



For Immediate Release

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**NAJAFI COMPANIES TO ACQUIRE DIRECT MARKETING UNIT FROM
BERTELSMANN:**

Direct Group North America is home to household brands such as Book-of-the-Month Club and Columbia House

Phoenix, Ariz. - July 11, 2008 – Najafi Companies, a Phoenix, Ariz.-based private investment company, has agreed to acquire the direct-to-consumer business, Direct Group North America, the two companies announced today. The sale agreement, which was concluded this week, is expected to close in the third quarter of 2008. Financial terms between the parties, both privately held, were not disclosed.

Direct Group North America is the largest direct marketer of books, DVD's, and recorded music in the U.S. and Canada. Its many well-known consumer brands, such as Book-of-the-Month Club and Columbia House, serve millions of members throughout North America through their club catalogues and online.

"We are very excited to enter the direct-to-consumer business and to work closely with Direct Group North America's management team to ensure the future success and growth of the company" said Najafi Companies CEO Jahm Najafi. "We believe that the winning combination of great brands and dedicated employees signals an exciting new chapter in this company's story."

"We are pleased to announce the sale of Direct Group North America to Najafi Companies, whose past investments have demonstrated an ability to nurture and grow successful companies," said Thomas Rabe, CFO of Bertelsmann AG and the person responsible for Direct Group North America on Bertelsmann's Executive Board.

About Najafi Companies

Najafi Companies is a private investment firm based in Phoenix, Arizona. The firm makes highly-selective investments up to \$1 billion in size in companies with strong management teams across a variety of industries, and often in industries out of popular favor. The firm takes a long-term view on its investments and focuses its efforts to create value through growth and superior performance. Najafi Companies funds investments with internally generated capital, not through a fund. Free from the restrictions of a fund, the firm is able to move quickly and decisively when investing, and with no requirements to return capital to outside partners, Najafi Companies is able to make



investments that create maximum value for the long term. For more information about Najafi Companies, visit www.najafi.com.

About Direct Group North America

Direct Group North America is one of the largest direct-to-consumer distributors of media products in the U.S. The company is home to music, DVD and book club brands such as BMG Music Service, Columbia House DVD, BOMC2.com, Doubleday Book Club, and Book of the Month Club as well as a number of special interest and lifestyle book clubs. The company serves members in the U.S. and Canada through its various club catalogs and online. Bertelsmann Direct North America has offices in New York, Pennsylvania, Indiana, South Carolina and Toronto, Canada.