



experience
the new
Borders.com
more to explore

Borders.com news release



Contact:

Anne Roman
(734) 477-1392

Contact:

Mary Davis
(734) 477-1374

Borders® Launches New E-Commerce Site

Borders.com features unique Magic Shelf™ technology and exclusive video programming that brings a real bookstore experience online

In-store kiosks will introduce Borders.com shopping option in Borders stores nationwide

ANN ARBOR, Mich., May 27, 2008 — After seven years of being teamed with Amazon.com for e-commerce, it's independence day for Borders as the company today launches its own new e-commerce site that is rich with innovative features and positions Borders as a leader in delivering a true cross-channel experience for customers.

“Today is another milestone for our company as we launch Borders.com, a site that is much more than just another place to shop on the Web—it is a source of information and entertainment that brings a real bookstore experience to life online,” said Borders Group Chief Executive Officer George Jones. “What’s more—Borders already has existing computer kiosks in all of our stores nationwide, and now we can bring the new Borders.com site to these kiosks over the coming weeks. By creatively combining the assets of our new online channel with the many advantages of our stores and vice versa, we’re now giving customers an elevated experience that we believe they’ll find more satisfying than anything else in bookselling today.”

Specifically, the new Borders.com site includes innovative features such as the Magic Shelf™ and Borders Media original and exclusive video programming, as well as offering Borders Rewards members their first opportunity to earn and redeem their “Borders Bucks” and Rewards coupons online.

- The Magic Shelf—The most prominent feature on the new Borders.com homepage is the Magic Shelf. Capturing the essence of the Borders store experience, the Magic Shelf allows customers to easily view book, music and movie titles, much the way they browse the book tables, displays and shelves that they love to explore in their favorite Borders stores. The simple-to-navigate Magic Shelf can be expanded up and down and side to side by the user, revealing a wider array of titles—20 shelves of titles in all. Customers interested in a title on the Magic Shelf simply click on the item and use “Quick View” to learn more or even buy the item immediately right from the Magic Shelf. Customers can personalize the Magic Shelf by using the “Picked for You” feature.

-more-

Borders.com launch--2

Customers simply select categories of interest—such as mystery books, jazz music or foreign films. Then—true to its name—the Magic Shelf reloads instantaneously, stocking the “Picked for You” shelf with titles uniquely suited to the customer. Once preferences have been selected, when the customer returns to Borders.com, the “Picked for You” shelf will be re-stocked with a thoughtful and personalized selection that is refreshed week to week.

In addition to “Picked for You,” the Magic Shelf has a menu of options highlighting interesting and relevant themes such as “new for kids,” “laugh out loud,” and “for sports fans.” Like displays in Borders stores, these groupings will change frequently to remain current and relevant to the seasons.

“The process of developing our new e-commerce site has been a bit like catching lightning in a bottle,” said Borders Group Vice President of E-Business Kevin Ertell. “We have something special here that successfully captures the warmth, inspiration and sense of discovery of Borders stores and brings it to customers online through innovations like the Magic Shelf and our original and exclusive video programming. With so much of the store experience at the heart of the site and with the site coming to our stores, we are truly achieving something groundbreaking here in cross-channel retailing. Our customers deserve a seamless experience with Borders that remains consistently satisfying no matter what the time or place. It’s an exciting time!”

- Borders Media—One characteristic that book, music and movie lovers share is their drive to delve deeper into topics that interest them and to engage in lifelong learning. That is why the new Borders.com site prominently features Borders Media, a collection of exclusive and original video programs created by Borders. Borders was the first in the bookselling industry to develop and share this type of proprietary programming beginning in 2007 and it continues to explode in popularity and influence in the publishing world. Now available to a wider audience via the new Borders.com, programs include:
 - “Borders Book Club”—A professionally produced video program featuring real-life neighborhood book club meetings but with the author there in person for the discussion! Always compelling and thought-provoking, this program has featured such bestselling authors as Mitch Albom, Marisa de los Santos, Stephenie Meyer, Khaled Hosseini, Elizabeth Gilbert and Lalita Tademy, among others. Borders also posts resources for book clubs, such as discussion guides, and even recipes for book clubs to enjoy.
 - “Live at 01”—Capturing all the energy and intimacy of a Borders in-store event recorded live at Borders’ first store in Ann Arbor, this program has featured everyone from authors such as Pulitzer Prize winner Junot Diaz and Anne Lamott to singer Joss Stone and physician and author Deepak Chopra.
 - “Borders Kitchen”—Bringing the hottest chefs from bookshelves and television screens to Borders.com, the Borders Kitchen program, with guests such as Nigella Lawson, Lidia Bastianich and Mario Batali, is a cooking lesson and book club all in one. Recipes can be emailed to friends and full programs can be downloaded.

Borders.com launch--3

- “Borders Open Door Poetry”—One of the newest Borders Media programs and one of the hottest, Open Door Poetry showcases some of today’s most compelling poets—Mark Strand, Robert Pinsky, Patricia Smith and Jorie Graham— reading their work, discussing their art, and even advising aspiring poets.
- “Borders Presents”—Special in-depth interviews with talents such as Julie Andrews, John Grisham and Joel Osteen who are brought exclusively to Borders customers on programs that can be enjoyed in the moment or downloaded as video podcasts to be viewed later.
- “Borders Advice for Living with Mel Robbins”—Respected life coach Mel Robbins, who hosts her own national radio show and is a regular network television contributor, provides no-nonsense advice to help people get what they want out of their lives and careers. Her Borders Media segments have included guest spots with everyone from singer Mandy Moore and mogul Donald Trump to doctors Oz and Roizen and Bill Cosby. A new feature is “Hey Mel,” a video advice column where Mel Robbins tackles viewer questions and shares her straight-talking advice. Robbins’ daily nationally-syndicated radio program, “Make it Happen,” is also available exclusively online at the Borders Media tab on Borders.com
- Borders Rewards[®]—Since 2006, Borders has offered customers free membership in this fast-growing loyalty program that now has over 26 million members. Until now, members could only earn and redeem their “Borders Bucks” and Rewards coupons in our stores. With the advent of the new Borders.com, customers can take full advantage of the program online as well. In addition, when Borders Rewards customers receive their weekly “Borders Shortlist” e-mail, which is always full of thoughtful recommendations and savings opportunities, they will continue to receive direct links to Borders Media programming.

“With the new Borders.com, we have significantly enhanced the value of being a Borders Rewards member,” said Borders Group Executive Vice President of Merchandising and Marketing Rob Gruen. “Rewards members are our best customers, and giving them the opportunity to use the loyalty program when they shop online is something they’ve been looking forward to since the program started. Not only that, but with interest exploding in our Borders Shortlist e-mail program, giving customers the opportunity to immediately buy featured items is another important convenience.”

- Staff and Customer Recommendations—Borders stores employ some of the most knowledgeable people in the industry who are more than willing to share their recommendations with customers who visit Borders stores. Now, they’ll be sharing those same favorites with the world as Borders.com will feature recommendations from Borders staff as well as from customers nationwide.
- Check Inventory and Reserve—From Borders.com, shoppers can check inventory at their local Borders store and reserve an item for pick up later. In addition, customers can also order an item online from home or work or even via Borders’ in-store kiosks and have it shipped either to their homes or to the store. Standard shipping of orders going to the Borders store is free and on orders shipped to home, standard shipping is free on purchases that exceed \$25. There are any number of possible combinations of browsing and buying with the Borders cross-channel strategy giving customers the ultimate in convenience that truly suits their needs at any time and any place.

Borders.com launch--4

- **Wish Lists**—Customers often jot down books of interest on scraps of papers that they later fish around for in their pockets and hand bags when they come to the store to purchase them. To solve that seemingly universal problem, Borders.com provides the opportunity for customers to compile online wish lists at home or work and access their lists on the computer kiosks within Borders stores. They simply come in, look up their wish list, print it and go shopping! Of course, wish lists on Borders.com can also be emailed directly to the in-boxes of friends and family.
- **Borders Marketplace**—Teamed with Alibris, the new Borders.com will feature a Marketplace where millions of rare and used books will be available to Borders customers.
- **Send to a Friend**—The new Borders.com has so much fascinating content that customers will find something on every section of the site that they will want to share with a friend. That is why Borders.com has provided a great looking “Send to a Friend” e-mail format that allows customers to tell friends about books they’ll truly love, recipes that sound delicious and original video that they absolutely must see.
- **Gift Cards and Returns**—One of the most popular items at Borders is the gift card which can be purchased and used online or in Borders stores. In addition, items bought on Borders.com can be returned in Borders stores nationwide, saving customers a trip to the post office.

“When I arrived at the company in 2006, there was no doubt in my mind that Borders needed its own e-commerce site to be successful. I am thrilled with the way this site turned out and am confident that the cross-channel experience it delivers will be one of the cornerstones of our company’s long-term success. We’ve invested significant capital and resources in the development of this new site and are delighted that with its launch, we can move it forward from pure investment to a sales and profit generator,” said CEO Jones.

About Borders Group

Headquartered in Ann Arbor, Mich., Borders Group, Inc. is a \$3.8 billion retailer of books, music and movies with more than 1,100 stores and over 30,000 employees worldwide. More information on the company is available at www.bordersgroupinc.com.

Safe Harbor Statement

This release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. One can identify these forward-looking statements by the use of words such as "projects," "expect," "estimated," "look toward," "going forward," "continuing," "planning," "returning," "guidance," "goal," "will," "may," "intend," "anticipates," and other words of similar meaning. One can also identify them by the fact that they do not relate strictly to historical or current facts. These statements are likely to address matters such as the company's future financial performance (including earnings per share growth, EBIT margins and inventory turns, liquidity, same-store sales growth, and anticipated capital expenditures and depreciation and amortization amounts), its exploration of strategic alternatives, its financing agreement with Pershing Square and the benefits thereof, strategic plans and expected financing and benefits relating to such plans (including steps to be taken to improve the performance of domestic superstores, the downsizing of the Waldenbooks Specialty Retail Segment and the performance and benefits of the company's proprietary Web site). These statements are subject to risks and uncertainties that could cause actual results and plans to differ materially from those included in the company's forward-looking statements. These risks and uncertainties include, but are not limited to, consumer demand for the company's products, particularly during the holiday season, which is believed to be related to general economic and geopolitical conditions, competition and other factors; the availability of adequate capital to fund the company's operations and to carry out its strategic plans; the performance of the company's information technology systems and the development of improvements to the systems necessary to implement the company's strategic plan, and, with respect to the exploration of strategic alternatives including the sale of certain parts of the company or the sale of the entire company, the ability to attract interested third parties. The company's periodic reports filed from time to time with the Securities and Exchange Commission contain more detailed discussions of these and other risk factors that could cause actual results and plans to differ materially from those included in the forward-looking statements, and those discussions are incorporated herein by reference. The company does not undertake any obligation to update forward-looking statements.