

PRESS RELEASE

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Bertelsmann Achieves Highest Revenues and Operating Result in Seven Years

- Revenues increase 3.1 percent to €16.7 billion
- Operating EBITDA grows 2.7 percent to €2.37 billion
- Group profit affected by special items
- Investments continue at high level and hit €1.6 billion
- Advances in strategy implementation improve growth profile
- Merger of Penguin and Random House contributes to growth
- Education business as third pillar alongside media and services
- Medium-term target for Group profit at €1 billion

Berlin, March 31, 2015 – Bertelsmann in the last fiscal year increased both its revenues and its operating result to the highest levels in seven years, while again investing in growing its business: The international media, services and education company improved its growth profile and expanded its digital business as well as its international presence with the acquisition of the e-learning provider Relias Learning in the United States and majority stakes in the video marketer SpotXchange and the multichannel network StyleHaul.

Revenues from Bertelsmann's continuing operations grew by 3.1 percent, to €16.7 billion in 2014 (previous year: €16.2 billion). Key drivers were strategic transactions such as the merger of the Penguin and Random House trade book publishing groups, the full acquisition of the music rights company BMG, and the expansion of financial and e-commerce services at Arvato. The downscaling of businesses in structural decline in part offset this growth.

During the past fiscal year, Bertelsmann improved its operating EBITDA by 2.7 percent, to €2.37 billion, also the highest level since 2007 (previous year: €2.31 billion). In particular, the result reflects a record performance by Mediengruppe RTL Deutschland, a strong list of bestsellers at Penguin Random House in the U.S. and U.K., and growth in the music rights business. The EBITDA margin was again high at 14.2 percent (previous year: 14.3 percent).

Group profit of €573 million was below the prior year's level of €885 million. This was the result of downscaling the print and direct-marketing businesses, expenditures on profit-improvement measures, a value adjustment to the Hungarian television business, and the absence of special items which had boosted group profit the previous fiscal year.

Thomas Rabe, Chairman and CEO of Bertelsmann, said: "2014 was a gratifying year for us. Our revenue is the highest it has been in seven years. The same goes for our operating result – it is one of the best in Bertelsmann's history. The implementation of our strategy is paying off. We again made a number of major advances during the past year. We significantly increased our activities in high-growth areas, further expanded the globally unique diversity of our creative activities and services, and at the same time disposed of businesses in structural decline. This transformation over the past few years has significantly improved the company's growth profile. Since 2012 alone, we have invested more than two

billion euros in growth businesses. We will keep up this brisk pace and continue to invest in expanding existing businesses and building new ones in the years ahead. The contours of the 'new Bertelsmann' are already clearly visible – faster growing, more digital, and more international than before.”

By successfully implementing its strategy Bertelsmann increased the revenue contribution of high-growth businesses to 27 percent in 2014 (2011: 22 percent). In this three-year period, the revenue share of structurally declining businesses fell from 15 percent to below 10 percent. In the medium term, growth businesses are expected to make up around 40 percent of group revenues, businesses in structural decline about five percent.

Thomas Rabe emphasized that in 2014 and the first few months of the present year, Bertelsmann had taken big steps towards reaching all four of its strategic priorities – strengthening the core, digital transformation, expanding growth platforms, and forging ahead in growth regions.

For instance, the **core businesses** were strengthened by the expansion of RTL Group's families of channels, as well as increasing distribution revenues from platform operators. At Penguin Random House, the world's largest trade book publishing group, the integration of the two companies has progressed faster than planned; the merger is already paying off on the creative and commercial fronts: Penguin Random House publishers achieved outstanding creative results on all continents. The publishing group rose to number one in the Latin American Spanish-language book market through the acquisition of Santillana's Spanish- and Portuguese-language trade publishing businesses. Similarly, the complete takeover of Gruner + Jahr in 2014 was a strategic milestone. Bertelsmann will continue to develop Gruner + Jahr into a leading house of content by, among other initiatives, investing in the company's transformation. Concurrently, Bertelsmann intensified the downscaling of businesses in structural decline: the Group sold businesses including Brown Printing in the U.S., the Italian printing operations and the calendar business, and decided to discontinue the German club business at the end of this year. In parallel, Bertelsmann launched a number of measures to improve the results of its core businesses, with a medium-term volume of about €500 million.

Bertelsmann also increased its footprint and reach in the **digital world**. RTL Group's catch-up services, its web productions and web channels, and its multi-channel networks together recorded 36.4 billion online video views in 2014, turning RTL Group into the world's fourth-largest provider of online video content. Penguin Random House last year expanded its e-book catalog to more than 100,000 titles, and sold over 100 million of its titles in electronic form worldwide. Gruner + Jahr expanded its portfolio of e-magazines, high-reach mobile sites and apps, and its digital advertising sales. Arvato achieved further growth as a service provider for IT, high-tech and e-commerce companies. Bertelsmann's various companies and editorial platforms now reach about 750 million followers on Twitter, Facebook, Google+ and YouTube via their social media channels.

An important milestone in the Group's expansion of its **growth platforms** in 2014 was the acquisition of the online education provider Relias Learning, also Bertelsmann's biggest purchase in the U.S. since the acquisition of Random House in 1998. Investments in California-based Alliant University and the educational services provider Synergis Education served to further expand the education business. In addition, RTL Group subsidiary Fremantle Media bought the majority of shares in TV production company 495 Productions; Arvato acquired the e-commerce service provider Netrada; and BMG, among a number of deals, purchased the music publishers Talpa and Union Square, and the music-rights catalogs Montana and Hal David.

Bertelsmann also expanded its business activities in **growth regions**. The company enlarged its content businesses, including Penguin Random House's trade publishing operations in India, and its TV business in Asia. Here, RTL Group and CBS Studios International launched a second joint pay-TV channel. Also, BMG entered the market in China. In the course of last year, the Bertelsmann Asia Investments fund participated in eleven promising companies with predominantly digital business models – more than ever before in a single year – and significantly increased the value of its portfolio. Bertelsmann's investments in China include the online shopping platform Mogujie and the leading online performance marketing company iClick. In India, Bertelsmann made investments in several businesses, including digital marketplace Pepperfry and education provider iNurture.

Bertelsmann Chairman and CEO Thomas Rabe said: "There is hardly another media company that is transforming as rapidly as we are. Our strong core businesses, numerous growth initiatives, and ongoing acquisitions will, step by step, increase our revenues to around 20 billion euros in the years ahead. Our education business and our activities in the growth regions of Brazil, China and India will each contribute one billion to this overall number."

Business expansion again led to a high investment volume in 2014. Including financial debt assumed, Bertelsmann invested €1.6 billion (previous year: €2.0 billion), mainly in the acquisitions of Relias Learning, SpotXchange and StyleHaul, Santillana, and the Netrada group. There were also acquisitions of music catalogs and packages of film rights. Net financial debt rose to €1.69 billion (previous year: €681 million) due to the acquisition activities. The previous year's value also included proceeds from the placement of RTL Group shares. The Group's broader economic debt increased to €6.04 billion at December 31, 2014, partly due to higher provisions for pensions, after €4.22 billion in the previous year. Adjusted operating free cash flow amounted to €1.71 billion (previous year: €1.83 billion).

Thomas Rabe added: "Bertelsmann is on an expansionist course – we have started this year off nicely. Given the ongoing transformation of our Group, we expect higher revenues and higher operating EBITDA in 2015. We want to significantly increase our Group profit to one billion euros in the medium term."

Bertelsmann's employees are participating in the successes achieved: For the past financial year, they will receive profit participation amounting to €85 million.

In accordance with the terms governing the Bertelsmann 2001 profit participation certificate (ISIN DE0005229942), 15 percent on the nominal value will be paid out on May 6, 2015. The payout for the 1992 profit participation certificate (ISIN DE0005229900) will be 5.93 percent (previous year: 7.49 percent).

Other key financials:

Special items

Special items amounted to €-619 million compared to €-46 million the previous year, and are largely attributable to the strategic measures taken in 2014. The downscaling of business in structural decline resulted in restructuring expenses and value adjustments in Bertelsmann's print, club and direct-marketing operations. The sale of Be Printers' Italian print unit led to a disposal loss. Spendings on profit-improvement measures also resulted in higher special items. Furthermore, there was a write-down on RTL Group's TV business in Hungary, where the national parliament had levied a new tax on advertising income.

Cash flow

In the reporting period, Bertelsmann generated net cash from operating activities of €1,523 million (previous year: €1,779 million). The Group's long-term operating free cash flow adjusted for non-recurring items was €1,711 million (previous year: €1,826 million). The cash conversion rate was 97 percent (previous year: 104 percent), which puts it within the target corridor of 90 to 100 percent.

Total assets

Total assets increased to €21.5 billion as of December 31, 2014 (previous year: €21.4 billion). The increase is mainly attributable to acquisitions during the reporting period, as outlined above. Cash and cash equivalents were reduced to €1.3 billion (previous year: €2.7 billion); this is due mainly to the repayment of financial debt during the past business year. Equity stood at €8.4 billion (previous year: €8.8 billion). As a result, the equity ratio was down slightly at 38.9 percent (previous year: 40.9 percent).

Investments

Total investments including financial debt assumed were €1,601 million (previous year: €1,988 million). Due to the acquisitions of Relias Learning and Santillana, and of majority stakes in SpotXchange and StyleHaul, the purchase price payments for consolidated holdings were higher year on year, at €820 million (previous year: €501 million). Other investments involved mainly property, plant and equipment at Arvato, music catalogs at BMG, and film rights at RTL Group.

Employees

At the end of the financial year, Bertelsmann had 112,037 employees worldwide (previous year: 111,099). In 2014, there were 1,312 people (previous year: 1,304) serving in trainee positions in Bertelsmann companies in Germany.

Divisions

RTL Group

The leading European entertainment network reported near-stable revenues in financial year 2014, with operating profit up slightly year on year. RTL Group's revenues decreased by 0.3 percent to €5.8 billion (previous year: €5.8 billion). A recovery in most European advertising markets was offset by lower revenues in France, at the production arm Fremantle Media and at UFA Sports. Operating EBITDA increased during the reporting period by 0.8 percent to €1.3 billion (previous year: €1.3 billion). Lower contributions to earnings from RTL Radio in France, RTL Hungary and Fremantle Media were more than compensated for by significant growth in the German television business. The EBITDA margin was 23.0 percent during the reporting period (previous year: 22.7 percent). RTL Group employed 11,768 people at year-end (December 31, 2013: 11,491 employees).

In 2014, with the exception of Belgium, European TV advertising markets recorded stable to positive development. Germany in particular recorded distinct growth, which benefited RTL Group as well. Mediengruppe RTL Deutschland once again posted record revenues and earnings. In addition to increasing advertising revenues, growing platform revenues also contributed to this. The flagship channel RTL Television remained the clear market leader in the main target group, but recorded lower ratings than last year against the background of public service broadcasters' coverage of the major events of the Olympics and the soccer World Cup.

In France, Groupe M6 revenues were down from the previous year due to declining advertising revenues and the sale of the e-commerce retailer Mistergooddeal, which was only partially compensated for by the acquisition of the “Best of TV” home shopping service. Operating earnings rose slightly. With the increasing fragmentation of the broadcasting landscape, the flagship channel M6 recorded a slight decrease in audience ratings and advertising market share and responded with a programming offensive.

RTL Nederland achieved slightly higher revenues and stable operating EBITDA. Here, too, although the broadcast of the World Cup by public service broadcasters led to lower ratings, RTL Nederland was able to maintain its considerable lead.

Fremantle Media’s revenues and operating earnings declined, especially due to lower income from the “American Idol” format and the cancellation of the “X Factor US” format. The company increased its investment in the production of original web content.

RTL Group strengthened its core business in 2014 by launching new channels (RTL Kockica in Croatia, Geo TV in Germany and RTL CBS Extreme HD in Southeast Asia), and acquiring the production company 495 Productions in the United States. The group expanded its digital business, in particular with the acquisition of StyleHaul, the leading multichannel network (MCN) for fashion, beauty and lifestyle on YouTube. The acquisition of a majority stake in SpotXchange, a globally leading and fast-growing technology platform for programmatic online video advertising, enables RTL Group to offer innovative services in the field of online ad sales. RTL Group’s video-on-demand services, multichannel networks, mobile applications and websites generated 36.4 billion online video views in the reporting period (previous year: 16.8 billion), reflecting strong growth.

Following the introduction of a new tax on advertising revenue in Hungary, there were impairment losses of in total €95 million on TV activities there. Special items are not included in operating EBITDA.

Penguin Random House

The world’s leading trade book publisher, Penguin Random House, delivered a strong performance in its first full year after the merger. Revenues increased by 25.2 percent to €3.3 billion (previous year: €2.7 billion), primarily due to portfolio effects. Operating EBITDA rose by 24.5 percent to €452 million (previous year: €363 million), driven by numerous major bestsellers, especially in the field of children’s books, as well as tie-ins to popular movies and TV series and the outstanding performance of its US division. Significant progress was made with the company’s integration in 2014: organizational structures, processes and functions were merged or reshaped without negatively impacting operations. The EBITDA margin was 13.6 percent (previous year: 13.7 percent). At year-end the publishing group, whose shares – except for the German business, which is wholly owned by Bertelsmann – are 53 percent owned by Bertelsmann and 47 percent by Pearson, employed 12,812 people (December 31, 2013: 11,838 employees).

During the reporting period, Penguin Random House acquired the Spanish- and Portuguese-language publishing activities of Santillana Ediciones Generales, including the Brazilian publisher Objetiva, establishing the group as the market leader in Spanish-speaking Latin America.

The year’s biggest seller was John Green’s young-adult novel “The Fault in Our Stars,” which sold more than 10 million copies in print and e-book formats worldwide. Total worldwide sales of book tie-ins inspired by the Disney movie “Frozen” exceeded 17 million copies during the period. Movie tie-ins for “Gone Girl” by Gillian Flynn, “Unbroken” by Laura

Hillenbrand and “The Lego Movie” and television tie-ins for “A Song of Ice and Fire” by George R. R. Martin and “Outlander” by Diana Gabaldon all sold millions of copies in multiple formats.

In the United States, Penguin Random House placed 502 print titles on the “New York Times” bestseller lists, 64 of them at number one. In addition to children’s and movie tie-in books, adult titles such as “Gray Mountain” by John Grisham, “The Invention of Wings” by Sue Monk Kidd, and “Make It Ahead” by Ina Garten were successful. Penguin Random House Canada publications also dominated the 2014 national bestseller lists. Penguin Random House UK experienced a solid year despite a difficult market environment: Its publishers placed 43 percent of the top ten titles on the “Sunday Times” bestseller lists. “Girl Online” by YouTube star Zoe Sugg, aka Zoella, was Britain’s fastest-selling debut novel ever. Other successful titles included “The Fault in Our Stars” by John Green and “Diary of a Wimpy Kid: The Long Haul” by Jeff Kinney.

Verlagsgruppe Random House in Germany recorded a stable year, placing 358 titles on the “Spiegel” bestseller lists. Top-selling titles were “Der Distelfink” by Donna Tartt and “Krähenmädchen” by Erik Axl Sund. The publishing group increased its e-book sales and audio downloads. Penguin Random House Grupo Editorial was able to more than offset weaknesses in the difficult book market in Spain with strong sales in Latin America. Grupo’s leading bestsellers were “El juego de Ripper” by Isabel Allende and “El umbral de la eternidad” by Ken Follett.

Penguin Random House expanded its digital business in all markets; its e-book portfolio grew to more than 100,000 titles in the reporting period. In 2014, the group’s publishers sold more than 100 million e-books worldwide.

Penguin Random House authors won many of the world’s most prestigious literary awards in 2014, including the Pulitzer Prize for Dan Fagin with “Toms River” (nonfiction), and the Man Booker Prize for Richard Flanagan’s “The Narrow Road to the Deep North.”

Gruner + Jahr

Revenues at Gruner + Jahr declined in the 2014 financial year, primarily due to deliberate divestments and falling ad and circulation revenues. Revenue was down by 13.3 percent to €1.7 billion (previous year: €2.0 billion). Operating EBITDA dropped 14.0 percent to €166 million (previous year: €193 million). Excluding the sold printing operations, operating EBITDA was largely stable despite increased investment in the company’s transformation to digital. The EBITDA margin was 9.5 percent (previous year: 9.6 percent). G+J employed 8,168 people at year-end (December 31, 2013: 10,556 employees). In November 2014, Bertelsmann’s acquisition of the remaining 25.1 percent of shares in Gruner + Jahr made it a wholly owned subsidiary of Bertelsmann SE & Co. KGaA. At the end of December, Gruner + Jahr changed its legal form to become a GmbH & Co. KG.

Against a backdrop of significant declines in advertising revenues, slightly lower circulation revenues, and the sale of the specialized publisher G+J Entertainment Media, G+J Germany recorded a fall in revenues. Continued heavy investment in the expansion of digital activities also impacted operating earnings. In August 2014, Gruner + Jahr’s management initiated a comprehensive efficiency program to reduce costs in Germany by €75 million in the medium term, adjust corporate structures and drive the digital transformation forward. The print portfolio was expanded with the launch of two new magazines, “Salon” and “Manual.” G+J developed numerous new e-mags and digital applications for its titles and successfully expanded its digital business. G+J Media Sales maintained its high market share. The digital marketing agent EMS and performance marketer Ligatus grew dynamically. Gruner + Jahr

strengthened its marketing expertise with the acquisition of Veeseo and Trnd. DPV was strategically realigned and moved closer to the G+J brands. At the same time, digital sales were intensively expanded.

In France, Prisma Media improved its leading position among the country's major magazine publishers despite a decline in advertising and circulation revenues in a shrinking market. Revenues remained stable, but earnings were down. In the digital domain, Prisma Media recorded significant growth and made a considerable contribution to earnings. Its strong market position was expanded with a stake in the video marketer Advideum.

In Austria, Verlagsgruppe News' advertising and sales revenues remained under strong pressure during the reporting year. In June 2014, there was a change in leadership at the publishing group. G+J's withdrawal from the Eastern European markets was completed with the sale of shareholdings in Adria Media Zagreb in Croatia.

In Spain, the business saw a slight recovery. Gruner + Jahr's operations in the Netherlands were stable, while its businesses in China declined significantly against a backdrop of decreasing advertising revenues. G+J pulled out of India, due to a lack of strategic prospects, by selling all of its shares in Networkplay Media, Seventynine and Maxposure.

Dresdner Druck- und Verlagshaus achieved slight organic increases in revenues and earnings by expanding its additional regional offerings. Motor Presse Stuttgart recorded a slight decline in revenues, but thanks to cost-cutting measures its earnings were higher. The company grew its digital activities.

During the reporting period, G+J sold Brown Printing in the United States as part of its transformation.

In 2014, as in past years, numerous G+J journalists and authors won awards for their work.

Arvato

The international technology services provider Arvato recorded rising revenues and a decline in operating result in the 2014 financial year. Revenues grew both through acquisitions and organically, increasing by a total of 6.2 percent to €4.7 billion (previous year: €4.4 billion). Due to start-up losses for new businesses and innovations and increasing pressure on the margins of some businesses, operating EBITDA declined by 3.3 percent to €384 million (previous year: €397 million). The EBITDA margin was 8.2 percent compared to 9.0 percent in the previous year. Arvato employed 70,653 people at year-end (December 31, 2013: 66,303).

At Arvato the financial year was marked by, among other things, the introduction of a new organizational structure designed to strengthen innovation, effectively increase the company's growth momentum and promote global collaboration. The businesses have since been organized into Solution Groups and by country.

During the reporting period, Arvato registered significant revenue growth in the Supply Chain Management Solution Group in particular, where the company was successful with innovative e-commerce and SCM solutions for international customers in the Internet, high-tech, healthcare and automobile sectors. The acquisition of the e-commerce service provider Netrada contributed significantly to this increase in revenues. The acquisition turned Arvato into the leading European provider of integrated e-commerce services in the fashion and lifestyle sectors.

In the Financial Solutions segment, Arvato further advanced the internationalization of its businesses and strengthened its position as one of the leading providers in the fast-growing business-information and financial-services market. In particular, the operations in northern Europe were expanded and gained market share. Arvato strengthened its services in the field of risk management solutions with the acquisition of the Dutch financial-services company AfterPay.

During the reporting period, revenues from the Customer Relationship Management Solution Group showed a positive development in Germany, UK, Spain and North America, were stable in China and declined in France. In Asia and Africa, Arvato established or expanded new offshore sites for providing customer-services solutions to international customers. The German service-center network was strengthened by the acquisition of several locations with more than 1,000 employees. In the UK, losses were incurred in connection with a new contract in the public sector.

Demand for IT solutions related to application development and systems integration continued unbroken in 2014. Accordingly, Arvato was further able to increase its revenues from IT solutions, gaining new major customers such as Rheinmetall and McKessen. This initially involved high set-up costs, which impacted earnings in this business segment.

Arvato's integrated print businesses remained stable overall. Storage media replication revenues declined as expected; in Spain, Arvato discontinued its replication operations at the beginning of the year.

In Europe, Arvato's businesses showed varying performance. While revenue performance was good in Germany, Scandinavia, the Netherlands and Ireland and satisfactory in Spain, the UK and Poland, the service businesses in France were unable to match the previous year's level. Revenues in the North American market declined due to portfolio adjustments. In key growth markets such as Turkey and India, the services businesses were expanded and new customers were acquired. In China, Arvato's development was almost stable.

Arvato won prestigious awards in various countries around the world for its bespoke and innovative customer solutions.

Be Printers

The gravure and international offset printing activities pooled in Bertelsmann's Be Printers division recorded declining revenues and operating results in financial year 2014. Reasons included continuing overcapacity and the resulting price erosion in the European gravure-printing market, as well as the sale of business units. The technological shift toward more offset and digital printing and shrinking print runs in the magazine sector and printed advertising also impacted the revenues of the European businesses. The performance of Be Printers' book-printing operations in the United States was stable. Be Printers' revenues were down by 11.2 percent in 2014 to €1.0 billion (previous year: €1.1 billion). Operating EBITDA decreased by 30.4 percent to €64 million (previous year: €92 million). The EBITDA margin was 6.4 percent, after 8.2 percent in the previous year. Be Printers employed 4,108 people at year-end (December 31, 2013: 6,201 employees).

In 2014, Be Printers focused on boosting competitiveness with regard to quality and cost in order to maintain its position in declining markets. Closing the Prinovis printing plant in Itzehoe and focusing on the company's geographic core markets contributed to this, as did expanding the product range – for example, the hybrid offer of gravure and offset at Prinovis. By making this investment at its Dresden location, Prinovis expanded the site's product range toward offering small print runs, additional formats and shorter timelines. Production at Itzehoe was discontinued as planned on April 30, 2014. In Ahrensburg, the

staff adopted a “Future Package” that safeguards employment and lowers costs. In the United States, Be Printers expanded its market access with innovative print products for the home entertainment, cosmetics, health and confectionery sectors. Be Printers sold its printing plants and calendar business in Italy as well as its shareholding in a Colombian printing plant.

During the reporting period, Be Printers renewed its contracts with major European customers such as the Otto Group, the media groups Klambt, Axel Springer and Funke and G+J España. Be Printers’ US printers secured the continued utilization of its capacity in book printing with the conclusion of a new five-year contract with the trade book publisher Penguin Random House.

Be Printers carried out a substantial write-down of Prinovis during the financial year. Special items are not included in operating EBITDA.

Corporate Investments/Corporate Center

The Corporate Investments division, which comprises all of Bertelsmann’s operational activities at Group level, reported lower revenues in 2014 but, at the same time, a strong increase in operating result. Revenues fell by 6.6 percent to €510 million (previous year: €546 million). Dynamic growth in the music-rights subsidiary BMG partly compensated for declines from the scheduled downscaling of the club and direct-marketing business. Operating EBITDA soared by 120 percent to €44 million (previous year: €20 million) thanks to BMG’s positive performance. The EBITDA margin was 8.6 percent after 3.7 percent in the previous year. At year-end, 3,908 employees worked for Corporate Investments (December 31, 2013: 4,146 employees).

In 2014 Bertelsmann made significant progress in developing the new education line of business. In November, the Group acquired the US company Relias Learning, a fast-growing, leading e-learning provider in the healthcare sector. In addition, Bertelsmann acquired a minority stake in the US education provider Udacity. During the reporting period, the University Ventures I and II funds, in which Bertelsmann is the anchor investor, made further investments in high-growth companies in the education sector, including the Ponce School of Medicine in Puerto Rico and the innovative US startup Galvanize.

In 2014 the music-rights subsidiary BMG grew both organically and through the targeted acquisition of catalogs and companies, including the music publisher Talpa Music in the Netherlands, the labels Vagrant Records in the US and Infectious Music in the UK and the Skint/Loaded, Hal David and Montana music-rights catalogs, as well as the marketing specialist Union Square Music. BMG signed new contracts with well-known artists and bands, including the Beatsteaks, Kraftklub, Casper and BossHoss in Germany; Dave Stewart, The Strokes, The Smashing Pumpkins and Faith Evans in the US; and Simply Red, Simple Minds, Sigma, M.I.A. and the composer Wayne Hector in the UK. In Germany, BMG ended the year as the country’s most successful music publisher, with a cumulative 18 percent share of the singles charts. The company’s artists and writers won numerous Grammy and Echo Awards. At the beginning of 2014, BMG opened an office in Beijing.

During the reporting period, the Bertelsmann Digital Media Investments (BDMI) and Bertelsmann Asia Investments (BAI) funds in China, Bertelsmann India Investments (BII) and the Corporate Center in Brazil expanded their investment portfolios to a total of 92 investments. BAI made new investments in 11 companies. New investments in India included online marketplaces for furniture and real estate. In Brazil, Bertelsmann invested in an education fund focused on technology. BDMI managed a successful exit with the sale of the multichannel network StyleHaul to RTL Group.

The club and direct-marketing businesses were further downscaled or closed during the reporting period. Bertelsmann announced the closure of Der Club Bertelsmann and all its remaining branches in Germany by the end of 2015. The successful Tolino e-reader, co-marketed by Der Club, will be continued and developed further. In Spain, Bertelsmann's remaining 50 percent share in Círculo de Lectores was sold to the former joint-venture partner Planeta. The sale of the club business in the Czech Republic and Slovakia to a Czech investor, agreed upon last year, was completed in March 2014. The Ukrainian club activities came under strong pressure against the background of the conflict in eastern Ukraine. The direct-sales organization Inmediaone was discontinued on June 30, 2014.

The Corporate Center department, which is comprised of all of the Group's Corporate Centers around the world, supported key transactions during the year. It also managed the systematic continuation of the multiyear "Operational Excellence" program, which aims to optimize business support processes in HR, finance/accounting, IT and procurement. The focus of its work also included the organization of a Management Meeting and a "Creativity Conference" with renowned artists and speakers in London. The Corporate Center supported the establishment of a new Board seat for HR-related matters focused on talent management and management development, to which Immanuel Hermreck was appointed at the turn of the year.

Overview of figures (in €millions)

	2014	2013
Revenues	16,675	16,179
Operating EBITDA divisions	2,444	2,389
Corporate Center/consolidation	(70)	(78)
Operating EBITDA continuing operations	2,374	2,311
Operating EBIT	1,769	1,763
Special items	(619)	(46)
Financial result	(295)	(361)
Earnings before taxes from continuing operations	855	1,356
Income taxes	(286)	(413)
Earnings after taxes from continuing operations	569	943
Earnings after taxes from discontinued operations	4	(58)
Group profit or loss	573	885

Investments (including financial debt assumed)	1,601	1,988
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	Balance as of 12/31/2014	Balance as of 12/31/2013
Net financial debt	1,689	681
Employees (in absolute numbers)	112,037	111,099

The comparable figures of the preceding period have been adjusted.

Division	Revenues		Operating EBITDA		
	(in € millions)	2014	2013	2014	2013
RTL Group		5,808	5,824	1,334	1,324
Penguin Random House		3,324	2,654	452	363
Gruener + Jahr		1,747	2,014	166	193
Arvato		4,662	4,388	384	397
Be Printers		996	1,122	64	92
Corporate Investments		510	546	44	20
Total divisions		17,047	16,548	2,444	2,389
Corporate Center / consolidation		(372)	(369)	(70)	(78)
Total Group		16,675	16,179	2,374	2,311

About Bertelsmann

Bertelsmann is a media, services and education company that operates in about 50 countries around the world. It includes the broadcaster RTL Group, the trade book publisher Penguin Random House, the magazine publisher Gruner + Jahr, the service providers Arvato and Be Printers, the music rights company BMG and the e-learning provider Relias Learning. The company has more than 112,000 employees and generated revenues of €16.7 billion in financial year 2014. Bertelsmann stands for creativity and entrepreneurship. This combination promotes the creation of first-class media content and innovative service solutions that inspire customers around the world.

For further questions, please contact:

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