

PRESS RELEASE

Bertelsmann Strengthens its Education Business in Brazil

- **Company acquires majority stake in leading corporate training provider Affero Lab**
- **Bertelsmann Investments' first majority stake in Brazil**

Gütersloh / Washington, D.C. / São Paulo, April 26, 2018 – Bertelsmann continues to expand its educational activities in Brazil: The international media, services and education group is now the majority stakeholder in Affero Lab, having acquired the shares of the remaining founders of the Brazilian training company. IFC, a member of the World Bank and ALAC, a fund managed by IFC Asset Management Company, will remain minority shareholders. The partners have agreed not to disclose the financial details of the deal.

Affero Lab is the biggest player in Brazil's corporate training sector and offers digital solutions for learning as well as classroom-based and blended training solutions for companies. Around 500,000 people use its services every year. The company employs approximately 450 people mainly in São Paulo and Rio de Janeiro. Bertelsmann had already acquired around 40 percent of the shares in Affero Lab in 2015 and is now increasing its stake in a second step.

Shobhna Mohn, Executive Vice President Growth Regions Strategy and Bertelsmann Investments at Bertelsmann, said: "Education is a growth sector for Bertelsmann and Brazil, alongside China and India, a market in which we are gradually strengthening our presence. Therefore, the acquisition of a majority stake in Affero Lab is a very good fit with our Group strategy. The transaction is exemplary in that we are again acquiring a majority stake in one of our approximately 160 investments. Our funds in Brazil, China, India and North America thus continue to make an important strategic contribution to expanding our presence in these regions.

Marc Puškarić, Managing Director of Bertelsmann in Brazil, added: "There is a high demand for corporate training in Brazil, especially as the economy recovers after a strong crisis. Affero Lab has been active in corporate training and digital education for more than twenty years and is the market leader in Brazil. I am glad that we could acquire the majority of Affero Lab and plan to continue to invest in the company's growth."

Bertelsmann has invested in various educational activities since opening its own Corporate Center in Brazil in 2012: Together with the investment company Bozano Investimentos, the company is focusing on the development of a higher education network in Brazil's healthcare sector through the "Bozano Educacional 2" fund, and in Ed-Tech companies through the "BR Education Ventures" fund. The IT training platform Udacity, in which Bertelsmann owns a strategic stake, is also active in Brazil.

In addition, several Bertelsmann divisions have a presence in Brazil: Fremantle Media (RTL Group) has a growing presence with the Brazilian formats “Ídolos” (i.e. Brazilian Idol) and “Mega Senha” (analogous to “Password” in the USA). Penguin Random House owns a shareholding in the book publisher Companhia das Letras, which includes the Objetiva publishing group. The music company BMG has been active in Brazil since 2016. Arvato offers a broad portfolio of services; a few months ago, the company acquired a majority stake in the Brazilian financial services provider Intervalor.

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 119,000 employees and generated revenues of €17.2 billion in the 2017 financial year. Bertelsmann stands for entrepreneurship and creativity. This combination promotes first-class media content and innovative service solutions that inspire customers around the world.

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