



# Quarterly Statement

*as of September 30, 2016*

# Group Key Figures

€ millions	3 <sup>rd</sup> Quarter			9 Months		
	Q3/2016	Q3/2015	Change	9M/2016	9M/2015	Change
<b>Group</b>						
<b>Revenues</b>	<b>801.5</b>	<b>795.4</b>	<b>0.8 %</b>	<b>2,386.8</b>	<b>2,372.7</b>	<b>0.6 %</b>
<i>Digital media revenue share<sup>1)</sup></i>	<i>67.0 %</i>	<i>61.2 %</i>		<i>66.8 %</i>	<i>61.5 %</i>	
<b>EBITDA<sup>2)</sup></b>	<b>146.1</b>	<b>129.3</b>	<b>13.0 %</b>	<b>419.0</b>	<b>396.0</b>	<b>5.8 %</b>
<i>EBITDA margin<sup>2)</sup></i>	<i>18.2 %</i>	<i>16.3 %</i>		<i>17.6 %</i>	<i>16.7 %</i>	
<i>Digital media EBITDA share<sup>1)</sup></i>	<i>73.0 %</i>	<i>67.6 %</i>		<i>72.4 %</i>	<i>70.7 %</i>	
EBIT <sup>3)</sup>	115.9	100.7	15.1 %	331.8	315.5	5.2 %
Net income	90.2	146.9	-38.6 %	363.4	257.9	40.9 %
Net income, adjusted <sup>3)</sup>	62.7	62.4	0.5 %	208.9	198.8	5.1 %
<b>Segments<sup>4)</sup></b>						
<b>Revenues</b>						
Classified Ad Models	220.4	192.2	14.7 %	645.0	547.5	17.8 %
Paid Models	366.1	379.2	-3.5 %	1,075.1	1,130.5	-4.9 %
Marketing Models	196.6	204.5	-3.9 %	610.8	632.7	-3.5 %
Services/Holding	18.3	19.4	-5.7 %	55.8	61.9	-9.9 %
<b>EBITDA<sup>2)</sup></b>						
Classified Ad Models	90.0	77.7	15.8 %	261.4	224.2	16.6 %
Paid Models	51.0	50.6	0.7 %	134.0	151.9	-11.8 %
Marketing Models	11.4	16.7	-31.6 %	57.9	64.7	-10.5 %
Services/Holding	-6.3	-15.7	-	-34.3	-44.9	-
<b>Liquidity and financial position</b>						
Free cash flow <sup>5)</sup>	94.6	97.3	-2.8 %	210.8	184.2	14.5 %
Capex <sup>6)</sup>	-38.5	-28.9	-	-105.5	-84.9	-
Total assets <sup>7)</sup>	6,257.0	6,504.7	-3.8 %	6,257.0	6,504.7	-3.8 %
Equity ratio <sup>7)</sup>	40.4 %	38.6 %		40.4 %	38.6 %	
Net liquidity/debt <sup>7) 8)</sup>	-1,021.9	-1,066.6	-	-1,021.9	-1,066.6	-
<b>Share-related key figures<sup>9)</sup></b>						
Earnings per share, adjusted (in €) <sup>3) 10)</sup>	0.51	0.51	-0.9 %	1.71	1.60	6.5 %
Earnings per share (in €) <sup>10)</sup>	0.82	1.39	-41.0 %	3.23	2.20	46.7 %
Closing price (in €)	45.58	49.92	-8.7 %	45.58	49.92	-8.7 %
Market capitalization <sup>11)</sup>	4,917.9	4,939.1	-0.4 %	4,917.9	4,939.1	-0.4 %
<b>Average number of employees</b>	<b>15,408</b>	<b>15,107</b>	<b>2.0 %</b>	<b>15,143</b>	<b>14,908</b>	<b>1.6 %</b>

No audit review was carried out with regard to the financial information contained in the Quarterly Statement.

<sup>1)</sup> Based on the operating business (without the segment Services/Holding).

<sup>2)</sup> Adjusted for non-recurring effects, see comments on the financial performance of the Group.

<sup>3)</sup> Adjusted for non-recurring effects and amortization and impairments from purchase price allocations, see comments on the financial performance of the Group.

<sup>4)</sup> Prior year figures adjusted accordingly due to an adjustment of the segment allocation in the financial year 2015.

<sup>5)</sup> Cash flow from operating activities minus capital expenditures, plus cash inflows from disposals of intangible assets and property, plant and equipment.

<sup>6)</sup> Capital expenditures on intangible assets, property, plant and equipment, and investment property.

<sup>7)</sup> As of September 30, 2016 and December 31, 2015, respectively.

<sup>8)</sup> In 2015, without the purchase price received in connection with real estate sales amounting to € 67.5 million, attributable to the plan assets created for our pension obligations.

<sup>9)</sup> Quotations based on XETRA closing prices.

<sup>10)</sup> Calculation based on average weighted shares outstanding in the reporting period (107.9 million; PY: 98.9 million).

<sup>11)</sup> Based on shares outstanding at the closing price, excluding treasury shares (107.9 million; PY: 98.9 million).

# *Business performance and position of the Group*

## *At a glance*

### *Development of revenues and earnings*

Business developed according to our expectations in the first nine months of the current financial year. During the reporting period, revenues of € 2,386.8 million were slightly (0.6 %) higher than the figure for the prior year. Adjusted for various consolidation and currency effects, revenues were 4.7 % higher than the prior-year figure. Compared with the same period last year, the declines registered in the print business could be more than compensated by growth in the Group's digital activities.

During the first nine months EBITDA was € 419.0 million, and therefore 5.8 % above the prior-year figure (€ 396.0 million). A considerable increase within Classified Ad Models compensated for declines in results in the other operating segments. EBIT was € 331.8 million and therefore up by 5.2 %, compared with the prior-year level (€ 315.5 million). The adjusted earnings per share increased by 6.5 % to € 1.71 (PY: € 1.60).

Based on the development during the third quarter, we keep our forecasts for the whole of 2016 unchanged.

### *Outlook for 2016*

We anticipate in the Group that **revenues** will be approximately at the level of the previous year in the 2016 financial year. Adjusted for consolidation and currency effects, primarily due to the deconsolidation of the activities in Switzerland, growth would be higher and would continue to be in the mid-single-digit percentage range. We assume that the planned increase in advertising revenues will be confronted with a decline in circulation revenues and other revenues.

We still expect a rise in **EBITDA** in the low to mid-single-digit percentage range.

For **EBIT** we expect the development to be slightly lower than for EBITDA due to higher depreciation, amortization and impairments.

For the **adjusted earnings per share**, we expect an increase in the mid to high single-digit percentage range.

## *Business performance*

On January 1, 2016, Ringier and Axel Springer completed the establishment of the **joint venture Ringier Axel Springer Switzerland**. This comprises all Swiss-German and West Swiss newspaper titles (including their associated online portals) as well as the West Swiss broadsheet *Le Temps* belonging to Ringier and the entire business of Axel Springer in Switzerland. With the new company, the partners want to significantly improve their competitiveness in the Swiss readers and advertising market, and in particular accelerate the digitalization of its well-known brands. Axel Springer is consolidating the income from investments on a pro-rated basis.

In January 2016, as part of its efforts focusing on the digital growth strategy, Axel Springer closed the sale of its interest in **CarWale**, a leading online portal for automobiles in the Indian market, at a converted purchase price (after deduction of taxes) of € 64.0 million.

The sale of the first part of our **Hamburg office building complex** was also completed in January 2016. The sale of the second part took place in the third quarter.

Furthermore, in the first quarter of 2016, we additionally sold about 2.3 % of our equity stake in **Doğan TV Holding A.S.**, Istanbul, Turkey, at a purchase price of € 55.3 million.

At the end of April, **FUNKE Mediengruppe** prematurely repaid the 2014 vendor loan, including the accrued interest (a total amount of € 260.3 million), in connection with the sale of our national regional newspapers, as well as TV program guides and women's magazines. The repayment was initially budgeted for a period of up to two years, starting mid-2018.

At the beginning of May, Axel Springer Digital Ventures GmbH, a wholly-owned subsidiary of Axel Springer SE, together with the founders of **Smarthouse Media GmbH**, a leading full-service provider of online financial applications from Karlsruhe, sold this company to adesso AG. The sale of 91.0 % of the shares was completed for a total of € 21.8 million.

In the second quarter of this year, **@Leisure Group**, a leading operator of online portals for vacation rentals in Europe that is majority owned by Axel Springer, announced two acquisitions for the purpose of expanding its portfolio.

In April, the company acquired the majority shareholding (50.01 %) of **Traum-Ferienwohnungen GmbH**, which has its registered office in Bremen. Traum-Ferienwohnungen is a leading online marketplace for vacation rentals in Germany and operator of the booking platform "traum-ferienwohnungen.de".

At the end of July 2016, the @Leisure Group acquired a total of 75.96 % of the shares in **Land & Leisure A/S**. In a second step, in September we increased our share to 93.17 %, and in early October requested the minority shareholders to transfer their shares to the @Leisure Group in return for cash compensation (squeeze out). The completion of this squeeze out is scheduled for November 11. The total share acquisition costs will then amount to approximately € 61 million. Land & Leisure A/S brokers vacation properties under the brand name DanCenter and vacation park accommodation in Denmark, Sweden, Norway, and Germany under the brand name Danland. With the takeover, the @Leisure Group strengthens its market position in Scandinavia.

In July, Axel Springer acquired approx. 93 % of the shares in **eMarketer Inc.**, New York, USA, a leading provider of high-quality analyses, studies and digital market data for companies and institutions. The transaction is another milestone in the strategy of growing in the English-speaking regions – particularly the US market – through digital activities and expanding the portfolio of innovative Paid Models. With this takeover, Axel Springer also strengthens its position in business-related news and content. The transaction was based on an enterprise valuation of eMarketer of around USD 250 million (approx. € 220 million). For about 93 % of the shares, including cash and cash equivalents and liabilities, Axel Springer paid around € 207 million.

In September, Axel Springer signed an agreement to exercise the existing option rights to acquire the remaining 39 % of shares in Car&Boat Media. This means that the operator of **La Centrale**, the largest specialized car rubric portal in France, will in future belong entirely to Axel Springer. The transaction is expected to be completed in the fourth quarter.

### *Financial performance of the Group*

During the reporting period, **revenues** were € 2,386.8 million, and therefore slightly (0.6 %) above the prior year figure (€ 2,372.7 million). The development was noticeably affected by consolidation effects, amongst other things, due to the deconsolidation of the activities in Switzerland. Adjusted for consolidation and currency effects Axel Springer's revenues increased by 4.7 %.

The table below shows the organic **digital media revenues development**. The figures were adjusted for consolidation and currency effects.

#### Revenue Development Digital Media, Organic

yoy	9M/16	Q3/16
<b>Digital media</b>	<b>10.6 %</b>	<b>9.9 %</b>
Classified Ad Models	12.0 %	12.0 %
Paid Models	16.8 %	17.6 %
Marketing Models	7.0 %	4.9 %

Adjusted for consolidation and currency effects, the organic growth of digital media revenues was at 10.6 %. Paid Models generated the highest organic growth at 16.8 %, followed by Classified Ad Models at 12.0 %, and Marketing Models at 7.0 %.

The **pro forma revenue development of digital media** is illustrated in the table below.

**Revenue Development Digital Media, Pro Forma**

yoy	9M/16	Q3/16
<b>Digital media</b>	<b>7.9 %</b>	<b>6.3 %</b>
Classified Ad Models	9.4 %	9.0 %
Paid Models	14.1 %	15.9 %
Marketing Models	3.2 %	-1.1 %

Pro forma revenues, which in the first nine months rose 7.9 %, from € 1,489.4 million to € 1,606.6 million, take into consideration the development of the enterprises currently belonging to the Axel Springer Group for the full reporting period and previous year, partly on the basis of unchecked financial information.

**International revenues** rose slightly from € 1,128.3 million by 1.2 % to € 1,141.4 million, thus amounting to 47.8 % (PY: 47.6 %) of Axel Springer's revenues.

Compared with the prior year, **EBITDA** rose by 5.8 % to € 419.0 million (PY: € 396.0 million). The EBITDA margin increased to 17.6 % (PY: 16.7 %). The **EBITDA for digital media** rose by 5.3 % from € 311.6 million to € 328.1 million. Based on the operating business, the digital business share in EBITDA therefore amounted to 72.4 % (PY: 70.7 %). At the end of 2015, this figure was 69.6 %. As a result of the increase in depreciation, amortization and impairments, and write-ups reported in the prior year's period, **EBIT** increased by 5.2 % to € 331.8 million (PY: € 315.5 million). Non-recurring effects such as gains or losses on the sale of business divisions and investments are not included in EBITDA and EBIT; furthermore amortization and impairments from purchase price allocations and write-downs linked with the sale of real estate are not included in EBIT.

**Net income** developed as follows:

**Net Income**

€ millions	9M/2016	9M/2015	Change
<b>Net income</b>	<b>363.4</b>	<b>257.9</b>	<b>40.9 %</b>
Non-recurring effects	-236.1	-107.6	-
Depreciation, amortization, and impairments of purchase price allocations	72.5	62.1	16.8 %
Taxes attributable to these effects	9.1	-13.6	-
<b>Net income, adjusted</b>	<b>208.9</b>	<b>198.8</b>	<b>5.1 %</b>
Attributable to non-controlling interest	24.9	40.4	-38.3 %
<b>Adjusted net income from continuing operations attributable to shareholders of Axel Springer SE</b>	<b>184.0</b>	<b>158.5</b>	<b>16.1 %</b>
<b>Earnings per share, adjusted (in €)<sup>1)</sup></b>	<b>1.71</b>	<b>1.60</b>	<b>6.5 %</b>
<b>Earnings per share (in €)<sup>1)</sup></b>	<b>3.23</b>	<b>2.20</b>	<b>46.7 %</b>

<sup>1)</sup> basic = diluted; based on the average weighted number of shares outstanding in the reporting period (107.9 million; PY: 98.9 million).

The non-recurring effects mainly included income from the sale of business operations in the amount of € 189.2 million (PY: € 99.0 million), particularly in connection with the establishment of the Swiss joint venture and the sale of CarWale as well as income from the disposal of the remaining part of the office building complex at the Hamburg site of € 71.3 million. In addition, expenses particularly included the revaluation of contingent purchase price liabilities from options for non-controlling interests in the amount of € -7.1 million (PY: income of € 0.9 million) and other initial consolidation effects, primarily resulting from incidental acquisition costs, of € -11.7 million (PY: income of € 7.6 million.). In connection with the new Executive Board remuneration program, € 2.2 million (PY: € 0.0 million) was adjusted.

Net income attributable to non-controlling interest decreased due to the increase in our share of the Axel Springer Digital Classifieds Group completed in December 2015. By issuing 8,955,311 new Axel-Springer shares in relation to this, the earnings per share were determined on the basis of 107.9 million outstanding shares (PY: 98.9 million).

## Financial performance of the operating segments

### 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/2016	9M/2015	Change
<b>Revenues</b>	<b>645.0</b>	<b>547.5</b>	<b>17.8 %</b>
Advertising revenues	627.9	531.3	18.2 %
Other revenues	17.0	16.2	5.3 %
<b>Jobs</b>	<b>296.8</b>	<b>262.2</b>	<b>13.2 %</b>
<b>Real Estate</b>	<b>201.9</b>	<b>165.4</b>	<b>22.1 %</b>
<b>General/Other</b>	<b>146.3</b>	<b>120.0</b>	<b>21.9 %</b>
<b>EBITDA<sup>1)</sup></b>	<b>261.4</b>	<b>224.2</b>	<b>16.6 %</b>
Jobs	125.1	117.8	6.2 %
Real Estate	90.9	80.2	13.3 %
General/Other	50.4	32.2	56.4 %
<b>EBITDA margin</b>	<b>40.5 %</b>	<b>41.0 %</b>	
Jobs	42.1 %	44.9 %	
Real Estate	45.0 %	48.5 %	
General/Other	34.5 %	26.9 %	

<sup>1)</sup> Segment EBITDA includes non-allocated costs of € 5.0 million (PY: € 6.0 million).

Revenues in the Classified Ad Models segment increased by 17.8 % to € 645.0 million compared with the same period last year (PY: € 547.5 million). Alongside an operational improvement, particularly from job portals, consolidation effects, especially in the first half of the year, had an influence due to the incorporation of Immowelt. Adjusted for consolidation and currency effects, revenues increased by 12.0 %. The currency effects mainly pertained to the job portal activities in Great Britain.

EBITDA of the segment increased considerably by 16.6 % to € 261.4 million (PY: € 224.2 million). EBITDA was also affected by consolidation effects. Adjusted for consolidation and currency effects, the increase amounted to 7.7 %. The margin of 40.5 % came in slightly under the previous year's value (PY: 41.0 %). This is due to the increased spending for technological advancements and marketing as well as the inclusion of acquired subsidiaries, the margins of which are currently below the average value for the segment.

#### Key Figures Classified Ad Models

€ millions	Q3/2016	Q3/2015	Change
<b>Revenues</b>	<b>220.4</b>	<b>192.2</b>	<b>14.7 %</b>
Advertising revenues	214.7	186.8	15.0 %
Other revenues	5.6	5.4	4.3 %
<b>Jobs</b>	<b>102.0</b>	<b>91.8</b>	<b>11.1 %</b>
<b>Real Estate</b>	<b>69.0</b>	<b>63.8</b>	<b>8.1 %</b>
<b>General/Other</b>	<b>49.4</b>	<b>36.5</b>	<b>35.1 %</b>
<b>EBITDA<sup>1)</sup></b>	<b>90.0</b>	<b>77.7</b>	<b>15.8 %</b>
Jobs	46.0	43.9	4.8 %
Real Estate	31.9	28.8	10.5 %
General/Other	14.4	7.2	>100 %
<b>EBITDA margin</b>	<b>40.8 %</b>	<b>40.4 %</b>	
Jobs	45.1 %	47.8 %	
Real Estate	46.2 %	45.2 %	
General/Other	29.2 %	19.6 %	

<sup>1)</sup> Segment EBITDA includes non-allocated costs of € 2.3 million (PY: € 2.2 million).

### *Paid Models*

The national sub-segment of the Paid Models segment mainly comprises the BILD and WELT groups and in the international sub-segment the content based, increasingly digitalized, media models, as well as analog models in Europe and the USA.

#### Key Figures Paid Models

€ millions	9M/2016	9M/2015	Change
<b>Revenues</b>	<b>1,075.1</b>	<b>1,130.5</b>	<b>-4.9 %</b>
Advertising revenues	426.1	440.0	-3.2 %
Circulation revenues	490.5	541.8	-9.5 %
Other revenues	158.6	148.7	6.6 %
<b>National</b>	<b>831.5</b>	<b>839.4</b>	<b>-0.9 %</b>
Advertising revenues	303.9	316.7	-4.1 %
Circulation revenues	409.5	420.8	-2.7 %
Other revenues	118.2	101.9	16.0 %
<b>International</b>	<b>243.6</b>	<b>291.2</b>	<b>-16.3 %</b>
Advertising revenues	122.2	123.3	-0.8 %
Circulation revenues	81.0	121.1	-33.1 %
Other revenues	40.4	46.8	-13.7 %
<b>EBITDA</b>	<b>134.0</b>	<b>151.9</b>	<b>-11.8 %</b>
National	122.5	113.4	8.0 %
International	11.5	38.6	-70.3 %
<b>EBITDA margin</b>	<b>12.5 %</b>	<b>13.4 %</b>	
National	14.7 %	13.5 %	
International	4.7 %	13.2 %	

Revenues in the Paid Models segment were € 1,075.1 million, which is 4.9% below the value for the prior year (€ 1,130.5 million). This is primarily attributable to the deconsolidation of the Swiss activities, which have been run in a joint venture with Ringier since the beginning of the year. Adjusted for consolidation and currency effects, revenues were slightly lower than the prior year figure (-0.1%). Advertising revenues in the Paid Models segment were € 426.1 million, which is 3.2% below the value of the same quarter in the previous year (€ 440.0 million). Deconsolidation effects from the Swiss business had the greatest impact, which were primarily offset by growth based on the consolidation of Business Insider. Adjusted for consolidation and currency effects, the decrease declined to -1.6%. Circulation revenues declined by 9.5% to € 490.5 million. (PY: € 541.8 million). Here also, deconsolidation effects from the Swiss business were the primary factor, contrasted by growth mainly resulting from the consolidation of eMarketer. Adjusted for consolidation and currency effects, the decrease was only 2.6%. Other revenues increased by 6.6% to € 158.6 million (PY: € 148.7 million). The consolidation effects were primarily impacted by the sale of Runtastic in August 2015. Adjusted for consolidation and currency effects, the other revenues increased by 13.4%.

The EBITDA of € 134.0 million was 11.8% below the value for the prior-year (€ 151.9 million). The decline was primarily due to the planned growth investment for Business Insider and upday. Compared to the same quarter last year, the segment margin declined from 13.4% to 12.5%.

#### Key Figures Paid Models

€ millions	Q3/2016	Q3/2015	Change
<b>Revenues</b>	<b>366.1</b>	<b>379.2</b>	<b>-3.5 %</b>
Advertising revenues	134.2	138.6	-3.1 %
Circulation revenues	177.3	190.9	-7.1 %
Other revenues	54.5	49.7	9.7 %
<b>National</b>	<b>278.7</b>	<b>285.5</b>	<b>-2.4 %</b>
Advertising revenues	91.4	99.9	-8.5 %
Circulation revenues	145.4	151.2	-3.8 %
Other revenues	41.9	34.4	21.9 %
<b>International</b>	<b>87.4</b>	<b>93.8</b>	<b>-6.8 %</b>
Advertising revenues	42.8	38.7	10.8 %
Circulation revenues	32.0	39.8	-19.6 %
Other revenues	12.6	15.3	-17.7 %
<b>EBITDA</b>	<b>51.0</b>	<b>50.6</b>	<b>0.7 %</b>
National	43.7	37.9	15.4 %
International	7.2	12.7	-43.1 %
<b>EBITDA margin</b>	<b>13.9 %</b>	<b>13.3 %</b>	
National	15.7 %	13.3 %	
International	8.3 %	13.6 %	

#### Marketing Models

In the Marketing Models segment, idealo, aufeminin and the Bonial Group, among others, primarily represent the reach-based marketing segment, whereas performance-based marketing consists of the zanox Group.

#### Key Figures Marketing Models

€ millions	9M/2016	9M/2015	Change
<b>Revenues</b>	<b>610.8</b>	<b>632.7</b>	<b>-3.5 %</b>
Advertising revenues	529.4	513.7	3.1 %
Other revenues	81.3	119.0	-31.7 %
<b>Reach Based Marketing</b>	<b>204.1</b>	<b>220.8</b>	<b>-7.6 %</b>
<b>Performance Marketing</b>	<b>406.7</b>	<b>411.9</b>	<b>-1.3 %</b>
<b>EBITDA<sup>1)</sup></b>	<b>57.9</b>	<b>64.7</b>	<b>-10.5 %</b>
Reach Based Marketing	46.7	55.2	-15.3 %
Performance Marketing	17.0	16.5	3.5 %
<b>EBITDA margin</b>	<b>9.5 %</b>	<b>10.2 %</b>	
Reach Based Marketing	22.9 %	25.0 %	
Performance Marketing	4.2 %	4.0 %	

<sup>1)</sup> Segment EBITDA includes non-allocated costs of € 5.8 million (PY: € 7.0 million).

The decrease in revenues in the Marketing Models segment by 3.5 % to € 610.8 million (PY: € 632.7 million) in the first nine months is solely attributable to consolidation effects, primarily due to the sale of the majority share in Talpa Germany, as well as the divestments of Smart Ad-Server and Smarthouse Media. Adjusted for consolidation and currency effects, revenues increased by 7.0 %. The increase in advertising revenues by 3.1 % to € 529.4 million (PY: € 513.7 million) was achieved through growth in the area of reach-based marketing, in particular in the aufeminin Group, as well as at idealo and Bonial. Adjusted for consolidation and currency effects, the increase amounted to 7.1 %. The decrease in the other revenues by 31.7 % to € 81.3 million (PY: € 119.0 million) was essentially caused by the aforementioned deconsolidation effects in relation to the Talpa Germany and Smart AdServer activities sold in the prior year as well as the Smarthouse Media activities sold in the reporting period. Adjusted for consolidation and currency effects, other revenues increased by 6.0 %.

The segment EBITDA of € 57.9 million was 10.5 % below the value for the prior year (€ 64.7 million). The declining development primarily is due to higher launch costs as well as consolidation and currency effects. The EBITDA margin decreased slightly, to 9.5 % (PY: 10.2 %).

#### Key Figures Marketing Models

€ millions	Q3/2016	Q3/2015	Change
<b>Revenues</b>	<b>196.6</b>	<b>204.5</b>	<b>-3.9 %</b>
Advertising revenues	172.1	173.5	-0.8 %
Other revenues	24.5	31.0	-20.9 %
<b>Reach Based Marketing</b>	<b>65.5</b>	<b>64.1</b>	<b>2.1 %</b>
<b>Performance Marketing</b>	<b>131.1</b>	<b>140.4</b>	<b>-6.6 %</b>
<b>EBITDA<sup>1)</sup></b>	<b>11.4</b>	<b>16.7</b>	<b>-31.6 %</b>
Reach Based Marketing	8.9	14.6	-38.7 %
Performance Marketing	4.8	4.7	3.1 %
<b>EBITDA margin</b>	<b>5.8 %</b>	<b>8.2 %</b>	
Reach Based Marketing	13.7 %	22.8 %	
Performance Marketing	3.7 %	3.3 %	

<sup>1)</sup> Segment EBITDA includes non-allocated costs of € 2.3 million (PY: € 2.6 million).

#### Services/Holding

The Services/Holding segment shows Group services, which also includes the three domestic printing plants, as well as holding functions. Group services are purchased by customers within the Group at standard market prices.

#### Key Figures Services/Holding

€ millions	9M/2016	9M/2015	Change
<b>Revenues</b>	<b>55.8</b>	<b>61.9</b>	<b>-9.9 %</b>
<b>EBITDA</b>	<b>-34.3</b>	<b>-44.9</b>	

Revenues in the Services/Holding segment decreased compared with the comparable prior-year period by 9.9 % due to market trends and were at € 55.8 million (PY: € 61.9 million).

EBITDA improved as a result of lower restructuring costs and one-off project expenses, from € -44.9 million in the previous year, to € -34.3 million.

#### Key Figures Services/Holding

€ millions	Q3/2016	Q3/2015	Change
<b>Revenues</b>	<b>18.3</b>	<b>19.4</b>	<b>-5.7 %</b>
<b>EBITDA</b>	<b>-6.3</b>	<b>-15.7</b>	

## *Financial Position and Liquidity*

The increase of intangible assets was, in particular, due to initial consolidation of eMarketer Inc. and Land & Leisure A/S acquired in July.

At the beginning of January 2016, the establishment of the joint venture company with Ringier was completed, in which we included asset values of € 176.7 million as well as liabilities of € 66.0 million that had formerly been classified as held for sale. By contrast, we reported the participation in the joint venture company of € 140.8 million, a receivable due from related parties from the sale of the Swiss brand rights of € 40.6 million as well as other contractual claims and obligations totaling € – 16.3 million. The currency effects previously reported in equity to the amount of € 49.0 million were realized through the income statement. The total profit resulting from the disposal transaction of € 103.4 million was adjusted as a non-recurring effect.

Furthermore, the sale of our subsidiary CarWale was completed in January 2016. We received a purchase price (after deducting taxes) of € 64.0 million. Assets of € 20.8 million and liabilities of € 20.7 million were deconsolidated and thus no longer reported as held for sale. The profit resulting from the disposal transaction of € 66.2 million was adjusted as a non-recurring effect.

At the end of April, the FUNKE Mediengruppe has prematurely repaid the vendor loan vis-à-vis Axel Springer SE that has been assumed for the acquisition of Axel Springer's German regional newspapers, TV program guides, and women's magazines as of 2014. The vendor loan has previously been recorded in other financial assets and amounted to € 260.3 million including accrued interest payments. In addition, financial assets were reduced by € 55.3 million due to exercising another put option on the sale of 2.3% of our equity stake in Doğan TV Holding.

A portion of our office building complex in Hamburg, which had previously been partially owner-occupied and partially rented out to a third party, was sold January 1, 2016. The carrying amounts of assets held for sale amounting to € 105.2 million and the corresponding liability from finance leasing totaling € 68.0 million were derecognized as a result of the transaction. No gain or loss on disposal was recorded. Liabilities due to advance payments received in 2015 in the amount of € 115.6 million were realized. In January 2016, the portion of the purchase price received attributable to our planned assets for pension obligations (€ 67.5 million) was disbursed accordingly to our plan assets. The remaining part of the office building complex was sold in early August 2016 for a purchase price payment of € 80.5 million. The gain on disposal amounted to € 71.3 million and was adjusted as a non-recurring effect.

The increase in equity as a result of the net income for the first three quarters of 2016 was offset by the dividend payment to the shareholders of Axel Springer SE and, in particular, by the effects of the currency translation of consolidated financial statements and the recognition of actuarial losses by reducing the pension interest rate following the current market level. The recognition of the pension provision was partly offset as a result.

The financial fund remained largely constant (September 30, 2016: € 252.3 million; December 31, 2015: € 253.8 million) while the finance liabilities increased slightly to € 1,274.2 million (December 31, 2015: € 1,252.9 million). Thus, the net debt figure improved to € – 1,021.9 million (December 31, 2015: € – 1,066.6 million without the purchase price allocated to the plan assets of € 67.5 million). By September 30, 2016, € 695.0 million (December 31, 2015: € 618.0 million) of the existing long-term credit facility (€ 1,500.0 million) was taken as drawdowns. Furthermore, there were liabilities from a Schuldschein (promissory note) loan in the amount of € 580.5 million (December 31, 2015: € 637.0 million).

Cash flow from ongoing activities in the first nine months was € 245.7 million despite the positive growth trend and the reduction in trade receivables and was therefore slightly down on the value for the prior-year period (€ 258.8 million). The development primarily resulted from the increased payments from long-term compensation programs, higher restructuring payments, as well as lower payments from the Kirch insolvency.

The cash flow from investing activities amounted to € 8.7 million (PY: € – 184.0 million). In addition to the slight increase in current investments in intangible assets and property, plant and equipment, it was characterized in particular by the premature repayment of the seller loan granted to the FUNKE Mediengruppe, by the purchase price receipt (less taxes) from the sale of our shares in CarWale, as well as through disbursements (less cash acquired) for the acquisition of shares in consolidated

subsidiaries and business units (primarily eMarketer Inc. and Land & Leisure A/S). Payments relating to the sale of 2.3% of the Group's shareholding in Doğan TV Holding, and payments in connection with the sale of the remaining part of the office building complex in Hamburg were also included. In the prior year, the disbursements were primarily due to the acquisition of equity shares in consolidated subsidiaries and business units (predominantly Immowelt and @Leisure). The payments received related, in particular, to the sale of Runtastic and Smart AdServer.

The cash flow from financing activities of € – 258.4 million (PY: € – 251.3 million) was due, in particular, to the payment of the dividend to the shareholders of Axel Springer SE, the transfer of the purchase price to plan assets from the sale of real estate assets executed at the beginning of 2016, and a small volume of loans obtained (PY: return).

## *Consolidated Statement of Financial Position*

€ millions		
ASSETS	09/30/2016	12/31/2015
<b>Non-current assets</b>	<b>5,325.3</b>	<b>5,187.2</b>
Intangible assets	4,156.9	3,897.0
Property, plant, and equipment	510.2	507.5
Investment property	30.0	33.2
Non-current financial assets	509.3	662.7
Investments accounted for using the equity method	245.9	91.6
Other non-current financial assets	263.4	571.0
Receivables due from related parties	25.9	0.1
Receivables from income taxes	7.8	7.9
Other assets	43.9	32.1
Deferred tax assets	41.2	46.8
<b>Current assets</b>	<b>931.7</b>	<b>1,317.4</b>
Inventories	21.2	20.1
Trade receivables	483.0	570.9
Receivables due from related parties	15.9	7.1
Receivables from income taxes	40.1	58.2
Other assets	119.2	96.2
Cash and cash equivalents	252.3	253.8
Assets held for sale	0.0	311.1
<b>Total assets</b>	<b>6,257.0</b>	<b>6,504.7</b>

€ millions

<b>EQUITY AND LIABILITIES</b>	<b>09/30/2016</b>	<b>12/31/2015</b>
<b>Equity</b>	<b>2,526.6</b>	<b>2,511.5</b>
Shareholders of Axel Springer SE	2,064.4	2,062.7
Non-controlling interests	462.2	448.8
<b>Non-current provisions and liabilities</b>	<b>2,446.7</b>	<b>2,455.5</b>
Provisions for pensions	406.9	316.3
Other provisions	65.4	65.0
Financial liabilities	1,273.3	1,195.3
Trade payables	0.2	0.3
Liabilities due to related parties	5.3	4.4
Other liabilities	197.8	393.0
Deferred tax liabilities	497.8	481.2
<b>Current provisions and liabilities</b>	<b>1,283.8</b>	<b>1,537.8</b>
Provisions for pensions	21.3	23.0
Other provisions	169.0	234.6
Financial liabilities	1.0	57.6
Trade payables	319.0	342.9
Liabilities due to related parties	22.9	19.3
Liabilities from income taxes	47.6	42.8
Other liabilities	703.0	656.8
Liabilities related to assets held for sale	0.0	160.8
<b>Total equity and liabilities</b>	<b>6,257.0</b>	<b>6,504.7</b>

## Consolidated Income Statement

€ millions				
Consolidated Income Statement	Q3/2016	Q3/2015	9M/2016	9M/2015
Revenues	801.5	795.4	2,386.8	2,372.7
Other operating income	97.1	135.2	321.9	197.3
Change in inventories and internal costs capitalized	18.9	14.0	53.6	30.0
Purchased goods and services	-229.0	-247.3	-698.5	-736.4
Personnel expenses	-271.8	-267.3	-804.7	-791.1
Depreciation, amortization, and impairments	-59.7	-52.8	-159.7	-145.1
Other operating expenses	-200.8	-204.6	-603.2	-582.2
Income from investments	0.6	10.8	-0.8	15.9
Result from investments accounted for using the equity method	-2.6	8.1	-9.0	4.6
Other investment income	3.1	2.7	8.2	11.3
Financial result	-14.2	-6.6	-15.3	-21.0
Income taxes	-52.3	-29.9	-116.7	-82.1
<b>Net income</b>	<b>90.2</b>	<b>146.9</b>	<b>363.4</b>	<b>257.9</b>
Net income attributable to shareholders of Axel Springer SE	88.3	137.2	348.0	217.5
Net income attributable to non-controlling interests	2.0	9.7	15.4	40.4
<b>Basic/diluted earnings per share (in €)</b>	<b>0.82</b>	<b>1.39</b>	<b>3.23</b>	<b>2.20</b>

## Consolidated Statement of Cash Flows

€ millions	9M/2016	9M/2015
<b>Net income</b>	<b>363.4</b>	<b>257.9</b>
Reconciliation of net income to the cash flow from operating activities		
Depreciation, amortization, impairments, and write-ups	159.7	142.6
Result from investments accounted for using the equity method	9.0	4.1
Dividends received from investments accounted for using the equity method	3.8	3.2
Result from disposal of consolidated subsidiaries and business units and intangible assets, property, plant, and equipment, and financial assets	-260.5	-113.9
Changes in non-current provisions	8.2	-2.5
Changes in deferred taxes	-24.7	-7.5
Other non-cash income and expenses	3.8	-12.8
Changes in trade receivables	81.9	18.5
Changes in trade payables	-32.9	-17.0
Changes in other assets and liabilities	-65.9	-13.6
<b>Cash flow from operating activities</b>	<b>245.7</b>	<b>258.8</b>
Proceeds from disposals of intangible assets, property, plant, and equipment, and investment property less costs of disposal	70.7	10.3
Proceeds from disposals of consolidated subsidiaries and business units, less cash and cash equivalents given up	74.5	158.9
Proceeds from disposals of non-current financial assets including repayment of vendor loan	308.5	70.9
Purchase of short-term financial funds	-1.9	3.7
Purchases of intangible assets, property, plant, equipment, and investment property	-105.5	-84.9
Purchases of shares in consolidated subsidiaries and business units less cash and cash equivalents acquired	-306.7	-296.1
Purchases of investments in non-current financial assets	-30.9	-46.8
<b>Cash flow from investing activities</b>	<b>8.7</b>	<b>-184.0</b>
Dividends paid to shareholders of Axel Springer SE	-194.2	-178.1
Dividends paid to other shareholders	-7.4	-5.5
Purchase of non-controlling interests	-12.8	-23.6
Disposal of non-controlling interests	2.4	0.2
Repayments of liabilities under finance leases	-0.5	-0.5
Proceeds from other financial liabilities	261.3	316.9
Repayments of other financial liabilities	-239.6	-360.7
Other financial transactions	-67.5	0.0
<b>Cash flow from financing activities</b>	<b>-258.4</b>	<b>-251.3</b>
<b>Cash flow-related changes in cash and cash equivalents</b>	<b>-4.0</b>	<b>-176.5</b>
Changes in cash and cash equivalents due to exchange rates	-2.1	1.5
Changes in cash and cash equivalents due to changes in companies included in consolidation	0.0	-0.2
Cash and cash equivalents at beginning of period	253.8	383.1
Changes to cash and cash equivalents in connection with assets held for sale	4.7	-4.5
<b>Cash and cash equivalents at end of period</b>	<b>252.3</b>	<b>203.4</b>

# Consolidated Segment Report

## Operating segments

€ millions	Classified Ad Models		Paid Models		Marketing Models		Services/Holding		Consolidated totals	
	Q3/2016	Q3/2015	Q3/2016	Q3/2015	Q3/2016	Q3/2015	Q3/2016	Q3/2015	Q3/2016	Q3/2015
<b>Revenues</b>	<b>220.4</b>	<b>192.2</b>	<b>366.1</b>	<b>379.2</b>	<b>196.6</b>	<b>204.5</b>	<b>18.3</b>	<b>19.4</b>	<b>801.5</b>	<b>795.4</b>
Internal revenues	0.2	0.1	1.1	0.6	0.5	2.9	37.7	33.7		
Segment revenues	220.5	192.3	367.3	379.8	197.2	207.5	56.0	53.1		
<b>EBITDA<sup>1)</sup></b>	<b>90.0</b>	<b>77.7</b>	<b>51.0</b>	<b>50.6</b>	<b>11.4</b>	<b>16.7</b>	<b>-6.3</b>	<b>-15.7</b>	<b>146.1</b>	<b>129.3</b>
<b>EBITDA margin<sup>1)</sup></b>	<b>40.8%</b>	<b>40.4%</b>	<b>13.9%</b>	<b>13.3%</b>	<b>5.8%</b>	<b>8.2%</b>			<b>18.2%</b>	<b>16.3%</b>
Thereof income from investments	-0.1	-0.2	3.2	1.4	-1.2	-1.5	0.0	0.0	1.9	-0.3
Thereof accounted for using the equity method	0.0	-0.2	-0.5	0.4	-1.3	-0.7	0.0	0.0	-1.8	-0.5
Depreciation, amortization, impairments, and write-ups (except from non-recurring effects and purchase price allocations)	-9.4	-7.9	-7.9	-8.1	-3.7	-3.1	-9.2	-9.5	-30.2	-28.7
<b>EBIT<sup>2)</sup></b>	<b>80.6</b>	<b>69.8</b>	<b>43.0</b>	<b>42.3</b>	<b>7.7</b>	<b>13.6</b>	<b>-15.5</b>	<b>-25.0</b>	<b>115.9</b>	<b>100.7</b>
Amortization and impairments from purchase price allocations	-15.2	-15.2	-6.4	-6.6	-7.9	-2.4	0.0	0.0	-29.5	-24.2
Non-recurring effects	2.9	-4.7	1.6	86.4	-2.9	26.0	68.7	-0.7	70.3	106.9
Segment earnings before interest and taxes	68.3	49.9	38.3	122.1	-3.1	37.2	53.2	-25.7	156.7	183.4
Financial result									-14.2	-6.6
Income taxes									-52.3	-29.9
<b>Net income</b>									<b>90.2</b>	<b>146.9</b>

<sup>1)</sup> Adjusted for non-recurring effects.

<sup>2)</sup> Adjusted for non-recurring effects and amortization and impairments from purchase price allocations.

## Geographical information

€ millions	Germany		Other countries		Consolidated totals	
	Q3/2016	Q3/2015	Q3/2016	Q3/2015	Q3/2016	Q3/2015
Revenues	417.0	420.9	384.5	374.5	801.5	795.4

## Operating segments

€ millions	Classified Ad Models		Paid Models		Marketing Models		Services/Holding		Consolidated totals	
	9M/2016	9M/2015	9M/2016	9M/2015	9M/2016	9M/2015	9M/2016	9M/2015	9M/2016	9M/2015
<b>Revenues</b>	<b>645.0</b>	<b>547.5</b>	<b>1,075.1</b>	<b>1,130.5</b>	<b>610.8</b>	<b>632.7</b>	<b>55.8</b>	<b>61.9</b>	<b>2,386.8</b>	<b>2,372.7</b>
Internal revenues	0.4	0.3	3.5	2.1	1.9	7.9	113.3	113.5		
Segment revenues	645.4	547.9	1,078.6	1,132.6	612.7	640.6	169.1	175.5		
<b>EBITDA<sup>1)</sup></b>	<b>261.4</b>	<b>224.2</b>	<b>134.0</b>	<b>151.9</b>	<b>57.9</b>	<b>64.7</b>	<b>-34.3</b>	<b>-44.9</b>	<b>419.0</b>	<b>396.0</b>
<b>EBITDA margin<sup>1)</sup></b>	<b>40.5%</b>	<b>41.0%</b>	<b>12.5%</b>	<b>13.4%</b>	<b>9.5%</b>	<b>10.2%</b>			<b>17.6%</b>	<b>16.7%</b>
Thereof income from investments	-0.1	-0.9	8.0	4.3	1.9	0.3	0.2	0.0	10.0	3.8
Thereof accounted for using the equity method	0.0	-0.9	-1.5	1.2	-3.6	-4.4	0.0	0.0	-5.1	-4.1
Depreciation, amortization, impairments, and write-ups (except from non-recurring effects and purchase price allocations)	-26.6	-20.7	-23.0	-24.0	-10.5	-9.2	-27.2	-26.6	-87.2	-80.5
<b>EBIT<sup>2)</sup></b>	<b>234.9</b>	<b>203.5</b>	<b>111.0</b>	<b>127.3</b>	<b>47.5</b>	<b>55.5</b>	<b>-61.5</b>	<b>-70.8</b>	<b>331.8</b>	<b>315.5</b>
Amortization and impairments from purchase price allocations	-44.5	-39.2	-16.4	-15.8	-11.6	-7.0	0.0	0.0	-72.5	-62.1
Non-recurring effects	71.5	-10.5	87.4	91.6	10.2	31.5	67.0	-5.1	236.1	107.6
Segment earnings before interest and taxes	261.8	153.8	182.0	203.1	46.0	80.0	5.5	-75.9	495.3	361.0
Financial result									-15.3	-21.0
Income taxes									-116.7	-82.1
<b>Net income</b>									<b>363.4</b>	<b>257.9</b>

<sup>1)</sup> Adjusted for non-recurring effects.

<sup>2)</sup> Adjusted for non-recurring effects and amortization and impairments from purchase price allocations.

## Geographical information

€ millions	Germany		Other countries		Consolidated totals	
	9M/2016	9M/2015	9M/2016	9M/2015	9M/2016	9M/2015
Revenues	1,245.4	1,244.4	1,141.4	1,128.3	2,386.8	2,372.7

## *Additional Information*

### *Financial calendar 2016*

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Annual Financial Statements Press Conference	March 3, 2016
Annual Shareholders' Meeting	April 13, 2016
Quarterly Statement as of March 31, 2016	May 11, 2016
Interim Financial Report as of June 30, 2016	August 3, 2016
Quarterly Statement as of September 30, 2016	November 3, 2016

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Additional information about Axel Springer SE is available on the Internet at [www.axelspringer.de](http://www.axelspringer.de). The quarterly statement is also available in the original German.