



# Annual Results 2011

## Investor-/Analyst Conference Call

Dr Mathias Döpfner, Chairman & CEO  
Lothar Lanz, CFO & COO

Berlin, March 7, 2012

axel springer 

# Disclaimer

This document, which has been issued by Axel Springer Aktiengesellschaft (the "Company"), comprises the written materials/slides for a presentation of the management.

Whilst all reasonable care has been taken to ensure that the information and facts stated herein are accurate and that the opinions and expectations contained herein are fair and reasonable no representation or warranty, express or implied, is given by or on behalf of the Company, any of its directors, or any other person as to the accuracy or completeness of the information or opinions contained in this document and no liability is accepted for any such information or opinions.

This document contains forward looking statements which involves risks and uncertainties. These forward looking statements speak only as of the date of this document and are based on numerous assumptions which may or may not prove to be correct. The actual performance and results of the business of the Company could differ materially from the performance and results discussed in this document.

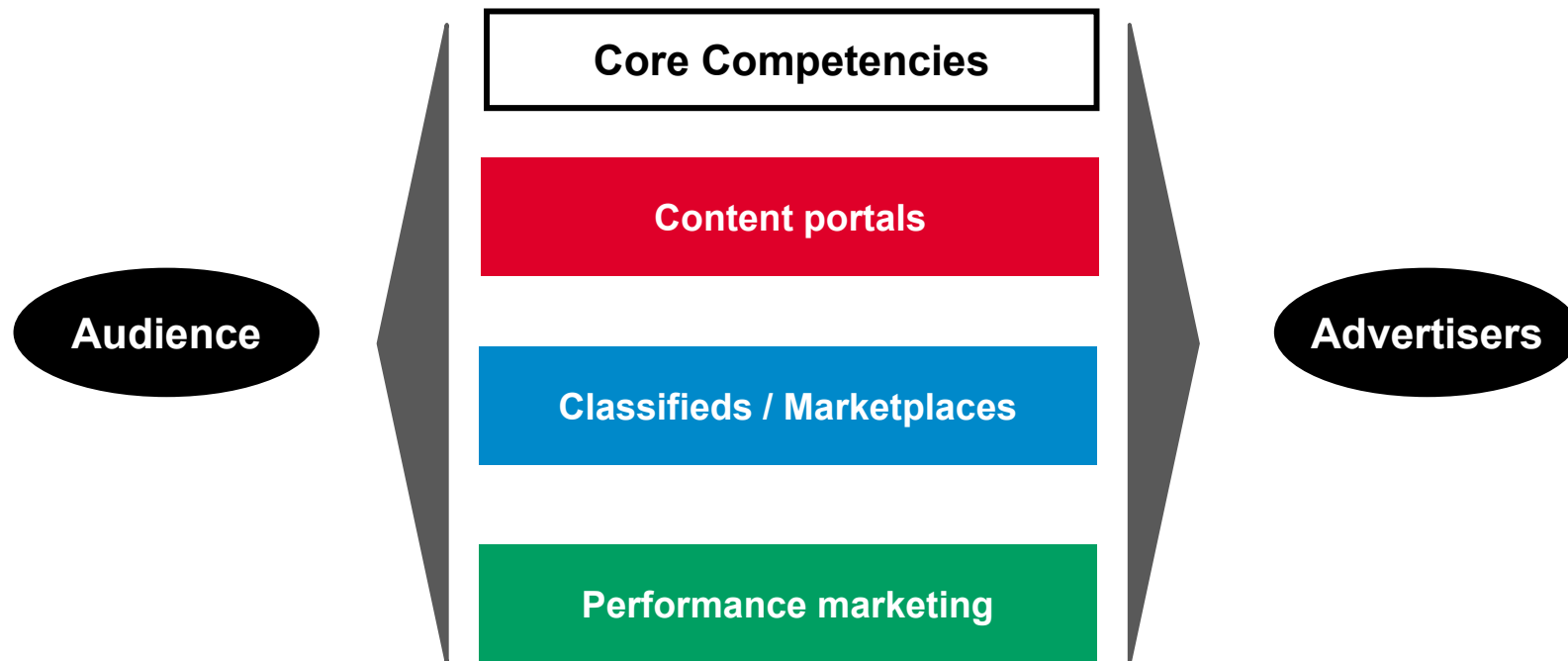
The Company undertakes no obligation to publicly update or revise any forward looking statements or other information contained herein whether as a result of new information, future events or otherwise.

This document does not constitute or form any part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any shares in the Company, nor shall it or any part of it nor the fact of its distribution form the basis of, or be relied on in connection with, any contract or investment decision in relation thereto.

# Highlights of another record year

1. EBITDA at all-time high of €593m, EBITDA margin 18.6%
2. Revenues cross €3bn mark for the first time ever (+10.1%)
3. Management to propose record dividend of €1.70
4. German print business: EBITDA margins of more than 20%
5. Digital Media: revenues +35.2% yoy (organic growth of +20.6%)
6. Digital Media: first time ever > 30% of total Group revenues
7. Share of international revenues rises to 32.9%

# Digital strategy along core competencies



# Execution of digital strategy: Add-on acquisitions as well as organic expansion

## Content portals



**Acquisition in 8/11** - Secures No. 1 market position in combination with sofeminin.co.uk



**Launch in 07/11** – as satellite of BILD.de

## Classifieds/ Marketplaces



**Acquisition in 6/11** - Minority stake in leading South-East Asian real estate portal



**Acquisition in 10/11** - A-Gites (holiday home rentals)



**Acquisition in 9/11** - No. 2 position in French car classifieds market



**Acquisition in 12/11** - Majority interest in Visual Meta (platforms for online stores)

## Performance marketing



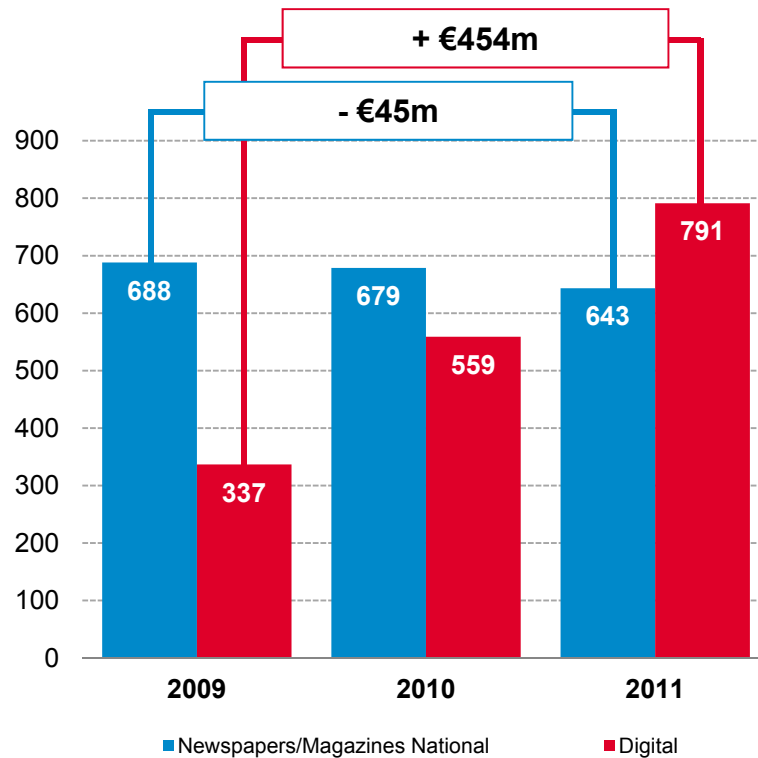
**Acquisition in 6/11** - Secures No. 1 market position in combination with existing zanox business in Benelux; plus expansion in Turkey, Poland, Switzerland and Brasil



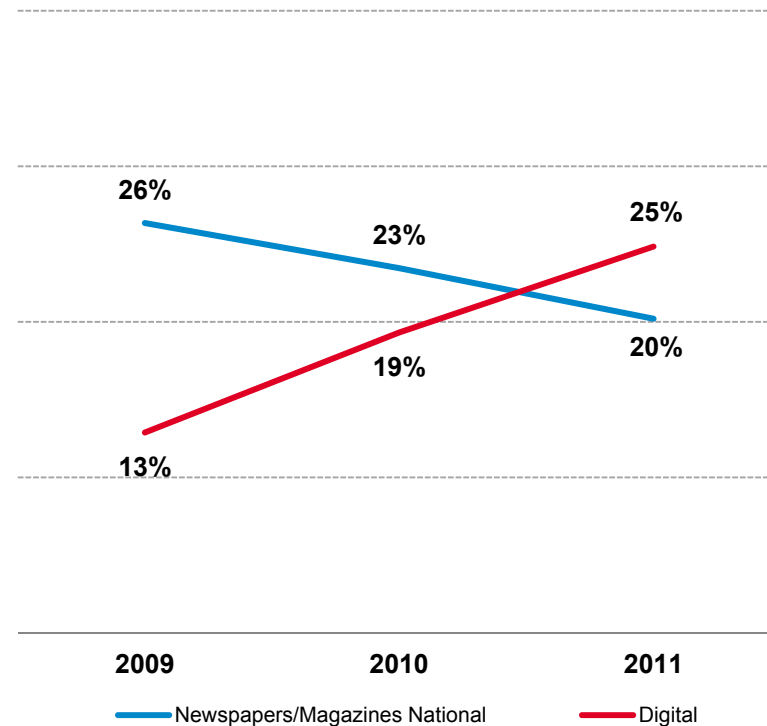
**Acquisition of kaufDA in 03/11** – expansion in France under “bonial“-brand

# Advertising revenues 2011: Digital higher than German print for first time

Advertising revenues in €m

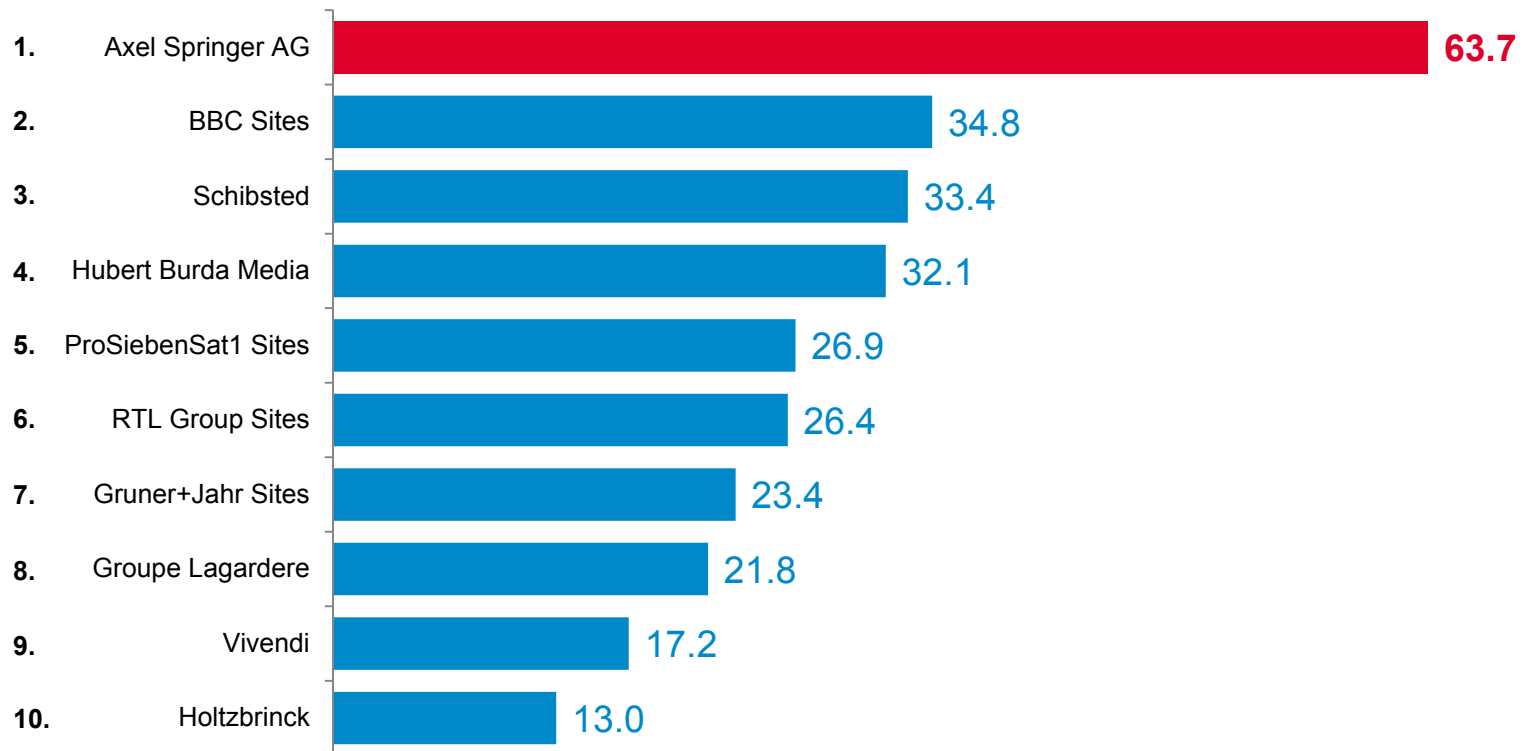


Advertising revenues in % of group revenues



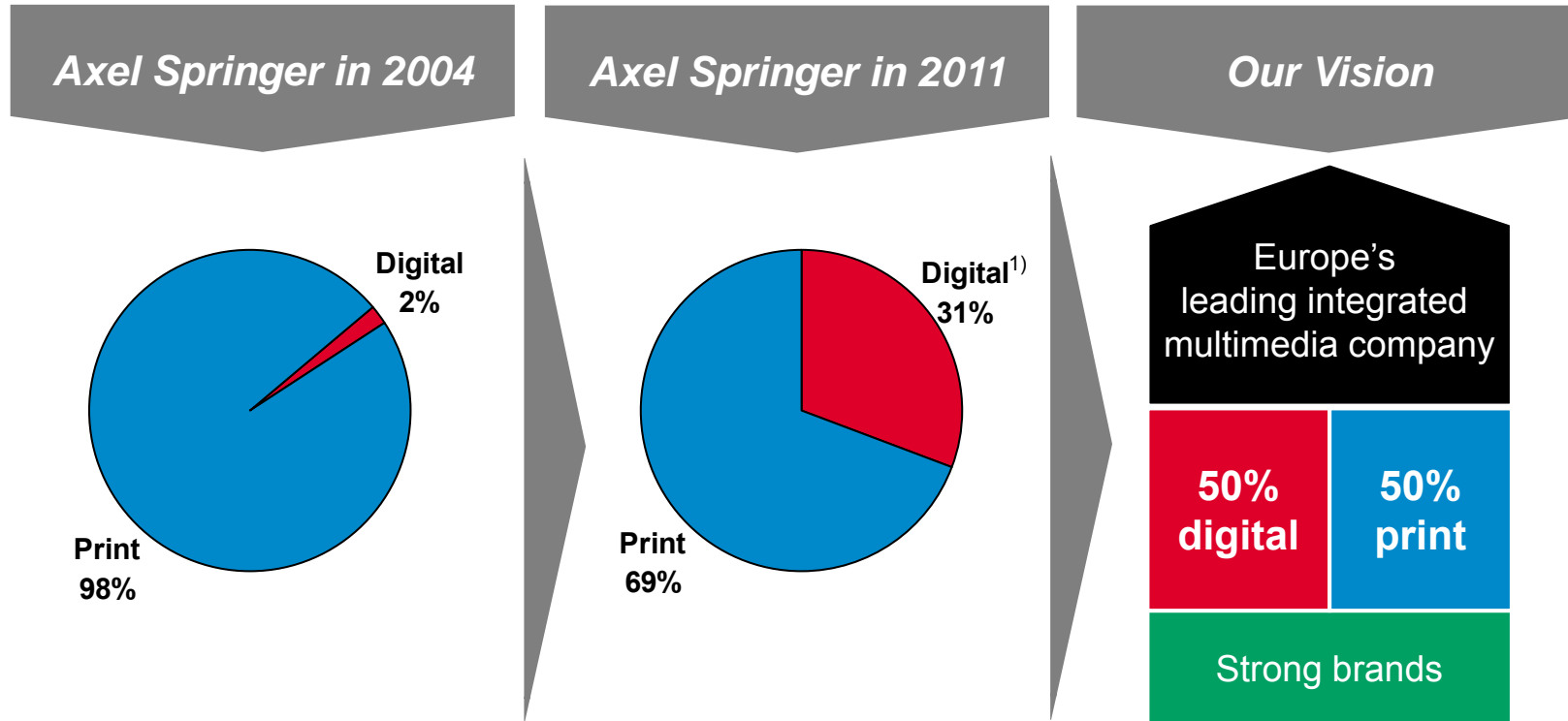
# Axel Springer with highest reach among Europe's top media companies

European media peers (in m unique visitors)



Source: comScore top 100 properties, December 2011

# Successful transition to digital



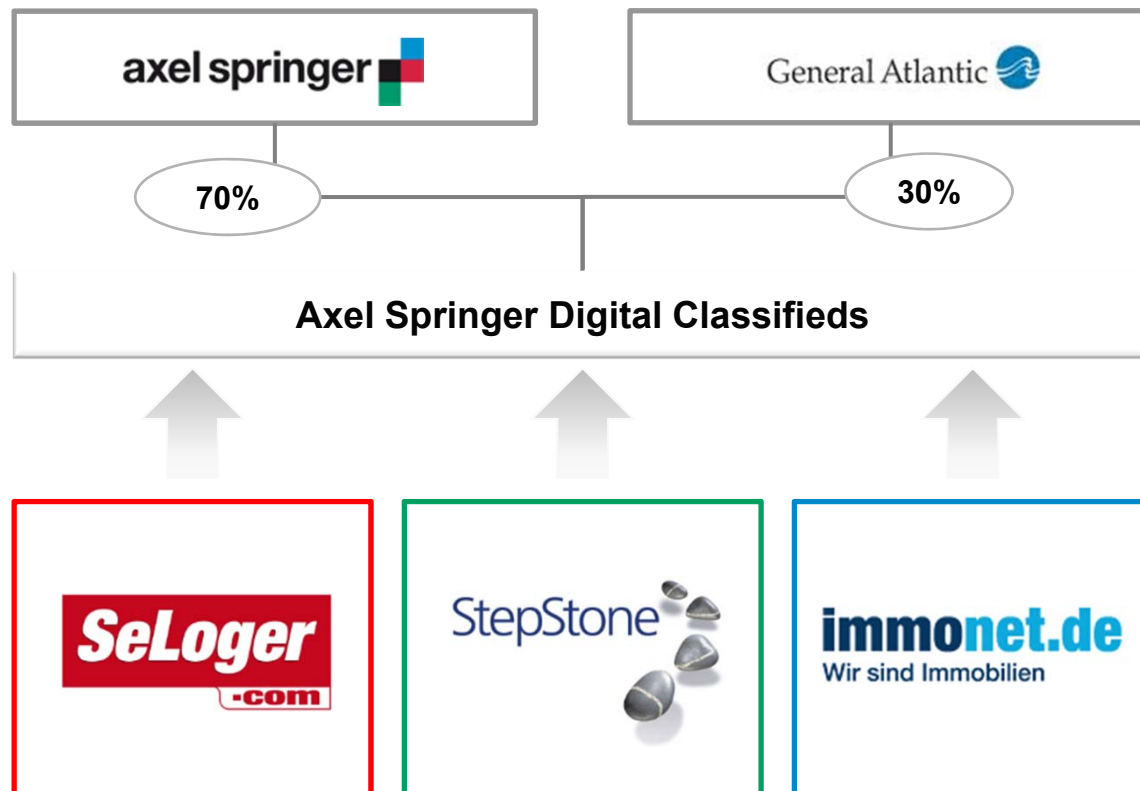
**Digital activities represent 31%<sup>1)</sup> of revenues and 27% of EBITDA in 2011**

<sup>1)</sup> Pro forma for acquisitions



# Growth initiative in the online classifieds business with strategic partnership

## Transaction structure



- Consolidation of the online classifieds business within a new, independent company
- Enterprise value of €1.25bn
- Axel Springer will be the majority shareholder, with a 70% stake
- General Atlantic to be partner in the new company with a 30% interest
- Objective: international growth

# Sale of 30% stake in Digital Classifieds: Axel Springer receives €375m in the next years

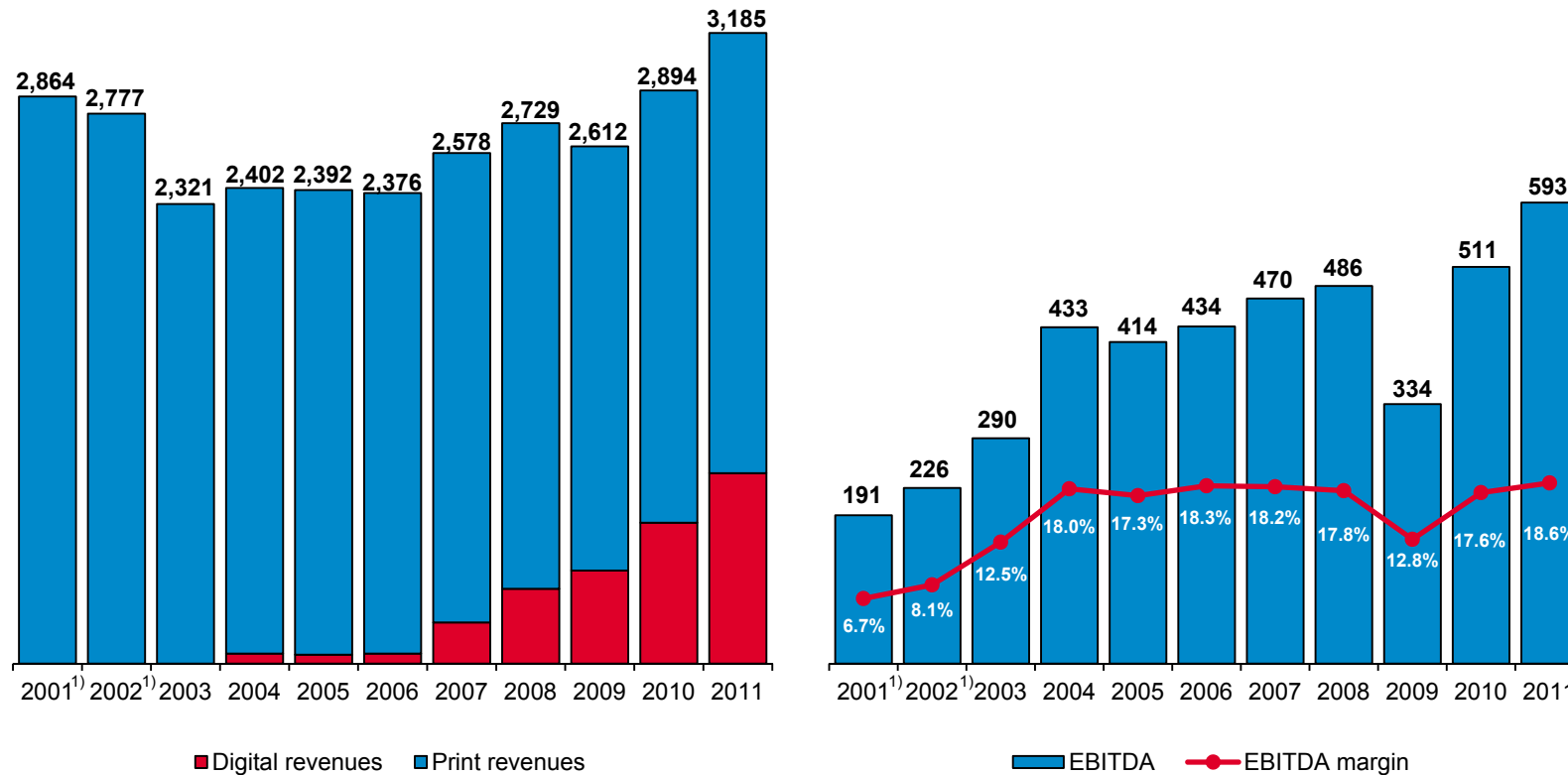
## Deduction

Enterprise value	€1.25bn
	-
Loans of AS AG to JV HoldCo	€460m
	=
Equity value	€790m
-----	
Direct and indirect payment from GA to AS (30% of €1.25bn)	€375m
	-
Repayment of the GA-part of the loans assumed by AS (30% of €460m)	€138m
	=
Purchase price payment in cash by GA (30% of €790m)	€237m

- Contribution of the three classifieds businesses into the JV HoldCo by AS
- AS provides €460m loans to JV HoldCo at attractive interest conditions for AS by conversion of receivables

# Financials FY 2011

# Strong financial performance and EBITDA on all-time high in 2011



<sup>1)</sup> According to HGB

# Axel Springer with EBITDA on all time high

in €m

	2011	2010	yoy
<b>Revenues</b>	<b>3,184.9</b>	<b>2,893.9</b>	+10.1%
Circulation	1,204.5	1,174.3	+2.6%
Advertising	1,606.8	1,384.8	+16.0%
Other	373.5	334.8	+11.6%
<b>EBITDA</b>	<b>593.4</b>	<b>510.6</b>	+16.2%
Margin	18.6%	17.6%	+1.0pp

- Revenues up 10.1% yoy, adjusted for consolidation effects +3.9%
- Circulation revenues up, adjusted for consolidation effects slightly down by -0.6%
- Advertising growth driven by digital media, adjusted for consolidation effects up by 6.6%
- EBITDA on all-time high and EBITDA margin up from 17.6% to 18.6%

# Continued cost discipline across the group

in €m

	2011	2010	yoy
Personnel	851.6	792.9	+7.4%
Purchased goods and services	1,055.7	950.6	+11.1%
Other operating	783.9	773.9	+1.3%
<b>Total Costs</b>	<b>2,691.1</b>	<b>2,517.4</b>	<b>+6.9%</b>

- Total costs up by €173.8m, mainly due to consolidation effects and below revenue development
- Adjusted for consolidation effects, total costs up by 3.3% mainly due to organic revenue growth of digital media, higher marketing and paper costs
- Increase in personnel costs mainly driven by build-up in digital
- Purchased goods and services costs up mainly due to growth in digital businesses and higher paper prices

# Newspapers National: EBITDA margin at 24.3%

in €m

	2011	2010	yoy
<b>Revenues</b>	<b>1,164.9</b>	<b>1,194.2</b>	-2.4%
Circulation	617.6	616.7	+0.1%
Advertising	515.0	544.7	-5.5%
Other	32.4	32.8	-1.3%
<b>EBITDA</b>	<b>282.7</b>	<b>296.0</b>	-4.5%
Margin	24.3%	24.8%	-0.5pp

- Circulation revenues stable, supported by BILD copy price increase in May 2011
- Advertising revenues down yoy in line with expectations
- EBITDA down, but EBITDA margin still strong at 24.3%

# Magazines National EBITDA on all-time high

in €m

	2011	2010	yoy
<b>Revenues</b>	<b>468.1</b>	<b>486.1</b>	-3.7%
Circulation	315.8	325.7	-3.0%
Advertising	128.4	134.1	-4.2%
Other	23.9	26.3	-9.3%
<b>EBITDA</b>	<b>103.2</b>	<b>101.0</b>	+2.2%
Margin	22.0%	20.8%	+1.2pp

- Total revenues down by 3.7%, adjusted for consolidation effects down by 1.8%
- Circulation revenues down by 3.0%, adjusted down by 1.1%
- Advertising revenues down by 4.2%, adjusted down by 2.9%
- Strong EBITDA margin of 22.0%



# Print International: Higher revenues and EBITDA increase

in €m

	2011	2010	yoy	yoy adjusted <sup>1)</sup>
<b>Revenues</b>	<b>473.5</b>	<b>400.9</b>	+18.1%	-4.2%
Circulation	271.0	231.9	+16.9%	-4.0%
Advertising	172.3	147.0	+17.2%	-6.0%
Other	30.2	22.1	+37.0%	+5.6%
<b>EBITDA</b>	<b>73.8</b>	<b>61.5</b>	+20.0%	-20.1%
Margin	15.6%	15.3%	+0.2pp	-

- Revenues growing by 18.1%, adjusted for consolidation and FX effects down by 4.2%
- Advertising markets developed less favorably in H2/11
- EBITDA improved considerably, margin slightly up
- EBITDA increase mainly due to the CEE JV consolidation

<sup>1)</sup> Adjusted for consolidation and foreign exchange effects

# Digital Media: Strong and profitable growth

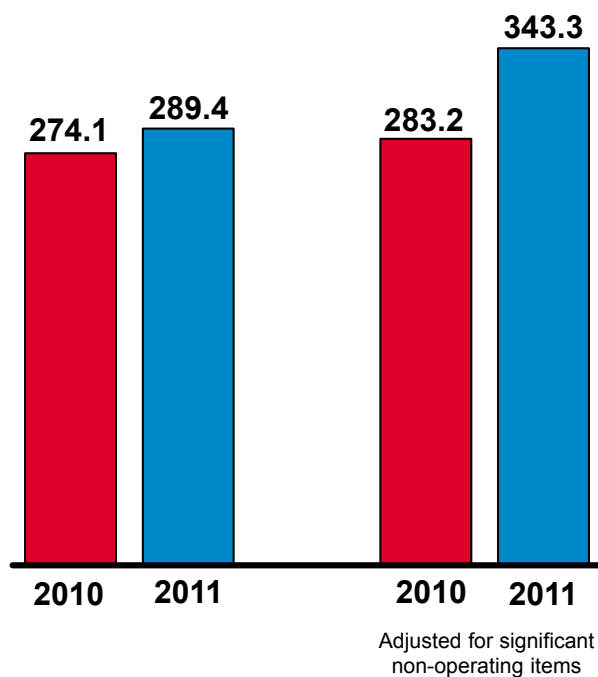
in €m

	2011	2010	yoy
<b>Revenues</b>	<b>962.1</b>	<b>711.8</b>	+35.2%
Advertising	791.2	559.0	+41.5%
Other	170.9	152.9	+11.8%
<b>EBITDA</b>	<b>158.1</b>	<b>85.8</b>	+84.2%
Margin	16.4%	12.1%	+4.4pp

- Revenue growth of 35.2% in 2011
- Organic growth of 20.6% in 2011 (based on pro forma revenues of €994.2m in 2011 versus €824.7m in 2010)
- Pro forma revenues Digital Media at 30.9% of pro forma total revenues (2010: 27.4%)
- EBITDA up by 84.2%, margin up from 12.1% to 16.4%

# Net income increases in 2011

in €m

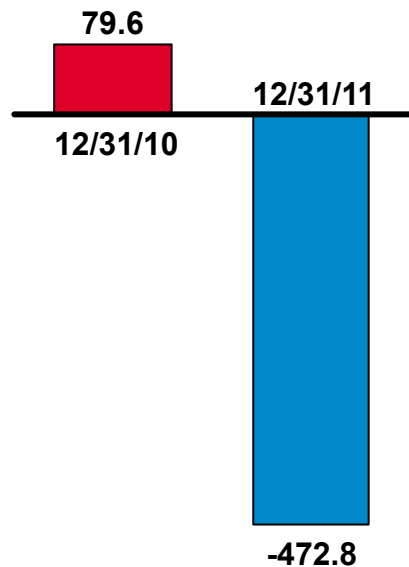


	2011	2010
<b>Net income</b>	<b>289.4</b>	<b>274.1</b>
Non recurring-effects <sup>1)</sup>	12.2	-17.1
Effects of purchase price allocations	54.7	33.6
Taxes attributable to these effects	-13.1	-7.3
<b>Adjusted net income</b>	<b>343.3</b>	<b>283.2</b>
Thereof attributable to non-controlling interests	44.3	27.4
<b>Adjusted net income attributable to shareholders of Axel Springer AG</b>	<b>299.0</b>	<b>255.8</b>
Weighted average number of shares outstanding (in m) <sup>2)</sup>	98.5	98.5
<b>Adjusted eps (in €)</b>	<b>3.03</b>	<b>2.60</b>

<sup>1)</sup> Previous year: Non-recurring effects and other non-operating effects. <sup>2)</sup> Based on weighted average number of shares outstanding in 2011.

# Comfortable financial situation

## Net financial debt / liquidity<sup>1)</sup> (in €m)



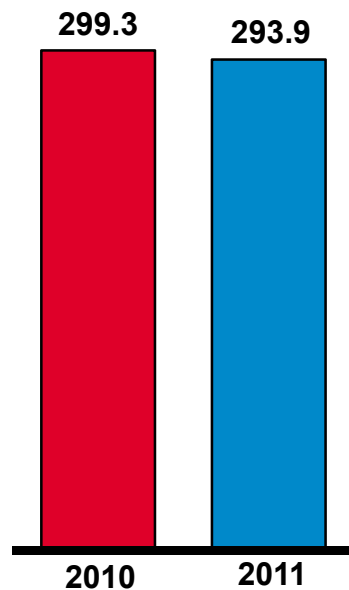
## Attractive refinancing secured

- Current credit line
  - €1.5bn secured until 2012
  - €1.0bn thereof extended until 2013
  - Margin between 15bp and 32.5bp
- Bonded loan – Targets
  - Volume  $\geq$  €300m
  - Maturity of 4/6 years
  - Secure additional attractive financing conditions

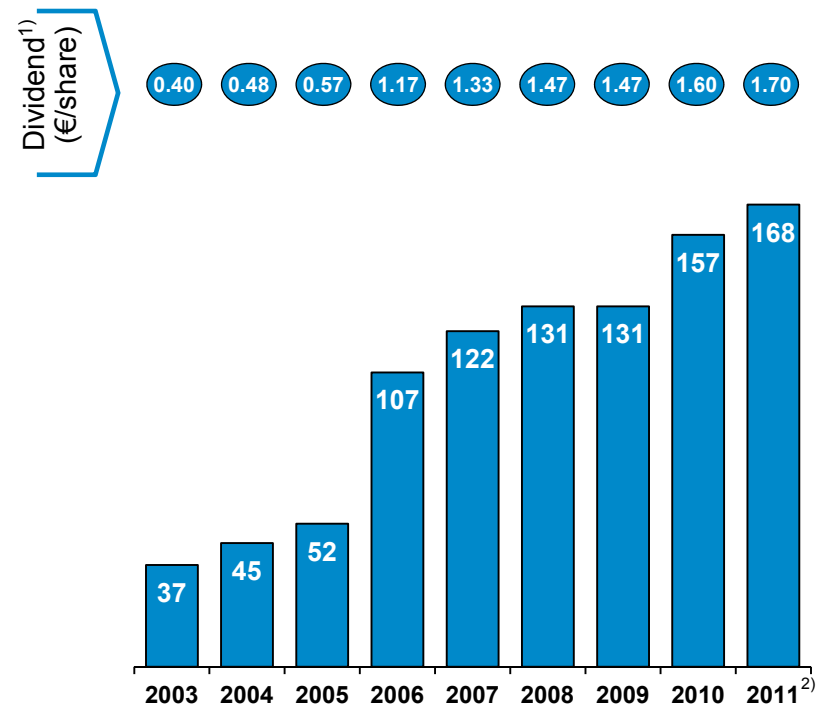
<sup>1)</sup> Excl. pension liabilities (12/31/10: -€389m; 12/31/11: -€327m) and treasury shares (12/31/10: 0.6m shares; 12/31/11: 0.3m shares)

# Free cash flow / dividend

Free cash flow (in €m)



Dividend volume (in €m)



<sup>1)</sup> Based on new number of shares after 3 for 1 share split in June 2011

<sup>2)</sup> Dividend proposal for business year 2011, subject to approval by AGM 2012

# Outlook 2012

<b>GROUP</b>	<b>REVENUES</b> Single digit increase yoy	
	Circulation	< 2011
	Advertising	> 2011
	Other	> 2011
	<b>EBITDA</b> Slight increase yoy	

<b>SEGMENTS</b>		<b>REVENUES</b>	<b>EBITDA</b>
	Newspaper National	≤ 2011	< 2011
	Magazines National	< 2011	< 2011
	Print International	< 2011	< 2011
	Digital Media	> 2011	> 2011
	Services / Holding	< 2011	< 2011

# Investor Relations contacts

## **Claudia Thomé**

Head of Investor Relations

Phone: +49 30 2591 77421

Mobile: +49 160 90445035

[claudia.thome@axelspringer.de](mailto:claudia.thome@axelspringer.de)

## **Daniel Fard-Yazdani**

Deputy Head of Investor Relations

Phone: +49 30 2591 77425

Mobile: +49 151 52844459

[daniel.fard-yazdani@axelspringer.de](mailto:daniel.fard-yazdani@axelspringer.de)

Axel Springer AG

Axel-Springer-Str. 65

10888 Berlin

Germany

Fax: +49 30 2591 77422