

PRESS RELEASE

Bertelsmann Forges Ahead with Growth in China

- **First Bertelsmann China Conference in Beijing**
- **Further investment planned in education and digital media**
- **Bertelsmann Asia Investment fund now has stakes in 20 companies**

Beijing, October 26, 2012 – More than a hundred top Bertelsmann executives are gathering in Beijing on Friday for the first Bertelsmann China Conference, to discuss the planned expansion of the business in the People’s Republic. Beyond its existing services, magazines, and TV program rights management businesses in China, some of which have been operating for many years, Bertelsmann is planning to step up its investment in education and digital media. Regional expansion is one of the Group’s strategic priorities. At the conference, the Bertelsmann Executive Board and Group Management Committee (GMC) will meet with key international executives, the managing directors in China, and external dialog partners.

Bertelsmann CEO Thomas Rabe said in Beijing: “As the second-largest economy in the world, China is a very attractive market for us. The media sector is seeing double-digit growth, and the environment for foreign investment has improved in recent years. This is especially true in the sectors of digital media and education, where we plan to invest more in future – worldwide, and also in China.” He said that Bertelsmann is benefiting from China’s emerging urban middle class, with its high purchasing power and affinity for all things digital. The Internet, mobile services, e-commerce, online advertising, and gaming are experiencing a real boom in the People’s Republic.

Rabe highlighted Bertelsmann’s many years of experience and good starting position in China: “20 years ago we were one of the first Western media companies to begin operating in China. We now employ over 4,600 people in the media and services sector here. Since 2008, our Bertelsmann Asia Investments (BAI) fund has acquired stakes in promising new businesses with predominantly digital business models.” The China Conference reinforces Bertelsmann’s commitment to the growing Chinese market, after Rabe opened new Corporate Centers in India and Brazil earlier this year. All three countries are key growth regions for Bertelsmann.

“We are very pleased that Bertelsmann is highlighting the importance of the Chinese market for the company’s future with the Group’s first ever conference of this kind,” said Annabelle Yu Long, one of the GMC members, Head of the Bertelsmann China Corporate Center and of Bertelsmann Asia Investments. “Through the dynamic dialogues and discussions, the conference will explore concrete strategies and tactics for the expansion of existing and new businesses. With the 20 years of precious experience accumulated in China, the conference will be a memorable milestone of the regional growth strategy. It will prepare the ground for Bertelsmann’s future success in China.”

Bertelsmann established its first subsidiaries in China in 1992. Today all four of the Group’s divisions have operations there. For instance, Fremantle Media (RTL Group) has brought internationally successful TV shows such as “Got Talent,” “X-Factor”, “Hole in the Wall” or “Take me out” to China. Random House sells internationally successful titles in China – in print and e-book versions – and sells the translation rights to its English-, German-, and Spanish-language books to Chinese publishers. Gruner + Jahr and its partner Boda jointly publish leading parenting, women’s, men’s and lifestyle magazines. Arvato, Bertelsmann’s largest division in China, has a nationwide logistics network in partnership with international and Chinese corporations, and recently shipped its 100 millionth mobile phone in China.

The BAI investment fund was established in 2008 and has acquired 20 direct or indirect shareholdings since. They either are closely aligned with existing businesses or operate in business fields into which Bertelsmann wishes to expand. BAI currently invests in performance marketing services, digital publishing, social media platforms, and e-commerce solutions/CRM and online education. Three investments are already listed on the stock exchange.

About Bertelsmann

Bertelsmann is an international media company whose core divisions encompass television (RTL Group), book publishing (Random House), magazine publishing (Gruner + Jahr), and outsourcing services (Arvato) in 50 countries. In 2011, the company’s businesses, with their 100,000 employees, generated revenues of €15.3 billion. Bertelsmann stands for a distinctive 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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