

"The diversity and reach of our creative offerings are unique in the world."

Can you elaborate on that?

Creativity is at the heart of our value creation. Video, books, magazines, music: The diversity and reach of our creative offerings are unique in the world. This great strength of ours needs to be cultivated. In Germany, for example, this is done through the aforementioned Bertelsmann Content Alliance, which pools the expertise of our content businesses and enables us to offer creative people new marketing opportunities across all media genres. Creativity is also a driving factor in our services and education businesses.

And entrepreneurship?

It's the second key to our success. The local management of our businesses, which has a long tradition with us, is more important than ever in the digital, fast-moving world. Together, creativity and entrepreneurship are what drives us.

How can creativity and entrepreneurship be encouraged?

A supportive working environment is essential for both. This includes a willingness to take risks, a willingness to experiment, perseverance and a culture where mistakes are allowed.

You mentioned taking risks. What do you see as bold decisions in recent years?

In the media sector, RTL Group's early entry into the online video and ad-tech sectors, and the combination of Penguin and Random House to form the world's largest trade book publishing group. And after having sold off nearly all of our activities in the music area in 2008, BMG, with its business model completely tailored to the digital world, is once again number four in the market today.

And in the other divisions?

Arvato's realignment: The latest financials show how profitably all four Solution Groups are now growing. Arvato had an excellent year in 2018; the group has potential for further growth. Also, our partnership with the Saham Group in the field of CRM commenced at the beginning of 2019. The cooperation has created a market leader that is well placed to successfully develop this business further.

Another milestone for me is the expansion of our education business, which has become a third mainstay of business alongside media and services. And lastly, our fund businesses fall into this category: Bertelsmann Asia Investments is one of the most successful funds of its kind. We have built up this business over the years and are now reaping the rewards.

What all these steps have in common is that we didn't just fine-tune established business models, but ventured into entirely new lines of businesses and geographical regions. This is entrepreneurship in the best sense of the word.

The motto of this Annual Report is "What drives us." So in closing: What drives you personally?

The privilege of managing this creative and entrepreneurial company and being able to continue developing it a bit more every day. As a marathon runner, I know that the last few kilometers just before the finish line are the most challenging, but also the most satisfying!

The Four Strategic Priorities

Bertelsmann has since 2012 pursued four strategic priorities in transforming itself into a faster-growing, more digital, more international and more diversified company. In recent years, the company invested more than €5 billion in digital and high-growth businesses, and is pursuing their expansion with an increasing focus on organic growth. Along with this, Bertelsmann is increasingly opening new lines of business that benefit from digitalization, the growing demand for education, and growing consumption in countries such as Brazil, China and India. At the core of the value creation of all its businesses, Bertelsmann relies especially on the innovative power of creativity, and spends more than €5 billion a year on video content, book rights and magazines, as well as catalog acquisitions and artist signings in the music sector. This figure is expected to rise to around €6 billion in the years ahead.

Strengthening the Core

Digital Transformation

**Building and Developing
Growth Platforms**

Growth Regions

The Four Strategic Goals

Bertelsmann strives to create a faster-growing, more digital, more international and more diversified Group portfolio. Along with strengthening existing activities, this involves developing new lines of business and regional markets that ensure a broader overall revenue structure.

Higher Growth

Share of Group revenues contributed by growth businesses, in percent



More Digital

Digital revenue share in Group revenues, in percent



More International

Share of Group revenues generated outside Europe, in percent

20



~40

2011

2018

Target

More Diversified

Number of business divisions

4



2011

2018