

## PRESS RELEASE

### **Bertelsmann Investments in China a Success**

- **Bertelsmann Asia Investments fund sells two holdings worth \$71 million**
- **Holdings in 25 companies and funds**
- **Growth in media, services and education planned**

Beijing, January 16, 2014 – Bertelsmann is advancing its profitable growth in China: The international media company's Bertelsmann Asia Investments (BAI) fund has sold its financial stake in the Chinese online platform "BitAuto," generating total proceeds of \$65 million. In addition, BAI recently disposed of its shares in the start-up Yoho, a leading youth lifestyle platform, for another \$6 million. Were Bertelsmann to sell all six holdings it invested in during the early stage of the fund, it would generate around \$175 million in proceeds. Given an investment volume of \$55 million up until 2010, this would correspond to a tripling of the capital invested.

BAI currently has holdings in about 25 companies and other funds in China, which together generate revenues of nearly a billion U.S. dollars and reach 400 million people with their products every month. Regional expansion is one of the Group's strategic priorities, and China is a key growth region for Bertelsmann.

Annabelle Yu Long, Chief Executive Bertelsmann China Corporate Center and Managing Director BAI and member of Bertelsmann's Group Management Committee, said: "The financial success of our investment funds has been exceedingly satisfactory; in the past year we were able to reap the fruits of our labor for the first time. Bertelsmann is also superbly embedded in the Chinese startup scene thanks to the fund. All Bertelsmann companies in China benefit from the intelligence and insights gained in this way."

Bertelsmann established its first subsidiaries in China back in 1992. Today, four of the Group's divisions have operations there. Fremantle Media (RTL Group) has brought internationally popular TV franchises including "Got Talent" and "X-Factor" to China. The recently merged book publishing group Penguin Random House distributes international bestsellers in China, as printed books and ebooks. Gruner + Jahr publishes leading parenting, women's, men's and lifestyle magazines with its partner Boda. Arvato, Bertelsmann's biggest division in China, has a nationwide logistics network and is a partner to international and Chinese corporations.

“We’re a big player with strong brands and a well-known name; Bertelsmann has enormous chances in the Chinese market with its first-class media content and services. In China, the largest middle class in the world is emerging – and this middle class wants to watch exactly the same TV shows, read the same books and listen to the same music as their counterparts in the rest of the world. Bertelsmann has these shows, these books and these songs,” says Long, who recently became the first Chinese woman to be appointed to the advisory board of the “Young Global Leaders” at the World Economic Forum in Davos. “The new government announced the further opening up and deregulation of the Chinese market, which we believe is very promising. China is well on its way to becoming a normal market and an integral component of the global economy. We will continue to bring passion and entrepreneurial thinking to opening up growth opportunities for Bertelsmann in the three strategic areas of media, services and education.”

The BAI investment fund was established in 2008 as a strategic fund. Over the past four years, the fund has repeatedly been listed as one of the country’s Top 50 investors.

#### **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 2012, the company’s businesses, with their more than 100,000 employees, generated revenues of €16.1 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:

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