Form 5500

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Annual Return/Report of Employee Benefit Plan

This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), and 6058(a) of the Internal Revenue Code (the Code).

▶ **Complete all entries in accordance with the instructions to the Form 5500.**

OMB Nos. 1210-0110
1210-0089

2010

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

A This return/report is for:
- [ ] a multiemployer plan;
- [ ] a multiple-employer plan; or
- [X] a single-employer plan;
- [ ] a DFE (specify) ____

B This return/report is:
- [ ] the first return/report;
- [ ] the final return/report;
- [ ] an amended return/report;
- [ ] a short plan year return/report (less than 12 months).

C If the plan is a collectively-bargained plan, check here. . . . . ▶ [ ]

D Check box if filing under:
- [X] Form 5558;
- [ ] automatic extension;
- [ ] the DFVC program;
- [ ] special extension (enter description)

Part II Basic Plan Information—enter all requested information

1a Name of plan
BERTELSMANN 401(K) SAVINGS PLAN

1b Three-digit plan number (PN) ▶ 004

1c Effective date of plan 04/01/1987

2a Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.)
BERTELSMANN, INC.

1745 BROADWAY
CORPORATE BENEFITS DEPT, 15TH FLOOR
NEW YORK, NY 10019

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CORPORATE BENEFITS DEPT, 15TH FLOOR
NEW YORK, NY 10019

2b Employer Identification Number (EIN) 95-2949493

2c Sponsor's telephone number 212-782-1150

2d Business code (see instructions) 511130

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	10/12/2011	ROBERT SORRENTINO
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

3a Plan administrator's name and address (if same as plan sponsor, enter "Same")

BERTELSMANN, INC.

1745 BROADWAY
CORPORATE BENEFITS DEPT, 15TH FLOOR
NEW YORK, NY 10019

3b Administrator's EIN
95-2949493

3c Administrator's telephone number
212-782-1150

4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report:

a Sponsor's name

4b EIN

4c PN

5	Total number of participants at the beginning of the plan year	**5**	6693
6	Number of participants as of the end of the plan year (welfare plans complete only lines **6a, 6b, 6c,** and **6d**).		
a	Active participants	**6a**	5074
b	Retired or separated participants receiving benefits	**6b**	86
c	Other retired or separated participants entitled to future benefits	**6c**	3523
d	Subtotal. Add lines **6a**, **6b**, and **6c**	**6d**	8683
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	**6e**	17
f	Total. Add lines **6d** and **6e**	**6f**	8700
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	8503
h	Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	77
7	Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	**7**	

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:

2E 2F 2G 2J 2K 2S 2T 3H

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:

9a Plan funding arrangement (check all that apply)

(1)		Insurance
(2)		Code section 412(e)(3) insurance contracts
(3)	X	Trust
(4)		General assets of the sponsor

9b Plan benefit arrangement (check all that apply)

(1)		Insurance
(2)		Code section 412(e)(3) insurance contracts
(3)	X	Trust
(4)		General assets of the sponsor

10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

(1)	X	**R** (Retirement Plan Information)
(2)		**MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
(3)		**SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

b General Schedules

(1)	X	**H** (Financial Information)
(2)		**I** (Financial Information – Small Plan)
(3)		___ **A** (Insurance Information)
(4)	X	**C** (Service Provider Information)
(5)	X	**D** (DFE/Participating Plan Information)
(6)		**G** (Financial Transaction Schedules)

SCHEDULE C (Form 5500)	Service Provider Information	OMB No. 1210-0110
Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ **File as an attachment to Form 5500.**	**2010** **This Form is Open to Public Inspection.**

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

A Name of plan
BERTELSMANN 401(K) SAVINGS PLAN

B Three-digit plan number (PN) ▶ 004

C Plan sponsor's name as shown on line 2a of Form 5500
BERTELSMANN, INC.

D Employer Identification Number (EIN)
95-2949493

Part I Service Provider Information (see instructions)

You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions).. . . . . [X] Yes [ ] No

b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

FIDELITY INV INST OPS CO

04-2647786

(b) Enter name and EIN or address of person who provided you disclosure on eligible indirect compensation

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2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

FIDELITY INVESTMENTS INSTITUTIONAL

04-2647786

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
64 65 37 60	RECORDKEEPER	97834	Yes [X] No [ ]	Yes [X] No [ ]	0	Yes [X] No [ ]

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes [ ] No [ ]	Yes [ ] No [ ]		Yes [ ] No [ ]

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes [ ] No [ ]	Yes [ ] No [ ]		Yes [ ] No [ ]

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	**(c)** Relationship to employer, employee organization, or person known to be a party-in-interest	**(d)** Enter direct compensation paid by the plan. If none, enter -0-.	**(e)** Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	**(f)** Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	**(g)** Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	**(h)** Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	**(c)** Relationship to employer, employee organization, or person known to be a party-in-interest	**(d)** Enter direct compensation paid by the plan. If none, enter -0-.	**(e)** Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	**(f)** Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	**(g)** Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	**(h)** Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	**(c)** Relationship to employer, employee organization, or person known to be a party-in-interest	**(d)** Enter direct compensation paid by the plan. If none, enter -0-.	**(e)** Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	**(f)** Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	**(g)** Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	**(h)** Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received $1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
AF BALANCED R5 - AMERICAN FUNDS SER 95-2566717	0.05%

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
NORTHERN US TREAS A - NORTHERN TRUS 50 SOUTH LASALLE CHICAGO, IL 60603	0.05%

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
PRU/J GROWTH Z - PRUDENTIAL MUTUAL 22-3703799	0.25%

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

Part III **Termination Information on Accountants and Enrolled Actuaries (see instructions)**
(complete as many entries as needed)

a	Name:	**b** EIN:
c	Position:	
d	Address:	**e** Telephone:

Explanation:

a	Name:	**b** EIN:
c	Position:	
d	Address:	**e** Telephone:

Explanation:

a	Name:	**b** EIN:
c	Position:	
d	Address:	**e** Telephone:

Explanation:

a	Name:	**b** EIN;
c	Position:	
d	Address:	**e** Telephone:

Explanation:

a	Name:	**b** EIN;
c	Position:	
d	Address:	**e** Telephone:

Explanation:

SCHEDULE D (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

DFE/Participating Plan Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2010

This Form is Open to Public Inspection.

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

A Name of plan
BERTELSMANN 401(K) SAVINGS PLAN

B Three-digit plan number (PN) ▶ 004

C Plan or DFE sponsor's name as shown on line 2a of Form 5500
BERTELSMANN, INC.

D Employer Identification Number (EIN)
95-2949493

Part I Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs)

(Complete as many entries as needed to report all interests in DFEs)

a Name of MTIA, CCT, PSA, or 103-12 IE: FIDELITY MIP II CL 3

b Name of sponsor of entity listed in (a): FIDELITY MANAGEMENT TRUST COMPANY

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
04-3022712-025	C	114228683

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

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b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

SCHEDULE H (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Financial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2010

This Form is Open to Public Inspection

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

A Name of plan
BERTELSMANN 401(K) SAVINGS PLAN

B Three-digit plan number (PN) ▶ 004

C Plan sponsor's name as shown on line 2a of Form 5500
BERTELSMANN, INC.

D Employer Identification Number (EIN)
95-2949493

Part I Asset and Liability Statement

1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)		
(2) Participant contributions	1b(2)		
(3) Other	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)	12382290	12606003
(9) Value of interest in common/collective trusts	1c(9)	119053263	114228683
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)	389359071	440233181
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)		

			(a) Beginning of Year	(b) End of Year
1d	Employer-related investments:			
	(1) Employer securities	1d(1)		
	(2) Employer real property	1d(2)		
e	Buildings and other property used in plan operation	1e		
f	Total assets (add all amounts in lines 1a through 1e)	1f	520794624	567067867
	Liabilities			
g	Benefit claims payable	1g		
h	Operating payables	1h		
i	Acquisition indebtedness	1i		
j	Other liabilities	1j		
k	Total liabilities (add all amounts in lines 1g through1j)	1k	0	0
	Net Assets			
l	Net assets (subtract line 1k from line 1f)	1l	520794624	567067867

Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

	Income		(a) Amount	(b) Total
a	**Contributions:**			
	(1) Received or receivable in cash from: **(A)** Employers	2a(1)(A)	15759351	
	(B) Participants	2a(1)(B)	21355858	
	(C) Others (including rollovers)	2a(1)(C)	1281615	
	(2) Noncash contributions	2a(2)		
	(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		38396824
b	**Earnings on investments:**			
	(1) Interest:			
	(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
	(B) U.S. Government securities	2b(1)(B)		
	(C) Corporate debt instruments	2b(1)(C)		
	(D) Loans (other than to participants)	2b(1)(D)		
	(E) Participant loans	2b(1)(E)	683566	
	(F) Other	2b(1)(F)		
	(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		683566
	(2) Dividends: **(A)** Preferred stock	2b(2)(A)		
	(B) Common stock	2b(2)(B)		
	(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	10963381	
	(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		10963381
	(3) Rents	2b(3)		
	(4) Net gain (loss) on sale of assets: **(A)** Aggregate proceeds	2b(4)(A)		
	(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
	(C) Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result	2b(4)(C)		

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		
(6) Net investment gain (loss) from common/collective trusts	2b(6)		4702158
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		43700685
c Other income	2c		
d Total income. Add all **income** amounts in column (b) and enter total	2d		98446614
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	54002127	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		54002127
f Corrective distributions (see instructions)	2f		3374
g Certain deemed distributions of participant loans (see instructions)	2g		8126
h Interest expense	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)	99664	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		99664
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		54113291
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d	2k		44333323
l Transfers of assets:			
(1) To this plan	2l(1)		1939920
(2) From this plan	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☐ Unqualified (2) ☐ Qualified (3) ☒ Disclaimer (4) ☐ Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? ☒ Yes ☐ No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: CARON & BLETZER (2) EIN: 04-3499945

d The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete 4j and 4l. MTIAs also do not complete 4l.

During the plan year:

		Yes	No	Amount
a	Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)	4a		X	
b	Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)	4b		X	
c	Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)	4c		X	
d	Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)	4d		X	
e	Was this plan covered by a fidelity bond?	4e	X		20000000
f	Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	4f		X	
g	Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	4g		X	
h	Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?	4h		X	
i	Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	4i	X		
j	Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)	4j		X	
k	Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	4k		X	
l	Has the plan failed to provide any benefit when due under the plan?	4l		X	
m	If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	4m		X	
n	If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.	4n		X	

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year? If yes, enter the amount of any plan assets that reverted to the employer this year ☐ **Yes** ☒ **No** **Amount:**

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	**5b(2)** EIN(s)	**5b(3)** PN(s)

SCHEDULE R (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Retirement Plan Information

This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2010

This Form is Open to Public Inspection.

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

A Name of plan
BERTELSMANN 401(K) SAVINGS PLAN

B Three-digit plan number (PN) ▶ 004

C Plan sponsor's name as shown on line 2a of Form 5500
BERTELSMANN, INC.

D Employer Identification Number (EIN)
95-2949493

Part I Distributions

All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions **1** 0

2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):

EIN(s): 04-6568107

Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.

3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year. **3**

Part II Funding Information (If the plan is not subject to the minimum funding requirements of section of 412 of the Internal Revenue Code or ERISA section 302, skip this Part)

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

If the plan is a defined benefit plan, go to line 8.

5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. **Date:** Month _____ Day _____ Year _____

If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.

6 **a** Enter the minimum required contribution for this plan year **6a**

b Enter the amount contributed by the employer to the plan for this plan year **6b**

c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount) **6c**

If you completed line 6c, skip lines 8 and 9.

7 Will the minimum funding amount reported on line 6c be met by the funding deadline? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

Part III Amendments

9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box(es). If no, check the "No" box. ..... ☐ **Increase** ☐ **Decrease** ☐ **Both** ☐ **No**

Part IV ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? ..... ☐ **Yes** ☐ **No**

11 **a** Does the ESOP hold any preferred stock? ..... ☐ **Yes** ☐ **No**

b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) ..... ☐ **Yes** ☐ **No**

12 Does the ESOP hold any stock that is not readily tradable on an established securities market? ..... ☐ **Yes** ☐ **No**

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

14 Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	**14a**	
b The plan year immediately preceding the current plan year	**14b**	
c The second preceding plan year	**14c**	

15 Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	**15a**	
b The corresponding number for the second preceding plan year	**15b**	

16 Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	**16a**	
b If item 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	**16b**	

17 If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

18 If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐

19 If the total number of participants is 1,000 or more, complete items (a) through (c)

a Enter the percentage of plan assets held as:
Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

b Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate item 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify):

BERTELSMANN 401(k) SAVINGS PLAN

FINANCIAL STATEMENTS

December 31, 2010 and 2009 and
For the Year Ended December 31, 2010



CARON & BLETZER, PLLC

Certified Public Accountants and Business Consultants

BERTELSMANN 401(k) SAVINGS PLAN
INDEX OF FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULE
December 31, 2010 and 2009

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Financial Statements:	
Statements of Net Assets Available for Plan Benefits December 31, 2010 and 2009	2
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Supplemental Schedule:	
Schedule H, Line 4(i)-Schedule of Assets (Held at End of Year) December 31, 2010	15

Certain supplemental schedules have been omitted because they are either not required or not applicable.

FINANCIAL STATEMENTS AND SUPPLEMENTAL
SCHEDULE TO ACCOMPANY THE 2010 FORM 5500
ANNUAL REPORT OF EMPLOYEE BENEFIT PLAN
UNDER ERISA OF 1974

C&B

CARON & BLETZER, PLLC

Certified Public Accountants and Business Consultants

51 Church Street, P.O. Box 668
Kingston, NH 03848-0668
Tel: (603) 642-4862
Fax: (603) 642-6446

Independent Auditors' Report

To the Administrator of the
Bertelsmann 401(k) Savings Plan:

We were engaged to audit the financial statements and supplemental schedule of the Bertelsmann 401(k) Savings Plan (the "Plan") as of December 31, 2010 and 2009 and for the year ended December 31, 2010 as listed in the accompanying index. The financial statements and supplemental schedule are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note E, which was certified by Fidelity Management Trust Company, the trustee of the Plan, except for comparing such information with the related information included in the financial statements and supplemental schedule. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the trustee as of December 31, 2010 and 2009 and for the year ended December 31, 2010, that the information provided to the plan administrator by the trustee is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and supplemental schedule taken as a whole. The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by the trustee, has been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, is presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Caron & Bletzer, PLLC

Kingston, NH
September 28, 2011

BERTELSMANN 401(k) SAVINGS PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR PLAN BENEFITS
December 31, 2010 and 2009

	2010	2009
Investments, at fair value:		
Mutual funds	$ 440,233,181	$ 389,359,071
Common collective trust	114,228,683	119,053,263
Total investments	554,461,864	508,412,334
Receivables:		
Employer contributions	1,014,316	1,072,827
Notes receivable from participants	12,606,003	12,382,290
Total receivables	13,620,319	13,455,117
Net assets available for plan benefits at fair value	568,082,183	521,867,451
Adjustment from fair value to contract value for interest in common collective trust relating to fully benefit-responsive investment contracts	(1,127,931)	1,495,795
Net assets available for plan benefits	$ 566,954,252	$ 523,363,246

The accompanying notes are an integral part of the financial statements.

BERTELSMANN 401(k) SAVINGS PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR PLAN BENEFITS
For the year ended December 31, 2010

	2010
Additions:	
Participant contributions	$ 21,355,858
Rollover contributions	1,281,615
Employer contributions	15,700,840
Net appreciation in fair value of investments	43,702,005
Dividend and interest income	13,724,059
Total additions	95,764,377
Deductions:	
Distributions to participants	54,013,627
Administrative expenses	99,664
Total deductions	54,113,291
Net increase	41,651,086
Transfer in from the Ten Speed Press 401(k) and Profit Sharing Plan	1,939,920
Net assets available for plan benefits, beginning of year	523,363,246
Net assets available for plan benefits, end of year	$ 566,954,252

The accompanying notes are an integral part of the financial statements.

A. PLAN DESCRIPTION:

The following description of the Bertelsmann 401(k) Savings Plan (the "Plan") is provided for general information purposes only. Participants should refer to the Plan document for more detailed information.

General

The Plan is a defined contribution plan covering employees of Bertelsmann, Inc. and certain participating affiliated companies as listed in the plan document (collectively the "Company"). The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

The Plan covers substantially all Company employees, except those individuals who are covered by a collective bargaining agreement, active participants in another defined contribution plan maintained by the Company, leased employees, or non-resident aliens. Employees are eligible to participate immediately upon hire provided they are expected to complete 1,000 hours of service in the twelve-month period beginning with their date of hire. Employees who are not expected to complete 1,000 hours of service become eligible to enter the Plan once they have met the 1,000 hour requirement as provided in the Plan. Participants become eligible to receive matching contributions on the first anniversary of their date of hire.

On July 1, 2005, Columbia House was acquired by Bertelsmann, Inc. and was merged with BMG Direct to form BMG Columbia House. Effective December 31, 2005, the Columbia House Employee Investment Fund ("Columbia House Plan") was amended to freeze benefits for its participants. As of January 1, 2006, active Columbia House Plan employees were able to participate in the Bertelsmann, Inc. 401(k) Savings Plan. The Columbia House Plan was merged with and into the Bertelsmann 401(k) Savings Plan on December 15, 2006.

On April 9, 2007, Bookspan became a member of the controlled group of the Company as result of the acquisition by Bookspan Holdings LLC of the 50% interest in Bookspan owned by Book-of-the-Month Club Holdings. The Bookspan 401(k) Savings Plan was merged with and into the Bertelsmann 401(k) Savings Plan on December 28, 2007.

Effective January 1, 2008 Sonopress LLC and Arvato Services, Inc.("ASI") merged into Arvato Digital Services LLC ("ADS"), a new company that became a participating employer in the Plan. Former employees of ASI and employees hired by ADS on and after January 1, 2008 are not eligible to receive special contributions.

Effective January 1, 2008 the Plan was amended to provide that Direct Brands, Inc. formally known as Direct Group North America, Inc. and before that as Bertelsmann Direct North America, Inc. ("Direct Brands"), shall continue to participate in the Plan as a participating company following its sale, effective August 11, 2008, until December 31, 2008, during which period, service for Direct Brands shall continue to be credited for purposes of eligibility and vesting and any special contributions credited to the accounts of participants who were employees of Direct Brands on August 11, 2008 shall be fully vested on such date.

Effective as of December 31, 2009, the Random House, Inc. Incentive Investment Plan (the “Random House Plan”), was merged with and into the Plan.

Phillip Wood, Inc., dba Ten Speed Press was acquired by Random House, Inc. February 27, 2009 and the Ten Speed Press 401(k) and Profit Sharing Plan was merged into the Bertelsmann 401(k) Savings Plan January 13, 2010.

Contributions

Participants may make pre-tax or after-tax Roth contributions in amounts up to 75% of their compensation (as defined by the Plan), subject to Internal Revenue Code ("IRC") limitations. The Company shall make Company Matching Contributions to the Plan equal to 100% of the participant's contributions up to 6% of the participant's compensation. Participants who are at least age 50 may make an additional pre-tax "catch-up" contribution subject to IRC limitations. Participants may also contribute funds from another qualified retirement plan (“rollover contributions”), subject to certain requirements.

Eligible employees with employment commencement dates on or after July 1, 2005 will be automatically enrolled in the Plan 60 days after their eligibility date if they have not affirmatively elected to participate or opt-out. Pre-tax automatic contributions of 3% for all companies, effective July 1, 2007, of compensation as defined by the plan document will begin with the first pay period occurring 60 days after the participant's eligibility date. The participant may elect to cease or change the amount of these contributions at any time. Effective January 1, 2009, the Plan was amended to provide for automatic increases of 1% each year in the automatic enrollment deferral rate up to a maximum of 6% for employees hired or rehired after January 1, 2005.

Certain employees of Arvato Systems, FremantleMedia NA, Inc., and Bertelsmann, Inc. are also eligible for an additional Company contribution in an amount equal to a percentage of their covered earnings, based on their age and years of service. This contribution is a replacement benefit since these employees ceased active participation in another Company pension plan. These Company contributions amounted to $446,677 for the year ended December 31, 2010.

As a result of the Company freezing participation for Berryville Graphics, Inc. ("Berryville"), Dynamic Finishing, Inc. ("Dynamic") and Sonopress LLC ("Sonopress") in the Bertelsmann Pension Account Plan, the Plan was amended effective January 1, 2007 for Berryville and April 1, 2007 for Dynamic and Sonopress to provide special Company contributions for affected participants employed by these affiliated participating companies. These special contributions are based on a participant's compensation and years of service. Sonopress eliminated the special contribution effective December 31, 2008. Special contributions amounted to $485,895 for the year ended December 31, 2010.

Participant Accounts

Each participant's account is credited with the participant's contributions, the participant's allocation of the Company's contributions, and the participant's proportional allocation of the Plan's earnings, including realized and unrealized gains and losses, and expenses. Participants determine the percentage in which contributions are to be invested in each fund. Participants may change their investment options as set forth in the plan document.

Vesting

Participants are fully and immediately vested in their contributions and Company matching contributions to the Plan.

Eligible employees of Arvato Systems, BMG Music Publishing, FremantleMedia NA, Inc., and Bertelsmann, Inc. become fully vested in the additional Company contributions upon completion of five years of vesting service prior to September 1, 2006. After September 2006, the vesting schedule for Company contributions changed to three years of vested service for participants employed on such date. Eligible employees of Berryville, Dynamic and Sonopress become fully vested in the additional Company contributions upon completion of three years of vesting service.

Forfeitures

When certain terminations of participation in the Plan occur, the nonvested portion of a participant's account represents a forfeiture, as defined by the Plan. If a forfeiting participant is re-employed and fulfills certain requirements, as set forth in the Plan, the participant's account will be restored. Forfeitures are used to reduce future employer contributions or pay administrative expenses of the Plan. Total unapplied forfeitures were $267,704 and $201,883 at December 31, 2010 and 2009, respectively. During 2010 $5,645 of forfeitures were used to pay expenses.

Participant Loans

A participant may borrow an aggregate amount up to the lesser of $50,000 or 50% of the participant's vested account balance, subject to plan limitations. The minimum loan allowed is $1,000. Loans must bear a reasonable rate of interest commensurate with local prevailing interest rates, as determined by the plan administrator. Loans are collateralized by the participant's nonforfeitable interest in the Plan and are supported by a promissory note. Loans must be repaid over a period not to exceed five years unless the loan proceeds are used for the purchase of a primary residence, in which case a longer repayment period is allowed. A participant may have no more than two loans outstanding at any one time. Participant loans are valued at the unpaid principal balance plus any accrued but unpaid interest and categorized as notes receivable from participants on the statements of net assets available for plan benefits. Delinquent participant loans are reclassified as distributions based upon the terms of the plan document.

Distribution of Benefits

The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account. Benefits may be distributed to participants upon termination of employment by reason of retirement, disability, death or other separation from service. Participants who terminate employment and have a vested account balance of less than $1,000 will receive a lump sum distribution of 100% of their vested benefits. Participants who have a vested account balance in excess of $1,000 may leave their funds invested in the Plan or may elect a lump sum distribution or installment payments.

A participant may also request a withdrawal upon attainment of age 59 1/2 or upon demonstration by the participant to the plan administrator that the participant is suffering from "hardship". Hardship is defined in applicable regulations promulgated or to be promulgated pursuant to Section 401(k) of the Internal Revenue Code or standards established by the Secretary of the Treasury or his delegate. Participants also have the option to withdraw rollover contributions to the Plan at any time.

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Adoption of Accounting Pronouncements

In January 2010, FASB issued Accounting Standards Update No. 2010-06, "Fair Value Measurements and Disclosures: Improving Disclosures about Fair Value Measurements" ("ASU 2010-06"). ASU 2010-06 requires new disclosures relating to certain transfers and other activity within the fair value hierarchy and provides clarification with respect to disclosures about inputs and valuation techniques and the level of disaggregation required for fair value measurement disclosures. The Plan adopted required provisions of this amendment on December 31, 2010, resulting in no effect on its financial position.

In September 2010, FASB issued Accounting Standards Update No. 2010-25, "Plan Accounting - Defined Contribution Pension Plans: Reporting Loans to Participants by Defined Contribution Pension Plans" ("ASU 2010-25"). ASU 2010-25 requires participant loans be classified as notes receivable from participants, which are segregated from plan investments and measured at their unpaid principal balance plus any accrued but unpaid interest. Participant loans were previously classified as investments at fair value. The Plan has retrospectively adopted the amendment for the Plan years ending December 31, 2010 and 2009, resulting in no effect on its financial position.

Basis of Accounting

The accompanying financial statements of the Plan are prepared on the accrual basis of accounting.

Investment contracts held by a defined contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for plan benefits of a defined contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. The statements of net assets available for plan benefits presents the fair value of the investment contracts as well as the adjustment of the fully benefit-responsive investment contracts from fair value to contract value. The statement of changes in net assets available for plan benefits is prepared on a contract value basis.

Use of Estimates

The preparation of financial statements in conformity with generally accepted U.S. accounting principles requires management to make significant estimates and assumptions that affect the reported amounts of net assets available for plan benefits and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Risks and Uncertainties

The Plan's investment securities are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk and uncertainty associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the participants' account balances and amounts reported in the statements of net assets available for plan benefits and the statement of changes in net assets available for plan benefits.

Investment Valuation

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date. See Note D for discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation (depreciation) includes the Plan’s gains and losses on investments bought and sold as well as held during the year.

Payment of Benefits

Benefits are recorded when paid.

Plan Expenses

In accordance with the Plan, all administrative expenses are paid by the Plan unless paid by the Company.

Reclassification

Certain 2009 amounts have been reclassified to conform with the presentation in the 2010 financial statements.

C. INVESTMENTS:

The following represents the Plan's investments as of December 31, 2010 or 2009 that represented 5% or more of the net assets available for plan benefits:

	2010		2009	
Fidelity MIP II Class 3	$ 114,228,683	*	$ 119,053,263	*
Fidelity Freedom 2020 Fund	39,788,703	*	35,737,972	*
Jennison Growth Fund	49,017,712	*	47,242,029	*
PIMCO Total Return Fund	44,169,731	*	41,777,092	*
Vanguard Institutional Index Fund	75,088,653	*	68,964,457	*
Fidelity Diversified International Fund	29,086,475	*	27,875,607	*
Vanguard Extended Market Index Fund	41,932,637	*	34,520,540	*

* Represents 5% or more of net assets available for plan benefits.

During the year ended December 31, 2010 the Plan's mutual funds (including investments bought, sold and held during the year) appreciated in value by $43,702,005.

D. FAIR VALUE MEASUREMENTS:

Accounting standards establish a framework for measuring fair value. That framework sets forth a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described below.

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2 - Inputs to the valuation methodology are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; or other inputs that are observable or can be corroborated by observable market data for substantially the full terms of the assets or liabilities.

Level 3 - Inputs to the valuation methodology are unobservable and supported by little or no market activity and are significant to the fair value of the assets or liabilities.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

Following is a description of the valuation methodologies used by the Plan. There have been no changes in the methodologies used at December 31, 2010 and 2009.

Mutual funds – Valued at the net asset value of the shares held by the Plan at year end as determined by quoted market prices.

Common collective trusts – Valued at net asset value as reported in the audited financial statements by the investment manager based on the fund's underlying assets. The common collective trusts are audited annually.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following tables set forth by level and by investment class, within the fair value hierarchy, the Plan's assets at fair value as of December 31:

	2010			
Description	Total	Level 1	Level 2	Level 3
Common collective trust:				
Stable value	$ 114,228,683	$ -	$ 114,228,683	$ -
Mutual funds:				
Small-value	8,881,093	8,881,093	-	-
Mid-cap blend	50,008,482	50,008,482	-	-
Large value	12,231,867	12,231,867	-	-
Large blend	131,562,042	131,562,042	-	-
Large growth	29,086,475	29,086,475	-	-
Target date	107,899,489	107,899,489	-	-
Foreign large blend	1,283,775	1,283,775	-	-
Intermediate term bond	44,169,731	44,169,731	-	-
High yield bond	11,651,870	11,651,870	-	-
Moderate allocation	25,728,097	25,728,097	-	-
Intermediate government	10,688,544	10,688,544	-	-
Real estate	7,041,716	7,041,716	-	-
Total mutual funds	440,233,181	440,233,181	-	-
Total	$ 554,461,864	$ 440,233,181	$ 114,228,683	$ -

	2009			
Description	Total	Level 1	Level 2	Level 3
Common collective trust:				
Stable value	$ 119,053,263	$ -	$ 119,053,263	$ -
Mutual funds:				
Small-value	6,101,862	6,101,862	-	-
Mid-cap blend	40,124,737	40,124,737	-	-
Large value	10,164,639	10,164,639	-	-
Large blend	122,920,639	122,920,639	-	-
Target date	90,615,627	90,615,627	-	-
Foreign large blend	28,368,302	28,368,302	-	-
Intermediate term bond	41,777,092	41,777,092	-	-
High yield bond	9,854,567	9,854,567	-	-
Moderate allocation	24,404,481	24,404,481	-	-
Intermediate government	10,223,882	10,223,882	-	-
Real estate	4,803,243	4,803,243	-	-
Total mutual funds	389,359,071	389,359,071	-	-
Total	$ 508,412,334	$ 389,359,071	$ 119,053,263	$ -

The common collective trust held by the Plan is a stable value investment which has an objective to preserve capital and to provide a competitive level of income over time that is consistent with the preservation of capital. To achieve the objective the fund invests in fixed-income securities, bond funds and money market funds. Redemptions are allowed daily for participants; however the Plan is subject to a twelve month redemption notice period. There are no unfunded commitments.

E. COMPLIANCE AND ERISA:

The plan administrator has elected the method of compliance permitted under 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. Accordingly, no auditing procedures with respect to the information certified by Fidelity Management Trust Company, the trustee of the Plan, were performed by the independent auditors except for comparing the information to the financial statements and supplemental schedule. The trustee has certified as to the completeness and accuracy of the investments (including notes receivable from participants) held by the Plan as of December 31, 2010 and 2009 the investment earnings and other investment-related transactions of the Plan for the year ended December 31, 2010, and the information contained in the Schedule of Assets (Held at End of Year).

F. PARTIES-IN-INTEREST:

Section 3(14) of ERISA defines a party-in-interest to include, among others, fiduciaries or employees of the Plan, any person who provides services to the Plan or an employer whose employees are covered by the Plan. Accordingly, loans to participants and the management of investments held by the trustee are considered party-in-interest transactions.

G. TAX STATUS:

The Internal Revenue Service ("IRS") has determined and informed the Company by a letter dated November 30, 2011 that the Plan and related trust are designed in accordance with applicable sections of the Internal Revenue Code. Previously, the Plan was subject to a favorable determination dated June 17, 2003. The Plan administrator and the Plan's tax counsel believe that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC.

Accounting standards require recording uncertain income tax positions that exist in the Plan's financial statements. Plan management has determined there are no uncertain tax positions and believes there is no adjustment or disclosure required in the Plan's financial statements. The Plan did not recognize any interest and penalty expense for the year ended December 31, 2010. The Form 5500 remains subject to examination by the IRS for the years ended December 31, 2007 through December 31, 2010.

H. PLAN TERMINATION:

Although the Plan was established with the intention that it will continue indefinitely, the Company retains the right to discontinue its contributions at any time or to terminate the Plan, subject to the provisions of ERISA.

I. SUBSEQUENT EVENTS:

The Company has evaluated subsequent events through September 28, 2011, the date these financial statements were available for issuance.

J. MERGER INTO PLAN:

Effective January 13, 2010, the Ten Speed Press 401(k) and Profit Sharing Plan (the "Ten Speed Plan"), was merged with and into the Plan, and the Ten Speed Plan ceased to exist as a separate plan as of that date.

K. RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500:

The following is a reconciliation of net assets available for plan benefits on the financial statements to the Form 5500 for the years ended December 31:

	2010	2009
Net assets available for plan benefits on the financial statements	$ 566,954,252	$ 523,363,246
Adjustment from fair value to contract value for interest in common collective trust relating to fully benefit-responsive investment contracts	1,127,931	(1,495,795)
Employer contributions receivable not on the Form 5500	(1,014,316)	(1,072,827)
Net assets available for plan benefits on the form 5500	$ 567,067,867	$ 520,794,624

The following is a reconciliation of net investment income on the financial statements to the Form 5500 for the year ended December 31, 2010:

Net investment income on the financial statements	$ 57,426,064
Adjustment from fair value to contract value for interest in common collective trust relating to fully benefit-responsive investment contracts for the years ended:	
December 31, 2009	1,495,795
December 31, 2010	1,127,931
Net investment income on the Form 5500	$ 60,049,790

The following is a reconciliation of employer contributions on the financial statements to the Form 5500 for the year ended December 31, 2010:

Contributions on the financial statements	$ 15,700,840
Contributions receivable not on the Form 5500 as of:	
December 31, 2009	1,072,827
December 31, 2010	(1,014,316)
Contributions on the Form 5500	$ 15,759,351

BERTELSMANN 401(k) SAVINGS PLAN
EIN: 95-2949493
Plan Number: 004
SCHEDULE H, LINE 4(i)-SCHEDULE OF ASSETS (HELD AT END OF YEAR)
December 31, 2010

(a)	(b) Identity of issue, borrower, lessor or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par or maturity value	(d) Cost	(e) Current value
*	Fidelity MIP II Class 3	Common collective trust	**	$ 114,228,683
	Vanguard Institutional Index Fund	Mutual fund	**	75,088,653
	PIMCO Total Return Fund	"	**	44,169,731
	PIMCO High Yield Fund	"	**	11,651,870
	Jennison Growth Fund	"	**	49,017,712
	DWS RREEF Real Estate Securities Fund	"	**	7,041,716
	American Funds Balanced Fund	"	**	25,728,097
	ABF Small Cap Value Fund	"	**	8,881,093
	Vanguard Extended Market Index Fund	"	**	41,932,637
	Northern US Treasury Fund	"	**	10,688,544
	ABF Large Cap Value Fund	"	**	12,231,867
	Vanguard FTSE All-World Ex-US Index Fund	"	**	1,283,775
*	Fidelity Diversified International Fund	"	**	29,086,475
*	Fidelity Low Priced Stock Fund	"	**	8,075,845
*	Fidelity Freedom Income Fund	"	**	7,455,677
*	Fidelity Freedom 2005 Fund	"	**	610,361
*	Fidelity Freedom 2010 Fund	"	**	6,065,753
*	Fidelity Freedom 2015 Fund	"	**	12,131,556
*	Fidelity Freedom 2020 Fund	"	**	39,788,703
*	Fidelity Freedom 2025 Fund	"	**	10,146,147
*	Fidelity Freedom 2030 Fund	"	**	8,545,302
*	Fidelity Freedom 2035 Fund	"	**	9,582,064
*	Fidelity Freedom 2040 Fund	"	**	11,102,946
*	Fidelity Freedom 2045 Fund	"	**	5,129,718
*	Fidelity Freedom 2050 Fund	"	**	4,796,939
	Total investments per the statement of net assets available for plan benefits			554,461,864
*	Participant Loans	(4.25% - 10.50%)	-	12,606,003
	Total investments per the Form 5500			$ 567,067,867

** Cost omitted for participant directed investments.
* Denotes a party-in-interest to the Plan.

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	DWS RREEF Real Estate Securities Fund	"	**	7,041,716
	American Funds Balanced Fund	"	**	25,728,097
	ABF Small Cap Value Fund	"	**	8,881,093
	Vanguard Extended Market Index Fund	"	**	41,932,637
	Northern US Treasury Fund	"	**	10,688,544
	ABF Large Cap Value Fund	"	**	12,231,867
	Vanguard FTSE All-World Ex-US Index Fund	"	**	1,283,775
*	Fidelity Diversified International Fund	"	**	29,086,475
*	Fidelity Low Priced Stock Fund	"	**	8,075,845
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