

PRESS RELEASE

Bertelsmann Grows Group Profit by 7 Percent to Nearly €200m in Q1 2017

- **Revenues stable at €3.94bn as fiscal year gets underway**
- **Marked increase in digital revenues**
- **Operating EBITDA remains high at €482m despite start-up losses for new businesses and customers**
- **Group profit increases to €198m**
- **Strategic advances across all divisions**

Gütersloh, May 11, 2017 – Bertelsmann began the 2017 financial year with a higher Group profit. The international media, services and education company’s revenues remained stable at €3.94 billion in the first three months of the current year (previous year: €3.95 billion). Operating EBITDA was high once again at €482 million (previous year: €500 million). The EBITDA margin was 12.2 percent (previous year: 12.7 percent). The reporting period was subject to a comparison with last year’s first quarter that – unlike this year – contained the ad sales-intensive Easter period; and RTL Group had to cope with the loss of income caused by the discontinuation of the “American Idol” talent show in the U.S. In addition, start-up losses for digital and new businesses were incurred, among other things, for new customers of the services subsidiary Arvato. Group profit rose to €198 million (previous year: €185 million), once again exceeding the previous year’s high figure by seven percent.

Thomas Rabe, Chairman and CEO of Bertelsmann, said: “We’ve had a very successful start to the year, with Bertelsmann’s second-highest operating result ever and much higher Group profit. This demonstrates that we are on the right path with the implementation of our strategy and our new corporate structure. We are confident of achieving our goals for the full year 2017.”

Bertelsmann has made a series of strategic advances in recent months. For instance, Mediengruppe RTL Deutschland increased its lead over the largest commercial competitor in terms of viewer market share. Groupe M6 increased its combined audience share in France in the relevant target group. RTL Group’s first-quarter digital revenues surged by 48 percent to €178 million (previous year: €120 million). In the U.S., the premier of the fantasy series “American Gods” at the end of April was a success for Fremantle Media. Penguin Random House recorded a strong bestseller performance, and in February, the group secured world publishing rights to books by Barack Obama and by Michelle Obama. Gruner + Jahr recorded a 38-percent increase in digital revenues in Germany, to €43 million (previous year: €31 million); new launches included the magazine “F Mag.” The music division BMG saw double-digit growth, and, with the acquisition of the Nashville-based BBR Music Group, made its biggest single acquisition in the recordings business since its launch in 2008. In May, four BMG artists made it to Number One in the album charts in France, Germany, Italy and Sweden in one seven-day period.

Arvato further expanded its international logistics activities, especially for key customers in high-tech and e-commerce. The services subsidiary also bought a stake in the FinTech start-up Solaris Bank and took over the Indian IT analytics company Ramyam. The Bertelsmann Printing Group benefitted from good capacity utilization at its production plants, and Mohn Media put a third 96-page rotary press into operation in Gütersloh in early May.

The Bertelsmann Education Group recorded double-digit revenue growth. Among other things, the online education provider Relias Learning announced the acquisition of the e-learning company Advanced Practice Strategies.

Bertelsmann once again expanded its holdings in international start-ups through its Bertelsmann Investments network of funds. Among other things, Bertelsmann Asia Investments (BAI) in China topped up its holdings in the bike-sharing app Mobike, and Bertelsmann India Investments (BII) acquired a stake in the educational provider Eruditus.

Bertelsmann CFO Bernd Hirsch said: “Bertelsmann is in a solid financial position; among other things, our equity has increased to over ten billion euros. For the full year, we are sticking to our goal of higher revenues, continued high operating profitability, and Group profit of over a billion euros.”

Key Financials (in € millions)

	Jan 1, 2017 – Mar 31, 2017	Jan 1, 2016 – Mar 31, 2016
Consolidated revenues (continuing operations)	3,940	3,950
Operating EBITDA divisions	505	524
Corporate/Consolidation	(23)	(24)
Operating EBITDA	482	500
Special items	3	3
Financial result	(50)	(60)
Earnings before taxes from continuing operations	283	279
Income taxes	(84)	(94)
Earnings after taxes from continuing operations	199	185
Earnings after taxes from discontinued operations	(1)	-
Group profit or loss	198	185

Investments (including financial debt assumed)	365	290
--	-----	-----

	Balance as of 31 Mar 2017	Balance as of 31 Dec 2016
Economic debt	5,802	5,913

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 music company BMG, the service provider Arvato, the Bertelsmann Printing Group, the Bertelsmann Education Group and Bertelsmann Investments, an international network of funds. The company has 116,000 employees and generated revenues of €17.0 billion in the 2016 financial year. Bertelsmann stands for creativity and entrepreneurship. This combination promotes first-class media content and innovative service solutions that inspire customers around the world.

For further questions, please contact:

Bertelsmann SE & Co. KGaA

Andreas Grafemeyer
Senior Vice President Media Relations
Phone: +49 5241 80-2466
andreas.grafemeyer@bertelsmann.de