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SALES AND PROFIT GROWTH FOR THE PENGUIN GROUP IN 2001

London, 4 March 2002 – The Penguin Group today reported its operating results for the year ending December 31 2001. Total sales were up 9%, boosted by a full-year contribution from Dorling Kindersley. Underlying sales were up 3% with a strong bestseller performance partially offset by industry-wide softness in travel books and backlist sales. Underlying operating profit was up 6%.

Total net sales in 2001 were £820 million, compared with £755 million in 2000 (when only 7 months of DK sales were included). Dorling Kindersley contributed revenues of £146 million and losses of £7 million in its first full year in the Group in 2001.

In the UK, 2001 was another excellent year for bestsellers at Penguin, with forty-one titles reaching the Booktrack top fifteen (up 5% on 2000). Penguin also improved its performance in the annual Fast sellers charts (Guardian 28.12.01) with six titles in the top fifty versus four in 2000. Jamie Oliver was the industry's top selling author of the year through Booktrack in 2001 after JK Rowling. His third book *Happy Days with the Naked Chef* has sold 1.5 million copies since publication in September. Victoria Beckham's *Learning to Fly* was a number one bestseller and has reached hardback sales of 360,000 copies and Eric Schlosser's *Fast Food Nation* was a top-ten bestseller for the Penguin Press Division. In fiction, Penguin's perennial bestselling authors – Marian Keyes, Jane Green, Lesley Pearse, Sue Townsend, Lisa Jewell all outperformed their previous sales record, and Penguin's global authors - those shared with PPI, including Tom Clancy, Clive Cussler, Nick Hornby, all had an outstanding 2001 in both the UK and US. Zadie Smith's *White Teeth* was the bestselling debut of 2001, and Penguin's bestselling paperback. At Puffin, 2001 saw a revitalised frontlist, led by the outstanding success of Eoin Colfer's *Artemis Fowl*. Other strong performers were *The Magical Worlds of Harry Potter* by David Colbert – a number one children's non-fiction bestseller, and the charming picture books of Angelina Ballerina.

As previously stated, Dorling Kindersley's recovery is running up to a year behind schedule. However, 2001 saw the integration of DK completed and the company started to benefit worldwide from a larger sales force, lower production costs, faster origination and a strengthened publishing programme founded on the innovative marketing of fewer

bigger titles with global appeal. The second half of 2001 saw a boost in DK's sales. *Animal* was a bestseller in every territory, selling almost half a million copies in twenty-three languages. Other successes in the autumn included the children's unique *Robot Kit*, Bill Wyman's *Blues Odyssey* and the RHS *Gardening Through the Year*.

DK's 2002 list continues the upward trend. Matt Roberts' *Fitness for Life Manual* hit the UK bestseller list in January and DK's Autumn programme is the strongest ever. Titles include Bill Wyman's eagerly awaited *History of the Rolling Stones*, *Flight* - the definitive evocation of man's relationship with a flying machine produced with the Smithsonian Air and Space Museum, an updated edition of the evergreen *RHS Gardening Encyclopaedia* and a new Family Health bible by Miriam Stoppard entitled *Family Health*.

Penguin's 2002 programme is its biggest yet. There will be a new book by Jamie Oliver, autobiographies from Roy Keane, the Appleton sisters, Barry Humphries, Ellen MacArthur, Gordon Banks and Matthew Parris. Other lead non-fiction titles include Orlando Figes exhilarating study of Russian culture and Jeremy Paxman's *It Always Ends in Tears*. With Penguin Putnam in New York Penguin has acquired the diaries of Kurt Cobain which will be published in both territories this Autumn. In fiction there are new novels from Marian Keyes, Zadie Smith, Sue Townsend and Tom Clancy. Nick Hornby's *How to be Good* is out in paperback, as is the film tie-in of *About A Boy*, (film coming from Working Title in April and starring Hugh Grant). At Puffin there is the second *Artemis Fowl* novel, a new Redwall novel from Brian Jacques and Michael Hoeye's extraordinary *Time Stops for No Mouse*. At Warne, 2002 marks the 100th Anniversary of the first publication of *The Adventures of Peter Rabbit*, providing significant new sales opportunities for all Beatrix Potter publishing and licensing around the world.

Anthony Forbes Watson, Chief Executive of The Penguin Group (UK) said, "2001 was a tough, long but ground-breaking year in which the enlarged UK group fully came together with the integration of Dorling Kindersley and our move to wonderful new offices. We are now fully geared up to take advantage of the opportunities that 2002 will bring and I feel very excited by the quality of our publishing programme across all our lists in the next twelve months."

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