

PRESS RELEASE

Bertelsmann Expands Global Network of Start-ups

- **More than 70 investments in 2017**
- **Participations in more than 160 innovative start-ups and investment funds worldwide; relevant contribution to Group net income**
- **Successful IPO of four Bertelsmann Asia Investments holdings**
- **Investments focus on strategic growth regions China, India, Brazil and in North America**

Gütersloh, January 11, 2018 – Bertelsmann has further expanded its global network of start-up investments. Last year, the international media, services and education group made more than 70 investments worldwide, through the funds bundled in its Bertelsmann Investments division. At the same time, the company completed a number of exits, and profits from the disposal of these investments – most notably by the Bertelsmann Asia Investments (BAI) fund in China – made an appreciable contribution to Group net income. Overall, at the end of the year Bertelsmann had holdings in more than 160 innovative start-ups and investment funds.

Thomas Rabe, Chairman and CEO of Bertelsmann, said: “Investments in young digital companies with innovative business models play an important role in the implementation of our strategy. With these investments, we ensure the transfer of knowledge, about digital trends that support us in the transformation, as well as about promising markets. We have massively expanded our network of start-up holdings in recent years, especially in our strategic growth regions of China, India and Brazil, and have repeatedly demonstrated that we are an ideal partner for innovative founders who want to expand their activities.”

The approximately 70 investments in start-ups and investment funds that Bertelsmann made in 2017 included participations in the education provider Eruditus in India, the bike-sharing app Mobike in China, and the video company Wibbitz in the U.S. In Brazil, the Group, together with its partner Bozano Investimentos, increased its stake in Medcel, a provider of prep courses for medical students. Most of the start-ups operate in lines of business that are very relevant for the Group, including innovative media offerings, services in the area of e-commerce, and education.

The corporate division was especially successful in China last year. BAI – which the Chinese business magazine “CBN Weekly” once again named as one of the country's best venture capital funds in 2017 – supported the IPOs of four of its holdings: In September, the premium lifestyle platform Secoo debuted on the New York technology exchange Nasdaq; in November, the online and financial services provider Yixin Group went public on the Hong Kong Stock Exchange. In December, two other BAI investments had their initial public offering on Nasdaq: the fintech company Lexin, and the digital marketing platform iClick.

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 music company BMG, the service provider Arvato, the Bertelsmann Printing Group, the Bertelsmann Education Group and Bertelsmann Investments, an international network of funds. The company has 116,000 employees and generated revenues of €17.0 billion in the 2016 financial year. Bertelsmann stands for creativity and entrepreneurship. This combination promotes first-class media content and innovative service solutions that inspire customers around the world.

About Bertelsmann Investments

Bertelsmann Investments unites Bertelsmann's start-up investments around the world. In focus of its activities are the strategic growth regions Brazil, China and India, as well as the United States and Europe. Shareholdings are acquired through the strategic investment funds Bertelsmann Brazil Investments (BBI), Bertelsmann Asia Investments (BAI), Bertelsmann India Investments (BII) and Bertelsmann Digital Media Investments (BDMI). Bertelsmann owns stakes in approx. 160 innovative companies via these funds.

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