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Annual Report

axel springer

Contents

Group Key Figures

Continuing operations in € millions	Change yoy	2015	2014
Group			
Total revenues	8.5 %	3,294.9	3,037.9
Digital media revenues share[1]		*61.7 %*	*55.3 %*
EBITDA[2]	10.2 %	559.0	507.1
EBITDA margin[2]		*17.0 %*	*16.7 %*
Digital media EBITDA share[1]		*69.6 %*	*62.4 %*
EBIT[3]	13.8 %	449.0	394.6
Net income	29.2 %	304.6	235.7
Net income, adjusted[3]	11.2 %	279.3	251.2
Segments[4]			
Revenues			
Classified Ad Models	47.1 %	753.1	512.0
Paid Models	−2.2 %	1,582.2	1,617.5
Marketing Models	10.7 %	878.9	794.1
Services/Holding	−29.4 %	80.7	114.4
EBITDA[2]			
Classified Ad Models	40.1 %	305.0	217.7
Paid Models	−11.2 %	223.2	251.4
Marketing Models	−17.4 %	88.0	106.5
Services/Holding	–	−57.1	−68.5
Liquidity and financial position			
Free cash flow[5]	22.8 %	299.8	244.1
Capex[6]	–	−131.4	−95.9
Total assets[7] [8]	13.9 %	6,504.7	5,708.5
Equity ratio[7] [8]		*38.6 %*	*43.9 %*
Net liquidity/debt[7] [9]	–	−1,066.6	−667.8
Share-related key figures[10]			
Earnings per share, adjusted (in €)[3] [11]	10.3 %	2.22	2.01
Earnings per share (in €)	46.5 %	2.50	1.71
Dividend (in €)[12]	0.0 %	1.80	1.80
Closing price (in €)	2.5 %	51.34	50.08
Market capitalization as of December 31[13]	11.8 %	5,539.3	4,954.9
Average number of employees	**7.9 %**	**15,023**	**13,917**

1) Based on the operating business (without the segment Services/Holding).
2) Adjusted for non-recurring effects, see also the information in the notes to the consolidated financial statements under Note (32).
3) Adjusted for non-recurring effects and amortization and impairments from purchase price allocations.
4) An adjustment of the segment allocation was performed during the reporting year, see also the information in the notes to the consolidated financial statements under Note (31).
5) Cash flow from operating activities minus capital expenditures, plus cash inflows from disposals of intangible assets and property, plant and equipment.
6) Capital expenditures on intangible assets, property, plant and equipment, and investment property.
7) As of December 31, 2015 and December 31, 2014, respectively.
8) An adjustment was performed during the reporting year 2014, see also the information in the notes to the consolidated financial statements under Note (4).
9) 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.
10) Quotations based on XETRA closing prices.
11) The earnings per share (basic/diluted) adjusted for non-recurring effects, amortization and impairments from purchase price allocations were calculated on the basis of average weighted shares outstanding in the reporting period (99.7 million; PY: 98.9 million).
12) Dividend proposal for the financial year 2015.
13) Based on shares outstanding at the closing price, excluding treasury shares (107.9 million; PY: 98.9 million).

Foreword

Dr. Mathias Döpfner
Chairman of the Executive Board

Dear Shareholder!

by Stefan Zweig:

"For young people, rest is always unrest itself."

Our company will celebrate its 70th anniversary this year. By no means young. However, there was some unrest last year. And it will be the same this year. For us, change is a permanent state. Innovation is our tradition.

The biggest profit contribution of all segments was once more provided by our Classified Ad Models. They became the economic backbone of the company. In the financial year, the segment expanded through strong organic growth and has been strengthened by strategic acquisitions. Thus, revenues of the Classified Ad Models increased by 47 percent and EBITDA increased by 40 percent in comparison to the prior year.

Driving force of the strong growth was the StepStone-Group, which continued its success story particularly in Germany, Great Britain and Belgium. Furthermore, SeLoger profits from its strong market position in France, as well as Immobweb in Belgium. Through the merger of Immowelt and Immonet, we created a heavyweight in the German real estate market and set the precondition for further growth. The Israeli classified ads portal, Yad2, has further improved its position by acquiring the job portal, Drushim. Our strong positions in the classified ads segments have allowed our brands to achieve moderate price rises. Within the Marketing Models segment, the Bonial-Group has continued its promising growth path in the US market with Retale.

Plus, 2015 was a key year for our journalistic content. We had announced we would particularly invest in English-speaking brands. Acquiring Business Insider, one of the media brands with the highest reach worldwide, marked the start of our most important move into the US market.

A series of associated acquisitions added to our early phase investments in the USA, in particular, investing in digital lifestyle platform Thrillist, news offering Mic.com and virtual reality company Jaunt VR as well as increasing our share in New York video news company NowThis.

We also announced our partnership with Samsung: Under the upday brand, Axel Springer, in cooperation with one of the world's largest manufacturer of mobile devices, is developing a platform for aggregated news content. Soon, upday will be prominently pre-installed on Samsung's smartphones– in Germany, the UK, Poland and France.

Last year our journalistic brands once again attracted attention:

The N24 article "At the border – 24 hours at the refugee crisis hotspots" shows how the influx of hundreds of thousands of people is changing Europe. This article was awarded the German Television Award (Deutscher Fernsehpreis).

POLITICO Europe, which Axel Springer has been operating since early 2015 as part of a joint venture, was recognized as the most-read publication by European decision-makers.

BILD received international renown from its in-depth interview with Russian President Vladimir Putin. Bild.de also proved innovation leadership with a unique 360° virtual reality video reportage from the Iraqi front in Sindschar.

These journalistic successes fuel the rising number of digital subscribers to WELT and BILD. This number had risen by more than 22 percent on the prior year in Q4 2015. At the end of the year we had 384,000 digital subscriptions.

In Addition, our company acquired the 15 percent share in the online classified ads business formerly owned by strategic growth investor General Atlantic in return for newly issued Axel Springer shares, in order to benefit fully from the successes in this segment. The fact that General Atlantic exchanged its equity stake in the Classified Ad Models segment for shares in the company proves the attractiveness of Axel Springer as a whole.

In addition to important investments in our core segments, Axel Springer was able to realize attractive inflows, particularly through the sale of shares in fitness data platform Runtastic and the sale of shares in the Indian car portal CarWale closed in January 2016.

Overall our digital business achieved 62 percent of total revenues last year. We generated 70 percent of our EBITDA online. And 80 percent of advertising revenues came from the marketing of digital products.

With an EBITDA of € 559 million we have slightly outperformed our forecasts. Dividends payout has reached a record amount of € 194 million. One thing is clear: We will not be satisfied with this but will instead use our economic strength for investments in future growth and further improvements in our results. We believe in our core business, journalism: Digital media brands inspire a discerning young generation and are becoming the new publishers of our time. This offers enormous opportunities. We are therefore looking forward to the future with great confidence.

Thank you kindly for the trust and confidence you have placed in our company.

Sincerely yours,
Mathias Döpfner

Executive Board

Dr. Mathias Döpfner

Chairman

Born 1963, journalist.
Career milestones:
Frankfurter Allgemeine Zeitung, Gruner+Jahr; Chief Editor Wochenpost, Hamburger Morgenpost, and DIE WELT. Member of the Executive Board since 2000, Chairman since 2002.

Jan Bayer

President Paid Models

Born 1970, Master's degree in media studies. Career milestones: Süddeutsche Zeitung; Publisher Volksstimme, Magdeburg; Publisher Süddeutsche Zeitung; Chairman of the Executive Board of the WELT Group. Member of the Executive Board since 2012.

Dr. Julian Deutz

Chief Financial Officer

Born 1968, Master's degree in business administration. Career milestones: OC&C Strategy Consultants; head of M&A/Investor Relations Pixelpark AG; CFO Venturepark AG; CFO Steilmann-Gruppe; Axel Springer International; Head of Group Controlling/Corporate Development Axel Springer SE. Member of the Executive Board since 2014.

Dr. Andreas Wiele

President Marketing and Classified Ad Models

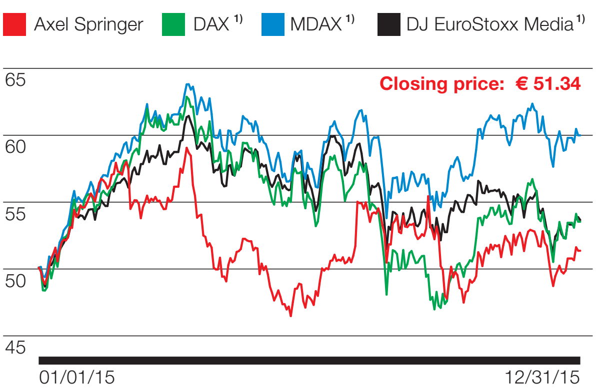
Born 1962, lawyer. Career milestones: Editor, Hamburger Morgenpost; Head of Publishing Capital and Geo, Gruner+Jahr, Paris/France; Executive Vice President and Chief Operating Officer of Gruner+Jahr USA Publishing, New York. Member of the Executive Board since 2000.

The Axel Springer share

Eventful year on the Stock Exchange in 2015

The stock market has seen an eventful year combined with high volatility at times. The relevant indices ended the year in positive territory. While the German DAX index ended the financial year with growth of 6.9 %, the MDAX index in which the Axel Springer share is also listed increased by 19.7 %. At the European level, the media sector index, DJ EuroStoxx Media, rose by 7.1 %. The Axel Springer share price performed well, particularly during the first half of the year when it reached a new record level of € 59.04 in April, but it was unable to sustain this by the end of the year and, with a figure of € 51.34, ended up only slightly in positive territory (+2.5 %). Market capitalization was approx. € 5.5 billion at the end of 2015.

Performance Axel Springer Share



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

Analyst coverage

The number of analysts publishing ratings of the Axel Springer share decreased from 21 to 19 during financial year 2015. Currently, four brokers are expressing a “buy” recommendation, thirteen recommend “hold/neutral” and two analyst firms recommend “sell/underweight”. You can find the latest recommendations and share price targets in the Investor Relations section of our website at www.axelspringer.de.

Investor relations

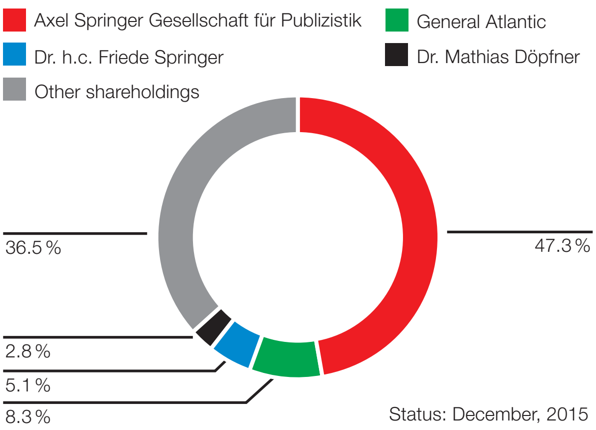
The company’s Management and Investor Relations team presented the company and its strategy at investor conferences and road shows in Europe and the United States on a total of 24 days. In addition, we maintained an ongoing dialog with investors, analysts, and other capital market players in numerous discussions and telephone conferences throughout the year. As usual, the telephone conferences held in connection with the publication of our financial reports were broadcast live on the Internet as audio webcasts, after which they remained available to users of our website. The eighth annual Capital Markets Day for analysts, institutional investors, and bank representatives was held at our company headquarters in Berlin on December 9, 2015. This event was broadcast live as a video webcast and is available as a download from our website, together with the presentations shown at the event. Finally, we inform you regularly of current events in the Investor Relations section of our website at www.axelspringer.de.

Share Information

€	2015	2014	Change
Earnings per share (adjusted)[1) 2)]	2.22	2.01	10.3 %
Earnings per share[1)]	2.50	1.71	46.5 %
Dividend[3)]	1.80	1.80	0.0 %
Total dividend payout (€ millions)	194.2	178.1	9.0 %
Year-end share price	51.34	50.08	2.5 %
Highest price	59.04	51.27	15.2 %
Lowest price	46.46	41.17	12.8 %
Market capitalization (€ millions)[4) 5)]	5,539.3	4,954.9	11.8 %
Daily traded volume (Ø, € thousands)	8,386.7	6,574.4	27.6 %
Dividend yield[3) 5)]	3.5 %	3.6 %	-
Total yield per share per year[6)]	6.1 %	11.1 %	-

[1)] Continuing operations.
[2)] Adjusted for non-recurring effects and amortization and impairments from purchase price allocations; calculated on the basis of average weighted shares outstanding in the reporting period (99.7 million; PY: 98.9 million).
[3)] Dividend proposal for the financial year 2015.
[4)] Quotations based on year-end share price.
[5)] Based on shares outstanding at the closing price, excluding treasury shares (107.9 million; PY: 98.9 million).
[6)] Share price development plus dividend payment.

Shareholder Structure



Status: December, 2015

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 proposal to create authorized capital of up to € 11.0 million in total as well as 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 to our shareholders 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.

Share ownership program

Our employees have the opportunity to benefit directly from the appreciation of the company's value by participating in our share ownership program. Under this program, all employees of Axel Springer SE and its domestic subsidiaries who were eligible for a profit-sharing bonus for 2014, or who had entered into a target agreement, were given the chance in May 2015 to convert 50 % or 100 % of their profit-sharing bonus or performance-dependent compensation into shares of Axel Springer SE. To those employees who opted to convert half their profit-sharing bonus or performance-dependent compensation, Axel Springer contributed an additional 20 %, and to those employees who opted to convert the full amount, the company contributed an additional 30 %. The required holding period is four years. The Axel Springer shares used in this case were purchased on the stock market in advance.

Capital increase

By partially drawing down the authorized capital, the Executive Board decided on December 3, 2015, subject to the approval of the Supervisory Board, to increase the capital stock of the company to the exclusion of shareholders' subscription rights by € 8,955,311 from € 98,940,000, in return for a non-cash contribution, to € 107,895,311 by issuing 8,955,311 registered shares, each representing a proportional amount of the capital stock of € 1.00, and with profit participation rights as of January 1, 2015.

The 8,955,311 new shares were fully subscribed by General Atlantic Coöperatif U.A., Amsterdam, The Netherlands, in return for a contribution of 15 % of the business shares in Axel Springer Digital Classifieds GmbH.

The implementation of the capital increase was entered in the commercial register of the Local Court (Amtsgericht) of Charlottenburg on December 9, 2015. As of now, the capital stock of the company totals € 107,895,311. On December 17, 2015, 5,803,799 of the new shares were admitted for trading, with the remaining shares due to be admitted for trading at the end of 2016.

Information on Listing

Share type	Registered share with restricted transferability
Stock exchange	Germany (Prime Standard)
Security Identification Number	550135, 575423, A2AABZ
ISIN	DE0005501357, DE0005754238, DE000A2AABZ9
Thomson Reuters	SPRGn.DE
Bloomberg	SPR GY

Combined Management Report

Axel Springer has had a successful conclusion to the 2015 financial year.

The following statements refer exclusively to continuing operations (see page 27).

Axel Springer has had a successful conclusion to the 2015 financial year. The forecast targets published in March 2015 were essentially attained (see page 59).

During the reporting year, **total revenues** were € 3,294.9 million, and therefore 8.5 % above the prior-year figure (€ 3,037.9 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. Adjusted for consolidation and currency effects, total revenues were above the level of the prior-year figure (+ 1.6 %).

The **pro-forma revenues of digital media activities** increased to € 2,004.6 million (PY: € 1,794.6 million), reflecting an organic growth rate of 11.7 %.

EBITDA rose, compared to the previous year, by 10.2 % to € 559.0 million (PY: € 507.1 million). Furthermore, the generated EBITDA margin also improved to 17.0 % (PY: 16.7 %). The significant growth in earnings in our Classified Ad Models and improved earnings within the Services/Holding segment were offset by the declines in the Paid Models and Marketing Models. The EBITDA of **digital activities** rose by 19.4 % from € 358.9 million to € 428.7 million.

The **adjusted earnings per share** from continuing operations of € 2.22 were 10.3 % above the prior-year figure of € 2.01.

At the annual shareholders' meeting to be held on April 13, 2016, the Executive Board and Supervisory Board will propose a **dividend** of € 1.80 (PY: € 1.80) per qualifying share.

Outlook for 2016

We anticipate in the Group that **total revenues** will be higher for the 2016 financial year than the prior-year figure by an amount in the low single-digit percentage range. Adjusted for consolidation effects, primarily due to the deconsolidation of the activities in Switzerland, growth would be higher and would be 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 low to mid single-digit percentage range. In this case, a rise in EBITDA in the Classified Ads Models segment is expected, whilst the EBITDA, of Marketing Models segment should finish around the level of the prior year due to planned investments in product quality and also in digitization. For Paid Models and Service Holding, the EBITDA is expected to be below the previous year level.

For **EBIT** we expect developments to 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.

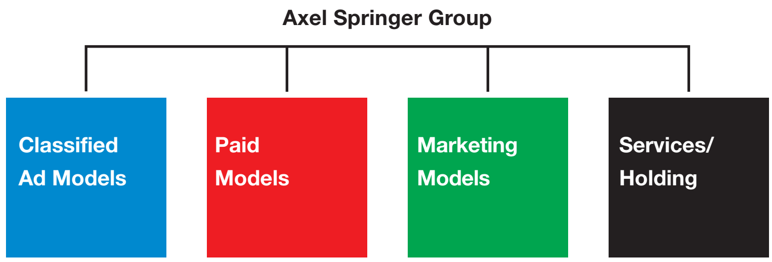
Introductory remarks

The current combined management report for Axel Springer SE and the Group contains statements concerning the economic situation and business performance of the Axel Springer Group. These statements are also largely applicable to Axel Springer SE. Additional information on the economic situation of the parent company Axel Springer SE is provided in a separate chapter on page 39.

For the sake of better comparability, the operating earnings indicators EBITDA and EBIT have been adjusted for non-recurring effects and amortization and impairments from purchase price allocations (see Section (32) of the notes to the financial statements).

Fundamentals of the Axel Springer Group

Segments



Business model

Axel Springer is a leading digital publisher in Europe. Journalism is the foundation of the business model. The broad-based media portfolio includes successfully established brand families such as the BILD Group and the WELT Group. Journalistic content is delivered to Internet users, readers, viewers, and advertising customers via digital, print, and TV channels. The portfolio is divided into Paid Models which are generally used by paying readers, into Marketing Models where revenues are primarily generated by advertising customers and into Classified Ad Models where revenues are primarily generated by job ads, real estate and car ads. The focus is on the digital transformation of the business.

Legal structure, business locations

Axel Springer SE, as the flagship company of the Axel Springer Group, is an exchange-listed stock corporation with its registered head office in Berlin. The Group also maintains offices at other locations in Germany. In addition, the Group comprises numerous companies in other countries. The consolidated shareholdings of the Group are listed in Section (43) in the notes to the consolidated financial statements.

The Executive Board and Supervisory Board decided in December 2014 to prepare to change Axel Springer SE into a partnership limited by shares (KGaA). However, the board decided not to pursue the planned change. Following a detailed examination of the conversion in February 2016, the company and Dr. h. c. Friede Springer came to the conclusion that the legal form of the SE is the better alternative for the long-term development of the company and its attractiveness for the capital market. Axel Springer continues to pursue the objective of continuing to grow and becoming the leading digital publisher.

Segments of the Axel Springer Group

Axel Springer's business activities are organized into three operating segments: Classified Ad Models, Paid Models and Marketing Models. In addition, there is the Services/Holding segment.

The segment structure reflects the different customer groups and revenue types of an increasingly digital publisher.

Classified Ad Models

All business models which predominantly generate revenues in online classified advertising are summarized in the Classified Ad Models segment.

Portfolio and market position

Axel Springer has established a portfolio of leading online classified ad portals within the areas of jobs, real estate, automobile, and general classified ads over the last few years. The principal activities of the Classified Ad Models segment are summarized in the graph below.

Portfolio Classified Ad Models

Jobs	Real Estate	General/ Other
■ StepStone ■ Totaljobs ■ Jobsite ■ Saongroup ■ YourCareerGroup	■ SeLoger ■ Immowelt/Immonet ■ Immoweb	■ @Leisure ■ LaCentrale ■ Yad2 ■ meinestadt.de ■ CarWale[1]

[1] Until December 2015, see page 26.

Jobs comprises StepStone, the leader among private-sector job exchanges in Germany and Belgium, and one of the leading providers in Europe. The StepStone Group supplies the most candidates in Germany with its portals specializing in management and specialist staff, and also has two of the largest online recruitment portals in Great Britain in the form of Totaljobs and the Jobsite Group, which include, among others, the specialist portals Caterer.com, CWJobs.co.uk, CityJobs.com and eMed-careers.com. The Saongroup, which was acquired by StepStone Group, operates job portals in 15 countries and is the leader in Ireland, Northern Ireland, and South Africa. The specialty provider YourCareerGroup, which was likewise acquired, is the leading niche portal in the German speaking countries for online ads for hotel and restaurant jobs.

In **Real Estate**, Axel Springer is the leader in France (with SeLoger) and Belgium (with Immoweb). SeLoger's portfolio also includes some niche portals such as vacances.com and a-Gites.com for vacation home rentals, and belles-demeures.com for luxury properties. Since July 2015, the Real estate segment has also included the German real estate portal Immowelt which, together with Immonet, is one of the leading real estate portals in Germany (see page 24).

In **General/Other,** Axel Springer has since July 2014 also held a shareholding of Car & Boat Media SAS, headquartered in Paris. This company operates LaCentrale, the leading specialist classified ads portal for used cars in France, as well as other portals related to cars and boats. Yad2, a portal which was likewise acquired in 2014, is the leading general classified ad portal in Israel for real estate, automobile and classified ads. The German regional portal meinestadt.de consists of market-places for jobs, automobiles, real estate and classified ads. In addition, city information, classified directories, and event calendars are also provided, amongst others. Axel Springer had an equity stake in the CarWale automobile portal until the beginning of 2016 (see page 26). Furthermore, since the beginning of 2015 @Leisure, a leading operator of online brokerage portals for vacation home rentals belongs to the Classified Ad Models segment. The company is headquartered in Amsterdam and also operates, amongst others, the portals belvilla and casamundo, as well as the portals TopicTravel, Aanzee and VillaXL, which were newly acquired in 2015.

Business model and key factors

The Classified Ad Models segment generates revenues mainly from sales of classified ads. In addition, it also generates revenues by marketing online ad space, through cooperation arrangements, and by providing software functions to clients. Business developments are significantly determined by the economic environment in the respective market segments, the market position in the respective segment, and online usage behavior of advertisers and seekers. Long-term growth drivers are, among others, the continuing shift of classified ads to the Internet, the rising number of Internet users, and the monetization of supplementary products.

Within **Jobs**, ads are sold to job advertisers, and logins to online resume databases which belong to the respective portals are offered, in which the job advertisers can actively search for suitable candidates.

Real estate portals primarily generate revenues by selling advertising and display space to agents, project developers, housing agencies, or private individuals.

Within **General/Other**, revenues are based on the focus of the relevant portal. These include, among others, commercial automobile retailers, landlords of vacation homes, real estate agents and project developers. The portals are also partially aimed at private individuals who predominantly sell second-hand goods via this marketplace.

Paid Models

The Paid Models segment encompasses all business models that are primarily used by paying readers.

Portfolio and market position

Paid Models are sub-divided into national and international offerings. The principal activities are summarized in the graph below.

Portfolio Paid Models

National	International	
■ BILD Group	■ Switzerland[1)]	■ Spain
■ WELT Group	■ USA	■ France
	■ Austria[2)]	■ Belgium
	■ Russia[3)]	
	Ringier Axel Springer Media	
	■ Poland	■ Slovakia
	■ Hungary	■ Serbia

1) As of January 1, 2016 part of a joint venture, see page 25.
2) Until August 2015, see page 25.
3) Until October 2015, see page 25.

Paid Models National are mainly offered by the BILD Group and the WELT Group.

The BILD Group comprises the digital media offerings and the newspapers and magazines of the BILD family of brands and B.Z. Bild.de is Germany's largest news and entertainment portal with the widest reach in the country with a digital subscription model. Bild.de is also distributed via mobile channels, with apps for nearly every kind of smartphone, tablet PC, and smart TV, not to mention the mobile portal, once again one of Germany's most-visited mobile media brands in 2015 ("digital facts 2015-10" of the Working Group for Online Research (AGOF)). Bild.de also offers the products stylebook.de, travelbook.de, BUNDESLIGA bei BILD, and BILD Shop. BILD is Europe's biggest daily newspaper with the widest reach, as well as the unchallenged number one in Germany, with a share of 75.6 % by newsstand sales. (All figures for the German newspapers and magazines are based on paid circulation as per IVW as of December 31, 2015). BILD am SONNTAG is Germany's best-selling nationwide Sunday newspaper in 2015, with a share of 61.3 %. B.Z. is Berlin's biggest newspaper. The automotive, computer, and sports media of the BILD brand family make up a magazine and online portfolio built on the core brands of AUTO BILD, COMPUTER BILD, and SPORT BILD. With a share of 54.1 %, AUTO BILD continues to be Germany's biggest automotive magazine. It is also the number one automotive magazine in Europe. Autobild.de is the clear leader among automotive portals featuring editorial content in Germany. Furthermore, the magazines COMPUTER BILD and SPORT BILD occupy leading European market positions in their respective segments. Based on paid circulation, their German shares are 37.8 % and 49.0 % respectively.

With effect from January 1, 2015, the WELT Group merged with N24 to form WeltN24 GmbH, a multi-media news organization for quality journalism which comprises the digital media offering welt.de and n24.de and their apps, the newspapers DIE WELT and WELT AM SONNTAG along with their compact publications and magazine inserts, such as BLAU and BILANZ and the television channel N24.

WELT digital products are some of the most successful stationary and mobile internet sites in the segment of German premium newspapers. The offering is also available on PC tablets, smartphones and e-readers, and also as a digital subscription model. The WELT Edition app for tablets and smartphones has the strongest turnover of any news app in the German app store. DIE WELT AM SONNTAG is the undisputed number one title in the nationwide premium newspaper sectors. DIE WELT (including WELT KOMPAKT) is the third-biggest premium newspaper in Germany, with a share of 18.7 %, based on paid circulation. N24 is the market leader among the news channels and was able to increase its market share to 1.3 % in 2015.

As part of the merger of the brands DIE WELT and N24, a process began in 2015 to redevelop the brand identity for all products. This became apparent initially by way of the changes made to the printed newspapers and within WELT digital products, with changes to the design of the TV channel to be made in 2016. The aim is to ensure the joint brand identity of all products under the uniform WELT umbrella brand in 2017. This will be the basis for the development of the Group to become the leading multi-media news organization for quality journalism in German-speaking countries.

Our music magazines ROLLING STONE, MUSIKEXPRESS and METAL HAMMER were also assigned to the Paid Models National segment.

Paid Models International comprise Axel Springer's digital and print activities in Europe and the USA.

In eastern Europe, the joint venture Ringier Axel Springer Media is the leader in the segment of mass-circulation dailies in the countries of Poland, Hungary, Slovakia, and Serbia. The media offering currently comprises a variety of digital and printed products. The digital EBITDA share of the joint venture amounted to 53.1 % in 2015, with digital revenues amounting to 37.1 %.

We reach 70.6 % of Internet users in Poland through the leading Polish online group Onet. With FAKT as the largest newsstand newspaper and PRZEGLAD SPORTOWY as the country's only national sports daily, the joint venture controls 42,1 % of the market for national dailies (based on paid circulation), making it the biggest newspaper publisher in Poland. With Media Impact Polska, we are also represented by the largest marketing organization in the Polish market. The range consists of strong brands and offers clients innovative, integrated advertising solutions.

Ringier Axel Springer Media's portfolio in Hungary will comprise titles with a strong market position in their respective sectors and with excellent potential for digitization, which predominantly include mass-circulation dailies, including the leader BLIKK, and women's magazines.

In Slovakia, azet.sk is the leading Internet portal reaching 82.3 % of Internet users in that country. The leading position in the print business is mainly based on the NOVY CAS family of brands, consisting of two newspapers and four magazines. The mass-circulation daily of the same name is the country's biggest newspaper, with a share of 39.6 %, based on paid circulation. In total, Ringier Axel Springer Media publishes nine magazines in Slovakia.

In Serbia, Ringier Axel Springer Media is the publisher with the highest total circulation and reach, with three newspapers and five magazines and the corresponding web portals. Furthermore, our joint venture publishes Serbia's biggest mass-circulation dailies, ALO! and BLIC, together with their high-reach online portals. In addition, the largest marketing organization in Serbia was launched in the form of Media Impact Srbija.

Axel Springer is represented in Spain by seven magazines and three online portals. In particular, we occupy leading positions in the video game and computer magazines segments and also in automotive magazines.

We are represented in France in a joint venture with the Mondadori Group with three automotive magazines and associated online portals.

In Switzerland, the new joint venture, combining the activities of Axel Springer and Ringier, was launched at the beginning of 2016. For more information on this subject, please refer to page 25.

In October 2015, Axel Springer sold 100 % of its activities in Russia. More detailed information on this subject can be found on page 25.

The 50:50 joint venture established in September 2014 between POLITICO, the leading media brand for political journalism in Washington D.C., and Axel Springer resulted in the start of POLITICO's European operations in spring 2015, with its headquarters in Brussels. Once the joint venture had acquired EUROPEAN VOICE and Development Institute International (DII), France's leading events agency in the field of public affairs, in January 2015, POLITICO's offering in Europe now consisted of a website, digital newsletters, a newspaper and conferences.

Axel Springer has been represented in the USA since the end of October 2015 in the form of businessinsider.com, the leading digital offering for business and financial news (see page 25). In addition to businessinsider.com, "Business Insider" also operates the offerings "Tech Insider" and "Business Insider UK". “Insider” is due to be added as an additional portal in the first half of 2016. "Business Insider" is thus active in nine countries and has been active in Germany since November 2015. Over the past few years, Axel Springer has also established an early-phase portfolio in the USA that focuses on digital journalism and includes, among others, minority interests in Thrillist, Ozy, and NowThis.

Business model and key factors

The revenues generated in the Paid Models segment consist mainly of circulation revenues and advertising revenues. Circulation revenues are generated on sales of newspapers and magazines and digital subscriptions models. Advertising revenues are generated by marketing the reach of our online and print media. The value chain, which spans all media comprises all essential processes involved in the production of information, entertainment, and video content, from conception to editorial work and production, and from there to sales and marketing. The cross-media approach is conducive to the optimal realization of synergies, competencies and reach values.

All journalism content is collected in integrated newsrooms, some of which are used for more than one publication, and processed there in accordance with the demands of our print and online media. The production process for digital paid content involves the production of editorial content, which we then post on our websites or other digital resources such as smartphones, PC tablets, and smart TVs, or the processing and aggregation of information in databases. Our newspapers are produced, amongst others, in the three offset printing plants in Hamburg-Ahrensburg, Essen-Kettwig, and Berlin-Spandau. We therefore carry out all steps in the value chain ourselves, from production to monitoring dispatch logistics. Distribution of digital products takes place predominantly via our own Internet pages or download platforms such as the app stores of Apple and Google. The print media are distributed nationally and internationally mainly via wholesale press distribution companies, train station bookstores, and press import companies. In Germany there are about 107 thousand retail outlets where our newspapers and magazines are sold.

Paid Models are centrally marketed in Germany by Media Impact, one of the leading cross-media marketers based on gross market shares. The digital marketing portfolio also includes content produced by other companies.

Business development in this segment is, amongst other things, strongly influenced by the growing use of digital content. Key growth drivers are moving images and the mobile Internet, via smartphones and tablets, which are mostly used in addition to stationary Internet connections (source: AGOF “digital facts 2015-10”). Other key factors besides online usage behavior are the willingness of consumers to pay for online content and the development of the market for paid content. Digital content is also driving the growth of the advertising market, while print media advertising revenues are declining across the board.

Regardless of media types, this segment is influenced by the political situation in the relevant markets, as well as the economic environment and performance of advertising markets, in particular. Aside from the general market cyclicity, seasonal aspects and non-recurring effects also play a role.

Marketing Models

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

Portfolio and market position

The Marketing Models segment is sub-divided into reach-based and performance-based services. The principal activities are summarized in the graph below.

Portfolio Marketing Models

Reach Based Marketing	Performance Marketing
▪ Idealo ▪ aufeminin ▪ Bonial ▪ Smarthouse ▪ finanzen.net	▪ zanox/Digital Window

Axel Springer's **Reach Based Marketing** portfolio includes idealo.de, Germany's leading portal with the widest reach for product searches and price comparisons. Idealo has access to more than 1.8 million products with more than 214 million offers from online retailers (average as of Average December 2015) and is also represented internationally with numerous offerings. The ladenzeile.de product comparison portal is also part of the Idealo Group.

aufeminin is the largest online women's portal worldwide and is active in 16 countries with its articles on fashion, beauty, and lifestyle. The corporate group comprises, among others, the health portal onmeda in Germany, France and Spain, the cooking website marmiton, the online portal netmums, the recommendation newsletter and lifestyle box provider My Little Paris and the digital publisher Livingly Media, acquired at the start of 2015 and based in the USA, and operating the four offers; Livingly.com (fashion, beauty and lifestyle), Zimbio.com (entertainment), StyleBistro.com (fashion, beauty and style) and Lonny.com (lifestyle and home decor).

kaufDA.de and MeinProspekt.de operate under the auspices of the newly created Bonial International Group as Germany's leading consumer information portals regarding local shopping. The offerings distribute digitized advertising retail leaflets predominantly via mobile Internet at a regional level. The services are also offered under local brands in France (Bonial), Spain (Ofertia) and the USA (Retale). Additional portals were also started in 2015 in Mexico, Chile, Columbia (all Ofertia), Sweden, Norway and Denmark (all Bonial).

Germany's widest-reach finance portal finanzen.net provides its users with up-to-date financial markets data on every business day. In line with its internationalization strategy, this portal also operates in Switzerland, Russia, and Austria, among other places, and it has also operated in Sweden since November together with Bonnier Business Media. Furthermore, finanzen.net has also operated the German version of Business Insider since November 2015 (see page 25).

Smarthouse Media is a leading provider of complex, web-based financial applications for banks, online brokers, and other providers of financial services.

With direct and indirect investments in leading private-sector radio stations in the TV and radio sector, Axel Springer holds one of the biggest radio portfolios in Germany. Axel Springer continues to hold a minority interest in Turkey's biggest private-sector TV and radio company, the Doğan TV Group.

Axel Springer's **Performance Marketing** activities are bundled within the zanox Group. The leading provider of success-based online marketing in Europe brings advertisers and publishers together, giving advertisers an efficient way to market their products and services on the Internet. The corporate group comprises the companies ZANOX AG, including Digital Window, and the performance marketing agency eprofessional.

Business model and key factors

In our **Reach Based Marketing** activities, ad space is marketed to advertising customers and charged on the basis of the reach generated by the given media offerings (number of users or listeners) or the interaction generated by the reach. Attractive content generates high reach values and topic-specific environments enable advertisers to precisely reach the desired target groups.

Due to the rising use of online media, reach marketing on the Internet is a major business. Besides display ads like banners, layer ads, and wallpaper, videos are also increasingly being used as online advertising formats. In addition, advertisers are increasingly turning to marketing cooperation ventures and innovative advertising forms such as native advertising, sponsoring, and marketing via YouTube channels. The increasingly automated purchase and sale of advertising space (programmatic advertising) as well as the growing prevalence of mobile terminal devices, in addition to stationary Internet usage, represents additional potential for Reach Based Marketing.

Performance marketing gives advertisers the chance to advertise their products on websites and publishers' offerings via text links, banners, and online videos. The advertisers only pay a success-based fee to the publishers if the advertising materials have actually been used and resulted in the desired transaction for the advertising customers. Our platforms provide the infrastructure for this efficient form of marketing, record the data flows and transactions, and allow for a variety of services for advertisers and publishers.

This segment benefits from the growth of stationary and mobile Internet usage and the increasing tendency of consumers to make purchases. Through the zanox Group, Axel Springer benefits from the increasing demand of advertising companies for success-based advertising and marketing models.

Services/Holding

Group Services, which also include the three domestic printing plants, as well as the holding functions are reported within the **Services/Holding** segment. The Group Services are purchased by internal, Group-wide customers at standard market prices.

Discontinued Operations

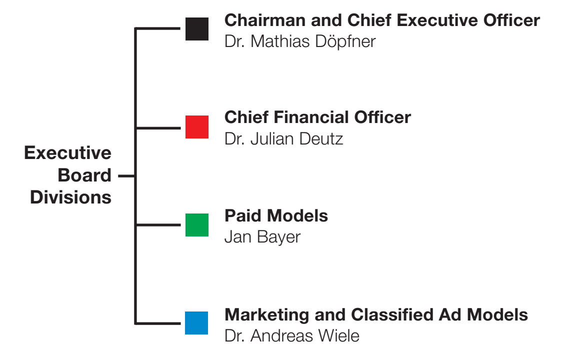
In the previous year, we reported domestic regional newspapers, TV program guides and women's magazines as well as the businesses and equity holdings of Ringier Axel Springer Media in the Czech Republic separately as discontinued operations. Both sales were completed on April 30, 2014.

Management and supervision

Executive Board divisions

The Executive Board of Axel Springer SE currently comprises four members, whose work is supported and supervised by a Supervisory Board composed of nine members.

Axel Springer Executive Board Divisions



Executive Board responsibilities are divided as follows:

Dr. Mathias Döpfner is Chairman and Chief Executive Officer of Axel Springer SE. All editors-in-chief and the corporate staff departments of corporate communications, public affairs, strategy, executive personnel as well as the Axel Springer Academy report to him.

Dr. Julian Deutz is responsible for the Finance and Personnel Executive Board division. In addition to the commercial sectors, the department covers the M&A, Audit, Governance, Risk & Compliance, Personnel, Law, Group Purchasing and Group Security sectors.

Jan Bayer is the President of the Paid Models segment. Media Impact (Marketing), Sales Impact (Sales), IT, Printing Plants and Customer Services are also assigned to this segment.

Dr. Andreas Wiele is the President of Marketing and Classified Ad Models and is responsible for the corresponding segments including the associated investments.

Corporate governance principles

Axel Springer's corporate governance principles are aligned with our core values of creativity, entrepreneurship, and integrity, as well as the five principles enshrined in Axel Springer's own corporate constitution. For more information on our internal guidelines, please refer to the corporate governance statement pursuant to Section 289a HGB contained in the section entitled "Important management practices" on page 69 of this Annual Report.

Basic principles of the compensation system

The compensation of our employees, all the way up to senior management level, consists of a fixed component and – for qualifying employees – an additional variable component. Variable compensation is determined on the basis of individual performance and the company's success. To this end, individual target agreements encompassing both Group-wide targets and division targets are adopted every year anew. The part of variable compensation that reflects the attainment of Group-wide targets in 2015 is determined mainly with reference to the financial indicators EBITDA and EBIT. A detailed description of Executive Board compensation can be found in the "Compensation Report" section of the "Corporate Governance" chapter (starting on page 77). There, you will also find information on the compensation of our Supervisory Board members (starting on page 79).

Goals and strategy

Axel Springer pursues a strategy of profitable growth, with the overarching goal of becoming the leading digital publisher. This goal will be attained when the Group is the leader in every one of the market segments and countries in which it operates. Furthermore, journalism is and always will be the foundation of our business model.

Segment strategies

In the **Classified Ad Models** segment, Axel Springer will strive to further extend its position as a leading international provider. Both organic growth and complementary acquisitions will contribute to the growth of this business. Furthermore, Group internal synergies will be realized systematically.

Early-phase activities have also been started in the classified ads segment in order to identify innovative business models and providers at an early stage.

In the **Paid Models** segment, Axel Springer will strive to realize the full potential of its strong brands BILD, WELT, and N24, as well as its international brands such as Business Insider.

By means of linking its print, online, and mobile offerings ever more closely, the BILD Group achieves a higher level of reading time and usage time than its competitors, expanding its share among young and high-income readers in particular. Through the digital brand subscription BILDplus, Axel Springer is building and expanding a base of paying online readers.

WELT, together with N24, wants to become the leading multimedia provider of quality journalism that is able to optimally serve print, digital and TV as well as out of home. The two companies will contribute their respective strengths to this endeavor. Thus, the WELT Group can make good use of the video inventory of N24 in its media offerings, and the quality TV news station can maintain or expand its leading market position and better exploit its full online potential in cooperation with the WELT Group. Furthermore, the WELT Group will use its digital subscription model to further expand the base of paying readers on the Internet.

The Group's centralized marketing company Media Impact offers an attractive, cross-media platform for advertising campaigns – with a reach that is rivaled only by the big TV marketing firms. As one of the leading cross-media marketing firms (based on gross market shares), Media Impact will continue to expand its external marketing portfolio in the print and digital segments. Axel Springer reached an agreement with Viacom International Media Networks in November 2015 to establish a joint venture for TV and video marketing in Germany. The newly established joint venture, in which Axel Springer has a 51 % stake and Viacom International Media Networks has a 49 % stake, began work in January 2016 under the name Visoon Video Impact, marketing the entire portfolio of Axel Springer and Viacom (Comedy Central, MTV, N24, Nickelodeon/Nicknight, VIVA) within the German TV sector.

The strategy of sustainable growth in the **Marketing Models** segment is followed both in Reach Based Marketing and Performance Based Marketing. In the area of Reach Based Marketing, the strategy is focused on expanding the reach and usage of products, increasing the ad space utilization rate, and developing new advertising, pricing and business models. The continued internationalization of services is also a growth driver. Furthermore, innovative products and business models are promoted, developed and, if successful, expanded further via capital expenditures in early-stage activities. In the performance marketing sector, the focus is on the increased interlinking of the activities combined within the zanox Group, primarily through standardizing the technical platform, as well as the expansion of services and the publisher network.

Organic and acquisitions-driven growth

Generally speaking, the organic growth measures of the different segments pursue the same goal of expanding the current portfolio and increasing the revenues and profits per reader/user on the basis of attractive product design and pricing. These measures will be accompanied by acquisitions-driven growth.

In all segments, Axel Springer seizes opportunities to expand the business model by investing in companies with innovative business ideas, which are still in an early phase of their development. For this purpose, in 2013, Axel Springer started the Axel Springer Plug & Play GmbH accelerator program in conjunction with the Silicon Valley-based Plug & Play Techcenter, in addition to the existing interest in the Project A Ventures early stage fund. A number of direct minority interests are also assigned on a selective basis to these indirect interests in startups. Over the past few years, Axel Springer has also established an early-phase portfolio in the USA that focuses on digital journalism and was expanded in 2015 to include minority interests in companies such as Thrillist and NowThis. Axel Springer also became involved in the LAKESTAR II investment fund in August 2015. The fund concentrates on digital companies with a focus on Europe and the USA (see page 25).

When the opportunity arises, Axel Springer will also acquire companies that are well established in the market. Suitable acquisition targets are chosen on the basis of complementary business strategies, as well as the quality of management, and the profitability and scalability of the business model.

We employ a capitalized earnings approach based on weighted capital costs to assess the economic efficiency of investments in new or existing business segments. The weighted capital costs are determined with reference to a target capital structure.

In general, we employ a capital markets equilibrium method, using beta for the business-specific, systematic risk, and a market premium for the country-specific, unsystematic market risk, to assess the risks of an investment opportunity. Essentially, we assume that the systematic risk of our company is the same, on average, as that of our peer group – meaning other European media companies.

Internal management system

We have designed our internal management system and defined suitable control parameters in alignment with our group strategy. We use both financial and non-financial performance indicators to measure the success of our strategy.

Detailed monthly reports are an important element of our internal management and control system. These reports contain the monthly results of our most important activities, along with a consolidated statement of financial position, income statement, and cash flow statement. We use these reports to compare actual values with budget values. When variances arise, we investigate further or initiate suitable corrective measures.

These reports are supplemented by periodic forecasts of anticipated advertising revenues in the following weeks and months as well as by forecasts of the probable development of our financial performance.

Financial performance indicators

Our central focus is to sustainably increase both the profitability and the value of our company. The most important target and control parameters for the company's financial performance are revenues, EBITDA, and EBIT. EBITDA and EBIT also forms the basis for the performance-based compensation of leadership (please refer to page 76 for more information on the compensation system). These indicators and the EBITDA margin are anchored in our internal planning and controlling system.

Financial Control Parameters[1]

Selected financial control parameters on the Group level, € millions	**2015**	**2014**
Total revenues	3,294.9	3,037.9
EBITDA[2]	559.0	507.1
EBITDA margin[2]	*17.0 %*	*16.7 %*
EBIT[2]	449.0	394.6

[1] Continuing operations.
[2] Adjusted for non-recurring effects and amortization and impairments from purchase price allocations, see also the information in the notes to the consolidated financial statements under Note (32).

Non-financial performance indicators

In addition to the financial performance indicators, the following non-financial performance indicators are relevant to an evaluation of our performance with respect to customers, the market, and offerings, although they are not employed as the basis for managing the company as a whole:

- Unique users/visitors and other business model-specific indicators of our online media, and the resulting market positions
- Reach values of our media in the advertising market and indicators of brand and advertisement familiarity
- Average paid circulation of all principal newspapers and magazines
- Digital subscriptions

Economic report

General economic conditions and business developments

General economic conditions

According to the estimates of the International Monetary Fund (IMF), the **world economy** expanded by 3.1 % in 2015. The IMF noted a moderate recovery of economic growth for industrialized countries. Growth rates in emerging and developing countries have declined from their higher levels. According to the IMF, the global economy is currently influenced by three significant risk factors: Growth rates in China are decreasing as the focus there is shifting from an export-oriented economy to one that is consumer-oriented. The robust growth of the US economy is leading to a tightening of monetary policy. Finally, declining commodity prices have not only resulted in a surge in demand in oil-importing countries, but are also leading to considerable reductions in growth in oil-exporting countries.

According to calculations from the German Federal Statistical Office, the **German economy** recorded solid and steady economic growth in 2015. Gross Domestic Product was 1.7 % higher in real terms compared to the prior-year figure. Consumption showed itself to be the most powerful driver of economic growth once again. Personal consumer spending increased by 1.9 % in real terms, with consumer spending by the government even increasing by 2.8 % in real terms. Capital expenditures also increased: In real terms business and the government have increased expenditure in equipment by 3.6 % compared to the prior-year figure. Construction investments also generated a slight increase of 0.2 % when adjusted for price. German foreign trade was particularly dynamic in 2015: In real terms, Germany exported 5.4 % more than in 2014. Imports rose slightly quicker by 5.7 % in real terms.

In 2015, the number of persons unemployed fell by 3.6 % to an average of 2.8 million persons. The unemployment rate was 6.4 %. The consumer research organization Gesellschaft für Konsumforschung (GfK) established that the consumer climate has dampened slightly in the second half of 2015. However, consumer expectations about the economy and their income were significantly higher by the end of the year. According to calculations from the German Federal Statistical Office, consumer prices rose by 0.3 % during 2015. The continued fall in the rate of inflation was characterized considerably by the fall in energy prices.

According to the ifo Institute, the economic recovery in the euro area is now being felt in **central and eastern European EU member states**. A decrease in unemployment and increasing real incomes have resulted in consumer spending making a strong contribution to economic performance everywhere. Additional impetus was provided by exports. However, exports in Poland and the Baltic states were affected by the recession in Russia.

Industry environment

Press distribution market

Continuing the trend of prior periods, the German **press distribution market** contracted somewhat further. 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 351 IVW registered daily and Sunday newspapers achieved total sales of 18.6 million copies per publication date. Compared to the prior-year figure, this corresponds to a decline of 4.6 %. Newsstand sales (–9.3 %) – as in the prior year – 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 98.1 million copies per publication date. Compared to the prior-year period, this corresponds to a decline of 4.1 %. IVW tracked a total of 789 titles (–4.0 % compared with the prior-year figure). The demand for general-interest magazines – weighted for their respective publication frequencies – declined by 6.7 %.

Whereas the circulation volumes of print media declined again in 2015, online media continued the growth trend of prior years. According to the study “digital facts 2015-10” 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, 67.7 % go online to obtain information about world events, and 60.7 % 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. Alongside the wired Internet, the mobile Internet continues to gain in importance according to the study. 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 use was predominantly in addition to desktop use. According to IVW, content portals of German print media were visited somewhat more frequently in 2015 compared to the previous year. The 20 most popular portals of German daily newspapers increased the number of visits by an aggregate of 12.7 %, whilst the visits to portals belonging to magazines rose by 14.4 %.

Advertising market

The German Advertising Association (ZAW) assumes in its forecast for 2015, issued in December, that net advertising revenues will be at the prior-year figure.

According to the latest advertising market forecast of ZenithOptimedia (“Advertising Expenditure Forecast“, December 2015), the advertising market in Germany in 2015 was slightly above the prior-year figure.

According to these surveys, net revenues of the **total advertising market** (including classified ads and advertising supplements, less discounts granted and agency commissions, and excluding production costs) amounted to € 19.0 billion in the reporting period, reflecting a nominal increase of 1.7 % from the prior-year figure.

In the German **online market** (display ads, search term marketing, and affiliates), net advertising revenues rose by 9.7 % to € 5.1 billion in 2015.

In the category of print media, the net advertising revenues of **newspapers** (newspapers, advertising supplements, and newspaper supplements) amounted to € 4.8 billion in 2015, reflecting a 3.3 % decrease from the prior-year figure. The net advertising revenues of **magazines** (general-interest and trade magazines, directory media) declined by 4.2 % to € 2.9 billion. According to ZenithOptimedia, digital advertising revenues overtook newspaper advertising revenues for the first time in 2015.

In 2015, **television advertising** in Germany rose by 3.3 % to € 4.4 billion, and net advertising revenues in **radio** declined by 0.4 % to € 735 million. The net advertising revenues of **outdoor advertising** rose by 2.0 % to € 945 million in 2015.

According to ZenithOptimedia, the following advertising revenue developments are expected for selected countries in 2015:

Anticipated Advertising Activity 2015 (Selection)

Change in net ad revenues compared to prior year (nominal)	Online	Print
Germany	9.7 %	–3.7 %
United Kingdom	13.1 %	–9.3 %
France[1]	4.4 %	–9.0 %
Poland[1]	10.7 %	–15.6 %
Switzerland[2]	16.7 %	–3.1 %
Hungary	7.7 %	–2.0 %
Belgium[2]	5.0 %	–5.9 %
Slovakia[1]	22.1 %	–3.6 %
Netherlands	7.4 %	–5.2 %
Serbia[1]	10.9 %	8.2 %
Austria[1]	13.2 %	–4.5 %
Ireland	22.2 %	2.8 %
Italy[1]	8.7 %	–6.8 %
Spain[1]	10.0 %	0.9 %
USA	18.2 %	–4.7 %
Israel	18.1 %	–14.1 %
India[1]	30.0 %	13.5 %
Brazil	5.9 %	–9.1 %

Source: ZenithOptimedia, Advertising Expenditure Forecast (December 2015).
[1] Excluding Classified ads, that means exclusively sales from display advertising.
[2] Gross advertising revenues (excluding classified ads).

Business performance

At the beginning of January 2015, we acquired 51 % of the shares 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.

In February 2015, Axel Springer signed an agreement with the shareholders of the real estate portal, **Immowelt,** regarding combining the Immowelt Group and our **Immonet** Group. 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 holds a majority interest in the company of 55 %. The other 45 % is held by the current shareholders of Immowelt AG. The remaining shareholders have been offered various options for selling their shareholding to Axel Springer in connection with the transaction. The transaction was based on a valuation of both companies totaling € 420 million. Axel Springer 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 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 2015 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). Later on in the year, the company also started an additional website in the form of livingly.com (fashion, beauty and lifestyle).

Furthermore, aufeminin intends to concentrate on its digital publishing activities and thus sold its shares in the subsidiary **Smart AdServer** to Cathay Capital and to the current management of Smart AdServer in April 2015 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 proceeds 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 measuring sports and fitness data, to the Adidas Group. The company value 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 initiative for promoting digital startups. The aim is joint investments in companies and funds, linking the incubation and accelerator programs as well as media-for-equity investments. In August, both cooperation partners acquired equity stakes in the **LAKESTAR II** investment fund with an overall mid-double-digit contribution in millions over the term of the fund. The fund will concentrate 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, curated and self-written news content. The product combines selected information (content that users want to know about in order to be able to have a say) from local editorial teams in various countries with information offers selected by algorithm that are tailored to the individual interests of users. After the launch in Germany and Poland in September 2015, the product is also due to be launched on the market in France and Great Britain in 2016.

In September 2015, Yad2 acquired 70 % of the shares in 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 September 2015, Ringier and Axel Springer signed the contract for the establishment of a **joint venture in Switzerland**. Since January 1, 2016, all Swiss-German and West Swiss newspaper titles (including their associated online portals) of Ringier as well as the West Swiss broadsheet, Le Temps, and all of Axel Springer’s business in Switzerland are combined under the Ringier Axel Springer Schweiz company. 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. Axel Springer is consolidating the pro rata income from investments.

Also in September, Axel Springer concluded an agreement for the purchase of around 87.8 % 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). The acquisition is a vital part of Axel Springer strategy to broaden its global digital reach and expand its journalistic portfolio in the English-speaking world. Business Insider is thus present in nine countries. The purchase price for the acquired shares in Business Insider totaled € 320.4 million. Axel Springer previously held an equity stake of around 8.7 % of the company and after the purchase holds around 96.5 % of the Business Insider shares. Henry Blodget, founder, Chief Executive Officer and Editor-in-Chief, and Julie Hansen, Chief Operating Officer and President, will also manage Business Insider in the future in the respective functions. The transaction was completed at the end of October 2015.

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".

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

In November 2015, as part of its efforts focusing on the digital growth strategy, Axel Springer agreed the sale of its interest in **CarWale**, a leading online portal for automobiles in the Indian market, at a converted purchase price (net of taxes) of € 64.2 million. The transaction was completed in January 2016.

In December, we acquired the remaining 15 % of shares in **Axel Springer Digital Classifieds GmbH** from General Atlantic Coöperatif U.A., Amsterdam, the Netherlands, in return for issuing new shares in Axel Springer SE. In doing so, Axel Springer now controls 100 % of the company in which significant parts of the Classified Ad business are combined. As part of this transaction, General Atlantic Coöperatif U.A. received 8,955,311 new shares of Axel Springer SE. Thus, General Atlantic now holds an 8.3 % stake in Axel Springer. The new shares were created based on the authorized capital that was approved by the annual shareholders' meeting in 2015. The capital increase was entered in the commercial register on December 9, 2015, thereby increasing the total number of Axel Springer shares from 98,940,000 to 107,895,311. 5,803,799 of the new shares were admitted for trading on December 17, 2015, with the remaining shares due to be admitted for trading at the end of 2016.

Overall statement of the Executive Board on the course of business and economic environment

Digitization continues to be the defining trend for the economic environment for media companies. Segments of the Axel Springer Group have therefore developed accordingly. The strongest increase in revenues was recorded with the two segments that have been fully digitized, namely Classified Ads and Marketing Models. Revenues for Paid Models decreased slightly due to the higher proportion of print business which declined due to structural changes. Business performance was also influenced by acquisitions in digital business models and active portfolio management. The overall positive development in the financial year confirms our strategy of rigorously digitizing the company.

Financial performance, liquidity, and financial position

Financial performance of the Group (continuing operations)

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

During the reporting year, **total revenues** were € 3,294.9 million, and therefore 8.5 % above the prior-year figure (€ 3,037.9 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. Adjusted for consolidation and currency effects, total revenues were 1.6 % higher than the prior-year.

The **pro-forma revenues for digital media** increased to € 2,004.6 million (PY: € 1,794.6 million), organic growth was correspondingly at 11.7 %. For the operative segments, organic growth was 13.6 % for Classified Ad Models, 6.7 % for Paid Models, and 12.2 % for Marketing Models. The pro-forma revenues take into account the development of companies, which currently belong to the Axel Springer Group and hence also the companies acquired in 2014 and 2015 on the basis of unaudited financial data.

International revenues rose by 20.2 % from € 1,309.3 million to € 1,573.5 million and amounted to 47.8 % (PY: 43.1 %) of Axel Springer's total revenues. The increase resulted from the growing internationalization of the digital business.

The increase in **advertising revenues** by 16.1 % to € 2,107.6 million (PY: € 1,815.1 million) was largely attributable to the growth in Classified Ads and Marketing Models, whilst advertising revenues from Paid Models were slightly below the prior-year figure. Advertising revenues as a proportion of total revenues was 64.0 % (PY: 59.7 %). Of the total advertising revenues, 80.4 % were generated by **digital activities**.

Circulation revenues totaled € 721.7 million and were 1.8 % below the prior-year figure (€ 735.3 million). The structural circulation declines within the print business were therefore able to be partially compensated for by way of copy price increases and increasing digital distribution revenues. Circulation revenues only accounted for 21.9 % of total revenue (PY: 24.2 %).

The **other revenues** of € 465.7 million were 4.5 % below the prior-year figure (€ 487.5 million). Primarily, consolidation effects had an impact (including in particular the sale of Talpa Germany and Smart AdServer). When adjusted for such effects they increased by 4.2 %. Overall, other revenues represented a share of 14.1 % (PY: 16.0 %) of the total revenues.

Compared to the prior year, **total expenses** increased by 6.7 % to € 3,175.7 million (PY: € 2,977.3 million). The increase is predominantly due to consolidation effects of acquired companies.

Compared to the prior-year figure, **purchased goods and services** increased slightly by 2.4 % to € 1,013.5 million (PY: € 990.0 million). Due to investments in companies with less intensive purchased goods and services, the ratio of purchased goods and services to total revenues fell to 30.8 % (PY: 32.6 %).

The increase in **personnel expenses** by 12.9 % to € 1,100.3 million (PY: € 974.4 million) resulted predominantly from the inclusion of subsidiaries acquired in the prior year and in the financial year, and the higher number of employees within the digital business models segment. The average number of employees grew in 2015 by 7.9 %.

Depreciation, amortization, and impairments amounted to € 199.8 million and were considerably lower than the prior-year figure of € 255.6 million, despite consolidation effects and investments in intangible assets with increasing effects. In the previous year, impairment losses of € 33.0 million were applied within the framework of the valuation of real estate held for sale, as well as impairment losses on goodwill within the Marketing Models segment.

Other operating income was € 271.8 million, in particular due to the sale of Runtastic and the Smart-AdServer group, and therefore significantly above the prior-year figure (PY: € 164.7 million). The **other operating expenses** were € 862.2 million, mainly due to the incorporation of acquired subsidiaries, and therefore above the prior-year figure (PY: € 757.2 million).

Net investment income amounted to € 24.7 million (PY: € 81.4 million) which was characterized, in particular, during the prior year by the profit from the sale of our interest in iProperty. The operating net investment shown in the EBITDA amounted to € 3.8 million. (PY: € 10.7 million).

The **net financial result** was € –22.2 million, which was almost at the prior-year figure (PY: € –21.1 million).

During the reporting period, **income taxes** amounted to €–136.2 million. (PY: € –78.9 million). The tax rate for the reporting period of 30.9 % (PY: 25.1 %) was influenced, amongst others, in the financial year as well as in the prior year by the largely tax-exempt income from sales of investments.

Earnings before interest, taxes, depreciation, and amortization (**EBITDA**) rose by 10.2 % to € 559.0 million compared to the prior-year figure (PY: € 507.1 million). The generated EBITDA margin of 17.0 % exceeded the level of the prior year (PY: 16.7 %). The **EBITDA of digital activities** increased by 19.4 % from € 358.9 million to € 428.7 million. This meant that based on operative business the share of digital business of EBITDA rose from 62.4 % to 69.6 %. As a result of the slight decline in depreciation, the earnings before interest and taxes (EBIT) increased by 13.8 % to € 449.0 million (PY: € 394.6 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.

The **net income** from continuing operations amounted to € 304.6 million (PY: € 235.7 million). The adjusted net income from continuing activities at € 279.3 million was above the prior-year level (€ 251.2 million).

Net Income (continuing operations)

€ millions	2015	2014
Net income (continuing operations)	**304.6**	**235.7**
Non-recurring effects	–98.9	–45.0
Depreciation, amortization, and impairments of purchase price allocations	84.9	103.9
Taxes attributable to these effects	–11.3	–43.4
Net income, adjusted (from continuing operations)	**279.3**	**251.2**
Attributable to non-controlling interest	58.3	52.3
Adjusted net income from continuing operations attributable to shareholders of Axel Springer SE	**220.9**	**198.8**

The **earnings per share** from continuing operations (undiluted = diluted) amounted to € 2.50 (PY: € 1.71). Based on the average weighted shares outstanding in the reporting period (99.7 million; PY: 98.9 million), the calculated **adjusted earnings per share** from continuing operations (undiluted = diluted) increased to € 2.22 (PY: € 2.01).

Adjusted 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)

An adjustment of the segmentation was performed during the financial year with regard to the assignment of individual operational functions. As a result, a part of the reclassification of costs and earnings between segments was omitted. Furthermore, the continued transformation of Axel Springer into a digital publisher by way of amended cost distributions was taken into account. The prior-year figures for the segments were adjusted for comparison purposes.

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 sub-divided into jobs, real estate, and general/other.

Key Figures Classified Ad Models

€ millions	2015	2014	Change
External revenues	**753.1**	**512.0**	**47.1 %**
Advertising revenues	730.7	492.7	48.3 %
Other revenues	22.4	19.3	15.8 %
Jobs	**360.7**	**256.4**	**40.6 %**
Real Estate	**231.0**	**193.5**	**19.4 %**
General/Other	**161.4**	**62.1**	**>100 %**
EBITDA[1]	**305.0**	**217.7**	**40.1 %**
Jobs	157.4	117.7	33.8 %
Real Estate	107.1	92.4	15.9 %
General/Other	49.5	14.9	>100 %
EBITDA maring	**40.5 %**	**42.5 %**	
Jobs	43.7 %	45.9 %	
Real Estate	46.4 %	47.8 %	
General/Other	30.7 %	23.9 %	

[1] Segment EBITDA includes non-allocated costs of € 9.0 million (PY: € 7.2 million).

The Classified Ad Models segment registered the biggest revenue growth of all segments during the financial year with revenues of € 753.1 million and growth of 47.1 % compared to the previous year (€ 512.0 million). Alongside an improvement in operative results, particularly from job portals; consolidation effects, amongst other things, had an influence due to the incorporation of @Leisure, Jobsite, LaCentrale Immowelt and Yad2. Adjusted for these effects, revenue growth came to 14.5 %. Also, the increase in advertising revenues by 48.3 % to € 730.7 million (PY: € 492.7 million) was largely attributable to consolidation effects. Adjusted for these effects, the increase came to 15.5 %.

The EBITDA for the segment rose considerably by 40.1 % to € 305.0 million (PY: € 217.7 million). As in the case of revenues, a significant part of the increase can be attributed to consolidation effects. Adjusted for these effects, growth came to 17.1 %. The margin fell from 42.5 % to 40.5 %. Here, the inclusion of acquired companies, the margins of which are below the average value of the segment margin, is noticeable. Moreover, in the second half, the additional marketing expenses in the area of real estate portals after first-time consolidation of Immowelt showed an effect for the first time.

EBIT in the Classified Ad Models segment rose by 38.5 % from € 198.6 million to € 275.1 million. Depreciation, amortization and impairments rose by 56.8 % to € 29.9 million (PY: € 19.1 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 presented in the following table.

Circulation, Digital Subscriptions, and Reach

Thousands	Circulation/ Digital-Subs[1]	Change yoy	Reach[2]	Change[3]
Bild/B.Z.	2,158.0	−9.5 %	10,357.2	0.0 %
Bild am Sonntag	1,078.7	−6.9 %	8,393.9	−3.1 %
bild.de (total)	291.2	25.4 %	19,435.0	-
bild.de (stationary)	-	-	16,637.0	-
bild.de (mobile)	-	-	7,983.0	-
Die Welt/ Welt Kompakt	195.5	−5.3 %	670.4	0.2 %
Welt am Sonntag/ Welt am Sonntag Kompakt	400.7	0.0 %	910.8	2.8 %
welt.de (total)	69.4	25.9 %	14,694.0	-
welt.de (stationary)	-	-	10,303.0	-
welt.de (mobile)	-	-	6,487.0	-

[1] Source: IVW, average paid circulation 2015; For bild.de (total) and welt.de (total): IVW, digital subscriptions (paid content), monthly average 2015 (May-Dec) vs. 2014 (May-Dec).
[2] Source: ma 2016 Pressemedien I; For bild.de and welt.de: AGOF 2015–10, Unique Users.
[3] Compared to ma 2015 Pressemedien II.

The focus of the national digital Paid Models remained to sign up paying subscribers in the area of stationary Internet. For this purpose, marketing campaigns with exclusive events were carried out, amongst others, for subscribers of digital paid models from BILDplus and WELT. Both BILDplus and the corresponding offerings from WELT showed a clear increase in the number of subscribers to digital offers.

The circulation numbers of the print media in the Paid Models segment declined in financial year 2015, due to market trends, while the reach values increased slightly in some cases.

BILD newspaper published a single nationwide special edition in the reporting period (PY: two editions). With a circulation of approx. 42 million copies, “BILD zur Einheit” was distributed on October 1, 2015, free of charge to nearly all households in Germany, to commemorate the 25th anniversary of German reunification. This special issue was successfully marketed to advertising customers.

Paid Models International

The reach of the business portal Business Insider, 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 corresponding online portals are presented in the table below.

Circulation and Reach

Tsd.	Circulation	Change yoy	Reach	Change yoy
Business Insider (total)	-	-	67,627.8[1]	45.6 %
Business Insider (USA)	-	-	41,495.9[2]	46.6 %
Business Insider (USA, stationary)	-	-	15,414.5[2]	19.2 %
Business Insider (USA, mobile)	-	-	28,403.6[2]	68.5 %
onet.pl	-	-	15,323.2[3]	−6.9 %
Fakt[4]	307.6	−5.3 %	1,504.4	−16.6 %
fakt24.pl	-	-	3,947.9[3]	8.9 %
Blikk[5]	127.8	−4.5 %	738.7	−7.1 %
blikk.hu	-	-	760.5[3]	13.9 %
Blic[6]	97.3	−8.7 %	690.8	−15.0 %
blic.rs	-	-	2,774.4[3]	−4.1 %

[1] Source: comScore USA, own estimates, monthly average (Jan-Dec 2015).
[2] Source: comScore USA, monthly average (Jan-Dec 2015).
[3] Source: comScore Europa, monthly average (Jan-Dec 2015); blikk.hu, monthly average (Jun-Dec 2015).
[4] Poland. Circulation: ZKDP, 2015 (Jan-Dec) vs. 2014 (Jan-Dec.); Reach: PBC General, 2015 (Jan-Nov) vs. 2014 (Jan-Nov).
[5] Hungary. Circulation: MATESZ, 2015 (Jan-Dec) vs. 2014 (Jan-Dec); Reach: Millward Brown, TNS, 2015 (Jan-Sep) vs. 2014 (Jan-Sep).
[6] Serbia. Circulation: Company Information, 2015 (Jan-Dec) vs. ABC, 2014 (Jan-Dec); Reach: Ipsos Strategic Marketing, 2015 (Jan-Dec) vs. 2014 (Jan-Dec).

In 2015, Business Insider saw significant growth in its reach, driven predominantly by very strong growth in its mobile reach. There is no data for mobile reach development comparable with the net reaches of the online portals in other European countries illustrated in the table. As a result, the table for these portals does not reflect the dynamic growth based on the increasing use of mobile terminal devices. However, this is of real importance to some of our digital activities. The circulation and reach figures of our international print media declined in line with market conditions.

Key Figures Paid Models

€ millions	2015	2014	Change
External revenues	**1,582.2**	**1,617.5**	**– 2.2 %**
Advertising revenues	652.1	671.0	– 2.8 %
Circulation revenues	721.3	735.3	– 1.9 %
Other revenues	208.8	211.2	– 1.1 %
National	**1,169.7**	**1,228.8**	**– 4.8 %**
Advertising revenues	465.5	497.7	– 6.5 %
Circulation revenues	559.5	576.9	– 3.0 %
Other revenues	144.7	154.2	– 6.2 %
International	**412.5**	**388.7**	**6.1 %**
Advertising revenues	186.6	173.4	7.6 %
Circulation revenues	161.8	158.3	2.2 %
Other revenues	64.2	57.0	12.7 %
EBITDA	**223.2**	**251.4**	**– 11.2 %**
National	170.7	200.0	– 14.7 %
International	52.5	51.3	2.3 %
EBITDA margin	**14.1 %**	**15.5 %**	
National	14.6 %	16.3 %	
International	12.7 %	13.2 %	

The total revenues of the Paid Models segment fell by 2.2 % to € 1,582.2 million (PY: € 1,617.5 million). Adjusted for consolidation effects, total revenues were 4.0 % below the prior-year figure. The structural declines within the print business were noticeable both in terms of advertising revenues as well as circulation revenues. Advertising revenues for national Paid Models (–6.5 %) included strong comparable values from the previous years as a result of two BILD special editions and the Soccer World Cup. Advertising revenues for international Paid Models increased by 7.6 % as a result of consolidation effects (including, among others, Business Insider). Adjusted for consolidation effects, advertising revenues for Paid Models were down by 5.9 % compared to the prior-year figure, with circulation revenues down by 2.2 %.

At € 223.2 million, EBITDA was 11.2 % below the prior-year figure (€ 251.4 million). In addition to the decline in revenues, this was also primarily down to the increase in restructuring expenses from € 24.5 million to € 34.8 million, while launch costs for developing new businesses of € 12.4 million were below the prior-year figure of (€ 17.2 million). The margin on the segment fell from 15.5 % in the previous year to 14.1 % in the current financial year.

EBIT in the segment Paid Models fell by 11.6 % from € 214.3 million to € 189.4 million. Depreciation, amortization and impairments fell by 9.0 % from € 37.1 million to € 33.8 million.

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	2015	2014	Change
External revenues	**878.9**	**794.1**	**10.7 %**
Advertising revenues	725.1	651.3	11.3 %
Other revenues	153.8	142.7	7.8 %
Reach Based Marketing	**298.2**	**279.3**	**6.8 %**
Performance Marketing	**580.7**	**514.7**	**12.8 %**
EBITDA[1)]	**88.0**	**106.5**	**– 17.4 %**
Reach Based Marketing	73.6	90.8	– 18.9 %
Performance Marketing	25.0	23.7	5.4 %
EBITDA margin	**10.0 %**	**13.4 %**	
Reach Based Marketing	24.7 %	32.5 %	
Performance Marketing	4.3 %	4.6 %	

[1)] Segment EBITDA includes non-allocated costs of € 10.6 million (PY: € 8.0 million).

Total revenues in the Marketing Models segment increased compared to the prior-year figure by 10.7 % to € 878.9 million (PY: € 794.1 million). Also adjusted for consolidation effects, revenues increased markedly by 13.0 %. Most of the revenue growth resulted from the 11.3 % increase in advertising revenues. This increase was mainly attributable to the zanox Group in the area of Performance Marketing. Growth in other revenues was 7.8 % and was generated within Performance Marketing.

EBITDA in the Marketing Models segment fell by 17.4 % to € 88.0 million (PY: € 106.5 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 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 fell from 13.4 % to 10.0 %.

EBIT in the Marketing Models segment fell by 16.0 % from € 89.6 million to € 75.3 million. Depreciation, amortization and impairments fell during the reporting period by 25.1 % to € 12.6 million (PY: € 16.9 million).

Services/Holding

Group Services, which also include the three domestic printing plants, as well as the holding functions, are reported within the Services/Holding segment. The group services are purchased by internal, group-wide customers at standard market prices.

Key Figures Services/Holding

€ millions	2015	2014	Change
External revenues	**80.7**	**114.4**	**– 29.4 %**
EBITDA	**– 57.1**	**– 68.5**	

Total revenues within the Services/Holding segment of € 80.7 million were down by 29.4 % compared to the prior-year figure (€ 114.4 million), predominantly as a result of the sale of shares of the distribution service provider IMS Internationaler Medienservice in the first quarter of 2015.

EBITDA was at € –57.1 million (PY: € –68.5 million). The improvement was predominantly a result of less non-operating expenses. Restructuring expenses were € 26.7 million (PY: € 22.2 million).

The EBIT in the Services/Holding segment was at € –90.8 million (PY: € –108.0 million). Depreciation, amortization and impairments of € 33.7 million were below the prior-year figure (€ 39.4 million).

Financial performance of discontinued operations

In the previous year, 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	2015	2014[1]
External revenues	**0.0**	**181.3**
EBITDA	**0.0**	**29.3**
EBITDA margin	**-**	**16.2 %**
Net income	**2.8**	**668.3**
Earnings per share (in €), basic = diluted	**0.03**	**6.37**
Net income, adjusted	**0.0**	**19.7**
Earnings per share, adjusted (in €)[2] basic = diluted	**0.00**	**0.17**

[1] The operating result from discontinued operations only concerns the period until the closing date as of April 30, 2014.
[2] The earnings per share (basic/diluted) adjusted for non-recurring effects, amortization and impairments from purchase price allocations were calculated on the basis of average weighted shares outstanding in the reporting period (99.7 million; PY: 98.9 million).

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

Financial management

As a general rule, Axel Springer SE provides all financing for the Axel Springer Group. This arrangement ensures that the Group companies have sufficient liquidity at all times. The overriding goal of financial management is to provide cost-effective liquidity in the form of maturity-matched financing.

Net Liquidity/Debt

€ millions	2015	2014
Cash and cash equivalents[1]	186.3	383.1
Financial liabilities	1,252.9	1,050.9
Net liquidity/debt	**–1,066.6**	**–667.8**

[1] 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.

The increase in net debt reported on December 31, 2015 resulted predominantly from cash outflows from finalized company acquisitions within the scope of our digitization and internationalization strategy. This development was partially offset by payments from the sale of companies, including in particular the sale of Runtastic and 2.7 % of our share in Doğan TV.

In order to optimize our financing conditions, we have improved the average interest rate of our credit lines in the third quarter, increased the financing volume and extended the term. 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 December 31, 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 December 31, 2015, € 618.0 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 € 902.0 million on the reporting date (December 31, 2014: € 511.0 million).

Cash flows

The following presentation of cash flows also includes discontinued operations.

Consolidated Cash Flow Statement (Condensed)

€ millions	2015	2014
Cash flow from continuing operations	369.6	360.8
Cash flow from investing activities	–546.4	92.7
Cash flow from financing activities	51.1	–343.8
Change in cash and cash equivalents	–125.8	109.6
Cash and cash equivalents as of December 31	253.8	383.1

Cash flow from operating activities for the continuing operations in the reporting period was € 369.6 million, a figure which was, particularly due to higher earnings, above the value from the prior year (€ 339.2 million).

The cash flow from investing activities of the continuing operations in the reporting period amounted to € –538.3 million. (PY: € –440.8 million). The cash outflows (less cash and cash equivalents acquired) in the reporting year for the acquisition of equity shares in consolidated subsidiaries and business units, as well as financial assets amounting to € 708.5 million (PY: € 572.5 million) were attributable primarily to the acquisitions of Business Insider, Immowelt, the @Leisure Group, and Thrillist. Furthermore, this figure included increased 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 % of our equity stake in Doğan TV (€ 63.3 million). The portion of the purchase price attributed to Axel Springer from the sale of real estate assets finalized at the start of 2016 (€ 48.1 million) is also included. Cash flow from investing activities in the prior year was particularly attributable to the acquisition of N24, My Little Paris, Yad2, LaCentrale and Jobsite, as well as the repayment of a purchase price claim, payments from the sale of the non-controlling interests in iProperty and 2.6 % of our share in Doğan TV. Discontinued operations in the prior year predominantly comprised receipt of the purchase price (net of cash and cash equivalents disposed of and taxes paid) from the sale of our print activities to FUNKE Mediengruppe of € 538.3 million.

The cash flow from financing activities in the reporting period of € 51.1 million (PY: € –343.8 million), as in the prior year, was attributable in full to continued operations and was due to the payment of dividends to shareholders of Axel Springer SE and more particularly the repayment of financial liabilities. The portion of the purchase price collected by Axel Springer, attributable to the plan assets formed for our pension payments, from the sale of real estate assets finalized at the start of 2016 (€ 67.5 million) is also included. This was paid into the plan assets in January 2016. Payments from the acquisition of 15 % of shares in Axel Springer Digital Classifieds (€ 446.0 million) and a special distribution of funds of € 90.7 million in connection with the completed sale of our print activities in the Czech Republic were also included in the prior year.

Financial position

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

Consolidated Balance Sheet (Condensed)

€ millions	12/31/2015	12/31/2014
Non-current assets	5,187.2	4,466.5
Current assets	1,317.4	1,241.9
Assets	**6,504.7**	**5,708.5**
Equity	2,511.5	2,505.7
Non-current liabilities	2,455.5	2,169.6
Current liabilities	1,537.8	1,033.2
Equity and liabilities	**6,504.7**	**5,708.5**

An adjustment was performed during the reporting year 2014 (see also the information in the notes to the consolidated financial statements under Note (4)).

The consolidated balance sum was € 6,504.7 million, and therefore higher than at the end of 2014 (€ 5,708.5 million), largely due to acquisitions.

Significant development of the long-term financial position resulted predominantly from the increase in intangible assets by € 728.0 million, resulting in particular from initial consolidation of Business Insider, Immowelt and the @Leisure Group. In addition to the designated as held for sale real estate assets (including associated financing leasing liability), assets (including goodwill) of our Swiss print activities in connection with the joint venture with Ringier, which was completed at the beginning of 2016, were shown separately.

Another reason for the slight increase in current assets was the initial consolidation of acquired companies. The decline in cash and cash equivalents and the reduction of a loan granted in the prior year had a partial offsetting effect on the immediate payment of a special distribution of funds finalized during the financial year in connection with the sale of our print activities in the Czech Republic.

The increase in equity resulted, among others, from the generated net income, from positive effects arising from the currency conversion of consolidated financial statements as well as from the adjustment of the discount rate with regard to the pension accounting. The distribution of dividends to Axel Springer SE shareholders as well as other shareholders had a reducing effect. In conjunction with the consolidation of Immowelt and Immonet, differences were taken into account to reduce equity, as well as recording additional minority shares. Furthermore, the capital stock and capital reserves of Axel Springer SE were increased by issuing new shares in return for non-cash contributions for the remaining 15 % of shares in Axel Springer Digital Classifieds GmbH by € 8.9 million or € 453.9 million respectively. The difference to the reduced interests of other shareholders was offset against equity without impacting income. The equity ratio was 38.6 % (PY: 43.9 %; an adjustment was performed for financial year 2014 (see the information in the notes to the consolidated financial statements, Section (4)).

The increase in non-current debt was mainly due to the acquisition of companies and the associated increase in financial liabilities through utilization of our credit line and the increased latent passive liabilities. The increase in other liabilities was primarily due to recognition of liabilities from option rights granted for the acquisition or sale of remaining non-controlling interests. By contrast, 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 %).

The development in short-term debt was particularly due to liabilities from option rights granted for the acquisition of remaining non-controlling interests recognized during the course of the finalized company acquisitions. Further growth in short-term debt resulted from the reclassification of non-current liabilities held for sale related to our Swiss print activities in conjunction with the joint venture with Ringier finalized at the start of 2016. Furthermore, a portion of the financial liabilities was to be reported as short-term as at the reporting date.

Non-financial performance indicators

Employees

Axel Springer had an average of 15,023 (PY: 13,917) employees (excluding vocational trainees and journalism students/interns) in the reporting period. The 7.9 % increase resulted primarily from the higher number of employees in Classified Ad Models and Marketing Models, due to acquisitions and organic growth in these segments. Outside of Germany, Axel Springer had an average of 6,846 employees (PY: 5,727); this accounted for 45.6 % (PY: 41.2 %). On average, 6,289 of the Group's total workforce were women and 8,733 were men. The number of editors fell during the reporting period by 1.5 % to 2,730; however the number of employees – largely due to expansion of digital business activities and new equity stakes – rose by a total of 10.7 % to 11,572 employees. However, if compared at year-end, the number of editors has increased by 3.5 %.

Employees by Segments (continuing operations)

Average number per year	2015	2014	Change
Classified Ad Models	3,660	2,580	41.9 %
Paid Models	7,013	7,149	–1.9 %
Marketing Models	2,505	2,220	12.8 %
Services/Holding	1,844	1,968	–6.3 %
Group	**15,023**	**13,917**	**7.9 %**

An adjustment of the segment allocation was performed during the reporting year (see also the information in the notes to the consolidated financial statements under Note (31)).

The strongest growth occurred in the Classified Ad Models segment, mainly due to acquisitions, but also to organic growth. In the Marketing Models segment, the increase resulted from the growth of reach-based Marketing Models, particularly with regard to the Bonial and Idealo Group. The decrease in the Paid Models and Service Holding segment is primarily due to the reduction in headcount in IT (infrastructure support), AS Customer Services, Sales Impact GmbH & Co.KG and the offset printing plants.

Length of service and age structure

As of the reporting date in 2015, the average length of service with Axel Springer was 10.4 (PY: 10.5); 41.8 % (PY: 42.5 %) of employees have worked for the company for longer than ten years. More than half of all employees are between 30 and 49 years of age. The proportion of severely disabled employees in German companies was, on average over the year, 3.7 % (PY: 3.8 %).

Equal opportunity and diversity

Axel Springer promotes the development of all its employees equally. Thus in 2010, Axel Springer launched a new, Group-wide project entitled "Chancen:gleich!" to increase the percentage of women in senior management positions, so as to achieve a better balance between women and men in the company's management. The objective of this program is to increase the percentage of women on all management levels to more than 30 %, as a company-wide average. This objective is being pursued in the form of various initiatives for the targeted promotion and networking of women and to increase the percentage of women with regard to new recruits and promotions. As of December 31, 2015, women held 27.9 % of management positions within the Axel Springer Group.

Personnel development

The training and continuing education activities of Personnel Development have been closely aligned with the requirements of the digitization movement in prior years. In addition to established seminars and support programs, the offering of shorter and unconventional formats has in particular been greatly expanded, leading to improved networking among individuals as well as the pure transfer of knowledge. In doing so, Personnel Development is pursuing the objective of developing Axel Springer into a permanent "learning organization" that is able to stand up to change processes. The leverage of synergies, the exchange of knowledge between the companies forming part of the Axel Springer family as well as the communication of new knowledge content and the accompaniment of the teams with regard to the introduction of new working methods, such as agile process work, are equally important.

Research and development

Axel Springer does not have a traditional research and development department of the kind that industrial enterprises maintain. All areas of the company constantly strive to optimize their existing products and introduce innovative new products to the market. Above all, we seek to continuously expand our portfolio with innovations in the digital sector, besides continuously improving our editorial content and upgrading our journalistic excellence. In that regard, we pay especially close attention to identifying changing media usage habits as early as possible.

Further development of classified portals

The development of new offerings also applies to the Classified Ad Models segment.

StepStone Deutschland introduced new “Liquid Design” mobile job ads that significantly enhance mobile user experience. “Irishjobs.ie Company Reviews” were introduced in Ireland, providing candidates with detailed information about companies as potential employers.

Yad2 has also invested in its mobile offering and developed a new app for the market for “blue collar” jobs. The offering is aimed primarily at users who are looking for temporary jobs in their immediate vicinity and is becoming increasingly popular with employers and job seekers in the Israeli market.

Further development of Paid Models

The existing platforms for paid content were also systematically expanded during the financial year. Improvements in the registration process (“Single Sign On”), integration of additional sales agreements and the technical processing of subscription transactions (buying process, cash, postprocessing, etc.) were implemented.

Extensive development work was undertaken for the UPDAY project (see page 25) during the course of the year in conjunction with the partnership with Samsung Electronics Co. Ltd. that was announced in September 2015.

Further development of marketing services

In the Marketing Models, existing online offers were continuously developed and supplemented by new ones. Development of innovative product functionalities and marketing technologies for increasing reach and use of offers as well as monetization is a key priority for our investments. In addition, we also invest in new companies in an early stage of development, which develop new business models and technologies. This is either as a direct investment, or indirectly via investment companies such as the Project A-Ventures, where Axel Springer and the Otto Group are both involved, or Axel Springer Plug & Play Accelerator GmbH, a joint venture with Plug & Play Tech Center in Silicon Valley.

Sustainability and social responsibility

For Axel Springer, sustainability is the nexus between economic success and conduct that is both environmentally responsible and socially fair. These three criteria are firmly anchored in the company’s business strategy. Therefore, sustainability is an integral part of all the company’s business processes. The Sustainability Department supports all the company’s activities in this area – ranging from resource efficiency measures to social responsibility initiatives. This department reports directly to the Executive Board Chairman. Through our sustainability strategy, we exercise responsibility for current and future generations and establish the foundation for long-term business success.

Since the mid 1990s Axel Springer has published environmental reports, and sustainability reports have been published since 2000. Since 2005 we have published a sustainability report on a biannual basis, which follows the full list of indicators of the Global Reporting Initiative (GRI), the internationally relevant format for sustainability reporting. The current sustainability report in "GRI+" format also documents the "Media Sector Supplement" (GRI+). This section provides additional indicators that are reflective of the specific issues encountered by journalism companies. At the same time, the report focuses on aspects of digitization which are relevant from a sustainability perspective. Axel Springer’s sustainability reports are audited by independent auditors. The current sustainability report appeared in the middle of 2014 and can be found at www.sustainability.axelspringer.com. The next sustainability report will appear in the middle of 2016.

General assessment of the company's financial performance, liquidity, and financial position by the Executive Board

The strategy of digital transformation was also at the fore during the 2015 financial year. We have driven digitization organically as well as via acquisitions. Key milestones in this context included the acquisition of Business Insider in the autumn, as well as the acquisition of the 15 % stake held by General Atlantic in our digital classified advertising business in return for shares as part of a capital increase. EBITDA, EBIT, and the adjusted earnings per share from continuing operations were all higher than in the previous year. Net debt has continued to increase as a result of the acquisitions made. Considering the strong cash flow, the still exceedingly solid balance sheet structure, and the cost-effective financing options available to the company, we find ourselves in a solid position to realize the necessary investments for future growth.

We continue to believe that the path of systematic digitization is the right strategy for assuring and further improving the company's profitability in the future.

Financial performance, liquidity, and financial position (continuing operations)

Group Key Figures (Selection, in € millions)	**2015**	**2014**
Total revenues	3,294.9	3,037.9
EBITDA[1]	559.0	507.1
EBITDA margin[1]	*17.0 %*	*16.7 %*
EBIT[2]	449.0	394.6
Tax rate	*30.9 %*	*25.1 %*
Net income	304.6	235.7
Net income, adjusted[2]	279.3	251.2
Earnings per share, adjusted (in €)[2] [3]	2.22	2.01
Dividend per share (in €)[4]	1.80	1.80
Total dividends[4]	194.2	178.1
Net debt/liquidity[5]	–1,066.6	–667.8
Free cash flow[6]	299.8	244.1

1) Adjusted for non-recurring effects, see also the information in the notes to the consolidated financial statements under Note (32).
2) Adjusted for non-recurring effects and amortization and impairments from purchase price allocations.
3) The earnings per share (basic/diluted) adjusted for non-recurring effects, amortization and impairments from purchase price allocations were calculated on the basis of average weighted shares outstanding in the reporting period (99.7 million; PY: 98.9 million).
4) Dividend proposal for the financial year 2015.
5) 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.
6) Cash flow from operating activities minus capital expenditures, plus cash inflows from disposals of intangible assets and property, plant and equipment.

Economic position of Axel Springer SE

€ millions	**2015**	**2014**	**2013**	**2012**	**2011**
Revenues	925.9	1,174.6	1,442.8	1,507.1	1,551.2
Net income	213.5	590.8	186.4	371.9	260.2
Transfer to retained earnings	19.3	412.7	8.3	204.0	92.6
Total dividends[1]	194.2	178.1	178.1	167.9	167.6
Dividend per share (in €)[1]	1.80	1.80	1.80	1.70	1.70

[1] The dividend for the financial year 2015 is subject to the condition of approval by the annual shareholders' meeting.

Introductory remarks

Axel Springer SE is the parent company of the Axel Springer Group. Due to its subsidiaries, which Axel Springer SE controls directly or indirectly, the business development is subject to the same risks and opportunities as the entire group. These are presented in the Report on risks and opportunities (see page 44). Also the anticipations regarding the development of Axel Springer SE correspond to the essential expectations described in the Forecast Report (see page 60).

The following statements are based on the separate financial statements of Axel Springer SE, which were prepared in accordance with the regulations of the German Commercial Code and the German Stock Corporations Act. The separate financial statements and the management report will be announced in the Electronic Federal Gazette and published on the website of Axel Springer SE.

Business activity

Axel Springer SE is operationally active in the Paid Models segment and mainly publishes nationwide daily and weekly newspapers as well as automobile, computer, and sports magazines. Furthermore, Axel Springer SE, in its role as a parent company of the Axel Springer Group, also exercises holding functions, monitors Group-wide liquidity management and performs other services to Group companies. The general economic conditions of Axel Springer SE correspond essentially to those of the Group and are described in the economic report (see page 22 et seq.).

On January 1, 2015, the newspaper printing plants in Ahrensburg, Berlin-Spandau and Essen-Kettwig, which had, up to that point, been managed as parts of Axel Springer SE's operations, were combined into legally independent companies. Furthermore, Axel Springer SE's WELT Group and the news channel N24 merged at the start of the financial year under the auspices of the subsidiary WeltN24 GmbH.

Financial performance

Income Statement (Condensed)

€ millions	**2015**	**2014**
Revenues	925.9	1,174.6
Other operating income	136.3	125.3
Purchased goods and services	−272.9	−290.4
Personnel expenses	−266.8	−382.1
Amortization, depreciation, and impairments of intangible assets and property, plant and equipment	−21.4	−45.7
Other operating expenses	−496.3	−532.1
Net income from non-current financial assets	279.6	52.3
Net interest income	−28.5	−32.2
Profit from ordinary activities	**255.9**	**69.7**
Extraordinary profit	**0.0**	**797.8**
Taxes	−42.4	−276.7
Net income	**213.5**	**590.8**

Revenues fell by € 248.7 million or 21.2 %. The decline in distribution and advertising revenues by € 106.5 million and € 77.4 million respectively can in particular be attributed to the sale of domestic regional newspapers and the TV program guides and women's magazines belonging to the Axel Springer Group to FUNKE Mediengruppe, which was finalized at the end of April in the prior year. Other revenues fell by € 64.8 million, primarily as a result of the spin-offs of the printing plants.

Purchased goods and services fell by € 17.5 million to € 272.9 million. An increase in expenditure for print services was able to be more than compensated for by way of reduced expenditure for paper and fees. The ratio of purchased goods and services to total revenues was 30 % (PY: 25 %).

The personnel expenses of € 266.8 million remained 30.2 % lower than the prior-year figure. The cause of this was the lower number of employees in particular. This declined by 44.7 %, from an average of 3,364 in the prior year to 1,861 in financial year 2015, primarily as a result of the transfer of employees from the printing plants and the WELT Group.

Depreciation, amortization and impairments fell by € 24.3 million to € 21.4 million, primarily as a result of the transfer of tangible assets to the newly established printing plant companies.

Net income from financial assets (€ 279.6 million) surpassed the prior year figure by € 227.3 million. The increase resulted primarily from profit transfers (€ 284.5 million; PY: € 35.2 million) which contained significantly higher profits from sales of investments compared to the prior year on the one hand, and were also increased by way of newly concluded profit and loss transfer agreements on the other hand. Furthermore, higher income from investments (€ 35.7 million; PY: € 19.3 million) and income from loans (€ 14.3 million; PY: € 10.4 million) was able to be generated. Higher depreciation, amortization and impairments had the opposite impact on financial assets (€ 54.9 million; PY: € 12.6 million).

Interest income (€ –28.5 million) improved by € 3.7 million. This was primarily due to prepaid compensation received in the prior year in conjunction with the restructuring of the promissory note.

Profit from ordinary activities increased by € 186.2 million to € 255.9 million. The annual net profit was € 213.5 million (PY: € 590.8 million).

Liquidity

Net debt (liabilities due to banks and promissory note less cash and cash equivalents) on December 31, 2015 amounted to € 1,218.6 million. (PY: € 946.1 million).

In order to optimize the financing conditions, the financing volume of the credit lines was increased and the term was extended during the financial year. As well as the promissory note which mature in April 2016 (nominal value of € 56.5 million), in April 2018 (€ 112.0 million), in October 2018 (€ 220.0 million) and in October 2020 (€ 248.5 million), there are credit lines to the amount of € 1,500.0 million as of December 31, 2015, the utilization of which is due for repayment in July 2020. Both the promissory note and the credit facilities may be used either for general business purposes and/or for financing acquisitions.

By December 31, 2015, € 618.0 million (PY: € 409.0 million) of the existing long-term credit facility was taken as drawdowns. The total available amount of unutilized short-term and long-term credit facilities was € 902.0 million on the reporting date. (PY: € 511.0 million).

Financial position

Balance Sheet (Condensed)

€ millions	12/31/2015	12/31/2014
Intangible assets, and property, plant, and equipment	173.7	220.9
Non-current financial assets	5,398.8	4,284.7
Trade receivables	30.1	39.4
Receivables from affiliated companies	151.6	71.8
Cash and cash equivalents	36.4	99.9
Other assets	67.0	102.6
Total assets	**5,857.6**	**4,819.3**
Equity	2,463.6	1,965.1
Provisions	327.1	383.2
Liabilities due to banks and promissory notes bonds	1,255.0	1,046.0
Liabilities to affiliated companies	1,611.4	1,328.7
Other liabilities	200.5	96.3
Total equity and liabilities	**5,857.6**	**4,819.3**

Total assets rose by € 1,038.3 million to € 5,857.6 million during the financial year. Non-current assets amounted to € 5,572.5 million (PY: € 4,505.6 million) and accounted for 95.1 % (PY: 93.5 %) of total assets. 44.2 % (PY: 43.6 %) was covered by equity.

The decline in intangible assets and property, plant and equipment by € 47.2 million resulted primarily from the spin-offs of the printing plants, leading in particular to the transfer of company buildings and technical systems and machinery.

Financial assets increased by € 1,114.1 million to € 5,398.8 million during the financial year. The increase resulted mainly from additional payments in capital reserves of subsidiaries in order to finance company acquisitions.

Receivables from associated companies increased by € 79.8 million to € 151.6 million, and liabilities owed to associated companies also increased by € 282.7 million to € 1,611.4 million, both as a result of Group-wide liquidity management.

The acquisition of the remaining shares in Axel Springer Digital Classifieds in return for issuing new shares resulted in an increase in equity by € 462.9 million. As of December 31, 2015, equity amounted to € 2,463.6 million. (PY: € 1,965.1 million). The equity ratio increased to 42.1 % (PY: 40.8 %).

Provisions decreased by € 56.1 million to € 327.1 million compared to the prior-year reporting date. This decline was in particular due to transfers of pension provisions and other personnel provisions in conjunction with employee transfers from the printing plants and the WELT Group.

Advance payments in relation to the sale of the publishing building in Hamburg increased other liabilities, which grew by € 104.3 million to € 200.5 million.

Profit utilization proposal

The Supervisory Board and Executive Board propose that the Company applies the full amount of the distributable profit of € 194.2 million (PY: € 295.4 million) to pay a dividend of € 1.80 (PY: € 1.80) per qualifying share for the 2015 financial year.

The company does not currently hold any treasury shares, so that all the company's shares qualify for dividends. However, the number of shares qualifying for dividends may be reduced in the time remaining before the annual shareholders' meeting. In that case, an adjusted profit utilization proposal will be submitted to the annual shareholders' meeting, without changing the target dividend of € 1.80 per qualifying share.

Dependency Report

The Executive Board of Axel Springer SE submitted the Dependency Report prescribed by Section 312 of the German Stock Corporations Act (AktG) to the Supervisory Board and made the following concluding statement:

"According to the circumstances known to the management at the time of each transaction with an affiliated company, Axel Springer SE received adequate consideration for every such transaction and did not take, or fail to take, any actions in the reporting period, either at the behest or in the interest of the controlling company or a company affiliated with the controlling company."

Events after the reporting date

The establishment of a further joint venture in Switzerland contractually initiated between Ringier and Axel Springer in September 2015 was finalized at the beginning of January 2016 (see page 25).

The sale of our interest in CarWale, an Indian online portal for automobiles, which was agreed in November 2015, was also finalized in January 2016 (see page 26).

Additionally, in January 2016, the sale of the first part of the Hamburg office buildings was completed (see the information in the Appendix of the Group figures, (11) and (17))

The Executive Board and Supervisory Board decided in December 2014 to prepare to change Axel Springer SE into a partnership limited by shares (KGaA). Still, the board decided not to pursue the planned change. Following a detailed examination of the conversion, the company and Dr. h. c. Friede Springer came to the conclusion in February 2016 that the legal form of the SE is the better alternative for the long-term development of the company and its attractiveness for the capital market. Axel Springer SE continues to pursue the objective of the growth trend in becoming the leading digital publisher and will make use of other suitable capital raising options where necessary.

Report on risks and opportunities

Risk policy principles and risk strategy

At Axel Springer, we define risks as the possibility of negative deviations of actual business performance from the planned targets or objectives, while opportunities represent the possibility of positive deviations. The risk policy principles and risk strategy of Axel Springer are coordinated and closely aligned with the business strategy and business objectives. We do not seek to avoid risks at all costs, but to carefully weigh the opportunities and risks associated with our decisions and our business activities, from a well-informed perspective. Accordingly, opportunities should be exploited to generate income or increase the company's value and risks should be assumed only if they remain within appropriate limits that are acceptable to the company. Thus, risks should be limited to a level deemed acceptable by the company's management by taking appropriate measures, be transferred to third parties in full or in part, or, in those cases where risk mitigation is not considered advisable, be avoided or monitored closely. All employees are duty-bound to handle risks responsibly within their own area of responsibility.

Group-wide risk management system

Taking into account the various national and international requirements, an increasingly complex and volatile environment and a company that is growing and changing in a dynamic manner, we still managed to develop further and expand certain elements of internal corporate monitoring (Risk Management, Compliance Management, Internal Control and Internal Audit) during this financial year as well. There was particular focus on optimizing existing processes and structures, and integrating new participations and business areas into the existing risk management system. We are also focused on ensuring the continuous improvement of the quality and completeness of the risk inventory and the corresponding internal management measures.

The general form of structures and processes in the risk management system at Axel Springer are based on the internationally recognized "Enterprise Risk Management Framework", a framework developed by the Committee of Sponsoring Organizations of Treadway Commission (COSO). This links the risk management process to the internal control system. The use of this holistic, integrated approach should ensure that countermeasures and monitoring activities are systematically focused upon the strategic, operative, reporting-related and compliance-related objectives of Axel Springer and their risks. In addition, as much coverage as possible of the entire company and its activities should be achieved.

To ensure close interlinking of individual subsystems in the long term which results in an appropriate, effective monitoring system for Axel Springer, Group-wide coordination of systems for risk management, compliance management and the internal control system as well as the related reporting is carried out by the Governance, Risk & Compliance central division.

The risk management processes at Axel Springer are focused in accordance with Section 91 (2) of the German Stock Corporations Act (AktG) on recognizing and evaluating all significant and existential risks as well as essential changes in the risk situation as promptly as possible. It should therefore be assured in accordance with risk policy principles and risk strategy that corresponding control and countermeasures can be used in time to react to such risks. This approach gives us the necessary maneuvering room and allows for the controlled and responsible management of risks.

The risks at Axel Springer are divided into strategic, operative, reporting-relevant, and compliance-relevant risks based on the COSO framework (risk categories). Insofar it is appropriate and quantifiable, risks are assessed quantitatively with reference to the parameters "loss amount" (impact) and "probability of occurrence". Based on these parameters, risks are assigned to one of the following risks classes: critical risks, significant risks, risks to be monitored, and other risks. To achieve focus on the various risks that are relevant and significant at a Group level, a materiality limit is established based on EBITDA, and the classifications are determined from the depicted risk matrix. Currently, the materiality limit at a Group level is € 10 million.

Risk Matrix of Axel Springer SE

A theoretical threat to the company's survival as a going concern is assessed by Axel Springer with reference to the criterion of the gross loss amount and its impact on the financial position and liquidity (excessive debts and insolvency) at a Group level. The gross loss amount is the impact of a risk prior to any risk management measures being established.

To ensure the effective management and greatest possible transparency in the presentation of the risk position, all identified risks are assessed both prior to the implementation of risk management measures (gross risk assessment - inherent risk), and after the corresponding measures are taken (net risk assessment - residual risk).

Whilst overall responsibility for risk management lies with the full Executive Board, the operational management of the individual risks falls primarily within the area of responsibility of the respective company divisions or Axel Springer Group companies. This includes the early detection and identification, assessment, definition of appropriate measures, the management and monitoring of such measures and adequate documentation and reporting processes.

The senior managers of Axel Springer and the management of Axel Springer Group companies bear the responsibility for the content of the risk management system implemented within their division or company and the risks contained therein. As part of the so-called bottom-up procedure, they undertake to participate in the update campaign that takes place every six months, along with the systematic and standardized risk inventory conducted once a year. They must also continuously monitor any changing risk situations within their division or company. Significant changes in the risk situation must be reported immediately to the Corporate Office of Governance, Risk & Compliance.

This decentralized risk inventory process is supplemented by a centralized risk inventory within the top management group (top-down procedure), which is accompanied and moderated by the Governance, Risk & Compliance central division.

The purpose of the risk inventories and analyses carried out in the top-down and bottom-up procedures is to systematically identify and assess cross-company, cross-divisional and cross-procedural risks in order to complete the risk inventory and ensure its quality.

In the Governance, Risk & Compliance division, risk management activities are coordinated, risks are aggregated up to the Group level, reported risks are checked in terms of their plausibility, and the completeness of the required risk reports is monitored. The division is also responsible for compiling, updating and communicating the risk management guidelines, all supporting measures, such as maintaining the risk management software, the continuous further development of the centralized risk management system and reporting to the Supervisory Board and Executive Board.

The semi-annual and ad-hoc risk reports prepared for the Executive Board and Supervisory Board focus primarily on existential risks and significant risks, along with the countermeasures adopted and suitable early warning indicators, to the extent they are available.

Internal audit system

Group Auditing within Axel Springer SE is organized as a process-independent staff department, which is under the control of the full Executive Board in functional terms, and under the Executive Board member in charge of Personnel and Finance in disciplinary terms. It provides consulting and investigations in all Group companies and divisions in a risk-oriented manner and aligns its activities with relevant national and international professional standards.

In particular, Group Auditing has the task of inspecting the effectiveness of the internal risk management and control system as well as the compliance management system based on a risk-oriented inspection plan and to derive measures for eradicating weaknesses. Implementation of improvement measures is followed up based on a systematic process.

The results of individual audit or consultancy mandates are typically reported to the Executive Board and periodically summarized to the Audit Committee of the Supervisory Board.

To ensure the effectiveness of the internal audit system, a quality assurance and improvement process is set up, which provides for external quality assessments amongst other things in accordance with professional guidelines.

Report on the financial reporting-related risk management system and internal control system pursuant to Section289 (5) and Section 315 (2) (5) HGB

The (consolidated) financial reporting-related risk management system and the connected internal control system are important elements of the internal management system of Axel Springer SE, which is also based on the internationally recognized framework of the Committee of Sponsoring Organizations of the Treadway Commission (COSO). As emphasized in the concept, the effective interplay of the risk management system and internal control system is meant to ensure the effectiveness and economic efficiency of the Group's business activities, as well as the completeness and reliability of its financial reporting. The (consolidated) financial reporting-related risk management system and internal control system comprise all organizational regulations and measures aimed at the detection and management of risks related to financial reporting. With a view to the (consolidated) financial reporting process, the internal control system is meant to ensure that the Group's financial reports convey a true and fair view of the financial position, liquidity, and financial performance of Axel Springer SE and the Axel Springer Group, in compliance with all relevant laws, regulations, and standards. However, even an effective, and therefore adequate and well-functioning internal control system cannot guarantee the prevention or detection of all irregularities or inaccurate disclosures.

We consider the following elements of the risk management system and internal control system to be significant with respect to the (consolidated) financial reporting process:

- Processes for identifying, assessing, and documenting all significant financial reporting-related processes and risk areas, including the corresponding key controls. Such processes include financial and accounting processes, as well as administrative and operational business processes that generate important information used in the preparation of the separate and consolidated financial statements, including the management reports of the parent company and the Group.
- Process-integrated controls (computer-aided controls and access restrictions, dual control principle, separation of functions, analytical controls).
- Standardized financial accounting processes, through the use of an internal, Group-wide Shared Services Center for most of the consolidated German companies of the Group.

- Group-wide accounting and reporting directives in the form of accounting guidelines, charts of accounts, and reporting procedures.

- Quarterly communication of information to all consolidated Group companies on current developments related to accounting, reporting, and the process of preparing the financial statements, as well as the reporting deadlines to be observed.

- Assuring the requisite expertise of employees involved in the financial accounting and reporting process by means of appropriate selection procedures and training.

- Centralized preparation of the consolidated financial statements (including management report), employing manual and computer-system controls in respect of financial reporting-specific connections and dependencies.

- Protection of financial reporting-related IT systems against unauthorized access, by means of access restrictions.

- Monthly internal reports (complete income statement, statement of financial position, cash flow statement) and monthly reports on all cost units of the Group, including analysis and reporting of significant developments and budget/actual variances.

The effectiveness of the (consolidated) financial reporting–related risk management system and internal control system is systematically reviewed and assessed by means of periodic control tests; a Group-wide reporting system ensures that up-to-date information is provided on a regular basis to the division heads, Executive Board, and Supervisory Board.

Both the risk management system and the internal control system are continuously refined. For example, the financial reporting-related control system is being integrated, extending beyond the area of accounting, on a step-by-step basis into a comprehensive system of internal corporate monitoring. Thus, we synchronize and optimize our control elements on a cross-divisional basis, thereby enhancing the effectiveness and economic efficiency of the entire system.

Risk areas

If not stated elsewhere, all risks will be mentioned in the following which have a considerable negative effect on reaching our company-wide targets. Within the risk areas described below, risks are typically presented in the order of their priority for the Group. This method may be deviated from in order to prevent repetitions and in the interests of readability.

The risks illustrated below are primarily based on the 2016 forecast period, unless the risks in question relate to long-term objectives.

Market and competition risks

Internationalization is one of the pillars of Axel Springer's strategy alongside focusing on journalism and business models benefiting from journalism in the broader sense, as well as digital transformation. As a result, the economic and industry-specific developments in many different regions are of key importance to the financial performance of the Group, in addition to the general global economic situation. Developments in the European Economic Area, the USA and Switzerland in particular play a decisive role alongside the developments in Germany.

Although above-average growth is forecast for the Anglo-Saxon region, including in particular the USA, growth rates in both the European Union as well as Germany are only expected to grow comparatively slowly. The fact that individual countries are currently not able to correct their deficits and that the required structural reforms are only being implemented slowly is causing a growing economic chasm between euro zone countries. The spill-over effect of political issues that remain largely unresolved, such as the refugee crisis or the conflicts in the Ukraine and in the Middle East, could have a negative impact on the global economy, and particularly on our core markets within the European Union. Another economic downturn or global financial crisis would in all likelihood have a negative impact on Axel Springer as well. This could lead to a significant deterioration in the revenue situation and a slow-down in online market growth, and might also put the brakes on digital transformation at Axel Springer. An unplanned reduction in revenues cannot therefore be ruled out on a national or international basis, meaning therefore that it poses a significant risk to all Axel Springer segments.

The digital revolution, demographic changes and technological advances have led to massive changes in consumption and reading habits. The resulting increase in the importance and use of digital offerings leads to sustained revenue reductions in the field of printed publications. Unpredictable market developments or a further acceleration of this trend could reinforce even further the declines already factored in on the basis of structural changes.

Furthermore, the general market situation and media industry is still characterized by intense competition pressure. This has arisen partly due to the creation of alliances or mergers between direct competitors (such as within national marketing) as well as other free-of-charge offerings within the online and print media sector, putting pressure on our revenue share and positions in the entire distribution and advertising business. Furthermore, the loss of advertising customers due to switching over to other advertising media such as TV or radio could considerably reduce our advertising revenues, both in print and online. The pressure on digital advertising revenues has also increased as a result of the increased use of mobile devices that make it difficult for advertisements to be displayed due to their small display surfaces.

High levels of market and competition dynamism are prevailing in the markets for our Marketing Models and Classified Ad Models as a result of ever shorter innovation cycles. Our digital portals are therefore exposed to the risk that new portals and competitors aiming to break into the market could jeopardize the existing market position in the long run. Increasing competition is a threat not only on the part of the world's leading Internet companies aiming to penetrate into new market segments and/or the traditional media business, but also for new companies with innovative business concepts. As a result, missing out on market trends and technological developments will pose an ever greater risk in future as our leading market position could also be threatened by this.

In order to mitigate the aforementioned market and competition risks, the environment is monitored in an intensive and continuous manner, enabling definitive internal management measures to be derived for the operational management. At the same time, the digitization of our products will be further strengthened, our journalistic product portfolio will be expanded both nationally and internationally, and our journalistic and technological competences will be optimized and enhanced. Adjustments to evolving consumer and reader requirements also occur via technical and product-specific innovations. This will be accompanied by pricing and product policy measures.

Many of our digital Marketing and Classified Ad Models are additionally confronted with the risk arising from the dominant position of major Internet search engines. If, for example, these search engines change their search algorithms or expand their business models that compete with our business sectors, this can have noticeable effects on the future revenue situation. Even small changes in visibility or in position on the results pages could lead to significant losses in turnover with certain business models.

We counter this risk by means of targeted ad placements on search engine results pages and through search engine optimization as well as the further expansion of our activities in target-group relevant social media channels and by continuously improving the attractiveness of our offerings. Simultaneously, we are focusing on adequate measures to reinforce the brands and offerings of Axel Springer SE and their prominence so that their reach and usage will not be as dependent on services provided by third parties, particularly the visibility on search engines.

Furthermore, the spread and use of ad blockers presents a risk for advertising revenues which must be taken seriously in the digital advertising sector. Specially preconfigured browsers and browser add-ons prevent ads from being displayed on visited web pages. The continued spread and use of ad blockers could lead to substantial declines in advertising revenues, not just for Paid Models but also for our Reach Based Marketing and our Performance Marketing Models.

We counter the increasing use of ad blockers both with legal action against the providers as well as with the development of technical solutions, such as those in place for BILD.de. The readers must disable the activated ad blocker or purchase a chargeable “BILD smart” subscription enabling virtually ad-free access in order to use the journalistic content.

Through the constant further development of our mobile applications, we are continuously increasing the degree of digitization and clarify our strategy of becoming the leading digital publisher throughout all our segments. By means of acquisitions, new company start-ups, and the expansion of existing digital media, we will strive to adapt to changes in the media world and further promote the cross-media networking and integration of our brands. (For more information on this subject, please refer to the report on the operating segments, beginning on page 12 and also on page 29 in the report on the financial performance of the segments.)

Political and legal risks

The already pronounced concerns of the public, politicians, and consumer protection organizations in matters of data protection have become even more prominent. This development has been caused by two factors, the first being the public debate regarding the use of the personal data of German citizens by foreign intelligence services, which was also expressed by the European Court of Justice as grounds for termination of the so-called "Safe Harbor Agreement", and the second being the practice of social networks, search engines, and other online platforms to collect the data entered by users and use it for their own commercial purposes. Consumer protection and data privacy proposals have also gained significance in the legislative and executive bodies of the German states and the German Federal Government, and at European level as well. This trend is worrisome for digital business models, because they are reliant upon the use of data. Furthermore, in the absence of any long-standing and uniform jurisdiction with regard to new digital business models, this means the legal position is in some cases unclear and, thus, there is the latent risk of written warning letters and the allegation of breaches of law. This uncertainty could increase as a result of the EU General Data Protection Regulation that has already been enacted and is due to take effect from 2018. Specifically, such a regulation would affect the use of so-called "cookies" and similar technologies, the permissibility of generating user profiles (profiling and tracking), and other measures that necessitate the use of personal data without prior consent. Furthermore, recent regulatory proposals are potentially more advantageous for the providers of registration-required online services than for advertising-financed online services and advertising networks that do not maintain direct contacts with end customers, because the popular, registration-required online services already possess a large, personalized subscriber base, making it much easier for them to obtain permission from their users. Major restrictions in advertising and customer-retention possibilities resulting from this Data Protection Regulation could result in substantial revenue losses for mobile and web-page-based business models.

The Internet activities of public-sector broadcasters currently pose another risk to our business. ARD in particular has intruded into the business sphere of the private-sector press and distorted the competition environment with a text-oriented news app for Tagesschau financed by license fees. Faced with competition from this cleverly designed “free offer”, it is naturally hard for publishing companies to successfully offer paid apps.

After conducting fruitless negotiations with ARD and NDR, Axel Springer SE and seven other publishing companies, with the full support of the newspaper publishers’ association BDZV, filed a lawsuit against ARD and NDR in the Competition Division of the Cologne Regional Court. In September 2012, the court granted the claim in most respects. The defendants appealed this ruling and prevailed in the appellate instance before the Cologne Higher Regional Court. The plaintiffs appealed against this before the Federal Supreme Court, the appeal was upheld and referred the case back to the Cologne Higher Regional Court for a new trial.

Depending on the outcome of the legal case, it could be much more difficult for Axel Springer to successfully offer paid journalism content in the fast-growing mobile market. Our business will continue to be exposed to the competition-distorting effects of state-owned media and the regulatory pressure of legislators on all relevant levels of government, despite the countermeasures we have taken.

Breaches of confidentiality agreements and violations of insider trading regulations, as well as the incorrect publication of data or the non-observance of data privacy laws, could lead to economic or legal consequences for Axel Springer. Moreover, the reputation of Axel Springer or its brands could be damaged by negative reporting or social media campaigns on this subject, even if no laws have been broken.

To minimize such risks, Axel Springer has adopted various control mechanisms, consultation and approval rules, introduced guidelines and initiated extensive training programs, among other measures. The company intends to intensify such activities in the future.

IT risks

For Axel Springer, a Group with an increasingly high degree of digitization of its offering and internal processes, there are numerous significant risks regarding the availability of IT systems used, as well as the confidentiality and integrity of information.

Due to the high degree of integration of information technology within business processes, Axel Springer is reliant on high availability of IT components. Failure of IT infrastructure as well as the applications that are driven by said infrastructure, such as those used to view chargeable content on BILD.de, can have considerable influence on availability. Possible causes of such impairments are internal factors such as increasing complexity of systems and the infrastructure which has grown over a prolonged period of time, but also include external factors such as, for example, computer criminality via DDoS attacks. At worst, these could cause interruptions in business activities along with far-reaching consequences regarding revenues and reputation.

Additional IT risks are classified as important if the confidentiality of information and data integrity is compromised as a consequence. In consideration of the growing importance of paid content offerings and services requiring authentication, and the related collection and storage of personal data, as well as the steadily growing threat of computer criminality, the careful handling and protection of the above-mentioned customer data are of great importance.

For this reason targeted measures have been and indeed are being undertaken to avoid or to limit the effects and probability of occurrence of criminal activities and the failure of IT components as far as is possible. Measures such as back-up systems, emergency data centers, firewalls, use of encryption, identity & access management, consolidation and standardization and hardening of systems are used to reduce risk. The stated measures are continuously analyzed and expanded or improved if necessary.

Reputation risks

Reputation risks are not recorded separately in Axel Springer's risk inventory as they arise in the majority of cases as a secondary risk or effect in conjunction with the primary risks. Axel Springer has an exposed position and any risk that occurs can cause a great deal of attention. As a result, countermeasures that aim to prevent the risk in question from occurring are primarily used to prevent reputation risks. Possible reputation risks range from the violation of journalistic independence to the breach of country-specific laws and programs for equal treatment and equal opportunity.

Axel Springer implements numerous internal and external measures to counter reputation risks, such as observing local laws and any structural changes that may subsequently be necessary, and carrying out information campaigns and public relations activities. As an internationally active and expanding enterprise, Axel Springer has adopted a catalog of social standards known as the International Social Policy, as a binding guideline for social integrity, applicable to all our companies throughout the world. Failure to observe this International Social Policy could lead to a serious loss of image. In addition, we also expect our business partners to adhere strictly to our corporate principles – for example in the production of advertising materials and product supplements.

One step that Axel Springer has taken to mitigate such risks has been to integrate the International Social Policy into the Group-wide Code of Conduct and the standards of behavior contained therein. In addition, all relevant corporate guidelines, particularly those applicable to procurement activities, contain a binding reference to the procurement-relevant standards of the International Social Policy.

Axel Springer has instituted an advanced sustainability management program that meets international standards. The overly late detection of possible ecological or social conflicts relative to the procurement of resources along the value chain of wood, pulp, paper, and recycled materials could harm the Group's reputation. To minimize this risk effectively, we work closely together with experts in the wood, pulp, and paper industry and with environmental protection organizations. We also conduct monitoring measures across the value chain. Our internal and external communications on this subject are characterized by openness and transparency.

Strategic and other risks

Significant strategic risks arise primarily for Axel Springer from decisions regarding capital expenditures in new business segments and models, as well as companies that perform differently in the long term than expected or are unable to compete within the market in a sustainable manner and/or are superseded by new business models. These risks could lead to negative financial results and impairment losses recorded on the balance sheet when permanent impairment is expected in the context of the impairment test which is to be carried out. This risk could materialize in our activities in the Marketing Models, Classified Ad Models, and national and international Paid Models segments. Strategic risks alongside the expected opportunities result from the internationalization and digitization strategy of Axel Springer and the associated expansion in the USA, the acquisition of Business Insider being particularly at the fore here.

In general, the business segments and models of our interests are, however, extremely heterogeneous, so that so-called cluster risks are limited by means of diversification. Such risks are further diversified by means of preventative measures such as the clear investment criteria, in accordance with which we check new investments as part of our M&A activities, as well as active portfolio and investment management, the recruitment and retention of highly qualified managers, and the continuous monitoring of business and market developments. In addition, the internal steering functions are continuously adapted in line with the Group's development, both in terms of organization as well as personnel.

The business activities undertaken in eastern Europe also form part of Axel Springer's internationalization strategy. These activities are combined in the Ringier Axel Springer Media AG joint venture and form part of the Paid Models segment. Potential risks and uncertainties arise on the one hand for the Axel Springer Group from the activities and political framework conditions in the eastern European region.

On the other hand, the joint venture is confronted with the same risks as those which have already been stated for the Paid Models for the entire Group. They range from the structural transformation from print to online, to financial risks arising due to the level of internationalization. The dependency of certain individual distribution partners as a result of the heavily concentrated Polish press distribution market must also be taken into account as a significant individual risk. This dependency entails the latent risk of there being a higher proportion of open receivables remaining outstanding in the case of payment defaults by individual companies, resulting therefore in considerable losses. To limit this risk, a portion of the potential loss on receivables is already covered by way of an appropriate insurance policy.

The challenges faced within the marketing environment in Germany are also growing. This is caused, amongst other things, by the increasingly specific nature of customer requirements (multichannel marketing) or by new competitors and the establishment of a marketing alliance created by several newspaper publishers. For this reason, Media Impact GmbH & Co. KG, the joint venture marketing company with the FUNKE Mediengruppe as a minority shareholder, is looking to restructure in order to position itself better from a strategic perspective and highlight its own strengths compared to the competition. This could, under certain circumstances, lead to revenue losses in the implementation phase.

Axel Springer is of course exposed to natural risks that continue to pose significant risks to the Group. Possible damage caused by natural disasters may lead to material losses and business interruptions. We counter these risks in two ways: Firstly, structural and organizational measures have been undertaken to raise the Group's security standards even further, and secondly insurance cover is in place to reduce any possible financial consequences.

Although Axel Springer is not considered to be a primary terrorist target based on current knowledge, the threat level has increased significantly as a result of the current global political situation. This risk is countered, amongst other things, with enhanced security standards, more stringent access regulations and controls, and comprehensive education and training of all security staff. The financial risk caused by potential material losses and business interruptions is hedged here by way of appropriate insurance policies.

The modern Axel Springer Campus is being built in the heart of Berlin, helping to support the cultural transformation into a digital publisher. When planning and implementing such a major project, it is inevitable that Axel Springer will be confronted with construction-related risks that are significant based on the value of capital expenditure alone. To mitigate potential risks, an appropriate general contractor agreement has been concluded, and project controlling and reporting structures have been established for the purpose of continuous monitoring.

Personnel risks

The individual skills, professional competence, and commitment of our employees contribute greatly to the success of the Axel Springer Group. As a consequence, the loss of specialist staff and management and the associated loss of expertise and capacity issue is a significant risk which we actively look to counter. A primary focus of human resource management is the targeted, progressive development of employees and motivation with the aid of focused and continuous training, attractive bonus schemes, flexible working time models and a better work/life balance. Age-related employee turnover is also acted upon at an early stage with systematic succession planning and development. As a result, the transfer of a valuable wealth of experience and personnel demands should be ensured in a sustainable manner.

In addition, the increasingly difficult situation regarding the recruitment of junior staff as well as potential management staff also represents an ever-increasing risk. It is increasingly difficult to recruit qualified staff, and this is a result of demographic change, and also a matter of increasing competition on the human resources market. IT specialist staff are increasingly in demand, particularly with regard to the increasing digitization of business models. As a result, we have set up an in-house recruiting team that has already been very successful in discovering candidates for digital business activities. With the current employer marketing campaign, we want to differentiate ourselves significantly from other companies and portray Axel Springer as an innovative and modern employer.

Financial risks and risks associated with the use of financial instruments

The financial risks especially relevant to Axel Springer are default risks associated with loans and financial investments as well as interest rate risks.

Axel Springer granted loans to business partners as part of the transaction with the FUNKE Mediengruppe and during the course of other business activity. The risk of potential default on loan claims is countered by gathering information on the economic and financial situation of the business partner, along with corresponding analysis and preparation of such data. We are able to quickly recognize default risks using this method. In addition, these business partners have granted us security to their assets.

With regard to our investment in Doğan TV Holding A.S., the potential risk of financial loss – associated with the risk of depreciation of the investment – arising from the existing contractual agreement regarding the sale is fully hedged by bank guarantees.

However, in order to combat potential risks of financial loss with regard to the investment of surplus cash not needed for operations, such cash is invested on the basis of stipulated criteria set out in a corporate guideline which sets loss limits that may not be exceeded, as a means, among others, of limiting risks. The investment volume is divided up amongst several banks to avoid a cluster risk.

Existing interest rate risks arise primarily from financial assets or liabilities with variable interest rates. However this risk is limited. During the financial year, we primarily financed ourselves via Schuldschein that are mainly fixed interest-bearing. An additional existing interest rate risk that could affect the Schuldschein and credit lines with variable interest rates is minimized, where required, by using interest rate derivatives.

Significant financing risks resulting from the uncertain outlook for the financial sector are not evident for the Axel Springer Group at the present time because the credit lines in the amount of € 1.5 billion (through 2020) obtained for liquidity assurance purposes have been committed by the participating banks with binding effect. The interest rate is linked to a ratio of net debt and earnings indicator of the Axel Springer Group, meaning therefore that the utilization of credit lines would result in a higher interest burden in the case of negative performance. As part of the loan agreements, we must also observe a number of additional conditions that would give the banks a right of termination if they are not observed. We have observed these conditions, and therefore we consider the risk of accelerated maturity of borrowed amounts to be minor. Based on our continuous observation of the money markets, capital markets, and credit markets, we have concluded that companies with outstanding creditworthiness and strong reputations can always raise funding at favorable conditions. Furthermore, Axel Springer can generate liquidity reliably, thanks to its broadly diversified customer base and the absence of significant payment delays and defaults.

There are corresponding currency risks to the Group caused by Axel Springer's level of internationalization. Risks arise from expenses, revenues, investment income and expenses, and receivables and liabilities denominated in foreign currencies (transaction risk).

The risk of value changes arising from exchange rate fluctuations are avoided primarily in that operating costs are incurred in the same countries in which we sell our products and services. Residual currency risks arising from cash flows denominated in foreign currencies are immaterial because we generate most of our earnings in the euro zone. Currency risks inherent in receivables and liabilities denominated in foreign currencies (excluding contingent purchase price liabilities) with net exposures of € 5 million or more per foreign currency are usually hedged by means of maturity-matched forward exchange deals.

Local-currency cash flows generated in non-euro zone countries are either reinvested to expand local business operations, or invested with Axel Springer SE and hedged by means of forward exchange deals or distributed in the form of dividends. Therefore, the liquidity risk arising from exchange rate changes affecting cash flows denominated in foreign currencies is limited.

Currency effects arising from the translation of financial statements denominated in foreign currencies (currency translation risk) are recognized directly in the equity item of comprehensive income. Therefore, Axel Springer does not hedge such currency risks.

The risks arising from financial instruments and hedging activities are discussed in detail in Section (35) of the notes to the consolidated financial statements.

Overall risk assessment

The overall risk situation of the Axel Springer Group is composed of the individual risks in all risk categories of the consolidated subsidiaries and corporate divisions. Taking into account the interaction and aggregation of individual risks, there are, at present, no discernible risks that could threaten the continued existence of the Axel Springer Group, or could significantly affect the Group's financial position, financial performance and liquidity in the forecasting period 2016. This applies on the proviso that there is no dramatic deterioration of the economic situation in our markets and the media industry, and, thus, a significant deterioration in the market and financial performance of the Group. Furthermore, risk concentrations are being reduced by means of diversification, internationalization, optimization of the brand and product portfolio, and digitization. Slight changes in risk positions are indeed recorded compared to the prior year, particularly as a result of the acquisitions and sales of companies completed, and the associated capital expenditures. However, these changes have not significantly influenced the company's overall risk situation and risk tolerance.

Opportunities management

The opportunities management system established at Axel Springer aims to ensure the success and continued existence of Axel Springer sustainably by systematically exploiting opportunities that arise. As part of the management, strategic and planning processes, potential opportunities induced both internally as well as externally are identified and assessed for the company divisions and Group companies. This is based for example, on market and competition monitoring activities and analyses as well as regular dialog with external experts. In considering the risks involved, identified opportunities are fundamental to corporate decision-making and the introduction of corresponding measures, such as measures regarding investments in new markets or technologies. Responsibility for the management of opportunities is taken in as decentralized a manner as possible by the operational divisions and their management or senior managers.

Opportunities

According to the definition of risk, opportunities are understood to refer inversely to positive deviations from defined targets. They may arise from unscheduled and/or non-budgeted positive developments and/or events. This applies if there is insufficient certainty regarding the occurrence of events, or the framework conditions and environment in question develop in a more favorable manner than expected. In addition, potential arising from long-term strategic decisions that had not been fully budgeted may lead to additional growth.

Strategic opportunities

In a constantly changing environment we continue to develop our company so that we are able to face global and industry-specific challenges in the future with innovative and tailored solutions.

Axel Springer's digitization strategy offers especially promising opportunities for generating additional growth and revenues based on highly positive developments within the digital markets. Axel Springer exploits these developments by investing in new or future-oriented technologies, entering into new forms of cooperations, the ongoing digital transformation of journalistic products and the consistent linkage of various media. This linkage will deliver the most comprehensive multimedia coverage in the German media landscape, spanning digital, print, and live-TV with an emphasis on quality journalism as the hallmark in all media channels. In addition, the Group invested in expanding Paid Models in the Internet and expanded its digital portfolio through additional acquisitions of Marketing and Classified Ad Models. Through this approach, we want to continuously draw closer to the goal of becoming the leading digital publisher.

On the one hand, acquisition of equity stakes in companies with promising digital business models in early stage and growth phases in their lifecycle provides us with the option of establishing contacts within the industry and to other founders and investors, and also grants access to new ideas and business models. On the other hand, we also obtain access to co-investments, which could remain open, if necessary, for subsequent acquisition of a majority stake. In the event of substantial development of the associate companies, we can also profit from a significant appreciation in value.

We also see further opportunities for growth in the internationalization strategy and, closely linked to this, entering into new markets and/or expanding in existing markets. As a result, there is significant potential associated with the introduction of business models successfully established in the home market, the acquisition of existing and successfully established companies, and entering into strategic partnerships in international growth regions. We also have an advantage over our competitors in that we have already attained strong positions in many countries.

Market and competition opportunities

If the global economic situation continues to stabilize and – as is currently forecast by leading economic institutes – grows at the rate expected, then this could have a positive effect on our revenue development. The decisive factor will be what spill-over effect regional conflicts and crises will have on our core markets subject to the highly interconnected nature of the global economy. Nevertheless, Axel Springer believes it is in a strong position to exploit the opportunities that may arise with its early investments in the projected regional and digital growth markets. Even a negative development of the overall economy could create opportunities. Competitors could pull out of the market, thereby strengthening our own position. Furthermore, there may be the option of acquiring companies at low prices, then subsequently expanding market share in existing markets and investing in new markets with growth potential.

Additional industry-specific potential to generate unplanned revenue for Axel Springer may also arise from higher advertising spending on individual advertising media than forecast by advertising associations. This could in particular be the case if the media mix changes in our favor, or, in other words, if advertising spending flows into the digital sector driven by journalistic content.

Axel Springer agreed a strategic partnership with Samsung in 2015. The result of this partnership is upday, a content platform that aggregates and curates journalistic content from trusted sources and can display such content in a personalized manner together with self-created editorial content. The link between technology and journalism is established by way of standardized and successive integration into Samsung's relevant products. The aim therefore, amongst other things, is for a product to become established in the market, reducing the dependency on reach-based drivers such as Google News and Facebook Instant News.

In addition to the challenges that occur, the technological developments seen in the marketing business also constitute further opportunities for additional advertising revenues. Employing our know-how and exploiting suitable technical solutions within the field of programmatic advertising as well as targeted customer agreements by way of targeting measures, results in promising additional opportunities within the advertising business.

The increased internationalization of Axel Springer resulting from corresponding investments represents an additional benefit to the Group within the advertising business. In comparison to competitor publishers who are more heavily focused on the German-speaking region, we are able to offer globally active customers a wider reader base and/or higher reach for advertising campaigns, all from a single source.

All of Axel Springer's divisions and companies work on continuous improvement of technologies and processes in order to maintain and expand their position in the face of competition. This also includes an intensive, Group-wide exchange of successful business models, technologies, and processes. It is assumed that this exchange and the exploitation of potential synergies at the company headquarters in Berlin will be supported by the planned Axel Springer Campus and, thus, the spatial proximity of our undertakings.

Political and legal opportunities

The ancillary copyright for press publishers (Leistungsschutzrecht für Presseverleger) entered into force at the beginning of August 2013, with the aim of further enhancing the protection of intellectual property. This stipulates that license fees shall be chargeable to search engine providers for using publisher content, unless such use relates to "individual words" or "the smallest text snippets". The market-leading search engine provider rejected this. At present, there is a revocable "free-of-charge" consent granted by the publishers to Google to use their text snippets in search results. In December 2015, VG Media, a copyright collective representing more than 200 digital publisher offerings, lodged a complaint in the dispute with Google over the ancillary copyright. This may have a positive impact on Axel Springer and its digital offerings, depending on the outcome and/or any agreement reached.

Operational and other opportunities

Axel Springer is continually working on the optimization of operational processes and structures. Axel Springer therefore regards inter-company, cross-divisional and cross-functional interlinking as a key factor for success in order to produce innovative and tailored content as well as provide high quality products and services for our customers. Smooth interlinking and the digital transformation of processes could lead to a number of unplanned synergy effects on the cost situation, thus leading to positive deviations from the budget. The increased and suitably supported exchange of technological know-how between Axel Springer Group companies, for example, also offers additional opportunities to further improve our position in our core markets.

Forecast report

Anticipated economic environment

General economic environment

The International Monetary Fund (IMF) slightly lowered its growth forecast for the **world economy** in its outlook from January 2016. The IMF states weaker prospects for emerging countries in particular as being the reason for doing so. Furthermore, economic growth in the USA is expected to be less dynamic than the IMF had even forecast in autumn 2015.

According to the forecast, the world economy will expand in 2016 by 3.4 % in real terms. The IMF expects growth of 2.6 % in the USA in real terms. The high dollar exchange rate is indeed putting the brakes on US performance. However, growth is being supported by the favorable developments seen on the housing and employment market. According to the forecast, the Chinese economy will expand by 6.3 %, adjusted for price. The IMF expects an increase in Gross Domestic Product of 1.7 % for the euro area in real terms for 2015. Such growth will probably be driven primarily by lower energy prices and the continuation of the favorable financing conditions.

The ifo Institute expects to see a continuing upward trend in 2016 for the **German economy**. Accordingly, economic performance will increase by 1.9 % in real terms over the whole year. Private consumption will continue to back growth. Thanks to increasing incomes and an overall drop in charges for taxes and duties of households, the ifo Institute therefore forecasts an increase of 2.0 % in private consumption, adjusted for price.

Construction investments should increase substantially again in 2016 with a real increase of 2.1 %. However, despite the favorable financing conditions in place, industrial investment will grow at a weaker rate of 3.5 % compared to the current year, adjusted for price. According to the ifo Institute, capacities will on the one hand continue to be used as normal, whereas on the other hand the export industry is only expected to expand at a moderate rate. While German exports are expected to grow in 2016 by 4.4 % in real terms, imports are even expected to increase by 5.3 % as a result of the robust domestic economic situation.

The ifo Institute no longer expects any price-dampening momentum from crude oil prices in the current year. In addition, price rises in the domestic economy are expected to become more intense. As a result, the consumer price level is expected to increase by 1.0 % on average over the course of 2016. According to the ifo forecast, the unemployment rate will remain stable in 2016 at 6.4 %. This will mean around 2.8 million unemployed persons on average over the course of the year. Thanks to the strong demand for labor, the number of gainfully employed persons will reach a total of 43.3 million. This corresponds to an increase of around 370,000 persons. The ifo Institute estimates that the migration of refugees will help to increase the potential labor force in 2016 by around 350,000 persons.

The ifo Institute anticipates a slight acceleration in economic stimulation for **central and eastern Europe**. Price levels and local currencies appear to be stable, and interest rates are likely to remain low. Economic stimulus is provided by companies and private household, but also increasingly from government measures.

Industry environment

The German Advertising Association (ZAW) assumes in its forecast for 2016 an upward trend for advertising budgets, partially driven by sports events such as the European Soccer Championships in France and the Olympic Games in Rio de Janeiro.

According to the current advertising market forecast by ZenithOptimedia, an increase of 4.7 % is expected for 2016 worldwide (nominally). ZenithOptimedia therefore corrected its forecast of + 5.0 % from September 2015 downwards. The expected swing in expectations is in principle based on the major sports events, the European Soccer Championships in France and the summer Olympic Games, as well as the presidential elections in the USA. According to ZenithOptimedia, mobile devices and online moving images are current drivers in the global advertising market.

Currently available forecasts for the **German** advertising industry predict mixed developments for the different types of media. ZenithOptimedia expects net advertising market revenue (marketing revenues net of rebates and agent's commission) in Germany for 2016 to increase by 1.6 % (nominal). Thus, the total advertising market will not grow as fast as the general economy, which is expected to expand at a nominal rate of 3.6 % (+1.9 % in real terms) according to the ifo Institute. Growth in the advertising market is driven by digital (+7.6 %), TV (+2.5 %) and outdoor (+3.0 %). ZenithOptimedia is predicting a drop in net advertising revenues for newspapers (– 3.4 %), magazines (– 2.1 %) and radio (– 0.3 %).

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.

Global trends also set the tone for Germany. Growth in the advertising market is technology-driven, particularly in the mobile, online moving images (video) and programmatic growth segments. Due to the continued spread of mobile devices, technical improvements in advertising forms and increase in the variety of advertising forms, and technical innovations in controlling multi-device campaigns, considerable growth in advertising expenditure is expected.

Progressive automation of an advertising booking 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. In 2016, the net advertising volume of the online market in western Europe will increase by 12.1 % to US–$ 40.8 billion, based on the assumption of consistent exchange rates.

Anticipated Advertising Activity 2016 (Selection)

Change in net ad revenues compared to prior year (nominal)	Online	Print
Germany	7.6 %	– 2.9 %
United Kingdom	17.9 %	– 6.2 %
France[1]	4.6 %	– 7.3 %
Poland[1]	10.6 %	– 14.4 %
Switzerland[2]	10.8 %	– 2.9 %
Hungary	6.8 %	– 1.5 %
Belgium[2]	10.0 %	– 2.0 %
Slovakia[1]	14.5 %	– 4.8 %
Netherlands	7.6 %	– 4.7 %
Serbia[1]	11.0 %	8.7 %
Austria[1]	11.4 %	– 3.4 %
Ireland	12.9 %	2.3 %
Italy[1]	7.4 %	– 4.5 %
Spain[1]	12.0 %	1.4 %
USA	15.6 %	– 4.6 %
Israel	7.7 %	– 10.1 %
India[1]	25.0 %	11.5 %
Brazil	4.2 %	– 6.4 %

Source: ZenithOptimedia, Advertising Expenditure Forecast (December 2015).
[1] Excluding classified ads, that means exclusively sales from display advertising.
[2] Gross advertising revenues (excluding classified ads).

Group

Strategic and organizational 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.

Comparison of forecast with actual performance

The forecast targets published in March 2015 were essentially attained.

Group

	Forecast	2015
Revenues	low to mid single-digit percentage increase	8.5 %
EBITDA	high single-digit percentage increase	10.2 %
EBIT	high single-digit percentage increase	13.8 %
Earnings per share, adjusted	low double-digit percentage increase	10.3 %

Segments

	Forecast	2015
Revenues		
Classified Ad Models	Significant increase	47.1 %
Paid Models	low single-digit percentage decline	– 1.7 %
Marketing Models	low to mid single-digit percentage increase	10.7 %
Services/Holding	Significant decline	– 24.5 %
EBITDA/EBIT		
Classified Ad Models	Significant increase	38.9 %/ 37.2 %
Paid Models	low double-digit percentage decline	– 15.9 %/ – 17.0 %
Marketing Models	mid to high single-digit percentage decline	– 17.7 %/ – 16.3 %
Services/Holding	Significant improvement	35,3 %/ 27.3 %

The revenue forecast for the **Group** was upgraded during the year. Following the revenue development in the first nine months, an increase in total revenues in the mid single-digit percentage range was forecast in November for the entire year, whereas previously an increase in the low to mid single-digit percentage range had been expected. Expectations for revenues and EBITDA as well as for EBIT were slightly exceeded and met for the adjusted earnings per share.

Expectations for the Classified Ad Models and Paid Models segments were met for the **segments**. In Paid Models the revenues developed in the expected range. The decrease of the EBITDA/EBIT occurred due to unplanned restructuring expenses, slightly higher than initially forecasted. An update of the forecast for revenues and EBITDA/EBIT was performed in August for the Marketing Models segment following publication of the half year figures in August. We expect revenues 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 percentage range had been expected. The upgraded revenue forecast for the segment was slightly exceeded. Up until then, we had also expected EBITDA/EBIT 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. The EBITDA/-EBIT forecast for the segment was adjusted to a low double-digit to significant decline, particularly as a result of portfolio changes. This adjusted prognosis was confirmed by the development of the business in the sector of marketing Models.

Anticipated business developments and financial performance of the Group

We anticipate in the Group that **total revenues** will be higher for the 2016 financial year than the prior-year figure by an amount in the low single-digit percentage range. Adjusted for consolidation effects, primarily due to the deconsolidation of the activities in Switzerland, growth would be higher and would be 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 low to mid single-digit percentage range. In this case, a rise in EBITDA in the Classified Ads Models segment is expected, whilst the EBITDA, of Marketing Models segment should finish around the level of the prior year due to planned investments in product quality and also in digitization. For Paid Models and Service Holding, the EBITDA is expected to be below the previous year level.

For **EBIT** we expect developments to 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.

Anticipated business developments and financial performance of the segments

The revenues of the **Classified Ad Models** segment are expected to rise in the low double-digit percentage range due mainly to organic growth. We expect EBITDA to increase in the lower two-digit percentage range due to increased investments in IT infrastructure and higher Marketing expenditure.

In the **Paid Models** segment we expect a decline in total revenues in the mid single-digit percentage range for the 2016 financial year. This is predominantly due to consolidation effects, especially of the activities in Switzerland. We expect a decline in circulation revenues, amongst other reasons, due to the structural declines within the national and international print business. We expect advertising revenues and other revenues to be almost at the prior-year figure. We also expect a decline in EBITDA in the mid to high single-digit percentage range due to planned investments for new digital business models, primarely for Business Insider and upday.

We expect the total revenues of the **Marketing Models** segment to increase by an amount in the mid single-digit percentage range, based on the anticipated growth of advertising revenues revenues. We expect a decline in other revenues due to the sale of Talpa Germany and Smart AdServer in the prior year. We expect EBITDA around the previous year level, due to, amongst other things, planned expenditure for the internationalization of digital business models and planned investments in product development and technology within the field of Reach Based Marketing.

Due to decreasing printing plant revenues and lower rental revenues in connection with the sale of parts of the building on the Hamburg site, we expect a considerable decline in revenues in the **Services/Holding** segment. Due to the revenue development, amongst other things, we expect a decline in EBITDA in the mid single-digit percentage range compared to the prior year figure.

For EBIT we expect developments for the Classified Ad Models and Paid Models to be similar to those for EBITDA, while the EBIT development for Marketing Models and the Services/Holding segment should be presumably under that of the EBITDA development, due to increased depreciation, amortization and impairments and it will therefore be slightly declining.

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 regards 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 has 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 2016 will be higher than in 2015. 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

Basically, the forecast is based on the assumption that no significant deterioration in the economic environment will follow.

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 writedowns 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 writedowns and writeups of equity investments, effects resulting from the sale of real estate, impairments, and writeups of real estate used for operational purposes. Purchase price allocation writedowns 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.

Disclosures and explanatory report of the Executive Board pursuant to takeover law

This section contains the disclosures pursuant to Sections 289 (4), 315 (4) HGB, along with the explanatory report of the Executive Board pursuant to Section 176 (1) (1) AktG.

Composition of subscribed capital

Following the capital increase implemented in December 2015 (for more information see page 9), the company's subscribed capital amounts to € 107,895,311. It is divided into 107,895,311 registered shares. The shares can only be transferred with the company's consent (registered shares of restricted transferability, see below). The company has only one class of shares.

All shares carry the same rights and obligations. Each share grants the right to cast one vote in the annual shareholders' meeting and represents the basis for determining the shareholder's entitlement to the company's net profit. By way of exception, treasury shares do not confer any rights to the company (cf. Section 71b AktG). (Please refer to page 65 for information on the company's treasury shares).

Restrictions on voting rights or the transfer of shares

Transfer restrictions

By virtue of Article 5 para. 3 of the company's Articles of Incorporation, shares of Axel Springer SE and subscription rights can be transferred only with the company's consent. Such consent must be granted by the Executive Board, although internally, it is the Supervisory Board that adopts the resolution to grant such consent. According to the company's Articles of Incorporation, such consent can be refused without indication of reasons. However, the company will not arbitrarily refuse its consent to the transfer of company shares.

To the company's knowledge, transfer restrictions based on the German law of obligations (Schuldrecht) exist by virtue of the following agreements:

- A share transfer restriction agreement was concluded between Dr. Mathias Döpfner, Brilliant 310. GmbH, Axel Springer AG and M.M. Warburg & Co. KGaA on July 31 / August 4, 2006. Under this share transfer restriction agreement, the direct and indirect purchase or disposal of the shares of Axel Springer SE by Brilliant 310. GmbH or Dr. Mathias Döpfner are made contingent on the prior consent of Axel Springer SE, in accordance with the company's Articles of Incorporation.

- By virtue of a declaration dated August 14, 2012, Dr. Mathias Döpfner acceded to a pool agreement ("pool agreement") concluded between Dr. h.c. Friede Springer and Friede Springer GmbH & Co. KG, in respect of the 1,978,800 shares of Axel Springer SE that were given to him as a present by Dr. h.c. Friede Springer on the same date. In total, the pool agreement covers 52,826,967 voting shares of Axel Springer SE ("pool-bound shares"). Under the terms of the pool agreement, a pool member who wishes to transfer his pool-bound shares to a third party must first offer these shares for purchase to the other pool members (purchase right). The purchase right expires two weeks after the purchase offer. The purchase right does not apply in the case of transfers to certain persons who are related to the pool member.

- The 8,955,311 newly registered shares of Axel Springer SE issued to General Atlantic Coöperatif U.A., Amsterdam, Netherlands, under the capital increase, are subject to a holding period in accordance with the agreements made between the company and General Atlantic Coöperatif U.A. This amounts to 6 months for 50 % of these shares, and 18 months for the remaining 50 %.

Other transfer restrictions based on the German law of obligations exist in connection with the share ownership programs conducted in the 2012, 2013 and 2014 financial years, as well as the current financial year, for the employees of the Axel Springer Group. In general the shares acquired as part of the share ownership program in 2012, 2013, 2014 and 2015 are subject to a minimum holding period of four years (i.e. until May 31, 2016, May

31, 2017, May 31, 2018, and May 31, 2019). During the minimum holding period, employee shares are held in a blocked account with Deutsche Bank AG.

The minimum holding periods for shares issued under share ownership programs in earlier years have already expired.

In connection with the Virtual Stock Option Plan 2011 and 2014 for senior executives, the beneficiaries are required to personally invest in shares of Axel Springer SE. These shares are not subject to any restrictions on disposal, but any disposition of these shares would cause the corresponding virtual stock option rights to lapse without replacement or compensation (for information on the virtual stock option plan 2011 and 2014 for senior executives, see page 80).

The same applies to the virtual stock option plans 2012 and 2014 for members of the Executive Board (see page 77 for information on the virtual stock option plans 2012 and 2014 for Executive Board members).

Voting right restrictions

Under the above-mentioned pool agreement between Dr. Mathias Döpfner, Dr. h.c. Friede Springer and Friede Springer GmbH & Co. KG, the voting rights and other rights attached to the pool-bound shares are to be exercised in the annual shareholders' meeting of Axel Springer SE in accordance with the corresponding resolutions of the pool members, regardless of whether and how the respective pool member voted on the resolution of the pool. The voting rights of pool members in the meeting of pool members are based on their voting rights in the annual shareholders' meeting of Axel Springer SE, depending on the number of pool-bound voting shares held. To the extent that Friede Springer GmbH & Co. KG indirectly holds shares in Axel Springer SE its voting rights are based on the imputed number of pool-bound voting shares indirectly held by Friede Springer GmbH & Co. KG.

Shareholdings that represent more than 10 % of voting rights

At the end of financial year 2015, the following direct and indirect shareholdings in the equity of Axel Springer SE represented more than 10 % of voting rights in the company: Axel Springer Gesellschaft für Publizistik GmbH & Co, Berlin, Germany (direct), AS Publizistik GmbH, Berlin, Germany (indirect), Friede Springer GmbH & Co. KG, Berlin, Germany (indirect), Friede Springer Verwaltungs-GmbH, Berlin, Germany (indirect), Dr. h.c. Friede Springer, Berlin, Germany (indirect), and Dr. Mathias Döpfner, Potsdam, Germany (indirect).

Information on the amounts of the above-mentioned shareholdings may be found in the disclosures pertaining to voting rights notifications in the notes to the 2015 financial statements of Axel Springer SE, www.axelspringer.com/financialpublications, and in the section entitled "Voting rights notifications" of the company's website at www.axelspringer.com/votingrights.

Shares endowed with special rights that confer powers of control

There are no shares endowed with special rights that confer powers of control.

Manner of controlling voting rights when employees hold shares in the company's capital and do not directly exercise their rights of control

In connection with the bonus share and share ownership program for employees conducted in 2009 and the share ownership programs for the years 2011, 2012, 2013, 2014 and 2015, Deutsche Bank AG was initially entered into the share register as the third-party holder of the shares transferred to the employees. However, each employee is free to be registered personally as a shareholder in the share register.

Statutory provisions and provisions of the Articles of Incorporation pertaining to the appointment and dismissal of Executive Board members and amendments to the Articles of Incorporation

The company's Articles of Incorporation provide that the Executive Board of Axel Springer SE must be composed of at least two persons. The Supervisory Board decides on the number of Executive Board members, and on the appointment and dismissal of Executive Board members. According to Article 46 para. 1 of the EU Regulation on European Companies (SE-VO), the maximum term of office for members of the Executive Board of a European company (Societas Europaea, SE) is six years; in the present instance, this maximum term is shortened to five years by virtue of Article 8 para. 2 sub-para. 1 of the Articles of Incorporation of Axel Springer SE corresponding to the previous maximum term pursuant to Section (1) (1) of the German Stock Corporations Act (AktG). The term of office can be renewed or extended for a period of no more than five years thereafter (for details, see Article 8 para. 2 of the company's Articles of Incorporation; Article 46 para. 1 and para. 2 SE-VO). If more than one person has been appointed to the Executive Board, the Supervisory Board is authorized to appoint one of those members as the Chairman (Article 8 para. 3 sub-para. 2 of the Articles of Incorporation of Axel Springer SE). If a required Executive Board member is lacking, the court is authorized, in urgent cases, to appoint the necessary member at the request of one involved party (Article 9 para. 1 letter c) ii) SE-VO in conjunction with Section 85 (1) (1) AktG). The Supervisory Board is authorized to revoke the appointment of an Executive Board member and the Executive Board Chairman for an important reason (for details, see Article 39 para. 2 sub-para. 1, Article 9 para. 1 letter c) ii) SE-VO, Section 84 (3) (1) and (2) AktG).

Insofar as obligatory laws or provisions of the Articles of Incorporation do not require a greater majority, amendments to the company's Articles of Incorporation require a resolution of the annual shareholders' meeting carried by a majority of the votes cast, or provided that at least one half of the company's share capital is represented, by a simple majority (see Article 21 para. 2 sub-para. 2 of the company's Articles of Incorporation in conjunction with Section 51 (1) of the European Company Implementing Act (SEAG), Article 59 para. 1 and 2 SE-VO). The latter does not apply to an amendment changing the business object and purpose of the company, or to a resolution regarding the relocation of the registered head office of the SE to another member state pursuant to Article 8 para. 6 SE-VO (see Section 51 (2) SEAG, Article 59 para. 1 and 2 SE-VO). An amendment of the corporate governance principles set forth in Article 3 of the company's Articles of Incorporation requires a majority equal to at least four fifths of the votes cast represented in the adoption of the resolution (see Article 21 para. 3 of the Articles of Incorporation).

The Supervisory Board is authorized to resolve amendments to the Articles of Incorporation that only involve changes to the wording (Article 13 of the Articles of Incorporation).

Authority of the Executive Board to issue or buy back shares

The Executive Board was authorized, in accordance with Article 5 para. 4 of the Articles of Incorporation, and based on the resolution of the annual shareholders' meeting of April 14, 2015, to increase the capital stock by April 13, 2020, subject to the approval of the Supervisory Board, by issuing registered shares of restricted transferability, either in a single tranche or in several tranches and in return for cash and/or non-cash contributions (including mixed non-cash contributions), up to a total of € 11,000,000 (authorized capital).

By partially drawing down this authorized capital, the capital stock was increased by € 8,955,311 and 8.955.311 new registered shares of Axel Springer SE were issued to General Atlantic, with effect from December 9, 2015. The subsequently remaining authorized capital in accordance with Article 5 para. 4 of the Articles of Incorporation empowers the Executive Board to increase the capital stock, subject to the approval of the Supervisory Board, by € 2,044,689 by issuing new registered shares of restricted transferability.

By way of a resolution at the annual shareholders' meeting on April 14, 2011, (Agenda Item 7), the Executive Board was authorized with approval of the Supervisory Board until April 13, 2016, to acquire treasury shares of the company up to 10 % of the existing share capital on adoption of the resolution. In the context of the company being converted into an SE with effect of December 2, 2013, as a precautionary measure in case non-registrable resolutions would be held to not remain valid after the conversion, it was resolved at the annual shareholders' meeting of April 16 2014, to authorize the Company again to acquire and use treasury shares, with a prolonged term until April 15, 2019, whilst revoking the previous authorization. Acquisition must only take place on the stock exchange or via a public offer directed at all shareholders or a public invitation to submit an offer to buy.

Along with the shares held by the company or attributable to the company in accordance with Article 5 SE-VO in conjunction with Sections 71a ff. AktG, the shares purchased by virtue of the foregoing authorization may not at any time exceed 10 % of the company's capital stock. Details concerning this authorization are provided in the invitation to the annual shareholders' meeting of April 16, 2014, which is available on the website of Axel Springer SE (see AgendaItem 8 and the Executive Board's report on this subject).

At the end of financial year 2015, the company held no treasury shares.

Axel Springer SE does not have any contingent capital.

Significant agreements of the company subject to the condition of a change of control resulting from a takeover offer

With the exception of regulations in the Schuldschein and consortium loans stated in the following, as well as contractually entitled cancellation rights for part of Executive Board members in case of a change of control (for more information see page 65 below and page 78 of this Annual Report), the company has not made any major agreements that would take effect in the event of a change of control due to a takeover.

The company placed a Schuldschein with a nominal volume of € 500,000,000 on the capital market in April 2012; the financing volume was increased by € 137,000,000 for optimizing financing terms in October 2014 by partial cancellation, conversion, and subscription of the existing promissory note, meaning therefore that the total volume was € 637,000,000, and callable in six tranches. The lender can demand, in the event of a change of control, that the receivables held can be partially or fully paid back early within a 90 day period.

Aside from specific exceptions that relate to the shareholders that currently control Axel Springer SE, a change of control is understood to mean, in the context of the Schuldschein, the acquisition of shares of Axel Springer SE representing more than 50 % of the capital stock and/or voting rights by one or more parties acting together.

With regard to the consortium loans re-negotiated in July 2015 and totaling € 1,500,000,000, the lenders are also entitled to terminate the loan in the event of a change of control. Aside from specific exceptions that relate to the shareholders that currently control Axel Springer SE, a change of control is understood to mean the acquisition of shares of Axel Springer SE representing more than 50 % of voting rights by one or more parties acting together.

Indemnification agreements between the company and Executive Board members or employees in the event of a change of control

Some Executive Board members have the right to terminate their employment contracts in the event of a change in control. A change of control in the context of these agreements shall not apply if the controlling shareholder Dr. h. c. Friede Springer no longer holds and/or intends to control the majority of shares, either directly or indirectly. In such a case, they will have the right to receive payment of their base salary for the most recently negotiated remaining contractual term (some of the eligible Executive Board members will have the right to receive payment of an amount equal to at least one year's base salary) and/or a lump sum amounting to the total remuneration for the duration of the original residual term; the amount of the aforementioned payments is typically limited. Furthermore, the company will pay the pro-rated percentage of the success-based compensation for the period of time served in the year of resignation. The employment contracts of the members of the Executive Board do not provide for any other compensation if the employment relationship is terminated as a result of a change in control.

There are no such indemnification agreements with other employees of the company.

Corporate Governance report

There follows a report by the Executive Board – also on behalf of the Supervisory Board – on corporate governance at Axel Springer, in conformity with the recommendation set out in Section 3.10 of the German Corporate Governance Code (GCGC). This section also contains the management declaration pursuant to Section 289a of the German Commercial Code (HGB) and the Compensation Report.

Good corporate governance as a guiding principle

At Axel Springer, sound corporate governance is considered to be a crucial element of responsible management and supervision geared to increasing the company's value on a sustainable basis. It promotes the trust and confidence of our national and international investors, customers, employees, and the public in the management and supervision of the company and is therefore an essential basis for the company's long-term success.

In this respect, we are guided by the German Corporate Governance Code (GCGC). We have taken appropriate measures to implement and ensure compliance with the recommendations of GCGC. The Corporate Governance Officer is the Executive Board member in charge of Finance and Personnel. The implementation of and adherence to the recommendations of GCGC are reviewed continually.

Management declaration pursuant to Section 289a HGB

Declaration of Conformity pursuant to Section 161 AktG

The Executive Board and Supervisory Board published the following Declaration of Conformity on November 9, 2015:

In accordance with Section 161 of the German Stock Corporation Act ("AktG"), the Executive Board and the Supervisory Board of Axel Springer SE declare the following:

I. Future-related Section

The Company fulfills the recommendations of the "German Corporate Governance Code" (the "Code") in the version of May 5, 2015, as published by the German Federal Ministry of Justice and for Consumer Protection in the official announcements section of the Federal Gazette of June 12, 2015, subject to the deviations set out and reasoned below:

1. Consideration of relationship between the compensation of the Management Board and that of senior management and the staff overall, particularly in terms of its development over time (Section 4.2.2 sentence 6 of the Code)

The Supervisory Board pays close attention to the appropriateness and customary level of the Executive Board's compensation and takes into account numerous criteria, including, but not limited to, the criteria set out in Section 87 AktG and Section 4.2.2 sentences 4 and 5 of the Code. Nevertheless, as a matter of precaution, a deviation is declared from the recommendation in Section 4.2.2 sentence 6 of the Code because of this recommendations' ambiguity and because it is doubtful if the particular emphasis on the relation between the compensation of the Executive Board and the compensation of senior management and the staff overall correctly reflects this criterion's relevance when assessing the appropriateness and customary level of the Executive Board's Compensation.

2. Disclosure of the individual Executive Board compensation in tabular form as part of the compensation report (Section 4.2.5 sentences 5 and 6 of the Code)

The disclosure of the Executive Board compensation is made in accordance with legal requirements taking into account the so-called "opt-out"-resolution of the Shareholders' Meeting on April 16, 2014. Based on this resolution, and in accordance with Section 286 para. 5 sentence 1 and Section 314 para. 2 sentence 2 of the German Commercial Code ("HGB"), the individual compensation of the members of the Executive Board is not disclosed in the Company's annual financial and annual consolidated financial statements for the financial years

2014 through 2018 (included). As long as a respective "opt-out"-resolution of the Shareholders' Meeting is effective, the Company will not include in its compensation report the individual information recommended by Section 4.2.5 sentences 5 and 6 of the Code.

3. Chairman of the Audit Committee (Section 5.3.2 sentence 3 of the Code)

The Audit Committee of the Supervisory Board is chaired by Mr Lothar Lanz, who is a former member of the Executive Board of the Company whose appointment ended less than two years ago.

The Supervisory Board is convinced that Mr Lanz' longstanding experience as CFO, his specialist knowledge and his personality make him an exceptionally suitable Chairman of the Audit Committee. Therefore, the Supervisory Board is of the opinion that Mr Lanz should chair the Audit Committee.

4. Specification of a regular limit of length of membership in the Supervisory Board and taking into account of such limit when making recommendations to the competent election bodies (Section 5.4.1 sentences 2 und 5 of the Code)

The Supervisory Board has resolved not to specify a general limitation regarding the duration of membership in the Supervisory Board. A general limitation applying to all members does not take into account individual factors that may justify a longer-lasting membership of individual members in the Supervisory Board.

5. Disclosure in election recommendations of relations of candidates for the Supervisory Board with the company, its corporate bodies and with shareholders holding a material interest in the company (Section 5.4.1 sentence 8 of the Code)

In its election recommendations to the Shareholders' Meeting, the Supervisory Board will provide all statutory information with respect to the members of the Supervisory Board and, where possible, will introduce the candidates in the Shareholders' Meeting. Further, during the Shareholders' Meeting, shareholders are able to ask questions with respect to the candidates. The Supervisory Board is of the opinion that this constitutes a solid and sufficient basis of information for the shareholders' assessment of the recommendations regarding Supervisory Board candidates.

6. Individualized disclosure of the compensation of the members of the Supervisory Board (Section 5.4.6 sentences 5 and 6 of the Code)

The compensation granted to the members of the Supervisory Board as well as the payments made by the Company to members of the Supervisory Board for personally provided services are not disclosed in the notes or the management report in an individualized manner (Section 5.4.6 sentences 5 and 6 of the Code).

The information is not individualized because competitors of Axel Springer SE do not publish the individual compensation either. Furthermore, Axel Springer SE's articles of association do not specify themselves the distribution of the Supervisory Board's compensation among its members, but allocates this task explicitly to the Supervisory Board; the individualized disclosure of the compensation would undermine this allocation of responsibilities. In addition the Shareholders' Meeting on April 16, 2014 resolved that the individual compensation of the members of the Executive Board is not disclosed in the Company's annual financial and annual consolidated financial statements for the financial years 2014 through 2018 (included). Therefore the Company will not disclose the individual compensation of the members of the Supervisory Board either.

II. Past-related Section

Period between the last declaration of conformity on November 10, 2014, and the publication of the new version of the Code on June 12, 2015:

During the period between the last declaration of conformity on November 10, 2014, and the publication of the new version of the Code on June 12, 2015, the Company has fulfilled the Code in the version of June 24, 2014, as published by the German Federal Ministry of

Justice and for Consumer Protection in the official announcements section of the Federal Gazette of September 30, 2014 subject to the deviations set out and reasoned above under I. 2, I. 3., I.5 and I. 6.

Period since publication of the new version of the Code on June 12, 2015:

The Company has fulfilled the Code in the version of May 5, 2015, as published by the German Federal Ministry of Justice and for Consumer Protection in the official announcements section of the Federal Gazette of June 12, 2015, in the period since the publication of the new version of the Code subject to the deviations set out and reasoned above under I. 2, I. 3. , I.4., I.5.and I. 6.

Berlin, November 9, 2015

Axel Springer SE
The Supervisory Board   The Executive Board"

The Declaration of Conformity from November 9, 2015 can, just like previous versions, also be seen via the link www.axelspringer.com/declarationofconformity.

Important management practices

Axel Springer is the only independent digital publisher that has provided itself with a corporate constitution. This is anchored in Article 3 ("Principles of Corporate Governance") of the company's Articles of Incorporation and is thus a guiding principle for all employees. The five principles formulated therein form the basis for the company's journalistic practices. They express fundamental convictions of corporate social policy, but do not dictate personal opinions.

Axel Springer has also defined corporate values as the foundation of its corporate culture, to guide the work of every employee. They are: creativity as the crucial prerequisite for success in journalism and business; entrepreneurship in the sense of being courageously inventive, self-reliant and results-oriented, qualities that are expected of all managers and employees; integrity in all dealings with the company, readers, customers, employees, business partners, and shareholders. The management principles, which are built on company values, should give management a concrete framework that creates transparency regarding the requirements and expectations of management roles.

In addition, Axel Springer had already introduced guidelines for ensuring journalistic independence back in 2003. These guidelines substantiate and expand on the professional ethics of the press as set out by the German Press Council in conjunction with the press associations in the publishing principles (Press Code), and which Axel Springer voluntarily commits with regard to printed complaints (see Section 16 of the Press Code). Axel Springer specifically delineates the boundaries between advertising and editorial copy, and between the editors' and reporters' private and business interests. It also precludes actions in pursuit of personal advantages and defines the company's position with respect to the treatment of news sources. The guidelines thus represent the framework for independent and critical journalism in the editorial departments of all media belonging to the Group. The editors-in-chief are responsible for observing and implementing the guidelines in the company's day-to-day activities.

Furthermore, Axel Springer has developed a catalog of social standards applicable to all the company's activities. Known as the International Social Policy, it states the company's positions on matters of human rights, adherence to the rule of law, the protection of children and young people, the treatment of employees, equal opportunities, health and safety, and the compatibility of work and family, and other matters.

The company has further issued an Environmental Guideline comprising four points, which serves as a practical guide to the many environmental protection measures conducted at Axel Springer; the company also publishes a sustainability report which follows the criteria catalog of the "Global Reporting Initiative" (GRI), including the "Media Sector Supplement" (GRI+).

The management principles and guidelines of Axel Springer can be found at www.axelspringer.com/-corporateprinciples.

In addition, Axel Springer maintains a Corporate Governance, Risk & Compliance department. This supports subsidiaries and central divisions in responsibly handling risks via approaches and requirements, amongst other things, for a comprehensive risk management system, an internal control system, and a compliance management system. The division operates, amongst others, risk management, the internal control system and the compliance management system. As described in the report on risks and opportunities (see page 44 et seqq.), risk management and the internal control system seek to identify, analyze and assess, manage and report on risks at Axel Springer and to systematically monitor the measures taken to minimize risks. At Axel Springer, compliance means the fulfillment of all laws, regulations, and guidelines, as well as the commitments undertaken voluntarily. Based on the foregoing, the goal of compliance management is to institute structures and processes to ensure that all directors and employees, and especially senior executives, conduct themselves in accordance with applicable laws and regulations. Another goal of compliance management is to prevent harm to the company's reputation and financial condition that could result from violations of laws and regulations.

As a further step for reinforcing good corporate governance and establishing a sensible compliance management system, Axel Springer published a Code of Conduct during the 2011 financial year. This summarizes existing corporate principles and values as well as essential Axel Springer regulations and guidelines, and also specifies ethical, moral, and legal requirements which should be adhered to by all employees. The Code of Conduct can be found at www.axelspringer.de/coc_en.

Procedures of the Executive Board and Supervisory Board, and composition of the committees of the Supervisory Board

Cooperation between the Executive Board and Supervisory Board

As has been the case at Axel Springer AG, the management and supervision of the company, which has been organized in the legal form of a European company (Societas Europaea SE) since December 2013, are affected by means of a dual board system. The Executive Board manages the company under its own responsibility. The Supervisory Board appoints the members of the Executive Board, and monitors and advises the latter in the conduct of the business. The two boards work closely together in an atmosphere of trust and confidence to sustainably enhance the company's value. The two boards are strictly separated in terms of personnel and their areas of authority.

Procedures of the Executive Board

In its executive function, the Executive Board is obligated to pursue the interests of the company and dedicated to sustainable company development. It develops the strategic orientation of the company and is responsible for its implementation in coordination with the Supervisory Board. The Executive Board manages the company's affairs in compliance with the relevant laws, the Articles of Incorporation, and its rules of procedure.

It provides regular, timely, and comprehensive information to the Supervisory Board on all relevant matters of strategy, planning, business development, risk management including the risk situation, and the internal control system and compliance management system. In accordance with the internal rules of procedure adopted by the Supervisory Board, important decisions of the Executive Board or specific cases require the approval of the Supervisory Board. Such decisions include, above all, the creation or discontinuation of business divisions, the acquisition or sale of significant equity investments, and the adoption of the company's annual business and financial plan.

The members of the Executive Board are jointly responsible for the management, work together collegially, and keep each other informed of important measures and business transactions in their business divisions. Notwithstanding the general responsibility of all Executive Board members, each member of the Executive Board manages the business division assigned to him, under his own responsibility, with the exception of those decisions that are incumbent on the full Executive Board.

The Executive Board meets regularly in the form of Executive Board meetings, which are convened and chaired by the Executive Board Chairman, as a general rule. Furthermore, every Executive Board member and the Chairman of the Supervisory Board are entitled to convene a meeting.

The Executive Board aims to ensure diversity with regard to the staffing of leading positions within the company; the Management Board has set targets for the proportion of women holding management positions in the two levels beneath the Executive Board; for more information see page 73.

As a general rule, the full Executive Board adopts resolutions by a simple majority of the votes cast; in the case of resolutions adopted by a simple majority, the Chairman casts the deciding vote. A resolution adopted in spite of being opposed by the Chairman and Chief Executive Officer is deemed to be invalid, also subject to the limits of the applicable laws.

The internal rules of procedure adopted by the Supervisory Board for the Executive Board, which were revised in February 2015, provide more precise rules, including the following:

- the obligation to observe and comply with the corporate constitution and to anchor it throughout the Group,
- the executive organization chart and the decisions to be made by the full Executive Board,
- the duties of the Chairman of the Executive Board,
- transactions that require the approval of the Supervisory Board,
- rules concerning the regular, timely, and comprehensive provision of information to the Supervisory Board,
- rules concerning meetings and the adoption of resolutions,
- obligation to disclose conflicts of interest.

The Executive Board of the company currently consists of four members:

- Dr. Mathias Döpfner, Chairman and Chief Executive Officer
- Jan Bayer, President Paid Models
- Dr. Julian Deutz, Chief Financial Officer
- Dr. Andreas Wiele, President Marketing and Classified Ad Models

Procedures of the Supervisory Board

As per the company's Articles of Incorporation, the Supervisory Board of Axel Springer SE is composed of nine members, who are elected by the annual shareholders' meeting. The regular term of office of Supervisory Board members is five years; they are eligible for re-election at the end of their terms. The Supervisory Board elects its Chairman from among its own ranks; the term of office of the Supervisory Board Chairman is coincident with that of the Supervisory Board. The Supervisory Board advises the Executive Board and monitors the work of the Executive Board. It holds at least four meetings a year. In case of necessity, it meets without the Executive Board in attendance. Meetings may be held and resolutions adopted also by way of written correspondence, telephone calls, faxes, or electronic media. As a general rule, the Supervisory Board adopts resolutions by a simple majority of the members voting on the resolution; in case of a tie, the Chairman casts the deciding vote. The Supervisory Board deliberates on the company's business developments, planning, strategy, and significant capital expenditures at regular intervals. The Supervisory Board adopts the separate financial statements of Axel Springer SE and approves the consolidated financial statements of the Group. It regularly assesses the efficiency of its work by means of a questionnaire. Please refer to the report of the Supervisory Board (see page 82) for additional information on the specific activities of the Supervisory Board in financial year 2015.

The internal rules of procedure of the Supervisory Board comply with the requirements of the German Corporate Governance Code and contain rules covering the following topics, among others:

- Election and duties of the Chairman and Vice Chairman of the Supervisory Board
- Calling of meetings
- Adoption of resolutions at meetings or by voting by way of written correspondence, telephone calls, fax, or electronic media
- Supervisory Board committees, including their composition, organization, and duties
- Obligation to disclose conflicts of interest

Since the end of the annual shareholders' meeting, which took place on April 16, 2014, the Supervisory Board consists of nine members. The members of the Supervisory Board are:

- Dr. Giuseppe Vita, Chairman
- Dr. h.c. Friede Springer, Vice Chairwoman
- Oliver Heine
- Rudolf Knepper
- Lothar Lanz
- Dr. Nicola Leibinger-Kammüller
- Prof. Dr. Wolf Lepenies
- Prof. Dr.-Ing. Wolfgang Reitzle
- Martin Varsavsky

The term of office of all current Supervisory Board members ends at the end of the annual shareholders' meeting in 2019.

The requirements for expert knowledge and independence as defined by Section 100 (5) AktG (financial expert) are satisfied amongst others by Dr. Giuseppe Vita, Chairman of the Supervisory Board, and Lothar Lanz, Chairman of the Audit Committee.

Composition and procedures of committees

The Executive Board has not formed committees.

In accordance with its internal rules of procedure, the Supervisory Board has formed four committees to support the work of the full board: the Executive Committee, the Personnel Committee, the Nominating Committee, and the Audit Committee. In those matters stipulated in the internal rules of procedure of the Supervisory Board, the committees prepare the resolutions to be adopted and other matters to be addressed by the full board. Within the limits of applicable laws, the committees also adopt resolutions in lieu of the full board in those matters stipulated in the internal rules of procedure of the Supervisory Board. The internal rules of procedure of the Supervisory Board stipulate the procedures for meetings and resolutions adopted by the committees and define their areas of responsibility.

Please refer to the Report of the Supervisory Board (see page 84) for information on the areas of responsibility and composition of the committees.

The Audit Committee of the Supervisory Board is chaired by Lothar Lanz, whose selection deviates from the recommendation stated in Section 5.3.2 sentence 3 subpara 2 GCGC (for more information regarding this see the deviation declared in the Declaration of Conformity of November 9, 2015, see page 67); the Supervisory Board is convinced that Mr Lanz' long-standing experience as CFO, his specialist knowledge and his personality make him an exceptionally suitable Chairman of the Audit Committee. He satisfies the requirements of expert knowledge and independence within the meaning of Article 9 para. 1 letter c) ii) SE-VO in conjunction with Section 107 (4), 100 (5) AktG (financial expert), and the requirements of the recommendations in Section 5.3.2 paras 2 and 3 GCGC.

Provisions to promote the participation of women in management positions according to Section 76 (4) and Section 111 (5) of the German Stock Corporation Act ("AktG")

Since 2010, Axel Springer has pursued a Group-wide strategy to promote diversity; reference is made to page 36 of the Annual Report with regard to the company's personnel policies designed to assure equal opportunity and diversity as well as the Group-wide targets to increase the proportion of women at all management levels, as a company-wide average.

In addition to this voluntary Group-wide commitment, the law for the equal participation of men and women in management positions in the private and public sector (Gesetz für die gleichberechtigte Teilhabe von Frauen und Männern an Führungspositionen in der Privatwirtschaft und im öffentlichen Dienst), introduced in May 2015 in Germany, also obliges certain companies, including Axel Springer SE, to set targets for the proportion of women acting on the Supervisory Board, Executive Board and the two management levels beneath the Executive Board, and specify when the respective proportion of women should be achieved. The targets and deadlines for implementation had to be decided by September 30, 2015, whereby the deadline for implementation for the initial definition should not be any later than June 30, 2017. However, targets for the Supervisory Board itself do not need to be set if the statutory minimum proportion of 30 % women and 30 % men applies within the company for the appointment of new Supervisory Board members with effect from January 1, 2016 ("proportion of women"). This is not the case at Axel Springer SE, which is why it is necessary for targets to be defined for the Supervisory Board itself as well.

Accordingly, the Supervisory Board of Axel Springer SE decided on September 2, 2015 to set a target of 22.2 % with regard to the proportion of women on the Supervisory Board of Axel Springer SE, and a target of 0 % for the proportion of women on the Executive Board of Axel Springer SE, each with a deadline for implementation of no later than June 30, 2017. This determines the current status, for more information regarding the reasons behind this see page 74 (left-hand column) and 74 (right-hand column) of the Annual Report.

The Executive Board of Axel Springer SE passed a resolution on May 11, 2015, to set a target of 25 % and a deadline for implementation of no later than June 30, 2017, for the first and second management levels of the company beneath the Executive Board; at the time the targets were set, the proportion of women in the first management level beneath the Executive Board was 22.6 %, and 19.5 % in the second management level beneath the Executive Board at Axel Springer SE.

Of course, these targets do not preclude any additional increase within the first deadline for implementation in the proportion of women on the Supervisory Board and Executive Board as well as at the first two management levels beneath the Executive Board at Axel Springer SE.

Further information on corporate governance

Goals for the composition of the Supervisory Board

The Supervisory Board of Axel Springer SE has decided on the following objectives for its composition with respect to Section 5.4.1 of GCGC:

- The Supervisory Board of Axel Springer SE should be composed in such a way that its members generally possess all knowledge, abilities, and professional experience necessary to properly perform the duties of the Supervisory Board.

- With due consideration given to the company's business object and purpose set forth in the Articles of Incorporation, the size of the company, and the relative importance of its international activities, the Supervisory Board will also strive, as a goal for the upcoming regular elections, to bring about a composition of its members that is appropriate in view of the following considerations, in particular:

- At least two seats on the Supervisory Board should be held by persons who fulfill the criterion of internationality to a particular degree (for example, by reason of relevant experience in international business).

- Supervisory Board members should not hold any position on a board or perform any consulting work for important competitors of the company.

- The Supervisory Board should have an adequate proportion of women. Currently, two of the nine members (22.2 %) are women; the Supervisory Board considers this adequate in any event. Accordingly, and due to the fact that there are no scheduled Supervisory Board elections within the maximum permitted initial deadline for implementation passed by resolution and stipulated by law, the target for the proportion of women on the Supervisory Board of Axel Springer SE was set at 22.2 %.

- In making nominations, due consideration should be given to the general rule that Supervisory Board members should not be older than 72 years; the Supervisory Board can approve exceptions to this policy. Furthermore, the Supervisory Board should observe the principle that as few members as possible should be subject to a potential conflict of interest, as in connection with an advisory role or board seat with significant customers, suppliers, creditors, or other significant business partners of Axel Springer. Furthermore, the Supervisory Board should give due consideration to the principle that its composition should meet the criterion of diversity.

- With respect to its composition, the Supervisory Board adopted the goal that at least two of its members will be independent according to the definition of the GCGC.

However, the Supervisory Board decided not to define a regulatory limit with regard to the length of membership of the Supervisory Board, despite the recommendation stated in Section 5.4.1 sentences 2 and 5 of the GCGC. A fixed regulatory limit fails to take into account individual factors that may justify an extended length of membership for individual Supervisory Board members (for more information regarding this see the deviation declared in the Declaration of Conformity of November 9, 2015, see page 67).

The foregoing principles have already been completely implemented with the current composition of the Supervisory Board of Axel Springer SE.

With regard to its proposals on the election of new Supervisory Board members, the Supervisory Board shall make sure that the respective candidates are able to put aside the expected amount of time.

Goals for the composition of the Executive Board

The Supervisory Board has decided on the following objectives for the composition of the Executive Board of Axel Springer SE with respect to Section 5.1.2 of GCGC:

- In making decisions concerning the composition of the Executive Board, the Supervisory Board should give due consideration to the principle of diversity and should strive in particular to give appropriate consideration to women. With regard to the requirement stipulated by law to define a target for the proportion of women on the Executive Board, the Supervisory Board decided to set a target of 0 % with a deadline for implementation of no later than June 30, 2017, see page 73. At the time the target was set, the Supervisory Board had not planned to make any changes to the staffing of the Executive Board, as was also the case as at the time of reporting; it believes that the Executive Board is well-staffed. However, an increase in the proportion of women on the Executive Board cannot of course be ruled out within the deadline for implementation, should there be any need to make an appointment to the Executive Board.

- The Supervisory Board should work together with the Executive Board to assure long-term succession planning.

- At the time of being (re-)appointed to the Executive Board, no member should be older than 62 years, as a general rule; the Supervisory Board can approve exceptions to this rule.

Goals concerning the staffing of key functions

In view of the recommendation set out in Section 4.1.5 of the GCGC, reference is made to the description of personnel policies designed to assure equal opportunity and diversity on page 36 of the present Annual Report, and to the stipulated targets in both of the management levels of the company beneath the Executive Board on page 73 of the present Annual Report.

Shareholders and annual shareholders' meeting

The annual shareholders' meeting is the central organ via which Axel Springer SE shareholders can exercise their rights and their voting rights. Every share confers the right to cast one vote in the annual shareholders' meeting. Those shareholders who are registered in the share register and have registered for the meeting in time are entitled to vote. The Chairman of the Supervisory Board generally chairs the shareholders' meeting. To make it easier for shareholders to exercise their prerogatives at the annual shareholders' meeting, their votes can be cast by authorized proxies. Axel Springer SE also designates a voting proxy whom shareholders can elect to execute their voting rights according to their instructions. All required reports and documents are made available to the shareholders in advance, also on the company's Internet page.

The annual shareholders' meeting resolves specifically on the utilization of the distributable profit, the ratification of the actions of the Executive Board and Supervisory Board, the election of the Supervisory Board, the election of the independent auditor, and other matters legally assigned to them, such as corporate actions and other amendments to the Articles of Incorporation. The resolutions of the annual shareholders' meeting require a simple majority of the votes cast, unless another majority is prescribed by law or by the company's Articles of Incorporation. The Articles of Incorporation can be inspected on the company's website at www.axelspringer.com/articlesofassociation.

Conflicts of interest

The members of the Executive Board and Supervisory Board are bound to promote the interests of the company. No member of either board may, through their decisions, pursue personal interests or take advantage of business opportunities that should be the province of the company.

Executive Board members may not demand or accept gifts or other benefits from, or grant unjustified benefits to, third parties in connection with their activities, either for their own benefit or for that of others. Sideline activities of the Executive Board require the consent of the Supervisory Board. Executive Board members are subject to a comprehensive anti-competition clause during the period of their activity for Axel Springer. Every Executive Board member must inform the Supervisory Board of any conflict of interest without delay. No conflicts of interest arose within the Executive Board in the financial year.

Also, every member of the Supervisory Board must inform the Supervisory Board immediately of any conflicts of interest that may arise. In the annual shareholders' meeting, the Supervisory Board reports on all conflicts of interest and how to treat them. For any conflicts of interest which arose during the financial year, please see the Report of the Supervisory Board on page 84).

Memberships on other supervisory bodies

A summary of the seats held by the Executive Board and Supervisory Board members of Axel Springer SE on other legally prescribed supervisory boards or comparable boards in Germany and abroad can be found on page 169.

Transparency

Axel Springer is committed to always providing comprehensive and consistent information in a timely and simultaneous manner on the significant events and developments relevant to an evaluation of the company's present and future business performance to all capital market participants. Reporting on the business situation and Group results is presented in its annual report, at its annual financial statements press conference, and in its semi-annual financial report and quarterly financial reports. For this purpose, the company also uses Internet communication channelswhenever possible. Axel Springer also regularly participates in conferences and roadshows in key international financial centers; additional information on this subject can be found on page 8 of the present Annual Report. To the extent required by law, the company also provides information in the form of ad-hoc announcements and press releases, and on the company's website.

In order to ensure equal treatment of all capital market participants, Axel Springer also publishes information relevant to the capital markets simultaneously in German and English on the company's website. Financial reporting dates are published in the financial calendar with sufficient advance notice. Immediately upon receiving the corresponding notices, the company publishes changes in the composition of the shareholder structure that are subject to the reporting obligation according to Section 26 of the German Securities Trading Act (Wertpapierhandelsgesetz, WpHG), and on the purchase and sale of shares by persons who exercise management duties at Axel Springer (directors' dealings), in accordance with Section 15a WpHG.

Shareholdings

The Executive Board members in office at the reporting date directly or indirectly held 3,148,667 shares of Axel Springer SE at the reporting date of December 31, 2015. Of that number, 3,024,495 shares were held directly or indirectly by the Chairman of the Executive Board, Dr. Mathias Döpfner.

At the reporting date, the Supervisory Board members directly or indirectly held a total of 56,577,730 shares of Axel Springer SE. Dr. h. c. Friede Springer held 51,000,030 shares indirectly via Friede Springer GmbH & Co. KG and Axel Springer Gesellschaft für Publizistik GmbH & Co, and 5,502,450 shares directly.

Preparation and audit of the financial statements

The consolidated financial statements and interim financial statements are prepared in accordance with International Financial Reporting Standards (IFRS), as they are to be applied in the European Union. The consolidated financial statements also contain the disclosures prescribed by Section 315a (1) HGB.

The consolidated financial statements are prepared by the Executive Board of Axel Springer SE and audited by the independent auditor. Axel Springer publishes the consolidated financial statements within 90 days and the quarterly financial reports within 45 days of the respective period ending dates.

The notes to the consolidated financial statements also contain information on the company's relationships with shareholders who are to be classified as related parties according to the definitions of the applicable accounting regulations.

In accordance with the German Corporate Governance Code, it is agreed with the independent auditor in each financial year that the latter will inform the Chairman of the Supervisory Board or the Audit Committee without delay of any circumstances arising during the course of the audit that would constitute grounds for disqualification or partiality. It is also agreed that the independent auditor will immediately report any material issues, matters, and events arising during the course of the audit that fall within the purview of the Supervisory Board. It is further agreed that the independent auditor will inform the Supervisory Board or make an observation in the audit report if the independent auditor were to discover, during the course of the audit, any facts that contradict the Declaration of Conformity by the Executive Board and Supervisory Board according to Section 161 AktG.

Ongoing actions for nullification

In submitting claims on May 21, 2009 and May 21, 2010, the shareholder Dr. Oliver Krauß contested various resolutions passed by the company's annual shareholders' meetings in 2009 and 2010. As a result of an out-of-court settlement between the company and Dr. Oliver Krauß, this meant that Dr. Oliver Krauß canceled these actions for nullification subject to the approval of the company. The company reported the end of proceedings in the Federal Gazette on November 13, 2015 in accordance with Sections 248a, 149 (2) AktG. There are no other pending actions for nullification.

Compensation report

Axel Springer's compensation policy follows the principle of granting compensation to the Executive Board and Supervisory Board that is based on their performance in the interest of sustainable corporate development. This compensation consists of fixed and variable performance-dependent components.

Executive Board

In accordance with the requirements of the German Stock Corporation Act and the recommendations of GCGC, the compensation of the Executive Board members consists of fixed and variable components. The variable compensation is composed of a cash component paid in the form of an annual bonus and a long-term, stock-based component. All components of compensation are appropriate, both individually and as a whole. The Supervisory Board has considered at length the appropriateness and adequacy of the Executive Board compensation by taking into account a number of criteria, including in particular Section 87 of the German Stock Corporation Act ("AktG") and Section 4.2.2 sentences 4 and 5 of the GCGC, such as information about the tasks of an individual Executive Board member, his personal performance and the economic position, success and future prospects of Axel Springer. Due consideration is also given to the industry environment. However, the requirement for a continuous separate examination of the comparability of Executive Board compensation with the compensation of senior management and the workforce as a whole is waived, see corresponding declaration regarding exception to the recommendation made in Section 4.2.2 sentence 6 of the GCGC in the Declaration of Conformity dated November 9, 2015, page 67 of the Annual Report.

The Supervisory Board did not consult with outside compensation experts during the financial year.

The **fixed compensation** corresponds to the annual fixed salary; in addition, the Executive Board members receive a company car or company car allowance, the assumption of premiums for insurance against the risk of invalidity and death and security expenses as fringe benefits. The annual fixed salary is established for the entire term of an employment agreement and is disbursed in 12 monthly installments. It is set on the basis of the duties of the individual Executive Board member, the current economic situation, the profit, and the future prospects of the Group, among other considerations.

The **variable compensation** is in the form of an annual bonus as a cash component, and depends on individual performance with regards to individual objectives (relating to the quantitative divisional objectives and qualitative individual objectives, amongst others, based on the strategy of Axel Springer SE) as well as Group objectives; it is limited to double the sum payable for 100 % achievement of objectives. The Group objective during the 2015 financial year and in the prior year was the Group EBITDA figure (2013: including the EBITDA in the former Digital Media segment). Individual objectives for measuring performance of individuals and Group objectives are decided upon by the Supervisory Board. Part of the variable cash component is based on achievement of Group objectives established for an assessment period of three years. Achievement of objectives is initially established by the Supervisory Board members and chairman with the relevant Executive Board member and then reviewed and finalized by the Supervisory Board.

In addition, there is a **long-term variable compensation** component in the form of virtual stock option plans, the parameters of which are shown in the following:

Executive Board Program

	2012	2014 I	2014 II
Grant date	01/01/2012	01/01/2014	09/01/2014
Term in years	6	6	6
Vesting period in years	4	4	4
Stock options granted	450,000	205,313	675,000
Underlying (€)	30.53	44.06	44.56
Maximum payment (€)	61.06	88.12	89.12
Value at grant date (€)	5.26	6,.69	6.26
Total value at grant date (€ millions)	2.4	1.4	4.2

If the Executive Board service agreement or the appointment to the Executive Board exists for at least the end of the four year waiting period, then all virtual stock options may become vested to the member of the Executive Board. If the working relationship or the appointment of the authorized member of the Executive Board finishes before the end of the waiting period, but is at least one year after the grant date, then the stock options become vested pro rata temporis relating to the waiting period.

A further condition for vesting to take place is that either the volume-weighted average price of the Axel Springer share is at least 30 % over the base value or that the percentage increase of this average price exceeds that of the base value of the development of the DAX over a period of 90 calendar days within a time period of a year before the end of the waiting period.

Exercising stock options is only possible if the volume-weighted average price of the Axel Springer share 90 calendar days before exercising such options is at least 30 % over the base value and that the percentage increase exceeds that of the DAX index. Each option grants a payment claim in the amount of the growth in value of the Axel Springer share, restricted to a maximum of 200 % of the base value, which corresponds to the difference between the volume-weighted average price during the last 90 calendar days prior to exercise and the base value.

Executive Board members are obligated to hold one Axel Springer share for every ten stock options as a personal investment. Disposing of these shares prior to exercising the options would result in the stock options being forfeited at the same rate.

With regards to the Executive Board Programs that are granted, see the information in the notes to the consolidated financial statements under Section (13).

Executive Board members have received contractually-agreed pension provisions. Payment of pension applies when reaching the age of 62, provided that the Executive Board member is no longer at their post at this point. In case of premature departure the Executive Board member has – after the end of five years since the pension commitment or since earlier entry into the company – a vested claim to a pension payment proportional to the length of his employment with the company. Payments are also made in case of a complete reduction in earning capacity.

Some Executive Board members have the right to terminate their employment contracts in the event of a change in control. In such a case, they will have the right to receive payment of their base salary for the most recently negotiated remaining contractual term (some of the eligible Executive Board members will have the right to receive payment of an amount equal to at least one year's base salary) and/or a lump sum amounting to the total remuneration for the duration of the original residual term; the amount of the aforementioned payments is typically limited. Furthermore, the company will pay the pro-rated percentage of the success-based compensation for the period of time served in the year of resignation. The employment contracts of the members of the Executive Board do not provide for any other compensation if the employment relationship is terminated as a result of a change in control.

In the **2015 financial year** the total compensation paid to the Executive Board was € 18.9 million (PY: € 17.8 million plus a long-term stock-based compensation component of € 5.6 million for virtual stock option plans 2014 I and 2014 II). The fixed components totaled € 8.7 million (PY: € 8.9 million); this figure also includes components for fringe benefits (company car or company car allowance, the assumption of premiums for insurance against the risk of invalidity and death and security expenses). The variable cash component came to a total of € 10.2 million (PY: € 8.9 million). According to this, the fixed compensation including fringe benefits in the financial year amounts to a proportion of 46 % (PY: 38 %) of total compensation (including long-term stock-based compensation components).

Guaranteed pension payments to members of the Executive Board resulted in a personnel expense of € 0.8 million in financial year 2015 (PY: € 0.5 million). The cash value of the guaranteed pension payments in pension provisions totaled € 11.4 million (PY: € 11.4 million). Credits or advance payments were not granted to members of the Executive Board in the 2015 financial year. In the case of guaranteed pension payments to Executive Board members, which became effective with the relevant recommendation in Section 4.2.3 sentence 10 GCGC on June 10, 2013, the Supervisory Board established the pension level desired in compliance with the previously stated Code recommendation and considered the annual and long-term expense for the company derived from this.

Axel Springer SE does not disclose the total compensation of individual Executive Board members by name, given that Sections 314 (2) and 286 (5) HGB expressly place the disclosure of Executive Board compensation by name under the reservation of a differing resolution of the annual shareholders' meeting with a qualified majority of the share capital represented upon the adoption of the resolution. The annual shareholders' meeting of Axel Springer SE held on April 16, 2014, adopted such a resolution with the requisite majority.

Supervisory Board

The compensation of the Supervisory Board is set by the annual shareholders' meeting.

The compensation of the Supervisory Board of Axel Springer SE is regulated by Article 16 of the Articles of Incorporation of Axel Springer SE. According to this, the Supervisory Board of Axel Springer SE receives fixed compensation of € 3.0 million annually. The Supervisory Board decides how the aforementioned amount is distributed among its members, with appropriate consideration given to their activities as chairman and in the committees. If the member does not serve on the Supervisory Board or exercise a higher-paying function of a Supervisory Board member for the full year, such member will receive a pro-rated share of the full-year compensation. Only full months of activity are taken into account for this purpose. The compensation is payable after the close of the given financial year.

For the **financial year 2015,** the Supervisory Board will receive total compensation of € 3.0 million (PY: € 3.0 million). In addition, the company reimburses all members of the Supervisory Board for their expenses and for the value-added tax payable on their compensation and on the reimbursement of their expenses. The company pays the premium for the D&O insurance taken out for members of the Supervisory Board. One member of the Supervisory Board is paid an annual salary of € 0.1 million for his services as an author. (PY: € 0.1 million).

Contrary to Section 5.4.6 sentences 5 and 6 of the German Corporate Governance Code, the compensation paid to members of the Supervisory Board, as well as the compensation paid by the company to them for services rendered personally, are not presented in the Corporate Governance Report, since Axel Springer SE's competitors do not disclose such information either. Furthermore, the Articles of Incorporation of Axel Springer SE do not themselves govern the individualized distribution of compensation between Supervisory Board members, but rather they expressly assign them to the Supervisory Board; the disclosure in an individualized manner of the Supervisory Board compensation would circumvent this allocation of responsibilities to the annual shareholders' meeting. The annual shareholders' meeting of the company also passed a resolution on April 16, 2014, stopping the disclosure of the individual compensation of the members of the Executive Board in the Company's annual financial and annual consolidated financial statements for the financial years 2014 through 2018 (included), meaning therefore that the compensation of Executive Board members is not published in individualized form either.

Share-based compensation of senior executives

Axel Springer has issued virtual stock option plans for selected senior executives, the main parameters of which are shown in the following:

Senior Executive Program

	2011 I	**2011 II**	**2014**
Grant date	10/01/2011	10/01/2011	03/01/2014
Term in years	4	6	5
Vesting period in years	2	4	3
Stock options granted	472,500	472,500	60,000
Underlying (€)	30.00	35.00	46.80
Maximum payment (€)	60.00	70.00	93.60
Value at grant date (€)	2.74	2.31	8.14
Total value at grant date (€ millions)	1.3	1.1	0.5

Provided that the beneficiary is employed by the company at least until the expiration of the respective vesting period, all virtual stock options granted to the relevant senior executives may become vested. If the authorized senior executive is not employed by the company before the end of the vesting period, but is at least one year after the grant date, the stock options are vested up to one half (Senior Executive Programs 2011 I and 2014) or to one quarter per elapsed year of the vesting period (Senior Executive Program 2011 II).

A further condition for vesting to take place is that either the volume-weighted average price of the Axel Springer share is at least 30 % over the base value or that the percentage increase of this average price exceeds that of the base value of the development of the DAX over a period of three calendar months within a time period of a year before the end of the waiting period.

Exercising stock options is only possible if the volume-weighted average price of the Axel Springer share during the three calendar months before exercising such options is at least 30 % over the base value and that the percentage increase exceeds that of the DAX index. Each option grants a payment claim in the amount of the growth in value of the Axel Springer share, restricted to a maximum of 200 % of the base value, which corresponds to the difference between the volume-weighted average price during the last three calendar months prior to exercise and the base value.

Beneficiaries are obligated to hold one Axel Springer share for every ten stock options as a personal investment. Disposing of these shares prior to exercising the options would result in the stock options being forfeited at the same rate.

The Senior Executive Program 2011 I was completed during the financial year 2014 as the stock options were exercised or forfeited. With regards to the executive programs that are granted, see the information in the notes to the consolidated financial statements under Section (13).

Report of the Supervisory Board

Dr. Giuseppe Vita
Chairman

Dr. h. c. Friede Springer
Vice Chairwoman

Oliver Heine
Attorney at law and partner in the law firm Heine & Partner

Rudolf Knepper
Entrepreneur

Lothar Lanz
Member of various Supervisory Boards

Dr. Nicola Leibinger-Kammüller
President and Chairwoman of the Executive Board of TRUMPF GmbH + Co. KG

Prof. Dr. Wolf Lepenies
University Professor (emer.) FU Berlin; Permanent Fellow (emer.) at Wissenschaftskolleg zu Berlin

Prof. Dr.-Ing. Wolfgang Reitzle
Entrepreneur

Martin Varsavsky
CEO, Fon Wireless Limited

Dear Shareholders,

In financial year 2015, the Supervisory Board performed all the duties incumbent upon it by virtue of applicable laws, the company's Articles of Incorporation, and internal rules of procedure. It worked closely and trustfully with the Executive Board in an advisory role and supervised the management of the company.

By means of written and oral reports, the Executive Board informed the Supervisory Board in detail, regularly, and promptly about all relevant matters of strategy, planning, business performance, and the risk situation of the company, as well as the risk management system, the Internal Control System (ICS), and matters pertaining to compliance. The Executive Board informed the Supervisory Board of matters of particular importance between meetings, whilst Supervisory Board members and Executive Board members frequently consulted and exchanged information with each other.

The Supervisory Board examined the relevant planning documents and financial statements presented to it and assured itself that they were correct and appropriate. It reviewed and discussed all submitted reports and documents to an appropriate extent. It was not necessary in financial year 2015 for the Supervisory Board to inspect company books and documents beyond those presented during the normal course of reporting by the Executive Board.

The Supervisory Board discussed with the Executive Board all matters of crucial importance for the company, especially the company's business plan, business strategy, major investment and disinvestment plans, and personnel matters; the strategic orientation of the company was agreed between the Executive Board and Supervisory Board, and the status in relation to the implementation of the strategy was discussed. Furthermore, the Supervisory Board discussed specific transactions of importance to the company's future development, particularly the acquisition and sale of companies and equity stakes. It adopted resolutions on those transactions and measures for which the participation of the Supervisory Board is required by law, by the company's Articles of Incorporation, or by the Executive Board's internal rules of procedure. After in-depth review, the Supervisory Board approved all matters presented to it by the Executive Board for resolution or approval.

Composition of the Supervisory Board

As per the company's Articles of Incorporation, the Supervisory Board is composed of nine members (see page 72 of the Annual Report regarding the individual members of the Supervisory Board). The regular term of all current members of the Supervisory Board will end after the end of the ordinary annual shareholders' meeting in the 2019 financial year that decides as to ratification of the Company's Boards for the 2018 financial year.

Six plenary meetings of the Supervisory Board were held during the reporting period, three of which were held in each calendar half-year, whereby the meeting held on July 22, 2015, was an extraordinary meeting in the form of a teleconference. The Supervisory Board member, Martin Varsavsky, gave his apologies for being unable to attend three Supervisory Board meetings during the 2015 financial year or, in other words, half of the meetings held in the financial year. However, Martin Varsavsky participated in all votes held in these meetings by way of votes submitted in writing.

When necessary, Supervisory Board resolutions were adopted by way of written circulation. The work of the committees and the resolutions passed by the committees was reported in the meetings of the full board.

Important matters addressed by the Supervisory Board

In its meeting of **February 9, 2015,** the Supervisory Board discussed and approved the financial plan for 2015 submitted by the Executive Board. The Executive Board informed the Supervisory Board about the potential business development figures in the financial year 2014. The transaction pipeline status was reported on, and the catalog of approval requirements was also adjusted in line with the internal rules of procedure for the company's Executive Board.

In its meeting of **February 27, 2015**, the Supervisory Board devoted its attention primarily to the separate financial statements of the parent company and the consolidated financial statements of the Group as of December 31, 2014 (including, in each case, the combined management report and Group management report), as well as the report on the company's dealings with affiliated companies (Dependency Report), along with the respective audit reports. It concluded the Executive Board's profit utilization proposal for financial year 2014 and agreed to the Corporate Governance Report issued jointly with the Executive Board. Furthermore, the Supervisory Board dealt with the agenda for the 2015 annual shareholders' meeting; this covered the proposed resolutions for the annual shareholders' meeting including the proposal to choose the independent auditor for financial year 2015 as well as the proposed resolution to create authorized capital and make suitable changes to Article 5 of the company's Articles of Incorporation. In addition, the Supervisory Board adopted a resolution regarding its report for the 2014 financial year which was submitted at the annual shareholders' meeting. Furthermore, the Supervisory Board agreed to the 2016 – 2019 medium-term plan submitted by the Executive Board; it also agreed to the share ownership program set up during the 2015 financial year for employees with a target agreement or who were eligible for a profit-sharing bonus, and, in this context, acquisition of (own) shares in advance of the 2015 share ownership program, and the sale or resale of unused own shares as part of the share ownership program. The Supervisory Board was also informed by the Executive Board regarding the status of the audits and preparations involved for the conversion of the company into a partnership limited by shares (KGaA).

At its meeting of **April 14, 2015,** the Supervisory Board primarily dealt with the preparations for the upcoming shareholders' meeting. Changes to the executive organization chart for the company's Executive Board were also agreed.

As part of a circular resolution in **June 2015**, the Supervisory Boards delegated to the Executive Committee of the Supervisory Board its responsibility to pass resolutions that are required in conjunction with drawing down the authorized capital in order to repurchase shares of Axel Springer Digital Classifieds GmbH.

At an extraordinary general meeting of the full board and the Executive Committee of the Supervisory Board, which was held via teleconference on **July 22, 2015**, a scheduled albeit not yet implemented acquisition by the company was agreed.

At its meeting of **September 2, 2015**, the Executive Board reported on business developments as of July 2015. Furthermore, the Supervisory Board was informed about the status of the scheduled purchase of additional shares in order to acquire a controlling interest in Business Insider Inc.. The status of the investigation regarding the case of fraud discovered within logistics in 2013 as well as the resulting consequences and measures were dealt with in detail. The Supervisory Board also passed a resolution to set targets for the proportion of women on the company's Supervisory Board and Executive Board as well as the deadline within which these targets ought to be achieved, along with the conclusion of a settlement agreement between the company and Dr. Krauß regarding actions for nullification still pending against the resolutions of the annual shareholders' meetings in 2009 and 2010. The Supervisory Board finally agreed to the appointment of various Editor-in-Chiefs.

In its meeting of **November 3, 2015**, the Supervisory Board dealt primarily with and discussed the business strategy of Axel Springer based on a comprehensive presentation by the Executive Board. The acquisition of shares held by General Atlantic in Axel Springer Digital Classifieds GmbH and the preparations involved for the conversion of Axel Springer SE into a partnership limited by shares (KGaA) were also dealt with in this context. The Supervisory Board also adopted a resolution regarding the 2015 Declaration of Conformity. It also carried out a questionnaire-based self-evaluation of its efficiency and after discussions based upon this rated its work as still being efficient. Furthermore, the Executive Board informed the Supervisory Board about the status of the BaFin enforcement proceedings concluded in the meantime regarding the 2012 consolidated financial statements, the economic performance as of September 30, 2015, the company’s current transaction pipeline status.

Conflicts of interest

A Supervisory Board member was subject to a temporary conflict of interest during the financial year regarding a business object that the Supervisory Board had passed resolution and consulted on. The Supervisory Board member subjected to a conflict of interest was excluded from the consultation and resolution process for this business object.

Corporate governance

The Executive Board and Supervisory Board issued their common Declaration of Conformity (pursuant to Section 161 of the German Stock Corporations Act (AktG)) in November 2015. This explanation with information on exceptions to the recommendations made in the GCGC is made permanently available on the company's website. It is presented on page 67 of the present Annual Report.

Additional information on corporate governance in the Axel Springer Group may be found in the joint Corporate Governance Report of the Executive Board and Supervisory Board (see page 67).

Work of the committees of the Supervisory Board

In the interest of performing its duties in an efficient manner, the Supervisory Board has formed an Executive Committee, an Audit Committee, a Personnel Committee, and a Nominating Committee as permanent committees. The Chairman of the Audit Committee is Lothar Lanz, and in the other committees Chairman of the Supervisory Board, Dr. Giuseppe Vita fulfills that role. The Committee Chairmen report on the work of the committees in the subsequent meeting of the Supervisory Board.

Notwithstanding the general responsibility of the full Supervisory Board, the **Executive Committee** is responsible for matters that are exclusively or predominantly related to publishing and journalism and for matters of strategy, financial planning, capital expenditures, and the financing of investment. It is in particular responsible, instead of the Supervisory Board, for approving significant management actions undertaken by the Executive Board concerning investments or operative business operations. Finally, the Executive Committee prepares decisions regarding the organization of the Executive Board and takes decisions, within stipulated limits, regarding the approval to sell shares of the company and subscription rights to such shares. The members of the Executive Committee are Dr. Giuseppe Vita, acting as the Chairman, Dr. h. c. Friede Springer, acting as the Vice Chairwoman, and Lothar Lanz and Prof. Dr.-Ing. Wolfgang Reitzle.

The Executive Committee held nine meetings during the reporting period, of which five were extraordinary meetings; members of the Executive Board also took part frequently at these meetings. The Executive Committee agreed, amongst other things, the following transactions: In January 2015, the acquisition of an initial amount of up to 10.4 % of shares and then in September the acquisition of up to 91 % of shares in Business Insider, Inc., the acquisition of 100 % of shares in Ictjob SPRL via Stepstone GmbH, the stake in the LAKESTAR II venture capital fund, the exercising of a put option vis à vis Doğan TV, the sale of 100 % of shares in Smart AdServer Group, via AuFeminin SA, to Cathay Capital, the combination of the real estate portals Immowelt and Immonet under the management of Axel Springer

Digital Classifieds as well as the associated acquisition of the stake held by Madsack GmbH & Co. KG in Immonet, the acquisition of 100 % of shares in Livingly Media, Inc. via AuFeminin SA, the establishment of a joint venture in Switzerland with Ringier AG, the sale of the stake (50.1 %) in Runtastic GmbH to the Adidas Group, as well as the sale of the 90 % stake in Automotive Exchange Private Limited, India ("CarWale").

Matters consulted and decided on included, amongst other things, the financing of the company and planned transaction projects, including in particular the refinancing and replacement of the credit facility from 2012, the sale of parts of the Axel Springer building in Hamburg, the conclusion of an urban development contract with the city of Berlin for the development of Lindenfeld and the standardization of the Bonial Group's shareholder structures through the establishment of a holding company. Other matters also consulted and decided on included the drawing down of the authorized capital, the increase of the capital stock by € 8,955,311 and the issue of 8,955,311 new shares to General Atlantic associated with the exercising of the call option with regard to the 15 % stake in Axel Springer Digital Classifieds GmbH still held by General Atlantic; the responsibility for passing resolutions had been transferred to the Executive Committee by way of a resolution passed by the Supervisory Board in July 2015. The subject matter here was merely decisions about granting approval to conclude control and profit and loss transfer agreements within the Group as well as to transfer shares in the company in accordance with Article 5 (3) of the Company's Articles of Incorporation.

The **Personnel Committee** is responsible in particular for preparing decisions on the appointment and dismissal of Executive Board members. It is also responsible for preparing the resolutions to be adopted by the Supervisory Board on the compensation of individual members of the Executive Board. If the Personnel Committee consists of three or more members, then it approves resolutions in lieu of the Supervisory Board in all other matters pertaining to employment contracts; the same applies in matters pertaining to the extension of loans within the meaning of Sections 89, 115 AktG and on the approval of contracts with Supervisory Board members pursuant to Section 114 AktG. If the Personnel Committee consists of two members, then it is responsible for preparing the resolutions to be adopted by the Supervisory Board regarding such matters. To the extent it bears responsibility, the Personnel Committee also represents the company in transactions with individual Executive Board members. Finally, if the Personnel Committee consists of three or more members, then it shall decide on granting approval for management actions assigned to it that require approval; if it consists of two members, then it is responsible for preparing the resolutions to be adopted by the Supervisory Board regarding such business matters. The members of the Personnel Committee are Dr. Giuseppe Vita, acting as the Chairman, and Dr. h.c. Friede Springer, acting as the Vice Chairwoman.

The Personnel Committee met five times during the reporting period. It also prepares the resolutions to be adopted by the full board regarding extension of the term of a member of the Executive Board alongside the associated extension of the employment contract as a member of the Executive Board. It also dealt with the individual goals and corporate goals for the cash component of the variable compensation of the Executive Board.

The **Audit Committee**, notwithstanding the responsibility of the full Supervisory Board, is responsible for preparing the decisions to be made by the Supervisory Board on the adoption of the separate financial statements of the parent company and the approval of the consolidated financial statements of the Group, by means of conducting a preliminary review of the separate financial statements, the Dependency Report, and the consolidated financial statements, as well as the management report for the company and the management report for the Group, the review of the profit utilization proposal, the discussion of the audit report with the independent auditor, as well as the monitoring of the accounting process and the audit, in this regard in particular the independence of the auditor, the monitoring of the effectiveness of the risk management system, the internal control system (ICS), the compliance management system and the internal auditing system. It is also responsible for reviewing the interim financial statements and interim reports, and for discussing the report of the independent auditor on the critical review of the interim financial statements. With regard to the audit of the financial statements, the Audit Committee is responsible for preparing the proposal of the Supervisory Board to the annual shareholders' meeting on the election of the independent auditor and the engagement of the independent auditor, and for adopting audit priorities, among other matters. The Audit Committee consists of Lothar Lanz, acting as the Chairman, Dr. Giuseppe Vita, acting as the Vice Chairman, and Oliver Heine, Rudolf Knepper and Dr. h.c. Friede Springer, all of whom are additional members of the Audit Committee.

The Audit Committee held five meetings during the course of the financial year. It has been informed of the scope, course, and result of the 2014 annual financial statements and consolidated financial statements, the decisions of the Supervisory Board regarding adoption of the financial statements, and prepared approval of the Group consolidated statements as well as the audited interim financial statements and reports for 2015. Alongside this the Audit Committee handled preparation of the passing of the resolution by the full board regarding the proposal at the annual shareholders' meeting to commission the independent auditor for the 2015 financial year. To this effect, the Supervisory Board was also in receipt of written confirmation from Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft regarding their independence. In addition, the Audit Committee dealt with the audit priorities of the independent auditor for the 2015 financial year and issued the auditor with the audit assignment for the 2015 financial year. The Audit Committee also dealt with the monitoring of the effectiveness of the risk management system, the internal control system (ICS), of the compliance management system and of the internal audit system, as well as additional compliance issues.

The **Nominating Committee** prepares the proposal of the Supervisory Board to the annual shareholders' meeting on the election of Supervisory Board members; in particular, it proposes suitable candidates for the Supervisory Board, also in consideration of the diversity and independence criteria adopted by the Supervisory Board. It develops and reviews job profiles relative to the qualifications expected of Supervisory Board members by the company, and continually adapts them to suit changing requirements. The members of the Nominating Committee are Dr. Giuseppe Vita, acting as the Chairman, and Dr. h.c. Friede Springer, acting as the Vice Chairwoman.

The Nominating Committee did not meet during the financial year.

Separate financial statements of the parent company and consolidated financial statements of the Group; management report for the parent company and the Group

Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft audited the annual financial statements of the parent company and the consolidated financial statements of the Group, as well as the combined management report of the parent company and the Group, all of which were prepared by the Executive Board for financial year 2015, and issued an unqualified audit opinion in every case. In connection with the audit, the independent auditor also noted in summary that the Executive Board has implemented a risk management system that fulfills the requirements of law, and that this system is generally suitable for the early detection of any developments that could endanger the company's survival as a going concern.

The aforementioned documents and the proposal of the Executive Board for the utilization of the distributable profit, as well as the audit reports of Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, were provided to all members of the Supervisory Board in a timely manner. The documents were audited and discussed in the presence of the independent auditor in the meeting of the Audit Committee on February 29, 2016. The independent auditor reported on the key results of the audit and was available for additional information if required. No deficiencies in the internal control and risk management system, as it relates to the financial accounting process, were noted. The independent auditor explained further the scope, priorities, and costs of the audit. No circumstances that would cast doubt on the impartiality of the independent auditor arose. The Audit Committee resolved to recommend to the Supervisory Board that it approve the separate financial statements of the parent company and the consolidated financial statements of the Group, as well as the combined management report of the parent company and the Group.

The Audit Committee reported to the Supervisory Board in the balance sheet meeting of March 1, 2016 on the investigations carried out by the Committee and the results thereof, alongside their recommendations for approval of the separate financial statements of the parent company and consolidated financial statements of the Group, and the combined management report of the parent company and the Group. The Supervisory Board has reviewed the documents in question, having noted and duly considered the report and recommendations of the Audit Committee and the reports of Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, and having discussed them with the independent auditor, who was in attendance.

The Supervisory Board acknowledged and approved the audit results. Based on the results of its own review, the Supervisory Board noted that it had no objections to raise. Based on the recommendations of the Audit Committee, the Supervisory Board approved the annual financial statements of the parent company and the consolidated financial statements of the Group, as well as the combined management report of the parent company and the Group, all of which were prepared by the Executive Board. Accordingly, the annual financial statements of Axel Springer SE were officially adopted.

The Supervisory Board also reviewed the proposal of the Executive Board concerning the utilization of the distributable profit and concurred with that proposal, in consideration of the company's financial year net income, liquidity, and financing plan.

The Executive Board also submitted its report on the company's dealings with related parties pursuant to Section 312 of the German Stock Corporations Act (AktG) to the Supervisory Board. The Supervisory Board was also in receipt of the corresponding audit report by Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft. Both reports were also provided to each member of the Supervisory Board in advance. The audit opinion of the independent auditor reads as follows:

"Based on the audit and evaluation conducted in accordance with our professional duties, we hereby confirm that

1. the factual information contained in the report is correct;

2. the consideration provided by the company in respect of the legal transactions mentioned in the report was not inappropriately high."

The Supervisory Board also reviewed the report of the Executive Board on the dealings with related parties pursuant to Section 312 AktG and the independent auditor's report on this subject. At the Supervisory Board meeting of March 1, 2016, the independent auditor also reported orally on the principal findings of the audit and provided additional information, as requested. The Supervisory Board acknowledged and approved the report of the independent auditor. Based on the final results of its own review, the Supervisory Board had no objections to raise with respect to the results of the audit report of the independent auditor or the Executive Board's declaration on the report pursuant to Section 312 (3) AktG.

Thanks to the members of the Executive Board and to all employees

Finally, the Supervisory Board wishes to thank all members of the Executive Board and all employees for their outstanding work in the past year.

Berlin, March 1, 2016

The Supervisory Board

Dr. Giuseppe Vita
Chairman

Consolidated Financial Statements

Responsibility Statement

To the best of our knowledge, and in accordance with the applicable reporting principles, the consolidated financial statements give a true and fair view of the financial position, liquidity, and financial performance of the Group, and the Group management report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal rewards and risks associated with the expected development of the Group.

Berlin, February 16, 2016

Axel Springer SE

Dr. Mathias Döpfner

Jan Bayer

Dr. Julian Deutz

Dr. Andreas Wiele

Auditor's Report

We have audited the consolidated financial statements prepared by Axel Springer SE, Berlin – comprising the statement of financial position, the income statement, the statement of recognized income and expenses, the statement of cash flows, the statement of changes in equity, and the notes to the consolidated financial statements – together with the combined management report of the Axel Springer Group and Axel Springer SE for the fiscal year from January 1 to December 31, 2015. The preparation of the consolidated financial statements and the combined management report of the Axel Springer Group and Axel Springer SE in accordance with IFRS as adopted by the EU, and the additional requirements of German commercial law pursuant to Sec. 315a (1) HGB ["Handelsgesetzbuch" - German Commercial Code] are the responsibility of the parent company's management. Our responsibility is to express an opinion on the consolidated financial statements and on the combined management report of the Axel Springer Group and Axel Springer SE based on our audit.

We conducted our audit of the consolidated financial statements in accordance with Sec. 317 HGB and German generally accepted standards for the audit 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 audit such that misstatements materially affecting the presentation of the net assets, financial position, and results of operations in the consolidated financial statements in accordance with the applicable financial reporting framework and in the combined management report of the Axel Springer Group and Axel Springer SE are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Group and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the consolidated financial statements and the report on the situation of the company Axel Springer SE and the Axel Springer Group are examined primarily on a test basis within the framework of the audit. The audit includes assessing the annual financial statements of those entities included in consolidation, the determination of entities to be included in consolidation, the accounting and consolidation principles used, and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements and the report on the situation of the Axel Springer Group and Axel Springer SE. In our opinion, our audit provides a sufficiently sound basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the consolidated financial statements comply with IFRS as adopted by the EU, the additional requirements of German commercial law pursuant to Sec. 315a (1) HGB and give a true and fair view of the net assets, financial position, and results of operations of the Axel Springer Group in accordance with these requirements. The combined management report of the Axel Springer Group and Axel Springer SE is consistent with the consolidated financial statements and as a whole provides a suitable view of the Group's position and suitably presents the opportunities and risks of future development.

Berlin, February 19, 2016

Ernst & Young GmbH

Wirtschaftsprüfungsgesellschaft

Ludwig
Wirtschaftsprüfer

Mielke
Wirtschaftsprüferin

Consolidated Statement of Financial Position

€ millions

ASSETS	Note	12/31/2015	12/31/2014	01/01/2014
Non-current assets[1]		**5,187.2**	**4,466.5**	**3,831.3**
Intangible assets[1]	(4)	3,897.0	3,169.0	2,562.5
Property, plant, and equipment	(5)	507.5	523.5	640.3
Investment property	(6)	33.2	31.3	55.0
Non-current financial assets	(7)	662.7	633.2	433.9
Investments accounted for using the equity method		91.6	51.2	8.7
Other non-current financial assets		571.0	582.0	425.2
Receivables due from related parties	(37)	0.1	30.9	25.5
Receivables from income taxes		7.9	15.6	19.8
Other assets	(10)	32.1	8.5	53.1
Deferred tax assets	(27)	46.8	54.4	41.2
Current assets		**1,317.4**	**1,241.9**	**1,093.6**
Inventories	(8)	20.1	23.6	23.5
Trade receivables	(9)	570.9	523.8	472.8
Receivables due from related parties	(37)	7.1	12.7	10.4
Receivables from income taxes		58.2	46.7	40.8
Other assets	(10)	96.2	156.1	81.6
Cash and cash equivalents	(30)	253.8	383.1	248.6
Assets held for sale	(2c), (11)	311.1	95.9	215.9
Total assets[1]		**6,504.7**	**5,708.5**	**4,924.8**

[1] Regarding the adjustment of the prior-year figures see note (4a).

€ millions

EQUITY AND LIABILITIES	Note	12/31/2015	12/31/2014	01/01/2014
Equity[1)]	**(12)**	**2,511.5**	**2,505.7**	**2,395.0**
Shareholders of Axel Springer SE[1)]		2,062.7	2,024.1	1,869.9
Non-controlling interests[1)]		448.8	481.6	525.1
Non-current provisions and liabilities		**2,455.5**	**2,169.6**	**1,601.7**
Provisions for pensions	(14)	316.3	376.6	267.0
Other provisions	(15)	65.0	76.7	56.0
Financial liabilities	(16)	1,195.3	1,047.0	718.7
Trade payables		0.3	0.3	0.7
Liabilities due to related parties	(37)	4.4	7.7	4.1
Other liabilities	(17)	393.0	333.3	241.7
Deferred tax liabilities	(27)	481.2	327.9	313.5
Current provisions and liabilities		**1,537.8**	**1,033.2**	**928.1**
Provisions for pensions	(14)	23.0	23.1	20.8
Other provisions	(15)	234.6	209.6	169.1
Financial liabilities	(16)	57.6	3.9	1.1
Trade payables		342.9	313.2	270.7
Liabilities due to related parties	(37)	19.3	9.2	11.0
Liabilities from income taxes		42.8	40.4	37.8
Other liabilities	(17)	656.8	365.8	326.7
Liabilities related to assets held for sale	(2c), (11)	160.8	68.0	90.8
Total equity and liabilities[1)]		**6,504.7**	**5,708.5**	**4,924.8**

[1)] Regarding the adjustment of the prior-year figures see note (4a).

Consolidated Statement of Comprehensive Income

€ millions

Consolidated Income Statement	**Note**	**2015**	**2014**
Revenues	(19)	3,294.9	3,037.9
Other operating income	(20)	271.8	164.7
Change in inventories and internal costs capitalized		47.3	29.0
Purchased goods and services	(21)	–1,013.5	–990.0
Personnel expenses	(22)	–1,100.3	–974.4
Depreciation, amortization, and impairments	(23)	–199.8	–255.6
Other operating expenses	(24)	–862.2	–757.2
Income from investments	(25)	24.7	81.4
Result from investments accounted for using the equity method		1.7	–2.5
Other investment income		23.0	83.9
Financial result	(26)	–22.2	–21.1
Income taxes	(27)	–136.2	–78.9
Income from continued operations		**304.6**	**235.7**
Income from discontinued operations	**(2d)**	**2.8**	**668.3**
Net income		**307.4**	**904.1**
Net income attributable to shareholders of Axel Springer SE		252.4	799.8
Net income attributable to non-controlling interests		55.0	104.3
Basic/diluted earnings per share (in €) from continued operations	**(28)**	**2.50**	**1.71**
Basic/diluted earnings per share (in €) from discontinued operations	**(28)**	**0.03**	**6.37**

€ millions

Consolidated Statement of Recognized Income and Expenses	**Note**	**2015**	**2014**
Net income		**307.4**	**904.1**
Actuarial gains/losses from defined benefit pension obligations		24.5	–73.0
Items that may not be reclassified into the income statement in future periods		**24.5**	**–73.0**
Currency translation differences		60.2	–27.2
Changes in fair value of available-for-sale financial assets		12.1	–13.1
Changes in fair value of derivatives in cash flow hedges		0.2	–0.1
Other income/loss from investments accounted for using the equity method		–2.6	0.4
Items that may be reclassified into the income statement in future periods if certain criteria are met		**69.8**	**–40.0**
Other income/loss	**(29)**	**94.3**	**–113.0**
Comprehensive income		**401.7**	**791.0**
Comprehensive income attributable to shareholders of Axel Springer SE		332.6	694.7
Comprehensive income attributable to non-controlling interests		69.1	96.3

Consolidated Statement of Cash Flows

€ millions	Note	2015	2014
Net income		**307.4**	**904.1**
Reconciliation of net income to the cash flow from operating activities			
Depreciation, amortization, impairments, and write-ups		194.9	249.9
Result from investments accounted for using the equity method	(7a)	−1.7	2.5
Dividends received from investments accounted for using the equity method	(7a)	3.2	3.0
Result from disposal of consolidated subsidiaries and business units and intangible assets, property, plant, and equipment, and financial assets		−127.5	−746.9
Changes in non-current provisions		−22.8	19.0
Changes in deferred taxes		2.6	−42.0
Other non-cash income and expenses		−18.2	5.1
Changes in trade receivables		−39.7	−18.6
Changes in trade payables		15.7	23.8
Changes in other assets and liabilities		55.7	−39.2
Cash flow from operating activities [1]	**(30)**	**369.6**	**360.8**
Proceeds from disposals of intangible assets, property, plant, and equipment		61.6	0.7
Proceeds from disposals of consolidated subsidiaries and business units, less cash and cash equivalents given up	(2c)	157.0	535.1
Proceeds from disposals of non-current financial assets		71.2	225.6
Proceeds from investments in short-term financial funds		3.7	0.0
Purchases of intangible assets, property, plant, equipment, and investment property		−131.4	−96.2
Purchases of shares in consolidated subsidiaries and business units less cash and cash equivalents acquired	(2c)	−637.8	−507.7
Purchases of investments in non-current financial assets		−70.7	−64.8
Cash flow from investing activities [1]	**(30)**	**−546.4**	**92.7**
Dividends paid to shareholders of Axel Springer SE		−178.1	−178.1
Dividends paid to other shareholders		−7.6	−102.7
Purchase of non-controlling interests		−32.6	−460.8
Disposal of non-controlling interests		0.2	6.0
Repayments of liabilities under finance leases		−0.6	−0.9
Proceeds from other financial liabilities		667.6	567.0
Repayments of other financial liabilities		−465.2	−170.9
Other financial transactions		67.5	−3.5
Cash flow from financing activities [1]	**(30)**	**51.1**	**−343.8**
Cash flow-related changes in cash and cash equivalents		**−125.8**	**109.6**
Changes in cash and cash equivalents due to exchange rates		1.1	−2.8
Changes in cash and cash equivalents due to changes in companies included in consolidation		0.1	0.1
Cash and cash equivalents at beginning of period		383.1	248.6
Reclassification relating to assets held for sale		−4.7	27.6
Cash and cash equivalents at end of period	**(30)**	**253.8**	**383.1**

[1] For the portion attributable to discontinued operations see note (2d).

€ millions

Cash flows contained in the cash flow from operating activities		2015	2014
Income taxes paid		−174.9	−147.5
Income taxes received		40.1	34.0
Interest paid		−24.2	−30.4
Interest received		3.5	5.6
Dividends received		13.5	14.9

Consolidated Statement of Changes in Equity

					Accumulated other comprehensive income						
						Changes in fair value					
€ millions	Subscribed capital	Additional paid-in capital	Accumulated retained earnings	Treasury shares	Currency translation	Available-for-sale financial assets	Derivatives in cash flow hedges	Other equity	Shareholders of Axel Springer SE	Non-controlling interests	Equity
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**
Adjustments from prior periods									0.0	151.0	151.0
Balance as of 01/01/2014[1]	**98.9**	**44.2**	**1,781.6**	**0.0**	**−3.7**	**9.4**	**−0.3**	**−60.3**	**1,869.9**	**525.2**	**2,395.0**
Net income			799.8						799.8	104.3	904.1
Other income/loss					−23.3	−9.1	−0.1	−72.6	−105.1	−8.2	−113.3
Comprehensive income			**799.8**		**−23.3**	**−9.1**	**−0.1**	**−72.6**	**694.7**	**96.3**	**791.0**
Dividends paid			−178.1						−178.1	−51.2	−229.2
Change in consolidated companies									0.0	9.5	9.5
Purchase and disposal of non-controlling interests[1]			−363.5		−1.4				−364.9	−99.2	−464.1
Other changes		1.1	1.4						2.5	1.2	3.7
Balance as of 12/31/2014[1]	**98.9**	**45.3**	**2,041.2**	**0.0**	**−28.5**	**0.3**	**−0.4**	**−132.9**	**2,024.1**	**481.6**	**2,505.7**
Net income			252.4						252.4	55.0	307.4
Other income/loss					46.1	12.1	0.1	21.9	80.3	14.0	94.3
Comprehensive income			**252.4**		**46.1**	**12.1**	**0.1**	**21.9**	**332.6**	**69.1**	**401.7**
Dividends paid			−178.1						−178.1	−63.5	−241.6
Change in consolidated companies			−130.9						−130.9	70.3	−60.6
Purchase and disposal of non-controlling interests	9.0	453.9	−461.5		13.9				15.2	−109.5	−94.3
Other changes		0.6	−14.8					13.8	−0.4	0.9	0.5
Balance as of 12/31/2015	**107.9**	**499.8**	**1,508.4**	**0.0**	**31.5**	**12.4**	**−0.3**	**−97.1**	**2,062.7**	**448.8**	**2,511.5**

[1] Regarding the adjustment of the prior-year figures see note (4a).

Consolidated Segment Report

Operating segments (32)[1)]

	Classified Ad Models		Paid Models		Marketing Models		Services/Holding		Consolidated totals	
€ millions	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
External revenues	**753.1**	**512.0**	**1,582.2**	**1,617.5**	**878.9**	**794.1**	**80.7**	**114.4**	**3,294.9**	**3,037.9**
Internal revenues	0.5	0.5	3.0	6.0	11.2	14.7	160.7	188.9		
Segment revenues	753.6	512.5	1,585.2	1,623.4	890.1	808.8	241.4	303.3		
EBITDA [2)]	**305.0**	**217.7**	**223.2**	**251.4**	**88.0**	**106.5**	**−57.1**	**−68.5**	**559.0**	**507.1**
EBITDA margin [2)]	**40.5 %**	**42.5 %**	**14.1 %**	**15.5 %**	**10.0 %**	**13.4 %**			**17.0 %**	**16.7 %**
Thereof income from investments	−1.0	−1.5	5.3	8.0	−0.7	4.2	0.1	0.1	3.8	10.7
Thereof accounted for using the equity method	−1.0	−1.5	1.6	3.6	−7.6	−3.3	0.6	0.0	−6.5	−1.2
Depreciation, amortization, impairments and write-ups (except from non-recurring effects and purchase price allocations)	−29.9	−19.1	−33.8	−37.1	−12.6	−16.9	−33.7	−39.4	−110.0	−112.5
EBIT [2)]	**275.1**	**198.6**	**189.4**	**214.3**	**75.3**	**89.6**	**−90.8**	**−108.0**	**449.0**	**394.6**
Amortization and impairments from purchase price allocations	−54.6	−37.0	−20.8	−19.1	−9.5	−47.6	0.0	−0.1	−84.9	−103.9
Non-recurring effects	−18.5	41.6	86.9	−1.5	35.6	37.8	−5.1	−32.9	98.9	45.0
Segment earnings before interest and taxes	202.0	203.2	255.5	193.7	101.5	79.8	−95.9	−140.9	463.0	335.7
Financial result									−22.2	−21.1
Income taxes									−136.2	−78.9
Income from continued operations									304.6	235.7
Income from discontinued operations									2.8	668.3
Net income									**307.4**	**904.1**

1) Prior-year figures were adjusted due to a change of the segmentation (see note (32)).
2) Adjusted for non-recurring effects (see note (32)).

Geographical information (32)

		Germany		Other countries		Consolidated totals	
€ millions		2015	2014	2015	2014	2015	2014
External revenues	(32)	1,721.4	1,728.7	1,573.5	1,309.3	3,294.9	3,037.9
Non-current segment assets	(32)	1,378.6	1,099.1	3,059.0	2,474.0	4,437.7	3,573.1

Notes to the Consolidated Financial Statements

General information

(1) Basic principles

Axel Springer SE is a European exchange-listed stock corporation (Societas Europaea) with its registered head office in Berlin, Germany. The principal activities of Axel Springer SE and its subsidiaries ("Axel Springer Group", "Axel Springer" or the "Group") are described in note (31a).

On February 16, 2016, the Executive Board of Axel Springer SE authorized the consolidated financial statements for fiscal year 2015 and subsequently presented them to the Supervisory Board for approval. The consolidated financial statements were prepared by application of Sec. 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) on the reporting date. The reporting currency is the euro (€); unless otherwise indicated, all figures are stated in euro millions (€ 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 consolidated financial statements and consolidated management report will be published in the Federal Gazette in Germany.

(2) Consolidation

(a) Consolidation principle

The financial consolidated statements include Axel Springer SE and its subsidiaries over which Axel Springer SE either directly or indirectly has control, can influence variable outflows from the subsidiary, and is exposed to the variability of these outflows.

The consideration transferred in business combinations is offset against the pro-rated fair value of the acquired assets and liabilities on the acquisition date. Any remaining positive difference allocated to our interests is capitalized as goodwill and recognized in the amount allocated to our shares, unless we acquire all shares in the company. Negative differences are immediately recognized as income. The acquisition date indicates the time at which the option for gaining control of the acquired business or company was obtained. We offset differences arising from disposals and purchases of non-controlling interests in equity.

Associated companies in which the Axel Springer Group can exert significant influence over the financial and operating policies, as well as joint venture companies that are managed jointly by Axel Springer and one or more other parties, are included in the consolidated financial statements by application of the equity method. The IFRS separate and consolidated financial statements of these companies as at the Axel Springer Group's reporting date, respectively, serve as the basis for applying the equity method. Goodwill and assets and liabilities included in the amortized carrying amount are accounted for using the accounting principles applied to business combinations. Losses that exceed the carrying amount of the investment, or any other long-term receivables related to the financing of these companies, are not recognized, unless the Axel Springer Group is bound by additional contribution requirements. Intercompany profits and losses are eliminated on a pro-rated basis. The carrying amounts of investments are tested for impairment; if impairments exist, they are written down to the lower recoverable amount.

(b) Companies included in the consolidated financial statements

Companies included in the consolidated financial statements broke down as follows:

	12/31/2015	12/31/2014
Fully consolidated companies		
Germany	75	67
Other countries	105	92
Investments accounted for using the equity method		
Germany	5	5
Other countries	6	5

Consolidated companies are listed in note (43). Essentially, the following changes occurred in 2015:

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.

At the end of April, we sold all of our shares in the previously fully consolidated 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.

At the end of July, we sold our shares in in the previously fully consolidated Talpa Germany GmbH & Co. KG, Hamburg. At the beginning of August, we disposed of our shares in the previously fully consolidated 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.

At the beginning of October, we acquired 25.6 % of the shares in Thrillist Media Group, Inc., Delaware, USA, and have included the company in the consolidated financial statements using the equity method since then.

Also in October, we acquired 100 % of the shares in Aan Zee "Gezellige Vakantiehuizen" B.V., Bergen, Netherlands, and 100 % of the shares in Villa XL B.V., Bergen, the Netherlands, and have fully consolidated the companies since then.

At the end of October, we increased our share of 8.7 % in Business Insider, Inc., New York, USA, acquired in January to 96.5 %. We have fully consolidated this company and a further foreign company since then.

At end of October, we sold our shares in the previously fully consolidated "Axel Springer Russia" Geschlossene Aktiengesellschaft, Moscow, Russia.

In mid-December, we disposed of our shares in PRINOVIS Ltd. & Co. KG, Hamburg, which had been included in our consolidated financial statements using the equity method.

(c) 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 purchase price allocation, the acquisition costs were allocated to the purchased assets and liabilities on 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	–3.5
Deferred tax liabilities	–25.0
Net assets	**59.0**
Share of non-controlling interests in net assets	25.2
Acquisition cost	64.8
Goodwill	**31.0**

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 € 49.1 million and to consolidated net income in the amount of € 4.0 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 has a shareholding of 55 % in the combined group.

The acquisition costs for the majority shareholding in the Immowelt Group amounted to € 194.5 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 € 62.0 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 € 45.6 million was directly offset against equity, thereof € 6.8 million being attributed to non-controlling interests. The acquisition-related expenses recorded in other operating expenses of the fiscal year amounted to € 1.1 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 purchase price allocation, the acquisition costs were allocated to the purchased assets and liabilities on the acquisition date as follows:

€ millions	Carrying amount after acquisition
Intangible assets	159.2
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	−0.8
Provisions and other liabilities	−5.1
Deferred tax liabilities	−50.0
Net assets	**117.1**
Share of non-controlling interests in net assets	52.7
Acquisition cost	194.5
Goodwill	**130.1**

Of the intangible assets acquired, intangible assets with carrying amounts of € 51.7 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 strategic advantages due to the combining of two strongly-positioned companies on the real estate classifieds market, 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 € 25.0 million and to consolidated net income in the amount of € – 3.0 million. If Immowelt Group had already been fully consolidated at January 1, 2015, it would have contributed to consolidated revenues in the amount of € 48.1 million and to consolidated net income in the amount of € – 5.4 million.

As part of the expansion of our digital journalistic portfolio in the English-speaking world, we assumed control of **Business Insider Inc.**, New York, USA, in October 2015. We previously owned 8.7 % of the shares in Business Insider and gained control over the company through the purchase of another 87.8 % of the shares in October. Axel Springer now holds 96.5 % of the shares. Business Insider operates the leading digital offering for business and financial news in the USA.

The preliminary acquisition costs amounted to € 356.0 million and included the purchase price of € 320.4 million paid in the reporting period, fair value of the shares held prior to gaining control in the amount of € 28.1 million and liabilities of € 7.4 million from commitments in connection with an existing employee stock option program. The acquisition-related expenses recorded in other operating expenses of the fiscal year amounted to € 1.6 million. A profit of € 11.1 million from the fair valuation of the previously-held shares was shown in income from investments.

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	164.6
Property, plant, and equipment	1.3
Trade receivables	8.6
Other assets	2.2
Cash and cash equivalents	27.8
Trade payables	–0.6
Provisions and other liabilities	–5.5
Deferred tax liabilities	–65.8
Net assets	**132.6**
Share of non-controlling interests in net assets	4.6
Acquisition cost (preliminary)	356.0
Goodwill (preliminary)	**228.0**

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

Of the intangible assets acquired, intangible assets with carrying amounts of € 159.1 million have indefinite useful lives. The non-tax-deductible goodwill is above all attributable to inseparable values such as employee expertise, expected synergy effects from the integration and the strategic advantages resulting from the leading market position of the company and its digital reach, and was allocated to the Paid Models segment.

The gross amount of the acquired trade account receivables was € 8.8 million. Corresponding valuation allowances in the amount of € 0.1 million were recorded.

Since first inclusion as of October 30, 2015, Business Insider contributed to consolidated revenues in the amount of € 9.4 million and to consolidated net income in the amount of € – 1.1 million. If Business Insider had already been fully consolidated at January 1, 2015, it would have contributed to consolidated revenues in the amount of € 38.5 million and to consolidated net income in the amount of € – 10.8 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, Praxis SARL, Chambéry, France, Aan Zee "Gezellige Vakantiehuizen" B.V., Bergen, Netherlands, and Villa XL B.V., Bergen, Netherlands. Furthermore, we purchased 70 % of the shares in Saknai Net Ltd., Tel Aviv, Israel, a further 57.9 % of the shares in NARKS INFOSERVIS, a.s., Bratislava, Slovakia, 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 € 141.2 million and contained besides the purchase prices paid also contingent considerations totaling € 21.4 million as well as the fair value of the shares held prior to gaining control amounting to € 14.5 million. A profit of € 10.7 million from the fair value measurement 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.

Due to the closeness in time to the publication of these financial statements, 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	63.8
Property, plant, and equipment	1.1
Trade receivables	13.1
Other assets	1.1
Deferred tax assets	0.5
Cash and cash equivalents	13.0
Trade payables	–10.0
Financial liabilities	–0.2
Provisions and other liabilities	–12.2
Deferred tax liabilities	–16.2
Net assets	**54.0**
Acquisition cost (preliminary)	141.2
Goodwill (preliminary)	**87.2**

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 closeness in time to the balance sheet date.

Of the intangible assets acquired, intangible assets with carrying amounts of € 22.6 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 (€ 43.0 million), Classified Ad Models (€ 34.9 million) and Paid Models (€ 9.3 million) segments.

Since their respective initial consolidations, these companies contributed to consolidated revenues 2015 in the amount of € 41.9 million and to consolidated net income 2015 in the amount of € – 5.1 million. If these acquisitions had already been finalized at January 1, 2015, consolidated revenues 2015 would have changed by € 59.1 million and consolidated net income 2015 by € – 11.0 million.

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, 90 % of the shares in Shop Now GmbH, Berlin, as well as 100 % of the shares in "Axel Springer Russia" Geschlossene Aktiengesellschaft, Moscow, Russia. 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 € 12.4 million. The following table shows the carrying amounts of the assets and liabilities disposed of:

€ millions	Carrying amount
Goodwill	11.1
Intangible assets	3.4
Property, plant, and equipment	0.6
Non-current financial assets	0.1
Trade receivables	24.6
Other assets	12.7
Deferred tax assets	1.1
Cash and cash equivalents	1.1
Trade payables	–12.1
Provisions and liabilities	–17.9
Deferred tax liabilities	–3.1
Disposal net assets	**21.6**
Share of non-controlling interests in net assets	4.9
Cumulative translation differences	–1.1
Selling price	30.2
Gain on disposal	**12.4**

In December 2015, Axel Springer increased its share in **Axel Springer Digital Classifieds GmbH** from 85 % to 100 %. 8,955,311 new Axel Springer shares were issued as consideration for the acquisition of the minority shareholding that was previously held by General Atlantic. The value of the shareholding taken over totaled € 462.9 million; subscribed capital was increased by € 9.0 million, the resulting premium in the amount of € 453.9 million was assigned to additional paid-in capital. The proportion of net assets attributable to non-controlling interests of Axel Springer Digital Classifieds was reduced by € 109.7 million. The accumulated retained earnings attributable to shareholders of Axel Springer SE fell by € 367.0 million, and the other accumulated comprehensive income increased by € 13.9 million.

Additional transactions carried out in the reporting period, as well as finalizations of purchase price allocations arising from acquisitions of companies in the prior year, had no material effects individually and collectively on the financial position, liquidity, and financial performance of the Axel Springer Group.

In September, Ringier and Axel Springer decided upon the establishment of a further **joint venture company in Switzerland**. On the one hand, Ringier contributes 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 contributes Axel Springer Schweiz, which combines all business of Axel Springer SE in Switzerland. The transaction was finalized in January 2016.

The carrying amounts of the assets and liabilities of Axel Springer Schweiz to be contributed into the joint venture at the beginning of 2016 were classified as held for sale as of the reporting date and were comprised of as follows as of December 31, 2015:

€ millions	Carrying amount
Goodwill	62.3
Other intangible assets	88.1
Property, plant, and equipment	4.0
Non-current financial assets	0.3
Deferred tax assets	9.0
Inventories	0.4
Other assets	10.1
Cash and cash equivalents	4.6
Assets held for sale	**178.8**
Provisions for pensions	20.3
Other liabilities	41.3
Deferred tax liabilities	10.8
Liabilities related to assets held for sale	**72.4**

With regard to Axel Springer Schweiz, accumulated other comprehensive income from currency translation related to assets and liabilities held for sale amounted to € 40.5 million; other accumulated other comprehensive income from currency translation related to assets and liabilities held for sale amounted to € – 5.1 million.

Furthermore, in connection with the contractually agreed sale of our shareholding in **Automotive Exchange Private Limited**, Mumbai, India, (CarWale), assets amounting to € 20.8 million (thereof € 11.0 million goodwill) and liabilities amounting to € 20.7 million were classified as held for sale as of the reporting date. The transaction was completed in January 2016. The preliminary purchase price (after deduction of taxes) totaled € 64.2 million. Accumulated other comprehensive income regarding unrealized gains from currency translation related to assets and liabilities held for sale amounted to € 2.2 million.

Acquisitions and divestitures in the prior year:

To broaden our activities in the women's portals sector, in January 2014 we acquired 60 % of the shares in **My Little Paris S.A.S.**, Paris, France, and 100 % of the shares in **Merci Alfred S.A.S.**, Paris, France via the aufeminin Group. Reciprocal call and put options were agreed upon for the remaining 40 % of the shares in My Little Paris, in which the purchase price to be paid has not been contractually limited and will be measured by the future corporate earnings of My Little Paris.

The acquisition costs amounted to € 59.6 million and consisted of the purchase price of € 21.1 million paid in 2014, the payment of a liability assumed in the amount of € 0.6 million, and a contingent purchase price liability in the amount of € 37.9 million for the agreed option rights, which was recorded on the acquisition date. The acquisition-related expenses recorded in other operating expenses of the reporting year 2014 amounted to € 0.2 million.

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

€ millions	**Carrying amount after acquisition**
Intangible assets	16.8
Property, plant, and equipment	0.1
Non-current financial assets	0.1
Trade receivables	4.2
Other assets	1.4
Cash and cash equivalents	3.4
Provisions and liabilities	–3.9
Trade payables	–1.6
Deferred tax liabilities	–5.8
Net assets	**14.7**
Acquisition cost	59.6
Goodwill	**44.9**

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

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

Since first inclusion as of January 1, 2014, My Little Paris and Merci Alfred contributed to 2014 consolidated revenues in the amount of € 22.7 million and to 2014 consolidated net income in the amount of € 2.9 million.

At the end of February 2014, we acquired 100 % of the shares in N24 Media GmbH, Berlin, and thus obtained control over the **N24 Group**. The acquisition represents an additional strategic investment towards digitalization of journalism. The news station N24 will become a centralized supplier of video for all Axel Springer brands. At the same time, N24 and the WELT Group were merged in the newly-established WeltN24 as of January 1, 2015.

The acquisition costs in the amount of the purchase price paid in 2014 came to € 116.7 million. The acquisition-related expenses recorded in other operating expenses of the reporting year 2014 amounted to € 0.3 million.

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

€ millions	Carrying amount after acquisition
Intangible assets	42.1
Property, plant, and equipment	3.9
Non-current financial assets	4.8
Trade receivables	7.5
Other assets	7.1
Cash and cash equivalents	31.8
Provisions and liabilities	–25.1
Trade payables	–8.5
Deferred tax liabilities	–12.4
Net assets	**51.4**
Acquisition cost	116.7
Goodwill	**65.3**

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

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

Since first inclusion as of February 28, 2014 N24 contributed to 2014 consolidated revenues in the amount of € 70.2 million and to 2014 consolidated net income in the amount of € 2.9 million. If N24 had already been fully consolidated on January 1, 2014, N24 would have contributed to 2014 consolidated revenues in the amount of € 83.2 million and to 2014 consolidated net income in the amount of € 2.5 million.

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

The acquisition costs amounted to € 170.1 million and consisted of the purchase price paid in 2014. The acquisition-related expenses recorded in other operating expenses of the reporting year 2014 amounted to € 0.4 million.

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

€ millions	Carrying amount after acquisition
Intangible assets	78.4
Property, plant, and equipment	0.2
Non-current financial assets	1.6
Trade receivables	5.2
Other assets	0.5
Cash and cash equivalents	6.0
Provisions and liabilities	–8.4
Trade payables	–0.5
Deferred tax liabilities	–21.1
Net assets	**61.9**
Acquisition cost	170.1
Goodwill	**108.2**

Of the intangible assets acquired, intangible assets with carrying amounts of € 47.3 million have indefinite useful lives. The non-tax-deductible goodwill is above all attributable to inseparable values such as employee expertise, expected synergy effects from the integration and the strategic advantages resulting from the leading market position of the acquired company, and was allocated to the Classified Ad Models segment.

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

Since first inclusion as of May 20, 2014 Coral-Tell contributed to 2014 consolidated revenues in the amount of € 11.2 million and to 2014 consolidated net income in the amount of € 3.4 million. If Coral-Tell had already been fully consolidated on January 1, 2014, Coral-Tell would have contributed to 2014 consolidated revenues in the amount of € 17.4 million and to 2014 consolidated net income in the amount of € 4.2 million.

To broaden our activities in the online classifieds sector, we acquired 51 % of the shares in **Car & Boat Media S.A.S.**, Paris, France, at the end of July 2014. With LaCentrale.fr the company particularly operates the leading specialized classifieds ad portal for used cars in France as well as other portals in the car and boat sector. Reciprocal call and put options were agreed upon for the remaining 49 % of the shares, in which the purchase price to be paid will be measured by the future corporate earnings of Car & Boat Media and has not been contractually limited. The acquisition was carried out by Axel Springer Digital Classifieds.

The acquisition costs amounted to € 153.2 million and consisted of the purchase price paid in 2014 in the amount of € 72.9 million, and a contingent purchase price liability in the value of € 80.3 million for the agreed option rights, which was recorded on the acquisition date. The acquisition-related expenses recorded in other operating expenses of the reporting year 2014 amounted to € 0.5 million.

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

€ millions	**Carrying amount after acquisition**
Intangible assets	81.4
Property, plant, and equipment	0.7
Trade receivables	8.6
Other assets	2.5
Cash and cash equivalents	3.2
Provisions and liabilities	–9.8
Trade payables	–3.5
Deferred tax liabilities	–26.6
Net assets	**56.6**
Acquisition cost	153.2
Goodwill	**96.6**

Of the intangible assets acquired, intangible assets with carrying amounts of € 38.8 million have indefinite useful lives. The non-tax-deductible goodwill is above all attributable to inseparable values such as employee expertise, expected synergy effects from the integration and the strategic advantages resulting from the leading market position of the acquired company, and was allocated to the Classified Ad Models segment.

The gross amount of the acquired trade account receivables was € 9.7 million. Corresponding valuation allowances in the amount of € 1.1 million were recorded.

Since first inclusion, Car & Boat Media contributed to 2014 consolidated revenues in the amount of € 21.3 million and to 2014 consolidated net income in the amount of € 4.0 million. If Car & Boat Media had already been fully consolidated on January 1, 2014, Car & Boat Media would have contributed to 2014 consolidated revenues in the amount of € 50.4 million and to 2014 consolidated net income in the amount of € 9.1 million.

To broaden our activities in the online classifieds sector, we acquired 100 % of the shares in **Evenbase Recruitment Ltd.**, Havant, Great Britain via the StepStone Group at the end of October 2014. Evenbase Recruitment Ltd. operates the job website jobsite.co.uk along with brands such as CityJobs.com and eMedcareers.com.

The acquisition costs amounted to € 114.4 million and consisted of the purchase price paid in 2014. The acquisition-related expenses recorded in other operating expenses of the reporting year 2014 amounted to € 2.3 million.

The acquisition costs were assigned to the purchased assets and liabilities based on the preliminary purchase price allocation as of December 31, 2014 as of the acquisition date as follows:

€ millions	Carrying amount after acquisition
Intangible assets	56.5
Property, plant, and equipment	1.3
Trade receivables	4.3
Other assets	7.2
Provisions and liabilities	–4.3
Trade payables	–1.7
Deferred tax liabilities	–10.7
Net assets	**52.6**
Acquisition cost (preliminary)	114.4
Goodwill (preliminary)	**61.8**

Of the intangible assets acquired, intangible assets with carrying amounts of € 32.6 million have indefinite useful lives. The non-tax-deductible goodwill is above all attributable to inseparable values such as employee expertise, expected synergy effects from the integration and the strategic advantages resulting from the leading market position of the acquired company, and was allocated to the Classified Ad Models segment.

The gross amount of the acquired trade account receivables was € 4.4 million. Corresponding valuation allowances in the amount of € 0.1 million were recorded.

Since first inclusion as of October 31, 2014 Evenbase contributed to 2014 consolidated revenues in the amount of € 6.1 million and to 2014 consolidated net income in the amount of € 1.1 million. If Evenbase had already been fully consolidated on January 1, 2014, Evenbase would have contributed to 2014 consolidated revenues in the amount of € 38.7 million and to 2014 consolidated net income in the amount of € 7.7 million.

The other business combinations finalized in the year 2014 included the acquisition of Skapiec Sp. z o.o. (80 %) and Opineo Sp. z o.o. (80 %), Vertical Media GmbH (88 %), ImmoSolve GmbH (51 %), MeinProspekt GmbH (100 %), WEBIMM SAS (65 %) and Blikk Kft. 100 %). These acquisitions were generally carried out in the context of our strategy to become the leading digital publisher and individually had no major effects on the financial position, liquidity, and financial performance of the Axel Springer Group during the 2014 financial year.

In addition to the purchase prices paid in 2014, the acquisition costs of these company acquisitions totaling € 40.3 million, also contained contingent purchase price liabilities in the amount of € 5.7 million. The acquisition-related expenses recorded in other operating expenses for the year 2014 amounted to € 1.5 million.

The contingent consideration resulted from option rights for the acquisition of the remaining shares in the companies. They were measured on the basis of the current fair value of the options on the acquisition date. The current fair value predominantly depends on earnings performance of the acquired companies in the years prior to possible exercise dates of the options.

Based on the purchase price allocations, the cumulative acquisition costs were allocated to the purchased assets and liabilities at the respective acquisition dates as follows:

€ millions	**Carrying amount after acquisition**
Intangible assets	25.1
Property, plant, and equipment	0.2
Non-current financial assets	0.0
Trade receivables	2.1
Other assets	1.1
Cash and cash equivalents	4.0
Provisions and liabilities	−3.6
Deferred tax liabilities	−6.1
Net assets	**22.9**
Share of non-controlling interests in net assets	5.2
Acquisition cost	40.3
Goodwill	**22.6**

Of the intangible assets acquired in these acquisitions, intangible assets with carrying amounts of € 14.8 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 is assigned to the Paid Models (€ 8.8 million), Marketing Models (€ 8.7 million), and Classified Ad Models (€ 5.2 million) segments.

Since their respective initial consolidation, these companies have contributed to 2014 consolidated revenues in the amount of € 8.6 million and to 2014 consolidated net income in the amount of € 1.5 million. If the acquisitions had already been finalized on January 1, 2014, 2014 consolidated revenues would have increased by € 13.9 million, and 2014 consolidated net income by € 2.8 million.

In December 2014, Axel Springer increased its share in **Axel Springer Digital Classifieds GmbH** from 70 % to 85 % with a cash payment in the amount of € 446 million. The proportion of the net assets of Axel Springer Digital Classifieds which is attributable to non-controlling shareholders was reduced by € 85.0 million. The equity of Axel Springer SE which is attributable to shareholders was reduced by € 362.6 million, and the other accumulated equity was increased by € 1.5 million.

Additional transactions carried out in fiscal year 2014, as well as finalizations of purchase price allocations arising from company acquisitions in the previous year, had no material effects individually or collectively on the financial position, liquidity, and financial performance of the group.

(d) 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. After taking the purchase price adjustment into consideration, a purchase price of € 876.5 million was taken as a basis which, inter alia, takes into account that the purchaser has assumed net liabilities. The purchase price, amounting to € 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. The tax burden associated with the sale 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 the Klambt Mediengruppe company, up to an amount of € 51.0 million (value as of December 31, 2015: € 34.6 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 and reflected particularly the net assets transferred to the buyer.

The assets and liabilities of the sold operations as of 31 December 2014 are shown in the following table:

€ millions	2014
Goodwill	41.1
Other intangible assets	86.5
Property, plant, and equipment	21.5
Non-current financial assets	5.9
Deferred tax assets	3.2
Inventories	2.5
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	**136.4**
Cumulative translation differences	6.6
Net realizable value after deduction of contractual guarantees	1,040.4
Gain on disposal before taxes	**897.4**
Income taxes	–248.3
Gain on disposal after taxes	**649.2**

The results of the discontinued operations are as follows:

Mio. €	2015	2014
Revenues	0.0	181.3
Other operating income	0.0	2.8
Expenses	0.0	–155.7
Operating result from discontinued operations (before taxes)	**0.0**	**28.4**
Income taxes	0.0	–9.1
Operating result from discontinued operations (after taxes)	**0.0**	**19.3**
Impairment loss due to remeasurement to fair value less costs to sell	**0.0**	**0.0**
Gain on disposal of discontinued operations before taxes	4.1	897.4
Taxes on the gain on disposal	–1.3	–248.3
Gain on disposal of discontinued operations after taxes	**2.8**	**649.2**
Income from discontinued operations	**2.8**	**668.4**
Thereof attributable to shareholders of Axel Springer SE	2.8	630.7
Thereof attributable to non-controlling interests	0.0	37.7

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

€ millions	2015	2014
Cash flow from operating activities	0.0	21.5
Cash flow from investing activities	–8.1	533.5
Cash flow from financing activities	0.0	0.0

(e) Translation of separate financial statements denominated in foreign currency

Assets and liabilities of subsidiaries for which the functional currency is not the euro have been translated at the exchange rate in effect on the reporting date. Goodwills and fair value adjustments of assets and liabilities related to the acquisition of companies outside the European Monetary Union are assigned to the acquired company and accordingly translated at the exchange rate in effect on the reporting date.

Items of the income statement of these subsidiaries have been translated at the weighted average exchange rate for the year. Equity components have been translated at the historical exchange rate at the date of origination. Foreign exchange differences resulting from the translation have been recognized within accumulated other comprehensive income and/or non-controlling interests.

The exchange rates to the euro of foreign currencies that are significant for the Axel Springer Group underwent the following changes in the past year:

1 € in foreign currency	Average price		Exchange rate on balance sheet date	
	2015	2014	12/31/2015	12/31/2014
Polish zloty	4.18	4.18	4.27	4.32
Swiss franc	1.07	1.21	1.08	1.20
US-Dollar	1.11	1.33	1.09	1.22
Hungarian forint	309.90	308.60	315.46	315.31
British pound	0.72	0.81	0.73	0.78

(3) *Explanation of significant accounting and valuation methods*

(a) *Basic Principles*

The accounting and valuation principles applied uniformly across the Axel Springer Group in fiscal year 2015 are basically the same as those applied in the previous year.

For information on the accounting and valuation methods resulting from new or revised IFRS Standards and IFRS IC Interpretations, please refer to note (3q).

(b) *Recognition of income and expenses*

The Axel Springer Group mainly generates circulation and advertising revenues. Revenues are recognized at the time when the significant risks of ownership have passed to the buyer/the services have been rendered, the amount of revenue can be reliably measured, and it is sufficiently probable that the economic benefits will flow to the enterprise. Revenues are stated net of any discounts allowed. Revenues from services rendered over a certain period in an indefinite number of transactions are recognized on a straight-line basis over the contractual term.

Circulation revenues encompass the sales of newspapers and magazines to retailers, wholesalers, and subscribers. Revenue is not recognized for that portion of products sold, which can be expected, on the basis of historical experience, to be returned. Additionally, circulation revenues comprise the sale of digital applications and formats.

The advertising revenues encompass revenues from sales of advertising spaces in the published newspapers and magazines and the revenues generated in the categories of display, affiliate marketing, online classifieds, and search.

Where significant risks and rewards of business activities do not lie with the Axel Springer Group or the income is collected in the interest of third parties, only the corresponding commission income or proportion of revenue accruing to the Axel Springer Group are recognized as revenues.

Offers that contain multiple service components are separated for purposes of revenue recognition when the delivered components have an independent benefit and the market values of goods not yet delivered or services not yet performed can be determined objectively. The total remuneration for these offers is distributed in principle among the individual service components in such a way that the service components still to be provided are allocated remuneration in the amount of their fair value, and then the service components already provided are allocated the remaining remuneration in proportion to their fair values.

Revenues from barter transactions are recognized if the goods or services exchanged are dissimilar and the amount of revenue can be measured reliably. Revenues are measured at the fair value of services received. If the fair value of the service received under barter transactions cannot be measured reliably, the fair value is determined on the basis of the service rendered.

Other income is recognized when the future inflow of economic benefits from the transaction can be measured reliably and was received by the company during the reporting period.

Operating expenses are recognized either when the corresponding goods or services are sold or rendered, or at the time of their origination.

Interest expenses and income are recognized on an accrual basis in the period of their occurrence. Interest expenses incurred in connection with the acquisition and production of qualified assets are capitalized as assets in the financial statements. Dividend income is recognized when the legal entitlement is constituted.

(c) Intangible assets

Internally generated intangible assets are measured as the sum of costs incurred in the development phase from the time when the technical and economic feasibility has been demonstrated until the time when the intangible asset has been completed. The capitalized production costs include all costs that are directly or indirectly allocable to the development phase. Costs for the self-development of websites are capitalized only when the website directly serves the generation of revenues. Purchased intangible assets are measured at cost.

Internally generated and purchased intangible assets that have a determinable useful life are amortized over their expected useful lives using the straight-line method, starting from the time when they become available for use by the enterprise, as follows:

	Useful life in years
Software	3 – 8
Licenses	3 – 10
Supply rights	3 – 6
Internet platform	3 – 8
Customer relationships	3 – 17

Intangible assets with an indefinite useful life, which include goodwill, title rights, and brand rights, are not amortized. At present, the use of these assets by the company is not limited by any economic or legal restrictions.

(d) Property, plant, and equipment

Property, plant, and equipment are measured at cost and depreciated over their expected useful lives using the straight-line method. Any gains or losses on the disposal of property, plant, and equipment are recognized as other operating income or expenses.

Leased assets whose economic benefits are attributable to Axel Springer are recognized and measured at the present value of the minimum future lease payments or the lower fair value of the leased asset and depreciated by the straight-line method over the minimum contract term, taking any existing residual value into consideration. When it is reasonably certain that ownership will pass to Axel Springer at the end of the lease period, such assets are depreciated over their useful lives. The present value of the payment obligations associated with the minimum future lease payments is recognized as a liability.

For depreciation purposes, the following useful lives are applied for property, plant, and equipment:

	Useful life in years
Buildings	30 – 50
Leased buildings	19 – 20
Leasehold improvements	5 – 15
Printing machines	12 – 20
Editing systems	3 – 7
Other operational and business equipment	3 – 14

Capital investment subsidies and bonuses granted by the government are recognized when it is reasonably certain that the subsidies will be granted and the related terms and conditions will be fulfilled. Bonuses and subsidies granted for the acquisition or construction of property, plant and equipment are recognized in a deferred income item within other liabilities. In subsequent periods, the deferred income item is released and recognized as income over the useful life of the corresponding assets.

(e) Investment property

Investment property intended for lease to third parties is measured at amortized cost. Such property is depreciated over a useful life of 50 years using the straight-line method. For leased assets whose economic benefits are attributable to Axel Springer, see note (3d).

(f) Recognition of impairment losses in intangible assets, in property, plant, and equipment, and in investment property

Impairment losses are recognized in intangible assets, in property, plant, and equipment, and in investment property when as a result of certain events or changed circumstances, the carrying amount of the assets is no longer covered by the recoverable amount, i.e. the higher of the fair value less cost of disposal ("net realizable value"), and the value in use. If it is not possible to determine the recoverable amount of an individual asset, the determination of the recoverable amount is carried out at the cash generating unit level, or in the group of cash generating units (each one a "reporting unit") to which the asset belongs.

Goodwill and intangibles with indefinite useful lives which are acquired in the context of business combinations, are not subject to amortization, and shall be tested at least once annually for impairment. In order to carry out the impairment tests, these assets are assigned to those reporting units that can be expected to profit from the synergies of the business combinations. These reporting units represent the lowest level at which these assets are monitored for management purposes. They generally correspond to individual titles and digital media of the Axel Springer Group. In the case of integrated business models, individual titles and digital media are summed up in a single reporting unit.

If the carrying amount exceeds the recoverable amount, this results in an impairment loss. For reporting units, the goodwill is initially reduced, and an additional impairment loss is allocated pro rata to the carrying amounts of the other assets of the reporting unit.

As a basic principle, the recoverable amount is initially determined based on the value in use. The net realizable value is additionally determined when the value in use is less than the carrying amount. The net realizable value corresponds to the amount reduced by the selling costs, which can be achieved on commercial terms through the sale of an asset or reporting unit. As quoted prices are not observable, as a general rule, the net realizable value is determined as the present value of future cash flows, which are derived from the medium-term planning and from the point of view of an independent third party. Thus, the valuation is based on unobservable input factors (Level 3, see note (3g)).

The determination of the value in use is taking into consideration the further use within the Group and is based on the estimated future cash flows, which are derived from the medium-term planning. Expenses of the group's central operations are also taken into account. Basically, the planning horizon for the medium-term planning is five years. However, the values in use are primarily determined by the terminal value. The amount of the terminal value depends on the forecasted cash flow in the fifth year of medium-term planning, on the growth rate of the cash flows subsequent to the medium-term planning, and on the discount rate. The cash flows to be received after the five-year period are extrapolated on the assumption of a growth rate, which is derived from the assumed average market or industry growth rate of the reporting unit.

The discount rates for every business unit are determined with reference to the weighted average costs of capital and costs of debt of comparable companies. In this respect, country-specific risk premiums and tax rates are taken into account.

Estimation uncertainties arise in the following assumptions applied in the calculations:

- Medium-term planning: The medium-term planning is determined on the basis of past historical values, and factors in business-segment-specific expectations about future market growth. Here, we assume that cash flows in the electronic media sector will usually exhibit higher growth rates than in the print sector.

- Discount rates: Based on the average weighted capital costs of the sector in question, the discount rates of the reporting units also consider country-specific risks, which reflect the current market estimates.

- Growth rates: The growth rates are determined on the basis of published market research reports for the sectors in question. In estimating the long-term growth rates with regard to the determination of the value in use, due consideration was given to the compensatory effects between the different business lines, based on the adopted strategy of the Group.

Impairment losses are reversed when the recoverable amount exceeds the carrying amount of an asset or a reporting unit, due to changes in the estimates upon which the measurement is based. The reversal is limited to the amount that would have resulted if previous impairment losses had not been recognized. A recognized impairment loss in goodwill is never reversed.

(g) Financial assets and liabilities

Financial assets are mainly composed of cash and cash equivalents, trade receivables, receivables from related parties, loans, investments, securities, and financial derivatives with positive market values. Financial liabilities are mainly composed of trade payables, liabilities due to related parties, liabilities due to banks, promissory notes, contingent consideration, and financial derivatives with negative market values.

The initial recognition and derecognition of financial instruments coincide with the settlement dates of customary market purchases and sales of financial assets.

A financial asset is derecognized when the contractual rights to the cash flows from the financial asset have expired or have been transferred to third parties, or when the Group has assumed a contractual obligation to pay the cash flows to a third party, under which the risks and rewards or the power of control were transferred. A financial liability is derecognized when the obligation underlying the liability is settled or annulled, or has expired.

For financial assets and financial liabilities which need to be measured at fair value, we apply the following valuation hierarchy. Hereby, the input factors used in the valuation models are categorized into three levels:

- Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities (e.g., stock market prices).

- Level 2: Input factors other than prices quoted in Level 1, which are observable for the asset or the liability, either directly or indirectly (e.g., interest yield curves, forward rates).

- Level 3: Input factors which are not observable on a market for the asset or the liability (e.g. estimated future results)

When determining the fair value, the application of relevant and observable input factors is given high priority, whereas the application of non-observable input factors is given less priority. The classification of the valuation models into the respective valuation hierarchy levels is monitored at the end of each reporting period.

Investments and securities

Investments that have not been consolidated or accounted for using the equity method in the consolidated financial statements, as well as securities, are measured at fair value if it can be determined reliably on the basis of stock exchange or market prices and generally accepted valuation methods, respectively. Otherwise, they are measured at amortized cost. The valuation methods employed include especially the discounted cash flow method (DCF method) based on the expected investment income. We assume that the fair value of investments and securities is not reliably measurable when either material valuation differences appear in estimating fair values based on projections and scenarios, or when the likelihood of such projections and scenarios cannot be reliably determined. Any unrealized gains or losses resulting from the changes in fair value of the financial assets and liabilities, considering resulting tax effects, are recognized in accumulated other comprehensive income. Changes in fair value are not recognized in profit or loss until the corresponding non-current financial assets are sold or an impairment loss is recognized.

The carrying amounts of investments and securities are reviewed on every reporting date to determine whether there are objective indications of an impairment. This is ensured, for example, if the issuer has considerable financial difficulties. If an impairment is found to exist, an impairment loss is recognized in profit or loss.

Loans, receivables, and other financial assets

Upon initial recognition, loans, receivables, and other financial assets are measured at fair value plus transaction costs. In subsequent periods, they are measured at amortized cost, after deduction of any write-downs, using the effective interest method. A write-down is taken when objective indications suggest that the receivable may not be fully collectible. Such an indication might be the insolvency or other considerable financial problems of the debtor, for example. The amount of the write-down is measured as the difference between the carrying amount of the receivable and the present value of the estimated future cash flows from this receivable, discounted by application of the effective interest rate. Write-downs are charged against income both in the form of an account for allowances on doubtful accounts and by means of direct write-downs. The account for allowances on doubtful accounts is used, in particular, for allowances on doubtful trade receivables and receivables due from related parties. If in subsequent periods the fair value has objectively risen, the write-downs are reversed and recognized in income in the appropriate amounts.

Financial derivatives

Financial derivatives are utilized to hedge against currency and interest rate risks that have an influence on future cash flows. These are stated at their current market value. The valuation is based on observable parameters, using recognized valuation methods, and is particularly influenced by the development of forward rates or yield curves. If the conditions for the application of hedge accounting are met, changes in the fair values, including the tax effects, are recognized directly in equity as accumulated other comprehensive income. The amounts recognized in accumulated other comprehensive income are recycled when the underlying transaction is recognized on the balance sheet or income statement. The changes in the fair value of derivatives that do not meet the conditions for the application of hedge accounting, despite their economic hedging effect, are measured at fair value through profit and loss. Furthermore, financial derivatives are used to cover the risk of impairments of investments and securities. When the underlying financial assets are recognized at amortized costs because their fair values are not reliably measurable, the financial derivative is recognized at amortized costs as well.

Contingent consideration

Contingent consideration arising from options written over non-controlling interests and earn-out agreements in connection with business combinations and the acquisition of non-controlling interests are recognized at fair value. To the extent it can be reliably measured, this value is derived from the estimated profit trends of the acquired companies in the years prior to the possible exercise dates of the options or the payment dates of the earn-outs. In the subsequent periods, changes in the fair value are recognized immediately in income. The discount rates are determined on the basis of the Group's cost of debt.

The earnings used as a basis for measurement are generally EBITDA figures adjusted for material non-recurring effects.

Other financial liabilities

Upon initial recognition, other non-derivative financial liabilities are measured at fair value less transaction costs. In subsequent periods, they are principally measured at amortized cost using the effective interest method. Liabilities arising from put options written over non-controlling interests, which are not recognized as contingent consideration, are measured at the present value of the redemption amount through profit or loss.

(h) Inventories
Inventories are measured at cost. Purchase costs are determined on the basis of a weighted average value. Production costs include all costs directly related to the units of production and production-related overhead costs. Inventories are measured at the reporting date at the lower of the purchase or production cost and the net realizable value. The net realizable value is the estimated selling price less estimated costs to be incurred until the sale. The net realizable value of goods and services in progress is calculated as the net realizable value of finished goods and services less remaining costs of completion. Impairments are reversed whenever the reasons justifying an earlier write-down no longer exist.

(i) Assets held for sale and discontinued operations
Assets are classified as for sale when their disposal has been initiated, the sale of such is highly probable and the asset or disposal group is available for immediate sale in its present condition. The non-current assets held for sale are measured at the lower of the carrying amount or the fair value less costs to sell. Depreciation is no longer applied to these assets. Liabilities that are held in connection with assets held for sale are disclosed likewise separately in the balance sheet as a current item.

Discontinued operations represent a material geographical or operational line of business of the Group that is available for sale.

The results from continued operations in the fiscal year and the prior year are shown in the income statement. The results from discontinued operations are shown separately. Cash inflows and cash outflows from discontinued operations are shown separately in the notes to the consolidated financial statements. The information in the notes relates to the continued operations of the Group.

(j) Pension provisions
Pension obligations under defined benefit plans are determined using the projected unit credit method under which future changes in compensation and benefits are taken into account. In order to calculate the pension provisions, the present value of the obligations is netted against the fair value of the plan assets.

The expected life spans of the participants are determined with reference to the country-specific recognized actuarial tables. The present value of the defined benefit commitments is determined by discounting the estimated future cash outflows. The discount rate applied for this purpose is determined with reference to high-quality AA-rated corporate bonds that match the underlying pension obligations with respect to currency and maturity. If corporate bonds with matching terms do not exist, then the yields of these bonds at the balance sheet date are adjusted along the yield curve for fixed-interest government bonds using a constant spread over the term of the underlying pension obligations.

The return underlying the measurement of the plan assets is identical to the discount rate for defined benefit commitments.

Actuarial gains and losses resulting from changes in actuarial parameters are offset against accumulated other comprehensive income without affecting net income.

(k) Other provisions and accrued liabilities
Other provisions have been formed to account for all discernible legal and constructive obligations to third parties, provided that the settlement of the obligation is probable and the amount of the obligation can be reliably estimated. The amount of each provision corresponds to the expected settlement amount. In the case of long-term provisions, the expected settlement amount is discounted to the present value at the reporting date by application of appropriate market rates of interest. Provisions are recognized for restructuring expenses only when the intended measures have been sufficiently concretized and announced on or before the reporting date.

(l) Deferred taxes
Deferred taxes are recognized to account for the future tax effects of temporary differences between the tax bases of assets and liabilities and the carrying amounts of those assets and liabilities in the consolidated financial

statements, and for interest and tax loss carry-forwards. Deferred taxes are measured on the basis of the tax laws already enacted for those fiscal years in which it is probable that the differences will reverse or the tax loss carry-forwards can be utilized. Deferred tax assets are recognized for temporary differences or interest and tax loss carry-forwards only when the ability to utilize them in the near future appears to be reasonably certain. Deferred taxes are recognized for temporary differences resulting from the fair value measurement of assets and liabilities obtained through business combinations. Deferred taxes are recognized for temporary differences relating to goodwill only when the goodwill can be utilized for tax purposes. Deferred tax assets and liabilities of tax groups are netted if they are based on the same kind of income taxes; otherwise, they are netted only if the deferred taxes are based on the income taxes levied by the same tax authority and only when current taxes can be netted as well.

(m) Treasury shares

Treasury shares are measured at cost and are charged directly to equity.

(n) Share-based payment programs

As part of performance-based remuneration programs, Axel Springer Group grants equity-settled and cash-settled share-based payment programs. The compensation components to be recognized as expenses over the vesting period are measured as the fair value of the options granted at the time when they were granted (in case of equity-settled programs) or at the reporting date (in case of cash-settled programs). The fair values are determined on the basis of generally accepted option pricing models. The corresponding amount is recognized in the additional paid-in capital (in the case of equity-settled programs) or as provisions/liabilities (in the case of cash-settled programs). Additions to liabilities or provisions are recognized in personnel expenses; reversals are accounted for in other operating income.

(o) Transactions in foreign currencies

Purchases and sales in foreign currencies are translated at the exchange rate on the date of the transaction. Assets and liabilities in foreign currencies are translated into the functional currency at the exchange rate on the reporting date. Any foreign exchange gains or losses resulting from such translations are recognized in income.

(p) Estimates and assumptions

The preparation of financial statements requires estimates and assumptions, as well as judgements, which can have an impact on the amount and presentation of assets and liabilities, income and expenses and contingent liabilities. Estimates and assumptions are regularly reviewed and adjusted if necessary. Nevertheless, they may differ from the actual values. Estimates and assumptions which are affected by uncertainty are associated in particular with impairment testing of goodwill and intangible assets with indefinite useful lives (see note (3f)), purchase price allocations (see note (2c)) and assessing contingent consideration (see note (3g)), setting actuarial parameters in the context of the valuation of pension obligations (see note (3j)), determining the amount of deferred tax assets to be capitalized (see note (3l)), determining fair values of financial assets (see note (3g)), accounting for other provisions (see note (3k)), assessing share-based compensation programs (see note (3n)), and the determination of the useful lives of intangible assets (see note (3c)) and property (see note (3d)). Information concerning the carrying amounts, which are based on estimates and assumptions, can be found in the comments on the specific line items.

(q) New accounting standards

In fiscal year 2015, no material changes resulted for Axel Springer from IFRS Standards or IFRIC Interpretations to be applied for the first time.

The following IFRSs have already been published, but not yet applied.

With the publication of the final version of IFRS 9 “Financial Instruments” in July 2014, the IASB completed its project for replacing IAS 39 “Financial Instruments: Recognition and Measurement”. IFRS 9 provides a standardized approach for classification and evaluation of financial assets and liabilities which is primarily based on the company's business model and the cash flows of the financial instrument. Furthermore, IFRS 9 contains a new depreciation model which also demands the recording of expected losses in addition to incurred losses. Finally, IFRS 9 also contains new guidelines for the use of hedge accounting, targeted in particular at better illustration of the risk management activities of a company and the monitoring of non-financial risks. IFRS 9 is to be applied to fiscal years starting on or after January 1, 2018. Early application is permitted. The EU endorsement of IFRS 9 is still pending. Regarding the effects of the application of the new standard, we currently do not expect any major changes in the presentation and recognition of financial assets and liabilities.

In May 2014, the IASB published the new standard for revenue recognition, IFRS 15 “Revenue from Contracts with Customers”, which will completely replace the existing regulations for the recognition of revenue, including related interpretations, in accordance with IAS 18 “Revenue” and IAS 11 “Construction Contracts”. Consequently, revenues will be recognized in the future, when the customer obtains control over the agreed goods and services and can derive benefits from these. Revenues are recognized in the amount of the consideration that the company will presumably receive. The new standard provides a five step process, in which the volume of sales and the time or the period of implementation can be determined. The model is as follows: Identification of the customer contract, identification of the individual performance obligations, determination of the transaction price, allocation of the transaction price to the separate contractual obligations, and the realization of revenue when individual contractual obligations are fulfilled. Furthermore, the new standard requires future qualitative and quantitative disclosures to go far beyond the current regulations. IFRS 15 is to be applied to fiscal years starting on or after January 1, 2018. Early application is permitted. The EU endorsement of IFRS 15 is still pending. We are currently evaluating the effects that the application of the new standard might have on the accounting for revenues.

In January 2016, IASB published IFRS 16, “Leases”. IFRS 16 replaces IAS 17 “Leases” and the associated interpretations. According to the new regulation, lessees are required to account for all leases in the form of a right of use, and a corresponding leasing liability. A lease contract exists if the fulfillment of the contract depends on the use of an identifiable asset, and the customer simultaneously acquires control of this asset. The presentation in the income statement is essentially a finance lease transaction, so that the right of use usually depreciates on a straight-line basis, and the leasing liability is updated using the effective interest method. Leases with a total term of a maximum of twelve months, and leases of so-called low-value assets (purchase price of up to USD 5,000) are excluded from this principle. In such cases, the lessee has the option of selecting an accounting method which is similar to that of the previous operating lease. IFRS 16 is to be applied to fiscal years starting on or after January 1, 2019. Early application is permitted, as long as IFRS 15 has already been applied. The EU endorsement of IFRS 16 is still pending. We are currently evaluating the effects that the application of the new standard might have on the accounting for leases.

Furthermore, IASB and IFRS IC have published additional pronouncements that have had, or will have, no material influence on our consolidated financial statements.

Notes to the consolidated statement of financial position

(4) Intangible assets

The changes in intangible assets were as follows:

€ millions	Purchased rights and licenses	Internally generated rights	Goodwill[1]	Total
Acquisition or production cost				
Balance as of January 1, 2014	1,354.3	130.6	1,521.2	3,006.1
Initial consolidation	293.2	10.7	408.6	712.5
Deconsolidation	−2.7	−6.2	−4.3	−13.2
Currency effects	0.3	1.3	1.9	3.5
Additions	36.3	23.2	0.0	59.4
Disposals	−6.8	−0.4	0.0	−7.1
Transfers	0.1	0.8	0.0	0.9
Balance as of December 31, 2014	**1,674.7**	**159.9**	**1,927.4**	**3,762.0**
Initial consolidation	446.0	27.0	476.9	949.9
Deconsolidation	−19.9	−13.0	−67.2	−100.1
Currency effects	36.6	3.2	37.5	77.3
Additions	44.9	39.4	0.0	84.3
Disposals	−10.4	−0.7	−0.3	−11.4
Transfers	−159.8	−7.1	−96.4	−263.3
Balance as of December 31, 2015	**2,012.1**	**208.7**	**2,277.9**	**4,498.7**
Depreciation, amortization, and impairments				
Balance as of January 1, 2014	340.0	60.5	43.0	443.6
Initial consolidation	0.4	0.0	0.0	0.4
Deconsolidation	−2.5	−6.2	−0.5	−9.2
Currency effects	1.1	0.8	−0.4	1.5
Additions	95.2	35.4	31.1	161.8
Disposals	−5.1	−0.2	0.0	−5.4
Transfers	6.0	−5.4	−0.1	0.5
Balance as of December 31, 2014	**435.0**	**84.8**	**73.2**	**593.0**
Initial consolidation	0.0	0.0	0.0	0.0
Deconsolidation	−4.2	−11.1	−22.4	−37.8
Currency effects	7.9	1.7	1.7	11.3
Additions	104.8	36.9	0.0	141.6
Disposals	−9.4	−0.7	0.0	−10.0
Transfers	−64.8	−8.3	−23.3	−96.4
Balance as of December 31, 2015	**469.2**	**103.4**	**29.1**	**601.7**
Carrying amounts				
Balance as of December 31, 2015	1,542.9	105.4	2,248.8	3,897.0
Balance as of December 31, 2014	1,239.7	75.1	1,854.2	3,169.0

[1] Regarding the adjustment of the prior-year figures see note (4a) below.

(a) Retrospective adjustment of goodwills

In the reporting period, with respect to business combinations that were directly or indirectly carried out through group companies with non-controlling interests, we have disclosed in the reporting period previously unrecorded goodwills attributable to these non-controlling interests in our consolidated statement of financial position. Prior-year figures were adjusted accordingly. With respect to this issue, goodwills increased by € 153.3 million (as of December 31, 2014: by € 150.8 million; as of January 1, 2014: by € 151.0 million). Correspondingly, the portion of non-controlling interests within equity increased by € 113.4 million (as of December 31, 2014: by € 130.8 million; as of January 1, 2014: by € 151.0 million). Furthermore, the difference to be recorded directly within accumulated retained earnings – stemming from the acquisition of 15% respectively at the end of 2014 and at the end of 2015 regarding the shares in the ASDC Group – increased by € 39.9 million (as of December 31, 2014: by € 19.9 million).

(b) Further disclosures concerning intangible assets

The purchased rights and licenses mainly comprised title rights, trademarks, and customer relationships. The internally generated intangible assets mainly consisted of software solutions and websites.

The reclassifications consisted almost exclusively of the classification as assets held for sale (see note (2c)).

In the following tables, we disclose the allocation of goodwills and the purchased rights and licenses within the intangible assets with indefinite useful lives for reporting units, as well as the discount rates and growth rates used for impairment testing:

	€ millions					
2015	**Goodwill**	**Other intangible assets with indefinite useful life**	**Total**	**Discount rate (before tax)**	**Discount rate (after tax)**	**Growth rate**
SeLoger	471.5	131.8	603.2	10.8%	8.0%	2.5%
RASM	198.3	210.8	409.1	9.2%	7.9%	2.5%
StepStone	242.3	150.1	392.4	10.9%	8.8%	2.5%
Business Insider	230.4	161.0	391.4	10.4%	8.0%	2.5%
AuFeminin	166.4	54.7	221.1	11.7%	8.8%	2.5%
Immowelt/Immonet	142.1	55.8	197.8	9.2%	7.3%	2.5%
Yad2	132.0	54.0	186.0	10.6%	8.5%	2.5%
Zanox	157.0	27.2	184.2	11.1%	9.0%	2.5%
Others	509.0	173.4	682.4	7.6% –11.1%	5.8% –8.3%	1.5% –2.5%
Total	**2,249.0**	**1,018.7**	**3,267.7**			
Thereof Classified Ad Models	1,258.2	543.0	1,801.2			
Thereof Paid Models	516.9	375.6	892.5			
Thereof Marketing Models	473.3	100.1	573.4			

2014	Goodwill[1] (€ millions)	Other intangible assets with indefinite useful life (€ millions)	Total (€ millions)	Discount rate (before tax)	Discount rate (after tax)	Growth rate
SeLoger	465.6	130.5	596.1	9.4%	6.8%	1.5%
RASM	187.2	204.4	391.6	9.7%	8.4%	2.5%
StepStone	226.6	142.3	368.8	8.7%	6.8%	1.5%
AuFeminin	162.7	54.0	216.8	9.4%	6.8%	1.5%
Zanox	153.4	27.2	180.6	10.4%	8.7%	2.5%
Yad2	107.5	47.0	154.4	9.3%	7.3%	1.5%
Immonet	11.9	4.1	16.0	8.4%	6.5%	1.5%
Others	539.3	201.5	740.8	8.2% –9.8%	6.3% –7.0%	1.5% - 4.0%
Total	**1,854.2**	**810.9**	**2,665.2**			
Thereof Classified Ad Models	1,051.6	425.4	1,477.0			
Thereof Paid Models	345.3	289.4	634.7			
Thereof Marketing Models	456.8	96.1	552.9			

[1] Prior-year figures were adjusted, see note (4a).

The changes in goodwills of the major reporting units were as follows:

€ millions	12/31/2013[1]	Initial consoli-dation	Impairment	Currency effects	Other	12/31/2014[1]	Initial consoli-dation	Deconsoli-dation	Currency effects	12/31/2015
SeLoger	465.3	0.3	0.0	0.0	0.0	465.6	5.9	0.0	0.0	471.5
StepStone	160.4	61.8	0.0	3.8	0.6	226.6	8.1	0.0	7.6	242.3
Business Insider	0.0	0.0	0.0	0.0	0.0	0.0	227.8	0.0	2.6	230.4
RASM	186.8	6.8	0.0	–6.7	0.3	187.2	10.3	–0.5	1.3	198.3
AuFeminin	117.3	44.9	0.0	0.5	0.0	162.7	22.8	–20.1	1.0	166.4
Zanox	177.7	0.0	–28.2	3.6	0.3	153.4	0.0	0.0	3.6	157.0
Immowelt/ Immonet	8.0	3.9	0.0	0.0	0.0	11.9	130.1	0.0	0.0	142.1
Yad2	0.0	108.2	0.0	–0.7	0.0	107.5	11.2	0.0	13.3	132.0
Total	**1,115.4**	**225.9**	**–28.2**	**0.5**	**1.2**	**1,314.9**	**416.2**	**–20.6**	**29.4**	**1,740.0**

[1] Prior-year figures were adjusted, see note (4a).

In addition to the discount rates and growth rates stated above, the impairment tests depend upon the medium-term planning of the reporting units.

Material assumptions in the context of the medium-term planning of SeLoger relate to the assumption of a slight recovery in the online real estate market in France, strengthening brand awareness in a competitive market environment, focusing marketing activities on the goal of increasing average revenue per customer, improving market penetration particularly in regions outside of Paris, and accelerating growth in vertical niche portals by increasing market share.

In the medium-term planning of Ringier Axel Springer Media, we assume that our digital content offerings will increasingly and sustainably participicate in the structural shift from print to digital channels and that our digital business models will gain in importance in the areas of paid-content models and classified ad models in the long-term. However, the revenue streams in sales and in the print advertising market will come under increasing pressure in the coming years. It will be possible to at least partly compensate for the declining circulation figures by price increases. With a strict cost management in the print business it shall be possible to largely maintain profitability.

In the medium-term planning of the StepStone Group, we assume that the anticipated development of the economy will have a positive impact on the labor market. The assumptions made include rising sales revenues in our European and South African core markets and in our other markets in Africa and Latin America, as well as further strict cost management in order to maintain the high level of return of the past years. In particular, by the further development of the product range and the expansion of the system landscape, the market position should be expanded and strengthened.

The medium-term planning of Business Insider is based on the assumption that the revenues will grow significantly. This growth shall predominantly be triggered by the further development of the Business Insider brand portfolio (e.g. Tech Insider, Insider), the extension of the fee-based market research offering (“BI Intelligence”) and the expansion into new international markets. The main revenue streams are those from advertising. In order to reasonably consider in the cashflow projections the period of developing the company acquired in the reporting period to stable conditions, we have used a detailed planning period of ten years instead of the usually applied five years period. We imply in our planning assumptions that Business Insider is well-positioned with its competencies in Video and Mobile and in native and programmatic advertising formats and will benefit from the growth in the US advertising market.

The medium-term planning of the Aufeminin Group is based on the assumption that the market position in the core markets in Europe and in the USA will be solidified. The assumptions made contain an increase in revenues as well as an increase in income at a mostly constant level of return. The subsidiary My Little Paris contributes to this development with the expansion into further regional markets and with the development of new products. In the fast-moving US online advertising market, the subsidiary Livingly Media will extend its market position by further developing its leading competencies in programmatic advertising. The websites of Aufeminin are looking at opening up new revenue streams in the fields of programmatic advertising, e-commerce and moving-image advertising formats.

The medium-term planning of the Zanox Group is based on the assumption that the market position in the core markets in Germany and in Western Europe will be further extended by increasing the revenues in the core markets through – inter alia – a continuous expansion of the product portfolio offered to the advertisers and through loyalty measures regarding the attached publishers Through optimization of the infrastructure, in the medium term decreasing costs with regard to the – inter alia – IT are envisaged.

The medium-term planning of Yad2 is based on the assumption of an overall stable political environment in Israel with moderate macroeconomic growth rates. Yad2 thereby benefits from superior brand awareness and a sound market position. It is expected that particularly ongoing growth in the real estate market will contribute to increasing revenues. Further growth is anticipated from the newly acquired job portal Drushim, which shall additionally benefit from the synergies with Yad2.

The medium-term planning of the Immowelt Group is based on the assumption of an ongoing successful combining of Immowelt's and Immonet's customers within the process of merging these two companies in the year 2015. For this, a stable status on the German real estate market and ongoing competition with ImmobilienScout24 is assumed. In order to strengthen brand awareness, further investments in marketing measures are planned for the coming years.

The recoverable amount was determined as the value in use for all reporting units; as in the previous year, solely for the reporting units Ringier Axel Springer Media and Zanox the fair value less costs to sell was calculated additionally.

In the course of a sensitivity analysis, we have assumed separately for each of our large reporting units a 10 % decrease of future cash flows in the last planning year, a 10 % increase of the weighted average costs of capital or a decrease of the terminal growth rate by half a percentage point. On this basis, solely for the reporting unit Zanox (PY: for the reporting units Ringier Axel Springer Media and Zanox) the carrying amount of the assets exceeded the recoverable amount of the reporting unit. As of December 31, 2015, the surplus between the recoverable amount and the carrying amount of the reporting unit Zanox totaling € 22.0 million (PY: € 0.0 million for the reporting unit Zanox and € 51.5 million for the reporting unit Ringier Axel Springer Media) would reduce to zero if the material measurement parameters would change as follows:

2015	Increase of discount rate (before taxes) to	Increase of discount rate (after taxes) to	Reduction of growth rate to	Reduction of cash flow in the fifth year of medium-term planning by
Zanox	11.9%	9.6%	1.8%	–9.9%

2014	Increase of discount rate (before taxes) to	Increase of discount rate (after taxes) to	Reduction of growth rate to	Reduction of cash flow in the fifth year of medium-term planning by
Ringier Axel Springer Media	10.5%	9.0%	1.7%	–12.7%
Zanox	10.4%	8.7%	2.5%	0.0%

Goodwills and intangible assets with indefinite useful lives allocated to other reporting units of the group totaling € 682.4 million (PY: € 740.8 million) amounted to less than 5 % (PY: 6 %) of the total amount for each reporting unit in aggregation. In the course of a sensitivity analysis, we have assumed separately for each of our other reporting units a 10 % decrease of future cash flows in the last planning year, a 10 % increase of the weighted average costs of capital or a decrease of the terminal growth rate. As in the previous year, no impairment was indicated for any of the other reporting units.

(5) Property, plant, and equipment

The changes in property, plant, and equipment were as follows:

€ millions	Land and buildings	Technical equipment and machinery	Other equipment, operational and office equipment	Construction in progress	Total
Acquisition or production cost					
Balance as of January 1, 2014	560.6	530.5	219.5	4.2	1,314.8
Initial consolidation	1.0	2.8	4.7	0.0	8.5
Deconsolidation	–0.6	–0.2	–1.9	0.3	–2.4
Currency effects	–1.0	–0.7	–1.1	0.0	–2.8
Additions	0.8	5.2	21.0	12.6	39.6
Disposals	–0.2	–6.8	–19.0	–0.2	–26.2
Transfers	–124.8	0.4	–11.5	–3.8	–139.7
Balance as of December 31, 2014	**435.8**	**531.3**	**211.6**	**13.1**	**1,191.8**
Initial consolidation	0.2	0.0	3.8	–0.1	3.9
Deconsolidation	0.0	–1.2	–6.0	0.0	–7.2
Currency effects	0.1	0.1	1.3	0.0	1.6
Additions	1.9	4.1	22.6	24.0	52.5
Disposals	–23.6	–5.5	–4.1	0.1	–33.0
Transfers	1.8	6.4	–7.0	–14.4	–13.2
Balance as of December 31, 2015	**416.2**	**535.2**	**222.3**	**22.7**	**1,196.4**
Depreciation, amortization, and impairments					
Balance as of January 1, 2014	161.6	362.2	150.8	–0.1	674.5
Initial consolidation	0.0	0.3	0.7	0.0	0.9
Deconsolidation	–0.4	0.1	–1.1	0.0	–1.4
Currency effects	–0.2	–0.4	–0.7	0.0	–1.2
Additions	33.7	22.6	26.8	0.0	83.0
Disposals	–0.1	–6.8	–18.3	–0.1	–25.2
Transfers	–50.4	–0.6	–11.5	0.0	–62.4
Balance as of December 31, 2014	**144.3**	**377.4**	**146.6**	**–0.1**	**668.2**
Initial consolidation	0.0	0.0	0.1	0.0	0.1
Deconsolidation	0.0	–0.4	–4.8	0.0	–5.2
Currency effects	–0.1	0.1	2.1	0.0	2.1
Additions	8.8	21.9	26.5	0.0	57.3
Disposals	–13.0	–5.3	–3.1	0.1	–21.3
Transfers	0.2	–0.6	–11.8	0.0	–12.2
Balance as of December 31, 2015	**140.3**	**393.1**	**155.6**	**0.0**	**689.0**
Carrying amounts					
Balance as of December 31, 2015	275.9	142.1	66.7	22.7	507.5
Balance as of December 31, 2014	291.4	153.9	65.0	13.2	523.5

As of December 31, 2015, property, plant and equipment with acquisition or production cost of € 276.3 million (PY: € 261.5 million) were in use that had already been fully depreciated.

At the balance sheet date, property, plant, and equipment amounting to € 35.3 million (PY: € 21.5 million) had been pledged as security for own liabilities.

The carrying amount of property, plant, and equipment as part of finance leases was, as of December 31, 2015, € 1.4 million (PY: € 2.0 million).

The reclassifications of acquisition and manufacturing costs and depreciation on land and buildings carried out in the prior year were primarily related to an office building in Hamburg (see note (11)).

(6) Investment property

The development of the office and retail spaces in Berlin (PY: Berlin and Hamburg) leased to third parties was as follows:

€ millions	Investment property
Acquisition or production cost	
Balance as of January 1, 2014	75.8
Transfers	–32.9
Balance as of December 31, 2014	**42.9**
Transfers	–3.5
Balance as of December 31, 2015	**39.4**
Depreciation, amortization, and impairments	
Balance as of January 1, 2014	20.8
Additions	10.9
Transfers	–13.8
Write-ups	–6.3
Balance as of December 31, 2014	**11.6**
Additions	0.9
Transfers	–1.4
Write-ups	–4.9
Balance as of December 31, 2015	**6.2**
Carrying amounts	
As of December 31, 2015	33.2
As of December 31, 2014	31.3

For reclassifications in the assets held for sale in the prior year, see note (11). Furthermore, due to increased own use of office space, reclassifications with carrying amounts totaling € 2.1 million took place from investment property to property, plant, and equipment.

The fair value of investment property as of December 31, 2015 totaled € 36.1 million (PY: € 31.4 million). The evaluation carried out by ourselves took place on the basis of forecasted net cash flows using the DCF method. The calculation was based on a discount rate of 6.10 % (PY: 6.85 %) and a terminal growth rate of 5.10 % (PY: 5.85 %). As a result of the change in fair value, write-ups amounting to € 4.9 million (PY: € 6.3 million) were carried out. Recognition took place in other operating income in the Services/Holding segment.

In the reporting year, rental income of € 3.0 million (PY: € 7.0 million) was generated, with corresponding directly attributable operating expenses of € 0.7 million (PY: € 0.7 million). As in the prior year, directly attributable expenses for non-rented space of less than € 0.1 million were incurred.

The future minimum lease payments from investment property broke down as follows:

€ millions	2015	2014
Due in up to one year	1.8	2.0
Due in one to five years	5.7	6.2
Due in more than five years	1.2	2.0
Total	**8.7**	**10.2**

(7) Non-current financial assets

(a) Investments recognized using the equity method

Summarized financial information regarding all companies which are accounted for using the equity method and are not individually material are shown below:

€ millions	2015	2014
Carrying amount	91.6	51.2
Share attributable to Axel Springer SE:		
Income from continued operations	–6.5	–1.8
Other income/loss	0.0	0.4
Comprehensive income	–6.5	–1.4

The increase in carrying amounts mainly resulted from new acquisitions and capital increases, especially with respect to Thrillist Media Group, Inc. and at Project A Ventures GmbH & Co. KG.

In the previous year, the proportionate income/losses to be recognized in income from investments were not recognized in the amount of € - 18.4 million, and cumulatively in the amount of € - 68.9 million as the carrying amount of the investment had already been fully depreciated in 2010. The investment was disposed of in the reporting year.

(b) Other non-current financial assets

Other non-current financial assets included subordinate loans with multi-year terms amounting to € 255.8 million (PY: € 240.9 million) from the sale of domestic regional newspapers as well as program and women's magazines in the prior year (see note (2d)).

Furthermore, € 203.8 million in other non-current financial assets (PY: € 259.1 million) relate to options secured by bank guarantees on the sale of our shares in Doğan TV ("Put options"). We sold around 2.7 % of shares in the reporting year; the proceeds from this transaction amounted to € 63.3 million. The valuation of the put options at the balance sheet date is based on the discounted payment claim deriving from the agreed option rights, minus all costs to be incurred. The discount rates were determined according to the duration of the put options and the default risk, taking into account the granted bank guarantees.

In addition, other non-current financial assets mainly included other investments and other loans.

In the previous year, we sold our minority interest (17.2 %) held by SeLoger in the iProperty Group Ltd., Sydney, Australia, for € 74.3 million. The gain on disposal, recorded within income from investments, totaled € 55.1 million (before a tax effect of € 2.2 million).

(8) Inventories

The inventories broke down as follows:

€ millions	12/31/2015	12/31/2014
Raw materials and supplies	13.9	13.9
Semi-finished goods	0.6	4.5
Finished goods and merchandise	5.6	5.2
Inventories	**20.1**	**23.6**

Inventories of € 9.7 million (PY: € 9.3 million) were valued at their net realizable value. The write-downs for these assets as of December 31, 2015 totaled € 2.6 million (PY: € 3.0 million), of which € - 0.4 million (PY: € 0.6 million) were recognized in income in the reporting year.

(9) Trade receivables

The trade receivables broke down as follows:

€ millions	12/31/2015	12/31/2014
Trade receivables, nominal	597.7	550.2
Allowances for doubtful trade receivables	–26.8	–26.4
Trade receivables	**570.9**	**523.8**

The changes in the allowances for doubtful trade receivables are presented below:

€ millions	2015	2014
Balance as of January 1	26.4	25.5
Additions	6.0	7.0
Reversals	–1.7	–2.5
Utilization	–2.2	–1.9
Disposal due to deconsolidation	–2.2	–0.1
Other changes	0.5	–1.6
Balance as of December 31	**26.8**	**26.4**

As of December 31, 2015, receivables in the amount of € 413.3 million (PY: € 360.7 million) were neither past due nor subject to valuation allowances. With regard to these receivables, there were no indications at the reporting date that would suggest that the customers would not fulfill their payment obligations.

The past-due trade receivables at the reporting date for which no valuation allowances have been charged are presented in the table below:

€ millions	12/31/2015	12/31/2014
up to 30 days	48.0	42.5
31 to 90 days	21.8	17.1
91 to 180 days	5.3	5.8
181 to 360 days	5.3	5.1
361 days and longer	2.5	5.3

(10) Other assets

The other assets broke down as follows:

€ millions	12/31/2015	12/31/2014
Reimbursement right for pension obligations	27.4	0.0
Derivatives	5.1	0.5
Current loans	0	53.1
Other	43.7	70.7
Other financial assets	**76.2**	**124.4**
Advance payments	24.5	27.5
Receivables from other taxes	16.8	12.7
Other	10.8	0.0
Other non-financial assets	**52.1**	**40.2**
Other assets	**128.3**	**164.6**

Regarding the reimbursement right concerning the pension obligations (PY: € 30.6 million, recorded under balance sheet item receivables due from related parties) see note (14) and note (37).

The miscellaneous financial assets included accrued interest claims, receivables from insolvency proceedings against the Kirch Group and security deposits, among other items.

The settled short-term loan concerned an advance payment of a special dividend in the prior year associated with the sale of the Czech print activities. The special dividend was legally carried out in the reporting year.

(11) Assets held for sale

As of the reporting date, assets held for sale and related liabilities were made up as follows:

	12/31/2015		12/31/2014	
€ millions	Assets	Liabilities	Assets	Liabilities
Axel Springer Switzerland	178.8	72.4	0.0	0.0
CarWale	20.8	20.7	0.0	0.0
Office building Hamburg (part I)	105.2	67.7	95.9	68.0
Office building Hamburg (part II)	6.3	0.0	0.0	0.0
Held for sale	**311.1**	**160.8**	**95.9**	**68.0**

Concerning the assets and liabilities held for sale with respect to Axel Springer Schweiz and CarWale see note (2c).

A portion of the office building in Hamburg, which was until recently used internally as well as leased out to a third party, was sold on January 1, 2016. There was no gain or loss on disposal. In the prior year, the residual carrying amounts of € 68.5 million (Property, plant, and equipment) and € 27.4 million (Investment property) concerning this part of the building were reclassified as assets held for sale. Before reclassification, particularly due to the anticipated disposal costs, impairment losses in the amount of € 23.6 million and € 9.4 million were recorded. Disposal costs of € 9.3 million incurred in the reporting year increased the carrying amount to € 105.2 million. A part of the building was recognized as part of finance leases, which were ended as of December 31, 2015; pro rata remaining carrying amounts amounted to € 31.8 million (Property, plant, and equipment) and € 14.6 million (Investment property), pro rata impairments totaled € 11.0 million or € 5.0 million respectively. In the previous year, liabilities in the amount of € 68.0 million, which had arisen in relation to finance leases, were reclassified from financial liabilities (€ 62.9 million) and other liabilities (€ 5.1 million) to liabilities related to assets held for sale. The purchase price for the transaction – which was finalized in early 2016 – was already received in the reporting year (see note (17) and note (30)).

The finalization of the disposal of the second part of the office building in Hamburg is envisaged for mid-2016. Consequently, the remaining carrying amounts totaling € 6.3 million were reclassified as assets held for sale in the reporting year.

(12) Equity

The components and changes in consolidated equity are summarized in the consolidated statement of changes in equity.

(a) Subscribed capital

The fully paid-in subscribed capital in the amount of € 107.9 million (PY: € 98.9 million) is divided into 107,895,311 (PY: 98,940,000) registered shares with a calculated ratio of € 1.00 per share. The shares can only be transferred with the company's consent. For information on the capital increase carried out in the fiscal year, see the following section.

(b) Authorized capital

The annual shareholders' meeting of April 14, 2015 allowed the Executive Board, with the approval of the Supervisory Board, to increase the share capital until April 13, 2020 by up to € 11,000,000 through the issue of newly registered shares in return for cash and/or contributions in kind (authorized capital). With the approval of the Supervisory Board, the Executive Board can waive the subscription right of the shareholders in case of a capital increase against contributions in kind.

By resolution of the Executive Board of Axel Springer SE of December 3, 2015, and the approval of the Supervisory Board of the same date, the subscribed capital was increased by € 8,955,311 to € 107,895,311 through the issue of 8,955,311 registered shares with profit participation from January 1, 2015 onwards. The capital increase was carried out against contributions in kind excluding subscription rights. The according commercial register entry was carried out on December 9, 2015. The new shares were issued in consideration for the acquisition of company shares (see note (2c)). The value of the contributions in kind totaled € 462.9 million; the resulting premium in the amount of € 453.9 million was assigned to paid-in capital.

As of December 31, 2015 authorized capital was still € 2,044,689.

(c) Additional paid-in capital

The additional paid-in capital (€ 499.8 million, PY: € 45.3 million) rose in the fiscal year primarily due to the share premium achieved from the capital increase against contributions in kind by € 453.9 million.

(d) Accumulated retained earnings

The accumulated retained earnings comprised the income of the companies included in the consolidated financial statements, to the extent that they have not been distributed to shareholders. Moreover, transactions with shareholders are recognized here; in the fiscal year, an adjustment of prior-year figures was undertaken (see note (4a)).

In the fiscal year, Axel Springer SE distributed an amount of € 178.1 million (PY: € 178.1 million) or € 1.80 (PY: € 1.80) per qualifying share for the previous fiscal year.

Moreover, the change in accumulated retained earnings in the fiscal year resulted primarily from the acquisition of Immowelt Group (€ – 126.7 million, see note (2c)), the acquisition of non-controlling interests in Axel Springer Digital Classifieds (€ – 367.0 million, see note (2c)) and the granting of option rights to acquire the remaining non-controlling interests in the Bonial Group (€ – 61.1 million).

In association with the increase of our participation in Axel Springer Digital Classifieds in the prior fiscal year, the difference of € 342.7 million resulting from the acquisition of non-controlling interests was set off within accumulated retained earnings (see note (2c)).

(e) Treasury shares

As of December 31, 2015, as in the prior year, we did not hold any treasury shares.

Within a stock option program in the fiscal year, 127 thousand treasury shares (PY: 116 thousand shares) were issued at their fair value on the date of issue in the amount of € 51.31 (PY: € 43.88) by conversion of variable compensation tied to performance of the employees of the Group. Personnel expenses of € 2.7 million (PY: € 2.1 million) were incurred by granting increases in the conversion amounts, which were in each case covered by provisions formed in the prior year. To service the program, treasury shares with a fair value of € 6.5 million (PY: € 7.7 million) were acquired; shares that were not required were subsequently sold on the market at a fair value of less than € 0.1 million (PY: € 2.6 million). Acquisition, issuing and the sale of treasury shares had no effect on the level of equity.

(f) Accumulated other comprehensive income

In the fiscal year, accumulated other comprehensive income particularly comprised actuarial gains and losses from employer pension plans of € – 95.2 million (PY: € – 119.7 million) and unrealized gains and losses from companies accounted for using the equity method in the amount of € – 1.1 million (PY: € –10.0 million).

Due to the sale of investments and capital repayments with respect to net investments in foreign companies, the unrealized gains and losses from foreign currency translation previously recognized under other comprehensive income in the total amount of € –7.8 million were reclassified into the income statement.

In the prior year, in conjunction with the sale of our minority shareholding (17.2 %) in iProperty Group Ltd., Sydney, Australia, held by SeLoger, unrealized gains from the market price revaluation in the amount of € 44.8 million after taxes included in other comprehensive income were reclassified into the income statement in the context of income recognition (see note (7)).

(g) Attributable to non-controlling interest

The non-controlling interests mainly related to the following companies:

€ millions	12/31/2015	12/31/2014[1]
Ringier Axel Springer Media AG, Zurich, Switzerland	234.0	270.2
Immowelt Holding AG, Nuremberg	71.9	0.0
ZANOX AG, Berlin	46.6	38.7
Axel Springer Digital Classifieds GmbH, Berlin	0.0	108.8
Other companies	96.3	63.9
Non-controlling interests	**448.8**	**481.6**

[1] Regarding the adjustment of the prior-year figures see note (4a).

As of December 31, 2015 the non-controlling interests in Ringier Axel Springer Media amounted to 50.0 % (PY: 50.0 %), whilst their share in the Group results amounted to € 15.4 million (PY: € 50.1 million). In addition, the non-controlling interests received dividends in the amount of € 91.5 million in the prior year. This primarily related to an extraordinary dividend with regard to the executed sale of the Czech print activities. The distribution with a partial amount of € 53.1 million was legally executed in the current fiscal year.

Summarized financial information for the Ringier Axel Springer Media subgroup is shown in the following table:

€ millions	2015	2014
Revenues	275.0	268.5
Net income	31.4	177.4
Comprehensive income	35.2	161.5
Current assets	112.7	215.8
Non-current assets	518.5	481.6
Current liabilities	111.2	59.0
Non-current liabilities	40.1	85.0
Cash flows	–63.7	56.5

In the fiscal year, Axel Springer acquired the 15 % share in Axel Springer Digital Classifieds held by non-controlling shareholders on the prior-year reporting date. As of December 31, 2015, there were no non-controlling shareholders in Axel Springer Digital Classifieds GmbH (PY: ratio of non-controlling shareholders 15.0 %). For information on the change in ratio and effects from the transaction see note (2c). The share of non-controlling shareholders in the Group results amounted to € 18.7 million (PY: € 43.3 million); there were no dividends paid (PY: € 0.2 million).

Summarized financial information for the Axel Springer Digital Classifieds subgroup for the prior year is shown in the following table:

€ millions	2014
Revenues	508.0
Net income	130.6
Comprehensive income	126.8
Current assets	183.1
Non-current assets	1,788.6
Current liabilities	399.9
Non-current liabilities	922.0
Cash flows	−1.4

(13) Share-based payment

Members of the Executive Board and selected executives (beneficiaries) were granted various virtual stock option plans, the fundamental parameters of which are described below:

	Virtual stock option plans					
	Executive Board Program			Senior Executive Programs		
	2012	2014 I	2014 II	2011 I	2011 II	2014
Grant date	01/01/2012	01/01/2014	09/01/2014	10/01/2011	10/01/2011	03/01/2014
Term in years	6	6	6	4	6	5
Qualifying period in years	4	4	4	2	4	3
Option rights granted	450,000	205,313	675,000	472,500	472,500	60,000
Underlying (€)	30.53	44.06	44.56	30.00	35.00	46.80
Maximum payment (€)	61.06	88.12	89.12	60.00	70.00	93.60
Value at grant date (€)	5.26	6.69	6.26	2.74	2.31	8.14
Total value at grant date (€ million)	2.4	1.4	4.2	1.3	1.1	0.5

Provided that the beneficiary is employed by the company at least until the expiration of the vesting period, all virtual stock options granted to the relevant senior executive may become vested. If the authorized senior executive's employment with the company ends before the end of the vesting period, but is at least one year after the grant date, the stock options are vested on a pro-rated basis in relation to the vesting period (Executive Board program), up to one half (executive programs 2011 I and 2014), or to one quarter per elapsed year of the vesting period (executive program 2011 II).

A further condition for vesting to take place is that either the volume-weighted average price of the Axel Springer share is at least 30 % over the base value or that the percentage increase of this average price exceeds that of the base value of the development of the DAX over a period of 90 calendar days (Executive Board program) or three calendar months (executive program) within a time period of a year before the end of the waiting period.

Exercising stock options is only possible if the volume-weighted average price of the Axel Springer share 90 calendar days (Executive Board program) or three calendar months (executive program) before exercising such options is at least 30 % over the base value and that the percentage increase exceeds that of the DAX index. Each option grants a payment claim in the amount of the growth in value of the Axel Springer share, restricted to a maximum of 200 % of the base value, which corresponds to the difference between the volume-weighted average price during the last 90 calendar days or three months prior to exercise and the base value.

Beneficiaries are obligated to hold one Axel Springer share for every ten stock options as their own investment. Disposing of these shares prior to exercising the stock options would result in the stock options being forfeited at the same rate.

The value of the options was determined by application of a Black-Scholes model in a Monte Carlo simulation at the grant date. The options will be remeasured at each reporting date and recognized proportionally in accordance with the projected vesting.

The development of the stock options is shown below:

	Virtual stock option plans					
	Executive Board Program			Senior Executive Programs		
	2012	2014 I	2014 II	2011 I	2011 II	2014
01/01/2014	450,000	0	0	472,500	472,500	0
Grant	0	205,313	675,000	0	0	60,000
Exercise	0	0	0	−471,650	0	0
Lapse	−56,250	0	0	−850	0	0
12/31/2014	**393,750**	**205,313**	**675,000**	**0**	**472,500**	**60,000**
Grant	0	0	0	0	0	0
Exercise	0	0	0	0	0	0
12/31/2015	**393,750**	**205,313**	**675,000**	**0**	**472,500**	**60,000**

The expenses and income in the fiscal year, as well as the portfolio of liabilities and provisions at the reporting date are shown below:

	Virtual stock option plans					
	Executive Board Program			Senior Executive Programs		
	2012	2014 I	2014 II	2011 I	2011 II	2014
Expenses/Income 2015	**−2.9**	**−0.3**	**−2.2**	**0.0**	**−3.8**	**−0.1**
Expenses/Income 2014	−1.7	−0.9	−1.0	−0.2	−1.2	−0.2
Carrying amount as of 12/31/2015	**8.6**	**1.2**	**3.2**	**0.0**	**8.4**	**0.3**
Carrying amount as of 12/31/2014	5.8	0.9	1.0	0.0	4.6	0.2

For the stock options program for employees of the Group see note (12e).

Various free share and stock option programs existed at our subsidiary SeLoger on the acquisition date. They provided for granting or exercise by the right holders from the years 2009 to 2013 onwards, linked with a subsequent holding period of two years. The stock options with a weighted average purchase price of € 20.93 expire in 2017 until 2019. The right holders were offered call and put options as part of the acquisition of SeLoger for transferring all shares from these programs (up to a maximum of 525 thousand) to Axel Springer in return for a cash payment. The call and put options are not linked to any market-related or company-related or any other conditions and vest immediately after the issuance of the shares to the employees. The purchase price upon exercise amounts to € 38.05 (squeeze-out price) multiplied by the ratio of the volume-weighted 1-month-average rate of the Axel Springer share on the last day of trading prior to exercise of the options to the volume-weighted 1 month-average rate of the Axel Springer share on the last trading day before squeeze-out (€ 36.15 when taking the share split of 2011 into account).

Following the principle of substance over form, the programs are treated by us as virtual stock option programs granting a payment claim in the amount of the difference between the exercise price and the purchase price. Measurement at the grant date is based on the Black-Scholes model or the current share price, considering future dividends. The weighted average fair value at the date of exercise of the options was € 28.83 per virtual stock option or € 15.1 million in total. The virtual options will be remeasured on each reporting date and recognized proportionally in accordance with the vesting that has now completely occurred. In the fiscal year nearly all options were excercised and paid.

The development of the virtual options is shown below:

in thousands	2015	2014
Option rights as of January 1	192	243
Exercise	–188	–51
Option rights as of December 31	**4**	**192**

€ millions	2015	2014
Personnel expenses	–0.9	–1.0
Other operating income (+) / expenses (-)	0.0	–0.1
Liabilities as of December 31	0.1	9.9

Our subsidiary AUFEMININ SA granted its senior executives subscription rights for free shares and stock options. These share-based payments must be settled with shares of AUFEMININ SA.

In November 2013, November 2010 and June 2009, 300 thousand stock options for acquisition of one share of AUFEMININ SA, each with an exercise price of € 26.19, € 17.15 or € 8.94, respectively, were issued to senior employees. These options vested upon expiration of the first (50 %) and second (50 %) years after the grant date, insofar as the earnings target established for the individual tranche (EBITDA of the fiscal year prior to the year of vesting) was achieved. Once they have vested, the options can be exercised for a total of five (50 %) or four (50 %) years. Ninety-nine thousand stock options granted in April 2008, each one entitling the holder to purchase one share of AUFEMININ SA (exercise price: € 20.46) will become vested in equal annual instalments over a period of four years. The option grant is not conditioned on any further earnings or market conditions. These options can be exercised for the first time at the end of the fourth year after the options were granted and for a total of four years thereafter.

The number of options and the weighted average exercise price developed as follows:

	2015		2014	
	Options in thousands	Exercise price[1] in €	Options in thousands	Exercise price[1] in €
Balance as of January 1	557	21.62	609	21.13
Lapse	-6	8.94	–12	18.31
Exercise	–110	15.50	–40	15.16
Issuance	0	–	0	–
Balance as of December 31	**441**	**23.32**	**557**	**21.62**
Thereof exercisable	441	23.32	407	19.93

[1] Weighted average exercise price.

The weighted average stock price at the date of exercise of the stock options during the financial year was € 25.6 (PY: € 28.2). The exercise prices for the options outstanding on the reporting date were between € 17.15 and € 26.19 (PY: € 8.94 and € 26.19). As in the prior year, the weighted average remaining term of these options was 3 years. The compensation expenses recorded in personnel expenses amounted to € 0.5 million in the fiscal year (PY: € 1.1 million). The additional paid-in capital was increased by the same amount.

Upon closing date of the purchase with respect to the majority shareholding in Business Insider at the end of October 2015 (see note (2c)), both management board members of Business Insider were granted a total of 21,952 new stock options to acquire shares in Business Insider Inc. as a replacement for an existing stock option program. The new stock options are vested over a period of ten years. 30 % of these granted stock options become vested after three years and subsequently, a further 10 % of the granted stock options become vested each year over the remaining vesting period. The option rights become exercisable once they are vested until the end of the total period of 10 years after grant date. The exercise of the options is not dependent upon any other earnings or market conditions. Should the employment relationship with the two management board members be terminated after the first three years, there is – depending on the reason for the termination – a purchase obligation on the side of Axel Springer or rather a right to acquire the shares arising from the options which have vested. Within a three-month period after the total period of ten years, the management board members are entitled to tender all shares that have been obtained through the options to Axel Springer at fair value on exercise date, which leads to an irrevocable obligation to be settled in cash. Thus, it is a cash-settled share-based payment.

The exercise price to be paid by the two management board members amounts to kUSD 3.6 (k€ 3.3) and represents the fair value per share that was assumed for the acquisition of the majority shareholding at the end of October 2015.

At grant date, the fair value of these stock options was € 12.9 million. € 7.4 million of the fair value of the options was treated as consideration transferred in the course of the initial consolidation for the acquisition (see note (2c)). The remaining fair value of € 5.5 million was classified as remuneration for the continuing employment of the board members of Business Insider. The fair value was determined on the basis of an option pricing model using a Monte Carlo simulation, taking into account the strike price of the options, the risk-free interest rate and the expected dividends; the volatility was derived using a peer group comparison. At each reporting date, the option rights will be remeasured; likewise, the personnel expenses to be recorded over the vesting period will be calculated.

In the reporting year, an amount of € 0.2 million was recorded in personnel expenses. The value of the liability arising from the stock option program as of December 31, 2015 was € 7.8 million.

Other share-based payment programs were individually and in total insignificant for the financial position, liquidity, and financial performance of the Group.

(14) Pension obligations

Under its defined contribution pension plans, the Group mainly contributes to public-sector pension insurance carriers by virtue of the applicable laws. The current contribution payments are presented as social security costs within personnel expenses and amount to € 51.3 million (PY: € 52.7 million), of which € 7.8 million (PY: € 7.1 million) are allocated to foreign pension insurance carriers.

Provisions for pensions were created to account for the obligations arising from vested pension rights and current benefits for former and active employees of the Axel Springer Group and their survivors. The different pension plans within the Group are organized in accordance with the legal, tax-related, and economic conditions of each country. The reserves for performance-based pension plans correspond to the cash value of the obligations on the reporting date less the time value of the plan assets. Along with general actuarial risks such as risks from salary and pension increases, longevity risk, and interest rate risk, these are inflation risk and capital market and investment risk.

Essentially, three different pension plans exist in the German Group companies that are subject to the German Company Pension Act, and thus to the statutory regulations relating in particular to vesting, compensation for inflation in the benefit phase, and insolvency protection by the Pensions Guarantee Corporation. The pension plans are partially financed by premium reserve funds that are managed by Axel Springer Pensionstreuhand e.V. as trustee. The two defined-benefit pension plans provide for an annual pension for entitled persons based on fixed amounts that depend for the first pension plan only on the length of service in the company, and for the second pension plan additionally on the position in the company, and are static in the vesting period and dynamic in the benefit payment period in accordance with the requirements of the Company Pension Act. The promises to the Executive Board correspond in their design to the second pension plan and are additionally dynamic in the vesting period depending on inflation. The third pension plan is a defined-contribution benefit in which a benefit is calculated using fixed factor tables dependent on converted compensation components. Ongoing benefits are adjusted from the beginning of pension payments at 1 % p.a.

Pension commitments in other countries relate above all to Switzerland. The employees are insured against the risks of old age, death, and disability in various defined-benefit plans in a legally separate employee benefit fund at an independent third party. The retirement benefit is calculated using the retirement fund balance existing at the time of retirement applying a conversion rate. The retirement fund balance earns interest and accrues using age-dependent staggered savings contribution rates depending on the insured salary up to retirement age. The risk benefits for death and disability are calculated as a percentage of the insured salary.

As for the plan assets existing for foreign pension commitments, the values of the assets essentially correspond to the individual redemption values of the reinsurer. For the active insured persons, this is the retirement fund balance, and for the retirees, this is the premium reserves/provisions of the reinsurer.

The measurement was based on the following parameters:

Information in %	2015		2014	
	Germany	Other countries[1]	Germany	Other countries
Discount rate	2.40	0.9	1.9	1.0
Salary trend	1.75	1.0	1.75	1.0
Pension trend	1.75	0.0	1.75	0

[1] The information relates primarily to pension obligations recognized as held for sale at the reporting date.

The amount of the provision was calculated as follows:

€ millions	12/31/2015			12/31/2014		
	Germany	Other countries	Total	Germany	Other countries	Total
Present value of defined benefit obligations financed by fund	394.7	2.9	397.6	477.1	109.8	586.9
Fair value of plan assets	–161.1	–2.2	–163.3	–155.7	–91.0	–246.7
Present value of defined benefit obligations not financed by fund	101.7	3.2	104.9	56.3	3.1	59.5
Provision	**335.3**	**3.9**	**339.2**	**377.8**	**21.9**	**399.7**
Reimbursement right	–27.4	0.0	–27.4	–30.6	0.0	–30.6
Net obligation	**307.9**	**3.9**	**311.8**	**347.2**	**21.9**	**369.0**

The changes in the present value of the pension obligations are presented in the table below:

€ millions	2015			2014		
	Germany	Other countries	Total	Germany	Other countries	Total
Present value of obligations as of January 1	533.5	112.9	646.4	423.5	102.1	525.5
Change in consolidated companies	–0.9	0.0	–0.9	0.0	1.3	1.3
Current service cost	7.2	2.1	9.3	5.0	2.6	7.5
Interest expense	10.1	1.3	11.3	15.1	2.1	17.2
Actuarial gains/losses arising from changes in demographic assumptions	–2.5	–0.2	–2.7	–1.0	0.0	–0.9
Actuarial gains/losses arising from changes in financial assumptions	–32.6	0.5	–32.2	106.3	6.2	112.5
Payments by employees	3.0	2.2	5.2	3.1	2.0	5.1
Transfer of pension obligation	0.1	0.0	0.1	–0.4	0.0	–0.4
Exchange rate change	0.0	12.2	12.2	0.0	2.0	2.0
Payments to retirees	–21.5	–6.4	–27.9	–21.0	–5.3	–26.4
Reclassification into or from liabilities in connection with assets held for sale (see note (2c))	0.0	–118.5	–118.5	3.0	0.0	3.0
Present value of obligations as of December 31	**496.4**	**6.1**	**502.5**	**533.5**	**112.9**	**646.4**

In fiscal year 2016, contributions to fund-financed defined benefit plans are expected to total € 25.3 million (PY: € 2.4 million), of which € 0.3 million (PY: € 2.4 million) are employer contributions from Swiss companies.

The fair value of the plan assets showed the following changes:

€ millions	2015			2014		
	Germany	Other countries	Total	Germany	Other countries	Total
Plan assets as of January 1	155.7	91.0	246.7	149.3	88.4	237.7
Change in consolidated companies	0.5	0.0	0.5	0.0	0.0	0.0
Income from plan assets	3.0	1.0	4.0	5.4	1.8	7.1
Employee contribution	0.0	2.2	2.2	0.0	2.0	2.0
Employer contribution	0.0	1.4	1.5	0.0	2.4	2.4
Benefits paid	0.0	−6.3	−6.3	0.0	−5.3	−5.3
Actuarial gains/losses arising from changes in demographic assumptions	2.0	0.0	2.0	1.0	0.0	1.0
Actuarial gains/losses arising from changes in financial assumptions	0.0	1.1	1.1	0.0	0.2	0.2
Exchange rate changes	0.0	10.1	10.1	0.0	1.7	1.7
Reclassification into liabilities in connection with assets held for sale (see note (2c))	0.0	−98.3	−98.3	0.0	0.0	0.0
Plan assets as of December 31	**161.1**	**2.2**	**163.3**	**155.7**	**91.0**	**246.7**

The investment portfolio broke down as follows:

€ millions	12/31/2015			12/31/2014		
	Germany	Other countries	Total	Germany	Other countries	Total
Shares	18.6	0.7	19.3	10.3	3.3	13.6
Bonds	53.3	0.5	53.8	53.1	68.2	121.3
Money market instruments	12.3	0.0	12.3	17.7	0.0	17.7
Cash and cash equivalents	9.4	0.2	9.6	7.1	0.1	7.2
Plan assets with market price quotations	**93.6**	**1.4**	**95.0**	**88.2**	**71.6**	**159.8**
Real Estate	67.5	0.6	68.1	67.5	15.3	82.8
Others	0.0	0.2	0.2	0.0	4.2	4.2
Plan assets without market price quotations	**67.5**	**0.8**	**68.3**	**67.5**	**19.4**	**86.9**
Total	**161.1**	**2.2**	**163.3**	**155.7**	**91.0**	**246.7**

The fair value of the plan assets includes real estate used by the company itself in the amount of € 55.4 million (PY: € 46.2 million).

Plan assets recognized as held for sale as of December 31, 2015 totaling € 98.3 million contained plan assets with an amount of € 77.0 million (thereof € 73.8 million Bonds and € 3.1 million Shares) which have market price quotations and plan assets with an amount of € 21.3 million (thereof € 15.9 million Real Estate and € 5.4 million Others) which do not have market price quotations.

Axel Springer SE is entitled to reimbursement of pension obligations or pension expenses arising in connection with them in the context of the outsourcing of rotogravure printing operations in 2005. The reimbursement right is presented as a separate financial asset (PY: claim against related parties), whereas in the income statement, the income from the reimbursement is netted with the corresponding pension expenses. Based on the existing contractual regulations, we do not assume a short-term settlement of the reimbursement claim and the corresponding pension obligations any more, and therefore in the reporting period, we classified the asset as well as the related pension liability in an amount of € 25.1 million (PY: € 28.3 million) as long-term.

The value of the reimbursement right developed as follows:

€ millions	2015	2014
Reimbursement right as of January 1	30.6	27.9
Income from reimbursement rights	0.6	1.0
Paid-out benefits	–2.3	–2.3
Actuarial gains/losses arising from changes in demographic assumptions	0.0	–0.1
Actuarial gains/losses arising from changes in financial assumptions	–1.6	4.2
Reimbursement right as of December 31	**27.4**	**30.6**

The expenses for defined benefit pension plans broke down as follows:

€ millions	2015			2014		
	Germany	Other countries	Total	Germany	Other countries	Total
Current service cost	7.2	2.1	9.3	5.0	2.6	7.5
Interest expense	10.1	1.3	11.3	15.1	2.1	17.2
Income from plan assets	–3.0	–1.0	–4.0	–5.4	–1.8	–7.1
Income from reimbursement rights	–0.6	0.0	–0.6	–1.0	0.0	–1.0
Plan curtailments	0.0	–1.9	–1.9	0.0	0.0	0.0
Pension expenses	**13.7**	**0.5**	**14.3**	**13.8**	**2.8**	**16.6**

Service cost is presented within the personnel expenses. The interest portions contained in the pension expenses and the income from the plan assets and interest reimbursements are presented as components of interest expenses.

An increase or decrease in the material actuarial assumptions would have the following effects on the present value of the total pension obligations as of the balance sheet date:

Information in %	**Increase by 25 basis points**		**Decrease by 25 basis points**	
2015	Germany	Other countries[1]	Germany	Other countries[1]
Discount rate	–3.3	–1.7	3.5	1.8
Salary trend	0.0	0.4	0.0	–0.4
Pension trend	2.4	1.1	–2.3	0.0

[1] The information relates primarily to pension obligations recognized as held for sale at the reporting date.

Information in %	**Increase by 25 basis points**		**Decrease by 25 basis points**	
2014	Germany	Other countries	Germany	Other countries
Discount rate	–3.4	–2.3	3.9	2.4
Salary trend	0.0	0.4	0.0	–0.4
Pension trend	2.6	1.8	–2.4	0.0

The sensitivity calculations are based on the average term of the pension obligations calculated as of the balance sheet date. The calculations were carried out in isolation for the actuarial parameters classified as material. As the sensitivity analyses are based on the average term of the expected pension obligations and thus the expected payment dates are not taken into account, they only lead to approximate information or to state tendencies. In case of changes to the mortality rates or life expectancies which act as a basis, it is assumed that if life expectancy of the beneficiaries increases by one year as of December 31, 2015, pension obligations would have risen by 3.0 % (PY: 3.7 %) in Germany and by 1.7 % (PY: 3.6 %) in the remaining countries.

As of December 31, 2015, the weighted average duration of the defined-benefit obligation in Germany was 14 years (PY: 15 years), while that of the defined-benefit obligation in foreign countries was 17 years (PY: 17 years).

(15) Other provisions

The other provisions broke down as follows:

€ millions	Balance as of 01/01/2015	Utilization	Reversals	Additions	Other changes	Balance as of 12/31/2015
Other obligations towards employees	92.7	−59.8	−5.1	74.5	10.9	113.2
Structural measures	40.9	−34.4	−0.3	37.6	1.0	44.8
Partial early retirement program (Altersteilzeit)	39.1	−11.4	−0.2	14.5	0.2	42.1
Returns	17.5	−15.7	−0.6	20.3	−0.2	21.3
Discounts and rebates	12.6	−7.1	−0.3	9.7	0.0	14.9
Dismantling obligations	6.4	−0.3	−0.5	1.9	0.3	7.7
Other taxes	8.1	−0.8	0.0	0.5	−0.3	7.6
Litigation expenses	6.1	−0.9	−0.7	1.1	0.0	5.6
Other	62.8	−17.3	−8.9	6.0	−0.3	42.3
Other provisions	**286.3**	**−147.8**	**−16.6**	**166.1**	**11.6**	**299.6**

Other obligations towards employees primarily included variable compensation tied to performance. Structural measures were mainly allocated to the newspaper and magazine as well as distribution and sales divisions, and printing plants. Provisions for returns comprised the expected sales returns of publishing products. Other provisions were mainly allocated to guarantee obligations in the context of the takeover of domestic regional newspapers, TV program guides, and women's magazines by FUNKE Mediengruppe.

The other changes result from the initial consolidation of acquired companies, currency translation differences, and also from compounding.

Non-current provisions are primarily contained in the provisions for partial early retirement programs, employee obligations, dismantling obligations, and structural measures.

(16) Financial liabilities

The financial liabilities comprise liabilities from a promissory note in the amount of € 632.9 million (PY: € 631.7 million), other liabilities due to banks amounting to € 618.6 million (PY: € 417.2 million), as well as from finance leases of € 1.4 million (PY: € 2.0 million).

The promissory note was characterized by the following utilizations, interest rates, and maturities at the reporting date.

2015 € million	2014 € million	Interest rate in %	Maturity
177.0	177.0	1.47	10/12/2020
162.0	162.0	1.034	10/11/2018
112.0	112.0	3.06	04/11/2018
71.5	71.5	6-month EURIBOR + 0.9	10/12/2020
58.0	58.0	6-month EURIBOR + 0.7	10/11/2018
56.5	56.5	2.38	04/11/2016

The other liabilities due to banks were characterized by utilization, interest rates, and maturities set forth in the table below. All liabilities were denominated in euros. Short-term loans are not presented in the table.

2015 € million	2014 € million	Interest rate in %	Maturity
0.0	409.0	1-month EURIBOR + 0.575	09/18/2017
250.0	0.0	1-month EURIBOR + 0.40	07/03/2020
300.0	0.0	1-month EURIBOR + 0.85	07/22/2020
68.0	0.0	Eonia + 0.325	07/03/2020
3.4	3.8	3-month EURIBOR + 0.30	10/15/2022

The interest rates were mainly equivalent to the effective rates of interest. In the case of fixed-interest loan tranches, the interest rates were fixed until the maturity date.

Furthermore, on the reporting date additional unused short-term and long-term credit facilities amounted to € 902.0 million (PY: € 511.0 million).

On the reporting date, liabilities from finance leases in the prior year in the amount of € 62.9 million, which are linked with the planned sale of an office building in Hamburg, were disclosed as liabilities related to assets held for sale, see note (11).

(17) Other liabilities

The other liabilities broke down as follows:

€ millions	12/31/2015	12/31/2014
Contingent consideration and other put options for purchase of non-controlling interests	513.1	273.4
Payments received from disposal of real estate	67.5	0.0
Liabilities from derivatives	55.4	44.6
Liabilities due to employees	36.8	30.1
Debit balances in accounts receivable	15.2	11.5
Other	47.4	53.0
Other financial liabilities	**735.4**	**412.6**
Advance payments from customers	117.8	136.1
Liabilities from other taxes	55.0	53.7
Advance payments received from disposal of real estate	48.1	0.0
Accrued liabilities	19.8	22.6
Advance payments	15.2	14.7
Liabilities due to social insurance carriers	11.0	9.6
Capital investment subsidies	10.9	12.4
Liabilities for duties and contributions	5.5	5.5
Other	31.3	32.0
Other non-financial liabilities	**314.4**	**286.5**
Other liabilities	**1,049.8**	**699.2**

The increase of liabilities from purchase options regarding non-controlling shares and other contigent consideration resulted mainly from the agreement of option rights within the combining of Immowelt and Immonet Group, see note (2c).

The advance payments from the disposal of real estate were linked to the publishing building that was sold at the beginning of 2016 in Hamburg. A portion of the received purchase price in the amount of € 67.5 million was attributable to the plan assets set up for our pension commitmments. This part was paid out to the plan assets in January 2016.

Liabilities due to employees related to outstanding wage and salary payments, management bonuses, and severance award claims.

Accrued liabilities contained liabilities resulting from overtime and unused vacation.

(18) Maturity analysis of financial liabilities

The contractually agreed (undiscounted) payments related to financial liabilities are presented in the following table:

		Undiscounted cash outflows		
€ millions	**Carrying amount as of 12/31/2015**	**2016**	**2017–2020**	**2021 ff.**
Financial liabilities	1,252.9	71.4	1,245.8	1.0
Contingent consideration and other put options for purchase of non-controlling interests	513.1	208.5	305.5	7.0
Other non-derivative financial liabilities	520.7	510.3	9.1	2.0
Derivative financial liabilities	55.4	0.3	55.0	0.0

		Undiscounted cash outflows		
€ millions	**Carrying amount as of 12/31/2014**	**2015**	**2016–2019**	**2020 ff.**
Financial liabilities	1,050.9	13.6	833.2	252.3
Contingent consideration and other put options for purchase of non-controlling interests	273.4	26.9	254.0	0.0
Other non-derivative financial liabilities	417.4	394.9	20.4	2.9
Derivative financial liabilities	44.6	0.3	44.2	0.1

Notes to the consolidated statement of comprehensive income

(19) Revenues

The revenues broke down as follows:

€ millions	2015	2014
Advertising revenues	2,107.6	1,815.1
Circulation revenues	721.7	735.3
Printing revenues	59.3	67.7
Other revenues	406.3	419.8
Revenues	**3,294.9**	**3,037.9**

During the fiscal year, revenues from barter transactions amounted to € 54.2 million (PY: € 55.2 million). These revenues were generated mainly from the bartering of advertising services.

The increase in operating revenues year on year resulted particularly from the initial consolidation of acquired companies.

(20) Other operating income

The other operating income broke down as follows:

€ millions	2015	2014
Gain on disposal of subsidiaries	112.9	0.0
Revaluation of contingent purchase price liabilities and other put options for purchase of non-controlling interests	27.1	32.0
Income from reversal of provisions	12.4	9.5
Foreign exchange gains	7.1	9.7
Income from disposal of intangible assets and property, plant and equipment	5.8	1.2
Write-ups	5.0	6.3
Miscellaneous operating income	101.6	106.0
Other operating income	**271.8**	**164.7**

Gains on disposal of subsidiaries were primarily realized with respect to runtastic GmbH (see note (2c)). The miscellaneous operating income included income from providing services to discontinued operations, income from the insolvency proceedings of the Kirch Group and a large number of circumstances with immaterial amounts.

(21) Purchased goods and services

The purchased goods and services broke down as follows:

€ millions	2015	2014
Raw materials and supplies and purchased merchandise	158.9	196.8
Purchased services	854.6	793.2
Purchased goods and services	**1,013.5**	**990.0**

Raw materials and supplies and purchased merchandise comprised paper costs amounting to € 63.4 million (PY: € 78.2 million).

The cost of purchased services was predominantly composed of purchased third-party printing services and professional fees, as well as publisher services in the context of performance-based marketing. The purchased third-party printing services also included paper costs.

(22) Personnel expenses

The personnel expenses broke down as follows:

€ millions	2015	2014
Wages and salaries	932.8	820.3
Social security	138.2	130.1
Pension expenses	11.8	8.5
Expenses for share-based payments	13.3	11.2
Other benefit expenses	4.2	4.3
Personnel expenses	**1,100.3**	**974.4**

The average number of employees in the Group is shown below:

	2015	2014
Salaried employees	11,572	10,457
Editors	2,730	2,771
Wage-earning employees	721	689
Total employees	**15,023**	**13,917**

The increase in personnel figures compared to the prior year resulted particularly from the initial consolidation of acquired companies and from staff increases in the strongly growing digital business units.

(23) Depreciation, amortization, and impairment

The depreciation, amortization, and impairments broke down as follows:

€ millions	2015	2014
Impairment losses in goodwill	0.0	31.1
Amortization of other intangible assets	139.7	111.2
Impairment losses in other intangible assets	1.9	19.4
Depreciation of property, plant, and equipment	56.9	58.2
Impairment losses in property, plant, and equipment	0.3	24.9
Depreciation of investment property	0.9	1.4
Impairment losses in investment property	0.0	9.4
Depreciation, amortization, and impairments	**199.8**	**255.6**

The increase in the amortization of other intangible assets primarily resulted from increased ongoing investments as well as increased effects of purchase price allocations.

Prior-year impairment losses in goodwill related primarily to a reporting unit of the Marketing Models segment and resulted from decreased business development expectations due to market conditions. Impariment losses in other intangible assets in the prior year affected essentially the Paid and Marketing Models segments. Prior-year impairment losses in property, plant and equipment, as well as investment property were related to the planned sale of an office building in Hamburg, see note (11).

Impairment losses in financial assets recognized in the fiscal year are included in the income from investments.

(24) Other operating expenses

The other operating expenses broke down as follows:

€ millions	2015	2014
Advertising expenses	234.1	174.3
Expenses for non-company personnel	143.0	129.5
Mailing and postage expenses	94.2	102.7
Consulting, audit and legal fees	64.5	54.0
Rental and leasing expenses	52.5	43.7
Commissions and gratuities	41.6	40.6
Maintenance and repairs	38.9	35.4
Travel expenses	31.4	28.3
Revaluation of contingent purchase price liabilities and other put options for purchase of non-controlling interests	18.8	5.7
Allowances for doubtful receivables	15.3	9.8
Training of employees	14.0	12.4
Services provided by related parties	8.3	11.4
Foreign exchange losses	7.6	5.9
Other taxes	6.1	9.0
Miscellaneous operating expenses	91.8	94.7
Other operating expenses	**862.2**	**757.2**

The miscellaneous operating expenses included additions to provisions relating to legal and other risks, as well as other operating expenses.

The following professional fees for the services rendered by the auditor Ernst & Young GmbH were recognized:

€ millions	2015	2014
Audits of the annual financial statements	0.9	1.0
Other certification or appraisal services	0.3	0.8
Tax advisory services	0.3	0.3
Other services	0.6	0.8
Total professional fees	**2.1**	**2.9**

The professional fees for the audit of financial statements included the audit of the separate financial statements of Axel Springer SE and other German subsidiaries, and the audit of the consolidated financial statements. The other certification and appraisal services primarily included fees for the auditor's review of the quarterly financial statements and audits to verify compliance with contractual agreements; in the prior year, additional auditing services in connection with the sale of our domestic print activities in 2014 were included. The tax advisory fees were a result of support services regarding specific tax questions. Other services consisted of due diligence services as part of acquisitions within the fiscal year.

(25) Income from investments

The income from investments amounted to € 24.7 million (PY: € 81.4 million). The decline was particularly due to the results from the sale of investments recorded in the prior year.

In addition to the current result of companies reporting according to the equity method and the dividends received from other associated companies, income from investments included gains from revaluations carried out as part of step acquisitions in the amount of € 21.7 million (PY: € 0.0 million), income from disposals in the amount of € 3.7 million (PY: € 78.0 million), and impairment losses in investments in the amount of € 3.7 million (PY: € 6.6 million).

The sale of our minority interest (17.2 %) held by SeLoger in the iProperty Group Ltd., Sydney, Australia, in the prior year resulted in a gain on disposal of € 55.1 million (before a tax effect of € 2.2 million). This amount was taken into account as a non-recurring effect in the Classified Ad Models segment, with 30 % of it being attributed to other shareholders.

(26) Financial result

The net financial result broke down as follows:

€ millions	2015	2014
Interest income from bank accounts	1.6	2.1
Interest income from loans and securities	14.6	12.3
Interest income from taxes	1.6	3.3
Other interest income	5.6	0.2
Interest income	**23.3**	**17.9**
Interest expenses on liabilities due to banks and on promissory note	–16.7	–13.7
Interest expenses on pension provisions, less reimbursements	–6.8	–8.9
Interest expenses from compounding	–4.8	–7.5
Miscellaneous interest expenses	–10.7	–13.9
Interest and similar expenses	**–39.0**	**–44.0**
Other financial result	**–6.5**	**5.1**
Financial result	**–22.2**	**–21.1**

A total of € 20.8 million (PY: € 14.4 million) of the interest income and € – 27.1 million (PY: € –24.1 million) of the interest expense was allocated to financial assets and liabilities that were not measured at fair value through profit or loss.

(27) Income taxes

The income taxes paid or owed and the deferred taxes are recognized under income taxes. The income taxes consisted of the trade tax, corporate income tax, and solidarity surcharge, and the corresponding foreign income taxes. The income tax expenses are broken down below:

€ millions	2015	2014
Current taxes	134.9	121.1
Deferred taxes	1.3	–42.1
Income taxes from continued operations	**136.2**	**78.9**
Income taxes from discontinued operations	1.3	257.4
Income taxes	**137.5**	**336.4**

The expected income tax expense – applying the tax rate of Axel Springer SE – is reconciled to the income tax expense recognized in the income statement as follows:

€ millions	2015	2014
Income before income taxes	440.8	314.7
Tax rate of Axel Springer SE	31.00 %	31.00 %
Expected tax expenses	**136.6**	**97.5**
Differing tax rates	–5.2	–0.4
Changes in tax rates	–1.6	–3.7
Permanent differences	–6.0	1.3
Adjustments to carrying amounts of deferred taxes	25.5	–3.0
Current income taxes for prior years	5.2	–3.4
Deferred income taxes for prior years	–1.8	–2.1
Non-deductible operating expenses	18.0	13.7
Tax-exempt income	–30.6	–23.6
Trade tax additions/deductions	1.9	3.4
Other effects	–5.7	–0.9
Income taxes	**136.2**	**78.9**

Companies with the legal form of a corporation domiciled in Germany are subject to corporate income tax at the rate of 15 % and solidarity surcharge of 5.5 % of the corporate income tax owed. In addition, the profits of these companies are subject to trade tax, for which the amount is municipality-specific. Companies with the legal form of a partnership are subject to trade tax exclusively. The net income is assigned to the shareholder for purposes of corporate income tax. The group tax rate remains unchanged at 31.0 %.

The effects of different tax rates for partnerships and for foreign income taxes from the tax rate applicable to Axel Springer SE are explained in the reconciliation in the item differing tax rates. The permanent differences result mainly from impairment losses in goodwill and deconsolidation effects that are not taken into account for tax purposes. The adjustments made to the carrying amounts of deferred taxes included € 13.0 million (PY: € 5.8 million) for the non-recognition of deferred taxes on tax loss carry-forwards. Moreover, effects from the revaluation of loss carry-forwards are included.

Deferred tax assets and liabilities were recognized to account for temporary differences and tax loss carry-forwards, as follows:

€ millions	12/31/2015		12/31/2014	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Intangible assets	25.8	449.3	18.0	315.6
Property, plant, and equipment and investment property	2.1	93.2	1.8	89.4
Non-current financial assets	0.8	0.7	0.7	1.9
Inventories	0.6	0.0	1.0	0.0
Receivables and other assets	31.9	10.0	28.0	13.8
Pension provisions	11.4	0.7	30.2	0.1
Other provisions	14.9	5.1	11.8	2.4
Liabilities	35.5	6.4	35.8	1.6
Temporary differences	**123.0**	**565.5**	**127.2**	**424.9**
Tax loss carry-forwards	**8.1**	**0.0**	**24.3**	**0.0**
Total	**131.1**	**565.5**	**151.5**	**424.9**
Offsetting	–84.3	–84.3	–97.0	–97.0
Amounts as per balance sheet	**46.8**	**481.2**	**54.4**	**327.9**

The increase in deferred tax liabilities related to intangible assets mainly resulted from initial consolidations that took place during the fiscal year. The decrease in deferred tax assets related to pension provisions resulted from higher discount rates.

The net balance of deferred tax items from January 1 to December 31, 2015 was derived as follows:

€ millions	2015	2014
Deferred tax assets as of January 1	54.4	41.2
Deferred tax liabilities as of January 1	−327.9	−313.5
Net tax position as of January 1	**−273.5**	**−272.4**
Deferred tax of current year	−1.3	42.1
Changes in deferred taxes recognized in other comprehensive income	−11.7	39.0
Changes in consolidation group	−151.3	−66.9
Deferred taxes from discontinued operations	0.0	0.6
Reclassification into assets and liabilities held for sale	3.4	−15.9
Net tax position as of December 31	**−434.4**	**−273.5**
Deferred tax assets as of December 31	46.8	54.4
Deferred tax liabilities as of December 31	−481.2	−327.9

Of the deferred tax assets, an amount of € 39.2 million (PY: € 30.7 million), and of the deferred tax liabilities, an amount of € 9.0 million. (PY: € 13.6 million) can be realized in the short term.

The amount of deferred tax assets to be disclosed in accordance with IAS 12.82 was € 4.4 million (PY: € 11.3 million). It is expected that this amount can be realized by utilization against the available operating income.

Deferred taxes in the total amount of € 40.9 million (PY: € 54.6 million) were recognized directly in equity, as they relate to matters that were likewise recognized directly in equity.

In the fiscal year, no deferred tax assets were recognized with respect to corporate income tax loss carry-forwards amounting to € 147.0 million (PY: € 109.3 million), and with respect to trade tax loss carry-forwards amounting to € 39.0 million (PY: € 18.6 million) because it did not appear probable that sufficient taxable income could be generated for these amounts in the near future. In addition, there are interest carry-forwards amounting to € 1.9 million (PY: € 2.3 million) for which no deferred tax assets were recognized. Of these tax loss carry-forwards, an amount of € 2.8 million can be carried forward for up to five years (PY: € 5.5 million up to five years and € 3.3 million for six to ten years). The utilization of tax loss carry-forwards or interest carry-forwards that had not previously been recognized as deferred tax assets caused a reduction in income tax expenses of € 0.9 million (PY: € 2.0 million). In the past fiscal year, there were corrections of recognized tax loss carry-forwards due to tax audits or differing tax assessments in the amount of € – 2.3 million (PY: € 2.5 million).

As a rule, deferred taxes must be recognized to account for the difference between the Group's interest in the equity of the subsidiaries as presented in the consolidated balance sheet and the corresponding investment balance recognized in the financial statements for tax purposes. Deferred tax liabilities were not recognized on differences of € 9.0 million (PY: € 7.5 million) because a realization is not planned at the present time. In the case of sale or profit distribution, the gain on disposal or the dividend, respectively, would be subject to taxation at 5 % in Germany; in addition, foreign withholding taxes might be incurred.

(28) Earnings per share

The earnings per share were determined as follows:

		2015	2014
Result of continued operations attributable to shareholders of Axel Springer SE	€ millions	249.6	169.1
Result of discontinued operations attributable to shareholders of Axel Springer SE	€ millions	2.8	630.7
Net income attributable to shareholders of Axel Springer SE	€ millions	252.4	799.8
Weighted average shares outstanding	000s	99,682	98,940
Earnings per share from continuing operations (basic/diluted)	**€**	**2.50**	**1.71**
Earnings per share from discontinued operations (basic/diluted)	€	0.03	6.37
Net income attributable to shareholders of Axel Springer SE per share (basic/diluted)	**€**	**2.53**	**8.08**

(29) Other income/loss

The other income/loss broke down as follows:

	2015			2014		
€ millions	**Before tax**	**Tax effect**	**Net**	**Before tax**	**Tax effect**	**Net**
Actuarial gains/losses from defined benefit pension obligations	36.1	–11.6	24.5	–105.2	32.2	–73.0
Currency translation differences	60.2	0.0	60.2	–27.2	0.0	–27.2
Changes in fair value of available-for-sale financial assets	12.1	0.0	12.1	–20.0	6.9	–13.1
Changes in fair value of derivatives in cash flow hedges	0.2	–0.1	0.2	0.0	0.0	0.0
Other income/loss from investments accounted for using the equity method	–2.6	0.0	–2.6	0.4	0.1	0.4
Other income/loss	**105.9**	**–11.7**	**94.3**	**–152.1**	**39.0**	**–113.0**

Notes to the consolidated statement of cash flows

(30) Other disclosures

The cash and cash equivalents were composed of short-term available cash in banks, securities, cash on hand, and checks.

Asset additions of € 7.9 million (PY: € 5.9 million) were not yet reflected in cash. This related to additions in both intangible assets and property, plant, and equipment.

The acquisition costs, cash payments, and purchased assets and liabilities for business acquisitions are presented in the following table:

€ millions	2015	2014
Intangible assets	472.0	300.3
Property, plant, and equipment	3.9	6.5
Non-current financial assets	0.3	6.5
Trade receivables	39.9	31.9
Other assets	7.1	19.8
Cash and cash equivalents	53.0	48.4
Provisions and other liabilities	–56.4	–70.7
Deferred tax liabilities	–157.0	–82.6
Net assets	**362.7**	**260.1**
Acquisition cost (preliminary)	756.4	651.3
Thereof paid	644.5	523.1

The amounts from the purchases of shares in consolidated subsidiaries and business units less cash and cash equivalents acquired reported in the cash flow statement, in addition to the cash payments and acquired funds listed in the table, also include payments for acquisitions of the previous years (in particular payments from contingent consideration; see note (34)).

The following table provides details of sales proceeds, paid-up amounts, and disposed assets and liabilities arising from transactions with loss of control:

€ millions	2015	2014
Goodwill	44.5	4.0
Other intangible assets	17.7	1.8
Property, plant, and equipment	1.9	0.6
Non-current financial assets	0.2	2.2
Trade receivables	32.0	3.5
Other assets	18.1	4.3
Cash and cash equivalents	8.4	5.1
Provisions and other liabilities	–42.6	–13.6
Deferred tax liabilities	–6.4	–2.1
Disposal net assets	**73.9**	**5.8**
Selling price	172.5	9.0
Thereof paid-up	172.5	7.1

The disclosure of cash inflows from divestitures in the cash flow statement is made under proceeds from disposals of consolidated subsidiaries and business units less cash and cash equivalents given up. The amount recognized in the cash flow statement also includes payments attributable to the discontinued operations from the sale of domestic and foreign print activities.

The portion attributable to the plan assets from the advance payment received during the year with respect to the purchase price for the sale of the publishing building at the Hamburg site (€ 67.5 million) which was completed at the beginning of 2016 is included in the amount of the financial transactions under the cash flow from financing activities (see note (11) and see note (17)). This part of the purchase price was contributed to the the plan assets in January 2016.

Regarding cash inflows and outflows with respect to discontinued operations see note (2d).

Notes to the consolidated segment report

(31) Basic principles of segment reporting

The segment reporting reflects the internal management and reporting structures. The reporting format is broken down into the three operating segments, those being Paid Models, Marketing Models, and Classified Ad Models. In addition, there is the Services/Holding segment.

Segmentation of assets, liabilities, and investments based on the operating segments does not occur as these measures do not serve as a basis for decision making at segment level.

In the fiscal year, due to a change in internal reporting the segmentation was adjusted with regard to the assignment of individual operational functions. As a result, the functions of Advertising Marketing, Sales, Logistics, Customer Service, Direct Marketing, and TV and Video Production, which almost exclusively provide services for the Paid Models segment, were reclassified from the Services/Holding segment to the Paid Models segment. Consequently, a portion of the cost and profit reclassifications between these segments was waived. In addition, the advanced transformation of Axel Springer into a digital publisher was taken into account through a change of cost allocations. The segment reporting figures for the prior year were adjusted accordingly for comparison purposes.

(a) Operating segments

All business models which predominantly generate revenues in online classified advertising are summarized in the Classified Ad Models segment. Our portfolio comprises leading domestic and foreign online classified portals focusing on real estate, jobs and cars, as well as general classifieds. Our online classifieds portals include the real estate portals SeLoger, Immoweb, Immowelt/Immonet, the job portals of the StepStone Group, the regional portal meinestadt.de, the portals of @Leisure for holiday properties, and the car and general classified ad portals Yad2 and LaCentrale.

The Paid Models segment comprises all business models that are primarily used by paying readers. National Paid Models include the digital and print media of the BILD and WELTN24 Group, the computer, car and sport magazines of the BILD brand family, B.Z. and the music magazines.

International Paid Models comprise Axel Springer's digital and print media in Europe and USA. Here our main areas of representation are in Poland, Slovakia, Serbia, Hungary, Switzerland, Belgium and Spain. Onet.pl and azet.sk, the leading Internet portals in Poland and Slovakia, also belong to this sub-segment. Since end of October 2015 we are represented in the USA with businessinsider.com the leading digital offering for business and financial news.

The Marketing Models segment comprises all domestic and foreign business models whose revenues are primarily generated by advertising customers in marketing based on performance or reach. These particularly include the performance-based activities of the Zanox Group and the reach-based marketing offers of Idealo, auFeminin, finanzen.net, smarthouse and Bonial.

The Services/Holding segment comprises group services including IT, printing plants, real estate management, gastronomy, and financial and personnel services, as well as holding functions such as accounting, controlling, finance, law, tax, HR, internal audit, mergers & acquisitions, and communication. Group services are purchased by customers within the group and are priced at arms length.

(b) Geographical information

The activities of the Axel Springer Group are conducted mainly in Germany, other European countries, and the USA.

For purposes of geographical segment reporting, the revenues are segmented according to the location of the customer's registered office and the non-current assets according to the location of the legal entity.

(32) Segment information

The segment information was compiled on the basis of the recognition and measurement methods applied in the consolidated financial statements.

The external revenues comprise circulation revenues from the sale of publishing products, advertising revenues, and revenues from rendering services. The internal revenues consist of revenues from the exchange of goods and services between the various segments. The transfer pricing is based on cost coverage.

We use the performance figure EBITDA, which illustrates earnings before interest, taxes, depreciation and amortization, as well as EBIT, which is defined as earnings before interest and taxes, to measure segment results. In calculating this performance figure, non-recurring effects and effects of purchase price allocations are eliminated. Non-recurring effects include effects from the acquisition and disposal of subsidiaries, business divisions, and investments, as well as impairment and write-ups of investments, effects from the sale of real estate, and special depreciation and write-ups of real estate used by the company.

The breakdown of the eliminated non-recurring effects from the EBITDA and EBIT into the segments is shown below:

	2015				2014			
€ millions	**Classified Ad Models**	**Paid Models**	**Marketing Models**	**Services/ Holding**	**Classified Ad Models**	**Paid Models**	**Marketing Models**	**Services/ Holding**
Effects from acquisitions of subsidiaries and investments	−5.0	10.4	9.0	0.0	−8.7	−0.3	−0.1	1.2
Revaluation of contingent purchase price liabilities and other put options for purchase of non-controlling interests	−2.3	12.1	−0.7	0.0	−3.0	10.7	18.0	0.0
Effects from initiated and finalized disposals of subsidiaries, investments and real estate	−7.5	64.4	27.3	−5.1	55.1	−9.0	21.8	−33.7
Impairment on investments	−3.6	0.0	0.0	0.0	−1.8	−2.8	−1.9	−0.5
Non-recurring effects	**−18.5**	**86.9**	**35.6**	**−5.1**	**41.6**	**−1.5**	**37.8**	**−32.9**

The reconciliation of the income from investments disclosed in the income statement as well as the impairments is shown below:

€ millions	2015	2014
Income from investments included in EBITDA	3.8	10.7
Non-recurring effects included in income from investments	20.9	70.6
Income from investments	**24.7**	**81.4**
Depreciation, amortiza-tion, impairments and write-ups (except from purchase price allocations)	−110.0	−112.5
Thereof write-ups	−5.0	−6.3
Non-recurring effects from depreciation	0.0	−33.0
Amortization and impairments from purchase price allocations	−84.9	−103.9
Depreciation, amortization, and impairments	**−199.8**	**−255.6**

The non-current segment assets include goodwill, intangible assets, property, plant, and equipment as well as investment properties.

Other disclosures

(33) Capital management

Beyond the provisions of German law applicable to stock corporations, Axel Springer SE is not subject to any further obligations relating to capital preservation, whether from its own Articles of Incorporation or from contractual obligations. The financial key figures we used for management purposes are primarily earnings-driven. The goals, methods, and processes of our capital management are subordinate to the earnings-driven financial key figures.

We can utilize the funds derived from the promissory notes (€ 637.0 million) and also avail ourselves of our credit line (€ 1,500.0 million) both for general business purposes as well as to finance acquisitions.

In the fiscal year, we increased the financing volume of our credit lines and extended their terms. Besides the promissory notes 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 the balance sheet date, there is a credit line in the amount of € 1,500.0 million, the utilization of which is due for repayment in July 2020. The utilization of the credit lines is tied to compliance with covenants. Since the existence of the credit lines we have fully complied with all credit terms.

For the purpose of maintaining and adjusting the capital structure, the company can adjust the dividend payments to its shareholders or purchase treasury shares representing up to 10.0 % of the subscribed capital. Treasury shares can be used for acquisition financing, or they can be retired.
At the reporting date and the prior-year reporting date we held no treasury shares.

(34) Financial assets and liabilities

The balance sheet items comprising financial assets and liabilities can be attributed to the measurement categories according to IAS 39 as follows:

€ millions	Carrying amount	Loans and receiv-ables	Financial liabilities	Available-for-sale financial assets	Financial assets and liabilities held for trading	No category according to IAS 39 and non financial assets and liabilities
Assets 12/31/2015						
Other non-current investments and securities	66.7			66.7		
Loans and advances	300.5	300.5				
Derivatives	203.8				203.8	
Other non-current financial assets	571.0	300.5		66.7	203.8	
Trade receivables	570.9	570.9				
Receivables due from related parties	7.2	7.2				
Derivatives	5.1				5.1	
Other	123.1	43.7				79.4
Other assets	128.3	43.7			5.1	79.4
Cash and cash equivalents	253.8	253.8				
Liabilities 12/31/2015						
Financial liabilities	1,252.9		1,251.5			1.4
Trade payables	343.1		343.1			
Liabilities due to related parties	23.7		10.7			13.1
Derivatives designated as a hedging instrument	0.7					0.7
Derivatives not designated as a hedging instrument	54.6				54.6	
Contingent consideration	307.8					307.8
Other	686.7		372.2			314.5
Other liabilities	1,049.8		372.2		54.6	623.0
Assets 12/31/2014						
Other non-current investments and securities	34.4			34.4		
Loans and advances	288.5	288.5				
Derivatives	259.1				259.1	
Other non-current financial assets	582.0	288.5		34.4	259.1	
Trade receivables	523.8	523.8				
Receivables due from related parties	43.6	13.0				30.6
Derivatives	0.5				0.5	
Other	164.1	112.0				52.1
Other assets	164.6	112.0			0.5	52.1
Cash and cash equivalents	383.1	383.1				
Liabilities 12/31/2014						
Financial liabilities	1,050.9		1,049.0			2.0
Trade payables	313.5		313.5			
Liabilities due to related parties	16.9		9.2			7.7
Derivatives designated as a hedging instrument	0.9					0.9
Derivatives not designated as a hedging instrument	43.6				43.6	
Contingent consideration	266.4					266.4
Other	388.2		101.7			286.5
Other liabilities	699.2		101.7		43.6	553.8

With the exception of the following financial assets and liabilities, the valuation is at amortized cost.

€ millions	12/31/2015 Fair value based on market price (level 1)	12/31/2015 Fair value based on observable market data (level 2)	12/31/2015 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)
Other non-current investments and securities			14.2			0.0
Derivatives not designated as a hedging instrument (positive fair value)		5.1	203.8		0.5	259.1
Derivatives designated as a hedging instrument (negative fair value)		0.7			0.9	
Derivatives not designated as a hedging instrument (negative fair value)		54.6			43.6	
Contingent consideration			307.8			266.4

The fair values of contingent considerations developed as follows:

€ millions	2015	Thereof Car&Boat Media	Thereof Immoweb	Thereof Bonial Holding	Thereof Onet	2014	Thereof Car&Boat Media	Thereof Immoweb	Thereof Onet
January, 1	**266.4**	**82.2**	**57.5**	**0.0**	**55.6**	**178.7**	**0.0**	**53.7**	**67.1**
Acquisitions or granting of option rights	74.2	0.0		52.8		134.6	80.3		
Divestment	–0.6					0.0			
Payment	–39.2	–3.4			–2.3	–27.4			–2.0
Revaluation affecting net income	3.1	9.8	2.8		–11.0	–26.2		2.3	–11.0
Thereof other operating income	–16.3				–11.0	–32.0			–11.0
Thereof other operating expenses	19.4	9.8	2.8			5.8		2.3	
Compound	3.9	1.3	0.8		0.6	6.6	1.9	1.5	1.5
Other	0.3					0.0			
December, 31	**307.8**	**89.8**	**61.2**	**52.8**	**42.9**	**266.4**	**82.2**	**57.5**	**55.6**

The fair value measurement of the contingent considerations depends primarily on the estimated results of the acquired companies in the years prior to the possible exercise dates of the options or the payment dates of the earn-outs. The earnings indicators used as a basis for measurement are generally EBITDA figures adjusted for non-recurring effects. In case of an increase of the relevant earnings measures by 10 %, the value of the contingent consideration would increase by approximately 8 %. A decrease of the relevant earnings measures by 10 % would result in a reduction by approximately 7 %.

With the exception of the financial liabilities presented below, the carrying amounts of the financial assets and liabilities were identical to their fair values.

€ millions	12/31/2015		12/31/2014	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial liabilities	1,251.5	1,259.6	1,049.0	1,062.3
Thereof promissory note	632.9	641.0	631.7	645.0
Thereof due to banks	618.6	618.6	417.2	417.2

The fair value disclosed is determined on the basis of the advantage of the contractually agreed fixed interest rate over the market interest rate (level 2 of the fair measurement hierarchy, see note (3g)).

The net gains and losses of financial instruments (excluding interest and dividends) recognized in the income statement are presented in the following table.

€ millions	2015	2014
Loans and receivables, financial liabilities	3.8	19.7
Available-for-sale financial assets	14.7	−186.9
Financial assets and liabilities held for trading	−22.1	240.8

The net gains and losses in the categories of "loans and receivables" and "financial liabilities" consisted mainly of the result from the currency translation and valuation allowances.

The net gains or losses of available-for-sale financial assets consisted mainly of the gains and losses from the disposal of these financial assets and impairments.

The net gains and losses in the category of "financial assets and liabilities held for trading" mostly resulted from valuation changes and other expenses for financial derivatives assigned to this category.

In the fiscal year, positive fair value changes of € 12.4 million (PY: € 27.0 million) before taxes were recognized directly in equity. Related to the sale of our investment in iProperty (see note (12f)) the unrealized gains recorded in other comprehensive income amounting to € 47.0 million before taxes were reclassified into the income statement in the context of income recognition in the prior year.

(35) Financial risk management

With respect to its financial assets and liabilities, the Axel Springer Group is exposed to financial market risks, liquidity risks, and credit risks. The task of financial risk management is to limit these risks by means of targeted measures.

(a) Financial market risks

Financial market risks for financial assets and liabilities mainly consist of interest rate risks and exchange rate risks.

In principle, the effects of these risks on the value can be assessed promptly and, where applicable, the loss risks can be reduced.

Selected derivative hedging instruments are used to hedge risks. The use of financial derivatives is governed by appropriate guidelines of the Group. These guidelines define the relevant responsibilities, permissible actions, reporting requirements and business partner limit, and prescribe the strict separation of trading and back-office functions.

To hedge the interest rate risk, we employ in particular interest rate derivatives such as interest rate swaps, in addition to increased use of fixed-interest agreements. The degree of hedging specified in the Axel Springer finance regulations ranges between 30 % and 100 % of the underlying transaction volume. The use of fixed-interest agreements and interest rate derivatives resulted in an annual average hedging ratio regarding the gross indebtedness (promissory note and bank liabilities) of 46.6 % (PY: 56.0 %).

The effects of market interest rate changes on variable-interest financial instruments not hedged with financial derivatives are calculated using a sensitivity analysis. Assuming a parallel shift in the yield curve of +50 basis points, the financial result would decrease by € 3.0 million (PY: € 2.7 million). Assuming a parallel shift in the yield curve of –50 basis points, the financial result would improve by less than € 0.1 million (PY: € 2.7 million). The financial result is less sensitive to interest rate fluctuations on variable-interest financial instruments with an agreed minimum interest rate.

Currency risks from operations are mainly avoided through the occurrence of operating costs in the countries in which we sell our products and services. Remaining currency risks from operations are insignificant to the Group since the majority of EBITDA is earned in the euro currency zone. In the reporting period, the share of EBITDA not earned in euros was 23 % (PY: 20 %).

Currency risks from claims and liabilities (without contingent compensation) denominated in foreign currency as well as claims and liabilities in euros in non-euro countries with net exposures starting at € 5 million per foreign currency are hedged by means of maturity-congruent forward exchange transactions.

Local-currency cash flows generated in non-euro zone countries are either reinvested to expand local business operations, or invested with Axel Springer SE and hedged by means of forward exchange deals or distributed in the form of dividends. Therefore, the foreign exchange risk from fluctuating exchange rates for foreign currency cash and cash equivalents is limited.

Effects from the currency translation of statements prepared by subsidiaries in foreign currencies are recorded directly in accumulated other comprehensive income. Therefore, Axel Springer does not hedge such currency effects.

(b) Liquidity risk

We continually monitor the availability of financial resources to fund the company’s operating activities and investments by means of a Group-wide liquidity planning system and monthly cash flow analyses. Liquidity and financial flexibility of the Axel Springer Group is ensured by fixed credit lines in the amount of € 1,500.0 million (until 2020) as well as by the promissory note (€ 637.0 million). Note (18) contains a maturity analysis of our financial liabilities. The payment obligations for financial obligations that have been contractually agreed but not yet recorded are presented in note (40).

(c) Credit risk

Financial assets may be impaired if business partners do not adhere to payment obligations. The maximum exposure to risk from financial assets, which are fundamentally subject to credit risk, correspond to their carrying amounts.

Significant risk items are contained in non-current financial assets (loans) as well as in trade receivables, receivables due from related parties, and other assets.

The majority of our business models are based on a widely distributed and heterogeneous customer base. We therefore estimate the risk of significant defaults to be low. To the extent that credit risks are discernible, we reduce them using active management of receivables, credit limits, and credit checks of our business partners. Appropriate allowances are formed to account for discernible default risks.

In connection with the sale of regional newspapers, TV program guides, and women's magazines we granted a multi-year, subordinated loan to FUNKE Mediengruppe in the amount of € 255.8 million. Currently, we do not see any default risk. For collateralization purposes, our business partners granted second-tiered securities regarding their assets.

Investments in securities are made only in instruments with first-class ratings according to our finance regulations. Investment in time deposits occurs exclusively at financial institutions that belong to the deposit protection fund and/or are classified by leading rating agencies as being at least of Investment Grade Status BBB- (S&P) or Baa3 (Moody’s).

(36) Financial derivatives

(a) Financial derivatives designated as hedging instruments

In the reporting period, designated hedging instruments were used in particular to hedge against the interest rate risks of long-term liabilities. The cash flows were hedged through an interest rate swap. Regarding maturity and nominal amount the interest rate swap was chosen to match the corresponding tranches of the variable-interest loans (underlying transaction). The interest rate swap was measured at fair value. The changes in the fair value were recognized in accumulated other comprehensive income until the hedged item was realized.

The fair value measurement of the interest rate swap on the reporting date yielded negative fair values of € – 0.7 million (PY: € – 0.9 million). During the reporting period a profit of € 0.2 million was recorded in other comprehensive income (PY: less than € 0.1 million).

In addition, designated hedging instruments were used to hedge against currency risks from purchase price payments for company acquisitions in foreign currency. Unrealized gains of € 7.9 million (PY: € 2.8 million) from foreign exchange transactions and currency options realized during the year were initially recorded in other equity to hedge purchase price payments and were included in acquisition costs of the acquired non-financial assets. On the reporting date, there were no further derivatives designated as hedging instruments (PY: negative fair value of less than € – 0.1 million).

(b) Financial derivatives not designated as hedging instruments

As of December 31, 2015 forward exchange transactions with a negative fair value of € – 54.6 million and a positive fair value of € 5.1 million (PY: negative fair value of € – 43.6 million, positive fair value of € 0.5 million) were recorded; these were entered in order to secure ourselves against currency risks arising from loans from foreign subsidiaries or a liability from contingent consideration. The nominal value of the hedged transactions amounted to € 479.6 million (PY: € 461.2 million). The profits and losses from the fair value measurement of these forward exchange transactions, as well as the opposite profits and losses from the foreign currency measurement of the hedged loan claims and obligations were recognized.

In order to secure our investment in Doğan TV, we concluded several put options for a successive sale of all shares with the seller. With regard to the accounting of this hedging agreement see note (7b). Beside the agreed fixed price secured by bank guarantees, the valuation of the derivatives depends in particular on the discount rate. A supposed variation of 25 basis points would alter the valuation recorded within the income from investments by € 1.9 million.

(37) Relationships with related parties

Related parties are defined as those persons and companies that control the Axel Springer Group, or that are controlled, jointly managed, or subject to significant influence by the Axel Springer Group. Accordingly, the members of the Springer family, the companies controlled, jointly managed, or subject to significant influence by this family, as well as companies in whose management they hold a key position have been defined as related parties for the Axel Springer Group. Control of the Group is exercised by Axel Springer Gesellschaft für Publizistik GmbH & Co. or its parent company, Friede Springer GmbH & Co. KG, a majority of which is attributable to Dr. h. c. Friede Springer. In addition, the subsidiaries, joint ventures, and associated companies of the Axel Springer Group have been defined as related companies. In addition to the active members of the Executive Board and Supervisory Board of Axel Springer SE (including their family members) and their majority holdings, the institutions managing the plan assets of the Axel Springer Group must also be considered related parties.

Besides the business relationships with the consolidated subsidiaries, the following business relationships existed with related parties:

€ millions	Total	Associated companies	Other related parties	Total	Associated companies	Other related parties
Balance sheet	12/31/2015			12/31/2014		
Loans	6.4	5.3	1.0	6.3	5.5	0.8
Receivables	7.2	2.7	4.5	43.6	36.9	6.7
Thereof trade	6.3	2.6	3.7	8.4	2.9	5.4
Allowances included	26.5	7.7	18.9	24.1	2.9	21.1
Provisions	11.4	0.0	11.4	11.4	0.0	11.4
Liabilities	23.7	3.3	20.5	16.9	1.5	15.4
Thereof trade	4.7	2.7	2.0	3.6	1.5	2.1
Income statement	2015			2014		
Goods and services supplied	19.6	15.4	4.3	18.6	15.3	3.2
Goods and services received	45.3	16.3	29.0	58.5	18.6	39.9
Financial result	1.0	0.9	0.1	0.9	0.9	0.0

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

The changes in the allowances for receivables due to related parties are presented in the table below:

€ millions	2015	2014
Balance as of January 1	**24.1**	**25.7**
Additions	6.0	4.5
Utilization	–3.5	–4.5
Reversals	0.0	–1.5
Other changes	0.0	–0.2
Balance as of December 31	**26.5**	**24.1**

As of December 31, 2015, receivables in the amount of € 1.7 million (PY: € 34.8 million) were neither past due nor subject to valuation allowances. With regard to these receivables, there were no indications at the reporting date that would suggest that the related parties would not fulfill their payment obligations. The receivables due from associated companies included a reimbursement right for pension obligations in the amount of € 30.6 million, in the fiscal year the reimbursement right for pension obligations was recorded under other financial assets in the amount of € 27.4 million (see note (14)).

The provisions referred to pension obligations owed to members of the Executive Board. The liabilities include obligations from share-based remuneration owed to members of the Executive Board in the amount of € 13.0 million (PY: € 7.7 million).

Goods and services provided to related companies were mostly related to the distribution of newspapers and magazines. The services received from related companies mainly comprised purchased publishing products and printing services. A master agreement for the printing of magazines is in effect with PRINOVIS, as in the prior year. Under this agreement, services in the amount of € 10.0 million (PY: € 15.4 million) were rendered for companies of the Axel Springer Group. In mid-December

2015, we sold our shares in PRINOVIS Ltd. & Co KG, Hamburg.

In 2015, the fixed compensation of the members of the Executive Board of Axel Springer SE amounted to € 8.7 million (PY: € 8.9 million). The variable compensation amounted to € 10.2 million (PY: € 8.9 million). The measurement of the share-based compensation granted to the Executive Board of Axel Springer SE gave rise to personnel expenses of € 5.6 million (PY: € 3.6 million). Guaranteed pension payments to members of the Executive Board resulted in a personnel expense of € 0.8 million in fiscal year 2015 (PY: € 0.5 million).

The compensation of the members of the Supervisory Board amounted to € 3.0 million (PY: € 3.0 million). A Supervisory Board member received compensation of € 0.1 million for services as an author (PY: € 0.1 million).

The compensation of the members of the Executive and Supervisory Board is described in detail in the compensation report, which is part of the notes to the consolidated financial statements. The compensation report is included in the section “Corporate Governance Report”.

An amount of € 2.7 million (PY: € 2.6 million) was paid to former Executive Board members and special directors and their survivors. A total amount of € 34.2 million (PY: € 37.2 million) was reserved for pension obligations.

For transactions with the institutions managing the plan assets of the Axel Springer Group, see the expla-nations in note (14).

(38) Contingent liabilities

As of December 31, 2015, contingent liabilities from guarantees existed in the amount of € 40.3 million (PY: € 49.0 million). This includes the guarantee granted in connection with the sale of our print activities to FUNKE Mediengruppe (see note (2d)).

(39) Contingent assets

Contingent assets were due from KirchMedia GmbH & Co KGaA i. L. in the amount of € 221.0 million (PY: € 240.5 million). Insofar as advance payments are announced in the context of the insolvency proceedings against KirchMedia GmbH & Co. KGaA i.L., we recognize them as receivables. The receivables accepted in the table of claims by the insolvency administrator originally totaled € 325.0 million. A total of € 29.3 million (PY: € 6.5 million) was paid out in the reporting year.

(40) Other financial commitments

The other financial commitments broke down as follows:

€ millions	12/31/2015	12/31/2014
Purchase commitments for		
- intangible assets	1.2	3.0
- property, plant, and equipment	25.4	3.3
- inventories	24.9	17.4
Future payments under operating leases	202.1	158.9
Future payments under finance leases	1.5	2.2
Long-term purchase obligations	53.9	68.0
Other financial obligations	**309.0**	**252.9**

Long-term purchase obligations resulted primarily from contracts for TV productions.

In the prior year, the finance leases for the office building, which was reclassified as assets held for sale, were not included as a commitment, as they are to be terminated at the estimated time of disposal.

The future minimum lease payments from operating leases on December 31, 2015 are broken down in the following table:

€ millions	2015	2014
Due in up to one year	55.0	47.1
Due in one to five years	117.9	94.3
Due in more than five years	29.2	17.5
Total	**202.1**	**158.9**

(41) Events after the reporting date

At the beginning of January 2016, the formation of a joint venture agreed in September 2015 in a contract between Ringier and Axel Springer was completed in Switzerland (for further details see note (2c)).

In January 2016, the sale of our investment in CarWale, an Indian online car portal, agreed in November 2015 was completed (see note (2c)).

The sale of the first part of the publishing building in Hamburg was also completed in January 2016 (see note (11) and note (17)).

The Executive Board and Supervisory Board decided in December 2014 to prepare to change Axel Springer SE into a partnership limited by shares (KGaA). Following a detailed examination of the conversion, the company and Dr. h.c. Friede Springer came to the conclusion in February 2016 that the legal form of the SE is the better alternative for the long-term development of the company and its attractiveness for the capital market. Accordingly, Axel Springer SE has decided not to pursue the planned change of the company into a KGaA. Axel Springer SE continues to pursue the objective of the growth trend in becoming the leading digital publisher and will make use of other suitable capital raising options where necessary.

There are no further significant events after the reporting date to be reported.

(42) Declaration of Conformity with the German Corporate Governance Code

Axel Springer SE published the Declaration of Conformity with the German Corporate Governance Code issued by the Management Board and Supervisory Board in accordance with Section 161 of the German Stock Corporations Act (AktG) on the company's website www.axelspringer.de → Investor Relations → Corporate Governance, where it is permanently available to shareholders. The Declaration of Conformity is also printed in the Corporate Governance section of this Annual Report.

(43) Companies included in the consolidated financial statements and share property

No.	Company	Segment	12/31/2015 Share-holding in %	12/31/2015 via No.	12/31/2014 Share-holding in %	12/31/2014 via No.	
1	Axel Springer SE, Berlin	-	-	-	-	-	
	Fully consolidated subsidiaries						
	Germany						
2	AS Osteuropa GmbH, Berlin	Paid Models	100.0	16	100.0	16	
3	AS TV-Produktions- und Vertriebsges. mbH, Hamburg	Marketing Models	100.0	1	100.0	1	
4	Axel Springer All Media GmbH & Co. KG, Berlin	Paid Models	100.0	1	-	-	[6]
5	Axel Springer Asia GmbH, Hamburg	Paid Models, Marketing Models	100.0	16	100.0	16	
6	Axel Springer Auto-Verlag GmbH, Hamburg	Paid Models	100.0	1	100.0	1	[5]
7	Axel Springer Digital Classifieds GmbH, Berlin	Classified Ad Models	100.0	9	85.0	9	[5]
8	Axel Springer Digital Classifieds Holding GmbH, Berlin	Classified Ad Models	100.0	7	100.0	7	[5]
9	Axel Springer Digital GmbH, Berlin	Services/Holding	100.0	1	100.0	1	[5]
10	Axel Springer Digital Ventures GmbH, Berlin	Services/Holding	100.0	9	100.0	9	[5]
11	Axel Springer Druckhaus Spandau GmbH & Co. KG, Berlin	Services/Holding	100.0	1	-	-	[6]
12	Axel Springer Financial Media GmbH, Munich	Paid Models	100.0	1	100.0	1	
13	Axel Springer ideAS Engineering GmbH, Berlin	Services/Holding	100.0	26	100.0	26	[5]
14	Axel Springer ideAS Ventures GmbH, Berlin	Services/Holding	100.0	26	100.0	26	[5]
15	Axel Springer International GmbH, Berlin	Services/Holding	100.0	1	100.0	1	[5]
16	Axel Springer International Holding GmbH, Berlin	Services/Holding	100.0	15	100.0	15	[5]
17	Axel Springer Kundenservice GmbH (previously ASV Direktmarketing GmbH), Hamburg	Paid Models	100.0	1	100.0	1	[5]
18	Axel Springer Media Logistik GmbH, Berlin	Paid Models	100.0	1	100.0	1	
19	Axel Springer Mediahouse Berlin GmbH, Berlin	Paid Models	100.0	1	100.0	1	[5]
20	Axel Springer Medien Accounting Service GmbH, Berlin	Services/Holding	100.0	1	100.0	1	[5]
21	Axel Springer Offsetdruckerei Ahrensburg GmbH & Co. KG, Ahrensburg	Services/Holding	100.0	1	-	-	[6]
22	Axel Springer Offsetdruckerei Kettwig GmbH & Co. KG, Essen	Services/Holding	100.0	1	-	-	[6]
23	Axel Springer Services & Immobilien GmbH, Berlin	Services/Holding	100.0	1	100.0	1	[5]
24	Axel Springer Syndication GmbH, Berlin	Paid Models	100.0	26	100.0	26	[5]
25	Axel Springer TV Productions GmbH, Hamburg	Marketing Models	100.0	1	100.0	1	[5]
26	"Axel Springer Verlag" Beteiligungsgesellschaft mbH, Berlin	Services/Holding	100.0	1	100.0	1	[5]
27	Axel Springer Vertriebsservice GmbH, Hamburg	Paid Models	100.0	1	100.0	1	[5]
28	B.Z. Ullstein GmbH, Berlin	Paid Models	100.0	26	100.0	26	[5]
29	Bilanz Deutschland Wirtschaftsmagazin GmbH, Hamburg	Paid Models	100.0	26	100.0	26	[5]
30	BILD GmbH & Co. KG, Berlin	Paid Models	100.0	1	100.0	1	[6]
31	Bonial Enterprises GmbH & Co. KG, Berlin	Marketing Models	100.0	32	65.0	9	[6] [4]
32	Bonial Holding GmbH (previously Achtzigste "Media" Vermögensverwaltungsgesellschaft mbH), Berlin	Marketing Models	72.5	9	100.0	1	[9]
33	Bonial International GmbH, Berlin	Marketing Models	100.0	32	87.4	1	
34	Bonial Management GmbH (previously Einundachtzigste "Media" Vermögensverwaltungsgesellschaft mbH) , Berlin	Marketing Models	100.0	32	100.0	1	
35	Buch- und Presse-Großvertrieb Hamburg GmbH & Co. KG, Hamburg	Paid Models	78.1	1	78.1	1	[6]
36	Casamundo GmbH, Hamburg	Classified Ad Models	100.0	83	-	-	
37	Commerz-Film GmbH, Berlin	Marketing Models	100.0	16	100.0	16	
38	comparado GmbH, Lüneburg	Marketing Models	100.0	46	100.0	46	
39	COMPUTER BILD Digital GmbH, Hamburg	Paid Models	100.0	1	100.0	1	[5]
40	Content Factory TV-Produktion GmbH, Berlin	Paid Models	100.0	76	100.0	76	[5]
41	eprofessional GmbH, Hamburg	Marketing Models	100.0	78	100.0	78	
42	finanzen.net GmbH, Karlsruhe	Marketing Models	75.0	10	75.0	10	[10]
43	Gofeminin.de GmbH, Köln	Marketing Models	100.0	89	100.0	89	

			12/31/2015		12/31/2014		
No.	**Company**	**Segment**	**Share-holding in %**	**via No.**	**Share-holding in %**	**via No.**	
44	hamburg.de GmbH & Co. KG, Hamburg	Marketing Models	61.9	9	61.9	9	[6]
45	Idealo International GmbH, Berlin	Marketing Models	100.0	46	100.0	46	
46	Idealo Internet GmbH, Berlin	Marketing Models	74.9	9	74.9	9	
47	Immonet GmbH, Hamburg	Classified Ad Models	100.0	50	88.7	8	
48	ImmoSolve GmbH, Bad Bramstedt	Classified Ad Models	51.0	47	51.0	47	[9]
49	Immowelt AG, Nuremberg	Classified Ad Models	100.0	50	-	-	
50	Immowelt Holding AG, Nuremberg	Classified Ad Models	55.0	8	-	-	
51	ims Internationaler Medien Service GmbH & Co. KG, Hamburg	Services/Holding	-	-	55.0	1	[9]
52	Maz&More TV-Produktion GmbH, Berlin	Paid Models	100.0	76	100.0	76	[5]
53	Media Impact GmbH & Co. KG (previously Axel Springer Media Impact GmbH & Co. KG), Berlin	Paid Models	74.9	1	100.0	1	[6]
54	meinestadt.de GmbH, Cologne	Classified Ad Models	100.0	55	100.0	55	
55	meinestadt.de Holding GmbH, Berlin	Classified Ad Models	100.0	8	100.0	8	
56	meinestadt.de Vertriebs-GmbH, Cologne	Classified Ad Models	100.0	54	100.0	54	
57	MeinProspekt GmbH, Munich	Marketing Models	100.0	33	100.0	33	
58	PACE Paparazzi Catering & Event GmbH, Berlin	Services/Holding	100.0	1	100.0	1	[5]
59	Panther Holding GmbH, Berlin	Marketing Models	100.0	46	100.0	46	
60	Room 49 GmbH, Berlin	Marketing Models	100.0	14	100.0	14	[5]
61	Sales Impact GmbH & Co. KG, Hamburg	Paid Models	100.0	1	100.0	1	[6]
62	Shop Now GmbH, Berlin	Marketing Models	-	-	90.0	14	
63	Smarthouse Media GmbH, Karlsruhe	Marketing Models	91.0	10	91.0	10	
64	Sohomint GmbH i.L., Hamburg	Marketing Models	-	-	72.6	1	
65	StepStone Deutschland GmbH, Düsseldorf	Classified Ad Models	100.0	66	100.0	66	[5]
66	StepStone GmbH, Berlin	Classified Ad Models	100.0	8	100.0	8	[5]
67	Talpa Germany GmbH & Co. KG, Hamburg	Marketing Models	-	-	50.1	25	
68	thads.media vermarktungs GmbH & Co. KG (previously thads.media vermarktungs gmbh), Berlin	Paid Models	100.0	4	100.0	76	[6]
69	Transfermarkt GmbH & Co. KG, Hamburg	Paid Models	51.0	30	51.0	30	[6]
70	Ullstein Ges. mit beschränkter Haftung, Berlin	Paid Models	100.0	26	100.0	26	[5]
71	Umzugsauktion GmbH & Co. KG, Schallstadt	Classified Ad Models	100.0	47	100.0	47	[6]
72	upday GmbH & Co. KG, Berlin	Paid Models	100.0	1	-	-	[6]
73	upday Holding GmbH, Berlin	Paid Models	100.0	72	-	-	
74	Vertical Media GmbH, Berlin	Paid Models	88.0	76	88.0	76	[9]
75	Visual Meta GmbH, Berlin	Marketing Models	75.6	46	76.0	46	
76	WeltN24 GmbH, Berlin	Paid Models	100.0	1	100.0	1	[5]
77	YOURCAREERGROUP GmbH, Düsseldorf	Classified Ad Models	100.0	66	100.0	66	[5]
78	ZANOX AG, Berlin	Marketing Models	52.5	9	52.5	9	
79	Zuio GmbH, Berlin	Marketing Models	100.0	26	100.0	26	[5]
	Other countries						
80	"Axel Springer Russia" Geschlossene Aktiengesellschaft, Moscow, Russia	Paid Models	-	-	100.0	2	
81	@Leisure BR B.V., Eindhoven, Netherlands	Classified Ad Models	100.0	82	-	-	
82	@Leisure Holding B.V., Rotterdam, Netherlands	Classified Ad Models	51.0	9	-	-	
83	@Leisure NH B.V., Amsterdam, Netherlands	Classified Ad Models	100.0	82	-	-	
84	alFemminile s.r.l., Milan, Italy	Marketing Models	100.0	89	100.0	89	
85	Amiado Group AG, Zurich, Switzerland	Paid Models	-	-	100.0	99	
86	Amiado Online AG, Zurich, Switzerland	Paid Models	-	-	100.0	85	
87	APM Print d.o.o., Belgrade, Serbia/Kosovo	Paid Models	74.9 25.1	177 153	74.9 25.1	177 153	
88	AS-NYOMDA Kft, Kecskemét, Hungary	Paid Models	100.0	155	100.0	155	
89	AUFEMININ SA, Paris, France	Marketing Models	79.5	16	80.8	16	

			12/31/2015		12/31/2014		
No.	Company	Segment	Share-holding in %	via No.	Share-holding in %	via No.	
90	auFeminin.com Productions SARL, Paris, France	Marketing Models	100.0	89	100.0	89	
91	Automotive Exchange Private Limited, Mumbai, India	Classified Ad Models	90.3	5	91.3	5	
92	Axel Springer Digital Classifieds France SAS, Paris, France	Classified Ad Models	100.0	8	100.0	8	
93	Axel Springer España S.A., Madrid, Spain	Paid Models	100.0	1	100.0	1	
94	Axel Springer France S.A.S., Paris, France	Paid Models	100.0	1	100.0	1	
95	Axel Springer IdeAS Polska Sp. z o. o., Wroclaw, Poland	Services/Holding	99.0	13	99.0	13	
			1.0	1	1.0	1	
96	Axel Springer International AG, Zurich, Switzerland	Paid Models	100.0	97	100.0	97	
97	Axel Springer International Limited, London, Great Britain	Paid Models	100.0	16	100.0	16	
98	Axel Springer Norway AS, Oslo, Norway	Services/Holding	100.0	97	100.0	97	
99	Axel Springer Switzerland AG, Zurich, Switzerland	Paid Models	100.0	1	100.0	1	
100	Azet.sk a.s., Zilina, Slovakia	Paid Models	80.0	159	70.0	159	
101	Belles Demeures S.A.S., Paris, France	Classified Ad Models	100.0	150	100.0	150	
102	Belvilla Ferienwohnungen GmbH, Kitzbühel, Austria	Classified Ad Models	50.0	81	-	-	11)
103	Blikk Kft., Budapest, Hungary	Paid Models	100.0	157	100.0	157	
104	Bonial Enterprises North America Inc., New York, USA	Marketing Models	100.0	31	-	-	
105	Bonial SAS, Paris, France	Marketing Models	100.0	33	100.0	33	
106	Business Insider Europe Limited, London, Great Britain	Paid Models	100.0	107	-	-	
107	Business Insider Inc., New York City, USA	Paid Models	96.5	10	-	-	
108	Candidate Manager (US) Inc, Boston, USA	Classified Ad Models	100.0	109	100.0	109	
109	Candidate Manager Ltd, Dublin, Ireland	Classified Ad Models	100.0	162	100.0	162	
110	Car&Boat Media SAS, Paris, France	Classified Ad Models	51.0	8	51.0	8	9)
111	CaribbeanJobs Ltd, George Town, Cayman Islands	Classified Ad Models	100.0	162	100.0	162	
112	Coral-Tell Ltd., Tel Aviv, Israel	Classified Ad Models	100.0	8	100.0	8	
113	Digital Window Inc., Wilmington, USA	Marketing Models	100.0	114	100.0	114	
114	Digital Window Limited, London, Great Britain	Marketing Models	100.0	78	100.0	78	
115	DreamLab Onet.pl sp. z o.o., Krakow, Poland	Paid Models	100.0	121	100.0	121	
116	enFemenino SARL, Madrid, Spain	Marketing Models	100.0	89	100.0	89	
117	Etoilecasting.com SAS, Paris, France	Marketing Models	100.0	89	100.0	89	
118	Gambettes Box SAS, Paris, France	Marketing Models	100.0	134	100.0	134	
119	Garantie System SAS, Paris, France	Classified Ad Models	100.0	110	100.0	110	
120	GoBrands Sp. z o.o., Krakow, Poland	Paid Models	100.0	121	100.0	121	
121	Grupa Onet.pl SA, Krakow, Poland	Paid Models	100.0	143	100.0	143	
122	ictjob SPRL, Waterloo, Belgium	Classified Ad Models	99.0	66	-	-	
			1.0	171	-	-	
123	Immoweb SA, Brussels, Belgium	Classified Ad Models	80.0	92	80.0	92	9)
124	Interactive Junction Holdings Proprietary Limited, Rosebank/Johannesburg, South Africa	Classified Ad Models	100.0	162	-	-	
125	Jobs LU Ltd, Dublin, Ireland	Classified Ad Models	100.0	162	100.0	162	
126	Jobs.ie Ltd, Dublin, Irleand	Classified Ad Models	100.0	162	100.0	162	
127	Jobsite UK (Worldwide) Limited (previously Evenbase Recruitment Ltd.), London, Great Britain	Classified Ad Models	100.0	174	100.0	174	
128	Livingly Media, Inc., San Carlos, USA	Marketing Models	100.0	89	-	-	
129	Marmiton SAS, Paris, France	Marketing Models	100.0	89	100.0	89	
130	Media Impact Polska Sp. z o.o., Warsaw, Poland	Paid Models	50.0	121	50.0	121	
			50.0	158	50.0	158	
131	Merci Alfred S.A.S., Paris, France	Marketing Models	100.0	89	100.0	89	
132	My Little Box KK, Tokyo, Japan	Marketing Models	100.0	134	-	-	
133	My Little Campus SAS, Paris, France	Marketing Models	100.0	134	100.0	134	
134	My Little Paris S.A.S., Paris, France	Marketing Models	70.0	89	60.0	89	9)

			12/31/2015		12/31/2014		
No.	Company	Segment	Shareholding in %	via No.	Shareholding in %	via No.	
135	My Web Ltd, Ebene, Mauritius	Classified Ad Models	100.0	147	100.0	147	
136	MyJob Group Ltd, Sheffield, Great Britain	Classified Ad Models	100.0	127	100.0	162	
137	NARKS INFOSERVIS, a.s., Bratislava, Slovakia	Paid Models	100.0	179	-	-	
138	Netmums Limited, London, Great Britain	Marketing Models	100.0	89	100.0	89	
139	New Digital d.o.o. Belgradee, Belgrade, Serbia/Kosovo	Paid Models	100.0	153	-	-	
140	NIJobs.com Ltd, Belfast, Ireland	Classified Ad Models	100.0	162	100.0	162	
141	NIN d.o.o., Belgrade, Serbia/Kosovo	Paid Models	99.7	153	99.7	153	
142	ofeminin.pl Sp. z o.o., Warsaw, Poland	Marketing Models	51.0	89	51.0	89	
			49.0	158	49.0	158	
143	ONET Holding Sp. z o.o., Warsaw, Poland	Paid Models	75.0	157	75.0	157	9)
144	OnetM Sp. z o.o., Krakow, Poland	Paid Models	-	-	100.0	121	
145	OnetMarketing Sp. z o.o., Krakow, Poland	Paid Models	100.0	121	99.9	121	
	OnetMarketing Sp. z o.o., Krakow, Poland	Paid Models	-	-	0.1	144	
146	Opineo Sp. z o.o., Wroclaw, Poland	Paid Models	100.0	143	80.0	143	
147	Pnet (Pty) Ltd, Johannesburg, South Africa	Classified Ad Models	100.0	162	100.0	162	
148	Poliris S.A.S., Paris, France	Classified Ad Models	100.0	164	93.0	164	
			-	-	7.0	150	
149	Praxis SARL, Chambéry, France	Classified Ad Models	100.0	150	-	-	
150	PressImmo On Line S.A.S., Paris, France	Classified Ad Models	100.0	164	100.0	164	
151	profession.hu Kft, Budapest, Hungary	Paid Models	100.0	157	-	-	
152	RAS Online d.o.o., Belgrade, Serbia/Kosovo	Paid Models	-	-	100.0	153	
153	Ringier Axel Springer d.o.o., Belgrade, Serbia/Kosovo	Paid Models	100.0	157	100.0	157	
154	Ringier Axel Springer Inwestycje Sp. z o.o., Warsaw, Poland	Paid Models	99.0	158	99.0	158	
155	Ringier Axel Springer Magyarország Kft, Budapest, Hungary	Paid Models	98.2	157	96.5	157	
156	Ringier Axel Springer Management AG, Zurich, Switzerland	Paid Models	100.0	157	100.0	157	
157	Ringier Axel Springer Media AG, Zurich, Switzerland	Paid Models	50.0	97	50.0	97	3)
158	Ringier Axel Springer Polska Sp. z o.o., Warsaw, Poland	Paid Models	100.0	157	100.0	157	
159	Ringier Axel Springer Slovakia a.s., Bratislava, Slovakia	Paid Models	100.0	157	100.0	157	
160	runtastic GmbH, Pasching, Austria	Paid Models	-	-	50.1	10	
161	Saknai Net Ltd., Tel Aviv, Israel	Classified Ad Models	70.0	112	-	-	9)
162	Saongroup Limited, Dublin, Ireland	Classified Ad Models	100.0	174	100.0	174	
163	Seloger Solutions SAS (previously Diagorim SAS), Paris, France	Classified Ad Models	100.0	164	82.2	164	
164	SeLoger.com SAS, Paris, France	Classified Ad Models	97.7	92	98.0	92	
			1.9	8	0.5	8	
165	Skapiec Sp. z o.o., Wroclaw, Poland	Paid Models	100.0	143	80.0	143	
166	SmartAdServer SAS, Paris, France	Marketing Models	-	-	100.0	89	
167	soFeminine.co.uk Limited, London, Great Britain	Marketing Models	100.0	89	100.0	89	
168	SOKOWEB TECHNOLOGIES, S.L., Barcelona, Spain	Marketing Models	63.6	33	-	-	9)
169	StepStone B.V., Leiden, Netherlands	Classified Ad Models	-	-	100.0	66	
170	StepStone France SAS, Paris, France	Classified Ad Models	100.0	66	100.0	66	
171	StepStone NV, Brussels, Belgium	Classified Ad Models	100.0	66	100.0	66	
			0.0	172	0.0	172	7)
172	StepStone Österreich GmbH, Vienna, Austria	Classified Ad Models	100.0	65	100.0	65	
173	StepStone Services Sp. z o.o., Warsaw, Poland	Classified Ad Models	100.0	66	100.0	66	
174	StepStone UK Holding Limited, London, Great Britain	Classified Ad Models	100.0	66	100.0	66	
175	Topic Travel B.V., The Hague, Netherlands	Classified Ad Models	100.0	82	-	-	
176	Totaljobs Group Limited, London, Great Britain	Classified Ad Models	100.0	174	100.0	174	
177	Trans Press d.o.o., Belgrade, Serbia/Kosovo	Paid Models	100.0	153	100.0	153	
178	Traveezee Insurance N. V., Eindhoven, Netherlands	Classified Ad Models	100.0	82	-	-	

No.	Company	Segment	12/31/2015 Share-holding in %	12/31/2015 via No.	12/31/2014 Share-holding in %	12/31/2014 via No.	
179	United Classifieds s.r.o., Bratislava, Slovakia	Paid Models	60.0	100	-	-	
180	upday Polska Sp. z o.o. Sp.k., Warsaw, Poland	Paid Models	100.0	73	-	-	
181	Villa XL B.V., Bergen, Netherlands	Classified Ad Models	100.0	82	-	-	
182	Villaweb SARL, Rennes, France	Classified Ad Models	-	-	100.0	150	
183	Viviana Investments Sp. z o.o., Warsaw, Poland	Paid Models	100.0	158	100.0	158	
184	WEBIMM SAS, Paris, France	Classified Ad Models	65.0	164	65.0	164	
185	YOURCAREERGROUP Switzerland GmbH, Kloten, Switzerland	Classified Ad Models	100.0	66	100.0	66	
186	zanox B.V., Amsterdam, Netherlands	Marketing Models	100.0	78	100.0	78	
187	ZANOX Hispania SL, Madrid, Spain	Marketing Models	100.0	78	100.0	78	
188	zanox Reklam Hizmetleri Limited Sirketi, Istanbul, Turkey	Marketing Models	-	-	100.0	78	
189	zanox SAS, Paris, France	Marketing Models	100.0	78	100.0	78	
190	zanox Switzerland AG, Zurich, Switzerland	Marketing Models	100.0	78	-	-	
191	zanox Sp. z o.o., Warsaw, Poland	Marketing Models	100.0	78	100.0	78	
192	zanox SRL, Milan, Italy	Marketing Models	100.0	78	100.0	78	
193	ZANOX VEICULAÇÃO DE PUBLICIDADE NA INTERNET LTDA., São Paulo, Brazil	Marketing Models	100.0	78	100.0	78	
			0.0	41	0.0	41	7)
194	zanox we create partners AB, Stockholm, Sweden	Marketing Models	100.0	78	100.0	78	

No.	company	12/31/2015 Share-holding in %	12/31/2015 via No.
	Other subsidiaries1)		
	Germany		
195	@Leisure Deutschland GmbH i.L., Hamburg	100.0	81
196	Achtundachtzigste "Media" Vermögensverwaltungsges. mbH, Berlin	100.0	1
197	Achtundsiebzigste "Media" Vermögensverwaltungsges. mbH, Berlin	100.0	1
198	AS Buchversand GmbH, Munich	100.0	26
199	Axel Springer All Media Verwaltungs-GmbH, Berlin (previously Sechsundsechzigste "Media" Vermögensverwaltungsges. mbH)	100.0	1
200	Axel Springer Auto & Motorsport Verlag GmbH, Hamburg	100.0	1
201	Axel Springer Computer Verlag GmbH, Hamburg	100.0	1
202	Axel Springer Personalservice GmbH, Berlin (previously Siebenundsiebzigste "Media" Vermögensverwaltungsges. mbH)	100.0	1
203	Axel Springer Print Management GmbH, Berlin	100.0	1
204	Axel Springer Security GmbH, Berlin	100.0	1
205	Axel Springer Sport Verlag GmbH, Hamburg	100.0	1
206	BILD Multimedia Verwaltungs GmbH, Berlin	100.0	1
207	CEO Event GmbH, Berlin	100.0	74
208	Dreamlabs GmbH i.L., Berlin	100.0	49

No.	company	12/31/2015 Share-holding in %	12/31/2015 via No.
209	Dreiundachtzigste "Media" Vermögensverwaltungsges. mbH, Berlin	100.0	205
210	Dreizehnte "Media" Vermögensverwaltungsges. mbH, Hamburg	100.0	1
211	Finanzen Corporate Publishing GmbH, Berlin	100.0	1
212	Fünfundachtzigste "Media" Vermögensverwaltungsges. mbH, Berlin	100.0	1
213	Fünfundsiebzigste "Media" Vermögensverwaltungsges. mbH, Berlin	100.0	26
214	hamburg.de Beteiligungs GmbH, Hamburg	100.0	44
215	Hammerich & Lesser Zeitschriften- und Buchverlag GmbH, Hamburg	100.0	1
216	Hauptstadtsee 809. VV GmbH, Berlin	100.0	1
217	Informationsmedien Handels GmbH, Hamburg	100.0	1
218	kinkaa GbR, Berlin	50.0	46
		50.0	59
219	Media Impact Management GmbH (previously Axel Springer Media Impact Management GmbH), Berlin	74.9	1
220	meinestadt.de Vermögensverwaltungsgesellschaft mbH, Hamburg	100.0	54
221	myPass GmbH, Berlin	100.0	1
222	Neunundachtzigste "Media" Vermögensverwaltungsges. mbH, Berlin	100.0	1

No.	company	12/31/2015 Share-holding in %	via No.
223	Neunundsiebzigste "Media" Vermögensverwaltungsges. mbH, Berlin	100.0	1
224	Neunzigste "Media" Vermögensverwaltungsgesellschaft mbH, Berlin	100.0	4
225	Sales Impact Management GmbH, Hamburg	100.0	1
226	Scubia GbR, Berlin	50.0	59
		50.0	46
227	Sechsundachtzigste "Media" Vermögensverwaltungsges. mbH, Berlin	100.0	1
228	Sechsundsiebzigste "Media" Vermögensverwaltungsges. mbH, Berlin	100.0	26
229	Shop Now GmbH i.L., Berlin	90.0	14
230	Siebenundachtzigste "Media" Vermögensverwaltungsges. mbH, Berlin	100.0	1
231	Sohomint GmbH i.L., Hamburg	72.6	1
232	Tarif24 GmbH, Berlin	100.0	46
233	TOPS Online Publications GbR, Lüneburg	90.0	38
		10.0	46
234	Transfermarkt Verwaltungs GmbH, Hamburg	51.0	30
235	TunedIn Media GmbH i.L., Berlin	86.4	1
236	Umzugsauktion Verwaltungs GmbH, Schallstadt	100.0	47
237	upday Management GmbH, Berlin (previously Dreiundsiebzigste "Media" Vermögensverwaltungsges. mbH)	100.0	26
238	Vierundachtzigste "Media" Vermögensverwaltungsges. mbH, Berlin	100.0	66
239	Vierundsiebzigste "Media" Vermögensverwaltungsges. mbH, Berlin	100.0	26
240	Zweiundachtzigste "Media" Vermögensverwaltungsges. mbH, Berlin	100.0	1
241	Zweiundsechzigste "Media" Vermögensverwaltungsges. mbH, Berlin	100.0	1
	Other countries		
242	African Jobs Online Ltd, Port Louis, Mauritius	100.0	162
243	Alpha Real spol. s.r.o., Zilina, Slovakia	100.0	100
244	AUTOVIA, s.r.o., Bratislava, Slovakia	100.0	179
245	Axel Springer Beteiligungen Switzerland AG, Zurich, Switzerland	100.0	99
246	Axel Springer Digital Ventures Inc., Wilmington, USA	100.0	10
247	Axel Springer Editions SAS, Paris, France	100.0	215
248	Axel Springer Group Inc., New York, USA	100.0	53
249	Axel Springer Hirszolgálat Kft, Tatabánya, Hungary	100.0	155

No.	company	12/31/2015 Share-holding in %	via No.	
250	Axel Springer International Group Limited, London, Great Britain	100.0	1	
251	Axel Springer Media France S.A.R.L., Neuilly-sur-Seine, France	100.0	53	
252	Axel Springer Media Italia s.r.l., Milan, Italy	100.0	53	
253	Axel Springer Publishing International Limited, London, Great Britain	100.0	250	
254	Axel Springer TV International Limited, London, Great Britain	100.0	250	
255	Azet.sk – katalóg s.r.o., Zilina, Slovakia	100.0	100	
256	BEMFEMININO.COM.BR, São Paulo, Brazil	99.9	89	
		0.1	90	
257	Car Price List Yad2 Ltd., Tel Aviv, Israel	100.0	112	
258	CompuTel Telefonservice AG, Chur, Switzerland	100.0	99	
259	Cpress Media s.r.o., Zilina, Slovakia	100.0	100	
260	Cybersearch S.A., Guatemala City, Guatemala	100.0	283	
		0.0	162	7)
261	Digitality Tech Solutions Private Limited, Mumbai, India	100.0	91	
262	Digitalni klik d.o.o., Zagreb, Croatia	60.0	49	
263	Estascontratadocom S.A., Panama City, Panama	100.0	283	
264	ETSBA Ltd., Tel Aviv, Israel	100.0	112	
265	Euro Blic Press d.o.o., Banja Luka, Bosnia-Herzegowina	100.0	153	
266	eurobridge Inc., New York, USA	100.0	1	
267	Gemini Moon Trading 343 Proprietary Limited, Cape Town, South Africa	100.0	124	
268	Good 2015 Acquisition Corp., Wilmington, USA	100.0	66	
269	Immostreet ES, Barcelona, Spain	100.0	150	
270	Jean Frey AG, Zurich, Switzerland	100.0	99	
271	Jobcity Ltd., Tel Aviv, Israel	100.0	112	
272	Motogo India Private Limited, Mumbai, India	55.6	91	
273	My Kenyan Network Ltd, Nairobi, Kenya	100.0	242	
274	OFERTIAMX RETAIL SERVICES, S. de R.L. de C.V., Mexico City, Mexico	100.0	168	
275	Périclès Atlantique S.A.R.L, Casablanca, Morocco	51.0	148	
		16.0	150	
276	Reality Media House s.r.o., Bratislava, Slovakia	100.0	137	
277	Saongroup Caribbean (Jamaica) Ltd, Kingston, Jamaica	100.0	111	
278	Saongroup Caribbean (Trinidad) Ltd, Port of Spain, Trinidad and Tobago	100.0	111	

No.	company	12/31/2015 Share-holding in %	via No.	
279	Saongroup.com India Pvt Ltd, Pune, India	100.0	162	
280	SPORT.SK s.r.o., Zilina, Slovakia	66.7	100	
281	Tecoloco El Salvador S.A. de C.V., San Salvador, El Salvador	100.0	283	
		0.0	162	7)
282	Tecoloco Holding S.A. de C.V., San Salvador, El Salvador	100.0	283	
		0.0	162	7)
283	Tecoloco International Inc, Panama City, Panama	100.0	162	
284	Tecoloco S.A. de C.V. Honduras, Tegucigalpa, Honduras	99.6	283	
		0.4	162	
285	Tecoloco.com S.A. de C.V. Nicaragua, Managua, Nicaragua	95.0	283	
		3.0	281	
		2.0	260	
286	Tecoloco.com S.A. de C.V. Panama, Panama City, Panama	100.0	283	
287	upday Polska Sp. z o.o., Warsaw, Poland	100.0	73	
288	wewomen.com Inc., Wilmington, USA	100.0	89	
289	Yad2Pay Internet Ads Ltd., Haifa, Israel	100.0	112	
290	Yad2Pay Ltd., Tel Aviv, Israel	100.0	112	
291	zanox Reklam Hizmetleri Limited Sirketi, Istanbul, Turkey	100.0	78	
	Investments accounted for using the equity method			
	Germany			
292	AS TYFP Media GmbH & Co. KG, Munich	50.0	1	
293	Axel Springer Plug and Play Accelerator GmbH, Berlin	50.0	10	
294	Bonial Ventures GmbH, Berlin	74.9	1	4)
295	mytic myticket AG, Frankfurt am Main	20.0	1	
296	Project A Ventures GmbH & Co. KG, Berlin	26.3	9	
	Other countries			
297	Blendle B.V., Utrecht, Netherlands	21.0	10	
298	Editions Mondadori Axel Springer (EMAS) S.E.N.C., Montrouge Cedex, France	50.0	94	
299	INFOR BIZNES Sp. z o.o., Warsaw, Poland	49.0	154	
300	MDB SAS, EVRY CEDEX, France	49.0	92	
301	Ozy Media, Inc., Mountain View, USA	16.8	10	8)
302	Thrillist Media Group, Inc., Delaware, USA	24.9	10	
	Other associated companies and joint ventures[2)]			
	Germany			
303	Agenda Media GmbH i.L., Berlin	49.0	76	
304	autohaus24 GmbH, Pullach	50.0	6	

No.	company	12/31/2015 Share-holding in %	via No.	
305	Berliner Pool TV Produktion Gesellschaft mbH, Berlin	50.0	76	
306	Blitz-Tip Radio Hessen Beteiligungsges. mbH & Co. KG, Bad Soden am Taunus	33.3	1	
307	Bonial Enterprises Verwaltungs GmbH, Berlin	100.0	32	4)
308	Dropspot GmbH i.L., Berlin	40.0	1	
309	Filmgarten GmbH, Berlin	42.0	46	
310	Ges. für integr. Kommunikationsforschung mbH & Co. KG, Munich	20.0	1	
311	Ges. für integr. Kommunikationsforschung Verwaltungs GmbH, Munich	20.0	1	
312	Harburger Zeitungsverwaltungsgesellschaft mbH, Hamburg	24.8	1	
313	hy! GmbH (previously hyvent GmbH), Berlin	49.0	1	
314	Intermedia Standard Presse-Code GmbH, Hamburg	32.0	1	
315	InterRed GmbH, Haiger	24.0	1	
316	ISPC Intermedia Standard Presse-Code GmbH & Co.KG, Hamburg	32.0	1	
317	LAUT AG, Konstanz	25.0	1	
318	"Lühmanndruck" Harburger Zeitungsges. mbH & Co. KG, Hamburg	24.8	1	
319	Mont Ventoux Media GmbH, Berlin	50.0	25	
320	Myby GmbH & Co. KG i. L., Düsseldorf	25.1	1	
321	Project A Management GmbH, Berlin	26.3	9	
322	Project A Services GmbH & Co. KG, Berlin	37.5	9	
323	Qivive GmbH i. L., Bad Homburg v.d.H.	33.3	1	
324	Radio Hamburg GmbH & Co. KG, Hamburg	35.0	1	
325	Sparheld International GmbH, Berlin	30.0	46	
326	TraderFox GmbH, Reutlingen	25.1	42	
327	V.V. Vertriebs-Vereinigung Berliner Zeitungs- und Zeitschriften-Grossisten GmbH & Co. KG, Berlin	48.5	1	
328	Zeitungs- und Zeitschriften Vertrieb Berlin GmbH, Berlin	35.5	1	
	Other countries			
329	AR Technology SAS, Paris, France	86.5	333	
330	Asocijacija Privatnih Media, Belgrade, Serbia/Kosovo	20.0	153	
331	Autoreflex.com SAS i.L., Paris, France	99.0	329	
		1.0	333	
332	BULGARPRESS OOD, Veliko Tarnovo, Bulgaria	25.5	1	
333	EMAS Digital SAS, Montrouge Cedex, France	50.0	94	

No.	company	12/31/2015 Share-holding in %	via No.
334	HUNGAROPRESS Sajtóterjesztö Kft, Budapest, Hungary	24.0	1
335	ITAS Media Private Limited, Delhi, India	36.0	5
336	Les Rencontres aufeminin.com SAS, Paris, France	50.0	89
337	Ringier Axel Springer Switzerland AG, Zurich, Switzerland	50.0	245
338	Swan Insights SA / NV, Brussels, Belgium	25.1	66
339	VINA WOMAN UK LTD., London, Great Britain	30.0	89
	Other significant investments		
	Other countries		
340	Doğan TV Holding A.S., Istanbul, Turkey	9.3	37

1) No full consolidation due to immaterial impact (relation of net income and balance sheet total to the company to net income and balance sheet total of the Group).
2) No at-equity consolidation due to immaterial impact (relation of net income of the company to net income of Group).
3) Control due to existing option rights exercisable at any time.
4) In the reporting year and/or in the prior year no control due to contractual agreements which exclude from the power and the possibility to control variable inflows.
5) The company has exercised the exemption rights of Section 264 (3) of the German Commercial Code (Handelsgesetzbuch – HGB).
6) The company has exercised the exemption rights of Section 264b of the German Commercial Code (Handelsgesetzbuch – HGB).
7) Shares less than 0.1 %.
8) Significant influence due to the represention in the Supervisor Board.
9) Due to option rights in the reporting year and/or in the prior year a share of 100 % consolidiated.
10) Due to option rights in the reporting year and/or in the prior year, a share of 89.99 % consolidiated.
11) Control due to contractual agreements and rights to obtain power.

Boards

Supervisory Board

The Supervisory Board is composed of the following persons:

Name, occupation	Seats on other mandatory supervisory boards	Seats on comparable boards in Germany and abroad
Dr. Giuseppe Vita Chairman of the Supervisory Board of Axel Springer SE		UniCredit S.p.A., Italy (Chairman of the Board of Directors)
Dr. h. c. Friede Springer Vice Chairwoman of the Supervisory Board of Axel Springer SE	ALBA Finance plc & Co. KGaA ALBA plc & Co. KGaA	ALBA Group plc & Co. KG (Advisory Board)
Oliver Heine Attorney at law and partner in the law firm Heine & Partner		YooApplications AG, Switzerland (Board of Directors)
Rudolf Knepper Entrepreneur		
Lothar Lanz Member of various Supervisory Boards	Bauwert AG (Chairman since December 2015) Home 24 AG (Chairmen since September 2015) TAG Immobilien AG Zalando SE	Doğan TV Holding A.S., Turkey (Supervisory Board)
Dr. Nicola Leibinger-Kammüller President and Chairwoman of the Managing Board of TRUMPF GmbH + Co. KG	Lufthansa AG Siemens AG Voith GmbH	
Prof. Dr. Wolf Lepenies University Professor (emer.) FU Berlin; Permanent Fellow (emer.) at Wissenschaftskolleg zu Berlin		
Prof. Dr.-Ing. Wolfgang Reitzle Entrepreneur	Continental AG (Chairman) Hawesko Holding AG Medical Park AG (Chairman)	LafargeHolcim Ltd., Switzerland (Chairman of the Board of Directors, until July 2015 “Holcim Ltd.”) Ivoclar Vivadent AG, Liechtenstein (Board of Directors since January 2015)
Martin Varsavsky Chairman Fon Wireless Limited		

Executive Board

The Executive Board is composed of the following persons:

Executive Board member	Seats on mandatory supervisory boards	Seats on comparable boards in Germany and abroad
Dr. Mathias Döpfner Chairman and Chief Executive Officer Journalist		Axel Springer Schweiz AG, Switzerland (Chairman of the Board of Directors) Business Insider Inc., USA (Chairman of the Board of Directors since October 2015) B.Z. Ullstein GmbH (Advisory Board until October 2015) Ozy Media Inc., USA (Board of Directors until December 2015) RHJ International SA, Belgium (Board of Directors until February 2015) Ringier Axel Springer Schweiz AG, Switzerland (Board of Directors since December 2015) Time Warner Inc., USA (Board of Directors) Vodafone Group Plc., Great Britain (Board of Directors since April 2015) Warner Music Group Corp., USA (Board of Directors)
Jan Bayer President Paid Models Media scholar		Media Impact GmbH & Co. KG (Advisory Board since June 2015) Business Insider Inc., USA (Board of Directors since October 2015)
Dr. Julian Deutz Chief Financial Officer Master's Degree in Business Administration		Automotive Exchange Private Limited, India (Board of Directors until February 2015) Axel Springer Digital Classifieds GmbH (Supervisory Board) Axel Springer Schweiz AG, Switzerland (Board of Directors) ITAS Media Private Limited, India (Board of Directors) Ringier Axel Springer Magyarország Kft., Hungary (Supervisory Board) Ringier Axel Springer Management AG, Switzerland (Board of Directors) Ringier Axel Springer Media AG, Switzerland (Board of Directors) Ringier Axel Springer Schweiz AG, Switzerland (Board of Directors since December 2015) SeLoger.com SAS, France (Supervisory Board since June 2015) StepStone GmbH (Supervisory Board since April 2015)
Dr. Andreas Wiele President Marketing and Classified Ad Models Lawyer	Immowelt AG (Chairman since October 2015) Immowelt Holding AG (Chairman since October 2015) ZANOX AG (Chairman)	@Leisure Holding B.V., Netherlands (Chairman of the Board of Directors since January 2015) AUFEMININ SA, France (Board of Directors) Axel Springer Digital Classifieds France SAS, France (Chairman of the Supervisory Board) Axel Springer Digital Classifieds GmbH (Chairman of the Supervisory Board) Axel Springer Digital Classifieds Holding GmbH (Chairman of the Advisory Board until March 2015) Business Insider Inc., USA (Board of Directors since January 2015) B.Z. Ullstein GmbH (Advisory Board until October 2015) Car & Boat Media SAS, France (Chairman of the Supervisory Board) Coral-Tell Ltd., Israel (Chairman of the Board of Directors) Immoweb SA, Belgium (Chairman of the Board of Directors) Media Impact GmbH & Co. KG (Advisory Board since June 2015) meinestadt.de GmbH (Chairman of the Supervisory Board) PRINOVIS Limited, Great Britain (Board of Directors until December 2015) SeLoger.com SAS, France (Chairman of the Supervisory Board) StepStone GmbH (Chairman of the Supervisory Board)

Financial Calendar

- **March 3, 2016**
  Annual Report, Annual Results Press Conference, Investor and Analyst Conference Call
- **April 13, 2016**
  Annual General Meeting
- **May 11, 2016**
  Quarterly Statement as of March 31, 2016
- **August 3, 2016**
  Interim Financial Report as of June 30, 2016
- **November 3, 2016**
  Quarterly Statement as of September 30, 2016

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