



Press release from the tolino alliance

Change in technology partner at the tolino alliance

- Deutsche Telekom sells the tolino ecosystem to Kobo
- The tolino alliance welcomes leading global e-reading provider Kobo as its new technology partner
- tolino remains eReading brand for the German-speaking region

Augsburg, Bonn, Hagen, Munich, Toronto, 2 January 2017 – The book retailers in the tolino alliance have a new technology partner. Rakuten Kobo Inc. from Canada, one of the world's fastest-growing eReading service providers, will acquire the tolino technology platform from Deutsche Telekom at the end of January 2017 to become the new technology partner of the tolino alliance. The corresponding contracts have been signed. The founding book retail partners of the tolino alliance – Hugendubel, Thalia and Weltbild – are delighted to welcome Kobo as their new partner. It means that two of the leading providers in the global market for digital reading will be working closely together in future. The transaction is still pending approval from the German Federal Cartel Office.

Deutsche Telekom looks back positively on the excellent collaboration with the book retailers. "We are proud to have contributed to tolino's success as its technology partner. Together, we were able to make the tolino product an established name in the eReading market with its open ecosystem and tolino devices, which rank highly in many recognized tests. Having successfully developed a digital eReading ecosystem on an equal footing with strong US-based competitors, it is now the right moment for Deutsche Telekom to divest the platform business that we have built up over the last four years with substantial investment and effort. We are therefore delighted that the founding partners of tolino stand fully behind our decision to sell the tolino ecosystem to Kobo as the alliance's new technology partner," said Felix Wunderer, Vice President of ePublishing at Deutsche Telekom.

"Together with our partners from the German book trade, we intend to continue to enhance the tolino ecosystem for its many dedicated customers," said Michael

Tamblyn, CEO of Rakuten Kobo. “This acquisition allows us to bring Rakuten Kobo’s experience with collaborating with book retailers around the world to the toline alliance. This is the coming together of two strong pure-play eBook platforms, and we look forward to bringing even more capability and competitiveness to the toline offering. We look forward to working together as their technology partner to attract even more people from German-speaking countries to digital reading.”

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CEOs Michael Busch (Thalia), Sikko Böhm (Weltbild) and Nina Hugendubel (Hugendubel) from the book retail founders of the toline alliance honored Deutsche Telekom’s contribution as a key factor for the success of toline today and are now looking forward to working with their new technology partner, Kobo, with the hope of strategic advantages for the toline brand. “Readers, book retailers and publishers in Germany will benefit from the best of the toline world and the best of the Kobo world merged under the toline brand. We look forward to working together and further expanding our markets,” said Sikko Böhm. Michael Busch added, “Kobo and toline both share a commitment to an open and dedicated eReading system. By pooling our experience and expertise, we will continue to contribute to toline’s success in the German-speaking world.” “The handover of the ecosystem to Kobo is a sign of the advanced market development: Having found a perfect partner in Deutsche Telekom to establish the business, our next step with Kobo is to grow further and in particular to uphold and expand the international eReading standards,” according to Nina Hugendubel. “We owe a special thank you to Deutsche Telekom, without whom we would not have become a provider on a par with international competitors,” the partners all agree.

No changes for toline customers: all services remain

For both toline and Kobo customers, the change of partner does not alter anything. They will still be customers of their toline bookstore and be able to use the same services as before. The established toline brand remains one of the leading eReading brands for the German-speaking region. And the customers will benefit from the usual free access to the hotspots, the toline app and toline cloud.

It is business-as-usual for retail booksellers of both the toline and Rakuten Kobo ecosystems. As well as the founding partners, the toline service continues to be available through all associated partners of the alliance such as Osiander, Mayersche Buchhandlung and the more than 1,500 book retailers that participate in toline via the wholesaler Libri.

About toline:

tolino – eReading made in Germany. The toline brand is backed by an alliance of leading German booksellers Thalia, Weltbild, Hugendubel, Mayersche Buchhandlung and Osiander as well as Libri with some 1,500 linked and independent bookstores across Germany, eBook.de and Deutsche Telekom as the technology and innovation partner. Since its launch in March 2013, the toline alliance has become one of the leading brands for digital reading in the German-speaking world. Internationally, in addition to Austria and Switzerland, toline is available in Belgium, Italy and the Netherlands. All toline devices include an open ecosystem with integrated toline cloud, which does not restrict customers to one particular bookseller when purchasing eBooks. In addition to one of the largest ranges of German-language eBooks, the toline partners also offer their customers extensive advice and services, both online and on site in their stores. In addition to its devices, toline has offered its own attractive self-publishing service since spring 2015.

About Rakuten Kobo Inc.:

Rakuten Kobo Inc. is one of the world's most innovative eReading services offering more than 5 million eBooks to millions of customers in 190 countries. Believing that consumers should have the freedom to read any book on any device, Kobo provides consumers with a choice when reading. Kobo offers an eReader for everyone with a wide variety of E Ink eReaders to suit any style including Kobo Aura H2O, Kobo Aura and Kobo Aura ONE. Along with the company's free top-ranking eReading apps for Apple®, BlackBerry®, Android®, and Windows®, Kobo ensures the next great read is just a page-turn away. Headquartered in Toronto and owned by Tokyo-based Rakuten, Kobo eReaders can be found in major retail chains around the world. For more information, visit www.kobo.com

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