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FOR IMMEDIATE RELEASE

**HAIGHTS CROSS COMMUNICATIONS ENTERS INTO
RECAPITALIZATION AGREEMENT;
PENDING LITIGATION TO BE DISMISSED**

White Plains, NY, July 6, 2007 – Hights Cross Communications, Inc. (HCC) today announced that it has entered into a recapitalization agreement with its key investors, which, if completed, would result in a simplified capital structure through the elimination of its three classes of preferred stock, a reconstitution of its board of directors, and the dismissal of a lawsuit filed against the company by certain investors in HCC's Series B Senior Preferred Stock.

Under the terms of the recapitalization agreement, holders of the company's Series B Senior Preferred Stock, together with the holders of its Series A Preferred Stock, Series C Preferred Stock, and Series A warrants, would convert all of their shares and warrants into common stock and warrants to purchase common stock at agreed upon rates, while all existing shares of common stock and common stock warrants and options would be effectively eliminated. In addition, certain members of management would acquire new shares of common stock under the terms of a management stock purchase agreement.

If the recapitalization is completed, current holders of the Series B Senior Preferred Stock would own approximately 82% of the outstanding shares of common stock, while current holders of the Series A and Series C Preferred Stock would collectively own approximately 15% of the company's common stock, and management would own the remaining 3%. Under the terms of a shareholders agreement to be entered into at the closing of the recapitalization, a new six member Board of Directors would be composed of Mr. Peter J. Quandt, our current Chairman and Chief Executive Officer, and five persons designated by various former Series B and Series A holders. Finally, upon the closing, the company and certain Series B holders would enter into a release agreement, pursuant to which, among other things, such holders would dismiss a pending legal action against the company filed by certain investors in HCC's Series B Senior Preferred Stock, in which they have asserted claims under 8 Del. Code. § 220 and under a certain Investors Agreement, dated December 10, 1999, seeking access to the company's books and records.

Peter Quandt commented, “The recapitalization agreement represents a significant milestone for Hights Cross. We are pleased to have resolved the dispute with some of our equity investors which will allow us to move forward with our business plans.”

The closing of the recapitalization agreement is subject to the satisfaction of certain stated conditions, including (i) the waiver by the requisite holders of the company’s Senior Secured Term Loans, Senior Notes and Senior Discount Notes of applicable “change of control” covenants that, absent such waiver, might apply in connection with the conversion of the preferred stock into common stock, and (ii) the execution and delivery of the agreements referred to above.

Evercore Partners served as financial advisor to the company in completing the recapitalization agreement and will assist the company in evaluating strategic alternatives following the closing of the recapitalization.

About Hights Cross Communications:

Founded in 1997 and based in White Plains, NY, Hights Cross Communications is a premier educational and library publisher dedicated to creating the finest books, audio products, periodicals, software and online services, serving the following markets: K-12 supplemental education, public library and school publishing, audio books, and medical continuing education publishing. Hights Cross companies include: Sundance/Newbridge Educational Publishing (Northborough, MA), Triumph Learning (New York, NY), Buckle Down Publishing (Iowa City, IA), Options Publishing (Merrimack, NH), Recorded Books (Prince Frederick, MD), and Oakstone Publishing (Birmingham, AL). For more information, visit www.hightscross.com.

Safe Harbor Statement:

This press release contains certain forward-looking statements which you can identify by terms such as “subject to”, “might”, and similar expressions intended to identify forward-looking statements. These statements reflect the conditions upon which the transactions discussed in this release are contingent on certain future events the outcome of which is not certain. These uncertainties and other factors may cause our actual outcome of the transactions discussed in this release to be materially different from those expressed or implied by our forward-looking statements. In light of these uncertainties, there can be no assurance that the events and circumstances described in forward-looking statements contained in this press release will in fact occur. You should read this press release completely and with the understanding that our actual results may be materially different from what we expect. We will not update these forward-looking statements, even though our situation may change in the future. We qualify all of our forward-looking statements by these cautionary statements.