

BERTELSMANN ANNUAL RESULTS 2012

Investor Conference Call
March 26, 2013

Judith Hartmann
Member of the Executive Board and Chief Financial Officer of Bertelsmann

Summary and highlights – Financial Year 2012

1

Solid business performance

- Revenues up 4.5%, organic growth 3.1%
- Solid operating EBIT
- Group profit slightly up despite high special items
- EBITDA margin 13.8%, ROS10.8%

2

Solid financial position

- In line with all financial targets
- Comfortable liquidity position, maturity profile extended
- Target rating Baa1/BBB+ with stable outlook

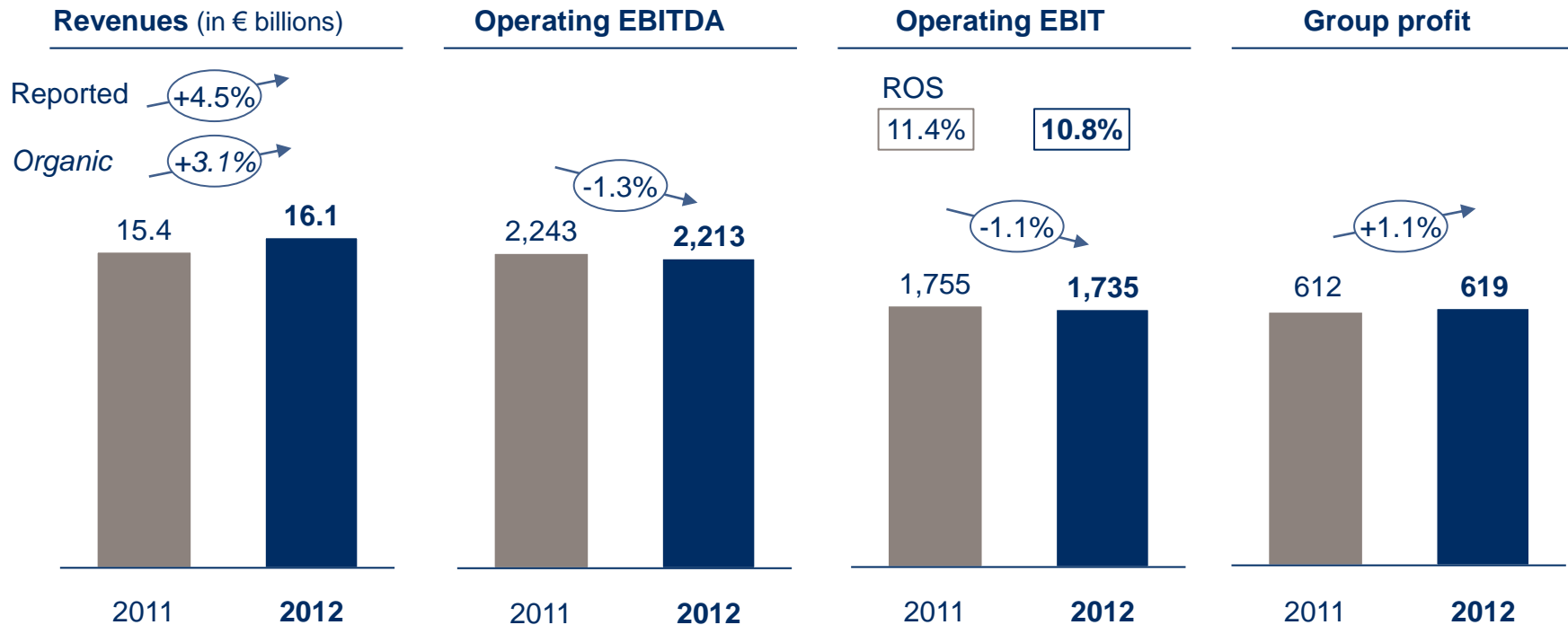
3

Group strategy

- Strengthen media and service businesses
- Digital transformation
- Growth platforms and growth regions

Group key figures – Solid business performance, revenue up 4.5%, group profit up 1%

Continuing operations, in € millions



- Solid organic growth
- Record results at Random House and Mediengruppe RTL Deutschland
- Great traction at Arvato, in particular Infoscore
- Weak advertising markets in Southern/Western Europe and negative effects of structurally declining businesses
- Budgeted start-up losses resulting from digitization and new businesses

Divisions – Record earnings at Random House, solid revenue growth at RTL Group and Arvato

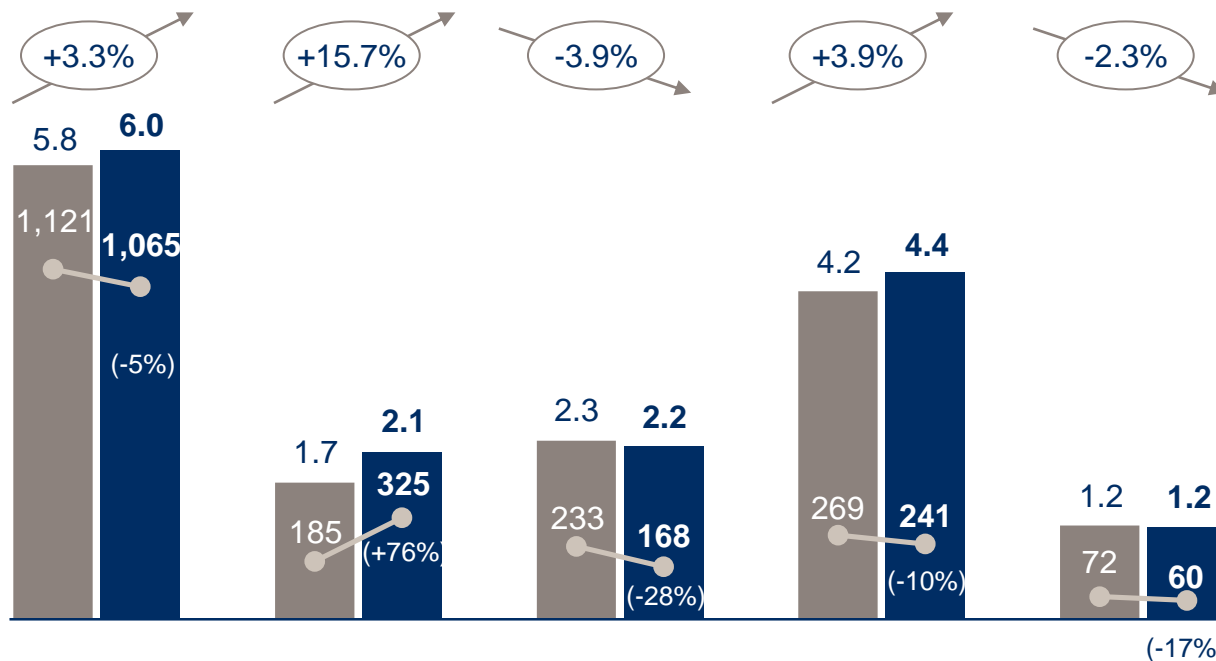
Continuing operations

■ 2011 ■ 2012

Organic growth

Revenues
(in € billions)

Operating EBIT
(in € millions)



RTL Group

Random House

Gruner + Jahr

Arvato

Be Printers

ROS

19%

18%

11%

15%

10%

8%

6%

5%

6%

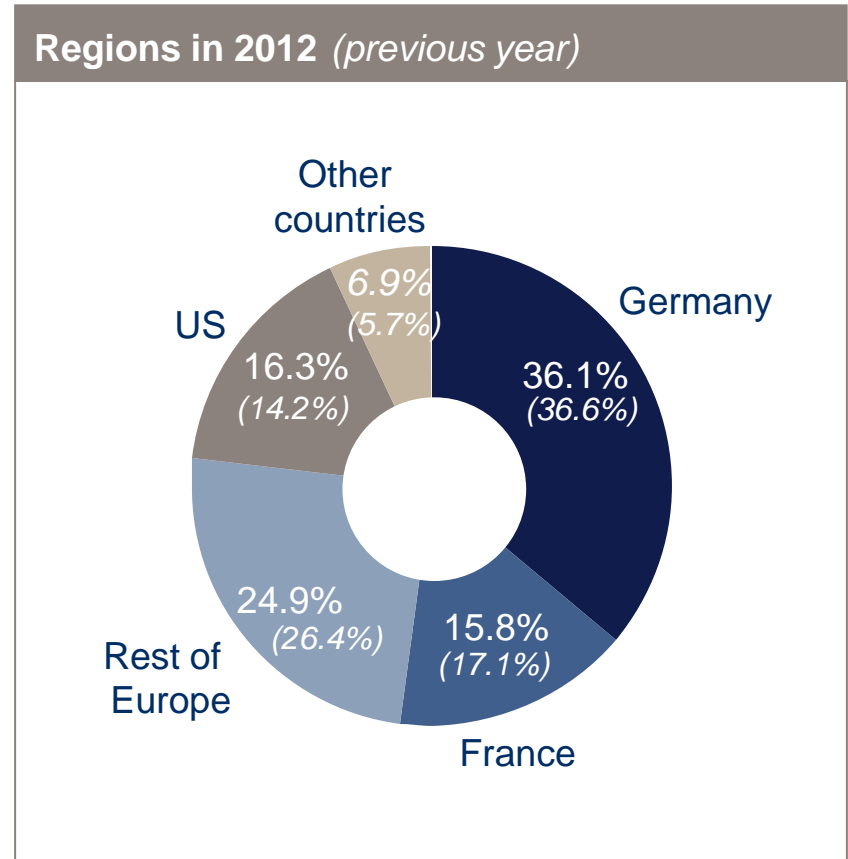
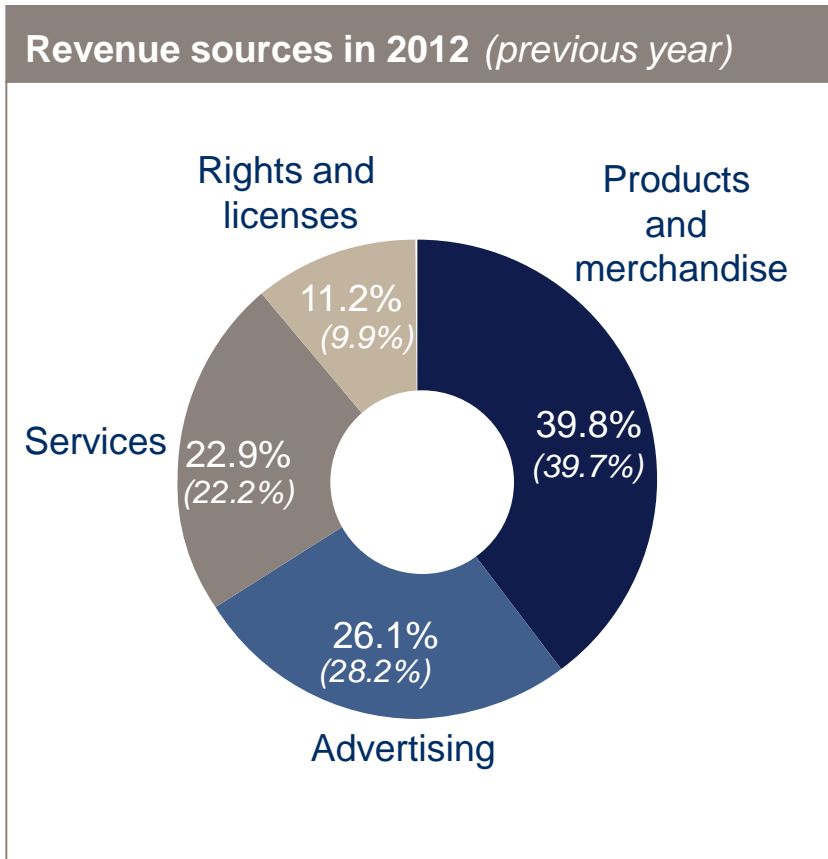
5%

Income statement – Group profit slightly above previous year

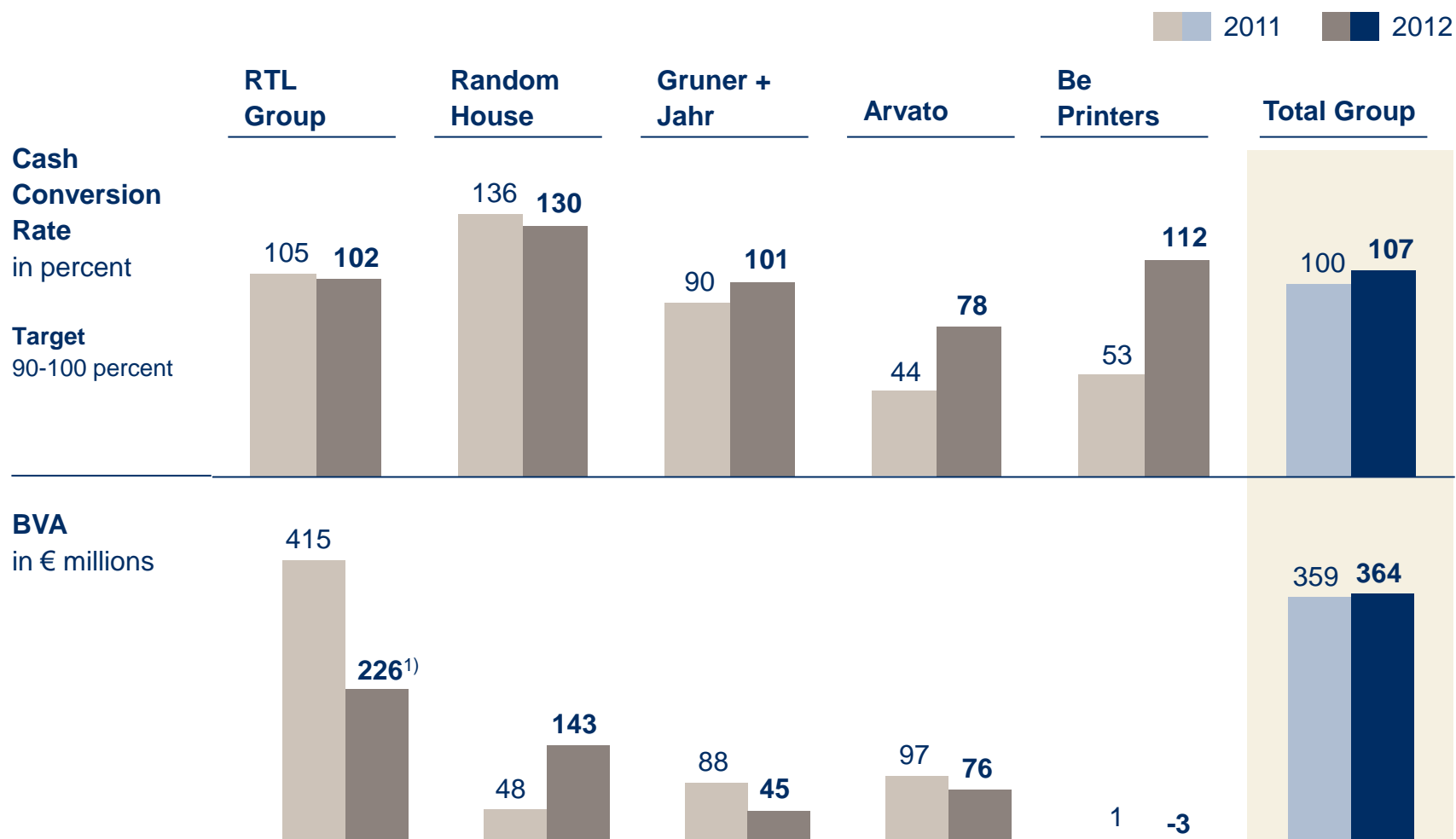
in € millions	2011	2012	Change		Remarks
			in %	abs.	
Operating EBIT	1,755	1,735	-1%	-20	
Special items	-322	-405		-83	Declining businesses (217M), Southern Europe (95M), G+J business media publishing division (47M); low capital gains
EBIT	1,433	1,330	-7%	-103	
Financial result	-398	-315		+83	Lower earnings share in partnerships held by non-controlling interests
Income tax	-316	-396		-80	High non-tax-deductible expenses
Earnings after taxes from discontinued operations	-107	-		+107	2011: Sale Direct Group France
Group profit	612	619	+1%	+7	

Group key figures – Diverse revenue base across sources and regions

Revenue share, continuing operations



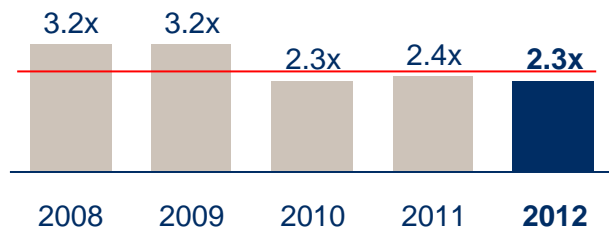
Performance Indicator – Cash generative business reflected in high Cash Conversion Rate, slight increase in BVA



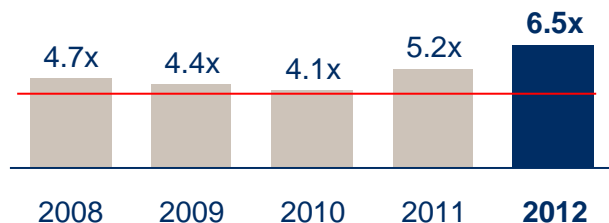
1) Since FY 2012 the goodwill for RTL Group at group level previously carried under Corporate (Corporate Investments) has been allocated to RTL Group.

Financial status – All targets met, pension obligations increased by €413m due to lower discount rates

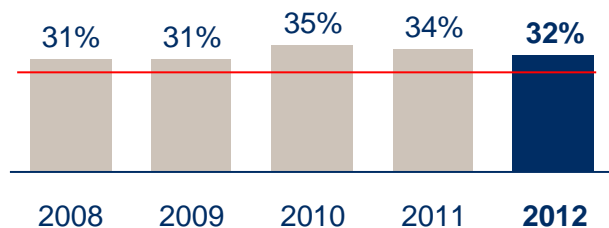
Leverage Factor < 2.5x



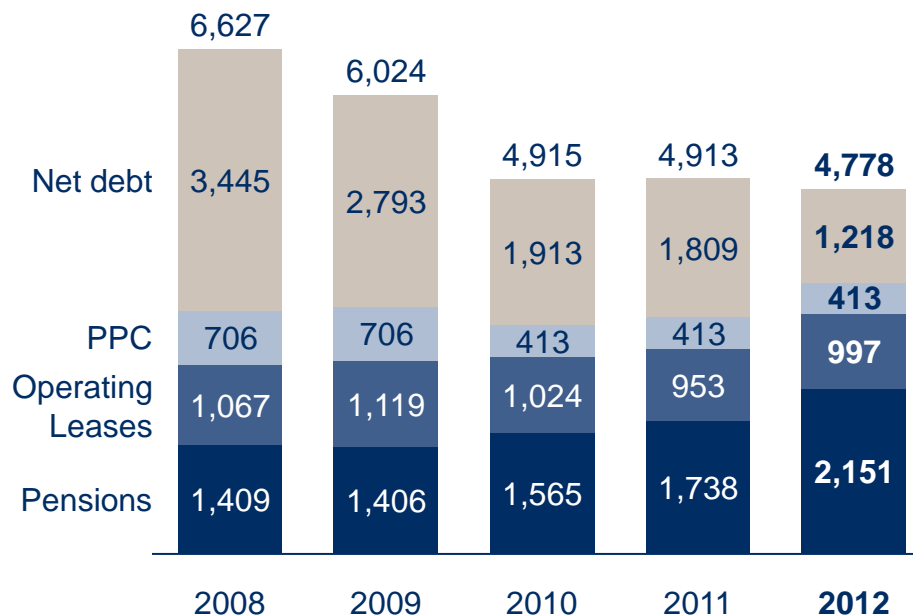
Interest Coverage Ratio > 4.0x



Equity Ratio > 25%



Economic debt (in € millions)

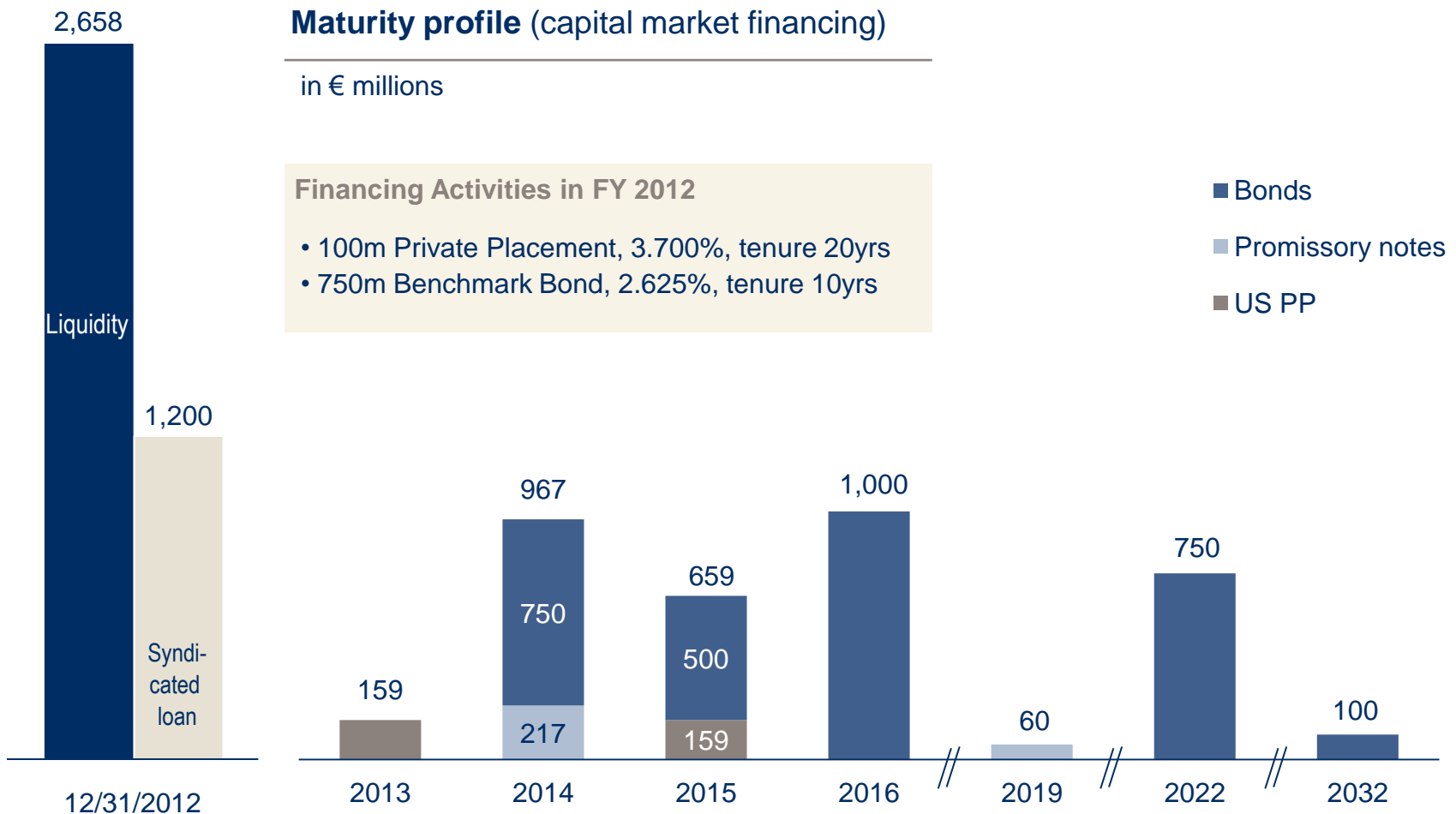


STANDARD
& POORS

- Baa1, outlook: stable

- BBB+, outlook: stable

Financial Status – Maturity profile extended, short-term maturities require no refinancing



Group strategy – Transformation of Bertelsmann portfolio

Target portfolio

Higher growth

More digital

More international



Strategic priorities

1

**Strengthening
the core**

2

**Digital
transformation**





3

**Growth
platforms**

4

**Growth
regions**

Group strategy – Significant progress in implementing strategic priorities

					Corporate Investments Corporate Center
1 Strengthening the core	<ul style="list-style-type: none"> ▪ RTL: Launch of new digital TV-channels – RTL Nitro and 6ter ▪ Random House: Merger with Penguin Books ▪ G+J: Revitalization of core brands ▪ Be Printers: Creation of a separate print unit 				
2 Digital transformation	<ul style="list-style-type: none"> ▪ RTL: Expansion of non-linear / next Gen TV ▪ Random House: Growth of e-book business ▪ G+J: New strategy adopted, expansion of digital advertising sales 				
3 Growth platforms	<ul style="list-style-type: none"> ▪ BMG: more than 1 million copyrights, organic growth and acquisitions ▪ Education: Fund University Ventures I ▪ Arvato: Expansion of growth platforms 				
4 Growth regions	<ul style="list-style-type: none"> ▪ Investments: Via Bertelsmann investment funds ▪ RTL: Launch of BIG-RTL Thrill in India 				

Summary and outlook – Financial Year 2013

1	ROS in double-digit range expected for 2013 despite low visibility
2	Business performance provides tailwind for long-term strategic transformation of the Group
3	Considerable progress in implementing strategy
4	Clear investment priorities
5	Development of new growth areas : content rights, education, and business information

Q&A-SESSION

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