1. **Brief company history**
   Please refer of details on the Phaidon website (www.phaidon.com)

2. **Provide a brief description of the products and services that Phaidon provides**
   Phaidon are engaged in the publishing and sale of books and digital products on the visual arts, lifestyle and culture throughout the world.

3. **Please provide a brief description of Phaidon's customers/clients.**
   Sales to customers are made via a number of 3rd party distributors located around the world. Customers are the traditional national bookstores, online retailers & independent bookstores but also non-traditional customers like museums & galleries.

4. **How many active customers did Phaidon have as of 30 June, 2014?**
   Please see attachment "Customer Information"

   Due to the seasonality of the industry, the customer numbers are customers that we have traded with during the period July 2013 to June 2014.

   Please be aware the way that an account/chain is structured can have an impact on the number of customers. For example, Barnes & Noble is a large national account in the US and they are invoiced centrally to one location and therefore count as one customer. In France the FNAC national account is invoiced locally so each individual store is a separate account. The FNAC chain therefore accounts for several hundred customers.

   Also not all distributors provide us with customer information (Roli - India, Bookwise - South Africa, Socadis - French Canada)

   The numbers do not include sales direct to customers via the Phaidon website

5. **Geographical analysis**
   Please see attachment "Revenue by region"

6. **2014 customers > 5% of annual net sales**
   Please see attachment "Customer Information"

7. **Competitors by main category of publication**
   Please see attachment "Phaidon Competitors"

8. **Relative Strengths**
   History/legacy/reputation
   Brand
   Global sales & distribution network
   Strong product gross margin
   World class employees
   Financial backing
   Strong publication pipeline

9. Business Risks

The worldwide market for illustrated books remains highly competitive and the general book retail markets worldwide continue to face severe challenges from internet retailers. The Group seeks to manage its exposure to any market and market channel by ensuring that its product range is diverse and that its books are sold in multiple markets and market channels around the world. The Directors are carefully monitoring the effects of the current difficult conditions in most economies on the company's performance, so that it can adjust its efforts and activities as necessary. As a market leader in niche subject areas the Directors believe it is as well positioned as it can be to react effectively to current economic conditions.

Sales to markets around the world are made in the local currency leaving the group exposed to currency shifts, predominantly Sterling to Euros and US Dollar exchange rates. The exposure is managed through natural hedges whereby the printing of books and other costs are matched by currency as closely as possible with expected inflows.

The Group's credit risk is primarily attributable to its trade debtors. Credit risk is managed through maintaining credit limits on all primary customers, dealing predominantly with major distributors worldwide and monitoring payments against contractual agreements.

10. Locations

Phaidon operates from the following facilities:

London, UK: Head Office

This is a leased building that expires on 10th March 2015 (currently in negotiations with landlord) and is approx. 13,000 sq ft. The current lease rates are below market rate for this location and are under review.

New York, US: Offices

This is the leased 8th floor that is a ten year lease expiring on 30th September, 2023. It is a recently negotiated lease so can assume at market rates.

Paris, France: Offices

A small office (75m2) leased in Paris from Oct 2013 to Sept 2015.

Frome, UK: Warehouse

Short term lease

11. Main Suppliers

Please see attachment "top 10 creditors" for the year ending June 2014.

The main suppliers are the Printers in China/Italy with the exception of BNP Paribas (Managing Agent) and WTA (Distribution).

12. Phaidon Sales & marketing programs

Phaidon markets its products to the book trade, retail & the end consumer through a number of marketing activities, not limited to the following

- PR for press coverage
- Author tours and events
- Trade advertising
- Social media

- Partnerships
- Trade POS/product placement
- Sales materials/catalogues

Sales are a mixture of an in-house global sales force and external 3rd Party sales through overseas publishers and commission based freelancers.

13. Identify and describe any patents, trademarks, or licenses that Phaidon holds

1. Patents: We have no patents
2. Trademarks: Please find attached the registered trade mark schedule
3. Licenses: Phaidon has the right to publish c. 1,900 titles that we currently have in print. We have secured the rights in several ways, for example
    - Many of the titles are conceived by Phaidon editors which means that copyright automatically vests with the company by virtue of employment law and contract law.
    - In other cases we sign author royalty agreements under which contributors grant us the exclusive right to reproduce, publish and distribute the relevant title for the duration of the copyright in return for a royalty on sales.
    - We also pay contributors fees to assign rights to us, e.g. commissioned photographers for our cookery titles
    - In some instances we buy in from foreign publishers the right to translate into English works that they have published in their local language
    - Phaidon also secure picture rights directly with artists or via collective licensing societies like DACS

14. Provide a list of Phaidon's executive management team
Keith Fox - CEO
John Murphy COO/CFO
Deborah Aaronson - VP, Publishing
Emilia Terragni - Publisher
Lind Brennan - VP, Global Marketing & Communications
James Booth-Clibborn - Managing Director
Jonathan Whale - Company Lawyer

15. Phaidon Employees
Please see attachment "October 2014 Staff Numbers"