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## **PENGUIN GROUP SHOWS GROWTH AND PROFIT IN 2002**

London, 3 March 2003, The Penguin Group today reported its operating results for the year ending December 31 2002. Total revenues were up 2%. Underlying sales were up 5% with a strong bestseller performance. Underlying operating profit was up 11%.

Total net sales in 2002 were £838 million, compared with £820 million in 2002. For Dorling Kindersley, 2002 has been a turnaround year with an 8% increase in underlying sales and last year's £7m loss transformed into £8m profit.

In the UK, the Group held a market leading position for both non-fiction and children's publishing in 2002 and grew sales through GRM by over 4% (according to Nielsen Bookscan) year on year. Growth came from an increased number of bestselling books in 2002 from the two Penguin adult divisions, General and Press. *Jamie's Kitchen* by Jamie Oliver, *Keane: The Autobiography* by Roy Keane and Eamon Dunphy, *Berlin* by Antony Beevor, *Taking on the World* by Ellen MacArthur, *Kurt Cobain: Journals*, and *Stupid White Men* by Michael Moore have all been huge non-fiction successes. On the fiction side, Nick Hornby's *How to be Good* and the film tie-in of *About a Boy* have been the strongest sellers along with *Death in Holy Orders* by PD James, *Number Ten* by Sue Townsend, *Red Rabbit* by Tom Clancy and *Angels* by Marian Keyes. Puffin's share of the children's fiction market increased year on year, thanks to the success of Eoin Colfer. The paperback of *Artemis Fowl*, was a children's number one, and the two new hardbacks sold strongly.

At Dorling Kindersley in the UK sales have increased by almost 25%. Growth has come from both the adult and the children's divisions. 2002's star performers in children's were *The Robot Warrior Kit*, *Star Wars – The Attack of the Clones* and *DK Science Kit*. On the adult side, publishing successes include the repackaged *RHS Encyclopedia of Gardening*, *DK Antiques Price Guide* by Judith Miller, Bill Wyman's *Rolling with the Stones* and *The RSPB Handbook to Birds of Britain and Europe*, which became the category leader immediately it was published. *Animal*, the celebrated bestseller of 2001 went global in 2002, publishing in twenty-five different languages. 2002 saw the launch of a new DK travel series, DK Eyewitness Top Ten. The new launch and the continued success of the original Eyewitness Guides has resulted in a 22% growth in sales for DK travel guides.

In May 2002, Penguin purchased the remaining shares in Rough Guides and integrated the business into the Group. Their titles, along with DK's travel list and the Time Out branded Penguin books, now comprise 23% of the travel book market.



2002 in Warne was dominated by the global celebrations for the centenary of Peter Rabbit. Sales of Peter Rabbit books were up 31% year on year and global merchandising income from Beatrix Potter grew by 3% over the last three years. At Ladybird, sales increased by 14% against 2001 as Ladybird increased its branded retail space across the trade.

Penguin Group (UK)'s number of bestsellers in 2002 totaled 45 as against 41 in 2001 (source: Nielsen Bookscan top 15). Penguin's performance in the Guardian's annual Fast sellers list was its best for some years with 13 titles in the top 100.

2003 has started extremely well with Penguin titles dominating the bestseller lists. Claire Tomalin won the Whitbread Book of the Year Prize for *A Unequaled Self: A biography of Samuel Pepys* and is currently number two in the hardback non-fiction charts; Niall Ferguson's history *Empire*, based on a six part Channel Four series, has been in the top five since early January and Jane Green's new novel *Spellbound* spent three weeks at number one in the hardback fiction list. At DK, Matt Roberts has once again given the year a strong start with his *Fat Loss Plan*.

Looking ahead to the rest of 2003, the paperback editions of last year's big hardbacks offer huge sales potential: [Zadie Smith's \*The Autograph Man\*](#), [Sue Townsend's \*Number 10\*](#), [Marian Keyes' \*Angels\*](#) and [Antony Beevor's \*Berlin\*](#) for example. In hardback, the autumn sees [Simon Jenkins' \*Thousand Best Houses\*](#), the sequel to the bestselling *Thousand Best Churches* and new novels from Pat Barker, Jim Crace and Helen Dunmore. On the children's side, there is a very exciting forward programme that includes the third in Eoin Colfer's Artemis Fowl series, *The Eternity Code* and *Lionboy*, a debut novel that has already received media attention.

At DK, the highlights of the children's programme will be the *e-Encyclopedia* that will reinvent children's reference publishing and the first titles in Peter Ackroyd's ambitious history of the world project, *Voyages through Time*. On the adult list are two big gardening titles: Monty Don, who will be presenting Gardeners' World, Britain's best-loved gardening programme, is bringing out *The Complete Gardener* and Diarmuid Gavin publishes *Outer Space* in the second half. In the autumn Tom Peters launches his radical new approach to the global business book with *Reimagine*, there is a new Judith Miller - *The DK Guide to Collectibles* and, in the footsteps of *Animal*, comes *Earth*, a lavishly illustrated reference book for Christmas.

Anthony Forbes Watson, Chief Executive of Penguin Group (UK) commented, "2002 was the year all the pieces came together and our business grew by 7%. Penguin excelled in the bestseller lists and DK returned to profit and creative overdrive. We are now looking ahead to a strong and exciting publishing programme in 2003."



John Makinson, Chairman and CEO of Penguin Group said, "I'm very pleased with the continued strong performance of all of Penguin Group globally. We've been able to add to our award-winning bestseller lists while acquiring and nurturing great new writing talent. The revitalisation of Dorling Kindersley is a particularly satisfying story, with its return to profitability driven by its full integration into Penguin and its investment in exciting new and classic titles. The strength and quality of the Penguin brand, our diverse family of authors and imprints, and our world class publishing programmes remain at the heart of our success."

Notes:

Penguin Group is part of Pearson plc, the international Media Company.

For more information and the full Pearson earnings release please go to [www.pearson.com](http://www.pearson.com)