



BERTELSMANN

Agenda

1 Overview of Bertelsmann AG

2 Bertelsmann in China

BERTELSMANN

First-class media content and services

Worldwide leading positions in the core businesses TV, books, magazines, media clubs and media services

Creativity and entrepreneurship

A magnet for creative and entrepreneurial talent

Internationality

A globally active media company with more than 100,000 employees in more than 50 countries

Corporate culture

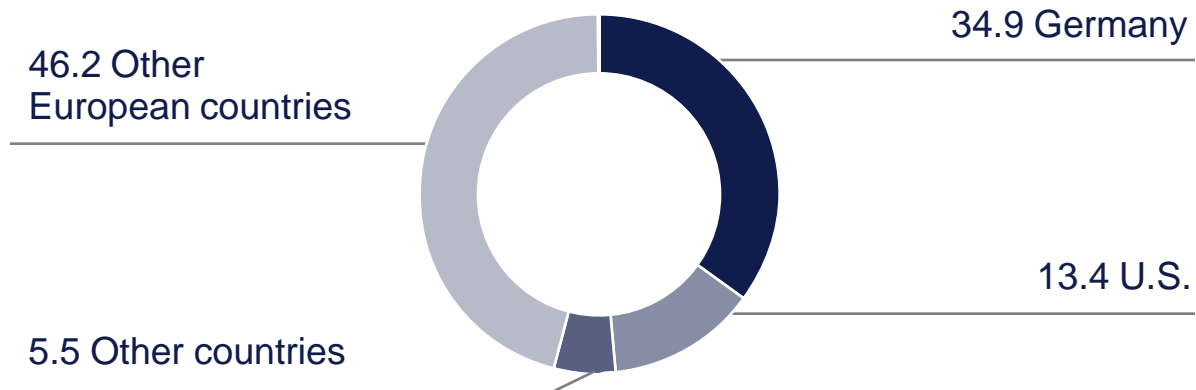
Partnership as the foundation of entrepreneurial success

Internationality

- Employees: 104,419 (Dec 31, 2010)
- More than 1,000 individual companies
- In more than 50 countries

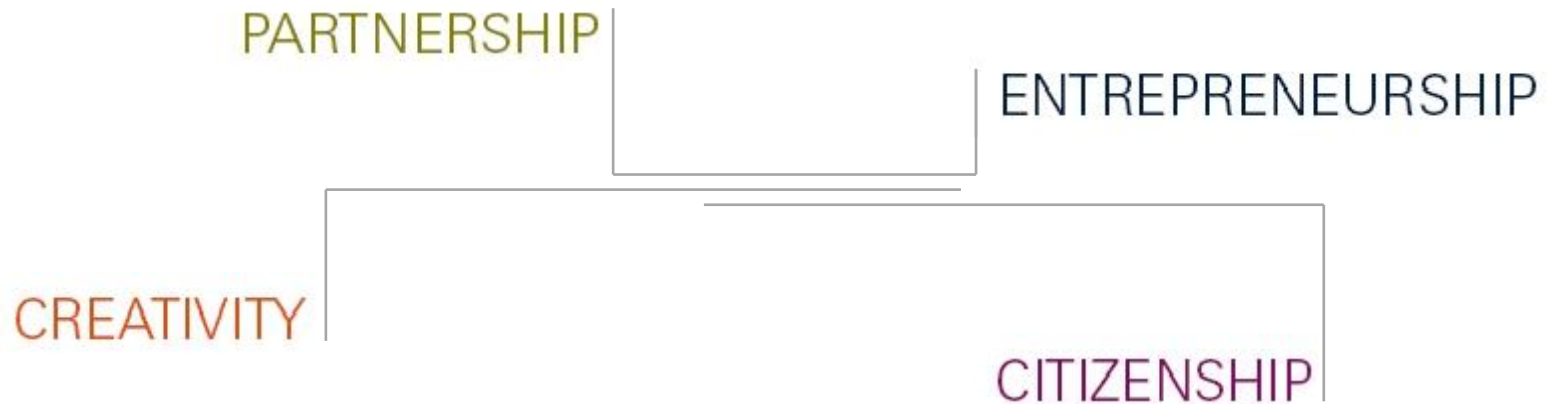


Group revenues by region 2010 in percent



Corporate Culture

Bertelsmann Essentials



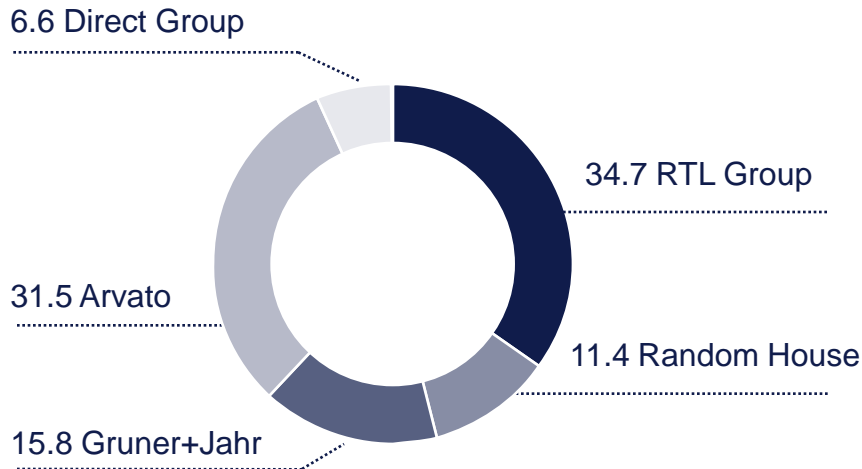
The Bertelsmann Essentials convey the goals and basic values of our company's employees, executives and shareholders, and are based on the Corporate Constitution. It is the responsibility of our executives to spread and exemplify these values and to serve as role models. The Bertelsmann Essentials reflect the current status of consensus and are subject to constant review, revision and improvement.

2010 Financial Overview

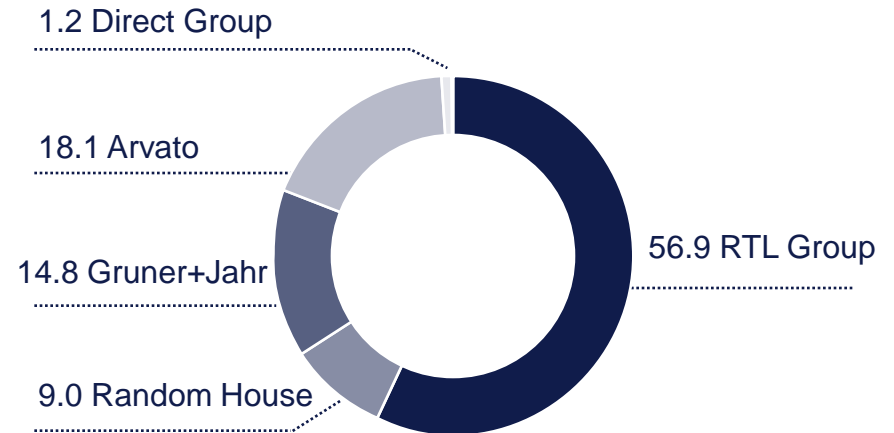
€15.8 billion revenues

€1,852 million operating EBIT

Revenue contribution 2010 in percent*



Operating EBIT 2010 in percent*



* Based on total from divisions not including Corporate/Consolidation

The leading European entertainment group



€5,591

million revenues

€1,102

million operating EBIT

12,339

employees worldwide

- 40 TV channels and 33 radio stations in ten countries
- RTL Group broadcasters reach more than 200 million viewers in Europe each day
- Fremantle Media produces about 9,500 hours of programming a year in 54 countries, including leading primetime programs for broadcasters in nearly all of the world's major TV markets
- Bertelsmann's stake: approximately 92 percent (which makes it the main shareholder of the publicly listed RTL Group)
- Headquarters: Luxembourg

Europe's biggest broadcaster



A global leader in TV production



www.rtlgroup.com



The leading global book publisher

€1,828

million revenues

€173

million operating EBIT

5,264

employees worldwide

- More than 200 editorially independent imprints in 16 countries
- More than 10,000 new books published annually worldwide
- 230 titles on “New York Times” bestseller list (2010)
- Most Nobel Prize winners of any book publishing group
- More than 25,000 English, German and Spanish language e-book titles
- Bertelsmann’s stake: 100 percent
- Headquarters: New York

No. 1 in North America



No. 1 in Germany

C. Bertelsmann HEYNE Siedler Verlag



No. 2 in United Kingdom



No. 2 in Spain and Latin America



www.randomhouse.com



Europe's largest magazine publisher



€2,549

million revenues

€287

million operating EBIT

13,337

employees worldwide

- More than 500 magazines and digital offerings in more than 30 countries
- Quality journalism at its best: thoroughly researched, informative, inspiring and entertaining
- Bertelsmann's stake: 74.9 percent (25.1 percent owned by the Jahr publishing family)
- Headquarters: Hamburg

Gruner + Jahr worldwide



www.guj.com



Internationally networked media and communications services provider

€5,083

million revenues

€350

million operating EBIT

63,985

employees worldwide

- 270 subsidiaries in more than 30 countries
- Media and communications services provider in over 40 languages
- More than 650 million consignments per year
- More than 300 million calls per year
- Production of 6.5 million CDs and DVDs per day
- Bertelsmann's stake: 100 percent
- Headquarters: Gütersloh

www.arvato.com

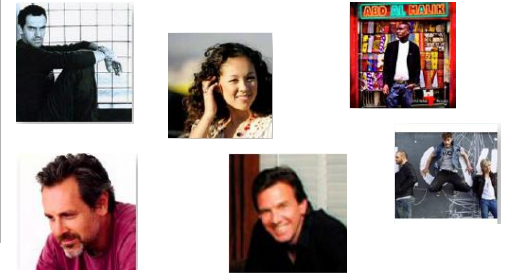


Leading music rights company

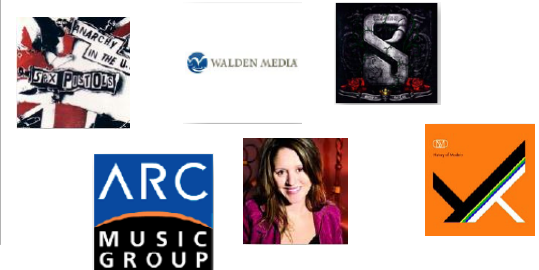


- Represents the rights of more than 300,000 songs and recordings including Crosstown Songs, Cherry Lane Music Publishing, Stage Three Music, Evergreen Copyrights and Chrysalis group
- Covers the entire range of rights administration, development and exploitation, placing the needs of songwriters and artists
- Established a presence in 8 core music markets
- JV with leading private equity firm KKR, started in 2008
- Headquarters: Berlin

Artists and Songwriters



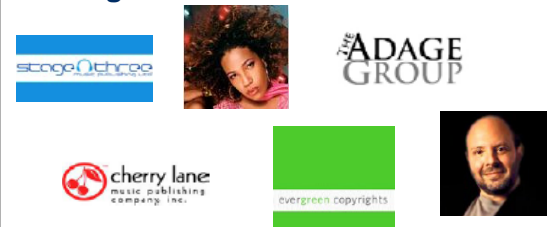
Song Catalogues



www.bmg.com



Music Publishers and of Copyright Catalogues



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Bertelsmann in China – Long and committed history in the market

- **Long history in the market**

Bertelsmann has been active in China since 1991

- **Strategic priority**

China is one of three focus growth markets for Bertelsmann

- **Commitment to the China market**

- Corporate Center China opened in October 2006
- Bertelsmann Asia Investments established in January 2008
- Shenzhen Arvato Logistic Services Ltd., a new joint venture under Arvato Services China established in February 2009
- Integration of Bertelsmann China Corporate Center and Bertelsmann Asia Investments

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Bertelsmann's Corporate Center China acts as the central point of contact



BAI is Bertelsmann's strategic investment arm in Asia headquartered in Beijing



Leading position in partnering with major magazine publishers in China, especially in the women's fashion segment



Provides end-to-end business solutions to Chinese clients via arvato Services, arvato Digital Services, and arvato Systems



Fremantle Media active in program licensing agreements with major TV broadcasters such as CCTV, Hunan Satellite TV, Shanghai Satellite TV, Liaoning Satellite TV

China Corporate Center – Bertelsmann’s central point of contact in China



- » The opening of the Beijing Bertelsmann China Corporate Center demonstrates **Bertelsmann’s long term commitment to the China market**
- » BAG China provides interested parties from the cultural, business and political spheres with a **direct point of contact for any questions involving the Bertelsmann Group’s activities** in China

Bertelsmann Asia Investments (BAI) – Bertelsmann’s strategic investment arm in Asia



- » Launch date: Nov 17, 2007
- » Geographic focus: **Greater China**
- » Sector focus: **Media, Education and BPO**
- » Stage: **early and growth**
- » Style: **minority investments** with **active portfolio management**

Sector focus

- **Mega trends:** “SoLoMo” and e-commerce
- **Services:** e.g., business process outsourcing, loyalty program management
- **New media:** e.g., online and mobile media, targeted advertising
- **Traditional media:** e.g., music, magazine

Stage focus

- Focus on **growth stage** and pre-IPO with co-investment capacity into earlier stage companies
- Take a **long-term** and **strategic** view
- **Close cooperation** with financial investors
- Provides **extensive media resources and expertise** to portfolio companies

BAI's portfolio

3 listed market leading companies



Leading online education player focused on professional training
NYSE: DL (2008)



Leading auto cross media platform with over 13000 dealership network
NYSE: BITA (2010)



Leading converged new media platform with high end audience base
NYSE: FENG (2011)

Media platforms with unique positioning



Leading youth lifestyle multimedia platform with over 180 brands



Leading female social shopping platform with 1m users powered by micro-blogging



Leading social media platform, over 50m users urban, white collar users

Technology driven service providers



Leading online performance marketing agency serving top brands



Leading e-commerce technology solutions provider

Pioneers in social game and children digital market



One of the most successful social games in China



Create digital content and an interactive community for children

4 Fund of Fund investments focused on broadening network and knowledge base



Founded by former head of Google China, Dr. Kai-Fu Lee to back early stage concepts in mobile, e-commerce and cloud computing



Span off from the well known family office of Gerald Chan, for its backing many household Internet names in China, e.g., NASDAQ: SOHU, CTRP, DL etc.



Founded by Joe Zhou, ex-SAIF Partners and KPCB China, who was the backer of NASDAQ: SNDA, ATA, ATV etc.



Successfully identified and backed sector leaders in the fast growing internet software and services space, e.g. VANCL, Qihoo 360, Xunlei

G+J China

Partnering with leading magazine publishers in China



» Since entering the Chinese market in 2000, G+J has established long-term partnerships with leading local publishing houses, providing advertising, marketing and consulting services for many leading fashion, parenting, automobile and interior design magazines

Magazine Titles



arvato China

Providing end-to-end business solutions in China



	<ul style="list-style-type: none"> » 3rd party outsourcing provider that offers end-to-end business solutions throughout the entire value chain » Offices in Shanghai (headquarters), Beijing, Guangzhou, Shenzhen and Changchun » 40 distribution centers as logistics network » Kevin Xu, CEO arvato, services China
	<ul style="list-style-type: none"> » Integrated service provider focusing on IT/tech and entertainment industries with services ranging from manufacturing, SCM, sourcing, and e-commerce » Offices / plants in Hong Kong (headquarters), Shanghai, Shenzhen, Xiamen, Hangzhou, Foshan » William Wan, Asia-Pacific CEO, arvato digital services China
	<ul style="list-style-type: none"> » Using deep customer insights and data analysis, helps multiple industries' enterprises to reinforce interaction and communication with customers via customer value management, IT infrastructure frameworks, business process management solutions » Offices in Shanghai (headquarter), Beijing, Nanjing and Guangzhou » Dennis Hu, CEO, arvato systems China

Select Clients



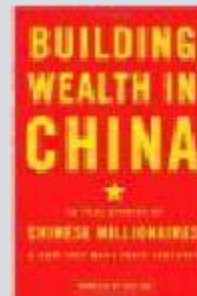
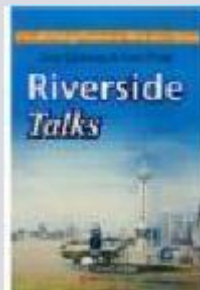
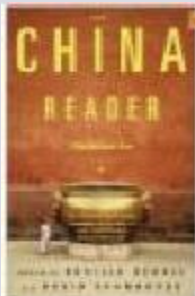
RANDOM HOUSE in China

Supporting the Chinese culture “Going Abroad”

Random House supports the Chinese culture “going abroad” by introducing Chinese titles to other countries through cooperations with a range of Chinese partners. Recent titles include:

- *CHINA READER* by Su Shuyang
- *RIVERSIDE TALKS* by Zho Qizheng and Luis Palau
- *BUILDING WEALTH IN CHINA* by a range of authors
- A travel guide for visitors to the Olympics

Discussions are ongoing for other cooperation opportunities with Chinese counterparts



Corporate Responsibility – Bertelsmann is committed to providing ongoing help to children in poor areas

1. Quick response and supports to areas/schools hit by nature disasters (earthquakes in Sichuan Province and Qinghai Province)



Inauguration ceremony of school building funded by Bertelsmann in Shaanxi Province



BAG China staff and officials from The Women's Federation in a new classroom at the school

2. Long-term supports to Hope schools involves donations as well as creative classes given by BAG China staff



Pupils in Bertelsmann Dalonghua Hope School were invited to visit the World Expo in Shanghai



English classes at Bertelsmann Dalonghua Hope School, Hebei Province



Painting classes at Shuhe Hope School, Yunnan Province

Corporate Responsibility – Bertelsmann is committed to promoting arts and culture education in partnership with local NGOs

Free story journal “The Green Kids” distributed to children in rural areas



Creative painting classes – drawing pictures with flowers, leaves, and stones



“Draw My Dreams” art contest at primary schools





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