

HAIGHTS CROSS COMMUNICATIONS PRESS RELEASE

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FOR IMMEDIATE RELEASE

Hights Cross Communications Achieves Double-Digit Growth in 2001 and Expects Strong 2002 Performance

White Plains, NY, March 19, 2002 -- Hights Cross Communications, a privately-held, rapidly growing educational and professional publisher, today announced that in 2001 its core businesses⁽¹⁾ achieved strong sales and earnings growth, with sales increasing 11% and NET EBITDA⁽²⁾ by 9%. Revenue for the year exceeded \$162 million.

Peter Quandt, Hights Cross Chairman and CEO, said: "I am delighted with the performance of our core businesses during a recessionary 2001. This is our fourth consecutive year of excellent top-line growth, with extremely strong margins, solid new product successes, and market share gains. In 2002, I believe we can continue to achieve double-digit growth in a down economy and do even better as the economy recovers."

Hights 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; Newbridge Educational Publishers, a leading publisher of supplemental non-fiction reading materials for K-6; and Triumph Learning, a provider of test preparation materials for state-specific and nationally-normed achievement tests for K-12.

The company said its Coriolis unit, an information technology publisher, was designated for divestiture in late 2000 and is not included in the core results. "We expect to divest Coriolis early this year," said Quandt. "The information technology publishing industry has been hit hard by the dotcom implosion. More importantly, the retail market, Coriolis' primary distribution channel, is almost exclusively front-list driven and does not fit our strategic focus."

Regarding 2002 prospects, Paul Crecca, Hights Cross Executive Vice President and CFO said: "We have taken strong steps to control overall costs while making growth motivated investments in new product development, sales, marketing, and customer services. We have also strengthened the management teams of our operating companies while ensuring that our small corporate staff is focused on strategic and financial management that will optimize the company's total performance and value."

Tim McEwen, Haight's Cross Executive Vice President and Chief Operating Officer said: "Haight's Cross begins 2002 stronger than ever. Our businesses are focused on high-potential markets. We expect to build on our record of exceptional organic growth and high margins. We have a tremendously talented management team and staff as well as a cost-effective operations infrastructure. Our core businesses are in favorable market niches and each has developed a pipeline of distinctive new products that will drive future strong growth."

In 2001, Haight's Cross launched Triumph Learning, a wholly owned provider of multimedia test preparation materials. Haight's Cross Executive Vice President and Triumph Learning's Chief Executive Officer, Kevin McAleily, said: "Triumph Learning is building on the strong success of Educational Design, which has been the leading K-12 state-based test preparation publisher for many years. Our business will benefit greatly from the increased emphasis on teacher/school accountability and mandatory national testing of students in grades three to eight. The recent reauthorization of the Elementary & Secondary Education Act will increase Title I funds by \$4.7 billion in FY2002, and by over \$11.5 billion over the next seven years. Triumph Learning plans to aggressively expand by helping school administrators, teachers, students and parents succeed given these new requirements."

Haight's Cross Communications business units' 2001 operations highlights include:

Recorded Books

Recorded Books achieved double-digit sales growth in its core library market, along with similar gains in the retail, UK/Canada, consumer, and e-commerce channels. The unit's award winning narration of Tolkien's *Lord of The Rings* by Rob Inglis was the Company's run-away best selling recording.

In 2001, Haight's Cross also acquired Audio Adventures, Inc., a fast-growing audio book retailer. The company has two divisions: Travel Centers, which contracts with large truck stops and travel centers located near major highways throughout the United States to provide audiobooks that drivers can pick-up at one location and drop off at another; and Landmark, which leases audiobooks primarily to small to mid-size libraries that cannot afford to purchase a large collection. Audio Adventures is being relocated from Boulder, CO to Prince Frederick, MD, where it will operate as an independent business unit.

Sundance Publishing/Newbridge Educational Publishers

Newbridge achieved strong performance based on the tremendous success of its *Discovery Links Science* and *Social Studies* series, and continued strong growth of the legendary *Ranger Rick* science series. Sundance Publishing, which specializes in fiction and non-fiction guided reading for K-8, posted double-digit growth, led by the popular *AlphKids* guided reading series and successful launch of its new *Second Chance* reluctant reader series.

Chelsea House Publishers

At Chelsea House, which publishes non-fiction books for children and young adults, revenues declined slightly, but the unit maintained strong profit margins. Harold Bloom's literary criticism series was once again the best selling line, with Professor Bloom's new Bio-Critique series selling well. Richard Blumenthal, formerly with Capstone and Steck-Vaughn, was appointed President in Spring 2001.

Oakstone Publishing

Oakstone Publishing, Haight's Cross' professional publishing division for the medical, wellness, and legal professions, achieved modest revenue growth, but posted double-digit growth in profits due to operations improvements.

The medical division, which offers monthly subscription audiotapes, newsletters, multimedia, and web-based updates on the latest research and journal articles and provides continuing education for over 30 physician specialties, benefited from its new relationship with The Johns Hopkins University School of Medicine and successful launch of its Journalbytes.com web-based information service.

The legal division, Andrews, publishes *Litigation Reports*, a monthly report on timely litigation areas for lawyers and legal firms. In 2001, the company implemented its OpenNet database system, making its content available in real time online to customers. It also benefited from a strategic partnership with The West Group (a division of The Thomson Corporation's Legal & Regulatory Group).

Triumph Learning

Triumph Learning expanded into five new states. It also introduced major new versions of the popular *Coach* test preparation workbook series. Triumph Learning filled-out its management team and tripled its sales force.

About Haight's Cross Communications

Founded in 1997 and based in White Plains, NY, Haight's 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. Haight's 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). Haight's 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.