



MICHIGAN BUSINESS

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Borders' interim CEO says he intends to stay in job

Stable management urged for company

BY JEWEL GOPWANI
FREE PRESS BUSINESS WRITER

Mike Edwards, interim CEO of Borders Group, said he wants to make his job of leading the Ann Arbor-based bookseller a permanent one.

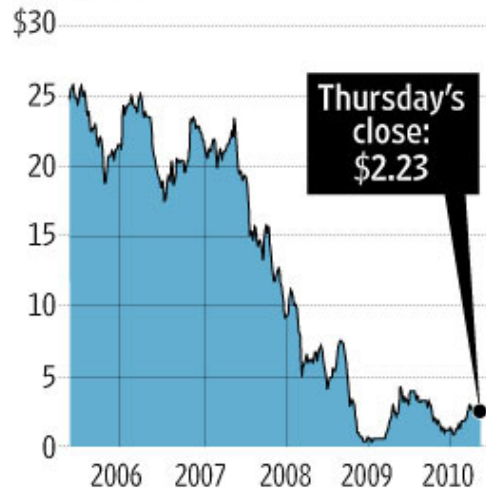
"I am very committed and passionate about the Borders brand," Edwards said in an interview with the Detroit Free Press on Thursday after the company's annual meeting in Ypsilanti.

Edwards, who was Borders' merchandising chief prior to being named CEO in January, is the company's third CEO since the beginning of 2009.

A permanent CEO would provide much-needed stability at the company, which had been considered at risk for bankruptcy until it recently restructured its debt.

"They need stable management...," said Kenneth J. Dalto of restructuring firm Kenneth J. Dalto & Associates in Farmington Hills "They need to make money on core operations."

Borders Group Stock price



Source: Free Press research Detroit Free Press

Borders posted a \$109.4-million loss in 2009, as revenue fell 14% to \$2.8 billion. That was Borders' fourth-straight year of losses. The bookseller has struggled against a competitive onslaught from Amazon.com, Barnes & Noble and big-box retailers such as Wal-Mart.

This year, the company refinanced its debt, pushing out payments on a \$700-million credit line from 2011 to 2014 and inking a \$90-million loan, most of which also is due in 2014.

During the annual meeting, Edwards told shareholders the company is focused on raising revenue and returning to profitability. He stressed improving the company's in-store experience and growing its potential e-reader business as key parts of Borders' strategy.

Edwards called Borders' frequent customer program, which has 37 million members, "a significant opportunity for the company."

Including Waldenbooks, Borders operates 674 stores, including 31 in Michigan.

Borders has partnered with Toronto-based e-book retailer Kobo, a spin-off of Canadian bookstore Indigo Books & Music, to introduce an e-reader priced at \$149.99 -- lower than Amazon's Kindle and Apple's iPad.

Borders is taking orders for the e-reader and is to distribute it in June.

"We're getting very strong reaction to that device," Edwards said. He added that the e-reader is part of a larger digital strategy that will include other devices and growing the firm's Web site, borders.com, which Edwards said is "an underdeveloped channel."