

HAIGHTS CROSS COMMUNICATIONS PRESS RELEASE

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FOR IMMEDIATE RELEASE

Haight Cross Communications Reports Strong Growth for First Half 2002 in a Slow Market

White Plains, NY, July 31, 2002 -- Haight Cross Communications, a privately-held, rapidly growing educational and professional publisher, today announced sales growth of 7 percent from its core businesses⁽¹⁾ for the six months ended June 30, 2002 and EBITDA⁽²⁾ growth of 25 percent. Revenue for the first half of 2002 exceeded \$87.0 million.

Peter Quandt, Haight Cross Chairman and CEO, said: "I am delighted with the results of our core business units during the first half of 2002, particularly our significant improvement in EBITDA during a tough economic period. We expect revenue to keep pace with the industry throughout the balance of the year, but our continuous focus on improving costs should enable us to sustain a 20+ percent improvement in EBITDA."

Haight Cross said that 85 percent of its revenue and profit came from its K-12 supplemental education and library publishing businesses and 15 percent from its medical and legal publishing units. Revenue and profit growth was driven by exceptionally strong performance by Recorded Books, the world's largest independent publisher of unabridged audiobooks; and Newbridge Educational Publishers, a leading publisher of supplemental non-fiction reading materials for K-6.

Paul Crecca, Haight Cross Executive Vice President and CFO said: "We are very pleased with the favorable impact our cost containment efforts have had on EBITDA margins. We are also pleased with how well our management teams have pulled together to maximize our performance through this soft economic environment."

Haight Cross Communications business unit first half 2002 operating highlights included:

Recorded Books

Recorded Books sales for the first six months increased nearly 17 percent over the same period last year with strong performances in its core library market, retail, consumer, and UK channels. The unit's best selling titles included Tolkien's *Lord of the Rings* as well as multiple titles from the New York Times Bestseller List. Recorded Books also completed the relocation of Audio Adventures, acquired in 2001, from Boulder, CO to

Prince Frederick, MD, where it now operates as an independent business unit focused on leasing and selling audiobooks to travel centers and libraries.

Sundance Publishing/Newbridge Educational Publishers

Newbridge achieved sales growth of approximately 29 percent driven by continued adoptions of its market leading *Discovery Links Science and Social Studies* series and the first full year sales of its new *Discovery Links Intermediate Plus* series. These address the strong demand for non-fiction, curriculum-based, guided reading products for elementary and middle schools. The Company's new *Go Facts* guided writing series, launched in March, also contributed to sales performance. Sundance Publishing was off slightly from the prior year, but reported continued strong sales of its *AlphaKids* guided reading with a strong balance of fiction and non-fiction, and its *Second Chance* reluctant reader series. Both *AlphaKids* and *Second Chance Reading* were expanded with significant new title introductions, including new student assessment and record-keeping software for *Second Chance Reading*.

Triumph Learning

Triumph's growth was driven by strong sales in Texas and Georgia resulting from the introduction of a complete series of new books for both states, and a strengthened sales force in Texas. Triumph is now launching new test prep series for Colorado, Kentucky, and Tennessee. These states will drive sales in the second half.

Chelsea House Publishers

Chelsea House experienced a soft first half of 2002, but expects improved results in the second half from its exceptionally rich fall list that will begin shipping in August. This new product line-up features 15 new series comprised of 160 new titles. New series launches include *United We Stand: A Nation Responds to Events of September 11*; *Modern World Nations*; *Creation of the Modern Middle East*; and *Harold Bloom's BioCritiques*.

Oakstone Publishing

Oakstone Publishing, a leading professional publisher for the medical, wellness and legal professions, achieved double-digit revenue growth for the first half of 2002. Its Medical division introduced web-based continuing education and certification products for physicians, surgeons, and other medical personnel. Oakstone Wellness launched its TopHealth electronic newsletter and TopTopics.com website, primarily used by businesses to inform their employees about health-related issues. Oakstone Legal introduced its online Enron Litigation Reporter, the latest in a series of updates on timely litigation topics.

About Hights Cross Communications

Founded in 1997 and based in White Plains, NY, Hights Cross Communications is a premier educational and professional 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 legal and medical publishing. Hights Cross companies include: Sundance Publishing/

Newbridge Educational Publishers (Littleton, 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.

Footnotes:

- (1) Core Businesses include Sundance/Newbridge, Triumph Learning Print (f/k/a Educational Design), Recorded Books, Audio Adventures, Chelsea House, and Oakstone Publishing. Excluded from Core Businesses are the development stage businesses of Triumph State Software and Triumph College Admissions.
- (2) Net EBITDA represents Earnings before Interest, Income Taxes, Depreciation on Property and Equipment, and Amortization of Goodwill and Other Intangibles, but includes Amortization of capitalized product development investments.