

## FOR IMMEDIATE RELEASE

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# Chronicle Books Announces New Fulfillment Provider

*Hachette Book Group USA To Take Over Chronicle's Warehousing and Customer Service*

SAN FRANCISCO CA - APRIL 16, 2007 - Internationally renowned independent publisher Chronicle Books, based in San Francisco, today announces that it will shift its distribution from GENCO Distribution Systems in Reno, Nevada to Hachette Book Group USA's (HBG) distribution facility in Lebanon, Indiana. This change will take effect January 1, 2008.

Explained Tom Fernald, Chronicle Books' Vice President of Operations and Finance, "This has been a long, thorough and enlightening process and we feel fortunate that so many companies showed such great interest in offering us fulfillment services. Hachette Book Group impressed us immediately with their warehouse operations and the experience and approach of their management teams in both Boston and Indiana, and their plans for the future are particularly compelling. While it is difficult to give up our own customer service and collections at the end of the year, and extremely difficult to part with the staff in those departments who have been such an important part of the Chronicle Books family, we could not have found a better fit for our business than Hachette Book Group. We look forward to a very close partnership with them for many years to come."

"We have long admired Chronicle's excellent publishing and are thrilled that they have entrusted their distribution and customer service, and that of their distribution clients, to Hachette Book Group USA," said David Young, CEO and Chairman of Hachette Book Group USA. "They will be an ideal fit for our distribution center in Lebanon, Indiana and everyone there, and our customer service teams in Boston are delighted to have won this significant account. We much look forward to working with Tom Fernald and the whole talented

Chronicle team over the years ahead.”

"We believe this new fulfillment and customer service partnership with the Hachette Book Group will bring significant benefits to our ever-expanding customer base," said Jack Jensen, President of Chronicle Books. "Hachette has an outstanding centrally located warehouse facility, and they are staffed from top to bottom with an exceptional group of people. They won our business, as well as that of our distribution partners, because they have an excellent reputation for service, as well as a resolute commitment to technology that will help make the future more profitable for both retailers and publishers."

As of January 1, 2008, Hachette will handle all back office functions including customer service, warehousing, billing and credit for Chronicle Books to the North American and international trade book markets. With the decision to move to a full-service fulfillment partner, 14 positions will be eliminated within Chronicle Books' Operations and Customer Service departments. John Carlson, Chronicle Books' Executive Director of Operations will oversee the day-to-day relationship between the two companies.

Chronicle Books will continue to handle all sales for their publishing program as well as for the publishers they distribute.

#### About Chronicle Books

One of the most admired and respected publishing companies in the U.S., Chronicle Books was founded in 1967 and over the years has developed a reputation for award-winning, innovative books. Recognized as one of the 50 best small companies to work for in the U.S. (and the only independent publisher to receive this award), the company continues to challenge conventional publishing wisdom, setting trends in both subject and format, maintaining a list that includes illustrated titles in design, art, architecture, photography, food, lifestyle and pop culture, as well as much-admired books for children and ancillary products through its gift division. Chronicle Books' objective is to create and distribute exceptional publishing that's instantly recognizable for its spirit, creativity, and value. For more information about Chronicle Books, visit [www.chroniclebooks.com](http://www.chroniclebooks.com).

#### About Hachette Book Group USA

Hachette Book Group USA (HBG) was created in 2006 when Hachette Livre, a French publishing company, acquired Time Warner Book Group from Time Warner. Hachette Livre is a wholly-owned subsidiary of Lagardère, a company that is active on a worldwide basis in the areas of communications and media (books, press, audiovisual and distribution/retailing of cultural products). In addition to selling and distributing its own imprints, HBG distributes publishing lines for Microsoft Learning, Harry N. Abrams, Phaidon Press, Time Inc. Home

Entertainment, DC Comics, , InnovativeKids, Arcade , Filipacchi Publishing, Weinstein Books, and Gildan Audio.. In 1996, the company opened a 500,000 square foot, state-of-the-art warehouse in Lebanon, Indiana. Since that time, this distribution complex has grown to over 900,000 square feet and moves over 100 million books annually.

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