

Baker & Taylor

MUSIC RETAILER SERVICES

- On-hand and on-order inventory of 175,000 unique music titles in all genres
- Compact Disc, Music DVD, DualDisc™, Super Audio, DVD-Audio
- 2004 and 2005 NARM Wholesaler of the Year
- Over 30 years experience in Music Distribution
- 177 years in business as a privately-owned company
- Nationwide delivery of Music, DVD, Books and Video Games
- Internet Retail Services with OneBox Solution
- FIVE state-of-the-art, strategically located distribution centers
- Delivery to 98% of U.S. customers within 48 hours
- Same-Day Shipping on most orders



WELCOME TO BAKER & TAYLOR!

The Sounds

The mark of the successful independent music retailer is an inventory assortment that is both comprehensive and inspired. When you turn to Baker & Taylor, your customers will return again and again, because they know you'll be the one store in the neighborhood to stock the music they're looking for. Whether they hear a review on NPR or read about it in *CMJ*, they know where to go for the music they want. And if a title happens not to be in stock, they know you can get it for them quickly and at a competitive price.

In today's challenging marketplace, you need a supplier you can depend on to meet all of your title selection and delivery needs, so that you can sustain customer loyalty by consistently meeting their requests. Whether it's the hot new major label release just hitting the streets, midlist restocks, or deep catalog and indie label selections that provide the breadth of inventory you need, Baker & Taylor is your one-stop supplier. We have the music you need to sustain the indie vitality of your store and keep your customers coming back for more tunes.

Baker & Taylor offers access to more than 225,000 music CD titles from distributors and labels large and small. In addition to CD titles, we also stock and are well-versed in emerging high-definition (hybrid) audio formats such as DualDisc™, Super Audio and DVD-Audio. And as your true one-stop, we supply movies, documentaries and music video on DVD, as well as video game software in all current formats. We also supply books and calendars, and as one of the largest distributors of music and video to Hispanic markets in the U.S., we are prepared to help retailers serve this rapidly growing market.

The Service

As an indie music retailer, you know that title selection and availability, along with fill rate and speed of delivery are key factors in the success of your business. As **NARM Wholesaler of the Year** for two years running and the fastest growing full-line distributor in the industry, we know that above and beyond these services, friendly, knowledgeable and responsive customer care is the key factor in the success of *our* business.

At Baker & Taylor, you'll be supported by a dedicated sales team of industry veterans who specialize in advising and supporting our music account customers. You won't find a customer care team more knowledgeable about the music industry and the hundreds of labels we distribute. Most importantly you won't find a team anywhere else that knows so much about the music itself -- in each and every genre.

The One-Stop to Success!

Let Baker & Taylor design an inventory and service package that will allow you to concentrate on the music as your business hums along successfully. From online title search and ordering capabilities, to automatic fulfillment programs and merchandising tools, this brochure gives you a tour of the products, services and technologies that make Baker & Taylor the supplier of choice for so many music retailers across the nation. We've been serving customers for 177 years – and we look forward to serving you!

PRODUCTS

Music

Baker & Taylor can help you develop a comprehensive and inspired music collection for your store. Voted **2004 and 2005 NARM Wholesaler of the Year**, we are the proven supplier of choice for music retailers nationwide. We have a title base of more than 225,000 CD, DualDisc™ and Super Audio CD titles in all genres, including:

- Hip-Hop
- Rap
- Rock/Pop
- R&B
- Jazz
- Indie Rock
- Metal
- Punk/Hardcore
- Emo
- Americana
- Country
- Bluegrass/Folk
- Christian/Gospel
- Children's
- Classical
- Electronica
- Techno/Dance
- World/Reggae
- New Age
- Latin
- Imports

With our sophisticated distribution systems, fast, nationwide delivery and extensive title selection, Baker & Taylor is the obvious one-stop for indie music retailers who demand excellent fill and prices, and for specialty retailers seeking to increase their bottom line by adding music titles to their inventory.

DVD

With over 46,000 unique titles in stock and ready for shipment, our inventory of DVDs is among the most comprehensive and plentiful available to the entertainment retailer. If you are looking for quick delivery of DVDs - from new release and event titles to catalog product and specialized genres – we meet all of your selection and service needs. Among our diverse offering of DVD titles are:

New Releases/Event Titles

- Theatrical
- Direct-to-DVD
- Catalog Product
- Discount/Value-Based
- Re-promotions (Seasonal/Themed)
- Re-pricings
- Spanish

Specialized Genres

- Foreign
- Children's
- Rock Documentary
- Music Video on DVD
- Concert
- Film

Books

With over 4 million U.S. titles in our database, Baker & Taylor can supply virtually any American book in print. Baker & Taylor works with more publishers than any other U.S. wholesaler. We stock inventory from 37,000 imprints, with more than 875,000 unique titles on hand/on order at any given time. If we do not have the title you need in stock, we will order it from the publisher and supply it to you when we receive it. Our inventory includes a comprehensive selection of hard cover and paperback titles in all genres, including fiction, nonfiction, biography, graphic novels and manga. We also carry calendars and spoken word audio.

STATE-OF-THE-ART SERVICES & TECHNOLOGIES

Online Ordering with Title Source 3

As a Baker & Taylor customer you will have FREE online access to price, discount and inventory information on over 4 million book, CD and DVD titles through **Title Source 3**. **Title Source 3** provides expanded search capabilities, real-time inventory and price checking, numerous box art images and synopses, expanded DVD and music title information and order confirmation. You can search our database in a number of ways, build shopping carts, transmit orders, and receive an online title-by-title confirmation of your order.

To make pre-booking easy and to help you take advantage of deep discounts on new releases, electronic lists (E-Lists) of forthcoming DVD, music and book titles are available on **Title Source 3**.

To register for **Title Source 3**, click the Register Today tab on the home page of **www.btol.com** and complete the online form or call Product Support at **1-800-775-3700**.

Online Customer Support (OCS)

Online Customer Support (OCS) is Baker & Taylor's FREE web-based account management system. Baker & Taylor customers can access our OCS system 24 hours a day, 7 days a week to search and view information related to their accounts, orders and invoices with Baker & Taylor.

The sophisticated search options available in OCS include the ability to query by Purchase Order, Baker & Taylor Order Number, Order Date Range and more. The OCS data is updated three times a day to reflect the latest order and invoice status as well as up to six months of history. You can also view detailed information, including order and account status, warehouse location, quantities and prices, and shipping details.

OCS also helps with shipping information. If the shipping carrier has external tracking capabilities, a link in the OCS system will take you directly to the carrier's website where you can retrieve additional information on your shipment's status. You also can print invoices and order details for your records.

Internet Retail Services

For retailers that meet specific EDI and volume requirements, Baker & Taylor can drop ship orders the retailer receives via the Internet directly to the end consumer. From concept through implementation, Baker & Taylor offers a full range of fulfillment services and support options for your business. With our OneBox solution, we can ship DVDs, CDs, books and video games in one package.

Baker & Taylor has five strategically located distribution centers with dedicated fulfillment lines and state-of-the-art technology in support of drop ship orders. We offer behind-the-scenes, back room operations such as inventory management, warehousing, account management, order processing and product fulfillment to complement your store's front-end sales and marketing presence. We even offer customized packing slips, gift cards personalized with your customer's message and gift-wrapping services.

For more information on how to maximize your business potential with fulfillment services, contact us today at **btfulfill@btol.com** or call **1-800-775-1800**.

STATE-OF-THE-ART SERVICES & TECHNOLOGIES

Co-Op Advertising

Baker & Taylor offers music retailers ongoing opportunities to benefit from vendor-supported consumer advertising. Our Co-op Advertising staff will administer all aspects of the advertising on your behalf, and monitor your account every step of the way, to ensure that you are getting every dollar earned through co-operative advertising efforts.

Our advertising efforts are designed to fit your specific needs and are based on store demographics, marketplace airplay, tour dates and other market activity. We secure both new release and catalog promotions and we can provide you with reports necessary to claim co-operative advertising money from vendors. Our reports provide documentation of buying trends and proof of purchase.

Please note that vendor co-op programs are subject to change according to designated program and title guidelines.

Point of Purchase Promotional Items

Baker & Taylor makes every effort possible to provide you with a complete assortment of merchandising support materials for new releases. Poster Packs for in-store advertising are available at no charge and distributed at regular intervals. We'll also offer other value-added promotional items, such as T-shirts, stickers, buttons, etc., when labels provide them to us.

CD Sampler

Baker & Taylor is the only one-stop company to offer a monthly CD Sampler for in-store play. Why track down promotional CDs from individual labels and distributors when you can let us do the work for you? Each month, we'll deliver a full-length compilation CD of tracks off the latest indie releases from breaking and established artists.

The A List

The **A List** is Baker & Taylor's exclusive rotating list of over 1000 Top Sellers – core inventory for any independent music retailer. Baker & Taylor pledges to keep these key titles available for purchase. The **A List** will be updated and distributed quarterly, via E-mail, to all customers who sign up for this service. Contact your Music Account Manager to sign up for this valuable service.

Extended Forecast

Stay abreast of all long-term forecasted new music releases, sorted by artist and by street date, via our weekly E-mail, Extended Forecast. To sign up for this service, simply E-mail **spotlight@btol.com** and include your customer name, account number, E-mail address and phone number.

Ongoing Catalog Programs

We work with all our label vendors to consistently present increased margin opportunities on key catalog titles.

Give your B&T Music Account Manager a call at 1-800-775-7930, Option 4 to sign up for or to inquire further about any of these valuable services.

BAKER & TAYLOR ENTERTAINMENT PUBLICATIONS

As the world's leading music, DVD, video game and book wholesaler, Baker & Taylor produces publications that provide crucial information for making purchasing decisions. Most are available in hard copy or online. Below is a listing of the Baker & Taylor publications specifically tailored to the Entertainment retailer and designed to keep you up-to-date on the latest releases and forthcoming music titles.

Spotlight

Don't miss a single beat! **Spotlight** is Baker & Taylor's weekly music publication, an essential guide to the latest releases on CD, DualDisc™, Super Audio, music video on DVD and DVD-Audio. It features:

Pre-Order listings by genre and street date

- Baker & Taylor Top Sellers for the previous week by genre
- Rotating genre-targeted features, such as *Indie Pages* highlighting noteworthy titles from indie labels
- CD New Releases, a listing of current titles by genre
- DVD New Releases, a listing of the best new DVD titles in all genres

Spotlight will provide you with everything you need to make informed buying decisions for your store.

Español

With a growing Hispanic customer base, you know how important it is to have Latin American product available to your customers. You also know it can be a daunting task to make inventory selections from an ever-increasing range of available titles, especially if you're not fluent in Spanish.

Published three times per year, **Español** gathers information on Baker & Taylor's wide selection of Spanish language and Latin American materials in an easy-to-use format for our customers. This newly expanded publication highlights a collection of recent releases and bestsellers, including music and video titles in Spanish, as well as book titles.

Marquee

Baker & Taylor's leading entertainment publication, **Marquee** is published bi-weekly and provides up-to-the-minute DVD product information. Whether it's new release product, seasonal titles or exclusive catalog sales, **Marquee** has you covered. Ongoing features include our monthly *Title Listing Calendar* (TLC) and *TLC Update* with complete ordering information.

For a full list of Baker & Taylor publications, visit www.btol.com. To order a Baker & Taylor publication, contact your B&T Music Account Manager. If you are not currently a Baker & Taylor customer, you will receive a three-month trial subscription, absolutely free.

OPENING AN ACCOUNT

To establish a Baker & Taylor entertainment account, please call 1-800-775-1800 or complete the **New Account and Confidential Credit Application**, found in this sales package or on our website, and return the completed forms to us in either of the following ways:

- Fax completed application to 1-800-998-3316 or
- Mail the completed forms to:
BAKER & TAYLOR
ATTN: New Accounts, 2550 West Tyvola Rd.
Suite 300, Charlotte NC 28217

Account Terms and Payment Requirements

- Net 10 Days – Payment due 10 days from date of invoice
- Net 30 Days – Payment due 30 days from date of invoice
- Prepaid - Payment due prior to shipment
- Credit Card - Payment due via major credit card or debit card at time of shipment*

In order to pay by Debit or Credit Card, you must also complete a **Credit Card Payment Application, available for download from our website. For more information, please contact Information Services at 1-800-775-1800.*

You must provide a copy of your **valid Sales Tax Resale Certificate** along with your signed **New Account and Confidential Credit Application**. You must complete ALL **shaded areas of the New Account and Confidential Credit Application** and sign both pages of the Terms and Conditions and the personal Guaranty page.

Customers requesting a credit limit of \$10,000 or greater will be asked to provide a current financial statement and/or tax return along with a UCC-1 and security agreement.

If you have questions about the setup or terms of your account, please don't hesitate to call our Customer Financial Services department at 1-800-340-5370 or email DL-CFS_Retail@btol.com. Our CFS department is available Monday through Friday, 8:00am – 5:00 pm EST.

Ordering Music Products

After establishing a Baker & Taylor account, you may order by phone, e-mail, fax, electronically or through Title Source 3 at www.btol.com.

Online Ordering (Title Source 3):

Once you have registered for Title Source 3, you may use this service at any time by visiting www.btol.com.

Fax: You can fax your music orders to 1-866-321-7560. Once your order is received, you will receive a faxed response confirmation, usually the same day.

Email: cdorder@btol.com

Phone: To place orders by phone and receive instant stock and order confirmation, call 1-800-775-7930 and choose Option 4.

BAKER & TAYLOR CONTACT GUIDE

When you open an Entertainment Account with Baker & Taylor you will be assigned a customer care team that will include a Music Account Manager and Customer Financial Services Representative. They will be your primary contacts and will work closely with you on your account, but you may also find it necessary to contact other members of the Baker & Taylor team from time to time.

Please use the chart below as a handy reference guide for contacting us.

FOR:	CONTACT	PHONE	FAX	E-mail
<ul style="list-style-type: none"> Baker & Taylor account opening procedures New or expanded store services Information on policies and services 	Field Territory Manager	1-800-775-7930 + extension	1-800-998-3316	<i>btinfo@btol.com</i>
<ul style="list-style-type: none"> Find out more about our products and services Sign up for Baker & Taylor programs & services Place a phone order Inquire about an order or product availability Obtain delivery information and order deadlines for Next Day delivery Modify your account profile and/or backordering profile 	Music Account Manager	1-800-775-7930 + Option 4	1-866-321-7560	<i>cdorder@btol.com</i>
<ul style="list-style-type: none"> Account opening procedures Obtaining security codes (PIC or PIN #) Request a <i>Credit Card Payment Application</i> Subscribe to Baker & Taylor publications and E-communications Other general inquiries 	Information Services	1-800-775-1800	1-800-998-3316	<i>btinfo@btol.com</i>
<ul style="list-style-type: none"> Invoice and statement inquiries Proof of delivery for payment Line of credit information 	Customer Financial Services	1-800-340-5370	1-704-998-3314	<i>DL-CFS_Retail@btol.com</i>
<ul style="list-style-type: none"> Questions about returns and credits 	Customer Service	1-800-775-1200	1-877-775-5100	<i>servicetrd@btol.com</i>
<ul style="list-style-type: none"> Title Source 3 registration & technical support Point of Sale interface information Online Customer Service (OCS) registration & technical support 	Product Support	1-800-775-3700	1-908-541-7852	<i>electser@btol.com</i>
<ul style="list-style-type: none"> Questions about DVD, CD and video game returns 	AV Returns Department	1-800-775-2600 ext. 2500	1-412-787-0368	<i>CS_AV@btol.com</i>

See page 7 for instructions on how to order from Baker & Taylor.
For any other inquiries or additional information, please call Information Services at 1-800-775-1800.