



Press Release

PENGUIN ANNOUNCES RECORD RESULTS

Penguin profits exceed £100m for the first time

London, Monday 28th February 2011: Penguin, the international publishing company, today announced record financial results for 2010 with sales of £1,053m and operating profit of £106m, representing underlying growth of 6% and 26% respectively. The company's market share gains across all major territories and improved profitability were attributable to three factors in particular:

- Penguin in the UK celebrated the best year in its history, dominating the bestseller lists and increasing its market share by two percentage points to 10 percent. Penguin UK sales were up 21% in a market that was down 2% (*Nielsen Bookscan*).
- An outstanding US publishing performance included a record number of bestsellers, an increase in market share and rapid expansion in emerging digital platforms and formats. In the US, eBook sales nearly tripled.
- DK captured the full benefit of the reorganisation undertaken in 2009, with sales of its LEGO® and Star Wars™ titles boosting revenue and the transfer of some editorial activities to India enhancing the company's margin.

Penguin's profits were struck after making provision for a number of credit exposures in the book retailing sector, most notably in relation to Borders in the US.

These Penguin results were part of an excellent overall Pearson performance in 2010. For the Pearson press release, go to: [\[insert link\]](#)

Penguin Group Chairman and Chief Executive, John Makinson, said: **“We are truly delighted with these results. The achievement of more than £100m in profit represents a landmark for Penguin but of greater significance are the quality and consistency of performance that underpin this result. The company has been gaining market share on every continent by combining an appetite for measured commercial and creative risk with exemplary execution in every department of the business. We believe that these qualities will serve us in good stead as we address the proliferating challenges of 2011.”**



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Key global highlights in 2010 include:

- **Market share gains:** Penguin delivered an outstanding publishing performance across imprints and territories producing market share gains in the UK, US and Australia, its three largest markets.
- **Bestseller success:** Penguin dominated the bestseller charts with a record 253 *New York Times* bestsellers in the US and 66 Top Ten bestsellers in the UK (compared with 46 in 2009). Penguin UK published three of the top five Christmas bestsellers including Jamie Oliver's *30 Minute Meals*, which became the UK's bestselling hardback non-fiction book of all time, selling almost 1.2m copies in three months and topping the bestseller chart for 21 weeks and counting. DK enjoyed bestseller success with the *Lego® Star Wars™ Visual Dictionary* which sold over a million copies worldwide and was on the *New York Times* bestseller list for the whole of 2010 with 18 weeks at number one. It also achieved its first ever UK number one with *The Masterchef Cookbook*.
- **Emerging market growth:** Penguin produced strong growth in emerging markets and continued to invest in global publishing with the launch of its world-famous Black Classics in Portuguese and Arabic, joining existing Mandarin and Korean editions; the launch in India of a new imprint in partnership with bestselling author and superstar Shobhaa De; and the next phase of its international imprint programme with the launch of non-fiction imprint Allen Lane in Canada. DK showed record growth in Argentina, Brazil, Ecuador, China and Taiwan.
- **Growth in digital:** global eBook sales were up 180% on the previous year and now account for 6% of Penguin sales across the group. Penguin accelerated its investment in digital products and innovation with new app releases in the children's market including *Spot*, *Peppa Pig*, *The Little Engine That Could*, *Hairy Maclary*, Ladybird's *BabyTouch* and the Mad Libs app, which was named one of the best apps at the 2010 e-Book Summit. For adults, Penguin offered new reading experiences with the number one bestselling book app of Ken Follett's *The Pillars of the Earth* and the groundbreaking MyFry app. DK continued to make its mark in the digital space launching its first three DK Eyewitness Travel apps for the iPad and five Top Ten Travel iPhone apps with more scheduled to follow in 2011.
- **Outstanding success in Children's:** Penguin Children's had an excellent year in both the US, with Penguin Young Readers Group achieving a record 39 *New York Times* bestsellers,



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and in the UK, where Penguin reclaimed its position as the number one children's publisher growing its market share from 11.5% in 2009 to 14.4% in 2010 in a market that was down 3%. It was also the UK's number one fiction and annuals publisher in 2010.

Penguin UK had an outstanding year, its best ever, growing its market share by 2% to 9.6% against a market that was down 2% and dominating the bestseller charts with 66 Top Ten bestsellers. By division, highlights include:

- **Michael Joseph** produced the publishing phenomenon of the year with Jamie Oliver's *30 Minute Meals* which became the bestselling hardback non-fiction book of all time, selling almost 1.2m copies in three months and topping the bestseller chart for 21 weeks. It also published the two bestselling celebrity memoirs of 2010 with Stephen Fry's *The Fry Chronicles*, which secured a publishing first hitting number one across an unprecedented five formats, and Michael McIntyre's *Life and Laughing*. 2010 was also an exciting year for fiction with the launch of a new bestselling brand author in Dawn French (*A Tiny Bit Marvellous*) and the reinvention of evergreen brand Lesley Pearse who achieved record sales in 2010.
- **Penguin Press** created its own publishing phenomenon with *History of the World in 100 Objects*, published in partnership with the British Museum and the BBC, which sold almost 120,000 copies in 2010 and earned numerous 'Book of the Year' accolades. Other bestsellers included Michael Lewis' *The Big Short*, named by many as the definitive book on the recent financial crisis, and Andrew Ross Sorkin's critically acclaimed *Too Big to Fail*. Sales of Penguin's famous Classics continued to grow. *Alone in Berlin*, first published in Germany in 1947, became a Penguin Modern Classic bestseller on the back of a high-profile publicity campaign (more than 200,000 copies sold since launch).
- **Penguin General** enjoyed phenomenal paperback success in 2010. It published the UK's bestselling debut novel, Kathryn Stockett's *The Help*, which has sold more than 450,000 copies to date, as well as bestselling novels by Colm Toibin (*Brooklyn*, 133,000 copies), Marina Lewycka (*We are all Made of Glue*, 160,000 copies) and Nick Hornby (*Juliet, Naked*, 165,000). The success of these titles was driven by sustained marketing and publicity campaigns building word-of-mouth recommendation. 2010 marked the year of John Le Carré's first Penguin title following his departure from Hodder after 30 years. *Our Kind of Traitor* spent three weeks on the *Sunday Times* Top Ten bestseller list, selling



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almost 70,000 copies in the UK and more than 120,000 copies around the world, representing significant growth on previous titles. Penguin Ireland had another strong year with sales up year on year by 3% while the overall market dropped by 6%. Penguin launched its new global business imprint Portfolio, in the UK and a number of other markets around the world, which has now become the number one global business imprint at a trade publisher.

- **Penguin Children's** had a remarkable year. Penguin reclaimed its position as the number one children's publisher, growing its market share from 11.5% in 2009 to 14.4% in 2010. Commercial success was driven by hot brands such as *Diary of a Wimpy Kid* (sales up 218% on 2009), Percy Jackson (up almost 400%), Peppa Pig which overtook Thomas the Tank Engine to become the number one preschool toy brand, and perennial favourite and backlist giant Roald Dahl (up 20% in a children's fiction market that grew only 1%). Penguin's licensing was up 17% in 2010 thanks in part to partnerships with new social networking brands Moshi Monsters and Club Penguin. In the annuals market, which was down 16%, Penguin grew 11%, claiming market leader position. Frederick Warne announced a partnership with Chorion and Nickelodeon to produce a brand new animated series based on the Beatrix Potter characters. 2010 also saw the launch of Penguin's new teen imprint Razorbill, which has doubled Penguin's share of the young adult market.
- **Penguin Digital** had a highly successful and productive 2010 as it embraced the changes offered by digital and as the UK saw significant uptake of digital devices and content. Penguin invested in a select number of apps and enhanced eBooks including: Stephen Fry's MyFry app, an innovative reading application which created an entirely new way of accessing content through visual indexing which has been shortlisted for the MediaGuardian's Disruptive Technology and Mobile App Awards; *Spot Goes to School*, launched as part of Spot's 30th anniversary celebrations, which became the top paid-for iPad book app just days after its release and chosen by *The Guardian* as one of the top 50 apps of the year; and Ladybird's *Baby Touch Peekaboo* app, the first app designed specifically for babies. Penguin continued to grow its fanbase through its website and social media channels reaching an audience of around 4 million. It launched new websites including the official Doctor Who Children's Book website, and The Puffin Digital Prize, to identify new creative talent for digital picture books.



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2010 marked a number of significant anniversaries giving Penguin an excuse to lay on the spectacular birthday celebrations for which it has become famous. Puffin turned 70 celebrating with the launch of the Pocket Money Puffins, the re-launched Puffin Modern Classics and the Designer Classics, a range of iconic collectable classic Puffin titles priced at £100 each. Penguin celebrated its 75th year with the release of *The Penguin Decades*, books that helped to shape modern Britain during the 50's, 60's, 70's and 80's with introductions from some of today's best-known authors including Nick Hornby, Jeremy Paxman and Will Self.

DK had an extremely strong 2010 as it captured the full benefit of the reorganisation undertaken in 2009. In spite of a reduced front list publishing programme, sales grew boosted in particular by the huge success of the LEGO® and Star Wars™ titles. *The LEGO® Star Wars™ Visual Dictionary* was on the *New York Times* bestseller list for the whole of 2010 with 18 weeks at number one selling more than a million copies worldwide in 2010. Other publishing hits included *The Masterchef Cookbook*, DK's first ever UK number one, *The Complete Human Body Book* and *Natural History*, a beautiful £30 hardback. BradyGames had chart toppers with *Call of Duty: Black Ops* and *Red Dead Redemption*.

DK continued to make its mark in the digital space launching its first three DK Eyewitness Travel apps for the iPad and five Top Ten Travel iPhone apps with more scheduled to follow in 2011. Rough Guides trialled its first free viral game to great success having been played more than 5.5 million times in two months. In December DK launched its own App Shop, the only publisher to do so, selling its own travel apps as well as content from across Pearson and other chosen third party apps.

Elsewhere around the world, highlights included:

- In the US, Penguin achieved a record 253 *New York Times* bestsellers, including 22 number ones, from authors such as Charlaine Harris, Tom Clancy, Nora Roberts, Ken Follett, Elizabeth Gilbert, Greg Mortenson and Richelle Mead. Penguin continued to invest in new talent introducing 34 authors whose books hit the *New York Times* bestseller lists for the first time. The number one bestselling novel *The Help* by Kathryn Stockett, which first entered the bestseller lists in 2009, stayed on the *New York Times* bestseller list for the whole of 2010, the only title in the industry to do so (98 weeks and counting), selling three



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million copies to date. Penguin Young Readers Group achieved a record 39 *New York Times* bestsellers with bestselling titles from John Grisham, Mike Lupica and Mike Huckabee, among others. Liaquat Ahmed's *Lords of Finance: The Bankers who Broke the World* won the 2010 Pulitzer Prize for History and two Penguin authors won National Book Awards: *Lighthouse* by Terrance Hayes and *Mockingbird* by Kathryn Erskine. Penguin continued to invest in new forms of digital content including a number one bestselling book app of Ken Follett's *Pillars of the Earth*, the Mad Libs app and *The Little Engine That Could* interactive children's book app.

- Penguin **Australia** grew market share in a tough trading environment enjoying success with Jeff Kinney's *Diary of a Wimpy Kid*, Richelle Mead's *Vampire Academy*, Clive Cussler's *The Silent Sea* and the Popular Penguin series, which has now sold 1.6 million copies. 2010 saw the launch of its first app, Paul Kelly's *How to Make Gravy*.
- Penguin **Canada** had a record year in 2010, ending the year with the number one book in all four categories on the *Globe and Mail's* Top Books of 2010. These four titles: Stieg Larsson's *The Girl with the Dragon Tattoo* and *The Girl Who Kicked the Hornet's Nest* as well as *The Book of Awesome* and *Eat, Pray, Love* dominated Canada's bestseller lists for most of 2010. The company notched a total of 60 *Globe and Mail* bestsellers, including 13 number ones, and the three books in Stieg Larsson's Millennium Trilogy were the top three bestselling books in Canada, across all categories. 2010 also saw Penguin's prestigious non-fiction imprint Allen Lane, launch in Canada.
- Penguin **India** had another strong year posting significant growth. It was a stellar year for prizes with three wins at the Vodafone-Crossword Awards including Best Fiction Book (Kalpana Swaminathan's *Venus Crossing*), Best Non-Fiction Book (jointly awarded to Sunanda K. Datta-Ray's *Looking East to Look West* and Rajni Bakshi's *Bazaars, Conversations and Freedom*, which also won Best Popular Book voted by the public). Penguin India hosted its fourth annual lecture with renowned author and historian Ramachandra Guha, whose new book *Makers of Modern India* was launched by Penguin India in 2010.
- Penguin **China** embarked on its new English language publishing programme publishing its inaugural title, *Shanghai: A History in Photographs*. It was also honoured with Cathay Pacific's China Business Award for a 'continuing commitment to China'.



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Looking ahead, Penguin and DK have exciting publishing programmes lined up for 2011. In the US, Penguin will publish titles from bestselling authors including Patricia Cornwell, Sue Grafton, Charlaine Harris, Nora Roberts, Henry Kissinger, Betty White, Richelle Mead, John Grisham and Eric Carle, and in the UK, Jeremy Paxman, Michael Moore, Steven Pinker, Michael Lewis, Claire Tomalin, David Foster Wallace, Jamie Oliver, Stephen Fry, Rob Brydon, Lee Evans, Rick Riordan and David Almond. DK will continue to develop its strong licensing partnerships with LucasFilm, LEGO® and Masterchef and will also publish two new titles from *New York Times* bestselling author Dr. Laura Berman. It will also be releasing its first non-travel apps later in the year, including a groundbreaking iPad app based on its bestselling *Human Body* book.

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