

## PRESS RELEASE

### **Bertelsmann Expands its Education Business Substantially**

- **Nine-digit sum earmarked for “University Ventures Fund II”**
- **Attractive portfolio of holdings built up through predecessor fund**

Berlin, March 26, 2014 – The international media company Bertelsmann is driving the expansion of its high-growth Education business with a nine-digit capital commitment. As the company announced on Wednesday, it will serve as the strategic limited partner for “University Ventures Fund II” (UVF II), a fund managed by experienced entrepreneurs and investors from the education sector. Bertelsmann is already the anchor investor in the predecessor fund, “University Ventures Fund I” (UVF I), which launched at the end of 2011 with capital commitments of \$105 million. UVF I has invested in innovative education providers in the U.S. and Europe, and has also founded its own companies, building an attractive portfolio of investments and valuable expertise in the process. The new UVF II will be on a larger scale and have a wider thematic scope – extending, for example, to the growth area of medical education. Bertelsmann will once again contribute half of the fund’s capital commitment.

Bertelsmann Chairman and CEO Thomas Rabe: “The education business is one of Bertelsmann’s strategic growth platforms, alongside music rights, financial services and business information. We see excellent opportunities for private providers especially in the rapidly growing market for innovative and increasingly digital higher education. That is why we want to become more deeply involved here. Our focus will be on low-cost online degree programs, educational services and medical education.” Rabe reports that Bertelsmann’s involvement in education to date has been positive: “The entrepreneurial approach of gradually building the business has proved successful for us. The experienced education managers who head the University Venture Fund have worked with Bertelsmann’s education experts to build a portfolio that now consists of seven companies.” He emphasized that Bertelsmann intends to expand education into a business division with significant revenues in the years ahead. “In the long term, education will become a third pillar for Bertelsmann alongside media content and services.”

One of the companies UVF I has invested in is Synergis Education in the U.S., which helps universities set up online degree programs. Just two years after its founding, Synergis Education’s customers include seven college and university partners that offer more than 50 degree programs. Another successful company in the portfolio is the U.S. education provider UniversityNow, whose flexible, state-accredited online degree programs allow people to graduate at minimum cost and have generated strong demand. Bertelsmann has invested in Synergis Education and UniversityNow directly, as well as via UVF I.

Beyond service partnerships with traditional universities and online degree programs, Bertelsmann expects that the new UVF II fund will also cover the areas of transnational education, vocational education programs, and health care education. The engines driving this are the mega trends of globalization and digitization, as well as the globally increasing demand for qualified skilled professionals. For Bertelsmann, the healthcare education sector in particular holds out the chance of building a global network of leading medical colleges. The Group expects that UVF II will mainly invest in the U.S.

### **About Bertelsmann**

Bertelsmann is an international media company whose core divisions encompass television (RTL Group), book publishing (Penguin Random House), magazine publishing (Gruner + Jahr), services (Arvato), and printing (Be Printers) in some 50 countries. In 2013, the company's businesses, with their more than 111,000 employees, generated revenues of €16.4 billion. Bertelsmann stands for a combination of creativity and entrepreneurship that empowers the creation of first-rate media, communications, and service offerings to inspire people around the world and to provide innovative solutions for customers.

For further questions, please contact:

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