

# **HAIGHTS CROSS COMMUNICATIONS** **PRESS RELEASE**

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**FOR IMMEDIATE RELEASE**

## **HAIGHTS CROSS COMMUNICATIONS COMPLETES \$270 MILLION REFINANCING**

White Plains, NY – August 20, 2003 -- Hights Cross Communications, Inc. (HCC) announced today that it has completed a \$270 million refinancing. On August 7, 2003, Hights Cross Operating Company (HCOC), a wholly owned HCC subsidiary, priced the \$270 million capital structure consisting of a \$30 million Senior Secured Revolving Credit Facility, a \$100 million Second Priority Senior Secured Floating Rate Term Loan, and \$140 million of Senior Unsecured Notes.

The proceeds of the financing will be used to repay existing bank debt and redeem existing senior subordinated notes of HCOC, as well as to fund general corporate purposes. The offering of Senior Unsecured Notes was led by Bear, Stearns & Co. Inc. with co-managers BNY Capital Markets, Inc. and Jefferies & Company, Inc., and Lane, Berry & Co, as HCOC's agent. Bear, Stearns & Co., Inc. also served as lead arranger for the Senior Secured Revolving Credit Facility and Second Priority Senior Secured Floating Rate Term Loan. Goodwin Procter LLP acted as company legal counsel advising on the transactions, and Lane, Berry & Co. served as financial advisor to the company.

According to Peter J. Quandt, HCC Chairman and Chief Executive Officer: "The success of this important transaction in a difficult financial environment speaks to the strengths and long-term prospects of our core businesses. Hights Cross will continue to invest in aggressive product development and sales in order to extend the leadership positions we have built in our target markets."

Paul J. Crecca, HCC Executive Vice President and Chief Financial Officer added that: "We are pleased with the successful completion of our refinancing, considering recent challenges in the debt capital markets. Hights Cross now has additional financial resources for reinvestment in our businesses as well as an improved cost of capital."

**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 and school library publishing, audiobooks, and medical continuing education publishing. Hights Cross companies include: Sundance/Newbridge Educational Publishing (Northborough, MA), Triumph Learning (New York, NY), Recorded Books (Prince Frederick, MD), Chelsea House Publishers (Broomall, PA), and Oakstone Publishing (Birmingham, AL). Hights Cross investors include Great Hill Partners and CSFB (formerly DLJ Merchant Banking Partners, L.P.) For more information visit [www.hightscross.com](http://www.hightscross.com).

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Safe Harbor Statement: This press release contains forward-looking statements. In some cases, you can identify forward-looking statements by terms such as “may,” “will,” “should,” “could,” “would,” “expect,” “plan,” “anticipate,” “believe,” “potential” and similar expressions intended to identify forward-looking statements. These statements reflect our current views with respect to future events and are based on assumptions and subject to risks and uncertainties. These risks, uncertainties and other factors may cause our actual results, performances or achievements to be materially different from those expressed or implied by our forward-looking statements. Factors that may cause our actual results to differ materially from our forward-looking statements include, among others, changes in external market factors, changes in our business or growth strategy, or an inability to execute our strategy due to changes in our industry or the economy generally, the emergence of new or growing competitors and various other competitive factors. In light of these risks and 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.

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