

Audiolux
BGL Investment Partners
Investas

Press Release

In its 19 March 2002 press release Bertelsmann AG announced that it would not be proceeding with its takeover bid for the RTL Group with an offer to purchase the company's shares at €44 per share as announced on 24 December 2001. The bid was announced following Bertelsmann's acquisition of Pearson's 22% stake in the RTL Group, bringing its own holding up to 89%.

Since Investas, Audiolux and BGL Investment Partners have opposed the takeover bid from the outset, we are clearly delighted that Bertelsmann has now withdrawn it. Although Bertelsmann has not declared this publicly, it would seem that its decision to withdraw has been at least partly influenced by the fact that the regulators have insisted that if the outcome of the case brought by Audiolux and BGL Investment Partners, later joined by Investas and other shareholders, against Bertelsmann and the Groupe Bruxelles Lambert (GBL) is successful, shareholders contributing shares to the offer should benefit from that decision. The action has been brought to ensure that the plaintiffs obtain the same treatment as that obtained by GBL when its 30% stake in RTL Group was exchanged for 25.1% of Bertelsmann in July 2001. According to our calculations, the exchange was based on value of the RTL Group shares held by GBL of over €200 per share, a not surprising figure given that the RTL Group AGM for 2000 agreed that the Board should set the buy-in price for its own shares to up to €210.

The fact that the firmness of the regulators has led Bertelsmann to decide that its scheme is unfeasible shows just how seriously (despite its usual public declarations) it is taking the case now before the courts; a decision is expected at the end of 2002.

While we welcome Bertelsmann's withdrawal of its bid, we have achieved only part of our objective and this alone therefore does not meet all the demands of the minority shareholders of RTL Group.

Our main aim remains equal treatment for all shareholders and therefore, as the European Code of Conduct requires, to ensure that all minority shareholders of RTL Group receive the same treatment as that received by GBL at the time of the share exchange in July 2001.

In the meantime, we must point out that although it is not going ahead with its takeover bid, Bertelsmann has not fulfilled the undertaking it gave in July 2000 when RTL Group was floated on the London stock market. It agreed that it would increase the liquidity of the share by raising the free float to 15%, thus also ensuring a listing for RTL Group on London's top index.

A similar declaration, described as an intention but accompanied by a clear undertaking in terms of timing and percentages, was also included in a protocol

agreement with the Government on 25 July 2000 when Pearson became an RTL Group shareholder:

"Whereas BW TV (Bertelsmann-WAZ), GBL and Pearson have declared their intention of obtaining a listing for RTL Group on the FTSE UK Index as soon as possible and of raising the Audiofina (later RTL Group) free float by 11.2 to 15%, BW TV, GBL and Audiofina have agreed to increase the free float either by the disposal to the public of up to 2% of the company's shares or by raising the share capital of RTL Group by 2% within 14 months of its listing on London's primary market."

Bertelsmann reiterated this declaration and undertaking without reserve, together with all the other commitments given in the Protocol, to the Luxembourg Government on 14 March 2001 when it acquired the stake in GBL:

"Bertelsmann specifically agrees to accept hereafter all obligations arising from the 25 July 2000 Protocol Agreement".

The above were again repeated and confirmed in September 2001 when RTL Group's financial statements for the first half of the year were presented. The CEO of RTL Group, Didier Bellens, then declared that,

"The parties to the shareholders' agreement confirm that they will retain RTL Group's primary listing in London and that they intend to raise the free float to at least 15% in the medium term".

However while announcing the intention of abandoning its takeover bid, Bertelsmann also stated that it intended to retain its 90.2% shareholding in the company, thus deliberately contradicting its undertaking.

Audiolux, BGL Investment Partners and Investas will continue to do all that is necessary to ensure that Bertelsmann respects the interests and rights of the minority shareholders and fulfils its undertakings. We are currently looking into the possibility of further legal action to this end.

Luxembourg, April 2002

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