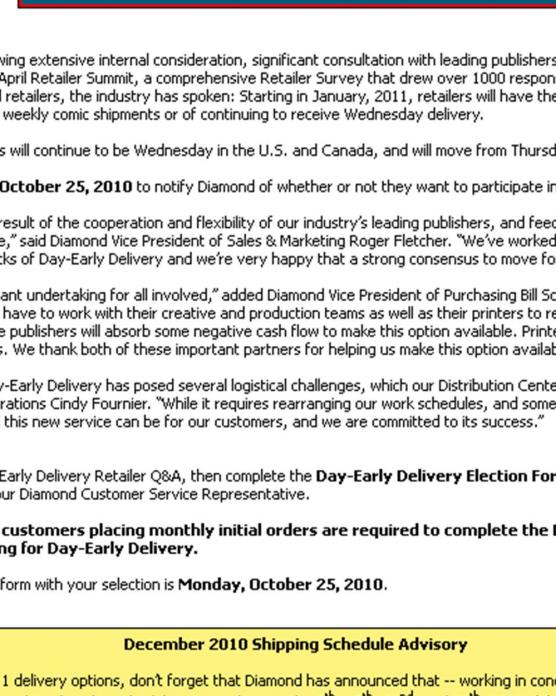




Diamond Announces Details of Day-Early Delivery; Sign-Up Form Now Available



As announced in August, following extensive internal consideration, significant consultation with leading publishers and retailers earlier this year, public discussion at Diamond's April Retailer Summit, a comprehensive Retailer Survey that drew over 1000 responses, and recent follow-up discussions with publishers and retailers, the industry has spoken: Starting in January, 2011, retailers will have the option of receiving **Day-Early Delivery** of their weekly comic shipments or of continuing to receive Wednesday delivery.

The release day for new comics will continue to be Wednesday in the U.S. and Canada, and will move from Thursday to Wednesday in the UK.

Retailers have until **Monday, October 25, 2010** to notify Diamond of whether or not they want to participate in the Day-Early Delivery program.

"Day-Early Delivery is a direct result of the cooperation and flexibility of our industry's leading publishers, and feedback from specific customers and the retail community as a whole," said Diamond Vice President of Sales & Marketing Roger Fletcher. "We've worked to present a balanced view of the potential benefits and drawbacks of Day-Early Delivery and we're very happy that a strong consensus to move forward has emerged."

"Day-Early Delivery is a significant undertaking for all involved," added Diamond Vice President of Purchasing Bill Schanes. "It required the agreement of our premier publishers, who have to work with their creative and production teams as well as their printers to rearrange their publishing schedules. In addition, like Diamond, these publishers will absorb some negative cash flow to make this option available. Printers, in turn, will be adjusting their printing and shipping schedules. We thank both of these important partners for helping us make this option available to our customers."

"Working out the details of Day-Early Delivery has posed several logistical challenges, which our Distribution Center staffs are eager to meet," said Diamond Vice President of Operations Cindy Fournier. "While it requires rearranging our work schedules, and some more expensive weekend work hours, we know how beneficial this new service can be for our customers, and we are committed to its success."

Please read the following Day-Early Delivery Retailer Q&A, then complete the **Day-Early Delivery Election Form**, available [online](#), as a [printable PDF](#), or through your Diamond Customer Service Representative.

Please Note: ALL Diamond customers placing monthly initial orders are required to complete the Day-Early Delivery Election Form, even those not opting for Day-Early Delivery.

The deadline for returning the form with your selection is **Monday, October 25, 2010**.

December 2010 Shipping Schedule Advisory

While considering your 2011 delivery options, don't forget that Diamond has announced that -- working in concert with vendors -- Diamond will deliver product on its normal Wednesday schedule in December, on the 8th, 15th, 22nd, and 29th, 2010. (The only exception to this will be **Thursday, December 2**, when customers in the U.S. and Puerto Rico will receive shipments a day later than normal due to changes in the UPS work schedules caused by the previous week's Thanksgiving Day holiday.)

The first shipment of 2011 will arrive after the New Year's holiday on **Wednesday, January 5**. Day-Early shipping will commence the following week.

DAY-EARLY DELIVERY RETAILER Q&A

In an effort to anticipate and answer questions you may have about Day-Early Delivery, Diamond has prepared the following Q&A. Please note while a great deal of consideration has gone into defining the parameters of Day-Early Delivery, this is a new program, and, as such, details may be subject to change at Diamond discretion.

FACTS AT A GLANCE

Starting when: Tuesday, January 11, 2011 delivery for Wednesday January 12, 2011 on sale.

Deadline to inform Diamond what day you want deliveries: October 25, 2010, via **Day-Early Delivery Election Form** [[Online](#) / [PDF](#)]

Participating retailer's weekly contribution to industry compliance fund: \$4

Penalty for confirmed street date violations: 1st offense: Loss of Day-Early Delivery for 1 month; 2nd offense: Loss of Day-Early Delivery for 3 months; 3rd offense: Indefinite loss of Day-Early Delivery.

Benefits

How will retailers benefit from Day-Early Delivery?

Diamond has long shared the belief of many in our industry that Day-Early Delivery would be a good thing for our customers, that it has the potential to improve retailers' quality of life by reducing the stress of new release day. We also believe that it can help retailers sell more product by giving them more time to check in their shipments, process in-store subscriptions, merchandise their stores, familiarize themselves with new comics, send marketing messages to customers, interact more with customers on new release day, etc.

Day-Early Delivery will also provide a buffer in the event of bad weather, Monday UPS Holidays, or other circumstances that can delay deliveries (i.e., in the event a retailer's shipment is a day late, the retailer would still have it on new release day). It will also make it more feasible for Diamond to address significant shortages or damages in time for weekend sales.

Additionally, retailers who currently drive to UPS to pick up shipments can save by electing to have them delivered instead. Also, depending on their situation, retailers may benefit from reduced labor costs by spreading tasks out the day before, rather than needing extra staff to accomplish them quickly on new release day.

Fees & Compliance

How is Diamond approaching the issue of Day-Early retailers' compliance with new release day?

In formulating a workable Day-Early Delivery option, the sticking point for Diamond has been the issue of monitoring release day compliance, because we've been hesitant to put ourselves in that position. Paul Stock, owner of the comic shop Librairie Astro in Montreal, suggested that retailers might contribute to a fund that could be used to employ a third party to monitor release day compliance. This spurred us to begin conversations with various industry leaders that ultimately made this option possible.

What fees will I be charged for Day-Early Delivery, and how will they be used to ensure compliance?

A weekly fee of \$4 per account will be assessed for Day-Early Delivery. Under this approach, if a retailer has one location, and turns in a single Initial Monthly **PREVIEWS** Order Form on one account number, they will be charged \$4 per week. If a retailer has two or more locations and turns in a single Initial Monthly **PREVIEWS** Order Form on two or more account numbers, they will be charged \$4 per week. If a retailer has two or more locations and turns in two or more Initial Monthly **PREVIEWS** Order Forms on two or more account numbers, they will be charged \$4 per week per week per account number.

Diamond will use the fee to contract with a third party provider – a company like [www.aboutfacecorp.com](#) or [www.secretshoppers.com](#), for example – to proactively visit stores on a rotating basis on the day before new release day to ensure compliance. We would also convey any specific complaints to this company to investigate, and communicate the results of the investigation to those involved.

We are also creating a dedicated email address and complaint form template that retailers can use to report suspected release day violations.

How did Diamond determine the weekly fee?

We have done our best to estimate the costs of orchestrating and administering this fairly complex program. But until we know how many retailers choose to participate in Day-Early Delivery, and the number of Diamond employee-hours and other expenses involved, the funding required remains an estimate. We will report fees collected and expenses incurred from the program at the end of each year and, if there are any excess fee collections over expenses incurred, that excess will be applied toward lowering the monitoring fee the following year, or toward the promotion of Free Comic Book Day or the Comic Book Locator Service. Diamond also reserves the right to increase the weekly fee if necessary to cover the costs of the program.

What penalties will Day-Early Retailers face for breaking the Wednesday on-sale date?

For the first confirmed offense, the retailer will face a one-month suspension of Day-Early Delivery privileges. For the second confirmed offense, the retailer will face a three-month suspension of Day-Early Delivery privileges.

Please Note: If a retailer chooses to remain in the program following suspension, the retailer will still be subject to the \$4 weekly fee during their suspension period.

It should also be noted that retailers who are confirmed to be making false accusations of release day violations against fellow Day-Early Delivery program participants will also be subject to the same penalties.

All violations will be determined by Diamond in its sole discretion.

What steps will Diamond take to remind retailers that Day-Early Delivery shipments are not to be sold before new release day?

Diamond will provide clear reminders in participating retailers' weekly shipments.

Can a retailer sign up for Day-Early Delivery?

If you wish to receive Day-Early shipments, you must sign an agreement promising not to place new products on sale before new release day. By doing so, you also agree to accept the penalties outlined above for violating the new release day on-sale date. Diamond is asking all retailers to complete a **Day-Early Election Form** [[Online](#) / [PDF](#)] by October 25, 2010.

What happens if a retailer doesn't complete their form by October 25, 2010? Diamond will assume they do not wish to opt into Day-Early Delivery.

Can retailers opt in and out of the program after October 25, 2010?

Yes, but Diamond will charge an administrative fee of \$50 per store for each occurrence. (New retailers will be given 90 days to change their initial delivery day choice with no charge.)

What time on Wednesday will Day-Early participants be allowed to put new products on sale?

With the exception of sanctioned midnight release parties and similar promotions that will be open to participation by all retailers, retailers receiving Day-Early Delivery will not be allowed to sell new product earlier than the prevalent opening time of other retail businesses in their immediate areas. As an example, stores located in Malls that open at 9:00 a.m. will be able to sell new products at 9:00 a.m., etc.

Will Day-Early Delivery be available for non-brick & mortar retailers?

Yes. Mail Order and Internet retailers may opt to receive books through Day-Early Delivery, but they will be required to delay shipping them until the Wednesday new release day, and will be subject to the same conditions of participation – including penalties for confirmed violations – as brick-&-mortar customers.

Can retailers post covers of new books on their websites and/or use them in emails to their customers prior to new release day?

Yes.

Operations

Will invoices continue to be dated on Wednesday?

Yes. COD customers who opt for Day-Early Delivery will need to pay when they receive their shipments, but payments from those with terms will be due based on a Wednesday invoicing date.

Will the participation fee show up as a line item on weekly invoicing?

Yes, Diamond will be creating a new item code for this purpose.

When can Day-Early retailers report damages and shortages?

Day-Early Retailers may report any damages and shortages on the day they receive their new shipments, or on the Wednesday new release day. Diamond will continue to hold inventory in reserve to cover those retailers not participating in the Day-Early Delivery program.

What effect will Day-Early Delivery have on Reshipped Reorder Cut-off times?

In general, it will increase the number of days between the cut-off day for reship (pre-packed) reorders and when they arrive at stores.

Please Note: This applies to **all** retailers, not just those participating in Day-Early Delivery.

Location	Current Cutoff	New Cutoff
Plattsburgh	Sunday @ 5:00 p.m. ET	THURSDAY @ 5:00 p.m. ET
Los Angeles	Monday @ 5:00 p.m. ET	THURSDAY @ 8:00 p.m. ET
Olive Branch	Tuesday @ 5:00 p.m. ET	THURSDAY @ 6:00 p.m. ET

Please Note: The transit time for direct ship reorders will **not** change.

What effect will Day-Early Delivery have on the Final Order Cut-off (FOC) timetable?

The current schedule has FOCs due on Thursday for titles arriving three Wednesdays later. (i.e., Titles with a FOC due date of Thursday, 4/15 arrive in stores 20 days later on Wednesday, 5/5.) Based on our discussions with publishers, the FOC due date under a Day-Early Delivery scenario will likely back up to Monday, extending the amount of time between a title's FOC date and when it arrives in stores.

Please Note: This applies to **all** retailers, not just those participating in Day-Early Delivery.

What day of the week will Publisher-specific FOC emails be sent?

The exact schedule is still to be determined, but DC is likely to remain on Tuesdays.

Retailer Order Forms are currently due on Tuesday. Will that change?

Yes. Starting with the December **PREVIEWS** for February-shipping product, both manual and on-line Order Form due dates will switch to Wednesdays.

Please Note: This applies to **all** retailers, not just those participating in Day-Early Delivery.

How will Holidays affect Day-Early Delivery new release days?

Using the 2011 calendar as an example, here's how we currently envision the impact of Monday Holidays on delivery and on-sale days from Memorial Day through Labor Day:

Holiday	Current Schedule (Wednesday On-Sale)	Tuesday Delivery for Wednesday On-Sale
Memorial Day	New Releases: June 2 New Releases: June 3	New Releases: June 1 New Releases: June 2
Independence Day (U.S.)	New Releases: July 7 New Releases: July 8 New Releases: July 9	New Releases: July 6 New Releases: July 7 New Releases: July 8
Labor Day	New Releases: September 4 New Releases: September 5	New Releases: September 3 New Releases: September 4

Monday, July 4

Monday, September 3

Monday, September 4

Monday, September 5

Monday, September 6

Monday, September 7

Monday, September 8

Monday, September 9

Monday, September 10

Monday, September 11

Monday, September 12

Monday, September 13

Monday, September 14

Monday, September 15