

PRESS RELEASE

Bertelsmann Issues 1.25 Billion Euro Hybrid Bonds

- **Company takes advantage of favorable capital market conditions and strengthens its capital structure**
- **Two tranches of €650 million and €600 million issued**
- **Issue more than four times oversubscribed**
- **Subordinated bonds increase financial flexibility in light of strategic transformation**

Gütersloh, 16 April 2015 – The international media, services and education company Bertelsmann placed two hybrid bonds with a total volume of €1.25 billion. The subordinated bonds with a term of 60 years each were more than four times oversubscribed. The proceeds are to be used for general corporate purposes. The rating agencies Moody's and Standard & Poor's are treating only 50 percent of the hybrid bond as incremental financial debt, thereby increasing Bertelsmann's financial flexibility.

The first tranche has a volume of €650 million, carries a coupon of 3 percent and contains an early redemption option for Bertelsmann for the first time after 8 years. The second tranche is €600 million in size, has a coupon of 3.5 percent and contains such an early redemption option for the first time after 12 years.

Bertelsmann Chairman & CEO Thomas Rabe commented: "We are very pleased that our hybrid bond has attracted such great interest. The four-times oversubscribed order book, with more than 220 institutional investors, shows the strong standing of Bertelsmann in the capital markets."

In the past three years, Bertelsmann has invested over two billion Euros in growth businesses to become a faster growing, more digital and more international company. One focus is developing the education business, which is to be established long-term as a third pillar alongside media content and services. In 2014, Bertelsmann increased both its revenues and Operating EBITDA to the highest levels in seven years.

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 service providers Arvato and Be Printers, the music rights company BMG and the e-learning provider Relias Learning. The company has more than 112,000 employees and generated revenues of €16.7 billion in financial year 2014. Bertelsmann stands for creativity and entrepreneurship. This combination promotes the creation of first-class media content and innovative service solutions that inspire customers around the world.

For further questions, please contact:

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