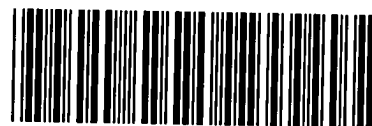


BERTELSMANN UK LIMITED

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

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BERTELSMANN UK LIMITED

STRATEGIC REPORT **FOR THE YEAR ENDED 31 DECEMBER 2016**

The directors present their Strategic Report for the year ended 31 December 2016.

Principal activities

The company is a subsidiary of Bertelsmann SE & Co KGaA, a company registered in Germany. The company acts as the intermediate holding company for some of the UK based subsidiaries of Bertelsmann SE & Co KGaA.

Review of the business

The results and financial position of the company are set out in the attached financial statements and in the Directors report.

During the year the company increased its investments in Arvato Financial Solutions Limited by £6,000,000, Arvato Systems UK & Ireland Ltd £600,000 and Penguin Random House Limited by £9,517,923. The percentages of ownership were not affected.

The company has a facility and cash pooling agreement with its parent company whereby the company's borrowings under the agreement are not repayable until 31 March 2020. Bertelsmann SE & Co KGaA, as the lender, reserves the right to increase or decrease the borrowing limit of £400,000,000 at its discretion and terminate the facility at its discretion with 14 days' notice.

As a result of income from shares in group undertakings the company made a profit during the current financial year of £9,415,375 (2015: loss of £4,274,454).

Key Performance Indicators ("KPI's")

Given the straightforward nature of the business, the company's directors are of the opinion that analysis using Key Performance Indicators is not necessary for an understanding of the development, performance or position of the business.

Principal risks and uncertainties

The company is subject to risk management procedures and an annual risk assessment implemented by the ultimate parent company, Bertelsmann SE & Co KGaA. The company's only significant risk is that the results of its subsidiaries might deteriorate with the consequent need for the company to impair its investments. There is a similar risk with the company's loans to group undertakings.

On behalf of the Board



M GARDINER
Director

29 September 2017

BERTELSMANN UK LIMITED

DIRECTORS' REPORT **FOR THE YEAR ENDED 31 DECEMBER 2016**

The directors present their annual report and audited financial statements for the year ended 31 December 2016.

Future developments

The directors do not anticipate any significant changes in the activities of the company.

Dividends

No dividend was paid during the year (2015: £nil). No final dividend is proposed (2015: £nil).

Financial instruments

It is the company's policy to implement financial risk management objectives and policies, for each major type of forecasted transaction for which hedge accounting is used. The directors consider the entity's exposure to price risk, credit risk, liquidity risk and cash flow risk as not significant.

Directors

The directors who held office during the year and up to the date of this report were as follows:

M Beisheim
M Gardiner
R Grant

Post balance sheet events

Please refer to note 14 in the financial statements for details of the post balance sheet events.

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Accepted Accounting Standards, comprising Financial Reporting Standard 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), and applicable law (United Kingdom Generally Accepted Accounting Practice).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, including FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 102 used in the preparation of financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to present and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

BERTELSMANN UK LIMITED

DIRECTORS' REPORT **FOR THE YEAR ENDED 31 DECEMBER 2016** (continued)

Disclosure of information to auditors

The directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditors are unaware; and each director has taken all the steps that he or she ought to have taken as a director to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Independent Auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their appointment will be proposed at the Annual General Meeting.

On behalf of the Board



M GARDINER
Director

One Fleet Place
LONDON
EC4M 7WS

29th September 2017

BERTELSMANN UK LIMITED

Independent auditors' report to the members of Bertelsmann UK Limited

Report on the financial statements

Our opinion

In our opinion, Bertelsmann UK Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its profit for the year then ended;
 - have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
 - have been prepared in accordance with the requirements of the Companies Act 2006.
-

What we have audited

The financial statements, included within the Annual Report, comprise:

- the Balance Sheet as at 31 December 2016;
- the Profit and Loss Account and Statement of Comprehensive Income for the year then ended;
- the Statement of Changes in Equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic Report and the Directors' Report. We have nothing to report in this respect.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

BERTELSMANN UK LIMITED

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

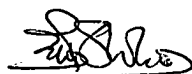
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report. With respect to the Strategic Report and Directors' Report, we consider whether those reports include the disclosures required by applicable legal requirements.



Philip Stokes (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

29 September 2017

BERTELSMANN UK LIMITED

PROFIT AND LOSS ACCOUNT for the year ended 31 December 2016

	Note	2016 £'000	2015 £'000
Administrative expenses		(7,908)	(1,466)
Operating loss	4	(7,908)	(1,466)
Income from shares in group undertaking		20,860	40,888
Amounts written off investments	8	(6,602)	(45,424)
Profit/ (loss) on ordinary activities before interest and tax		6,350	(6,002)
Interest receivable and similar income	5	8,565	6,858
Interest payable and similar charges	5	(4,828)	(4,668)
Profit/(loss) on ordinary activities before taxation		10,087	(3,812)
Tax on profit/(loss) on ordinary activities	7	(672)	(462)
Profit/(loss) for the financial year		9,415	(4,274)

The notes on pages 10 to 25 are an integral part of these financial statements.

BERTELSMANN UK LIMITED

STATEMENT OF COMPREHENSIVE INCOME **for the year ended 31 December 2016**

	2016 £'000	2015 £'000
Profit/(loss) for the financial year	9,415	(4,274)
Other comprehensive income	-	-
Total comprehensive profit/(loss) for the year	9,415	(4,274)

The notes on pages 10 to 25 are an integral part of these financial statements.

BERTELSMANN UK LIMITED**BALANCE SHEET**
As at 31 December 2016

	Note	2016 £'000	2015 £'000
Fixed Assets			
Investments	8	<u>693,771</u>	<u>684,255</u>
		693,771	684,255
Current assets			
Debtors	9	<u>501,939</u>	<u>447,531</u>
		501,939	447,531
Creditors: amounts falling due within one year	10	<u>(307,270)</u>	<u>(352,761)</u>
Net current assets		194,669	94,770
Net assets		<u>888,440</u>	<u>779,025</u>
Capital and reserves			
Called up share capital	12	470,000	370,000
Share premium account		77,655	77,655
Retained earnings		340,785	331,370
Total shareholders' funds		<u>888,440</u>	<u>779,025</u>

These financial statements on pages 6 to 25 were authorised for issue by the board of directors on ^{29^d} September 2017 and were signed on its behalf by



M GARDINER
Director

BERTELSMANN UK LIMITED

STATEMENT OF CHANGES IN EQUITY for the year ended 31 December 2016

	Called up share capital £'000	Share premium account £'000	Retained earnings £'000	Total Shareholder Funds £'000
Balance as at 1 January 2015	370,000	77,655	335,644	783,299
Changes in equity				
Loss for the financial year	-	-	(4,274)	(4,274)
Balance as at 31 December 2015	370,000	77,655	331,370	779,025
Changes in equity				
Share issue	100,000	-	-	100,000
Profit for the financial year	-	-	9,415	9,415
Balance as at 31 December 2016	470,000	77,655	340,785	888,440

The notes on pages 10 to 25 are an integral part of these financial statements.

BERTELSMANN UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2016

1 STATEMENT OF COMPLIANCE

The individual financial statements of Bertelsmann UK Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

2 GENERAL INFORMATION

Bertelsmann UK Limited is a company limited by shares, incorporated in England and Wales. Its registered office is One Fleet Place, London, EC4M 7WS. The company's principle place of business is at Penguin Random House, 20 Vauxhall Bridge Road, London, SW1V 2SA.

3 ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below.

These policies have been consistently applied to all the years presented, unless otherwise stated. The company has adopted FRS 102 in these financial statements.

Basis of preparation

These financial statements are prepared on a going concern basis, under the historical cost convention.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity or areas where assumptions and estimates are significant to the financial statements are disclosed below.

The company is exempt, by virtue of s400 of the Companies Act 2006, from the requirement to prepare group financial statements, as they are included in the consolidated financial statements of Bertelsmann SE & Co KGaA which are publicly available. These financial statements present information about the company as an individual undertaking and not about the group.

Going concern

The financial statements are prepared on a going concern basis. The company has a borrowing facility from its parent company, Bertelsmann SE & Co KGaA. The company has a facility and cash pooling agreement with its parent company for £400,000,000 of which £297,120,838 was drawn down as at 31 December 2016. The final maturity date is 31 March 2020. Bertelsmann SE & Co KGaA, as the lender, reserves the right to increase or decrease the borrowing limit of £400,000,000 at its discretion and terminate the facility at its discretion with 14 days' notice. Bertelsmann SE & Co. KGaA. has also provided a letter of support for the company, which states their intention to provide support to the company for the foreseeable future.

Exemption for qualifying entities under FRS 102

The company has taken advantage of the following exemptions:

- i) from preparing a statement of cash flows, on the basis that its ultimate parent company, Bertelsmann SE & Co KGaA, has prepared consolidated financial statements which are publicly available and include a consolidated cash flow statement.
- ii) from disclosing related party transactions with wholly owned subsidiaries within the group.
- iii) from the financial instruments disclosures, required under 102 paragraphs 11.39 to 11.48A and paragraphs 12.26 to 12.29 as information is provided in the consolidated financial statements of Bertelsmann SE & Co KGaA.

BERTELSMANN UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2016 (continued)

3 ACCOUNTING POLICIES (continued)

New standards, amendments and IFRIC interpretations

No new accounting standards or amendments to accounting standards or IFRIC interpretations that are effective for the year ended 31 December 2016 have had a material impact on the company.

Dividend income

Dividend income is recognised when the right to receive payment is established.

Taxation

The tax expense for the period comprises of current tax only. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in shareholders' funds. In this case, the tax is also recognised in other comprehensive income or directly in shareholders' funds, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Investments

i) Investments in subsidiary company

Investments are stated at cost and a provision is made for impairment. Investments are tested for a triggering event and reflect changes in circumstances that indicate the carrying value may not be recoverable at each balance sheet date. For the purposes of assessing the impairment of investments, the company performs discounted cash flows to compare the carrying amount of the investment value to the equity value. If the recoverable amount of the asset is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount.

If an impairment loss is subsequently reversed, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised in prior periods. A reversal of impairment loss is recognised in the profit and loss account.

ii) Investments in associate

Investments in associate are held at cost less accumulated impairment losses. Impairment reviews have been undertaken and these are reflected in note 8.

Currency translation

Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates. The financial statements are presented in pound sterling, which is also the functional currency of the company.

Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency translation differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in the profit and loss account.

Financial assets

Basic financial assets, including debtors, cash and bank balances, are initially recognised at transaction price and subsequently carried at amortised cost using the effective interest method.

BERTELSMANN UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2016 (continued)

3 ACCOUNTING POLICIES (continued)

Financial liabilities

Basic financial liabilities, including creditors, are initially recognised at transaction price and subsequently measured at amortised cost using the effective interest method.

	2016 £'000	2015 £'000
4 OPERATING LOSS		
The operating loss is stated after charging:		
Auditors' remuneration:		
Audit	7	7
	<hr/>	<hr/>
5 INTEREST RECEIVABLE/ (PAYABLE)	2016 £'000	2015 £'000
Interest receivable and similar income:		
Interest on loans to group undertakings	8,565	6,858
	<hr/>	<hr/>
	8,565	6,858
	<hr/>	<hr/>
Interest payable and similar charges:		
Interest on loans from group undertakings	(4,828)	(4,668)
	<hr/>	<hr/>
	(4,828)	(4,668)
	<hr/>	<hr/>

6 EMPLOYEES AND DIRECTORS

Employees

The company had no employees during 2016 (2015: nil).

Directors

The emoluments of the directors are paid by the other companies. Directors' services to this company are of a non-executive nature and their emoluments are deemed to be wholly attributable to their services to the company that employs them. Accordingly, there are no emoluments in respect of the directors.

BERTELSMANN UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2016 (continued)

	2016 £'000	2015 £'000
7 INCOME TAX		
(a) Analysis of tax charge for the year		
Amount payable for UK group relief	637	404
Adjustments in respect of prior years	35	58
	<hr/> 672	<hr/> 462

- (b) The current year tax charge represents amounts payable to fellow UK subsidiaries of the Bertelsmann group in respect of current year tax losses surrendered in the United Kingdom.

The standard rate of corporation tax in the United Kingdom remained at 20% with effect from April 2015. Accordingly the company's losses are taxed at an effective rate of 20% (2015: 20.25%).

During 2015 and 2016, changes to the UK main corporation tax were enacted. The tax rate will fall to 19% with effect from 1 April 2017 and to 17% with effect from 1 April 2020.

The tax assessed for the year differs from the standard effective rate of corporation tax in the UK for the year ended 31 December 2016 of 20% (2015: 20.25%). The differences are explained below:

	2016 £'000	2015 £'000
(b)		
Profit/(loss) on ordinary activities before tax	10,087	(3,812)
	<hr/>	<hr/>
Corporation tax at standard rate of 20% (2015 - 20.25%)	2,017	(772)
Effects of:		
Group relief at lower rate	26	-
Expenses not deductible for tax purposes	2,766	9,456
Income not taxable	(4,172)	(8,280)
Adjustments in respect of prior years	35	58
	<hr/>	<hr/>
Total tax charge for year	672	462
	<hr/>	<hr/>

Deferred tax

Deferred tax has not been provided as the company has no temporary differences.

BERTELSMANN UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2016 (continued)

8 INVESTMENTS	Shares in group undertakings £'000
Cost:	
At 1 January 2016	737,140
Additions	16,118
Disposals	(7,461)
At 31 December 2016	<u>745,797</u>
Provision for impairment:	
At 1 January 2016	52,885
Charge for the year	6,602
Disposals	(7,461)
At 31 December 2016	<u>52,026</u>
Net book value:	
At 31 December 2016	<u>693,771</u>
At 31 December 2015	<u>684,255</u>

The company's investments in group undertakings are listed in note 15.

Included in additions is an increase in the investment in Penguin Random House Limited by £9,517,923. There was also an increase of £6,000,000 in Arvato Financial Solutions Limited and £600,000 in Arvato Systems UK & Ireland Limited. The percentages of ownership were not affected. The disposal is in relation to the investment in Sonopress (UK) Limited being dissolved on 2 February 2016.

An impairment test was carried out in accordance with Financial Reporting Standard 102. The carrying amount and the equity value of each investment has been compared to ascertain if impairment is required. The investment in Arvato Financial Solutions Limited has been partially impaired and the investment in Arvato Systems UK & Ireland Limited has been fully impaired as a consequence of the impairment tests.

	2016 £'000	2015 £'000
9 DEBTORS		
Amounts owed by group undertakings	497,809	442,004
Group relief receivable	4,130	5,527
	<u>501,939</u>	<u>447,531</u>

Amounts owed by group undertakings are unsecured, repayable on demand and incur interest. £497,808,814 (2015: £439,228,351) of the balance owed falls under cash pooling where the average interest rate charged was 1.77% (2015: 1.875%). There is no balance that falls under loan agreements at the year end (2015: £2,735,000).

BERTELSMANN UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2016 (continued)

	2016 £'000	2015 £'000
10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		
Amounts owed to group undertakings	301,628	345,553
Group relief payable	4,787	5,857
Accruals and deferred income	855	575
Other creditors	-	776
	<hr/> 307,270 <hr/>	<hr/> 352,761 <hr/>

Included within amounts owed to group undertakings is £297,120,838 (2015: £343,040,651) in respect of the loan facility from Bertelsmann SE & Co KGaA. Interest was charged at an average rate of 1.64% (2015: 1.73%). The final maturity date is 31 March 2020. Bertelsmann SE & Co KGaA, as the lender, reserves the right to increase or decrease the borrowing limit of £400,000,000 at its discretion and terminate the facility at its discretion with 14 days' notice. Also included within amounts owed to group undertakings is £4,467,285 (2015: £2,484,942) in relation to cash pooling payables where the average interest was 0.19% (2015: 0.25%).

11 FINANCIAL INSTRUMENTS

The company has the following basic financial instruments:

	Note	2016 £'000	2015 £'000
Financial assets that are debt instruments measured at amortised cost			
- Amounts owed by group undertakings	9	497,809	442,004
		<hr/> 497,809 <hr/>	<hr/> 442,004 <hr/>
Financial liabilities measured at amortised cost			
- Amounts owed to group undertakings	10	301,628	345,553
- Accruals and deferred income	10	855	575
- Other creditors	10	-	776
		<hr/> 302,483 <hr/>	<hr/> 346,904 <hr/>

BERTELSMANN UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2016 (continued)

	2016 £'000	2015 £'000
12 CALLED UP SHARE CAPITAL		
Authorised, allotted, called up and fully paid:		
Balance at 1 January	370,000	370,000
Issued during the year:		
Ordinary shares of £1 each	100,000	-
Balance at 31 December	470,000	370,000
Allotted, called up and fully paid:		
Ordinary shares of £1 each	470,000	370,000

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

13 RELATED PARTIES

The company's parent company, and ultimate parent company, is Bertelsmann SE & Co KGaA, which is incorporated in Germany, copies of whose consolidated financial statements (the smallest and largest financial statements in which the company is consolidated) can be obtained from:

Bertelsmann SE & Co KGaA
Corporate Communications
Carl Bertelsmann Strasse 270
33311 Gütersloh
Germany

As the company is a wholly owned subsidiary of Bertelsmann SE & Co KGaA the company is exempt from the requirement, under Financial Reporting Standard 102, to disclose transactions with entities that are wholly owned by the group. The company has taken advantage of this exemption.

BERTELSMANN UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2016 (continued)

13 RELATED PARTIES (continued)

During the year the company entered into the following transactions with related parties not wholly owned by the group:

	2016 £'000	2015 £'000
Administrative expenses:		
RTL Group Support Services Limited	58	70
The Random House Group Limited	333	342
Interest income:		
arvato Government Services Limited	117	159
arvato Public Sector Services Limited	-	59
Dividend received:		
Penguin Random House Limited	20,860	37,568
Debtors:		
arvato Government Services Limited	-	2,775
Creditors:		
RTL Group Support Services Limited	18	35
The Random House Group Limited	39	28

14 POST BALANCE SHEET EVENTS

In March 2017 the parent company, Bertelsmann SE & Co KGaA extended the facility and cash pooling agreement with Bertelsmann UK Limited whereby the company's borrowings under the agreement are not repayable until 31 March 2020.

15 INVESTMENTS IN GROUP UNDERTAKINGS

Refer to the following table for the company's investments at 31 December 2016.

The company maintains an interest in undertakings which would normally be classified as associate and joint venture undertakings. These undertakings are listed under "Indirect Investments" in the table on the following pages.

BERTELSMANN UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS **for the year ended 31 December 2016** (continued)

15 INVESTMENTS IN GROUP UNDERTAKINGS (continued)

Name	Principal Activity	Holding	Class of shares	Registered Address
<u>Subsidiary undertakings</u>				
arvato Financial Solutions Limited	Consumer and Commercial Debt Collection	100	Ordinary	24 George Square, Glasgow, United Kingdom, G2 1EG
arvato limited	Distribution and Support Services	100	Ordinary	One Fleet Place, London, United Kingdom, EC4M 7WS
arvato systems UK & Ireland Limited	Computer Consulting Services	100	Ordinary	16 Churchill Way, Cardiff, United Kingdom, CF10 2DX
BMG RIGHTS MANAGEMENT (UK) Limited	Management of music composition & recording rights	100	Ordinary	5 Merchant Square, London, United Kingdom, W2 1AS
Penguin Random House Limited	Book Publishing	53	Ordinary	80 Strand, London, United Kingdom, WC2R 0RL
Prinovis UK Limited	Printing services	100	Ordinary	One Fleet Place, London, United Kingdom, EC4M 7WS
STOK UK Limited	Logistical Bespoke Service	100	Ordinary	Highland House, Mayflower Close, Chandlers Ford, Eastleigh, Hampshire, United Kingdom, SO53 4AR
<u>Indirect subsidiary undertakings</u>				
Kyboside Limited	Management of music composition	100	Ordinary	5 Merchant Square, London, United Kingdom, W2 1AS
Aguilar, Altea, Taurus, Alfaguara S.A. de Ediciones	Book Publishing	53	Ordinary / Ordinary /	Avenida Leandro N. Alem 720, Buenos Aires, Argentina, C1053CABA
Air Records Limited	Dormant Entity	100	Deferred	5 Merchant Square, London, United Kingdom, W2 1AS
Allen Lane The Penguin Press Limited	Dormant Entity	53	Ordinary	80 Strand, London, United Kingdom, WC2R 0RL
Arrow Books Limited	Dormant Entity	53	Ordinary	20 Vauxhall Bridge Road, London, United Kingdom, SW1V 2SA
arvato Credit Solutions Limited	Debt Relationship Management	100	Ordinary	Capella Court, Brighton Road, Purley, Surrey, United Kingdom, CR8 2PG
arvato CRM Limited	Customer Relationship Management	100	Ordinary	One Fleet Place, London, United Kingdom, EC4M 7WS

BERTELSMANN UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS **for the year ended 31 December 2016** (continued)

15 INVESTMENTS IN GROUP UNDERTAKINGS (continued)

Name	Principal Activity	Holding	Class of shares	Registered Address
	Consumer and Commercial Debt Collection / Specialist Long-Term Business Process Outsourcing	100	Ordinary	BCW House, Block & Blanchardstown Corporate Park, Ballycoolin, Dublin, Ireland, 15
arvato Financial Solutions (Ireland) Limited	Outsourcing	100	Ordinary	One Fleet Place, London, United Kingdom, EC4M 7WS
arvato government services (ERYC) Limited	Public Sector Outsourcing	100	Ordinary	The Hall, Lairgate, East Yorkshire (Beverley), United Kingdom, HU17 8 HL
arvato government services Limited	Public Sector Outsourcing	80.10	Ordinary	The Hall Lairgate, East Humberside (Beverley), United Kingdom, HU17 8HL
arvato Public Sector Services Limited	Public Sector Outsourcing	80.10	Ordinary	20 Vauxhall Bridge Road, London, United Kingdom, SW1V 2SA
Bantam Books Limited	Dormant Entity	53	Ordinary	20 Vauxhall Bridge Road, London, United Kingdom, SW1V 2SA
Barrie & Jenkins Limited	Dormant Entity	52	Ordinary	20 Vauxhall Bridge Road, London, United Kingdom, SW1V 2SA
Bartlett Bliss Productions Limited	Dormant Entity	53	Ordinary	20 Vauxhall Bridge Road, London, United Kingdom, SW1V 2SA
Bellew & Higton Publishers Limited	Dormant Entity	53	Ordinary	20 Vauxhall Bridge Road, London, United Kingdom, SW1V 2SA
BMG 10 Music Limited	Management of music composition	100	Ordinary	5 Merchant Square, London, United Kingdom, W2 1AS
BMG Production Music (UK) Limited	Management of music composition	100	Ordinary	5 Merchant Square, London, United Kingdom, W2 1AS
BMG VM Music Limited	Management of music composition	100	Ordinary	5 Merchant Square, London, United Kingdom, W2 1AS
Bug Music Limited	Management of music composition	100	Ordinary	5 Merchant Square, London, United Kingdom, W2 1AS
Business Books Limited	Dormant Entity	53	Ordinary	20 Vauxhall Bridge Road, London, United Kingdom, SW1V 2SA
Carousel Books Limited	Dormant Entity	53	Ordinary	20 Vauxhall Bridge Road, London, United Kingdom, SW1V 2SA
Cavalcade Records Limited	Management of music composition & recording rights	100	Ordinary	5 Merchant Square, London, United Kingdom, W2 1AS
Century Benham Limited	Dormant Entity	53	Ordinary	20 Vauxhall Bridge Road, London, United Kingdom, SW1V 2SA
Century Hutchinson Limited	Dormant Entity	53	Ordinary	20 Vauxhall Bridge Road, London, United Kingdom, SW1V 2SA
Century Hutchinson Publishing Limited	Dormant Entity	53	Ordinary	20 Vauxhall Bridge Road, London, United Kingdom, SW1V 2SA
Century Publishing Co. Limited	Dormant Entity	53	Ordinary	20 Vauxhall Bridge Road, London, United Kingdom, SW1V 2SA
Chatto and Windus Limited	Dormant Entity	53	Ordinary	20 Vauxhall Bridge Road, London, United Kingdom, SW1V 2SA

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NOTES TO THE FINANCIAL STATEMENTS **for the year ended 31 December 2016** (continued)

15 INVESTMENTS IN GROUP UNDERTAKINGS (continued)

Name	Principal Activity	Holding	Class of shares	Registered Address
Children's Character Books Limited	Book Publishing	40	Ordinary	80 Strand, London, United Kingdom, WC2R 0RL
Chrysalis Copyrights Limited	Management of recording rights	100	Ordinary	5 Merchant Square, London, United Kingdom, W2 1AS
Chrysalis Group Limited	Investment holding company	100	Ordinary	5 Merchant Square, London, United Kingdom, W2 1AS
Chrysalis Holdings Limited	Dormant	100	Ordinary	5 Merchant Square, London, United Kingdom, W2 1AS
Chrysalis Investments Limited	Dormant	100	Ordinary	5 Merchant Square, London, United Kingdom, W2 1AS
Chrysalis Music Limited	Management of music composition	100	Ordinary	5 Merchant Square, London, United Kingdom, W2 1AS
Chrysalis Music Publishing Limited	Management of music composition	100	Ordinary	5 Merchant Square, London, United Kingdom, W2 1AS
Chrysalis Songs Limited	Management of music composition	100	Ordinary	5 Merchant Square, London, United Kingdom, W2 1AS
Corgi Books Limited	Dormant Entity	53	Ordinary	20 Vauxhall Bridge Road, London, United Kingdom, SW1V 2SA Capella Court, Brighton Road, Purley, Surrey, United Kingdom, CR8 2PG
Credit Solutions Limited	Debt Relationship Management	100	Ordinary	5 Merchant Square, London, United Kingdom, W2 1AS
Creole Records Limited	Dormant Entity	100	Ordinary	5 Merchant Square, London, United Kingdom, W2 1AS
Direct Group Grandes Obras, S.L.	Holding Company	53	Ordinary	Calle Travessera de Gracia, 47-49, Barcelona, Spain, 08021 Aut. Medellin KM 1.7 Terrapuerto Industrial el Dorado BG 4, Cota (Cundinamarca), Columbia
Distribuidora Penguin Random House S.A.S.	Distribution Services	53	Nominal	80 Strand, London, United Kingdom, WC2R 0RL
Dorling Kindersley Limited	Book Publishing	53	Ordinary	Rosebank Office Park, Block D, 181 Jan Smuts Avenue, Parktown North, Johannesburg, South Africa, 2193
Dorling Kindersley Publishers (South Africa) Pty Limited	Dormant Entity	53	Ordinary	7th Floor, Infinity Tower C, DLF Cyber City, Gurgaon, India, 122 002, Haryana
Dorling Kindersley Publishing Private Limited	Book Publishing	53	Ordinary	Arnulfstraße 124, München, Germany, 80636
Dorling Kindersley Verlag GmbH	Book Publishing	53	Ordinary	80 Strand, London, United Kingdom, WC2R 0RL
Dorling Kindersley Vision Limited	Dormant Entity	53	Ordinary	Yaguaron 1568, Montevideo, Uruguay
Editorial Sudamericana Uruguay S.A.	Book Publishing	53	Ordinary	
Frederick Warne & Co Limited	Book Publishing	53	Preference & Ordinary	80 Strand, London, United Kingdom, WC2R 0RL

BERTELSMANN UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2016 (continued)

15 INVESTMENTS IN GROUP UNDERTAKINGS (continued)

Name	Principal Activity	Holding	Class of shares	Registered Address
Funfax Limited	Dormant Entity	53	Ordinary	80 Strand, London, United Kingdom, WC2R 0RL
G.W. Mills Limited	Dormant Entity	100	Ordinary & Non-Voting	5 Merchant Square, London, United Kingdom, W2 1AS
Grantham Book Services Limited	Dormant Entity	53	Ordinary	20 Vauxhall Bridge Road, London, United Kingdom, SW1V 2SA
Hamish Hamilton Children's Books Limited	Dormant Entity	53	Ordinary	80 Strand, London, United Kingdom, WC2R 0RL
Hamish Hamilton Limited	Dormant Entity	53	Ordinary	80 Strand, London, United Kingdom, WC2R 0RL
Hammond, Hammond and Company, Limited	Dormant Entity	53	Ordinary	20 Vauxhall Bridge Road, London, United Kingdom, SW1V 2SA
Herbert Jenkins Limited	Dormant Entity	53	Ordinary	20 Vauxhall Bridge Road, London, United Kingdom, SW1V 2SA
Hewrate Limited	Management of music composition	100	Ordinary	5 Merchant Square, London, United Kingdom, W2 1AS
Hornall Brothers Music Limited	Management of music composition	100	Ordinary	5 Merchant Square, London, United Kingdom, W2 1AS
Hugo's Language Books Limited	Dormant Entity	53	Ordinary	80 Strand, London, United Kingdom, WC2R 0RL
Hurst & Blackett Limited	Dormant Entity	53	Ordinary	20 Vauxhall Bridge Road, London, United Kingdom, SW1V 2SA
Hutchinson & Co. (Publishers) Limited	Dormant Entity	53	Ordinary	20 Vauxhall Bridge Road, London, United Kingdom, SW1V 2SA
Hutchinson Books Limited	Dormant Entity	53	Ordinary	20 Vauxhall Bridge Road, London, United Kingdom, SW1V 2SA
Hutchinson Childrens Books Limited	Dormant Entity	53	Ordinary	20 Vauxhall Bridge Road, London, United Kingdom, SW1V 2SA
Infectious Music Limited	Management of recording rights	100	Ordinary	5 Merchant Square, London, United Kingdom, W2 1AS
Jackdaw Publications Limited	Dormant Entity	53	Ordinary	20 Vauxhall Bridge Road, London, United Kingdom, SW1V 2SA
Jonathan Cape Limited	Dormant Entity	53	Ordinary	20 Vauxhall Bridge Road, London, United Kingdom, SW1V 2SA
Ladybird Books Limited	Book Publishing	53	Ordinary	80 Strand, London, United Kingdom, WC2R 0RL
Loaded Records Limited	Management of recording rights	100	Ordinary	5 Merchant Square, London, United Kingdom, W2 1AS
Mainstream Publishing Company (Edinburgh) Limited	Book Publishing	53	Ordinary	54-66 Frederick Street, Edinburgh, United Kingdom, EH2 1LS
Martin Secker and Warburg Limited	Dormant Entity	53	Ordinary	20 Vauxhall Bridge Road, London, United Kingdom, SW1V 2SA
Men From The North Limited	Dormant Entity	100	Ordinary	5 Merchant Square, London, United Kingdom, W2 1AS
Michael Joseph Limited	Dormant Entity	53	Ordinary	80 Strand, London, United Kingdom, WC2R 0RL
Minder Music Limited	Management of music composition	100	Ordinary	5 Merchant Square, London, United Kingdom, W2 1AS

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NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2016 (continued)

15 INVESTMENTS IN GROUP UNDERTAKINGS (continued)

Name	Principal Activity	Holding	Class of shares	Registered Address
Mute Records Limited	Management of recording rights	100	Ordinary	5 Merchant Square, London, United Kingdom, W2 1AS
Oxford Street Studios Limited	Dormant Entity	100	Ordinary	5 Merchant Square, London, United Kingdom, W2 1AS
Pelham Books Limited	Dormant Entity	53	Ordinary	80 Strand, London, United Kingdom, WC2R 0RL
Penguin (Beijing) Culture Development Co., Limited	Publishing Services	53	Ordinary	Room 1211, Touwer D, Beijing Global Trade Centre, 36 North Third Ring Road East, Dongchang District, Beijing, China
Penguin Australia Pty Limited	Book Publishing	53	Ordinary	707 Collins St, Melbourne, Australia, 3008
Penguin Random House Australia Pty Limited	Book Publishing	53	Ordinary	Level 3 100 Pacific Highway, North Sydney, Australia, NSW 2060
Penguin Books Benelux B.V.	Book Publishing	53	Nominal	Herengracht 418 2, Amsterdam, Netherland, 1017BZ
Penguin Books Deutschland Gesellschaft mit beschränkter Haftung	Sales and Marketing Services	53	Ordinary	Arnulfstraße 124, München, Germany, 80636
Penguin Books Limited	Book Publishing	53	Ordinary	80 Strand, London, United Kingdom, WC2R 0RL
Penguin Books Malaysia Sdn Bhd	Sales and Marketing Services	53	Ordinary	Level 1, Tower 2A, avenue 5, Bangsar South, No 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia
Penguin Books S.A.	Book Distribution	53	Ordinary	9 Glorieta de Quevedo, 7th Floor, Madrid, Spain, 28015
Penguin Group (Hongkong) Limited	Holding Company	53	Ordinary	Suite 3313, Tower One, Times Square, 1 Matheson Street, Causeway Bay, HK
Penguin Random House Korea LLC	Book Publishing	53	Ordinary	7th Floor, AIA Tower, 16 Tongil-ro-2-gil, Jung-gu, Seoul
Penguin Random House Canada Limited	Book Publishing	53	Ordinary	1 Toronto Street, Suite 300, Toronto, Canada, M5C2V6
Penguin Random House Grupo Editorial S.A.	Book Publishing	53	Ordinary	Calle Humberto Primo 545, Buenos Aires, Argentina, C1103ACK
Penguin Random House Grupo Editorial S.A.	Book Publishing	53	Ordinary	Av. Ricardo Palma 341, Of. 601, Miraflores, Lima, Peru
Penguin Random House Grupo Editorial S.A.S.	Book Publishing	53	Ordinary	Terrapuerto Industrial El Dorado Bodega No. 4, Autopista Medellin Km 1.7 Entrada Parque La Florida, Cota (Cundinamarca), Columbia
Penguin Random House Grupo Editorial, S.A.	Book Distribution	53	Ordinary	Merced 280, 6th Floor, Santiago de Chile, Chile, 8320128
Penguin Random House Grupo Editorial, S.A.U.	Book Distribution	53	Ordinary	Calle Travessera de Gracia, 47-49, Barcelona, Spain, 08021
Penguin Random House Grupo Editorial, S.A. de C.V.	Book Publishing	53	Ordinary	Miguel de Cervantes Saavedra 301, piso 1, col. Granada, del. Miguel Hidalgo, Mexiko-Stadt, Mexico, 11520

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NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2016 (continued)

15 INVESTMENTS IN GROUP UNDERTAKINGS (continued)

Name	Principal Activity	Holding	Class of shares	Registered Address
Penguin Random House Grupo Editorial, Unipessoal Lda.	Book Publishing	53	Ordinary	Praca Marques de Pombal, numero 1, 8º planta, Lissabon, Portugal, 1250-160
Penguin Random House Pte. Limited	Sales and Marketing Services	53	Ordinary	9 North Buona Vista Drive, #13-01, The Metropolis Tower One, Singapore, Singapore, 138588
Penguin Random House South Africa (Pty) Limited	Book Publishing	53	Ordinary	Rosebank Office Park, Block D, 181 Jan Smuts Avenue, Parktown North, Johannesburg, South Africa, 2193
Plane Tree Publishers Limited	Dormant Entity	53	Ordinary	20 Vauxhall Bridge Road, London, United Kingdom, SW1V 2SA
Power2contact Limited	Debt Relationship Management	100	Ordinary	Capella Court, Brighton Road, Purley, Surrey, United Kingdom, CR8 2PG
Ram Records Limited	Management of music composition	100	Ordinary	5 Merchant Square, London, United Kingdom, W2 1AS
Random House Holdings Limited	Holding Company	53	Ordinary	20 Vauxhall Bridge Road, London, United Kingdom, SW1V 2SA
Penguin Random House New Zealand Limited	Book Publishing	53	Ordinary	67 Apollo Drive, Rosedale, Auckland, New Zealand, 0632
Random House Properties Limited	Dormant Entity	53	Ordinary	20 Vauxhall Bridge Road, London, United Kingdom, SW1V 2SA
Random House Publishers India Private Limited	Book Publishing	53	Ordinary	7th Floor, Infinity Tower C, DLF Cyber City, Gurgaon, India, 122 002, Haryana
Random House Publishing Group Limited	Dormant Entity	53	Ordinary	20 Vauxhall Bridge Road, London, United Kingdom, SW1V 2SA
Random House Struik Proprietary Limited	Book Publishing	53	Ordinary	The Estuaries No 4, Oxbow Crescent, Century Avenue, Century City, Cape Town, South Africa, 8000
Random House UK Ventures Limited	Dormant Entity	53	Ordinary	20 Vauxhall Bridge Road, London, United Kingdom, SW1V 2SA
RHA Holdings Pty Limited	Dormant Entity	53	Ordinary	16 Dalmore Drive, Scoresby (Melbourne), Victoria 3179, Australia, 3179
Rock Music Company Limited	Management of recording rights	100	Ordinary	5 Merchant Square, London, United Kingdom, W2 1AS
Salspot Limited	Merchandising	53	Ordinary	80 Strand, London, United Kingdom, WC2R 0RL
Sanctuary Copyrights Limited	Dormant Entity	100	Ordinary	5 Merchant Square, London, United Kingdom, W2 1AS
Sanctuary Records Group Limited	Management of recording rights	100	Ordinary	5 Merchant Square, London, United Kingdom, W2 1AS
Sinclair - Stevenson Limited	Dormant Entity	53	Ordinary	20 Vauxhall Bridge Road, London, United Kingdom, SW1V 2SA
Skint Records Limited	Dormant	100	Ordinary	5 Merchant Square, London, United Kingdom, W2 1AS
Snowdog Enterprises Limited	Merchandising	53	Ordinary	80 Strand, London, United Kingdom, WC2R 0RL

BERTELSMANN UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS **for the year ended 31 December 2016** (continued)

15 INVESTMENTS IN GROUP UNDERTAKINGS (continued)

Name	Principal Activity	Holding	Class of shares	Registered Address
Snowman Enterprises Limited	Book Publishing	53	Ordinary	80 Strand, London, United Kingdom, WC2R 0RL
Stage Three Music (Catalogues) Limited	Management of music composition	100	Ordinary	5 Merchant Square, London, United Kingdom, W2 1AS
Stage Three Music Publishing Limited	Management of music composition	100	Ordinary	5 Merchant Square, London, United Kingdom, W2 1AS
Stanley Paul & Company Limited	Dormant Entity	53	Ordinary	20 Vauxhall Bridge Road, London, United Kingdom, SW1V 2SA
T. Werner Laurie, Limited	Dormant Entity	53	Ordinary	20 Vauxhall Bridge Road, London, United Kingdom, SW1V 2SA
Tamarind Limited	Dormant Entity	53	Ordinary	20 Vauxhall Bridge Road, London, United Kingdom, SW1V 2SA
The Bodley Head Limited	Dormant Entity	53	Ordinary	20 Vauxhall Bridge Road, London, United Kingdom, SW1V 2SA
The Book Service Limited	Distribution and Support Services	53	Ordinary	20 Vauxhall Bridge Road, London, United Kingdom, SW1V 2SA
The Cresset Press Limited	Dormant Entity	53	Ordinary	20 Vauxhall Bridge Road, London, United Kingdom, SW1V 2SA
The Echo Label Limited	Management of recording rights	100	Ordinary	5 Merchant Square, London, United Kingdom, W2 1AS
The Harvill Press Limited	Dormant Entity	53	Ordinary	20 Vauxhall Bridge Road, London, United Kingdom, SW1V 2SA
The Hogarth Press Limited	Dormant Entity	53	Ordinary	20 Vauxhall Bridge Road, London, United Kingdom, SW1V 2SA
The Random House Group Limited	Book Publishing	53	Ordinary	20 Vauxhall Bridge Road, London, United Kingdom, SW1V 2SA
The Rough Guides Limited	Book Publishing	53	Ordinary	80 Strand, London, United Kingdom, WC2R 0RL
Tom Jones (Enterprises) Limited	Dormant Entity	99	Ordinary / Non-voting	5 Merchant Square, London, United Kingdom, W2 1AS
Penguin Random House Ireland Limited	Editorial services	53	Ordinary	c/o EUGENE F. COLLINS Solicitors, Temple Chambers, 3 Burlington Road, Dublin, Ireland, 4
Transworld Publishers Limited	Book Publishing	53	Ordinary	20 Vauxhall Bridge Road, London, United Kingdom, SW1V 2SA
Trojan Recordings Limited	Dormant Entity	100	Ordinary	5 Merchant Square, London, United Kingdom, W2 1AS
Tundra Books of Northern New York, Inc.	Book Publishing	53	Common	18 Cornelia Street, Plattsburgh, County of Clinton, State of New York, USA, 12901
Union Square Music Holdings Limited	Investment holding company	100	Ordinary	5 Merchant Square, London, United Kingdom, W2 1AS
Union Square Music Limited	Management of recording rights	100	Ordinary	5 Merchant Square, London, United Kingdom, W2 1AS

BERTELSMANN UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS **for the year ended 31 December 2016** (continued)

15 INVESTMENTS IN GROUP UNDERTAKINGS (continued)

Name	Principal Activity	Holding	Class of shares	Registered Address
Union Square Music Publishing Limited	Management of music composition	100	Ordinary	5 Merchant Square, London, United Kingdom, W2 1AS
Union Square Music Songs Limited	Management of music composition	100	Ordinary	5 Merchant Square, London, United Kingdom, W2 1AS
USM Copyrights Ltd	Management of recording rights	100	Ordinary	5 Merchant Square, London, United Kingdom, W2 1AS
USM Copyrights Nazareth Limited	Management of recording rights	100	Ordinary	5 Merchant Square, London, United Kingdom, W2 1AS
Ventura Publishing Limited	Book Publishing	53	Ordinary	80 Strand, London, United Kingdom, WC2R 0RL
Virgin Books Limited	Book Publishing	53	Ordinary	20 Vauxhall Bridge Road, London, United Kingdom, SW1V 2SA
WH Allen General Books Limited	Dormant Entity	53	Ordinary	20 Vauxhall Bridge Road, London, United Kingdom, SW1V 2SA
Windswept Music (London) Limited	Management of music composition	100	Ordinary	5 Merchant Square, London, United Kingdom, W2 1AS
Woodlands Books Limited	Book Publishing	45	Ordinary	20 Vauxhall Bridge Road, London, United Kingdom, SW1V 2SA
Penguin Books India Private Limited	Book Publishing	53.00	Ordinary	7th Floor, Infinity Tower C, DLF Cyber City, Gurgaon, India, 122 002, Haryana
<u>Indirect investments</u>				
Bounce! Sales & Marketing Limited	Book Sales and Marketing	15.90	Ordinary	Hathaway House, Popes Drive, London, N3 1QF
Distribuidora Digital de Libros, S.A.	Ebook Distribution	28.26	Ordinary	Via Augusta, 48-50, Barcelona, Spain, 08006
Comphania das Letras	Book Publishing	23.85	Ordinary	Rua Bandeira Paulista, 702, Suite 11/3, 04532-002, São Paulo, Brazil
Editora Objetiva, Ltda	Book Publishing	23.85	Ordinary	Rua Cosme Velho, No. 89 and 103, Rio de Janeiro, Brazil, 22241-090
Editora Fontanar, Ltda.	Book Publishing	23.85	Common	Rua Cosme Velho, No. 103, Rio de Janeiro, Brazil, 22241-090
Market Self S.A.	Distribution Services	26.50	Ordinary	Av. Paseo Colón 221, 6th Floor, Buenos Aires, Argentina, C1063ACC
Ooberstock Limited	Wholesale Services	8.16	Ordinary	9 Queens Square, Ascot Business Park, Ascot, Berkshire, United Kingdom, SL5 9FE
Redpoint Music Limited	Dissolved	50	Ordinary	5 Merchant Square, London, United Kingdom, W2 1AS