

PRESS RELEASE

Bertelsmann reports significant growth and increased operating result in first quarter of 2014

- **Revenues up by 8.5 percent to €3.90 billion**
- **Operating EBITDA reaches new high at €433 million**
- **€275 million invested**

Gütersloh, May 8, 2014 – Bertelsmann has begun the 2014 fiscal year with considerable revenue growth and a record operating result. The international media and services group’s consolidated revenue from continuing operations rose sharply by 8.5 percent during the first-quarter reporting period to €3.90 billion (previous year: €3.60 billion). The increase was driven by Arvato’s takeover of the e-commerce service provider Netrada and by the past year’s acquisitions, e.g. the Penguin Random House merger, the acquisition of full ownership in the BMG music rights company; and the purchase of the financial services provider Gothia. The adjusted operating result before interest, taxes, depreciation and amortization (Operating EBITDA) soared to a record €433 million (previous year: €418 million). At €104 million, net income was below the previous year’s result (€207 million), which included positive effects of €114 million from the revaluation of BMG.

Thomas Rabe, Chairman and CEO of Bertelsmann, said: “Bertelsmann has benefitted from a successful start this year. Our operating performance is good, and last year’s major transactions are paying off. We invested heavily in our content and services businesses in the first three months of 2014 and have made significant progress in putting our strategy into action. In the months ahead, we will expand our education business. In the long term, this sector will become a third mainstay of Bertelsmann’s business, alongside media content and services.”

During the reporting period, in addition to Arvato’s takeover of Netrada at the beginning of the year, RTL Group acquired a majority stake in the TV production company 495 Productions, and BMG bought the Dutch music publisher Talpa Music. Beyond its investments totaling €275 million during the first quarter, Bertelsmann announced it would invest an amount in the nine-digit dollar range in a new fund for holdings in companies from the education sector, called “University Venture Fund II.” Subject to regulatory approval, the trade book publishing group Penguin Random House will acquire Santillana’s Spanish- and Portuguese-language book-publishing business.

Judith Hartmann, Chief Financial Officer of Bertelsmann, said: “Bertelsmann will invest massively in building and expanding its businesses in the years ahead. Our business performance in the first three months has confirmed our forecast of achieving strong revenue growth, continued high profitability, and a positive development of Group profit in 2014.”

Overview of Figures (in € millions)

	Jan 1, 2014 to Mar 31, 2014	Jan 1, 2013 to Mar 31, 2013 (adjusted)
Consolidated revenues	3,900	3,596
Operating EBITDA divisions	452	435
Corporate Center/Consolidation	(19)	(17)
Operating EBITDA	433	418
Special items	(25)	94
EBIT (Earnings before interest and taxes)	256	397
Financial result	(67)	(82)
Earnings before taxes from continuing operations	189	315
Income taxes	(87)	(108)
Earnings after taxes from continuing operations	102	207
Earnings after taxes from discontinued operations	2	-
Group profit	104	207

Investments (incl. acquired debt)	275	524
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	Balance as of 3/31/2014	Balance as of 3/31/2013 (adjusted)
Net financial debt	776	681
Employees (in absolute numbers)	112,810	111,099

Adjustments made to the figures for Q1 / 2013 reflect the first-time application of IFRS 11 “Joint Arrangements”

About Bertelsmann

Bertelsmann is an international media company whose core divisions encompass television (RTL Group), book publishing (Penguin Random House), magazine publishing (Gruner + Jahr), services (Arvato), and printing (Be Printers) in some 50 countries. In 2013, the company's businesses, with their more than 111,000 employees, generated revenues of €16.4 billion. Bertelsmann stands for a combination of creativity and entrepreneurship that empowers the creation of first-rate media, communications, and service offerings to inspire people around the world and to provide innovative solutions for customers.

For further questions, please contact:

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