

# B The Four Strategic Priorities



## Strengthening the Core

A diverse range of creative content is at the heart of many Bertelsmann businesses. At the same time, the Group offers solutions for a wide range of business processes to clients from all over the world. These core businesses are strengthened through targeted investments and acquisitions and by seizing opportunities for consolidation. The Group picks up on trends and new customer requirements, for example with additional digital offerings to complement TV programming, or topic-specific media platforms (verticals). At the same time, Bertelsmann works to ensure the protection of intellectual property in the digital domain and beyond.



## Digital Transformation

Bertelsmann's lines of business are also changing as a result of digitization and shifts in media use. The company is shaping this transformation with a clear focus on customers' needs and requirements. TV content on every available device, from TV sets to smartphones to tablets; more than 110,000 e-books in German, English and Spanish; apps and portals tying in to established magazines or topics or digital services – Bertelsmann is reinventing itself, attracting new customer groups and opening up new distribution channels. The transformation to digital is a long-term endeavor that is of great importance to the company's future.



## Growth Platforms

Bertelsmann has been systematically broadening its lines of business for several years, investing in fast-growing sectors. These include the education business, which is driven by the growing worldwide demand for accredited academic degrees. In the long term, education is to become a third mainstay of revenues, alongside media and services. Other promising fields of activity are the music business and the production of video content, as well as e-commerce and financial services.



## Growth Regions

Bertelsmann is stepping up its expansion in regions where a middle class with high purchasing power and an affinity for media and education has emerged in recent years. In the Group's view, these primarily include Brazil, China and India. Bertelsmann already has operations and Corporate Centers in these places, and intends to further expand this presence in the years ahead. As it expands its existing activities, Bertelsmann will also increasingly invest in the education and digital media sectors in these three countries.



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