

HAIGHTS CROSS COMMUNICATIONS **PRESS RELEASE**

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FOR IMMEDIATE RELEASE

HAIGHTS CROSS COMMUNICATIONS REPORTS THIRD QUARTER 2003 RESULTS

**Investor and Analyst Conference Call Scheduled for Monday,
November 10, 2003, at 4:00 PM (EDT)**

White Plains, NY, November 10, 2003 – Hights Cross Communications, Inc. (HCC) today reported results for the third quarter of fiscal year 2003. Revenue for the three months ended September 30, 2003, was \$42.2 million, as compared to the same \$42.2 million for the three months ended September 30, 2002. Net income for the three months ended September 30, 2003, was an \$8.6 million net loss, compared to a \$5.3 million net profit for the same period of 2002, primarily reflecting \$12.4 million of non-operating charges related to HCC's August 20, 2003 debt recapitalization. EBITDA for the three months ended September 30, 2003 was \$12.2 million, down \$1.4 million from \$13.6 million for the same period in 2002, reflecting costs related to the consolidation of warehouse and customer service functions for HCC's Sundance/Newbridge, Triumph Learning, and Chelsea House businesses as well as investments in sales and marketing programs across all businesses.

For the nine months ended September 30, 2003, Hights Cross reported revenue of \$124.6 million, which was slightly below the \$125.4 million reported for the same period of 2002. Net income for the nine months ended September 30, 2003, was a net loss of \$2.8 million, compared with a \$31.7 million net loss for the same period of 2002. The 2002 net loss reflected a \$48.6 million goodwill valuation charge pursuant to new

accounting rules, while the 2003 loss reflects the third quarter \$12.4 million non-operating charge related to HCC's debt recapitalization. EBITDA for the nine months ended September 30, 2003 of \$34.1 million was down 10 percent from the same period 2002 EBITDA of \$38.0 million, reflecting operating investments in 2003 related to the consolidation of warehouse and customer services functions for the Sundance/Newbridge, Triumph Learning, and Chelsea House businesses and new sales and marketing programs.

Peter J. Quandt, HCC chairman and chief executive officer, said: "HCC's third quarter was momentous. The successful recapitalization in August strengthened the company's financial structure and provides cash that will be used to grow the company. At the same time, our businesses turned in respectable sales performances in a difficult environment in which schools and libraries throughout the United States are facing budget shortfalls. Our pipeline of new titles is strong as our publishing businesses continue to attract top authors and develop compelling new products."

HCC's executive vice president and chief financial officer, Paul J. Crecca, added: "Our businesses are doing an excellent job of managing costs in this challenging educational market environment, while continuing to make the appropriate investments for future organic growth. Our recently completed debt recapitalization provides us a solid foundation to consider new growth initiatives, including high-quality fold-in acquisitions."

HCC's third quarter results conference call for investors, analysts, and the media will be held on Monday, November 10, 2003, at 4:00 PM (EDT). Participating in the call will be Peter Quandt, HCC chairman and CEO; and Paul Crecca, HCC executive vice president and chief financial officer. To participate, please call (888) 428-4478 (USA) or (612) 338-9017 (International).

HCC Business Unit Third Quarter 2003 Highlights

Sundance/Newbridge Publishing

Sundance's newest entry in its Second Chance Reading Program—**The Real Deal**—received the 2003 Distinguished Achievement Award for Best Children's Instructional Books from the Association of Educational Publishers. Learning Magazine bestowed 2004 Teachers' Choice Awards on Sundance's **SunLit Fluency** and Newbridge's **Go Facts Guided Writing for the Primary Grades**. In July, Sundance launched **Reading PowerWorks™**, a unique approach to preparing students in grades 1–2 to read in content areas, Newbridge expanded two of its popular series with additions to the **Ranger Rick Science Program** and **Discovery Links Intermediate+** for grades 3–5 and up. Newbridge also launched **Discovery Links Fluent Plus**, a new series within the Discovery Links Guided Reading Program that addresses the needs of students in grades 2–3+.

Triumph Learning

In the third quarter, Triumph Learning introduced 60 new titles across five states. The new releases included 50 Coach™ titles and the introduction of two important new series – six titles in the Math Problem-Solving series and six in the Open-Ended Questions series. Triumph's investments in new sales and marketing programs resulted in strong sales momentum across the United States, despite a difficult budgetary environment for school districts.

Oakstone Publishing

In the third quarter 2003, Oakstone Medical published **Topics in Pain Management**, a new program jointly sponsored with the University of California at Davis. This program meets the recently mandated 12-hour credit requirement in pain management for physicians licensed in the state of California. Oakstone Medical also published a timely special issue on **Infection Control** for four dental specialties. In addition, Oakstone Medical announced a revision of its highly successful Medical Knowledge Self-Appraisal Program (MKSAP-13), which will be released in December 2003. The company also continued to build strong web presence with the physician community through its two continuing education websites, www.journalbytes.com and www.cmeonly.com.

Recorded Books

For the third quarter, Recorded Books' core library division achieved single-digit sales growth, driven by strong sales of its new Film Movement line (independent film DVDs), Large Print book series, and Bible audio collection. Retail channel revenue and profits were down, primarily as a result of the anticipated decline in sales of last year's best selling Tolkien **Lord of the Rings** audio collection. The UK library operation posted strong double-digit growth driven by continued success of its **Clipper** audiobook products and large print books. In addition, Recorded Books launched its new **Modern Scholar** audio college course series, which begins shipping this month. The new series has received excellent reviews and strong pre-publication orders.

Chelsea House Publishers

Chelsea House's key focus in the quarter was the publication of 190 new titles comprising our fall 2003 list. This was one of Chelsea House's most aggressive and innovative new publication lists. Important new releases included new series of acclaimed literary criticism edited by Professor Harold Bloom -- Bloom's Period Studies, which review the major literary movements of Western Literature; Bloom's Guides, a series of 12 new comprehensive reading and study guides focusing on the world's most important classical and contemporary literature; and Bloom's Major Literary Characters, eight collections of selected essays providing in-depth analysis of the most complex and memorable characters in Western Literature. Chelsea House also added six new series representing 36 new titles to its new Chelsea Clubhouse imprint.

Hights Cross Communications, Inc.
Condensed Consolidated Financial Information - Unaudited

Dollars in thousands

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2003	2002	2003	2002
Revenue	\$ 42,216	\$ 42,152	\$ 124,644	\$ 125,421
Operating Expenses	32,894	30,916	98,480	94,020
Income From Operations	9,322	11,236	26,164	31,401
Net Income/(Loss)	(8,643)	5,301	(2,809)	(31,712)
EBITDA	12,168	13,586	34,069	37,969

Reconciliation of Net Income/(Loss) to EBITDA:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2003	2002	2003	2002
Net Income/(Loss)	\$ (8,643)	\$ 5,301	\$ (2,809)	\$ (31,712)
Cumulative Effect of Accounting Change	-	-	-	48,610
Net Loss/ (Income) from Discontinued Operations	(184)	1,088	973	(154)
Interest Expense and Other	18,149	4,847	28,000	14,657
Income From Operations	9,322	11,236	26,164	31,401
Amortization of Prepublication Cost	2,235	1,809	6,253	5,105
Depreciation and Amortization	611	541	1,652	1,463
EBITDA	\$ 12,168	\$ 13,586	\$ 34,069	\$ 37,969

Selected Balance Sheet Data:

	As of September 30,	
	2003	2002
Cash and Cash Equivalents	\$ 28,536	\$ 2,164
Working Capital	42,649	16,742
Long Term Debt	239,000	197,096

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.

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.
