

PRESS RELEASE

Bertelsmann Supports Further Growth of Pepperfry.com

- **Expansion of activities in strategic growth region**
- **Financing round totaling approx. US\$ 31 million**
- **Other investors include Goldman Sachs, Zodius Capital and Norwest Venture Partners**

Mumbai/Gütersloh, September 21, 2016 – Bertelsmann is investing in Indian e-commerce again: The international media, services and education company is contributing an eight-digit amount to a round of financing for Pepperfry.com, India's leading online marketplace for furniture. In all, Pepperfry.com raised about US\$31 million from the investors Bertelsmann India Investments, Goldman Sachs, Zodius Capital, and Norwest Venture Partners in this financing round.

Pepperfry is the leading digital marketplace for furniture and home accessories in India. Over the past five years, more than three million customers in India and the world have bought furniture from more than 10,000 dealers on the Pepperfry platform. Pepperfry today operates one of the largest logistics networks in India, with 17 logistics centers and a delivery fleet of more than 400 vehicles, serving customers in more than 500 cities in India.

Last year Pepperfry opened several pop-up studios where customers can discover the Pepperfry worlds of interior decoration. The newly raised capital will be used to expand the footprint of these Pepperfry Studios in midsize Indian cities, to promote the supply chain automation and further expand the logistics network.

Shobhna Mohn, Executive Vice President Growth Regions at Bertelsmann, says, "India is a strategic growth region for Bertelsmann – a market in which we have already made great progress, and where we plan to further strengthen our presence. Thanks to Pepperfry's impressive performance in the fast-growing Indian e-commerce market, we are very happy with our investment, which is why we are supporting this financing round as well, after having already invested in the company in 2014 and 2015."

Pepperfry Founder & CEO Ambareesh Murty says: "Our mission for 2020 is to help 20 million customers to create a beautiful home. Our diversified and profitable business model will enable us to achieve this. I thank our investors for their confidence in our team and for their support in the implementation of our plans."

Pankaj Makkar, Managing Director, Bertelsmann India Investments, declares: "The Internet boom in India is only just beginning. The interior furnishings market in particular promises rapid growth in the years ahead. Pepperfry is an established brand, and as a market leader is uniquely positioned to take advantage of the next wave of growth in the market."

The Bertelsmann India Investments (BII) portfolio now comprises investments in nine companies. BII most recently invested in Treebo, a digital marketplace for budget hotels – its fourth investment in 2016. In June, Bertelsmann had invested in Lendingkart, a fintech company. In April, Bertelsmann had bought a stake in the social fashion network Roposo, and in January, in the e-commerce services provider KartRocket. The Group also owns shares in the music streaming service Saavn and the university services provider iNurture. Meanwhile, several Bertelsmann divisions also have operations in India: RTL Group is successful here through its production arm Fremantle Media with formats like “Confessions – It's Complicated,” “Indian Idol,” “The X Factor,” and “Got Talent”. Last year, RTL Group also acquired a majority stake in YoBoHo, a producer of children's programs e.g. for YouTube. Penguin Random House is the largest English-language trade publisher in the country, and Arvato offers international customers numerous services in the fields of customer relationship management and marketing.

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 117,000 employees and generated revenues of €17.1 billion in the 2015 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. The focus of its activities are the strategic growth regions of Brazil, China and India, as well as the United States and Europe. Shareholdings are acquired through the strategic investment vehicles Bertelsmann Brazil Investments (BBI), Bertelsmann Asia Investments (BAI), Bertelsmann India Investments (BII) and Bertelsmann Digital Media Investments (BDMI). Bertelsmann owns stakes in more than 100 innovative companies via these funds.

For further questions, please contact:

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