

Doch uns ist gegeben,  
auf keiner Stätte zu ruhn...  
Holderlin

Dear all,

I suppose you can imagine how many days and weeks I have been thinking in doing that or leave it, like many other important things. I have had fear and I continue having it. A lot of fear. I am affraid because of corporative reactions: at the end I manage a group of companies (anyhow we are the third country in turnover of G and J) but far from Hamburg or Gütersloh, far from the power. My work is my life, my team is somehow my family. But principles are there. And dignity too. The Code of Conduct (CC) have finally pushed me to have the courage enough to be here now.

The CC was presented formally to me the last 21st of October by Immanuel Hermreck in a Spanish LAKO Meeting presided by Dr. Kundrun. Great work of Social and Corporate responsibility! Something to feel really proud about it! Dr. Kunfrun have said that is the starting of a new phase and a way to avoid power abuses and bad entrepreneurial practices. A way to preserve the spirit of Bertelsmann.

#### FIRST DENUNTIATION

I have to make a denuntiation against the G and J's International President and Board Member of Grunner und Jahr AG, Dr. Torsten Klein. The extra-ordinary pression for the results has arrived till a very difficult point (perhaps unlawful), following the Auditing Laws, but even more important following our CC.

The case: we have to arrive, year by year, to the Ebit figures recommended 'whatever the way'. To arrive to these figures we have to do 'engeneering acountancy'. I have to remark that first is unlawful and second, each Ebit exageration will pass to next year as looses. Around the 30% of this 'obliged' Ebit in 2008, over 10 Mio for the Group in Spain, would come next year 2009 as looses. Precisely in what could it be the worst economical year of ever! This is important entrepreneurial mistake, just thinking in the micoscropical short term and not taking into consideration that the companies should continue after our own management participation. In ethic terms is simply a lye whatever the big

reason is behind. In these cases there is always a very important reason to do so and to convince without any written instruction the CEOs. This year is the Impairment due to the purchasing price of Motorpress: we have to arrive in Spain to 10 Mio. to avoid it: don't ask me how but do it, he has said. No matter the Spanish economic big crisis. No matter what will it happens afterwards in 2009. No matter that probably the mistake has been the price paid for the company: one mistake is enough, we can't continue doing mistakes year after year because we made the first one. It will be a 'snowball' becoming bigger and bigger if we don't stop this vicious circle.

In 2007 as well (and some Mio have come in 2008 as losses) because of the strong pressure. I have followed with 'hierarchical obedience'. Now the CC gives me strength enough to make this formal denunciation against a very important employee of the G and J Group. I have realised that he is just another simple employee and with the same obligations, or even more being in his important position, to follow the CC like all the others employees.

I am sure that the Bertelsmann Group will do the investigation needed and me and my team will open the accountancy and say the concrete places where the 'engineering' has been done due to this way of working: we can call it Management By Fear (MBF). Let's keep in mind this MBF. There is something very curious: when all the this 'engineering' in 2007 have appeared in 2008, at the beginning of the year, nobody have asked a question to any of us, nobody have said we can't continue doing these traps and/or botch-ups. It was assumed. No warning to none. Silent was the way. You would see in the investigation that the situation of the first months of 2008 normally must require hundred questions! Any question was made!

We have to independent Board members in Spain: Iñaki Urdangarín, worldwide well known, and Xavier Mendoza (ESADE's Dean. This a BusinessSchool (BS) based in Barcelona and used by Bertelsmann University to do some Seminars of Leadership for our employees. Following the Wall Street Journal is the seventh best BS in the world ranking). They wouldn't continue with us that way. That way I would also consider that my contract has been finished unilaterally by the company, after working 16 years in the group (16 in Motorpress Ibérica -MPIB-, the last 3 together in the G and J Group and the last two in front of GPS and MPIB) and giving extraordinary results for the companies I have managed. It would happen because the companies wouldn't follow the ethics required. But we have the

CC and things could change. I am confident and even enthusiastic. I believe in the CC.

I will not sign from now on the accounts if there is not the true situation of our companies. And more, I will say right now to my collaborators: let's stop with these practices! We all are playing with fire and with the only asset that we as managers could have: honesty and results capacity without traps and/or botch-ups. If something happens we will not find a new job ever! We love to work for this group but we have also families, responsibilities, and we want to have the possibility to have clean our CV just in case we need to look for another job whatever the reason.

Even I would really appreciate to explain the results of Spain to a 'right interlocutor' of the Group and without this MBF, threats and revanchism flying all around. We need it and we deserve it. We are in 2008 the best publishing group of Spain and the only one that will finish this horrible year with positive results. Next year 2009 we start with a great agreement with the workers that will make us save more than 2.5 Mio. Not only this will repercute in 2009, we have saved it for ever. We are proud to reach such a difficult agreement. We can face 2009 onwards with a big advantage compare with our competitors.

## SECOND DENUNTIATION

I have to make a denuntiation about the way of valorating our boss. I have made it for Dr. Torsten Klein the other day. The method: to send our scoring to another subordinate of him, a very good and professional colleague of us. Another member of our frequent International CEO's Meeting, which I belong to. Could we say the truth following this method? Is difficult, knowing the MBF of this person, that someone of us have responded what we truly believe? Should be someone of us the right person who recollects the answers? or Should be a third part, not involved and independent of the same boss we are scoring? Maybe a person not depending (salary, bonus, promotions, future career, etc.) on the boss evaluated? I am sure that with the method choosen the scoring will be good, even very good, no doubt.

In my modest understanding this scoring has not value at all. If the group repeat it via a clear independent department of G and J or Bertelsmann would be easy to appreciate the big differences created following the method used as a part of tools of MBF and a normal and credible one.

Thanks for your attention and time. Best regards,

JoseLuis Samaranch

President and CEO of GPS (JV of G+J Spain and Motorpress Ibérica)  
CEO of Motorpress Ibérica, President and CEO of Motorpress Rodale,  
President and CEO of our companies in Portugal, Mexico, Brazil,  
Argentina and Columbia.

Member of the International CEOs Meetings of G and J and  
Member of the International Board Meeting of Motorpress