

Financial Statements and Combined Management Report

Bertelsmann SE & Co. KGaA, Gütersloh

December 31, 2020

Contents

Balance sheet

Income statement

Notes to the financial statements

Combined Management Report

Responsibility Statement

Auditor's report

FINANCIAL STATEMENTS

Assets as of December 31, 2020

in € millions	Notes	12/31/2020	12/31/2019
Non-current assets			
Intangible assets			
Acquired industrial property rights and similar rights as well as licenses to such rights	1	9	8
		9	8
Tangible assets			
Land, rights equivalent to land and buildings	1	306	311
Technical equipment and machinery	1	1	1
Other equipment, fixtures, furniture and office equipment	1	42	47
Advance payments and construction in progress	1	7	2
		356	361
Financial assets			
Investments in affiliated companies	1	15,974	14,960
Loans to affiliated companies	1	230	712
Investments	1	-	-
Non-current securities	1	1,461	1,252
		17,665	16,924
		18,030	17,293
Current assets			
Receivables and other assets			
Accounts receivable from affiliated companies	2	4,893	4,392
Other assets	2	94	148
		4,987	4,540
Securities			
Other securities		-	-
Cash on hand and bank balances			
	3	2,476	513
		7,463	5,053
Prepaid expenses and deferred charges			
	4	20	20
		25,513	22,366

Equity and liabilities as of December 31, 2020

in € millions	Notes	12/31/2020	12/31/2019
Equity			
Subscribed capital	5	1,000	1,000
Capital reserve		2,600	2,600
Retained earnings			
Legal reserve		100	100
Other retained earnings	6	5,685	5,485
		5,785	5,585
Net retained profits		898	663
		10,283	9,848
Provisions			
Provisions for pensions and similar obligations	7	377	357
Provision for taxes		145	-
Other provisions	8	214	213
		736	570
Liabilities			
Bonds and promissory notes	9, 10	6,300	4,600
Liabilities to banks	9	-	-
Profit participation capital	9, 11	413	413
Trade payables	9	19	12
Liabilities to affiliated companies	9	7,601	6,780
Other liabilities	9	155	139
		14,488	11,944
Deferred income		6	4
		25,513	22,366

Income statement

for the financial year from January 1 to December 31, 2020

in € millions	Notes	2020	2019
Revenues	12	109	113
Other own work capitalized		-	-
Other operating income	13	398	189
Cost of materials			
Cost of purchased services		-29	-31
Personnel costs	14		
Wages and salaries		-109	-112
Social security contributions and post-employment and other employee benefit expenses		-38	-47
		-147	-159
Amortization, depreciation and write-downs			
Amortization of intangible assets and depreciation of tangible assets		-20	-23
Other operating expenses	15	-258	-225
Income from investments	16		
Income from profit and loss transfer agreements		756	705
Income from participations		3	3
Expenses from transfer of losses		-28	-45
		731	663
Interest income and interest expense	17		
Income from other securities and long-term loans		39	35
Other interest and similar income		191	160
Other interest and similar expenses		-300	-262
		-70	-67
Write-downs of long-term financial assets	18	-65	-
Taxes on income	19	-212	-60
Earnings after taxes		437	400
Other taxes		-2	-3
Net income		435	397
Unappropriated retained profits brought forward		663	461
Additions to other retained earnings		-200	-195
Net retained profits		898	663

Notes to the financial statements for the financial year from January 1 to December 31, 2020

Principles and methods

Bertelsmann SE & Co. KGaA is based in Gütersloh. The company is registered in the Commercial Register held at Gütersloh District Court under number 9194.

Accounting principles

The annual financial statements and the management report combined with the Group management report of Bertelsmann SE & Co. KGaA pursuant to section 315 (5) German Commercial Code (Handelsgesetzbuch, hereinafter HGB) in conjunction with section 298 (2) HGB have been prepared in accordance with the HGB accounting principles for large corporations and the additional regulations of Germany's Stock Corporation Act (Aktengesetz, hereinafter AktG).

Balance sheet and income statement presentation

The balance sheet and the income statement comply basically with the presentation provisions specified in sections 266 and 275 HGB. The income statement has been prepared according to the nature of expense method.

Accounting and measurement policies

Intangible assets and property, plant and equipment

The option to capitalize internally generated intangible assets was not exercised. Acquired intangible assets as well as property, plant and equipment are measured at cost. Amortization and depreciation rates and methods are based on the economic useful lives. Amortization and depreciation is applied using the straight-line or declining balance method, although assets acquired after December 31, 2007, are amortized or depreciated exclusively on a straight-line basis. Assets expected to suffer permanent impairment are written down to the lower fair value. Non-current assets whose cost is €800 or below are amortized or depreciated in full in the year of acquisition. Independently movable items of property, plant and equipment that are subject to wear and tear at a cost of up to €250 are immediately reported as expenses.

Long-term financial assets, receivables and other assets

Long-term financial assets are measured at cost, at their nominal amount or the lower fair value if impairment is expected to be permanent. Any write-downs are reversed as soon as the reasons for the impairments no longer apply.

Receivables and other assets are generally stated at the nominal value or at the lower fair value on the balance sheet date.

The determination of the fair values of investments in affiliated companies as well as loans to and receivables from affiliated companies is typically determined using a discounted cash flow method. Under this method, the future cash flows are discounted using the cost of capital calculated on an individual basis for the company to be measured. If the company holds investments in affiliated companies to which the company also has extended loans (loans to or receivables from affiliated companies), and if the carrying amount of this total equity and debt financing exposure exceeds the calculated fair value, the investments in affiliated companies are initially written down. If necessary, an impairment of loans to and/or receivables from affiliated companies is recorded subsequently.

Financial assets qualifying as plan assets which are inaccessible to all other creditors and serve exclusively to fulfill pension obligations or other similar long-term obligations are measured at fair value in accordance with section 246 (2) sentence 2 HGB and are offset against the underlying obligations. If offsetting results in a remaining surplus of assets, this amount shall be disclosed separately on the balance sheet under the item "Excess of plan assets over post-employment benefit liabilities." If the fair value of the plan assets exceeds the historical cost, this portion is subject to a restriction on distribution in accordance with section 268 (8) HGB. In accordance with section 246 (2) sentence 2 HGB, expenses and income from discounting the obligations and from the corresponding assets are offset against each other.

Securities

Securities are carried at cost or at the lower market price on the balance sheet date to the extent that for long-term securities the lower price is expected to be permanent.

Cash on hand and bank balances

Bank balances and cash on hand are carried at nominal value. Foreign currency holdings are valued at the applicable exchange rate as of the balance sheet date.

Prepaid expenses and deferred charges

Payments made before the reporting date are reported as prepaid expenses and deferred charges if they represent expenses for a specific period after this date. Differences between the issuance and settlement amounts of bonds are included in prepaid expenses and deferred charges in accordance with section 250 (3) HGB.

Subscribed capital

Subscribed capital is recognized at the nominal amount.

Provisions

Provisions for pensions and similar obligations are measured using the projected unit credit method. The biometric calculations are based on the 2018 G mortality tables in the version issued by the Heubeck Richttafeln GmbH in October 2018. The pension provisions are calculated on a lump-sum basis corresponding to a 15-year term at the average market interest rate of the last ten years specified by Deutsche Bundesbank. The calculation also reflects future-oriented measurement parameters such as the rate of salary increase, rate of pension increase and fluctuation.

The provisions for taxes and other provisions are measured according to a reasonable commercial assessment. They are measured at their respective settlement value. Future cost and price increases are taken into account where there are sufficient objective indications that they will arise. Provisions with a term of over one year are discounted at the average market interest rate for the last seven years corresponding to their remaining term. The applicable interest rate is published by Deutsche Bundesbank.

In order to fulfill certain obligations relating to employee pension plans and similar long-term obligations, the corresponding funds are invested in a pension plan reinsurance scheme, in securities and in restricted cash assets held in a trust arrangement. These are used solely to fulfill pension obligations and are not accessible to the other creditors. The pension plan reinsurance policy is used to cover amounts for higher pension provision. The pension plan reinsurance is measured at the capitalized value derived from the fund capital calculated at the end of the insurance period or at least derived from the guaranteed redemption value, where such a value has been agreed or derived from the budgeted fund capital. The securities are used to fulfill corresponding commitments to employees. Measurement of securities is at fair value which equals the market price. Pension obligations – the amount of which is determined solely based on the fair value of securities – are recognized at the fair value of the securities in accordance with section 253 (1) sentence 3 HGB. The cash assets serving to fulfill obligations to employees are measured at their nominal amount. In accordance with section 246 (2) sentence 2 HGB, plan assets have been offset against the underlying obligations.

Liabilities

Liabilities are stated at their settlement value.

Profit participation capital

The terms and conditions for the issued profit participation certificates provide for rules on the remuneration, repayment and termination of profit participation capital. These conditions do not meet the requirements for the presentation of profit participation rights as equity. For this reason, the profit participation capital is classified as debt and reported as a separate item under "Liabilities." Remuneration for the contribution of profit participation capital is recognized as interest expenses and charged to net income.

Deferred income

Payments received before the reporting date are reported as deferred income if they represent income for a specific period after this date.

Deferred taxes

Deferred taxes arise from temporary differences between carrying amounts recognized under commercial law and their tax base. Investments in partnerships are also taken into account for the purposes of determining deferred German corporation tax. Exercising the option under section 274 (1) sentence 2 HGB means waiving the recognition of net deferred tax assets. Deferred taxes are calculated for all the companies of the Bertelsmann SE & Co. KGaA consolidated tax group.

Assets held in trust

Non-current securities and bank balances held in trust by Bertelsmann Pension Trust e. V. under the double-sided trust agreement to secure pension obligations are, from an economic perspective, still treated as held by Bertelsmann SE & Co. KGaA. These trust assets do not meet the requirements for plan assets set forth in section 246 (2) sentence 2 HGB.

Currency translation

Foreign currency receivables with a remaining term of one year or less are measured at the mean exchange rate on the balance sheet date, and foreign currency receivables with a remaining term of over one year are measured at the mean exchange rate on the entry date or the lower mean rate on the balance sheet date, provided no hedging transactions have been entered into and recognized under hedge accounting criteria.

Liabilities denominated in foreign currencies with a remaining term of one year or less are recognized at the mean exchange rate on the balance sheet date, and all other liabilities denominated in foreign currencies are recognized at the mean exchange rate on the entry date or the higher mean rate on the balance sheet date, provided no hedging transactions have been entered into and recognized under hedge accounting criteria.

For information on hedge accounting, please refer to the section "Miscellaneous."

Reimbursement of social insurance contributions

Amounts reimbursed by the German Federal Employment Agency in accordance with section 2 (1) of the Short-time Work Allowance Ordinance (Kurzarbeitergeldverordnung, KugV) for contributions made to social insurance are reported on the income statement under other operating income.

Changes in reporting

The reporting methods used in the previous year were retained with the exception of the matters described here.

Beginning in the financial year 2020, expenses for severance payments to employees are no longer reported under personnel costs but under the item "Other operating expenses." Values in the previous year column were adjusted to show expenses for severance payments for the financial year 2019 in the amount of €12 million in other operating expenses. This had no impact on net income.

Notes on the balance sheet

1 Statement of changes in non-current assets

in € millions	12/31/2019	Additions	Cost Disposals	Reclassifications	12/31/2020
Intangible assets					
Acquired industrial property rights and similar rights as well as licenses to such rights	22	4	3	-	23
	22	4	3	-	23
Tangible assets					
Land, rights equivalent to land and buildings	512	6	-	1	519
Technical equipment and machinery	21	-	-	-	21
Other equipment, fixtures, furniture and office equipment	93	1	9	-	85
Advance payments and construction in progress	2	6	-	-1	7
	628	13	9	-	632
Financial assets					
Investments in affiliated companies	15,665	1,056	-	-	16,721
Loans to affiliated companies	676	230	676	-	230
Non-current securities	1,252	288	79	-	1,461
	17,593	1,574	755	-	18,412
	18,243	1,591	767	-	19,067

in € millions	12/31/2019	Amortization, depreciation and write-downs				Carrying amounts		
		Amortization, depreciation and write-downs	Other effects	Reversals of write-downs	Disposals	12/31/2020	12/31/2020	12/31/2019
Intangible assets								
Acquired industrial property rights and similar rights as well as licenses to such rights	14	3	-	-	3	14	9	8
	14	3	-	-	3	14	9	8
Tangible assets								
Land, rights equivalent to land and buildings	201	12	-	-	-	213	306	311
Technical equipment and machinery	20	-	-	-	-	20	1	1
Other equipment, fixtures, furniture and office equipment	46	5	-	-	8	43	42	47
Advance payments and construction in progress	-	-	-	-	-	-	7	2
	267	17	-	-	8	276	356	361
Financial assets								
Investments in affiliated companies	705	65	-	23	-	747	15,974	14,960
Loans to affiliated companies	-36	-	-	-	-36	-	230	712
Non-current securities	-	-	-	-	-	-	1,461	1,252
	669	65	-	23	-36	747	17,665	16,924
	950	85	-	23	-25	1,037	18,030	17,293

There were no changes to the full amount of depreciation, amortization or write-downs in connection with additions or reclassifications in the financial year 2020.

The increase in investments in affiliated companies is attributable in the amount of €835 million to the carrying amount of the investment in Bertelsmann, Inc., Wilmington, due to capital contributions made in the amount of US\$1 billion. Additions of €216 million to the carrying amount are also attributable to the investment in Bertelsmann Capital Holding GmbH, Gütersloh. This increased due to a compensation payment made by Bertelsmann SE & Co. KGaA in connection with the profit and loss transfer agreement between Bertelsmann Capital Holding GmbH, Gütersloh, and RTL Group GmbH, Cologne. The compensation payment is made to CLT-UFA S.A., Luxembourg, the indirect parent company of RTL Group GmbH, Cologne, and is accounted for as a contribution to the capital reserve of Bertelsmann Capital Holding GmbH, Gütersloh.

The loans reported as of December 31, 2020, are loan receivables due from Bertelsmann, Inc., Wilmington, for financing that company's operations. The USD loans in place as of December 31, 2019, were repaid in full in the financial year 2020. A new EUR loan was granted in the financial year 2020.

The non-current securities are shares in various funds held and managed by Bertelsmann Pension Trust e.V. They are used to secure and fulfill pension obligations of Bertelsmann SE & Co. KGaA and selected subsidiaries.

2 Receivables and other assets

Receivables from affiliated companies include €3,729 million (previous year: €2,943 million) relating to companies in Germany and €1,164 million (previous year: €1,449 million) relating to companies abroad. These result mainly from the financing of operating activities of subsidiaries.

As of 12/31/2020, receivables and other assets amounting to €632 million have a remaining term of more than one year (previous year: €0 million). Among the other assets, €0 thousand are held in trust subject to restricted access (previous year: €1 thousand).

3 Cash on hand and bank balances

€39 million of the cash funds are held and managed in trust (previous year: €171 million).

4 Prepaid expenses and deferred charges

A debt discount of €17 million (previous year: €11 million) in accordance with section 250 (3) HGB is recognized in prepaid expenses and deferred charges. The debt discount stems from the bonds maturing in 2021, 2022, 2023, 2024, 2025, 2026, 2027, 2030 and 2032. The discount is amortized on a straight-line basis over the individual terms of the bonds.

5 Subscribed capital

The share capital of €1,000 million is divided into 83,760 no-par value registered shares.

6 Other retained earnings

Other retained earnings in the financial year 2020 were as follows:

in Mio. €	
12/31/2019	5,485
Additions from 2020 net income	200
12/31/2020	5,685

7 Pensions and similar obligations

Pension expenses of €15 million were paid out in the financial year 2020 (previous year: €16 million).

Pension provisions were calculated using the average market interest rate specified by Deutsche Bundesbank of 2.31 percent p.a. (previous year: 2.71 percent p.a.). The calculation assumed a rate of salary increase of 2.25 percent p.a. (previous year: 2.25 percent p.a.), a rate of pension increase of 1.0 to 1.5 percent p.a. (previous year: 1.0 bis 1.5 percent p.a.) and an increase in the assessment basis of 2.0 percent (previous year: 1.5 percent). In addition, company-specific age-related fluctuation probabilities were taken into account.

The difference between the recognition of provisions based on the average market interest rate of the last ten financial years and the recognition of provisions based on the average market interest rate of the last seven financial years of 1.60 percent (previous year: 1.97 percent) amounts to €45 million (previous year: €44 million). This amount is blocked from distribution in accordance with section 253 (6) sentence 2 HGB.

In order to fulfill certain obligations relating to employee pension plans, the corresponding funds are invested in a pension plan reinsurance scheme, in securities and in restricted cash assets held in a trust arrangement. In accordance with section 246 (2) sentence 2 HGB, plan assets have been offset against the underlying obligations. The earnings of €208 thousand generated by the plan assets were netted against the expenses from the corresponding pension obligations in the amount of €208 thousand.

Offset amounts in accordance with section 246 (2) sentence 2 HGB:

in € millions	12/31/2020	12/31/2019
Settlement value of liabilities	14	13
Fair value of plan assets	14	13
Acquisition costs of plan assets	11	10

8 Other provisions

Other provisions include personnel costs of €62 million (previous year: €51 million), reimbursement of restructuring costs of €48 million (previous year: €52 million), an obligation of €44 million (previous year: €44 million) to service profit participation rights, expenses of €28 million (previous year: €0 million) in connection with financing a subsidiary and negative fair values from hedging transactions of €21 million (previous year: €52 million).

To guarantee claims arising from partial retirement and lifetime working time accounts, cash assets were transferred to a trustee. In accordance with section 246 (2) sentence 2 HGB, the provisions for lifetime working time accounts and the provisions for outstanding settlement amounts from partial retirement are offset against the corresponding plan assets. The earnings generated by the plan assets were offset against the expenses resulting from plan assets and the interest expenses from the corresponding pension obligations. In the financial year 2020, this resulted in expenses of €30 thousand comprising expenses generated by plan assets totaling €1 thousand and the interest expenses from the corresponding pension obligations in the amount of €29 thousand. No income was realized from plan assets in the financial year 2020.

Offset amounts in accordance with section 246 (2) sentence 2 HGB:

in € millions	12/31/2020	12/31/2019
Settlement value of liabilities	3	2
Fair value of plan assets	3	2
Acquisition costs of plan assets	3	2

9 Liabilities

in € millions	Up to 1 year	> 1 year	Of which > 5 years	12/31/2020
Bonds and promissory notes	500	5,800	3,550	6,300
Liabilities to banks	-	-	-	-
Profit participation capital	-	413	-	413
Trade payables	19	-	-	19
Liabilities to affiliated companies	7,601	-	-	7,601
Other liabilities	155	-	-	152
- thereof from taxes	(77)	-	-	(77)
- thereof for social security benefits	-	-	-	-
	8,275	6,213	3,550	14,485

in € millions	Up to 1 year	> 1 year	Of which > 5 years	12/31/2019
Bonds and promissory notes	100	4,500	2,750	4,600
Liabilities to banks	-	-	-	-
Profit participation capital	-	413	-	413
Trade payables	12	-	-	12
Liabilities to affiliated companies	6,780	-	-	6,780
Other liabilities	139	-	-	139
- thereof from taxes	(67)	-	-	(67)
- thereof for social security benefits	(1)	-	-	(1)
	7,031	4,913	2,750	11,944

Among the liabilities to affiliated companies, €6,826 million (previous year: €6,093 million) relates to domestic companies and €775 million (previous year: €687 million) to companies abroad. These are primarily financial liabilities.

The liabilities to affiliated companies include liabilities of €27 million (previous year: €18 million) to the general partner Bertelsmann Management SE, Gütersloh.

Liabilities for social security benefits amount to €482 thousand (previous year: €572 thousand).

10 Bonds and promissory notes

The bonds and promissory notes are composed as follows:

	€ millions	Maturity	nominal interest in %
Bond	500	26.05.2021	0.250
Bond	750	02.08.2022	2.625
Promissory notes	100	11.04.2023	1.25% + 6 Mon. EURIBOR
Bond	500	14.10.2024	1.750
Bond	750	29.09.2025	1.250
Promissory notes	150	01.12.2025	1.787
Bond	500	27.04.2026	1.125
Promissory notes	100	06.05.2027	1.600
Bond	100	25.05.2027	1.000
Bond	750	01.04.2028	2.000
Bond	750	15.05.2030	1.500
Bond	100	29.06.2032	3.700
Hybrid bond ¹⁾	650	23.04.2075	3.000
Hybrid bond ²⁾	600	23.04.2075	3.500

¹⁾ Bertelsmann has the right of first-time early repayment in April 2023 for this tranche of the hybrid bond issued in April 2015; the nominal interest rate stated above has been fixed until this date.

²⁾ Bertelsmann has the right of first-time early repayment in April 2027 for this tranche of the hybrid bond issued in April 2015; the nominal interest rate stated above has been fixed until this date.

11 Profit participation capital

As of the balance sheet dates of the current and previous years, profit participation certificates with a nominal value of €301,324,177.75 were admitted to trading on the stock exchange. The nominal value of the profit participation capital consists of profit participation certificates of €284,339,810.00 (28,433,981 units) issued in 2001 (ISIN DE 000 522 9942) and profit participation certificates of €16,984,367.75 (1,698,436,775 units) issued in 1992 (ISIN DE 000 522 9900).

The participation certificates may only be terminated by the bearers, for the first time on June 30, 2017, and thereafter with effect at the end of every fifth financial year.

The terms of the profit participation capital 2001 state that for each full financial year, 15 percent of the nominal value is paid if, after an adjustment for impairments of goodwill that negatively affect earnings, there is sufficient consolidated net income and net income of Bertelsmann SE & Co. KGaA, increased by any profits carried forward and reduced by any losses carried forward and additions to the legal reserves. If the total return on capital of the Group in any one financial year is negative, the profit participation certificates absorb a share of the loss. The share of the loss is calculated as a percentage of the total negative return on capital relative to the nominal value of the profit participation certificates. Any such share in losses must be offset by shares in profits in subsequent years. In the event of liquidation or bankruptcy, repayment claims by the bearers of the profit participation certificates are subordinated to the claims of third-party creditors. The distribution on the profit participation capital 1992 is based on the total return on capital employed for the Group, calculated according to section 4 of the terms of issue of the profit participation capital 1992.

Notes on the income statement

12 Revenues

Revenues are generated from the provision of services to subsidiaries (2020: €82 million, previous year: €83 million) and from leasing and rental (2020: €27 million, previous year: €30 million). The breakdown of revenues by region is presented in the following table:

in € millions	2020	2019
Germany	101	104
Luxemburg	3	4
United States	2	2
United Kingdom	1	1
France	0	1
Other less than €1 million	2	1
	109	113

13 Other operating income

in € millions	2020	2019
Income from real estate transaction	187	0
Currency gains	88	8
Income from reversal of allowances for receivables to affiliated companies	46	28
Income from disposal of non-current assets	23	82
Income from write-ups on shares in affiliated companies	23	49
Costs passed on	10	9
Income from reversal of provisions	3	5
Other income	18	8
	398	189

Of the write-ups during the reporting period, €14 million was recognized on shares in Media Communication S.A.S., Vendin-Le-Vieil. Of the write-ups during the financial year 2019, €44 million was recognized on shares in Bertelsmann Inc., Wilmington.

Of the other operating income, €3 million (previous year: €5 million) is attributable to earlier financial years. These relate primarily to income from the reversal of provisions and payments received on receivables impaired in previous years.

14 Personnel costs

Personnel costs include expenses for pensions of €27 million (previous year: €36 million). The following table shows the annual average number of employees by group:

	Thereof permanent employees	Thereof temporary employees	2020	Thereof permanent employees	Thereof temporary employees	2019
Average number of employees during the year	753	44	797	786	45	831
- thereof female	428	25	453	435	24	459
- thereof male	325	19	344	351	21	372

15 Other operating expenses

in € millions	2020	2019
Loss allowances on receivables	56	10
Currency losses	26	31
Auditing, consulting and legal expenses	24	21
Reimbursement of expenditures to the general partner Bertelsmann Management SE, Gütersloh	22	20
Allocations	21	12
Rent and maintenance	15	22
Expenses from guarantee contracts	-	52
Other expenses	94	57
	258	225

Of the loss allowances on receivables, €55 million relate to receivables from Prinovis GmbH & Co. KG, Hamburg. Expenses from guarantee contracts result from a letter of comfort which has been issued to Prinovis GmbH & Co. KG, Hamburg.

16 Income from investments

Income from profit and loss transfer agreements and investments as well as the expenses from loss transfers in each case entirely result from affiliated companies.

Income from profit and loss transfer agreements stems primarily from the net income of Bertelsmann Capital Holding GmbH, Gütersloh. Bertelsmann Capital Holding GmbH, Gütersloh, contributes profits of €325 million (previous year €623 million). This decrease is offset by higher income coming from the profit and loss transfer agreements of other subsidiaries as a result of positive effects from a corporate transaction and the sale of buildings.

17 Interest income

in € millions	2020	2019
Income from other securities and long-term loans	39	35
- thereof from affiliated companies	34	28
- thereof from third parties	5	7
Other interest and similar income	191	160
- thereof from affiliated companies	144	131
- thereof from third parties	47	29
Interest and similar expenses	-300	-262
- thereof to affiliated companies	-8	-7
- thereof to third parties	-292	-255
	-70	-67

Of interest and similar expenses, €44 million (previous year: €44 million) is attributable to expenses for servicing the profit participation capital and €11 million (previous year: €11 million) to the accrued interest on long-term provisions (of which accrued interest on pension provisions of €9 million (previous year: €10 million)).

18 Write-downs of long-term financial assets

The write-downs of long-term financial assets during the reporting period of €60 million mainly pertain to shares in Gruner + Jahr GmbH, Hamburg.

19 Taxes on income

in € millions	2020	2019
Trade tax current year	92	41
Trade tax prior years	-4	-10
Corporate income tax including solidarity surcharge current year	130	35
Corporate income tax including solidarity surcharge prior years	-6	-6
	212	60

Deferred tax assets of Bertelsmann SE & Co. KGaA and its consolidated companies are primarily attributable to differences between valuations in accordance with HGB accounting principles and tax valuations of intangible assets and provisions. Deferred tax liabilities are formed mainly due to the difference in value of property, plant and equipment and other receivables in the financial statements and their tax base.

An underlying tax rate of 31.0 percent for corporate income tax, solidarity tax surcharge and trade tax is used for the calculation of deferred taxes. Exercising the option under section 274 (1) sentence 2 HGB means waiving the recognition of net deferred tax assets.

Miscellaneous

Shares in investment funds

Shares held in German or comparable foreign investment funds as defined by section 1 of the German Capital Investment Code (Kapitalanlagegesetzbuch; KAGB) have a carrying amount of €2020 million as of December 31, 2019. The fair value of €1,774 million exceeds the carrying amount by €388 million. Fixed-interest securities account for €1,375 million of the fair value, equities for €292 million, and cash funds for €107 million. The articles of association stipulate that the investment funds be distributed, but it was agreed by special resolution that the distributable profits from 2019 be reinvested in investment funds. The investment assets serve exclusively to hedge pension obligations to employees of Bertelsmann SE & Co. KGaA and selected subsidiaries.

Contingent liabilities

in € millions	2020	2019
Guarantees	832	836
Liabilities from guarantee contracts	244	191
	1,076	1,027

Guarantees stem primarily from rent guarantees totaling €719 million (previous year: €721 million) and guarantees for the repayment of loans from various Bertelsmann Group companies totaling €89 million (previous year: €90 million).

Bertelsmann SE & Co. KGaA entered into 26 (previous year: 33) contingent liabilities from guarantee agreements with no volume limit on behalf of affiliated companies. Of these, 9 (previous year: 5) are contingent liabilities to affiliated companies. In doing so, Bertelsmann SE & Co. KGaA provides assurance for the financial performance of the subsidiaries or the fulfillment of obligations arising from legal transactions of the subsidiaries.

Insofar as the assets held in trust by Bertelsmann Pension Trust e. V. are used to secure and fulfill pension obligations of selected subsidiaries, these consist of securities to cover third-party liabilities.

Bertelsmann SE & Co. KGaA enters into contingent liabilities only after carefully weighing the risks and only in connection with its own business activities or those of its affiliated companies. On the basis of a continuous risk assessment of the contingent liabilities entered into and taking into account all findings up to the preparation of the annual financial statements, Bertelsmann SE & Co. KGaA currently assumes that the obligations on which the contingent liabilities are based can be fulfilled by the respective principal debtors. For this reason, the risk of a claim arising from the contingent liabilities is considered to be unlikely on the basis of the credit rating of the primary debtor.

Other financial commitments

As of the balance sheet date, other financial commitments from credit lines granted to subsidiaries and not fully utilized at the reporting date amounted to €1,447 million (previous year: €1,464 million). Other financial commitments from rental and lease agreements, licensing obligations and service acceptances came to €35 million (previous year €64 million). These related solely to commitments to third parties.

Derivatives/hedges

The following table shows the nominal volumes of hedging transactions. The nominal volume of foreign exchange hedging transactions is reported as the total of all underlying purchase and sale amounts for these transactions.

in € millions	2020	2019
Foreign exchange hedging transactions		
- to affiliated companies	814	508
- to third parties	2,658	2,670
Interest rate hedges		
- to third parties	480	480
Cross-currency interest rate hedging transactions		
- to affiliated companies	773	836
- to third parties	977	1,771
	5,702	6,265

The following table shows the fair values of hedging transactions. For the foreign exchange hedging transactions, they show the balance of positive and negative fair values in each case.

in € millions	2020	2019
Foreign exchange hedging transactions		
- to affiliated companies	-1	5
- to third parties	18	9
Interest rate hedges		
- to third parties	5	6
Cross-currency interest rate hedging transactions		
- to affiliated companies	-30	32
- to third parties	46	-80
	38	-28

Derivative financial transactions are used to manage the risks from interest rate, currency and commodity price fluctuations from the operations of the subsidiaries and from derivative financial transactions. The derivative financial transactions are foreign exchange hedging transactions, cross-currency interest rate hedging transactions, commodity futures transactions and interest rate hedges. In addition, risks from fluctuations in commodity prices from the subsidiaries' operating business are limited by entering into forward commodity transactions. The transactions are conducted only with banks with a high credit rating (investment grade). The derivatives' fair value is taken into account when assessing the risk of counterparty default and taken into consideration in the utilization of specified counterparty limits. Contracting and documentation are subject to strict internal controls. Allowances are made for the risks from the transactions as of the balance sheet date.

The derivatives have terms of up to eight years.

As of the balance sheet date, Bertelsmann SE & Co. KGaA exercised its option to form hedges in the following cases:

Bertelsmann SE & Co. KGaA uses offsetting foreign exchange hedging transactions and cross-currency interest rate hedging transactions to reduce the risks from changes in value arising from intercompany financing in foreign currencies. If the accounting requirements have been met, underlying and hedging transactions are consolidated

into portfolio hedges and micro-hedges in order to cover the currency risk. Consolidation as micro-hedges took place in the financial year 2020 and is only applied for intercompany financing in US dollars.

The critical terms match method was applied to determine the future effectiveness of the hedge relationship. As of the balance sheet date, receivables in the amount of €967 million (previous year: €1,877 million) and liabilities totaling €138 million (previous year: €154 million) were hedged. The effective portion of the micro-hedge for hedging intercompany financing in foreign currencies will be reported using the gross hedge presentation method, with no impact on earnings. This means that the offsetting changes in value from the hedged risks are recognized on the balance sheet on the basis of the hedged item and the hedging instrument. As a result, positive fair values of the transactions for hedging intercompany financing of €33 million (previous year: €11 million) and negative fair values of €7 million (previous year: €48 million) are reported under other assets/other provisions as of the reporting date. In the case of fair values of hedging instruments for intercompany financing in foreign currencies, the accrued interest component is shown separately. This means that as of December 31, 2020, interest income of €0.2 million (previous year: €0.7 million) and interest expenses of €0.7 million (previous year: €3.9 million) were accrued.

Derivatives are also used to hedge the interest and currency risks of subsidiaries. Foreign currency hedging transactions entered into with external counterparties and the offsetting foreign currency hedging transactions entered into with subsidiaries with a nominal amount of €1,587 million (previous year €1,344 million) are also consolidated and included in portfolio hedges. These portfolio hedges are presented by foreign currency so that exclusively homogeneous risks are concentrated in each respective portfolio. This similarity among a portfolio's transactions means that changes in value during the term of the hedge offset each other. The portfolio hedges for hedging currency risks of the subsidiaries cover risks totaling €48 million (previous year: €38 million).

The critical terms match method is applied at the outset to demonstrate the prospective effectiveness of the hedge. The term of the hedge begins when the hedge is transacted. A sensitivity analysis is conducted to demonstrate the prospective effectiveness as of the balance sheet date. Hedges for covering currency risks of subsidiaries are still reported using the net hedge presentation method. This means that the offsetting changes in value from the hedged risks are not recognized. To the extent that the hedges with subsidiaries have different maturities than the transactions entered into with external counterparties, these are reported using the gross hedge presentation method with no impact on earnings. The changes in value during the term of the hedge offset each other in these cases as well.

The dollar offset method is applied to demonstrate the retrospective effectiveness of the hedge relationship for hedging the currency risks of subsidiaries and intercompany financing. This involves comparing the change in fair values of the underlying and hedge transactions from the start of the hedge to the balance sheet date. Any unrealized losses not fully offset by unrealized gains are reported as expenses by recognizing a provision for anticipated losses. No significant ineffective hedges were reported among the portfolio hedges and micro-hedges documented as of the balance sheet date.

The fair values of forward exchange transactions to hedge currency risks arising from intercompany financing in foreign currencies were determined using the spot prices on the balance sheet date. The forward component is reported separately using the accrual method.

The fair values of forward exchange transactions to hedge currency risks of subsidiaries were determined using the spot prices on the balance sheet date, taking into account forward markdowns and markups for the remaining term of the transactions and discounted to the balance sheet date.

The fair values of interest rate swaps were determined by discounting the future cash flows based on the respective market interest rates and interest rate structure curves on the balance sheet date.

The fair values of interest rate hedges/foreign exchange hedging transactions were determined for the portion of the interest component in the same way as the fair value of interest rate swaps. For the currency component, the fair values were determined using the spot prices on the balance sheet date.

The fair value of forward commodity transactions was derived from the stock exchange listings published on the balance sheet date. Any mismatches to the standardized stock exchange contracts are reflected through interpolation or additions.

General partner

The personally liable partner of the company is Bertelsmann Management SE based in Gütersloh. Bertelsmann Management SE does not hold any shares in Bertelsmann SE & Co. KGaA. Bertelsmann Management SE has a share capital of €1.6 million. The management of Bertelsmann SE & Co. KGaA is the responsibility of the general partner. The general partner is reimbursed for all expenses associated with managing the company business, including the compensation of its board members and the income tax expense. These amounts are reported under other operating expenses.

Notifications in accordance with section 20 AktG

Reinhard Mohn Verwaltungsgesellschaft mit beschränkter Haftung notified the company that it holds more than one quarter of the shares. Furthermore, Johannes Mohn Gesellschaft mit beschränkter Haftung directly holds more than 50 percent.

The Supervisory Board of Bertelsmann SE & Co. KGaA

Christoph Mohn

Chairman

Chairman of Reinhard Mohn Stiftung

Managing Director of Christoph Mohn Internet Holding GmbH

- Bertelsmann Management SE (Chairman)

Prof. Dr.-Ing. Werner J. Bauer

Vice Chairman

Former Executive Vice President of Nestlé AG, responsible for Innovation, Technology, Research and Development

- Bertelsmann Management SE (Vice Chairman)
 - o Givaudan S.A. (Vice Chairman)
 - o LONZA S.A.
 - o SIG Combibloc Group AG

Kai Brettmann

Editorial Director of RTL Nord GmbH, Hamburg

Chairman of the RTL Group European Works Council

Chairman of the Corporate Works Council of Mediengruppe RTL Deutschland

Chairman of the Works Council of RTL Nord

Dr. Thomas Buberl (until December 31, 2020)

Chief Executive Officer and Director, AXA S.A.

- Bertelsmann Management SE (until December 31, 2020)
 - o Equitable Holdings, Inc. (until February 6, 2020)
 - o Equitable Life Insurance Company (until February 6, 2020)
 - o Equitable Financial Life Insurance Company of America
(formerly MONY Life Insurance Company of America) (until February 6, 2020)
 - o IBM, USA (since April 28, 2020)

Günter Göbel

Chairman of the Corporate Works Council of Bertelsmann SE & Co. KGaA

Ian Hudson (until April 30, 2020)

Chairman of the International Management Representative Committee of Bertelsmann SE & Co. KGaA

- o Which? Limited

Bernd Leukert

Member of the Management Board of Deutsche Bank AG responsible for Technology, Data and Innovation (since January 1, 2020)

- Bertelsmann Management SE
- DWS Group GmbH & Co. KGaA (since July 21, 2020)
- o TomTom NV (until April 7, 2020)

Gigi Levy-Weiss

Angel investor

- Bertelsmann Management SE
- o 7 Charis Ltd. (since April 13, 2020)
- o Beach Bum Ltd.
- o BrandShield Ltd. (until December 1, 2020)
- o Bridgecrew inc. (since March 17, 2020)
- o Caja Elastic Dynamic Solutions Ltd.
- o Constru Ltd.
- o Driveway Software Corporation
- o Elmik Touristic Services Ltd
- o GameJam Ltd. (since February 4, 2020)
- o Hip Mobility, Inc.
- o IMA Ventures Ltd.
- o Inception VR, Inc.
- o Inception VR (Israel) Ltd.
- o Inception VR (UK) Ltd.
- o Jeeng Application Ltd. (until January 9, 2020)
- o Landa Holdings, Inc.
- o Mov.AI Ltd.

- o MyHeritage Ltd.
- o NFX Capital UK, Ltd
- o Papaya Gaming Ltd.
- o Premium Domains Ltd.
- o Reach Digital Inc.
- o Shoptagr Ltd. (since August 23, 2020)
- o SimilarWeb
- o Tectonic Labs Ltd.
- o Theator Inc.
- o TrustMed Ltd.
- o Volunteer Directly Ltd.
- o Zengaming, Inc.

Dr. Brigitte Mohn

Member of the Executive Board of Bertelsmann Stiftung

- Bertelsmann Management SE
- Phineo gAG
- Rhön-Klinikum AG
- Stiftung RTL – Wir helfen Kindern e.V. (since April 1, 2019)
- o Clue by Biowink GmbH

Liz Mohn

Chairwoman of the Board of Bertelsmann Verwaltungsgesellschaft mbH (BVG)

Vice Chairwoman of the Executive Board of Bertelsmann Stiftung

- Bertelsmann Management SE

Hans Dieter Pötsch

Chairman of the Supervisory Board of Volkswagen AG

Chairman of the Executive Board/Chief Financial Officer of Porsche Automobil Holding SE

- AUDI AG, Ingolstadt
- Autostadt GmbH, Wolfsburg
- Bertelsmann Management SE
- Dr. Ing. h.c.F. Porsche AG
- TRATON SE, Munich (Chairman)
- Wolfsburg AG
 - o Porsche Austria Gesellschaft m.b.H., Salzburg (Chairman)
 - o Porsche Holding Gesellschaft m.b.H., Salzburg (Chairman)
 - o Porsche Retail GmbH, Salzburg (Chairman)

Henrik Poulsen (since June 25, 2020)

Chairman of the Executive Board, Ørsted (until December 31, 2020)

Senior Advisor to A.P. Møller Holding (since February 1, 2021)

- Bertelsmann Management SE (since June 25, 2020)
 - o ISS A/S (Vice Chairman since April 1, 2020)
 - o Kinnevik A/B (Vice Chairman)

Christiane Sussieck

Chairwoman of the Corporate General Works Council of Bertelsmann SE & Co. KGaA

Vice Chairwoman of the Corporate Works Council of Bertelsmann SE & Co. KGaA

Bodo Uebber

Former Member of the Executive Board of Daimler AG

Finance & Controlling/Daimler Financial Services

- Adidas AG
- Bertelsmann Management SE
 - o Evercore (Chairman) (since April 27, 2020)
- Membership on statutory domestic supervisory boards
 - o Membership on comparable domestic and foreign supervisory bodies of business enterprises

The Executive Board of Bertelsmann Management SE, the general partner

Thomas Rabe

Chairman

- Adidas AG (Chairman since August 11, 2020) ¹⁾
 - o Majorel Group Luxembourg S.A.
 - o Penguin Random House LLC (Chairman) (until April 1, 2020)

Markus Dohle

Chief Executive Officer, Penguin Random House

- o Direct Group Grandes Obras S.L.
- o Editora Schwarcz S.A.
- o Frederick Warne & Co. LLC
- o Golden Treasures LLC
- o Penguin Random House Foundation, Inc.
- o Penguin Random House Grupo Editorial S.A.U.
- o Penguin Random House Grupo Editorial (USA) LLC
- o Penguin Random House LLC
- o Random House Children's Entertainment LLC
- o Sasquatch Books LLC
- o Sputnik 84 LLC

Rolf Hellermann

Chief Financial Officer (since January 1, 2021)

- Deutsche Post Adress GmbH & Co. KG
(Chairman of the Shareholders' Committee) (until December 31, 2020)
 - o Bertelsmann, Inc. (Chairman) (since January 1, 2021)
 - o RTL Group S.A. (since January 1, 2021)

Immanuel Hermreck

Chief Human Resources Officer

- o RTL Group S.A.

Bernd Hirsch

Chief Financial Officer (until December 31, 2020)

- Symrise AG¹⁾
 - o Bertelsmann, Inc. (Chairman) (until December 31, 2020)
 - o Penguin Random House LLC (until April 1, 2020)
 - o RTL Group S.A. (until December 31, 2020)

 - Membership on statutory domestic supervisory boards
 - o Membership on comparable domestic and foreign supervisory bodies of business enterprises
- ¹⁾ External mandates

Total remuneration of the Supervisory Board and Executive Board

Compensation of the Supervisory Board of Bertelsmann SE & Co. KGaA for the financial year 2020 amounts to €2 million (previous year: €2 million) plus statutory value-added tax. Members of the Executive Board of Bertelsmann Management SE received total remuneration in the reporting period of €28 million (previous year: €26 million), including €20 million (previous year: €16 million) from Bertelsmann Management SE. Former members of the Executive Board of Bertelsmann Management SE and Bertelsmann AG and their surviving dependents received compensation of €5 million (previous year: €6 million), including €5 million (previous year: €5 million) from Bertelsmann Management SE and Bertelsmann SE & Co. KGaA. The provision for pension obligations to former members of the Executive Board of Bertelsmann Management SE and Bertelsmann AG amounts to €74 million (previous year: €74 million) at Bertelsmann SE & Co. KGaA and Bertelsmann Management SE.

Fees to external auditors

Information on auditors' fees is provided in the consolidated financial statements of Bertelsmann SE & Co. KGaA, which include Bertelsmann SE & Co. KGaA as the parent company. Above all, the audit services listed in the consolidated financial statements include the fees for the audit of the consolidated financial statements and the audit of the individual financial statements of Bertelsmann SE & Co. KGaA and its subsidiaries. The fees for other assurance services mainly comprise legally required or voluntarily commissioned confirmation services by the auditors. The fees for other services mainly include fees for project-related consulting services

Events after the Reporting Period

In January 2021, Bertelsmann terminated a €100 million floating-rate promissory note due in April 2023. The promissory note will be repaid in April 2021. In addition, in March 2021 a €500 million bond due in May 2021 was prematurely terminated. The repayment will be made in April 2021 one month before the original due date.

Proposal for the appropriation of net retained profits

The general partner and the Supervisory Board of Bertelsmann SE & Co. KGaA will propose to the General Meeting that the remaining net retained profits of €898 million be appropriated as follows:

in € millions	
Dividends to shareholders	180
Carry forward to new financial year	718
	898

In the financial year 2020, no dividend was paid out for the financial year 2019.

List of shareholders

The complete list of shareholders required under section 285 (11) HGB is attached as an annex to these notes.

Gütersloh, March 17, 2021

Bertelsmann SE & Co. KGaA

Represented by:

Bertelsmann Management SE, the general partner

Executive Board

(Thomas Rabe)

(Markus Dohle)

(Rolf Hellermann)

(Immanuel Hermreck)

Anteilsbesitz gem. § 285 und § 313 HGB für die Bertelsmann SE & Co. KGaA und den Bertelsmann Konzern zum 31. Dezember 2020

List of shareholdings according to § 285 and § 313 HGB for Bertelsmann SE & Co. KGaA and the Bertelsmann Group as of December 31, 2020

Nachfolgende Tabellen zeigen den Anteilsbesitz der Bertelsmann SE & Co. KGaA gem. § 285 Nr. 11 HGB und des Bertelsmann Konzerns gem. § 313 Abs. 2 HGB. Bei den Angaben zu den Werten von Eigenkapital und Ergebnis handelt es sich grundsätzlich um IFRS Werte. Fußnoten zu nachfolgenden Tabellen sind am Ende zusammengefasst.

The tables below show the shareholdings of the Bertelsmann SE & Co. KGaA according to Section 285 No. 11 of the German Commercial Code (HGB) and Bertelsmann Group according to section 313 (2) HGB. Information about equity and net result of the companies complies with International Financial Reporting Standards. Footnotes on the tables below are presented at the end.

Name und Sitz der Gesellschaft/ Name and place of the company	Eigenkapital/ Equity (T€)	Ergebnis/ Result (T€)	Direkte Beteiligung durch Konzerngesellschaft(en)/ Direct share by group company/ companies	Konzernanteil/ Group share
I. Mutterunternehmen / Parent company				
Bertelsmann SE & Co. KGaA, Gütersloh				
II. Im Konzernabschluss vollkonsolidierte Unternehmen sowie nach der Equity-Methode einbezogene Beteiligungen / Fully consolidated companies and investments accounted for using the equity method included in the consolidated financial statements				
II.A. Vollkonsolidierte Tochterunternehmen / Fully consolidated subsidiaries				
Ägypten / Egypt				
Eclipse Technologies for Business Services Majorel S.A.E., Kairo	1.422	-45	100,00 %	50,00 %
Egyptian Call Center Operators Majorel S.A.E., Gizeh	9.281	1.421	99,90 %	49,95 %
International Company for Human Resources and Management Services IMI Majorel S.A.E., Kairo	569	10	99,99 %	49,94 %
Antigua und Barbuda / Antigua and Barbuda				
Grundy International Operations Ltd, St. Johns	66	0	100,00 %	76,28 %
Argentinien / Argentina				
Fremantle Productions Argentina S.A., Buenos Aires	0	0	100,00 %	76,28 %
Market Self S.A., Buenos Aires	229	72	85,00 %	85,00 %
Penguin Random House Grupo Editorial S.A., Buenos Aires	10.443	1.275	100,00 %	100,00 %
Armenien / Armenia				
Majorel Armenia LLC, Jerewan	-706	-250	100,00 %	50,00 %
Australien / Australia				
Better Way Records Pty Ltd, Surry Hills	-82	-3	100,00 %	100,00 %
BMG AM International Pty Ltd, Surry Hills	-377	0	100,00 %	100,00 %

BMG AM Pty Ltd, Surry Hills	6.863	640	100,00 %	100,00 %
BMG Production Music (Australia) Pty Ltd, Surry Hills	-378	67	100,00 %	100,00 %
BMG Rights Management (Australia) Pty Ltd, Surry Hills	1.485	-5.688	100,00 %	100,00 %
Easy Tiger Holdings Pty Ltd, St. Leonards	4.616	-174	75,00 %	57,03 %
Easy Tiger Productions Pty Ltd, Sydney	1.070	-278	100,00 %	57,03 %
FremantleMedia Australia Holdings Pty Ltd, St. Leonards	480	18.104	100,00 %	76,04 %
FremantleMedia Australia Pty Ltd, St. Leonards	9.972	-2.040	100,00 %	76,04 %
Grundy Organization Pty Ltd, St. Leonards	311	18.104	100,00 %	76,04 %
Orient Pacific Music Pty Ltd, Surry Hills	271	-7	100,00 %	100,00 %
Origin Network Pty Ltd, Surry Hills	-14	0	100,00 %	100,00 %
Penguin Australia Pty Ltd, Melbourne	0	0	100,00 %	100,00 %
Penguin Random House Australia Pty Ltd, Melbourne	46.647	11.868	100,00 %	100,00 %
RHA Holdings Pty Ltd, Melbourne	0	0	100,00 %	100,00 %
SpotX Australia Pty Ltd, Sydney	-469	-272	100,00 %	76,04 %

Belgien / Belgium

Audiopresse S.A., Brüssel	290	0	100,00 %	76,04 %
Best of TV Benelux S.P.R.L., Brüssel	1.292	109	100,00 %	18,82 %
Cobelfra S.A., Brüssel	8.640	6.455	100,00 %	76,04 %
E2C BVBA, Watermael-Boitsfort	-4.499	-502	100,00 %	100,00 %
Freecaster BVBA, Naninne	764	656	100,00 %	76,04 %
FremantleMedia Belgium NV, Brüssel	2.006	221	100,00 %	76,04 %
Inadi S.A., Brüssel	1.069	-1.007	100,00 %	76,04 %
IP Belgium S.A., Brüssel	127.606	7.311	100,00 %	76,04 %
New Contact S.A., Brüssel	490	0	100,00 %	76,04 %
Optilens SPRL, Jette	448	-13	100,00 %	36,90 %
Radio Belgium Holding S.A., Brüssel	120.625	8.009	100,00 %	76,04 %
RTL Belgium S.A., Brüssel	8.594	1.945	100,00 %	76,04 %
RTL Group Services Belgium S.A., Ans	33.476	-62	100,00 %	76,28 %
Unite 15 Belgique S.A., Brüssel	70	-12	100,00 %	36,90 %

Brasilien / Brazil

Affero Lab Participacoes S.A., Rio de Janeiro	5.072	-1.785	100,00 %	97,63 %
Affero Tecnologia em Conhecimento Ltda.	894	-832	100,00 %	97,63 %
Arvato Participacoes Ltda., Sao Paulo	17.917	521	100,00 %	97,63 %
Arvato Servicos, Comercio e Industria Grafica Ltda., Sao Paulo	361	-29	100,00 %	100,00 %
Bertelsmann Brasil Participacoes Ltda., Sao Paulo	1.244	728	100,00 %	100,00 %
Bico de Lacre editora de livros Ltda., Sao Paulo	0	-1	100,00 %	70,00 %
BMG Rights Management Brasil Ltda., Sao Paulo	2.244	-404	100,00 %	97,63 %
Brinque-Book Editora de Livros Ltda., Sao Paulo	115	58	100,00 %	70,00 %
Editora Bonifacio Ltda., Sao Paulo	12	0	99,99 %	69,99 %
Editora Claro Enigma Ltda., Sao Paulo	153	81	100,00 %	70,00 %
Editora Fontanar Ltda., Rio de Janeiro	18	3	100,00 %	70,00 %
Editora Pequena Zahar Ltda., Rio de Janeiro	4	1	99,99 %	69,99 %
Editora Reviravolta Ltda., Sao Paulo	35	8	99,99 %	69,99 %
Editora Schwarcz S.A., Sao Paulo	20.574	5.424	70,00 %	70,00 %
Editora Zahar Ltda., Sao Paulo	5	0	100,00 %	70,00 %
Erste BBI Participacoes Ltda., Sao Paulo	21.198	-42	100,00 %	97,63 %
ERSTE WV FUNDO DE INVESTIMENTO MULTIMERCADO CREDITO PRIVADO INVESTIMENTO NO EXTERIOR	98.284	39.270	100,00 %	100,00 %
FremantleMedia Brazil Producao de Televisao Ltda., Sao Paulo	53	-1	100,00 %	76,28 %
Intervalor Cobranca Gestao de Credito e Call Center Ltda., Sao Paulo	371	-798	100,00 %	97,63 %
Intervalor Holding Ltda., Sao Paulo	3.995	131	100,00 %	97,63 %

Intervalor Promocao de Vendas Ltda., Osasco	395	135	100,00 %	97,63 %
SDS Editora de Livros Ltda., Sao Paulo	51	17	100,00 %	70,00 %
Stylehaul Brasil Agenciamento de Midia Ltda, Sao Paulo	0	0	100,00 %	76,04 %
Chile				
Market Self Chile SpA, Santiago de Chile	-224	116	100,00 %	85,00 %
Penguin Random House Grupo Editorial, S.A., Santiago de Chile	10.722	300	100,00 %	100,00 %
China				
Arvato Digital Services (Hangzhou) Co. Ltd., Hangzhou	166	2	100,00 %	100,00 %
Arvato Digital Services (Shanghai) Co. Ltd., Shanghai	9.877	1.809	100,00 %	100,00 %
Arvato Digital Services (Xiamen) Co. Ltd., Xiamen	335	-199	100,00 %	100,00 %
Arvato Digital Services Limited, Hong Kong	1.401	74	100,00 %	100,00 %
Arvato Digital Technology (Shenzhen) Co. Ltd., Shenzhen	0	336	100,00 %	100,00 %
Arvato Logistics (Shenzhen) Co. Ltd., Shenzhen	0	-371	100,00 %	100,00 %
Arvato Services (Nanchang) Co. Ltd., Nanchang	511	17	100,00 %	100,00 %
Arvato Services Hong Kong Limited, Tuen Mun	14.759	4.693	100,00 %	100,00 %
Arvato Supply Chain Management (Shanghai) Co. Ltd., Shanghai	293	-6	100,00 %	100,00 %
Bertelsmann Equity Investment Fund Management (Shanghai) Co. Ltd., Shanghai	2.011	137	100,00 %	100,00 %
Bertelsmann Management (Guizhou) Co. Ltd., Guiyang	1.024	174	100,00 %	100,00 %
Bertelsmann Management (Shanghai) Co. Ltd., Shanghai	14.363	-1.412	100,00 %	100,00 %
Bertelsmann-Arvato Commercial Services (Shanghai) Co. Ltd., Shanghai	-1.232	-529	100,00 %	100,00 %
BMG (Beijing) Music & Culture Co. Ltd., Peking	1.555	-422	100,00 %	100,00 %
BMG RIGHTS MANAGEMENT (Hong Kong) Limited, Hong Kong	750	-877	100,00 %	100,00 %
Boman (Beijing) Cultural Development Co. Ltd., Peking	-354	-28	100,00 %	100,00 %
Fremantle (Shanghai) Culture Media Co. Ltd., Shanghai	-324	629	100,00 %	76,04 %
Fremantle Productions Asia Ltd., Hong Kong	671	-34	100,00 %	76,28 %
Majorel Hong Kong Limited, Hong Kong	0	0	100,00 %	50,00 %
Penguin Random House (Beijing) Culture Development Co. Ltd., Peking	839	-859	100,00 %	100,00 %
Penguin Random House (Hong Kong) Limited, Hong Kong	578	-13	100,00 %	100,00 %
Relias Learning (Beijing) Consulting Co. Ltd., Peking	-1.580	-569	100,00 %	100,00 %
Relias Online (Beijing) Consulting Co. Ltd., Peking	-944	-343	100,00 %	100,00 %
Shanghai Bertelsmann Commercial Services Co. Ltd., Shanghai	11.446	815	100,00 %	100,00 %
Shanghai Bertelsmann-arvato Information Services Co. Ltd., Shanghai	15.124	2.758	100,00 %	100,00 %
Shanghai Kaichang information technology Co. Ltd., Shanghai	-661	2.987	100,00 %	100,00 %
Cote d'Ivoire				
Majorel Cote D'Ivoire S.A.R.L., Abidjan	1.624	-1.694	100,00 %	50,00 %
Dänemark / Denmark				
Arvato Finance A/S, Kopenhagen	2.657	71	100,00 %	100,00 %
Blu A/S, Valby	8.978	743	100,00 %	76,04 %
Gothia A/S, Kopenhagen	637	-228	100,00 %	100,00 %
Miso Estate ApS, Kopenhagen	-181	-4	100,00 %	76,28 %
Miso Film ApS, Kopenhagen	3.557	1.041	100,00 %	76,28 %
Miso Holding ApS, Kopenhagen	1.591	-3	100,00 %	76,28 %

Deutschland / Germany

"Alwa" Gesellschaft für Vermögensverwaltung mbH & Co. Grundstücksvermietung KG, Schönefeld	23.204	208.113	100,00 %	93,98 %
"I 2 I" Musikproduktions- und Musikverlagsgesellschaft mbH, Köln	27	0	100,00 %	76,04 % ²
11 Freunde Verlag GmbH & Co KG, Berlin	134	896	51,00 %	51,00 %
99 pro media GmbH, Leipzig	3.100	274	100,00 %	76,04 %
Ad Alliance GmbH, Köln	16	0	100,00 %	76,04 % ²
adality GmbH, München	26	0	100,00 %	100,00 % ²
adjoe GmbH, Hamburg	1.107	0	100,00 %	80,00 % ²
Antenne Niedersachsen GmbH & Co. KG, Hannover	6.821	2.426	63,00 %	39,40 %
AppLike Group GmbH, Hamburg	39.542	1	80,00 %	80,00 %
arvato CRM Healthcare GmbH, Berlin	2.028	0	100,00 %	100,00 % ²
arvato direct services GmbH, Gütersloh	1.338	0	100,00 %	100,00 % ²
arvato distribution GmbH, Harsewinkel	11.000	0	100,00 %	100,00 % ²
arvato eCommerce Beteiligungsgesellschaft mbH, Gütersloh	7.825	0	100,00 %	100,00 % ²
arvato eCommerce Verwaltungsgesellschaft mbH, Gütersloh	169	0	100,00 %	100,00 % ²
arvato infoscore GmbH, Baden-Baden	157.805	0	100,00 %	100,00 % ²
arvato Logistics, Corporate Real Estate & Transport GmbH, Gütersloh	1.213	0	100,00 %	100,00 % ²
arvato media GmbH, Gütersloh	17.836	0	100,00 %	100,00 % ²
Arvato Payment Solutions GmbH, Verl	81.032	0	100,00 %	100,00 % ²
arvato print service Russland GmbH, Gütersloh	46.303	2.798	100,00 %	100,00 %
arvato SCM Consumer Products GmbH, Gütersloh	25	0	100,00 %	100,00 % ²
Arvato SCM Kamen GmbH, Gütersloh	-197	0	100,00 %	100,00 % ²
arvato services Dresden GmbH, Dresden	26	0	100,00 %	100,00 % ²
arvato services Gera GmbH, Gera	26	0	100,00 %	100,00 % ²
arvato services Leipzig GmbH, Leipzig	26	0	100,00 %	100,00 % ²
arvato services solutions GmbH, Gütersloh	79	0	100,00 %	100,00 % ²
arvato services Suhl GmbH, Suhl	26	0	100,00 %	100,00 % ²
Arvato Supply Chain Solutions SE, Gütersloh	-2.148	0	100,00 %	100,00 % ²
arvato systems GmbH, Gütersloh	7.722	0	100,00 %	100,00 % ²
arvato Systems perdata GmbH, Leipzig	8.498	0	100,00 %	100,00 % ²
arvato Systems S4M GmbH, Köln	7.696	0	100,00 %	100,00 % ²
Audio Alliance GmbH, Berlin	25	0	100,00 %	100,00 % ²
AVE Gesellschaft für Hörfunkbeteiligungen mbH, Berlin	10.077	0	100,00 %	76,04 % ²
AVE II Vermögensverwaltungsgesellschaft mbH & Co. KG, Köln	4.802	-6	100,00 %	76,04 %
AZ Direct Beteiligungs GmbH, Gütersloh	401	0	100,00 %	100,00 % ²
AZ Direct GmbH, Gütersloh	1.884	0	100,00 %	100,00 % ²
AZ fundraising services GmbH & Co. KG, Gütersloh	48	1.294	100,00 %	100,00 %
BAG Business Information Beteiligungs GmbH, Gütersloh	297	0	100,00 %	100,00 % ²
BAI GmbH, Gütersloh	359.858	0	100,00 %	100,00 % ²
BDMI GmbH, Gütersloh	18.731	0	100,00 %	100,00 % ²
BePeople GmbH, Gütersloh	182	0	100,00 %	100,00 % ²
Bertelsmann Accounting Services GmbH, Gütersloh	1.174	0	100,00 %	100,00 % ²
Bertelsmann Accounting Services Schwerin GmbH, Schwerin	48	0	100,00 %	100,00 % ²
Bertelsmann Aviation GmbH, Gütersloh	1.031	0	100,00 %	100,00 % ²
Bertelsmann Capital Holding GmbH, Gütersloh	8.733.964	0	100,00 %	100,00 % ²
Bertelsmann China Holding GmbH, Gütersloh	-76.051	0	100,00 %	100,00 % ²
Bertelsmann Data Services GmbH, Gütersloh	26	0	100,00 %	100,00 % ²
Bertelsmann Transfer GmbH, Gütersloh	59	0	100,00 %	100,00 % ²
Bertelsmann Treuhand- und Anlagegesellschaft mit beschränkter Haftung, Gütersloh	26	0	100,00 %	100,00 % ²
BFS finance GmbH, Verl	103.893	0	100,00 %	100,00 % ²
BFS finance Münster GmbH, Münster	1.162	0	100,00 %	100,00 % ²
BFS health finance GmbH, Dortmund	8.538	0	100,00 %	100,00 % ²

Blueberry Food Studios GmbH, Hamburg	-127	-177	40,00 %	40,00 %
BMG Production Music (Germany) GmbH, Berlin	102	0	100,00 %	100,00 % ²
BMG RIGHTS MANAGEMENT (Europe) GmbH, Berlin	95	0	100,00 %	100,00 % ²
BMG RIGHTS MANAGEMENT GmbH, Berlin	568.014	0	100,00 %	100,00 % ²
Campaign Services Neckarsulm GmbH, Neckarsulm	894	0	100,00 %	100,00 % ²
Campaign Services Offenbach GmbH, Frankfurt am Main	133	0	100,00 %	100,00 % ²
CBC Cologne Broadcasting Center GmbH, Köln	8.220	0	100,00 %	76,04 % ²
Checkout Charlie GmbH, Berlin	4.307	0	100,00 %	76,04 % ²
Chefkoch GmbH, Bonn	1.476	0	100,00 %	100,00 % ²
COUNTDOWN MEDIA GmbH, Hamburg	655	0	100,00 %	100,00 % ²
CRM Holding GmbH, Gütersloh	47.476	0	100,00 %	50,00 % ²
DDV Bautzen GmbH, Bautzen	272	136	55,00 %	33,00 %
DDV Döbeln GmbH, Döbeln	141	81	55,00 %	33,00 %
DDV Druck GmbH, Dresden	155	0	100,00 %	60,00 % ²
DDV Elbland GmbH, Meißen	233	14	52,00 %	31,20 %
DDV Immobilien GmbH, Dresden	11.600	290	60,00 %	60,00 %
DDV Mediengruppe GmbH & Co. KG, Dresden	12.668	5.802	60,00 %	60,00 %
DDV Sachsen GmbH, Dresden	97	0	100,00 %	60,00 % ²
DDV Sächsische Schweiz-Osterzgebirge GmbH, Freital	328	241	52,00 %	31,20 %
DDV Technik GmbH, Dresden	66	0	100,00 %	60,00 % ²
Der Audio Verlag GmbH, Berlin	1.379	0	100,00 %	100,00 % ²
Deutsche Medien-Manufaktur GmbH & Co. KG, Münster	16.091	8.645	50,00 %	50,00 %
Deutsche Medien-Manufaktur Verwaltungs-GmbH, Münster	27	1	50,00 %	50,00 %
DeutschlandCard GmbH, München	-1.395	0	100,00 %	100,00 % ²
Die Mehrwertmacher GmbH, Dresden	803	65	100,00 %	60,00 %
Digital Media Hub GmbH, Köln	-21	0	100,00 %	76,04 % ²
Direct Analytics GmbH, Gütersloh	383	116	100,00 %	100,00 %
direct services Gütersloh GmbH, Gütersloh	2.034	0	100,00 %	100,00 % ²
DIVIMOVE GmbH, Berlin	-375	0	100,00 %	76,04 % ²
Dorling Kindersley Verlag GmbH, München	12.911	2.493	100,00 %	100,00 %
DPV Deutscher Pressevertrieb GmbH, Hamburg	9.269	0	100,00 %	100,00 % ²
Dresden Information GmbH, Dresden	172	-65	50,00 %	30,00 %
Dresdner Chauffeur Service 8x8 GmbH, Dresden	90	0	100,00 %	60,00 % ²
Dresdner Verlagshaus kaufmännische Dienste GmbH, Dresden	37	0	100,00 %	60,00 % ²
Eat the World GmbH, Berlin	37	0	100,00 %	100,00 % ²
Erste TD Gütersloh GmbH, Gütersloh	10.111	0	100,00 %	100,00 % ²
Erste WV Gütersloh GmbH, Gütersloh	56.347	0	100,00 %	100,00 % ²
European SCM Services GmbH, Gütersloh	1.743	0	100,00 %	100,00 % ²
Fernwärme Gütersloh GmbH, Gütersloh	2.577	135	51,00 %	51,00 %
FlexStorm GmbH, Gütersloh	1.841	-18	100,00 %	100,00 %
FremantleMedia International Germany GmbH, Potsdam	31	0	100,00 %	76,04 % ²
Funkhaus Halle GmbH & Co. KG, Halle (Saale)	-5.868	-392	61,38 %	44,26 %
G+J Digital Ventures GmbH, Berlin	919	0	100,00 %	100,00 % ²
G+J Electronic Media Sales GmbH, Hamburg	45	0	100,00 %	100,00 % ²
G+J Enterprise GmbH, Hamburg	26	0	100,00 %	100,00 % ²
G+J Immobilien GmbH & Co. KG, Hamburg	14.430	3.048	100,00 %	100,00 %
G+J Innovation GmbH, Hamburg	27	0	100,00 %	100,00 % ²
G+J LIVING Digital GmbH, Hamburg	32	0	100,00 %	100,00 % ²
G+J Medien GmbH, Hamburg	3.663	0	100,00 %	100,00 % ²
G+J Vermietungsgesellschaft Sächsischer Verlag mbH, Dresden	3.823	0	100,00 %	100,00 % ²
G+J Wirtschaftsmedien Verwaltungs GmbH, Hamburg	37	0	100,00 %	100,00 % ²
G+J Zweite Grundstücksbeteiligungsgesellschaft München mbH, München	21.553	0	93,98 %	93,98 % ²
GGP Media GmbH, Pößneck	23.102	0	100,00 %	100,00 % ²

Global Assekuranz Vermittlungsgesellschaft mit beschränkter Haftung, Gütersloh	12	0	100,00 %	100,00 %	²
Grundstücksgesellschaft Vorsetzen 2 mbH, Hamburg	101	0	100,00 %	100,00 %	²
Gruner + Jahr Communication GmbH, Hamburg	27	0	100,00 %	100,00 %	²
Gruner + Jahr GmbH, Hamburg	208.163	43.848	100,00 %	100,00 %	²
Henri-Nannen-Schule Gruner+Jahr/DIE ZEIT GmbH, Hamburg	27	0	95,00 %	95,00 %	²
HITRADIO RTL Sachsen GmbH, Dresden	1.761	0	86,53 %	65,79 %	²
Honey GmbH, Hamburg	30	0	100,00 %	100,00 %	²
infoNetwork GmbH, Köln	122	0	100,00 %	76,04 %	²
infoscore Business Support GmbH, Baden-Baden	153	0	100,00 %	100,00 %	²
infoscore Finance GmbH, Baden-Baden	5.091	0	100,00 %	100,00 %	²
infoscore Portfolio Management GmbH & Co. KG, Verl	26	0	100,00 %	100,00 %	
infoscore Portfolio Management II GmbH & Co. KG, Baden-Baden	26	0	100,00 %	100,00 %	
infoscore Portfolio Management International GmbH, Gütersloh	27	0	100,00 %	100,00 %	²
inmediaONE] GmbH, Gütersloh	9.845	0	100,00 %	100,00 %	²
IP Deutschland GmbH, Köln	1.123	0	100,00 %	76,04 %	²
justDice GmbH, Hamburg	46	0	100,00 %	80,00 %	²
KURIER Direktservice Dresden GmbH, Dresden	80	0	100,00 %	60,00 %	²
KWS Kontowechsel Service GmbH, Schortens	25	0	100,00 %	50,00 %	²
Madsack Hörfunk GmbH, Hannover	2.727	686	24,90 %	18,93 %	
Majorel Berlin GmbH, Berlin	-26	0	100,00 %	50,00 %	²
Majorel Brandenburg GmbH, Brandenburg	175	0	100,00 %	50,00 %	²
Majorel Chemnitz GmbH, Chemnitz	-3.195	0	100,00 %	100,00 %	²
Majorel Consulting GmbH, Gütersloh	23	0	100,00 %	50,00 %	²
Majorel Cottbus GmbH, Cottbus	-11	0	100,00 %	50,00 %	²
Majorel Deutschland GmbH, Gütersloh	-3.347	0	100,00 %	50,00 %	²
Majorel Dortmund GmbH, Dortmund	-356	0	100,00 %	50,00 %	²
Majorel Energy GmbH, Leipzig	448	0	100,00 %	50,00 %	²
Majorel Erfurt GmbH, Erfurt	166	0	100,00 %	50,00 %	²
Majorel Essen GmbH, Essen	-69	0	100,00 %	50,00 %	²
Majorel Holding Deutschland GmbH, Gütersloh	185.868	25.896	100,00 %	50,00 %	
Majorel Münster GmbH, Münster	25	0	100,00 %	50,00 %	²
Majorel Neubrandenburg GmbH, Neubrandenburg	-3.793	0	100,00 %	100,00 %	²
Majorel Nordhorn GmbH, Nordhorn	30	0	100,00 %	50,00 %	²
Majorel Real Estate GmbH, Gütersloh	126	56	100,00 %	50,00 %	
Majorel Rostock I GmbH, Rostock	-624	0	100,00 %	50,00 %	²
Majorel Rostock II GmbH, Rostock	34	0	100,00 %	50,00 %	²
Majorel Saarbrücken GmbH, Saarbrücken	57	0	100,00 %	50,00 %	²
Majorel Schwerin GmbH, Schwerin	-734	0	100,00 %	100,00 %	²
Majorel Stralsund GmbH, Stralsund	-1.911	0	100,00 %	100,00 %	²
Majorel Wilhelmshaven GmbH, Schortens	55	0	100,00 %	50,00 %	²
Mambo-Plak GmbH, Dresden	173	22	75,00 %	45,00 %	
mbs Nürnberg GmbH, Nürnberg	121	0	100,00 %	100,00 %	²
Media Logistik GmbH, Dresden	6.498	2.367	51,00 %	30,60 %	
MEDIASCORE Gesellschaft für Medien- und Kommunikationsforschung mbH, Köln	446	0	100,00 %	76,04 %	²
Mediengruppe RTL Deutschland GmbH, Köln	290.273	0	100,00 %	76,04 %	²
Mohn Media Energy GmbH, Gütersloh	1.012	0	100,00 %	100,00 %	²
Mohn Media Mohndruck GmbH, Gütersloh	30.337	0	100,00 %	100,00 %	²
Morgenpost Sachsen GmbH, Dresden	21	0	100,00 %	60,00 %	²
MSP Medien-Service und Promotion GmbH, Hamburg	28	0	100,00 %	100,00 %	²
MVD Medien Vertrieb Dresden GmbH, Dresden	24	0	100,00 %	60,00 %	²
Neue Spreeradio Hörfunkgesellschaft mbH, Berlin	-5.257	217	100,00 %	76,04 %	
Next Level Integration GmbH, Köln	11.538	0	100,00 %	100,00 %	²
NOW GmbH, Gütersloh	26	0	100,00 %	100,00 %	²

ntv Nachrichtenfernsehen GmbH, Köln	1.105	0	100,00 %	76,04 %	²
OBERÜBER KARGER Kommunikationsagentur GmbH, Dresden	284	218	51,00 %	30,60 %	
ORTEC Messe und Kongress GmbH, Dresden	622	1.509	51,00 %	30,60 %	
Paigo GmbH, Verl	13.592	0	100,00 %	100,00 %	²
Penguin Books Deutschland GmbH, München	194	92	100,00 %	100,00 %	
Penguin Random House Verlagsgruppe GmbH, Gütersloh	44.139	0	100,00 %	100,00 %	²
PRINOVIS Ahrensburg Weiterverarbeitung und Logistik GmbH, Hamburg	53	0	100,00 %	100,00 %	²
PRINOVIS GmbH & Co. KG, Hamburg	-430.276	-52.874	100,00 %	100,00 %	
Prinovis GmbH, Gütersloh	53.733	0	100,00 %	100,00 %	²
Prinovis Klebebindung GmbH, Nürnberg	4.186	0	100,00 %	100,00 %	²
PRINOVIS Service GmbH, Hamburg	-15	0	100,00 %	100,00 %	²
Print Service Gütersloh GmbH, Gütersloh	27	0	100,00 %	100,00 %	²
Probind Mohn media Binding GmbH, Gütersloh	4.215	0	100,00 %	100,00 %	²
PSC Print Service Center GmbH, Oppurg	233	0	100,00 %	100,00 %	²
Random House Audio GmbH, Köln	25	0	100,00 %	100,00 %	²
Redaktions- und Verlagsgesellschaft Neißer mbH, Görlitz	420	246	52,00 %	31,20 %	
Reinhard Mohn GmbH, Gütersloh	893.955	0	100,00 %	100,00 %	²
Relias Learning GmbH, Berlin	240	0	100,00 %	100,00 %	²
rewards arvato services GmbH, München	38.131	0	100,00 %	100,00 %	²
RM Buch und Medien Vertrieb GmbH, Gütersloh	5.130	0	100,00 %	100,00 %	²
RM Elfte Beteiligungsverwaltungs GmbH, Gütersloh	-7	0	100,00 %	100,00 %	²
RTL AdConnect GmbH, Köln	1.535	894	100,00 %	76,04 %	
RTL Audio Center Berlin GmbH, Berlin	5.738	0	100,00 %	76,04 %	²
RTL Audio Vermarktung GmbH, Berlin	39	0	100,00 %	76,04 %	²
RTL Group Central & Eastern Europe GmbH, Köln	207.018	0	100,00 %	76,04 %	²
RTL Group Financial Services GmbH, Köln	25	0	100,00 %	76,04 %	²
RTL Group GmbH, Köln	2.804.987	0	100,00 %	76,04 %	²
RTL Group Licensing Asia GmbH, Köln	25	0	100,00 %	76,04 %	²
RTL Group Markenverwaltungs GmbH, Köln	1.162.745	0	100,00 %	76,04 %	²
RTL Group Services GmbH, Köln	12.414	254	100,00 %	76,04 %	
RTL Group Vermögensverwaltung GmbH, Köln	3.034.875	0	100,00 %	76,28 %	²
RTL Hessen GmbH, Frankfurt am Main	58	0	100,00 %	76,04 %	²
RTL Hessen Programmfenster GmbH, Bad Vilbel	444	25	60,00 %	45,62 %	
RTL interactive GmbH, Köln	11.411	0	100,00 %	76,04 %	²
RTL International GmbH, Köln	431	261	100,00 %	76,04 %	
RTL Journalistenschule GmbH, Köln	25	0	90,00 %	68,43 %	²
RTL Nord GmbH, Hamburg	50	0	100,00 %	76,04 %	²
RTL Radio Berlin GmbH, Berlin	2.111	0	100,00 %	76,04 %	²
RTL Radio Deutschland GmbH, Berlin	12.063	0	100,00 %	76,04 %	²
RTL Radio Luxemburg GmbH, Köln	25	0	100,00 %	76,04 %	²
RTL STUDIOS GmbH, Köln	26	0	100,00 %	76,04 %	²
RTL Television GmbH, Köln	486.249	0	100,00 %	76,04 %	²
RTL WEST GmbH, Köln	67	0	75,00 %	57,03 %	²
rtv media group GmbH, Nürnberg	856	0	100,00 %	100,00 %	²
Saxo-Phon GmbH, Dresden	53	0	100,00 %	60,00 %	²
Sellwell GmbH & Co. KG, Hamburg	-288	3	100,00 %	100,00 %	
smartclip Deutschland GmbH, Köln	649	0	100,00 %	76,04 %	²
smartclip Europe GmbH, Düsseldorf	24.807	0	100,00 %	76,28 %	²
Sonopress GmbH, Gütersloh	18.864	0	100,00 %	100,00 %	²
SSB Software Service und Beratung GmbH, München	88	0	100,00 %	100,00 %	²
SUNDAY GmbH, Hamburg	-113	0	100,00 %	80,00 %	²
SZ-Reisen GmbH, Dresden	41	0	100,00 %	60,00 %	²
TAG24 NEWS Deutschland GmbH, Dresden	50	0	100,00 %	60,00 %	²
TERRITORY Content to Results GmbH, Hamburg	986	0	100,00 %	100,00 %	²

TERRITORY EMBRACE GmbH, Bochum	2.727	0	100,00 %	100,00 %	²
TERRITORY Influence GmbH, München	1.825	0	100,00 %	100,00 %	²
TERRITORY MEDIA GmbH, München	30	0	100,00 %	100,00 %	²
TERRITORY webguerillas GmbH, München	-34	0	100,00 %	100,00 %	²
TERRITORY webguerillas Nord GmbH, Hamburg	317	0	100,00 %	100,00 %	²
trdnxt GmbH, München	40	0	100,00 %	100,00 %	²
trndsphere blue GmbH, München	21	0	100,00 %	100,00 %	²
UFA Distribution GmbH, Potsdam	33	0	100,00 %	76,04 %	²
UFA Fiction GmbH, Potsdam	4.660	0	100,00 %	76,04 %	²
UFA Fiction Production GmbH, Potsdam	2.033	0	100,00 %	76,04 %	²
UFA Film und Fernseh GmbH, Köln	4.515.248	0	100,00 %	76,04 %	²
UFA GmbH, Potsdam	1.739	0	100,00 %	76,04 %	²
Ufa Radio-Programmgesellschaft in Bayern mbH, Ismaning	12.486	0	100,00 %	76,04 %	²
UFA Serial Drama GmbH, Potsdam	474	0	100,00 %	76,04 %	²
UFA Show & Factual GmbH, Köln	492	0	100,00 %	76,04 %	²
Undercover GmbH, Schwülper	869	0	51,00 %	51,00 %	²
Verlag RM GmbH, Gütersloh	-6.621	0	100,00 %	100,00 %	²
Verlegerdienst München GmbH, Gilching	4.704	0	100,00 %	100,00 %	²
versorgung.plus GmbH, Dortmund	240	0	90,00 %	90,00 %	²
VIVENO Group GmbH, Gütersloh	10.279	0	100,00 %	100,00 %	²
Vogel Druck und Medienservice GmbH, Höchberg	7.391	0	100,00 %	100,00 %	²
VOX Holding GmbH, Köln	339.382	0	100,00 %	76,04 %	²
VOX Television GmbH, Köln	12.234	0	99,70 %	75,81 %	²
VSG Schwerin - Verlagsservicegesellschaft mbH, Schwerin	26	0	100,00 %	100,00 %	²
webmiles GmbH, München	26	0	100,00 %	100,00 %	²

Estland / Estonia

AFS IT Services Estonia OÜ, Tallinn	931	486	100,00 %	100,00 %
Fremantlemedia Finland Oy, Helsinki	7.272	1.476	100,00 %	76,04 %
United Screens Finland Oy, Helsinki	35	667	100,00 %	76,04 %
Majorel Estonia OÜ, Tallinn	2.437	-125	100,00 %	50,00 %

Finnland / Finland

Gothia Oy, Helsinki	25.269	347	100,00 %	100,00 %
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Frankreich / France

1.2.3. Productions SAS, Paris	291	-2	100,00 %	76,04 %
3media SARL, Pont-Sainte-Marie	1.912	779	100,00 %	50,00 %
ACR France SARL, Paris	110.724	-2.963	100,00 %	50,00 %
ALSF - Arvato Logistique Services France SARL, Atton	2.454	222	100,00 %	100,00 %
Anteles SARL, L'Isle-D'Espagnac	1.438	545	100,00 %	50,00 %
AQUITEL SAS, Chasseneuil du Poitou	1.293	573	100,00 %	50,00 %
Arvalife SAS, Vendin-le-Vieil	-10.303	-1.076	100,00 %	50,00 %
Arvato Services Healthcare France SAS, Chanteloup en Brie	2.823	706	100,00 %	100,00 %
ASCM - Arvato Supply Chain Management SAS, Chanteloup en Brie	2.248	-366	100,00 %	100,00 %
ASCMDF - Arvato SCM Developement France SARL, Chanteloup en Brie	-913	-2.122	100,00 %	100,00 %
BCE France SAS, Paris	-519	-181	100,00 %	76,04 %
Bedrock SAS, Neuilly-sur-Seine	1.048	-8.926	100,00 %	56,59 %
Best of TV SAS, Boissy l'Aillerie	14.276	391	50,99 %	18,82 %
BMG Production Music (France) SAS, Paris	664	-6	100,00 %	100,00 %
BMG RIGHTS MANAGEMENT (France) SARL, Paris	37.737	-2.879	100,00 %	100,00 %

Call Insurance SARL, Vendin-le-Vieil	1.034	335	100,00 %	50,00 %
Camaris SARL, Longuenesse	2.402	859	100,00 %	50,00 %
Canal Star SARL, Paris	1.318	-358	100,00 %	36,90 %
Cap2Call SARL, Chaumont	595	-340	100,00 %	50,00 %
Capdune SARL, Coudekerque-Branche	-453	341	100,00 %	50,00 %
Capital Productions SA, Neuilly-sur-Seine	1.341	474	100,00 %	36,90 %
Ceacom SARL, Le Havre	3.159	1.705	100,00 %	50,00 %
Cerise Media SASU, Tourcoing	2.772	-2.181	100,00 %	100,00 %
Cometz SARL, Metz	2.823	1.444	100,00 %	50,00 %
CTZAZ SAS, Paris	72	-610	51,00 %	18,82 %
Divimove France SAS, Paris	-1.037	-406	100,00 %	76,04 %
Document Channel SAS, Paris	-4.809	-543	100,00 %	50,00 %
Duacom SARL, Douai	1.713	681	100,00 %	50,00 %
Edit TV/ W9 SNC, Neuilly-sur-Seine	-2.562	10.514	100,00 %	36,90 %
Epithete Films SAS, Paris	4.286	60	100,00 %	36,90 %
Euracom SARL, Lingolsheim	-757	-752	100,00 %	50,00 %
Euroroutage data marketing et logistique services SAS, Chanteloup en Brie	13.435	-32	100,00 %	100,00 %
FM Graffiti SARL, Paris	1.136	34	100,00 %	36,90 %
Francis Dreyfus Music SARL, Paris	7.912	775	100,00 %	100,00 %
Freecaster France SARL, Paris	12	50	100,00 %	76,04 %
FremantleMedia France SAS, Issy-les-Moulineaux	12.872	-3.895	100,00 %	76,04 %
Gigasud SARL, Paris	-11	-1	100,00 %	36,90 %
GM6 SAS, Nanterre	1.498	-2.143	100,00 %	36,90 %
ID (Information et Diffusion) SARL, Paris	-5.269	-608	100,00 %	36,90 %
Immobiliere 46D SAS, Neuilly-sur-Seine	20.155	-1	100,00 %	36,90 %
Immobiliere M6 SAS, Neuilly-sur-Seine	27.271	2.237	100,00 %	36,90 %
infoscore SARL, Vendin-Le-Vieil	-35	72	100,00 %	100,00 %
Isilis SAS, Paris	790	90	100,00 %	50,00 %
Jeunesse Thematiques SAS, Paris	20.146	6.854	100,00 %	36,90 %
Jeunesse TV SAS, Paris	26.994	5.714	100,00 %	36,90 %
Joikka SAS, Neuilly-sur-Seine	-3.496	6	100,00 %	36,90 %
Kwai SAS, Paris	1.737	-945	80,00 %	61,03 %
Luxview SAS, Paris	-1.708	-9	100,00 %	36,90 %
M6 Bordeaux SAS, Neuilly-sur-Seine	107	-12	100,00 %	36,90 %
M6 Communication SAS, Neuilly-sur-Seine	907	585	100,00 %	36,90 %
M6 Creations SAS, Neuilly-sur-Seine	13.055	4.045	100,00 %	36,90 %
M6 Developpement SAS, Neuilly-sur-Seine	221	-36	100,00 %	36,90 %
M6 Diffusions SA, Neuilly-sur-Seine	618	150	100,00 %	36,90 %
M6 Digital Services SAS, Neuilly-sur-Seine	137.979	91.900	100,00 %	36,90 %
M6 Distribution Digital SASU, Neuilly-sur-Seine	62.826	24.959	100,00 %	36,90 %
M6 Editions SA, Neuilly-sur-Seine	7.660	218	100,00 %	36,90 %
M6 Evenements SA, Neuilly-sur-Seine	-67	-152	100,00 %	36,90 %
M6 Films SA, Neuilly-sur-Seine	2.375	974	100,00 %	36,90 %
M6 Foot SAS, Neuilly-sur-Seine	19.456	-277	100,00 %	36,90 %
M6 Generation SAS, Neuilly-sur-Seine	8.648	8.677	100,00 %	36,90 %
M6 Hosting SAS, Lille	1.930	423	100,00 %	36,90 %
M6 Interactions SAS, Neuilly-sur-Seine	117.570	20.035	100,00 %	36,90 %
M6 Invest 1 SASU	10	0	100,00 %	36,90 %
M6 Invest 2 SASU	10	0	100,00 %	36,90 %
M6 Publicite SAS, Neuilly-sur-Seine	33.317	16.958	100,00 %	36,90 %
M6 Shop SAS, Neuilly-sur-Seine	389	349	100,00 %	36,90 %
M6 Studio SAS, Neuilly-sur-Seine	-2.825	262	100,00 %	36,90 %
M6 Thematique SAS, Neuilly-sur-Seine	97.228	21.554	100,00 %	36,90 %
MBD - Majorel Business Developpement SAS, Paris	12.010	3.139	100,00 %	50,00 %

Media Communication SAS, Vendin-Le-Vieil	132.519	-151.029	100,00 %	100,00 %
Media Strategie SARL, Paris	-532	-44	100,00 %	36,90 %
Metropole Television SA, Neuilly-sur-Seine	697.399	116.546	48,53 %	36,90 %
Mohn Media France SARL, Villepinte	197	77	100,00 %	100,00 %
MSCS - Moissy Supply Chain Services SARL, Moissy Cramayel	718	155	100,00 %	100,00 %
MSE - Majorel Strategie & Expertises SARL, Paris	1.008	233	100,00 %	50,00 %
Nordcall SARL, Marcq-en-Baroeul	1.635	588	100,00 %	50,00 %
Paris Premiere SAS, Neuilly-sur-Seine	23.417	6.620	100,00 %	36,90 %
Pitcheo SARL, Tourcoing	-2	-8	100,00 %	100,00 %
Porte Sud SARL, Mülhausen	-14	2	100,00 %	36,90 %
Prisma Media SNC, Gennevilliers	-34.848	7.491	100,00 %	100,00 %
Radio Golfe SARL, Paris	258	1	100,00 %	36,90 %
RTL AdConnect SA, Paris	4.763	1.885	100,00 %	76,04 %
RTL France Radio SAS, Neuilly-sur-Seine	58.613	1.818	100,00 %	36,90 %
SCI du 107, Neuilly-sur-Seine	4.249	405	100,00 %	36,90 %
SEDI TV - Teva SAS, Neuilly-sur-Seine	15.354	8.003	100,00 %	36,90 %
SMED SAS, Bussy Saint-Georges	2.696	-1.906	100,00 %	100,00 %
SNDA SAS, Neuilly-sur-Seine	13.137	-636	100,00 %	36,90 %
SociAddict SAS, Paris	-90	528	100,00 %	18,82 %
Societe Communication A2B SARL, Paris	80	0	100,00 %	36,90 %
Societe d'Exploitation Radio Chic SA, Paris	12.626	463	100,00 %	36,90 %
Societe Immobiliere Bayard d'Antin SA, Neuilly-sur-Seine	424.447	-1.252	100,00 %	76,04 %
Societe Nouvelle de Distribution SA, Neuilly-sur-Seine	55.603	8.032	100,00 %	36,90 %
Societe Privee de Radiodiffusion Gibus Bourgogne SARL, Paris	-509	-125	100,00 %	36,90 %
Sodera SA, Paris	12.923	7.511	100,00 %	36,90 %
Soneo SARL, Maxeville	-1.385	-680	100,00 %	50,00 %
SpotX France SAS, Paris	-1.003	-45	100,00 %	76,04 %
Studio 89 Productions SAS, Neuilly-sur-Seine	2.182	-1.080	100,00 %	36,90 %
Tellis Telephone Limousin Services SARL, Favars	2.489	110	100,00 %	50,00 %
Territory Influence WE SARL, Paris	-6	-193	100,00 %	100,00 %
Upload Productions SASU, Gennevilliers	578	-269	100,00 %	100,00 %
yzee - services SARL, Vendin-Le-Vieil	4.054	-969	100,00 %	50,00 %

Georgien / Georgia

Majorel Georgia LLC, Tiflis	9.156	8.112	100,00 %	50,00 %
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Griechenland / Greece

Fremantle Productions SA, Athen	1	0	100,00 %	76,04 %
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Großbritannien / Great Britain

AIR Records Limited, London	0	0	100,00 %	100,00 %
Arbie Productions Ltd., London	457	164	100,00 %	76,04 %
Arrow Books Limited, London	-	-	100,00 %	100,00 % ¹
Arvato CRM Limited, London	640	-906	100,00 %	100,00 %
Arvato Financial Solutions Limited, Glasgow	1.513	-326	100,00 %	100,00 %
Arvato Government Services Limited, London	-15	-68	100,00 %	100,00 %
Arvato Limited, London	22.737	2.739	100,00 %	100,00 %
Arvato Public Sector Services Limited, London	1.925	-115	100,00 %	100,00 %
Arvato SCM UK Limited, London	1.262	-325	100,00 %	100,00 %
Arvato Systems UK & Ireland Limited, Cardiff	390	62	100,00 %	100,00 %
Audio Alliance UK Limited, London	0	0	100,00 %	100,00 %
Barrie & Jenkins Limited, London	-	-	98,00 %	98,00 % ¹

Bartlett Bliss Productions Limited, London	-	-	100,00 %	100,00 %	¹
Bellew & Higton Publishers Limited, London	-	-	100,00 %	100,00 %	¹
Bertelsmann Accounting Services Ltd., London	223	-207	100,00 %	100,00 %	
Bertelsmann Corporate Services Limited, London	79	19	100,00 %	100,00 %	
Bertelsmann UK Limited, London	1.220.533	-79.519	100,00 %	100,00 %	
BMG Production Music (UK) Limited, London	244	752	100,00 %	100,00 %	
BMG RIGHTS MANAGEMENT (UK) Limited, London	171.779	5.720	100,00 %	100,00 %	
BMG Rights Management Services (UK) Limited, London	-591	205	100,00 %	100,00 %	
BMG VM Music Limited, London	0	0	100,00 %	100,00 %	
Business Books Limited, London	-	-	100,00 %	100,00 %	¹
Caterpillar Books Ltd, London	5.791	2.126	100,00 %	100,00 %	
Cavalcade Records Limited, London	0	0	100,00 %	100,00 %	
Century Benham Limited, London	-	-	100,00 %	100,00 %	¹
Century Hutchinson Limited, London	-	-	100,00 %	100,00 %	¹
Century Hutchinson Publishing Limited, London	-	-	100,00 %	100,00 %	¹
Century Publishing Co. Limited, London	-	-	100,00 %	100,00 %	¹
Chatto and Windus Limited, London	-	-	100,00 %	100,00 %	¹
Children's Character Books Limited, London	804	-95	75,00 %	75,00 %	
Chrysalis Copyrights Limited, London	0	0	100,00 %	100,00 %	
Chrysalis Holdings Limited, London	0	0	100,00 %	100,00 %	
Chrysalis Music Limited, London	0	0	100,00 %	100,00 %	
CLT-UFA UK Radio Limited, London	0	0	100,00 %	76,04 %	
Creole Records Limited, London	41	0	100,00 %	100,00 %	
Deep East Music Limited, London	0	0	100,00 %	100,00 %	
Dorling Kindersley Limited, London	-6.342	592	100,00 %	100,00 %	
Euston Films Productions Limited, London	824	181	100,00 %	76,04 %	
Flaname 0 Limited, London	0	-1	100,00 %	100,00 %	
Flaname 1 Limited, London	0	-3	100,00 %	100,00 %	
Flaname 2 Limited, London	0	-2	100,00 %	100,00 %	
Flaname 3 Limited, London	0	-2	100,00 %	100,00 %	
Flaname 4 Limited, London	0	-2	100,00 %	100,00 %	
Flaname 5 Limited, London	0	-2	100,00 %	100,00 %	
Flaname 6 Limited, London	0	-2	100,00 %	100,00 %	
Flaname 7 Limited, London	0	-2	100,00 %	100,00 %	
Flaname 8 Limited, London	0	-2	100,00 %	100,00 %	
Frederick Warne & Co Limited, London	9.564	3.239	100,00 %	100,00 %	
Fremantle (UK) Productions Limited, London	0	0	100,00 %	76,04 %	
FremantleMedia Group Limited, London	572.753	9.047	100,00 %	76,04 %	
FremantleMedia Limited, London	155.707	348	100,00 %	76,04 %	
FremantleMedia Overseas Limited, London	388.599	-12	100,00 %	76,04 %	
G.W. Mills Limited, London	0	0	100,00 %	100,00 %	
Grantham Book Services Limited, London	-	-	100,00 %	100,00 %	¹
Hammond, Hammond and Company, Limited, London	-	-	100,00 %	100,00 %	¹
Herbert Jenkins Limited, London	-	-	100,00 %	100,00 %	¹
Hurst & Blackett Limited, London	-	-	100,00 %	100,00 %	¹
Hutchinson & Co. (Publishers) Limited, London	-	-	100,00 %	100,00 %	¹
Hutchinson Books Limited, London	-	-	100,00 %	100,00 %	¹
Hutchinson Childrens Books Limited, London	-	-	100,00 %	100,00 %	¹
Infectious Music Limited, London	254	395	100,00 %	100,00 %	
Jackdaw Publications Limited, London	-	-	100,00 %	100,00 %	¹
Jonathan Cape Limited, London	-	-	100,00 %	100,00 %	¹
Ladybird Books Limited, London	3.831	344	100,00 %	100,00 %	
Little Tiger Group Limited, London	1.567	0	100,00 %	100,00 %	
Little Tiger Press Limited, London	10.667	2.644	100,00 %	100,00 %	
Loaded Records Limited, London	427	666	100,00 %	100,00 %	

Mainstream Publishing Company (Edinburgh) Limited, Edinburgh	157	73	100,00 %	100,00 %
Majorel UK Limited, Slough	-498	-118	100,00 %	50,00 %
Martin Secker and Warburg Limited, London	-	-	100,00 %	100,00 % ¹
Men From The North Limited, London	9	0	100,00 %	100,00 %
Minder Music Limited, London	0	0	100,00 %	100,00 %
Mute Records Limited, London	4.714	838	100,00 %	100,00 %
Naked Television Limited, Cheltenham	-1.113	356	100,00 %	76,04 %
Oxford Street Studios Limited, London	0	0	100,00 %	100,00 %
Penguin Books Limited, London	184.620	42.928	100,00 %	100,00 %
Penguin Random House Limited, London	393.864	-1.867	100,00 %	100,00 %
Plane Tree Publishers Limited, London	-	-	100,00 %	100,00 % ¹
Prestel Publishing Limited, London	1.222	6	100,00 %	100,00 %
Prinovis UK Limited, London	8.437	-6.085	100,00 %	100,00 %
Ram Records Limited, London	452	93	100,00 %	100,00 %
Random House Properties Limited, London	-	-	100,00 %	100,00 % ¹
Random House Publishing Group Limited, London	-	-	100,00 %	100,00 % ¹
Random House UK Ventures Limited, London	-	-	100,00 %	100,00 % ¹
Relias Learning Ltd, London	94	5.411	100,00 %	100,00 %
Rock Music Company Limited, London	0	0	100,00 %	100,00 %
RTL AdConnect UK Ltd, London	919	537	100,00 %	76,04 %
RTL Group Support Services Limited, London	17.950	-3.036	100,00 %	76,28 %
Salspot Limited, London	256	-22	100,00 %	100,00 %
Sanctuary Copyrights Limited, London	0	0	100,00 %	100,00 %
Sanctuary Records Group Limited, London	28.638	3.525	100,00 %	100,00 %
Sinclair - Stevenson Limited, London	-	-	100,00 %	100,00 % ¹
Skint Records Limited, London	0	0	100,00 %	100,00 %
Snowdog Enterprises Limited, London	411	58	100,00 %	100,00 %
Snowman Enterprises Limited, London	483	195	100,00 %	100,00 %
SpotXchange Limited, London	4.636	108	100,00 %	76,04 %
Stage Three Music (Catalogues) Limited, London	0	0	100,00 %	100,00 %
Stage Three Music Publishing Limited, London	0	0	100,00 %	100,00 %
Stanley Paul & Co Limited, London	-	-	100,00 %	100,00 % ¹
Stripes Publishing Limited, London	1.777	371	100,00 %	100,00 %
T. Werner Laurie, Limited, London	-	-	100,00 %	100,00 % ¹
Talkback Productions Limited, London	0	0	100,00 %	76,04 %
TalkbackThames UK Limited, London	0	0	100,00 %	76,04 %
Thames Television Limited, London	0	0	100,00 %	76,04 %
The Bodley Head Limited, London	-	-	100,00 %	100,00 % ¹
The Book Service Limited, London	-	-	100,00 %	100,00 % ¹
The Cresset Press Limited, London	-	-	100,00 %	100,00 % ¹
The Echo Label Limited, London	1.620	4.626	100,00 %	100,00 %
The Harvill Press Limited, London	-	-	100,00 %	100,00 % ¹
The Hogarth Press Limited, London	-	-	100,00 %	100,00 % ¹
The Random House Group Limited, London	308.369	181.247	100,00 %	100,00 %
Tom Jones (Enterprises) Limited, London	0	0	99,00 %	99,00 %
Transworld Publishers Limited, London	-	-	100,00 %	100,00 % ¹
Trojan Recordings Limited, London	11	0	100,00 %	100,00 %
UFA Fiction Limited, London	363	77	100,00 %	76,04 %
Union Square Music Limited, London	523	171	100,00 %	100,00 %
USM Copyrights Limited, London	0	0	100,00 %	100,00 %
USM Copyrights Nazareth Limited, London	0	0	100,00 %	100,00 %
Ventura Publishing Limited, London	945	405	100,00 %	100,00 %
Virgin Books Limited, London	6.398	1.059	100,00 %	100,00 %
Woodlands Books Limited, London	10.767	2.397	85,00 %	85,00 %
World Circuit Limited, London	11.053	-42	100,00 %	100,00 %

Yospace Enterprises Limited, Staines-upon-Thames	1.285	1.606	100,00 %	76,04 %
Yospace Technologies Limited, Staines-upon-Thames	5.066	1.624	100,00 %	76,04 %
Indien / India				
Bertelsmann Corporate Services India Private Limited, Neu-Delhi	-707	-1.942	100,00 %	100,00 %
Dorling Kindersley Publishing Private Limited, Neu-Delhi	4.966	477	100,00 %	100,00 %
Fremantle India TV Productions Pvt Ltd, Mumbai	4.210	-373	100,00 %	76,28 %
Majorel India Private Limited, Neu-Delhi	5.852	-6.993	100,00 %	50,00 %
Penguin Random House India Private Limited, Neu-Delhi	7.331	-1.998	100,00 %	100,00 %
Ramyam Intelligence Lab Private Limited, Bengaluru	-5.619	485	100,00 %	50,00 %
Indonesien / Indonesia				
PT Dunia Visitama IDN/PMA, Jakarta	8	-300	100,00 %	76,28 %
Irland / Ireland				
Arvato FS Ireland Limited, Dublin	-354	-190	100,00 %	100,00 %
Arvato SCM Ireland Limited, Dublin	9.536	5.520	100,00 %	100,00 %
Dublin Murder Productions Limited, Belfast	0	693	75,00 %	57,03 %
IFA Finance Designated Activity Company, Dublin	104	1.622	100,00 %	100,00 %
IFA Securitisation Designated Activity Company, Dublin	-220	-433	100,00 %	100,00 %
Majorel Ireland Limited, Fairview	17.285	5.284	100,00 %	50,00 %
Penguin Random House Ireland Limited, Dublin	27	39	100,00 %	100,00 %
Israel				
Abot Hameiri Communications Ltd., Tel Aviv	1.830	955	51,00 %	38,90 %
Italien / Italy				
Arvato Services Italia S.r.l., Grassobbio	3.156	792	100,00 %	100,00 %
BMG RIGHTS MANAGEMENT (ITALY) S.r.l., Mailand	11.258	1.703	100,00 %	100,00 %
Boats S.r.l., Rom	12	-3	100,00 %	76,04 %
Divimove Italia S.r.l., Mailand	-302	-260	100,00 %	76,04 %
FremantleMedia Italia S.p.A., Rom	10.327	-1.307	100,00 %	76,04 %
Majorel Italy S.r.l., Mailand	969	696	100,00 %	50,00 %
Offside S.r.l., Rom	194	-9	100,00 %	76,04 %
Quarto Piano S.r.l., Rom	19.349	-2.284	100,00 %	76,04 %
Ricordi & C. S.r.l., Mailand	2.199	-476	100,00 %	100,00 %
Societa Holding Industriale di Grafica S.p.A., Bergamo	5.646	370	100,00 %	100,00 %
SpotX Italia S.r.l., Mailand	114	-56	100,00 %	76,28 %
The Apartment S.r.l., Rom	-20	-3.532	100,00 %	76,04 %
Wildside S.r.l., Rom	6.424	-2.687	100,00 %	76,04 %
Japan				
Alliant Kyoiku Support Services GK	-651	-342	100,00 %	99,48 %
Arvato Digital Services Japan Co., Ltd., Tokyo	420	273	100,00 %	100,00 %
SpotX Japan GK, Tokyo	-387	-59	100,00 %	76,04 %
Kanada / Canada				
AIS Assessment and Intelligence Systems, Inc., Montreal	2.613	405	100,00 %	100,00 %

BMG Rights Management (Canada), Inc., Saint John	2.053	288	100,00 %	100,00 %
FremantleMedia Canada Inc., Montreal	34.505	953	100,00 %	76,04 %
FremantleMedia Canada No 2 Inc., Vancouver	-8	14	100,00 %	76,04 %
Ludia Inc., Montreal	34.050	1.732	100,00 %	76,04 %
Majorel Canada, Inc., Saint John	5.230	5.652	100,00 %	50,00 %
Penguin Random House Canada Limited, Toronto	25.993	7.629	100,00 %	100,00 %
UMI Mobile, Inc., Montreal	744	845	100,00 %	76,04 %
Kenia / Kenya				
Majorel Kenia Limited, Nairobi	1.176	-146	100,00 %	50,00 %
Kolumbien / Colombia				
Distribuidora Penguin Random House S.A.S., Bogota	2.661	93	100,00 %	100,00 %
Majorel Colombia S.A.S., Bogota	242	27	100,00 %	50,00 %
Majorel Bucaramanga S.A.S., Floridablanca	2.828	1.322	100,00 %	50,00 %
Penguin Random House Grupo Editorial S.A.S., Bogota	4.121	1.160	100,00 %	100,00 %
Kroatien / Croatia				
FremantleMedia Hrvatska d.o.o., Zagreb	368	-136	100,00 %	76,04 %
RTL Hrvatska d.o.o., Zagreb	543	-3.285	100,00 %	76,04 %
Lettland / Latvia				
SIA Arvato Systems Latvia, Riga	403	208	100,00 %	100,00 %
Luxemburg / Luxembourg				
Audiopresse Lux S.A., Luxemburg	2.675	0	100,00 %	76,04 %
B&CE S.A., Luxemburg	1.687	-9	100,00 %	76,04 %
Bertelsmann Business Support S.a r.l., Luxemburg	2.470.216	-11.505	100,00 %	97,63 %
Bertelsmann Luxembourg Investments S.a r.l., Luxemburg	56.066	916	100,00 %	97,63 %
Bertelsmann Luxembourg S.a r.l., Luxemburg	2.671.388	163.112	100,00 %	100,00 %
Broadcasting Center Europe International S.A., Luxemburg	-33	-5	100,00 %	76,04 %
Broadcasting Center Europe S.A., Luxemburg	6.939	-1.312	100,00 %	76,04 %
CLT-UFA S.A., Luxemburg	4.263.773	246.676	99,73 %	76,04 %
Data Center Europe S.a r.L., Luxemburg	592	101	100,00 %	76,04 %
European News Exchange S.A., Luxemburg	1.260	9	100,00 %	58,31 %
IP Luxembourg S.a r.l., Luxemburg	4.499	804	100,00 %	76,04 %
Luxradio S.a r.L., Luxemburg	3.141	670	100,00 %	76,04 %
Majorel Group Luxembourg S.A., Luxemburg	274.048	-899	50,00 %	50,00 %
Media Properties S.a r.l., Luxemburg	96.797	314	100,00 %	76,04 %
Media Real Estate S.A., Luxemburg	-415	-573	100,00 %	76,04 %
MJR Luxembourg S.a r.l., Luxemburg	7	-5	100,00 %	100,00 %
RTL AdConnect International S.A., Luxemburg	5.832	25	100,00 %	76,04 %
RTL Belux S.A. & Cie SECS, Luxemburg	3.481	-4.302	100,00 %	76,04 %
RTL Belux S.A., Luxemburg	144	-31	100,00 %	76,04 %
RTL Group Germany S.A., Luxemburg	3.051.790	-277	100,00 %	76,04 %
RTL Group S.A., Luxemburg	5.637.906	8.902	76,28 %	76,28 %
Malaysia				
AGT Productions Sdn Bhd, Johor Bahru	0	-16	100,00 %	76,04 %

Arvato Systems Malaysia Sdn. Bhd., Kuala Lumpur	1.134	833	100,00 %	100,00 %
Majorel Malaysia Sdn. Bhd., Kuala Lumpur	2.568	1.843	100,00 %	50,00 %
Malta				
Eclipse Holdings Limited, Floriana	2.270	17	100,00 %	50,00 %
Marokko / Morocco				
Majorel Academy SARL, Casablanca	323	-8	100,00 %	50,00 %
Majorel Africa S.A., Casablanca	16.866	17.028	100,00 %	50,00 %
Majorel Africa Services, Casablanca	274	0	100,00 %	50,00 %
Majorel Morocco SARL, Casablanca	16.051	17.079	100,00 %	50,00 %
Majorel Outsourcing SARL, Casablanca	11.043	10.986	100,00 %	50,00 %
Twin Trust SARL, Casablanca	27	0	100,00 %	50,00 %
Mexiko / Mexico				
Alliant International University-Campus Mexico, S.C.	505	-182	100,00 %	99,48 %
Arist Servicios Educativos, S. de R.L. de C.V., Mexiko-Stadt	-530	-27	100,00 %	99,48 %
Arvato de Mexico, S.A. de C.V., Mexiko-Stadt	10.527	-503	100,00 %	50,00 %
FremantleMedia Mexico, S.A. de C.V., Mexiko-Stadt	2.775	284	100,00 %	76,28 %
FremantleMedia Services, S. de R.L. de C.V., Mexiko-Stadt	166	69	100,00 %	76,28 %
Grupo SL School of Medicine, S.A. de C.V.	659	0	82,76 %	82,33 %
Penguin Random House Grupo Editorial, S.A. de C.V., Mexiko-Stadt	21.409	729	100,00 %	100,00 %
Saint Luke School of Medicine, S.C.	-857	914	99,90 %	82,25 %
Neuseeland / New Zealand				
Penguin Random House New Zealand Limited, Auckland	10.889	1.766	100,00 %	100,00 %
Niederlande / Netherlands				
8ball Music B.V., Laren	1.576	66	51,00 %	51,00 %
Ad Alliance B.V., Hilversum	-10.550	-6.599	100,00 %	76,04 %
Arvato Benelux B.V., Heijen	65.026	22.796	100,00 %	100,00 %
Arvato Finance B.V., Heerenveen	5.170	3.630	100,00 %	100,00 %
Arvato Finance International B.V., Heerenveen	-100	-382	100,00 %	100,00 %
Arvato Financial Solutions Benelux Holding B.V., Heerenveen	10.335	8.870	100,00 %	100,00 %
Bertelsmann Nederland B.V., Amsterdam	42.769	-8.652	100,00 %	100,00 %
BMG Production Music (Benelux) B.V., Hilversum	2.760	1.140	100,00 %	100,00 %
BMG RIGHTS MANAGEMENT (Benelux) B.V., Amsterdam	5.404	-2.474	100,00 %	100,00 %
Divimove Nederland B.V., Amsterdam	830	424	100,00 %	76,04 %
EMEA CRM hub Netherlands B.V., Amsterdam	504	409	100,00 %	50,00 %
Fiction Valley B.V., Hilversum	181	-413	100,00 %	76,28 %
FM Productions B.V., Amsterdam	407	165	100,00 %	76,16 %
Format Creation Group B.V., Hilversum	-1.376	-950	100,00 %	76,28 %
FremantleMedia Netherlands B.V., Amsterdam-Duivendrecht	166.006	20.299	100,00 %	76,28 %
FremantleMedia Overseas Holdings B.V., Hilversum	-6.145	-129	100,00 %	76,28 %
Grundy International Holdings (I) B.V., Hilversum	31	0	100,00 %	76,28 %
Infoscore Nederland B.V., Heerenveen	246	614	100,00 %	100,00 %
Majorel Benelux B.V., Amsterdam	8.684	-1.285	100,00 %	50,00 %
Majorel Holding Nederland B.V., Amsterdam	18.527	3.570	100,00 %	50,00 %
Penguin Books Benelux B.V., Amsterdam	200	137	100,00 %	100,00 %
RTL AdConnect B.V., Hilversum	735	378	100,00 %	76,28 %

RTL Group Beheer B.V., Hilversum	1.037.351	-706	100,00 %	76,28 %
RTL Nederland B.V., Hilversum	168.924	40.745	100,00 %	76,04 %
RTL Nederland Holding B.V., Hilversum	578.190	-808	100,00 %	76,04 %
RTL Nederland Ventures B.V., Hilversum	29.520	-3.016	100,00 %	76,04 %
smartclip Benelux B.V., Amsterdam	43	101	100,00 %	76,16 %
UC Investment B.V., Druten	5.390	-18	100,00 %	100,00 %
Videoland B.V., Katwijk	-3.423	-4.202	100,00 %	76,04 %

Norwegen / Norway

Arvato Finance AS, Oslo	22.243	22	100,00 %	100,00 %
FremantleMedia Norge AS, Oslo	330	231	100,00 %	76,04 %
Gothia AS, Oslo	9.018	5.469	100,00 %	100,00 %
Gothia Holding AS, Oslo	12.628	608	100,00 %	100,00 %
Miso Film Norge AS, Oslo	608	-342	100,00 %	76,28 %

Österreich / Austria

Arvato Logistics Services GmbH, Wien	3.540	2.150	100,00 %	100,00 %
AZ Direct Österreich GmbH, Wien	1.649	-20	100,00 %	100,00 %
Bertelsmann Österreich GmbH, Wien	63.920	2.051	100,00 %	100,00 %
Eat the World GmbH, Wien	-27	1	100,00 %	100,00 %
G+J Holding GmbH, Wien	2.024	-684	100,00 %	100,00 %
infoscore austria gmbh, Wien	4.061	2.960	100,00 %	100,00 %
IP Österreich GmbH, Wien	2.503	1.679	50,00 %	38,02 %
RTL Group Austria GmbH, Wien	141	1	100,00 %	76,04 %
Verlagsservice für Bildungssysteme und Kunstobjekte Gesellschaft m.b.H. & Co. KG, Wien	291	-97	100,00 %	100,00 %
Verlagsservice für Bildungssysteme und Kunstobjekte Gesellschaft m.b.H., Wien	45	2	100,00 %	100,00 %

Peru

Arvato Services S.A.C., Lima	2	0	100,00 %	50,00 %
Penguin Random House Grupo Editorial S.A., Miraflores, Lima	1.443	-484	100,00 %	100,00 %

Philippinen / Philippines

Majorel Philippines Corp., Quezon City	10.268	9.937	100,00 %	50,00 %
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Polen / Poland

Administration Personnel Services Sp. z o.o., Warschau	1.416	1.409	100,00 %	50,00 %
Arvato Polska Sp. z o.o., Warschau	16.646	8.496	100,00 %	100,00 %
FremantleMedia Polska Sp. z o.o., Warschau	4.087	-68	100,00 %	76,04 %
Majorel Polska Sp. z o.o., Warschau	6.345	3.216	100,00 %	50,00 %

Portugal

FremantleMedia Portugal SA, Amadora	3.606	1.395	100,00 %	76,04 %
Majorel Corporate Portugal, SGPS, Lda., Lissabon	1.676	1.876	100,00 %	50,00 %
Majorel Portugal, Unipessoal, Lda., Lissabon	3.873	1.717	100,00 %	50,00 %
Penguin Random House Grupo Editorial, Unipessoal, Lda., Lissabon	781	139	100,00 %	100,00 %

Rumänien / Romania

Arvato Systems IT SRL, Brasov	-49	83	100,00 %	100,00 %
MSE - Majorel Strategy & Expertise SRL, Brasov	2.446	2.118	100,00 %	50,00 %
Russland / Russia				
Arvato Rus LLC, Jaroslavl	11.862	6.525	100,00 %	100,00 %
OOO Jaroslavskij Poligraphitscheskij Kombinat, Jaroslavl	1.872	733	100,00 %	100,00 %
OOO Lti Vostok, Moskau	1.784	855	100,00 %	36,90 %
OOO Sonopress, Jaroslavl	290	-8	100,00 %	100,00 %
Saudi-Arabien / Saudi Arabia				
Majorel Saudi For Business Services Co. Limited, Riad	14.568	1.093	70,00 %	35,00 %
Schweden / Sweden				
Arvato Finance AB, Varberg	52.150	17.394	100,00 %	100,00 %
Arvato Holding AB, Varberg	52.379	1.670	100,00 %	100,00 %
BMG Rights Management (Scandinavia) AB, Stockholm	16.322	376	100,00 %	100,00 %
FremantleMedia Sverige AB, Stockholm	1.192	218	100,00 %	76,04 %
Miso Film Sverige AB, Stockholm	-12	-377	100,00 %	76,28 %
smartclip Nordics AB, Stockholm	-61	-1.037	100,00 %	76,28 %
U Screens AB, Stockholm	4.083	-377	100,00 %	76,04 %
United Screens Music AB, Stockholm	426	-577	100,00 %	76,04 %
Vidispine AB, Kista	1.281	-432	100,00 %	100,00 %
Schweiz / Switzerland				
Arcadia Verlag AG, Cham	15.940	-204	100,00 %	100,00 %
Arvato Systems Schweiz AG, Zürich	755	813	100,00 %	100,00 %
AZ Direct AG, Cham	690	-666	100,00 %	100,00 %
infoscore AG, Schlieren	10.271	2.663	100,00 %	100,00 %
MF Group AG, St. Gallen	-2.227	2.134	100,00 %	100,00 %
Verlagsservice Süd AG, Cham	733	-2	100,00 %	100,00 %
Senegal				
Majorel Senegal SUARL, Dakar	9.544	4.503	100,00 %	50,00 %
Singapur / Singapore				
Arvato Digital Services Pte. Ltd., Singapur	3.280	430	100,00 %	100,00 %
Fremantle Productions Asia Pte. Ltd., Singapur	-2.084	183	100,00 %	76,04 %
Penguin Random House SEA Pte. Ltd., Singapur	341	-142	100,00 %	100,00 %
SpotX Singapore Pte. Ltd., Singapur	-1.628	-404	100,00 %	76,04 %
Spanien / Spain				
Arvato Services Spain, S.A.U., Alcalá de Henares	10.425	458	100,00 %	100,00 %
Arvato Technical Information, S.L.U., Martorell	808	58	100,00 %	100,00 %
Bertelsmann Espana, S.L., Barcelona	202.639	3.831	100,00 %	100,00 %
BMG Rights Management and Administration (Spain), S.L., Madrid	448	201	100,00 %	100,00 %
Centro de Imposicion Palleja, S.L., Barcelona	3.293	-105	100,00 %	100,00 %
Direct Group Grandes Obras, S.L., Barcelona	1.123	-14	100,00 %	100,00 %

Divimove Espana, S.L., Madrid	-6	-264	100,00 %	76,04 %
FremantleMedia Espana, S.A., Madrid	-8.850	-225	100,00 %	76,04 %
Grupo Editorial Bertelsmann, S.L., Barcelona	6.392	-193	100,00 %	100,00 %
Majorel Iberia, S.L.U., Madrid	174	-38	100,00 %	50,00 %
Majorel QA Solutions, S.A.U., Madrid	2.994	1.673	100,00 %	50,00 %
Majorel SP Solutions, S.A.U., Madrid	16.709	1.885	100,00 %	50,00 %
Majorel Systems Spain, S.A.U., Madrid	21.110	692	100,00 %	50,00 %
Majorel Tria, S.L.U., Madrid	1.701	438	100,00 %	50,00 %
Penguin Books, S.A., Madrid	1.576	180	100,00 %	100,00 %
Penguin Random House Grupo Editorial, S.A.U., Barcelona	125.650	6.440	100,00 %	100,00 %
Printer Industria Grafica Newco, S.L.U., Barcelona	71	-341	100,00 %	100,00 %
Team 4 Collection and Consulting, S.L.U., Madrid	1.407	-183	100,00 %	100,00 %
Territory Influence SE, S.L.U., Barcelona	305	109	100,00 %	100,00 %
Südafrika / South Africa				
Penguin Random House South Africa (Pty) Ltd., Johannesburg	5.177	-812	100,00 %	100,00 %
Random House Struik Proprietary Limited, Kapstadt	0	0	100,00 %	100,00 %
Südkorea / South Korea				
Penguin Random House Korea LLC, Seoul	92	184	100,00 %	100,00 %
Thailand				
Arvato Services (Thailand) Ltd., Bangkok	-9	-84	100,00 %	100,00 %
Togo				
Majorel Togo SARL, Lome	1.397	1.365	100,00 %	50,00 %
Tschechische Republik / Czech Republic				
Arvato Services Management Czech Republic s.r.o., Prag	-52	16	100,00 %	100,00 %
Arvato Services k.s., Prag	3.474	2.572	100,00 %	100,00 %
Türkei / Turkey				
Arvato Lojistik Dis Ticaret ve E Ticaret Hizmetleri Anonim Sirketi, Istanbul	9.773	3.535	100,00 %	100,00 %
Ungarn / Hungary				
Magyar RTL Televizio Zrt., Budapest	55.153	-727	100,00 %	76,04 %
R-Time Kft., Budapest	651	-6	100,00 %	76,04 %
RTL Services Kft., Budapest	9.714	996	100,00 %	76,04 %
Territory Influence CEE Kft., Budapest	337	-224	100,00 %	100,00 %
UFA Magyarorszag Kft., Budapest	2.504	868	100,00 %	76,04 %
Uruguay				
Ediciones B (Uruguay) S.A., Montevideo	643	98	100,00 %	100,00 %
Penguin Random House Grupo Editorial S.A., Montevideo	1.592	150	100,00 %	100,00 %
USA				

Alliant International University, Inc., Sacramento	-7.506	317	100,00 %	99,48 %
Amygdala Records, Inc., Burbank	5.313	1.041	100,00 %	76,04 %
Arist Education System Fund LP, Wilmington	28.014	-35	100,00 %	99,48 %
Arist Education System LLC, Wilmington	79.260	1.369	100,00 %	99,48 %
Arvato Digital Services LLC, Wilmington	286.789	25.527	100,00 %	100,00 %
arvato Entertainment LLC, Wilmington	-1.556	68	100,00 %	100,00 %
Arvato Systems North America, Inc., Wilmington	-2.953	451	100,00 %	100,00 %
Audigram Songs, Inc., Nashville	639	4	100,00 %	100,00 %
Berryville Graphics, Inc., Wilmington	60.708	-1.547	100,00 %	100,00 %
Bertelsmann Accounting Services, Inc., Wilmington	-1.870	-645	100,00 %	100,00 %
Bertelsmann Digital Media Investments, Inc., Wilmington	4.050	-4.139	100,00 %	100,00 %
Bertelsmann Education Services LLC, Wilmington	-199.103	-237.270	100,00 %	100,00 %
Bertelsmann Health & Human Science Education LLC, Wilmington	2.322	-35	99,48 %	99,48 %
Bertelsmann Learning LLC, Wilmington	576.023	-3.140	100,00 %	100,00 %
Bertelsmann PRH Finance, Inc., Wilmington	943.453	27.304	100,00 %	100,00 %
Bertelsmann Publishing Group, Inc., Wilmington	1.214.407	-1	100,00 %	100,00 %
Bertelsmann Ventures, Inc., Wilmington	32.581	1.097	100,00 %	100,00 %
Bertelsmann, Inc., Wilmington	1.833.764	-213.979	100,00 %	100,00 %
Big Balls LLC, Burbank	-5.463	3.420	95,00 %	72,24 %
BMG Audiovisual Productions LLC, Wilmington	-826	-841	100,00 %	100,00 %
BMG Production Music, Inc., New York	3.445	-268	100,00 %	100,00 %
BMG Rights Management (US) LLC, Wilmington	-37.237	-34.234	100,00 %	100,00 %
Coral Graphic Services, Inc., New York	67.782	1.435	100,00 %	100,00 %
FCB Productions, Inc., Burbank	45.083	-244	100,00 %	76,04 %
Frederick Warne & Co. LLC, Wilmington	-	-	100,00 %	100,00 % ¹
Fremantle Productions North America, Inc., Dover	518.647	-28.675	100,00 %	76,04 %
Fremantle Productions, Inc., Burbank	96	0	100,00 %	76,04 %
FremantleMedia Latin America, Inc., Miami	-635	-60	100,00 %	76,04 %
FremantleMedia Licensing, Inc., New York	0	0	100,00 %	76,04 %
FremantleMedia North America, Inc., New York	177.741	-50.207	100,00 %	76,04 %
Golden Treasures LLC, Wilmington	-1.675	-71	100,00 %	100,00 %
Good Games Live, Inc., Burbank	10.296	431	100,00 %	76,04 %
Haskell Studio Rentals, Inc., New York	446	86	100,00 %	76,04 %
HotChalk, Inc., Wilmington	-20.700	-28.050	100,00 %	100,00 %
Majorel USA, Inc., Wilmington	-6.894	-5.602	100,00 %	50,00 %
Max Post, Inc., Burbank	5.776	1.731	100,00 %	76,04 %
Music Box Library, Inc., Burbank	-4.779	-41	100,00 %	76,04 %
OCL Professional Education, Inc., Wilmington	6.494	-850	100,00 %	100,00 %
Offset Paperback Mfrs., Inc., Wilmington	11.234	-3.354	100,00 %	100,00 %
OP Services, Inc., Burbank	0	0	100,00 %	76,04 %
Original Productions, Inc., Burbank	9.802	1.546	100,00 %	76,04 %
Penguin Random House Grupo Editorial (USA) LLC, Wilmington	2.199	1.561	100,00 %	100,00 %
Penguin Random House LLC, Wilmington	629.161	357.187	100,00 %	100,00 %
PRH Holdings LLC, Wilmington	1.082.257	3.955	100,00 %	100,00 %
PRH Publications LLC, Wilmington	1.131.285	1.377	100,00 %	100,00 %
R & B Music LLC, Los Angeles	100	0	50,00 %	50,00 %
Random House Children's Entertainment LLC, Wilmington	-3.287	742	100,00 %	100,00 %
Relias LLC, Wilmington	142.740	66.725	100,00 %	100,00 %
Rise Records, Inc., Salem	13.914	2.705	100,00 %	100,00 %
RTL US Holding, Inc., Wilmington	249.921	-2.639	100,00 %	76,04 %
Sasquatch Books LLC, Wilmington	281	-730	100,00 %	100,00 %
SFLS, Inc., Wilmington	6.121	262	100,00 %	99,48 %
SND Films LLC, New York	195	-5	100,00 %	36,90 %
SND USA, Inc., Wilmington	903	0	100,00 %	36,90 %

SpotX, Inc., Wilmington	101.285	38.735	100,00 %	76,04 %
Sputnik 84 LLC, New York	-1.732	-886	100,00 %	100,00 %
Stern Magazine Corp., New York	4.793	354	100,00 %	100,00 %
Studio Production Services, Inc., Burbank	19.444	1.527	100,00 %	76,04 %
StyleHaul, Inc., Wilmington	-1.003	289	100,00 %	76,04 %
TCF Productions, Inc., Burbank	82	0	100,00 %	76,04 %
This is Hit, Inc., Nashville	44.887	7.812	100,00 %	100,00 %
Tiny Riot, Inc., Dover	-3.919	-23	100,00 %	76,04 %

II.B. Nach der Equity-Methode einbezogene Gemeinschaftsunternehmen / Joint ventures accounted for using the equity method

Brasilien / Brazil				
FK LAB Tecnologias Educacionais S.A.	439	266	50,00 %	48,81 %
Deutschland / Germany				
ABIS GmbH, Frankfurt am Main	69	0	100,00 %	49,00 % ²
bedirect GmbH & Co. KG, Gütersloh	18	531	50,00 %	50,00 %
Delta Advertising GmbH, München	34	0	100,00 %	37,26 % ²
Deutsche Post Adress Geschäftsführungs GmbH, Bonn	31	-44	49,00 %	49,00 %
Deutsche Post Adress GmbH & Co. KG, Bonn	21.277	16.340	49,00 %	49,00 %
d-force GmbH, Freiburg im Breisgau	796	-19	50,00 %	38,02 %
MAIRDUMONT NETLETIX GmbH & Co. KG, Ostfildern	139	0	49,00 %	37,26 % ²
MAIRDUMONT NETLETIX Verwaltungs GmbH, Stuttgart	27	1	49,00 %	37,26 %
RISER ID Services GmbH, Berlin	2.444	2.254	100,00 %	49,00 %
RTL DISNEY Fernsehen Geschäftsführungs GmbH, Köln	95	0	100,00 %	38,02 %
RTL DISNEY Fernsehen GmbH & Co. KG, Köln	40.385	0	50,00 %	38,02 % ²
Skyline Medien GmbH, Berlin	-1.518	25	49,87 %	37,94 %
Frankreich / France				
Panora Services SAS, Paris	786	-1	50,00 %	18,45 %
Extension TV SA, Neuilly-sur-Seine	3.829	1.620	49,99 %	18,45 %
Salto Gestion SAS	17	4	33,33 %	12,30 %
Salto SNC	-31.200	-32.511	33,33 %	12,30 %
Niederlande / Netherlands				
Benelux Film Investments B.V., Schelluinen	7.633	1.453	50,00 %	38,02 %
Grundy Endemol Productions VOF, Hilversum	318	1.862	50,00 %	38,14 %
NLZiet Coöperatief U.A., Hilversum	-7.872	-981	33,33 %	25,35 %
USA				
Vice Food LLC, Wilmington	-2.340	-935	15,00 %	11,41 %

II.C. Nach der Equity-Methode einbezogene assoziierte Unternehmen / Associates accounted for using the equity method

Deutschland / Germany				
BCS Broadcast Sachsen GmbH & Co. KG, Dresden	215	-195	55,00 %	36,19 %
Global Savings Group GmbH, München	128.488	3.654	41,63 %	15,36 %
informa Solutions GmbH, Baden-Baden	116.640	7.683	40,00 %	40,00 %
Mediengesellschaft Mittelstand Niedersachsen GmbH, Braunschweig	445	137	23,12 %	4,38 %
nachrichtenmanufaktur GmbH, Berlin	1.013	175	25,10 %	19,09 %
NiedersachsenRock 21 GmbH & Co. KG, Garbsen	3.538	2.299	29,83 %	15,36 %
PVB Presse Vertrieb GmbH & Co. KG, Berlin	1.190	1.539	58,48 %	58,48 %
Radio Hamburg GmbH & Co. KG, Hamburg	6.850	5.020	29,17 %	22,18 %
Radio NRW GmbH, Oberhausen	9.574	1.746	100,00 %	17,17 %
RTL 2 Fernsehen Geschäftsführungs GmbH, Grünwald	655	232	35,90 %	27,30 %
RTL 2 Fernsehen GmbH & Co. KG, Grünwald	53.267	43.992	36,54 %	27,30 %
Screenworks Köln GmbH, Köln	699	330	49,89 %	37,94 %
SPIEGEL-Verlag Rudolf Augstein GmbH & Co. KG, Hamburg	86.624	13.669	25,25 %	25,25 %
SQL Service GmbH, Wuppertal	428	1	50,00 %	38,02 %
Frankreich / France				
Elephorm SAS, Lyon	2.018	675	34,00 %	12,55 %
Quicksign SAS, Paris	1.615	176	23,90 %	8,82 %
Stephane Plaza Franchise SAS, Levallois Perret	11.526	5.985	49,00 %	18,08 %
Wild Buzz Agency SAS, Paris	604	13	40,00 %	14,76 %
Großbritannien / Great Britain				
Dancing Ledge Productions Limited, London	1.305	1.657	24,98 %	19,01 %
Dr Pluto Films Limited, London	-289	217	25,00 %	19,01 %
Full Fat Television Limited, Cheltenham	-959	-157	24,81 %	19,00 %
Label1 Television Limited, London	-665	109	25,00 %	19,01 %
Man Alive Entertainment Limited, London	-491	277	25,00 %	19,01 %
Wild Blue Media Limited, London	-701	-118	25,00 %	19,01 %
Kanada / Canada				
Vemba Corporation, Toronto	737	0	23,52 %	20,96 %
Katar / Qatar				
Ecco Gulf WLL, Doha	4.029	1.228	49,00 %	24,50 %
Luxemburg / Luxembourg				
Heliovos S.A., Esch an der Alzette	1.430	314	49,00 %	37,26 %
Niederlande / Netherlands				
E-Health & Safety skills B.V., Maarssen	4.207	656	49,00 %	37,26 %
HelloSparkle B.V., Den Haag	427	199	25,01 %	19,01 %
Schweiz / Switzerland				
Goldbach Audience (Switzerland) AG, Küsnacht	2.284	764	24,95 %	18,97 %

Goldbach Media (Switzerland) AG, Küsnacht	16.530	17.300	22,96 %	17,46 %
Swiss Radioworld AG, Zürich	4.766	2.625	22,96 %	17,55 %
Spanien / Spain				
Atresmedia Corporacion de Medios de Comunicacion, S.A., San Sebastian de los Reyes	466.287	21.632	18,71 %	14,23 %
USA				
Eureka Productions LLC, Camden	2.577	4.409	25,00 %	19,01 %
Inception VR, Inc., Wilmington	2.328	-4.069	22,86 %	17,44 %
Sourcebooks LLC, Naperville	17.804	7.633	45,00 %	45,00 %
The Immigrant LLC, Los Angeles	1.331	-892	25,00 %	19,01 %
The Pet Collective LLC, Los Angeles	-1.051	-1.052	35,00 %	26,61 %
Udacity, Inc., Wilmington	2.776	-2.497	18,87 %	18,87 %
University Ventures Fund I BeCo-Investment, L.P., New York	14.110	-108	100,00 %	100,00 %
University Ventures Fund I, L.P., New York	55.372	4.523	47,27 %	47,27 %
University Ventures Fund II, L.P., Delaware	230.577	84.812	55,10 %	55,10 %
VideoAmp, Inc., New York	1.020	-29.946	15,09 %	11,12 %

III. Wegen untergeordneter Bedeutung nicht in den Konzernabschluss einbezogene Unternehmen / Companies excluded from consolidation due to negligible importance

III.A. Nicht vollkonsolidierte Tochterunternehmen / Not fully consolidated subsidiaries

Argentinien / Argentina				
Grundy Productions S.A., Buenos Aires	n/a	n/a	100,00 %	76,28 %
Belgien / Belgium				
G+J ijMS BVBA, Gent	26	8	100,00 %	100,00 %
Deutschland / Germany				
11 Freunde Verlag Verwaltungsgesellschaft mbH, Berlin	37	2	100,00 %	51,00 %
Antenne Niedersachsen Geschäftsführungs-GmbH, Hannover	53	2	100,00 %	39,40 %
APD Antenne Niedersachsen GmbH & Co. Produktions- und Distributions-KG, Hannover	512	47	100,00 %	39,40 %
BCS Broadcast Sachsen Verwaltungsgesellschaft mbH, Dresden	21	-1	55,00 %	36,19 %
CLT-UFA Germany GmbH, Köln	n/a	n/a	100,00 %	76,04 %
DDV Beteiligungs GmbH, Dresden	29	1	100,00 %	60,00 %
DIPLOMA Grundstücks-Vermietungsgesellschaft mbH, Schönefeld	81	3	94,80 %	89,10 %
Funkhaus Halle Komplementär-GmbH, Halle (Saale)	34	2	100,00 %	44,26 %
G+J Immobilien-Verwaltungs GmbH, Hamburg	90	1	100,00 %	100,00 %
GEO Verlags- und Vertriebsgesellschaft mbH, München	0	-4	100,00 %	100,00 %
RTL Lux GmbH, Berlin	25	0	100,00 %	76,04 %
Sellwell Verwaltungs GmbH, Hamburg	31	1	100,00 %	100,00 %
The Wave Hörfunk GmbH, Berlin	94	0	100,00 %	76,04 %
topac GmbH, Gütersloh	32	0	100,00 %	100,00 % ²
Frankreich / France				

G+J International Media Sales SARL, Gennevilliers	8	17	100,00 %	100,00 %
Music Nancy FM SARL, Nancy	-67	-16	51,00 %	18,82 %
Paris Television SARL, Paris	n/a	n/a	100,00 %	76,04 %
SCM-A SARL, Noyelles sous Lens	-12	-1	100,00 %	100,00 %
Societe Operatrice de Multiplex R4 SAS, Neuilly-sur-Seine	63	0	50,25 %	18,54 %
Großbritannien / Great Britain				
Allen Lane The Penguin Press Limited, London	149	0	100,00 %	100,00 %
Bantam Books Limited, London	1	0	100,00 %	100,00 %
Carousel Books Limited, London	0	0	100,00 %	100,00 %
Corgi Books Limited, London	0	0	100,00 %	100,00 %
Dorling Kindersley Vision Limited, London	0	0	100,00 %	100,00 %
Euston Films Limited, London	-10	0	100,00 %	76,04 %
Fremantle Group Pension Trustee Limited, London	n/a	n/a	100,00 %	76,04 %
Fremantle Limited, London	n/a	n/a	100,00 %	76,04 %
FremantleMedia Animation Limited, London	-1	0	100,00 %	76,04 %
Funfax Limited, London	-1.595	0	100,00 %	100,00 %
GJ International Media Sales Ltd., London	31	31	100,00 %	100,00 %
Hamish Hamilton Limited, London	0	0	100,00 %	100,00 %
Hugo's Language Books Limited, London	453	0	100,00 %	100,00 %
Michael Joseph Limited, London	-1.408	0	100,00 %	100,00 %
Radio Luxembourg (London) Limited, London	0	0	100,00 %	76,04 %
Retort Productions Limited, London	39	7	100,00 %	76,04 %
Tamarind Limited, London	0	0	100,00 %	100,00 %
Thames Television Animation Limited, London	0	0	100,00 %	76,04 %
WH Allen General Books Limited, London	0	0	100,00 %	100,00 %
Italien / Italy				
C.D.C. S.p.A., Rom	n/a	n/a	80,00 %	60,83 %
G+J International Sales Italy S.r.l., Mailand	37	23	100,00 %	100,00 %
RTL AdConnect S.r.l., Mailand	1.458	286	100,00 %	76,04 %
Luxemburg / Luxembourg				
Media Assurances S.A., Luxemburg	n/a	n/a	100,00 %	76,04 %
Neuseeland / New Zealand				
Fremantle New Zealand Pty Limited, Auckland	n/a	n/a	100,00 %	76,04 %
Niederlande / Netherlands				
M Nederland Holding B.V., Hilversum	14	0	75,00 %	57,03 %
RTL B.V., Hilversum	n/a	n/a	100,00 %	76,04 %
Stichting Derdengelden infoscore Collection, Heerenveen *	304	0	0,00 %	0,00 %
Österreich / Austria				
Gruner + Jahr Verlagsgesellschaft m.b.H., Wien	n/a	n/a	100,00 %	100,00 %
Polen / Poland				
Refassa Investments Sp. z o.o., Warschau	5	0	100,00 %	100,00 %

Russland / Russia

OOO Bertelsmann Kniga, Moskau	0	0	100,00 %	100,00 %
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Schweiz / Switzerland

Gruner + Jahr (Schweiz) AG, Zürich	571	-111	100,00 %	100,00 %
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Serbien / Serbia

LTR mediji i komunikacije d.o.o. Beograd-Vracar, Belgrad	n/a	n/a	100,00 %	76,04 %
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Südafrika / South Africa

Dorling Kindersley Publishers (South Africa) Pty Ltd.	1	0	100,00 %	100,00 %
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USA

3 Doors Productions, Inc., Reno	n/a	n/a	100,00 %	76,04 %
American Idols Productions, Inc., Burbank	n/a	n/a	100,00 %	76,04 %
Big Break Productions, Inc., Burbank	n/a	n/a	100,00 %	76,04 %
Blue Orbit Productions, Inc., Burbank	n/a	n/a	100,00 %	76,04 %
DK Publishing LLC, Wilmington	n/a	n/a	100,00 %	100,00 %
Fremantle International, Inc., New York	n/a	n/a	100,00 %	76,04 %
Kickoff Productions, Inc., Burbank	n/a	n/a	100,00 %	76,04 %
Little Pond Television, Inc., Santa Monica	n/a	n/a	100,00 %	76,04 %
Mad Sweeney Productions, Inc., Burbank	n/a	n/a	100,00 %	76,04 %
Marathon Productions, Inc., Burbank	n/a	n/a	100,00 %	76,04 %
P & P Productions, Inc., Delaware	n/a	n/a	100,00 %	76,04 %
RTL AdConnect, Inc., Wilmington	n/a	n/a	100,00 %	76,04 %
RTL NY, Inc., Wilmington	209	88	100,00 %	100,00 %
Terrapin Productions, Inc., Burbank	n/a	n/a	100,00 %	76,04 %
The Price Is Right Productions, Inc., Burbank	n/a	n/a	100,00 %	76,04 %
The Young Pope, Inc., New York	n/a	n/a	100,00 %	76,04 %
Tick Tock Productions, Inc., Burbank	n/a	n/a	100,00 %	76,04 %
Triple Threat Productions, Inc., Burbank	n/a	n/a	100,00 %	76,04 %
Tundra Books of Northern New York, Inc., Plattsburgh	0	0	100,00 %	100,00 %
Wanderlust Productions, Inc., Wilmington	0	0	100,00 %	76,04 %
Yospace, Inc., Wilmington	n/a	n/a	100,00 %	76,04 %

Venezuela

Ediciones B Venezuela, S.A., Caracas	n/a	n/a	100,00 %	100,00 %
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Vereinigte Arabische Emirate / United Arab Emirates

Fremantlemedia Enterprises FZ - LLC, Dubai	11	0	100,00 %	76,04 %
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III.B. Nicht nach der Equity-Methode einbezogene Gemeinschaftsunternehmen / Joint ventures not accounted for using the equity method

Belgien / Belgium				
Fun Radio Belgique S.A., Brüssel	941	252	50,00 %	28,23 %
Deutschland / Germany				
Arbeitsgemeinschaft DIG/Maxity, Dresden	3	1	50,00 %	15,00 %
bedirect Verwaltungs GmbH, Gütersloh	114	5	50,00 %	50,00 %
Berliner Pool TV Produktionsgesellschaft mbH, Berlin	275	14	50,00 %	38,02 %
MV Hoyerswerda-Weißwasser Zustellservice GmbH, Hoyerswerda	34	9	50,00 %	30,00 %
Nutzwerk GmbH, Dresden	40	15	50,00 %	30,00 %
scoyo GmbH, Hamburg	156	0	100,00 %	38,02 %
Vorratsgesellschaft Picassoplatz GmbH, Köln	112	0	100,00 %	38,02 %
Großbritannien / Great Britain				
CO92 The Film Limited, London	n/a	n/a	50,00 %	38,02 %
Euston Music Limited, London	n/a	n/a	50,00 %	38,02 %
Niederlande / Netherlands				
Dialogical B.V., Rotterdam	159	5	50,00 %	38,02 %
Österreich / Austria				
Adria Media Holding GmbH, Wien	78	-14	50,00 %	50,00 %

III.C. Nicht nach der Equity-Methode einbezogene assoziierte Unternehmen / Associates not accounted for using the equity method

Belgien / Belgium				
maRadio.be, Brüssel	35	3	26,67 %	20,28 %
Brasilien / Brazil				
BR Education Ventures FIP	5.329	0	31,40 %	31,40 %
Crescera Educacional II FIP, Rio de Janeiro	443.353	0	40,00 %	40,00 %
China				
Beijing 352 Environmental Protection Technology Co., Ltd., Peking	12.156	-1.912	15,23 %	15,23 %
Beijing Jianweizhizhu Business Consulting Co., Ltd., Peking	n/a	n/a	30,00 %	30,00 %
Beijing Yi Jiu Pi E-commerce Co., Ltd., Peking	48.754	-3.674	7,42 %	7,42 %
Beijing Yiheng Chuangyuan Technology Co., Ltd., Peking	8.047	324	10,79 %	10,79 %
Deutschland / Germany				
AdAudience GmbH, München	236	-184	33,33 %	29,34 %
Bidmanagement GmbH, Berlin	182	316	21,35 %	21,35 %
Chemnitzverlag Sachsen GmbH, Monschau	0	-53	25,00 %	15,00 %
Deutscher Fernsehpreis GmbH, Köln	128	70	25,00 %	19,01 %
EnID - European netID Foundation, Montabaur	n/a	n/a	33,33 %	25,35 %
FF Performance One GmbH, Berlin	25	-37	54,10 %	54,10 %
Gesellschaft für integrierte Kommunikationsforschung mbH & Co. KG, München	2.704	887	20,00 %	20,00 %
Hanseatische Print & Medien Inkasso GmbH, Seevetal	232	703	49,00 %	49,00 %
Leipziger Wochenkurier Verlagsgesellschaft mbH & Co. Kommanditgesellschaft, Leipzig	74	-20	37,45 %	22,47 %
Leipziger Wochenkurier Verlagsgesellschaft mbH, Leipzig	30	0	37,45 %	22,47 %
LOG Logistik GmbH, Nürnberg	-599	-1.109	46,08 %	46,08 %
manager magazin Verlagsgesellschaft mit beschränkter Haftung, Hamburg	6.104	2.306	24,90 %	24,90 %
Medienvertrieb Görlitz-Niesky GmbH, Görlitz	57	27	25,10 %	15,06 %
Medienvertrieb Löbau-Zittau GmbH, Löbau	55	29	25,10 %	15,06 %
Medienvertrieb Meißen GmbH, Meißen	97	64	25,10 %	15,06 %
Medienvertrieb Riesa GmbH, Riesa	85	60	25,10 %	15,06 %
MV Bautzen Zustellservice GmbH, Bautzen	58	33	25,10 %	15,06 %
MV Dresden Zustellservice GmbH, Dresden	31	-2	25,10 %	15,06 %
MV Freital Zustellservice GmbH, Freital	113	87	25,10 %	15,06 %
MV Kamenz Zustellservice GmbH, Kamenz	64	39	25,10 %	15,06 %
MV Pirna Zustellservice GmbH, Pirna	55	30	25,10 %	15,06 %
NiedersachsenRock 21 Beteiligungs GmbH, Garbsen	41	2	29,83 %	15,36 %
Rudolf Augstein Gesellschaft mit beschränkter Haftung, Hamburg	274	1.279	25,50 %	25,50 %
Skoobe GmbH, München	3.328	-2.061	25,00 %	25,00 %
Verfahrensabwicklungs 85 IN 7/18 GmbH, Münster	1.022	-2.878	15,00 %	15,00 %
Frankreich / France				
Alliance gravity SARL	-223	-269	22,22 %	15,17 %
Societe Operatrice Du Multiplex-M1 SAS, Nanterre	n/a	n/a	25,00 %	9,22 %
Synetik SAS, Paris	-12	-62	20,00 %	10,00 %

Großbritannien / Great Britain

Bounce! Sales & Marketing Limited, London	229	19	30,00 %	30,00 %
Fintech Innovation Program Limited, London	446	59	20,00 %	20,00 %

Indien / India

BigFoot Retail Solutions Private Limited, Neu-Delhi	7.193	1.561	35,14 %	35,14 %
i-Nurture Education Solutions Private Limited, Bengaluru	4.066	685	33,13 %	33,13 %
Lendingkart Technologies Private Limited, Ahmedabad	88.205	-1.104	11,87 %	11,87 %
Relevant e-solutions Private Limited, Haryana	n/a	n/a	7,61 %	7,61 %
Ruptub Solutions Private Limited, Bangalore	391	-5.228	13,16 %	13,16 %

Israel

Wibbitz Ltd.	n/a	n/a	29,81 %	29,81 %
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Kaimaninseln / Cayman Islands

Aimint, Grand Cayman	433	-1.617	21,87 %	21,87 %
Agricultural Services Limited, Grand Cayman	-22.877	-3.711	12,32 %	12,32 %
Buzzbit Inc.	0	0	22,35 %	22,35 %
Gangwei Network Technology Inc., Grand Cayman	n/a	n/a	17,87 %	17,87 %
Haizhi Holding Inc., Grand Cayman	8.923	-449	10,92 %	10,92 %
HLJK Information & Technology Cayman Inc., Grand Cayman	-189	-584	12,12 %	12,12 %
Hooma Hooma Technology Limited, Grand Cayman	n/a	n/a	21,70 %	21,70 %
INCAR Inc., Grand Cayman	n/a	n/a	10,75 %	10,75 %
Know Box Limited, Grand Cayman	35.196	-67.692	5,19 %	5,19 %
Meixin Federation Group Inc.	6.477	-3.113	14,22 %	14,22 %
Mioji Group Limited, Grand Cayman	-465	-3.250	8,76 %	8,76 %
Mi Ritao Inc., Grand Cayman	0	-670	23,53 %	23,53 %
moKredit Inc., Grand Cayman	0	0	17,09 %	17,09 %
Penguin Guide Inc., Grand Cayman	713	-34	16,34 %	16,34 %
Qianye (Cayman) Ltd., Grand Cayman	0	-1.133	12,12 %	12,12 %
See Mobile Technology, Grand Cayman	23.428	-994	9,92 %	9,92 %
Tapai Inc., Grand Cayman	1.576	-2.082	11,34 %	11,34 %
The Look Limited, Grand Cayman	0	-1.638	15,06 %	15,06 %
TrendSutra Cayman Holdings Limited, Grand Cayman	-1.662	-15.060	18,60 %	18,60 %
Velocious Technologies Inc., Grand Cayman	0	0	7,82 %	7,82 %
Weplanter (Cayman) Limited, Grand Cayman	n/a	n/a	12,92 %	12,92 %
Wothing (Cayman) Limited, Grand Cayman	0	-864	26,32 %	26,32 %
Wish Wood Holdings Limited, Grand Cayman	n/a	n/a	18,18 %	18,18 %
Xianlife Limited	11.853	-16.007	5,93 %	5,93 %
Xiaobu Holdings Inc., Grand Cayman	0	-6.859	18,04 %	18,04 %
Zaozuo Zaohua ZWORKS Ltd., Grand Cayman	-5.664	-6.854	11,26 %	11,26 %

Luxemburg / Luxembourg

Radiolux S.A., Differdingen	81	242	25,00 %	19,01 %
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Mauritius

Kaizen Private Equity, limited life public company limited by shares, Ebene	n/a	n/a	20,10 %	20,10 %
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Niederlande / Netherlands

Ushi Film Organization B.V., Amsterdam	n/a	n/a	33,33 %	25,35 %
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Österreich / Austria

tele-Zeitschriftenverlagsgesellschaft m.b.H., Wien	135	4	24,90 %	24,90 %
tele-Zeitschriftenverlagsgesellschaft m.b.H. & Co. KG, Wien	396	74	24,90 %	24,90 %

Singapur / Singapore

Eruditus Learning Solutions Pte. Ltd., Singapur	-7.785	-26.211	13,21 %	13,21 %
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USA

Boostr, Inc., Wilmington	392	-2.019	11,00 %	11,00 %
Dynamic Graphic Engraving, Inc., Horsham	61	-203	25,00 %	25,00 %
Mojiva, Inc., New York	n/a	n/a	30,05 %	30,05 %
Monashees Capital V, L.P., Wilmington	33.043	0	33,33 %	33,33 %
SecuredTouch, Inc., Wilmington	2.050	-2.958	23,37 %	23,37 %
Synergis Education, Inc., Wilmington	n/a	n/a	28,20 %	28,20 %

1 = Vorkonsolidiert / preconsolidated

2 = Ergebnisabführungsvertrag / profit and loss transfer agreement

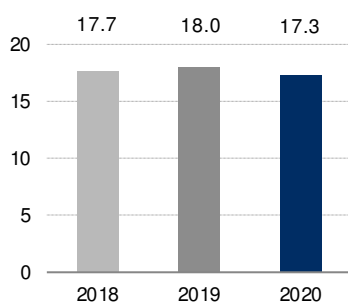
* = Beherrschung bei nicht vorliegender Kapitalbeteiligung nach IFRS 10 / control without equity investment according to IFRS 10

Combined Management Report

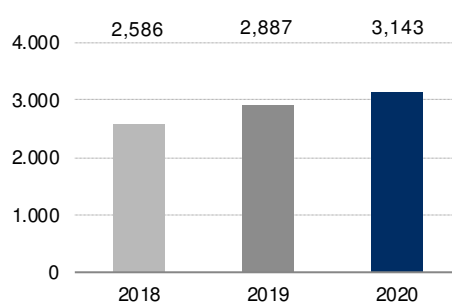
Financial Year 2020 in Review

Bertelsmann successfully countered the economic effects of the coronavirus pandemic in the financial year 2020, as it benefited from the quality of its business portfolio and the high proportion of revenues from digital business models. Group revenues fell by 4.1 percent to €17.3 billion (previous year: €18.0 billion), and organic revenue decreased by 1.7 percent. This revenue decline, primarily in the advertising and print businesses, was largely attributable to the pandemic, but was substantially compensated by organic growth in the book publishing and service businesses. Operating EBITDA of €3,143 million was well above the previous year's high amount of €2,887 million, a new record. Growth in earnings was posted in particular by Penguin Random House and Arvato. Disposal proceeds from real estate transactions also boosted operating earnings. The EBITDA margin rose to 18.2 percent (previous year: 16.0 percent). In view of this positive operating business performance, Group profit increased noticeably to €1,459 million (previous year: €1,091 million). Despite the remaining uncertainties, Bertelsmann expects those businesses most strongly affected by the pandemic to continue to recover in 2021.

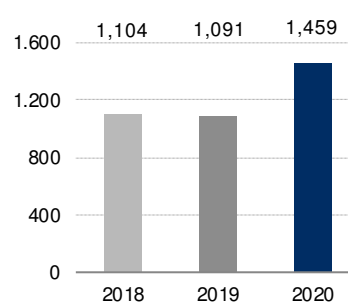
Revenues in € billions



Operating EBITDA in € millions¹⁾



Group profit in € millions



- Decline in revenues by 4.1 percent; organic growth at Penguin Random House, BMG, Arvato and Relias
- Coronavirus-related declines in advertising-financed and print businesses partially offset by quality of business portfolio and high proportion of revenues from digital business models
- Increase in operating EBITDA to €3,143 million, attributable to increased earnings at Penguin Random House and Arvato as well as to disposal proceeds from real estate transactions
- EBITDA margin of 18.2 percent, compared to 16.0 percent during the same period last year
- Increase in Group profit to €1,459 million
- Group profit also benefited from special items especially from disposal of investments

¹⁾ As of January 1, 2019, the new financial reporting standard IFRS 16 Leases was applied for the first time.

Fundamental Information about the Group

In this Management Report, the Group is using the option to combine the Group Management Report and the Management Report of Bertelsmann SE & Co. KGaA. This Combined Management Report outlines the business performance, including the business result and the position of the Bertelsmann Group and Bertelsmann SE & Co. KGaA. Information about Bertelsmann SE & Co. KGaA in accordance with the German Commercial Code (HGB) will be detailed in a separate section. The Combined Management Report will be published instead of the Group Management Report within the Bertelsmann Annual Report.

Corporate Profile

Bertelsmann operates in the core business fields of media, services and education in around 50 countries worldwide. The geographic core markets are Western Europe – in particular, Germany, France and the United Kingdom – and the United States. In addition, Bertelsmann is strengthening its involvement in growth markets such as Brazil, India and China. The Bertelsmann divisions are RTL Group (television), Penguin Random House (books), Gruner + Jahr (magazines), BMG (music), Arvato (services), Bertelsmann Printing Group (printing), Bertelsmann Education Group (education) and Bertelsmann Investments (funds).

Bertelsmann SE & Co. KGaA is a capital market-oriented but unlisted company limited by shares. As a group holding company, it exercises key corporate functions such as the definition and further development of group strategy, capital allocation, financing and management. Internal corporate management and reporting follow the Group's organizational structure, which consists of the operating divisions and Corporate.

RTL Group is one of the leading European television groups in the broadcasting, content and digital business, with interests in 67 television channels, 10 streaming platforms, 38 radio stations, global content production companies as well as digital video networks. The television portfolio of this European broadcasting company includes RTL Television in Germany, M6 in France and the RTL channels in the Netherlands, Belgium, Luxembourg, Croatia and Hungary, as well as a stake in Atresmedia in Spain. RTL Group's content business, Fremantle, is one of the largest international creators, producers and distributors of scripted and unscripted content in the world. RTL Group is active in the area of online video with the streaming services of its broadcasters (including TV Now, 6play, Salto and Videoland); the digital video network Divimove; and Fremantle's more than 360 YouTube channels. RTL Group also owns the ad-tech companies Smartclip and Yospace, as well as the streaming tech company Bedrock. RTL AdConnect is RTL Group's international sales house. RTL Group is a listed company and a member of the SDAX.

Penguin Random House is, based on revenue, the world's largest trade book publisher, with more than 300 imprints across six continents. Its well-known book brands include Doubleday, Riverhead, Viking and Alfred A. Knopf (United States); Ebury, Hamish Hamilton and Jonathan Cape (United Kingdom); Goldmann and Heyne (Germany); Plaza & Janés and Alfaguara (Spain); Sudamericana (Argentina); and the international imprint DK. Each year Penguin Random House publishes about 15,000 new titles and sells around 600 million print books, e-books and audiobooks.

Gruner + Jahr is a premium magazine publisher whose portfolio includes established brands such as "Stern," "Brigitte" and "Geo"; young brands like "Barbara," "Guido" and "Wohlliebens Welt"; and digital products in all publishing segments. It also markets products and licenses such as the "Schöner Wohnen" collection. In digital marketing, G+J operates the international AppLike Group and has a stake in the global leader of native advertising, Outbrain. The G+J portfolio includes Territory, one of the leading communication agencies in Germany. In addition, G+J holds the majority stake in DDV Mediengruppe in Saxony, and a stake in Spiegel-Gruppe.

BMG is an international music company with 20 offices in 12 core music markets, now representing more than three million songs and recordings, including the catalogs of Alberts Music, Broken Bow Music Group, Bug, Cherry Lane, Chrysalis, Mute, Primary Wave, Sanctuary and Trojan, as well as thousands of famous artists and songwriters.

Arvato is an international service provider that develops and implements custom-made solutions for all kinds of business processes, for customers in a wide range of sectors in more than 40 countries. These comprise Supply Chain Solutions (SCS), Financial Solutions and IT Services. The services business also includes the CRM company Majorel, in which Bertelsmann owns 50 percent of shares.

Bertelsmann Printing Group unites Bertelsmann's printing activities. They include all the Group's gravure and offset printing companies in Germany, the United Kingdom and the United States. In addition, various digital marketing services are offered, with a focus on data-driven multichannel marketing, campaign management and customer loyalty. Bertelsmann Printing Group also includes the storage media producer Sonopress, the specialty printer Topac and the multipartner program DeutschlandCard.

Bertelsmann Education Group comprises Bertelsmann's education activities. The digital education and service offerings are primarily in the healthcare and technology sectors, as well as in the university education area. The education activities include the online education provider Relias, a stake in Udacity, the US university Alliant and venture fund investments.

Bertelsmann Investments comprises Bertelsmann's global start-up investments. The activities are focused on the strategic growth markets of Brazil, China, India and the United States. Investments are largely made through the funds Bertelsmann Brazil Investments (BBI), Bertelsmann Asia Investments (BAI), Bertelsmann India Investments (BII) and Bertelsmann Digital Media Investments (BDMI).

Regulatory Environment

Bertelsmann has television and radio operations in several European countries that are subject to regulation. In Germany, for example, the media is subject to oversight by the Commission on Concentration in the Media. Bertelsmann Group companies occupy leading market positions in many lines of business, and may therefore have limited potential for growth through acquisition due to antitrust legislation. Moreover, some education activities are subject to regulatory provisions of government authorities and accreditation bodies. Some of the financial services activities are subject to banking supervision regulations.

Because its profit participation certificates and bonds are publicly listed, Bertelsmann is required to comply with capital market regulations applicable to publicly traded companies.

Shareholder Structure

Bertelsmann SE & Co. KGaA is an unlisted partnership limited by shares. Three foundations (Bertelsmann Stiftung, Reinhard Mohn Stiftung and BVG-Stiftung) indirectly hold 80.9 percent of Bertelsmann SE & Co. KGaA shares, with the remaining 19.1 percent held indirectly by the Mohn family. Bertelsmann Verwaltungsgesellschaft (BVG) controls all voting rights at the General Meeting of Bertelsmann SE & Co. KGaA and Bertelsmann Management SE (general partner).

Strategy

Bertelsmann's strategic focus is on a fast-growing and high-earning digital, international and diversified Group portfolio. Businesses in which Bertelsmann invests should have long-term stable growth, global reach, sustainable business models, high market-entry barriers and scalability. The education business is being developed into the third earnings pillar alongside the media and service businesses. During the financial year 2020, the Group strategy was further developed and focused on five strategic growth priorities. Under the motto "Bertelsmann_next," the focus in the future will be placed on creating national cross-media champions, expanding global content and service businesses, as well as expanding online education business and investments. Overall, Bertelsmann was able to minimize the economic impact of the coronavirus pandemic, thanks to the successful implementation of the previously used four strategic directions – strengthening the core businesses, digital transformation, expanding growth platforms, and expanding into growth regions. The Group benefited from the quality of its business portfolio and the high proportion of revenues from digital business models. In the financial year 2020, additional substantial strategic progress was made in the individual divisions.

Broadcasters and platforms of RTL Group, for example, posted gains in audiences and market share, thanks to their comprehensive news reporting and entertainment offerings. Fremantle continued to expand production of fiction series. The RTL streaming services TV Now in Germany and Videoland in the Netherlands also recorded a substantial increase in paying subscribers. In addition, TV Now's streaming service was integrated into some of Telekom's rate plans. Furthermore, a partnership between Mediengruppe RTL and Telekom provides the foundation for developing collaboration in the areas of advertising technology, advertising sales and content. In France, Salto marked the start of a joint French pay streaming service involving Groupe TF1, France Télévisions and Groupe M6.

Acquiring full ownership of Penguin Random House marked a key milestone for Bertelsmann. The world's largest trade book publisher accordingly became a wholly owned group subsidiary of the Group in April 2020. Another step toward strengthening the global content business was the announcement at year-end that Bertelsmann planned to acquire US publisher Simon & Schuster. In November 2020, Penguin Random House published the first volume of Barack Obama's presidential memoirs, the widely acclaimed "A Promised Land." Furthermore, Penguin Random House profited during the lockdown from the digital availability of many of its books through digital formats and digital book distribution.

Numerous Gruner + Jahr brands launched new products and initiatives, including the "#stayathomeandcook" joint campaign by "Essen & Trinken" and "Chefkoch." Digital products were further expanded for "Stern," "Gala" and "Capital." In addition, Gruner + Jahr continued its podcast campaign with the Capital podcast "Meine Erste Million" ("My First Million") and the "Stern" podcast "Die Boss – Macht ist weiblich" (The "Lady Boss" – Power Is Feminine) and "Vater. Tochter. Weltgeschehen" ("Father. Daughter. World Events"). At the end of 2020, Gruner + Jahr and the French media company Vivendi signed a put option regarding the sale of Prisma Media.

BMG further expanded its cooperation with The Rolling Stones, among other things, and produced successful releases in the recording and publishing areas. BMG made a strategic move into the live entertainment business segment in Germany through the acquisition of a majority stake in the concert promoter Undercover. In addition, BMG secured access to an iconic music catalog by acquiring contractual rights in Mick Fleetwood's artist shares.

Arvato grew its global network of locations in the area of Supply Chain Solutions by opening new distribution centers and expanding existing centers, for example in the United States, the Netherlands, Russia and Turkey. In October 2020, Arvato Financial Solutions launched an innovative platform for consumer-oriented receivables management in the German-speaking area under the umbrella brand Paigo. The international information service provider Experian acquired a majority stake in Arvato Financial Solutions' risk-management business in order to strengthen their joint market position.

Bertelsmann Printing Group responded to the challenging printing market situation, which became more acute in view of the pandemic, with its new "Modernization at Mohn Media" strategy project and other initiatives for improving competitiveness. In early November Bertelsmann Printing Group acquired two book production sites in the United States from a competitor, thereby securing long-term production demand of large publishing customers in the United States.

Bertelsmann Education Group responded to high demand for online education and training due to the coronavirus pandemic and the lockdowns. As of March, Relias began providing its prevention and hygiene courses free of charge as its contribution to the fight against the pandemic. At the same time, Bertelsmann invested in new products and technologies. Together with Udacity, Bertelsmann continued its successful three-year campaign #50000Chancen. More than 60,000 people from 188 countries applied for 15,000 scholarships in the second round of the "Udacity Technology Scholarship Program".

In addition, Bertelsmann reinforced its presence in the growth regions through Bertelsmann Investments, which now holds some 260 investments in companies and other funds, mainly through its four international funds. The investment fund Bertelsmann Asia Investments (BAI) made follow-on investments in 11 companies in the reporting period. After an attractive partial exit, Bertelsmann India Investments (BII) still holds a stake in the successful Indian education company Eruditus. Bertelsmann Brazil Investments (BBI) benefited from a successful partial exit from an indirect investment in Brazil-based education provider Afya. Bertelsmann Digital Media Investments (BDMI) acquired a stake in the British start-up Zephr.

Within the Bertelsmann Content Alliance, Bertelsmann's content business developed additional cross-divisional formats, projects and campaigns, such as the sustainability weeks or media support for the MOSAiC Arctic expedition. In addition, the international scope of Bertelsmann Content Alliance was further broadened with its launch in the UK. Fremantle, Penguin Random House UK, DK and BMG launched a joint podcast product within Bertelsmann Content Alliance UK.

Bertelsmann is continually developing its strategy. Compliance with and achievement of the strategic development priorities are examined by the Executive Board and at the divisional level, through regular meetings of the Strategy and Business Committees and as part of the annual Strategic Planning Dialogue between the Executive Board and the Supervisory Board. In addition, relevant markets and the competitive environment are analyzed on an ongoing basis in order to draw conclusions concerning the further development of the Group's strategy. The Executive Board is also supported by the Group Management Committee (GMC) on issues of corporate strategy and development. This Committee is composed of executives representing key businesses, countries and regions, and select Group-wide functions.

The Group's content-based and entrepreneurial creativity is also very important for the implementation of its strategy. Bertelsmann will therefore continue to invest in the creative core of its businesses. Simultaneously, innovation competence is very important for Bertelsmann and is a key strategic component (see the section "Innovations").

Value-Oriented Management System

Bertelsmann's primary objective is continuous growth of the company's value, through a sustained increase in profitability with efficient capital investment at the same time. To manage the Group, Bertelsmann has been using a value-oriented management system for many years, which focuses on revenues, operating earnings and optimal capital investment. For formal reasons, Bertelsmann makes a distinction between strictly defined and broadly defined operational performance indicators.

Strictly defined operational performance indicators, including revenues, operating EBITDA and Bertelsmann Value Added (BVA), are used to directly assess current business performance and are correspondingly used in the outlook. BVA is used primarily for management at the Group level, whereas revenues and operating EBITDA, above all, are more meaningful performance indicators for the divisions. As distinguished from strictly defined performance indicators, broader performance indicators are also used and are partially derived from the above-mentioned indicators or are strongly influenced by them. These include the EBITDA margin and the cash conversion rate. The financial management system, with defined internal financing targets, is also part of the broadly defined value-oriented management system. Details of the expected development of performance indicators used in the broader sense are provided at best as additional information and are not included in the outlook.

To explain the business performance, and to control and manage the Group, Bertelsmann uses additional alternative performance measures that are not defined in accordance with IFRS (more details are given in the section "Alternative Performance Measures").

Strictly Defined Operational Performance Indicators

To control and manage the Group, Bertelsmann uses revenues, operating EBITDA and BVA as performance indicators. Revenue is used as a growth indicator of businesses. Group revenues fell in the financial year 2020 by 4.1 percent to €17.3 billion (previous year: €18.0 billion). The organic decline was 1.7 percent after organic growth of 1.2 percent in the same period of the previous year.

A key performance indicator for measuring the profitability of the Bertelsmann Group and the divisions is operating EBITDA. Operating EBITDA rose during the reporting period by 8.9 percent to €3,143 million (previous year: €2,887 million).

Bertelsmann uses BVA for assessing the profitability of operations and return on invested capital. BVA measures the profit realized above and beyond the appropriate return on invested capital. At €355 million, BVA in the financial year 2020 was below the previous year's figure of €89 million.

Broadly Defined Performance Indicators

To assess business development, other performance indicators are used that are partially derived from revenues and operating EBITDA or are strongly influenced by these figures.

The cash conversion rate serves as a measure of cash generated from business activities, which should be between 90 percent and 100 percent as a long-term average. In the financial year 2020, the cash conversion rate was 118 percent (previous year: 97 percent).

The EBITDA margin is used as an additional criterion for assessing business performance. In the financial year 2020, the EBITDA margin of 18.2 percent was above the previous year's level of 16.0 percent.

Bertelsmann's financial management system is defined by the internal financial targets outlined in the section "Net Assets and Financial Position." These financing principles are pursued in the management of the Group and are included in the broadly defined value-oriented management system.

The non-financial performance indicators (employees, corporate responsibility and similar topics) are not included in the broadly defined value-oriented management system. As they can still only be measured to a limited extent, it is not possible to make any clear quantifiable statements concerning interrelated effects and value increases. For this reason, the non-financial performance indicators have not yet been used for the management of the Group but are gaining in relevance for Bertelsmann's businesses.

Non-Financial Performance Indicators

The following section refers to the non-financial performance indicators at Bertelsmann. For more information about the organization, management and key topics of corporate responsibility, including additional information on employee concerns, please refer to the section "Combined Non-Financial Statement."

Employees

At the end of the financial year 2020, the Group had 132,842 employees worldwide. In 2020, there were 1,137 people serving in trainee positions in Bertelsmann companies in Germany.

Due to the coronavirus pandemic, the focus in 2020 was on immediately protecting the health of all employees all over the globe. This involved setting up centralized and local crisis teams as well as helping employees work from home wherever this was compatible with operational considerations.

Also in response to the pandemic, talent management processes took place exclusively using digital tools. In addition, the training curriculum of Bertelsmann University was further digitalized and competency training was continued in the fields of digital working and tech and data. At the end of 2020, over 68,000 employees in 46 countries were able to access training courses on the Group-wide digital "peoplenet" HR IT platform.

Innovations

Businesses invest in the research and development of new products in order to ensure their long-term competitiveness. The media sector has a similar imperative to create innovative media content and media-related products and services in a rapidly changing environment. Instead of conventional research and development activities, Bertelsmann views the company's own innovative power as particularly important for business development. The long-term success of the Group depends heavily on product innovations, investing in growth markets and integrating new technologies. Furthermore, innovative expertise is very important for strategy implementation.

Bertelsmann relies on innovation and growth in core operations and new business fields. The key success factors of Bertelsmann's innovation management include continuously following cross-industry trends and observing new markets. At the Group level, Bertelsmann works with the divisions to continuously identify and implement innovative business strategies. Alongside market-oriented activities, support is given to Group-wide initiatives that actively promote knowledge transfer and collaboration. Furthermore, cooperation is being expanded among the divisions. For example, the marketers IP Deutschland, G+J eMS and other partners have combined their capabilities into the Ad Alliance Deutschland, and provide them to advertising clients and media agencies. In the reporting period, Bertelsmann also continued the process of internationalizing Bertelsmann Content Alliance, a cooperation between all content businesses in the Group for developing and marketing mutual formats across divisions.

The innovations at RTL Group focus on three core topics: continuously developing new, high-quality TV formats; using all digital distribution channels; and better monetization of the Group's customer reach by addressing target groups, personalization and recommendations. RTL Group established, for example, the Format Creation Group (FC Group) that meets the high demand for exclusive content by developing innovative format ideas and intellectual property fully owned and controlled by RTL Group. Salto, the joint subscription streaming service of Groupe TF1, France Télévisions and Groupe M6, was launched commercially in October 2020. Bedrock, a technology company belonging to RTL Group, provides Salto's technical platform with state-of-the-art content recommendation and personalization elements. The tech platform is also used by RTL streaming services in Belgium, Hungary and Croatia and is open to other European broadcasters. Addressable TV advertising combines the broad reach of linear TV with targeted digital advertising. RTL Group is working on creating an open ad-tech platform that is based on the technology developed by its subsidiary Smartclip and is tailored to the needs of European broadcasters and streaming services. RTL Group is currently in discussions with several European broadcasters on possible ad-tech partnerships with Smartclip.

At Penguin Random House, the coronavirus pandemic and the subsequent lockdowns led to a number of innovative initiatives aimed at creating and maintaining the connections between authors, readers and retailers. In all of the markets, the publishing group worked together with authors and retailers to develop innovative campaigns to best reach readers online. In the United States, the Consumer Marketing Team launched a project that uses trend data to identify titles and authors to target in virtual events. At the same time, a popular training course was developed for virtual events aimed at partners in the sector – such as bookstores – containing recommendations for holding successful events. Furthermore, investments were stepped up in programs on diversity, equality and inclusion in all global regions. One example is the Penguin Random House UK campaign titled "Lit in Colour" to promote greater ethnic diversity in literature taught at British schools.

Innovations at Gruner + Jahr included, in particular, developing digital journalistic pay models, in the growing podcast market, as well as promoting sustainable alliances, most importantly, the Bertelsmann Content Alliance. Digital products in the German magazine markets continued to grow, especially the paid-content products "Stern Plus" and "Stern Crime Plus", as well as the self-care apps "Balloon" and "Hirschhausen Diet." The new paid-content sleep app "7Schläfer" ("7Sleeps") was added to the portfolio. Gruner + Jahr launched new formats on the growing podcast market, including the Stern podcast "Die Boss – Macht ist weiblich" ("The 'Lady Boss' – Power Is Feminine) and jointly with the Audio Alliance, "Die Stunde Null – Deutschlands Weg aus der Krise" ("Zero Hour – Germany's Way out of the Crisis"). "Geolino Spezial" ("Geolino Special") boasts one of the widest audiences of any children's podcast in Germany. The digital subsidiary AppLike was expanded into a group of companies. Mobile device game producer Sunday landed an international gaming success with "Cat Escape," which placed among the Top 10 in the United States in the iOS and Android charts for hyper-casual games.

Innovation at BMG is based on the company's strategic pillars: focusing on growth segments, extending and diversifying its repertoire, expanding global presence, and delivering on its core values while retaining its cost leadership in the sector. Major innovations were the new services added to the BMG portfolio: the strategic move into the live entertainment business segment in Germany through the acquisition of a majority stake in the concert promoter Undercover, and the launch of a boutique neighboring rights service. Among the artists who chose BMG's new service were The Rolling Stones and Roger Daltrey of the rock band The Who. Other innovations included the opening up of the widely acclaimed myBMG app to non-BMG artists, allowing them to pitch for songs from BMG songwriters; establishing the international music brand The Iconic Song, focused on legendary songs from the BMG catalog; the launch of the label OM Records in cooperation with the French Ligue 1 soccer club Olympique de Marseille; and the migration of a significant proportion of its processes and technology to the cloud.

Innovation was achieved in all divisions of Arvato. The three solutions groups at Arvato as well as the CRM company Majorel are using their innovative activities to pursue their main goal of enhancing and digitalizing existing solutions and designing and creating new services. Arvato Supply Chain Solutions pursued its cloud strategy by investing extensively in 2020 in automating and digitalizing its processes as well as in expanding the digital competence of its employees. Arvato Financial Solutions launched an innovative platform for consumer-oriented receivables management under the umbrella brand Paigo. Extensive digitalization of processes and flows in the debt collection process is at the heart of the new product. The IT services provider Arvato Systems further expanded not only its competency in the field of cloud applications but also its cooperation with the three major hyperscalers, Amazon Web Services (AWS), Google Cloud Platform (GCP) and Microsoft Azure. Majorel further intensified its focus on digital transformation, for example by acquiring Isilis, a digital solutions provider for the banking and financial services sector.

Innovations at Bertelsmann Printing Group involved, in particular, developing and optimizing existing processes with new technologies, and designing innovative products and services. On the basis of an innovative partnership model with a renowned printer manufacturer, Bertelsmann Printing Group invested in two new state-of-the-art, sheet-fed printing presses that were put into operation in 2020 at Mohn Media and Vogeldruck. As part of the VIME project, an augmented reality app was added to the digitalization services provided to a large British mail-order customer and the PreMedia department at Mohn Media developed a database solution for publishers and editors based on artificial intelligence. In addition, Bertelsmann Printing Group's multipartner program DeutschlandCard continued its work on the digital transformation of participant communication, expanding the program app and bringing a digital customer card to market.

The innovations at Bertelsmann Education Group mainly consisted of developing digital and customized education offerings. For example, in the healthcare sector Relias employs health experts (including doctors, nurses and therapists) to continue developing teaching content and platforms for training skills specific to clinic and nursing home personnel. Data analyses are used more and more frequently to be able to offer users personalized content and thereby ensure training success. In the technology segment, Udacity was able to expand its products, among other things, in the areas of data science, cloud architecture and artificial intelligence. For example, employees learn about new technologies in Nanodegree programs and help their companies discover new uses for digitalization and automation.

Report on Economic Position

Corporate Environment

Overall Economic Developments

The global economy was severely impacted in 2020 by the coronavirus pandemic and the heightened measures put in place to prevent infections. After a historic decline in the economy in the spring, the global economy recovered significantly in the summer, yet started to lose dynamic toward the end of the year. Europe and North America especially suffered a new wave of infection in the winter, ending the upswing in the economy. Overall, global economic activity shrank by 3.5 percent in 2020 compared to growth of 3.0 percent in 2019.

The second wave of infection affected most European countries in autumn 2020, but with varying degrees of severity. After the strong recovery recorded in the summer, economic activity was down again in the final quarter. In the euro area, real GDP fell by 6.8 percent, compared to an increase of 1.2 percent in the previous year.

The recovery that had begun in Germany mid-year was also interrupted by a second wave of infection. Real GDP declined by 4.9 percent compared to an increase of 0.6 percent in the previous year. However, the pandemic put an even stronger strain on the economy in France. Real GDP declined by 8.3 percent in 2020 compared to 1.2 percent growth in the previous year. The economy in the United Kingdom also saw a sharp downturn. Real GDP declined by 9.9 percent, compared to growth of 1.4 percent in the previous year.

In the United States real GDP declined by 3.5 percent compared to growth of 2.3 percent in the previous year.

The macroeconomic developments described here had a markedly negative impact on business performance at Bertelsmann in the financial year 2020 and put a burden on business, especially the advertising-financed and print businesses.

Developments in Relevant Markets

The following analysis focuses on markets and regions that are of a sufficient size and are strategically important from a Group perspective.

The European TV advertising markets declined strongly in 2020, whereas the streaming markets in Germany and the Netherlands showed strong growth.

The markets for printed books saw a positive development overall in 2020. Revenue from printed books grew strongly in the United States and increased significantly in the United Kingdom, whereas the German market saw a slight decline and the Spanish-language market a significant decline. Publisher sales of e-books and digital audiobooks climbed strongly in both the United States and the United Kingdom.

The magazine markets in Germany and France in 2020 were characterized by strongly declining print advertising business and significantly declining circulation business in Germany, as well as a strong decline in France. The digital advertising market in Germany also posted significant declines, while France remained stable.

The relevant music markets in 2020 reported moderate declines in the publishing segment, whereas the recording market segment grew significantly.

The key service markets for Arvato, namely Customer Relationship Management, Supply Chain Solutions and Financial Solutions, saw moderate growth, whereas the market for IT services declined significantly.

The European offset and gravure printing markets reported a strongly negative trend in 2020. The North American book printing market remained stable.

In 2020, the education markets in the United States exhibited moderate to strong growth in the market segments where Bertelsmann is involved – namely, training in healthcare, e-learning in the technology area, and university education.

Significant Events in the Financial Year

In view of the global outbreak of the coronavirus pandemic, Bertelsmann convened a meeting of the Group's crisis committee, its first, in late January 2020. During the course of the year, the committee created extensive protective and preventive measures for Bertelsmann's divisions and companies. The Bertelsmann Executive Board implemented a number of measures early on, focusing on employees' health, continuity of business, cost-cutting measures and temporary investment restraint. To secure and improve the company's liquidity, additional capital was raised. By mid-year, the Group's liquidity had been significantly increased with a variety of capital market instruments (see the section "Financing Activities"). In addition, the Executive Board issued a Group-wide travel ban on business trips in the spring and requested that most employees begin working from home in mid-March. At the same time, manufacturing companies and service units were assisted with protective masks and guidelines on distancing regulations and hygiene measures.

Groupe M6, which belongs to RTL Group, sold the French cashback company iGraal to the German Global Savings Group (GSG) in March 2020. The transaction was conducted in part through a share swap. As a result, Groupe M6 became a shareholder in GSG.

As of April 1, 2020, Bertelsmann completed its acquisition of the remaining 25 percent of the shares in Penguin Random House from co-shareholder Pearson after receiving all of the required regulatory approvals.

Henrik Poulsen, former chair of the Executive Board of the Danish energy company Ørsted, was newly appointed to the Bertelsmann Supervisory Board in June 2020.

In late June 2020, the international information services provider Experian acquired a majority shareholding in Arvato Financial Solutions' risk management division. This is intended to strengthen the joint market position and to create an innovative platform to the benefit of the customers of the formerly separate companies.

In late October 2020, RTL Group completed the sale of its stake in the Canadian digital video network BroadbandTV.

At its meeting on November 5, 2020, the Supervisory Board appointed Rolf Hellermann as the new Chief Financial Officer of Bertelsmann. On January 1, 2021, he replaced Bernd Hirsch as CFO and became a member of the Management Board.

In November 2020, Bertelsmann announced the acquisition of the publishing group Simon & Schuster from the media company ViacomCBS for US\$2.175 billion. The acquisition will strengthen Bertelsmann's position in the global book publishing business, especially in the United States. This transaction is subject to regulatory approval. Bertelsmann will pay the purchase price with available cash and cash equivalents. The transaction is expected to close in 2021.

In December 2020, RTL Group completed the acquisition of all of the remaining outstanding shares in the TV and radio businesses of RTL Belgium. The acquisition was paid from cash funds as well as with treasury shares of RTL Group.

In December 2020, Gruner + Jahr initiated exclusive negotiations with the French media company Vivendi regarding the sale of the French G+J subsidiary Prisma Media. At year-end, both companies signed a put option. The planned sale is subject to notifying employee representatives at Prisma Media and holding a hearing, approval from antitrust authorities, and preparing all legal documents. The transaction is expected to close in the first half of 2021.

Furthermore, a number of real estate transactions were carried out during the reporting period. These included the purchase and resale of a commercial property in Munich, as well as the sale of commercial properties in London and Hamburg. All properties have been leased back with varying terms.

Results of Operations

Revenue Development

Revenues by Division

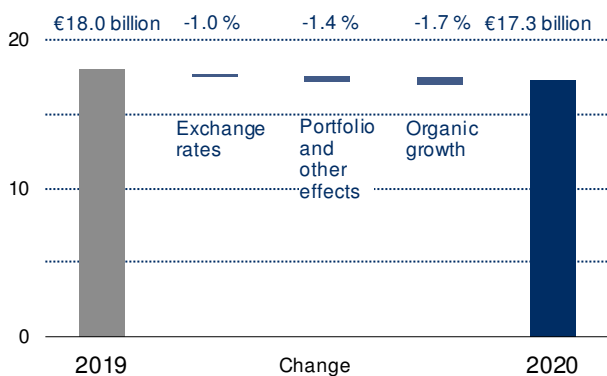
in € millions	2020			2019		
	Germany	Other countries	Total	Germany	Other countries	Total
RTL Group	1,958	4,059	6,017	2,138	4,513	6,651
Penguin Random House	277	3,525	3,802	265	3,371	3,636
Gruner + Jahr	769	366	1,135	913	442	1,355
BMG	46	556	602	46	554	600
Arvato	1,666	2,716	4,382	1,697	2,478	4,175
Bertelsmann Printing Group	833	529	1,362	948	620	1,568
Bertelsmann Education Group	2	299	301	2	331	333
Bertelsmann Investments	4	8	12	0	13	13
Total divisional revenues	5,555	12,058	17,613	6,009	12,322	18,331
Corporate/Consolidation	(221)	(103)	(324)	(203)	(105)	(308)
Continuing operations	5,334	11,955	17,289	5,806	12,217	18,023

Group revenues fell in the financial year 2020 by 4.1 percent to €17.3 billion (previous year: €18.0 billion). Revenue drops due to the coronavirus pandemic had a particularly negative impact on the advertising-financed and print businesses. However, the book publishing

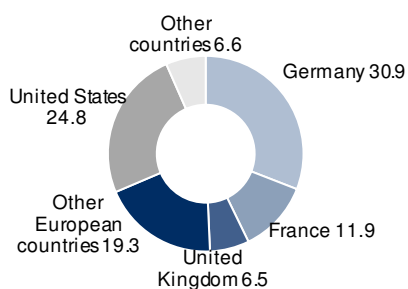
business, music business, services businesses and some of the education businesses have proved to be particularly robust. Adjusted by exchange rate, portfolio and other effects, the Group recorded an organic decline of 1.7 percent.

Revenues at RTL Group decreased 9.5 percent to €6,017 million (previous year: €6,651 million). The organic decrease was 7.2 percent. The decline in revenues is largely attributable to significantly lower TV advertising revenues in the second quarter of 2020 and production delays at Fremantle due to the coronavirus pandemic. In contrast, the number of paying subscribers to the streaming services TV Now in Germany and Videoland in the Netherlands showed a positive trend. Revenues at Penguin Random House rose 4.6 percent to €3,802 million (previous year: €3,636 million). The organic growth was 6.7 percent. The growth in revenues was due in particular to positive business performance in the US business. Gruner + Jahr reported a decline in revenues of 16.2 percent to €1,135 million (previous year: €1,355 million), due primarily to the coronavirus and to portfolio effects. The organic decline was 9.0 percent. Revenues at BMG were stable at €602 million (previous year: €600 million). The organic growth was 1.9 percent. Pandemic-related restrictions in physical distribution as well as postponed releases were offset by strong growth in music streaming. Revenues at Arvato rose 5.0 percent to 4,382 million (previous year: €4,175 million). The organic growth was 6.5 percent. In particular, the positive business performance at the CRM company Majorel contributed to revenue growth. Revenues at Bertelsmann Printing Group fell 13.2 percent to €1,362 million (previous year: €1,568 million). The organic decline was 13.4 percent. The coronavirus pandemic accelerated the market-driven decline in revenue of Bertelsmann Printing Group as it put pressure on important customer sectors and regions. Revenues at Bertelsmann Education Group declined by 9.8 percent to €301 million (previous year: €333 million). The organic decline was 2.3 percent. The drop in revenues was caused by the sale of a large share of the business operations of the US university services provider HotChalk, whereas the demand for online education products continued to grow. The investments of Bertelsmann Investments are generally not consolidated, so revenue is not usually reported for this division.

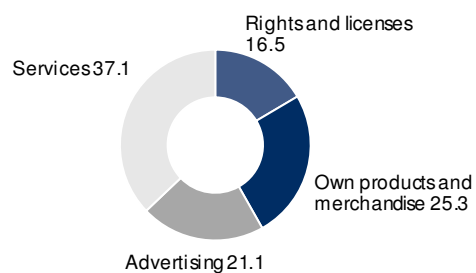
Revenue Breakdown



Consolidated Revenues by Region in percent



Consolidated Revenues by Category in percent



There were slight changes in the geographical breakdown of revenues compared to the previous year. The share of revenues generated in Germany was 30.9 percent compared to 32.2 percent in the previous year. The revenue share generated by France amounted to 11.9 percent (previous year: 12.3 percent). In the United Kingdom, the revenue share was 6.5 percent (previous year: 6.5 percent). The

share of total revenues generated by the other European countries amounted to 19.3 percent compared to 18.9 percent in the previous year. The revenue share generated by the United States increased to 24.8 percent (previous year: 23.4 percent), and the other countries achieved a revenue share of 6.6 percent (previous year: 6.7 percent). This means that the share of total revenues generated by foreign business rose to 69.1 percent (previous year: 67.8 percent). Year on year, there also was a slight change in the ratio of the four revenue sources (own products and merchandise, services, advertising, rights and licenses) to overall revenue.

Results Breakdown

in € millions	2020	2019
Operating EBITDA by division		
RTL Group	1,097	1,417
Penguin Random House	691	561
Gruner + Jahr	127	157
BMG	137	138
Arvato	662	549
Bertelsmann Printing Group	55	68
Bertelsmann Education Group	89	84
Bertelsmann Investments	(10)	(1)
Total operating EBITDA by division	2,848	2,973
Corporate/Consolidation	295	(86)
Operating EBITDA from continuing operations	3,143	2,887
Amortization/depreciation, impairments/reversals of impairment losses on intangible assets and property, plant and equipment not included in special items	(918)	(908)
Special items	51	(154)
EBIT (earnings before interest and taxes)	2,276	1,825
Financial result	(339)	(309)
Earnings before taxes from continuing operations	1,937	1,516
Income tax expense	(478)	(426)
Earnings after taxes from continuing operations	1,459	1,090
Earnings after taxes from discontinued operations	–	1
Group profit	1,459	1,091
attributable to: Earnings attributable to Bertelsmann shareholders	1,152	729
attributable to: Earnings attributable to non-controlling interests	307	362

Operating EBITDA

Bertelsmann achieved operating EBITDA of €3,143 million in the financial year 2020 (previous year: €2,887 million). The increase of 8.9 percent is largely attributable to disposal proceeds from real estate transactions totaling €376 million. In addition, earnings growth was posted in particular by Penguin Random House and Arvato. Despite effective cost-cutting measures, the sometimes sharp decline in advertising-financed and print businesses is attributable to the negative impacts of the coronavirus pandemic on revenues. The EBITDA margin rose to 18.2 percent (previous year: 16.0 percent).

Operating EBITDA at RTL Group fell 22.6 percent to €1,097 million (previous year: €1,417 million). Given the coronavirus pandemic, RTL Group recorded a drop in advertising revenues and TV production delays. Operating EBITDA at Penguin Random House rose by 23.3 percent to €691 million (previous year: €561 million), thanks in particular to the growing US business as well as a larger proportion of digital products in the sales mix. Operating EBITDA at Gruner + Jahr declined by 19.4 percent to €127 million (previous year: €157 million). Pandemic-related revenue shortfalls were largely offset by comprehensive countermeasures. BMG generated a stable operating EBITDA of €137 million (previous year: €138 million) and, despite a difficult market environment, benefited from rapid growth in music streaming. Arvato achieved operating EBITDA of €662 million (previous year: €549 million). This was an increase of 20.5 percent, reflecting higher earnings in particular at the CRM company Majorel as well as in the Supply Chain Solutions business area. Operating EBITDA at Bertelsmann Printing Group declined by 19.8 percent to €55 million (previous year: €68 million). In addition to a continual drop in volumes

and persistent pricing pressure, earnings were also heavily affected by the coronavirus pandemic. Operating EBITDA at Bertelsmann Education Group of €89 million (previous year: €84 million) represented an increase of 5.6 percent. The investments of Bertelsmann Investments are generally not consolidated, so operating earnings are not usually reported for this division.

Special Items

Special items in the financial year 2020 totaled €51 million compared to €-154 million in the previous year. They consist of impairments on goodwill and other intangible assets with indefinite useful lives amounting to €-116 million (previous year: €-27 million), impairments on investments accounted for using the equity method amounting to €-62 million (previous year: €-51 million), impairments on other financial assets at amortized cost amounting to €-26 million (previous year: €-9 million), results from disposals of investments amounting to €410 million (previous year: €90 million), fair value measurement of investments amounting to €59 million (previous year: €143 million), as well as restructuring expenses and other special items totaling €-214 million (previous year: €-293 million). In the reporting period there were no adjustments of the carrying amounts of assets held for sale (previous year: €-7 million). The increase in results from disposals of investments is particularly due to the sale of a majority share of the risk management business of Arvato Financial Solutions.

EBIT

EBIT amounted to €2,276 million in the financial year 2020 (previous year: €1,825 million) after adjusting operating EBITDA for special items totaling €51 million (previous year: €-154 million) and the amortization, depreciation, impairments and reversals of impairment losses on intangible assets, property, plant and equipment and right-of-use assets totaling €-918 million (previous year: €-908 million), which were not included in the special items.

Group Profit

The financial result was €-339 million, compared with the previous year's amount of €-309 million. The deviation is attributable to increased interest expenses resulting from financing activities carried out to secure liquidity during the coronavirus pandemic. The income tax expense increased to €-478 million compared to €-426 million in the previous year, due in particular to higher earnings before taxes from continuing operations. This resulted in an increase in Group profit to €1,459 million (previous year: €1,091 million). The share of Group profit attributable to non-controlling interests came to €307 million (previous year: €362 million). The share of Group profit attributable to Bertelsmann shareholders was €1,152 million (previous year: €729 million). No dividends were paid in 2020 for the financial year 2019. For the financial year 2020 a dividend payout of €180 million will be proposed at the Annual General Meeting of Bertelsmann SE & Co. KGaA.

Net Assets and Financial Position

Financing Guidelines

The primary objective of Bertelsmann's financial policy is to achieve a balance between financial security, return on equity and growth. For this, Bertelsmann bases its financing policy on the requirements of a "Baa1/BBB+" credit rating and the associated qualitative and quantitative criteria. Credit ratings and capital market transparency make a considerable contribution to the company's financial security and independence.

In accordance with the Group structure, the capital allocation is made centrally by Bertelsmann SE & Co. KGaA, which provides the Group companies with liquidity and manages the issuance of guarantees and letters of comfort for them. The Group consists largely of a single financial unit, thereby optimizing the raising of capital and investment opportunities.

Bertelsmann utilizes a financial management system employing quantitative financial targets concerning the Group's economic debt and, to a lesser extent, its capital structure. One of the financial targets is a dynamic leverage factor limited to the defined maximum of 2.5. As of December 31, 2020, the leverage factor of Bertelsmann was 1.9, significantly lower than the previous year's level (December 31, 2019: 2.6). Primarily due to a high operating cash flow, net financial debt decreased.

As of December 31, 2020, economic debt decreased to €5,207 million from €6,511 million in the previous year, due to a significant decrease in net financial debt to €2,055 million (December 31, 2019: €3,364 million). As of December 31, 2020, recognized lease liabilities were €1,355 million (December 31, 2019: €1,392 million). Provisions for pensions and similar obligations rose to €2,009 million as of December 31, 2020 (December 31, 2019: €1,967 million).

Another financial target is the (interest) coverage ratio. This is calculated as the ratio of operating EBITDA, used to determine the leverage factor, to financial result, and should exceed four. In the reporting period, the coverage ratio was 8.3 (previous year: 8.5). The Group's equity ratio was 36.1 percent (December 31, 2019: 38.2 percent), which remains significantly above the self-imposed minimum of 25 percent.

Financial Targets

	Target	2020	2019
Leverage Factor: Economic debt/Operating EBITDA ¹⁾	≤ 2.5	1.9	2.6
Coverage ratio: Operating EBITDA/Financial result ¹⁾	> 4.0	8.3	8.5
Equity ratio: Equity as a ratio to total assets (in percent)	≥ 25.0	36.1	38.2

1) After modifications

Financing Activities

Under a Debt Issuance Program with a volume of up to €5 billion launched in March 2020, Bertelsmann issued a €750 million bond with a coupon of 2.0 percent and a term of eight years in April 2020, and a €750 million bond with a coupon of 1.5 percent and a term of 10 years in May 2020. Private placements totaling €350 million were also issued under this program. In addition, Bertelsmann issued promissory notes with a total volume of €250 million in the reporting period. One of the private placements in the amount of €250 million was already repaid before the end of the year by exercising a termination option. In addition, a €100 million promissory note due in December 2020 and the variable portion of a promissory note of €50 million due in 2027 were repaid.

To cover short-term funding requirements related to the acquisition of the remaining shares of Penguin Random House, a loan in the amount of €675 million with a term of up to 18 months was agreed upon in the reporting period and utilized in March 2020. Furthermore, Bertelsmann carried out various financing measures to secure liquidity. This includes in particular drawing down the revolving syndicated credit facility in the amount of €1.2 billion and drawing down a bilateral, dual-currency credit facility in the amount of US\$215 million, both in March 2020, as well as taking out a loan of US\$300 million in April 2020 with a term of up to one year. All of the credit facilities that were drawn down during the reporting period were completely repaid in the course of the financial year 2020.

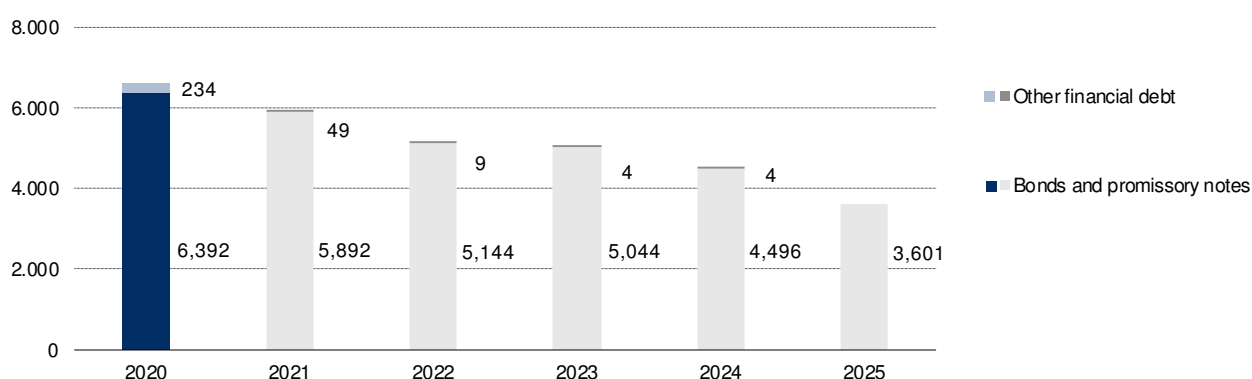
Rating

Bertelsmann has been rated by the rating agencies Moody's and Standard & Poor's (S&P) since 2002. The issuer ratings facilitate access to the international capital markets and are therefore a key element of Bertelsmann's financial security. Bertelsmann is rated by Moody's as "Baa2" (outlook: stable) and by S&P as "BBB" (outlook: stable). Both credit ratings are in the investment-grade category. Bertelsmann's short-term credit quality rating is "P-2" from Moody's and "A-2" from S&P.

Credit Facilities

In addition to available liquidity, the Bertelsmann Group has access to a syndicated credit facility with 15 banks. This credit facility that was unutilized as of December 31, 2020, forms the backbone of the strategic credit reserve; Bertelsmann can utilize this with a term until 2025 to draw up to €1.2 billion of revolving funds in euros, US dollars and pounds sterling.

Maturity Structure of Financial Debt in € millions



Cash Flow Statement

During the reporting period, cash flow from operating activities was generated in the amount of €2,994 million (previous year: €2,060 million). The sustainable operating free cash flow, adjusted for special effects, was €2,571 million (previous year: €1,883 million), and the cash conversion rate was 118 percent (previous year: 97 percent); see the section “Broadly Defined Performance Indicators.” Cash flow from investing activities amounted to €-263 million (previous year: €-682 million). Of this, €-879 million (previous year: €-923 million) was attributable to investments in intangible assets, property, plant and equipment, and financial assets. Purchase price payments for consolidated investments (less acquired cash and cash equivalents) were €-41 million (previous year: €-317 million). Payments from the sales of subsidiaries and other business units as well as of other non-current assets were €657 million (previous year: €558 million). The cash flow from financing activities was €330 million (previous year: €-1,128 million). This difference is attributable to the proceeds from issuing bonds and promissory notes and to the reduction or suspension of dividend payments to Bertelsmann shareholders and non-controlling interests. Dividend payments to shareholders of Bertelsmann SE & Co. KGaA were suspended for the financial year 2019 due to the coronavirus, following a dividend payment in the previous year of €-180 million. Dividends paid to non-controlling interests and other payments to shareholders amounted to €-10 million (previous year: €-263 million). As of December 31, 2020, Bertelsmann had cash and cash equivalents of €4.6 billion (previous year: €1.6 billion). This significant increase is attributable to capital market measures aimed at, among other things, securing and increasing Bertelsmann’s liquidity.

Consolidated Cash Flow Statement (Summary)

in € millions	2020	2019
Cash flow from operating activities	2,994	2,060
Cash flow from investing activities	(263)	(682)
Cash flow from financing activities	330	(1,128)
Change in cash and cash equivalents	3,061	250
Exchange rate effects and other changes in cash and cash equivalents	(61)	(12)
Cash and cash equivalents on 1/1	1,643	1,405
Cash and cash equivalents on 12/31	4,643	1,643
Less cash and cash equivalents of disposal groups	(72)	(7)
Cash and cash equivalents on 12/31 (according to the consolidated balance sheet)	4,571	1,636

Off-Balance-Sheet Liabilities

The off-balance-sheet liabilities include contingent liabilities and other financial commitments, almost all of which result from operating activities conducted by the divisions. The off-balance-sheet liabilities decreased compared with the previous year. The off-balance-sheet liabilities existing as of December 31, 2020, had no significant negative effects on the Group’s net assets, financial position or results of operation for the past or the following financial year.

Investments

Total investments, including acquired financial debt of €54 million (previous year: €6 million), amounted to €974 million in the financial year 2020 (previous year: €1,246 million). Investments according to the cash flow statement amounted to €920 million (previous year:

Profit Participation Capital

Profit participation capital had a par value of €301 million as of December 31, 2020, which is unchanged from the previous year. If the effective interest method is applied, the carrying amount of profit participation capital was €413 million as of December 31, 2020 (previous year: €413 million). The 2001 profit participation certificates (ISIN DE0005229942) account for 94 percent of par value of profit participation capital, while the 1992 profit participation certificates (ISIN DE0005229900) account for the remaining 6 percent.

The 2001 profit participation certificates are officially listed for trading on the Regulated Market of the Frankfurt Stock Exchange. Their price is listed as a percentage of par value. The highest closing rate of the 2001 profit participation certificates was 360.60 percent in January; their lowest in the 2020 financial year was 210.00 percent in March.

Under the terms and conditions of the 2001 profit participation certificates, the payout for each full financial year is 15 percent of par value, subject to the availability of sufficient Group profit and net income at the level of Bertelsmann SE & Co. KGaA. These conditions were met in the past financial year. Accordingly, a payout of 15 percent of the par value of the 2001 profit participation certificates will also be made for the financial year 2020.

The 1992 profit participation certificates, approved for trading on the Regulated Market in Frankfurt, only have a limited liquid trading on the stock exchange due to their low volume. Payouts on the 1992 profit participation certificates are based on the Group's return on total assets. Because the return on total assets for the financial year 2020 was 7.65 percent (previous year: 6.36 percent), the payout on the 1992 profit participation certificates for the financial year 2020 will be 8.65 percent of their par value (previous year: 7.36 percent).

The payout distribution date for both profit participation certificates is expected to be May 7, 2021. Under the terms and conditions of the profit participation certificates, the auditors appointed by Bertelsmann SE & Co. KGaA are responsible for verifying whether amounts to be distributed have been calculated correctly. The auditors of both profit participation certificates provide confirmation of this.

Performance of the Group Divisions

RTL Group

RTL Group saw a decrease in advertising bookings and postponements of productions in the financial year 2020 in the wake of the coronavirus pandemic, leading to lower revenues and operating profit. After a strong decline in TV advertising revenues in the second quarter, the situation stabilized in the third quarter; in the important fourth quarter, RTL Group's TV advertising revenues increased again year on year.

From mid-March on, RTL Group's management actively countered the effects of the pandemic with cost and cash flow measures, without compromising the group's sustainable business success. More than half of the revenue losses were compensated in this way.

For the full year, RTL Group's revenues decreased 9.5 percent to €6.0 billion (previous year: €6.7 billion), while operating EBITDA fell 22.6 percent to €1.1 billion (previous year: €1.4 billion). The EBITDA margin was 18.2 percent, compared with 21.3 percent in the previous year. At €1.1 billion (previous year: €1.1 billion), 17.5 percent (previous year: 16.1 percent) of revenues were attributable to digital businesses such as online advertising, streaming and advertising technology.

The streaming services TV Now in Germany and Videoland in the Netherlands together had 2.2 million paying subscribers at the end of the year, 52 percent more than a year earlier. In France, Groupe M6 grew the number of active users of its advertising-financed streaming service 6play to 16.3 million (previous year: 11.1 million). In October, Salto, the joint pay streaming service of Groupe TF1, France Télévisions and Groupe M6, went live. Upon launch, its offering comprised more than 10,000 hours of programming and access to content from the country's main TV channels.

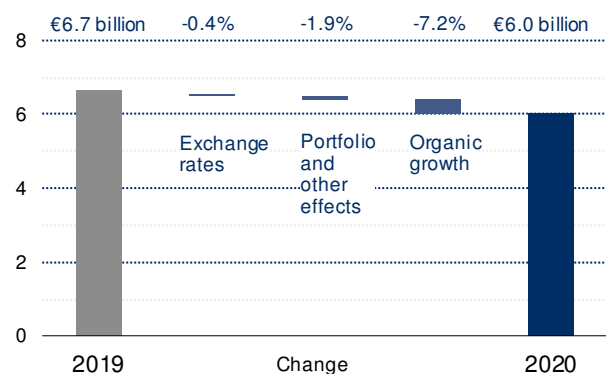
Information and entertainment offerings from Mediengruppe RTL Deutschland, Groupe M6 and RTL Nederland were met with significantly increased viewer interest during the coronavirus pandemic. The broadcasters outperformed their commercial competitors on audience ratings. In Germany, the RTL family of TV channels increased its net TV advertising market share significantly year on year.

In November, Mediengruppe RTL Deutschland and Deutsche Telekom agreed on a strategic partnership to jointly develop the growth markets of streaming and addressable TV advertising. Meanwhile, RTL Group continued to build an open ad-tech platform based on technology developed by Smartclip and tailored to the needs of European broadcasters and streaming services.

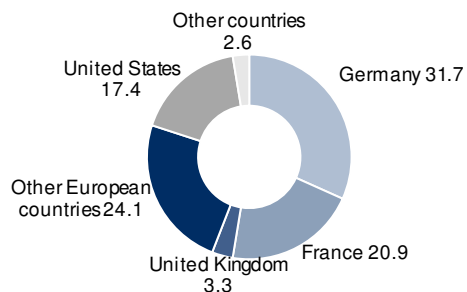
RTL Group’s content business, Fremantle, faced significant constraints in film and TV production during the coronavirus pandemic in 2020, resulting in fewer show deliveries and the postponement of productions, particularly in the second quarter. Following the introduction of protective measures, production resumed in most markets toward the middle of the year. Major creative successes included shows like “American Idol,” reality formats like “Too Hot to Handle” for Netflix, and fiction series productions such as “Deutschland 89” for Amazon Prime.

In October, RTL Group sold its majority stake in the digital video network BroadbandTV to BBTV Holdings Inc. for €102 million paid in cash. This was followed in December by the acquisition of all outstanding shares in RTL Belgium’s TV and radio business, with consideration comprising cash and treasury shares of RTL Group.

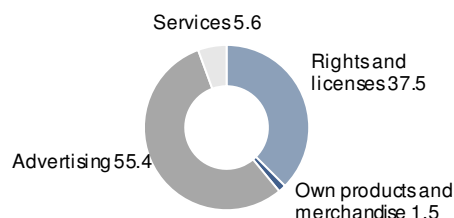
Revenue Breakdown



Revenues by Region in percent (without intercompany revenues)



Revenues by Category in percent



Penguin Random House

Penguin Random House benefited from strong new publications and increased demand for books in all formats in the year of the coronavirus pandemic. Despite bookstores being intermittently closed in many countries, the group grew its revenues and operating profit significantly, especially in the US and UK markets.

A strategic milestone during the financial year was the acquisition of the remaining 25 percent of the shares in Penguin Random House. The world’s largest trade publishing group has been wholly owned by Bertelsmann since April 1, 2020, at which time the German-language publishing group Verlagsgruppe Random House was integrated and renamed Penguin Random House Verlagsgruppe. In November, Bertelsmann announced the acquisition of the venerable US trade publisher Simon & Schuster. The transaction is expected to be completed in the course of 2021, once all of the necessary clearance has been obtained from the antitrust authorities.

Penguin Random House’s revenue reached €3.8 billion in the 2020 financial year, up 4.6 percent from the previous year’s level of €3.6 billion. Operating EBITDA increased by 23.3 percent to €691 million (previous year: €561 million). The EBITDA margin increased to 18.2 percent (previous year: 15.4 percent).

The top-selling book of the year was “A Promised Land,” the first volume of Barack Obama’s presidential memoirs. The book was published in November in 20 languages almost simultaneously, and sold more than 7.3 million copies worldwide across all formats through the end of the year. Penguin Random House publishers expanded its online sales in numerous markets, and established multiple virtual platforms for connecting authors, readers and booksellers. Audiobooks were again a growth driver in 2020, achieving double-digit percentage growth in most markets. Penguin Random House publishers placed numerous titles on the bestseller lists of the “New York Times” in the United States, the “Sunday Times” in the United Kingdom and “Spiegel” magazine in Germany.

In the largest book market, the United States, the top bestseller, with more than three million copies sold, was “A Promised Land” by Barack Obama. Titles such as “Untamed” by Glennon Doyle, “Becoming” by Michelle Obama, “Where the Crawdads Sing” by Delia Owens, and “How to Be an Antiracist” by Ibram X. Kendi achieved high sales figures as well.

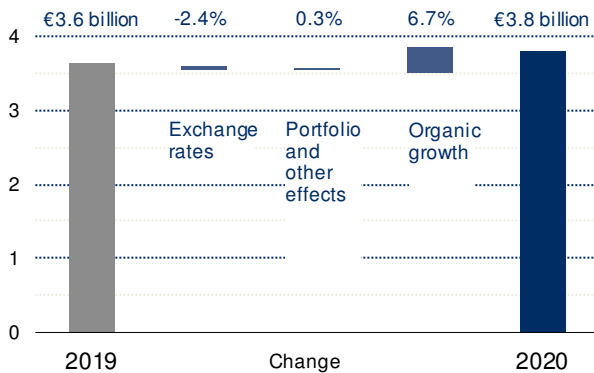
Penguin Random House UK also had a strong year with rising revenues. The year’s most successful books included “A Promised Land” by Barack Obama, “The Boy, The Mole, The Fox and The Horse” by Charlie Mackesy, and “The Thursday Murder Club” by Richard Osman, each selling more than one million copies.

Penguin Random House Grupo Editorial saw higher online sales in Spain, offsetting significant declines in Latin America. Top-selling titles included “Las Tinieblas y el Alba” by Ken Follett, “Línea de Fuego” by Arturo Pérez Reverte and “Reina Roja” by Juan Gómez-Jurado.

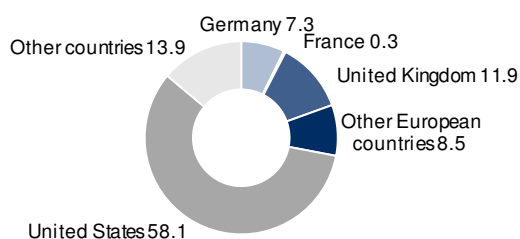
In the German-speaking countries, Penguin Random House Verlagsgruppe maintained its marketplace leadership in a book market that was in decline due to the pandemic. The top-selling titles were “Ein verheißenes Land” (“A Promised Land”) by Barack Obama, “Ohne Schuld” by Charlotte Link, and “Das Kind in dir muss Heimat finden” (“The Child In You Must Find a Home”) by Stefanie Stahl.

Numerous Penguin Random House authors won prestigious awards in 2020, among them Colson Whitehead, who won the Pulitzer Prize for Fiction for “The Nickel Boys,” and Charles Yu, who won the US National Book Fiction Award for “Interior Chinatown.”

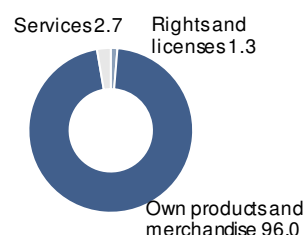
Revenue Breakdown



Revenues by Region in percent (without intercompany revenues)



Revenues by Category in percent



Gruener + Jahr

Following sharp pandemic-related declines in the first half of 2020, Gruener + Jahr recorded a significant improvement in advertising and distribution revenues, particularly in the fourth quarter, and successfully continued its transformation. Operating EBITDA decreased to €127 million (previous year: €157 million), and the EBITDA margin was 11.2 percent (previous year: 11.6 percent). Pandemic-related revenue shortfalls were largely offset by comprehensive countermeasures. Full-year revenues declined 16.2 percent to €1.1 billion (previous year: €1.4 billion), primarily as a result of the coronavirus pandemic and portfolio effects (including the sale of the special-interest publisher Motor Presse Stuttgart).

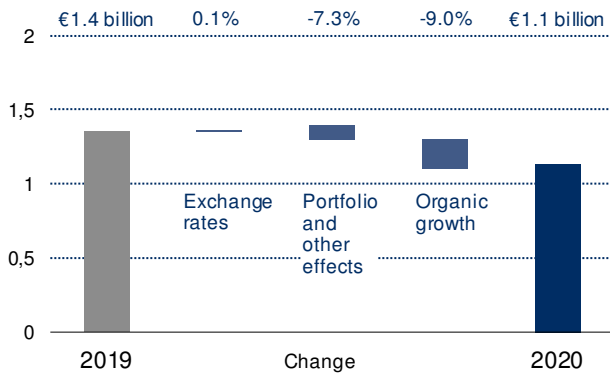
The revenue share attributable to the digital business in Germany and France increased once again to now 37 percent (previous year: 33 percent). The digital offerings of the magazine brands in Germany saw strong growth in revenues and earnings. In addition, the paid digital offerings, such as “Capital” and “Stern,” were expanded.

Despite coronavirus-related declines in the print advertising market and the closure of individual distribution channels (e.g., train stations, airports), G+J Germany’s earnings in its core business were only moderately lower year on year, thanks to active countermeasures. On the other hand, the magazine distribution business saw a positive development in both supermarket sales and subscriptions. Brands such as “Stern,” “Landlust” and “Schöner Wohnen” posted growing earnings. Territory, one of the leading content communication providers in Europe, also recorded mainly pandemic-related declines in sales and earnings.

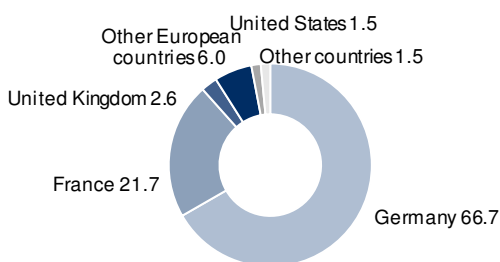
G+J France posted a strong increase in earnings despite the negative impact of the coronavirus crisis on its advertising and circulation business and the insolvency of a press wholesaler. In December, G+J and Vivendi entered into exclusive sales talks for the French magazine business Prisma Media, and both companies have signed a put option. DDV Mediengruppe’s revenues and earnings were down year on year due to the coronavirus pandemic.

G+J continued to play a large and active role in the collaboration of all Bertelsmann’s content businesses in the Bertelsmann Content Alliance. 2020 saw the development and marketing of numerous new cross-divisional formats. For example, several Bertelsmann Content Alliance media covered the publication of Barack Obama’s memoirs. And UFA Show & Factual, G+J, Penguin Random House Verlagsgruppe and Audio Alliance accompanied the biggest Arctic expedition ever exclusively for the German-speaking public, achieving excellent reach with their media offerings.

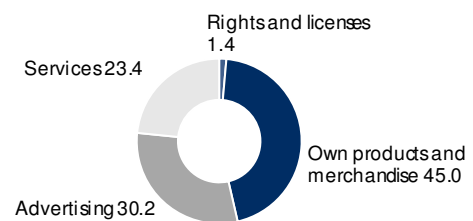
Revenue Breakdown



Revenues by Region in percent (without intercompany revenues)



Revenues by Category in percent



BMG

Bertelsmann's music division, BMG, kept both its revenues and its operating profit stable in the challenging financial year 2020. Thanks to the company's focus on digital business and strong growth in music streaming, BMG was able to offset declines due to the effective shutdown of record stores worldwide. At €602 million (previous year: €600 million), revenues were on a par with the previous year, as was operating EBITDA at €137 million (previous year: €138 million). The EBITDA margin was 22.7 percent (previous year: 23.0 percent). Digital revenue sources increased their share of BMG's total revenues to 60 percent (previous year: 56 percent).

In the recordings business, BMG releases included successful new works by Conkarah, Curtis Waters, Kontra K, KSI, Kylie Minogue and Run The Jewels. Conkarah's hit single "Banana" scored more than one billion streams worldwide by the end of the year. Kylie Minogue's "Disco" was her third number-one album in the United Kingdom with BMG, and Kontra K's "Vollmond" was his fourth consecutive number-one album with BMG in Germany.

Highlights also included the reissue of "Ace of Spades" to mark the 40th anniversary of the legendary Motörhead album, and the release of the first in a new box set series "The Iconic Song," beginning with Scorpions' "Wind of Change." New recording contracts were signed with, among many others, production duo Jimmy Jam & Terry Lewis, Pat Metheny, Julia Stone, Aloe Blacc, Sepultura and Erika Ender.

BMG's publishing business saw strong performances from the likes of singer-songwriter Lewis Capaldi, AC/DC with their international number-one album "Power Up," and The Rolling Stones, who presented their first new single in eight years with "Living in a Ghost Town." In April, Xiao Zhan's hit "Made to Love," written by BMG songwriters, became the fastest-selling digital track in Chinese music history, generating 25.5 million downloads within 24 hours.

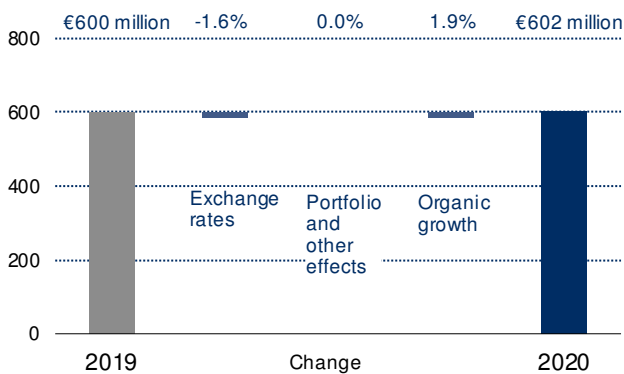
Diane Warren and Neil Finn, among others, have signed new publishing agreements with BMG. Mick Jagger and Keith Richards renewed and extended their existing contracts.

BMG made a strategic move into live entertainment by acquiring a majority stake in Undercover, an independent German concert promoter. The company also launched a boutique neighboring rights service. BMG acquired Cheyenne Records, which includes songs by the successful German girl band No Angels and other well-known artists. It also acquired all of Fleetwood Mac co-founder Mick Fleetwood's royalties in the band's recording catalogs, including iconic hits such as "Dreams."

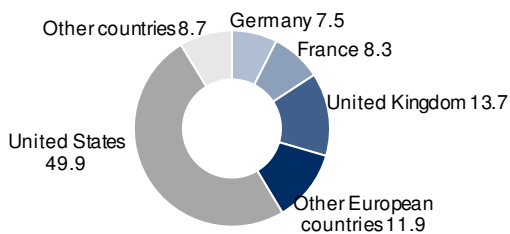
Other defining events of the financial year include the agreement of global partnerships with the British ITV Studios, a strategic content partnership with NetEase Cloud Music in China, and a cooperation agreed by BMG Production Music with the AI-based music-to-video platform MatchTune. BMG also became the exclusive partner for all musical projects of the French Ligue 1 soccer team Olympique de Marseille.

BMG further developed its fairness initiatives toward artists and songwriters. Amid the international discourse on racism, BMG launched an industry-first investigation into whether it had acquired music catalogs whose contract terms discriminate against Black artists. Initial findings and an action plan were presented at the end of the year.

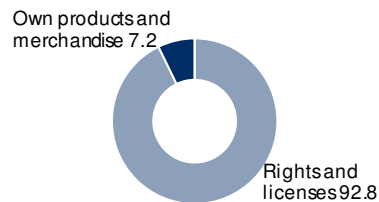
Revenue Breakdown



Revenues by Region in percent (without intercompany revenues)



Revenues by Category in percent



Arvato

Despite the economic impact of the global coronavirus pandemic, the group's services activities, pooled in the Arvato division, once again delivered an encouraging business performance in 2020. Besides the CRM company Majorel, the main drivers were all of Arvato's Solution Groups. Overall, the internationally operating services group increased both its revenues and operating profit. Revenues grew by 5.0 percent to €4.4 billion (previous year: €4.2 billion), while operating EBITDA increased by 20.5 percent to €662 million (previous year: €549 million). Arvato's EBITDA margin was 15.1 percent, compared with 13.2 percent in the previous year.

Arvato Supply Chain Solutions' logistics services businesses continued to develop positively in the period under review, especially in the areas of e-commerce and healthcare. The Solution Group was able to increase revenues organically and win new customers, with annual revenues exceeding €100 million in key sectors. It enhanced its national and international footprint by opening new sites and expanding

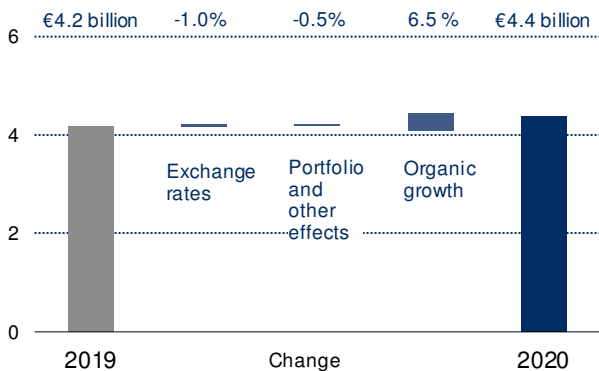
existing ones in Germany, the Netherlands, Poland, Turkey, the United States, China and Russia. At the same time, Arvato Supply Chain Solutions systematically and successfully advanced the automation of logistics processes as well as the individual companies' cloud strategy and digital transformation.

Arvato Financial Solutions' revenues and earnings also developed positively in the period under review. This was primarily supported by good business performance in the risk management and pay-after-delivery areas. The sale of 60 percent of the risk management business to the information services provider Experian was successfully completed at the end of June. In October, Arvato Financial Solutions launched an innovative platform for consumer-oriented collection management in the German-speaking countries under the Paigo umbrella brand.

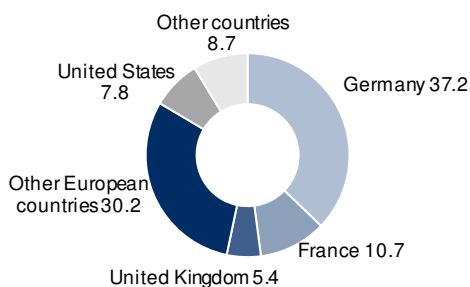
In the 2020 financial year, the IT service provider Arvato Systems was able to realize various new projects with existing customers as well as win new customers in the retail, energy and media sectors. The company also further developed its business with its own products and platforms, broadened its service portfolio in the future-oriented field of artificial intelligence (AI) and significantly expanded its important cloud business both by strengthening partnerships and by increasing its in-house cloud competencies, where it achieved very high growth rates. Arvato Systems won various business awards in the period under review, underscoring both the company's expertise and its market perception/reputation as a partner in the transformation to digital.

The CRM business unit Majorel, which is jointly operated by Bertelsmann and the Saham Group and is fully consolidated at Bertelsmann, increased its revenues and earnings in the 2020 financial year. Internationally, business with customers from the IT and high-tech sectors, among others, was expanded and an innovative communications project for a customer from the automotive industry in Germany was successfully implemented. Majorel also supported health authorities and public-sector institutions in Germany and Morocco in dealing with the coronavirus pandemic, established a new global consulting unit and acquired the French digital services provider Isilis.

Revenue Breakdown



Revenues by Region in percent (without intercompany revenues)



Revenues by Category in percent



Bertelsmann Printing Group

The internationally operating printing and marketing services provider Bertelsmann Printing Group (BPG) recorded a decline in revenues and operating profit in the 2020 financial year. The reason for this development was the continued challenging situation in the European print markets, which worsened again in the context of the coronavirus pandemic. The catalog and magazine segments, in particular, came under considerable pressure during the year; numerous orders were canceled on short notice, and others were reduced in size. Group revenues declined by 13.2 percent year on year to € 1.4 billion (previous year: € 1.6 billion). Operating EBITDA decreased by 19.8 percent to €55 million (previous year: €68 million). The EBITDA margin was 4.0 percent (previous year: 4.4 percent).

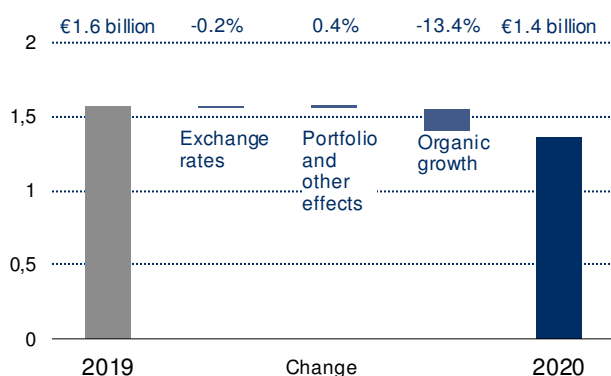
The group's printing businesses in Germany, Switzerland and Austria also registered declines due to the pandemic in 2020. Europe's leading offset printing company, Mohn Media, was only slightly down from the level of the prior-year period overall, as lower capacity utilization, particularly in the catalog and magazine segments, was largely offset by the further expansion of the brochure business and cost-cutting measures. Prinovis Germany once again experienced a significant decline in the period under review, mainly due to the planned capacity reduction at the Nuremberg site, which is to be closed, but also due to the difficult situation in the magazine segment. In contrast, GGP Media, which focuses on print solutions for book publishers, was able to extend important production contracts with major customers over the long term, gain market share and grow profitably in the financial year, bucking the market trend.

The direct marketing businesses in the German-speaking area recorded a slight decline in revenues. Dialog's multichannel marketing businesses and Campaign's campaign management services came under pressure due to the fact that advertising companies cut their marketing budgets, especially in the first few months of the pandemic. Meanwhile, the DeutschlandCard multipartner rewards program was able to profitably expand its business and grow for the fifth year running. In addition, the contracts with its three largest partners were extended long term.

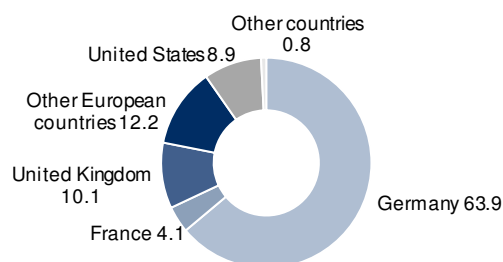
The group's printing activities in the United Kingdom were also hard hit by the economic consequences of the pandemic. Revenues and earnings declined sharply as a result of volume reductions, particularly in periodic supplements. Comprehensive countermeasures to adjust capacity made it possible to absorb part of these losses. The printing businesses in the United States stabilized after a weak first half, but overall fell short of the previous year's figures in revenues and operating profit. At the beginning of November, BPG USA acquired two book production sites from a competitor, thereby securing the long-term production needs of its major publishing customers in the United States. At almost the same time, long-term contracts were concluded with two other major publishing houses.

Revenues at the storage media manufacturer Sonopress decreased against the backdrop of a market that continued in significant decline, but yet performed better than expected. The Topac packaging printing company, which is part of the Sonopress Group, further expanded its business with sustainable packaging solutions for the food industry.

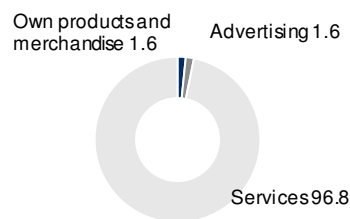
Revenue Breakdown



Revenues by Region in percent (without intercompany revenues)



Revenues by Category in percent



Bertelsmann Education Group

The Group's education businesses, which are pooled in the Bertelsmann Education Group, recorded an increase in revenues in the 2020 financial year, excluding businesses sold during the period under review. Operating income also increased. The coronavirus pandemic accelerated the shift from classroom-based to online learning, which benefited the e-learning provider Relias, the online learning platform Udacity and Alliant International University. The Bertelsmann Education Group stepped up its investments in new products and technologies in 2020, laying the foundations for long-term growth.

The division generated total revenues of €301 million, down 9.8 percent from the previous year (€333 million). In 2019, a part of the continuing education provider OnCourse, acquired earlier, was sold, followed in 2020 by the majority of the operating business of the US university service provider HotChalk. The Bertelsmann Education Group's operating EBITDA came to €89 million, putting it 5.6 percent above the previous year's result of €84 million. The EBITDA margin increased to 29.5 percent (previous year: 25.2 percent).

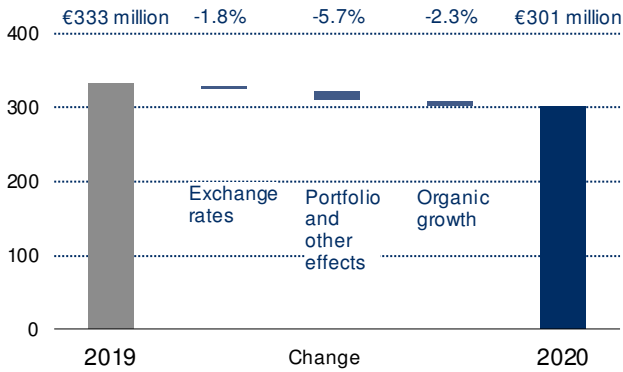
The online courses offered by Relias were in particularly high demand in 2020 and led to organic growth. Relias offered healthcare professionals across the globe COVID-19 prevention courses free of charge, as its contribution to combating the coronavirus pandemic. Relias also invested in cloud-based applications and a virtual classroom that makes it easier for the company's more than 11,000 institutional clients to conduct healthcare training online and in hybrid learning formats.

Udacity, the online learning platform in which Bertelsmann has a significant stake, launched new courses, such as Nanodegree programs in Artificial Intelligence in Healthcare, and training to become an AWS Cloud Architect or a Data Architect. At the same time, the platform saw strong demand from corporate customers seeking to offer their workforces online training to prepare for the changes resulting from digitization. In response to the coronavirus pandemic, Udacity launched an extensive scholarship program and in March offered free courses to gain digital skills and to open up new opportunities for job seekers.

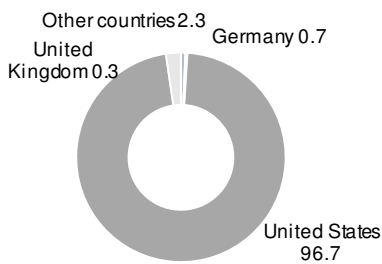
Alliant International University, which specializes in psychology and education, kept revenues stable and expanded its share of online enrollments further. Alliant's online segment now accounts for more than a third of total revenues.

As part of its three-year #50000Chances program to remedy the shortage of IT specialists, Bertelsmann again offered 15,000 scholarships for Udacity courses in the areas of cloud, data and AI during the year under review. In response, more than 60,000 applications were received from 188 countries.

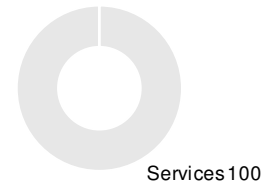
Revenue Breakdown



Revenues by Region in percent (without intercompany revenues)



Revenues by Category in percent



Bertelsmann Investments

In 2020, Bertelsmann Investments (BI) expanded its network of start-ups and funds to around 260 active investments, with a total of 44 new and 24 follow-on investments, and realized several exits. Due to currency effects and pandemic-related devaluations in the portfolio held, EBIT was €1 million (previous year: €107 million).

Bertelsmann Asia Investments (BAI) remained the most active fund in the financial year 2020, making 24 new investments, including in JOJO, an online provider of AI-assisted courses for children. This investment has strengthened BAI's footprint in the fast-growing online education sector. BAI also invested in PingCap, a next-generation open-source and cloud-native database.

In addition, the fund expanded its focus to the drug development market with investments in two AI-empowered pharma tech companies: Galixir applies AI to increase the success rate of drug development, and NeoX is an AI-supported biopharma company focused on finding new macromolecular therapeutics to treat cancer and other difficult-to-treat diseases.

BAI made follow-on investments in 11 companies, including Tomato Mart, an online and offline fresh food retailer, and Keep, an online fitness and community app founded in 2014. BAI's 2020 disposals included its entire stake in iClick, an online digital marketing tool, and a partial exit from Chinese electronics manufacturer Xiaomi, which became the world's third-largest smartphone producer in Q3 2020.

Bertelsmann India Investments (BII) focused on strengthening its portfolio with follow-on investments in eight portfolio companies, among them Shiprocket, which helps small businesses manage and track their end-to-end logistics processes; the B2B logistics solutions provider LetsTransport; and Licious, a D2C food platform for non-vegetarian products. After a successful partial exit from Eruditus, BII continues to hold a stake in the successful executive education company.

Bertelsmann Brazil Investments (BBI) recorded further M&A activity at the indirect holding Afya, the largest university group in Brazil focused on medical education. Afya now owns the SaaS company iClinic and MedPhone, an app that supports medical professionals in making faster and more accurate decisions.

Bertelsmann Digital Media Investments (BDMI) made 14 new investments, including in the customer-journey software Zephro and subscription-based video platform Hellosaurus, as well as several follow-on investments. One of the highlights was the IPO of the online advertising software PubMatic. BDMI recorded additional successful exits with the sale of the portfolio company Skimlinks to Connexity, and the sale of its stakes in SensorTower and Radish.

Bertelsmann Investments also invested in six funds, including the fund of the Berlin-based venture capital firm Greenfield One and the fund Vertex Ventures IV, which operates in Southeast Asia and India.

General Statement by Company Management on the Economic Situation

In the financial year 2020, characterized by the effects of the coronavirus pandemic, Bertelsmann benefited from the quality of its business portfolio and large share of revenues from digital business models. While the effects of the coronavirus pandemic were felt strongly in the advertising-financed and print businesses, robust performance was recorded by the book publishing business, music business, services businesses and some of the education businesses. Moreover, Bertelsmann achieved important milestones for its strategic development and continued to strengthen its businesses.

The global outbreak of the coronavirus pandemic put a considerable strain on overall economic development in the economies relevant to Bertelsmann. The assumptions on which the original forecast for 2020 was based were therefore no longer applicable for the most part. The outlook from the Annual Report 2019 was retracted in the announcement for the first quarter of 2020 and a new assessment of the trend was announced in the Interim Report 2020. Group revenues in the reporting period declined moderately by 4.1 percent to €17.3 billion from €18.0 billion the previous year, thereby corresponding to the adjusted estimates (outlook in the 2019 Annual Report: moderate increase in revenues; adjusted outlook in the Interim Report 2020: moderately to significantly declining revenues). The organic revenue decline was 1.7 percent. Operating EBITDA increased strongly by 8.9 percent to €3,143 million compared with €2,887 million in the previous year and was thereby better than the adjusted estimate at mid-year 2020 (outlook in the 2019 Annual Report: stable to slightly lower operating EBITDA / adjusted outlook in the Interim Report 2020: strong decline in operating EBITDA). At €355 million, the BVA used for Group management was also well above the previous year's figure of €89 million (outlook in the 2019 Annual Report: strongly declining BVA / adjusted outlook in the Interim Report 2020: strongly declining BVA). The major reasons for these positive deviations from the forecast are the increases in earnings at Penguin Random House and Arvato and the disposal proceeds from real estate transactions.

In the reporting period, Bertelsmann took effective measures against the pandemic all over the world, early on and at every level, in order to provide employees with the best protection possible. The Group developed good hygiene practices, canceled business trips and had employees work from home as far as possible. All challenges notwithstanding, the financial year 2020 was a time of strategic progress. Acquiring full ownership of Penguin Random House marked a key milestone. The world's largest trade book publisher is now a wholly owned group subsidiary of Bertelsmann. Another step toward strengthening the global content business was the announcement at year-end that Bertelsmann planned to acquire the US publisher Simon & Schuster. The RTL streaming services TV Now in Germany and Videoland in the Netherlands recorded a substantial increase in paying subscribers. The information service provider Experian acquired a majority stake in Arvato Financial Solutions' risk-management business in order to strengthen its joint market position. The Group strategy was further developed during the financial year 2020 and the focus was placed on five strategic growth priorities. Under the motto "Bertelsmann_next," the future focus will be on creating national cross-media champions, expanding global content and service businesses, and expanding online education businesses and investments.

Net assets and financial position remain extremely solid, thanks to proactive pandemic countermeasures. Bertelsmann's liquidity was secured early on, thanks in part to good access to the capital market. To reduce the outflow of funds, cost savings measures were initiated and investments reduced without impairing the substance of the businesses. At the same time, the Annual General Meeting of Bertelsmann resolved to suspend dividend payments in the financial year 2020. The leverage factor of Bertelsmann was 1.9, considerably lower than the previous year's level (December 31, 2019: 2.6). As of December 31, 2020, the cash and cash equivalents, reported at €4.6 billion (December 31, 2019: €1.6 billion), represent sufficient liquidity. The rating agencies Moody's and S&P currently rate Bertelsmann as

“Baa2” and “BBB,” respectively, with a stable outlook.

Alternative Performance Measures

In this Combined Management Report, the following Alternative Performance Measures, which are not defined in accordance with IFRS, are used to explain the results of operations and/or net assets and financial position. These should not be considered in isolation but as complementary information for evaluating Bertelsmann’s business situation, and they are differentiated in terms of strictly defined and broadly defined key performance indicators, in the same way as in the value-oriented management system.

Organic Revenue Growth

in percent	2020	2019
Organic revenue growth	(1.7)	1.2
Exchange rate effect	(1.0)	1.1
Portfolio effects and other effects	(1.4)	(0.3)
Reported revenue growth	(4.1)	2.0

The organic growth is calculated by adjusting the reported revenue growth for the impact of exchange rate effects, corporate acquisitions and disposals, as well as other effects. When determining the exchange rate effects, the functional currency that is valid in the respective country is used. The other effects include changes in methods and presentation, for example.

Operating EBITDA

in € millions	2020	2019
EBIT (earnings before interest and taxes)	2,276	1,825
Special items	(51)	154
attributable to: RTL Group	51	(4)
attributable to: Penguin Random House	19	13
attributable to: Gruner + Jahr	109	65
attributable to: BMG	6	12
attributable to: Arvato	(239)	19
attributable to: Bertelsmann Printing Group	86	96
attributable to: Bertelsmann Education Group	17	58
attributable to: Bertelsmann Investments	(12)	(109)
attributable to: Corporate/Consolidation	14	4
Amortization/depreciation, impairment and reversals of impairment losses on intangible assets, property, plant and equipment and right-of-use assets	1,040	1,029
Adjustments on amortization/depreciation, impairment and reversals of impairment losses on intangible assets, property, plant and equipment and right-of-use assets included in special items	(122)	(121)
Operating EBITDA	3,143	2,887

Operating EBITDA is determined as earnings before interest, tax, depreciation, amortization, and impairment losses and reversals of impairment losses, and is adjusted for special items. The adjustments for special items serve to determine a sustainable operating result that could be repeated under normal economic circumstances and is not affected by special factors or structural distortions. These special items primarily include impairment losses and reversals of impairment losses, fair value measurements, restructuring expenses and/or results from disposals of investments. This means operating EBITDA is a meaningful performance indicator. Not included in the special items are disposal effects of real estate transactions.

BVA

in € millions	2020	2019
Operating EBITDA	3,143	2,887
Amortization/depreciation, impairments/reversals of impairment losses on intangible assets, property, plant and equipment, and right-of-use assets not included in special items	(918)	(908)
Operating EBIT	2,225	1,979
Flat taxes (30 percent)	(667)	(653)
NOPAT (Net Operating Profit After Tax)	1,558	1,326
Average invested capital	16,131	16,434
Cost of capital (8 percent)	1,290	1,315
Correction Bertelsmann Investments	87	78
BVA	355	89

BVA measures the profit realized above and beyond the appropriate return on invested capital. This form of value orientation is reflected in strategic investment and portfolio planning and in the management of operations and, together with qualitative criteria, provides the basis for measuring the variable portion of management remuneration. BVA is used for control essentially at the Group level. BVA is calculated as the difference between net operating profit after tax (NOPAT) and the cost of capital. NOPAT is calculated on the basis of operating EBITDA. The NOPAT figure used to calculate BVA is determined by deducting depreciation and amortization, provided that they are not included in special items, and a flat 30 percent tax (previous year: 33 percent). Cost of capital is the product of the weighted average cost of capital (WACC) and the average level of capital invested. The uniform WACC after taxes is 8 percent. The average invested capital is calculated quarterly on the basis of the Group's operating assets less non-interest-bearing operating liabilities. BVA is determined without taking into account the Bertelsmann Investments division, since business performance is represented primarily on the basis of EBIT. Accordingly, the method does not include a NOPAT contribution from this division. To maintain consistency, the invested capital will be adjusted for the Bertelsmann Investment division; hence, capital costs will be neutralized.

Cash Conversion Rate

in € millions	2020	2019
Cash flow from operating activities	2,994	2,060
Income taxes paid	214	424
Change in provisions for pensions and similar obligations	92	95
Investments in intangible assets and property, plant and equipment (less proceeds from the sale of non-current assets)	(564)	(582)
Lease payments	(316)	(288)
Further adjustments	151	174
Operating free cash flow	2,571	1,883
Operating EBITDA	3,143	2,887
Amortization/depreciation, impairments/reversals of impairment losses on intangible assets, property, plant and equipment, and right-of-use assets not included in special items	(918)	(908)
Operating EBIT	2,225	1,979
Cash Conversion Rate (in percent)	118	97
Operating free cash flow/operating EBIT		

The cash conversion rate serves as a measure of cash generated from business activities and is calculated as the ratio of operating free cash flow to operating EBIT. The operating free cash flow is determined on the basis of the cash flow from operating activities as reported in the consolidated cash flow statement, whereby the impact of paid income taxes and the change in provisions for pensions and similar obligations on cash flow from operating activities is offset. Operating free cash flow is also reduced by investments in intangible assets and property, plant and equipment as well as lease payments, and increased by proceeds from the sale of non-current assets. Further adjustments are made to ensure an allocation of capital flows to the relevant periods, and to offset the impact of payment flows resulting from special items on the operating free cash flow in a way that is methodically consistent with operating EBITDA. Operating EBITDA is

used to calculate operating EBIT by deducting amortization and depreciation, provided that these are not included in special items. The Group aims to maintain a cash conversion rate of 90 percent to 100 percent as a long-term average.

Economic Debt

in € millions	2020	2019
Gross financial debt	6,626	5,000
Less cash and cash equivalents	(4,571)	(1,636)
Net financial debt	2,055	3,364
Less 50 percent of the par value of the hybrid bonds	(625)	(625)
Pension provisions	2,009	1,967
Profit participation capital	413	413
Lease liabilities	1,355	1,392
Economic debt	5,207	6,511

Net financial debt is calculated on the basis of gross financial debt, which comprises the balance sheet items current and non-current financial debt, minus cash and cash equivalents. Economic debt is defined as net financial debt less the 50 percent par value component of the hybrid bonds plus provisions for pensions, profit participation capital and lease liabilities. In calculating economic debt, the hybrid bonds are taken into account only at 50 percent, as both bonds are classified by the rating agencies as 50 percent equity. Economic debt is modified for the purposes of calculating the leverage factor.

Leverage Factor

in € millions	2020	2019
Economic debt	5,207	6,511
Modifications	250	250
Economic debt ^{LF}	5,457	6,761
Operating EBITDA	3,143	2,909
Modifications	(314)	(291)
Operating EBITDA ^{LF}	2,829	2,618
Leverage Factor:		
Economic debt ^{LF} /Operating EBITDA ^{LF}	1.9	2.6

One of the financial targets is a dynamic leverage factor calculated as the ratio of economic debt to operating EBITDA; this factor should not regularly exceed the defined maximum of 2.5. In determining the leverage factor, the economic debt and the operating EBITDA are modified to enable financial management that corresponds to the Group's structure. The modifications in regard to the economic debt largely relate to cash and cash equivalents, which are tied up in the Group, while the modifications in regard to the operating EBITDA address the Group's structure and its co-shareholder shares. The leverage factor determined in this way is thus always more conservative than the figure that would be obtained using only the items recognized in the balance sheet.

Significant Events after the Balance Sheet Date

In February 2021, RTL Group sold the US ad-tech company SpotX by concluding a binding agreement with Magnite. The purchase price comprises a cash component in the amount of US\$560 million (€468 million) and 14.0 million Magnite shares. The agreement accordingly implies a valuation of SpotX (100 percent) amounting to a total of US\$1.17 billion (€977 million), based on the closing price of Magnite shares on February 4, 2021. SpotX was already recognized as "assets held for sale" in the Consolidated Financial Statements as of December 31, 2020. The transaction is subject to regulatory approval. It is expected that the sale will close in the second quarter of 2021.

Bertelsmann also announced in February 2021 that Mediengruppe RTL Deutschland and Gruner + Jahr aim to explore the possibilities of closer cooperation in the future. Both companies have planned workshops for objectively evaluating various options. The goal, in addition to closer cooperation in various areas, is to develop a joint growth strategy.

Furthermore, at the start of 2021, a €100 million variable interest promissory note due in April 2023 and a €500 million bond due in May 2021 were terminated prior to maturity.

At the beginning of March 2021, Mediengruppe RTL Deutschland announced that it had signed an agreement for the acquisition of the remaining 50 percent of the shares in Super RTL from The Walt Disney Company (BVI Television Investments, Inc.).

Risks and Opportunities

Risk Management System

The purpose of the Bertelsmann risk management system (RMS) is the early identification and evaluation of, as well as response to, internal and external risks. The internal control system (ICS), an integral component of the RMS, monitors the effectiveness of the risk response measures that have been implemented. The aim of the RMS is to identify, at an early stage, material risks to the Group so that risk response measures can be taken and controls implemented. Risks are possible future developments or events that could result in a negative deviation from the outlook or objectives for Bertelsmann. In addition, risks can negatively affect the achievement of the Group's strategic, operational, reporting and compliance-related objectives and its reputation.

The risk management process is based on the internationally accepted frameworks of the Committee of Sponsoring Organizations of the Treadway Commission (COSO Enterprise Risk Management – Integrated Framework and Internal Control – Integrated Framework, respectively) and is organized in the subprocesses of identification, assessment, response, control, communication and monitoring. A major element of risk identification is a risk inventory that lists significant risks year by year, from the profit-center level upward. These risks are aggregated step by step at the division and Group levels. This ensures that risks are registered where their impact would be felt. There is also a Group-wide reassessment of critical risks every six months, and quarterly reporting in case the risk situation has changed. Ad hoc reporting requirements ensure that significant changes in the risk situation during the course of the year are brought to the attention of the Executive Board. The risks are compared to risk management and control measures to determine the net risk position. Both one- and three-year risk assessment horizons are applied to enable the timely implementation of risk response measures. The basis for determining the main Group risks is the three-year period, similar to medium-term corporate planning. Risk assessment is the product of the estimated negative impact on Group free cash flow should the risk occur, and the estimated probability of occurrence. Risk monitoring is conducted by Group management on an ongoing basis. The RMS, along with its component ICS, is constantly undergoing further development and is integrated into ongoing reporting to the Bertelsmann Executive Board and Supervisory Board. Corporate Risk Management Committee meetings are convened at regular intervals to ensure compliance with statutory and internal requirements.

The Group auditors inspect the risk early-warning system for its capacity to identify developments early on that could threaten the existence of Bertelsmann SE & Co. KGaA according to section 91(2) of Germany's Stock Corporation Act (AktG), and then report their findings to the Supervisory Board of Bertelsmann SE & Co. KGaA. Corporate Audit conducts ongoing reviews of the adequacy and functional capability of the RMS in all divisions apart from RTL Group and Majorel. The RMS of RTL Group and Majorel is evaluated by the respective internal auditing department and by the external auditor. Any issues that are identified are promptly remedied through appropriate measures. The Bertelsmann Executive Board defined the scope and focus of the RMS based on the specific circumstances of the company. However, even an appropriately designed and functional RMS cannot guarantee with absolute certainty that risks will be identified and controlled.

Accounting-Related Risk Management System and Internal Control System

The objectives of the accounting-related RMS and ICS are to ensure that external and internal accounting are proper and reliable in accordance with applicable laws, and that information is made available without delay to the various recipients. Reporting should also present a true and fair view of Bertelsmann's net assets, financial position and results of operation. The following statements pertain to

the Consolidated Financial Statements (including the Notes to the Consolidated Financial Statements and the Combined Management Report), interim reporting and internal management reporting.

The ICS for the accounting process consists of the following areas. The Group's internal rules for accounting and the preparation of financial statements (e.g., IFRS manual, guidelines and circulars) are made available without delay to all employees involved in the accounting process. The Consolidated Financial Statements are prepared in a reporting system that is uniform throughout the Group. Extensive automatic system controls ensure the consistency of the data in the financial statements. The system is subject to ongoing development through a documented change process. Systematized processes for coordinating intercompany transactions serve to prepare the corresponding consolidation steps. Circumstances that could lead to significant misinformation in the Consolidated Financial Statements are monitored centrally by employees of Bertelsmann SE & Co. KGaA and by RTL Group (for the preconsolidated subgroup), and then verified by external experts as required. Central contact persons from Bertelsmann SE & Co. KGaA and the divisions are also in continuous contact with local subsidiaries to ensure IFRS-compliant accounting as well as compliance with reporting deadlines and obligations. These preventive measures are supplemented by specific controls in the form of automated and manual analyses by the Corporate Financial Reporting department of Bertelsmann SE & Co. KGaA and RTL Group (for the preconsolidated subgroup). The purpose of such analyses is to identify any remaining inconsistencies. The controlling departments at the Group and division levels are also integrated into the internal management reporting. Internal and external reporting are reconciled during the segment reconciliation process. The further aim in introducing a globally binding control framework for the decentralized accounting processes is to achieve a standardized ICS format at the level of the local accounting departments of all fully consolidated Group companies. The findings of the external auditors, Corporate Audit and the internal auditing departments of RTL Group and Majorel are promptly discussed with the affected companies, and solutions are developed. An annual self-assessment is conducted to establish reporting on the quality of the ICS in the key fully consolidated Group companies. The findings are discussed at the divisional level. Like the RMS, each ICS cannot guarantee with absolute certainty that significant misinformation in the accounting process can be prevented or identified.

Corporate Audit and the internal auditing departments of RTL Group and Majorel evaluate the accounting-related processes as part of their auditing work. As part of the auditing process, the Group auditor also reports to the Audit and Finance Committee of the Bertelsmann SE & Co. KGaA Supervisory Board about any significant vulnerabilities of the accounting-related ICS that were identified during the audit, and the findings regarding the risk early-warning system.

Major Risks to the Group

Bertelsmann is exposed to a variety of risks. The major risks to Bertelsmann identified in the risk reporting are listed in order of priority in the table below. Details on information security risks can be found in a separate chapter further below. In line with the level of possible financial loss, the risks are classified as low, moderate, significant, considerable or endangering, for the purposes of risk tolerability. The risk inventory carried out did not identify any risks that would be classified as considerable or endangering.

Overview of Major Risks to the Group

Priority	Type of risk	Risk Classification				
		Low	Moderate	Significant	Considerable	Endangering
1	Cyclical development of economy			■		
2	Changes in market environment			■		
3	Legal and regulatory risks			■		
4	Customer risks			■		
5	Supplier risks			■		
6	Pricing and discounting			■		
7	Audience and market share			■		
8	Financial market risks		■			
9	Employee-related risks	■				
10	Technological challenges	■				

Risk classification (potential financial loss in three-year period): low: < €50 million, moderate: < €100 million, significant: < €250 million, considerable: < €500 million, endangering: > €500 million.

■ Existing risks

Given the diversity of the businesses in which Bertelsmann is active, and the corresponding diversity of risks to which the various divisions are exposed, the key strategic and operational risks to the Group that have been identified are specified below. Risks from acquisitions and information security risks were identified as the primary risks, and are therefore described separately. This is followed by an outline of legal and regulatory risks and financial market risks. These risks are largely managed at the corporate level.

Strategic and Operational Risks

The global economy was severely impacted at the beginning of 2020 by the coronavirus pandemic and the heightened measures put in place to prevent infections. After a historic decline in the spring, the global economy recovered significantly in the summer, yet started to lose dynamic toward the end of the year. Overall, global economic activity shrank by 3.8 percent in 2020 compared to a growth of 3.0 percent in 2019. The future trend is subject to a particularly high degree of uncertainty. However, it is expected that the coronavirus pandemic will not permanently impact the global economy. In view of this, it is projected that global business activities will significantly recover next year. Bertelsmann's business development is also subject to other macroeconomic risks. Even though the European Union and the United Kingdom were able to finalize a trade and cooperation agreement just before the deadline, it is too early to assess the long-term consequences of this Brexit agreement. Bertelsmann continues to observe and analyze the exit process and will take various measures, depending on the business involved, to mitigate risk. In 2020, the outbreak of the coronavirus pandemic led to an overall economic downturn that had an impact on Bertelsmann's businesses, especially the advertising-financed businesses of RTL Group and Gruner + Jahr. In addition, the structural decline in the printing businesses has been accelerated even further. Even though it is expected that GDP will recover in the countries most relevant for Bertelsmann, strong uncertainty still remains regarding the future course of the pandemic and the related macroeconomic recovery. The coronavirus pandemic as well as any other pandemic or epidemic can have a negative impact on Bertelsmann's earnings performance and financial position as well as on cash flow. In addition to risks associated with economic developments and changes in the market environment, significant Group risks in the short to medium term include legal and regulatory risks, customer and supplier risks, pricing and margin risks, and a loss of audience and market share. How these risks develop depends to a large extent on changes in customer behavior due to factors such as the continued digitization of media, the development and implementation of products and services by competitors, bad debt losses, and default and interference along the production chains in individual sectors such as IT. These trends have accelerated in connection with the coronavirus pandemic. Financial market risks are moderate for Bertelsmann, while risks related to employees and future technological challenges are classified as low in the three-year period under review.

A substantial risk for RTL Group is the dependency of the advertising market on the economic situation. If the coronavirus pandemic continues, it may lead to an accelerated decline in the advertising market, with direct effects on RTL Group earnings. RTL Group responds to such economic downturns with ongoing monitoring of market development, planning various scenarios and strict cost control. Furthermore, RTL Group aims to widen its earning base by finding sources of income that are not dependent on advertising. Increasing competition and constant change, particularly in the digital environment, are resulting in a stronger fragmentation of RTL Group's markets as audiences increasingly use non-linear TV products amid a growing number of streaming services due to lowering of market-entry barriers. The possible risks of this for RTL Group are decreasing audience and advertising market shares of its advertising-financed channels and therefore, ultimately, lower revenues. To counter these risks, RTL Group is continuously revising and developing the channel and program strategies. By linking traditional, linear offerings with new digital business models and by strengthening existing investments in the online video market and in advertising technologies, RTL Group counters risks from digitization while actively influencing this development. Increasing competition in the area of program acquisition and TV production, and the growing dependence on individual production companies, coupled with the risk of potential cost increases, could also impact RTL Group's ability to generate revenues. This risk is being reduced by expanding the share of in-house productions in the program – in particular of local content. To reduce the risk of customer losses, advertising packages with cooperation partners are offered, as well as pursuing the basic aim of establishing long-term customer relationships.

The possibility of changing business models in the audiobook segment constitutes a risk for Penguin Random House. Due to the changing retail landscape, another risk is declining sales volumes in brick-and-mortar book retail. Penguin Random House is addressing these risks by introducing differentiated pricing, increasing online sales of physical books and audiobooks, and continuously examining alternative selling and marketing options. Any risks of bad debt loss are being limited through debtor management, and in some cases through credit insurance. Procurement risks due to capacity shortfalls at printing companies carrying out orders are countered by continually prioritizing and securing additional printing capacities. In addition to the risk of cost increases, Penguin Random House is finding itself exposed to risks from economic uncertainty, which could lead to lower sales. The risks are addressed through careful management of supplier relationships and innovative marketing activities, and by maintaining a flexible cost structure that allows for a quick response in the event of an economic downturn.

For Gruner + Jahr, the possibility of a deterioration of the overall economic environment in the context of the coronavirus pandemic and the resulting declines in advertising and circulation revenues, as well as the continuously changing conditions in the digital business, represent significant risks. A changing market environment, marked by product innovations and increased consolidation of agencies and marketers, is confronted with a widespread decrease in demand for print products, which as a result of pressure on prices and conditions can lead to lower margins. Furthermore, there is the risk of losing key customers as advertising customers could switch to other media, notably digital media, for example. Due to these developments, subsequent risks such as bad debt losses or service limitations are possible, because service providers in the areas of distribution or manufacturing could restrict or discontinue their products. The risks are being countered by cost and customer management; the development of new – in particular, digital – forms of offerings; product, price and quality improvements; and scenario analyses.

Risks that affect BMG concern the client portfolio, in particular the contract extension with artists and authors as well as contractual relationships with business partners concerning the physical and digital distribution of film, TV, advertising and live concerts. There are also risks in connection with corporate growth, especially for business integration and scaling of the technical platform and organization. Market risks are addressed through high revenue diversification across clients and catalogs, segments and revenue sources, as well as regions. Furthermore, measures for minimizing risk include contractual protection clauses to secure advance payments made and receivables management to realize prepayments received and minimum revenue guarantees.

Arvato sees itself as particularly exposed to risks from customer and supplier relationships. The risk of loss of key customers is being countered through contracts offering comprehensive service packages with simultaneously flexible cost structures. On the supplier side, there are risks associated with the availability of services. Countermeasures include an active exchange with existing suppliers and entering into long-term framework agreements. New competitors entering the market could intensify the competitive pressure and lead to lower margins. By developing the range of services, the aim is to improve the competitive position and increase customer loyalty through integrated solutions. Moreover, new legislation could have a negative impact on business models. This risk is mitigated by observing

legislative developments and adjusting business processes. A worsening of the economic environment could result in declining revenues and thus lower margins, which would necessitate cost-cutting measures and capacity downsizing. Broad diversification across regions and sectors helps to reduce this risk.

For Bertelsmann Printing Group, the most significant risks are the possible need for further capacity adjustments, made necessary by a deterioration in business development and existing or growing overcapacities in the print market. The loss of customers is also perceived as an additional risk. In addition, price and margin pressures result from the market environment, which is characterized by overcapacity. Furthermore, deterioration in the economic environment may also lead to declining circulations or even product discontinuation. There are risks on the supplier side associated with rising raw material prices – particularly for paper, color and energy. Digital substitution accelerated once again in 2020 due to the coronavirus pandemic, constituting another factor in the decline in circulations and the number of pages per issue, in particular in the magazine and catalog print segments. Risk minimization strategies are based, in particular, on the expansion of innovative print and marketing services, ongoing initiatives to sign up large customers and constantly optimizing cost structures and processes.

For Bertelsmann Education Group, increasing competition from other training providers, particularly in the US healthcare market, could lead to growing price and margin pressure and negatively impact the planned growth targets. These risks are being countered in particular through strategic partnerships, long-term customer agreements and marketing measures.

The key risks for Bertelsmann Investments consist of falling portfolio valuations and a lack of exit opportunities. These risks are being addressed through a standardized investment process and the continuous monitoring of investments.

The increasing pace of change in the markets, accelerated even more by the coronavirus pandemic, and in Bertelsmann's business segments means employees will need to be more willing and able to adapt in the future. There are also continuing demographic risks that impact the recruitment, development and retention of talent as a result of shifts in the age distribution of the workforce. To counteract this, employees are being offered further individual education, comprehensive health programs, a competitive salary and flexible working models. Bertelsmann is also enhancing its talent management by pushing forward on digitizing the recruiting process and making it easier for employees to switch jobs within the Group by harmonizing processes and structures.

Acquisition-Related Risks

The Group strategy focuses on acquisitions of businesses and organic growth. The risk of potential mistakes when selecting investments and allocating investment funds is limited by means of strict investment criteria and processes. Acquisitions present both opportunities and risks. For example, integration into the Group requires one-time costs that are usually offset by increased benefits in the long term, thanks to synergy effects. The risks here are that the integration costs may be higher than expected or the predicted level of synergies may not materialize. The integration processes are therefore being monitored by management on an ongoing basis.

Information Security Risks

For Bertelsmann, the ability to provide information in a timely, complete, error-free and confidential way, and to process it without disruptions, is crucial to its success and is becoming increasingly important. Bertelsmann has addressed this tougher operating environment at the management level by operating an Information Security Management System (ISMS, based on ISO 27001) for structured management of cyber risks across the Group and to monitor compliance with minimum Group standards. In order to have access to both modern cyber security technologies and specialist expertise in emergencies, Bertelsmann maintains a network of external partners and is a member of the German Cyber Security Organization (Deutsche Cyber-Sicherheitsorganisation: DCSO). Furthermore, Bertelsmann addresses the increased risk with specific measures that directly strengthen resilience in cyber security – for example, by supporting the activities of Security Operations Centers and authentication technologies. An indicative assessment of risks to information security was conducted in the financial year 2020 on the basis of the method used to assess operative Group risks. The results indicate that information security risks are moderate, analogous to the categorization of major Group risks.

Legal and Regulatory Risks

Bertelsmann, with its worldwide operations, is exposed to a variety of legal and regulatory risks concerning, for example, litigation or varying interpretations of tax assessment criteria. Bertelsmann has television and radio operations in several European countries that are subject to regulation. In Germany, for example, the media is subject to oversight by the Commission on Concentration in the Media. Moreover, education activities are subject to regulatory provisions of government authorities and accreditation bodies. Some of the financial services activities are subject to banking supervision regulations. Bertelsmann Group companies occupy leading market positions in many lines of business, and may therefore have limited potential for growth through acquisition due to antitrust legislation. Other risks include litigation relating to company acquisitions and disposals, as well as increased data protection regulations leading to growing challenges, especially for data-based business models. These risks are being continuously monitored by the relevant divisions within the Group.

Several subsidiaries of RTL Group are being sued by the broadcaster RTL 2 Fernsehen GmbH & Co KG and its sales house El Cartel Media GmbH & Co KG before the regional court in Düsseldorf, Germany, seeking disclosure of information to substantiate a possible claim for damages. The proceedings follow the imposition of a fine in 2007 by the German Federal Cartel Office for abuse of market dominance with regard to discount scheme agreements (share deals) granted by IP Deutschland GmbH and SevenOne Media GmbH to media agencies. The German Federal Cartel Office argued that these discounts would foreclose small broadcasters from the advertising market. In 2014, the district court of Düsseldorf decided to order an expert report. The expert concluded in February 2018 that the likelihood of damages cannot be proven with certainty. In July 2018, RTL 2 Fernsehen GmbH & Co KG filed a motion claiming that the expert was not impartial, with the aim of getting the court to obtain a new expert opinion. IP Deutschland has rejected the motion of lack of impartiality as unfounded. In May 2019, the court announced it would give the expert the opportunity to comment on the motion of lack of impartiality. Because the expert died in February 2020, an expert opinion was not submitted. The court stated that it would appoint a new expert. It is expected that the process of appointing a new expert and the preparation of the expert opinion will take two to three years. It could ultimately take 15 to 20 years after filing (2008) for a final judgment to be handed down. The court case will continue. Similar proceedings from other small broadcasters, initiated in different courts, were unsuccessful or have been withdrawn.

In June 2016, the main competitors of Fun Radio alleged that a host of the morning show had influenced Fun Radio's results by encouraging his listeners to give favorable treatment to Fun Radio in the Médiamétrie surveys. In response to these allegations, Médiamétrie decided to remove Fun Radio from its surveys. Following a legal procedure initiated by Fun Radio, Médiamétrie was required to reinstate Fun Radio in the audience results surveys as of September 2016. Nevertheless, Médiamétrie decided to lower Fun Radio's audience results in its published surveys, alleging the existence of a "halo effect." Following a procedure initiated by Fun Radio, a judicial expert was appointed in December 2017 to examine Médiamétrie's assessment of the alleged halo effect. The judicial expert issued in September 2019 his final report, which confirmed the halo effect but assessed that Fun Radio's results were overcorrected. As of September 2017, Médiamétrie has again published the full audience results for Fun Radio. In parallel to the above procedure, the main competitors of Fun Radio also filed, in December 2016, a claim for damages, claiming unfair competition, but this procedure was suspended until the end of the judicial expertise and will restart in the course of the first quarter of 2020. In the meantime, four of the six claimants withdrew their claim from the proceedings. Negotiations on a settlement with the two remaining claimants failed in late July 2020. For this reason, the court case will continue.

On February 22, 2018, the Spanish Competition Authority (CNMC) communicated to Atresmedia the opening of a proceeding for sanctions in relation to possible practices restricting competition prohibited by article 1 of the Spanish Competition Act. On February 6, 2019, the CNMC notified the Statement of Objections in which it assumes proven that specific commercial practices by Atresmedia are restrictive of competition. On May 28, 2019, the department of the competition authority responsible for the investigation submitted a proposal for a decision which included a proposed fine of €49.2 million. Atresmedia submitted its observations on the proposed decision on June 28, 2019. On November 12, 2019, the CNMC Board announced its decision and imposed a fine of €38.2 million. On January 10, 2020, Atresmedia filed an application for judicial review against the decision with the competent court. On October 21, 2020, the court entered a judgment regarding the appeal filed by Atresmedia against the CNMC on November 12, 2019. The court accepted the appeal filed by Atresmedia for temporary suspension of payment of fines, subject to security to be paid within two months. The court denied the petition filed by Atresmedia requesting that it be released from the obligation of complying with the CNMC order. The order requests discontinuation of certain business practices. The court argued that compliance with the order was in the public interest and served to restore competition.

in this sector. Atresmedia is researching with external legal advisors whether it should appeal against the court's judgment on the CNMC order. The prospects of success are perceived to be very slim. Furthermore, the Spanish association Forta is assessing whether it should also file for damages due to lost profit as a result of the sales practices of Atresmedia and Mediaset España. Atresmedia remains convinced that the decision made by the CNMC is not sufficiently justified and expects a positive outcome. The prospects of success are based, inter alia, on the outdated definition of the advertising market used by the CNMC.

In November 2020, Penguin Random House announced the acquisition of the book publisher Simon & Schuster from the media company ViacomCBS. The transaction is subject to the approval of various antitrust authorities. The transaction is expected to close during the course of 2021. In the event that the acquisition is completely prohibited, Penguin Random House has contractually agreed to payment of a breakup fee.

Foreign direct investments in the People's Republic of China are subject to regulatory restrictions. To satisfy local requirements, some of Bertelsmann's activities in China are held by trustees. Bertelsmann has agreements with these trustees for securing Bertelsmann's rights. These types of arrangements (called Variable Interest Entities (VIE) Structures) are standard market practice for investments in China. However, these structures are rarely the subject of legal disputes in China, which means that there is a certain risk that it will not be possible to safeguard VIE structures through the courts, particularly if the People's Republic changes its policies or if courts and authorities change their case law or administrative practice toward investments by foreigners (particularly in respect to VIE structures). On January 1, 2020, a law regarding foreign investment (PRC Foreign Investment Law: FIL) entered into force. This FIL replaces existing laws on the regulation of foreign investment in China. This affects companies that are wholly owned by foreign companies, Chinese-foreign contractual joint ventures and Chinese-foreign equity joint ventures. However, VIE structures are not addressed in the FIL. Accordingly, it is expected that this structure will retain its status quo, meaning it will continue to be unregulated. Furthermore, the FIL requires fair access to the market and equal treatment of foreign investment companies, and stipulates that these companies' corporate governance is subject to Chinese company law, with a transition period of five years. There are currently no indications that VIE structures will be subject to stricter regulation in the future. S&P Global Ratings has accordingly adjusted its risk assessment for VIE structures in China, and expects the probability of regulatory action against VIE structures to have diminished. Furthermore, VIE structures may now be listed on the Shanghai stock exchange. Bertelsmann lawyers and external legal counsel are working closely with the Group legal department to follow developments related to the FIL to be able to anticipate legal and economic issues early on. This affects companies within BMG, Arvato and Bertelsmann Education Group, as well as investments by Bertelsmann Asia Investments (BAI).

Aside from the matters outlined above, no further significant legal and regulatory risks to Bertelsmann are apparent at this time.

Financial Market Risks

As an international corporation, Bertelsmann is exposed to various forms of financial market risk, especially interest rate and currency risks. These risks are primarily monitored centrally by the Finance Department on the basis of guidelines set up by the Executive Board. Derivative financial instruments are used solely for hedging purposes. Bertelsmann uses currency derivatives mainly to hedge existing foreign currency risks from future obligations. Some firm commitments denominated in foreign currency are partially hedged when they are made, with the hedged amount being adapted over time. A number of subsidiaries are based outside the eurozone. The resulting translation risk to the leverage factor (ratio of economic debt to operating EBITDA) is managed by aligning the leverage factors for the USD and GBP in the long term with the maximum permitted for the Group. Foreign currency translation risks arising from net investments in foreign entities are not hedged. The cash flow risk from interest rate changes is centrally monitored and controlled as part of interest rate management. The aim is to achieve a balanced ratio of different fixed-interest rates through the selection of appropriate maturity periods for the originated financial assets and liabilities affecting liquidity, and through the ongoing use of interest rate derivatives. The liquidity risk is regularly monitored on the basis of the budget planning. The syndicated loan and appropriate liquidity provisions form a sufficient risk buffer for unplanned payments. Counterparty risks exist in the Group in respect to invested cash and cash equivalents, as well as in case a counterparty to derivative transactions defaults. Transactions involving money market securities and other financial instruments are exclusively conducted with a defined group of banks with high credit ratings. Within the guidelines, a risk limit specified by the Executive Board has been issued for financial assets and derivatives for each counterparty. Compliance with this limit is regularly monitored by the Finance Department. The guidelines concerning the investment of cash and cash equivalents are continuously monitored and extended if necessary. Financial investments are made on a short-term basis, so that the investment volume can be reduced if the

credit rating changes. Compared with the situation at the end of 2019, the financial market risks have grown to a moderate level. The setup of a strategic and anticipatory liquidity reserve in the wake of the coronavirus pandemic creates an increased risk related to investing the liquidity.

General Statement on the Risk Situation

The risks identified in the financial year 2020 are not endangering. Neither are there any substantial discernible risks that could threaten the existence of the Group.

The overall risk situation is above the previous year's level. The pandemic has created significant challenges, in particular the risks in connection with economic development and a changing market environment. In particular, legal and regulatory risks, customer and supplier risks, pricing and margin risks and possible loss of audience and market share at RTL Group still constitute the key challenges. However, as a result of the diversification of Group businesses, there are no concentration risks stemming from dependency on individual business partners or products in either procurement or sales. The Group's financial position is solid, with liquidity needs covered by existing liquidity and available credit facilities.

Opportunity Management System

An efficient opportunity management system enables Bertelsmann to secure its corporate success in the long term, and to exploit potential in an optimal way. Opportunities are possible future developments or events that could result in a positive deviation from the outlook or objectives for Bertelsmann. The opportunity management system is, like the RMS, an integral component of business processes and company decisions. During the strategy and planning process, significant opportunities are determined each year from the profit-center level upward, and then aggregated step by step at the division and Group levels. By systematically recording them on several reporting levels, opportunities that arise can be identified and exploited at an early stage. This also creates an interdivisional overview of Bertelsmann's current opportunities. A review of major changes in opportunities is conducted at the division level every six months. In addition, the largely decentralized opportunity management system is coordinated by central departments in the Group in order to derive synergies through targeted cooperation in the individual divisions. The interdivisional experience transfer is reinforced by regular meetings of the GMC.

Opportunities

While the above-mentioned opportunities associated with positive development may be accompanied by corresponding risks, certain risks are entered into in order to be able to exploit potential opportunities. This link to the key Group risks offers strategic, operational, legal, regulatory and financial opportunities for Bertelsmann.

Strategic opportunities can be derived primarily from the Group's further strategic development (see the section "Strategy"). In particular, there are opportunities in some cases for exploiting synergies as a result of the strategic portfolio expansions. There are individual operating opportunities in the individual divisions, in addition to the possibility of more favorable economic development.

For RTL Group, a better-than-expected development of the TV advertising markets, as well as higher audience and advertising market shares, are major opportunities. Furthermore, the increasing digitization and fragmentation of the media landscape are opening up opportunities. Professionally produced content can be distributed across multiple platforms nationally and internationally. New revenue streams could be generated by exploiting existing TV content across different platforms, and by creating native digital content. Also, the increased presence in the digital sector provides opportunities for online video advertising sales on all devices and platforms, and growing subscriber-based revenues in the on-demand business. Other opportunities can be found in target-group marketing of the Group's own inventory (addressable advertising) and advertising technology products for third parties. In addition, stepping up distribution of new technologies such as UHD/4K could contribute to greater revenue growth in the platform business.

Penguin Random House is the world's largest trade book publisher. Its position enables the publishing group to attract new authors and book projects to potentially grow its market share. The group is well positioned to invest in new markets and diverse content worldwide to take advantage of increasing interest in long-form reading, and to thereby offer its content to the widest possible readership. In general, the digital evolution transforming book markets offers the potential for new product development, and broader and more efficient marketing channels as well as better accessibility to the backlist. Digital audiobooks are experiencing growth worldwide, while new technologies could make books more appealing and bring book content to wider audiences. New online tools and platforms are expanding opportunities for author engagement with readers.

For Gruner + Jahr, a better development of the advertising and sales markets represents significant opportunities. The transformation is providing further opportunities due to the development of new businesses related to the published brands. There are opportunities for growth, particularly in the development and expansion of digital activities and in cooperation with other publishers and marketers. In terms of marketing, G+J could gain new customers through new forms of advertising in the online, mobile, video and podcast channels.

BMG's focus is on organic growth through the signing of additional artists and songwriters. There may also be opportunities for selective acquisitions of music catalogs. The growing international market penetration of subscription-based music streaming services offers opportunities to expand the recorded-music and music-publishing markets.

At Arvato, interdivisional cooperation and major projects can provide additional opportunities for acquiring new customers. The global e-commerce market will continue its dynamic growth over the next few years. Arvato could participate significantly in this growth through new services, particularly those offered by the Supply Chain Solutions and Financial Solutions areas. Further growth opportunities from ongoing digitization lie in the development of innovative IP-based and cloud-based IT services.

Bertelsmann Printing Group businesses may decline less steeply through additional volumes of existing and new customers. Furthermore, increased consolidation in the market could result in an additional strengthening of Bertelsmann Printing Group's own competitive position.

The education business is being developed as Bertelsmann's third earnings pillar, alongside the media and service businesses. In particular, a further shift away from traditional classroom-based delivery methods toward online and skill-based training offers further growth opportunities for the education business. The growing online education market also offers organic growth opportunities for Bertelsmann Education Group businesses. For example, Relias has the potential to grow more rapidly than expected through additional learning content and platforms for hospitals.

For Bertelsmann Investments fund activities, there is the opportunity to realize higher-than-expected profits, thanks to increasing portfolio valuations or through the disposal of investments.

The current innovation efforts detailed in the section "Innovations" offer further potential opportunities for the individual divisions.

Other opportunities could arise from changes to the legal and regulatory environment.

The financial opportunities are largely based on a favorable development of interest and exchange rates from Bertelsmann's point of view.

Outlook

Anticipated Overall Economic Development

Bertelsmann anticipates that economic conditions will develop as follows in 2021. After a historic decline in the economy, the global economy should expand strongly again in the following year. The global economic recovery slowed down in the winter of 2020/2021 due to another wave of infection, but the long-term upward trend remains intact. As the rate of immunization increases and the measures for fighting the pandemic are lifted, economic activity will continue to pick up in the course of the year. In its outlook from December 2020, the Kiel Institute for the World Economy (IfW) estimates that global production will increase by 6.1 percent in 2021, compared to a decline of 3.8 percent in 2020.

The economic recovery in the eurozone is expected to progress consistently. The IfW estimates real economic growth of 4.9 percent in 2021. The IfW expects GDP for Germany to grow by 3.1 percent in real terms. The growth rate in France is expected to be 6.3 percent in real terms. For the United Kingdom, GDP is expected to rise by 6.5 percent in real terms in 2021. In the United States, a return to positive growth rates is also expected; the forecast for 2021 is real economic growth of 3.7 percent.

Anticipated Development in Relevant Markets

The worldwide media industry is primarily influenced by global economic developments and the resulting growth dynamic. The continued trend toward digitization of content and distribution channels, changes in media usage and the increasing influence of emerging economies will continue to present risks and opportunities in the years to come. With its strategic focus, Bertelsmann expects to benefit to an increasing extent from the resulting opportunities. Through its businesses, Bertelsmann operates in a variety of different markets and regions whose developments are subject to a range of factors and that do not respond in a linear fashion to overall economic tendencies. The following takes into account only those markets and regions that are large enough to be relevant for forecasting purposes and whose expected development can be appropriately aggregated and evaluated, or that are strategically important from a Group perspective.

In 2021, the TV advertising markets are projected to show slight growth in Germany; significant growth in France, the Netherlands and Hungary; and strong growth in Belgium and Spain. The streaming markets in Germany and the Netherlands are expected to continue growing strongly. The book markets are expected to remain stable overall. In 2021, in the magazine business in Germany, a strong decline is expected in the print advertising markets, as well as a significant decline in the circulation markets, while continued strong growth is expected in the digital segment. In the relevant music market, the publishing market segment is expected to decline significantly, whereas strong growth is projected for the recordings market segment. Service markets will likely show moderate growth in 2021, with the exception of the financial services market. The gravure market in Europe is expected to continue its strong decline in 2021, a significant decline is expected for the offset market in Europe, and a slight decline is expected in the book printing market in North America. Overall, sustained moderate to strong growth is anticipated for the relevant US education markets.

Expected Business Development

The following assessments are subject to a particularly high degree of uncertainty. It is only possible to assess the direction of the pandemic and its economic consequences in the short term, therefore making it hard to sufficiently predict the future. This limited unpredictability is currently a challenge when trying to assess the effects on the markets relevant to Bertelsmann and the anticipated overall economic situation. In addition, geopolitical crises, national deficits, currency turbulence or the introduction of higher tariffs as a result of rising protectionist tendencies could interfere with economic performance. The resulting developments could also adversely affect the overall economic situation, which is a key factor influencing Bertelsmann's business performance. Accordingly, the following expectations are based on the assumption of a recovery in the overall economic situation, and an assumption that most of the forecasted market developments and economic predictions of the research institutions will be realized.

For the financial year 2021, Bertelsmann anticipates that business development will be driven by a recovery of the European TV advertising markets and by stable book markets, as well as by mostly growing service, music and online education markets. The growth stimuli created through strategic portfolio expansions will continue to have a positive impact on Bertelsmann's growth profile.

In addition to the assumed market developments, the predicted economic developments in the geographic core markets of Western Europe and the United States are the basis of the expected business development. With revenue and earnings share within the eurozone currently expected at around two-thirds, the range of growth is above all based on the forecasted real and nominal economic development in this economic zone. The IfW therefore predicts that GDP in the eurozone will increase by 4.9 percent in real terms, while the International Monetary Fund expects growth of 4.2 percent for 2021. In view of these economic expectations and under the assumption that infection rates do not rise again, Bertelsmann expects revenues to show a moderate increase in the financial year 2021. Operating EBITDA in the financial year 2021 is expected show a stable performance excluding the disposal proceeds from real estate transactions achieved in 2020 and in consideration of continued expenses for the streaming segment as well as investments in tech & data. However, taking into account disposal proceeds from real estate transactions achieved in financial year 2020, operating EBITDA as well as BVA are expected

to decline strongly in the financial year 2021. These expectations are based on operational planning for the financial year 2021 and on the exchange rates as of November 2020.

The operating earnings of RTL Group will be strongly above the previous year's figure as the European TV advertising markets are expected to recover. Otherwise, the expected performance of any individual division of key significance for the Bertelsmann Group is not expected to deviate significantly from that of the Group.

Depending on how the economy develops, Bertelsmann does not currently anticipate interest rate changes to have any material impact on the average financing costs of medium- to long-term financing. The liquidity situation in the forecast period is expected to be sufficient.

These forecasts are based on Bertelsmann's business strategy, as outlined in the section "Corporate Profile." In general, the forecasts reflect careful consideration of risks and opportunities. All statements concerning potential future economic and business developments represent opinions advanced on the basis of the information that is currently available. Should underlying assumptions fail to apply and/or further risks arise, actual results may differ from those expected. Accordingly, no assurances can be provided concerning the accuracy of such statements.

Notes to the Financial Statements of Bertelsmann SE & Co. KGaA (in accordance with HGB, German Commercial Code)

In addition to the Group reporting, the business development of Bertelsmann SE & Co. KGaA is outlined below. Bertelsmann SE & Co. KGaA is the parent company and group holding company of the Bertelsmann Group. As a group holding company, it exercises key corporate functions such as the definition and further development of group strategy, capital allocation, financing and management. There are also service functions for individual divisions within the Corporate Center. Furthermore, it is the controlling company of the tax group for most of the domestic subsidiaries. The position of Bertelsmann SE & Co. KGaA is essentially determined by the business success of the Bertelsmann Group.

The Annual Financial Statements of Bertelsmann SE & Co. KGaA, in contrast to the Consolidated Financial Statements, have not been prepared in accordance with the International Financial Reporting Standards (IFRS), but in accordance with the regulations of the German Commercial Code (HGB) and the supplementary regulations of the German Stock Corporation Act (AktG).

Results of Operations of Bertelsmann SE & Co. KGaA

Income Statement of Bertelsmann SE & Co. KGaA in accordance with HGB

in € millions	2020	2019
Revenues	109	113
Other operating income	398	189
Cost of materials	(29)	(31)
Personnel costs	(147)	(159)
Amortization, depreciation and write-downs	(20)	(23)
Other operating expenses	(258)	(225)
Income from other participations	731	663
Interest income	(70)	(67)
Write-downs of long-term financial assets	(65)	0
Taxes on income	(212)	(60)
Earnings after taxes	437	400
Other taxes	(2)	(3)
Net income	435	397
Income brought forward	663	461
Transfer to other retained earnings	(200)	(195)
Net retained profits	898	663

The results of operations of Bertelsmann SE & Co. KGaA are significantly affected by the amount of income from other participations, due to Bertelsmann SE & Co. KGaA's role as the parent company of the Bertelsmann Group. The increase in net income to €435 million (previous year: €397 million) is primarily attributable to the increase in other operating income and in income from participations. In contrast to this, the increase in taxes on income impacted the development in net income.

The change in other operating income is attributable to the proceeds from the disposal of a plot of land and a building as well as the increase in foreign currency gains. The increase of €33 million in other operating expenses is largely attributable to an increase in loss allowances on receivables by €46 million, expenses in connection with financing of a subsidiary in the amount of €28 million and restructuring expenses in the amount of €13 million. This was offset by the decline of €52 million in expenses from warranty contracts.

Income from other participations is primarily affected by the amount of income from a profit and loss transfer agreement with Bertelsmann Capital Holding GmbH, Gütersloh. Mainly as a result of the effects of the coronavirus pandemic on the business activities of RTL Group GmbH, Cologne, and its subsidiaries, the amount of income coming from the profit and loss transfer agreement with this company dropped by €294 million. This decline was partially compensated for by the increase in income coming from the profit and loss transfer agreements of other subsidiaries attributable to positive effects from a corporate transaction and sales of buildings.

Other interest income and similar income as well as other income expenses and similar expenses included in the item "Interest income" increased by €31 million and €38 million, respectively. Due to an increase in financing extended to subsidiaries, other interest income and similar income rose. The increase in other income expenses and similar expenses is largely attributable to the issue of bonds and promissory notes.

Write-downs of long-term financial assets in the amount of €60 million mainly pertain to a write-down of shares in Gruner + Jahr GmbH, Hamburg.

The taxes on income increased to €-212 million in the 2020 financial year (previous year: €-60 million) as a result of increased taxable income of the tax group.

Net Assets and Financial Position of Bertelsmann SE & Co. KGaA

Balance Sheet of Bertelsmann SE & Co. KGaA in accordance with HGB (Summary)

in € millions	12/31/2020	12/31/2019
Assets		
Fixed assets		
Intangible and tangible assets	365	369
Long-term financial assets	17,665	16,924
	18,030	17,293
Current assets		
Receivables and other assets	4,987	4,540
Securities, cash and cash equivalents	2,476	513
	7,463	5,053
Prepaid expenses and deferred charges	20	20
	25,513	22,366
Equity and liabilities		
Equity	10,283	9,848
Provisions	736	570
Liabilities	14,488	11,944
Deferred income	6	4
	25,513	22,366

The total assets of Bertelsmann SE & Co. KGaA increased from €22,366 million in the previous year to €25,513 million. This development is largely attributable to financing measures and measures taken to secure liquidity. A high ratio of equity (40 percent) and long-term financial assets (69 percent) to total assets continues to characterize net assets and financial position.

The change in long-term financial assets is attributable to the opposing trends in investments in affiliated companies (increase of €1,014 million) and in securities held as fixed assets (increase of €209 million) on the one hand, and a decrease of €482 million in loans to affiliates on the other hand. Investments in affiliated companies increased due to the contributions to Bertelsmann, Inc., Wilmington in the amount of €835 million, and to Bertelsmann Capital Holding GmbH, Gütersloh, in the amount of €216 million. Loans to affiliated companies decreased as a result of repayment of loans. The increase in receivables and other assets is largely related to financing extended to affiliated companies. The increase in cash and cash equivalents is mainly attributable to the issue of bonds and debentures.

Equity increased by €435 million as a result of the net income of the reporting year. Liabilities increased to €14,488 million (previous year: €11,944 million), of which €1,700 million is attributable to bonds and debentures. Financing measures and measures taken to secure liquidity included the issue of four bonds and three debentures. The increase in liabilities to affiliated companies from €6,780 million to €7,601 million is attributable to the increase in the amount of cash and cash equivalents that were deposited by subsidiaries with the company.

Risks and Opportunities for Bertelsmann SE & Co. KGaA

As Bertelsmann SE & Co. KGaA is largely linked to the Bertelsmann Group companies, among other things through financing and guarantee commitments, as well as through direct and indirect investments in the subsidiaries, the situation of Bertelsmann SE &

Co. KGaA in terms of risks and opportunities is primarily dependent on the risks and opportunities of the Bertelsmann Group. In this respect, the statements made by corporate management concerning the overall assessment of the risks and opportunities also constitute a summary of the risks and opportunities of Bertelsmann SE & Co. KGaA (see the section “Risks and Opportunities”).

Outlook for Bertelsmann SE & Co. KGaA

As the parent company of the Bertelsmann Group, Bertelsmann SE & Co. KGaA receives from its subsidiaries dividend distributions and income or expenses from profit and loss transfer agreements, as well as income from services provided to its subsidiaries. Consequently, the performance of Bertelsmann SE & Co. KGaA is primarily determined by the business performance of the Bertelsmann Group (see the section “Outlook”).

Dependent Company Report (Statement in accordance with Section 312 of the German Stock Corporation Act (AktG))

The Executive Board of Bertelsmann Management SE, as general partner of Bertelsmann SE & Co. KGaA, has submitted a voluntary report to the Supervisory Board of Bertelsmann SE & Co. KGaA in accordance with sections 278(3) and 312(1) of the German Stock Corporation Act, in which it outlines its relationships with affiliated companies for the financial year 2020. The Executive Board hereby declares that Bertelsmann SE & Co. KGaA received adequate consideration in return for each and every legal transaction under the circumstances known at the time the transactions were undertaken.

Combined Non-Financial Statement

The following information relates to Bertelsmann SE & Co. KGaA and the Bertelsmann Group (“Bertelsmann”) with its incorporated, fully consolidated subsidiaries (“subsidiaries”) in accordance with sections 315b and 315c of the HGB, in conjunction with sections 289b to 289e of the HGB.

Bertelsmann operates in the core business fields of media, services and education in around 50 countries (see the section “Company Profile”). Taking responsibility – for employees, society, the business environment and the natural environment – is firmly anchored in Bertelsmann’s corporate culture. In its corporate responsibility management, Bertelsmann pursues the goal of reconciling commercial interests with social and environmental concerns, within the Group and beyond.

When preparing its combined non-financial statement, Bertelsmann follows the Standards (2016) of the Global Reporting Initiative (102 and 103). In addition, voluntary reporting based on the GRI Standards (2016; in accordance: Core option) is published in the middle of the financial year.

Company Principles and Guidelines

The prerequisites for a corporate culture in which employees, management and shareholders work together successfully, respectfully and in a spirit of trust are common goals and shared values. These are set forth in the corporate constitution as well as in the Bertelsmann Essentials “Creativity and Entrepreneurship.” Furthermore, the Bertelsmann Code of Conduct – as a binding guideline – defines minimum standards for ethical and lawful conduct within the company and toward business partners and the public. The Bertelsmann Supplier Code of Conduct sets out the mandatory minimum requirements for its business partners in their relationship with Bertelsmann.

Bertelsmann’s actions are also determined by external guidelines. The company uses as guidance the recommendations of the German Corporate Governance Code for good and responsible corporate governance and largely follows the OECD Guidelines for Multinational Enterprises. Bertelsmann is committed to the principles of the Universal Declaration of Human Rights, the United Nations Guiding

Principles on Business and Human Rights, and the International Labor Organization core labor standards. A member of the United Nations Global Compact, Bertelsmann supports the Agenda 2030 of the UN.

Corporate Responsibility Management

Organization

The advisory body for the strategic development of corporate responsibility (CR) at Bertelsmann is the CR Council. The CR Council is made up of high-ranking managers from the corporate divisions and the Chief Human Resources Officer of Bertelsmann, who chairs the advisory body. The CR Council focuses on Group-wide CR topics in line with the corporate strategy, anchoring CR more strongly in the corporate divisions and the cross-divisional coordination of CR activities within the Group.

At the Group level, the Corporate Responsibility department coordinates and supports the work of the CR Council in close cooperation with the other Group functions. Within the Bertelsmann corporate structure, the local management teams are responsible for implementing corporate responsibility through specific measures and projects. The corporate divisions and companies have their own structures and processes in place for this, in accordance with local requirements.

Topics

To identify key CR topics, Bertelsmann carries out regular CR relevance analyses. For each analysis, the company conducts a survey of internal and external stakeholders; the external stakeholders estimate the impact of Bertelsmann's business activity on the CR topics, while the internal stakeholders assess their business relevance. This process serves to identify CR topics that are necessary for understanding the business development, the business performance, the position of the Group and the impact of its activity on the non-financial aspects, which include employee and social matters, respect for human rights, anti-corruption and bribery matters as well as environmental matters. These topics are analyzed within the company boundaries, unless otherwise stated. In 2020, the Bertelsmann Executive Board confirmed the validity of the current CR relevance matrix.

CR topics, including non-financial performance indicators, are increasingly important for Bertelsmann's businesses, but have not yet been incorporated into the value-oriented management system. Due to currently limited measurability, no directly quantifiable statements can be made regarding relevant interdependencies and value increases for the Group. For this reason, the non-financial performance indicators are not used for the management of the Group (see the section "Value-Oriented Management System").

Risks

A number of risks associated with CR topics are relevant for Bertelsmann. These risks can arise from the company's own business activities or from its business relationships, and can affect the company or its environment and stakeholders.

For the non-financial matters defined in the German Commercial Code – employee and social matters, anti-corruption and bribery matters, respect for human rights and environmental matters – no significant risks were identifiable as part of the 2020 reporting. For more information on the relevant risks, please see the section "Risks and Opportunities."

Employee Matters

Motivated employees are key to creativity, innovation and continued business success. This corporate identity – anchored in the corporate constitution and Bertelsmann Essentials – is the basis for the Executive Board guidelines on HR work. Supplementary regulations are specified in the Bertelsmann Code of Conduct. The Chief Human Resources Officer (CHRO) of Bertelsmann is primarily responsible for dealing with employee matters within the company. The main focus of his work throughout the Group includes setting the strategic HR agenda, aligning management development with the Group's strategic priorities, Bertelsmann University, standardizing and providing IT support for important HR processes, developing the corporate culture and implementing corporate responsibility in the Group.

The CHRO heads the HR Committee, which is the corporate committee responsible for international HR matters at Bertelsmann. Its members are the heads of HR at the corporate divisions who have a functional reporting line to the CHRO, as well as head managers of the corporate HR department.

Participation

Continual dialogue between employees and company management at Bertelsmann is a key element of Bertelsmann's corporate culture. The goal of participation is to involve employees in the continued development of the company and to gain their perspective on fundamental decisions in regard to company policy.

Although Bertelsmann, as a media company, is free to determine its political direction as defined in the German Works Constitutions Act (Tendenzschutz) and therefore is not subject to statutory co-determination in the Supervisory Board, the company nevertheless makes four positions on the Supervisory Board of Bertelsmann SE & Co. KGaA available to employees on a voluntary basis. Three of these are leading works council members of German Group companies and one is a member of the Bertelsmann Management Representative Committee, currently vacant. In addition, managers, general workforce, employees with disabilities and trainees all have platforms for exchanging ideas, advancing topics and voicing their concerns. The Bertelsmann Group Dialogue Conference is an event where the CEO, CHRO and members of the Corporate Works Council from the Group divisions in Germany can exchange ideas. In 2020, this led to intensive collaboration and cross-divisional communication beyond the scope of the committees required by law, for example to tackle challenges posed by the coronavirus pandemic and to initiate projects such as a Bertelsmann platform for cooperating on IT matters. The same applies to representatives for employees with disabilities in the Group for implementing the Inclusion Action Plan in the German Bertelsmann companies. Employees are also involved in the development and improvement of working conditions through standardized HR interview tools (Performance and Development Dialogue, Agreements on Objectives, Team Talk), as well as international employee surveys. In 2020, numerous pulse surveys were conducted in the divisions and among top executives in response to the coronavirus pandemic. In addition, the frequency of the international Employee Survey was shortened to two years.

Learning

Highly qualified employees are needed to address major changes such as the Group's increasingly international focus, the digital transformation of media and services, and demographic change. Bertelsmann University aims to assist employees with their performance by providing opportunities for lifelong learning, and thus contribute to their long-term employability. With four campuses – Strategy, Leadership, Function and Individual – Bertelsmann University is the central learning organization Group-wide.

In response to the global coronavirus pandemic, Bertelsmann University suspended all in-person classes as of March 2020 and moved online the international program in the areas of Strategy, Leadership and Transformation. In the process of developing digital courses focused on technology competency, new course curricula were introduced in the areas of data, the cloud and artificial intelligence. Furthermore, the three-year Udacity scholarship program was continued for a second year, providing 50,000 scholarships for which both employees and external candidates are eligible to apply. Additional initiatives with an emphasis on strengthening the company's learning culture and social learning included the "Kollegen-Campus" (Campus of Colleagues), a digital and international initiative for peer-to-peer learning. In Germany, the Bertelsmann training and studies courses were also adjusted to accommodate the changes caused by the coronavirus pandemic by using adapted learning environments and an increasing number of digital work methods.

Diversity

The diversity and differences in the workforce are prerequisites for creativity, innovation and Bertelsmann's long-term business success. This is conveyed in the Bertelsmann Essentials. Furthermore, the Bertelsmann Executive Board emphasizes in its Diversity Statement its aim of increasing diversity of staff at all levels and in every respect. The diversity strategy is implemented by the Corporate Responsibility department, with support from a Group-wide working group. The focus in 2020 was on the following dimensions: gender, disabilities as well as sexual orientation and identity. Some divisions set their own additional priorities to reflect the local situation. The

Bertelsmann website provides an overview of the measures used for increasing diversity at Bertelsmann under the link www.bertelsmann.com/diversity.

On December 31, 2020, the genders were almost evenly distributed across the entire staff, with 54 percent women (previous year: 53 percent) and 46 percent men (previous year: 47 percent). The Group Management Committee (GMC), which advises the Bertelsmann Executive Board on important corporate strategy and development matters, as well as other issues that affect the Group as a whole, comprised 18 members (previous year: 16), of which six were female (previous year: six) as of December 31, 2020. To enhance diversity at the management levels, Bertelsmann aims to achieve the goal of one-third of positions in top and senior management across all divisions being occupied by women by the end of 2021. To fulfil this goal, the targeted proportion of women in the talent pools was set at one-third for the top and senior management pool and 50 percent for the career development pool. These targets were already met in 2019/2020. The proportion of women in top management was increased.

Targeted proportion of women in top and senior management

Target for 2021	in percent	2020	2019
One-third of positions across all divisions occupied by women	Top management ^{1) 2)}	27	22
	Senior management ^{1) 3)}	30	30

- 1) Top and senior management comprises those positions that are of particular importance because of their success-critical function and their strategic relevance for the Group's continued transformation and the achievement of its strategic targets. Top management positions comprise GMC positions but not Executive Board positions.
 2) Basis: permanent and fixed-term employees as of December 31; with gender indication 2020 (90 percent), with gender indication 2019 (90 percent), limited comparability
 3) Basis: permanent and fixed-term employees as of December 31; with gender indication 2020 (93 percent), with gender indication 2019 (91 percent), limited comparability

The Bertelsmann Supervisory Board is notified annually of the progress in regard to these targets.

The Bertelsmann Inclusion Action Plan 2019-2024 aims to form processes and structures in the German companies to maximize accessibility for employees with disabilities so they may contribute their full potential to the company's success. The first evaluation of the measures implemented was carried out after one year as planned and is available at the Bertelsmann website under www.bertelsmann.com/disability-and-inclusion. The be.queer LGBTIQ employee network, launched in 2017, continued its activities in 2020 and actively assisted in linking the LGBTIQ networks in the divisions. Furthermore, various measures were implemented in the divisions again in 2020, especially as a response to the "Black Lives Matter" movement.

Health

With a view to designing a health-promoting work environment and preventing work-related risks of disease, Bertelsmann is continually expanding the company health management system at German locations. Bertelsmann Health Management develops and takes responsibility for the Bertelsmann health strategy in cooperation with a cross-functional strategy group. The head of HR Coordination and Shared Services chairs this group and directs implementation of the health strategy. This individual is assisted by the cross-divisional "Health Community," which is comprised of employees in areas of health and human resources, works council members and representatives for employees with disabilities and works on topics such as "Minimum Health Standards." Health representatives in the German companies assist in locally implementing Health Management in business operations. The internal Health Management Consulting provides advising services and support.

Due to the coronavirus pandemic, the focus of management in 2020 was on immediately protecting the health of all employees all over the globe. This included setting up centralized and local crisis teams to develop and implement prevention and protection measures in accordance with statutory regulations. The most important measure was helping employees Group-wide to work from home wherever this was compatible with operational considerations. Additional initiatives included organizing and supplying masks and disinfectants, creating in-house (PCR) testing facilities and preparing and implementing plans for employees' return to the workplace, including the necessary organizational adjustments. All of these measures were accompanied by numerous support programs for maintaining mental and physical health as well as extensive communication activities.

Furthermore, in 2020 the German companies were informed of the findings of the third status report on “Minimum Health Standards” carried out in Germany as well as the health recommendations based on the international employee survey (2019). Most of the companies are actively implementing the minimum standards, thereby already establishing the basic foundations for Health Management. In addition, the companies were provided with a toolbox for assessing the risk of psychological stress to assist them in complying with statutory requirements.

Fair Working Conditions

Strategy implementation and operational responsibility are for the most part delegated to the divisions and companies, in accordance with the subsidiarity principle. This also includes ensuring fair working conditions as well as safety and health at the workplace, which are integral elements of the corporate culture. It is Bertelsmann’s goal to implement this. The Supplier Code of Conduct contains standards for Bertelsmann’s business partners stipulating that they adhere to the statutory regulations on fair working conditions and allow their employees to speak up freely and without fear of retaliation.

At Bertelsmann, remuneration issues are an essential part of fair working conditions. The design of the compensation system is intended to ensure that remuneration is driven by market, function and performance considerations, taking into account business-specific characteristics. Profit sharing at Bertelsmann and many of its subsidiaries in Germany is based on the same criteria as those used to calculate variable remuneration components for Executive Board members and executives. A number of additional subsidiaries in Germany and abroad have similar success and employee-profit-sharing models adapted to local requirements. In 2020, a total of €100 million of the 2019 profit was distributed as part of such schemes. Other aspects of the topic “Fair Working Conditions,” such as human rights, health, continuing education and anti-discrimination are discussed elsewhere in this non-financial statement. The international Employee Survey, last conducted in 2019, also asks respondents for their sentiment on issues related to fair working conditions.

Social Matters

Creative Independence

Creativity is one of the two company values at Bertelsmann. Free and critical thinking as well as exchange of varying opinions form the basis of the company’s canon of values. Bertelsmann stands for editorial and journalistic independence in its content businesses, as well as for freedom of the press and artistic license. Bertelsmann publishes a wide variety of opinions and positions. These basic principles for business activities are also set forth in the Bertelsmann Code of Conduct. Bertelsmann aims to ensure this independence in two directions. Inside the company, it means that our management does not attempt to influence the decisions of artists, authors, editors and program managers, or to restrict their artistic or editorial freedom. To the outside, this means that both content managers and company managers comply with existing laws regarding the separation of editorial content and commercial advertising and do not capitulate to political or economic influence in their coverage. In accordance with the Bertelsmann “Editor-in-Chief Principle,” editorial decisions are the sole responsibility of the content managers. 2020 saw a continuation of a variety of organizational measures to safeguard editorial and artistic independence at the editorial and creative departments. Here the focus is primarily on complying with the “Editor-in-Chief Principle,” duties of care, respect for privacy, and dealing with the representation of violence and the protection of minors.

Content Responsibility

Content responsibility at Bertelsmann means reflecting on the repercussions of the content it produces and distributes, to protect the rights and interests of media users, customers and third parties as far as possible. Overriding principles and guidelines of media ethics are set by national and international laws governing the press, broadcasting and multimedia; by voluntary commitments to external guidelines such as the ethics codes of national press councils; and within the company by the Bertelsmann Code of Conduct. In accordance with these principles and guidelines, Bertelsmann’s editorial staff are committed to, among other things, “respecting privacy and the responsible treatment of information, opinion and images.” As a result, the company expects careful research, qualitative reporting and transparency in case of errors. Thorough journalistic skills are more important than ever in the face of online disinformation. Furthermore, the issue of

content responsibility is anchored in various ways in the divisions, companies and editorial departments. In accordance with the “Editor-in-Chief Principle,” the responsibility for media content lies solely with the managers in the editorial teams and creative departments. Cross-division verification teams continued in 2020 to provide their expertise in discerning between authentic and manipulated photos and videos, or those taken out of context.

In the area of youth media protection, content is monitored in accordance with different restrictions for each medium and region to see if it could adversely affect the development of children or young people. If there are indications of such, various restrictions come into force, such as broadcasting time restrictions or content and/or product labels. Through voluntary labeling systems, Bertelsmann divisions and companies sometimes go beyond the existing EU and national regulations, particularly in the area of audiovisual media. In addition, Bertelsmann companies are active in child and youth media protection organizations.

Customer Data Protection

Bertelsmann attaches great importance to protecting customer data. This includes safeguarding the personal data of company customers, as well as personal data provided to Bertelsmann by its business partners regarding their customers. The goal of customer data protection is to protect an individual's right to determine who has what knowledge about the individual, and when. This also means that personal information, or information that could identify a person, must be handled in accordance with the legal requirements and adequately protected against unauthorized access and that the data subjects must be able to claim their statutory rights. There are various possibilities for data subjects to contact Bertelsmann, including email addresses set up for this purpose. In addition to the Bertelsmann Code of Conduct, customer data protection within the company is regulated by Executive Board guidelines on the topics of information security and IT risk management.

The Executive Board Guideline on Data Protection reflects the basic legal data protection framework at Bertelsmann Group based on the European Union's General Data Protection Regulation (GDPR), and is designed to ensure consistent data protection management across the Bertelsmann Group. A Group-wide data protection management system addresses in particular the implementation of the documentation and accountability obligations under GDPR.

Responsibility for customer data protection rests with the management of the individual subsidiaries. To ensure compliance with data protection laws, the subsidiaries in Germany have a data protection organization consisting of central data protection officers and local data protection coordinators. The latter report to the local management, as well as annually or on an event-driven basis to the central data protection officers, who in turn report annually or on an event-driven basis to the Bertelsmann Executive Board. A similar organization exists in subsidiaries outside Germany. An Information Security Management System (ISMS) based on industry-standard ISO 27001 creates the technical and organizational framework for confidential data processing. The ISMS features a regular and structured survey of relevant processes and procedures, to ensure compliance with statutory information security requirements, a systematic recording of risks and derivation, and control of related mitigation measures.

Protecting Intellectual Property

Bertelsmann's businesses also develop, produce, finance, transfer, license and sell products and services that are protected as intellectual property. For Bertelsmann, the protection of intellectual property rights is of particular importance for its analog and digital business. This is also set forth in the Bertelsmann Code of Conduct: “We respect and protect all forms of intellectual property and protected content.” For this reason, the company is committed to the highest possible level of global copyright protection worldwide, as well as maintaining strong exclusive rights and freedom of contract – and in the same measure, also to balanced legal conditions that allow for fair competition in the digital market. The Taskforce Copyright, with representatives from the relevant German content businesses (Mediengruppe RTL Deutschland, Penguin Random House Verlagsgruppe, G+J, BMG and UFA), monitor current developments and legislative processes in EU and German copyright law and develop joint positions. The focus in 2020 was the transposition of the EU copyright directive in the digital single market into German law.

Respect for Human Rights

Through its Code of Conduct and its voluntary commitment to external guidelines, Bertelsmann is committed to respecting and protecting human rights within the company and in its business relationships. The goal is to minimize the risk of human rights violations and discrimination to the greatest possible extent. For this reason, the Bertelsmann Executive Board established an Integrity & Compliance program and appointed a Corporate Compliance Committee (CCC). The CCC submits an annual Compliance Report to the Bertelsmann Executive Board and the Audit and Finance Committee. The CCC chair is the head of the Corporate Legal Department. The Integrity & Compliance (I&C) department is responsible for implementing the topic, and is subordinated to the CCC in the organization. I&C supports the CCC in fulfilling its tasks and makes suggestions for necessary improvements to the I&C program. I&C ensures that employees worldwide are made aware of the key legal provisions and internal company guidelines, including those concerning respect for human rights. I&C continued its Code of Conduct training sessions in 2020 and took communication measures that included the topic “Respect for Human Rights.”

Respect for human rights within the supply chain is also expressly stipulated by the Bertelsmann Code of Conduct and the Supplier Code of Conduct. This includes a ban on child and coercive labor and a ban on discrimination and intimidation, and it reaffirms the right to freedom of association and the right to engage in collective bargaining.

In addition, in 2020 individual subsidiaries and Bertelsmann itself issued statements for 2019 in accordance with the “UK Modern Slavery Act” that condemn all forms of modern slavery, coercive and child labor, and exploitation and discrimination, and present measures to prevent these human rights violations. These statements are revised each year (if required). Infringements of these principles can be reported by Bertelsmann employees and third parties by using the existing compliance management systems.

In terms of anti-discrimination, contact persons for Germany’s “General Equal Treatment Act” (AGG) have been appointed at German locations. Employees can contact them in the event of suspected breaches of said act. The employees are informed of their rights under the AGG and given corresponding training through a wide range of communication channels. The topic of anti-discrimination was addressed Group-wide as part of Code of Conduct training sessions to build employee awareness of the issue and advise them of their rights. These and other international activities are being continually refined and expanded. Regarding business partners, the Supplier Code of Conduct stipulates that they provide a workplace environment that does not allow for discrimination. The Supplier Code of Conduct also stipulates that Bertelsmann’s business partners do not tolerate discrimination against employees or applicants for employment because of any characteristic specified under applicable antidiscrimination law or company policy.

The findings of the Bertelsmann Compliance Risk Analysis of 2020 show that the risks of human rights violations and discrimination are minimized to the greatest extent possible in view of the measures that have been taken.

Anti-Corruption and Bribery Matters

Bertelsmann actively combats corruption. As a participant in the United Nations Global Compact, Bertelsmann is committed to taking a stance against all types of corruption, among other things. A key priority of the Bertelsmann Executive Board is to effectively counteract corruption within the company. The goal is to reduce the risk of corruption to a level at which it does not endanger the company’s success. Both the Bertelsmann Code of Conduct and the Executive Board Guideline on anti-corruption and integrity expressly prohibit all forms of corruption and bribery. This prohibition also applies to all third parties that work for, with or on behalf of Bertelsmann, as stipulated in the Supplier Code of Conduct. Along with instructions for dealing with officials, and guidelines for the granting or accepting of gifts in the context of business relations, the Anti-corruption and Integrity Guideline prescribes appropriate due diligence processes in dealing with third parties. An appropriate due diligence review is carried out for each individual risk profile through a corresponding risk classification. This Executive Board guideline also describes the channels for reporting suspected violations (especially with the help of an internet-based reporting system) and seeking advice, as well as other prevention and control measures. The Executive Board guideline for dealing with alleged compliance violations anchors an obligation to report suspected violations of the prohibition of corruption to the Bertelsmann Corporate Center. The risk of corruption is addressed in the annual compliance report submitted to the Executive Board. Relevant

employees across the Group take part in the online course “Anticorruption & Integrity.” The I&C department, reporting to the Corporate Compliance Committee (CCC: see the section on “Respect for Human Rights”), manages and develops corruption prevention measures in the Group. The most important measures in 2020 include reviewing and voting on a new Code of Conduct as well as designing a new Code of Conduct training program to be rolled out in 2021. The findings of the Bertelsmann Compliance Risk Analysis of 2020 show that the risk of corruption is minimized to the greatest extent possible in view of the measures taken.

Fair Competition and Antitrust Law

Bertelsmann is committed to the principle of fair competition, and condemns antitrust violations and anticompetitive behavior. The goal is to reduce the risk of antitrust violations to a level at which they do not endanger the company’s success. The Bertelsmann Executive Board issued the “Group Guideline for Compliance with Antitrust Regulations” to anchor a reporting requirement for antitrust violations. With regard to the supply chain, the Supplier Code Conduct obligates Bertelsmann’s business partners to observe the applicable antitrust and competition law. Infringements of antitrust provisions can be reported by Bertelsmann employees and third parties by using the reporting channels of the existing compliance management system. The company acts against any contravention that becomes known, and consults internal or external experts on antitrust and competition issues. The topic of competition and antitrust law is addressed in the annual Compliance Report submitted to the Executive Board. The Corporate Legal Department provides an obligatory antitrust training program to corporate divisions and the management and employees of these divisions who work in antitrust-related areas. This training program moved to a virtual format in April 2020 due to the coronavirus pandemic. The findings of the Bertelsmann Compliance Risk Analysis of 2020 show that the risk of antitrust violations is minimized to the greatest extent possible in view of the measures taken.

Environmental Matters

Bertelsmann aspires to become climate-neutral by 2030. By that time, the Group aims to reduce the greenhouse gas emissions generated at its sites, by the mobility of its employees and by the manufacture of its own products by 50 percent and thus 500,000 tons of CO₂ compared to 2018. Remaining emissions will be offset by financing certified climate protection projects. The Group-wide climate protection target was set by the Bertelsmann Executive Board in December 2019 and communicated in February 2020.

The most important measures for reaching the climate protection target include switching to certified green electricity, installing photovoltaic systems, improving energy efficiency and designing new mobility programs. Furthermore, emissions from the print and digital products supply chain are to be reduced in a joint effort with business partners. In 2020, the number of sites using green electricity increased by 11 sites compared with the previous year, to 81 sites. The number of sites using green electricity is to be increased again next year.

The climate protection target is aligned with Group-wide guidelines on environmental and climate protection as well as on energy and paper procurement. The Group-wide environmental efforts include not only the company’s own sites but also relevant parts of the supply chain – for example, paper suppliers, external printers and energy suppliers. Operational responsibility for energy and environmental management, as well as for implementing measures, rests with the management of the individual companies. The international “be green” working group with representatives from the Bertelsmann corporate divisions again provided a platform for cross-divisional exchange on environmental topics in 2020. Cooperation in the current reporting year focused on procuring electricity from renewable energy sources, acquiring knowledge on methods for quantifying supply chain emissions, as well as continued development of the Group’s environmental reporting.

As part of the annual environmental data survey conducted at the Group sites globally, key figures are collected regarding energy and materials consumption as well as fuels and employee mobility, and greenhouse gas emissions are quantified. The Group-wide environmental key figures are published in the second quarter on the Bertelsmann website at <https://www.bertelsmann.com/environmental>.

Responsibility Statement

To the best of our knowledge, and in accordance with the applicable reporting principles, the annual financial statements of the Bertelsmann SE & Co. KGaA give a true and fair view of the assets, liabilities, financial position and profit or loss of the company, and the combined management report includes a fair review of the development and performance of the business and the position of the Bertelsmann Group and Bertelsmann SE & Co. KGaA, together with a description of the principal opportunities and risks associated with the expected development of the Bertelsmann Group and Bertelsmann SE & Co. KGaA.

Gütersloh, March 17, 2021

Bertelsmann SE & Co. KGaA
Represented by:
Bertelsmann Management SE, the personally liable partner
The Executive Board

(Thomas Rabe)

(Markus Dohle)

(Rolf Hellermann)

(Immanuel Hermreck)

Independent auditor's report

To Bertelsmann SE & Co. KGaA, Gütersloh

Report on the audit of the annual financial statements and the combined management report

Opinions

We have audited the annual financial statements of Bertelsmann SE & Co. KGaA, Gütersloh – which comprise the balance sheet as at 31 December 2020 and the income statement for the financial year from 1 January to *31 December 2020* and the notes to the financial statements, including the recognition and measurement policies presented therein. In addition, we have audited the management report on the Company and the Group (hereinafter: the “combined management report”) of Bertelsmann SE & Co. KGaA, including the combined non-financial statement pursuant to Section 289b(1) HGB and Section 315b(1) and Section 315c HGB for the financial year from 1 January to 31 December 2020.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying annual financial statements comply in all material respects with the requirements of German commercial law applicable to corporations and give a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 2020, and of its financial performance for the financial year from 1 January to 31 December 2020, in compliance with the German Legally Required Accounting Principles, and
- the accompanying combined management report as a whole provides an appropriate view of the Company's position. In all material respects, this combined management report is consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development.

Pursuant to Section 322 (3) sentence 1 HGB [Handelsgesetzbuch: German Commercial Code], we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements and of the combined management report.

Basis for the Opinions

We conducted our audit of the annual financial statements and the combined management report in accordance with Section 317 HGB and the EU Audit Regulation (No. 537/2014; hereinafter the “EU-AR”) and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the “Auditor's

responsibilities for the audit of the annual financial statements and of the combined management report” section of our auditor’s report.

We are independent of the Company in accordance with the requirements of European law, German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10(2) f) of the EU-Audit Regulation, we declare that, with the exception of the services presented below, we have not provided any non-audit services prohibited under Article 5(1) EU-Audit Regulation and that we maintained our independence while performing the audit of the financial statements. In 2020, minor non-audit services as defined in Article 5(1) subsection 2 (c) EU – Audit Regulation were performed by the local KPMG national company for an insignificant foreign subsidiary. These services are of minor importance for the annual financial statements and, based on an assessment of their qualitative and quantitative significance, did not threaten our independence.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinions on the annual financial statements and on the combined management report.

Key audit matters in the audit of the annual financial statements

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the annual financial statements for the financial year from 1 January to 31 December 2020. These matters were addressed in the context of our audit of the annual financial statements as a whole and in forming our audit opinion thereon; we do not provide a separate audit opinion on these matters.

Impairment of investments in affiliated companies and loans to and receivables from affiliated companies (total exposure)

Please refer to the general principles set out in the notes to the annual financial statements for information on the accounting policies applied.

RISK FOR THE FINANCIAL STATEMENTS

In the annual financial statements of Bertelsmann SE & Co. KGaA as at 31 December 2020, the “Financial assets” item includes investments in affiliated companies of EUR 15,974 million (62.6 % of total assets) and loans to affiliated companies of EUR 230 million (0.9 % of total assets). In addition, within the “Receivables and other assets” item, receivables and other assets of EUR 4,893 million (19.2 % of total assets) are recognised. Together the carrying amount of the total exposure is EUR 21,097 million (82.7 % of total assets).

Investments in affiliated companies are measured in accordance with commercial law at cost or at the lower fair value if impairment is expected to be permanent. Loans to and receivables from affiliated companies are stated at the nominal value or at the lower fair value.

The fair values are determined on the basis of the expected future cash flows, which result from calculations by the management using a discounted cash flow method. In these calculations, expectations on future market developments and assumptions on the development of macroeconomic

factors are also taken into account. For discounting, the individually calculated weighted average costs of capital for the respective affiliated company is used. For financial year 2020 there was an impairment on shares in affiliated companies of EUR 65 million and an impairment reversal of EUR 23 million. In addition, valuation allowances on receivables of EUR 46 million were reversed and further valuation allowances on receivables of EUR 56 million added.

The calculation of the fair value using the discounted cash flow method is complex and, with regard to the assumptions that are made, dependent to a great extent on the Company's estimates and assessments. This applies in particular for estimates on future payment flows and long-term growth rates, the determination of discount rates and the assessment of the permanence of impairment.

For the annual financial statements there is the risk that the amount of investments in affiliated companies and loans to and receivables from affiliated companies is not recoverable and the change in amount as at the reporting date was not identified or was not recognised appropriately.

OUR AUDIT APPROACH

To begin with, we used the information obtained in the course of our audit to assess for which overall exposures there were indications of a need for impairment or for reversals of write-downs. Together with our valuation experts, we subsequently assessed the appropriateness of the key assumptions as well as the Company's valuation model. Furthermore, we discussed the expected cash flows as well as the assumed long-term growth rates with those responsible for the planning. We additionally assessed the consistency of the assumptions on the basis of external market estimates.

We furthermore assessed the Company's planning accuracy by comparing plans from earlier financial years with the results actually realised and analysing any deviations.

We compared the assumptions and data underlying the discount rate, especially the risk-free interest rate, the market risk premium and the beta factor, with our own assumptions and publicly available data.

In order to ensure that the valuation model used was mathematically accurate, we verified the Company's calculations and validated elements selected from a risk-oriented perspective on the basis of our own calculations.

In order to take the existing forecast uncertainty into account, for critical exposures we also investigated the effects of potential changes in the capitalisation rate as well as the expected cash flows and long-term growth rate on the carrying amount by verifying the sensitivity analyses performed by the Company and also calculated alternative scenarios and compared them with the valuation results.

OUR CONCLUSIONS

The valuation model underlying the impairment test of the investment in affiliated companies, the loans to and accounts receivables from affiliated companies is appropriate and consistent with the applicable measurement principles.

The Company's assumptions and data underlying the measurement are appropriate.

Responsibility of the Executive Board and of the Supervisory Board for the annual financial statements and the combined management report

The Executive Board is responsible for the preparation of annual financial statements that comply, in all material respects, with the requirements of German commercial law applicable to business corporations, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German legally required accounting principles. In addition, the Executive Board is responsible for such internal control as they, in accordance with German legally required accounting principles, have determined necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the Executive Board is responsible for assessing the Company's ability to continue as a going concern. It also has the responsibility for disclosing, as applicable, matters related to going concern. In addition, it is responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

Furthermore, the Executive Board is responsible for the preparation of a combined management report that as a whole provides an appropriate view of the Company's position and is, in all material respects, consistent with the annual financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the Executive Board is responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a combined management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the combined management report.

The Supervisory Board is responsible for overseeing the Company's financial reporting process for the preparation of the annual financial statements and of the combined management report.

Responsibility of the auditor for the audit of the annual financial statements and the combined management report

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the combined management report as a whole provides an appropriate view of the Company's position and, in all material respects, is consistent with the annual financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our opinions on the annual financial statements and on the combined management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 HGB and the EU Audit Regulation and in compliance with the German Generally Accepted Standards for financial statement audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements and this management report.

We exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements and of the combined management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit of the annual financial statements and of arrangements and measures (systems) relevant to the audit of the combined management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these systems.
- Evaluate the appropriateness of accounting policies used by management and the reasonableness of estimates made by management and related disclosures.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the annual financial statements and in the combined management report or, if such disclosures are inadequate, to modify our respective opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to be able to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German legally required accounting principles.
- Evaluate the consistency of the combined management report with the annual financial statements, its conformity with [German] law, and the view of the Company's position it provides.
- Perform audit procedures on the prospective information presented by management in the combined management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by management as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters

that may reasonably be thought to bear on our independence, and where applicable, the related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the annual financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Other statutory and legal requirements

Report on the audit of the electronic reproduction of the annual financial statements and of the combined management report created for disclosure purposes in accordance with Section 317(3b) HGB

Pursuant to Section 317(3b) HGB, we conducted an audit to obtain reasonable assurance on whether the electronic reproductions of the annual financial statements and of the combined management report contained *in the file* "Bertelsmann_JA+LB+2020_ESEF-2021-03-15.zip" (SHA256-Hashwert: 1b66f040882455ff025586c5d3dca35a57b4c860e8f558570e6280f45784a3f0), which can be retrieved from the protected client portal for issuers, that are created for disclosure purposes (also referred to hereinafter as the "ESEF documents") satisfy the requirements of Section 328(1) HGB relating to the electronic reporting format ("ESEF format") in all material respects. In compliance with the German legal requirements, this audit covers only the conversion of the information in the annual financial statements and the combined management report into the ESEF format and therefore neither the information contained in these reproductions nor other information contained in the above-mentioned file.

In our opinion, the reproductions of the annual financial statements and of the combined management report contained in the above-mentioned file and created for disclosure purposes meet the requirements of Section 328(1) HGB relating to the electronic reporting format in all material respects. Beyond this opinion and our opinions on the accompanying financial statements and the accompanying combined management report for the financial year from 1 January to 31 December 2020 contained in the preceding "Report on the audit of the annual financial statements and the combined management report", we do not issue any opinion whatsoever on the information contained in these reproductions or on the other information contained in the above-mentioned file.

We conducted our audit of the reproductions of the annual financial statements and of the combined management report contained in the attached file mentioned above in accordance with Section 317(3b) HGB and the draft IDW auditing standard: Audit of the electronic reproductions of financial statements and management reports created for disclosure purposes in accordance with Section 317(3b) HGB (IDW EPS 410). Our responsibility based on this standard is described in more detail below. Our audit practice has applied the requirements for quality assurance systems set out in the IDW quality assurance standard: Requirements for quality assurance in auditing practice (IDW QS 1).

The Executive Board of the Company is responsible for drawing up the ESEF documents with the electronic reproductions of the annual financial statements and of the combined management report pursuant to Section 328(1) sentence 4 no. 1 HGB.

In addition, the Executive Board of the Company is responsible for such internal control as it has determined necessary to enable the creation of the ESEF documents that are free from material violations, whether due to fraud or error, of the requirements of Section 328(1) HGB relating to the electronic reporting format.

The Executive Board of the Company is furthermore responsible for submitting to the operator of the German Federal Gazette the ESEF documents together with the auditor's report and the accompanying audited annual financial statements and the audited combined management report as well as other documents to be disclosed.

The Supervisory Board is responsible for overseeing the creation of the ESEF documents as part of the financial reporting process.

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material violations, whether due to fraud or error, of the requirements of Section 328(1) HGB. We exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material breaches of the requirements of Section 328(1) HGB, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion;
- obtain an understanding of internal control relevant to the audit of the ESEF documents in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these controls;
- assess the technical validity of the ESEF documents, i.e. whether the file containing the ESEF documents meets the requirements of Delegated Regulation (EU) 2019/815, as amended as at the balance sheet date, relating to the technical specification for this file;
- assess whether the ESEF documents enable the audited annual financial statements and the audited combined management report to be reproduced in XHTML with the same contents.

Other disclosures pursuant to Article 10 EU-Audit Regulation

We were elected as the auditor of the financial statements by the annual general meeting on 28 August 2020. We were engaged by the Supervisory Board on 31 August 2020. We have been the group auditor of Bertelsmann SE & Co. KGaA without interruption since the financial year 2020.

We declare that the audit opinions contained in this auditor's report are consistent with the additional report to the Audit Committee according to Article 11 EU-AR (audit report).

Responsible auditor

The auditor responsible for the audit is Frank Thiele.

Bielefeld, 18 March 2021

KPMG AG

Wirtschaftsprüfungsgesellschaft

Dr. Tonne

Wirtschaftsprüfer

[German Public Auditor]

Thiele

Wirtschaftsprüfer

[German Public Auditor]