

PRESS RELEASE

Bertelsmann Buys a Stake in Online Education Provider Udacity

- **Strategic expansion of the education business in the U.S.**

Gütersloh / Mountain View, September 24, 2014 – Bertelsmann is expanding its activities in the fast-growing education business with a transaction in the United States: The international media company is acquiring a stake in the online education provider Udacity by contributing a significant portion of its Series C round financing.

Thomas Rabe, Chairman and CEO of Bertelsmann, said: “The investment in Udacity is an important step for Bertelsmann, as it gives us access to one of Silicon Valley’s most innovative and best-known e-learning providers. We are very excited to participate in the company’s dynamic development as a strategic investor and to work with the team led by CEO Sebastian Thrun. We will continue to invest in education businesses, with the aim of turning education into a third mainstay of revenues for Bertelsmann, alongside media and services.”

Udacity was founded in Silicon Valley in 2011 by the German computer scientist Sebastian Thrun and offers online vocational training courses with a focus on technology and IT. Some 2.8 million students from 119 countries currently partake of Udacity’s offerings. Together with various partners, the company develops online courses to build a bridge between the content of classical education on the one hand, and skills that are needed or to be developed in the workplace on the other. The company works with prominent companies such as Google, Facebook, Coursera and Salesforce.com to build courses. In addition to courses, Udacity’s range of services also includes projects at the end of the classes and certification upon completion. The company’s investors include the venture capital firms Andreessen Horowitz and Charles River Ventures.

Sebastian Thrun, Co-Founder and CEO Udacity, added: “We are delighted to have an internationally networked partner like Bertelsmann, who shares our enthusiasm for the education business, on our team. Our ideas and expertise will prove mutually enriching and Udacity will benefit from our partnership as we make education more accessible.”

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:

Bertelsmann SE & Co. KGaA

Andreas Grafemeyer

Senior Vice President Media Relations

Phone: +49 – 52 41 / 80 24 66

andreas.grafemeyer@bertelsmann.de