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Quarterly Financial Report

as of September 30, 2014

axel springer

Group Key Figures

Continuing operations in € millions	3rd Quarter			9 Months		
	Q3/2014	Q3/2013	Change	9M/2014	9M/2013	Change
Group						
Total revenues	**741.1**	**684.8**	**8.2 %**	**2,177.9**	**2,037.2**	**6.9 %**
Digital media revenues share	*53.8%*	*46.0%*		*52.2%*	*46.6%*	
EBITDA[1)]	**97.8**	**96.0**	**1.9 %**	**363.9**	**336.7**	**8.1 %**
EBITDA margin[1)]	*13.2 %*	*14.0 %*		*16.7 %*	*16.5 %*	
Digital media EBITDA share	*82.4 %*	*65.0 %*		*69.8 %*	*59.8 %*	
Consolidated net income	87.4	31.0	>100%	228.9	144.3	58.6 %
Consolidated net income, adjusted[2)]	47.9	46.2	3.6 %	186.0	168.5	10.4 %
Segments						
Revenues						
Paid Models	369.2	379.9	–2.8 %	1,129.4	1,119.6	0.9 %
Marketing Models	194.1	166.8	16.4 %	564.9	505.4	11.8 %
Classified Ad Models	130.5	99.3	31.4 %	357.1	296.4	20.5 %
Services/Holding	47.4	38.8	22.1 %	126.5	115.8	9.2 %
EBITDA[1)]						
Paid Models	37.5	62.0	–39.6 %	170.2	187.1	–9.0 %
Marketing Models	21.4	21.9	–2.4 %	76.8	75.3	2.0 %
Classified Ad Models	59.3	38.1	55.8 %	160.2	119.1	34.6 %
Services/Holding	–20.4	–26.1	-	–43.3	–44.7	-
Liquidity and financial position						
Free cash flow[3)]	66.6	69.6	–4.3 %	149.0	151.2	–1.4 %
Capex[4)]	–24.2	–24.0	-	–67.2	–63.9	-
Total assets[5)]	5,473.7	4,773.8	14.7 %	5,473.7	4,773.8	14.7 %
Equity ratio[5)]	*52.6 %*	*47.0 %*		*52.6 %*	*47.0 %*	
Net liquidity/debt[5)]	–164.3	–471.3	-	–164.3	–471.3	-
Share-related key figures[6)]						
Earnings per share, adjusted (in €)[2),7)]	0.35	0.36	–4.0 %	1.47	1.36	7.8 %
Earnings per share (in €)	0.61	0.24	>100%	1.78	1.21	47.2 %
Earnings per share (in €), discontinued	–0.01	0.17	-	6.43	0.56	>100%
Closing price (in €)	43.59	41.11	6.0 %	43.59	41.11	6.0 %
Market capitalization[8)]	4,312.8	4,067.4	6.0 %	4,312.8	4,067.4	6.0 %
Average number of employees	**13,694**	**12,717**	**7.7 %**	**13,428**	**12,812**	**4.8 %**

1) Adjusted for non-recurring effects.
2) Adjusted for non-recurring effects and amortization and impairments from purchase price allocations.
3) Cash flow from operating activities minus capital expenditures, plus cash inflows from disposals of intangible assets and property, plant, and equipment.
4) Capital expenditures on intangible assets, property, plant, and equipment, and investment property.
5) As of September 30, 2014 and December 31, 2013, respectively.
6) Quotations based on XETRA closing prices.
7) The earnings per share (basic/diluted) adjusted for non-recurring effects and amortization and impairments from purchase price allocations were calculated on the basis of average weighted shares outstanding in the reporting period (98.9 million).
8) Based on outstanding shares at the closing price, excluding treasury shares.

Quarterly Financial Report as of September 30, 2014 of the Axel Springer Group

Summary of business performance and operating results

Development of revenues and earnings

The Axel Springer Group continues to benefit from the growing digitization of its business. At € 2,177.9 million, the consolidated revenues generated in the first nine months of the current year were 6.9 % higher than the corresponding year-ago figure. This growth is attributable to the continued positive development in the Group's digital media activities. Also adjusted for consolidation and currency effects, the total revenues were 2.5 % higher than the year-ago figure.

The EBITDA of € 363.9 million likewise was higher than the year-ago figure (€ 336.7 million), due to the positive development in the Group's digital media activities, particularly in the Classified Ad Models segment.

Business performance in line with expectations

Axel Springer's business performance in the reporting period fulfilled the expectations expressed in our Annual Report 2013.

The development of total revenues was in line with our expectation of an increase in the mid single-digit percentage range. Likewise as expected, advertising revenues were higher than the year-ago figure, driven by development in the Group's digital media activities. As expected, circulation revenues came out less than the year-ago figure. Despite higher than expected restructuring expenses, which particularly affected the third quarter, we still anticipate a low double-digit percentage increase for the EBITDA for the entire year.

Outlook 2014

We expect to generate a mid single-digit percentage increase in Group-wide **total revenues** in financial year 2014. We anticipate that the expected decrease in circulation revenues will be more than offset by the planned increase in advertising revenues and other revenues. An increase in revenues is anticipated in all three operating segments: Paid Models, Marketing Models, and Classified Ad Models.

We anticipate a low double-digit percentage increase for the **EBITDA**. In the Classified Ad Models segment we expect a significant increase in EBITDA, whereas the EBITDA in the Marketing Models segment is expected to remain on the level of the prior year, due to the planned expenditures for establishing new digital business models. For the Paid Models segment also, we anticipate a decline in EBITDA in the low to mid single-digit percentage range, due to the higher than expected restructuring expenses.

For the **adjusted earnings per share**, we anticipate a low double-digit percentage increase compared to 2013.

Fundamentals of the Axel Springer Group

Fundamentals

The fundamentals published in the Annual Report on March 6, 2014 are still applicable.

In particular, we continue to pursue a strategy of profitable growth with the overriding objective of becoming the leading digital publisher. This also applies to the new segmentation, which we introduced together with the Annual Report 2013.

Changes in the Executive Board and Supervisory Board

As a consequence of the new segment structure, which is aligned with the cross-media, Group-wide revenue sources of Paid Models, Marketing Models, and Classified Ad Models, and the completed sale of the portfolio of newspaper and magazine titles to FUNKE Mediengruppe, the division of responsibilities within the **Executive Board** of Axel Springer SE was adjusted at the close of the annual shareholders' meeting of April 16, 2014. In terms of its size, moreover, the Executive Board was reduced to only four members.

Dr. Julian Deutz, who has been a member of the Executive Board since January 2014, is the Chief Financial Officer in charge of business administration and personnel. In this role, he succeeded the previous Chief Financial Officer Lothar Lanz, who moved to the Supervisory Board.

Jan Bayer, previously the Executive Board member in charge of the WELT Group and Printing, is now responsible for both the BILD Group and the WELT Group, including the national brands in the Paid Models segment; he also bears responsibility for Information Technology and the German printing plants.

Dr. Andreas Wiele, previously the Executive Board member in charge of the BILD Group and Magazines, is now responsible for the operating segments Marketing Models and Classified Ad Models.

Following the introduction of the new segment structure, the international activities of Axel Springer SE are no longer bundled within a separate operating segment. Consequently, Ralph Büchi, previously the Executive Board member in charge of International Operations, has resigned from the Executive Board. In addition to his previous functions as CEO of Axel Springer Switzerland and Chairman of the Board of Directors of Ringier Axel Springer Media AG, he also exercises responsibility for the international Paid Models of Axel Springer as President International.

The annual shareholders' meeting of April 16, 2014 approved the **Supervisory Board** election proposals by a large majority (see page 18). Thus, the Supervisory Board is composed of the following nine persons: Dr. Giuseppe Vita (Chairman), Dr. h. c. Friede Springer (Vice Chairwoman), Oliver Heine, Rudolf Knepper, Lothar Lanz, Dr. Nicola Leibinger-Kammüller, Prof. Dr. Wolf Lepenies, Prof. Dr. Wolfgang Reitzle, and Martin Varsavsky.

Economic report

General economic conditions and business developments

General economic conditions

General economic environment

In its latest World Economic Outlook, the International Monetary Fund (IMF) concluded that the **global economy** recorded weaker growth in the year to date than predicted in the spring outlook. Obstacles to growth were evident in USA, the euro zone, Japan, and some significant emerging-market countries. The US economy regained momentum after a disappointing first quarter, however growth came to a standstill in Europe during the second quarter due to a downturn in capital expenditures and exports. In several emerging-market countries, growth weakened due to more restrictive monetary policies. China has already initiated growth-enhancing measures.

According to the Autumn Report for the leading economic research institutions, the economic recovery expected for **Germany** has failed to materialize. After a strong start to the year, production lagged during the second quarter and the experts assume that the third quarter will be characterized by economic stagnation.

Despite the availability of low-cost financing and increasing capacity utilization, investment has not been stimulated. There are many reasons for this. The euro zone continues to face a phase of weakness. However, even German domestic demand proved to be less robust than expected.

The Business Climate compiled monthly by the ifo Institute has fallen since April 2014. In September, the Consumer Climate compiled by the German Society for Consumer Research (GfK) also fell for the second time in a row. The consumers' income expectations and propensity to buy both reduced in equal measures.

According to German Federal Statistical Office calculations, consumer prices rose at a rate of 0.8 % in the third quarter of 2014, which was considerably slower than for the year-ago period. This slowdown is primarily due to the falling prices of petroleum products. According to the German Federal Employment Agency, there were 2.8 million unemployed job seekers in September 2014, that being 1.4 % lower than the year-ago figure. The unemployment rate was 6.5 %.

Distribution market

Once again, the German **press distribution market** contracted slightly. The total paid circulation of newspapers and magazines was 4.3 % less than the corresponding figure for the year-ago period. Due to the copy price increases implemented in the last four quarters, however, circulation revenues declined by only 2.4 %.

The 360 **daily and Sunday newspapers** tracked by the German Association for the Distribution of Advertising Materials (IVW) generated total sales of 19.7 million copies per issue date, reflecting a decrease of 3.9 % from the corresponding year-ago period. As in the year-ago period, newsstand sales declined by a much greater margin (– 7.8 %) than subscription sales (– 2.5 %). Within the press distribution market, the demand for daily and Sunday newspapers declined by 3.8 %, weighted for their respective publication frequencies.

Total sales of **general-interest magazines**, including membership and club magazines, came to 102.8 million copies per issue date, reflecting a decrease of 3.9 % from the corresponding year-ago period. The number of titles tracked by IVW was 827 (2.7 % less than the year-ago figure). Weighted for their respective publication frequencies, the demand for general-interest magazines declined by 5.8 %.

Whereas print media circulation once again fell in the first nine months of 2014, **online media** remained on course for growth. According to its latest study, "internet facts 2014-07", the German Online Research Institute (AGOF) calculated that there are on average 55.6 million internet users in Germany. This corresponds to a share of 75.7 % of the German residential population over ten years of age. From the regular users, 71.9 % consult the internet for news about world affairs and 65.1 % use it for information about regional or local issues. News is one of the main reasons for using the internet, alongside emails, research, online shopping, and weather information. Job boards also feature among the 20 most commonly used online categories. Alongside the wired internet, the mobile internet is unchanged in gaining in importance according to the study "mobile facts 2014-II". In the second quarter of 2014, 34.1 million people were mobile online (48.4 % of the German-speaking residential population of Germany over 14 years of age). In most cases (61.4 %), mobile internet use was predominantly in addition to desktop use. According to IVW, the German print media content portals were visited much more frequently in the first nine months of 2014 than in the same period of 2013. The number of visits to the 20 most popular German daily newspaper portals increased accordingly by an average of 12.2 %, whereas visits to magazine portals increased by 23.9 %.

Business developments

In the first quarter of 2014, we sold about 2.6 % of our equity stake in **Doğan TV Holding** A.S., Istanbul, Turkey. The proceeds from this transaction amounted to € 62.5 million.

At the end of February, the purchase agreement signed in December 2013 to acquire 100 % of the shares in N24 Media GmbH was finalized. With **N24**, the N24 Group operates the market leading German news channel. Following the acquisition of this news channel, Axel Springer plans to merge N24 with the WELT Group, with the goal of becoming the leading multimedia provider of news-based quality journalism in the German-speaking countries, across all platforms of digital, print, video, and TV. At the same time, N24 will become the central moving image supplier for all Axel Springer brands. The cartel and media authority related approvals took place in February 2014.

At the start of May 2014, Axel Springer Digital Classifieds (ASDC), the strategic partnership between Axel Springer and General Atlantic in the online classified ads market, signed a purchase agreement to acquire 100 % of the shares in Coral-Tell Ltd., which operates the leading classified ad portal **Yad2** in Israel. The total purchase price was about € 170 million. After the approval of the relevant authorities, the transaction was completed during the course of that month.

Likewise in May 2014, StepStone entered into a purchase agreement to acquire Evenbase Recruitment Ltd. (**Jobsite**) in order to expand its activities in the United Kingdom. StepStone is part of the ASDC Group and is represented in the UK by, among others, its subsidiary Totaljobs. Evenbase Recruitment Ltd., with its registered head office in Havant, operates the online job board jobsite.co.uk and brands like CityJobs.com and eMedcareers.com. The total purchase price was about € 115 million. After approval of the UK Competition and Markets Authority, the transaction was completed at the end of October 2014.

In June 2014, ASDC also signed an exclusivity agreement to acquire the majority share (51 %) in Car & Boat Media SAS with its registered head office in Paris. This company operates **LaCentrale**, the leading specialist classified ads portal for used cars in France, as well as other portals related to cars and boats. The purchase price of € 71 million corresponds to a company valuation of € 142 million. Options agreements have been concluded for the remaining 49 %. The transaction was finalized at the end of July 2014.

At the end of July 2014, we sold the minority interest (17.2 %) held by SeLoger in **iProperty**, an operator of real estate portals in the southeast Asian market, for € 74.3 million. The income from the sale amounting to € 55.1 million (before a tax effect of € 2.2 million) was recognized in the income from investments, recorded as a non-recurring effect in the Classified Ad Models segment

and 30 % of the amount was attributed to the shares of non-controlling interest shareholders.

At the end of August 2014, Ringier Axel Springer Media AG, a joint venture between Axel Springer and Ringier, concluded an agreement to acquire the leading job portal in Hungary **profession.hu**. Closing of the profession.hu transaction is expected for the first quarter of 2015. After approval by the Hungarian cartel and media authorities and the successful partial sale of the Hungarian portfolio of Ringier AG and Axel Springer SE, the **integration of the Hungarian portfolio** into Ringier Axel Springer Media AG is envisaged for November 2014. In particular, the portfolio comprises the leading mass circulation daily BLIKK, successful women's magazines and other licensed titles. Incorporation of the portfolio was already agreed in 2010 during the course of founding the joint venture between Ringier AG and Axel Springer SE.

At the beginning of September 2014, an agreement was concluded to create a joint venture (50:50) between Axel Springer and **POLITICO**, a leading media brand for political journalism in Washington D.C. The objective of the new media group, with its registered head office in Brussels, is to develop and market the European POLITICO business.

At the beginning of October 2014, Axel Springer significantly extended its partnership entered into in the first quarter with **OZY**, an English-language online magazine for news and culture from the Silicon Valley founded in 2013, increasing its share to about 16 % with an investment of US$ 20 million.

Discontinued operations

The **sale of the Group's German regional newspapers, TV program guides, and women's magazines** to FUNKE Mediengruppe, which was contractually agreed in December 2013, was finalized on April 30, 2014, with economic effect as of January 1, 2014. The purchase price agreed before the contractually stipulated purchase price adjustment was € 920 million. Based on a preliminary purchase price adjustment, a provisional purchase price of € 875 million was established upon finalizing the purchase agreement. The purchase price adjustment reflected the circumstance, among others, that the buyer assumed net liabilities as part of the transaction. Of the provisional purchase price, an amount of € 634 million was paid in cash; for the balance, FUNKE Mediengruppe assumed a multi-year, subordinated loan obligation vis-à-vis Axel Springer SE in the amount of € 241 million. The tax payable in connection with the sale is expected to be € 252 million.

In order to fulfil a proviso imposed in connection with merger control law, FUNKE Mediengruppe sold some of the TV program guides acquired under the transaction, as well as some of its own TV program guides, to a company of Klambt Mediengruppe. To assist in the financing of this acquisition, Axel Springer SE guaranteed a bank loan taken out by this company of Klambt Mediengruppe, up to an amount of € 51.0 million.

In connection with the conclusion of the purchase agreement, the parties also agreed to form two joint ventures, one for the marketing of print and digital offerings, and the other for retail distribution, so as to bundle the partners' activities, resources, and knowledge in these areas. Axel Springer will exercise managerial control over, and hold the majority of shares in, both these companies. The formation of the joint ventures requires the approval of the merger control and cartel authorities. Axel Springer and FUNKE Mediengruppe have already been cooperating in these areas since the finalization of the purchase agreement.

In addition, Ringier Axel Springer Media AG signed a contract in December 2013 to sell their business activities and equity investments in the **Czech Republic** to two Czech entrepreneurs. These activities include the leading mass-circulation daily BLESK and the leading news magazine REFLEX, as well as automotive magazines and women's magazines. The purchase price of € 197 million, which is based on a company value of € 170 million, additionally reflects the net liquidity transferred to the buyer, in particular. After being approved by the Czech cartel authority in the first quarter of 2014, the transaction was finalized on April 30, 2014.

Financial performance of the Group (continuing operations)

The following description of our financial performance only applies for our continuing operations.

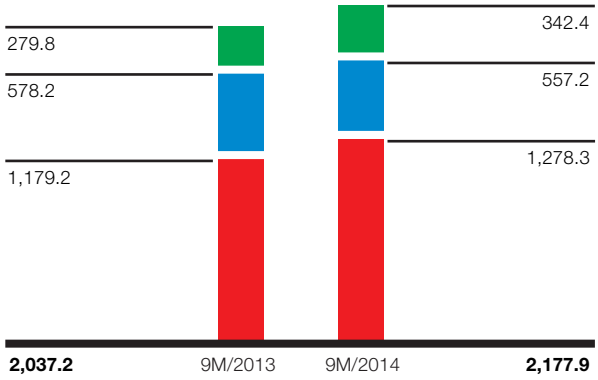
During the reporting period, the **total revenues** of € 2,177.9 million were 6.9 % above the year-ago figure (€ 2,037.2 million). All segments contributed to the revenue growth. Even adjusted for consolidation and currency effects, total revenues were higher (+ 2.5 %).

The **pro-forma revenues of the digital media activities** rose to € 1,192.5 million (PY: € 1,091.5 million), corresponding to an organic growth rate of 9.3 %. Thus, the proportion of pro-forma total revenues rose from 50.1 % during the same period last year to 53.4 % in the reporting period. For the operating segments, organic growth in the first nine months of the current year was 7.2 % for the Paid Models segment, 10.2 % for the Marketing Models segment and 9.1 % for the Classified Ad Models segment. Pro-forma revenues include the revenues of the companies currently included in the Axel Springer Group and those acquired in 2013 and 2014, on the basis of unaudited financial information.

The **international revenues** of € 926.6 million were 10.2 % higher than the year-ago figure and accounted for 42.5 % (PY: 41.3 %) of Axel Springer's total revenues. This increase is primarily attributable to the digitization of the international business.

Total Revenues

€ millions



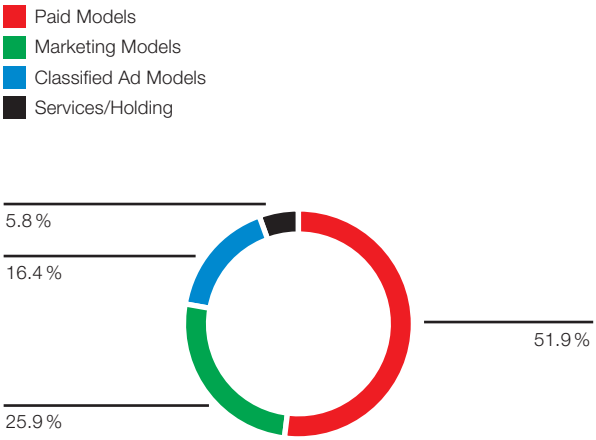
The 8.4 % increase in **advertising revenues** to € 1,278.3 million (PY: € 1,179.2 million), was driven by growth in the Classified Ad and Marketing Models segments. The share of total revenues represented by advertising revenues was 58.7 % (PY: 57.9 %). About three quarters (74.4 %) of the total advertising revenues were generated from **digital activities**.

At € 557.2 million, the **circulation revenues** were 3.6 % less than the year-ago figure (€ 578.2 million). Primarily, consolidation effects had a negative impact. When adjusted for the consolidation effects, the circulation revenues fell only slightly by 1.3 %. The share of total revenues represented by circulation revenues was 25.6 % (PY: 28.4 %).

The **other revenues** increased significantly (+ 22.4 %) from € 279.8 million to € 342.4 million. This growth originates from the Paid Models and Marketing Models segments and equates to a share of 15.7 % (PY: 13.7 %) of the total revenues.

Comparison of **segment revenues** reveals considerable growth in the Classified Ad and Marketing Models segments, whereas revenues in the Paid Models segment were slightly above the year-ago figure. As previously, the Paid Models segment contributed more than half of the Group's revenues, followed by the Marketing Models and Classified Ad Models segments.

Segment Revenues



The **total expenses** increased by 7.0 % compared with the year-ago period to € 2,060.9 million (PY: 1,926.8 million). The increase mainly resulted from consolidation effects of newly acquired companies.

The **purchased goods and services** rose by 7.4 % compared with the year-ago value to € 707.6 million (PY: € 659.0 million), mainly resulting from the first-time consolidation of N24 and My Little Paris as well as the increases in the area of performance-based marketing. The ratio of purchased goods and services remained virtually unchanged at 32.5 % (PY: 32.3 %).

The **personnel expenses** of € 708.3 million were € 35.4 million or 5.3 % higher than the year-ago figure (PY: € 672.8 million). This increase resulted mainly from the consolidation of subsidiaries acquired, as well as the buildup of personnel within the field of digital business models.

Depreciation, amortization, and impairments amounted to € 129.3 million and were greater than the year-ago figure of € 111.4 million, in particular, due to the increased write-downs from purchase price allocation effects.

The **other operating income** increased by € 9.1 million to € 93.3 million (PY: € 84.3 million). This increase fundamentally resulted from the revaluation of contingent purchase price liabilities and write-ups of property, plant, and equipment. Mainly due to the consolidation of newly acquired subsidiaries, the **other operating expenses** of € 515.7 million were higher than the year-ago figure (PY: € 483.6 million).

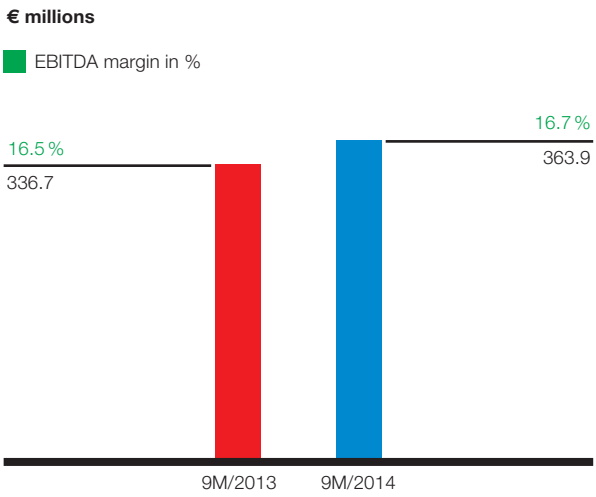
Both during the reporting period and the year-ago period, the **net investment income** amounting to € 84.5 million (PY: € 26.5 million) was particularly impacted by the profit realized on the sale of our minority shareholding in iProperty (€ 55.1 million). In addition, as in the prior year, the profit realized on the sale of 2.6 % of our equity stake in Doğan TV was recorded. The operating income from investments included within EBITDA amounted to € 9.0 million (PY: € 12.6 million).

The Group's **financial result** improved, in particular due to the interest income generated from loans granted in the context of the sale of our domestic print activities, to € – 15.5 million (PY: € – 18.4 million).

Income taxes amounted to € – 66.1 million (PY: € – 67.6 million) in the reporting period. The low tax rate for the reporting period of 22.4 % (PY: 31.9 %), in particular, resulted from largely tax-neutral income from the disposal of investments.

The earnings before interest, taxes, depreciation and amortization (**EBITDA**) increased by 8.1 % to € 363.9 million (PY: € 336.7 million) compared to the prior year. The EBITDA margin increased to 16.7 % (PY: 16.5 %). The EBITDA for digital activities increased by 26.2 % from € 201.4 million to € 254.2 million. With this, the share of group EBITDA represented by digital activities increased from 59.8 % to 69.8 %. Non-recurring effects such as gains or losses on disposal of business activities and investments, for example, are not included in EBITDA.

EBITDA



Consolidated net income from continuing operations amounted to € 228.9 million (PY: € 144.3 million). Adjusted consolidated net income from continuing operations increased significantly to € 186.0 million (PY: € 168.5 million).

Consolidated Net Income (continuing operations)

€ millions	9M/2014	9M/2013
Consolidated net income (continuing operations)	**228.9**	**144.3**
Non-recurring effects	–69.5	–4.9
Depreciation from purchase price allocations	52.1	42.9
Taxes attributable to these effects	–25.5	–13.8
Consolidated net income, adjusted (from continuing operations)	**186.0**	**168.5**
Attributable to non-controlling interest, adjusted	40.6	33.5
Adjusted consolidated net income from continuing operations attributable to shareholders of Axel Springer SE	**145.4**	**135.0**

Earnings per share from continuing operations (basic = diluted) amounted to € 1.78 (PY: € 1.21). Based on the average weighted shares outstanding in the reporting period (98.9 million), **adjusted earnings per share** from continuing operations (basic/diluted) increased by € 1.36 to € 1.47.

Adjusted consolidated net income and adjusted earnings per share are not defined under International Financial Reporting Standards, and should therefore be regarded as supplementary information to the consolidated financial statements.

Financial performance of the operating segments (continuing operations)

Paid Models

The Paid Models segment comprises all business models which are predominantly used by paying readers. The segment is divided into national and international paid models.

Paid Models National

The net reach figures of selected portals are presented in the table below. Because Internet usage via mobile devices is particularly important for some of our digital activities, mobile reach figures are presented in addition to stationary Internet usage.

Unique Users

Millions (monthly average)	Unique Users stationary[1]	Change yoy	Unique Users mobile[2]	Change yoy[3]
Bild.de	17.3	20.7%	6.4	-
welt.de	9.5	8.1%	3.0	-
computerbild.de	4.1[4]	6.7%	1.0	-
autobild.de	3.8	27.0%	0.7	-
N24.de	3.0	-[3]	1.8	-
transfermarkt.de	2.3	–2.1%	0.9	-
travelbook.de	1.4	-[3]	-	-
stylebook.de	1.2	5.5%	-	-
bz-berlin.de	1.0	2.1%	0.5	-

[1] Source: AGOF internet facts 2014-07, monthly average, 2014 (May–Jul.).
[2] Source: AGOF mobile facts 2014-II, monthly average, 2014 (Apr.–Jun.).
[3] Comparison to year-ago figures not applicable.
[4] Source: AGOF internet facts 2014-07, Jul. 2014.

Circulation of the print offerings in the Paid Models segment declined in the reporting period due to market conditions.

Circulation, Digital Subscriptions, and Reach

Thousands	Circulation/ Digital Subs[1]	Change yoy	Reach[2]	Change
Bild/B.Z.	2,438.7	–7.3 %	11,324.6	–7.1 %
Bild am Sonntag	1,187.7	–6.8 %	9,245.6	–1.2 %
Bild digital	220.8	-[3]	17,322.0	20.7 %
Die Welt/ Welt Kompakt	208.3	–8.3 %	697.1	–12.2 %
Welt am Sonntag/ Welt am Sonntag Kompakt	401.0	0.0 %	989.5	–4.1 %
Welt digital	54.1	-[3]	9,520.0	8.1 %
Auto Bild	482.0	–8.1 %	2,784.4	2.9 %
Sport Bild	383.6	–7.5 %	4,225.1	–1.4 %
Computer Bild	364.6	–23.5 %	3,389.9	–5.7 %

[1] Source: IVW, average paid circulation, 9M/2014; For Bild digital and Welt digital: IVW, digital subscriptions (paid content), monthly average, 2014 (May–Sep.).
[2] Source: ma 2014 Pressemedien II; For Bild digital and Welt digital: unique users, AGOF internet facts 2014-07, monthly average, 2014 (May–Jul.).
[3] Comparison to year-ago figures not applicable.

Paid Models International

The net reach figures for the selected portals are presented in the table below.

Unique Visitors

Millions (monthly average)	Unique Visitors 9M/2014[1]	Change yoy
onet.pl	16.2	–3.2 %
fakt.pl	3.4	5.0 %
forbes.ru	2.9	46.4 %
blic.rs	2.9	91.3 %
azet.sk	2.2	1.9 %
cas.sk	1.6	16.4 %

[1] Source: comScore Europe, monthly average, 2014 (Jan.–Sep.).

The growth in reach figures presented in the table does not reflect the dynamic growth due to the increasing use of mobile end devices, which is however of great importance for some of our digital activities. However, separate presentation is not possible at an international level due to a lack of data.

The circulation and reach figures for the leading mass-circulation dailies within the countries of our joint venture Ringier Axel Springer Media are presented in the table below.

Circulation and Reach

Thousands	Circulation	Change yoy	Reach	Change yoy
Fakt[1]	328.0	–4.5%	1,885.8	18.2%
Blic[2]	108.3	–8.7%	826.1	1.8%
Novy Cas[3]	101.5	–8.1%	772.2	–5.9%
Alo![2]	95.3	–16.1%	446.2	–13.8%

[1] Poland. Circulation: ZKDP, 2014 vs. 2013 (Jan.–Aug.); Reach: PBC General, 2014 vs. 2013 (Jan.–Aug.).
[2] Serbia. Circulation: ABC, 2014 vs. 2013 (Jan.–Aug.); Reach: Ipsos Strategic Marketing, 2014 vs. 2013 (Jan.–Aug.).
[3] Slovakia. Circulation: ABC, 2014 vs. 2013 (Jan.–Aug.); Reach: Median, 2014 vs. 2013 (Jan.–Jun.).

Circulation of the newspapers and magazines abroad declined due to market conditions.

Key Figures Paid Models

€ millions	9M/2014	9M/2013	Change
External revenues	**1,129.4**	**1,119.6**	**0.9 %**
Advertising revenues	468.7	474.1	–1.1 %
Circulation revenues	557.2	578.2	–3.6 %
Other revenues	103.6	67.3	53.8 %
National	849.7	823.6	3.2 %
Advertising revenues	347.7	347.5	0.1 %
Circulation revenues	438.4	439.0	–0.1 %
Other revenues	63.6	37.1	71.6 %
International	279.7	296.0	–5.5 %
Advertising revenues	121.0	126.6	–4.4 %
Circulation revenues	118.8	139.1	–14.6 %
Other revenues	39.9	30.2	32.1 %
EBITDA	**170.2**	**187.1**	**–9.0 %**
National	138.5	152.8	–9.4 %
International	31.7	34.3	–7.6 %
EBITDA margin	**15.1 %**	**16.7 %**	
National	16.3 %	18.6 %	
International	11.3 %	11.6 %	

The total revenues in the Paid Models segment slightly exceeded (+0.9 %) the year-ago figure (€ 1,119.6 million) at € 1,129.4 million. When adjusted for consolidation effects, these were slightly less than the year-ago figure (–2.6 %). The advertising revenues in the Paid Models segment decreased by 1.1 % from € 474.1 million to € 468.7 million; adjusted for consolidation effects, the decline was 5.1 %. Following the positive development in the second quarter due to the Soccer World Cup, the national advertising revenues in the third quarter recorded a stronger decline compared with the prior year. This resulted from strong comparison figures for the prior year, partly due to a BILD special edition in the prior year. The circulation revenues declined by 3.6 % to € 557.2 million (PY: € 578.2 million). The national circulation revenues remained virtually unchanged (–0.1 %). Rising digital circulation revenues contributed to this, alongside the effects of past copy price increases. At an international level, the decrease of 14.6 % was primarily due to consolidation effects from the sale of the women's and TV magazines in France towards the middle of last year. When adjusted for these effects, the decline is reduced to 4.3 %. The other revenues increased significantly by 53.8 % to € 103.6 million (PY: € 67.3 million). This mainly resulted from the consolidation effects due to the acquisition of N24 (see page 5). Adjusted for these effects, the other revenues were above the year-ago figure (+4.1 %).

The digital organic growth based on the pro-forma total revenues of the Paid Models segment is presented on page 7.

At € 170.2 million, the EBITDA figure was 9.0 % lower than the year-ago figure (€ 187.1 million). The significant EBITDA decline in the third quarter is mainly attributable to Paid Models National. In the third quarter of the prior-year, additional EBITDA contributions were included due to a special issue of BILD on the German federal parliamentary elections, which was distributed to nearly every household in Germany. Furthermore, the negative earnings effect due to the decline of the higher margin advertising and distribution business for the print titles could only be partly offset by the newly acquired business (N24) and growth in the other revenues. At 15.1 % for the entire reporting period and 10.0 % in the third quarter, the EBITDA margin for the segment was significantly below the EBITDA margin for the year-ago period (9M/2013: 16.7 %; Q3/2013: 16.3 %).

Key Figures Paid Models 3rd Quarter

€ millions	Q3/2014	Q3/2013	Change
External revenues	**369.2**	**379.9**	**–2.8 %**
Advertising revenues	139.3	160.4	–13.1 %
Circulation revenues	192.4	196.6	–2.1 %
Other revenues	37.4	22.9	63.4 %
National	282.2	291.6	–3.2 %
Advertising revenues	102.4	123.1	–16.8 %
Circulation revenues	155.7	155.2	0.4 %
Other revenues	24.1	13.3	80.8 %
International	87.0	88.3	–1.5 %
Advertising revenues	36.9	37.3	–0.9 %
Circulation revenues	36.7	41.4	–11.4 %
Other revenues	13.4	9.6	39.2 %
EBITDA	**37.5**	**62.0**	**–39.6 %**
National	28.2	51.7	–45.5 %
International	9.3	10.4	–10.0 %
EBITDA margin	**10.2 %**	**16.3 %**	
National	10.0 %	17.7 %	
International	10.7 %	11.7 %	

Marketing Models

The Marketing Models segment comprises all business models that generate revenues predominantly through sales to advertising customers of reach-based or performance-based marketing services.

Internet usage via mobile devices is particularly important for some of our digital activities. Accordingly, the mobile net reach values of selected portals (to the extent they are available) are presented in addition to stationary Internet usage, in the table below.

Unique Users

Millions (monthly average)	Unique Users stationary[1]	Change yoy	Unique Users mobile[2]	Change yoy[3]
aufeminin.com	39.7[4]	–13.5%	-	-
idealo.de	8.4[5]	–8.9%	-	-
kaufDA.de	3.2	–12.9%	2.7	-
finanzen.net	2.4	10.8%	0.4	-
hamburg.de	1.3	–7.0%	0.4	-

[1] Source: AGOF internet facts 2014-07, monthly average, 2014 (May–Jul.).
[2] Source: AGOF mobile facts 2014-II, monthly average, 2014 (Apr.–Jun.).
[3] Comparison to year-ago figures not applicable.
[4] Source: comScore World, monthly average, 2014 (Jan.–Sep.).
[5] Source: AGOF internet facts 2014-07, Jul. 2014.

Key Figures Marketing Models

€ millions	9M/2014	9M/2013	Change
External revenues	**564.9**	**505.4**	**11.8 %**
Advertising revenues	464.5	424.3	9.5 %
Other revenues	100.4	81.1	23.8 %
Reach Based Marketing	200.5	170.1	17.9 %
Performance Marketing	364.3	335.3	8.7 %
EBITDA[1]	**76.8**	**75.3**	**2.0 %**
Reach Based Marketing	64.1	64.4	–0.6 %
Performance Marketing	16.1	13.6	18.2 %
EBITDA margin[1]	**13.6 %**	**14.9 %**	
Reach Based Marketing	31.9 %	37.9 %	
Performance Marketing	4.4 %	4.1 %	

[1] Segment EBITDA includes non-allocated costs of € 3.4 million (PY: € 2.8 million).

The total revenues in the Marketing Models segment increased by 11.8 % to € 564.9 million compared to the year-ago figure (PY: € 505.4 million). In this segment, consolidation effects played a minor role. When adjusted for these effects, the increase was 9.2 %. The increase in advertising revenues by 9.5 % to € 464.5 million (PY: € 424.3 million) was driven by gains in both performance-based marketing as well as of reach-based marketing. The growth in other revenues of 23.8 % to

€ 100.4 million (PY: € 81.1 million) was mainly achieved in the area of reach-based marketing. In particular, the effects of the completed acquisition of My Little Paris by aufeminin during the reporting year contributed to this. Adjusted for consolidation effects, the increase in other revenues in the segment amounted to 9.6 %.

The organic growth based on the pro-forma total revenues of the Marketing Models segment is presented on page 7.

Despite increased expenses for the establishment of new business models in the area of reach-based marketing (€ 9.2 million, as compared to PY: € 2.9 million), the EBITDA increased slightly (+ 2.0 %) to € 76.8 million (PY: € 75.3 million). The EBITDA margin decreased from 14.9 % to 13.6 %.

Key Figures Marketing Models 3rd Quarter

€ millions	Q3/2014	Q3/2013	Change
External revenues	**194.1**	**166.8**	**16.4 %**
Advertising revenues	157.1	138.3	13.6 %
Other revenues	36.9	28.4	29.9 %
Reach Based Marketing	67.9	55.5	22.3 %
Performance Marketing	126.1	111.2	13.4 %
EBITDA[1)]	**21.4**	**21.9**	**– 2.4 %**
Reach Based Marketing	17.5	18.5	– 5.9 %
Performance Marketing	5.2	4.4	18.4 %
EBITDA margin[1)]	**11.0 %**	**13.2 %**	
Reach Based Marketing	25.7 %	33.4 %	
Performance Marketing	4.1 %	3.9 %	

[1)] Segment EBITDA includes non-allocated costs of € 1.2 million (PY: € 1.0 million).

Classified Ad Models

The segment of Classified Ad Models comprises all business models that generate revenues primarily through sales to companies and individuals that place help-wanted ads, real estate ads, and automobile ads.

Key Figures Classified Ad Models

€ millions	9M/2014	9M/2013	Change
External revenues	**357.1**	**296.4**	**20.5 %**
Advertising revenues	345.1	280.8	22.9 %
Other revenues	12.0	15.6	– 23.2 %
EBITDA	**160.2**	**119.1**	**34.6 %**
EBITDA margin	**44.9 %**	**40.2 %**	

The revenues in the Classified Ad Models segment rose by 20.5 % to € 357.1 million (PY: € 296.4 million) compared to the year-ago period. This increase resulted both from improved operating revenues and from consolidation effects, including those related to the acquisition of Saongroup and YourCareerGroup in the prior year as well as Yad2 and LaCentrale in the reporting year. When adjusted for these effects, the increase in revenues was 9.1 %. Also, the increase in advertising revenues by 22.9 % to € 345.1 million (PY: € 280.8 million) can be attributed to organic growth coupled with consolidation effects. When adjusted for consolidation effects, the increase was 10.9 %.

The organic growth based on the pro-forma total revenues of the Classified Ad Models segment is presented on page 7.

The EBITDA for the segment increased significantly by 34.6 % to € 160.2 million (PY: € 119.1 million). As with the revenues, part of the increase is due to consolidation effects. When adjusted for these effects, the increase was 18.9 %. The EBITDA margin improved by 4.7 percentage points to 44.9 % (PY: 40.2 %).

Key Figures Classified Ad Models 3rd Quarter

€ millions	Q3/2014	Q3/2013	Change
External revenues	**130.5**	**99.3**	**31.4 %**
Advertising revenues	126.5	94.2	34.4 %
Other revenues	4.0	5.2	–23.1 %
EBITDA	**59.3**	**38.1**	**55.8 %**
EBITDA margin	**45.4 %**	**38.3 %**	

Services/Holding

Service and holding functions are combined under the Services/Holding segment. This segment also comprises the central marketing unit, Axel Springer Media Impact, the distribution and production activities of the BILD Group and magazines, including the three separate national newspaper printing plants and the entire national responsibility for logistics at Axel Springer.

Key Figures Services/Holding

€ millions	9M/2014	9M/2013	Change
External revenues	**126.5**	**115.8**	**9.2 %**
EBITDA	**–43.3**	**–44.7**	

External revenues in the Services/Holding segment increased in the first nine months, due to service revenues, by 9.2 % from € 115.8 million to € 126.5 million.

At € –43.3 million, the EBITDA figure remained virtually unchanged compared to the year-ago figure (€ –44.7 million). The third quarter of the prior year was particularly impacted negatively by the effects from the evaluation of share-based compensation programs, which were partially offset by payments from the Kirch settlement amounting to € 6.5 million. In the reporting year, payments from the Kirch settlement at the same amount were received in the second quarter. At € 14.4 million, the restructuring expenses in the first nine months were slightly above the year-ago level (€ 12.6 million). Furthermore, the year-ago figure was positively influenced by the reversal of litigation provisions.

Key Figures Services/Holding 3rd Quarter

€ millions	Q3/2014	Q3/2013	Change
External revenues	**47.4**	**38.8**	**22.1 %**
EBITDA	**–20.4**	**–26.1**	

Financial performance of discontinued operations

Discontinued operations include the German regional newspapers, TV program guides, and women's magazine that were purchased by FUNKE Mediengruppe as of April 30, 2014, as well as the business activities and equity investments of Ringier Axel Springer Media in the Czech Republic that were sold to two Czech entrepreneurs (see page 6). Discontinued operations include the current results realized in the period from January 1 to April 30, 2014, and gains on disposal.

Discontinued Operations

€ millions	Jan.–Apr. 2014	9M/2013
External revenues	**181.3**	**427.8**
EBITDA	**29.3**	**90.3**
EBITDA margin	**16.2%**	**21.1%**

Given the non-comparability of the periods covered in the present report, no commentary is offered on the year-on-year development of revenues and EBITDA from discontinued operations.

Consolidated net income from discontinued operations amounted to € 673.8 million (PY: € 60.2 million); this figure included the gains on disposal of the Group's German and international print activities as of April 30,

2014, in the amount of € 652.9 million (after taxes). Adjusted for non-recurring effects and amortization and impairments from purchase price allocations, the consolidated net income from discontinued operations amounted to € 20.8 million (PY: 62.3 million).

Earnings per share from discontinued operations (basic/diluted) amounted to € 6.43 (PY: € 0.56). Based on the average weighted shares outstanding in the reporting period (98.9 million), **adjusted earnings per share** from discontinued operations (basic/diluted) decreased by € 0.57 to € 0.18.

Adjusted consolidated net income and adjusted earnings per share are not defined under International Financial Reporting Standards, and should therefore be regarded as supplementary information to the consolidated financial statements.

Liquidity

Cash flows

The following description of cash flows also includes discontinued operations.

The cash flow from operating activities was € 237.7 million in the reporting period and therefore below the figure for the year-ago period (€ 280.3 million). The decrease resulted mainly from the fact that the current figure only includes discontinued operations up until April 30, 2014. Of this amount, € 216.2 million (PY: € 213.5 million) was generated in continuing operations. This slightly positive development was mainly due to the improved operating result, which was impacted by higher non-cash expenditure from the revaluation of share-based compensation payments in the prior year. In the reporting period, this was offset by increased payments associated with structural measures and share-based compensation programs.

The cash flow from investing activities amounted to € 332.5 million (PY: € 3.3 million). € 662.9 million (PY: € – 2.0 million) resulted from discontinued operations; this basically covers the receipt of the purchase price (net of cash and cash equivalents transferred) from the executed sale of our print activities of € 792.4 million less tax already paid amounting to € 127.5 million. Alongside the continuing investments in intangible assets and property, plant, and equipment, deposits in connection with the sale of our 17.2 % minority shareholding in iProperty (€ 74.3 million) as well as with the sale of 2.6 % of our equity stake in Doğan TV (€ 62.5 million; PY: € 61.6 million) are also included in the cash flow from investing activities from continuing operations. The payments (less cash and cash equivalents acquired) from the acquisition of shares in consolidated subsidiaries and business units as well as financial assets totaling € 417.5 million were primarily attributable to the acquisitions of N24, My Little Paris, Yad2, LaCentrale and Project A.

Cash flow from financing activities during the reporting period was € – 440.6 million. This was attributable entirely to continuing operations and was, just as in the year-ago period (PY: € – 277.5 million), mainly due to the payment of dividends to the shareholders of Axel Springer SE as well as the repayment of loans. In addition, a special dividend payment of € 90.7 million in connection with the sale of our print activities in Czech Republic is included in the reporting period.

Net liquidity and financing

Overall, total cash and cash equivalents increased compared to the end of 2013 from € 248.6 million to € 406.2 million. In the same period, the financial liabilities reduced from € 719.8 million to € 570.5 million. Therefore, the net debt of the Axel Springer Group amounted to € – 164.3 million as of the reporting date (December 31, 2013: € – 471.3 million).

As of September 30, 2014, there was a Schuldschein (promissory note) with a nominal value of € 500.0 million and terms up to April 2016 (nominal value of € 269.5 million) and up to April 2018 (nominal value of € 230.5 million). In order to optimize our financing conditions, in October 2014, we improved the average rate of interest, increased the financing volume by € 137.0 million and extended the average term by two years through the partial termination, transformation and subscription of new Schuldschein volumes. From now on, new tranches of the Schuldschein have terms up to April 2016 (nominal value of € 56.5 million), up to April 2018 (nominal value of

€ 112.0 million), up to October 2018 (nominal value of € 220.0 million) and up to October 2020 (nominal value of € 248.5 million). In addition to the Schuldschein, there is also a credit facility of € 900.0 million, the use of which is due for repayment in September 2017. Both the Schuldschein and the credit facility may be used either for general business purposes and/or for financing acquisitions.

As of September 30, 2014, the existing long-term credit facility had not been used (December 31, 2013: € 150.0 million). On the reporting date, unused short- and long-term credit limits amounted to € 920.0 million (December 31, 2013: € 770.0 million).

Financial position

The following description also includes the separately presented assets and liabilities attributable to discontinued operations.

At € 5,473.7 million, the total assets presented in the consolidated statement of financial position were considerably higher than the corresponding figure at year-end 2013 (PY: € 4,773.8 million). This increase resulted mainly from the sale of national and international print activities, which was completed in late April. In this context, capital gains (before tax) of € 904.5 million were recorded and purchase prices (net of cash and cash equivalents transferred and tax payments already made) of € 664.9 million were received.

During the course of consolidation of the N24 Group, My Little Paris, Yad2 and LaCentrale, intangible assets totaling € 508.0 million were recorded. The increase in financial assets from € 433.9 million to € 626.6 million resulted, in particular, from the multi-year loans extended to the buyer in connection with the sale of our national print activities, in the amount of the outstanding purchase price that was not settled in cash (€ 240.7 million) and from the acquisition of Project A. This was offset by the sale of our 17.2 % minority shareholding in iProperty as well as the sale of 2.6 % of our equity stake in Doğan TV.

The increase in other assets results, in particular, from the granting of a short-term loan, which serves the immediate payment of a planned special dividend payment of € 90.7 million in connection with the purchase price received from the sale of the Czech print activities conducted at the end of April.

The equity amounted to € 2,876.8 million and was, particularly due to the consolidated net income generated, considerably higher than the level at the end of 2013 (PY: € 2,244.0 million). The equity ratio increased to 52.6 % (PY: 47.0 %).

The increase in pension provisions results from the current market level following adjustment of the discounting rate to 2.5 % (as of December 31, 2013: 3.6 %).

The changes to financial liabilities, in particular, result from the partial repayment of our used credit limit. In order to optimize our financing conditions, we restructured our Schuldschein through partial termination, transformation and subscription of new Schuldschein volumes. We reported the terminated part of our Schuldschein (€ 178.5 million) under the current financial liabilities.

The increase in non-current other liabilities resulted primarily from recognition of the liability from the option rights granted to acquire the minority share in LaCentrale.

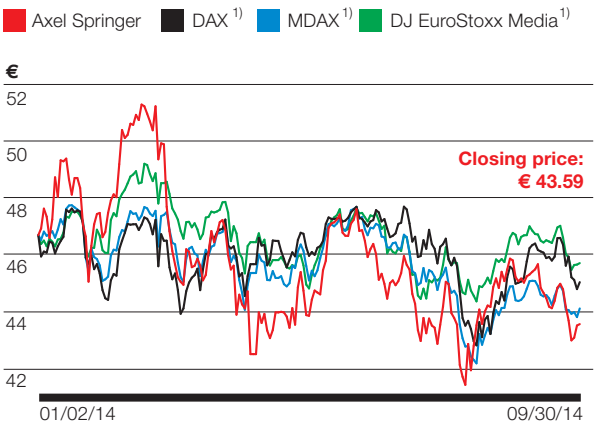
When the sale of the German regional newspapers, TV program guides, and women's magazines, and the sale of business activities in the Czech Republic, were finalized, the net assets presented as assets held for sale were derecognized. Besides intangible assets (particularly composed of brand rights, customer lists, and goodwill) in the amount of € 127.3 million, this item is mainly composed of cash and cash equivalents (€ 38.1 million), property, plant, and equipment (€ 21.5 million), other liabilities (€ 40.5 million), pension provisions (€ 17.2 million), and deferred tax liabilities (€ 18.0 million). The increase in income tax liabilities resulted mainly from the recognition of tax liabilities in connection with the taxation of the profit on the sale of the German print activities.

Axel Springer share and investor relations

Development of the share price

The Axel Springer share took a downturn during the first nine months of 2014. With a share price of € 43.59 at the end of the third quarter, the share was listed at 6.7 % less than at the start of the year. The peak price was realized in February at € 51.27 and set an all-time high. The DAX, MDAX and DJ EuroStoxx Media comparison indexes somewhat outperformed the Axel Springer share, but showed a negative trend since the beginning of the year as well.

Performance Axel Springer Share



1) Indexed on the year-end share price of Axel Springer SE as of December 31, 2013.

Share Information

€	9M/2014	9M/2013	Change
Earnings per share, adjusted[1]	1.47	1.36	7.8 %
Earnings per share[2]	1.78	1.21	47.2 %
Earnings per share[2], discontinued	6.43	0.56	>100%
Closing price	43.59	41.11	6.0 %
Highest price	51.27	41.11	24.7 %
Lowest price	41.47	30.92	34.1 %
Market capitalization in € millions[3]	4,312.8	4,067.4	6.0 %
Daily traded volume (Ø, in € thousands)	6,394.6	7,104.0	–10.0 %

1) Diluted/basic, adjusted for non-recurring effects and depreciation, amortization, and impairments from purchase price allocations, and calculated on the basis of weighted average shares outstanding in the reporting period (98.9 million).
2) Diluted/basic.
3) Based on shares outstanding at the closing price, excluding treasury shares.

Analyst reports on the Axel Springer share are currently published by 19 brokers. In total, eight firms have issued a "buy" recommendation for our share, ten have issued a "hold/neutral" recommendation, and one analyst has issued a "sell/underweight" recommendation. The latest recommendations and share price targets can be found in the Investor Relations section of our website at www.axelspringer.de.

In the first nine months of the financial year, we participated in eight investor conferences in New York, London, Nice, Frankfurt, Hamburg, and Berlin. In addition, we presented the company at road shows in New York, Boston, London, Paris, Frankfurt, and Munich. Finally, we held numerous meetings with investors and analysts in Berlin.

In the reporting period, we held telephone conferences with investors and analysts on the occasion of the publication of our Annual Report and quarterly reports. All these events were transmitted live on the internet, as usual. Furthermore, audio recordings of conferences, as well as all reports and presentations, are made available on our website.

Information on Listing

Share type	Registered share with restricted transferability
Stock exchange	Germany (Prime Standard)
Security Identification Number	550135, 575423
ISIN	DE0005501357, DE0005754238
Thomson Reuters	SPRGn.DE
Bloomberg	SPR GY

Annual shareholders' meeting

The annual shareholders' meeting of Axel Springer SE was held in Berlin on April 16, 2014. About 430 shareholders or 79.8 % of the voting capital participated. All resolutions proposed by the management – including the payment of a dividend of € 1.80 (PY: € 1.70) per qualifying share – were approved by majorities of at least 87.0 %. Based on the closing price at the end of 2013, the dividend yield of the Axel Springer share came to 3.9 %. The total dividend payout to our shareholders was € 178.1 million.

Employees

Axel Springer had an average of 13,428 (PY: 12,812) employees (excluding vocational trainees and journalism students) in the reporting period. The 4.8 % increase over the year-ago period resulted primarily from the addition of new personnel in Marketing Models and Classified Ad Models, due to acquisitions and organic growth in these segments.

Share ownership program

A share ownership program was offered again this year, to give our employees the chance to participate directly in the appreciation of the company's value. Under this program, all employees of Axel Springer SE and its German subsidiaries who were eligible to a profit-sharing bonus for the year 2013, or who had entered into a target agreement, were given the option of converting their bonus into shares of Axel Springer SE, for which purpose they received a subsidy from the company. The required holding period is four years.

Events after the reporting date

No developments or events of particular importance for the company's financial performance, liquidity, and financial position have occurred since the reporting date of September 30, 2014.

Report on risks and opportunities

The risks and opportunities of Axel Springer have not changed significantly from the presentation in the Annual Report 2013. The reassessment of risks since finalization of the transaction with FUNKE Mediengruppe indicated no significant effect on the company's risk structure. Despite changes to individual risk positions, the overall risk situation remains stable and at present no risks that could endanger Axel Springer's continued operation as a going concern can be discerned.

Forecast report

General economic environment

In its latest World Economic Outlook from October 2014, the International Monetary Fund (IMF) predicts that the **global economy** will expand at a rate of 3.3 % in 2014 and 3.8 % in 2015 in real terms. The predictions for both years are lower than those made in the economic outlook from April 2014.

According to IMF calculations, growth of the world economy during the current year has regained intensity, driven by the US economy. For 2014, IMF economists anticipate a growth rate of 2.2 % in real terms. With an estimated 3.2 % growth in real terms, the United Kingdom is expected to achieve the strongest growth of all

the industrialized nations. The forecast for China remains unchanged at 7.4 % in real terms.

In the estimation of the IMF, the consequences of the global economic crisis as well as the heavy burden of debt will continue to affect the recovery of the global economy. The emerging-market countries continue to lag behind their pace of growth before the crisis. The geopolitical risks are also likely to persist and both directly and indirectly inhibit the economic development of the affected countries.

The outlook for the **German economy** remains very subdued. In their Autumn Report, the economic research institutes anticipate a revival of the German economy towards the end of 2014. Thanks to the strong first quarter, the experts anticipate a growth rate of 1.3 % in real terms for 2014. In 2015, the German economy is expected to grow by 1.2 % in real terms. In the Spring Report, the estimate for 2014 was 1.9 % and for 2015 it was 2.0 % in real terms.

According to the current autumn forecast, private consumption will increase by 0.8 % in real terms with a further rise in disposable income. In 2015, private consumer spending may continue to increase at an accelerated rate at 1.4 % in real terms.

According to the Autumn Report, capital expenditures in equipment will increase by 3.8 % during 2014, largely due to the high level at the start of the year. In 2015, this will gain momentum with an increase of 4.1 % in real terms. With regard to capital expenditures in construction, in 2014 as a whole, the experts are anticipating real growth of 3.3 %; in 2015 the forecast is for continued growth at 2.1 % in real terms. According to the forecast, exports in 2014 and 2015 will increase only modestly and more slowly than imports.

Inflation is also set to remain on a moderate path. As a whole, consumer price levels will increase by 1.1 % in 2014, according to the forecast. In 2015, the experts anticipate a price increase of 1.4 %. In their assessment, the introduction of the minimum wage will become noticeable.

According to the experts, the number of persons in active employment will rise in 2014 by an average of 300 thousand, and in 2015 this increase in employment will grind to a halt. The unemployment rate is expected to increase slightly from 6.7 % in 2014 to 6.8 % in 2015.

Anticipated Economic Development 2015 (Selection)

Change in gross domestic product compared to prior year (real)	2015
Germany	1.2 %
United Kingdom	2.2 %
France	0.5 %
Poland	3.2 %
Switzerland	2.0 %
Hungary	2.5 %
Belgium	1.3 %
Slovakia	2.5 %
Netherlands	1.3 %
Serbia[1)]	1.0 %
Austria	1.4 %
Ireland	2.4 %
Italy	0.3 %
Spain	1.8 %
USA	3.2 %
Russia	0.8 %
Israel[1)]	2.8 %
Brazil[1)]	1.4 %
China	7.1 %

Source: Autumn Report, October 2014
[1)] Source: IMF, October 2014.

The economic research institutions predict that low interest rates and capital expenditures in infrastructure will continue to provide support for the economy in the **central and eastern European member states of the EU**. Economic growth will be stimulated by the recovery of domestic demand. Low inflation rates are likely to lead to a strengthening of purchasing power. On the other hand, hesitant recovery in the euro zone is likely to have a dampening effect on exports.

Industry environment

Industry forecasts from the German Advertising Association (ZAW) and the General Association of Communication Agencies (GWA) anticipate an increase in advertising revenues in Germany for 2014. However, this forecast is contingent upon the assumption that general economic conditions within Europe and beyond do not deteriorate in the further course of the year.

According to the current advertising market forecast from ZenithOptimedia (September 2014), a global increase of 5.3 % (nominal) is expected for 2014. For this reason, ZenithOptimedia revised its expectations slightly downward from + 5.4 % in June 2014. However, according to this forecast, it is likely that the majority of the growth will take place in America and the Far East. The drivers of this development are the rapid development of digital technologies, such as the automated purchasing of advertising space as well as capital expenditures on adverts on mobile devices.

The currently available forecasts for the **German** advertising market point to a mixed development of the different media genres. ZenithOptimedia expects that the net advertising market in Germany will expand by 1.7 % (in nominal terms) in 2014. Thus, the advertising market as a whole will lag behind the overall economy, for which a nominal growth rate of 3.1 % (real growth rate of 1.3 %) is expected. Such growth is supported by online (+ 10.0 %) and TV (+ 3.2 %), outdoor (+ 4.1 %) and radio (+ 1.5 %). ZenithOptimedia predicts a decline in net advertising revenues for newspapers (– 4.0 %) and magazines (– 2.2 %).

With regard to the online advertising market, ZenithOptimedia is more optimistic than the German marketers. Their representatives, the Circle of Online Marketers (OVK) at the German Federal Association of Digital Commerce (BVDW), in September predicted growth of 6.8 % for this year.

The forecast data reflects the structural shift of advertising expenditures in favor of digital media. These will continue to expand their share of the advertising expenditures.

Furthermore, the communications industry sees opportunities for new growth in new marketing offers, networked advertising concepts and the establishment of new business models and product innovations. In the online segment, moving-image advertising and the use of social media, in particular, are predicted to have major growth potential.

ZenithOptimedia's forecast (as of September 2014) paints a mixed picture of the **international markets** in which Axel Springer conducts business through its own subsidiaries.

With a growth of 2.3 %, the growth forecast for western Europe is 0.1 percentage points higher than in June. By contrast, the advertising climate in eastern Europe is deteriorating considerably in light of the crises in the Middle East and Ukraine. The growth forecast for the entire region has dropped from 4.2 % to 1.9 %.

According to the forecast by ZenithOptimedia in 2014, the net advertising volume on the online market in western Europe will increase by 11.5 % to US-$ 31.7 billion, based on the assumption of consistent exchange rates.

Anticipated Advertising Activity 2014 (Selection)

Change in net ad revenues compared to prior year (nominal)	Online	Print
Germany	10.0 %	-3.4 %
United Kingdom	18.3 %	-6.7 %
France[2]	3.4 %	-7.7 %
Poland[2]	12.2 %	-15.4 %
Switzerland[1]	8.5 %	-4.5 %
Hungary	7.0 %	-2.2 %
Belgium[1]	18.0 %	0.8 %
Slovakia[2]	3.4 %	-2.4 %
Netherlands	5.3 %	-5.5 %
Serbia[2]	20.0 %	-5.1 %
Austria[1]	10.6 %	-4.8 %
Ireland	16.6 %	-9.0 %
Italy[2]	5.7 %	-10.7 %
Spain[2]	5.0 %	-4.3 %
USA	18.4 %	-5.0 %
Russia	10.1 %	-8.4 %
Israel	5.7 %	-2.1 %
Brazil	17.0 %	-5.7 %

Source: ZenithOptimedia, Advertising Expenditure Forecast (September) 2014
[1] Gross advertising revenues (excluding classified ads). Gross advertising revenues do not adequately reflect the true development of advertising revenues.
[2] Excluding classified.

Axel Springer

The forecast for the Group published on March 6, 2014 in connection with the Annual Report 2013 is still valid.

Strategic orientation

The highest strategic priority for Axel Springer is to pursue the consistent digitization of our business. We aim to attain the goal of becoming the leading digital publisher by further developing our digital offerings in Germany and abroad, and by making targeted acquisitions.

Anticipated business developments and financial performance of the Group

On the Group level, we expect **total revenues** to rise by an amount in the mid single-digit percentage range in financial year 2014. We expect that the planned increase in advertising revenues and other revenues will more than offset the anticipated decline in circulation revenues. The Paid Models, Marketing Models, and Classified Ad Models segments are all expected to generate higher revenues.

Despite higher than expected restructuring expenses, which particularly affected the third quarter, we anticipate a low double-digit percentage increase for the **EBITDA**. In the Classified Ad Models segment we expect a significant increase in EBITDA, whereas the EBITDA in the Marketing Models segment is expected to remain on the level of the prior year, due to the planned expenditures for establishing new digital business models. For the Paid Models segment also, we anticipate a decline in EBITDA in the low to mid single-digit percentage range, due to the higher than expected restructuring expenses.

We anticipate that **adjusted earnings per share** will be higher than the prior-year figure by an amount in the low double-digit percentage range.

Anticipated business developments and financial performance of the segments

We expect the total revenues of the **Paid Models** segment to rise by an amount in the low single-digit percentage range in financial year 2014. Growth will be driven by a considerable increase in other revenues, due to consolidation effects related to the acquisition of the N24 Group and the associated TV production revenues. The circulation revenues are expected to decline further due to the structural changes in the national and international print business. We now expect the adverting revenues to remain at the prior-year level, whereas an increase was previously anticipated. Against this background, and due to the higher than expected restructuring expenses, we anticipate a decline in the low to mid single-digit percentage range for the EBITDA after an increase in the low to mid single-digit percentage range was expected previously.

We expect the total revenues of the **Marketing Models** segment to increase by an amount in the low double-digit percentage range, mainly based on the anticipated growth of advertising revenues. We expect that segment EBITDA will be on the level of the prior-year figure, by reason of the planned expenditures for establishing new digital business models.

In March, Axel Springer predicted that the revenues and EBITDA of the **Classified Ad Models** segment would increase at rates in the low double-digit percentage range in 2014, compared to the prior year. But in light of the segment's business performance to date, the growth expectations have been adjusted upward with the publication of the interim financial report at the start of August. Segment growth has been driven particularly by consolidation effects related to the acquisitions of Yad2, LaCentrale and Jobsite (see page 5), but also by somewhat stronger organic growth. Therefore, we now anticipate a significant increase in revenues and EBITDA for the full year.

For the **Services/Holding** segment, we anticipate a decrease in revenues in the mid single-digit percentage area and a significant improvement in segment EBITDA, due to the lower expenditures for structural adjustments and stock options.

Anticipated liquidity and financial position

The Group's liquidity situation and financial position will be influenced by the effects of the transactions agreed in 2013 (see page 6), which will considerably widen the financial maneuvering room for investments in the digitization of the Group's business. Furthermore, Axel Springer has access to extensive credit facilities, which can also be used for acquisitions. Based on the capital expenditure projects planned to date, investments in property, plant, and equipment, and intangible assets are likely to be lower than the corresponding prior-year figure. Financing will be provided by operating cash flow.

Dividend policy

Subject to the condition of sound financial performance in the future, Axel Springer will pursue a policy of slightly rising dividends, while also allowing for the financing of growth.

Anticipated development of the workforce

The average full-year number of employees in 2014 will be higher than in 2013, mainly due to organic growth and acquisitions in connection with the digital transformation of the Group's business.

Planning assumptions

We plan the future development of the financial performance, liquidity, and financial position on the basis of assumptions that are plausible and sufficiently probable from today's perspective. However, actual developments could possibly be much different from the assumptions applied and thus from the business plans and trend forecasts prepared on the basis of those assumptions.

The forecasts for EBITDA and the adjusted earnings per share do not reflect any possible effects resulting from possible future acquisitions and divestitures and unplanned restructuring expenses.

EBITDA does not reflect any non-recurring effects. The adjusted earnings per share do not contain any write-downs from purchase price allocations, nor any associated tax effects. Non-recurring effects are defined as effects resulting from the acquisition and sale of subsidiaries, divisions, and equity investments, as well as write-downs and write-ups of equity investments, effects resulting from the sale of real estate, impairments, and write-ups of real estate used for operational purposes. Purchase price allocation write-downs include the expenses of amortization, depreciation, and impairments of intangible assets, and property, plant, and equipment acquired in connection with the acquisition of companies and business divisions.

We consider EBITDA and adjusted earnings per share to be suitable indicators for measuring the operational profitability of Axel Springer, because these indicators ignore effects that do not reflect the fundamental business performance of Axel Springer.

EBITDA and adjusted earnings per share are not defined under International Financial Reporting Standards and should therefore be regarded as supplementary information.

Consolidated Statement of Financial Position

€ millions

ASSETS	09/30/2014	**12/31/2013**
Non-current assets	**4,356.0**	**3,680.2**
Intangible assets	2,913.6	2,411.5
Property, plant, and equipment	620.6	640.3
Investment property	69.1	55.0
Non-current financial assets	626.6	433.9
Investments accounted for using the equity method	10.5	8.7
Other non-current financial assets	616.1	425.2
Receivables due from related parties	27.5	25.5
Receivables from income taxes	15.4	19.8
Other assets	42.9	53.1
Deferred tax assets	40.4	41.2
Current assets	**1,117.7**	**1,093.6**
Inventories	20.4	23.5
Trade receivables	467.2	472.8
Receivables due from related parties	16.8	10.4
Receivables from income taxes	33.3	40.8
Other assets	173.7	81.6
Cash and cash equivalents	406.2	248.6
Assets held for sale	0.0	215.9
Total assets	**5,473.7**	**4,773.8**

€ millions

EQUITY AND LIABILITIES	09/30/2014	12/31/2013
Equity	**2,876.8**	**2,244.0**
Shareholders of Axel Springer SE	2,459.1	1,869.9
Non-controlling interests	417.7	374.1
Non-current provisions and liabilities	**1,422.4**	**1,601.7**
Provisions for pensions	325.3	267.0
Other provisions	62.8	56.0
Financial liabilities	390.6	718.7
Trade payables	0.4	0.7
Liabilities due to related parties	3.8	4.1
Other liabilities	340.5	241.7
Deferred tax liabilities	299.0	313.5
Current provisions and liabilities	**1,174.5**	**928.1**
Provisions for pensions	23.1	20.8
Other provisions	176.8	169.1
Financial liabilities	179.9	1.1
Trade payables	268.1	270.7
Liabilities due to related parties	8.9	11.0
Liabilities from income taxes	159.6	37.8
Other liabilities	358.0	326.7
Liabilities related to assets held for sale	0.0	90.8
Total equity and liabilities	**5,473.7**	**4,773.8**

Consolidated Statement of Comprehensive Income

€ millions

Consolidated Income Statement	Q3/2014	Q3/2013[1]	9M/2014	9M/2013[1]
Revenues	741.1	684.8	2,177.9	2,037.2
Other operating income	15.9	20.6	93.3	84.3
Change in inventories and internal costs capitalized	7.3	5.0	15.7	9.0
Purchased goods and services	–246.0	–220.7	–707.6	–659.0
Personnel expenses	–244.6	–243.8	–708.3	–672.8
Depreciation, amortization, and impairments	–45.7	–35.9	–129.3	–111.4
Other operating expenses	–177.8	–158.6	–515.7	–483.6
Income from investments	56.1	1.6	84.5	26.5
Result from investments accounted for using the equity method	–0.4	0.6	–0.8	2.3
Other investment income	56.5	0.9	85.3	24.2
Financial result	–5.2	–6.0	–15.5	–18.4
Income taxes	–13.8	–15.9	–66.1	–67.6
Income from continued operations	**87.4**	**31.0**	**228.9**	**144.3**
Income from discontinued operations	**–0.6**	**17.8**	**673.8**	**60.2**
Net income	**86.8**	**48.8**	**902.7**	**204.5**
Net income attributable to shareholders of Axel Springer SE	59.7	40.3	812.3	174.8
Net income attributable to non-controlling interests	27.0	8.5	90.4	29.7
Basic/diluted earnings per share (in €) from continued operations	**0.61**	**0.24**	**1.78**	**1.21**
Basic/diluted earnings per share (in €) from discontinued operations	**–0.01**	**0.17**	**6.43**	**0.56**

[1] Prior-year figures were adjusted due to the disclosure of discontinued operations.

€ millions

Consolidated Statement of Recognized Income and Expenses	Q3/2014	Q3/2013	9M/2014	9M/2013
Net income	**86.8**	**48.8**	**902.7**	**204.5**
Actuarial gains/losses from defined benefit pension obligations	–24.7	0.5	–35.7	–0.6
Items that may not be reclassified into the income statement in future periods	**–24.7**	**0.5**	**–35.7**	**–0.6**
Currency translation differences	15.2	1.3	27.9	–46.6
Changes in fair value and realisation of gains and losses in connection with available-for-sale financial assets	–44.7	8.3	–13.1	4.7
Changes in fair value of derivatives in cash flow hedges	3.6	–0.1	3.8	–0.5
Other income/loss from investments accounted for using the equity method	0.2	0.0	0.2	0.0
Items that may be reclassified into the income statement in future periods if certain criteria are met	**–25.7**	**9.6**	**18.9**	**–42.3**
Other income/loss	**–50.4**	**10.1**	**–16.9**	**–42.9**
Comprehensive income	**36.4**	**58.9**	**885.8**	**161.5**
Comprehensive income attributable to shareholders of Axel Springer SE	19.1	44.7	791.3	136.5
Comprehensive income attributable to non-controlling interests	17.3	14.2	94.6	25.0

Consolidated Statement of Cash Flows

€ millions	9M/2014	9M/2013
Net income	**902.7**	**204.5**
Reconciliation of net income to the cash flow from operating activities		
Depreciation, amortization, impairments, and write-ups	123.5	119.4
Result from investments accounted for using the equity method	0.7	–2.5
Dividends received from investments accounted for using the equity method	3.0	5.4
Result from disposal of consolidated subsidiaries and business units and intangible assets, property, plant, and equipment, and financial assets	–746.0	–10.7
Changes in non-current provisions	–4.6	5.5
Changes in deferred taxes	–28.5	–1.8
Other non-cash income and expenses	2.1	0.8
Changes in trade receivables	31.2	24.4
Changes in trade payables	–18.0	–20.3
Changes in other assets and liabilities	–28.5	–44.3
Cash flow from operating activities[1)]	**237.7**	**280.3**
Proceeds from disposals of intangible assets, property, plant, and equipment	0.1	1.6
Proceeds from disposals of consolidated subsidiaries and business units, less cash and cash equivalents given up	660.7	–1.0
Proceeds from disposals of non-current financial assets	156.7	74.3
Proceeds from investments in short-term financial funds	0.0	10.8
Purchases of intangible assets, property, plant, equipment, and investment property	–67.6	–65.9
Purchases of shares in consolidated subsidiaries and business units less cash and cash equivalents acquired	–377.6	–8.2
Purchases of investments in non-current financial assets	–39.9	–8.2
Cash flow from investing activities[1)]	**332.5**	**3.3**
Dividends paid to shareholders of Axel Springer SE	–178.1	–167.9
Dividends paid to other shareholders	–100.7	–8.6
Purchase of non-controlling interests	–8.0	0.0
Disposal of non-controlling interests	0.0	0.2
Issuance of treasury shares	0.0	4.9
Repayments of liabilities under finance leases	–0.5	–0.3
Proceeds from other financial liabilities	20.5	170.3
Repayments of other financial liabilities	–170.5	–276.0
Other financial transactions	–3.2	0.0
Cash flow from financing activities[1)]	**–440.6**	**–277.5**
Cash flow-related changes in cash and cash equivalents	**129.6**	**6.1**
Changes in cash and cash equivalents due to exchange rates	0.5	–6.0
Cash and cash equivalents at beginning of period	248.6	254.1
Changes to cash and cash equivalents in connection with assets held for sale	27.6	0.0
Cash and cash equivalents at end of period	**406.2**	**254.3**

[1)] For the portion attributable to discontinued operations see notes to the consolidated financial statements.

Consolidated Statement of Changes in Equity

					Accumulated other comprehensive income						
						Changes in fair value					
€ millions	**Sub-scribed capital**	**Ad-ditional paid-in capital**	**Accumu-lated retained earnings**	**Treasury shares**	**Currency translatio n**	**Available-for-sale financial assets**	**Deriva-tives in cash flow hedges**	**Other equity**	**Share-holders of Axel Springer SE**	**Non-con-trolling inter-ests**	**Equity**
Balance as of 01/01/2013	**98.9**	**44.0**	**1,755.9**	**–2.8**	**53.0**	**1.4**	**–0.2**	**–62.6**	**1,887.5**	**365.6**	**2,253.1**
Net income			174.8						174.8	29.7	204.5
Other income/loss					–40.8	3.3	–0.2	–0.6	–38.3	–4.7	–42.9
Comprehensive income			**174.8**	**0.0**	**–40.8**	**3.3**	**–0.2**	**–0.6**	**136.5**	**25.0**	**161.5**
Dividends paid			–167.9						–167.9	–8.6	–176.5
Issuance of treasury shares			2.1	2.8					4.9		4.9
Other changes		0.2	–0.8						–0.5	–15.2	–15.7
Balance as of 09/30/2013	**98.9**	**44.2**	**1,764.2**	**0.0**	**12.2**	**4.7**	**–0.4**	**–63.2**	**1,860.5**	**366.9**	**2,227.4**
Balance as of 01/01/2014	**98.9**	**44.2**	**1,781.6**	**0.0**	**–3.7**	**9.4**	**–0.3**	**–60.3**	**1,869.9**	**374.1**	**2,244.0**
Net income			812.3						812.3	90.4	902.7
Other income/loss					21.0	–9.2	2.7	–35.5	–21.0	4.2	–16.9
Comprehensive income			**812.3**		**21.0**	**–9.2**	**2.7**	**–35.5**	**791.3**	**94.6**	**885.8**
Dividends paid			–178.1						–178.1	–50.8	–228.9
Purchase and disposal of non-controlling interests			–24.5						–24.5	–1.4	–25.9
Other changes		0.7	0.1						0.7	1.1	1.8
Balance as of 09/30/2014	**98.9**	**44.9**	**2,391.3**	**0.0**	**17.3**	**0.2**	**2.4**	**–95.8**	**2,459.1**	**417.7**	**2,876.8**

Consolidated Segment Report

Operating segments [1]

	Paid Models		Marketing Models		Classified Ad Models		Services/Holding		Consolidated totals	
€ millions	Q3/2014	Q3/2013	Q3/2014	Q3/2013	Q3/2014	Q3/2013	Q3/2014	Q3/2013	Q3/2014	Q3/2013
External revenues	**369.2**	**379.9**	**194.1**	**166.8**	**130.5**	**99.3**	**47.4**	**38.8**	**741.1**	**684.8**
Internal revenues	1.6	1.5	1.2	1.5	0.1	0.7	48.3	50.9		
Segment revenues	370.8	381.4	195.3	168.3	130.5	100.0	95.7	89.7		
EBITDA [2]	**37.5**	**62.0**	**21.4**	**21.9**	**59.3**	**38.1**	**–20.4**	**–26.1**	**97.8**	**96.0**
EBITDA margin [2]	**10.2%**	**16.3%**	**11.0%**	**13.2%**	**45.4%**	**38.3%**			**13.2%**	**14.0%**
Thereof income from investments	0.6	1.0	–0.4	0.6	–0.1	0.0	1.3	1.2	1.4	2.8
Thereof accounted for using the equity method	0.5	0.6	–0.7	0.0	–0.2	0.0	0.0	0.0	–0.4	0.6
Depreciation, amortization, impairments and write-ups (except from purchase price allocations)	–7.7	–5.7	–2.7	–2.6	–4.8	–3.1	–10.7	–11.1	–25.9	–22.6
EBIT [2]	**29.8**	**56.4**	**18.7**	**19.3**	**54.5**	**34.9**	**–31.1**	**–37.2**	**71.9**	**73.4**
Amortization and impairments from purchase price allocations	–5.5	–3.9	–5.5	–2.4	–8.6	–7.1	0.0	0.0	–19.7	–13.4
Non-recurring effects	–0.8	–3.8	2.5	–3.1	52.8	–0.3	–0.2	0.0	54.2	–7.2
Segment earnings before interest and taxes	23.4	48.7	15.6	13.9	98.6	27.5	–31.3	–37.2	106.3	52.9
Financial result									–5.2	–6.0
Income taxes									–13.8	–15.9
Income from continued operations									87.4	31.0
Income from discontinued operations									–0.6	17.8
Net income									**86.8**	**48.8**

[1] Prior-year figures were adjusted due to a change in segment reporting and the disclosure of discontinued operations.

[2] Adjusted for non-recurring effects.

Geographical information [1]

	Germany		Other countries		Consolidated totals	
€ millions	Q3/2014	Q3/2013	Q3/2014	Q3/2013	Q3/2014	Q3/2013
External revenues	424.2	408.7	316.9	276.1	741.1	684.8

[1] Prior-year figures were adjusted due to a change in segment reporting and the disclosure of discontinued operations.

Operating segments [1]

	Paid Models		Marketing Models		Classified Ad Models		Services/Holding		Consolidated totals	
€ millions	9M/2014	9M/2013	9M/2014	9M/2013	9M/2014	9M/2013	9M/2014	9M/2013	9M/2014	9M/2013
External revenues	**1,129.4**	**1,119.6**	**564.9**	**505.4**	**357.1**	**296.4**	**126.5**	**115.8**	**2,177.9**	**2,037.2**
Internal revenues	6.2	3.4	4.0	5.1	0.2	0.7	143.9	156.1		
Segment revenues	1,135.6	1,123.0	568.9	510.5	357.3	297.1	270.3	271.9		
EBITDA [2]	**170.2**	**187.1**	**76.8**	**75.3**	**160.2**	**119.1**	**–43.3**	**–44.7**	**363.9**	**336.7**
EBITDA margin [2]	**15.1%**	**16.7%**	**13.6%**	**14.9%**	**44.9%**	**40.2%**			**16.7%**	**16.5%**
Thereof income from investments	2.5	3.3	3.7	5.8	–0.8	0.0	3.5	3.5	9.0	12.6
Thereof accounted for using the equity method	2.3	2.4	–2.2	–0.1	–0.8	0.0	0.0	0.0	–0.8	2.3
Depreciation, amortization, impairments and write-ups (except from purchase price allocations)	–23.2	–16.9	–8.1	–7.1	–12.9	–9.5	–26.7	–35.0	–70.9	–68.5
EBIT [2]	**147.0**	**170.2**	**68.7**	**68.2**	**147.4**	**109.6**	**–70.0**	**–79.7**	**293.1**	**268.2**
Amortization and impairments from purchase price allocations	–15.6	–11.8	–11.5	–9.7	–25.0	–21.4	–0.1	–0.1	–52.1	–42.9
Non-recurring effects	–9.4	–4.4	32.4	10.9	46.7	–1.6	–0.2	0.0	69.5	4.9
Segment earnings before interest and taxes	122.1	154.0	89.6	69.5	169.1	86.6	–70.3	–79.8	310.5	230.3
Financial result									–15.5	–18.4
Income taxes									–66.1	–67.6
Income from continued operations									228.9	144.3
Income from discontinued operations									673.8	60.2
Net income									**902.7**	**204.5**

[1] Prior-year figures were adjusted due to a change in segment reporting and the disclosure of discontinued operations.

[2] Adjusted for non-recurring effects.

Geographical information [1]

	Germany		Other countries		Consolidated totals	
€ millions	9M/2014	9M/2013	9M/2014	9M/2013	9M/2014	9M/2013
External revenues	1,251.3	1,196.6	926.6	840.6	2,177.9	2,037.2

[1] Prior-year figures were adjusted due to a change in segment reporting and the disclosure of discontinued operations.

Notes to the Consolidated Financial Statements

General information

Axel Springer SE is an exchange-listed stock corporation with its registered head office in Berlin, Germany.

The quarterly financial report of Axel Springer SE as of September 30, 2014, fulfils the requirements of the German Securities Trading Act (WpHG). The consolidated interim financial statements were prepared in condensed form in conformity with the regulations of IAS 34, and by application of Section 315a HGB in accordance with the International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB) and the interpretations of the IFRS Interpretations Committee (IFRS IC) approved by the IASB, in effect and recognized by the European Union (EU) as of the reporting date and applicable to interim financial reporting. The reporting currency is the Euro (€); unless otherwise indicated, all figures are stated in million Euros (€ millions). Totals and percentages have been calculated based on the Euro amounts before rounding and may differ from a calculation based on the reported million Euro amounts.

The accounting and valuation methods and the estimation methods applied in the interim financial statements as of September 30, 2014, are basically the same as those applied in the consolidated financial statements as of December 31, 2013. A detailed description of these methods has been published in the notes to the consolidated financial statements for 2013.

Companies included in the consolidated financial statements

The following changes in the composition of the companies included in the consolidated financial statements occurred:

	09/30/2014	12/31/2013
Fully consolidated companies		
Germany	68	64
Other countries	89	82
Investments accounted for using the equity method		
Germany	4	4
Other countries	3	3

The changes arose mainly from the ensuing circumstances:

At the beginning of January, we acquired 60 % of the shares in My Little Paris S.A.S., Paris, France, and 100 % of the shares in Merci Alfred S.A.S., Paris, France. As a consequence, both entities and two further foreign subsidiaries have been fully consolidated since January 1, 2014.

At the beginning of January, we fully consolidated Room 49 GmbH, Berlin, and Shopnow GmbH, Berlin, for the first time. Also in January, two further foreign entities of Saongroup, Dublin, Ireland, were included in our consolidated financial statements as fully consolidated subsidiaries for the first time.

Since the beginning of January, MDB S.A.S., Evry, France, has been included in our consolidated financial statements for the first time as an associate company using the equity method.

The acquisition of all shares in the N24 Group, Berlin, was completed at the end of February. As a consequence of this acquisition, N24 Media GmbH and four further domestic subsidiaries were fully consolidated as from February 28, 2014.

In February 2014, we fully consolidated Bilanz Deutschland Wirtschaftsmagazin (previously Zweiundsiebzigste

"Media" Vermögensverwaltungsgesellschaft mbH, Berlin), Berlin, for the first time.

At the end of May 2014, we acquired 100 % of the shares in Coral-Tell Ltd., Tel Aviv, Israel, and have fully consolidated the company since then.

At the end of May 2014, we purchased 80 % of the shares in Skapiec Sp. z.o.o., Wroclaw, Poland, and 80 % of the shares in Opineo Sp. z.o.o., Wroclaw, Poland. The two companies have been consolidated since then.

In June 2014, we acquired 88 % of the shares in Vertical Media GmbH, Berlin, and 51 % of the shares in Immosolve GmbH, Bad Bramstedt. The companies have been included in our consolidated financial statements since the acquisition date.

At the end of July 2014, we purchased 51 % of the shares in Car&Boat Media S.A.S., Paris, France, and 100 % of the shares in Garantie System S.A.S., Paris, France. The two companies have been consolidated since then.

At the beginning of August 2014, we acquired all of the shares in MeinProspekt GmbH, Munich, and have fully consolidated the company since then.

At the beginning of March 2014, we sold our shares in StepStone A/S, Copenhagen, Denmark, and IT-Jobbank A/S, Copenhagen, Denmark. As a consequence, the two previously fully consolidated companies were deconsolidated.

The sale of the Group's German regional newspapers, TV program guides, and women's magazines to FUNKE Mediengruppe was finalized on April 30, 2014. As a consequence, seven domestic companies were deconsolidated. Furthermore, the sale of the business activities and investments in the Czech Republic became effective on April 30, 2014. As a result, two companies that were previously fully consolidated and one company that was formerly accounted for using the equity method were deconsolidated.

It is planned to merge the Hungarian business activities of Axel Springer and Ringier AG in the jointly-managed Ringier Axel Springer Media AG in November 2014. In preparation for this merging, we sold our shares in five Hungarian subsidiaries at the end of July 2014. Consequently, these five companies were deconsolidated.

Acquisitions and divestitures

At the end of February, we acquired 100 % of the shares in N24 Media GmbH, Berlin, and thus obtained control over the N24 Group. The acquisition represents an additional strategic investment towards digitalization of journalism. The news station N24 will become a centralized supplier of video for all Axel Springer brands. At the same time, an integration of N24 and the WELT Group is planned.

The preliminary acquisition costs consisting of the paid purchase price amounted to € 116.7 million. The acquisition-related expenses recorded in other operating expenses of the fiscal year amounted to € 0.4 million.

Based on the preliminary purchase price allocation, the preliminary acquisition costs were allocated to the purchased assets and liabilities at the acquisition date as follows:

€ millions	Carrying amount before acquisition	Adjust-ment amount	Carrying amount after acquisition
Intangible assets	4.2	37.9	42.1
Property, plant, and equipment	3.9		3.9
Non-current financial assets	4.8		4.8
Trade receivables	7.5		7.5
Other assets	5.3		5.3
Deferred tax assets	1.8		1.8
Cash and cash equivalents	31.8		31.8
Trade payables	–8.5		–8.5
Provisions and other liabilities	–25.1		–25.1
Deferred tax liabilities	–0.9	–11.5	–12.4
Net assets	**24.9**	**26.5**	**51.4**
Acquisition cost (preliminary)			116.7
Goodwill (preliminary)			**65.3**

The purchase price allocation considers all knowledge and adjusting events about conditions that already existed at the acquisition date, and has not yet been completed, particularly due to the closeness in time to the reporting date.

Of the intangible assets acquired, intangible assets with carrying amounts of € 18.0 million have indefinite useful lives. The non-tax-deductible goodwill is above all attributable to inseparable values such as employee expertise and expected synergy effects from the integration, and was allocated to the Paid Models segment.

The gross amount of the acquired trade account receivables was € 8.1 million. Corresponding valuation allowances in the amount of € 0.6 million were recorded.

Since first inclusion as of February 28, 2014, N24 contributed to consolidated revenues in the amount of € 46.2 million and to consolidated net income in the amount of € –1.1 million. If N24 had already been fully consolidated at January 1, 2014, N24 would have contributed to consolidated revenues in the amount of € 59.1 million and to consolidated net income in the amount of € –1.5 million.

To broaden our activities in the women's portals sector, we have acquired 60 % of the shares in My Little Paris S.A.S., Paris, France, and 100 % of the shares in Merci Alfred S.A.S., Paris, France, via the aufeminin Group in January 2014. Reciprocal call and put options were agreed upon for the remaining 40 % of the shares in My Little Paris, in which the purchase price to be paid will be measured by the future corporate earnings of My Little Paris.

The preliminary acquisition costs amounted to € 59.6 million and consisted of the purchase price paid in the reporting period in the amount of € 20.4 million, a purchase price adjustment totaling € 0.7 million, the payment of a liability assumed in the amount of € 0.6 million, and a contingent purchase price liability in the value of € 37.9 million for the agreed option rights, which was recorded at the acquisition date.

Based on the preliminary purchase price allocation, the preliminary acquisition costs were allocated to the purchased assets and liabilities at the acquisition date as follows:

€ millions	Carrying amount before acquisition	Adjust-ment amount	Carrying amount after acquisition
Intangible assets	0.0	16.8	16.8
Property, plant, and equipment	0.1		0.1
Non-current financial assets	0.1		0.1
Inventories	0.4		0.4
Trade receivables	4.2		4.2
Other assets	0.9		0.9
Cash and cash equivalents	3.4		3.4
Trade payables	–1.6		–1.6
Provisions and other liabilities	–3.9		–3.9
Deferred tax liabilities	0.0	–5.8	–5.8
Net assets	**3.6**	**11.0**	**14.7**
Acquisition cost (preliminary)			59.6
Goodwill (preliminary)			**44.9**

The purchase price allocation considers all knowledge and adjusting events about conditions that already existed at the acquisition date, and has not yet been completed, particularly due to the closeness in time to the reporting date.

Of the intangible assets acquired, intangible assets with carrying amounts of € 10.1 million have indefinite useful lives. The non-tax-deductible goodwill is above all attributable to inseparable values such as employee expertise and expected synergy effects from the integration, and was allocated to the Marketing Models segment.

The gross amount of the acquired trade account receivables was € 4.4 million. Corresponding valuation allowances in the amount of € 0.2 million were recorded.

Since first inclusion as of January 1, 2014, My Little Paris and Merci Alfred contributed to consolidated revenues in the amount of € 15.4 million and to consolidated net income in the amount of € 1.9 million.

To broaden our activities in the online classifieds sector, we have acquired 100 % of the shares in Coral-Tell Ltd., Tel Aviv, Israel, at the end of May 2014. We thus gained control over the leading classified ad portal Yad2 (yad2.co.il) in Israel. The acquisition was carried out by Axel Springer Digital Classifieds, the joint venture of Axel Springer and General Atlantic in the online classifieds business.

The preliminary acquisition costs amounted to € 170.1 million and consisted of the purchase price paid in the reporting period in the amount of € 169.8 million and a purchase price adjustment totaling € 0.3 million. The acquisition-related expenses recorded in other operating expenses of the fiscal year amounted to € 0.3 million.

Based on the preliminary purchase price allocation, the preliminary acquisition costs were allocated to the purchased assets and liabilities at the acquisition date as follows:

€ millions	Carrying amount before acquisition	Adjustment amount	Carrying amount after acquisition
Intangible assets	0.0	81.3	81.3
Property, plant, and equipment	0.2		0.2
Non-current financial assets	1.6		1.6
Trade receivables	5.2		5.2
Other assets	0.3		0.3
Deferred tax assets	0.2		0.2
Cash and cash equivalents	6.0		6.0
Trade payables	–0.5		–0.5
Financial liabilities	–2.4		–2.4
Provisions and other liabilities	–7.2	1.2	–6.0
Deferred tax liabilities	0.0	–21.9	–21.9
Net assets	**3.5**	**60.6**	**64.1**
Acquisition cost (preliminary)			170.1
Goodwill (preliminary)			**106.0**

The purchase price allocation considers all knowledge and adjusting events about conditions that already existed at the acquisition date, and has not yet been completed, particularly due to the closeness in time to the reporting date.

Of the intangible assets acquired, intangible assets with carrying amounts of € 49.6 million have indefinite useful lives. The non-tax-deductible goodwill is above all attributable to inseparable values such as employee expertise, expected synergy effects from the integration and the strategic advantages resulting from the leading market position of the acquired company, and was allocated to the Classified Ad Models segment.

The gross amount of the acquired trade account receivables was € 5.5 million. Corresponding valuation allowances in the amount of € 0.4 million were recorded.

Since first inclusion as of May 20, 2014, Coral-Tell contributed to consolidated revenues in the amount of € 6.0 million and to consolidated net income in the amount of € 1.6 million. If Coral-Tell had already been

fully consolidated at January 1, 2014, Coral-Tell would have contributed to consolidated revenues in the amount of € 12.3 million and to consolidated net income in the amount of € 2.4 million.

To broaden our activities in the online classifieds sector, we have acquired 51 % of the shares in Car & Boat Media, Paris, France, at the end of July 2014. With LaCentrale.fr the company particularly operates the leading specialized classifieds ad portal for used cars in France as well as other portals in the car and boat sector. Reciprocal call and put options were agreed upon for the remaining 49 % of the shares, in which the purchase price to be paid will be measured by the future corporate earnings of Car & Boat Media. The acquisition was carried out by Axel Springer Digital Classifieds, the joint venture of Axel Springer and General Atlantic in the online classifieds business.

The preliminary acquisition costs amounted to € 153.0 million and consisted of the purchase price paid in the reporting period in the amount of € 65.5 million, a liability of € 7.3 million for a purchase price retention, and a contingent purchase price liability in the value of € 80.3 million for the agreed option rights, which was recorded at the acquisition date. The acquisition-related expenses recorded in other operating expenses of the fiscal year amounted to € 0.4 million.

Because the acquisition occurred shortly before the publication of this quarterly financial report, it has not been possible to finalize the valuation of the purchased assets and liabilities in the course of a purchase price allocation. Any resulting goodwill will be allocated to the Classified Ad Models segment.

Since first inclusion, Car & Boat Media contributed to consolidated revenues in the amount of € 8.2 million and to consolidated net income in the amount of € 2.0 million. If Car & Boat Media had already been fully consolidated at January 1, 2014, Car & Boat Media would have contributed to consolidated revenues in the amount of € 37.4 million and to consolidated net income in the amount of € 8.8 million. These disclosures do not include the effects from the purchase price allocation that still needs to be finalized.

Additional transactions carried out in the reporting period had no material effects individually and collectively on the financial position, liquidity, and financial performance of the Axel Springer Group.

Furthermore, in May 2014, StepStone signed a purchase agreement to acquire 100 % of the shares in Evenbase Recruitment Ltd., Havant, United Kingdom (Jobsite). Evenbase Recruitment Ltd. operates the job portal Jobsite as well as brands such as CityJobs.com and eMedcareers.com. The preliminary acquisition costs amounted to € 115.0 million and consisted of the purchase price paid in the amount of € 111.7 million and a purchase price adjustment totaling € 3.3 million. Upon approval of the federal market control authority in the United Kingdom (UK Competition and Markets Authority), the transaction was closed in October 2014.

Discontinued Operations

In the current reporting period, we still consistently pursued our digitization strategy in order to become the leading digital publisher. We are focusing even stronger on multimedia journalistic core brands with a high level of digitization potential. In this context, during the previous year, we agreed on the sale of domestic regional newspapers, TV program guides, and women's magazines, as well as our lines of business and investments in the Czech Republic.

Since a significant portion of the consolidated revenues and of the consolidated EBITDA of the Paid Models segment is allocated to these activities, and they are independent portions of this segment, these activities were classified as discontinued operations.

The sale of the Group's German regional newspapers, TV program guides, and women's magazines to FUNKE Mediengruppe was finalized on April 30, 2014, with economic effect as of January 1, 2014. The purchase price agreed before the contractually stipulated purchase price adjustment was € 920 million. Based on a preliminary purchase price adjustment, a provisional purchase price of € 874.8 million was established upon finalizing the purchase agreement. The purchase price adjustment reflected the circumstance, among others, that the buyer

assumed net liabilities as part of the transaction. Of the provisional purchase price, an amount of € 634.1 million was paid in cash; for the balance, FUNKE Mediengruppe assumed a multi-year, subordinated loan obligation vis-à-vis Axel Springer SE in the amount of € 240.7 million. In connection with the disposal, a tax burden of € 251.6 million is anticipated.

In order to fulfil a proviso imposed in connection with merger control law, FUNKE Mediengruppe sold some of the TV program guides acquired under the transaction, as well as some of its own TV program guides, to a company of Klambt Mediengruppe. To assist in the financing of this acquisition, Axel Springer SE guaranteed a bank loan taken out by this company of Klambt Mediengruppe, up to an amount of € 51.0 million.

In connection with the conclusion of the purchase agreement, the parties also agreed to form two joint ventures, one for the marketing of print and digital offerings, and the other for retail distribution, so as to bundle the partners' activities, resources, and knowledge in these areas. Axel Springer will exercise managerial control over and hold the majority of shares in both these companies. The formation of the joint ventures requires the approval of the merger control and cartel authorities. Axel Springer and FUNKE Mediengruppe have already been cooperating in these areas since the finalization of the purchase agreement.

In addition, Ringier Axel Springer Media AG, a joint venture of Axel Springer and Ringier, signed a contract in December 2013 to sell their business activities and investments in the Czech Republic to two Czech entrepreneurs. These activities include the leading mass-circulation daily BLESK and the leading news magazine REFLEX, as well as the automotive magazines and women's magazines. After being approved by the Czech cartel authority in the first quarter 2014, the transaction was finalized on April 30, 2014. The purchase price that was based on a company value of € 170 million amounted to € 196.5 million and reflected particularly the net assets transferred to the buyer.

The assets and liabilities of the sold operations are shown in the following table:

€ millions	04/30/2014
Goodwill	41.1
Other intangible assets	86.2
Property, plant, and equipment	21.5
Non-current financial assets	5.9
Deferred tax assets	3.2
Inventories	1.7
Trade receivables	13.2
Other assets	15.1
Cash and cash equivalents	38.1
Provisions for pensions	–17.2
Other provisions	–6.4
Trade payables	–8.5
Other liabilities	–40.5
Deferred tax liabilities	–18.0
Disposal net assets	**135.3**
Cumulative translation differences	6.6
Net realizable value	1,046.4
Gain on disposal before taxes	**904.5**
Income taxes	–251.6
Gain on disposal after taxes	**652.9**

The results of the discontinued operations are as follows:

€ millions	9M/2014[1]	9M/2013
Revenues	181.3	427.8
Other operating income	2.8	12.6
Expenses	–155.7	–358.7
Operating result from discontinued operations (before taxes)	**28.4**	**81.7**
Income taxes	–7.5	–21.6
Operating result from discontinued operations (after taxes)	**20.9**	**60.2**
Gain on disposal of discontinued operations before taxes	904.5	
Taxes on the gain on disposal	–251.6	
Gain on disposal of discontinued operations after taxes	**652.9**	
Income from discontinued operations	**673.8**	**60.2**
Thereof attributable to shareholders of Axel Springer SE	636.1	55.1
Thereof attributable to non-controlling interests	37.7	5.0

[1] In 2014, discontinued operations were included only until the closing date as of April 30, 2014.

The following table shows the cash inflows and cash outflows attributed to the discontinued operations:

€ millions	9M/2014[1]	9M/2013
Cash flow from operating activities	21.5	66.8
Cash flow from investing activities	662.9	–2.0
Cash flow from financing activities	0.0	0.0

[1] In 2014, discontinued operations were included only until the closing date as of April 30, 2014.

The cash flow from investing activities for the discontinued operations includes especially the payments for the sold operations less the cash and cash equivalents disposed of in the amount of € 792.4 million and an advance tax payment with regard to the profit of the disposal totaling € 127.5 million. Of the cash and cash equivalents given up, an amount of € 27.6 million was already disclosed within the assets held for sale as of December 31, 2013.

Relationships with related parties

From January to September 2014, goods and services with a total value of € 15.1 million (PY: € 13.7 million) were supplied to related companies. The goods and services received from related companies during the reporting period amounted to € 21.0 million (PY: € 23.9 million).

With regard to discontinued operations, services were rendered amounting to € 28.3 million (PY: € 66.9 million), and services were received amounting to € 1.8 million (PY: € 4.5 million).

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 as of December 31, 2013.

Other disclosures

In January 2014, we sold approximately 2.6 % of the shares in Doğan TV Holding A.S., Istanbul, Turkey. The proceeds from this transaction totaled € 62.5 million. The resulting profit of € 16.0 million recorded in income from investments was eliminated as a non-recurring effect in the Marketing Models segment.

At the end of July 2014, we sold our minority share (17.2 %) held by SeLoger in iProperty Group Ltd., Sydney, Australia, a provider of real estate portals in Southeast Asia, for € 74.3 million. The result from disposal shown within the income from investments amounted to € 55.1 million (before a tax effect of € 2.2 million). This amount was taken into account as a non-recurring effect in the Classified Ad Models segment, with 30 % of it being attributed to other shareholders. An amount of € 44.8 million after taxes resulting from the market price revaluation was included in other comprehensive income prior to the disposal; this amount was reclassified into the income statement in the context of income recognition.

In the reporting period, a disbursement occurred in the amount of € 90.7 million for an extraordinary dividend with regard to the executed sale of the Czech print activities. The disbursement with a partial amount of € 53.1 million was not legally executed as of September 30, 2014; its legal execution is expected in the first quarter of 2015. The disbursement is already included in the cash flow from financing activities within dividends paid to other shareholders. The paid-out amount is disclosed as a current loan within other assets until the dividend distribution is legally executed.

In May 2014, in the context of a stock participation program, 116 thousand treasury shares were issued by conversion of variable compensation tied to performance of the employees of the Group at its fair value at the time of issue in the amount of € 43.88. Personnel expenses of € 2.1 million were incurred by granting increases in the conversion amounts. This amount had already been placed in a provision at December 31, 2013.

Apart from the ensuing exceptions, financial assets and liabilities were valued at amortized costs. In this regard, except for the financial liabilities towards banks, the carrying amounts were equal to the fair values. The carrying amount of these financial liabilities amounted to € 505.3 million, whereas their fair value was € 517.2 million (values as of December 31, 2013: carrying amount: € 655.3 million, fair value: € 663.5 million).

As of the balance sheet date, the positive and the negative fair values of the financial derivatives amounted to € 5.5 million and € –21.7 million (values as of December 31, 2013: € 0.5 million and € –28.9 million). These financial derivatives were mainly used to hedge loans nominated in Euro of foreign subsidiaries in Norway and in Great Britain (nominal values: € 300.0 million and € 65.0 million). The valuation of these financial derivatives is based on observable parameters using generally accepted valuation models and is mainly influenced by the development of forward rates and interest yield curves. Like the effects from currency translation of the underlying transactions, the changes in fair values of these financial derivatives were recorded in the income statement.

The fair value of obligations from contingent consideration – which is premised on non-observable parameters – amounted € 279.1 million (value as of December 31, 2013: € 178.7 million). The fair valuation of obligations from contingent consideration predominantly depends on the estimated results of the acquired companies in the years prior to possible exercise dates of the options.

Events after the reporting date

No developments or events of particular importance for the company's financial performance, liquidity, and financial position have occurred since the reporting date of September 30, 2014.

Review Report

We have reviewed the condensed consolidated interim financial statements – comprising the statement of financial position, income statement, statement of recognized income and expenses, statement of changes in cash flows, statement of changes in equity, and selected explanatory notes – together with the interim group management report of Axel Springer SE for the period from January 1 to September 30, 2014, which are components of the interim financial report pursuant to Section 37x (3) 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 legal representatives of the company. 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 statements 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, November 4, 2014

Ernst & Young GmbH
Wirtschaftsprüfungsgesellschaft

Gunnar Glöckner
Wirtschaftsprüfer
[German Public Auditor]

Nathalie Mielke
Wirtschaftsprüferin
[German Public Auditor]

Report of the Audit Committee of the Supervisory Board

The quarterly financial report as of September 30, 2014 and the independent auditor's review report of the interim consolidated financial statements, which served as the basis for the auditor's certification, were presented to the Audit Committee of the Supervisory Board and were explained by the Management Board. These documents were discussed by the Audit Committee of the Supervisory Board with the Management Board and 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 quarterly financial report.

Berlin, in November 2014

Lothar Lanz
Chairman of the Audit Committee

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

Additional Information

Financial calendar 2015

Annual Financial Statements Press Conference	March 4, 2015
Annual Shareholders' Meeting	April 14, 2015
Quarterly Financial Report as of March 31, 2015	May 7, 2015
Interim Financial Report as of June 30, 2015	August 4, 2015
Quarterly Financial Report as of September 30, 2015	November 4, 2015

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Additional information about Axel Springer SE is available on the Internet at www.axelspringer.de. The quarterly financial report is also available in the original German.