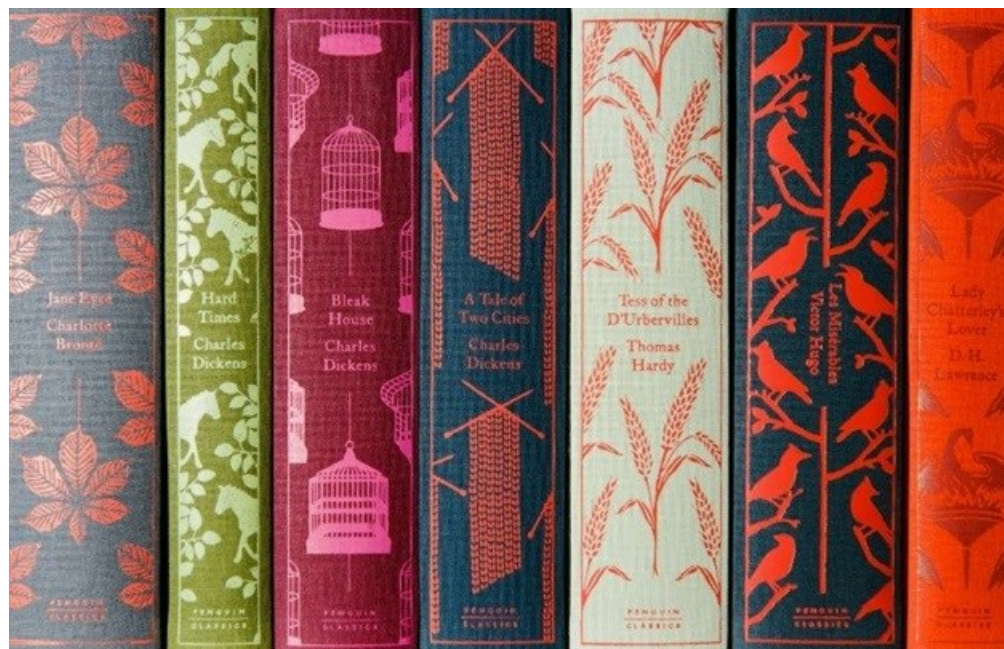


Pearson to sell 22% of Penguin Random House to Bertelsmann

LONDON - British publisher Pearson said Tuesday it has agreed to sell almost half of its stake in Penguin Random House (PRH) to joint venture partner Bertelsmann.



[AFP/File / Leon Neal](#)

The 22-percent stake in PRH is being offloaded for \$1.0 billion (877 million euros), a Pearson statement said. Bertelsmann will then own 75 percent and Pearson will be left with 25 percent.

Pearson had earlier this year signalled its intention to lower its holding in PRH. The transaction values PRH at \$3.55 billion.

The joint venture - billed as the world's leading mass publisher - was created in 2013 by combining Pearson's Penguin imprint with Bertelsmann's Random House.

London-listed Pearson added Tuesday it would use the proceeds to strengthen its balance sheet and return 300 million to shareholders via a share buyback.

Pearson added that it would continue to maintain a "significant" income stream from its remaining share in Penguin.

The deal is expected to complete in September 2017, subject to regulatory approval.

Back in January, Pearson issued a gloomy profit warning that sent its share price tumbling -- and said it would sell holdings in PRH.

The company is largely dependent on the education market, after it shed the Financial Times newspaper and half of the Economist Group in 2015.

In a radical restructuring in early 2016, Pearson axed 4,000 jobs - or ten percent of its workforce - in an effort to combat weak demand.

Source: AFP

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