

PRESS RELEASE

Bertelsmann Completes Full Acquisition of Penguin Random House

- **Group now sole owner of the world's biggest trade publishing group**
- **Bertelsmann CEO Thomas Rabe: Penguin Random House is to continue organic and acquisitive growth**

Gütersloh / New York, April 1, 2020 – Bertelsmann now owns 100 percent of the shares in the world's biggest trade publishing group, Penguin Random House, headquartered in New York. The international media, services, and education company has completed the acquisition of the remaining 25-percent stake from co-shareholder Pearson after receiving all necessary regulatory approvals. Penguin Random House comprises around 320 individual book publishing imprints on six continents, with more than 15,000 new publications and over 600 million books sold per year. For Bertelsmann, the transaction, valued at approximately \$675 million, is economically attractive, as the share of Bertelsmann's shareholders in group profit will increase by more than €70 million per year.

Thomas Rabe, Chairman and CEO of Bertelsmann and Chairman of the Board of Directors at Penguin Random House, said: "The completion of this transaction has a historic dimension for Bertelsmann. 185 years after C. Bertelsmann Verlag was founded by the printer and bookbinder Carl Bertelsmann, our company will become the sole owner of the undisputed global market leader in book publishing. We are proud of the creative diversity, publishing quality, and commercial and entrepreneurial strength of our book publishing business, to which many of the most popular authors from all over the world entrust their literary work."

Thomas Rabe affirmed that Bertelsmann intends to develop Penguin Random House over the long term and with continuity: "We will ensure that our book business can continue to expand through organic growth and acquisitions in future, and remain a home for the world's best creative talent. Books in all formats have a bright future. Their high degree of relevance is particularly evident at present during the coronavirus crisis, when many people are looking for knowledge and entertainment – and are finding it in books."

The full acquisition of Penguin Random House announced in December 2019 was approved by the European Union by way of a simplified procedure in mid-March, and subsequently also by the Austrian competition authorities.

With the completion of the share acquisition, the German-language Verlagsgruppe Random House is also being integrated into Penguin Random House. The Munich-based publishing group's 45 imprints have already been fully owned by Bertelsmann, reporting to Markus Dohle, CEO of Penguin Random House; now they are fully part of the Penguin Random House family. Their publishing independence remains unaffected.

Penguin Random House's renowned author roster includes John Grisham, Dan Brown, Barack and Michelle Obama, and Toni Morrison. Last year, 496 of the publishing group's titles made the "New York Times" bestseller lists; more than 80 Penguin Random House authors are Nobel laureates.

Chronicle

- 1835** Carl Bertelsmann, a printer and bookbinder, founds C. Bertelsmann Verlag in 1835. The program during the first 100 years of the publisher's history was dominated by the Protestant Christian tradition. The publishing program was gradually expanded to include philology, history, and youth literature, as well as mission literature.
- 1928** Bertelsmann launches its fiction publishing program with "narrative literature" in Protestant magazines.
- 1933-1945** The publishing house's conservative Christian tradition is increasingly linked with Nationalist Socialist ideology in its program and corporate culture. After the start of World War II, the publisher – as the largest supplier of books to the German Armed Forces – generates profits primarily with the sale of "Feldpost" army editions. A lawsuit concerning illegal procurement of paper stocks, and the mobilization of the entire German economy, led to the closure of C. Bertelsmann Verlag in 1944. Starting in 1999, an Independent Historical Commission under the direction of historian Saul Friedländer researched Bertelsmann's history during the period of National Socialism. Its report on "Bertelsmann in the Third Reich" was published in 2002 by C. Bertelsmann Verlag.
- from 1950** Bertelsmann founds the Lesering book club. Its success marks the beginning of a new era in the company's history and creates the foundation for the company's rise to become the global media, services and education group it is today.
- 1968** Eleven separate Bertelsmann publishing companies are organizationally grouped into Verlagsgruppe Bertelsmann (from 2001: Verlagsgruppe Random House).
- 1977** Bertelsmann considerably expands its book business by taking over Goldmann Verlag and acquiring stakes in the publishers Plaza y Janes (Spain) and Bantam Books (U.S.).
- 1986** Bertelsmann buys the American publisher Doubleday and a year later combines its U.S. publishers into the Bantam Doubleday Dell Publishing Group.
- 1998** Bertelsmann acquires the American publisher Random House, with an author roster including Truman Capote, John Irving, Philip Roth, John le Carré, Michael Crichton, Salman Rushdie, Anne Rice, and Margaret Atwood. The group is merged with Bantam Doubleday Dell. From 2001, Random House becomes the umbrella for Bertelsmann's global book publishing activities.

- 2013** On July 1, Bertelsmann und Pearson combine their book publishing businesses – Random House and Penguin Group – into the world’s biggest trade publishing group. Bertelsmann is the majority owner of the merged company Penguin Random House, with a 53-percent stake, while Pearson owns 47 percent. Through acquisitions, Penguin Random House subsequently becomes the number one in the Spanish-language literature market, among others. The group’s numerous bestsellers include: “50 Shades of Grey,” “The Girl on the Train,” and the “Game of Thrones” series. Penguin Random House author Alice Munro wins the 2013 Nobel Prize in Literature; in all, more than 80 Penguin Random House authors are Nobel laureates.
- 2017** Bertelsmann acquires another 22 percent of the shares in Penguin Random from co-shareholder Pearson, to achieve its strategic target holding in the world’s only global trade publishing group.
- 2020** Bertelsmann increases its stake in Penguin Random House to 100 percent and becomes sole owner of the world's largest trade publishing group.

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 126,000 employees and generated revenues of €18.0 billion in the 2019 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. Bertelsmann aspires to achieve climate neutrality by 2030.

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