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Quarterly Financial Report

as of September 30, 2015

axel springer

Group Key Figures

Continuing operations in € millions	3rd Quarter Q3/2015	Q3/2014	Change	9 Months 9M/2015	9M/2014	Change
Group						
Total revenues	**795.4**	**741.1**	**7.3 %**	**2,372.7**	**2,177.9**	**8.9 %**
Digital media revenues share[1]	*62.2 %*	*57.5 %*		*62.4 %*	*55.4 %*	
EBITDA[2]	**129.3**	**97.8**	**32.2 %**	**396.0**	**363.9**	**8.8 %**
EBITDA margin[2]	*16.3 %*	*13.2 %*		*16.7 %*	*16.7 %*	
Digital media EBITDA share[1]	*69.7 %*	*68.2 %*		*73.2 %*	*62.4 %*	
EBIT[3]	100.7	71.9	40.1 %	315.5	293.1	7.6 %
Consolidated net income	146.9	87.4	68.2 %	257.9	228.9	12.7 %
Consolidated net income, adjusted[3]	62.4	47.9	30.3 %	198.8	186.0	6.9 %
Segments						
Revenues						
Classified Ad Models	192.2	130.5	47.3 %	547.5	357.1	53.3 %
Paid Models	366.5	369.2	–0.7 %	1,095.4	1,129.4	–3.0 %
Marketing Models	204.5	194.1	5.4 %	632.7	564.9	12.0 %
Services/Holding	32.2	47.4	–32.0 %	97.1	126.5	–23.2 %
EBITDA[2]						
Classified Ad Models	78.4	59.3	32.2 %	225.7	160.2	40.8 %
Paid Models	46.9	37.5	25.2 %	137.8	170.2	–19.1 %
Marketing Models	17.3	21.4	–19.2 %	66.1	76.8	–13.9 %
Services/Holding	–13.3	–20.4	–	–33.5	–43.3	–
Liquidity and financial position						
Free cash flow[4]	97.3	66.6	46.0 %	184.2	149.0	23.6 %
Capex[5]	–28.9	–24.2	–	–84.9	–67.2	–
Total assets[6]	5,778.4	5,557.7	4.0 %	5,778.4	5,557.7	4.0 %
Equity ratio[6]	*40.8 %*	*42.4 %*		*40.8 %*	*42.4 %*	
Net liquidity/debt[6]	–803.5	–667.8	–	–803.5	–667.8	–
Share-related key figures[7]						
Earnings per share, adjusted (in €)[3] [8]	0.51	0.35	46.6 %	1.60	1.47	9.0 %
Earnings per share (in €)	1.39	0.61	>100 %	2.20	1.78	23.4 %
Closing price (in €)	49.92	43.59	14.5 %	49.92	43.59	14.5 %
Market capitalization[9]	4,939.1	4,312.8	14.5 %	4,939.1	4,312.8	14.5 %
Average number of employees	**15,107**	**13,694**	**10.3 %**	**14,908**	**13,428**	**11.0 %**

[1] Based on the operating business (without the segment Services/Holding).
[2] Adjusted for non-recurring effects.
[3] Adjusted for non-recurring effects and amortization and impairments from purchase price allocations.
[4] Cash flow from operating activities minus capital expenditures, plus cash inflows from disposals of intangible assets and property, plant and equipment.
[5] Capital expenditures on intangible assets, property, plant and equipment, and investment property.
[6] As of September 30, 2015 and December 31, 2014, respectively.
[7] Quotations based on XETRA closing prices.
[8] 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).
[9] Based on outstanding shares at the closing price, excluding treasury sales.

Quarterly Financial Report as of September 30, 2015 of the Axel Springer Group

Summary of business performance and operating results

Development of revenues and earnings

Development in the first nine months of the current fiscal year continued to be influenced by the digital transformation of the company. During the reporting period, total revenues of € 2,372.7 million were 8.9 % higher than the figure for the previous year. As expected, the declines registered in the print business could be sufficiently compensated by growth in the Group's digital media activities. Adjusted for consolidation and currency effects, total revenues were slightly higher (1.0 %) than the corresponding prior-year figure.

During the first nine months EBITDA was € 396.0 million, and therefore 8.8 % above the prior-year figure (€ 363.9 million). A considerable increase within Classified Ad Models compensated for declines in results for Marketing Models and Paid Models.

Comparison of business performance with our expectations

Developments during the first nine months largely confirmed our forecasts for the whole of 2015.

Given the development of revenues in the first nine months, we anticipate that total revenues will be higher for the whole of the year as compared with the prior-year figure by an amount in the mid single-digit percentage range, after a prior increase in the low to mid single-digit percentage range had been expected. As expected, advertising revenues in the reporting period were above the prior-year value driven by developments in digital media, whilst circulation revenues declined. Other revenues, which developed better than expected in the first half of the year, were below the prior year's value in the third quarter and are also expected to be below the prior year's value for the whole of the year. The development of the EBITDA and EBIT in the first nine months corresponds with the forecast for the whole of the year of achieving an increase in the high single-digit percentage range. For the adjusted earnings per share we expect an increase in the low double-digit percentage range compared to the prior-year figure.

Outlook for 2015

We anticipate in the Group that **total revenues** will be higher for the 2015 financial year by an amount in the mid single-digit percentage range. We assume that the planned increase in advertising revenues will more than compensate for the decline in circulation revenues and other revenues.

We expect a rise in **EBITDA** in the high single-digit percentage range. In this case, a rise in EBITDA in the Classified Ad Models and Services/Holding segments is expected, whilst the EBITDA of Paid Models should finish below the level of the prior year due to further investments in product quality and also in digitization. For the Marketing Models segment we also expect EBITDA to be below the level of the prior year due to portfolio changes as well as planned expenditure for increasing competitiveness, and internationalization of digital business models within the field of Reach Based Marketing.

For **EBIT**, we expect developments to be similar to those for EBITDA.

For the **adjusted earnings per share** we expect, due to a lower proportion of adjusted consolidated net income that is due for minorities, an increase in the low double-digit percentage range compared to the prior-year figure.

Fundamentals of the Axel Springer Group

The fundamentals of the Axel Springer Group described in the Annual Report published on March 4, 2015 are still applicable.

In particular, we continue to systematically pursue a strategy of profitable growth, with the goal of becoming the leading digital publisher.

Economic Report

General economic conditions and business developments

General economic conditions

General economic environment

The International Monetary Fund (IMF) sees the **world economy as** currently experiencing a moderate upward trend. In its current autumn outlook, the IMF has come to the conclusion that in addition to short-term country-specific forces, long-acting developments in particular will also come into effect. Thus, according to IMF the industrialized countries suffer from high private and public debt as well investments that are too low overall, despite a further slight upturn in growth. The emerging countries are generally feeling the impact of a weakening credit and investment boom. China is currently in a phase of weaker growth, while commodity-exporting countries are faced with declining prices.

The leading economic research institutes see the **German economy** in the third quarter in a sluggish recovery. Growth is being driven by private consumption, which benefits from rising employment and an increase in real wages. Overall, the economic researchers expect the dynamic growth in the first half of the year to have continued at the same rate in the third quarter.

The business climate determined by the ifo Institute has risen in the third quarter of 2015. However, consumer optimism has decreased somewhat in the same period according to surveys by GfK. The income expectations and the propensity to buy of consumers also fell slightly.

Consumer prices increased at a rate of 0.2 % in the third quarter of 2015 at a significantly slower pace than in the same period of the prior year, according to calculations by the Federal Statistical Office. The slowdown is mainly due to declining prices for mineral oil products. In September 2015, the German Federal Employment Agency counted 2.7 million unemployed. This was 3.6 % less than the corresponding prior-year figure. The unemployment rate was 6.2 %.

Distribution market

The domestic **press distribution market** regressed slightly yet again. The total paid circulation of newspapers and magazines was 6.0 % below the corresponding prior-year figure. Thanks to the price increases implemented in the past four quarters, however, circulation revenues declined by only 3.6 %.

The 352 IVW registered **daily and Sunday newspapers** achieved total sales of 18.8 million copies per publication date. Compared to the prior-year figure, this corresponds to a decline of 4.7 %. As in the previous year, newsstand sales (– 9.2 %) suffered a much greater decline than subscription sales (– 3.5 %). Within the press distribution market, the demand for daily and Sunday newspapers – as weighted for their respective publication frequencies – declined by 5.8 %.

Overall sales of **general-interest magazines** including membership and club magazines was 98.3 million copies per publication date. Compared to the prior-year figure, this corresponds to a decline of 4.4 %. IVW tracked a total of 789 titles (– 4.6 % compared with the prior-year figure). Weighted for their respective publication frequencies, the demand for general-interest magazines declined by 6.8 %.

Whereas the circulation volumes of print media decreased further in the first nine months of the current year, **online media** continued the growth trend of prior periods. According to the study “digital facts 2015-07" published by the Working Group for Online Research (AGOF), 52.9 million people in Germany use the Internet today (Internet users within the last three months). That number represents 76.3 % of German residents aged 14 and older . Of the total regular Internet users, 69.7 % go online to obtain information about world events, and 62.3 % use the Internet for regional or local news. Thus, getting the news is one of the main reasons for using the Internet, besides online searches, e-mail, online shopping, and weather forecasts. Job listings are also one of the 20 most-used online categories. In addition to the wired Internet, according to the study the mobile Internet has remained unchanged in importance. In the last three months, 37.8 million people used mobile Internet (54.6 %

of the German-speaking residential population of Germany over 14 years of age). In most cases (97.0 %), mobile Internet was mainly used in addition to stationary use. According to the IVW, the content portals of the German print media were visited much more frequently in the first nine months of 2015 than in the comparable period in 2014. The 20 most popular portals of German daily newspapers increased the number of visits by an aggregate of 12.2 %, whilst the visits to portals belonging to magazines rose by 14.1 %.

Business performance

In February 2015, Axel Springer Digital Classifieds signed an agreement with the shareholders of the real estate portal, **Immowelt,** regarding combining the Immowelt Group and the **Immonet** Group, belonging to Axel Springer Digital Classifieds. After finalization of various purchase and contribution agreements in June 2015, both real estate portals were brought under the auspices of the new Immowelt Holding AG company. Axel Springer Digital Classifieds holds a majority of 55 % of the company. The remaining 45 % is held by the current shareholders of Immowelt AG. Axel Springer Digital Classifieds has granted the remaining shareholders various options for selling their shareholding to Axel Springer Digital Classifieds in connection with the transaction. The transaction was based on a valuation of both companies totaling € 420 million. Axel Springer Digital Classifieds paid a total of approximately € 131 million as a purchase price to the previous partners of Immowelt in connection with creating the new structure. The combining of both portals makes it possible for Axel Springer Digital Classifieds to sustainably improve the competitive position within the German market segment for real estate portals.

aufeminin has taken over all shares in the digital publisher **Livingly Media** in the USA in the first quarter of the current year as part of its strategy of internationalization. Livingly Media operates the three websites Zimbio.com (entertainment), StyleBistro.com (fashion, beauty and style) and Lonny.com (living and decor). The company has considerable expertise within the mobile and social media sectors.

Furthermore, aufeminin intends to concentrate on its digital publishing activities and has also initiated a contract with Cathay Capital in the first quarter of 2015 regarding the sale of 100 % of capital in the subsidiary **Smart AdServer**. The sale was fully completed in April 2015, and Smart AdServer was sold to a company belonging to Cathay Capital and Smart AdServer top management at a total price of € 37 million.

In the first quarter of 2015, we sold about 2.7 % of our equity stake in **Doğan TV Holding** A.S., Istanbul, Turkey. The revenues from this transaction amounted to € 63.3 million.

At the end of July 2015, the media group Talpa Media acquired the remaining 50.1 % interest in the TV producers **Talpa Germany** from Axel Springer SE. In December 2014, Talpa had already acquired 49.9 % of Talpa Germany (previously Schwartzkopff TV.)

In August, Axel Springer SE sold its majority share (50.1 %) in **Runtastic GmbH**, a provider of mobile apps for the measurement of sports and fitness data, to the Adidas Group. The company valuation for the entire transaction amounted to € 220 million. In October 2013, Axel Springer acquired the shares for a company value of € 22 million, and then to a limited extent made further investments in the company.

In July, Axel Springer and **ProSiebenSat.1** announced a joint project to promote digital startups. The aim of this initiative is joint investments in companies and funds, networking the incubation and accelerator programs as well as media-for-equity investments. In August, within the framework of a media-for-equity agreement, both cooperation partners acquired equity stakes of 20 % each in the DEAG subsidiary **myticket** participated in the investment fund **LAKESTAR II** with an overall mid double-digit million contribution over the term of the fund. The fund concentrates on digital companies with a focus on Europe and the USA. In September, Axel Springer and ProSiebenSat.1 each acquired a non-controlling interest in **Jaunt**, an American startup that has specialized in the creation and dissemination of virtual reality content.

Also in September, Axel Springer agreed a strategic partnership with **Samsung Electronics Co.** Ltd. for the development of new digital media formats. The first result of the partnership was the presentation of the beta version of **UPDAY**, a content platform for aggregated and curated news content, which is to start in full in 2016. After the launch in Germany and Poland in September 2015, other European markets are planned for spring 2016.

In September, Yad2 acquired 70 % of the shares of Saknai Net Ltd, the operator of **Drushim**, one of the leading Israeli job portals, and strengthened its position on the market for online job exchanges.

In October, Axel Springer sold its activities in **Russia** to the Russian publisher Alexander Fedotov. Axel Springer had been active in Russia since 2004; the portfolio includes the brands FORBES, Forbes.ru, OK!, GEO and GALA BIOGRAFIA.

In September, Ringier and Axel Springer signed the contract for the establishment of a **joint venture in Switzerland**, in which both companies will have an equal equity stake. A corresponding declaration of intent had already been effected in December 2014. Ringier Axel Springer Medien Schweiz AG should be operational by January 1, 2016. On the one hand, all Swiss-German and West Swiss newspaper titles from Ringier including their associated online portals as well as the West Swiss broadsheet, Le Temps, are included and, on the other hand, the Axel Springer Schweiz company combining all Axel Springer SE business in Switzerland. With the new company, the partners want to significantly improve their competitiveness in the Swiss readers and advertising market, and in particular force the digitization of its well-known brands. Ringier will fully consolidate the planned company; Axel Springer is consolidating the pro rata income from investments.

Also in September, Axel Springer concluded an agreement for the purchase of around 88 % of the shares in **Business Insider**. New York based Business Insider operates the leading digital offering for business and financial news in the U.S. (businessinsider.com). This acquisition is a vital part of Axel Springer's strategy to broaden its global digital reach and expand its journalistic portfolio in the English speaking world. Business Insider is present with local editions in seven countries besides the U.S. The purchase price based on 100 % of Business Insider amounts to US$ 442 million (approximately € 395 million) on the basis of a cash and debt free valuation of US$ 390 million (currently approximately € 348 million). Axel Springer already held a stake of approximately 9 % in the company and, after this purchase, will hold a stake of approximately 97 %. Bezos Expeditions, the personal investment company of Jeff Bezos, will hold the further shares. Henry Blodget, Founder, Chief Executive Officer and Editor-in-Chief, and Julie Hansen, Chief Operating Officer and President, will continue to lead Business Insider in their respective roles. The transaction was approved by the relevant cartel authorities in October and will be closed in the fourth quarter.

At the beginning of October, Axel Springer acquired a non-controlling interest in the New York-based **Thrillist Media Group**, one of the leading digital media companies and lifestyle media for the male "millennials".

Financial performance of the Group (continuing operations)

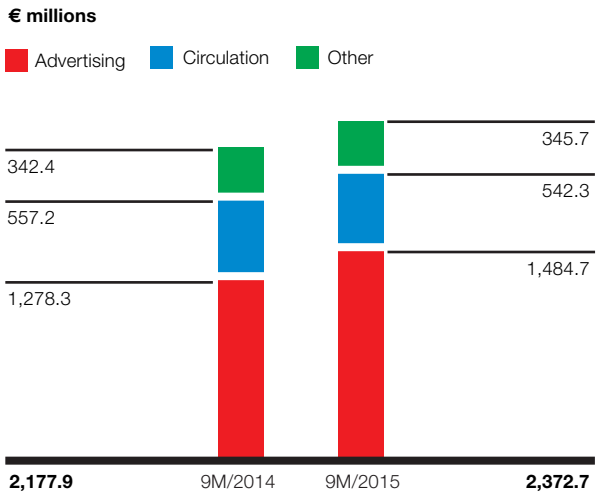
The following description of the Group's financial performance refers exclusively to continuing operations.

During the reporting period, **total revenues** were € 2,372.7 million, and therefore 8.9 % above the prior-year figure (€ 2,177.9 million). The revenue increase resulted from growth in the segments of Classified Ad Models and Marketing Models, while the revenues of the Paid Models and the Services/Holding segment declined. Even adjusted for consolidation and currency effects, revenues were slightly higher (+ 1.0 %) than the prior-year figure.

The **pro-forma revenues of digital media** increased to € 1,404.9 million (PY: € 1,271.6 million), organic growth was correspondingly at 10.5 %. For the operative segments, organic growth was 13.4 % for Classified Ad Models, 0.8 % for Paid Models, and 11.9 % for Marketing Models. The pro-forma revenues take into account the companies acquired in 2014 and 2015 on the basis of unaudited financial data.

The **international revenues** increased by 21.8 % to € 1,128.3 million and therefore amounted to 47.6 % (PY: 42.5 %) of Axel Springer's total revenues. The increase resulted from the growing internationalization of the digital business.

Total Revenues

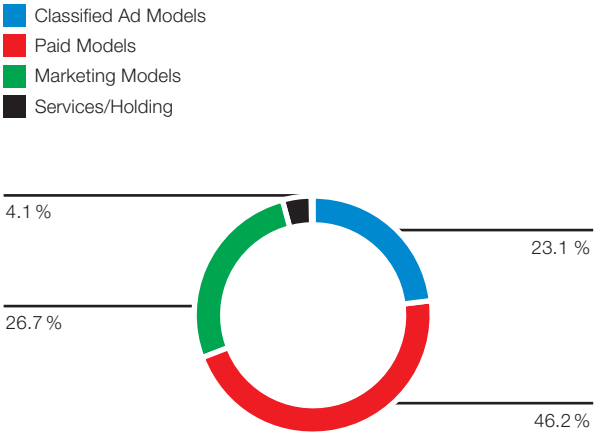


The increase in **advertising revenues** by 16.1 % to € 1,484.7 million (PY: € 1,278.3 million) was based on the growth in Classified Ad Models and Marketing Models. Advertising revenues from Paid Models were below the level of the prior year as they compare to a strong first half year in the prior year due to the Soccer World Cup as well as a special edition of BILD. Advertising revenues as a proportion of total revenues was 62.6 % (PY: 58.7 %). Of the total advertising revenues, 80.9 % was generated through **digital activities**.

Due to structural declines within the print business, **circulation revenues** totaled € 542.3 million and were subsequently 2.7 % below the prior-year figure (€ 557.2 million). Thus, their share of total revenues was 22.9 % (PY: 25.6 %).

The **other revenues** totaled € 345.7 million and were therefore 1.0 % above the prior-year value (€ 342.4 million). The growth is coming from all three operating segments. This accounted for 14.6 % (PY: 15.7 %) of the total revenues.

Segment Revenues



A comparison of **segment revenues** reveals substantial growth in the Classified Ad Models and Marketing Models on the one hand and declining revenues in the case of Paid Models and in the Services/Holding segment on the other.

Compared to the prior-year, **total expenses** increased by 9.4 % to € 2,254.9 million (PY: € 2,060.9 million). The increase is predominantly due to consolidation effects of acquired companies.

Compared to the prior-year figure, **purchased goods and services** increased by 4.1 % to € 736.4 million (PY: € 707.6 million) which was due to consolidation effects and increases within Performance Marketing. The ratio of purchased goods and services to total revenues fell to 31.0 % (PY: 32.5 %).

The increase in **personnel expenses** by 11.7 % to € 791.1 million (PY: € 708.3 million) was predominantly a result of the incorporation of acquired subsidiaries.

Depreciation, amortization, and impairments totaled to € 145.1 million, which was higher than the prior-year figure of € 129.3 million due to consolidation effects, higher amortization and impairments from purchase price allocations and higher investments in intangible assets.

The **other operating income** was € 197.3 million, therefore significantly above the prior-year figure (PY: € 93.3 million), in particular due to the sale of Runtastic and the Smart AdServer group. The **other operating expenses** were € 582.2 million, mainly due to the incorporation of acquired subsidiaries, and therefore above the prior-year figure (PY: € 515.7 million).

The **net investment income** totaled € 15.9 million (PY: € 84.5 million), which was characterized, in particular, during the prior year by the profit from the sale of our stake in iProperty as well as 2.6 % of our equity holding in Doğan TV. Due to the value of contractually agreed put options at the end of the prior year that were at the level of the discounted payment entitlements, there were no effects on overall results from the exercise of the option on the sale of a further 2.7 % equity stake in Doğan TV during the reporting period. The operating net investment income included in the calculation of EBITDA amounted to € 3.8 million (PY: € 9.0 million).

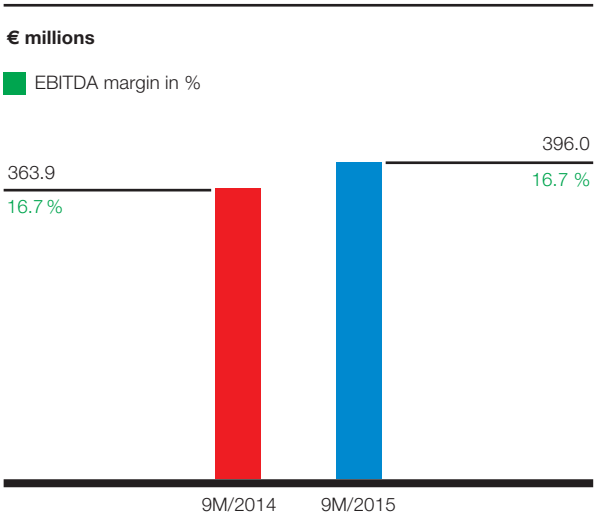
Predominantly due to currency effects in connection with the devaluation of the Euro, the **net financial result** was € – 21.0 million below the prior-year figure (PY: € – 15.5 million).

During the current reporting period, **income taxes** amounted to € – 82.1 million (PY: € – 66.1 million). The low tax rate of 24.1 % for the reporting period and also for the previous year (PY: 22.4 %), in particular, resulted from largely tax-neutral income from the disposal of investments.

Earnings before interest, taxes, depreciation, and amortization (**EBITDA**) rose by 8.8 % to € 396.0 million compared to the prior-year figure (PY: € 363.9 million). The generated EBITDA margin of 16.7 % reached the level of the prior year (PY: 16.7 %). The **EBITDA of digital activities** increased by 23.7 % from € 254.1 million to € 314.4 million. The digital share of EBITDA from operating activities increased from 62.4 % to 73.2 %. At the end of 2014, this figure was 63.6 %. The earnings before interest and taxes (**EBIT**) increased by 7.6 % to € 315.5 million (PY: € 293.1 million). Non-recurring effects e. g. such as gains or losses on the sale of business divisions and investments are not included in

EBITDA and EBIT; furthermore write-downs from purchase price allocations and write-downs linked with the sale of real estate are not included in EBIT.

EBITDA



The **consolidated net income** from continuing operations amounted to € 257.9 million (PY: € 228.9 million). The adjusted consolidated net income from continuing activities was above the prior-year level at € 198.8 million (PY: € 186.0 million).

Consolidated Net Income (continuing operations)

€ millions	9M/2015	9M/2014
Consolidated net income (continuing operations)	**257.9**	**228.9**
Non-recurring effects	–107.6	–69.5
Depreciation, amortization, and impairments of purchase price allocations	62.1	52.1
Taxes attributable to these effects	–13.6	–25.5
Consolidated net income, adjusted (from continuing operations)	**198.8**	**186.0**
Attributable to non-controlling interest	40.4	40.6
Adjusted consolidated net income from continuing operations attributable to shareholders of Axel Springer SE	**158.5**	**145.4**

The **earnings per share** from continuing operations (basic=diluted) amounted to € 2.20 (PY: € 1.78). Based on the average weighted shares outstanding in the reporting period (98.9 million), the calculated **adjusted earnings per share** from continuing operations (basic = diluted) increased to € 1.60 (PY: € 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)

Classified Ad Models

All business models which predominantly generate revenues in online classified advertising are summarized in the Classified Ad Models segment. The segment is subdivided into jobs, real estate, and general/other.

Key Figures Classified Ad Models

€ millions	9M/2015	9M/2014	Change
External revenues	**547.5**	**357.1**	**53.3 %**
Advertising revenues	531.3	345.1	53.9 %
Other revenues	16.2	12.0	35.0 %
Jobs	**262.2**	**181.7**	**44.3 %**
Real Estate	**165.4**	**142.6**	**16.0 %**
General/Other	**120.0**	**32.8**	**>100 %**
EBITDA[1)]	**225.7**	**160.2**	**40.8 %**
Jobs	117.8	84.1	40.0 %
Real Estate	80.2	69.2	15.9 %
General/Other	32.2	9.4	>100 %
EBITDA margin	**41.2 %**	**44.9 %**	
Jobs	44.9 %	46.3 %	
Real Estate	48.5 %	48.6 %	
General/Other	26.9 %	28.6 %	

[1)] Segment EBITDA includes non-allocated costs of € 4.6 million (PY: € 2.5 million).

Revenues in the Classified Ad Models segment increased by 53.3 % to € 547.5 million compared to the same period last year (PY: € 357.1 million). Alongside an improvement in operative revenue, particularly from job portals; consolidation effects, due to, amongst other things, the incorporation of @Leisure, Jobsite, LaCentrale, Immowelt and Yad2 had an effect. Adjusted for these effects, revenue growth came to 14.6 %. Also, the increase in advertising revenues by 53.9 % to € 531.3 million (PY: € 345.1 million) could be traced back to both organic growth and also to consolidation effects. Adjusted for consolidation effects, the increase came to 15.7 %.

EBITDA of the segment increased considerably by 40.8 % to € 225.7 million (PY: € 160.2 million). As in the case of revenues, a significant part of the increase can be attributed to consolidation effects. Adjusted for these effects, the increase came to 18.3 %. The margin decreased by 3.7 percentage points to 41.2 % (PY: 44.9 %). Here, the inclusion of acquired companies, the margins of which are below the average value of the segment margin, is noticeable. Moreover, in the third quarter, the planned marketing expenses for real estate portals after first-time consolidation of Immowelt showed an effect for the first time.

Key Figures Classified Ad Models 3rd Quarter

€ millions	Q3/2015	Q3/2014	Change
External revenues	**192.2**	**130.5**	**47.3 %**
Advertising revenues	186.8	126.5	47.6 %
Other revenues	5.4	4.0	36.0 %
Jobs	**91.8**	**64.0**	**43.4 %**
Real Estate	**63.8**	**47.9**	**33.2 %**
General/Other	**36.5**	**18.5**	**97.1 %**
EBITDA[1)]	**78.4**	**59.3**	**32.2 %**
Jobs	43.9	29.2	50.3 %
Real Estate	28.8	24.2	19.2 %
General/Other	7.2	6.7	6.5 %
EBITDA margin	**40.8 %**	**45.4 %**	
Jobs	47.8 %	45.6 %	
Real Estate	45.2 %	50.5 %	
General/Other	19.6 %	36.2 %	

[1)] Segment EBITDA includes non-allocated costs of € 1.5 million (PY: € 0.8 million).

Paid Models

The Paid Models segment comprises all business models that are predominantly used by paying readers. This segment is subdivided into national and international paid-content models.

Paid Models National

The circulation and reach figures for selected print offerings in the Paid Model segment as well as the associated online portals are shown in the following table.

Circulation, Digital Subscriptions, and Reach

Thousands	Circulation/ Digital Subs[1]	Change yoy	Reach[2]	Change[3]
Bild/B.Z.	2,214.5	–7.1 %	10,353.0	–6.9 %
Bild am Sonntag	1,090.8	–5.9 %	8,661.9	0.0 %
bild.de (total)	290.3	25.4 %	19,085.0	-
bild.de (stationary)	-	-	16,365.0	-
bild.de (mobile)	-	-	7,660.0	-
Die Welt/ Welt Kompakt	198.0	–4.1 %	669.4	–2.4 %
Welt am Sonntag/ Welt am Sonntag Kompakt	400.4	–0.1 %	886.2	0.0 %
welt.de (total)	68.2	24.2 %	12,927.0	-
welt.de (stationary)	-	-	9,651.0	-
welt.de (mobile)	-	-	4,817.0	-

[1] Source: IVW, average paid circulation 9M/2015; For bild.de (total) and welt.de (total): IVW, digital subscriptions (paid content), monthly average (Q3/2015).
[2] Source: ma 2015 Pressemedien II; For bild.de and welt.de: AGOF 2015– 07, Unique Users.
[3] Compared to ma 2015 Pressemedien I.

The circulation and reach figures of the print media declined during the reporting period, predominantly due to market trends. In addition to the stationary and mobile reaches of the selected online portals, we report a non-overlapping total reach for the first time. Due to the lack of data availability, prior year comparisons are currently not possible.

Paid Models International

The circulation and reach figures for the selected mass-circulation dailies within the countries of our joint venture Ringier Axel Springer Media as well as the net reach of the online portals are presented in the table below.

Circulation and Reach

Thousands	Circulation	Change yoy	Reach	Change yoy
onet.pl	-	-	15,288.7[4]	–8.5 %
Fakt[1]	312.9	–5.3%	1,488.5	–21.1 %
fakt24.pl	-	-	3,926.2[4]	14.6 %
Blikk[2]	129.3	–4.7%	746.0	–7.6 %
blikk.hu	-	-	760.2[4]	-
Blic[3]	101.0	–7.0%	724.6	–12.3 %
blic.rs	-	-	2,800.8[4]	–2.9 %

[1] Poland. Circulation: ZKDP, 2015 (Jan.-Jul.) vs. 2014 (Jan.-Jul); Reach: PBC General, 2015 (Jan.-Aug.) vs. 2014 (Jan.-Aug.).
[2] Hungary. Circulation: MATESZ, 2015 (Jan.-Jun.) vs. 2014 (Jan.-Jun.); Reach: Millward Brown, TNS, 2015 (Jan.-Jun.) vs. 2014 (Jan.-Jun.).
[3] Serbia. Circulation: ABC, 2015 (Jan.-Jul.) vs. 2014 (Jan.-Jul.); Reach: Ipsos Strategic Marketing, 2015 (Jan.-Aug.) vs. 2014 (Jan.-Aug.).
[4] Source: comScore Europe, monthly average (Jan.-Sep. 2015)

The circulation and reach figures of our international print media declined, in line with market trends. The net reach of the online portals developed unevenly. The development of the reach indicated in the table does not reflect the dynamic growth due to the increasing use of mobile devices; however this is particularly important for some of our digital activities. A separate illustrating for our international media is however not possible due to data unavailability.

Key Figures Paid Models

€ millions	9M/2015	9M/2014	Change
External revenues	**1,095.4**	**1,129.4**	**–3.0 %**
Advertising revenues	440.0	468.7	–6.1 %
Circulation revenues	541.8	557.2	–2.8 %
Other revenues	113.6	103.6	9.7 %
National	**804.2**	**849.7**	**–5.4 %**
Advertising revenues	316.7	347.7	–8.9 %
Circulation revenues	420.8	438.4	–4.0 %
Other revenues	66.8	63.6	4.9 %
International	**291.2**	**279.7**	**4.1 %**
Advertising revenues	123.3	121.0	1.9 %
Circulation revenues	121.1	118.8	1.9 %
Other revenues	46.8	39.9	17.3 %
EBITDA	**137.8**	**170.2**	**–19.1 %**
National	97.6	138.5	–29.5 %
International	40.1	31.7	26.7 %
EBITDA margin	**12.6 %**	**15.1 %**	
National	12.1 %	16.3 %	
International	13.8 %	11.3 %	

Total revenues in the Paid Models segment were € 1,095.4 million, which is 3.0 % below the value for the prior year (€ 1,129.4 million). Adjusted for consolidation effects, total revenues were 4.8 % less than the prior-year figure. Advertising revenues in the Paid Models segment in the first nine months were € 440.0 million, which is 6.1 % below the value of the prior year period (€ 468.7 million). Circulation revenues declined by 2.8 % to € 541.8 million (PY: € 557.2 million) due to market-related declines of print editions. The other revenues increased considerably by 9.7 % to € 113.6 million (PY: € 103.6 million). This is predominantly due to consolidation effects caused by incorporation of revenues from N24 from March 2014. When adjusted for these effects, other revenues were above the prior-year figure

With a value of € 137.8 million, the EBITDA was 19.1 % below the prior year figure (€ 170.2 million), mainly due to the decrease of the operational revenues, increased restructuring expenses as well as due to the partially lower margin of the newly acquired business. Compared to the same period last year, the segment margin decreased from 15.1 % to 12.6 %.

Key Figures Paid Models 3rd Quarter

€ millions	Q3/2015	Q3/2014	Change
External revenues	**366.5**	**369.2**	**–0.7 %**
Advertising revenues	138.6	139.3	–0.6 %
Circulation revenues	190.9	192.4	–0.8 %
Other revenues	37.0	37.4	–1.2 %
National	**272.7**	**282.2**	**–3.4 %**
Advertising revenues	99.9	102.4	–2.5 %
Circulation revenues	151.2	155.7	–2.9 %
Other revenues	21.7	24.1	–9.9 %
International	**93.8**	**87.0**	**7.8 %**
Advertising revenues	38.7	36.9	4.7 %
Circulation revenues	39.8	36.7	8.4 %
Other revenues	15.3	13.4	14.4 %
EBITDA	**46.9**	**37.5**	**25.2 %**
National	33.7	28.2	19.5 %
International	13.3	9.3	42.4 %
EBITDA margin	**12.8 %**	**10.2 %**	
National	12.3 %	10.0 %	
International	14.2 %	10.7 %	

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.

Key Figures Marketing Models

€ millions	9M/2015	9M/2014	Change
External revenues	**632.7**	**564.9**	**12.0 %**
Advertising revenues	513.7	464.5	10.6 %
Other revenues	119.0	100.4	18.5 %
Reach Based Marketing	**220.8**	**200.5**	**10.1 %**
Performance Marketing	**411.9**	**364.3**	**13.0 %**
EBITDA[1)]	**66.1**	**76.8**	**– 13.9 %**
Reach Based Marketing	55.2	64.1	– 13.8 %
Performance Marketing	16.5	16.1	2.4 %
EBITDA margin	**10.4 %**	**13.6 %**	
Reach Based Marketing	25.0 %	31.9 %	
Performance Marketing	4.0 %	4.4 %	

[1)] Segment EBITDA includes non-allocated costs of € 5.6 million (PY: € 3.4 million).

Total revenues in the Marketing Models segment increased compared to the prior-year figure by 12.0 % to € 632.7 million (PY: € 564.9 million). The increase in advertising revenues by 10.6 % to € 513.7 million (PY: € 464.5 million) was predominantly achieved by growth within Performance Marketing. Growth of other revenues by 18.5 % to € 119.0 million (PY: € 100.4 million) was achieved both in Performance Marketing and in Reach Based Marketing. In the first half of the year, the proceeds from the TV production company Talpa Germany divested at the end of July were still included.

EBITDA of the segment of € 66.1 million was 13.9 % below the prior year figure (€ 76.8 million). Whilst EBITDA slightly improved in Performance Marketing, results from Reach Based Marketing were below the prior-year figure, which was mainly due to an intensified competitive environment at idealo and thus the necessary investments in product development as well as due to changes in the portfolio at aufeminin (amongst others, the sale of Smart AdServer) and the expenses for the internationalization of the Bonial Group. The EBITDA margin decreased to 10.4 % (PY: 13.6 %).

Key Figures Marketing Models 3rd Quarter

€ millions	Q3/2015	Q3/2014	Change
External revenues	**204.5**	**194.1**	**5.4 %**
Advertising revenues	173.5	157.1	10.4 %
Other revenues	31.0	36.9	– 16.0 %
Reach Based Marketing	**64.1**	**67.9**	**– 5.6 %**
Performance Marketing	**140.4**	**126.1**	**11.3 %**
EBITDA[1)]	**17.3**	**21.4**	**– 19.2 %**
Reach Based Marketing	14.6	17.5	– 16.4 %
Performance Marketing	4.7	5.2	– 9.7 %
EBITDA margin	**8.5 %**	**11.0 %**	
Reach Based Marketing	22.8 %	25.7 %	
Performance Marketing	3.3 %	4.1 %	

[1)] Segment EBITDA includes non-allocated costs of € 1.9 million (PY: € 1.2 million).

Services/Holding

Service and holding functions are combined under the Services/Holding segment. This segment also comprises the centralized marketing unit Media Impact, the distribution and logistical activities of the Sales Impact Group, and the three national printing plants of Axel Springer.

Key Figures Services/Holding

€ millions	9M/2015	9M/2014	Change
External revenues	97.1	126.5	–23.2 %
EBITDA	–33.5	–43.3	

External revenues in the Services/Holding segment decreased compared to the comparable quarter of the prior year due to market trends by 23.2 % and was at € 97.1 million (PY: € 126.5 million).

EBITDA improved from € –43.3 million to € –33.5 million.

Key Figures Services/Holding 3rd Quarter

€ millions	Q3/2015	Q3/2014	Change
External revenues	32.2	47.4	–32.0 %
EBITDA	–13.3	–20.4	

Financial performance of discontinued operations

We reported domestic regional newspapers, TV program guides and women's magazines as well as the businesses and equity holdings of Ringier Axel Springer Media in the Czech Republic separately as discontinued operations. Both sales were completed on April 30, 2014.

Discontinued Operations

€ millions	9M/2014[1]
External revenues	181.3
EBITDA	29.3
EBITDA margin	16.2 %
Consolidated net income	673.8
Earnings per share (in €), basic = diluted	6.43
Consolidated net income, adjusted	20.8
Earnings per share, adjusted (in €), basic = diluted	0.18

[1] The operating result from discontinued operations only concerns the period until the closing date as of April 30, 2014.

Non-recurring effects, such as for example gains or losses on the sale of business divisions and investments and write-downs from purchase price allocations are not included in EBITDA. 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

Cash flow from operating activities for the continuing operations was € 258.8 million in the first nine months, and therefore, particularly due to higher earnings, above the value from the prior year (€ 216.1 million); furthermore, € 21.5 million was attributable to discontinued activities in the prior-year.

Cash flow from investing activities involved with continuing operations amounted to € –184.0 million in the reporting period (PY: € –330.4 million). The cash outflows (less cash and cash equivalents acquired) for the acquisition of equity shares in consolidated subsidiaries and business units, as well as financial assets amounting to € 342.9 million (PY:

€ 417.5 million) were attributable primarily to the acquisitions of Immowelt and the @Leisure Group. Furthermore, this figure included ongoing investments in intangible assets, property, plant, and equipment, as well as in particular the payments in connection with the sale of Runtastic (€ 105.3 million) and Smart AdServer (€ 37.0 million) as well as payments from the sale of 2.7 % (PY: 2.6 %) of our equity stake in Doğan TV (€ 63.3 million; PY € 62.5 million). Furthermore, € 662.9 million was attributable to discontinued operations in the prior year, mainly pertaining to the receipt of the purchase price (less the cash and cash equivalents transferred to the buyer) on the sale of our print activities in the amount of € 792.4 million, less taxes already paid of € 127.5 million.

The cash flow from financing activities in the reporting period of €–251.3 million (PY: € –440.6 million), as in the prior year, was attributable in full to continued operations and was mostly due to the payment of dividends to the shareholders of Axel Springer SE and the repayment of financial liabilities. In addition to this, there was a special distribution of funds in the prior year amounting to € 90.7 million which related to the sale of our printing operations in the Czech Republic.

Net liquidity and financing

Cash and cash equivalents decreased from a total of € 383.1 million at the end of 2014 to € 203.4 million. During the same period, financial liabilities declined from € 1,050.9 million to € 1,006.9 million. We therefore report net debt of € –803.5 million (December 31, 2014: € –667.8 million).

In order to improve our financing conditions, we have increased the volume of our credit lines and prolonged their repayment terms during the third quarter. Besides the Schuldschein (promissory note) which mature in April 2016 (nominal value of € 56.5 million), in April 2018 (nominal value of € 112.0 million), in October 2018 (nominal value of € 220.0 million), and in October 2020 (nominal value of € 248.5 million), as of September 30, 2015 there are credit lines in the amount of € 1,500.0 million, the utilization of which is due for repayment in July 2020. Both the Schuldschein and the credit facilities may be used either for general business purposes or for financing acquisitions.

As of September 30, 2015, € 363.0 million (December 31, 2014: € 409.0 million) of the existing long-term credit facilities were taken as drawdowns. The total available amount of unutilized short-term and long-term credit facilities was € 1,157.0 million on the reporting date (December 31, 2014: € 511.0 million).

Financial position

The consolidated balance was € 5,778.4 million, and therefore higher than at the end of 2014 (€ 5,557.7 million), largely due to acquisitions.

The increase of intangible assets was, in particular, due to initial consolidation of Immowelt and the @Leisure Group. The development of our financial assets is characterized by us exercising our put option on the sale of 2.7 % of our equity stake in Doğan TV, as well as the acquisition of a minority stake in Business Insider at the beginning of 2015.

In addition to the designated as held for sale real estate assets (including associated finance lease liability), net assets (including goodwill) of our Swiss print activities in connection with the planned joint venture with Ringier were shown separately.

Equity amounted to € 2,356.2 million and was therefore almost unchanged compared to the prior year status at the end of 2014 (PY: € 2,354.9 million). Increasing effects from the generated consolidated net income as well as the effects of the currency conversion of consolidated accounts in particular were set against the distribution of dividends to Axel Springer SE shareholders and to non-controlling interests. In conjunction with the consolidation of Immowelt and Immonet, differences were taken into account to reduce equity, as well as recording additional minority shares. The equity ratio was 40.8 % (PY: 42.4 %).

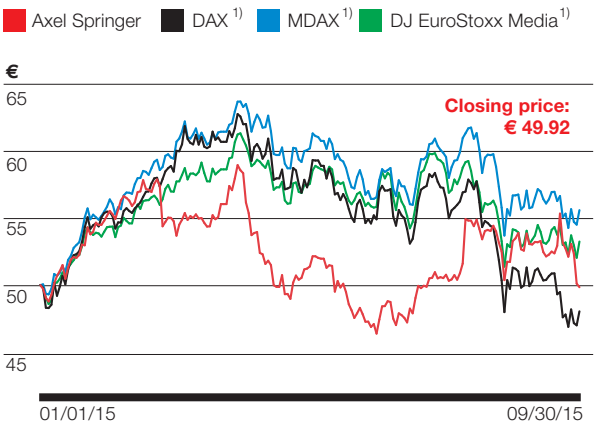
Provisions for pensions decreased due to adjustment of the discount rate to 2.4 % to follow the current market level (as of December 31, 2014: 1.9 %). Development of deferred tax liabilities and other liabilities resulted, in particular, from initial consolidation of acquired companies (including the purchase price liabilities due to acquisitions).

Axel Springer share and investor relations

Development of the share price

The Axel Springer share was listed at € 49.92 after the first nine months of 2015 and was virtually unchanged compared to the share price at the beginning of the year (€ 50.08). The maximum price in the course of the year was € 59.04 in April, thus marking a new all-time high. In the reporting period, the share developed better than the leading German index, the DAX (–3.9 %). The comparison index, DJ Euro Stoxx Media, which shows the most important European media stocks, as well as the MDAX, in which the Axel Springer shares are listed, increased in the same period by 6.5 % and 11.2 % respectively.

Performance Axel Springer Share



1) Indexed on the year-end share price of Axel Springer SE as of December 31, 2014.

Share Information

€	9M/2015	9M/2014	Change
Earnings per share (adjusted)[1) 2)]	1.60	1.47	9.0 %
Earnings per share[1)]	2.20	1.78	23.4 %
Closing price	49.92	43.59	14.5 %
Highest price	59.04	51.27	15.2 %
Lowest price	46.46	41.47	12.0 %
Market capitalization in € millions[3)]	4,939.1	4,312.8	14.5 %
Daily traded volume (Ø, in € thousands)	8,800.7	6,394.6	37.6 %

1) Continuing operations.
2) Adjusted for non-recurring effects and amortization and impairments from purchase price allocations; on the basis of average weighted shares outstanding in the reporting period (98.9 million).
3) Based on shares outstanding at the closing price, excluding treasury shares.

Currently, 20 brokers publish analyses regarding the Axel Springer share. A total of six brokers are expressing a "buy" recommendation for the Axel Springer share, 13 recommend "hold/neutral" and one broker recommends "sell/underweight". You can find the latest recommendations and share price targets in the Investor Relations section at www.axelspringer.de.

In the first nine months of the fiscal year, we participated in ten investor conferences in New York, London, Zurich, Nice, Frankfurt, Munich, Baden-Baden and Berlin. Furthermore, we presented the company at road shows in New York, Boston, London, Edinburgh, Brussels and Frankfurt and conducted numerous meetings with investors and analysts in Berlin.

In the reporting period, conference calls for investors and analysts took place for the publication of our Annual Report and the Quarterly Financial Reports. As usual, all events could be followed directly as a live broadcast on the Internet. The audio recordings of these telephone conferences, as well as all accompanying financial reports and presentations, are further 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 took place in Berlin on April 14, 2015. Approximately 430 shareholders or 74.2 % of capital carrying voting rights participated. All resolutions proposed by the Management – including the application to create authorized capital up to a total of € 11.0 million, and the proposal to pay a dividend of € 1.80 (PY: € 1.80) per qualifying share – were approved by majorities of at least 91.9 %. Based on the closing price of the company's share at year-end 2014, the dividend yield came to 3.6 %. The total dividend pay-out was € 178.1 million. The amendment to the Articles of Association of Axel Springer SE, brought about by the creation of authorized capital, became effective with its entry in the commercial register at the end of April 2015.

Employees

Axel Springer has an average of 14,908 employees (PY: 13,428) (excluding vocational trainees and journalism students). The 11.0 % increase over the corresponding prior-year figure resulted mainly from the higher number of employees 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 development of the company's value. Under this program, all employees of Axel Springer SE and its domestic subsidiaries who were eligible for a profit-sharing bonus, or who have entered into a target agreement for the year 2014, were given the chance to convert their bonus into shares of Axel Springer SE. Those who chose to do so 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, 2015.

Report on risks and opportunities

Compared to the disclosures in the 2014 Annual Report, the risk and opportunities situation for Axel Springer has not significantly changed. No risks that could endanger Axel Springer's continued operation as a going concern can be discerned.

Forecast report

General economic environment

In its autumn outlook from October 2015, the International Monetary Fund (IMF) forecasts real global economic growth of 3.1 % in 2015 and 3.6 % in 2016. For both years, the forecast is slightly lower than in the world economic outlook from July 2015.

According to the forecast of the IMF, the growth of the **world economy** is again more strongly driven by the industrial countries in the current year. This applies in particular for the USA. Here, the IWF economists expect growth in real terms of 2.6 % in 2015. In 2016, the US growth rate at constant prices can be expected to in-

crease slightly further to 2.8 %. The Eurozone is expected to continue to gain growth momentum.

The upswing in the industrialized countries is in contrast to dismal prospects for growth in the emerging countries. The IMF considers a further slowdown in economic growth in China to be likely. Thus, in 2015 and 2016, price-adjusted growth of less than 7.0 % is expected for China. Exports to China are expected to be significantly affected.

In their autumn report, the economic research institutes expect a moderate upward development of the **German economy** in 2015 and 2016. The main pillar of the development is still private consumption, which according to the prognosis of the institutes will grow in real terms in 2015 by 1.9 % and in 2016 by 1.8 %. An increase in employment and a declining tax burden support this development. Due to the favorable financial conditions, investments will also increase. Buoyed by expansive housing construction and increased public investment, the price-adjusted construction investments will increase in the current year by 1.0 % and in 2016 by 2.1 % according to the forecast. Investments in equipment will speed up even more quickly. The economic research institutes expect in 2015 a real increase of 4.4 % and in 2016 slightly weaker growth of 3.7 %. According to the forecast, in the current year exports will increase substantially with a real increase of 6.6 %. In the coming year, the institutes expect, given the restrained prospects in the emerging countries, sluggish export growth of 4.9 % at constant prices.

In 2015 and 2016, the experts expect a real growth rate of 1.8 % respectively.

The research institutes participating in the autumn report expect a renewed increase in consumer prices. Overall, the rate of inflation in 2015, according to the forecast, will initially increase by 0.3 %. For the year 2016, the economic researchers expect a price increase of 1.1 %. The price-dampening effect of decreasing raw material prices is expected to slow in the coming year.

According to reports, the number of gainfully employed persons in Germany will increase in total in 2015 and 2016 by almost 500 thousand persons. The rate of unemployment is expected to increase slightly from 6.4 % in 2015 to 6.5 % in 2016.

Anticipated Economic Development (Selection)

Change in gross domestic product compared to prior year (real)	2016
Germany	1.8 %
France	1.1 %
United Kingdom	2.4 %
Poland	3.5 %
Switzerland	1.2 %
Hungary	2.5 %
Belgium	1.4 %
Slovakia	3.0 %
Netherlands	1.6 %
Serbia[1)]	1.5 %
Austria	1.4 %
Ireland	3.5 %
Italy	1.1 %
Spain	2.4 %
USA[1)]	2.8 %
Israel[1)]	3.3 %
Brazil[1)]	–1.0 %
India[1)]	7.5 %
China[1)]	6.3 %

Source: Autumn Report, October 2015.
[1)] Source: IMF, October 2015.

The economic research institutes are forecasting that low interest rates and energy prices will continue to support the economy in **central and eastern European EU member states**. Economic impulses will come predominantly from the recovery of domestic demand. All in all, the economy in central and eastern Europe in 2015 should increase in real terms by 3.2 % and in 2016 by 3.0 %.

Industry environment

The German Advertising Association (ZAW) assumes in its forecast for 2015 that if general conditions remain unchanged the total investment in advertising could expand by 1 %.

According to the current advertising market forecast by Zenith Optimedia (as of September 2015), an increase of 4.0 % is expected for 2015 worldwide (nominally). ZenithOptimedia therefore adjusted its forecast of + 4.2 % in June 2015 downward by 0.2 percentage points. The reasons include economic decline within crisis riddled regions such as Russia, Ukraine, and Belarus as well as slower growth in China and Brazil. Spending should remain almost stable within the Eurozone.

Currently available forecasts for the **German** advertising industry predict mixed developments for the different types of media. ZenithOptimedia expects net advertising market revenue in Germany for 2015 to increase by 1.8 % (nominal). Thus, the total advertising market will not grow as fast as the general economy (according to the autumn report by the economic forecast institute), which is expected to expand at a nominal rate of 3.8 % (+ 1.8 % in real terms). This is driven by advertising growth in digital media (+ 9.8 %), TV (+ 3.4 %) and Outdoor (+ 2.7 %). ZenithOptimedia is predicting a drop in net advertising revenues for newspapers (– 3.3 %), magazines (– 3.9 %) and radio (– 0.4 %).

The forecast data also reflects the structural shift of advertising expenditures in favor of digital platforms. The proportion of total advertising expenditures targeted to online and mobile platforms will rise further. In Germany, according to ZenithOptimedia, advertising revenues for online should exceed those for newspapers this year for the first time.

According to ZenithOptimedia, mobile and online moving images (video) are current drivers of development in the advertising market. Due to the continued spread of mobile devices, improvements in advertising forms and variety, and technical innovations in controlling multi-device campaigns, considerable growth in advertising expenditure is expected.

Progressive automation of advertising bookings via programmatic buying platforms is also seen as a driver for online and mobile advertising.

ZenithOptimedia's forecast for the **international markets** in which Axel Springer conducts business through its own subsidiaries paints a mixed picture. According to the forecast by ZenithOptimedia in 2015, the net advertising volume on the online market in western Europe will increase by 10.9 % to US$ 36.4 billion, based on the assumption of consistent exchange rates.

Anticipated Advertising Activity 2015 (Selection)

Change in net ad revenues compared to prior year (nominal)	Online	Print
Germany	9.8 %	– 3.6 %
United Kingdom	13.1 %	– 7.7 %
France[1]	4.6 %	– 8.1 %
Poland[1]	10.7 %	– 16.7 %
Switzerland[2]	14.2 %	– 3.7 %
Hungary	7.7 %	– 2.0 %
Belgium[2]	5.0 %	– 7.4 %
Slovakia[1]	17.6 %	– 3.6 %
Netherlands	10.8 %	– 9.8 %
Serbia[1]	10.9 %	8.2 %
Austria[1]	13.2 %	– 4.8 %
Ireland	20.9 %	– 4.5 %
Italy[1]	8.2 %	– 5.7 %
Spain[1]	10.0 %	0.9 %
USA	18.2 %	– 4.7 %
Israel	6.4 %	– 7.4 %
India	30.0 %	13.2 %
Brazil	8.0 %	– 7.3 %

Source: ZenithOptimedia, Advertising Expenditure Forecast (September 2015).
[1] Excluding Classified ads.
[2] Gross advertising revenues (excluding classified ads). Gross advertising revenues do not adequately reflect the true development of advertising revenues.

Axel Springer

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

Given the development of revenues in the first nine months, we anticipate that **total revenues** will be higher for the 2015 financial year than the prior-year figure by an amount in the mid single-digit percentage range, after a prior increase in the low to mid single-digit percentage range had been expected. We assume that the planned increase in advertising revenues will more than compensate for the decline in circulation revenues and other revenues.

We expect **EBITDA** to rise by an amount in the high single-digit percentage range. In this case, a rise in EBITDA within the Classified Ad Models and Services/Holding is expected, whilst the Paid Models and the Marketing Models should achieve an EBITDA that is below that of the level of the previous year.

For **EBIT** we expect developments to be similar to those for EBITDA.

For the **adjusted earnings per share** we expect, due to a lower proportion of the adjusted consolidated net income that is due for minorities, an increase in the low double-digit percentage range compared to the prior-year figure.

Anticipated business developments and financial performance of the segments

The revenues of the **Classified Ad Models** segment are expected to rise considerably due to organic growth and consolidation effects. A marked increase is also expected for EBITDA.

In the **Paid Models** segment we expect a decline in total revenues in the low single-digit percentage range for the 2015 financial year. Due to structural shifts in the national and international print business we expect declining advertising and circulation revenues. We expect an increase in other revenues. We expect a decline in EDITDA in the low double-digit percentage range due to planned investments in product quality and also in digitization.

Following publication of the half year figures in August, we have altered our expectations for the revenues of the **Marketing Models** segment in comparison with the forecast published in March. We expect the revenue for this segment to increase by an amount in the mid to high single-digit percentage range after better than expected development in the Performance Marketing area, whereas previously an increase in the low to mid single-digit percentage range had been expected. Up until then, we had also expected EBITDA to decrease in the mid to high single-digit percentage range, amongst other things due to planned expenditure for increasing competitiveness, and the internationalization of digital business models within the field of Reach Based Marketing. However, we are now expecting a low double-digit to significant decrease in EBITDA, especially due to changes in the portfolio.

Due to decreasing print revenues and lower revenues from services in connection with the sale of activities to FUNKE Mediengruppe, we expect a considerable decline in revenues for the **Services/Holding** segment, which should result in considerably improved EBITDA figures due to lower expenses for structural adjustments and positive special items such as further payments as a result of the insolvency proceedings against the Kirch Group.

For EBIT we expect developments to be similar to those for EBITDA.

Anticipated liquidity and financial position

Based on the capital expenditure projects planned to date, investments in property, plant, and equipment, and intangible assets are likely to be higher than the corresponding prior-year figure with regard to the liquidity and financial position. 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 dividend policy of stable or slightly increased dividend distribution, while also allowing for the financing of growth.

Anticipated development of the workforce

The average full-year number of employees in 2015 will be higher than in the prior year. This is 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, EBIT, and the adjusted earnings per share do not reflect any possible effects resulting from possible future acquisitions, divestitures, and capital measures as well as from unplanned restructuring expenses.

EBITDA, EBIT, and the adjusted earnings per share do not contain any non-recurring effects, 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, EBIT, 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, EBIT, 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	09/30/2015	**12/31/2014**
Non-current assets	**4,659.8**	**4,315.8**
Intangible assets	3,410.8	3,018.3
Property, plant, and equipment	506.2	523.5
Investment property	32.5	31.3
Non-current financial assets	614.9	633.2
Investments accounted for using the equity method	57.3	51.2
Other non-current financial assets	557.6	582.0
Receivables due from related parties	31.9	30.9
Receivables from income taxes	8.3	15.6
Other assets	6.9	8.5
Deferred tax assets	48.3	54.4
Current assets	**1,118.6**	**1,241.9**
Inventories	22.0	23.6
Trade receivables	505.2	523.8
Receivables due from related parties	8.5	12.7
Receivables from income taxes	76.3	46.7
Other assets	77.3	156.1
Cash and cash equivalents	203.4	383.1
Assets held for sale	225.9	95.9
Total assets	**5,778.4**	**5,557.7**

€ millions		
EQUITY AND LIABILITIES	09/30/2015	12/31/2014
Equity	**2,356.2**	**2,354.9**
Shareholders of Axel Springer SE	1,954.1	2,004.2
Non-controlling interests	402.1	350.8
Non-current provisions and liabilities	**2,090.1**	**2,169.6**
Provisions for pensions	320.9	376.6
Other provisions	74.5	76.7
Financial liabilities	940.2	1,047.0
Trade payables	0.3	0.3
Liabilities due to related parties	4.1	7.7
Other liabilities	345.9	333.3
Deferred tax liabilities	404.2	327.9
Current provisions and liabilities	**1,332.1**	**1,033.2**
Provisions for pensions	19.2	23.1
Other provisions	190.4	209.6
Financial liabilities	66.7	3.9
Trade payables	308.4	313.2
Liabilities due to related parties	21.4	9.2
Liabilities from income taxes	45.8	40.4
Other liabilities	543.0	365.8
Liabilities related to assets held for sale	137.2	68.0
Total equity and liabilities	**5,778.4**	**5,557.7**

Consolidated Statement of Comprehensive Income

€ millions

Consolidated Income Statement	Q3/2015	Q3/2014	9M/2015	9M/2014
Revenues	795.4	741.1	2,372.7	2,177.9
Other operating income	135.2	15.9	197.3	93.3
Change in inventories and internal costs capitalized	14.0	7.3	30.0	15.7
Purchased goods and services	–247.3	–246.0	–736.4	–707.6
Personnel expenses	–267.3	–244.6	–791.1	–708.3
Depreciation, amortization, and impairments	–52.8	–45.7	–145.1	–129.3
Other operating expenses	–204.6	–177.8	–582.2	–515.7
Income from investments	10.8	56.1	15.9	84.5
Result from investments accounted for using the equity method	8.1	–0.4	4.6	–0.8
Other investment income	2.7	56.5	11.3	85.3
Financial result	–6.6	–5.2	–21.0	–15.5
Income taxes	–29.9	–13.8	–82.1	–66.1
Income from continued operations	**146.9**	**87.4**	**257.9**	**228.9**
Income from discontinued operations	**0.0**	**–0.6**	**0.0**	**673.8**
Net income	**146.9**	**86.8**	**257.9**	**902.7**
Net income attributable to shareholders of Axel Springer SE	137.2	59.7	217.5	812.3
Net income attributable to non-controlling interests	9.7	27.0	40.4	90.4
Basic/diluted earnings per share (in €) from continued operations	**1.39**	**0.61**	**2.20**	**1.78**
Basic/diluted earnings per share (in €) from discontinued operations	**0.00**	**–0.01**	**0.00**	**6.43**

€ millions

Consolidated Statement of Recognized Income and Expenses	Q3/2015	Q3/2014	9M/2015	9M/2014
Net income	**146.9**	**86.8**	**257.9**	**902.7**
Actuarial gains/losses from defined benefit pension obligations	0.1	–24.7	23.3	–35.7
Items that may not be reclassified into the income statement in future periods	**0.1**	**–24.7**	**23.3**	**–35.7**
Currency translation differences	–55.2	15.2	35.7	27.9
Changes in fair value and realization of gains and losses in connection with available-for-sale financial assets	–0.1	–44.7	–0.1	–13.1
Changes in fair value of derivatives in cash flow hedges	0.0	3.6	0.1	3.8
Other income/loss from investments accounted for using the equity method	–0.7	0.2	–0.4	0.2
Items that may be reclassified into the income statement in future periods if certain criteria are met	**–56.0**	**–25.7**	**35.4**	**18.9**
Other income/loss	**–56.0**	**–50.4**	**58.7**	**–16.9**
Comprehensive income	**90.9**	**36.4**	**316.6**	**885.8**
Comprehensive income attributable to shareholders of Axel Springer SE	87.1	19.1	269.4	791.3
Comprehensive income attributable to non-controlling interests	3.8	17.3	47.2	94.6

Consolidated Statement of Cash Flows

€ millions	9M/2015	9M/2014
Net income	**257.9**	**902.7**
Reconciliation of net income to the cash flow from operating activities		
Depreciation, amortization, impairments, and write-ups	142.6	123.5
Result from investments accounted for using the equity method	4.1	0.7
Dividends received from investments accounted for using the equity method	3.2	3.0
Result from disposal of consolidated subsidiaries and business units and intangible assets, property, plant, and equipment, and financial assets	−113.9	−746.0
Changes in non-current provisions	−2.5	−4.6
Changes in deferred taxes	−7.5	−28.5
Other non-cash income and expenses	−12.8	2.1
Changes in trade receivables	18.5	31.2
Changes in trade payables	−17.0	−18.0
Changes in other assets and liabilities	−13.6	−28.5
Cash flow from operating activities[1)]	**258.8**	**237.7**
Proceeds from disposals of intangible assets, property, plant, and equipment, and investment property	10.3	0.1
Proceeds from disposals of consolidated subsidiaries and business units, less cash and cash equivalents given up	158.9	660.7
Proceeds from disposals of non-current financial assets	70.9	156.7
Proceeds from investments in short-term financial funds	3.7	0.0
Purchases of intangible assets, property, plant, equipment, and investment property	−84.9	−67.6
Purchases of shares in consolidated subsidiaries and business units less cash and cash equivalents acquired	−296.1	−377.6
Purchases of investments in non-current financial assets	−46.8	−39.9
Cash flow from investing activities[1)]	**−184.0**	**332.5**
Dividends paid to shareholders of Axel Springer SE	−178.1	−178.1
Dividends paid to other shareholders	−5.5	−100.7
Purchase of non-controlling interests	−23.6	−8.0
Disposal of non-controlling interests	0.2	0.0
Repayments of liabilities under finance leases	−0.5	−0.5
Proceeds from other financial liabilities	316.9	20.5
Repayments of other financial liabilities	−360.7	−170.5
Other financial transactions	0.0	−3.2
Cash flow from financing activities[1)]	**−251.3**	**−440.6**
Cash flow-related changes in cash and cash equivalents	**−176.5**	**129.6**
Changes in cash and cash equivalents due to exchange rates	1.5	0.5
Changes in cash and cash equivalents due to changes in companies included in consolidation	−0.2	0.0
Cash and cash equivalents at beginning of period	383.1	248.6
Changes to cash and cash equivalents in connection with assets held for sale	−4.5	27.6
Cash and cash equivalents at end of period	**203.4**	**406.2**

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

Consolidated Statement of Changes in Equity

€ millions	Sub-scribed capital	Ad-ditional paid-in capital	Accumu-lated retained earnings	Treasury shares	Accumulated other comprehensive income				Share-holders of Axel Springer SE	Non-con-trolling inter-ests	Equity
						Changes in fair value					
					Currency trans-lation[1]	Available-for-sale financial assets	Deriva-tives in cash flow hedges	Other equity[1]			
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**
Balance as of 01/01/2015	98.9	45.3	2,021.3	0.0	–28.5	0.3	–0.4	–132.9	2,004.2	350.8	2,354.9
Net income			217.5						217.5	40.4	257.9
Other income/loss					28.7	–0.1	0.1	23.1	51.9	6.8	58.7
Comprehensive income			**217.5**		**28.7**	**–0.1**	**0.1**	**23.1**	**269.4**	**47.2**	**316.6**
Dividends paid			–178.1						–178.1	–57.7	–235.8
Change in consolidated companies			–128.1						–128.1	68.0	–60.2
Purchase and disposal of non-controlling interests			–13.4						–13.4	–6.5	–19.8
Other changes		0.4	–0.3						0.1	0.3	0.4
Balance as of 09/30/2015	**98.9**	**45.7**	**1,919.0**	**0.0**	**0.2**	**0.2**	**–0.3**	**–109.7**	**1,954.1**	**402.1**	**2,356.2**

[1] Accumulated other comprehensive income from currency translation related to assets and liabilities held for sale amounted to € 25.0 million; other accumulated other comprehensive income from currency translation related to assets and liabilities held for sale amounted to € – 5.6 million.

Consolidated Segment Report

Operating segments

	Classified Ad Models		Paid Models		Marketing Models		Services/Holding		Consolidated totals	
€ millions	Q3/2015	Q3/2014	Q3/2015	Q3/2014	Q3/2015	Q3/2014	Q3/2015	Q3/2014	Q3/2015	Q3/2014
External revenues	**192.2**	**130.5**	**366.5**	**369.2**	**204.5**	**194.1**	**32.2**	**47.4**	**795.4**	**741.1**
Internal revenues	0.1	0.1	1.4	1.6	3.1	1.2	46.7	48.3		
Segment revenues	192.3	130.5	367.9	370.8	207.6	195.3	78.9	95.7		
EBITDA[1)]	**78.4**	**59.3**	**46.9**	**37.5**	**17.3**	**21.4**	**–13.3**	**–20.4**	**129.3**	**97.8**
EBITDA margin[1)]	**40.8%**	**45.4%**	**12.8%**	**10.2%**	**8.5%**	**11.0%**			**16.3%**	**13.2%**
Thereof income from investments	–0.2	–0.1	0.7	0.6	–1.5	–0.4	0.7	1.3	–0.3	1.4
Thereof accounted for using the equity method	–0.2	–0.2	0.4	0.5	–0.7	–0.7	0.0	0.0	–0.5	–0.4
Depreciation, amortization, impairments and write-ups (except from non-recurring effects and purchase price allocations)	–7.9	–4.8	–8.1	–7.7	–3.1	–2.7	–9.5	–10.7	–28.7	–25.9
EBIT [2)]	**70.4**	**54.5**	**38.8**	**29.8**	**14.3**	**18.7**	**–22.9**	**–31.1**	**100.7**	**71.9**
Amortization and impairments from purchase price allocations	–15.2	–8.6	–6.6	–5.5	–2.4	–5.5	0.0	0.0	–24.2	–19.7
Non-recurring effects	–4.7	52.8	86.4	–0.8	26.0	2.5	–0.7	–0.2	106.9	54.2
Segment earnings before interest and taxes	50.5	98.6	118.6	23.4	37.9	15.6	–23.6	–31.3	183.4	106.3
Financial result									–6.6	–5.2
Income taxes									–29.9	–13.8
Income from continued operations									146.9	87.4
Income from discontinued operations									0.0	–0.6
Net income									**146.9**	**86.8**

[1)] Adjusted for non-recurring effects.

[2)] Adjusted for non-recurring effects and amortization and impairments from purchase price allocations.

Geographical information

	Germany		Other countries		Consolidated totals	
€ millions	Q3/2015	Q3/2014	Q3/2015	Q3/2014	Q3/2015	Q3/2014
External revenues	420.9	424.2	374.5	316.9	795.4	741.1

Operating segments

	Classified Ad Models		Paid Models		Marketing Models		Services/Holding		Consolidated totals	
€ millions	9M/2015	9M/2014	9M/2015	9M/2014	9M/2015	9M/2014	9M/2015	9M/2014	9M/2015	9M/2014
External revenues	**547.5**	**357.1**	**1,095.4**	**1,129.4**	**632.7**	**564.9**	**97.1**	**126.5**	**2,372.7**	**2,177.9**
Internal revenues	0.3	0.2	4.5	6.2	7.8	4.0	145.0	143.9		
Segment revenues	547.8	357.3	1,099.9	1,135.6	640.5	568.9	242.1	270.3		
EBITDA[1)]	**225.7**	**160.2**	**137.8**	**170.2**	**66.1**	**76.8**	**–33.5**	**–43.3**	**396.0**	**363.9**
EBITDA margin[1)]	**41.2%**	**44.9%**	**12.6%**	**15.1%**	**10.4%**	**13.6%**			**16.7%**	**16.7%**
Thereof income from investments	–0.9	–0.8	1.6	2.5	0.3	3.7	2.7	3.5	3.8	9.0
Thereof accounted for using the equity method	–0.9	–0.8	1.2	2.3	–4.4	–2.2	0.0	0.0	–4.1	–0.8
Depreciation, amortization, impairments and write-ups (except from non-recurring effects and purchase price allocations)	–20.7	–12.9	–24.0	–23.2	–9.2	–8.1	–26.6	–26.7	–80.5	–70.9
EBIT [2)]	**204.9**	**147.4**	**113.8**	**147.0**	**56.9**	**68.7**	**–60.1**	**–70.0**	**315.5**	**293.1**
Amortization and impairments from purchase price allocations	–39.2	–25.0	–15.8	–15.6	–7.0	–11.5	0.0	–0.1	–62.1	–52.1
Non-recurring effects	–10.5	46.7	91.6	–9.4	31.5	32.4	–5.1	–0.2	107.6	69.5
Segment earnings before interest and taxes	155.3	169.1	189.6	122.1	81.4	89.6	–65.2	–70.3	361.0	310.5
Financial result									–21.0	–15.5
Income taxes									–82.1	–66.1
Income from continued operations									257.9	228.9
Income from discontinued operations									0.0	673.8
Net income									**257.9**	**902.7**

[1)] Adjusted for non-recurring effects.

[2)] Adjusted for non-recurring effects and amortization and impairments from purchase price allocations.

Geographical information

	Germany		Other countries		Consolidated totals	
€ millions	9M/2015	9M/2014	9M/2015	9M/2014	9M/2015	9M/2014
External revenues	1,244.4	1,251.3	1,128.3	926.6	2,372.7	2,177.9

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, 2015, 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, 2015, are basically the same as those applied in the consolidated financial statements as of December 31, 2014. A detailed description of these methods has been published in the notes to the consolidated financial statements for 2014.

Companies included in the consolidated financial statements

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

	09/30/2015	12/31/2014
Fully consolidated companies		
Germany	77	67
Other countries	101	92
Investments accounted for using the equity method		
Germany	6	5
Other countries	5	5

The changes arose mainly from the ensuing circumstances:

At the beginning of January, we acquired 51 % of the shares in @Leisure Group, Amsterdam, Netherlands. As a consequence of this acquisition, @Leisure Holding B.V., Amsterdam, Netherlands, and four further foreign entities as well as two domestic entities were fully consolidated since the acquisition date.

Since the beginning of January, Axel Springer Plug and Play Accelerator GmbH, Berlin, has been included in our consolidated financial statements using the equity method.

At the beginning of January, we acquired 100 % of the shares in ictjob SPRL, Waterloo, Belgium and have fully consolidated the company since the acquisition date.

In February, we acquired 100 % of the shares in Topic Travel B.V., The Hague, Netherlands, and 100 % of the shares in Livingly Media Inc., San Carlos, USA. We have fully consolidated the two companies since then.

In April, we acquired 100 % of the shares in profession.hu Kft., Budapest, Hungary, and have fully consolidated the company since then.

We increased our share in Sokoweb Technologies S.L., Barcelona, Spain, from 31.2 % to 63.6 % in April and have included this company as a fully consolidated subsidiary in our consolidated financial statements since then.

At the end of April, we sold all of our shares in Smart AdServer, Paris, France.

In the course of the combining of the Immowelt Group and the Immonet Group, we acquired 55 % of the shares in Immowelt Group, Nuremberg, at the end of June. As a consequence of the transaction, we have fully consolidated two domestic companies for the first time.

At the beginning of July, we gained control over Bonial Enterprises GmbH & Co. KG, Berlin, due to the cessation of contractual constraints with respect to voting rights. Since then, we have fully consolidated this company and a further foreign company, which both had formerly been included in our consolidated financial statements using the equity method.

Also at the beginning of July, we acquired 100 % of the shares in Praxis SARL, Chambéry, France, and have fully consolidated the company since then

At the end of July, we sold our shares in Talpa Germany GmbH & Co. KG, Hamburg. At the beginning of August, we disposed of our shares in runtastic GmbH, Pasching, Austria.

At the beginning of September, we acquired 70 % of the shares in Saknai Net Ltd., Tel Aviv, Israel, and have included this company as a fully consolidated subsidiary in our consolidated financial statements since then.

Acquisitions and divestitures

At the beginning of January, we acquired 51 % of the shares in @Leisure Holding B.V., Amsterdam, Netherlands and thus of the **@Leisure Group**. @Leisure is a leading European operator of online brokerage portals for vacation home rentals. Through the majority investment in @Leisure, Axel Springer complements its existing digital activities in the travel segment.

The acquisition costs paid in the reporting period amounted to € 64.8 million and comprised the purchase price amounting to € 56.8 million as well as the payment of liabilities assumed in the amount of € 8.0 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 after acquisition**
Intangible assets	84.4
Property, plant, and equipment	1.0
Non-current financial assets	0.2
Trade receivables	16.1
Other assets	1.7
Cash and cash equivalents	2.5
Trade payables	–18.5
Provisions and other liabilities	–4.1
Deferred tax liabilities	–25.0
Net assets	**58.3**
Share of non-controlling interests in net assets	24.9
Acquisition cost	64.8
Goodwill (preliminary)	**31.3**

The purchase price allocation considers all subsequent events related to the acquisition date and has not yet been completed because the acquisition occurred shortly before the publication of this interim report.

Of the intangible assets acquired, intangible assets with carrying amounts of € 49.8 million have indefinite useful lives. The non-tax-deductible goodwill is above all attributable to inseparable values such as employee expertise, the strategic advantages resulting from the leading

market position of the acquired group and expected synergy effects from the integration, and was allocated to the Classified Ad Models segment.

The gross amount of the acquired trade account receivables was € 16.5 million. Corresponding valuation allowances in the amount of € 0.4 million were recorded.

Since first inclusion as of the beginning of January, @Leisure Group contributed to consolidated revenues in the amount of € 37.7 million and to consolidated net income in the amount of € 4.8 million.

At the end of June, the combining of the **Immowelt Group** and the Immonet Group belonging to Axel Springer Digital Classifieds was finalized. Both real estate portals will be brought under the auspices of the new Immowelt Holding AG based in Nuremberg. Axel Springer Digital Classifieds will have a shareholding of 55 % in the combined group.

The preliminary acquisition costs for the majority shareholding in the Immowelt Group amounted to € 197.7 million and comprised the purchase price paid in the reporting period in the amount of € 131.0 million, an outstanding purchase price adjustment of € 1.5 million, and the fair value of 45 % of the shares in the Immonet Group given in exchange totaling € 65.3 million. As a result of giving the shares in the Immonet Group in exchange, and taking into account their fair value as well as the recognition of non-controlling interests in the amount of € 16.4 million, a resulting difference of € 48.8 million was directly offset against equity, thereof € 7.3 million being attributed to non-controlling interests. The acquisition-related expenses recorded in other operating expenses of the fiscal year amounted to € 0.9 million.

The non-controlling shareholders were granted fixed-price put options exercisable at any time until the beginning of 2018 (for 35 % of the shares), as well as one-time in mid-2019 exercisable put options at performance-based prices (for 10 % of the shares), which do not concede any present ownership interest. Thus, the obligation recorded within the balance sheet item other liabilities representing the discounted redemption amount with a value of € 194.6 million was directly offset against equity, thereof € 29.2 million attributed to non-controlling interests. The changes in equity stemming from the transaction are shown within the consolidated statement of changes in equity as part of the line change in consolidated companies.

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 after acquisition
Intangible assets	165.4
Property, plant, and equipment	0.4
Non-current financial assets	0.1
Trade receivables	2.0
Other assets	1.5
Cash and cash equivalents	9.7
Trade payables	–1.1
Provisions and other liabilities	–4.5
Deferred tax liabilities	–52.0
Net assets	**121.5**
Share of non-controlling interests in net assets	54.7
Acquisition cost (preliminary)	197.7
Goodwill (preliminary)	**130.9**

The purchase price allocation considers all subsequent events related to the acquisition date and has not yet been completed because the acquisition occurred shortly before the publication of this interim report.

Of the intangible assets acquired, intangible assets with carrying amounts of € 57.7 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 strategical advantages of the new market position, and was allocated to the Classified Ad Models segment.

The gross amount of the acquired trade account receivables was € 2.2 million. Corresponding valuation allowances in the amount of € 0.2 million were recorded.

Since first inclusion as of the end of June, Immowelt Group contributed to consolidated revenues in the amount of € 12.1 million and to consolidated net income in the amount of € – 1.1 million. If Immowelt Group had already been fully consolidated at January 1, 2015, it would have contributed to consolidated revenues in the amount of € 35.1 million and to consolidated net income in the amount of € – 3.5 million.

Further business combinations that occurred in the reporting period related to the acquisitions of 100 % of the shares in ictjob SPRL, Waterloo, Belgium, Interactive Junction Holding Pty. Ltd., Johannesburg, South Africa, Topic Travel B.V., The Hague, Netherlands, Nasza Klasa sp. z o.o., Wroclaw, Poland, Livingly Media, Inc., San Carlos, USA, Profession.hu Kft., Budapest, Hungary, and Praxis SARL, Chambéry, France. Furthermore, we purchased 70 % of the shares in Saknai Net Ltd., Tel Aviv, Israel, as well as a further 32.4 % of the shares in Sokoweb Technologies, S.L., Barcelona, Spain. Additionally, we gained control (65 % of the shares) over Bonial Enterprises GmbH & Co. KG, Berlin. These business combinations were carried out in the context of our strategy to become the leading digital publisher, and individually had no material effects on the financial position, liquidity, and financial performance of the Axel Springer Group.

The acquisition costs for the acquisitions – which are partly preliminary – finalized in the reporting period amounted to € 132.2 million and contained besides the purchase prices paid also contingent considerations totaling € 19.7 million as well as the fair value of the shares held prior to gaining control amounting to € 13.8 million. A profit of € 10.1 million from the fair valuation of the previously-held shares was shown in income from investments. The acquisition-related expenses recorded in other operating expenses of the fiscal year amounted to € 0.5 million.

The contingent considerations resulted from earn-out agreements as well as from option rights to purchase the remaining shares and were recorded at fair value at the acquisition date. The fair value predominantly depends on the estimated results of the acquired companies in the years prior to possible payment or exercise dates.

Because some business combinations occurred shortly before the publication of this interim report, audited financial information regarding the acquired net assets as well as the contributions to revenues and operating profit are not yet available for some of the companies.

Based on the purchase price allocations, which are partly preliminary, the cumulative acquisition costs of the business combinations finalized in the reporting period were allocated to the purchased assets and liabilities as follows:

€ millions	Carrying amount after acquisition
Intangible assets	43.6
Property, plant, and equipment	0.8
Trade receivables	11.0
Other assets	1.3
Deferred tax assets	0.5
Cash and cash equivalents	11.1
Trade payables	–7.5
Financial liabilities	–0.2
Provisions and liabilities	–12.3
Deferred tax liabilities	–10.8
Net assets	**37.4**
Share of non-controlling interests in net assets	–0.6
Acquisition cost (preliminary)	132.2
Goodwill (preliminary)	**94.2**

The purchase price allocations consider all subsequent events related to the acquisition date and have not yet been completed for some acquisitions because of their occurrence shortly before the publication of this interim report.

Of the intangible assets acquired, intangible assets with carrying amounts of € 20.9 million have indefinite useful

lives. The non-tax-deductible goodwills are above all attributable to inseparable values such as employee expertise and expected synergy effects from the integration, and were allocated to the Marketing Models (€ 43.5 million), Classified Ad Models (€ 42.0 million) and Paid Models (€ 8.7 million) segments.

Since their respective initial consolidations, these companies contributed to consolidated revenues 2015 in the amount of € 24.6 million and to consolidated net income 2015 in the amount of € – 0.7 million. If these acquisitions had already been finalized at January 1, 2015, consolidated revenues would have changed by € 33.3 million and consolidated net income by € – 4.2 million.

In September, we reached a binding agreement to purchase approximately 88 % of the shares in Business Insider. Axel Springer already owns approximately 9 % of the shares in Business Insider, and thus will hold an equity stake of about 97 % after the acquisition. The purchase price based on 100 % of Business Insider amounts to USD 442 million (currently approximately € 395 million) on the basis of a cash and debt free valuation of USD 390 million (currently approximately € 348 million). New York City-based Business Insider is the leading digital offering for business news in the United States (businessinsider.com). The acquisition is a vital part of Axel Springer's strategy to increase its global digital reach, and to diversify and expand its journalistic portfolio in the English-speaking world. The transaction was approved by the relevant cartel authorities in October and will be finalized in the fourth quarter.

In April, aufeminin Group finalized the sale of 100 % of its shares in **Smart AdServer**, Paris, France, at a disposal price totaling € 37 million. The gain on disposal recorded in other operating income amounted to € 10.2 million. The following table shows the carrying amounts of the assets and liabilities disposed of:

€ millions	Carrying amount
Goodwill	20.1
Intangible assets	1.3
Property, plant, and equipment	0.4
Non-current financial assets	0.2
Trade receivables	5.4
Other assets	3.4
Deferred tax assets	0.1
Cash and cash equivalents	3.9
Trade payables	–3.6
Provisions and liabilities	–4.4
Disposal net assets	**26.8**
Selling price	37.0
Gain on disposal	**10.2**

In August, the sale of 50.1 % of our shares in **runtastic GmbH**, Pasching, Austria, at a disposal price totaling € 105.3 million was finalized. The gain on disposal recorded in other operating income amounted to € 85.8 million. The following table shows the carrying amounts of the assets and liabilities disposed of:

€ millions	Carrying amount
Goodwill	13.4
Intangible assets	13.1
Property, plant, and equipment	0.8
Trade receivables	2.0
Other assets	0.7
Cash and cash equivalents	3.4
Trade payables	–0.9
Provisions and liabilities	–3.7
Deferred tax liabilities	–3.3
Disposal net assets	**25.5**
Share of non-controlling interests in net assets	6.1
Selling price	105.3
Gain on disposal	**85.8**

Further divestments finalized in the reporting related to the disposal of 55 % of the shares in ims Internationaler Medien Service GmbH & Co. KG, Hamburg, 50.1 % of

the shares in Talpa Germany GmbH & Co. KG, Hamburg, as well as 90 % of the shares in Shop Now GmbH, Berlin. These divestments individually had no material effects on the financial position, liquidity, and financial performance of the Axel Springer Group.

The cumulative gain on disposal recorded in other operating income with respect to these further divestments amounted to € 16.1 million. The following table shows the carrying amounts of the assets and liabilities disposed of:

€ millions	Carrying amount
Goodwill	11.1
Intangible assets	2.0
Property, plant, and equipment	0.6
Non-current financial assets	0.1
Trade receivables	21.4
Other assets	12.4
Deferred tax assets	1.1
Cash and cash equivalents	0.4
Trade payables	–11.3
Provisions and liabilities	–16.2
Deferred tax liabilities	–3.1
Disposal net assets	**18.5**
Share of non-controlling interests in net assets	4.9
Selling price	29.6
Gain on disposal	**16.1**

In September, Ringier and Axel Springer signed the contract for the establishment of a further joint venture in Switzerland, in which both companies will have an equal equity stake. On the one hand, Ringier shall contribute all Swiss-German and West Swiss newspaper titles including their associated online portals as well as the West Swiss broadsheet Le Temps; on the other hand, Axel Springer shall contribute Axel Springer Schweiz, which combines all business of Axel Springer SE in Switzerland. The transaction is subject to the approval of the relevant competition authorities and is expected to be finalized in early 2016.

The carrying amounts of the assets and liabilities of Axel Springer Schweiz to be contributed into the joint venture were classified as held for sale and were comprised of as follows as of September 30, 2015:

€ millions	Carrying amount
Goodwill	61.6
Other intangible assets	32.9
Property, plant, and equipment	3.5
Non-current financial assets	0.3
Deferred tax assets	8.9
Inventories	0.4
Other assets	7.6
Cash and cash equivalents	4.5
Assets held for sale	**119.7**
Provisions for pensions	18.9
Other liabilities	39.2
Deferred tax liabilities	11.3
Liabilities related to assets held for sale	**69.4**

Accumulated other comprehensive income from currency translation related to assets and liabilities held for sale amounted to € 25.0 million; other accumulated other comprehensive income from currency translation related to assets and liabilities held for sale amounted to € – 5.6 million.

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.

Discontinued operations

In the previous year, the German regional newspapers, TV program guides, and women's magazines as well as the business activities and investments held by Ringier Axel Springer Media in the Czech Republic, were shown separately 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. Before the contractually agreed purchase price adjustment the purchase price was € 920 million. Upon finalization of the purchase agreement and taking into account a purchase price adjustment, a purchase price of € 876.5 million was calculated. This calculation reflected the circumstance, among others, that the buyer assumed net liabilities as part of the transaction. Of the purchase price, an amount of € 632.9 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 € 243.6 million. In connection with the disposal, the tax burden amounted to € 248.3 million.

In order to fulfill 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 (value as of September 30, 2015: € 37.5 million)

In addition, Ringier Axel Springer Media AG has sold its business activities and investments in the Czech Republic to two Czech entrepreneurs effective with approval from the Czech cartel authorities on April 30, 2014. These activities included the leading mass-circulation daily BLESK and the leading news magazine REFLEX, as well as automotive magazines and women's magazines. The purchase price that was based on a company value of € 170 million amounted to € 196.5 million taking into account particularly the net assets transferred to the buyer.

The carrying amounts of the assets and liabilities disposed of, as well as the gain on disposal as of September 30, 2014 were as follows:

€ millions	**9M/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 sold in the previous year were as follows:

€ millions	9M/2014[1]
Revenues	181.3
Other operating income	2.8
Expenses	–155.7
Operating result from discontinued operations (before taxes)	**28.4**
Income taxes	–7.5
Operating result from discontinued operations (after taxes)	**20.9**
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**
Thereof attributable to shareholder of Axel Springer SE	636.1
Thereof attributable to non-controlling interests	37.7

[1] The operating result from discontinued operations only concerns the period until the closing date as of April 30, 2014.

The following table shows the cash inflows and cash outflows attributed to the discontinued operations sold in the previous year:

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

[1] The cash flow from operating activities from discontinued operations only concerns the period until the closing date as of April 30, 2014.

The cash flow from investing activities for the discontinued operations includes 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.

Relationships with related parties

From January to September 2015, we supplied goods and services to related companies in the value of € 12.3 million (PY: € 15.1 million). The goods and services received from related companies during the reporting period had a total value of € 18.3 million (PY: € 21.0 million).

With regard to discontinued operations in the previous year, services were rendered amounting to € 28.3 million and services were received amounting to € 1.8 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, 2014.

Other disclosures

In the third quarter, we have increased the financing volume of our credit lines and extended their terms. Apart from promissory notes with terms until April 2016 (nominal value: € 56.5 million), until April 2018 (nominal value: € 112.0 million), until October 2018 (nominal value: € 220.0 million), and until October 2020 (nominal value: € 248.5 million), we thus have existing credit lines as of September 30, 2015 amounting to € 1,500.0 million. The utilization of the credit lines is due for repayment in July 2020.

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 € 1,005.4 million, whereas their fair value was € 1,013.4 million (values as of December 31, 2014: carrying amount: € 1,049.0 million, fair value: € 1,062.3 million).

The following table shows the assets and liabilities measured at fair value:

€ millions	09/30/2015 Fair value based on market price (level 1)	09/30/2015 Fair value based on observable market data (level 2)	09/30/2015 Fair value not based on observable input factors (level 3)	12/31/2014 Fair value based on market price (level 1)	12/31/2014 Fair value based on observable market data (level 2)	12/31/2014 Fair value not based on observable input factors (level 3)
Derivatives not designated as a hedging instrument (positive fair value)		1.6	200.0		0.5	259.1
Derivatives designated as a hedging instrument (negative fair value)		0.8			0.9	
Derivatives not designated as a hedging instrument (negative fair value)		64.9			43.6	
Contingent consideration			265.2			266.4

By exercising a put option in January 2015, we sold approximately 2.7 % of our shares in Doğan TV Holding A.S., Istanbul, Turkey, in the reporting period. The proceeds from this transaction totaled € 63.3 million. The value for the contractually agreed put option rights – recorded at the end of the previous fiscal year with the value of the discounted payment claims – was reduced correspondingly so that there was no income effect in the reporting period. As of September 30 2015, the remaining put options were measured at fair value on the basis of non-observable parameters (discounted payment claims) within the balance sheet item financial assets with an amount of € 200.0 million (value as of December 31, 2014: € 259.1 million). In the reporting period, a profit in the amount of € 1.5 million was recorded in the income statement as a result of compounding. Assuming a variation of 25 basis points with respect to the interest rate, the fair value of the put options would change by approximately € 2.0 million.

The further financial derivatives not designated as a hedging instrument were mainly used to hedge loans of foreign subsidiaries in Norway and in Great Britain nominated in Euro (nominal values: € 300.0 million and € 65.0 million), and were recorded within the balance sheet items other assets and other liabilities. 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 were recorded in the income statement.

The fair value of obligations from contingent consideration – which is premised on non-observable parameters – amounted to € 265.2 million (value as of December 31, 2014: € 266.4 million) and was recorded within the balance sheet item other liabilities. In the course of revaluation and compounding, total expenses and income in the amount of € - 2.8 million (PY: € 7.4 million) was recorded in the income statement. 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. The earnings used as a basis for measurement are generally EBITDA figures adjusted for material non-recurring effects. In case of an increase/a decrease of the relevant earnings measures by 10 %, the value of the contingent consideration would also fluctuate by 10 %.

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, 2015.

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, 2015, 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 3, 2015

Ernst & Young GmbH
Wirtschaftsprüfungsgesellschaft

Ludwig
Wirtschaftsprüfer
[German Public Auditor]

Mielke
Wirtschaftsprüferin
[German Public Auditor]

Report of the Audit Committee of the Supervisory Board

The quarterly financial report as of September 30, 2015 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 2015

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.