



German Corporate Day Commerzbank, London
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June 20, 2013

BERTELSMANN

Agenda

Bertelsmann at a Glance

Divisional Performance

Financial Performance

Strategy

Outlook

Bertelsmann at a Glance – International media group with diversified revenue base

Revenues: 16,065
Operating EBIT: 1,735
Employees: 104,286

BERTELSMANN



TV/ Radio/ TV-Production	
Bertelsmann:	76%
Free Float (incl. Treasury Stock):	24%
Revenues:	6,002
Op. EBIT:	1,065

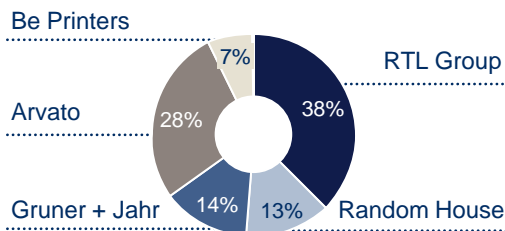
Book Publishing	
Bertelsmann:	100%
Revenues:	2,142
Op. EBIT:	325

Magazine Publishing	
Bertelsmann:	74.9%
Jahr Family:	25.1%
Revenues:	2,218
Op. EBIT:	168

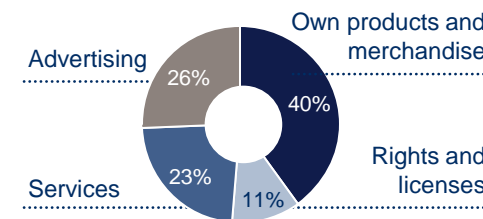
BPO-Services	
Bertelsmann:	100%
Revenues:	4,449
Op. EBIT:	241

Printing	
Bertelsmann:	100%
Revenues:	1,174
Op. EBIT:	60

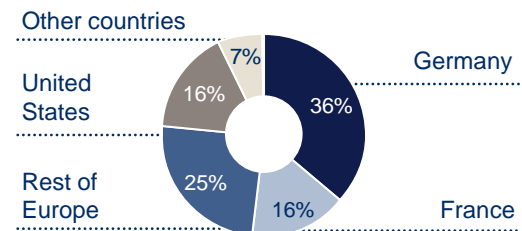
Revenue share



Revenues by category



Revenues by regions



Revenues/Operating EBIT in € millions (Fiscal Year 2012, continuing operations)

Bertelsmann at a Glance – Summary and highlights 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

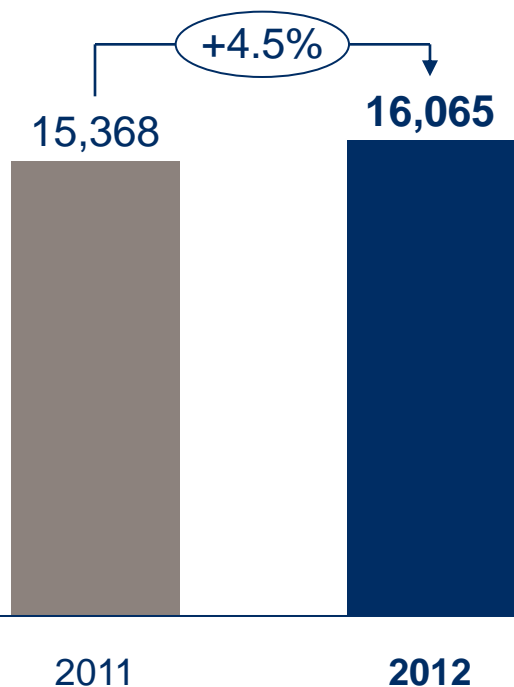
- Strengthen media and service businesses
- Digital transformation
- Growth platforms and growth regions

Group key figures FY 2012 – Growth of 4.5%, organic growth +3.1%, operating EBIT and ROS on a high level

Continuing operations (in € millions)

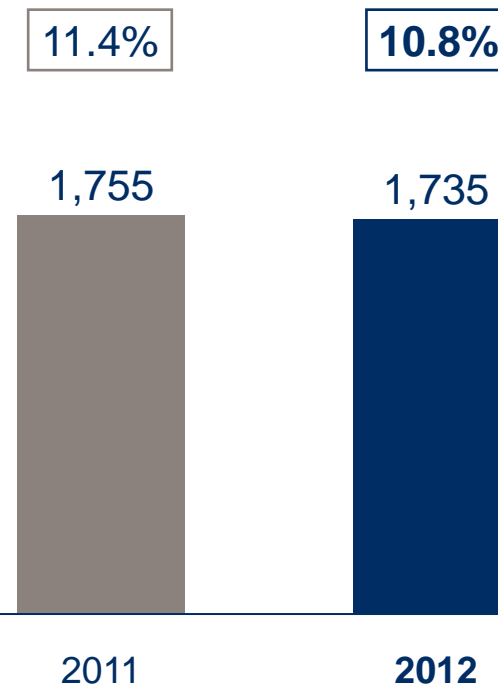
Revenues

Growth



Operating EBIT¹⁾

ROS¹⁾



- Best ever result of RTL Germany, spectacular publishing success with shades trilogy
- G+J with a significant decline in the advertising business in Germany, Austria, Poland and Spain
- Arvato replication affected by declining business and start-up costs for new businesses
- Be Printers impacted by lower capacity utilization and by shortening of the remaining useful life of property, plant

Group key figures FY 2012 – Group profit above prior year despite high one-time costs

in € millions	2011	Change	2012
Operating EBIT of divisions	1,833	-12	1,821
Corporate Center/Consolidation	-78	-8	-86
Operating EBIT	1,755	-20	1,735
Special items	-322	-83	-405
– thereof businesses with structural changes	-209	-8	-217
– thereof businesses in Southern Europe	-123	+28	-95
– thereof Gruner + Jahr business media	-	-47	-47
EBIT	1,433	-103	1,330
Financial result	-398	+83	-315
Income tax	-316	-80	-396
Earnings after taxes from discontinued operations	-107	+107	-
Group profit	612	+7	619

Group key figures Q1 2013 – Positive start in 2013 with stable revenues and significant profit hike

in € millions	Q1 2012	Change	Q1 2013
Revenues	3,663	-30	3,633
Operating EBIT of divisions	298	+22	320
Corporate/consolidation	-19	+2	-17
Operating EBIT	279	+24	303
Special items	5	+89	94
EBIT	284	+113	397
Financial result	-85	+3	-82
Income taxes	-54	-54	-108
Group profit	145	+62	207

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

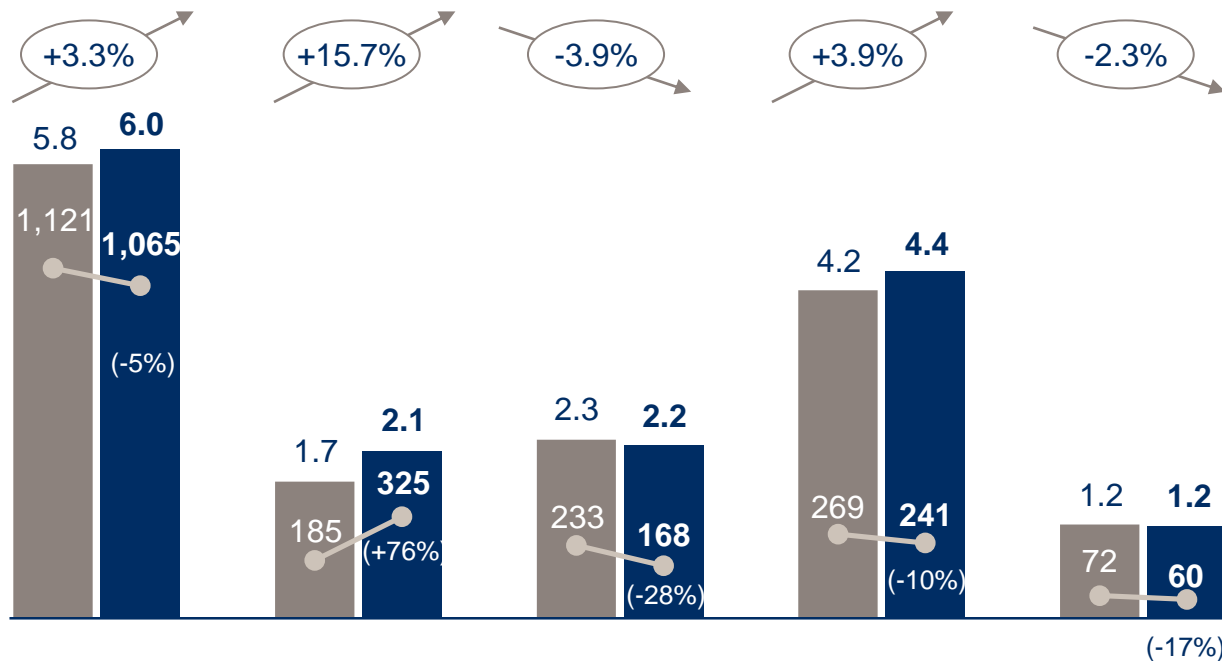
Continuing operations

■ 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%

RTL Group – Strong growth and profitability



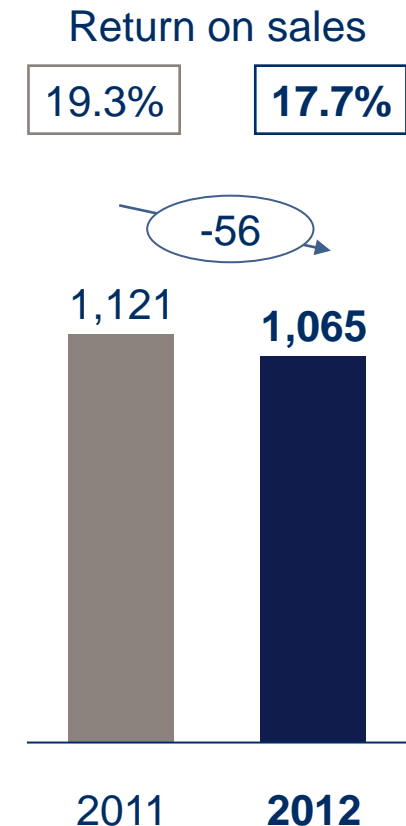
Europe's leading entertainment network

- Appointment of Anke Schäferkordt and Guillaume de Posch as Co-CEOs of RTL
- Launch of five new TV channels:
 - RTL Nitro in Germany
 - 6ter in France
- Online platforms and on-demand offers generated more than 2.4 bn video views of professionally produced content (+25% yoy)
- Merger Antena 3 with LaSexta
- Successful placement of 23.5m RTL shares by Bertelsmann in April 2013

Revenues (in € millions)



Op. EBIT (in € millions)



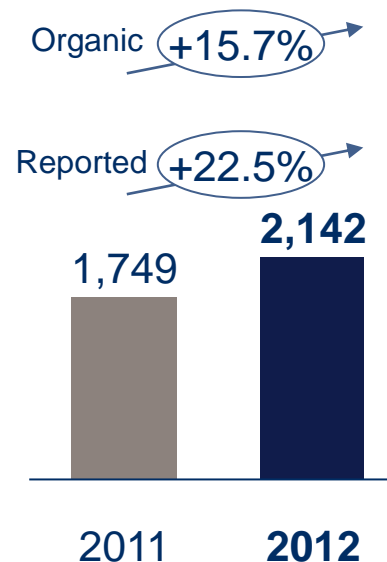
Random House – Spectacular publishing success with shades trilogy



Global leader in trade publishing

- Record revenues and operating EBIT
- Strong bestseller performance in all regions
- Random House sells more than 70 million copies of the “Fifty Shades” trilogy by E L James
- Global e-book sales continue to grow; e-books account for ~20% of global sales
- Planned merger of Random House and Penguin announced, Bertelsmann with controlling majority (53%)
- Full acquisition of Random House Mondadori

Revenues (in € millions)

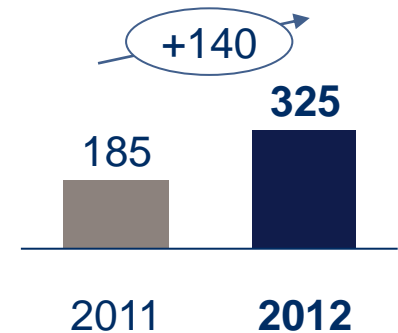


Op. EBIT (in € millions)

Return on sales

10.6%

15.2%



Gruner + Jahr – Vitalization of print brands, expansion digital business



European magazine publishing house

- New board composition with Julia Jäkel as CEO
- Continued growth in China (“Ray-Li”)
- Ongoing investments in accelerated digital transformation of the core business
- Portfolio changes / restructuring of the core business
- Partial closure of the business media publishing group in Germany, involving the discontinuation of “FTD” and the sale of “Börse Online” and “Impulse”
- Focus on revitalization of major brands such as “Brigitte”, “Gala” and “Stern”

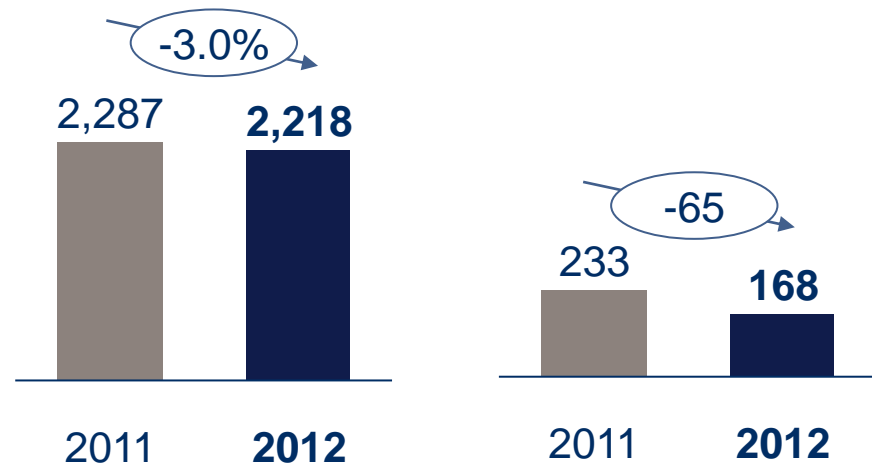
Revenues (in € millions)

Op. EBIT (in € millions)

Return on sales

10.2%

7.6%

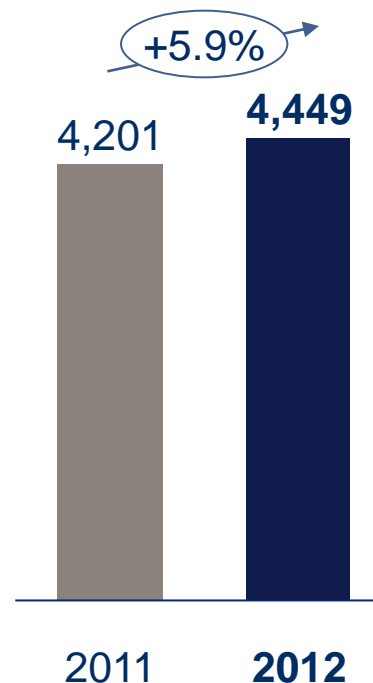


Arvato – Focus on high-growth services, expansion of e-commerce business

Global BPO services provider

- New CEO Achim Berg since April 2013
- Focus on service businesses
- Five strategic growth priorities
 - Core European countries
 - Global Hightech/Internet clients
 - E-Commerce
 - Financial services
 - China
- Acquisition of Gothia Financial Group

Revenues (in € millions)

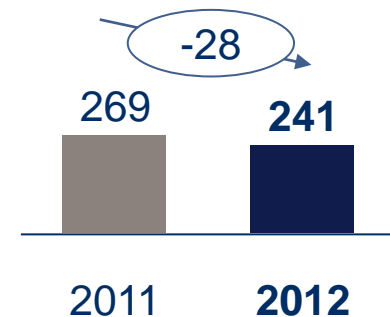


Op. EBIT (in € millions)

Return on sales

6.4%

5.4%



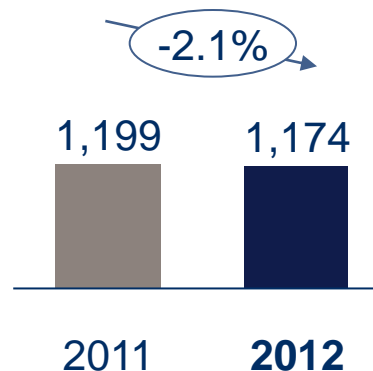
Be Printers – Consolidation of gravure printing activities in separate division



Strong player in the gravure printing business

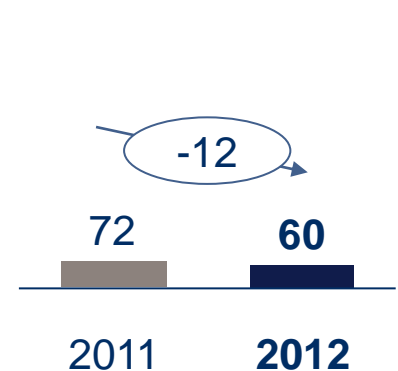
- New leadership team
- Effective 1 January 2012, Be Printers combines all gravure printing activities in Germany, United Kingdom and Southern Europe as well as all offset printing activities in Southern Europe and the Americas
- Difficult market environment characterized by declining volumes and intense competition
- Improvement of competitive positions through cost reduction and efficiency programs
- Closure of Itzehoe plant in 2014, redundancy plan concluded

Revenues (in € millions)



Op. EBIT (in € millions)

Return on sales



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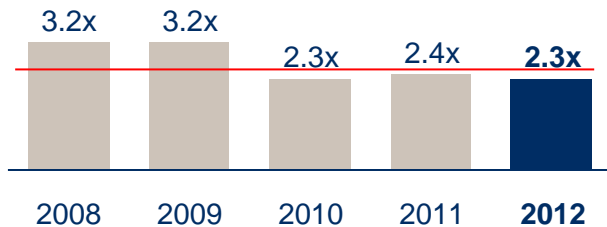
Financial Performance

Strategy

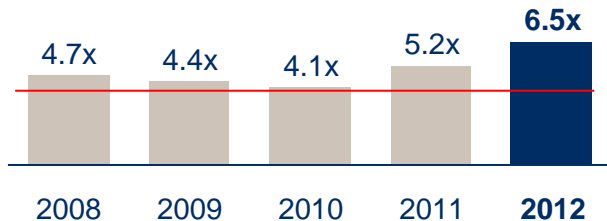
Outlook

Financial Status – Sound financial position, all targets met

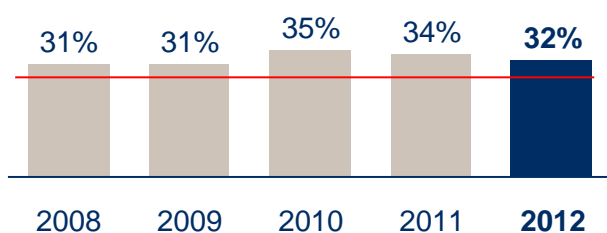
Leverage Factor < 2.5x



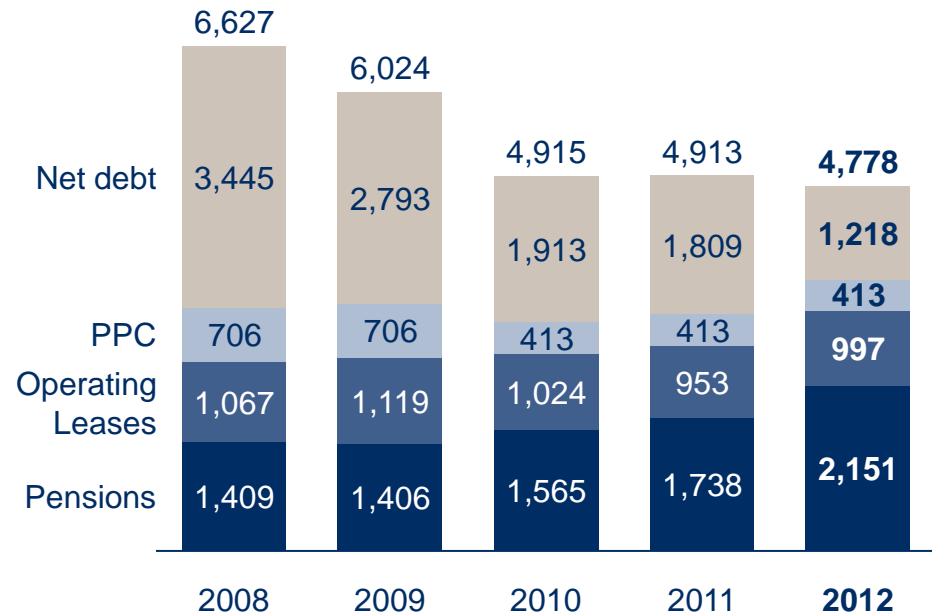
Interest Coverage Ratio > 4.0x



Equity Ratio > 25%



Economic debt (in € millions)



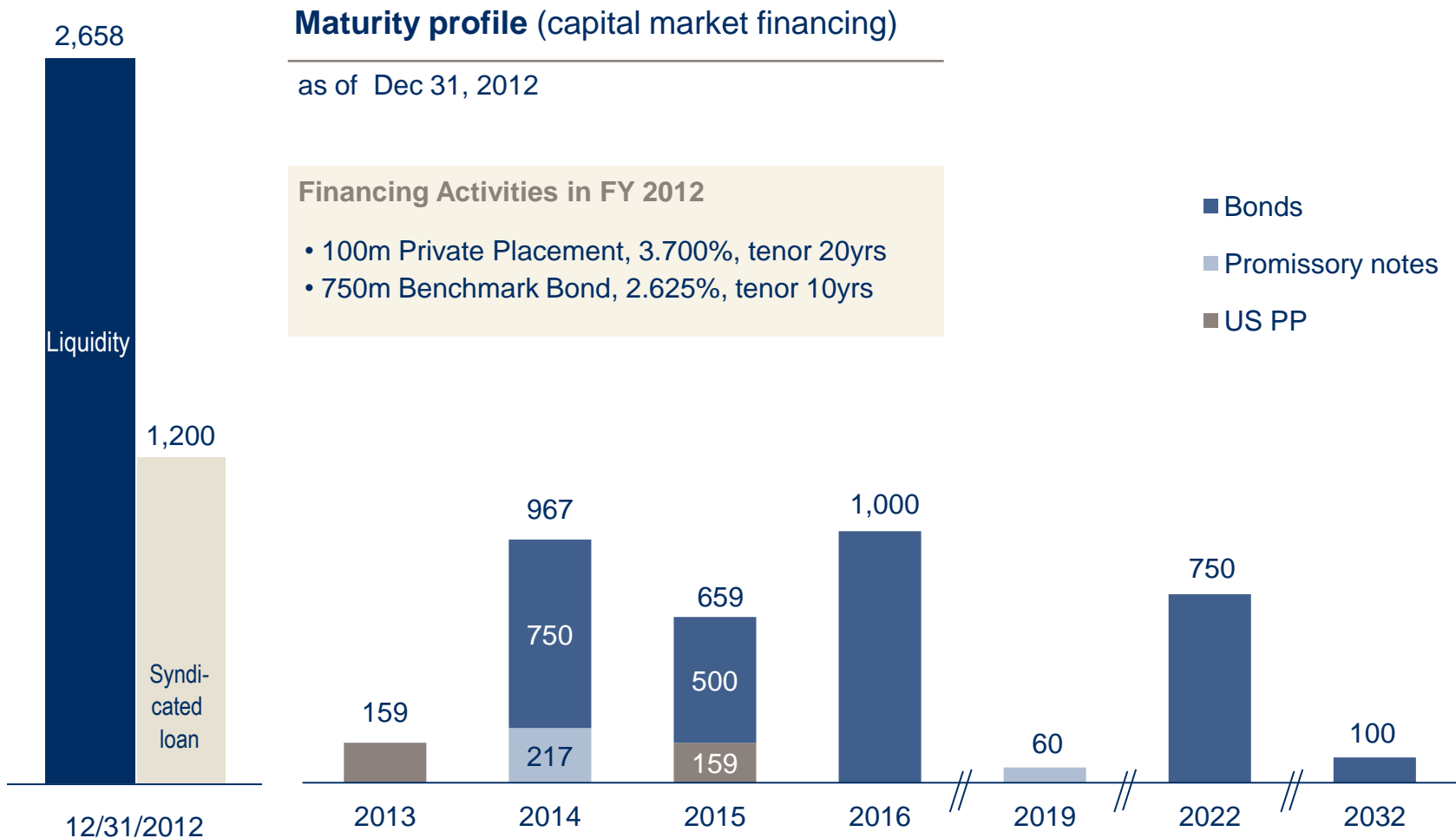
STANDARD
& POOR'S

- Baa1, outlook: stable

- BBB+, outlook: stable

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

in € millions



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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**

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: Announced 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 				

Strategy – Strategic portfolio steps taken YTD

Full ownership



- **Complete takeover** of BMG – the world's fourth-largest music publisher
- **Strong growth** expected through signings and acquisitions
- Diversified, international, stable, and **profitable business model**

100%

Acquisition



- **Combining businesses** of Arvato Infoscore with Gothia – a full-service provider for the entire invoice process chain
- Expanding into **business information** market characterized by **profitable growth** and **low cyclicity**

100%

Re-IPO



- **Successful placement** of RTL shares
- Proceeds support growth **strategy**
- Bertelsmann remains **majority shareholder**
- **Recapitalization** via extraordinary dividend and intercompany financing

76%

Merger



- **Strengthening** of book publishing with new publishing group Penguin Random House
- Push forward **digital transformation**, develop **new distribution channels**, and build up new businesses in **growth regions**
- Closing expected in July 2013
- **Internal financing**

53%

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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