



S I M O N & S C H U S T E R

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President &
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Dear Colleagues,

As 2017 winds down and I look back at what has been an enormously gratifying year for Simon & Schuster, I cannot help but be impressed by the incredible abundance of talent at work in every aspect and in every corner of Simon & Schuster.

That talent begins with our authors, who are the source and the lifeblood of everything that we do. Heading into 2017, we had even more than our usual share of high-profile books from notable authors, for which we had great expectations. Twelve eventful months later, I am pleased to report that all the big books we hoped would perform well were, indeed, big.

Of course our most anticipated new title in the year was Hillary Rodham Clinton's *WHAT HAPPENED*, which enjoyed phenomenal sales in multiple formats; was an instant #1 bestseller in the U.S., U.K. and Canada; and has been named to multiple year-end best-of lists, including as *Time* magazine's top nonfiction book of the year. And while Secretary Clinton, with whom we have enjoyed a rewarding publishing relationship for more than 20 years, certainly delivered the timely and topical book that readers were waiting for, so too did we deliver the publishing, marketing and sales performance that the book deserved, in what was a perfectly executed worldwide publishing campaign, and a sparkling demonstration of the talent in our company working together at their best.

But in a year loaded with outstanding publishing performances, that one extraordinary publication is just the tip of the iceberg. The sheer variety in just our #1 bestsellers throughout the year is testament to our ability to find authors and mobilize their discrete audiences across the wide universe of subjects and personalities. The breadth of that success stretches from Walter Isaacson's stunning *LEONARDO DA VINCI* (a tribute to our ability to produce books that are truly works of art themselves) and *THE CUBAN AFFAIR*, our first book with Nelson DeMille, to Mark R. Levin's *REDISCOVERING AMERICANISM*, Tom Brady's *THE TB12 METHOD*, Ainsley Earhardt's *THROUGH YOUR EYES* and Stephen King and Owen King's *SLEEPING BEAUTIES*.

While we had superb results in publishing new titles, there has been a marked trend among readers to purchase the tried and true, and we had the backlist to meet that demand. Titles such as *A MAN CALLED OVE* and *ALL THE LIGHT WE CANNOT SEE* continue to reach audiences in major bestselling numbers. And buoyed by motion pictures, Stephen King's *IT* and Jeannette Walls's *THE GLASS CASTLE* have been topping the fiction and nonfiction paperback lists since the summer, both selling in phenomenal numbers, and the latter at one point enjoying a run of sixteen straight weeks at #1. And while of more recent vintage, Ruth Ware's *THE WOMAN IN CABIN 10*, published in trade paperback in April, has been ensconced on the bestseller lists for more than half a year, and she is clearly an author from whom fans are eagerly awaiting each new book.

We have made great progress in our efforts to increase diversity in both our staffing and publishing. In February the Salaam Reads imprint from our Children's Division joined the ranks of our diverse publishing; and whether it is the growing popularity of authors like Jenny Han, Armando Lucas Correa or María Dueñas, or the substantial bestseller performances of books such as Charlamagne Tha God's *BLACK PRIVILEGE*, *THE AUTOBIOGRAPHY OF GUCCI MANE* and Tiffany Haddish's *THE LAST BLACK UNICORN*, we are seeing ample and welcome reminders that voices reflecting the truly multicultural nature of our reading audience are essential to and wholly compatible with our publishing mission.

Audio, and in particular digital audio, continues to be a growth engine for the company. In recent years we have significantly increased the number of audiobooks we publish while maintaining the highest production standards, and we have brought a new level of sophistication and creativity to our publicity and marketing efforts, ensuring that our audiobooks reach the widest possible audience. Our long list of 2017's breakout audio bestsellers include *GWENDY'S BUTTON BOX* by Stephen King, Ray Dalio's *PRINCIPLES* and *THE SECRETS SHE KEEPS* by Michael Robotham. The year closed with Bruce Springsteen's *BORN TO RUN* receiving a Grammy Award nomination for Best Spoken Word Album.

Our Pimsleur Language team continues to test new business models as it grows its direct-to-consumer sales, including a new subscription offering launched this summer. It is currently developing enhanced product features to be introduced to the marketplace next year.

Our accomplishments in the commercial marketplace are accompanied by our success in the marketplace of ideas, where our books have been the recipients of great critical acclaim and awards. Jesmyn Ward's *SING, UNBURIED, SING* won the National Book Award, was published to rapturous reviews and made the year-end best-of list at nearly every major publication. Our seven titles on the *New York Times* "100 Notable Books of 2017" list are indicative of the wealth of talent, the variety of topics and the passion and creativity that our authors bring to their pursuits. Whether it was *MANHATTAN BEACH*, *THE EVANGELICALS*, *THE BLOOD OF EMMETT TILL* or *BEARTOWN*, our books were well represented in multiple categories on more than 20 best-of lists from coast-to-coast media outlets, retailers, reader sites and more. Other award winners include Amy Goldstein's *JANESVILLE*, which won the *Financial Times* & McKinsey Business Book of the Year, and as I write we have two finalists for the American Library Association's prestigious Carnegie Medal.

Children's publishing started off the year with a strong complement of American Library Association awards, including the Newbery Honor for Ashley Bryan's *FREEDOM OVER ME*, which was also, along with Jason Reynolds's *AS BRAVE AS YOU*, recipient of a Coretta Scott King Honor. Cassandra Clare continued her run as a #1 bestselling author with *LORD OF SHADOWS*. Whether picture book (*CREEPY PAIR OF UNDERWEAR!* by Aaron Reynolds and Peter Brown), series (*SPY SCHOOL* by Stuart Gibbs), middle grade (*BASEBALL GENIUS* by Tim Green and Derek Jeter) or young adult (*WHEN DIMPLE MET RISHI* by Sandhya Menon), our Children's division published bestsellers across the full scope of their marketplace. We introduced authors such as Shannon Messenger and her *KEEPER OF THE LOST CITIES* series to bestsellerdom, and our Licensed Publishing division enjoyed stellar sales for ongoing brands *DANIEL TIGER'S NEIGHBORHOOD*, *PEANUTS* and the smash hit series *PJ MASKS*. Our prolific award-magnet Jason Reynolds published two acclaimed books, *PATINA* and *LONG WAY DOWN*, the former a *New York Times Book Review* "Notable Book of the Year," along with *HEY, BOY* by Benjamin Strouse, illustrated by Jennifer Phelan; and *MUDDY* by Michael Mahin, illustrated by Evan Turk, was named to the *New York Times*/New York Public Library's list of the "10 Best Illustrated Books of the Year."

At this time last year we had just completed our acquisition of Adams Media; in the interim their integration into our publishing process and operations has gone flawlessly, and the Adams list of practical, visually distinct nonfiction publishing has been a terrific addition to our portfolio.

Moreover, we are learning much from their unique publisher-driven approach to acquisition and their data-driven marketing, all the while benefiting from such successful titles as their popular 101 series, LIFE HACKS, and SNOW FALLING, the cleverly conceived novel “by” Jane Villanueva, heroine of television’s “Jane the Virgin,” which Adams published in conjunction with our sister company, The CW.

In October Simon & Schuster U.K. celebrated its 30th anniversary and it is, along with our other international units, thriving. Their books, whether U.K. originated, acquired from other Simon & Schuster companies or even from external publishers, are gracing the *Sunday Times* bestseller lists at the highest levels and attracting attention for authors such as Santa Montefiore, Philippa Gregory and Graham Swift. Simon & Schuster Canada has seen extraordinary sales for Rupi Kaur’s two books and THE WOMAN IN CABIN 10, and had another year of very strong growth in their local publishing program with titles such as Giller Prize–winner Will Ferguson’s THE SHOE ON THE ROOF and Jay Ingram’s THE SCIENCE OF WHY 2.

Simon & Schuster Australia also celebrated its 30th anniversary this year, and is also experiencing excellent growth in its local publishing program behind titles like MAGGIE’S RECIPE FOR LIFE by Maggie Beer and Ralph Martins and Sara Foster’s THE HIDDEN HOURS, and recorded phenomenal sales for Michael Mosley’s #1 bestseller THE CLEVER GUT DIET. And this year Simon & Schuster India launched its own local publishing program to immediate bestseller and critical success. With India’s entry into the field, each of our international units is now acquiring and publishing locally, while at the same time continuing their excellent support of U.S. - and U.K.-originated titles through highly customized publishing, sales and marketing programs for their individual marketplaces.

The enormous sales of Rupi Kaur’s THE SUN AND HER FLOWERS and MILK AND HONEY in the U.S. are an important reminder of how large a role distribution clients play in our business. That we were able to expand our relationship with Rupi from distribution to publishing in our international companies is a measure of how our performance as distributors can yield even greater opportunities. Our distribution client team has been hard at work bringing in new clients, large and small, as we look to maximize the use of our expanded Riverside facility. And I am happy to report that in 2018 we will retire our long-lived UOPS order management system, to be replaced by SAP. Our distribution center and IT teams are already deeply involved in the design, testing and installation process.

Believe it or not, there’s so much more I could have mentioned. It has been another eventful year in which a multitude of good things happened for us because of the good things you do every day when you come to work. I have tremendous gratitude for the enthusiasm and pride you take in your contributions, and wish you and your loved ones all the best for the holiday season and health and happiness in the New Year.

