

Ad-hoc news: Profit Participation Dividend For 2001 Certificate At 15 Percent Again – Payouts On “Old” 1992 Certificate Expected At Between 6 Percent and 8 Percent

Gütersloh, January 28, 2004 – Bertelsmann today announced that dividends on its Profit Participation Certificate 2001 (ISIN DE0005229942) will again amount to 15 percent of par value for Fiscal Year 2003. Meanwhile, payouts on the “old” Bertelsmann Profit Participation Certificate (ISIN DE0005229900) from 1992 will be between 6 percent and 8 percent of par value for Fiscal Year 2003.

The payouts vary because of the different terms and conditions governing each Profit Participation Certificate:

The terms and conditions governing the Bertelsmann Profit Participation Certificate 2001 stipulate that the target payout, 15 percent of par value, is reached whenever there is sufficient consolidated net income and Bertelsmann AG net income. The 2001 Certificate accounts for roughly 95 percent, or € 490 million, of the par value of Bertelsmann’s profit participation capital. Dividends on the “old” Profit Participation Certificate 1992 are determined by total return on assets (ROA) throughout the Bertelsmann group. Only if total return on assets amounts to at least 12 percent will there be a 15 percent payout of par value. If total ROA falls below 12 percent or exceeds 16 percent, the profit participation is one percentage point higher than total ROA. For 2003, total ROA is expected to be between 5 percent and 7 percent. The Profit Participation Certificate 1992 accounts for roughly € 25 million of the par value of profit participation capital.

(End of ad-hoc news)

Further Information:

In January 2001, in view of its shift to other financial benchmarks and the resulting possible fluctuations in payout on the Profit Participation Certificate 1992, Bertelsmann gave all holders of the 1992 Profit Participation Certificate the opportunity to swap their certificates for Profit Participation Certificates 2001. As part of this swap offer, it was pointed out that the Bertelsmann group no longer goes by total ROA, but by other

financial benchmarks, and that the payout on Profit Participation Certificates 1992 would thus be associated with greater risk.

Dividends on both Profit Participation Certificates will be paid out in May 2004.

Bertelsmann's Financial Statement 2003 will be presented at the Annual Press Briefing on March 30, 2004.

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