

**Powell's Books Responds to Significant Business Changes**  
*Economic and industry trends require adjustments for the future*

February 8, 2011 (Portland, OR) - Powell's Books, one of the largest independent bookstores in the world, announced today the decision to reduce its workforce, a move that is part of the Company's response to the unprecedented, rapidly changing nature of the book industry.

Consumer behavior -- how, where, and what people read -- has changed dramatically over the past several years. It's a story that's hard to miss with daily articles about the book industry, the future of physical bookstores, and the rise of eBooks. As technology evolves, Powell's expects consumer reading behavior to continue to change as new options and formats for reading develop and improve over time.

In addition to changing consumer behavior, Powell's Books has been significantly impacted by market conditions, including an industry-wide decline in new book sales, rising healthcare costs, and the economy.

All of these circumstances have weighed on Powell's business continually for the last three years. While the company has seen its share of changes over the past four decades, adverse market conditions generally never lasted more than two consecutive years. Unfortunately, at this critical point in time, corporate leadership expects similar trends as it has now experienced for several years.

Emily Powell, President of Powell's Books stated, "I feel it is critical to make some very difficult adjustments at this time, to address our current reality and to prepare the company for success in the future, a future that looks very different than our business today."

A major change shared today was a layoff impacting employees at various locations. This undesirable course of action was taken only after serious consideration of other possible options and a careful evaluation of the future. Ms. Powell shares, "I would like to thank all of the Powell's employees who have shared their expertise and supported the business's goals every day. Their contributions to Powell's and the reading community have been substantial."

Although Emily Powell assumed management of the company in July 2010 from her father, Michael Powell, Michael has been involved in the recent changes. "Emily's transition to leadership of the business happened at a precarious time, at a crossroads in our business. I'm confident her fresh ideas and her understanding of technology will steer the company

successfully forward. We plan to have Powell's Books at the heart of the Portland community for years to come."

**About Powell's Books and Powells.com**

Powell's is an independent bookseller serving the Portland, Oregon, area since 1971, with four general bookstores and one specialty store. Its flagship store takes up an entire city block, offering 68,000 square feet of used, new, rare, and out-of-print books. Powells.com offers the combined inventory of its five retail locations and five warehouses - approximately four million books in all. The site features exclusive author interviews and essays, as well as a stable of internationally respected book reviewers and content partners.

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