



IDPF Digital Book
May 24th, 2011

Introduction to Baker & Taylor

Baker & Taylor is a premier provider of physical and digital media and value added services for publishers and customers into a worldwide retail, library and educational marketplace.

- Headquartered in Charlotte, NC
- Revenues of \$1.7B for fiscal year 2010, 3,000+ employees worldwide
- 8 distribution centers - 5 US and 3 International for consumer direct fulfillment (CDF) and bulk orders for retailers, libraries and educational institutions
- More than 40,000 customers in over 120 countries, including 16,300 retail and 23,900 library/education customers
- Platform for e-books aggregation and delivery for distribution channel with device manufacturers and mobile carriers
- Worldwide consumer direct fulfillment network servicing online retailers
- Owned by Castle Harlan, Inc. — a leading private equity investment firm headquartered in New York

Supporting our Publishing Partners and Customers Worldwide

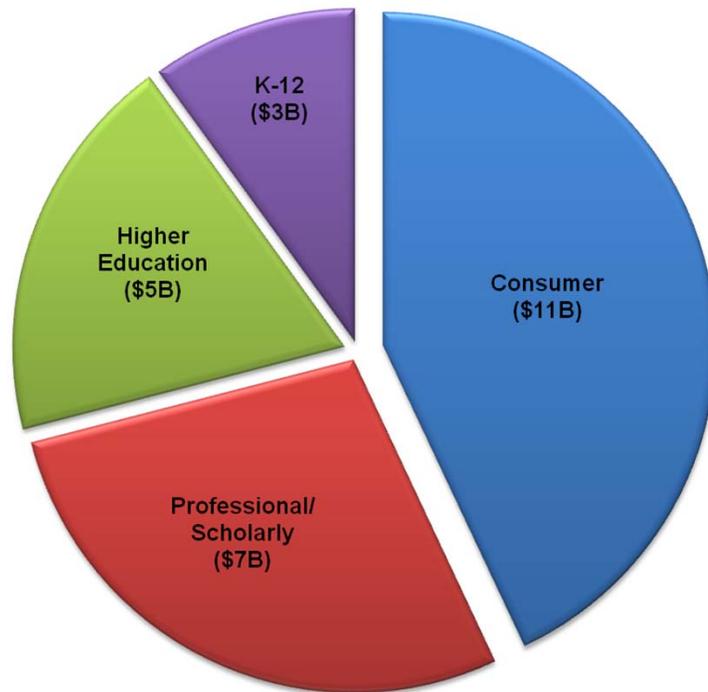
- **Work directly with publishers to distribute their digital, as well as physical content, and provide value added services to a worldwide multi-channel distribution network**
- **Study industry trends in order to better understand what the marketplace looks like in order to better serve our publishing partners and distribution channels**
- **Support existing distribution channels with digital content distribution and services worldwide – retail, library and education**
- **Launched Blio – revolutionary e-reading software application along with comprehensive digital media storefronts – 25+ Million pre-loads in 2011**
- **Developed new revenue channels for publishers, device manufacturers and mobile carriers to get digital content to consumers via multi-function device of choice**
- **Developed and executing partner/channel marketing efforts to drive sales of publishers' content**

BOOK INDUSTRY TRENDS AND FORECAST

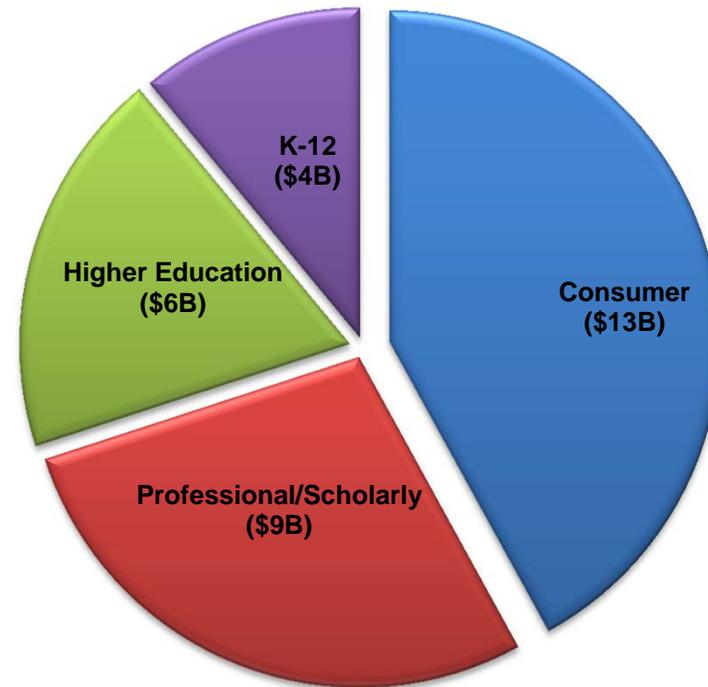
Total U.S. Book Market – 6% CAGR

Revenue by Product Line

\$26B
(2010)



\$32B
(2013)



Print to Digital Shift 2010 -2013 - \$7 Billion by 2013

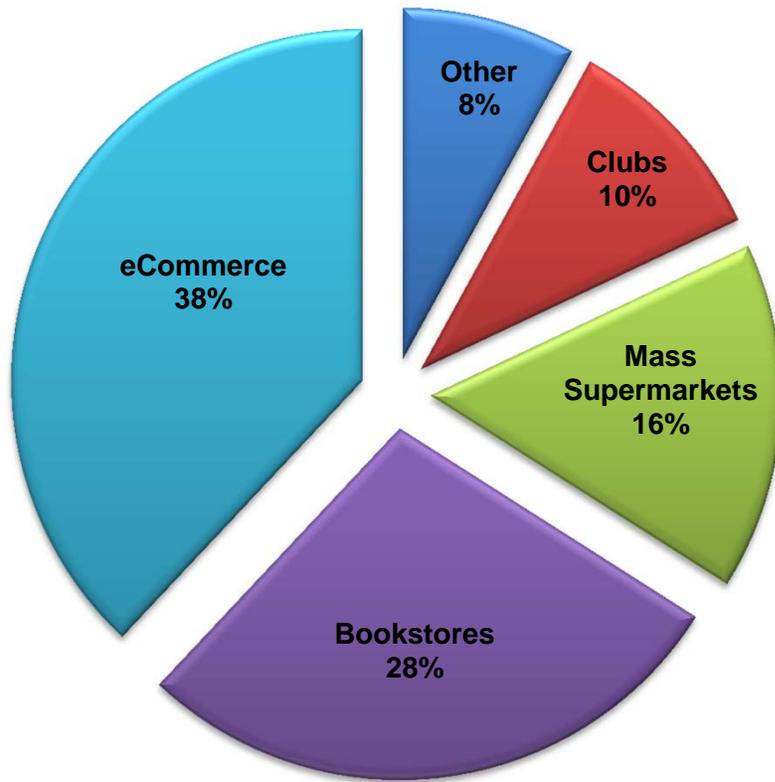
- Mix of print and digital revenues will shift over the course of the next three years with most significant shifts taking place in Higher Education, Trade and Professional publishing.

	2010		2011		2012		2013	
	Print	Digital	Print	Digital	Print	Digital	Print	Digital
Trade	92%	8%	83%	17%	77%	23%	63%	37%
El-Hi	95%	5%	95%	5%	95%	5%	95%	5%
College	85%	15%	82%	18%	77%	23%	73%	27%
Professional	79%	21%	77%	23%	74%	26%	72%	28%
Total	89%	11%	86%	14%	83%	17%	78%	22%

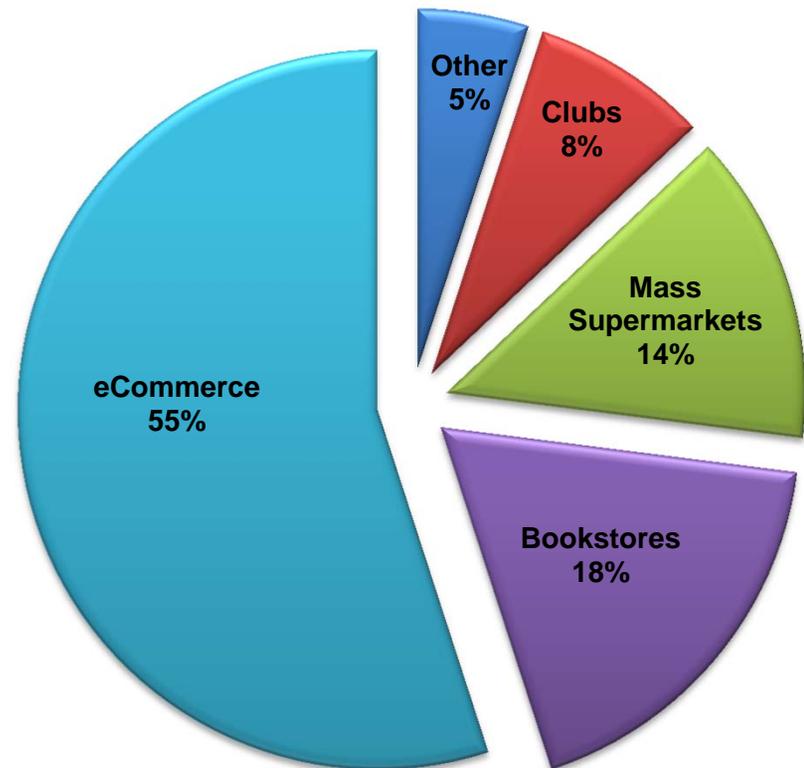
- Digital content growth will be spurred:
 - Proliferation of tablets and other multi function reading devices
 - New Publishing categories in addition to Bestsellers – Children's, Education, etc.
 - Enhanced Content Creation by Publishers

Sales By Retail Channel – Consumer Trade Books (\$13 B)

2010

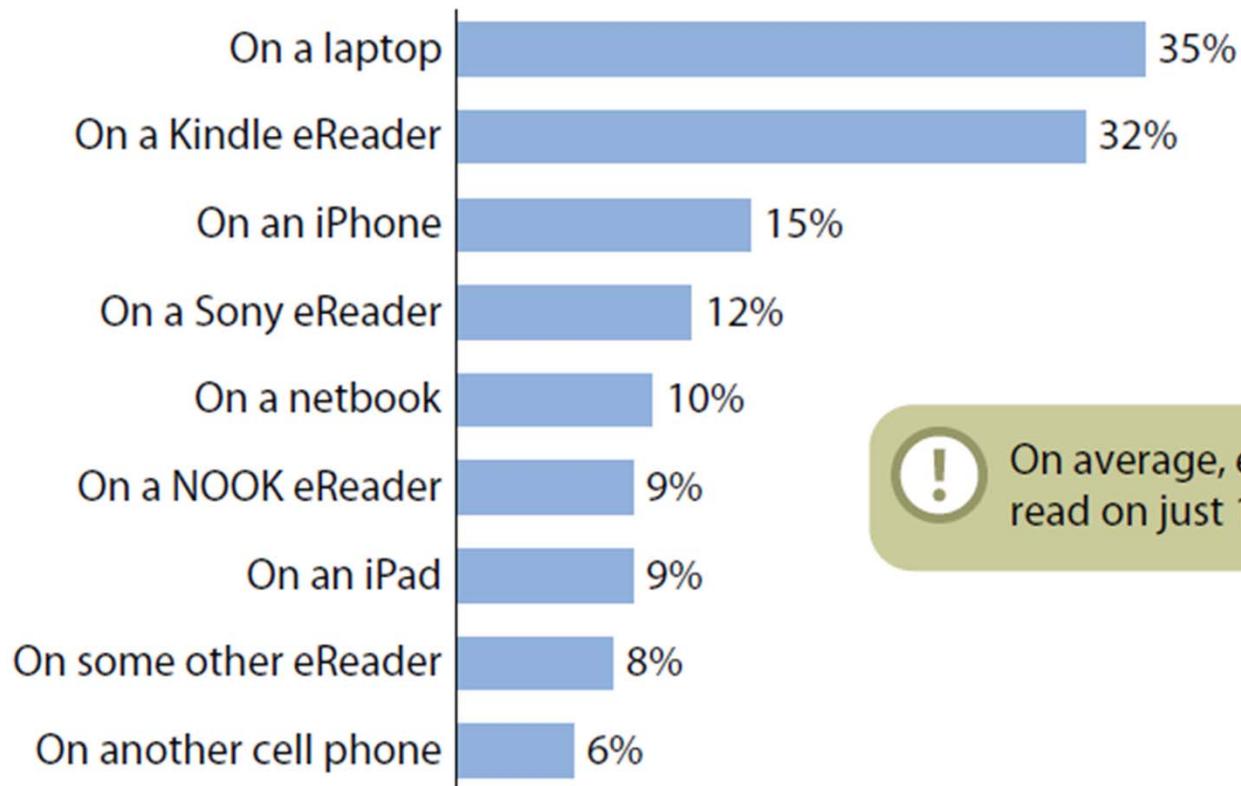


2013



Most Popular Devices to Read an e-book

“How do you read eBooks?”



On average, eBook readers read on just 1.4 devices.

Worldwide Digital Device Shipments by Category

- Desktops, Laptops, Netbooks
 - 367.8 Million in 2010
 - 390 Million in 2011
- Smartphones
 - 362.7 Million in 2010
 - 375 Million in 2011
- Tablets
 - 19.5 Million in 2010
 - 80-100 Million in 2011
- Dedicated E-Readers
 - 6.6 Million in 2010
 - 20 Million in 2011

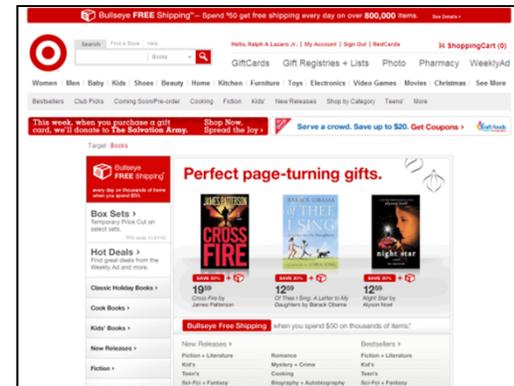
BAKER & TAYLOR DIGITAL MEDIA & E-COMMERCE SUPPORT STRATEGY

E-Commerce and Value Added Services

- Consumer direct fulfillment support for online media transactions
- Content aggregation, conversion, management and delivery
- Ereading software – Blio - for Multiple platforms and multiple devices
- Web-hosted or “in-application” storefront infrastructure – fully merchandised for both digital and physical books

Web Hosting and Consumer Direct Fulfillment For Internet Booksellers

- Largest provider of CDF services for the book and entertainment product market, from inventory or POD
- Provide Cover Art, Metadata, Reviews, Pick, Pack, and Ship Direct to the Consumer
- Only distributor that ships books, music and media to customers in a single box to end-consumers
- Able to deliver 60% of products in one day, 99% in two days to U.S. customers via ground through Company's distribution network
- Web hosting provides cost effective services to customers and customers' end users



Content Via Blio On Multiple Devices & Multiple Platforms

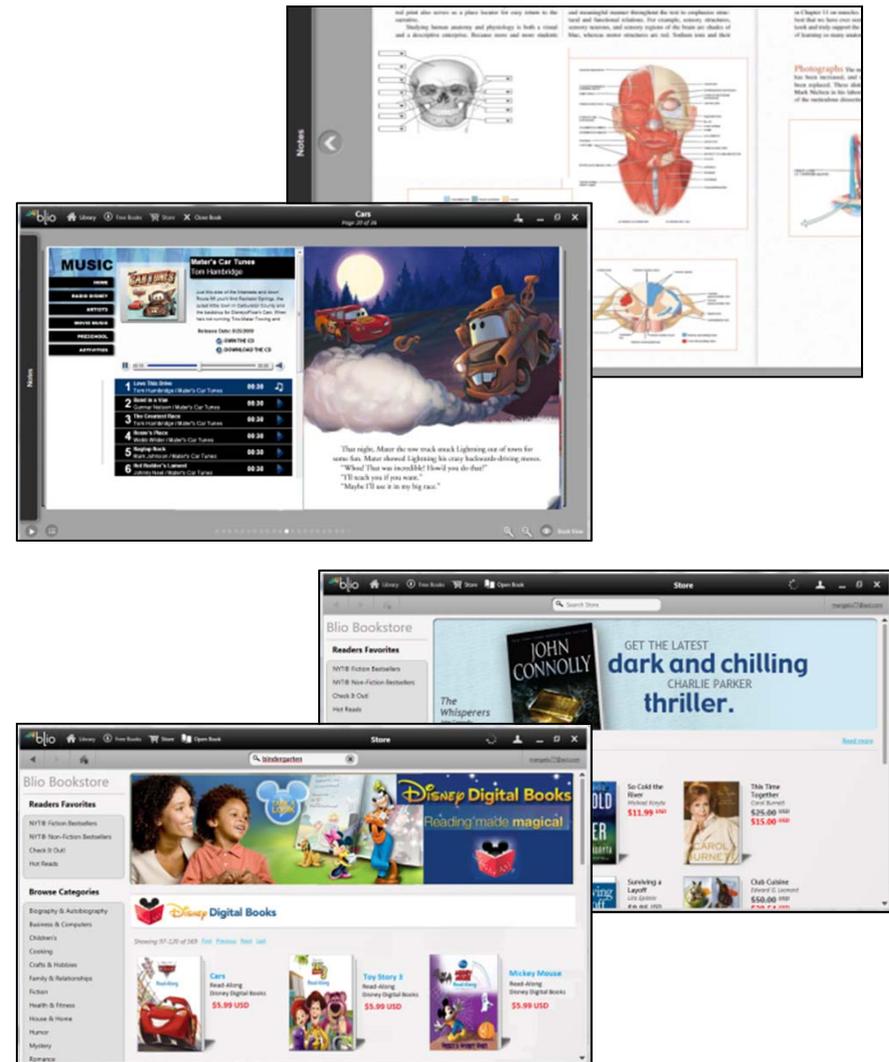


Digital Media Platform

Blio- Next Generation E-Reading Software Application



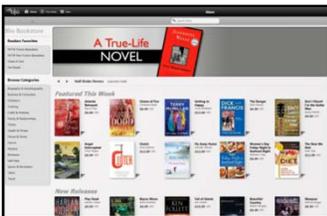
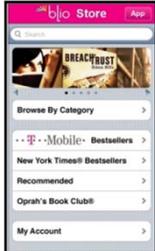
- Developed by K-NFB Reading Technologies, Inc.
 - Headquartered in Boston, Massachusetts
 - Company founded by Ray Kurzweil
- Operating Platforms Support
 - Windows for PC – live 2010
 - Android, iOS – Development Completed
 - Window Phone 7 – Coming 2011
- Device agnostic, free software download
- Highly interactive, immersive e-reading experience
- Full DRM protection
- Customizable skin available to support product line, retailer, or publisher as required
- Addresses major accessibility issues – solution developed in partnership with National Federation for the Blind



Device Manufacturers and Mobile Carriers Channel Network

New Online Retail Digital Storefronts – To Sell Books and other media

25+ Million Blio “pre-loads” in 2011

			
<ul style="list-style-type: none"> • Launched September 2010 • 20M devices shipped globally • Laptops, netbooks, tablets • Digital and physical books 	<ul style="list-style-type: none"> • Launched December 2010 • 40M devices shipped globally • Desktops, laptops, netbooks, tablets, smartphones • Digital and physical books 	<ul style="list-style-type: none"> • Launched January 2011 • 50M devices shipped globally • Desktops, laptops, netbooks, tablets • Digital and physical books 	<ul style="list-style-type: none"> • Projected launch June 2011 • 10M devices shipped in U.S. • Smartphones and tablets • Digital and physical books
			
			

Libraries and Universities

Online Physical and Digital Media Branded Retail Storefronts

My Books and More – customized marketing and retail online bookstore program for universities and colleges (2,000 +)

The screenshot displays the University of Dayton Bookstore website. At the top, it says "Welcome to the University of Dayton Bookstore" and features the university's logo and name. Navigation links include "Sign In", "Register", "Shopping Cart", "Order Status", "My Account", "Customer Service", and "FAQ". A main menu bar contains "HOME", "TEXTBOOKS", "GENERAL INTEREST BOOKS", and "MUSIC & MOVIES".

The main content area is divided into several sections:

- Search:** A search bar with "Search All Products" and "All Fields" dropdowns, and a "GO" button.
- Browse Titles:** A list of categories including Business & Communications, Health Science, Psychology & Biomedical Science, Education, Arts & Social Sciences, and Engineering & Computer Science.
- Featured Book:** "CRISIS ECONOMICS: A CRASH COURSE IN THE FUTURE OF FINANCE" by Nouriel Roubini and Stephen Mihm. The cover is prominently displayed. The price is listed as \$27.95 (crossed out) and \$20.68. It is a hardcover and usually ships in 24 hours.
- Business & Communications:** A section featuring "7 Habits Of Highly Effective People 15th Anniversary Edition" by Stephen R. Covey, priced at \$46.00 (crossed out) and \$11.10, and "How to Win Friends & Influence People" by Dale Carnegie, priced at \$46.00 (crossed out) and \$11.10.
- Health Science, Psychology & Biomedical Science:** A section featuring "Stuff" priced at \$27.00 (crossed out) and \$19.98, and another "Stuff" item priced at \$43.96 (crossed out) and \$10.32.
- Education, Arts & Social Sciences:** A section featuring "The Last Stand".

At the bottom, there is a banner for "FAST DELIVERY to your dorm, office, or home!" with an image of a delivery truck.

Textbooks plus Consumer Titles Storefront

BLIO DEMONSTRATION- ENHANCED CONTENT

PUBLISHER VALUE ADDED SERVICES & MARKETING SUPPORT

Publisher Self Authoring Tools



Value Added Marketing Support - Devices Manufacturers

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Wednesday, January 19, 2011 | Charlotte, NC | 54° 30' F | 5-day 10-day

Latest Venus Williams Outfit May Top 'Em All

FOX Flash video: The tennis star won again at the Australian Open Wednesday, but her outfit was once again the big talker. Plus, latest NFL news & more. Federer finally beats Simon in a classic. More sports coverage from FOXSports.com

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Helen Thomas Award Is No More

Controversial remarks by the journalist leads organization to abolish a lifetime achievement award named for her. Ironically, she was the first recipient.

Governor's Comments Stir Outrage

Non-Christians 'Not My Brother' ...

Boehner to Skip State Dinner Again

Abortion Doc Charged With Murders

Hot Search: Gardena High School Shooting

Top News | Jan 19, '11 as of 1:26 PM EST

Last Major Link to Kennedy Era is Severed

The death of Gargent Shriver marks the passing of the generation of power brokers tied closely to JFK. Plus: Boehner Rejects Obama State Dinner Invitations And: The Weird World of Steven Tyler

Health Care Repeal Bill Faces House Vote

Another Winter Storm Heads for Northeast

Obama Hosts Chinese Leader at White House

Mother Says Giffords Moving to Rehab Center on Friday

Journalism Group Honors Helen Thomas Award

HUPPo: Big Banks Could Get Even Bigger Under Overhaul

Dramatic Rescue From Brazilian Floods [VIDEO]

Edgar Allan Poe | Paul Cezanne | Gardena High School | Coachella 2011

Stock Market News

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Spotlight

Put the Book Back in E-Reading

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intel Atom inside

Value Added Marketing Support - Devices Manufacturers

blio Most Than Words | **hp** HP Recommends Blio

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