 542,638 | 492,659 | 158,796 | 124,663 | 701,434 | 617,322 |

Segment Report: Operative Segments 1st Half 2008

| € thousands | Continuing operations | | | | | | | | | | Discontinued operations | | Consolidated totals | | |
|---|-----------------------|----------------|--------------------|----------------|---------------------|-----------------|----------------|---------------|--------------------|-----------------|-------------------------|----------------|---------------------|------------------|------------------|
| | Newspapers National | | Magazines National | | Print International | | Digital Media | | Services / Holding | | Q1-2 2008 | Q1-2 2007 | Q1-2 2008 | Q1-2 2007 | |
| | Q1-2 2008 | Q1-2 2007 | Q1-2 2008 | Q1-2 2007 | Q1-2 2008 | Q1-2 2007 | Q1-2 2008 | Q1-2 2007 | Q1-2 2008 | Q1-2 2007 | | | | | |
| | Q1-2 2008 | Q1-2 2007 | Q1-2 2008 | Q1-2 2007 | Q1-2 2008 | Q1-2 2007 | Q1-2 2008 | Q1-2 2007 | Q1-2 2008 | Q1-2 2007 | Q1-2 2008 | Q1-2 2007 | Q1-2 2008 | Q1-2 2007 | |
| External revenues | 626,998 | | | | | | | | | | | | | 1,343,147 | 1,208,535 |
| | | 635,032 | 287,426 | 296,370 | 207,855 | 195,349 | 171,493 | 44,280 | 49,374 | 37,504 | | | | 7 | 35 |
| Internal revenues | 7,458 | 7,084 | 3,440 | 3,120 | 5,215 | 2,918 | 10,670 | 2,147 | 163,865 | 148,804 | | | | | |
| Segment revenues | 634,456 | 642,116 | 290,866 | 299,490 | 213,070 | 198,267 | 182,164 | 46,427 | 213,240 | 186,308 | | | | | |
| EBITDA ¹⁾ | 159,516 | 180,115 | 51,033 | 41,800 | 10,425 | (9,823) | 5,995 | 3,909 | (13,108) | (16,585) | | (3,638) | 213,861 | 199,416 | |
| thereof investment income/expenses | 11,444 | 11,688 | 580 | 1,275 | 2,673 | 2,107 | 1,681 | 10,885 | (3,605) | 2,077 | | (3,638) | 12,772 | 28,032 | |
| thereof accounted for by the equity method | 8,869 | 9,045 | 580 | 1,248 | 2,562 | 1,806 | (5,670) | 4,256 | (8,678) | (1,841) | | (3,638) | (2,336) | 14,514 | |
| Depreciation, amortization and impairments (except from purchase price allocations) | (1,564) | (1,745) | (1,739) | (1,885) | (2,984) | (3,045) | (2,258) | (1,185) | (22,367) | (23,250) | | | (30,913) | (31,110) | |
| Write-ups | 0 | 0 | 0 | 0 | 0 | 0 | 10 | 0 | 0 | 15,834 | | | 10 | 15,834 | |
| EBITA ¹⁾ | 157,952 | 178,370 | 49,294 | 39,915 | 7,441 | (12,867) | 3,747 | 2,724 | (35,476) | (24,001) | | (3,638) | 182,958 | 184,140 | |
| Impairment losses in goodwill | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | | 0 | 0 | |
| EBIT ¹⁾ | 157,952 | 178,370 | 49,294 | 39,915 | 7,441 | (12,867) | 3,747 | 2,724 | (35,476) | (24,001) | | (3,638) | 182,958 | 184,140 | |
| Effects of purchase price allocations | 0 | 0 | (93) | (78) | (2,494) | (2,189) | (8,047) | (413) | (36) | 0 | | | (10,671) | (2,680) | |
| non-recurring effects ²⁾ | 0 | 5,362 | 0 | 106 | 0 | 0 | 438,250 | 0 | 0 | (183) | | | 438,250 | 5,285 | |
| Segment earnings before interest and taxes | 157,952 | 183,732 | 49,200 | 39,943 | 4,947 | (15,056) | 433,950 | 2,311 | (35,512) | (24,184) | | (3,638) | 610,537 | 186,745 | |
| Net financial income/expenses | | | | | | | | | | | | | (28,441) | (18,769) | |
| Income taxes | | | | | | | | | | | | 68 | (55,933) | (75,572) | |
| Income from continuing operations | | | | | | | | | | | | | 526,163 | 92,404 | |
| Income/expenses from discontinued operations | | | | | | | | | | | | (3,570) | 0 | (3,570) | |
| Consolidated net income | | | | | | | | | | | | | 526,163 | 88,834 | |

¹⁾ Adjusted for non-recurring effects and effects of purchase price allocations.

²⁾ See explanations in "Acquisitions and disinvestments".

Segment Report: Geographical Information 1st Half 2008

| € thousands | Domestic | | Foreign | | Consolidated totals | |
|-----------------------|-----------|-----------|-----------|-----------|---------------------|-----------|
| | Q1-2 2008 | Q1-2 2007 | Q1-2 2008 | Q1-2 2007 | Q1-2 2008 | Q1-2 2007 |
| Consolidated revenues | 1,043,395 | 974,630 | 299,753 | 233,905 | 1,343,147 | 1,208,535 |

General information

The present interim financial statements at June 30, 2008 have been drawn up in accordance with IFRS, as applicable in the European Union, including IAS 34 Interim Reporting. In some cases, the format of the interim financial statements has been condensed from the format used in the consolidated financial statements at December 31, 2007.

The accounting and valuation methods and the estimation methods applied in the interim financial statements at June 30, 2008 are basically the same as those applied in the consolidated financial statements at December 31, 2007. A detailed description of these methods has been published in the notes to the consolidated financial statements 2007.

In a departure from the accounting methods applied in fiscal year 2007, the changes in equity resulting from shareholder transactions are not presented in the item of accumulated other comprehensive income, but in the item of accumulated retained earnings. The change in presentation method from the previous fiscal year is meant to allow for an improved presentation of the effects recognized in the item of accumulated other comprehensive income. The carry-forward amounts of accumulated other comprehensive income at January 1, 2007 and at January 1, 2008 were increased by € 53,475 thousand and € 120.858 thousand, respectively, while the item of accumulated retained earnings was decreased accordingly.

Change in segmentation criteria

Starting in fiscal year 2008, Axel Springer AG will apply for the first time the new standard IFRS 8 Operating Segments, the application of which is obligatory in fiscal years that begin on or after January 1, 2009. IFRS 8, which supersedes IAS 14 Segment Reporting, prescribes the so-called “management approach” for the purpose of identifying and measuring the results of the reportable segments. According to the new standard, the external segment report should basically follow the company’s internal organizational and management structures, as well as its internal management and reporting indicators.

In accordance with the relevant provisions of IFRS 8, Axel Springer AG adapted its segment report to reflect its internal management and reporting structures. This adjustment reflects the heightened, groupwide strategic emphasis on digital media and online activities, as well as the growing internationalization of Axel Springer’s business, in particular.

In accordance with the requirements of IFRS 8, the company has identified the following reportable segments: Newspapers National, Magazines National, Print International and Digital Media. The remaining activities in the services/holding company area, as well as the activities in the printing area, which had formerly been presented as a separate segment in accordance with IAS 14, are now presented together in the Services/Holding segment, in accordance with their primary function as internal service providers.

The brand-related online activities of the former Newspapers and Magazines segments were added to the existing Digital Media segment. The newspapers and magazines published in other countries besides Germany have been assigned to the new segment Print International. Those activities had formerly been presented in the segments of Newspapers and Magazines, which now consist exclusively of the domestic activities presented in the new segments of Newspapers National and Magazines National.

The previous year comparison figures presented in the segment report have been adjusted to reflect the changes described above. In view of the acquisitions that were effected in the second quarter and subsequent quarters of 2007, the figures for the Digital Media segment are not entirely comparable with the corresponding previous year figures.

Consolidation group

In the first six months of 2008, the following changes occurred in the consolidation group as compared with the information presented in the notes to the consolidated financial statements for 2007:

Due to the insolvency of PIN Group AG, Leudelingen/Luxembourg, the 83 domestic subsidiaries of that group, which had previously been fully consolidated, were deconsolidated. Another deconsolidation was a result of the sale of the shares in SAT.1 Beteiligungs GmbH, Munich. The additions in the reporting period resulted from the formation of the new companies B.Z. Media GmbH, Berlin, Gofeminin.de GmbH, Berlin, and from the first-time consolidation of comparado GmbH, Lüneburg, Cleopatra Produktions GmbH, Hamburg, Axel Springer TV NEWS GmbH, Hamburg, and WBV Direktzustell-GmbH, Hamburg.

The international subsidiary PIN Group AG, Leudelingen/Luxembourg, and the special-purpose entity BayernInvest AS Invest Plus-Fonds, Munich, were deconsolidated.

A breakdown of the consolidation group of the Axel Springer Group at June 30, 2008 is presented in the table below:

| | 06/30/2008 | 12/31/2007 |
|---|------------|------------|
| Fully consolidated companies | | |
| Domestic | 49 | 127 |
| Foreign | 32 | 33 |
| Fully consolidated special-purpose entities | | |
| Domestic | 3 | 4 |
| Companies accounted for by the equity method | | |
| Domestic | 13 | 13 |
| Foreign | 2 | 2 |

Acquisitions and disinvestments

The limited partnership interest and share purchase agreement concerning the acquisition of the minority interests in BILD digital GmbH & Co. KG (formerly Bild.T-Online.de AG & Co. KG), Berlin, and BILD digital Verwaltungs GmbH (formerly Bild.T-Online.de Verwaltungs AG), Berlin, which had been concluded between Axel Springer AG and Deutsche Telekom AG, Bonn, in November of last year, was formally completed on January 3, 2008. The purchase price was € 55,000 thousand.

In connection with the acquisition of shares in auFeminin.com S.A., Paris/France, in the past fiscal year, the minority shareholders of AS Online Beteiligungs GmbH, Berlin, were granted put options through which they could sell their shares. The minority shareholders exercised their put options on March 3, 2008. The exercise price of the options, which was equivalent to the purchase price payable by Axel Springer AG, amounted to € 40,988 thousand. Since that time, Axel Springer AG is the sole shareholder of AS Online Beteiligungs GmbH.

As a result of further purchases of minority interests in the reporting period, the equity interest held by AS Online Beteiligungs GmbH in auFeminin.com S.A. increased from 68.2 % to 77.4 % at June 30, 2008. Due to additional share purchases the share balance at publication date of this report amounts to 79.7 %.

The sale of the indirect investment in ProSiebenSat.1 Media AG, Unterföhring, by Axel Springer AG to Lavena Holding 5 GmbH, Munich, by virtue of the share purchase agreement of December 2007, was formally completed on January 15, 2008. The preliminary proceeds on the sale amounted to € 515,285 thousand. The preliminary pre-tax gain resulting from the sale of these shares and the disposal of the shares in SAT.1 Beteiligungs GmbH, Munich, amounted to € 438,250 thousand.

In addition, the following business combinations were completed by June 30, 2008:

On April 1, 2008, WBV Direktzustell-GmbH, Hamburg, an indirect subsidiary of Axel Springer AG, acquired the business division "Unaddressed Mailings" of PIN Mail GmbH, Hamburg, which is undergoing insolvency proceedings. The business activities mainly comprise mail delivery services for companies of the Axel Springer Group.

The company Gofeminin.de GmbH, Berlin, a subsidiary of auFeminin.com S.A., Paris/France, acquired the healthcare portal Onmeda.de from OnVista Media GmbH, Cologne, on June 30, 2008. The healthcare portal Onmeda.de offers extensive information on all subjects related to healthcare.

The preliminary acquisition costs of these business combinations can be allocated to the purchased assets and

liabilities by virtue of the preliminary purchase allocations at the acquisition dates, as follows:

| € thousands | Carrying amount before acquisition | Adjustment amount | Carrying amount after acquisition |
|-------------------------------|------------------------------------|-------------------|-----------------------------------|
| Other intangible assets | 119 | 3,400 | 3,519 |
| Goodwill | 0 | 3,551 | 3,551 |
| Property, plant and equipment | 195 | 0 | 195 |
| Current assets | 73 | 0 | 73 |
| Provisions and liabilities | 278 | 0 | 278 |
| Deferred tax liabilities | 0 | 1,060 | 1,060 |
| Net assets | 109 | 5,891 | 6,000 |
| Minority interests | | | 0 |
| Acquisition Cost | | | 6,000 |

Of the other intangible assets acquired, intangible assets with an total carrying amount of € 1,667 thousand have indefinite useful lives. The goodwill recognized on these transactions can be attributed primarily to the anticipated positive development of the companies' business activities.

Since the respective first-time consolidation dates, these acquisitions contributed € 946 thousand to the consolidated revenues and € 26 thousand to the consolidated net income. If these business combinations had already been completed on January 1, 2008, the consolidated revenues would have been higher by € 2,631 thousand and the consolidated net income would have been higher by € 100 thousand.

Relationships with related parties

In the first six months of 2008 goods and services with a total value of € 73,723 thousand (PY: € 84,019 thousand) have been received from related companies. The goods and services supplied to related companies during the same period amounted to € 54,440 (PY: € 57,037). In general, the transactions giving rise to the goods and services received and supplied were in line with the scope of business dealings described in the consolidated financial statements at December 31, 2007.

Other events

In the segment report for the first six months of 2008, the preliminary gain on the sale of shares in ProSiebenSat.1 Media AG and on the deconsolidation of SAT.1 Beteiligungs GmbH were presented separately as a non-recurring effect within the Digital Media segment. In the second quarter of 2008, the purchase price allocation effects in the amount of € 1,514 thousand contained an impairment loss in customer relationships.

Axel Springer AG extended its shareholders an offer to repurchase up to 918,000 shares against payment of € 80.00 per share. The acceptance period began on June 25 and ended on July 25, 2008. 917,341 shares were acquired. After the repurchase, the company held 3,298,000 treasury shares, representing 9.99 % of its share capital. An amount of € 50 million was drawn down from the credit facility to finance a portion of the repurchase costs. The repurchase offer was based on the resolution of the annual shareholders' meeting of April 24, 2008, which authorized the company to purchase company shares representing up to 10.0 % of the share capital in the time until October 23, 2009.

In the first six months of 2008, an amount of € 435 million was repaid on the credit facility, which showed a balance of € 405 million at June 30, 2008. The outstanding principal under the credit facility bears interest at a variable rate, which averaged 4.55 % over the reporting period. To reduce the interest rate risk inherent in the borrowings under the credit facility, an amount of € 120 million was hedged by means of zero cost collars, € 50 million by means of forward rate agreements and € 355 million by means of interest rate swaps during the reporting period. Since the second quarter of 2008, interest rate futures (free-standing derivatives) have been additionally employed to manage the short-term interest rate risk. The changes in fair value of the collars and swaps were recognized directly in equity by application of hedge accounting. The changes in fair value of the forward rate agreements and interest rate futures were recognized in the net financial income/expenses of the reporting period.

Review report

We have reviewed the condensed consolidated interim financial statements - comprising the income statement, balance sheet, condensed cash flow statement, statement of changes in equity and selected explanatory notes - together with the interim group management report of Axel Springer AG, Berlin, for the period from January 1 to June 30, 2008 which are components of the semiannual financial report pursuant to § (Article) 37w WpHG ("Wertpapierhandelsgesetz": German Securities Trading Act). The preparation of the condensed consolidated interim financial statements in accordance with the IFRS applicable to interim financial reporting as adopted by the EU and of the interim group management report in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports is the responsibility of the parent Company's Board of Managing Directors. Our responsibility is to issue a review report on the condensed consolidated interim financial statements and on the interim group management report based on our review. We conducted our review of the condensed consolidated interim financial statements and the interim group management report in accordance with German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW). Those standards require that we plan and perform the review so that we can preclude through critical evaluation, with moderate assurance, that the condensed consolidated interim financial statements have not been prepared, in all material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU and that the interim group management report has not been prepared, in all material respects, in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports. A review is limited primarily to inquiries of company personnel and analytical procedures and thus provides less assurance than an audit. Since, in accordance with our engagement, we have not performed a financial statement audit, we cannot express an audit opinion.

Based on our review, no matters have come to our attention that cause us to presume that the condensed consolidated interim financial statements have not been prepared, in all material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU nor that the interim group management report has not been prepared, in all material respects, in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports.

Berlin, August 12, 2008

Ernst & Young AG
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft

Ulrich Plett
Auditor

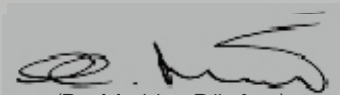
Gunnar Glöckner
Auditor

Declaration of the legal representatives

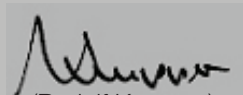
We declare that, to the best of our knowledge and belief, the consolidated interim financial statements present a true and fair view of the assets, financial position and operating results of the Group, in accordance with the applicable accounting principles for interim reporting, and that the consolidated interim management report presents a true and fair view of the business developments, including the operating results and situation of the Group, and that it describes the significant opportunities and risks of the anticipated future development of the Group.

Berlin, August 12, 2008


Axel Springer AG



(Dr. Mathias Döpfner)



(Rudolf Knepper)



(Steffen Naumann)



(Dr. Andreas Wiele)

Report of the Audit Committee of the Supervisory Board

The semiannual financial report for the period from January to June 2008 and the review report of the independent auditor of the interim financial statements, which served as the basis for the auditor's certification, were presented to the Audit Committee of the Supervisory Board. These documents were explained by the Management Board and discussed with the independent auditor. The Audit Committee approved the interim financial statements.

A reproduction of the review report of the independent auditor is provided in the notes to the interim financial statements of this semiannual financial report.

Berlin, August 2008

Dr. Giuseppe Vita
Chairman of the Audit Committee

Disclaimer

This semiannual financial report contains forward-looking statements, which are necessarily fraught with certain risks and uncertainties. The future development and results of Axel Springer AG and the Axel Springer Group may differ considerably from the assumptions applied for purposes of the semiannual financial report. The present semiannual financial report does not constitute an offer to sell, nor an invitation to submit an offer to buy, securities of Axel Springer AG. The present semiannual financial report does not entail an obligation on the part of the company to update the statements contained therein.

Financial Calendar 2008

| | |
|---|-------------------|
| Annual Financial Statements Press Conference | March 12, 2008 |
| Annual Shareholders' Meeting | April 24, 2008 |
| Quarterly Financial Report January – March 2008 | May 29, 2008 |
| Interim Financial Report January – June 2008 | August 13, 2008 |
| Capital Markets Day | October 6, 2008 |
| Quarterly Financial Report January – September 2008 | November 12, 2008 |

Share information

| in € | | | |
|------------------------------|-----------|-----------|----------|
| | Q1-2 2008 | Q1-2 2007 | Change |
| Earnings per share (diluted) | 16.96 | 2.72 | |
| Closing price | 68.68 | 124.19 | - 44.7 % |
| Highest price | 94.73 | 145.00 | - 34.7 % |
| Lowest price | 66.24 | 121.00 | - 45.3 % |
| Average exchange rate | 76.31 | 133.97 | - 43.0 % |

Listing information

| | |
|------------------------|--|
| Share type | Registered share with restricted transferability |
| Stock exchange | Frankfurt (official exchange) |
| Stock exchange segment | Prime Standard |
| Security ID No. | 550 135, 575 423 |
| ISIN | DE0005501357, DE0005754238 |
| Reuters | SPRGn.F |
| Bloomberg | SPR GY |

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Information

Additional information
about Axel Springer AG
is available on the Internet at:
www.axelspringer.com

This interim report is also available in the
original German.