

**Second Supplement dated 21 September 2018
to the Debt Issuance Programme Prospectus dated 18 April 2018
as supplemented by the First Supplement dated 10 July 2018**

*This document constitutes a supplement (the "**Second Supplement**") within the meaning of Article 16 of Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 as amended from time to time (the "**Prospectus Directive**") to the base prospectus of Bertelsmann SE & Co. KGaA in respect of non-equity securities within the meaning of Art. 22 No. 6 (4) of the Commission Regulation (EC) No. 809/2004 of 29 April 2004, as amended from time to time ("**Non-Equity Securities**") (the "**Debt Issuance Programme Prospectus**" or the "**Prospectus**").*

This Second Supplement is supplemental to, and should be read in conjunction with the first supplement dated 10 July 2018 (the "**First Supplement**") and the Prospectus dated 18 April 2018 (the Prospectus together with the First Supplement, the "**Supplemented Prospectus**"). Therefore, with respect to future issues of Notes under the Programme of Bertelsmann SE & Co. KGaA, references in the Final Terms to the Prospectus are to be read as references to the Supplemented Prospectus.

BERTELSMANN

Bertelsmann SE & Co. KGaA

(Gütersloh, Federal Republic of Germany)
as Issuer

EUR 4,000,000,000
Debt Issuance Programme
(the "**Programme**")

The Issuer has requested the *Commission de Surveillance du Secteur Financier* of the Grand Duchy of Luxembourg (the "**CSSF**") in its capacity as competent authority under the Luxembourg Law relating to prospectuses for securities (*Loi relative aux prospectus pour valeurs mobilières*, the "**Luxembourg Law**") which implements the Prospectus Directive, to approve this Second Supplement and to provide the competent authorities in the Federal Republic of Germany, the Republic of Austria, the United Kingdom of Great Britain and Northern Ireland, the Republic of Ireland and the Netherlands with a certificate of approval attesting that this First Supplement has been drawn up in accordance with the Luxembourg Law ("**Notification**"). The Issuer may request the CSSF to provide competent authorities in additional host Member States within the European Economic Area with a Notification.

RIGHT TO WITHDRAW

In accordance with Article 13 paragraph 2 of the Luxembourg Law, where the Supplemented Prospectus relates to an offer of Notes to the public, investors who have already agreed to purchase or subscribe for Notes before this Second Supplement is published have the right, exercisable within a time limit of two working days after the publication of this Second Supplement, until 25 September 2018, to withdraw their acceptances provided that the new factor, mistake or inaccuracy referred to in Article 13 paragraph 1 of the Luxembourg Law arose before the final closing of the offer to the public and the delivery of the Notes.

This Second Supplement has been approved by the CSSF, has been filed with said authority and will be published in electronic form on the website of Bertelsmann SE & Co. KGaA (<http://www.bertelsmann.com/investor-relations/bonds/debt-issuance-programme/>) and on the website of the Luxembourg Stock Exchange (www.bourse.lu).

RESPONSIBILITY STATEMENT

Bertelsmann SE & Co. KGaA ("**Bertelsmann SE & Co. KGaA**" or the "**Issuer**", together with its consolidated group companies, the "**Bertelsmann Group**" or "**Bertelsmann**") with its registered office in Gütersloh, Germany accepts responsibility for the information given in this Second Supplement including the documents incorporated by reference herein.

The Issuer hereby declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Second Supplement for which it is responsible is, to the best of its knowledge and belief, in accordance with the facts and contains no omission likely to affect its import.

NOTICE

Terms defined or otherwise attributed meanings in the Supplemented Prospectus have the same meaning in this Second Supplement.

This Second Supplement shall only be distributed in connection with the Supplemented Prospectus. It should only be read in conjunction with the Supplemented Prospectus.

To the extent that there is any inconsistency between any statement in this Second Supplement and any other statement in or incorporated by reference into the Supplemented Prospectus, the statements in this Second Supplement will prevail.

Save as disclosed in this Second Supplement, there has been no other significant new factor, material mistake or material inaccuracy relating to information included in the Supplemented Prospectus which is capable of affecting the assessment of Notes issued under the Programme since the publication of the Supplemented Prospectus.

The Issuer has confirmed to the Dealers that the Supplemented Prospectus as supplemented by this Second Supplement contains all information with regard to the Issuer and the Notes which is material in the context of the Programme and the issue and offering of Notes thereunder, the information contained therein with respect to the Issuer and the Notes is accurate in all material respects and is not misleading, the opinions and intentions expressed therein with respect to the Issuer and the Notes are honestly held, there are no other facts with respect to the Issuer or the Notes the omission of which would make the Supplemented Prospectus as supplemented by this Second Supplement misleading in any material respect, and that all reasonable enquiries have been made to ascertain all facts and to verify the accuracy of all statements contained therein.

No person has been authorised to give any information which is not contained in or not consistent with the Supplemented Prospectus as supplemented by this Second Supplement or any other document entered into in relation to the Programme or any information supplied by the Issuer or any other information in the public domain and, if given or made, such information must not be relied upon as having been authorised by the Issuer, the Dealers or any of them.

To the extent permitted by the laws of any relevant jurisdiction, neither the Arranger nor any Dealer nor any other person mentioned in the Supplemented Prospectus as supplemented by this Second Supplement, excluding the Issuer, is responsible for the information contained in the Supplemented Prospectus as supplemented by this Second Supplement or any other document incorporated therein by reference, and accordingly, and to the extent permitted by the laws of any relevant jurisdiction, none of these persons accepts any responsibility for the accuracy and completeness of the information contained in any of these documents.

Supplemental and replacement information

"Element B.12 - Selected historical key financial information" under the heading "SUMMARY – Section B – Issuer" on pages 7 to 8 of the Supplemented Prospectus shall be supplemented by the following:

"The following tables set forth certain historical financial information for Bertelsmann as of and for the half years ended 30 June 2018 and 2017 which has been derived from Bertelsmann's unaudited consolidated financial statements:			
in EUR millions		H1 2018	H1 2017
Revenues		8,237	8,134
EBIT (earnings before interest and taxes)		769	805
Earnings after taxes from continuing operations		501	503
Earnings after taxes from discontinued operations		-	-1
Group profit or loss		501	502
		30/6/2018	31/12/2017
Balance sheet total		23,612	23,705
Equity		9,349	9,119
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. Further details are presented in the section "Impact of New Financial Reporting Standards."			

"Element B.12 - Significant change in the financial and trading position" under the heading "SUMMARY – Section B – Issuer" on page 8 of the Supplemented Prospectus shall be replaced by the following:

"Significant change in the financial and trading position"	Not applicable. There has been no significant change in the financial or trading position of Bertelsmann since 30 June 2018."
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"Element B.13 – Recent Events" under the heading "SUMMARY – Section B – Issuer" on page 8 of the Supplemented Prospectus shall be replaced by the following:

"Recent Events"	On 18 September 2018, Bertelsmann and Saham Group have announced to enter into a long-term partnership and plan to combine their respective worldwide Customer Relationship Management ("CRM") businesses. The new company would employ around 48,000 people in 25 countries and is expected to generate revenues of approximately EUR 1.2 billion. The completion of the transaction is subject to regulatory approvals and proper employee representative consultation process. The new company which is expected to be formed by January 2019 will be fully consolidated by Bertelsmann. Bertelsmann and Saham Group each will hold 50 per cent of the new company. The agreement with Saham concludes the review, announced in January 2018, of strategic options for the CRM businesses. The
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	Arvato CRM businesses in the United Kingdom, China, and Turkey will not be part of the new company."
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"Element B.12 - Ausgewählte wesentliche historische Finanzinformationen" under the heading "GERMAN TRANSLATION OF THE SUMMARY – Abschnitt B – Emittentin" on page 18 of the Supplemented Prospectus shall be supplemented by the following:

"Die nachstehende Übersicht zeigt ausgewählte historische Finanzinformationen von Bertelsmann zum und für die am 30. Juni 2018 und 2017 abgelaufenen Halbjahre, die dem ungeprüften Konzernabschluss von Bertelsmann entnommen sind:			
in Mio. EUR		1. Halbjahr 2018	1. Halbjahr 2017
Umsatzerlöse		8.237	8.134
EBIT (Ergebnis vor Finanzergebnis und Steuern)		769	805
Ergebnis nach Steuern aus fortgeführten Aktivitäten		501	503
Ergebnis nach Steuern aus nicht fortgeführten Aktivitäten		-	-1
Konzernergebnis		501	502
		30.6.2018	31.12.2017
Bilanzsumme		23.612	23.705
Eigenkapital		9.349	9.119
Im 1. Halbjahr 2018 sind die neuen Rechnungslegungsvorschriften IFRS 9 „Finanzinstrumente“ und IFRS 15 „Erlöse aus Verträgen mit Kunden“ erstmals angewendet worden. Die Vorjahreswerte wurden in Übereinstimmung mit den Übergangsvorschriften nach IFRS 9 und IFRS 15 nicht angepasst. Weitere Erläuterungen finden sich im Abschnitt „Auswirkungen von neuen Rechnungslegungsstandards“."			

"Element B.12 - Signifikante Veränderungen in der Finanz- bzw. Handelsposition" under the heading "GERMAN TRANSLATION OF THE SUMMARY – Abschnitt B – Emittentin" on page 18 of the Supplemented Prospectus shall be replaced by the following:

"Signifikante Veränderungen in der Finanz- bzw. Handelsposition"	Nicht anwendbar. Seit dem 30. Juni 2018 hat es keine signifikanten Änderungen der Finanz- bzw. Handelsposition von Bertelsmann gegeben."
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"Element B.13 – Letzte Ereignisse" under the heading "GERMAN TRANSLATION OF THE SUMMARY – Abschnitt B – Emittentin" on page 18 of the Supplemented Prospectus shall be replaced by the following:

"Letzte Ereignisse"	Am 18 September 2018 gaben Bertelsmann und die Saham Group ihre Absicht bekannt, ihre weltweiten Customer Relationship Management-Geschäfte ("CRM") zusammenzulegen. Es wird erwartet, dass das neue Unternehmen mit rund 48.000 Mitarbeiterinnen und Mitarbeitern in 25 Ländern einen Umsatz von rund EUR 1,2 Mrd. erwirtschaften wird. Der Abschluss der Transaktion unterliegt den behördlichen Genehmigungen und dem
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		Konsultationsprozess mit den Arbeitnehmervertretern. Die neue Gesellschaft, an der Bertelsmann und die Saham Group jeweils 50% halten werden, soll voraussichtlich im Januar 2019 gegründet werden und wird von Bertelsmann vollkonsolidiert. Mit der Vereinbarung mit Saham ist die im Januar 2018 angekündigte Prüfung strategischer Optionen für die CRM-Geschäfte abgeschlossen. Die Arvato-CRM-Geschäfte in Großbritannien, China und der Türkei werden nicht Teil des neuen Unternehmens."
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The following shall be inserted below the first paragraph in the section "2. Selected Financial Information" under the heading "GENERAL INFORMATION ABOUT BERTELSMANN SE & CO. KGAA AND BERTELSMANN GROUP" on pages 36 and 37 of the Supplemented Prospectus and shall replace the remaining three paragraphs:

"Bertelsmann recorded a positive first half of 2018; group revenues rose to EUR 8.2 billion (H1 2017: EUR 8.1 billion) despite negative exchange rate effects. Operating EBITDA amounted to EUR 1,071 million and was below the previous year's figure of EUR 1,099 million. The decrease was mainly attributable to negative exchange rate effects, particularly from the US dollar. The EBITDA margin was 13.0 per cent. (H1 2017: 13.5 per cent.). Group profit amounted to EUR 501 million after EUR 502 million in the same period last year. For 2018, Bertelsmann anticipates continued positive business performance.

Financing Guidelines

Bertelsmann's overall financial policy target is to ensure a balanced relationship of financing security, return on equity and growth. For this purpose, Bertelsmann bases its financing policy on the requirements of a "Baa1/BBB+" credit rating and the associated qualitative and quantitative criteria. Credit ratings and capital market transparency make a considerable contribution to the company's financial security and independence. In accordance with the Bertelsmann Group structure, the capital allocation is made centrally by Bertelsmann SE & Co. KGaA, which provides the Group companies with liquidity and manages the issuance of guarantees and letters of comfort for them. Bertelsmann Group consists largely of a single financial unit, thereby optimizing capital procurement and investment opportunities. Bertelsmann utilises a financial control system employing quantitative financial targets concerning Bertelsmann Group's economic debt and – to a lesser extent – its capital structure.

EBIT, operating EBITDA, the leverage factor, economic debt and the equity ratio are financial measures presented in this Prospectus which are not recognised financial measures under IFRS ("**Non-GAAP Financial Measures**") and may therefore not be considered as an alternative to the financial measures defined in the accounting standards in accordance with generally accepted accounting principles ("**GAAP Financial Measures**"). The Issuer has provided these Non-GAAP Financial Measures and other information in this Prospectus because it believes they provide investors with additional information to assess the economic situation of the Bertelsmann Group business activities. The definition of the Non-GAAP Financial Measures may vary from the definition of identically named Non-GAAP financial measures used by other companies. The Non-GAAP Financial Measures used by the Issuer should not be considered as an alternative to net income/loss after income taxes, revenues or any other measures derived in accordance with IFRS as measures of operating performance. These Non-GAAP Financial Measures have limitations as analytical tools and should not be considered in isolation or as substitutes for analysis of results as reported under IFRS.

EBIT and operating EBITDA

EBIT is determined as earnings before interest and taxes. The Issuer presents EBIT as an additional indicator to assess its operating result excluding its financial result and income taxes. The EBIT is reconciled in the consolidated income statement, which is incorporated by reference into this prospectus.

Operating EBITDA is determined as earnings before interest, tax, depreciation, amortisation and impairment losses and is adjusted for special items. The Issuer presents operating EBITDA as an additional indicator to assess its operating performance excluding special items serve to determine a sustainable operating result that could be repeated under normal economic circumstances, which is not affected by special factors or structural distortions. These special items primarily include impairment losses and reversals of impairment losses, remeasurements, restructuring expenses and/or results from disposals of investments. This means that operating EBITDA is a meaningful performance indicator for the Bertelsmann Group.

Leverage Factor and Economic Debt

One key financial target is a dynamic leverage factor calculated as the ratio of economic debt to operating EBITDA over a 12-month period and limited to the defined long-term maximum of 2.5. As of June 30, 2018, operating EBITDA (12 months) amounted to EUR 2,502 million. Economic debt is defined as net financial debt less 50 per cent. of the nominal capital of the hybrid bonds amounting to EUR 625 million (December 31, 2017: EUR 625 million) plus provisions for pensions amounting to EUR 1,683 million (December 31, 2017: EUR 1,685 million), profit participation capital amounting to EUR 413 million (December 31, 2017: EUR 413 million) and the present value of operating leases amounting to EUR 1,224 million (December 31, 2017: EUR 1,261 million). As of June 30, 2018, economic debt was EUR 6,794 million (December 31, 2017: EUR 6,213 million). In determining the leverage factor, the economic debt and the 12-month operating EBITDA are modified to enable financial management that corresponds to the Group's structure and its manageable indebtedness. Economic debt was therefore increased by EUR 112 million (December 31, 2017: EUR 125 million), and operating EBITDA decreased by EUR -45 million (December 31, 2017: EUR -99 million). This gives a leverage factor of 2.8 as of June 30, 2018 (December 31, 2017: 2.5). Owing to seasonal influences, net financial debt increased to EUR 4,099 million compared to EUR 3,479 million as of December 31, 2017. The increase is attributable, among other things, to dividend payments to shareholders and non-controlling interests, most of which were made during the first half of the year.

Equity Ratio

Equity is provided permanently, subordinated and for loss compensation. The higher correlation of equity to balance sheet total, the better for the loss absorption especially for a family owned company. Bertelsmann sets the threshold of the equity ratio to 25% as another financial target.

Balance sheet total came to EUR 23.6 billion as of June 30, 2018 (December 31, 2017: EUR 23.7 billion). Equity amounted to EUR 9.3 billion compared to EUR 9.1 billion as of December 31, 2017. This resulted in an equity ratio of 39.6 per cent. (December 31, 2017: 38.5 per cent.)."

The following tables shall be inserted below the table "Reconciliation to Operating EBITDA (Continuing Operations)" in the section "2. Selected Financial Information" under the heading "GENERAL INFORMATION ABOUT BERTELSMANN SE & CO. KGAA AND BERTELSMANN GROUP" on pages 37 of the Supplemented Prospectus:

"Reconciliation to Operating EBITDA (Continuing Operations)

in EUR millions	H1 2018	H1 2017
EBIT from continuing operations	769	805
Special items		
– adjustment to carrying amounts on assets held for sale	3	3
– impairment on other financial assets at amortized cost	1	7
– impairment losses and reversals on investments accounted for using the equity method	2	2
– results from disposals of investments	-19	-68
– fair value measurements of investments	-44	-13
– restructuring and other special items	49	54
Amortization/depreciation, impairment losses and reversals on intangible assets and property, plant and equipment	311	311
Adjustments on amortization/depreciation, impairment losses and reversals on intangible assets and property, plant and equipment included in special items	-1	-2
Operating EBITDA from continuing operations	1,071	1,099

Reconciliation to Economic Debt

in EUR millions	30/06/2018	31/12/2017	30/06/2017	31/12/2016
Gross financial debt	5,046	4,919	4,614	3,998
Less cash and cash equivalents	-947	-1,440	-1,305	-1,373
Net financial debt	4,099	3,479	3,309	2,625
Less 50 percent of the par value of the hybrid bonds	-625	-625	-625	-625
Provisions for pensions	1,683	1,685	1,762	1,999
Profit participation capital	413	413	413	413
Net present value of operating leases	1,224	1,261	1,432	1,501
Economic debt	6,794	6,213	6,291	5,913

Reconciliation to Leverage Factor

in EUR millions	30/06/2018	31/12/2017	30/06/2017	31/12/2016
Economic debt	6,794	6,213	6,291	5,913
Modifications	112	125	115	199
Economic debt LF (a)	6,906	6,338	6,406	6,112
Operating EBITDA (last twelve month)	2,502	2,636	2,556	2,568
Modifications (last twelve month)	-45	-99	-55	-101
Operating EBITDA LF (b) (last twelve month)	2,457	2,537	2,501	2,467
Leverage Factor: (a)/(b)	2.8 x	2.5 x	2.6 x	2.5 x

Reconciliation to Equity Ratio

in EUR millions	30/06/2018	31/12/2017	30/06/2017	31/12/2016
Equity (a)	9,349	9,119	9,740	9,895
Balance sheet total (b)	23,612	23,705	23,434	23,794
Equity ratio (a)/(b)	40 per cent.	38 per cent.	42 per cent.	41 per cent."

The following table shall be inserted below the table with selected financial information of the Issuer for the years ended 31 December 2017 and 2016 in the section "2. Selected Financial Information" under the heading "GENERAL INFORMATION ABOUT BERTELSMANN SE & CO. KGAA AND BERTELSMANN GROUP" on page 38 of the Supplemented Prospectus:

"The following tables set forth certain historical financial information for Bertelsmann as of and for the half years ended 30 June 2018 and 2017 which has been derived from Bertelsmann's unaudited consolidated financial statements:

in EUR millions	H1 2018	H1 2017
Revenues	8,237	8,134
EBIT (earnings before interest and taxes)	769	805
Earnings after taxes from continuing operations	501	503

in EUR millions	H1 2018	H1 2017
Earnings after taxes from discontinued operations	-	-1
Group profit or loss	501	502
	30/6/2018	31/12/2017
Balance sheet total	23,612	23,705
Equity	9,349	9,119

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. Further details are presented in the section "Impact of New Financial Reporting Standards."

The section "3. Capitalisation of Bertelsmann Group" under the heading "GENERAL INFORMATION ABOUT BERTELSMANN SE & CO. KGAA AND BERTELSMANN GROUP" on page 38 of the Supplemented Prospectus shall be supplemented by the following:

"The following table sets forth the consolidated capitalisation of the Bertelsmann Group as at the dates indicated below:

in EUR millions	30/6/2018	31/12/2017
Balance sheet total	23,612	23,705
Thereof:		
Non-current Financial debt	4,034	4,251
Current Financial debt	1,012	668"

The section "5. Investments" under the heading "GENERAL INFORMATION ABOUT BERTELSMANN SE & CO. KGAA AND BERTELSMANN GROUP" on page 38 of the Supplemented Prospectus shall be replaced by the following:

"5. Investments

On 18 September 2018, Bertelsmann announced the acquisition of 100 per cent. of OnCourse Learning, Inc. ("**OnCourse**") for a purchase price of approximately half a billion USD. OnCourse is an online learning provider in the U.S. healthcare sector and a leading provider for mandatory training and professional education for the financial services and real estate industry. The company, headquartered in Brookfield, Wisconsin, was founded in 2007 and employs 377 staff. The acquisition of OnCourse has not been completed yet, pending approval by the U.S. antitrust authorities and is expected to close this fall. The Acquisition of OnCourse is in line with Relias' strategy to expand from core markets into adjacent segments and building an e-learning player in the healthcare segment."

The following shall be inserted below the second paragraph in the section "6. Business Overview and Principal Markets" under the heading "GENERAL INFORMATION ABOUT BERTELSMANN SE & CO. KGAA AND BERTELSMANN GROUP" the following shall be inserted on page 38 of the Supplemented Prospectus:

"Strategy

Bertelsmann's primary objective is continuous growth of the company's value through a sustained increase in profitability. Bertelsmann aims to achieve a faster-growing, more digital, more international and more diversified Bertelsmann Group portfolio. Bertelsmann Group's strategy comprises four strategic priorities:

strengthening the core businesses, driving the digital transformation forward, developing growth platforms and expanding into growth regions.

In the first half of 2018, Bertelsmann made further progress in line with the strategic priorities. The core businesses were further strengthened, among other things as a result of increased investments by Mediengruppe RTL Deutschland in own productions. In addition, Penguin Random House expanded its publishing portfolio by acquiring nonfiction publisher Rodale Books in the United States and achieved publishing successes such as "The President Is Missing" by Bill Clinton and James Patterson. Gruner + Jahr published new magazines, and Arvato renewed key customer framework agreements. The on-going digital transformation was supported through the continual expansion of the digital businesses. This is also reflected in ever-increasing digital revenues at RTL Group and Gruner + Jahr. In addition, the growth platforms were expanded further. In April, BMG acquired the Australian company Big Bang & Fuzz, which operates in the field of production music and signed new contracts, or renewed existing ones, with artists such as Lenny Kravitz, Ringo Starr and Yusuf/Cat Stevens. Arvato Financial Solutions took over 3C Deutschland GmbH and acquired a stake in the Cybersecurity company SecuredTouch from Israel, a company specialising in behavioral biometrics. In the education sector, Bertelsmann Education Group took over a majority share in the US university services provider HotChalk. Relias expanded its customer base, and Udacity began offering new Nanodegrees in areas such as artificial intelligence. The company's presence in the growth regions was also expanded. Among other things, Bertelsmann Asia Investments (BAI) invested in the Chinese car-sharing provider Dadao and made additional investments in financial services provider Linklogis and the e-commerce platform Club Factory. Bertelsmann Brazil Investments acquired additional shares in the learning provider Affero Lab in Brazil, gaining a majority stake. Penguin Random House expanded the local range of services in India by acquiring Hind Pocket Books."

The following shall be inserted below the sub-paragraph "*Corporate Investments*" in the section "6. Business Overview and Principal Markets" under the heading "GENERAL INFORMATION ABOUT BERTELSMANN SE & CO. KGAA AND BERTELSMANN GROUP" the following shall be inserted on page 39 of the Supplemented Prospectus:

"Divisional Performance in the first half of 2018

RTL Group recorded a positive business performance with revenue and earnings growth in the first half of 2018. This was driven by the growing digital businesses, rising platform revenues and, in particular, the positive performance of Fremantle Media and RTL Nederland.

Penguin Random House recorded declines in sales and earnings due to negative exchange rate effects, among other factors but had strong growth in audio formats and numerous bestsellers such as "The President Is Missing" by Bill Clinton and James Patterson. 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 publishing subsidiary Gruner + Jahr continued its strategic transformation in the first half of 2018. Revenues declined to EUR 701 million in the first half of 2018 (H1 2017: EUR 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. The newly launched magazines had a positive impact on the overall results; Gruner + Jahr's digital business grew again in the first half of 2018.

Bertelsmann's music subsidiary, BMG, saw sustained growth and further enhanced its market position in the first six months of the 2018 financial year. This was due to organic growth in its recorded music and production music businesses. The music publishing business proved stable.

The service center business of Arvato CRM Solutions developed positively and contributed to Arvato's revenue and earnings growth. The logistics services business within the Solution Group SCM experienced strong organic growth during the reporting period. 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. The IT services provider Arvato Systems grew organically and profitably in the reporting period. The IT services provider also made significant progress in transforming its existing business models, and saw increasing demand for cloud-based solutions.

The Bertelsmann Printing Group faced a very challenging market environment in the first half of 2018 as paper price increases of up to 20 per cent. within the past 18 months were met with customer restraint.

The Bertelsmann Printing Group's offset printing businesses remained stable at a good earnings level in the first six months.

The education activities united in the Bertelsmann Education Group delivered a positive performance in the first six months of the present year. Together, Bertelsmann Group's education businesses achieved significant revenue. 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. The Bertelsmann subsidiary Relias continued its expansion and achieved double-digit organic growth in the reporting period and expanded its customer base. The online lifelong learning platform Udacity, in which Bertelsmann owns a significant stake, further expanded its range of courses and introduced several new Nanodegrees.

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 30 June 2018, Bertelsmann had stakes in 176 international start-ups through its corporate funds, more than half of them through BAI. Positive effects from the measurement of Bertelsmann Investments' holdings at fair value again made a positive contribution to Bertelsmann Group profit."

The section "11. Historical Financial Information" under the heading "GENERAL INFORMATION ABOUT BERTELSMANN SE & CO. KGAA AND BERTELSMANN GROUP" on page 44 of the Supplemented Prospectus shall be supplemented by the following:

"The unaudited condensed consolidated interim financial statements of Bertelsmann for the half year ended 30 June 2018 are incorporated herein by reference."

The section "12. Auditing of Historical Annual Financial Information" under the heading "GENERAL INFORMATION ABOUT BERTELSMANN SE & CO. KGAA AND BERTELSMANN GROUP" on page 44 of the Supplemented Prospectus shall be supplemented by the following:

"The Auditor's Review Report on the condensed consolidated interim financial statements for the period from 1 January to 30 June 2018 is dated 28 August 2017."

The paragraph in section "17. Recent Events" under the heading "GENERAL INFORMATION ABOUT BERTELSMANN SE & CO. KGAA AND BERTELSMANN GROUP" on page 45 of the Supplemented Prospectus shall be replaced by the following:

"On 18 September 2018, Bertelsmann and Saham Group have announced to enter into a long-term partnership and plan to combine their respective worldwide Customer Relationship Management ("CRM") businesses. The new company would employ around 48,000 people in 25 countries and is expected to generate revenues of approximately EUR 1.2 billion. The completion of the transaction is subject to regulatory approvals and proper employee representative consultation process. The new company which is expected to be formed by January 2019 will be fully consolidated by Bertelsmann. Bertelsmann and Saham Group each will hold 50 per cent of the new company. The agreement with Saham concludes the review, announced in January 2018, of strategic options for the CRM businesses. The Arvato CRM businesses in the United Kingdom, China, and Turkey will not be part of the new company."

The sentence in section "18. Significant Change in Bertelsmann's financial and trading position" under the heading "GENERAL INFORMATION ABOUT BERTELSMANN SE & CO. KGAA AND BERTELSMANN GROUP" on page 46 of the Supplemented Prospectus shall be replaced by the following:

"There has been no significant change in the financial or trading position of Bertelsmann since 30 June 2018."

The section "Documents on Display" under the heading "GENERAL INFORMATION" on page 152 of the Supplemented Prospectus shall be supplemented by the following:

"(vii) the unaudited condensed consolidated interim financial statements of the Bertelsmann Group dated 30 June 2018 including the auditor's review report thereon."

The section "Documents incorporated by Reference" under the heading "DOCUMENTS INCORPORATED BY REFERENCE" on page 154 of the Supplemented Prospectus shall be supplemented by the following:

"(d) the published unaudited condensed consolidated interim financial statements of Bertelsmann Group dated 30 June 2018 including the auditor's review report thereon."

The list in the section "Comparative Table of Documents incorporated by Reference" under the heading "DOCUMENTS INCORPORATED BY REFERENCE" on page 154 of the Supplemented Prospectus shall be supplemented by the following:

"44 Bertelsmann Group, Historical Financial Information	unaudited condensed consolidated interim financial statements of Bertelsmann Group for H1 2018 (p. 19 – p. 39) Consolidated Income Statement (p. 19), Consolidated Statement of Comprehensive Income (p. 20), Consolidated Balance Sheet (p. 21), Consolidated Cash Flow Statement (p. 22), Consolidated Statement of Changes in Equity (p. 23), Selected Explanatory Notes (p. 25 – p. 37), Auditor's Review Report (p. 39)"
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Any document incorporated by reference into the Prospectus will be published on the website of the Luxembourg Stock Exchange (www.bourse.lu).

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