



RANDOM HOUSE

BERTELSMANN

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STATEMENT FROM RANDOM HOUSE, INC. REGARDING ITS U.S. E-BOOK SALES MODEL

“Random House, Inc. is adopting the agency model for e-book sales in the United States effective March 1, 2011. Going forward, Random House will set consumer prices for the e-books we publish, and we will provide retailers with a commission for each sale. There are no changes to our terms of sale for physical books.

“The agency model guarantees a higher margin for retailers than did our previous sales terms. We are making this change both as an investment in the successful digital transition of our existing partners and in order to give us the opportunity to forge new retail relationships.

“We are looking forward to continuing to work with all our retail partners – both digital and physical -- on our joint mission to connect our authors with as many readers as possible, in whatever format they prefer.”