

OUR COMPANY'S HISTORY SINCE 1835

1835-1850

Carl Bertelsmann

On July 1, 1835, the printer Carl Bertelsmann (1791-1850) founded C. Bertelsmann Verlag in Gütersloh, Germany, having already successfully operated a lithographic printing shop here since 1824. Bertelsmann's first "bestseller" bore the title "Theomele" and was a compilation of Christian songs and hymns. Carl Bertelsmann used his publishing program to support the religious Great Awakening movement of the Protestant communes in Minden-Ravensberg, and especially their most important proponent Johann Heinrich Volkening, with whom he worked very closely. But Carl Bertelsmann also published general education books and two newspapers, one of which, the "Evangelisches Monatsblatt für Westfalen" (Protestant Monthly for Westphalia) became the most important periodical of the Minden-Ravensberg Awakening movement. It was published nonstop through 1929.

From the beginning, community involvement was a matter of course for Carl Bertelsmann: he was active as a parish and municipal council in Gütersloh, organized the communal welfare program and was involved in the establishment of the Evangelisch-Stiftisches Gymnasium (local Protestant High School).

1850-1887

The publishing house under Heinrich Bertelsmann

Heinrich Bertelsmann (1827-1887) pursued his father's ideals in both the entrepreneurial and the religious/political sense. From just 14 employees at mid-century, the number rapidly grew to 60. The publishing program underwent a steady expansion as the company bought up other publishers and publishing segments: Theology was joined by fiction, philosophy, philology, history and youth literature. As one of the founders of the conservative "Volksblatt für Minden-Ravensberg" (1859, renamed "Konservativer Volksfreund" three years later), in which he himself was represented with a number of bylines and editorials, Heinrich Bertelsmann exercised great political influence in the East Westphalian region.

The expansion of the publishing business soon necessitated a move to new premises. In 1868, the company left its original seat on Kirchplatz and moved to Bahnhofstrasse (later Eickhoffstraße). The new building, to which a printing shop was added at the turn of the century, remained the company's headquarters until 1976. Like his father Carl, Heinrich Bertelsmann was involved in a number of the city's church and social organizations. In his own company, he institutionalized the first corporate pension and disability fund on January 1, 1887.

1887-1920

A Return to Theological Subjects under Johannes Mohn

In 1881, Johannes Mohn (1856-1930), a parson's son from the Rhineland, married Heinrich's only surviving descendant, Friederike Bertelsmann (1859-1946). After undergoing stationer's training at C. Bertelsmann, Mohn took over the publishing business following his father-in-law's death. Under his management, practical-theological literature became more important again. He was an active member of the Protestant missionary movement, and by founding missionary magazines and series established the publisher as a leading missionary imprint. Having grown into a mid-size enterprise by now, the company continued to grow: In 1910, it had 80 employees— at a time when Gütersloh had a total population of 18,000.

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Johannes Mohn, too, held a number of offices and memberships: among other things, he was city councilor, presbyter, Chief Presbyter, a trustee of the Evangelisch-Stiftisches Gymnasium school, chairman of various missionary associations and a member of the Protestant Booksellers Association's management board. World War I proved a deep break for him: "Under the weight of his experiences," his son and successor Heinrich would later write, his strength deserted him. In 1921, Johannes Mohn handed over the publishing business.

1921-1930

Heinrich Mohn and the modernization of the publishing company

Heinrich Mohn (1885-1955) represented the fourth generation of the family business. When he took over in 1921, the publisher had 84 employees and annual revenues of 700,000 Reichsmarks. Mohn, who had been an officer during World War I, modernized the company, putting sales, accounting and production costing on a new basis and restructuring the publishing program. The company's distribution activities were based on close cooperation with Protestant societies and organizations – during this time, they set a precedent for the fiction program activities that would later be pursued with great economic vigor.

Despite high losses during inflation in the 1920s, Mohn managed to consolidate the increasingly difficult theological publishing business by the end of the decade. The high-circulation magazines by the cleric Johannes Zauleck in particular ensured the publisher's survival even during the worldwide depression: The periodicals "Für unsere Kinder" (For Our Children), "Für alte Augen" (For Aging Eyes) and the brochure "Acht Seiten Freude zu bereiten" (Eight Pages of Giving Joy), were designed for hands-on parish work and together reached an audience of millions.

First forays into fiction

The imprint's theological tradition formed the basis for its fiction department, which would soon undergo a burgeoning expansion. The magazine "Der Christliche Erzähler" (The Christian Narrator), first published in 1927, marked the publisher's entry into "narrative literature" for its target group, which continued to be focused on parish work and devotional literature. That same year, Fritz Wixforth, a close associate of Heinrich Mohn's in his capacity as Director Sales, suggested the introduction of a small fiction department. However, despite the great success of the "Christlicher Erzähler" and several novels, it was to be years before a breakthrough to a broad reading public would be achieved on the fiction front.

New sales strategies

Fritz Wixforth (1897-1976) championed modern sales and advertising methods. The fiction range was now given more sales attention, with the introduction of large, colorful posters and shop-window arrangements. Later, "Neuigkeitspakete" (novelty packages) were added – boxed novels and giveaways to draw the attention of customers. The boxed novels were especially interesting for traveling and mail-order booksellers, and led to contacts that would become very important for Bertelsmann beginning in the 1950s. By 1934, the fiction department was profitable.

1930-1940

Adjusting to the Third Reich

In catering to the interests of a broad reading public, the publisher increasingly extended its range of classical literature and trivial fiction to include books with nationalistic, "völkisch" and even anti-Semitic content. The influential "völkisch" poet and Nazi literature functionary Will Vesper played a crucial part in tapping this market; he was signed as an author in 1932.

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The rapid commercial rise began in 1934 with the publication of war experience books. These books, which provided autobiographical accounts of German soldiers' experiences at the front, in the Freikorps (volunteer units) or of camaraderie. The Armed Forces editions proved particularly profitable for the publisher. As of 1939, these editions served the function of supplying soldiers at the front with literature that would distract them from the daily horrors of the war. "Perfect world" scenarios and classical literature played a major role, as did volkish-nationalistic messages.

Shortly before the war began, the number of employees peaked at 440. C. Bertelsmann Verlag became the largest supplier of books to the Wehrmacht and printed its products at locations all over Europe. The publishing house linked its conservative Christian tradition with Nationalist Socialist ideology, with regard to its program and its corporate culture. The publisher's success was based in large part on its economic and ideological alignment with the National Socialist system.

An Independent Historical Commission researched the company's history during the years 1921 to 1948/49 and in 2002 submitted a comprehensive report entitled "Bertelsmann in the Third Reich."

Theology in the Third Reich

Heinrich Mohn was associated with the Confessing Church (Bekennende Kirche) and continued with the less-than-profitable theological program. Here, too, there were ideological connections to National Socialism, as with authors like the well-known theologian Paul Althaus. By establishing the "Volksmissionarische Hefte" series in 1934, Mohn picked up on the folk mission movement that had gained strength in the 1920s and would remain formative for the publisher's image in the 1930s as well.

In 1939, due to official regulations, the theological branch of the publishing house was hived off into the Rufer imprint, which maintained its contacts with the Confessing Church. In response to censorship measures and the increasing quota fixing on printing paper rations, no more theological titles were published after 1941.

1940-1950

Books for the Armed Forces

During the war, the publisher began offering a number of its books in special Armed Forces editions. Their extraordinarily high total print run of 19 million copies sent profits soaring; by 1943, C. Bertelsmann was the country's dubious No.1 in terms of production statistics. Organizationally this was made possible first and foremost by the efficiency of its own printing plant and by the outsourcing of orders to printers in occupied Holland and in Eastern Europe. The Armed Forces editions covered the publisher's entire content spectrum, i.e. classics of German literature as well as literature of a volkishnationalistic and even anti-Semitic bent. At the same time the company came into conflict with the Nazi Cultural and Economic Offices, especially the theological Rufer imprint, which was closed in 1943.

Lawsuit and Shutdown

As the result of a court case because of illegal procurement of paper stocks and as part of the mobilization of Germany's entire economy, C. Bertelsmann Verlag was shut down in 1944. The fraudulent use of Wehrmacht "paper checks" in which members of the higher management echelons were involved with the Berlin paper profiteer Matthias Lackas, led to proceedings against three executives and ultimately to an indictment that wasn't cancelled, through payment of an administrative fine, until shortly before the end of the war.

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Devastation and a new beginning

In March 1945, large parts of the publisher's facilities were destroyed during a British air raid on Gütersloh. Only the printing machines were largely spared, so that the publisher was able to open for business again immediately following the end of the war, by printing schoolbooks commissioned by the British military government. In the course of licensing negotiations in spring 1947, Heinrich Mohn handed over the management of the company. His son Reinhard Mohn (1921-2009), who had returned from an American Prisoner of War camp the previous year and was politically unencumbered, took over – the fifth generation in the family to lead the publishing company. The processes leading to the new publishing license are described in detail in “Bertelsmann im Dritten Reich” (Bertelsmann in the Third Reich; Munich 2002).

1950-1960

Wirtschaftswunder (Economic Miracle): The Lesering

Although continuity in the company's leadership was now secured in the person of Reinhard Mohn, there were serious economic difficulties to be overcome following the currency reform (June 1948). The newly introduced D-Mark with its real value resulted in an increased consumption of food and convenience goods – cultural commodities like books were put on the back burner for the time being. To keep sales figures on the rise, Sales Director Fritz Wixforth and the mail-order book vendor Johannes Thordsen developed the idea of a book club whose concept involved delivering books directly to the customer, without the latter having to visit a bookstore. And so, on June 1, 1950, the “Bertelsmann Lesering” was founded. Its direct-to-customer sales were a huge success: after just six months, the Lesering had 52,000 members, and after twelve months the number had soared to 100,000 members. In 1954, the Lesering welcomed its one millionth member, and by 1960 there were three million members. The Lesering, today known simply as “Der Club Bertelsmann,” turned out to be the “silver bullet” behind the modern media company Bertelsmann.

The program widens

The 1950s marked the dawning of a new era for Bertelsmann, a time dominated by start-ups and experiments – especially in the specialist imprints supervised by Rudolf Wendorff (*1915). In 1952, a separate encyclopedia team was called into being; the first reference work it published was 1953's “Ich sag Dir alles” (I'll tell you everything). Its actual encyclopedia work began with “Das Bertelsmann Lexikon“ in four volumes, from 1953-55. It gave rise to a German brand name – Bertelsmann became synonymous with encyclopedia know-how.

Entry into the music business

In 1956, Bertelsmann started selling recorded music by establishing the “Schallplattenring.” To attain a profitable scale in this market, Bertelsmann founded the Ariola label and the Sonopress pressing plant in 1958. Stars like Zarah Leander and Dalida quickly generated revenues on a par with those of the established record labels. With artists like Peter Alexander, Heintje, Robert Stolz and Udo Jürgens, Ariola became one of Germany's most successful music labels in the 1960s.

Technological advances

Likewise, in the typographic sector, headed by Herbert Mulhaupt (1912-1990), the company was able to recruit experienced, creative personnel and successfully put innovations into practice. Bertelsmann introduced offset printing as early as 1956. In 1954, the administration of Lesering members was switched to an early EDP system based on punch cards, known as the “Hollerith Electric Tabulating System”.

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Emergence of the corporate culture

Thanks to its great market success, Bertelsmann had developed from an SME into a major corporation towards the end of the 1950s. One important factor in this development was Reinhard Mohn's approach to leadership. From the beginning, he granted his employees a great deal of freedom – which served to foster their creativity and identification with the company. Together with his employees, Reinhard Mohn crafted a new, decentralized organizational structure in 1959, which found expression among other things in the first corporate constitution – known at the time as the Grundsatzordnung, or “Basic Order” – which was instituted in 1960. In early 1960, Reinhard Mohn was already able to report good news about the Profit Center principle: “I daresay no one expected this organizational measure would prove itself so excellently in such a short time.”

1960-1970

Bertelsmann turns 125 and gets a constitution

The introduction of the “Bertelsmann Grundsatz- und Betriebsordnung“ in 1960 established Reinhard Mohn as a leading advocate in the field of corporate culture in Germany. In the year of the company's 125th anniversary, it served to link the publisher's traditions to its future ambitions. The key elements of the Grundsatzordnung are still part and parcel of today's “Bertelsmann Essentials”: decentralized organization, delegation of responsibility, leadership in partnership and the company's duties towards society.

On the occasion of the company's 125th anniversary, Reinhard Mohn gave a speech elaborating on the introduction of the Grundsatzordnung: “We know that only a work and social order that is best described as ‘economic democracy within the company’ can come up to the increasing challenges of the future. We believe that the corporate constitution represents a foundation on which we can build a true operating community.”

The original Grundsatzordnung of 1960 was revised at irregular intervals. Reinhard Mohn placed great value on continually adding contemporary suggestions and components to the corporate culture. When he introduced profit participation for employees in 1970 (retroactively to April 1, 1969), the step earned him the nickname “Red Mohn”.

Steps in the evolution of the corporate constitution:

- 1960 Bertelsmann “Grundsatz- und Betriebsordnung” introduced
- 1967 “Grundsatzordnung” revised
- 1970 Profit participation introduced retroactively to April 1, 1969
- 1973 Grundordnung reformulated und renamed “corporate constitution”
- 1977 first employee survey – today it is carried out worldwide
- 1977 Bertelsmann Stiftung established
- 1979/80 extensive revision, involving numerous working committees at all levels and in all divisions
- 1985 Internationalization of the constitution began, and the aspect of “continuity” was added to the company's business objectives
- 1992 New business concept adopted
- 1998 Essentials introduced based on the business concept
- 2006 Revised Essentials

First steps abroad

The new organizational structures put Bertelsmann in a position to take its expansionist course, which had reached the advanced stages in Germany, beyond the borders. In 1962 the “Círculo de Lectores” was established in Barcelona. The Spanish book club quickly gained an outstanding literary reputati-

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on. Today, Spanish people see the *Círculo*, whose honorary members include King Juan Carlos and Queen Sofia, as an important cultural institution in the Catalan capital. In 1966, Bertelsmann bought a stake in the Austrian book club *Donauland*. On October 1, 1970, following a long lead-up, the first catalog for the book and record club *France Loisirs*, a joint venture between Bertelsmann and *Les Presses de la Cité*, was published. It contained 115 books and 50 records. Around this time, book clubs were also founded in countries including Portugal (1970), the UK (1977) and the Netherlands (1967).

Diversification

The expansion to other European countries was accompanied by diversification both within and outside the media sector. The purchase of Ufa shares from the Deutsche Bank in 1964 marked Bertelsmann's entry into the film and television sector. The Bertelsmann Fernsehproduktionsgesellschaft (BFP) had been founded in 1960 and was now merged with Ufa-Fernsehproduktion in Berlin.

Arguably Bertelsmann's most unusual business venture was a mid-1960s industrial agriculture project under the aegis of chief representative Manfred Köhnlechner. A chicken farm was built in Gimbshausen south of Worms, which very quickly came to house a million hens. The "Hennengold" chicken farm remained part of the company until 1971/72.

Extension of the media business

In 1969, the company made the leap into the magazine business by means of a 25-percent participation in the Hamburg publisher Gruner + Jahr, whose flagship "Stern" had already written German media history. By 1973, the minority stake had grown into a majority holding, and Gruner + Jahr into an important corporate division.

The Gruner + Jahr acquisition was preceded by a series of purchases throughout the German press and publishing industry, at the end of which Bertelsmann became a shareholder in Gruner + Jahr. Prior to this, Richard Gruner had withdrawn from publishing completely, yielding the field to his partners John Jahr and Gerd Bucerius, who in turn sold Gruner's former 25-percent stake in Gruner+Jahr to Bertelsmann.

1970-1980

Formation of Bertelsmann AG

In 1971, Reinhard Mohn completed the structural transformation of the midsize family business into a modern, management-led media corporation by setting up Bertelsmann AG. Its executive board was composed of Reinhard Mohn (1921-2009 – Chairman), Herbert Mulhaupt (1912-1990 – Technical Operations), Rudolf Wendorff (*1915 – Publishing) and Manfred Fischer (1933-2002 – Corporate, Music, Film and Television). The supervisory board was chaired by Gerd Bucerius (1906-1995, who also brought the Gruner + Jahr shares held by his Zeit imprint into Bertelsmann AG as part of a stock swap. In the 1972/73 fiscal year, the executive board was expanded to include Hermann Hoffmann (1930-2009 – Corporate) and Hans Zopp (*1935 – Club Businesses), while Manfred Fischer became CEO of Gruner + Jahr AG. True to the principle of decentralism, the corporate divisions did business as autonomous units. The sustained growth also had implications for the group's administrative needs, and in 1976 the company moved into a new Corporate Center on Carl-Bertelsmann-Strasse.

Internationalization

From a programmatic standpoint, Bertelsmann was back on the solid foundation of its core businesses in the early 1970s: books, magazines and music. To prepare for the challenges ahead in the book sector, the company moved its German trade publishers to Munich, where they remain to this day.

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The years that followed saw a systematic internationalization of the media businesses beyond Europe. From Spain, the clubs expanded to Central and South America, the music business got its foot in the door on the US market with the acquisition of the Arista label – as did the book publishers: in 1977, Bertelsmann bought up parts of the acclaimed Bantam imprint.

Profit participation for employees

True to the spirit of his corporate culture, in 1970 Reinhard Mohn introduced profit participation for Bertelsmann employees, retroactively to April 1, 1969. “Only those enterprises whose employees can identify with their company will be fit to master the challenges of the future, and such an attitude requires material justice,” was the reason Mohn gave for his decision. The press echo was immense, especially since Mohn announced an authors’ pension fund with starting capital of 1.8 million DEM shortly thereafter. The German weekly newspaper “Die Zeit” wrote: “Of the employee profit participation and asset building models currently practiced in Germany, Bertelsmann’s is most likely to encourage emulation.”

New instruments to enhance the transparency and verifiability the management development were also developed during this time. In 1977, the first employee survey was performed, an institution that has been repeated at regular intervals to this day. The employee survey is now carried out internationally as well; it was first implemented worldwide in 2002.

Establishment of the Bertelsmann Stiftung foundation

In 1977, Reinhard Mohn set up the non-profit foundation Bertelsmann Stiftung, which today owns the majority of capital shares in the Bertelsmann AG. As an active foundation, it takes ideas for reform into sectors that labor under ossified structures: politics, the German state and administration, universities, the health sector and public libraries. The rationale behind its establishment in Reinhard Mohn’s words: “The uneasiness that every citizen and democrat ought to feel when society is not in satisfactory order, gave rise to my wish to help to improve things. [...] This led to the establishment of the Bertelsmann Stiftung.”

The new foundation met with broad public response. The “Frankfurter Allgemeine Zeitung” wrote: “The path being taken here is not at all bad. The Bertelsmann Stiftung and its charter could by all means serve as a model for other companies.”

1980-1990

Changes on the Executive Board

In 1981, when he turned 60, Reinhard Mohn stepped down as Chairman of the Executive Board and took the chair of the Supervisory Board instead. His successor was Manfred Fischer, formerly CEO of Gruner + Jahr. Mark Wössner (*1938) followed in 1983, and based on a 10-points program sparked a long expansionist phase for the company, during which it cast its eye especially on the international media markets.

Breakthrough in the U.S. market

The acquisition policy begun in the publishing business in the 1970s was extended to European countries outside Germany and to overseas. Bertelsmann bought up the Spanish imprint Plaza y Janes, as well as the American publishing companies Bantam Books (51 percent in 1977, 100 percent in 1980) and Doubleday (1986) – both were known primarily as acclaimed paperback publishers, and Doubleday also included two book clubs, the “Doubleday Book Club” and the “Literary Guild.” The music label RCA also became part of Bertelsmann in 1986. These major acquisitions, all announced in a single month, finalized Bertelsmann’s breakthrough on the American media market. The importance of the

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U.S. market for Bertelsmann was further underscored by the opening of a separate Corporate Center in New York, Bertelsmann, Inc., on July 1, 1987.

The investments were followed by a time of consolidation: The American imprints henceforth did business as the Bantam Doubleday Dell publishing group, and the worldwide music business was bundled into the Bertelsmann Music Group (BMG) headquartered in New York, in 1987.

Enter commercial television...

When the era of commercial television in Germany was opened in 1984, Bertelsmann was part of it from the beginning. Gruner + Jahr and Bertelsmann merged their electronic media activities into the Ufa Film- und Fernseh-GmbH, Hamburg. Ufa had a 40 percent stake in the first German-speaking private TV channel: RTL plus. The channel, which grew into today's Mediengruppe RTL Deutschland with its free-TV channels RTL Television, Vox, Super RTL, RTL 2 and N-TV, quickly developed into Europe's most successful ad-financed (or "free") TV channel and today is one of the media group's most important mainstays.

Evolution of the corporate culture

In 1985, Bertelsmann celebrated its 150th anniversary. In the course of its advancing internationalization, the company stepped up the implementation of important corporate cultural elements in its divisions outside Germany: Starting with the Austrian book club "Donauland", the employee surveys were gradually introduced to the European club units; the purview of the Bertelsmann "Essentials" was extended to more countries, and the Bertelsmann Management Representative Committee expanded into an international representative organ for executives.

1990-2000

After 1989: Bertelsmann invests in Eastern Germany, Central Europe and Asia

After the fall of the Berlin Wall, Bertelsmann expanded to Eastern Germany and Central Europe with its clubs, magazines and – in former East Germany– with printing operations. This also meant a temporary increased involvement in daily newspapers: In 1991, Bertelsmann bought a majority stake in the Dresdner Druck- und Verlagshaus ("Sächsische Zeitung"), followed in 1992 by Berliner Verlag ("Berliner Zeitung," "Berliner Kurier"); in 2000, the company joined England's Pearson group in establishing a new business daily, the "Financial Times Deutschland."

At the same time, the company kept its eye on the burgeoning markets of Asia: In 1997, after years of groundwork, Bertelsmann opened the first book club for China, the world's most populous country, in Shanghai. Although the club was shut down in 2008, Bertelsmann has managed to steadily expand its presence on the Chinese market ever since.

Bertelsmann goes online

In 1995, Bertelsmann entered the age of multimedia. Together with America Online, it set up the online service AOL Europe. Bertelsmann also bought up Pixelpark, Germany's leading multimedia agency at the time. The multimedia offensive was rounded out by an involvement in the Internet technology services sector: in 1996, Bertelsmann joined Debis in forming the network company Mediaways, Germany's second-largest network carrier.

Television and radio for Europe

In January 1997, Bertelsmann merged the Ufa Film- und Fernseh-GmbH with the Compagnie Luxembourgeoise de Télédiffusion (CLT), which had been in private broadcasting since 1931. This

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yielded Europe's largest television company, with CLT-Ufa doing business in radio and television in Germany, France, the Benelux countries, the U.K., Sweden and the Czech Republic.

In 2000, RTL Group resulted from the merger between CLT-Ufa and the British company Pearson TV: 22 TV channels and 18 radio stations in ten European countries – production companies that each year produce 11,000 hours of programming in 35 countries worldwide– brands like “Baywatch” and “Good Times, Bad Times” have elevated RTL Group to the European market leader in ad-financed (free) television and in TV production.

Random House: The U.S. becomes Bertelsmann's most important market

In July 1998, Bertelsmann took over the respected American publisher Random House, with its roster of world-famous authors like John Updike, Toni Morrison, John Le Carré and Michael Crichton, and merged it with Bantam Doubleday Dell. The new publishing group – Random House, Inc. – represented the largest single investment in the company's history and a spectacular commitment to books just as the Information Age was dawning. Bertelsmann was now the biggest trade publisher in the English-speaking world. This shifted the regional weighting as well: The U.S. became Bertelsmann's most important market of the time.

Bertelsmann Verwaltungsgesellschaft (BVG)

On July 1, 1999, having already transferred the majority of the capital in Bertelsmann AG to Bertelsmann Stiftung in 1993, Reinhard Mohn transferred his voting rights to the Bertelsmann Verwaltungsgesellschaft (BVG), to safeguard the company's continuity and independence against outside influences. Today, the BVG controls 100 percent of votes in Bertelsmann AG. Its shareholders are three members of the Mohn family and three other elected persons.

E-Commerce and academic publishing

Under the management of Thomas Middelhoff, who was appointed Chairman & CEO in November 1998, Bertelsmann initially expanded on its Internet projects. The company began in 1999 with Bertelsmann Online (BOL) an international media shop for books and music. Bertelsmann also acquired one of the world's top authorities on science: the specialist publisher Springer.

The company soon realized the dynamic of the new media markets and withdrew from Internet access to refocus its strategy on media content, end-customer businesses and media services. Very gainfully so: the sale of its AOL Europe shares in 2002 alone brought in US\$6.75 billion for Bertelsmann. That same year, Bertelsmann sold the network services provider Mediaways to Spain's Telco company, Telefónica.

2000 – 2011

“World Expo 2000”

On opening day alone – June 1, 2000 – more than 150,000 people flocked to the “Expo 2000” world expo in Hannover. One of the favorites among the 200 presentations and pavilions was “Planet m – medien für menschen” (media for people) by Bertelsmann, an official world partner of “Expo 2000.” At its premiere, guests waited in line for up to two hours to view the media planet. Music, prize giveaways and other promotions helped to shorten their long wait for a ride on the “Space Lift,” which on its very first day transported thousands of guests into the interior of “Planet m.” “Space Lift,” “Pre-Show” and “Main Show” were designed to present the diversity, responsibility and importance of media in an emotionally charged manner. The main show “Sternenfänger” (Starcatcher) by the UFA subsidiary Teamworx, which was watched by a total of 1.2 million visitors, went on to win the “Platinum Award” for

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"Film and Video Production – Advertising / Promotional" at the International Film Festival in Houston, Texas (USA).

Broadcasting as a growth driver: RTL Group

In two crucial steps taken in early 2001 and 2002, Bertelsmann strengthened its promising television business: In a share swap in February 2001, the company first secured a majority shareholding in RTL Group, Europe's biggest and most popular broadcaster. Bertelsmann took over a 30-percent stake in RTL Group owned by the investor Groupe Bruxelles Lambert (GBL). In return, GBL received 25.1 percent of capital shares and 25.0 percent of voting rights in Bertelsmann AG. The takeover of another 22 percent in the television, radio and TV production group followed in January 2002, this time from Pearson's holdings. RTL Group became Bertelsmann's largest corporate division, and Bertelsmann's share in RTL Group amounted to roughly 90 percent.

Concentration on core businesses, strengthening profitability

In August 2002, Gunter Thielen was appointed Chairman & CEO of Bertelsmann. He strengthened the principle of decentralism and the idea of autonomous "entrepreneurs within the greater enterprise" – one of the recipes behind Bertelsmann's success. The declared goal was to improve operating performance and strengthen Bertelsmann's profitability. All operations were put to the test, the strong ones were developed, the weaker ones turned around, shut down or sold.

Bertelsmann completed a billion-dollar acquisition of the independent music label Zomba based on a put-option that had been exercised, and in May 2003 sold the specialist publishing group Bertelsmann Springer to finance the move. Random House acquired the Heyne imprint, Munich, with best-selling authors like Robert Harris, John Grisham, Stephen King and Nicholas Sparks. A new strategic focus emerged in the direct-to-customer businesses as well: in late 2002, Direct Group Bertelsmann divested from pure-play e-commerce companies like BOL in order to focus on its media clubs. The latter now includes the Ukraine, where Direct Group took over the leading book club in August 2004. In late 2003, following a period of consolidation Thielen rang in a phase of new growth rung with the "Growth and Innovation (GAIN)" initiative.

November 2003 marked the opening of "Bertelsmann Under den Linden 1" in Berlin. It serves as a meeting point and a place of dialog about current events, future issues and perspectives in social and economic development.

Fresh growth

In 2004, the group merged its BMG recorded-music division into a joint venture with Sony Music. The result was Sony BMG, the world's third-largest music corporation. Shortly thereafter, Arvato, Gruner + Jahr and Axel Springer AG agreed to merge their gravure operations into the new European market leader, Prinovis. At the end of the year, Gruner + Jahr significantly expanded its portfolio by acquiring the majority of shares in Motor Presse Stuttgart.

2004 and 2005 were years of renewed growth and rising profitability: the GAIN initiative was bearing fruit. Start-ups, holdings abroad and acquisitions served to strengthen the core businesses and underscore the group's status as the world's most internationally set-up media company. At the same time, Bertelsmann forcefully pursued the extension of its digital businesses and the use of new, digital distribution paths across all companies and divisions. This process was further accelerated in the years that followed.

In mid-2005 Bertelsmann CEO Gunter Thielen initiated the pro-bono campaign "Du bist Deutschland", which was put into practice in conjunction with 24 other media companies after the German elections and went on to cause quite a sensation.

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Share buyback and Management Changeover

In July 2006, Bertelsmann AG bought back the 25.1 percent block of capital shares previously held by Groupe Bruxelles Lambert (GBL), for € 4.5 billion. Bertelsmann AG currently has the following ownership structure: The Bertelsmann Stiftung now holds 77.4 percent of the capital shares; the remaining 22.6 percent are owned by the Mohn family. The Bertelsmann Verwaltungsgesellschaft (BVG) holds 100 percent of the voting rights.

The share buyback means that Bertelsmann AG has no external shareholders for the first time since 1973. At that time, the publisher Dr. Gerd Bucerius had traded his holdings in Gruner + Jahr for an 11.5% stake in Bertelsmann AG. This shareholding dwindled to 10.74% in 1979 as the result of a capital increase. After Bucerius' death in 1995, his shares were transferred to his foundation, the 'Zeit Stiftung', which gradually sold them back to Bertelsmann between 2000 and 2003.

In autumn 2006, Bertelsmann sold its profitable BMG Music Publishing unit to finance the GBL share buyback. Bertelsmann also settled with all the major plaintiffs in the Napster lawsuit this and the following year.

At the end of 2006, Bertelsmann opened a head office in Beijing. One year later, the number of employees passed 100,000 for the first time in Bertelsmann's long history.

In 2007, the year of Gunter Thielen's 65th birthday, his successor was selected: Hartmut Ostrowski, previously CEO of Arvato, took over as Chairman and CEO of Bertelsmann AG on January 1, 2008, Thielen moved to the head of the Bertelsmann Stiftung and took the chair of the Bertelsmann AG Supervisory Board.

Since 2008, under the leadership of its new Chairman & CEO Hartmut Ostrowski, Bertelsmann has forged ahead with a strategy focused on organic growth. Ostrowski and his fellow Executive Board members reorganized the portfolio and divested from declining businesses. In the Club business Bertelsmann focused on the European core markets and withdrew entirely from the recorded-music business (Sony BMG) to devote itself to the more promising field of music rights management. Within a few years, a global player was built up from small beginnings: BMG Rights Management.

A few months after Ostrowski took office, the global economic crisis presented a strategic challenge. In 2009, the company responded by launching the greatest cost and efficiency program in its history. Costs were reduced by more than one billion euros within a few months and all structures and processes were reviewed. The year 2009 was overshadowed by the death of Reinhard Mohn. The entrepreneur and philanthropist died on 3 October 2009 at the age of 88. He was closely involved in Bertelsmann AG to the last as a member of the Bertelsmann Verwaltungsgesellschaft and as Honorary Chairman of the Supervisory Board.

2010 was devoted to the company's anniversary under the central motif of "175 Years of Bertelsmann - The Legacy For Our Future". Highlights included a big party for 12,000 staff at the Gütersloh headquarters, and numerous company-wide employee actions and events, large and small. The anniversary year reached its glittering climax with a gala ceremony in Berlin's Konzerthaus.

The anniversary year of 2010 was not only a cultural but also an economic milestone in Bertelsmann's history. Bertelsmann emerged stronger from the economic crisis and ended the year with excellent earnings. Many operational key indicators were at record levels. CEO Hartmut Ostrowski announced new investment in growth areas.

After reporting excellent figures again for the 2010 financial year, Bertelsmann AG updated its branding: as of July 2011, the company has a new logo and a modified corporate design to reflect the successful evolution of its strategy and business. A powerful word mark replaces the previous logo, underlining the company's strength and aspiration.

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After four successful but exhausting years, in Fall 2011 Hartmut Ostrowski decided to resign from his position with effect from January 1, 2012: from that date on, Thomas Rabe, erstwhile Chief Financial Officer of the Group, will lead Bertelsmann into the future.