

Penguin Group Achieves Strong Sales and Profits in First Half of 2008

New York and London, July 28, 2008 ... Penguin Group has made an excellent start to the year, with a particularly strong first-half publishing schedule. Underlying sales are up 9% over 2007 at the midpoint, and underlying profits up 28%. This excellent start puts Penguin in a strong position to sustain its publishing and commercial success and deliver its goal of double-digit margins for the full year.

In the U.S., Penguin Group (USA) had an outstanding performance in the first half.

David Shanks, CEO, Penguin Group (USA), said, "Our impressive results reflect the company's exceptionally strong publishing performance. Penguin Group (USA) is publishing extraordinary, award-winning books by some of the world's most popular authors and we are dominating national bestseller lists as never before. We delivered seventeen #1 *New York Times* bestsellers, an industry best. Our mass market division achieved a record 46 *New York Times* bestsellers, up a record 92%. In hardcover, many of our imprints saw a rise in bestsellers and Putnam continued its reign as the leader of *New York Times* hardcover bestsellers. Our eBook sales were way up and we introduced a new program of Penguin Enhanced eBook Classics with the publication of *Pride and Prejudice*--which debuted out of the gate at #6 on Amazon's Kindle chart. We have been aggressively converting our books into the eBook format and we expect to have 6,500 titles available in the eBook format by beginning of next year. Also, we saw real growth in our audio books business, with sales more than double those of last year at this time.

"Our U.S. sales also got a big boost from a phenomenal string of trade paperback blockbusters such as Eckhart Tolle's *A New Earth*, Greg Mortenson's *Three Cups of Tea* and Khaled Hosseini's *The Kite Runner*. Additionally, we won the 2008 Pulitzer Prize for Fiction with Riverhead Books' publication of Junot Díaz's *The Brief Wondrous Life of Oscar Wao*. We are anticipating a very solid second half, with bestsellers from authors such as Patricia Cornwell, Kathleen Norris, Clive Cussler, Daniel Silva, Barton Gellman and Mary-Kate Olsen and Ashley Olsen."

Penguin Group's global performance and outlook are strong.

John Makinson, Chairman and CEO, Penguin Group, commented, "This has been a vintage six months, thanks to outstanding performances in every territory. The U.S. company led the industry in #1 *New York Times* bestsellers; Penguin UK turned *Devil May Care*, the new James Bond novel by Sebastian Faulks, into the fastest-selling hardcover novel in its history; and we were named Publisher of the Year in both Australia and Canada on the same day. All this publishing success translated into an increase in underlying sales and an improvement in profits. We remain on track to achieve our target of a double-digit margin for the year as a whole."

I. Penguin Group Strengthened Global Leadership Positions and Achieved World-Class Recognition:

In the U.S.:

1. Penguin Group (USA): Industry Leader with Record #1 Bestseller Performance

- Leads the industry in #1 *New York Times* bestsellers, achieving 17 #1 bestsellers overall through June 2008, an industry best. The company has already matched its 2007 full-year total of 17 #1 *New York Times* bestsellers.
- Achieved four or more #1 *New York Times* bestsellers simultaneously in nine of the first 24 weeks of 2008, also an industry best.
- Achieved #1 *New York Times* bestsellers every week of the year through June 2008, across ten different imprints.
- Is up 54% in overall *New York Times* bestsellers, with 134 titles hitting the bestseller lists.

2. Penguin Group (USA) Hardcover *New York Times* Bestsellers Up 44%, with Nearly 50% of All Putnam Titles Hitting *The New York Times* Bestseller List in the First Half

- Putnam, the industry leader in *New York Times* hardcover bestsellers for two decades, had nearly 50% of its first-half titles hit *The New York Times* list. Also up over last year in terms of *New York Times* bestsellers were The Penguin Press (up 33%), Riverhead (up 33%), Viking (up 25%), Dutton (up 20%), and Gotham (up 66%).

3. Penguin Group (USA) is the Industry Leader in Mass Market: It Achieved Six #1 *New York Times* Mass Market Bestsellers, More Than Any Other Publisher in That Category in the Industry

- Berkley/NAL has achieved six #1 *New York Times* mass market bestsellers, more than any other publisher in that category in the industry.
- Berkley/NAL has delivered 46 *New York Times* mass market bestsellers, an increase of 92% over last year, making it the industry leader in mass market.

4. Penguin Group (USA) Delivers Phenomenal Trade Paperback Performance

- Penguin Group (USA)'s trade paperback division was up 88% in overall *New York Times* bestsellers at the midyear point. According to the Associated Press, "Penguin has mastered the paperback blockbuster."
- **Eckhart Tolle's *A New Earth***, the 61st Oprah's Book Club Selection, was a global bestseller for Penguin Group. Published around the world by Penguin in the English language, the book debuted at #1 in the U.S. and Canada and was also a national bestseller in Australia and South Africa. The book has now spent five months at #1 on *The New York Times* bestseller list and more than 5.8 million copies of the book have been shipped in the U.S. to date.
- **Greg Mortenson's *Three Cups of Tea*** continues to spread the message of promoting peace through education around the world, with more than 1.7 million copies shipped in the U.S. to date.
- ***The Memory Keeper's Daughter* by Kim Edwards** is another trade paperback global success. It has been a #1 bestseller for Penguin Group in the U.S., UK, Canada, and Australia, with nearly 4 million copies shipped in the U.S.
- The trade paperback division has produced some of the industry's top sellers, most of which have been *New York Times* bestsellers every week of this year. They include ***Eat, Pray, Love* by Elizabeth Gilbert** (more than 4.9 million copies shipped); ***The Kite Runner* by Khaled Hosseini** (nearly 6 million copies shipped); **Ken Follett's *The Pillars of the Earth*** (nearly 1.5 million copies shipped); ***The Friday Night Knitting Club* by Kate Jacobs** (more than 853,000 copies shipped) and ***The Omnivore's Dilemma* by Michael Pollan** (more than 530,000 copies shipped). These books continue to connect people, change lives, inspire, inform, and entertain.

5. Penguin Group (USA) Wins Pulitzer Prize

- **Penguin Group (USA) wins both prestigious U.S. fiction awards:** Junot Díaz's *The Brief Wondrous Life of Oscar Wao* (Riverhead) won the 2008 Pulitzer Prize for Fiction and The National Book Critics Circle Award for Fiction.

6. Audio Book Sales Rise in the U.S.

- **Penguin Audio net audio book sales more than doubled through June 2008**, year on year, driven by strong consumer demand for *A New Earth* by Eckhart Tolle, as well as such bestselling audio titles as *The Front* by Patricia Cornwell, *Phantom Prey* by John Sandford, *Plague Ship* by Clive Cussler, and *Me of Little Faith* by Lewis Black.

7. Bestselling Series and Teen Lit Lead Penguin Young Readers First Half Success

- The Penguin Group (USA) Young Readers Division continued to capitalize on the strength of its well-known brands and franchises. Among the Young Readers newsmakers and biggest hits were:

The Battle for Skandia by John Flanagan (Philomel Books), the newest installment in The Ranger's Apprentice series, published in March 2008. *The Ranger's Apprentice* was on *The New York Times* bestseller list for 23 weeks, with 12 of those weeks in 2008. The series has 1 million copies in print and has been optioned for film by United Artists and MGM, with screenwriter Paul Haggis signed on to write the screenplay. New hardcovers in the series will be published in November 2008 and August 2009.

Bestselling author Sarah Dessen has more than 300,000 copies in print of two new titles, *Lock and Key* (Viking), a hardcover, and *Just Listen* (Speak), a paperback. Sarah Dessen titles have more than 3 million copies in print in the U.S. in hardcover and paperback. *Lock and Key* has been on *The New York Times* bestseller list for more than 12 weeks and continues to be on the list. *Just Listen* was on *The New York Times* bestseller list for 14 weeks.

The Big Field (Philomel), the latest hardcover title by bestselling author Mike Lupica, spent 8 weeks on *The New York Times* bestseller list. Published in March 2008, there are more than 150,000 copies in print. Mike Lupica's titles have more than 2.5 million copies in print in the U.S. in hardcover and paperback.

With the publication of *Snakehead*, the sixth book in the bestselling Alex Rider series (Philomel) by Anthony Horowitz, the series reached a milestone this year of more than 52 weeks on *The New York Times* bestseller list. The paperback of *Snakehead* will be published in September 2008.

Globally:

1. Penguin UK: New James Bond Book the Publishing Event of the Year in the UK, #1 Bestseller for Five Weeks

- Penguin UK's #1 bestseller *Devil May Care*, the new James Bond novel by Sebastian Faulks, was the most anticipated novel of the year in the UK. It was launched amid a flurry of publicity and went straight to #1 across all categories,

where it remained for five weeks, becoming the fastest-selling hardcover novel in Penguin UK's history with around 300,000 copies shipped to date.

- Penguin UK was up 32% in overall first-half bestsellers year on year, with 41 titles making it into the Nielsen Bookscan Top Ten in the period.

2. DK Publishing and Travel Division Up in First Half, Led by BradyGames and Rough Guides

- BradyGames' *The Strategy Guide for Grand Theft Auto IV* was the biggest global game launch in history and has shipped almost 1 million copies worldwide since publication in April.
- Travel continued to increase its market share, and Rough Guides content is now pre loaded on around 7 million mobile handsets across Europe.

3. Penguin Australia and Penguin Canada named 2008 Publisher of the Year on the Same Night on Different Continents

- **Penguin Australia, the market-share leader with 16%, was named 2008 Publisher of the Year** at the Australian Book Industry Awards. Penguin Australia had a 10% growth rate compared with underlying marketplace growth of 6% in the first half of 2008, led by bestsellers from Marian Keyes, Tom Winton, and Eckhart Tolle.
- **Penguin Canada, with a record market share of 18% in March 2008, was named 2008 Publisher of the Year** by the Canadian Booksellers Association in June. Eckhart Tolle's *A New Earth*, shipped 650,000 copies, becoming the biggest seller in Penguin Canada's history, with the exception of *Lord of the Flies*. Khaled Hosseini's *A Thousand Splendid Suns* continued to play a pivotal role in Penguin Canada's success in 2008, along with bestsellers by international authors Ken Follett, Elizabeth Gilbert, Kim Edwards, Greg Mortenson and Michael Pollan as well as bestselling books by Canadian authors Norman Doidge and Sherry Cooper.

4. Penguin Owns #1 Share in Indian Trade Book Market, with Strong Positions in South African Market

- Penguin India, the largest trade publisher in the subcontinent, with more than double the market share of its closest competitor, grew by 16% in the first half of 2008, year on year. Local publishing grew a substantial 21% over 2007, with two big hits in the market: Shobhaa Dé's *Superstar India* and Amitav Ghosh's *Sea of Poppies*.

- Penguin South Africa's trade book market-share positions for the first part of 2008 was #2 overall, with net sales for the first half of 2008 up 3%.

5. Penguin's Asian Publishing Programs Achieve Market Firsts

- *Wolf Totem* by Jiang Rong was launched globally by Penguin Group in the UK, the U.S., Australia, and China—the largest ever first printing of a contemporary work in English in China. Penguin China continues to stay ahead of international trade book publishers—both in terms of its commitment to translating Chinese literature into English and through its work with local publishing partners. Penguin Classics in Chinese were launched successfully in April 2008.
- Penguin Classics debuted in Korea in the first half of 2008 through a partnership with Woongjin Think Big Co. Ltd., one of the largest trade publishers in South Korea. This is the first time an English language trade publisher has published classic titles in Korean. The initial Penguin Classics published in the Korean market have been selling well.

6. Top Literary Awards in India, Australia and UK Won by Penguin Group Books

- **Penguin India has won every major literary award in India in 2008, to date**, building on its 2007 performance, with a clean sweep at the Vodafone Crossword Annual Book Awards: *A Girl and a River* by Usha K. R. (fiction); *The Last Mughal* by William Dalrymple (nonfiction) and the Translation Award: shared by two Penguin books: *Chowringhee* by Sankar (translated by Arunava Sinha) and *Govardhan's Travels* by Anand C. P. (translated by Gita Krishnankutty).
- **Penguin Australia titles won four of the seven 2008 Australian Book Industry Awards recognizing individual books:** *Those Faraday Girls* by Monica McInerney for General Fiction Book of the Year; *Girl Stuff* by Kaz Cooke for General Nonfiction Book of the Year; *Maggie's Harvest* by Maggie Beer for Illustrated Book of the Year; and *The Peasant Prince* by Li Cunxin, illustrated by Anne Spudvilas for Book of the Year for Younger Children.
- **Penguin UK author Nikita Lalwani won the inaugural Desmond Elliott Prize for her debut novel, *Gifted*.** A new biennial honor for a first novel written in English and published in the UK. The prize is named after the literary agent and publisher Desmond Elliott.

II. Digital: Penguin Group Emerging as a Digital Pioneer and e-Book Leader

In the U.S.:

1. Penguin Group (USA)'s net eBook sales from January through April 2008 surpassed the company's eBook sales for all of 2007, and eBooks continue to sell strongly.

- **Top-selling eBooks for Penguin Group (USA) in the first half of 2008 included:** *World Without End* by Ken Follett, *A New Earth* by Eckhart Tolle, *A Thousand Splendid Suns* by Khaled Hosseini, *The Pillars of the Earth* by Ken Follett, *Strangers in Death* by J. D. Robb, and *T is for Trespass* by Sue Grafton.

2. Penguin Enhanced eBook Classics Title Bursts into U.S. Marketplace

- **With eBook sales climbing, Penguin Group (USA) released the Penguin Enhanced e-Book Classics *Pride & Prejudice* by Jane Austen. It debuted at #6 on Amazon's Kindle chart the first week it was published in this format and earned swift, high praise, including the following consumer comments posted on Amazon.com: "Penguin has set the bar for eBook quality with this release ... *this* is the eBook experience we've been wanting." "I learned a great deal more about Austen's novel in [this] format than I did 42 years ago in college."**
- The Penguin Enhanced e-Book Classic *Pride and Prejudice*, a pioneering turning point in how eBooks are presented, showcases an array of features, including a filmography; book reviews from the time of the original publication of the novel; a chronology of Jane Austen's life and times, recipes; instructions on period dancing, social etiquette, and how to prepare tea; a literary tour of famous Austen sites; and black-and-white illustrations of fashion, home décor, and architecture.

3. Penguin Group (USA) Strengthens Commitment to eBooks and Online Initiatives

- **Since the beginning of 2008, PGI has been aggressively converting frontlist titles into the eBook format.** Penguin Group (USA) currently has 3,500 titles in eBook format, plans to convert 2,000-plus backlist titles to the eBook format before the end of the year, and expects to have approximately 6,500 titles available in the eBook format by the beginning of 2009.
- The Penguin Group (USA) website (<http://us.penguin.com>) attracted approximately 1.9 million unique visitors in the first half of 2008, an increase of 14 percent from the total for the first half of 2007.

- Penguin Group (USA) Online sales in the first half of 2008 increased 11 percent over the same period in 2007.
- **Penguin Group (USA): A first-of-its-kind prequel web movie series based on international *New York Times*–bestselling author Robin Cook’s new medical thriller, *Foreign Body*, to be published by Putnam, August 5, produced by Michael Eisner’s Internet production studio, Vuguru, launched in May. The 50-part webisode movie “prequel” to *Foreign Body* is available on youtube.com, hulu.com, and Penguin Group (USA)’s website as well as Penguin’s bookseller site. The web series runs five times per week for the 10 weeks leading to the August 5th publication date. The objective is to get potential readers “hooked” on the characters and the story, as a lead-up to publication of Robin Cook’s book by Putnam.**
- **Penguin Group (USA)’s Viking/Penguin’s VP Book Club site (www.vpbookclub.com) is a Webby Awards Official Honoree in 2008.** The Webby Awards, established in 1996, is the leading international award honoring excellence on the Internet. Of the more than 8,000 entries submitted to the 12th Annual Webby Awards in 2008, fewer than 15% were distinguished as an Official Honoree. This honor signifies Viking/Penguin’s outstanding caliber of work, and a team that is raising the standards of web design and usability.

Globally:

1. Last week, Penguin UK announced that it will have 1,500 of its bestselling titles available in epub eBooks format along with other new publishing in time for the arrival of the Sony Reader in the UK in September. By the end of 2008, this number will increase to more than 2,500 titles. *Devil May Care* by Sebastian Faulks, *Gypsy* by Lesley Pearse and *The Beach House* by Jane Green will be among the bestselling titles released in this format. Penguin’s most popular classics will also be available, including books by Jane Austen and Charles Dickens, complete with introductions and easy to reference footnotes. DK will have 1,000 titles available as eBooks by the end of 2008, with most new titles from September forward coming in eBook format simultaneously.

2. Penguin Group received 10 million unique visitors across all its websites worldwide year to date and revenues were up 11%.

- Visits to all Penguin UK websites have increased by 19% in the first half of 2007 with www.penguin.co.uk alone attracting 890,000 unique visitors. Penguin also has over 3,000 fans on Facebook—more than all other UK publishers combined.
- Penguin UK online sales volumes increased 6% in the first half of 2008.

- The www.dk.com newsletter had a 20% increase in subscribers, with revenue from the “Made with Care” newsletter the highest ever.
- Revenue from DK digitized content provided for mobile and electronic devices is up 300%.

3. Penguin UK’s websites “Blog a Penguin Classic” and the teen-run “Spinebreakers” were honored at the prestigious New Media Age (NMA) Effectiveness Awards 2008. Other first-half 2008 top digital initiatives include the recently relaunched www.puffin.co.uk, which has seen overall visits increase 39%, new visitors up 31%, and daily returning visitors up a whopping 76%. This year has also seen the launch of the Puffin Blog, the Puffin Podcast and Green Puffin, as well as a website dedicated to Penguin’s newest imprint—www.penguin007.co.uk. Brands & Licensing recently relaunched www.peterrabbit.com which received 8,000 unique visitors during the first two weeks alone. In addition, Penguin UK launched Penguin Tasters (www.penguin.co.uk/tasters), which allows readers to download the first chapters of all of Penguin’s latest novels for free. Penguin Tasters has attracted over 6,000 unique visitors in only four months.

4. Penguin UK’s We Tell Stories, www.WeTellStories.co.uk, an ambitious digital writing project, was launched earlier this year. Six Penguin authors, including Moshin Hamid, created tales that took full advantage of the immediacy, connectivity, and interactivity of the Internet, tales that could only be experienced online. We Tell Stories was a huge success, generating over 150,000 unique visitors in six weeks and was covered by *The Guardian*, *The Telegraph*, *Newsweek*, *Los Angeles Times*, *El Pais*, *Sueddeutsche Zeitung*, and BBC Scotland, among others.

5. Penguin Group Forges Global Partnership with Mobifusion—Bringing Books to Consumers via Mobile Phones. Penguin India’s pioneering partnership with Mobifusion, a worldwide developer and distributor of mobile technologies, was launched in March with three titles: *The Joy in Loving: A Guide to Daily Living with Mother Teresa*, compiled by Jaya Chaliha and Edward Le Joly; *The Path to Tranquility* by Tibetan spiritual leader, His Holiness The Dalai Lama; and *The Book of Prayer*, edited by Renuka Narayanan. Penguin India is adding new titles to the mobile environment and Mike Bryan, CEO and president, Penguin Books India, said, “We’re excited to partner with innovators at Mobifusion and engage in interactive communications with the millions of mobile users who are also avid readers.”

III. Green—“Orange Is the New Green”

"Orange is the New Green" is more than a slogan around the world of Penguin Group, with meaningful initiatives and practices across divisions. Here are key highlights:

In the US:

1. Penguin Classics Supports Nature Conservancy’s “Plant a Billion Trees” Campaign

Penguin Classics (US) is supporting the Nature Conservancy’s Plant a Billion Trees campaign with major marketing, publicity, and in-store promotions that will increase public awareness of and participation in this timely campaign. Launched in April, through June 2008 the campaign has planted more than 330,500 trees—and every dollar donated to the conservancy will put another tree in the ground.

Sponsored by Penguin Classics and Planet Green, the new multimedia content initiative from Discovery Communications that includes the first-ever 24-hour television network dedicated solely to green lifestyle programming, the Conservancy’s Plant a Billion Trees campaign supports efforts to restore and plant one billion native trees on 2.5 million acres and connect more than 12 million acres of new forest corridors in Brazil’s Atlantic Forest by 2015.

2. Penguin Group (USA) “Green Practices” Highlights:

- Penguin Group (USA) was one of the first companies in the state of New York to use wind power in its operations facilities (Kirkwood). This began a decade ago and continues today.
- In April, Penguin Group (USA) distributed Sony Readers to the hardcover, paperback, and children’s sales teams to greatly reduce paper use, photocopying, and shipping. The company is currently experimenting with Sony Readers and Amazon Kindles for the editorial and marketing teams for even greater reductions in photocopying and paper use.
- One of Penguin Group (USA)’s three annual sales conferences is now Webex-based so travel is completely eliminated.
- Penguin Group (USA)’s New York corporate offices switched to flat-screen computer monitors programmed for automatic shutdown when not in use, for a 30% reduction in electricity consumption.
- All of Penguin Group (USA)’s in-store displays are now made of 100% green materials.
- Penguin Group (USA) switched to a 30% post-consumer wastepaper for all black-and-white copying and printing in the office.

Globally:

1. Penguin UK’s “Green Week” Walk Supports Woodland Trust’s “Trees for Schools” Initiative

Penguin UK’s second annual “Green Week” coincided with World Environment Day on June 5, engaging Penguin staff more closely with the company’s ongoing environment efforts and culminating on Friday, June 6, with the first annual Penguin Walk. More than 370 Penguin employees walked either ten or twenty miles along the Thames and raised over £24,000 for the Woodland Trust’s *Trees for Schools* program, which offers primary schools free packs containing saplings for students to plant plus a range of educational resources.

2. DK’s *Made with Care* Books Make a Difference

DK launched its first ethical and environmental publishing initiative in the first half of the year with *Made with Care* and a list of four titles: *Grow Organic*, *Green Babycare*, *Make It* (a children’s craft book) and *Earth Matters* (a children’s encyclopedia of the environment). The initiative looked at every aspect of the editorial and production processes, and the books were printed by Europe’s cleanest printers, Mohn, in Germany. The initiative sparked significant positive coverage across UK broadcast, newsprint, and online media.

3. Peter Rabbit™ Naturally Better for the Earth

Frederick Warne launched the new global eco initiative, *Peter Rabbit™ Naturally Better* on World Environment Day (June 5). The initiative offers parents and gift givers a range of books and merchandise that are better for the people who make them, and use them for the environment in which we live.

4. Penguin UK “Green Practices” Highlights Include the Following Results:

In the past 18 months, Penguin UK:

- Reduced its carbon footprint by 9.4%
- Reduced electricity consumption by 19%
- Reduced paper consumption by 10%

5. Penguin was the only Australian trade publisher who joined this year’s Earth Hour initiative—with computers switched off at the wall, and all additional electrical equipment, sensor lighting, and signage turned off for the hour at 8 p.m. on March 29.

6. Penguin Australia has confirmed plans to grant one day’s volunteer leave for their Australian staff each year. Employees can use this leave to support either The Smith Family—the company’s longtime charity partner—or Conservation Volunteers Australia (CVA), Penguin Australia’s preferred environmental charity. The leave is noncumulative and is available pro rata for part-time employees.

7. The Penguin Australia sales team now has the option of using the Toyota Prius. The car is the most fuel-efficient car on the Australian market, and also reduces CO₂ emissions by 70%.

IV. Penguin Group's Commitment to the World Community

In the U.S.:

1. Penguin Group (USA) Partners with HBO to Deliver Books to Troops in Iraq and Afghanistan

Penguin Group (USA) partnered with HBO as a sponsor of the *Generation Kill* Troop Drive, a program that will deliver care packages, including 4,000 Tom Clancy books, to troops destined for Iraq and Afghanistan. The troop drive coincides with the premiere of HBO Films' original miniseries, *Generation Kill*, which is based on the award-winning *New York Times*-bestselling Putnam/Berkley book of the same name by Evan Wright, who was embedded with the First Reconnaissance Battalion for the March 2003 invasion of Iraq. The seven-part miniseries, written and executive-produced by *The Wire*'s David Simon and Ed Burns, airs on HBO every Sunday night through August 24. *Generation Kill* was published by G. P. Putnam's Sons in hardcover in 2004 and Berkley re-released the title in paperback in July 2008.

Following *Generation Kill* miniseries screenings for veterans and soldiers on active duty who were deployed in Iraq and Afghanistan, HBO compiled a list of goods that soldiers request while overseas — an authentic Marine "Wish List" — that includes everything from razor blades and socks to DVDs and video games. Penguin Group (USA) donated 4,000 Tom Clancy books in support of the cause.

2. Penguin Young Readers Group's Classic Book *Corduroy* to Be Read Across the U.S. as the 2008 Read for the Record Title

Penguin Group (USA) will again be at the heart of Jumpstart's Read for the Record Campaign as a national sponsor. Together with other Pearson businesses, Penguin is getting ready for this year's event on October 2, 2008, which will feature a custom edition of Penguin Young Readers Group's classic book *Corduroy*. Pearson Foundation is underwriting more than 100,000 copies of this title to share with young people and school districts around the country.

Read for the Record benefits Jumpstart's work with at-risk children, and last year the Pearson Foundation matched each \$10 online donation by the public with a donation of a book to a child from a low-income community. Additionally, Pearson donated tens of thousands of books to Head Start and other Jumpstart-affiliated early-education centers. The campaign raised more than \$1 million.

Globally:

1. Penguin UK's Partnership with the Letterbox Club Helps Raise Educational Skills of More Children in Foster Care

Penguin UK has an active corporate partnership with Letterbox, a project managed by Booktrust, which focuses on improving the educational outlook for children aged 7 to 11 in foster care. Penguin is assisting in providing each child with a personalized parcel of books, math activities, and educational materials every month for six months. Together with the Department for Children, Schools and Families, as well as program administrator Booktrust, Penguin is helping to extend this program to more than 1,200 children over the next two years, with a view to involving all children in this age range in foster care from 2009 onward. Penguin employees are also donating their personal time and skills. Penguin volunteers have assisted in the selection of books to be included in the parcels, the writing of the Letterbox newsletter, and the design of the Letterbox logo.

2. Penguin UK Supports World Book Day 2008

Penguin UK contributes annually to World Book Day, a UK publishing industry-wide initiative that encourages people to explore the pleasures of books and reading by providing them with the opportunity to have a book of their own. This year *A Very Special Friend (Magic Kitten)* was Puffin's popular £1 title, selling over 180,000 copies on March 6, 2008, with all of the proceeds donated to the World Book Day organization. Penguin and other publishers and book retailers throughout the UK and Ireland support World Book Day by donating funds, creating special £1 books, working with authors to attend events, and bearing the cost of redemption of World Book Day Book Tokens.

3. Penguin China to Publish DK's *Watch Me Grow: Panda* in Chinese and English—Proceeds of the Book to Be Donated to the Chengdu Panda Research Centre

Penguin China launched a new DK children's book, *Watch Me Grow: Panda*, in Chinese and English editions, at the Chengdu Research Base of Giant Panda Breeding in Sichuan, China. Penguin Group has pledged to donate the global profits from sales of *Watch Me Grow: Panda* to the Base, to help with challenges faced by the operation in the aftermath of Sichuan earthquake.

Jing Jing is one of the five "Fuwa" mascots of the 2008 Beijing Olympic Games. The decision to hold an event in Chengdu ahead of the August Olympic Games was made in part to highlight the difficulties faced by the Chengdu Panda Base, which relies heavily on income generated by tourists and visitors.

V. Looking Ahead—Penguin Group Second-Half Highlights

1. In the U.S.:

Penguin Group (USA)'s impressive second-half publishing list features many highly anticipated titles, including:

Patricia Cornwell, *Scarpetta* (G. P. Putnam's Sons, December)

The new Kay Scarpetta novel from the world's number-one bestselling crime writer.

Kathleen Norris, *Acedia & me* (Riverhead, September)

Kathleen Norris, the acclaimed *New York Times*– and national bestselling author of *The Cloister Walk* and *Amazing Grace*, returns with *Acedia & me: A Marriage, Monks, and a Writer's Life*, the book Norris has been planning for twenty-five years, in which she delves into her lifelong struggle with acedia, or “the noonday demon,” the onset of spiritual stupor and the inability to care.

Clive Cussler and Dirk Cussler, *Arctic Drift* (G. P. Putnam's Sons, November)

Dirk Pitt returns, in the extraordinary new novel from the grand master of adventure.

Daniel Silva, *Moscow Rules*, (G. P. Putnam's Sons, July)

New York Times–bestselling author Daniel Silva has established himself as one of the world's finest writers of international intrigue and espionage. In his eighth thriller to feature Gabriel Allon, Silva once again delivers a cautionary tale about the new threats rising to the east in his finest novel yet.

Barton Gellman, *ANGLER: The Cheney Vice Presidency* (The Penguin Press, September)

Pulitzer Prize–winning journalist Barton Gellman's newsbreaking investigative journalism documents how Vice President Dick Cheney redefined the role of the American vice presidency, assuming unprecedented responsibilities and making it a post of historic power.

John Hodgman, *More Information Than You Require* (Dutton, October)

The bestselling author of *The Areas of My Expertise*—also known as *The Daily Show*'s “Resident Expert” and the PC in the iconic Mac ads—picks up exactly where his first book left off.

Mary-Kate Olsen and Ashley Olsen, *Influence* (Razorbill, November)

Influence takes readers on a journey through Mary-Kate Olsen's and Ashley Olsen's lives. The book contains never-before-seen photographs from their individual private collections, as well as interviews they conducted with artists and designers who have influenced them throughout their careers.

David Servan-Schreiber, *Anti-Cancer* (Viking, September)

A radical synthesis of science and personal experience that advocates a sea change in the way we understand and confront cancer.

Seldon Edwards, *The Little Book: A Novel* (Dutton, August)

Dutton is publishing a first novel called *The Little Book* that is anything but; it is written by sixty-seven-year-old first-time novelist Seldon Edwards, who has been working on this book for thirty years.

Rev Run and Justine Simmons, *Take Back Your Family* (Gotham, August)

The stars of MTV's Emmy-winning, top-rated "Run's House"—dubbed "the new Cosby family"—offer a vital rescue manual for modern parenting.

Sarah Vowell, *The Wordy Shipmates* (Riverhead, October)

From the bestselling author of *Assassination Vacation* and *The Partly Cloudy Patriot*, an examination of the Puritans, their covenant communities, their deep-rooted idealism, their political and cultural relevance in today's world, and their myriad oddities.

2. In the UK:

The second half has begun very well with five Michael Joseph titles hitting the hardback fiction top ten list for two consecutive weeks, including the debut, *Warrior of Rome* by **Harry Sidebottom**. The autumn program is strong with new fiction from Zoë Heller (*The Believers*), **Clive Cussler** (*Arctic Drift*), and **Daniel Silva** (*Moscow Rules*). The Christmas season is led by **Jamie Oliver's** *The Ministry of Food*, and *For Crying Out Loud* by **Jeremy Clarkson**, with other big nonfiction from **Paul Theroux** (*Ghost Train to the Eastern Star*), **Twiggy** (*A Guide to Looking and Feeling Fabulous over Forty*). Allen Lane's nonfiction highlights include **Michael Moore's** *Mike's Election Guide 2008* published ahead of the US Presidential election, **Thomas Friedman's** *Hot, Flat and Crowded*, *Masters and Commanders* by **Andrew Roberts**, **Niall Ferguson's** *The Ascent of Money* and *Outliers* by **Malcolm Gladwell**.

On the children's side, Puffin's Christmas program is headed up by the highly anticipated *Artemis Fowl and the Time Paradox* by **Eoin Colfer** and the latest in the Young Bond series, *By Royal Command*. Further highlights include picture books *Charlie and Lola*, *Angelina Ballerina*, and the latest from **Jan Pienkowski**. Brands and Licensing meanwhile have a new title in the popular Peppa Pig series (*Peppa Pig Balloon Adventure*) as well as *In the Night Garden: Bouncy Ball* and *Harry Potter Deluxe Pop-up Book* to tie in with the highly anticipated film adaptation of *Harry Potter and the Half-Blood Prince*. There will also be a new range of Top Gear publishing for Christmas, including *Best Bits: Supercars*, with eleven titles available by October.

DK's autumn sees strong publishing for the Christmas gift market, with global titles including *Art*, *The Cooking Book*, *Animal Life*, *Marvel Chronicle*, *Dr. Frankenstein's Human Body Book*, and *Take Me Back*, a children's history follow-up to the *New York Times* bestseller *Do Not Open*, as well as the global release of the next Star Wars saga, *The Clone Wars*. BradyGames' autumn strategy guide for Blizzard's *World of Warcraft: Wrath of the Lich King*, is likely to be the second bestselling strategy guide of the year after the phenomenal *Grand Theft Auto*. Finally, Rough Guides returns to TV later this summer, following the success of the first series of Rough Guide TV on Channel 5, with the newly commissioned *Rough Guide to Ultimate Escapes* spin-off, with four new hour-long programs.

3. Globally: More Second-Half Highlights:

1. The global publication of *Star Wars: The Clone Wars* (the next incarnation of the Lucasfilms' Star Wars franchise) on July 26, in conjunction with the worldwide release of the next Star Wars film, *Star Wars: The Clone Wars*, with books published by DK Publishing (U.S. and UK), Penguin Young Readers Group's Grosset & Dunlap (U.S.), Ladybird (UK), Puffin (UK), and Penguin Australia.

Australia:

A new **Jamie Oliver** in the Australian market for October will coincide with Jamie's TV series. Locally, iconic "foodie" **Maggie Beer** will have a new offering with *Maggie's Kitchen*, and well-known Sydney chef, **Christine Manfield** with *Fire*. Retired AFL footballer **Nathan Buckley**'s memoir *All I Can Be* will hit stores to coincide with Grand Final Week (the biggest sporting week of the year in Australia), along with *The CSIRO Healthy Heart Program*, from the team responsible for the phenomenally successful *The CSIRO Total Well-Being Diet*. On the fiction front, November 11 will see the new **Bryce Courtenay**, *Fishing for Stars* (with 275,000 hardbacks entering the market for Christmas) with expectations that it will go straight to the top of the bestseller charts.

Big offerings in the children's market include *Ten Little Fingers, Ten Little Toes* by the acclaimed **Mem Fox** and illustrator **Helen Oxenbury**, a new picture book from the award-winning **Graeme Base**, and a brand-new Toad book—*Toad Surprise*—from the bestselling author **Morris Gleitzman**.

Canada:

Buzz in the Canadian industry is that Penguin has "the list." Beyond international titles such as *A New Earth Treasury Edition, Scarpetta, The Ascent of Money*, and **Garrison Keillor's Liberty**, Penguin Canada is setting up its strongest Canadian fiction list ever (including **Joseph Boyden's** highly anticipated *Through Black Spruce* and **Donna Morrissey's What They Wanted**) plus international fiction by **Philip Roth, John le Carré, and Amitav Ghosh**, along with Book One in journalist **Stieg Larsson's** posthumously published Millennium Trilogy. *The Girl with the Dragon Tattoo* has sold more than 3 million copies in Europe. **John Ralston Saul's A Fair Country: Telling Truths About Canada** will be published on September 27, along with the next two books in the Extraordinary Canadians series, which will begin airing on OMNI TV and The Biography Channel.

China:

Penguin China has announced its sponsorship of THE NEXT: A search for the next face of Chinese literature. The competition will be a major star search, in a similar vein to *The Apprentice*, featuring a panel of major Chinese authors judging China's next generation of aspiring writers. The competition will be conducted through online portals and literary communities, as well as on the pages of *Top Novel*, China's biggest literary magazine for young writers. Penguin will offer the four winners a free trip to visit the Penguin offices, meet authors, and attend literary events. Submissions are now open until

September 2008, with the final winner selected after ongoing elimination rounds in April 2009.

India:

Penguin India's second half of 2008 features a strong lineup, including *Imagining India* by the cofounder of IT giant Infosys, Nandan Nilekani—being projected as “the biggest India book ever.” Also coming: *You Are Here* by Meenakshi Reddy Madhavan, *Hot, Flat and Crowded* by Thomas Friedman, *The Penguin CNBC Business Yearbook*, *You Are Hired* by Nasha Fitter, *The Game-Changer* by Ram Charan, and *Lost Flamingoes of Bombay* by Siddarth Shangvi.

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