



## RANDOM HOUSE BERTELSMANN

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CHAIRMAN AND CHIEF EXECUTIVE OFFICER  
MEMBER OF THE EXECUTIVE BOARD OF BERTELSMANN SE & CO. KGaA

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Dear Random House Colleagues,

Today we begin an exciting new chapter for our company.

Bertelsmann has just concluded negotiations with Pearson, the parent company of the Penguin Book Group, to form a future new partnership that will combine our trade book publishing activities with those of Penguin. The result will be a truly global company, unique in its diversity of author voices, breadth of publishing expertise, title selection, support for customers, and career opportunities for publishing talent.

For Bertelsmann, the coming together of Random House and Penguin is both a realization of their strategic plan for growing creative content businesses, and further affirmation of their belief in the great future of trade book publishing. Random House, thanks to your hard work and exceptional performance, consistently demonstrates just how bright that future is.

As the CEO of the combined business, my commitment to you and our new colleagues is to retain the distinct identities of both companies' imprints, where authors remain the center of everything we do. Authors and their agents will continue to enjoy an enormous choice of publishing homes, where creative autonomy and great resources will be a defining hallmark. I very much look forward to collaborating closely with Penguin's Chairman and CEO, John Makinson, who will serve as the Chairman of the Board of the new company, which has been named Penguin Random House. John and I share the same passion for our beloved industry, our authors, and the books we publish.

I am deeply convinced that the creativity and experience of our publishers, aligned with our decentralized entrepreneurship, will enable us – together with our new colleagues – to more completely and immediately realize our vision to provide our content for everyone, everywhere, in every format, and on every platform. On a global scale, we will be able to offer a deeper, even more robust backlist, along with our highly successful frontlist. Both companies are already highly advanced and accomplished in digital publishing, and with this new partnership we will accelerate our digital transformation, while ensuring a strong future for print. We will offer more services for physical retailers, while diversifying in the digital space. And we will be even better positioned to provide copyright protection, and to support our authors' intellectual property.

That is the future. For today, and in the months ahead, it is business as usual. Right now, our priority is publishing our fall lists to finish our fourth quarter as strongly as our previous three, and to plan the publishing campaigns for our winter and spring titles. As always, I know I can count on you.

I want you to know that I understand how difficult it is not having all of the details immediately about our new company. In order to overcome the uncertainty for all of you I will communicate and share with you directly and regularly as we move toward this transition, and I will do so with complete openness and transparency.

Our new company will foster and drive change, but it will also champion heritage and tradition. Above all else, we will go forward knowing you are our greatest asset. It is in that spirit that together we will build an extraordinary company with our new colleagues.

All my best,