

24.12.2001 – 08:14 Uhr

## **Bertelsmann increases shareholding in RTL Group Middelhoff: central role of TV as a future business strengthened - Bertelsmann acquires Pearson's shareholding in RTL Group**

*Gütersloh (ots) -*

Bertelsmann is strengthening its television business as an integral part of its corporate strategy: the international media company has entered into an agreement to increase its current majority holding of 67 percent in the television, radio and TV production group RTL Group by buying 22 percent held by Pearson group. Pearson will be paid EUR 1.5 billion for its shareholding in RTL, which corresponds to a price of EUR 44 per share. Bertelsmann's stake in Europe's leading group of stations and biggest TV producer outside Hollywood will rise to 89 percent as a result of the transaction; the other eleven percent are held by the public as free-float. Bertelsmann has commenced discussions with the board of RTL with the intention of buying out the remaining public shareholders in RTL at a price of EUR 44 per share. Bertelsmann's Chairman & CEO Thomas Middelhoff stressed the central importance of this further strengthening of the television business within the company: "This is the next strategic step towards becoming a primarily TV- and Internet-driven, integrated media and entertainment group for the future. In Bertelsmann's portfolio, the focus of which has changed profoundly over the past three years - from print to entertainment - RTL Group today contributes the greatest share of revenue and profit. RTL Group's numerous powerful brands in the television, radio, TV production and online sectors are particularly valuable marketing platforms and carriers of excellent media content to the consumer." RTL Group was created in April 2000 from the merger between CLT-UFA and Pearson TV (now: FremantleMedia). It consists of 23 TV and 17 radio stations in nine European countries, as well as production activities in three dozen countries worldwide, including the US, Australia and South Africa. During Bertelsmann's 2000/01-business year, the Group's nearly 7,000 employees recorded revenues of EUR 4.1 billion.

Bertelsmann first entered the TV business in 1984, when it bought a 40 percent minority stake in the first German-language private TV station, RTL Plus. About Bertelsmann AG ([www.bertelsmann.com](http://www.bertelsmann.com)) Bertelsmann, the world's most international media company, commands globally leading positions in the media and entertainment industry. The Bertelsmann Group consists of book and magazine publishers, television and radio stations, book and music clubs, print and media service providers, as well as multimedia and trade information companies. Famous houses and brands such as Random House (Alfred A. Knopf, Bantam, Siedler Verlag, Goldmann), BMG (RCA, Arista, Ariola), Gruner + Jahr (Stern, GEO, Capital) and RTL Group (RTL, M6, Grundy) shape Bertelsmann's image as a »House of Brands« with strong appeal for readers, listeners, viewers and Internet surfers. Bertelsmann is recognized as a home for creative talent, and as a company that gives its artists and entrepreneurs plenty of scope for maneuver. Bertelsmann comprises the world's largest group of book publishers and is the biggest English-language book publisher worldwide. More than 40 million members make the Bertelsmann book and music clubs the global No. 1, both internationally and in all regional markets. RTL Group makes the company the European market leader in the TV and radio industry. The Gruner + Jahr publishing house occupies a top position in the European and US magazine business. Bertelsmann is also a leading media company on the Internet and the world's No. 2 in media e-commerce; with the newly created corporate unit BeMusic, Bertelsmann is the global leader in music distribution. The unit's

network includes the music club BMG Music Service and the online music vendor CDNOW. Bertelsmann employs more than 82,000 people in 56 countries. Its revenues rose by 21 percent to EUR 20 billion during the 2000/2001 business year (ended June 30, 2001). Germany, the other European countries, and the US each accounted for nearly equal shares of the revenue. Net income increased by 44 percent to EUR 970 million, while earnings before interest, taxes and amortization improved by 79 percent to EUR 3.17 billion. Bertelsmann's mission: Our passion is to inspire people's daily lives. Our ambition is to be the world's most respected and admired integrated media and entertainment company. We are focused on content, creativity, and customers. And we strive for leadership in all of our markets.

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