



PENGUIN GROUP REPORTS RECORD HALF-YEAR RESULTS

Strong global publishing performance reflected by market share gains

London, 26th July 2010...Penguin Group, the international publishing company, today reported its results for the first half of 2010. On a headline basis, sales were up 9% to £493m and profit was up 110% to £44m, a record result. Excluding the impact of currency, underlying results were also very strong, with sales up 7% and profit up 56%. These results reflect a strong and consistent publishing performance across imprints and territories as well as the benefits of a series of organisational changes made within the UK businesses in 2009. They were achieved in a trading environment that remains very challenging. This record performance was reflected in market share gains in Penguin's three largest markets, the US, the UK and Australia.

These results were part of a strong overall Pearson performance, <http://www.pearson.com/investors/our-news/?i=1306#epr>.

Penguin Group Chairman and Chief Executive, John Makinson, said: **“These are remarkable results, achieved in markets that remain very challenging both financially and strategically. Penguin’s record first half profits reflect a publishing performance that was of consistently high quality across territories, genres and formats. We are seeing real benefits from the reorganisation of our UK businesses undertaken last year and from our decision to invest aggressively and early in digital content. The strength and depth of our publishing programme give us confidence that this level of performance can be sustained in the second half of the year.”**

First half highlights included:

- Penguin (including DK) increased its market share in its three largest markets. In the UK its market share grew from 9.9% in the first half of 2009 to 10.7% in the same period in 2010, in the US 11.9% to 12.4% and 12.3% to 13.1% in Australia*.

* (Source: Nielsen Bookscan, market share by volume).



- **Bestsellers:** In the UK, Penguin had 27 top ten bestsellers and six number ones including Jane Green's *Girl Friday*, Clive Cussler's *The Spy*, Jamie Oliver's *Jamie Does*, which was the industry's bestselling non-fiction title in the first half, and Rupert Isaacson's *The Horse Boy* in paperback. In the US, Penguin had a record 150 *New York Times* bestsellers including number one bestsellers from authors including Michael Pollan, Nora Roberts, Kathryn Stockett (author of *The Help*) and Charlaine Harris.
- **Children's:** Both Penguin and DK Children's divisions had an excellent first half, posting significant sales growth in both the US and the UK. In the UK Penguin Children's had a stellar first half increasing its market share from 10.8% to 13.3%. In its 70th anniversary year, Puffin sales grew by 35% driven by phenomenal sales for the Percy Jackson and Wimpy Kid series, while Ladybird grew by 16% due to continued growth from Peppa Pig, Club Penguin and the Baby Touch brands. In the US, the Young Readers Group enjoyed success with number one bestselling titles from John Grisham (his debut children's title, *Theodore Boone: Kid Lawyer*), Richelle Mead's *Vampire Academy* and Jan Brett.
- **DK:** In spite of continuing tough conditions in illustrated reference publishing, DK made a very strong start to 2010, outperforming the market in both the UK and the US. DK's partnership with Lego has been particularly successful. *The Lego Star Wars Visual Dictionary* has spent the whole of 2010 on the *New York Times* bestseller list with eleven weeks at number one. In the UK, DK had a number one hit with *The Masterchef Cookbook*, DK's number one adult title worldwide in the first six months of 2010.
- **Digital:** eBook sales were three times higher than in the first half of 2009. Penguin has the largest eBook portfolio in the industry with 15,700 eBook titles available worldwide across multiple platforms. Penguin continued to extend its reach to new audiences for digital content, most recently with the launch of Apple's iBookstore and iPad where, in the US, Penguin's *Winnie-the-Pooh* was the only book pre-loaded onto the device. Penguin continued to lead the way in digital innovation with highlights including: the release of Penguin UK's first free book app for Paul Hoffman's *Left Hand of God* which went to number one in the iTunes store; the launch of Penguin Community in the US, a new social networking section on the Penguin US website which allows readers to share books with



other readers and earn points which can be redeemed for discounts on the site; Penguin India developed India's first flash book game to promote *The Monochrome Madonna* and an online treasure hunt to promote Jeanne Perrett's *Ash & Tara* and *The Emerald Dagger*.

- **Global:** Penguin continued to invest in its global publishing strategy with the appointment of Andrew Phillips as President of Penguin International, completing a network of four regional hubs in New York, London, Delhi and Melbourne, and expanded its global imprint roll-out with the launch of business book imprint Portfolio and teen imprint Razorbill in the UK. Next month Penguin will launch its world-famous Classics in Portuguese in Brazil through a partnership with Companhia das Letras, one of the most prestigious publishing houses in Brazil, and the Allen Lane imprint will launch in Canada in September.
- **Birthdays:** In 2010 Penguin celebrates its 75th anniversary and Puffin its 70th. Penguin celebrations around the world include: in the UK, The Penguin Decades, a set of novels from the 50's, 60's, 70's and 80's that helped shape modern Britain with new artwork and introductions; in the US, Penguin Inks, six Classic Penguins with new covers specially designed by some of the world's most prominent tattoo and poster artists; and in Australia, Penguin has partnered with gaming company 3rdsense to create a new game called The Penguin Party where players are tasked with finding 75 popular book titles within a cryptic image puzzle. Puffin birthday events to date have included special anniversary publishing such as Pocket Money Puffins, the Puffin Modern Classics re-launched in smart new silver livery and a biography of Kaye Webb, Puffin's widely heralded editor and founder of the Puffin Book Club. Bookshops, schools and libraries celebrated National Puffin Share-a-Story Day on 8th May.

Penguin has an extremely strong publishing line-up in the second half of 2010, including in the UK:

- **Adult fiction:** John Le Carré's new title *Our Kind of Traitor* and his bestselling *The Spy who Came in from the Cold* will be published respectively by Viking and Penguin Modern Classics for the first time. Michael Joseph will be publishing titles by Dawn French, Tom Clancy, Clive Cussler and Dick and Felix Francis.

- **Adult non-fiction:** Michael Joseph will be publishing non-fiction titles by Jeremy Clarkson, Stephen Fry, Michael McIntyre, Jamie Oliver and Ellen MacArthur. Viking will publish *The Story of England* by Michael Wood to tie in with a major BBC history series. Andrew Rawnsley's *The End of the Party* will be published by Penguin Paperbacks, updated with a new introduction covering the tumultuous election campaign and unlikely coalition result. Allen Lane will be publishing a number of significant history titles from authors including Dominic Sandbrook, Amanda Foreman, Richard Miles and Norman Davies. Penguin Press will publish new titles by Niall Ferguson, Andrew Graham Dixon's *Caravaggio*, Jon Stewart from the Daily Show and Neil MacGregor's *A History of the World in 100 Objects*.
- **Penguin Children's:** Eoin Colfer's *Artemis Fowl and the Atlantis Complex*, Jeff Kinney's *Wimpy Kid 5* and *Heroes of Olympus: The Lost Hero* by Rick Riordan for Puffin. Ladybird will launch its new chunky board books series, *Where's my...* and BBC Children's Books will be publishing Zingzillas, the must have pre-school brand for the autumn.
- **DK:** new titles in the Lego series will include *Lego Star Wars Brickmaster* and *Lego Star Wars Atlantis* and DK's big title for the fall *Natural History* will be published in partnership with the Smithsonian Institute.

In the US major new books for the second half include fiction titles by Tom Clancy, Patricia Cornwell, Ken Follett, Terry McMillan, Nora Roberts and Jan Karon. The non-fiction line-up will include new titles from Barbra Streisand, Ron Chernow, Ingrid Betancourt and Maria Bartiromo. Penguin Young Readers will publish new titles including book six in Richelle Mead's *Vampire Academy* series, as well as new titles from bestselling authors Mike Lupica, Jan Brett and John Flanagan (author of the bestselling *Ranger's Apprentice* series).

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