

BERTELSMANN INTERIM RESULTS 2012

Investor Conference Call

August 31, 2012

Thomas Rabe, Chairman and Chief Executive Officer of Bertelsmann

Summary – Highlights H1 2012

1

Strong operating performance

- Revenues in first half-year up 5.0 per cent (organic growth 3.7%)
- Group profit significantly above previous year
- Operating EBIT on previous year's level

2

Solid financial status

- Target rating (Baa1/BBB+) with stable outlook
- High cash conversion rate maintained

3

Progress on strategic priorities

Group key figures H1 2012 – Revenues and group profit significantly increased

in € millions	H1 2011	Change	H1 2012
Revenues	7,209	+363	7,572
Operating EBITDA ¹⁾	993	(39)	954
Operating EBIT ²⁾	739	(8)	731
Group profit or loss	269	+84	353
BVA	87	+3	90
Operating free cash flow ³⁾	657	+13	670
Cash conversion rate ³⁾	92%	-	92%
	Dec 31, 2011	Change	H1 2012
Net financial debt	1,809	+178	1,987
Economic debt	4,913	+562	5,475
Leverage factor	2.4	+0.3	2.7

1) Earnings before interest, taxes, depreciation, amortization and special items (especially impairments and restructuring expenses)

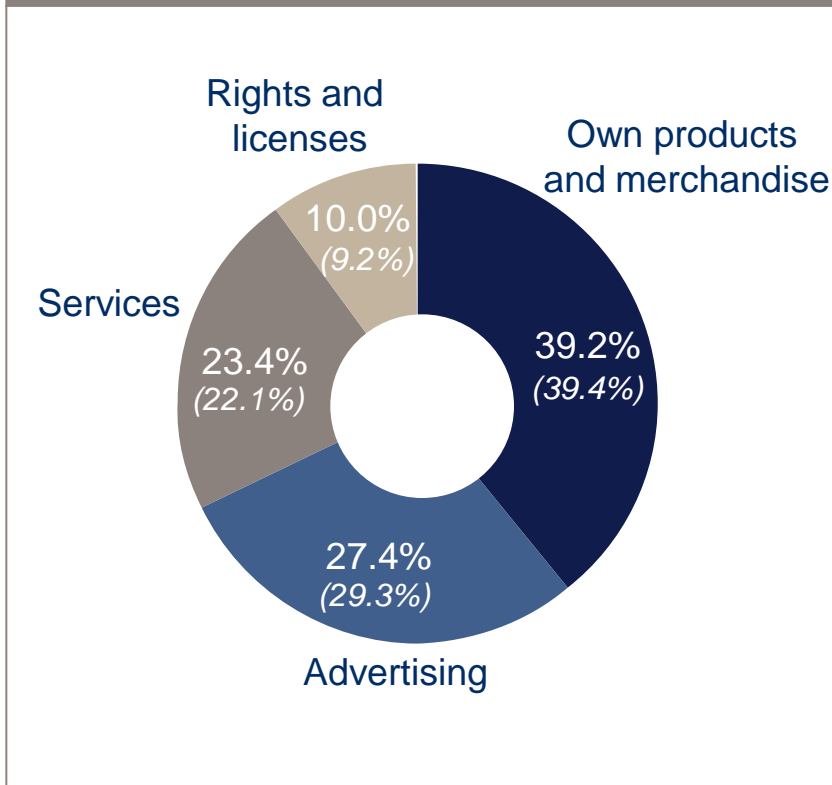
2) Earnings before interest, taxes and special items (especially impairments and restructuring expenses)

3) Adjusted for one-time effects

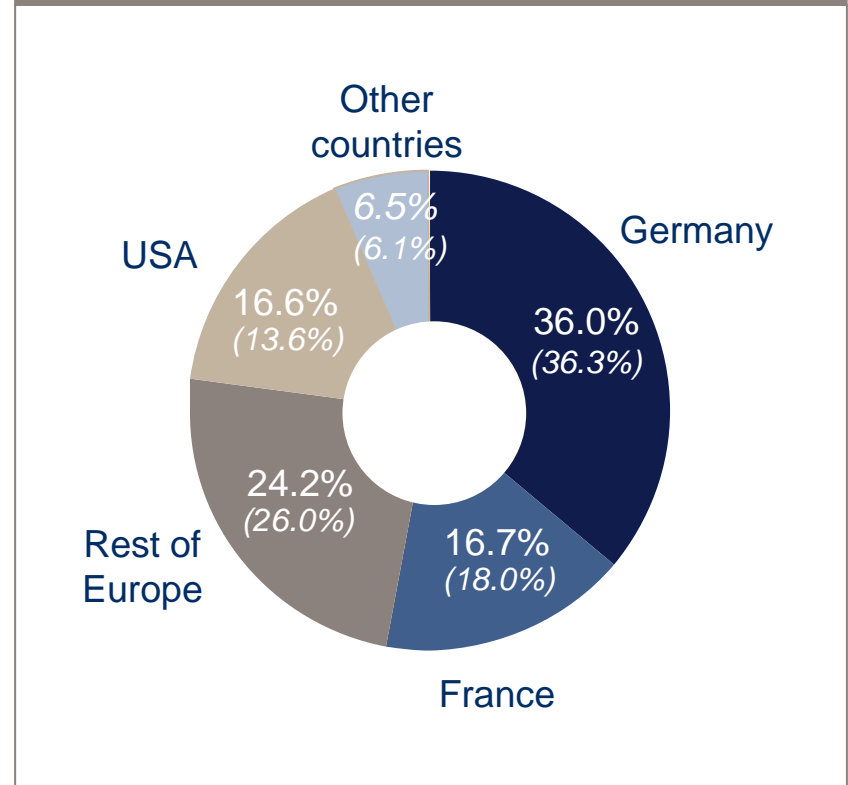
Group key figures H1 2012 – Broad diversification by revenue source and region, composition nearly unchanged

Revenue share

Sources in H1 2012 (previous year)

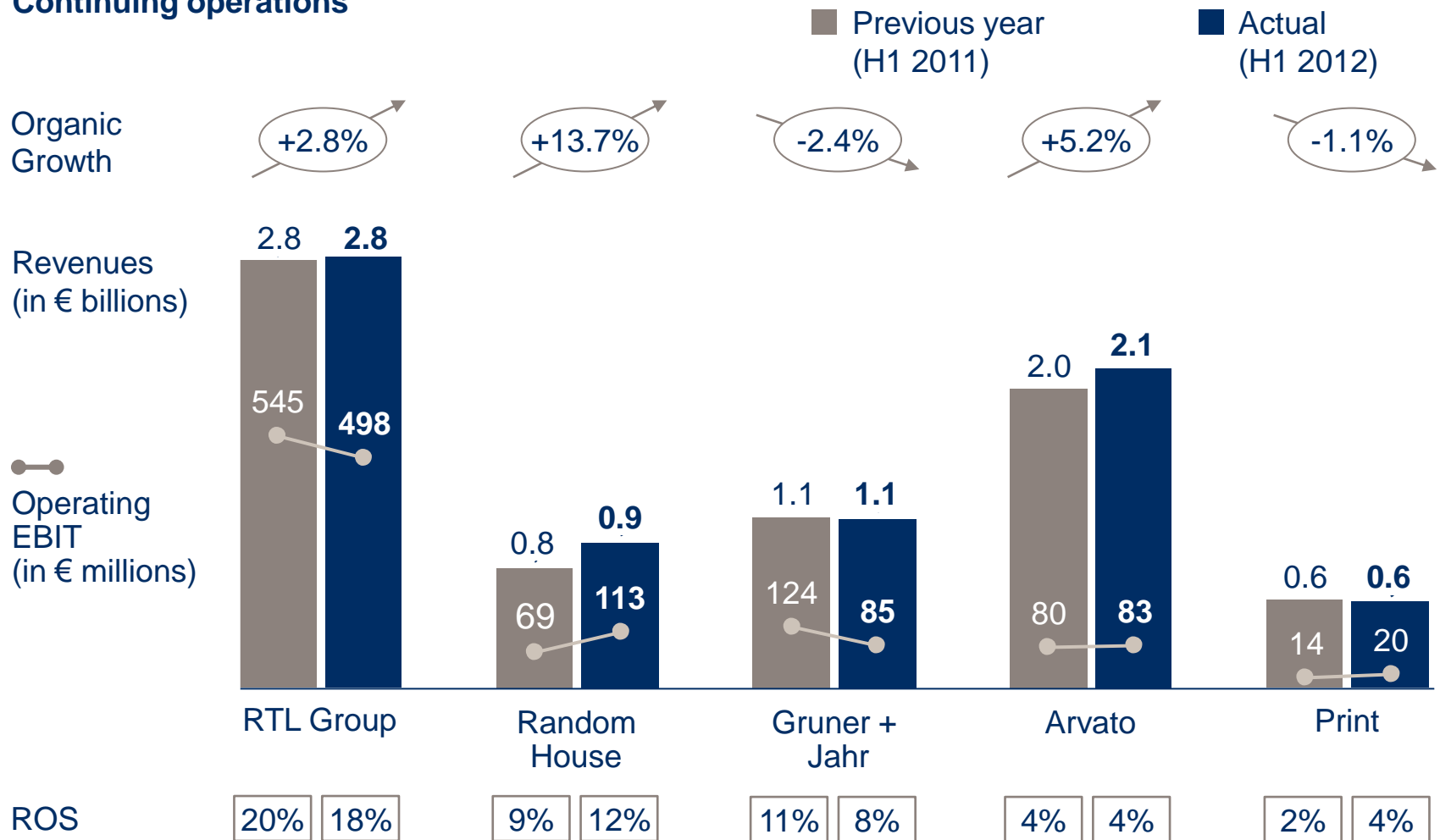


Regions in H1 2012 (previous year)



Divisions – Organic growth in three divisions, remarkable operating EBIT increase at Random House

Continuing operations



Group result – Group profit increased due to lower special items and reduced negative impact from discontinued operations

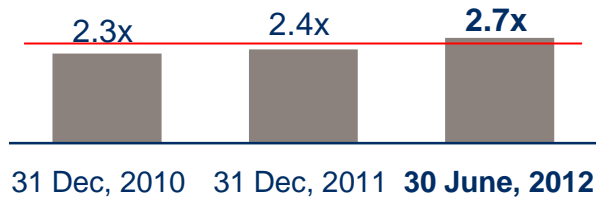
in € millions	H1 2011	Change	H1 2012
Operating EBIT of divisions	774	(2)	772
Corporate/consolidation	(35)	(6)	(41)
Operating EBIT	739	(8)	731
Special items	(60)	+41	(19)
EBIT	679	+33	712
Financial result	(195)	(3)	(198)
Income taxes	(109)	(51)	(160)
Earnings after taxes from discontinued operations	(106)	+105	(1)
Group profit or loss	269	+84	353
<i>thereof attributable to Bertelsmann shareholders</i>	183	+96	279
<i>thereof attributable to non-controlling interests</i>	86	(12)	74

Cash flow – High cash conversion rate maintained



in € millions	H1 2011	H1 2012
Cash flow from operating activities	742	615
Cash flow from investing activities	(337)	(267)
- <i>Investments</i>	(327)	(270)
- <i>Acquisitions & divestments</i>	(33)	(41)
- <i>Proceeds from disposal, other</i>	23	44
Cash flow from financing activities	(774)	(505)
- <i>Dividends</i>	(396)	(356)
- <i>Interest paid/ received</i>	(121)	(143)
- <i>Change in financial debt</i>	(235)	0
- <i>Change in shareholders' equity</i>	(22)	(6)
Change in cash and cash equivalents	(369)	(157)
Cash Conversion Rate	92%	92%

Financial status – Financial metrics broadly in line with internal targets, increase in pensions due to reduced discount interest rates

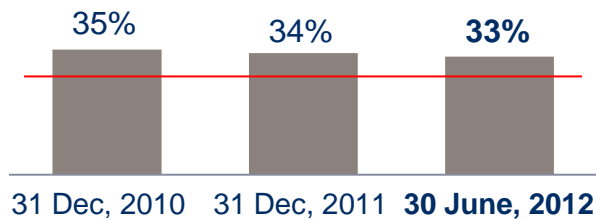
Leverage Factor < 2.5x



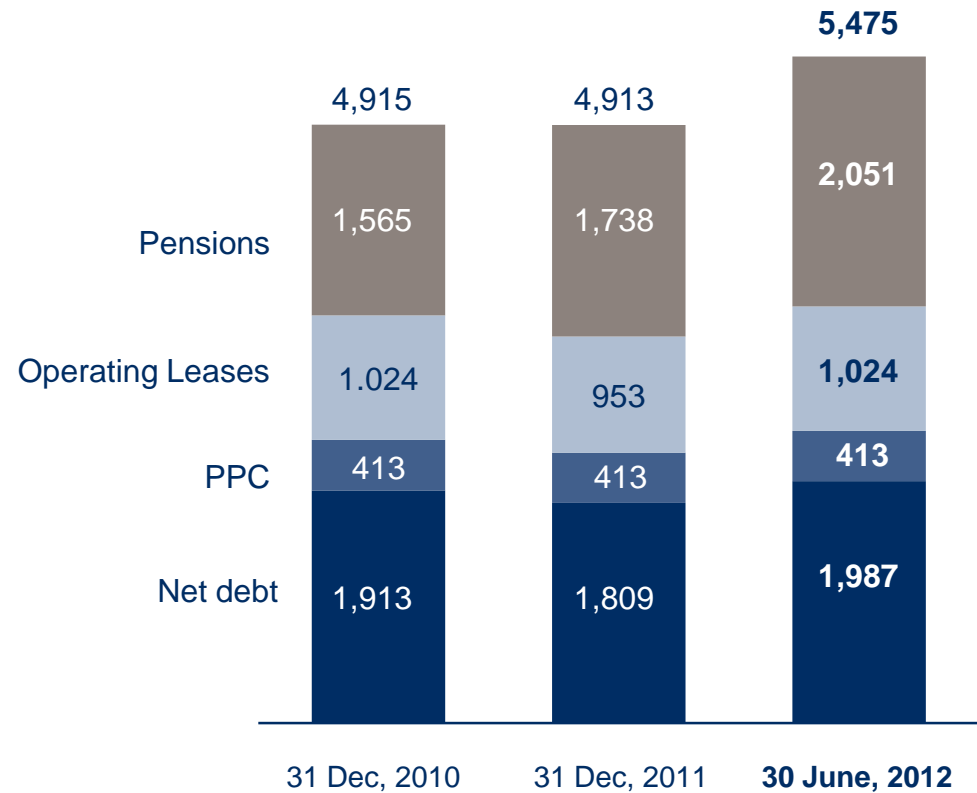
Rating

	• Baa1 , outlook: stable
	• BBB+ , outlook: stable

Equity Ratio > 25%



Economic debt (in € millions)



Liquidity – Comfortable liquidity position, maturity profile improved through benchmark bond issuance in July 2012

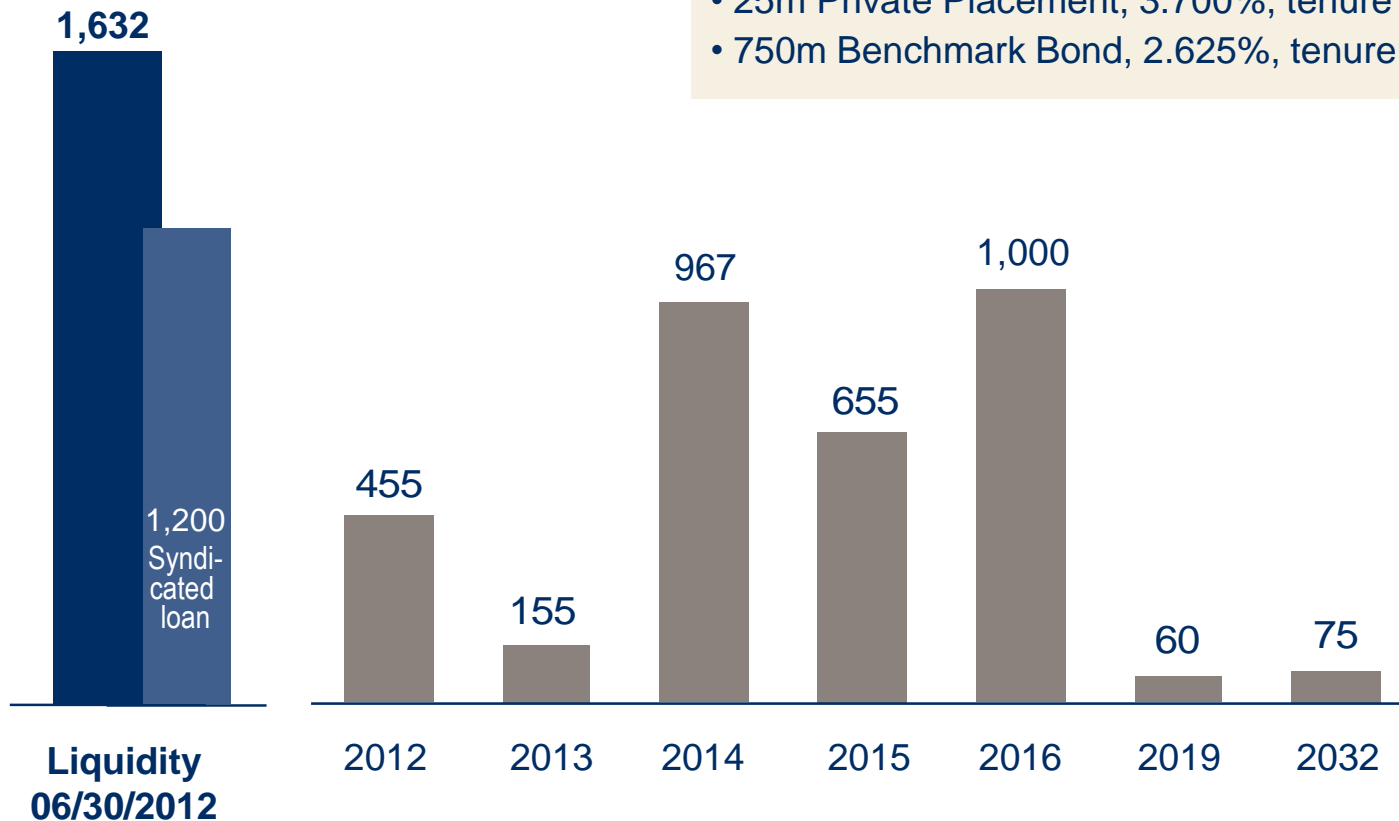
in € million

Maturity profile capital market financing

as of June 30, 2012

Steps after June 30, 2012

- 25m Private Placement, 3.700%, tenure 20yrs
- 750m Benchmark Bond, 2.625%, tenure 10yrs



Outlook 2012 – Global economic development remains uncertain

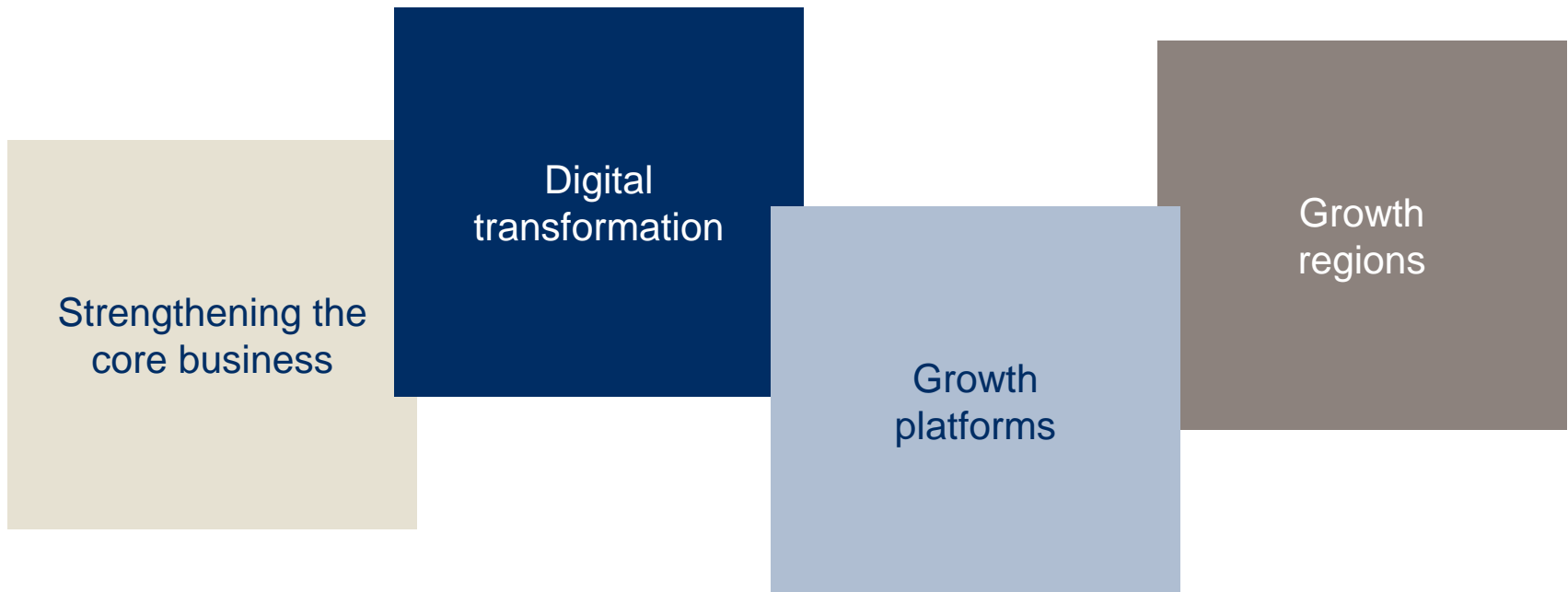
ECONOMY AND MARKET ENVIRONMENT

- Downturn in the world economy at mid-year, uncertain economic development
- No visibility on the development of the TV advertising markets
- Risks due to uncertainty in the European sovereign debt crisis

GROUP KEY FIGURES

- Moderate revenue growth
- Operating EBIT on high level, ROS above 10 percent
- Group profit above previous year

Strategy – Four strategic directions



Q&A-SESSION

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