



Press Release

Babbel.com Receives Funding from Berlin and the EU

Around 1 Million Euros for the Expansion of Technology and Content through 2011

Berlin, 20. October 2009 – With the aid of European Funds for Regional Development (EFRE) and funding from the State of Berlin, Babbel.com will significantly advance their unique brand of online language learning. The first step in the expansion is scheduled for November 2009.

In the coming years, the online language learning platform Babbel.com has plans to grow considerably. With this intention, the Berlin-based Lesson Nine -- the company behind Babbel.com -- has secured support from European Funds for Regional Development (EFRE) and from the State of Berlin. These fall within the Berlin Program for the Advancement of Research, Innovation and Technology (known as "ProFIT" for its German initials) which is administered by Investitionsbank Berlin. Lesson Nine will implement the project through 2011 and will complement it with 200,000 Euros of its own funds.

Babbel.com has been available online since January 2008 in five languages. In the meanwhile it has registered around 500,000 users from around the world. The multi-media learning material is enhanced by engaging design. Beginners' courses, grammar lessons, writing exercises and community functions are offered alongside vocabulary packages. Lesson Nine will now massively expand their content and develop their innovative technology, the first results of which can be seen in November 2009. Numerous improvements and enhancements are planned through the beginning of 2011.

In the European Union, with its open borders and shared currency, language barriers are the very last obstacle to free communication and exchange between member countries. Easy, flexible and universally accessible educational material like that available at Babbel.com is becoming ever more important. Learning on the internet



allows for a very quick start, and in the meantime advances the learner gently with digestible portions. In addition, it's not only affordable, but utilizing the possibilities of the internet, it is more varied and thereby more efficient. Motivation is, as a rule, consistent, and the possibilities for long term success are better

In contrast with various other online learning platforms, Babbel.com is completely ad-free. The current team of ten employees and nineteen freelancers will be financed through user fees. "We want to concentrate on the learner and optimize the product for them, not for the advertisers", says Markus Witte, Managing Director at Lesson Nine. Up until now Babbel.com's earnings are significantly less than its expenses. This is however not exceptional in the world of young internet companies. Like other companies, Babbel is funded by so-called venture capital.

Further information and images can be found at <http://www.babbel.com/home/about/press>

Background and news about Babbel at : <http://blog.babbel.com/>.

About Babbel.com:

Babbel (www.babbel.com) offers the opportunity for anyone to learn languages for free online. Since January, 2008, around 500,000 users have registered. The company behind Babbel, Lesson Nine GmbH, is located in multi-cultural Berlin, Germany, and was founded in 2007 by Lorenz Heine (36), Markus Witte (39), Toine Diepstraten (33) and Thomas Holl (34). Beforehand these four worked for the audio software company, Native Instruments, which Heine had co-founded. Babbel.com received an investment from Kizoo AG and VC Fonds Berlin in the summer of 2008. The Babbel Team consists currently of ten full-time employees and over ten freelancers.

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