

Transition Vendor/Publishers Group Worldwide, New York Office
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7/19/07

Dear Valued International Customer,

Please make sure all key staff - buying, accounting, receiving, returns – receive a copy of this letter. We at Transition Vendor/PGW are nearing the end of our 5 month transition with Perseus. Effective **August 1, 2007**, PGW will become a division of Perseus Books Group (PBG) and our fulfillment, customer service, and credit operations will be handled by **Perseus Distribution**.

Publishers Group Worldwide is now the international selling division for all signed clients of PGW, Perseus Distribution and Consortium. In addition, we will take over sales responsibility for The Perseus Books Group imprints (from Penguin International) starting January 1, 2008 – a related announcement will be sent out later this year.

What does this mean for the customer?

Vendor of Record -

- The new **vendor of record** for all currently distributed PGW publishers and their books will change from Transition Vendor to **Perseus Distribution** on 8/1/07. **Please make this important change in your ordering and accounting system.**

Orders –

- PGW Orders - All orders for PGW titles will continue to be sent to Jessica Pavlas at jessica.pavlas@pgw.com at Publishers Group Worldwide's New York office.
- Perseus Distribution and Consortium Orders - We will eventually begin the process of signing publishers from Perseus Distribution and Consortium. Any orders for publishers from those groups can be combined with PGW orders and also sent to jessica.pavlas@pgw.com once we have established distribution for those publishers.
- Perseus Books Group (PBG) Orders - We will begin processing international orders for any Perseus Books Group (PBG) imprints on January 1, 2008, with the exception of India, which starts on 8/1/07. All orders for PBG imprints should continue to be handled by Penguin International until Dec 31. Beginning in January, all orders should be sent to jessica.pavlas@pgw.com and can be combined with orders for PGW.
- **Please do not combine PGW titles with PBG titles in a single order until after January 1st.**
- Perseus Distribution will invoice all books from PGW, Perseus Distribution, Consortium and The Perseus Books Group.
- For those customers using EDI, you will need to use the Perseus Distribution **SAN number 631-760X** starting 8/1/07.

Backorders –

Unless otherwise notified by you, we will automatically transfer all open backorders for Transition Vendor to your Perseus account. Your Transition Vendor account will automatically become your Perseus Distribution account if you do not have an account established with Perseus Distribution.

Accounting –

- Your Transition Vendor (TV) account will cease to exist and will be rolled into your existing Perseus account.
- All open TV invoices, credit memos, deductions, charge backs, and credit adjustments dated 3/1/07 and after will be transferred to your Perseus account. These items have been appearing on your Transition Vendor account statement.
- If you have a TV account but do not have a Perseus account, one will be automatically opened for you and all balances automatically transferred.
- Send all payment and remittance information to the Remit address noted on the Transition Guidelines sheet as attached.
- Claims submitted separate from payment can be sent to our Berkeley address as noted on the Transition Guidelines sheet as attached.
- Note that orders placed with PGW after 8/1 will be on a Perseus invoice and your Perseus account statement.
- Your credit department contact is still jahzeel.lee@pgw.com in Berkeley, California.

Sales –

- Your PGW sales rep remains the same. In addition, PGW will begin selling Perseus Books Group titles as of Jan 1, 2008.

Customer Service is Changing -

- As of August 1, our **new customer service group** is located at Perseus Distribution 1094 Flex Dr., Jackson, Tennessee 38301.
- Your new customer service contact is **Lisa Murdaugh** at Tel: 731-265-5941, Fax: 731-935-7731 or lisa.murdaugh@perseusbooks.com. (Please note: PGW Customer Service will no longer be handled in our Berkeley office after 8/1. Laura Roberts, Claudia Moreno and Christina Troup will no longer be your customer service contacts).

Returns –

- All return requests need to be sent to jessica.pavlas@pgw.com in Publishers Group Worldwide for approval prior to processing.
- Any physical returns for active TV/PGW publishers, once approved, need to be sent to Perseus Distribution Returns Dept., 193 Edwards Dr., Jackson, TN 38301.

Your Old PGW (Pre-March 1, 2007) Account Balances -

- If you are still receiving a Publishers Group West account statement, you still need to pay and resolve all open balances on that account before the end of July 2007. This account reflects business done with PGW **prior to our 3/1/07** change to Transition Vendor.
- After July 31, these PGW balances will be handled by the bankruptcy attorney, so we recommend you deal with them quickly since Jahzeel Lee in PGW's credit department will not be able to resolve them after 7/31/07.
- All returns requests for any prior non – participating PGW publishers must be received for return authorization by jessica.pavlas@pgw.com by 7/20/07 to be acceptable for credit. No credit will be issued for any returns requests received after 7/20/07. Please see our website for details on non-participating publishers - http://www.pgw.com/home/downloads/transition/Intl_Participating_ISBN_Prefix.xls
- Any returns for non-participating publishers issued after 7/20/07 must be sent directly to that publisher or their new distributor.