

## PRESS RELEASE

## Bertelsmann Increases Billion-Euro Expenditure on Creative Content

- **Group to spend around 5.4 billion euros on video content, books, journalism, and music in 2018**
- **Further increase in content spending planned for 2019 and 2020**
- **CEO Thomas Rabe: “High-quality content is at the heart of our business”**

Gütersloh, August 13, 2018 – Bertelsmann plans to increase its spending on creative content in the years ahead: The international media, services, and education company already spends a good five billion euros a year on video content, book rights, magazines, catalog acquisitions and contracts with artists in the music sector. In the current year, expenditures of around 5.4 billion euros are planned for this purpose; in the years to come, this figure is expected to rise to just nearly 6 billion euros. Add to that possible payments for acquisitions of creative companies.

Thomas Rabe, Chairman & CEO of Bertelsmann, said: “Bertelsmann places creativity at the core of its value creation and corporate culture. As Europe's largest media company, high-quality content is at the heart of our business. We invest in artists and creative formats accordingly. In the years ahead, we will further increase our investments in this area because we believe in the value of creative content. Digitalization enables us to reach a global audience with our products and brands.”

Four of Bertelsmann's eight corporate divisions stand for original media content:

- RTL Group, with its production subsidiary Fremantle Media, is responsible for more than 12,000 hours of video content and distributes over 20,000 hours of programming worldwide each year. In addition, RTL Group's channels produce numerous original formats, in particular information programs.
- The trade publishing group Penguin Random House publishes more than 15,000 new books a year.
- Gruner + Jahr publishes more than 500 magazines and digital offerings in more than 20 countries, especially in Germany and France.
- Besides administering the rights to more than 2.5 million titles and recordings, the music company BMG also invests in current releases by artists worldwide.

The acclaimed creative content produced by Bertelsmann and its subsidiaries includes series such as “The Young Pope,” “Il Miracolo,” “Baron Noir,” “Deutschland 83/86,” and in Germany the investigative series “Team Wallraff - Reporter undercover.” Add to that formats such as “Idols” and “Got Talent,” which have been internationally successful for years.

In the Books division, Penguin Random House authors include Dan Brown, Margaret Atwood and Salman Rushdie; Bertelsmann recently acquired the rights to one book each from Michelle and Barack Obama.

In the past three years, the Group’s Gruner + Jahr division has released more than 30 new magazines, most recently for example “JWD” in Germany. Three more new magazines will launch in the weeks ahead, including a lifestyle magazine with German fashion designer Guido Maria Kretschmer, and a magazine tying in to the Vox show “Die Höhle der Löwen” (German adaptation of “Shark Tank”).

Over the past few years, Bertelsmann's music subsidiary BMG has acquired the rights to songs by Mick Jagger, Keith Richards and Roger Waters, among others. In addition, new titles have been released, e.g. by Kylie Minogue.

Thomas Rabe continues: “Creative achievements have to be worthwhile. Accordingly, we remunerate our producers, authors and musicians fairly - and stand up for strong copyright laws, especially in the digital world. If, for example, tech platforms use our creative content to grow their reach, this shouldn't be possible without compensation. They should also be obliged to take more decisive action against copyright infringements.”

### **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 119,000 employees and generated revenues of €17.2 billion in the 2017 financial year. Bertelsmann stands for entrepreneurship and creativity. This combination promotes first-class media content and innovative service solutions that inspire customers around the world.

For further questions, please contact:

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