

Press Release

Bertelsmann remains on track in first quarter

- **Organic revenue growth reaches 1.7 percent**
- **Adjusted operating result is slightly above previous year's record value**

Gütersloh, May 15, 2007 – Bertelsmann, the international media company, continued its positive development in the first quarter of 2007. Adjusted for portfolio and foreign exchange effects, revenue rose by 1.7 percent year on year, to €4.4 billion. Reported revenue declined slightly though, since this was the first time that the BMG Music Publishing business was no longer included. The reported revenue also reflects foreign exchange effects arising from the euro's strength in relation to the dollar.

First-quarter Operating EBIT was €198 million (Q1/2006: €215 million). Adjusted especially for the absence of BMG Music Publishing, this put it slightly above the record €194 million in earnings for Q1/2006. This was attributable to the continued positive developments in important core businesses. Bertelsmann confirms its forecast that revenues and operating result for the full year 2007 will exceed the previous year's figures.

The first quarter saw special items in the amount of minus €114 million due to costs incurred and provisions built for lawsuits ongoing in the U.S. based on Bertelsmann's financing of Napster in 2000. This includes mainly expenses for out-of-court settlements made with EMI and the Warner Music Group as well as provisions made for possible future settlements. Net income profits for the first quarter declined to minus €70 million (Q1/2006: €99 million).

Bertelsmann's Chief Financial Officer Thomas Rabe said: "Overall, we got off to a good start this year and we expect to achieve our financial targets for 2007. We are pleased to have reached out-of-court settlements about Napster with most plaintiffs and claimants."

Economic debt dropped to €6.5 billion at March 31, 2007 (December 31, 2006: €6.8 billion). The number of employees increased to 98,222 (December 31, 2006: 97,132).

Figures at a Glance (in million €)

	Jan 1, 2007 to Mar 31, 2007	Jan 1, 2006 to Mar 31, 2006 ¹⁾
Revenues	4,377	4,463
Operating EBIT in the divisions	215	240
Corporate/Consolidation	(17)	(25)
Operating EBIT	198	215
Special items	(114)	9
EBIT (Earnings before interest and taxes)	84	224
Net interest	(58)	(27)
Other financial expenditure	(32)	(41)
Taxes on income	(64)	(57)
Net income	(70)	99
of which: profit share Bertelsmann shareholders	(117)	60
of which: profit share minority interests	47	39

Investments	248	309
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	At Mar 31, 2007	At Dec 31, 2006
Economic debt ²⁾	6,513	6,760
No. of employees	98,222	97,132

Definition of Operating EBIT: Operating EBIT refers to the earnings before interest, taxes and special items.

¹⁾ adjusted due to change in the reporting of actuarial losses pursuant to IAS 19.93A.

²⁾ Net financial debt plus provisions for pensions and profit participation capital.

About Bertelsmann AG

Bertelsmann is an international media company encompassing television (RTL Group), book publishing (Random House), magazine publishing (Gruner + Jahr), music (BMG), media services (Arvato), and media clubs (DirectGroup) in more than 60 countries. Bertelsmann's claim is to inspire people around the world with first-class media and communications offerings – entertainment, information and services – and occupy leading positions in its respective markets. The foundation of Bertelsmann's success is a corporate culture based on partnership, entrepreneurial spirit, creativity, and corporate responsibility. The company strives to bring creative new ideas to market and create value.

Bertelsmann is comprised of the television channels, television production companies, and radio stations of Europe's largest entertainment group, RTL Group (RTL Television, M6, Five, Fremantle Media), and the more than 120 publishing houses of Random House, the world's largest trade book publisher (Alfred A. Knopf, Bantam, Goldman). Gruner + Jahr is Europe's number one magazine publisher (Stern, Geo, Neon, Capital). The Sony BMG joint venture in the BMG division is synonymous with creativity and strong international music brands (Beyoncé, Dixie Chicks, Justin Timberlake, Christina Aguilera). The Arvato media and communications services division brings together distribution, service centers and customer-relationship management, state-of-the art printing manufacturing, storage media production, mobile services, and comprehensive IT services. Bertelsmann's direct-to-customer businesses are unified within the Direct Group: book, DVD, and music clubs with more than thirty-five million members worldwide (Der Club, France Loisirs), as well as book retailers in France and Portugal.

In fiscal 2006, Bertelsmann, with approximately 97,000 employees, generated revenues of 19.3 billion euros.

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