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UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549

**FORM 8-K**

**CURRENT REPORT PURSUANT  
TO SECTION 13 OR 15(D) OF THE  
SECURITIES EXCHANGE ACT OF 1934**

Date of report (Date of earliest event reported) May 8, 2006

**HAIGHTS CROSS COMMUNICATIONS, INC.**

(Exact Name of Registrant as Specified in Its Charter)

**DELAWARE**

(State or Other Jurisdiction of Incorporation)

333-109381

(Commission File Number)

13-4087398

(IRS Employer Identification No.)

10 NEW KING STREET  
WHITE PLAINS, NEW YORK

(Address of Principal Executive Offices)

10604

(Zip Code)

(914) 289-9400

(Registrant's Telephone Number, Including Area Code)

N/A

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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### ITEM 8.01 OTHER EVENTS

For informational purposes, Hights Cross Communications, Inc. (the "Company") has restated its unaudited consolidated statements of operations and segment financial information for the quarters ended March 31, 2004 and 2005, June 30, 2004 and 2005, September 30, 2004 and December 31, 2004 and for the year ended December 31, 2004. The restatement consists of a reclassification of the results of the Company's former Chelsea House Publishers business, which the Company disposed of in August 2005, from continuing operations to discontinued operations for all periods presented. The restated unaudited consolidated statements mentioned above are attached to this Current Report on Form 8-K as Exhibit 99.1. The segment information provided herein is presented in conformity with the Company's reorganized segment presentation, which was described in the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2005. The Company has also provided proforma information for the acquisitions of Options Publishing and Buckle Down Publishing reflecting the restatement of Chelsea House Publishers results in the consolidated totals. This proforma information was originally reported in the Company's 8-K filed on May 18, 2005 .

### ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS

(c) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
99.1	Restatement of unaudited consolidated results of operations and segment financial information for the quarters ended March 31, 2004 and 2005, June 30, 2004 and 2005, September 30, 2004 and December 31, 2004 and for the year ended December 31, 2004 reflecting the reclassification of the results of the Company's former Chelsea House Publishers business from continuing operations to discontinued operations for all periods presented and proforma information for the acquisitions of Options Publishing and Buckle Down Publishing reflecting the restatement of Chelsea House Publishers results in the consolidated totals.

### SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

### HAIGHTS CROSS COMMUNICATIONS, INC.

*Date: May 8, 2006*

*By: /s/ Paul J. Crecca*

*Name: Paul J. Crecca*

*Title: Executive Vice President and  
Chief Financial Officer*

### EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
99.1	Restatement of unaudited consolidated results of operations and segment financial information for the quarters ended March 31, 2004 and 2005, June 30, 2004 and 2005, September 30, 2004 and December 31, 2004 and for the year ended December 31, 2004 reflecting the reclassification of the results of the Company's former Chelsea House Publishers business from continuing operations to discontinued operations for all periods presented and proforma information for the acquisitions of Options Publishing and Buckle Down Publishing reflecting the restatement of Chelsea House Publishers results in the consolidated totals.



## Exhibit 99.1

### HAIGHTS CROSS COMMUNICATIONS, INC. STATEMENTS OF OPERATIONS AND SEGMENT FINANCIAL INFORMATION (UNAUDITED)

For informational purposes, Hights Cross Communications, Inc. (the "Company") has restated its unaudited consolidated results of operations and segment financial information for the quarters ended March 31, 2004 and 2005, June 30, 2004 and 2005, September 30, 2004 and December 31, 2004 and for the year ended December 31, 2004. The restatement consists of a reclassification of the results of the Company's Chelsea House Publishers business, which the Company disposed of in August 2005 from continuing operations to discontinued operations for all periods presented. The Company has also provided proforma information for the acquisitions of Options Publishing and Buckle Down Publishing reflecting the restatement of Chelsea House Publishers results in the consolidated totals. This proforma information was originally reported in the Company's 8-K filed on May 18, 2005 .

In the accompanying unaudited consolidated financial statements, "EBITDA" is defined as net loss before interest, taxes, depreciation, amortization, discontinued operations and cumulative effect of a change in accounting for goodwill, and "Adjusted EBITDA" is defined as EBITDA adjusted for certain, nonrecurring restructuring and related charges (see table). We present EBITDA because we believe that EBITDA provides useful information regarding our operating results. We rely on EBITDA as a primary measure to review and assess the operational performance of our company and our management team in connection with executive compensation and bonus plans. We also use EBITDA to compare our current operating results with corresponding historical periods and with the operating performance of other publishing companies and for evaluating acquisition targets. We believe that the presentation of EBITDA is useful to investors to provide disclosures of our operating results on the same basis as that used by our management. We also believe it can assist investors in comparing our performance to that of other publishing companies on a consistent basis without regard to depreciation, amortization, interest, taxes, and cumulative effects of accounting changes and discontinued operations that do not directly affect our operations.

EBITDA has limitations as an analytical tool, and you should not consider it in isolation, or as a substitute for net income, cash flows from operating activities and other consolidated income or cash flow statement data prepared in accordance with accounting principles generally accepted in the United States. Some of the limitations are:

- EBITDA does not reflect our cash expenditures or future requirements for capital expenditures or capitalized pre-publication costs;
- EBITDA does not reflect changes in, or cash requirements for, our working capital needs;
- EBITDA does not reflect our significant interest expense, or the cash requirements necessary to service interest or principal payments on our debt;
- Although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and EBITDA does not reflect any cash requirements for such replacements and
- Other companies in our industry may calculate EBITDA differently than we do, thereby limiting its usefulness as a comparative measure.

Because of these limitations, EBITDA should not be considered a measure of discretionary cash available to us to invest in the growth of our business or as a measure of performance in compliance with GAAP. We compensate for these limitations by relying primarily on our GAAP results and using EBITDA on supplementary basis.

The accompanying financial information includes schedules that reconcile net loss or operating income/(loss) to EBITDA and Adjusted EBITDA.

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**HAIGHTS CROSS COMMUNICATIONS, INC.**  
**RESTATED CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)**  
**FOR THE QUARTER ENDED MARCH 31, 2004**  
(IN THOUSANDS)

	CONSOLIDATED HAIGHTS CROSS COMMUNICATIONS, INC. (a)	LESS CHELSEA HOUSE PUBLISHERS(b)	CONSOLIDATED RESTATED HAIGHTS CROSS COMMUNICATIONS, INC.
Revenue	\$ 39,563	\$ 2,810	\$ 36,753
Costs and expenses:			
Cost of goods sold	11,972	756	11,216
Marketing and sales	9,084	530	8,554
Fulfillment and distribution	3,061	262	2,799
General and administrative	5,147	445	4,702
Restructuring and related charges	354	354	—
Amortization of pre-publication costs	2,594	535	2,059
Depreciation expense and amortization of Intangibles	581	30	551
Total costs and expenses	<u>32,793</u>	<u>2,912</u>	<u>29,881</u>
Income (loss) from operations	6,770	(102)	6,872
Other (income)/expense:			
Interest expense	11,417	—	11,417
Interest income	(134)	—	(134)
Amortization of deferred financing costs	799	—	799
Other	2	2	—
Total other expense	<u>12,084</u>	<u>2</u>	<u>12,082</u>
Loss before taxes	(5,314)	(104)	(5,210)
Provision for income taxes	—	—	—
Net loss from continuing operations	(5,314)	(104)	(5,210)
Loss from discontinued operations	—	104	(104)
Net loss	<u>\$ (5,314)</u>	<u>\$ —</u>	<u>\$ (5,314)</u>
<b>RECONCILIATION OF NET LOSS TO EBITDA</b>			
Net loss	\$ (5,314)	\$ —	\$ (5,314)
Interest expense and other	12,084	(102)	12,186
Income (loss) from operations	6,770	(102)	6,872
Amortization of pre-publication costs	2,594	535	2,059
Depreciation expense and amortization of Intangibles	581	30	551
EBITDA	9,945	463	9,482
Restructuring and related costs	517	365	152
Adjusted EBITDA	<u>\$ 10,462</u>	<u>\$ 828</u>	<u>\$ 9,634</u>

(a) Reflects our consolidated statements of operations as reported in our Quarterly Report on Form 10-Q filed for the quarter ended March 31, 2004. Certain balances have been reclassified to conform to our current presentation.

(b) Reflects the statement of operations of Chelsea House Publishers as reported in our Report on Form 10-Q filed for the quarter ended March 31, 2004.

**HAIGHTS CROSS COMMUNICATIONS, INC.**  
**PRO FORMA CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)**  
**FOR THE QUARTER ENDED MARCH 31, 2004**  
(IN THOUSANDS)

	CONSOLIDATED RESTATED HAIGHTS CROSS COMMUNICATIONS, INC. (a)	BUCKLE DOWN PUBLISHING COMPANY PRO FORMA (b)	OPTIONS PUBLISHING, INC. PRO FORMA (c)	HCC CONSOLIDATED RESTATED PRO FORMA RESULTS
Revenue	\$ 36,753	\$ 2,418	\$ 4,479	\$ 43,650
Costs and expenses:				
Cost of goods sold	11,216	561	834	12,611
Marketing and sales	8,554	584	1,448	10,586
Fulfillment and distribution	2,799	257	218	3,274
General and administrative	4,702	273	255	5,230
Amortization of pre-publication costs	2,059	464	363	2,886
Depreciation expense and amortization of Intangibles	551	429	392	1,372
Total costs and expenses	29,881	2,568	3,510	35,959
Income(loss) from operations	6,872	(150)	969	7,691
Other (income)/expense:				
Interest expense	11,417	39	1,632	13,088
Interest income	(134)	49	85	—
Amortization of deferred financing costs	799	—	—	799
Other	—	(4)	(16)	(20)
Total other expense	12,082	84	1,701	13,867
Loss before taxes	(5,210)	(234)	(732)	(6,176)
Provision for income taxes	—	—	—	—
Net loss from continuing operations	(5,210)	(234)	(732)	(6,176)
Loss from discontinued operations	(104)	—	—	(104)
Net loss	\$ (5,314)	\$ (234)	\$ (732)	\$ (6,280)

**RECONCILIATION OF NET LOSS TO  
EBITDA**

Net loss	\$ (5,314)	\$ (234)	\$ (732)	\$ (6,280)
Interest expense and other	12,186	84	1,701	13,971
Income (loss) from operations	6,872	(150)	969	7,691
Amortization of pre-publication costs	2,059	464	363	2,886
Depreciation expense and amortization of Intangibles	551	429	392	1,372
EBITDA	9,482	743	1,724	11,949
Restructuring and related costs	152	—	—	152
Adjusted EBITDA	\$ 9,634	\$ 743	\$ 1,724	\$ 12,101

(a) Reflects the restatement of our consolidated statements of operations for the reclassification of the Chelsea House Publishers results from continuing operations to discontinued operations.

(b) Reflects the statement of operations of Buckle Down Publishing Company prior to its acquisition on April 15, 2004. Certain balances have been reclassified to conform to our presentation.

(c) Reflects the statement of operations of Options Publishing, Inc. prior to its acquisition on December 3, 2004. Certain balances have been reclassified to conform to our presentation.

**HAIGHTS CROSS COMMUNICATIONS, INC.**  
**QUARTERLY PRO FORMA SEGMENT FINANCIAL INFORMATION (UNAUDITED)**  
**FOR THE QUARTER ENDED MARCH 31, 2004**  
(IN THOUSANDS)

	K-12 SUPPLEMENTAL EDUCATION	TEST-PREP AND INTERVENTION	LIBRARY	MEDICAL EDUCATION	CORPORATE	CONSOLIDATED
Revenue	\$ 8,343	\$ 14,814	\$ 16,606	\$ 3,887	\$ —	\$ 43,650
Cost of goods sold	2,080	2,988	6,441	1,102	—	12,611
Marketing and sales	2,676	3,739	2,887	1,284	—	10,586
Fulfillment and distribution	877	941	1,046	410	—	3,274
General and administrative	717	1,650	1,343	550	970	5,230
Amortization of pre-publication costs	712	1,268	811	95	—	2,886
Depreciation expense and amortization of intangibles	176	844	172	124	56	1,372
Income (loss) from operations	<u>\$ 1,105</u>	<u>\$ 3,384</u>	<u>\$ 3,906</u>	<u>\$ 322</u>	<u>\$ (1,026)</u>	<u>\$ 7,691</u>

**RECONCILIATION OF  
OPERATING INCOME TO  
EBITDA**

Income (loss) from operations	\$ 1,105	\$ 3,384	\$ 3,906	\$ 322	\$ (1,026)	\$ 7,691
Amortization of pre-publication costs	712	1,268	811	95	—	2,886
Depreciation expense and amortization of intangibles	176	844	172	124	56	1,372
EBITDA	1,993	5,496	4,889	541	(970)	11,949
Restructuring & related costs	4	—	148	—	—	152
Adjusted EBITDA	<u>\$ 1,997</u>	<u>\$ 5,496</u>	<u>\$ 5,037</u>	<u>\$ 541</u>	<u>\$ (970)</u>	<u>\$ 12,101</u>

**HAIGHTS CROSS COMMUNICATIONS, INC.**  
**RESTATED CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)**  
**FOR THE QUARTER ENDED JUNE 30, 2004**  
(IN THOUSANDS)

	CONSOLIDATED HAIGHTS CROSS COMMUNICATIONS, INC. (a)	LESS CHELSEA HOUSE PUBLISHERS(b)	CONSOLIDATED RESTATED HAIGHTS CROSS COMMUNICATIONS, INC.
Revenue	\$ 50,892	\$ 3,496	\$ 47,396
Costs and expenses:			
Cost of goods sold	17,762	2,985	14,777
Marketing and sales	10,216	621	9,595
Fulfillment and distribution	3,810	243	3,567
General and administrative	5,471	394	5,077
Restructuring and related charges	528	528	—
Amortization of pre-publication costs	3,266	913	2,353
Depreciation expense and amortization of Intangibles	764	35	729
Total costs and expenses	<u>41,817</u>	<u>5,719</u>	<u>36,098</u>
Income (loss) from operations	9,075	(2,223)	11,298
Other (income)/expense:			
Interest expense	11,883	—	11,883
Interest income	(182)	—	(182)
Amortization of deferred financing costs	647	—	647
Other	(63)	—	(63)
Total other expense	<u>12,285</u>	<u>—</u>	<u>12,285</u>
Loss before taxes	(3,210)	(2,223)	(987)
Provision for income taxes	—	—	—
Net loss from continuing operations	(3,210)	(2,223)	(987)
Loss from discontinued operations	—	2,223	(2,223)
Net loss	<u>\$ (3,210)</u>	<u>\$ —</u>	<u>\$ (3,210)</u>
<b>RECONCILIATION OF NET LOSS TO EBITDA</b>			
Net loss	\$ (3,210)	\$ —	\$ (3,210)
Interest expense and other	12,285	(2,223)	14,508
Income (loss) from operations	9,075	(2,223)	11,298
Amortization of pre-publication costs	3,266	913	2,353
Depreciation expense and amortization of Intangibles	764	35	729
EBITDA	13,105	(1,275)	14,380
Restructuring and related costs	2,740	2,685	55
Adjusted EBITDA	<u>\$ 15,845</u>	<u>\$ 1,410</u>	<u>\$ 14,435</u>

(a) Reflects our consolidated statements of operations as reported in our Quarterly Report on Form 10-Q filed for the quarter ended June 30, 2004. Certain balances have been reclassified to conform to our current presentation.

(b) Reflects the statement of operations of Chelsea House Publishers as reported in our Report on Form 10-Q filed for the quarter ended June 30, 2004.

**HAIGHTS CROSS COMMUNICATIONS, INC.**  
**PRO FORMA CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)**  
**FOR THE QUARTER ENDED JUNE 30, 2004**  
(IN THOUSANDS)

	CONSOLIDATED RESTATED HAIGHTS CROSS COMMUNICATIONS, INC.(a)	BUCKLE DOWN PUBLISHING COMPANY PRO FORMA(b)	OPTIONS PUBLISHING, INC. PRO FORMA(c)	HCC CONSOLIDATED RESTATED PRO FORMA RESULTS
Revenue	\$ 47,396	\$ 303	\$ 7,621	\$ 55,320
Costs and expenses:				
Cost of goods sold	14,777	73	1,412	16,262
Marketing and sales	9,595	50	1,757	11,402
Fulfillment and distribution	3,567	38	319	3,924
General and administrative	5,077	108	303	5,488
Amortization of pre-publication costs	2,353	76	363	2,792
Depreciation expense and amortization of Intangibles	729	91	392	1,212
Total costs and expenses	36,098	436	4,546	41,080
Income (loss) from operations	11,298	(133)	3,075	14,240
Other (income)/expense:				
Interest expense	11,883	(39)	1,639	13,483
Interest income	(182)	54	128	—
Amortization of deferred financing costs	647	—	—	647
Other	(63)	4	—	(59)
Total other expense	12,285	19	1,767	14,081
Loss before taxes	(987)	(152)	1,308	169
Provision for income taxes	—	—	—	—
Net loss from continuing operations	(987)	(152)	1,308	169
Loss from discontinued operations	(2,223)	—	—	(2,223)
Net loss	\$ (3,210)	\$ (152)	\$ 1,308	\$ (2,054)

**RECONCILIATION OF NET LOSS TO  
EBITDA**

Net loss	\$ (3,210)	\$ (152)	\$ 1,308	\$ (2,054)
Interest expense and other	14,508	19	1,767	16,304
Income (loss) from operations	11,298	(133)	3,075	14,240
Amortization of pre-publication costs	2,353	76	363	2,792
Depreciation expense and amortization of Intangibles	729	91	392	1,212
EBITDA	14,380	34	3,830	18,244
Restructuring and related costs	55	—	—	55
Adjusted EBITDA	\$ 14,435	\$ 34	\$ 3,830	\$ 18,299

(a) Reflects the restatement of our consolidated statements of operations for the reclassification of the Chelsea House Publishers results from continuing operations to discontinued operations.

(b) Reflects the statement of operations of Buckle Down Publishing Company prior to its acquisition on April 15, 2004. Certain balances have been reclassified to conform to our presentation.

(c) Reflects the statement of operations of Options Publishing, Inc. prior to its acquisition on December 3, 2004. Certain balances have been reclassified to conform to our presentation.

**HAIGHTS CROSS COMMUNICATIONS, INC.**  
**QUARTERLY PRO FORMA SEGMENT FINANCIAL INFORMATION (UNAUDITED)**  
**FOR THE QUARTER ENDED JUNE 30, 2004**  
(IN THOUSANDS)

	K-12 SUPPLEMENTAL EDUCATION	TEST-PREP AND INTERVENTION	LIBRARY	MEDICAL EDUCATION	CORPORATE	CONSOLIDATED
Revenue	\$ 18,570	\$ 15,378	\$ 16,952	\$ 4,420	\$ —	\$ 55,320
Cost of goods sold	4,736	3,171	7,131	1,224	—	16,262
Marketing and sales	3,695	3,357	2,941	1,409	—	11,402
Fulfillment and distribution	1,425	963	1,080	456	—	3,924
General and administrative	845	1,456	1,314	543	1,330	5,488
Amortization of pre-publication costs	751	1,017	927	97	—	2,792
Depreciation expense and amortization of intangibles	171	686	178	125	52	1,212
Income (loss) from operations	<u>\$ 6,947</u>	<u>\$ 4,728</u>	<u>\$ 3,381</u>	<u>\$ 566</u>	<u>\$ (1,382)</u>	<u>\$ 14,240</u>

**RECONCILIATION OF  
OPERATING INCOME TO  
EBITDA**

Income (loss) from operations	\$ 6,947	\$ 4,728	\$ 3,381	\$ 566	\$ (1,382)	\$ 14,240
Amortization of pre-publication costs	751	1,017	927	97	—	2,792
Depreciation expense and amortization of intangibles	171	686	178	125	52	1,212
EBITDA	7,869	6,431	4,486	788	(1,330)	18,244
Restructuring & related costs	8	25	22	—	—	55
Adjusted EBITDA	<u>\$ 7,877</u>	<u>\$ 6,456</u>	<u>\$ 4,508</u>	<u>\$ 788</u>	<u>\$ (1,330)</u>	<u>\$ 18,299</u>

**HAIGHTS CROSS COMMUNICATIONS, INC.**  
**RESTATED CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2004**  
(IN THOUSANDS)

	CONSOLIDATED HAIGHTS CROSS COMMUNICATIONS, INC. (a)	LESS CHELSEA HOUSE PUBLISHERS(b)	CONSOLIDATED RESTATED HAIGHTS CROSS COMMUNICATIONS, INC.
Revenue	\$ 48,713	\$ 2,306	\$ 46,407
Costs and expenses:			
Cost of goods sold	14,438	590	13,848
Marketing and sales	10,549	582	9,967
Fulfillment and distribution	3,698	239	3,459
General and administrative	5,703	331	5,372
Amortization of pre-publication costs	2,774	610	2,164
Depreciation expense and amortization of Intangibles	785	33	752
Total costs and expenses	<u>37,947</u>	<u>2,385</u>	<u>35,562</u>
Income (loss) from operations	10,766	(79)	10,845
Other (income)/expense:			
Interest expense	12,207	—	12,207
Interest income	(225)	—	(225)
Amortization of deferred financing costs	732	—	732
Other	6	—	6
Total other expense	<u>12,720</u>	<u>—</u>	<u>12,720</u>
Loss before taxes	(1,954)	(79)	(1,875)
Provision for income taxes	—	—	—
Net loss from continuing operations	(1,954)	(79)	(1,875)
Loss from discontinued operations	—	79	(79)
Net loss	<u>\$ (1,954)</u>	<u>\$ —</u>	<u>\$ (1,954)</u>
<b>RECONCILIATION OF NET LOSS TO EBITDA</b>			
Net loss	\$ (1,954)	\$ —	\$ (1,954)
Interest expense and other	12,720	(79)	12,799
Income (loss) from operations	10,766	(79)	10,845
Amortization of pre-publication costs	2,774	610	2,164
Depreciation expense and amortization of Intangibles	785	33	752
EBITDA	<u>14,325</u>	<u>564</u>	<u>13,761</u>
Restructuring and related costs	173	—	173
Adjusted EBITDA	<u>\$ 14,498</u>	<u>\$ 564</u>	<u>\$ 13,934</u>

(a) Reflects our consolidated statements of operations as reported in our Quarterly Report on Form 10-Q filed for the quarter ended September 30, 2004. Certain balances have been reclassified to conform to our current presentation.

(b) Reflects the statement of operations of Chelsea House Publishers as reported in our Report on Form 10-Q filed for the quarter ended September 30, 2004.

**HAIGHTS CROSS COMMUNICATIONS, INC.**  
**PRO FORMA CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2004**  
(IN THOUSANDS)

	CONSOLIDATED RESTATED HAIGHTS CROSS COMMUNICATIONS, INC.(a)	BUCKLE DOWN PUBLISHING COMPANY PRO FORMA(b)	OPTIONS PUBLISHING, INC. PRO FORMA(c)	HCC CONSOLIDATED RESTATED PRO FORMA RESULTS
Revenue	\$ 46,407	\$ —	\$ 3,540	\$ 49,947
Costs and expenses:				
Cost of goods sold	13,848	—	584	14,432
Marketing and sales	9,967	—	1,673	11,640
Fulfillment and distribution	3,459	—	213	3,672
General and administrative	5,372	—	297	5,669
Amortization of pre-publication costs	2,164	—	363	2,527
Depreciation expense and amortization of Intangibles	752	—	397	1,149
Total costs and expenses	35,562	—	3,527	39,089
Income (loss) from operations	10,845	—	13	10,858
Other (income)/expense:				
Interest expense	12,207	—	1,608	13,815
Interest income	(225)	—	225	—
Amortization of deferred financing costs	732	—	—	732
Other	6	—	(5)	1
Total other expense	12,720	—	1,828	14,548
Loss before taxes	(1,875)	—	(1,815)	(3,690)
Provision for income taxes	—	—	—	—
Net loss from continuing operations	(1,875)	—	(1,815)	(3,690)
Loss from discontinued operations	(79)	—	—	(79)
Net loss	\$ (1,954)	\$ —	\$ (1,815)	\$ (3,769)

**RECONCILIATION OF NET LOSS TO  
EBITDA**

Net loss	\$ (1,954)	\$ —	\$ (1,815)	\$ (3,769)
Interest expense and other	12,799	—	1,828	14,627
Income (loss) from operations	10,845	—	13	10,858
Amortization of pre-publication costs	2,164	—	363	2,527
Depreciation expense and amortization of Intangibles	752	—	397	1,149
EBITDA	13,761	—	773	14,534
Restructuring and related costs	173	—	—	173
Adjusted EBITDA	\$ 13,934	\$ —	\$ 773	\$ 14,707

(a) Reflects the restatement of our consolidated statements of operations for the reclassification of the Chelsea House Publishers results from continuing operations to discontinued operations.

(b) Reflects the statement of operations of Buckle Down Publishing Company prior to its acquisition on April 15, 2004. Certain balances have been reclassified to conform to our presentation.

(c) Reflects the statement of operations of Options Publishing, Inc. prior to its acquisition on December 3, 2004. Certain balances have been reclassified to conform to our presentation.

**HAIGHTS CROSS COMMUNICATIONS, INC.**  
**QUARTERLY PRO FORMA SEGMENT FINANCIAL INFORMATION (UNAUDITED)**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2004**  
(IN THOUSANDS)

	K-12 SUPPLEMENTAL EDUCATION	TEST-PREP AND INTERVENTION	LIBRARY	MEDICAL EDUCATION	CORPORATE	CONSOLIDATED
Revenue	\$ 13,730	\$ 13,618	\$ 16,955	\$ 5,644	\$ —	\$ 49,947
Cost of goods sold	3,448	2,905	6,739	1,340	—	14,432
Marketing and sales	3,649	3,586	2,991	1,414	—	11,640
Fulfillment and distribution	1,214	866	1,106	486	—	3,672
General and administrative	753	1,514	1,101	541	1,760	5,669
Amortization of pre-publication costs	784	869	869	5	—	2,527
Depreciation expense and amortization of intangibles	160	634	178	127	50	1,149
Income (loss) from operations	<u>\$ 3,722</u>	<u>\$ 3,244</u>	<u>\$ 3,971</u>	<u>\$ 1,731</u>	<u>\$ (1,810)</u>	<u>\$ 10,858</u>

**RECONCILIATION OF  
OPERATING INCOME TO  
EBITDA**

Income (loss) from operations	\$ 3,722	\$ 3,244	\$ 3,971	\$ 1,731	\$ (1,810)	\$ 10,858
Amortization of pre-publication costs	784	869	869	5	—	2,527
Depreciation expense and amortization of intangibles	160	634	178	127	50	1,149
EBITDA	4,666	4,747	5,018	1,863	(1,760)	14,534
Restructuring & related costs	6	73	94	—	—	173
Adjusted EBITDA	<u>\$ 4,672</u>	<u>\$ 4,820</u>	<u>\$ 5,112</u>	<u>\$ 1,863</u>	<u>\$ (1,760)</u>	<u>\$ 14,707</u>

**HAIGHTS CROSS COMMUNICATIONS, INC.**  
**RESTATED CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)**  
**FOR THE QUARTER ENDED DECEMBER 31, 2004**  
(IN THOUSANDS)

	CONSOLIDATED HAIGHTS CROSS COMMUNICATIONS, INC. (a)	LESS CHELSEA HOUSE PUBLISHERS (b)	CONSOLIDATED RESTATED HAIGHTS CROSS COMMUNICATIONS, INC.
Revenue	\$ 43,070	\$ 2,733	\$ 40,337
Costs and expenses:			
Cost of goods sold	13,848	691	13,157
Marketing and sales	11,186	482	10,704
Fulfillment and distribution	3,701	231	3,470
General and administrative	7,439	405	7,034
Restructuring and related charges	(74)	(74)	—
Amortization of pre-publication costs	3,170	640	2,530
Depreciation expense and amortization of Intangibles	953	31	922
Total costs and expenses	40,223	2,406	37,817
Income(loss) from operations	2,847	327	2,520
Other (income)/expense:			
Interest expense	12,687	—	12,687
Interest income	(236)	—	(236)
Amortization of deferred financing costs	759	—	759
Other	(19)	(2)	(17)
Total other expense	13,191	(2)	13,193
Income(loss) before taxes	(10,344)	329	(10,673)
Provision for income taxes	47	—	47
Net income(loss) from continuing operations	(10,391)	329	(10,720)
Income(loss) from discontinued operations	(1,712)	329	(1,383)
Net loss	\$ (12,103)	\$ —	\$ (12,103)
<b>RECONCILIATION OF NET LOSS TO EBITDA</b>			
Net loss	\$ (12,103)	\$ —	\$ (12,103)
Interest expense and other	14,950	327	14,623
Income (loss) from operations	2,847	327	2,520
Amortization of pre-publication costs	3,170	640	2,530
Depreciation expense and amortization of Intangibles	953	31	922
EBITDA	6,970	998	5,972
Restructuring and related costs	(91)	(74)	(17)
Adjusted EBITDA	\$ 6,879	\$ 924	\$ 5,955

(a) Reflects our consolidated statements of operations as reported in our Annual Report on Form 10-K filed for the year ended December 31, 2004. Certain balances have been reclassified to conform to our current presentation.

(b) Reflects the statement of operations of Chelsea House Publishers as reported in our Annual Report on Form 10-K filed for the year ended December 31, 2004.

**HAIGHTS CROSS COMMUNICATIONS, INC.**  
**PRO FORMA CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)**  
**FOR THE QUARTER ENDED DECEMBER 31, 2004**  
(IN THOUSANDS)

	CONSOLIDATED RESTATED HAIGHTS CROSS COMMUNICATIONS, INC. (a)	BUCKLE DOWN PUBLISHING COMPANY PRO FORMA (b)	OPTIONS PUBLISHING, INC. PRO FORMA (c)	HCC CONSOLIDATED RESTATED PRO FORMA RESULTS
Revenue	\$ 40,337	\$ —	\$ 2,619	\$ 42,956
Costs and expenses:				
Cost of goods sold	13,157	—	357	13,514
Marketing and sales	10,704	—	1,281	11,985
Fulfillment and distribution	3,470	—	186	3,656
General and administrative	7,034	—	396	7,430
Amortization of pre-publication costs	2,530	—	243	2,773
Depreciation expense and amortization of Intangibles	922	—	260	1,182
Total costs and expenses	37,817	—	2,723	40,540
Income(loss) from operations	2,520	—	(104)	2,416
Other (income)/expense:				
Interest expense	12,687	—	1,101	13,788
Interest income	(236)	—	236	—
Amortization of deferred financing costs	759	—	—	759
Other	(17)	—	—	(17)
Total other expense	13,193	—	1,337	14,530
Loss before taxes	(10,673)	—	(1,441)	(12,114)
Provision for income taxes	47	—	—	47
Net loss from continuing operations	(10,720)	—	(1,441)	(12,161)
Loss from discontinued operations	(1,383)	—	—	(1,383)
Net loss	\$ (12,103)	\$ —	\$ (1,441)	\$ (13,544)

**RECONCILIATION OF NET LOSS TO EBITDA**

Net loss	\$ (12,103)	\$ —	\$ (1,441)	\$ (13,544)
Interest expense and other	14,623	—	1,337	15,960
Income (loss) from operations	2,520	—	(104)	2,416
Amortization of pre-publication costs	2,530	—	243	2,773
Depreciation expense and amortization of Intangibles	922	—	260	1,182
EBITDA	5,972	—	399	6,371
Restructuring and related costs	(17)	—	—	(17)
Adjusted EBITDA	\$ 5,955	\$ —	\$ 399	\$ 6,354

(a) Reflects the restatement of our consolidated statements of operations for the reclassification of the Chelsea House Publishers results from continuing operations to discontinued operations.

(b) Reflects the statement of operations of Buckle Down Publishing Company prior to its acquisition on April 15, 2004. Certain balances have been reclassified to conform to our presentation.

(c) Reflects the statement of operations of Options Publishing, Inc. prior to its acquisition on December 3, 2004. Certain balances have been reclassified to conform to our presentation.

**HAIGHTS CROSS COMMUNICATIONS, INC.**  
**QUARTERLY PRO FORMA SEGMENT FINANCIAL INFORMATION (UNAUDITED)**  
**FOR THE QUARTER ENDED DECEMBER 31, 2004**  
(IN THOUSANDS)

	K-12 SUPPLEMENTAL EDUCATION	TEST-PREP AND INTERVENTION	LIBRARY	MEDICAL EDUCATION	CORPORATE	CONSOLIDATED
Revenue	\$ 7,808	\$ 11,590	\$ 18,365	\$ 5,193	\$ —	\$ 42,956
Cost of goods sold	2,266	2,603	7,169	1,476	—	13,514
Marketing and sales	3,123	3,768	3,678	1,416	—	11,985
Fulfillment and distribution	1,040	904	1,227	485	—	3,656
General and administrative	1,028	2,345	1,278	567	2,212	7,430
Amortization of pre-publication costs	829	936	957	51	—	2,773
Depreciation expense and amortization of intangibles	173	626	205	128	50	1,182
Income (loss) from operations	<u>\$ (651)</u>	<u>\$ 408</u>	<u>\$ 3,851</u>	<u>\$ 1,070</u>	<u>\$ (2,262)</u>	<u>\$ 2,416</u>

**RECONCILIATION OF  
OPERATING INCOME TO  
EBITDA**

Income (loss) from operations	\$ (651)	\$ 408	\$ 3,851	\$ 1,070	\$ (2,262)	\$ 2,416
Amortization of pre-publication costs	829	936	957	51	—	2,773
Depreciation expense and amortization of intangibles	173	626	205	128	50	1,182
EBITDA	351	1,970	5,013	1,249	(2,212)	6,371
Restructuring & related costs	—	59	(76)	—	—	(17)
Adjusted EBITDA	<u>\$ 351</u>	<u>\$ 2,029</u>	<u>\$ 4,937</u>	<u>\$ 1,249</u>	<u>\$ (2,212)</u>	<u>\$ 6,354</u>

**HAIGHTS CROSS COMMUNICATIONS, INC.**  
**RESTATED CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)**  
**FOR THE YEAR ENDED DECEMBER 31, 2004**  
(IN THOUSANDS)

	CONSOLIDATED HAIGHTS CROSS COMMUNICATIONS, INC. (a)	LESS CHELSEA HOUSE PUBLISHERS (b)	CONSOLIDATED RESTATED HAIGHTS CROSS COMMUNICATIONS, INC.
Revenue	\$ 182,238	\$ 11,345	\$ 170,893
Costs and expenses:			
Cost of goods sold	58,020	5,022	52,998
Marketing and sales	41,035	2,215	38,820
Fulfillment and distribution	14,270	975	13,295
General and administrative	23,760	1,575	22,185
Restructuring and related charges	808	808	—
Amortization of pre-publication costs	11,804	2,698	9,106
Depreciation expense and amortization of Intangibles	3,083	129	2,954
Total costs and expenses	152,780	13,422	139,358
Income (loss) from operations	29,458	(2,077)	31,535
Other (income)/expense:			
Interest expense	48,194	—	48,194
Interest income	(777)	—	(777)
Amortization of deferred financing costs	2,937	—	2,937
Other	(74)	(1)	(73)
Total other expense	50,280	(1)	50,281
Loss before taxes	(20,822)	(2,076)	(18,746)
Provision for income taxes	47	—	47
Net loss from continuing operations	(20,869)	(2,076)	(18,793)
Loss from discontinued operations	(1,712)	2,076	(3,788)
Net loss	\$ (22,581)	\$ —	\$ (22,581)
<b>RECONCILIATION OF NET LOSS TO EBITDA</b>			
Net loss	\$ (22,581)	\$ —	\$ (22,581)
Interest expense and other	52,039	(2,077)	54,116
Income (loss) from operations	29,458	(2,077)	31,535
Amortization of pre-publication costs	11,804	2,698	9,106
Depreciation expense and amortization of Intangibles	3,083	129	2,954
EBITDA	44,345	750	43,595
Restructuring and related costs	3,339	2,976	363
Adjusted EBITDA	\$ 47,684	\$ 3,726	\$ 43,958

(a) Reflects our consolidated statements of operations as reported in our Annual Report on Form 10-K filed for the year ended December 31, 2004. Certain balances have been reclassified to conform to our current presentation.

(b) Reflects the statement of operations of Chelsea House Publishers as reported in our Annual Report on Form 10-K filed for the year ended December 31, 2004.

**HAIGHTS CROSS COMMUNICATIONS, INC.**  
**PRO FORMA CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)**  
**FOR THE YEAR ENDED DECEMBER 31, 2004**  
(IN THOUSANDS)

	CONSOLIDATED RESTATED HAIGHTS CROSS COMMUNICATIONS, INC.(a)	BUCKLE DOWN PUBLISHING COMPANY PRO FORMA(b)	OPTIONS PUBLISHING, INC. PRO FORMA(c)	HCC CONSOLIDATED RESTATED PRO FORMA RESULTS
Revenue	\$ 170,893	\$ 2,721	\$ 18,259	\$ 191,873
Costs and expenses:				
Cost of goods sold	52,998	634	3,187	56,819
Marketing and sales	38,820	634	6,159	45,613
Fulfillment and distribution	13,295	295	936	14,526
General and administrative	22,185	381	1,251	23,817
Amortization of pre-publication costs	9,106	540	1,332	10,978
Depreciation expense and amortization of Intangibles	2,954	520	1,441	4,915
Total costs and expenses	139,358	3,004	14,306	156,668
Income (loss) from operations	31,535	(283)	3,953	35,205
Other (income)/expense:				
Interest expense	48,194	—	5,980	54,174
Interest income	(777)	103	674	—
Amortization of deferred financing costs	2,937	—	—	2,937
Other	(73)	—	(21)	(94)
Total other expense	50,281	103	6,633	57,017
Loss before taxes	(18,746)	(386)	(2,680)	(21,812)
Provision for income taxes	47	—	—	47
Net loss from continuing operations	(18,793)	(386)	(2,680)	(21,859)
Loss from discontinued operations	(3,788)	—	—	(3,788)
Net loss	\$ (22,581)	\$ (386)	\$ (2,680)	\$ (25,647)
<b>RECONCILIATION OF NET LOSS TO EBITDA</b>				
Net loss	\$ (22,581)	\$ (386)	\$ (2,680)	\$ (25,647)
Interest expense and other	54,116	103	6,633	60,852
Income (loss) from operations	31,535	(283)	3,953	35,205
Amortization of pre-publication costs	9,106	540	1,332	10,978
Depreciation expense and amortization of Intangibles	2,954	520	1,441	4,915
EBITDA	43,595	777	6,726	51,098
Restructuring and related costs	363	—	—	363
Adjusted EBITDA	\$ 43,958	\$ 777	\$ 6,726	\$ 51,461

(a) Reflects the restatement of our consolidated statements of operations for the reclassification of the Chelsea House Publishers results from continuing operations to discontinued operations.

(b) Reflects the statement of operations of Buckle Down Publishing Company prior to its acquisition on April 15, 2004. Certain balances have been reclassified to conform to our presentation.

(c) Reflects the statement of operations of Options Publishing, Inc. prior to its acquisition on December 3, 2004. Certain balances have been reclassified to conform to our presentation.

**HAIGHTS CROSS COMMUNICATIONS, INC.**  
**PRO FORMA SEGMENT FINANCIAL INFORMATION (UNAUDITED)**  
**FOR THE YEAR ENDED DECEMBER 31, 2004**  
(IN THOUSANDS)

	K-12 SUPPLEMENTAL EDUCATION	TEST-PREP AND INTERVENTION	LIBRARY	MEDICAL EDUCATION	CORPORATE	CONSOLIDATED
Revenue	\$ 48,450	\$ 55,401	\$ 68,878	\$ 19,144	\$ —	\$ 191,873
Cost of goods sold	12,530	11,667	27,480	5,142	—	56,819
Marketing and sales	13,144	14,449	12,497	5,523	—	45,613
Fulfillment and distribution	4,556	3,674	4,459	1,837	—	14,526
General and administrative	3,342	6,966	5,036	2,201	6,272	23,817
Amortization of pre-publication costs	3,076	4,090	3,564	248	—	10,978
Depreciation expense and amortization of intangibles	680	2,788	734	504	209	4,915
Income (loss) from operations	<u>\$ 11,122</u>	<u>\$ 11,767</u>	<u>\$ 15,108</u>	<u>\$ 3,689</u>	<u>\$ (6,481)</u>	<u>\$ 35,205</u>

**RECONCILIATION OF  
OPERATING INCOME TO  
EBITDA**

Income (loss) from operations	\$ 11,122	\$ 11,767	\$ 15,108	\$ 3,689	\$ (6,481)	\$ 35,205
Amortization of pre-publication costs	3,076	4,090	3,564	248	—	10,978
Depreciation expense and amortization of intangibles	680	2,788	734	504	209	4,915
EBITDA	14,878	18,645	19,406	4,441	(6,272)	51,098
Restructuring & related costs	18	157	188	—	—	363
Adjusted EBITDA	<u>\$ 14,896</u>	<u>\$ 18,802</u>	<u>\$ 19,594</u>	<u>\$ 4,441</u>	<u>\$ (6,272)</u>	<u>\$ 51,461</u>

**HAIGHTS CROSS COMMUNICATIONS, INC.**  
**RESTATED CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)**  
**FOR THE QUARTER ENDED MARCH 31, 2005**  
(IN THOUSANDS)

	CONSOLIDATED HAIGHTS CROSS COMMUNICATIONS, INC. (a)	LESS CHELSEA HOUSE PUBLISHERS (b)	CONSOLIDATED RESTATED HAIGHTS CROSS COMMUNICATIONS, INC.
Revenue	\$ 48,568	\$ 2,202	\$ 46,366
Costs and expenses:			
Cost of goods sold	14,740	910	13,830
Marketing and sales	13,212	563	12,649
Fulfillment and distribution	3,824	262	3,562
General and administrative	6,536	443	6,093
Amortization of pre-publication costs	3,704	800	2,904
Depreciation expense and amortization of Intangibles	1,239	31	1,208
Total costs and expenses	<u>43,255</u>	<u>3,009</u>	<u>40,246</u>
Income(loss) from operations	5,313	(807)	6,120
Other (income)/expense:			
Interest expense	13,736	—	13,736
Interest income	(270)	—	(270)
Amortization of deferred financing costs	883	—	883
Other	4	—	4
Total other expense	<u>14,353</u>	<u>—</u>	<u>14,353</u>
Loss before taxes	(9,040)	(807)	(8,233)
Provision for income taxes	129	—	129
Net loss from continuing operations	(9,169)	(807)	(8,362)
Loss from discontinued operations	—	807	(807)
Net loss	<u>\$ (9,169)</u>	<u>\$ —</u>	<u>\$ (9,169)</u>

**RECONCILIATION OF NET LOSS TO EBITDA**

Net loss	\$ (9,169)	\$ —	\$ (9,169)
Interest expense and other	14,482	(807)	15,289
Income (loss) from operations	5,313	(807)	6,120
Amortization of pre-publication costs	3,704	800	2,904
Depreciation expense and amortization of Intangibles	1,239	31	1,208
EBITDA	<u>10,256</u>	<u>24</u>	<u>10,232</u>
Restructuring and related costs	188	—	188
Adjusted EBITDA	<u>\$ 10,444</u>	<u>\$ 24</u>	<u>\$ 10,420</u>

(a) Reflects our consolidated statements of operations as reported in our Quarterly Report on Form 10-Q filed for the quarter ended March 31, 2005. Certain balances have been reclassified to conform to our current presentation.

(b) Reflects the statement of operations of Chelsea House Publishers as reported in our Quarterly Report on Form 10-Q filed for the quarter ended March 31, 2005.

**HAIGHTS CROSS COMMUNICATIONS, INC.**  
**QUARTERLY SEGMENT FINANCIAL INFORMATION (UNAUDITED)**  
**FOR THE QUARTER ENDED MARCH 31, 2005**  
(IN THOUSANDS)

	K-12 SUPPLEMENTAL EDUCATION	TEST-PREP AND INTERVENTION	LIBRARY	MEDICAL EDUCATION	CORPORATE	CONSOLIDATED
Revenue	\$ 9,201	\$ 13,622	\$ 19,459	\$ 4,084	\$ —	\$ 46,366
Cost of goods sold	2,313	2,951	7,434	1,132	—	13,830
Marketing and sales	3,103	4,503	3,620	1,423	—	12,649
Fulfillment and distribution	963	887	1,245	467	—	3,562
General and administrative	826	1,781	1,377	695	1,414	6,093
Amortization of pre-publication costs	911	917	978	98	—	2,904
Depreciation expense and amortization of intangibles	179	730	184	72	43	1,208
Income (loss) from operations	<u>\$ 906</u>	<u>\$ 1,853</u>	<u>\$ 4,621</u>	<u>\$ 197</u>	<u>\$ (1,457)</u>	<u>\$ 6,120</u>

**RECONCILIATION OF  
OPERATING INCOME TO  
EBITDA**

Income (loss) from operations	\$ 906	\$ 1,853	\$ 4,621	\$ 197	\$ (1,457)	\$ 6,120
Amortization of pre-publication costs	911	917	978	98	—	2,904
Depreciation expense and amortization of intangibles	179	730	184	72	43	1,208
EBITDA	<u>1,996</u>	<u>3,500</u>	<u>5,783</u>	<u>367</u>	<u>(1,414)</u>	<u>10,232</u>
Restructuring & related costs	—	124	64	—	—	188
Adjusted EBITDA	<u>\$ 1,996</u>	<u>\$ 3,624</u>	<u>\$ 5,847</u>	<u>\$ 367</u>	<u>\$ (1,414)</u>	<u>\$ 10,420</u>

**HAIGHTS CROSS COMMUNICATIONS, INC.**  
**RESTATED CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)**  
**FOR THE QUARTER ENDED JUNE 30, 2005**  
(IN THOUSANDS)

	CONSOLIDATED HAIGHTS CROSS COMMUNICATIONS, INC. (a)	LESS CHELSEA HOUSE PUBLISHERS (b)	CONSOLIDATED RESTATED HAIGHTS CROSS COMMUNICATIONS, INC.
Revenue	\$ 59,787	\$ 3,126	\$ 56,661
Costs and expenses:			
Cost of goods sold	16,752	806	15,946
Marketing and sales	13,687	741	12,946
Fulfillment and distribution	4,383	267	4,116
General and administrative	6,428	221	6,207
Restructuring and related charges	(9)	(9)	—
Amortization of pre-publication costs	7,100	3,964	3,136
Depreciation expense and amortization of Intangibles	1,160	28	1,132
Total costs and expenses	49,501	6,018	43,483
Income(loss) from operations	10,286	(2,892)	13,178
Other (income)/expense:			
Interest expense	15,073	—	15,073
Interest income	(421)	—	(421)
Amortization of deferred financing costs	907	—	907
Other	121	—	121
Total other expense	15,680	—	15,680
Loss before taxes	(5,394)	(2,892)	(2,502)
Provision for income taxes	88	—	88
Net loss from continuing operations	(5,482)	(2,892)	(2,590)
Loss from discontinued operations	—	2,892	(2,892)
Net loss	\$ (5,482)	\$ —	\$ (5,482)
<b>RECONCILIATION OF NET LOSS TO EBITDA</b>			
Net loss	\$ (5,482)	\$ —	\$ (5,482)
Interest expense and other	15,768	(2,892)	18,660
Income (loss) from operations	10,286	(2,892)	13,178
Amortization of pre-publication costs	7,100	3,964	3,136
Depreciation expense and amortization of Intangibles	1,160	28	1,132
EBITDA	18,546	1,100	17,446
Restructuring and related costs	119	(19)	138
Adjusted EBITDA	\$ 18,665	\$ 1,081	\$ 17,584

(a) Reflects our consolidated statements of operations as reported in our Quarterly Report on Form 10-Q filed for the quarter ended June 30, 2005. Certain balances have been reclassified to conform to our current presentation.

(b) Reflects the statement of operations of Chelsea House Publishers as reported in our Quarterly Report on Form 10-Q filed for the quarter ended June 30, 2005.

**HAIGHTS CROSS COMMUNICATIONS, INC.**  
**QUARTERLY SEGMENT FINANCIAL INFORMATION (UNAUDITED)**  
**FOR THE QUARTER ENDED JUNE 30, 2005**  
(IN THOUSANDS)

	K-12 SUPPLEMENTAL EDUCATION	TEST-PREP AND INTERVENTION	LIBRARY	MEDICAL EDUCATION	CORPORATE	CONSOLIDATED
Revenue	\$ 14,652	\$ 16,124	\$ 20,249	\$ 5,636	\$ —	\$ 56,661
Cost of goods sold	3,809	3,313	7,215	1,609	—	15,946
Marketing and sales	3,440	4,256	3,618	1,632	—	12,946
Fulfillment and distribution	1,194	1,022	1,289	611	—	4,116
General and administrative	693	1,657	1,482	765	1,610	6,207
Amortization of pre-publication costs	1,020	1,023	995	98	—	3,136
Depreciation expense and amortization of intangibles	182	598	176	130	46	1,132
Income (loss) from operations	<u>\$ 4,314</u>	<u>\$ 4,255</u>	<u>\$ 5,474</u>	<u>\$ 791</u>	<u>\$ (1,656)</u>	<u>\$ 13,178</u>

**RECONCILIATION OF  
OPERATING INCOME TO  
EBITDA**

Income (loss) from operations	\$ 4,314	\$ 4,255	\$ 5,474	\$ 791	\$ (1,656)	\$ 13,178
Amortization of pre-publication costs	1,020	1,023	995	98	—	3,136
Depreciation expense and amortization of intangibles	182	598	176	130	46	1,132
EBITDA	5,516	5,876	6,645	1,019	(1,610)	17,446
Restructuring & related costs	—	103	35	—	—	138
Adjusted EBITDA	<u>\$ 5,516</u>	<u>\$ 5,979</u>	<u>\$ 6,680</u>	<u>\$ 1,019</u>	<u>\$ (1,610)</u>	<u>\$ 17,584</u>

**End of Filing**