

PRESS RELEASE

Bertelsmann Again Generates Half-Year Profit Exceeding €500 million

- **2018 first-half-year revenues rise to €8.2 billion, the highest result in eleven years**
- **Organic growth improves to 2.4 percent**
- **Growth businesses up organically by 9.2 percent to €2.9 billion**
- **Operating EBITDA before exchange rate effects on par with high prior-year level**
- **Group profit at €501 million**
- **Strategic progress in all divisions**
- **Full-year forecast for 2018 confirmed**

Gütersloh, August 30, 2018 – Bertelsmann recorded a successful first half of 2018 driven by the positive performance of its digital and growth businesses. Thanks to numerous strategic advances, the international media, services, and education company further improved its growth profile, and again achieved Group profit of over half a billion euros.

Bertelsmann's organic revenue growth rose to 2.4 percent (H1 2017: 1.4 percent). The Group's growth businesses collectively achieved a 9.2 percent organic increase in revenues to €2.9 billion (H1 2017: €2.7 billion). These businesses now account for around one third of total revenues. The digital activities of RTL Group, Fremantle Media, Arvato and Bertelsmann Education Group did notably well. Despite high negative exchange rate effects – in particular from the U.S. dollar – reported revenues were up by 1.3 percent to €8.2 billion (H1 2017: €8.1 billion), the highest result in eleven years. Bertelsmann generates approximately 20 percent of its revenues in the United States.

Operating EBITDA was €1.07 billion (H1 2017: €1.10 billion) and, before exchange rate effects, again reached the high prior-year level. The services subsidiary Arvato, whose four Solutions Groups all exceeded their prior-year results, recorded a good 20 percent increase in earnings. RTL Group, BMG and Bertelsmann Education Group also reported growth. Start-up losses for digital and new business had a countervailing effect.

At €501 million (H1 2017: €502 million), Group net profit once again exceeded the half-billion-euro mark despite negative exchange rate effects and lower positive special items. The Bertelsmann Investments division's fund activities made a substantial contribution Group profit.

Thomas Rabe, Chairman and CEO of Bertelsmann, said: “Bertelsmann's organic growth in the first half of 2018 was the strongest it has been in years. The expansion of our growth businesses is bearing ever more visible fruit. It is particularly gratifying that the investments made in our services business in recent years are increasingly paying off. We want to continue improving the company's growth profile. To this end, we are investing heavily in our businesses, especially in creative content. So as not to jeopardize this expenditure, there is an urgent need to modernize the regulatory framework for creative industries in Europe. This

concerns areas such as data protection, copyright, antitrust law, advertising law, media law, and taxation.”

Thomas Rabe emphasized that Bertelsmann had made significant progress on its four strategic priorities – strengthening the core, digital transformation, expansion of growth platforms, and expansion in growth regions – in the first six months of the year.

Strengthening the core

- RTL Group was able to maintain its position in TV advertising revenues in its core markets of Germany, France, and the Netherlands, even though this year's Soccer World Cup matches were broadcast by competitors.
- Penguin Random House had 178 titles on the “New York Times” bestseller lists, 25 of them at number one. The group's bestsellers include the thriller “The President is Missing” by Bill Clinton and James Patterson. In addition, Penguin Random House acquired the U.S. nonfiction publisher Rodale Books in January. In November, the Group will lead the global publication of the memoirs of the former First Lady of the United States, Michelle Obama, in 24 languages.
- With the launches of the new magazines “JWD” and “Dr. v. Hirschhausen's stern Gesund leben”, Gruner + Jahr continued its strategy of building media products around well-known personalities.
- Arvato renewed master contracts with key customers, including with Daimler and Facebook, and successfully launched various IT services.
- The Bertelsmann Printing Group extended several print contracts, including for “SPIEGEL” magazine. Sonopress won a new major customer from the United States.

Digital transformation

- RTL Group increased its digital revenues in the first half of the year by nine percent to €424 million, and merged the online advertising marketers SpotX and SmartClip into a single, integrated company. Mediengruppe RTL Deutschland teamed up with United Internet and ProSiebenSat.1 to establish the European netID Foundation in Germany, to offer customers a central login for various online services.
- Penguin Random House expanded its e-book offerings and generated growing revenues with audio downloads.
- The revenue share attributable to Gruner + Jahr's digital business in its core markets of Germany and France increased to 26 percent. The company also further expanded the AppLike app-discovery platform.
- Bertelsmann now reaches more than 2.6 billion followers with its social media activities.

Expansion of growth platforms

- Fremantle Media benefited from the successful return of the “American Idol” format, which was shown on the U.S. broadcast channel ABC TV. The company also started production of other series such as “The New Pope.”

- In April, BMG acquired the Australian production music company Big Bang & Fuzz, and signed an exclusive worldwide publishing agreement with former Beatles drummer Ringo Starr.
- Arvato continued the organic expansion of its logistics and financial services activities. The Bertelsmann services subsidiary also purchased a stake in the Israeli FinTech start-up Secured Touch, and acquired 3C Deutschland GmbH.
- In the period under review, Bertelsmann Education Group acquired a majority stake in the U.S. university services provider HotChalk. The e-learning subsidiary Relias experienced double-digit organic growth and expanded its customer base to around 6,750 institutions, whose users completed more than 21 million online courses. The advanced training platform Udacity, in which Bertelsmann owns a significant interest, introduced new nanodegrees, including in the fields of artificial intelligence and blockchain technology.

Expansion in growth regions

- Bertelsmann expanded its global network of start-up participations; the four funds Bertelsmann Asia Investments (BAI), Bertelsmann Brazil Investments (BBI), Bertelsmann India Investments (BII), and Bertelsmann Digital Media Investments (BDMI) cumulatively made 31 new and follow-up investments, and completed three successful exits in the first half of 2018. As of June 30, 2018, Bertelsmann owned 176 shareholdings via its funds, more than half of them via BAI.
- In Brazil, Bertelsmann acquired a majority stake in Affero Lab, one of the country's largest providers of corporate training.
- In India, Penguin Random House expanded its range of local-language offerings by acquiring the renowned publisher Hind Pocket Books.

Thomas Rabe: "In the first half of 2018, Bertelsmann made further progress towards becoming stronger, more digital, more international, and more diversified. Despite the increasing political uncertainties in connection with Brexit or the trade dispute between the United States and China, we are confident that we will achieve our targets for the full year."

Bertelsmann is currently reviewing strategic options for the further development of Arvato's CRM activities. Besides a complete or partial sale, the review also covers partnerships. Preliminary results are expected in the second half of 2018.

Bertelsmann's Chief Financial Officer Bernd Hirsch added: "Bertelsmann continues to enjoy a solid financial position. We are optimistic about the full year and continue to expect higher revenues and continued high operating profitability. Our Group net profit will once again surpass the billion-euro mark."

Corporate divisions:

RTL Group

Highlights

- *Focus on local, original productions: in the first half of 2018, around 70 new productions are on air at Mediengruppe RTL Deutschland, and the German broadcasting family is planning more than 100 new formats for the upcoming 2018/2019 TV season.*
- *Alliance in France: Groupe M6, France Télévisions and TF1 are planning to set up a video-on-demand platform that offers a broad variety of broadcast inventory and local exclusive content – live and on demand.*
- *Successful comeback of “American Idol”: the latest season of Fremantle Media’s hit show attracts an average of 8.7 million viewers on the US network ABC.*

RTL Group recorded a positive business performance with revenue and earnings growth in the first half of 2018. RTL Group revenues increased by 2.3 percent to €3.0 billion (H1 2017: €3.0 billion). This was driven by the growing digital businesses, rising platform revenues and, in particular, the positive performance of Fremantle Media and RTL Nederland. RTL Group's Operating EBITDA improved by 3.0 percent to €643 million (H1 2017: €624 million). Alongside a significant improvement in earnings at RTL Nederland, the two largest business units – Mediengruppe RTL Deutschland and Groupe M6 – also recorded higher earnings. Despite the FIFA World Cup 2018 being broadcast by competitors, the families of channels in the core markets of Germany, France and the Netherlands were largely able to maintain their position in the net TV advertising markets. In Germany, the flagship channel RTL Television once again was the only channel to attract a double-digit audience share in its core target demographic; the channels RTL Plus and Super RTL both achieved higher ratings in the first half of 2018. In France, the Groupe M6 family of channels largely maintained its audience share in its core target group. The Dutch family of channels led by the flagship RTL 4 remained number one among young audiences in the Netherlands. Fremantle Media recorded a significant rise in revenues despite negative exchange rate effects. The upturn is mainly due to the positive performance of Fremantle Media North America, driven by the return of "American Idol" and UFA. RTL Group's digital businesses, including its multi-platform networks and ad-tech businesses, continued their dynamic growth. In the period under review, digital revenues increased by 9.0 percent to €424 million (H1 2017: €389 million).

Penguin Random House

Highlights

- *Bill Clinton and James Patterson top the bestseller lists with their thriller, “The President Is Missing.”*
- *The publishing portfolio expands with acquisitions in the United States and India.*
- *Forbes List ranks Penguin Random House as America’s Best Midsize Employer.*

Penguin Random House recorded declines in sales and earnings due to exchange rate effects, among other factors. Including Germany's Verlagsgruppe Random House, which is wholly owned by Bertelsmann, revenues amounted to nearly €1.5 billion, 3.3 percent down from just over €1.5 billion in the first half of the prior year. Strong growth in audio formats, and numerous bestsellers such as "The President Is Missing" by Bill Clinton and James Patterson and "12 Rules for Life" by Jordan B. Peterson were offset mainly by negative exchange rate effects. Operating EBITDA fell by 17.0 percent to €171 million (H1 2017: €206 million). Penguin Random House invested in the expansion of its direct-to-reader relationships and continued to optimize its retail supply chains. During the reporting period, the publishing portfolio was expanded with the acquisition of the nonfiction publisher Rodale Books in the United States and the paperback publisher Hind Pocket Books in India. In the

United States, Penguin Random House had 178 titles on the "New York Times" bestseller lists in the first half of the year, 25 of them at number one. The biggest bestsellers of the reporting period were "The President Is Missing" and "12 Rules for Life," as well as Ernest Cline's novel "Ready Player One," which served as the basis for the eponymous Steven Spielberg movie, and was also very successful as an audiobook. In the United Kingdom, 41 percent of all books on the "Sunday Times" bestseller lists were Penguin Random House titles. In addition to the above-mentioned works that were successful in the United States, "Sapiens" by Yuval Noah Harari and "Still Me" by Jojo Moyes sold particularly well in the United Kingdom. At Penguin Random House Grupo Editorial, the progressive integration of the Ediciones B publishing group and growth across print and audio resulted in higher revenues. This compensated for countervailing effects arising from difficult conditions in some Latin American markets. In Germany, Verlagsgruppe Random House had 251 titles on the "Spiegel" bestseller lists, 11 of them at number one. The publishing group maintained its market-leading position despite lower year-on-year sales figures. Multiple Penguin Random House authors won prestigious awards, including a Golden Man Booker Prize for Michael Ondaatje's "The English Patient" as the best work among the 50 Man Booker Prize winners to date.

Gruner + Jahr

Highlights

- *Successful launch of new magazines: "Dr. v. Hirschhausen's Stern Gesund Leben" sells more than 200,000 issues at launch, and "JWD," in cooperation with Joko Winterscheidt, establishes itself successfully in the market.*
- *Prisma Media continues to expand its audiovisual business. More than 5,000 videos per month now appear on the French publisher's websites. The number of video views rises to around 200 million per month.*
- *With a mindfulness app called "Balloon," "Greenhouse" launches another digital product. This is the sixth start-up to emerge from the innovation lab in Hamburg's Schanzenviertel district.*

The publishing subsidiary Gruner + Jahr continued its strategic transformation in the first half of 2018. Its digital business grew once again. In Germany, new businesses increased their revenues and results, such as the newly launched magazines and the in-house start-up AppLike. Revenues declined by 5.6 percent to €701 million in the first half of 2018 (H1 2017: €743 million), due in particular to continuing portfolio measures, including the sale of the magazines business in the Netherlands and the sale of "Grazia" in Germany, as well as to advertising restraint in certain industries. Operating EBITDA amounted to €51 million (H1 2017: €59 million). Revenues at G+J Germany were stable. The print ad business and newsstand sales declined due to market conditions. In sum, the newly launched magazines had a positive impact on the overall results; the most recent additions were "Dr. v. Hirschhausen's Stern Gesund Leben" and "JWD." G+J's digital business grew again in the first half of 2018. The digital advertising business in particular had a positive impact, and AppLike recorded strong growth again. The share of digital business in the core markets of Germany and France increased again and now stands at 26 percent. G+J France recorded declines in its revenues and earnings. This was mainly due to the print advertising business. By contrast, the digital advertising business on the brand sites grew strongly, surging by more than 30 percent. The business with web videos delivered a particularly strong performance. Prisma Media continues to be the leading digital publisher in France. Revenues at Dresden-based DDV Mediengruppe remained stable, and earnings were moderately below the previous year's level. The content communication agency Territory recorded a slightly positive business development.

BMG

Highlights

- *BMG continues on its expansionist course and increases all key indicators.*
- *BMG artists and songwriters – from Jason Aldean and Kylie Minogue to George Ezra – celebrate number-one chart successes.*
- *New contracts are signed with stars including Lenny Kravitz, Ringo Starr and Yusuf/Cat Stevens.*

Bertelsmann's music subsidiary, BMG, saw sustained growth and further enhanced its market position in the first six months of the 2018 financial year. Despite negative exchange rate effects, sales increased by 3.3 percent to €241 million (H1 2017: €233 million). This was due to organic growth in its recorded music and production music businesses. The music publishing business proved stable. Operating EBITDA rose by 5.0 percent to €42 million in the reporting period, compared with €40 million in the same period of the previous year. This was based on strong performance in US and UK frontline and catalog recordings. The company continued to pursue its distinctive repertoire strategy, which focuses on established artists, and took on the administration of the publishing rights of Ringo Starr, Lenny Kravitz and Yusuf/Cat Stevens in the first half of the year. Artists including Dido, Lenny Kravitz, Good Charlotte, Alice in Chains and Gabrielle also signed with BMG for upcoming album releases. BMG artists and songwriters achieved significant chart successes in the reporting period. In the recorded music business, this included number-one albums for country star Jason Aldean (United States) and Australian-British singer Kylie Minogue (United Kingdom). In the publishing business, singer/songwriter George Ezra topped the UK album charts, and songwriters signed with the company were involved in three of the five biggest radio hits of the first half of the year in the United States, among other successes. In April, the company acquired Big Bang & Fuzz, one of the leading production music firms in the Asia-Pacific region. In June, BMG took over the catalog of the legendary French singer/songwriter Michel Polnareff, whose publishing rights it was already managing. In addition, it took over the name rights and selected audio and video material from the 1960s British TV program "Ready Steady Go!" Following BMG's entry into the audiovisual segment, in February the company successfully licensed rights to its first major production to a well-known US distributor: Magnolia Pictures acquired regional rights to "Bad Reputation," a documentary about the rock singer Joan Jett. At mid-year, BMG expanded its management team. This is to ensure that the sustained growth of the music company established 10 years ago is also reflected in its structure.

Arvato

Highlights

- *Arvato SCM Solutions intensifies its cooperation with a US manufacturer of medical technology products. Arvato SCM develops a full order-to-cash solution for 83 countries.*
- *Following the acquisition of 3C Deutschland GmbH, Arvato Financial Solutions can now provide a complete, fully automated and digital claims management process for the automotive insurance industry in Germany.*
- *Arvato Systems expands its position as a multi-cloud service integrator. The data centers of various customers are transferred to the Arvato Systems Private Cloud, and various platform services are successfully launched in the market.*

Arvato's services businesses delivered a positive performance in the first half of 2018. Arvato increased both its revenues and its operating result. Revenues grew by 7.5 percent to €2.0 billion (H1 2017: €1.9 billion) and operating EBITDA improved by 21.1 percent to €175 million (H1 2017: €145 million). The service center business of Arvato CRM Solutions developed positively and contributed to Arvato's revenue and earnings growth.

The main growth driver was the expansion of business with large, international clients in the IT high-tech and Internet sectors. At the end of January, Bertelsmann announced that the Group was reviewing strategic options for Arvato's CRM business. This process is ongoing. The logistics services business within the Solution Group SCM experienced strong organic growth during the reporting period – particularly as a result of new orders and clients in the fashion, IT high-tech and healthcare sectors gained in 2017. In addition, the existing worldwide network of locations was extended by the opening of new distribution centers and the expansion of existing ones. Arvato Financial Solutions' business also continued to develop positively in the reporting period. First-half revenues and earnings increased year-on-year, a development supported primarily by strong business performance in the German-speaking territories (GSA). With the aim of expanding and further automating the existing solution offerings, 3C Deutschland GmbH was acquired, as well as a shareholding in the Israeli cybersecurity company SecuredTouch, which specializes in behavioral biometrics. The IT services provider Arvato Systems grew organically and profitably in the reporting period. This positive development was due in particular to a major order from a company in the energy sector. The IT services provider also made significant progress in transforming its existing business models, and saw increasing demand for cloud-based solutions. In the attractive business with its proprietary software solutions, Arvato Systems was able to win a major client from the United States.

Bertelsmann Printing Group

Highlights

- *DeutschlandCard celebrates its 10th anniversary in March. With more than 20 million participants, the company has developed into Germany's second largest multi-partner rewards program.*
- *The Bertelsmann Printing Group launches a cross-divisional initiative to promote innovation. As a result, Mohn Media in Gütersloh successfully and profitably builds a new line of business: 3D scanning services.*
- *Sonopress wins another major customer in the United States and expands its services for US games customers through a partnership with the Canadian distribution services provider Solutions 2 GO.*

The Bertelsmann Printing Group faced a very challenging market environment in the first half of 2018 as paper price increases of up to 20 percent within the past 18 months were met with customer restraint. As a result, the Bertelsmann Printing Group recorded a decline in revenues and operating profit in the first six months of FY 2018. The group's revenues were down 5.3 percent year-on-year to €768 million (H1 2017: €811 million). Operating EBITDA fell by 39.8 percent to €28 million (H1 2017: €47 million). The Bertelsmann Printing Group's offset printing businesses remained stable at a good earnings level in the first six months. Europe's leading offset printer, Mohn Media, made a good start to the 2018 financial year and is on target overall. GGP Media, which specializes in print solutions for book publishers, fell slightly short of expectations due to weaker demand from some major customers. The BPG subsidiary Vogel Druck, which specializes in small- to medium-circulation periodicals and catalogs, won new key customers. The gravure printing activities bundled in the Prinovis Group in Germany declined in the reporting period, due to significantly lower volumes in the retail, mail-order and magazine-publishing sectors, and were well below schedule in terms of revenues and EBITDA. Against this trend, the group's gravure activities in the United Kingdom and at the Liverpool site were stable and above target. Demand was weak in the US market as well; the business activities of Bertelsmann Printing Group's US printing plants declined as a result. Against the backdrop of the declining market, revenues in storage media replication developed according to plan, decreasing as expected. Another major customer was successfully acquired in the United States.

Bertelsmann Education Group

Highlights

- *Revenues and operating results are up year on year as Bertelsmann Education Group continues on its growth path.*
- *The online training provider Relias records double-digit organic growth and expands its client base to more than 6,750 institutions.*
- *The online learning platform Udacity launches several new Nanodegree programs on topics such as artificial intelligence and blockchain technology.*

The education activities united in the Bertelsmann Education Group delivered a positive performance in the first six months of the present year. The division's revenues and operating profit increased, and all of its companies strategically developed their range of courses or service offerings. Together, Bertelsmann's education businesses achieved significant revenue growth of 21.3 percent, to €111 million (H1 2017: €92 million). Besides the first-time full consolidation of the university services provider HotChalk, the continued growth of the online education provider Relias contributed significantly to this development. The group improved its operating EBITDA year-on-year to €10 million (H1 2017: €4 million). The Bertelsmann subsidiary Relias continued its expansion and achieved double-digit organic growth in the reporting period. The company expanded its customer base to more than 6,750 institutions whose employees completed around 21.1 million online courses in the first half of 2018. Relias also strengthened its activities in the hospital and analytics segments, in part by advancing the integration of WhiteCloud Analytics, which was acquired in 2017. The online lifelong learning platform Udacity, in which Bertelsmann owns a significant stake, further expanded its range of courses and introduced several new Nanodegrees on topics such as artificial intelligence. Udacity further expanded its business with corporate clients, including Audi, AT&T and Credit Suisse.

Bertelsmann Investments

Highlights

- *Bertelsmann expands its global network of investments in start-ups, and through its four funds now owns shareholdings in more than 175 innovative companies and funds.*
- *IPO at Bertelsmann Asia Investments: the tech company Xiaomi, in which the fund holds an indirect interest, goes public in Hong Kong.*
- *Bertelsmann acquires a majority stake in the corporate training provider Affero Lab through Bertelsmann Brazil Investments.*

Bertelsmann further expanded its global network of shareholdings in start-ups during the reporting period. In total, the four funds – Bertelsmann Asia Investments (BAI), Bertelsmann Brazil Investments (BBI), Bertelsmann India Investments (BII) and Bertelsmann Digital Media Investments (BDMI) – made 31 new and follow-on investments in the first half of 2018, while also completing several successful exits. As of June 30, 2018, Bertelsmann had stakes in 176 international start-ups through its corporate funds, more than half of them through BAI. The focus across all funds was on investments in young companies with innovative business models, such as digital media, e-commerce, fintech and education. All four funds helped to scout digital trends for Bertelsmann and strengthen its activities in the growth regions of China, India and Brazil, as well as in North America. The division's business performance is presented on the basis of EBIT, which was €45 million (H1 2017: €41 million); the difference compared to the same period last year is mainly a consequence of new IFRS 9 regulations governing the valuation of financial instruments, the effects of which are mainly reflected in profit or loss. Positive effects from the measurement of Bertelsmann Investments' holdings at fair value, as well as dilution gains resulting from investments in companies affiliated with the division, again made a positive contribution to Group profit.

During the reporting period, BAI invested in 11 new start-ups and emphasized its commitment to the development of its portfolio companies with 11 follow-on investments. The fund made its initial investment in the Chinese car-sharing service provider Dadao, and follow-on investments in the fitness app Keep, e-commerce platform Club Factory and financial services provider Linklogis. The tech company Xiaomi, in which BAI is indirectly invested via the fund Morningside, listed in Hong Kong.

In India, BII supported its portfolio companies in the further expansion of their businesses. It also managed to partially divest itself of a stake in Saavn, a music streaming service. Bertelsmann strengthened its educational activities in Brazil, acquiring a majority stake in Affero Lab via BBI. Affero Lab is one of the largest providers of corporate training in the Brazilian market, with approximately 800,000 people impacted by its services every year. Following its full consolidation, the holding's revenues and operating EBITDA are now reported in the Bertelsmann Investments financials. BDMI invested in eight companies during the reporting period, among them the start-up Boostr, which operates in the software-as-a-service (SaaS) sector.

Overview of Figures (in €millions)

| | Jan 1, 2018 – Jun 30, 2018 | Jan 1, 2017 – Jun 30, 2017 |
|---|-------------------------------|-------------------------------|
| Revenues | 8,237 | 8,134 |
| Operating EBITDA divisions | 1,120 | 1,116 |
| Corporate / Consolidation | (49) | (17) |
| Operating EBITDA | 1,071 | 1,099 |
| Special items | 8 | 15 |
| EBIT (Earnings before interest and taxes) | 769 | 805 |
| Financial result | (106) | (105) |
| Earnings before taxes | 663 | 700 |
| Income taxes | (162) | (197) |
| Earnings after taxes from discontinued operations | - | (1) |
| Group profit or loss | 501 | 502 |

| | | |
|--|-----|-----|
| Investments (including financial debt assumed) | 497 | 643 |
|--|-----|-----|

| | Balance as of Jun 30, 2018 | Balance as of Dec 31, 2017 |
|---------------|-------------------------------|-------------------------------|
| Economic debt | 6,794 | 6,213 |

| Division | Revenues | | Operating EBITDA | | |
|-----------------------------|-----------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | (in € millions) | Jan 1, 2018 – Jun 30, 2018 | Jan 1, 2017 – Jun 30, 2017 | Jan 1, 2018 – Jun 30, 2018 | Jan 1, 2017 – Jun 30, 2017 |
| RTL Group | | 3,046 | 2,978 | 643 | 624 |
| Penguin Random House | | 1,482 | 1,532 | 171 | 206 |
| Gruner + Jahr | | 701 | 743 | 51 | 59 |
| BMG | | 241 | 233 | 42 | 40 |
| Arvato | | 2,002 | 1,862 | 175 | 145 |
| Bertelsmann Printing Group | | 768 | 811 | 28 | 47 |
| Bertelsmann Education Group | | 111 | 92 | 10 | (4) |
| Bertelsmann Investments* | | 5 | - | - | (1) |
| Total Divisions | | 8,356 | 8,251 | 1,120 | 1,116 |
| Corporate / Consolidation | | (119) | (117) | (49) | (17) |
| Total Group | | 8,237 | 8,134 | 1,071 | 1,099 |

The new financial reporting standards IFRS 9 Financial Instruments and IFRS 15 Revenue from Contracts with Customers were applied for the first time in the first half of 2018. In accordance with the transitional provisions of IFRS 9 and IFRS 15, prior-year figures have not been adjusted.

* The business development of Bertelsmann Investments is determined primarily based on EBIT. EBIT totaled €45 million (H1 2016: €41 million).

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.

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