

PRESS RELEASE

Bertelsmann Increases Stake Significantly in Udacity

- **Strategic expansion of the education business in the U.S.**
- **Udacity valued at US\$1 billion after financing round**
- **Bertelsmann supports company with internationalization**

Gütersloh/New York/Mountain View, November 11, 2015 – Bertelsmann continues to invest in the expansion of its education business. The international media, services and education company has agreed to increase its stake in Udacity, an innovative online learning provider in Silicon Valley. The investment is part of a US\$105 million financing round and moves Bertelsmann among the largest shareholders in the company established by Sebastian Thrun in 2011. Udacity will have a post-money valuation of \$1.0 billion after the transaction is completed. Bertelsmann first invested in Udacity in September 2014. The investment is subject to customary regulatory approvals and other closing conditions.

Bertelsmann Chairman and CEO Thomas Rabe said: “Udacity is shaping the future of education in the technology sector with a great spirit of innovation. As a long-view partner, I am happy that we will be supporting Udacity even more closely in its dynamic development. At the same time, our investment is another step in strengthening the education sector to become the third mainstay of Bertelsmann’s business alongside media and services.”

Bertelsmann expects to assist the e-learning provider with the internationalization of its activities going forward.

Udacity co-founder and CEO Sebastian Thrun commented: “Demand for employees with IT skills and digital expertise is on the rise at companies around the world. We are grateful for a partner like Bertelsmann, who has an excellent international network and shares our passion for the education business. Together, we will continue to expand our business across the globe in the years ahead to democratize education for everyone.”

Kay Krafft, CEO Bertelsmann Education Group, added: “Sebastian Thrun and his team set standards for learning in the digital age. Accordingly, today’s increase of our stake in Udacity is a strategic milestone in the expansion of our e-learning business. Udacity and Bertelsmann share the common goal of making education more easily accessible. We will continue to work intensively on achieving this.”

Udacity partners with leading technology companies such as Google, Facebook and Amazon.com to develop online education offers. Students can prepare for careers in the technology sector by acquiring certificates specific to their professional field (“Nanodegree” program). The company is backed by leading global investors including Andreessen Horowitz, Charles River Ventures and Drive Capital.

Bertelsmann is focusing its education activities on online education with a focus on healthcare and technology. The Bertelsmann Education Group, which unites the Group’s various education businesses, is expected to generate revenues of around one billion euros in the medium term.

About Bertelsmann

Bertelsmann is a media, services and education company that operates in about 50 countries around the world. It includes the broadcaster RTL Group, the trade book publisher Penguin Random House, the magazine publisher Gruner + Jahr, the service providers Arvato and Be Printers, the music company BMG and the Bertelsmann Education Group. The company has more than 112,000 employees and generated revenues of €16.7 billion in financial year 2014. Bertelsmann stands for creativity and entrepreneurship. This combination promotes the creation of first-class media content and innovative service solutions that inspire customers around the world.

About the Bertelsmann Education Group

The Bertelsmann Education Group encompasses Bertelsmann SE & Co. KGaA’s education businesses. The group is shaping learning in the 21st century with online education offerings focused on the healthcare and technology sectors. Bertelsmann Education Group utilizes Bertelsmann’s resources and global network.

For further questions, please contact:

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