

August 30, 2018

Dear Valued Partner,

We are excited to be sharing good news about changes to our eBook Terms of Sale for Public, School and Special libraries. These changes apply to all Penguin Random House, Penguin Random House Canada, DK and DK Canada titles. These new library sales terms do not apply to any eBooks distributed by Penguin Random House Publisher Services on behalf of its client publishers.

All changes will be effective October 1, 2018.

First, however, please know that there are no changes to our current policy of making all our eBooks available “*day and date*.” Penguin Random House is firmly committed to making our eBooks available to library patrons on the same day they become available to retail consumers. We believe strongly that libraries help build readership for our authors and having our books available promptly to them at the on-sale date is an important way for us to support the valuable work that public libraries do, particularly in their relationship with their patrons.

The eBook landscape continues to evolve, and many librarians have provided knowing and ongoing feedback to us about what is working best for their communities. The one observation we have been told repeatedly over the last few years is that our eBook pricing has been a major challenge.

We have heard – loud and clear – that while libraries appreciate the concept of “perpetual access,” the reality is that circs for many titles drop off dramatically six to eight months after the initial release. This is true especially for fiction bestsellers. Most librarians are telling us they would rather pay lower prices across our front lists and backlists, in exchange for a copy that expires after a given time period.

In response to this feedback, we are happy to tell you that we will be lowering our prices on our entire catalogue of adult and children’s fiction and nonfiction titles.

Under our new terms, eBooks will expire after two years from original purchase date with the aligned pricing lowered for our eBooks.

Effective October 1, our pricing will be tiered based upon three categories: Adult titles, Young Adult titles and Children’s titles. We acknowledge that having lower prices in particular for Children’s titles is valued.

PRH US/PRH CA; DK US/DK CA

Adult titles: Up to \$55.00/\$57.00

Young Adult titles: Up to \$45.00/\$47.00

Children’s titles: Up to \$35.00/\$37.00

We know that the fall is a key time for future budget planning, so we hope this advance notice will help you make the most of your materials budget.

Copies of Penguin Random House e-books previously purchased for ownership in perpetuity will remain permanently owned copies, with all attendant benefits (being able to transfer e-copies from one approved distributor to another, etc.). We have talked to all the key library eBook distributors, and we are working closely with them to ensure a transition as smooth as possible for you.

We also wanted to fill you in on a concurrent change we are making for academic libraries, which, as you know, have a different mission. Because archiving is such a key element of what they do, we are going to create a separate program exclusively for academic libraries, under which they will be able to continue purchasing copies in perpetuity, at a significantly higher price than what we will have in place for public libraries.

In instituting these new terms, we also look to our future together. Penguin Random House is honored to be actively participating in the Panorama Project. I proudly serve on its Advisory Council. The goals of this project highlight and reflect Penguin Random House's belief in the positive impacts libraries have in discovering new literary voices and promoting our books to all readers.

On behalf of all of PRH, we want to thank you for everything you do for our books and authors, and the culture of reading in your community. Public libraries are highly valued partners for us, and we look forward to working together to expand readership for our books and foster greater connectivity with you and your patrons, in the years ahead.

Cheers,

Skip Dye
VP, Library Marketing and Digital Sales
Penguin Random House
1745 Broadway
NY, NY 10019
212-782-8417
sdye@penguinrandomhouse.com