

PLATO LEARNING - PRESS RELEASE

## PLATO Learning Acquires New Media

**On 17 December 2003** PLATO Learning, a leading provider of computer-based e-learning materials for primary to adult learners announced that it has acquired New Media (Holdings) Ltd and its wholly-owned subsidiaries. New Media develops and publishes curriculum-focused software, primarily for teaching secondary school science and mathematics.

New Media's products are used in UK schools and are sold worldwide. New Media also provides in-service training for secondary school science and mathematics teachers, and develops educational software and training programmes under contract to the DfES. New Media supplies software to over 50% of schools in the UK and exports to more than 35 countries worldwide.

New Media is 20 years old – perhaps the oldest continuously profitable private company in the UK, committed to the use of ICT in education. Dick Fletcher, founder and former Managing Director of New Media, commented, *'New Media is delighted to have found in PLATO Learning a company which shares our vision and passion for education. It is becoming increasingly difficult for small companies to grow organically, particularly in a government-dominated market. PLATO Learning's ownership will strengthen the already powerful talents of our work force, enabling them to continue to create pioneering software – empowering teachers and inspiring students. I look forward to working with the PLATO Learning team in the year ahead, and to concentrating my efforts on helping more teachers understand the benefits that the regular use of ICT can bring, particularly to science education.'*

The acquisition of New Media's products enhances PLATO Learning's science offering and provides a science simulation development capability that did not previously exist at PLATO Learning. The new addition will also give PLATO Learning more critical mass and revenue diversification in the UK education market, and will strengthen PLATO Learning's relationships with the DfES. We believe these advantages, plus the elimination of some minor duplicate costs, will provide greater mass and earnings and cash flow potential for PLATO Learning in the UK.

John Murray, chairman, president and chief executive officer of PLATO Learning, said, *'PLATO Learning is committed to the UK market, which although under pressure recently, has served us well in the past. We believe the addition of New Media's products, services and development capabilities will provide us with improved customer and governmental relations in the UK. We are also excited about bringing an expanded science offering to our US customers at a time when science is an area of focus for all of our schools. New Media represents another strategic acquisition designed to enhance value to both our customers and shareholders.'*

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### **About PLATO Learning**

PLATO Learning (UK) Ltd is a subsidiary of PLATO Learning Inc. and is a leading provider of computer-based and e-learning instruction from key stage 2 to post-16 and lifelong learning. PLATO Learning offers courseware in English, mathematics, science, citizenship, modern foreign languages, adult basic skills and key skills. With over 6000 hours of objective-based, problem-solving courseware, plus assessment, alignment and curriculum management tools, we create courses that facilitate learning and improvement.

PLATO Learning (UK) Ltd is located at Statesman House, Stafferton Way, Maidenhead, Berkshire SL6 1AD. The company has offices throughout the United States and Canada. International distributors are located in Puerto Rico, Singapore, South Africa and the United Arab Emirates.

PLATO Learning Inc., located in the USA with trailing 12-month revenues of about \$82 million, is a publicly-held company traded as TUTR on the NASDAQ-NMS. PLATO educational software is marketed to schools, colleges, job training programmes, correctional institutions, military education programmes, corporations and individuals, and is delivered via networks, CD-ROM, the Internet and private intranets.

The company's website addresses: <http://www.platolearning.co.uk> or <http://www.plato.com>.

### **About New Media**

In 1983 New Media designed the world's first interactive multimedia encyclopedia, and in 1993 launched the award-winning Chemistry Set. As a result of the UK's New Opportunities Fund (NOF) programme, and their collaborative work in the Science Consortium, over a thousand science departments in England are more confident in the use of ICT. In 2004, with the backing of the DfES, New Media will bring online continuing professional development to mathematics, physical education and science departments in the UK. Multimedia Science School 16–18 Edition, New Media's new interactive science resource for 16–18 year olds, is set to empower teachers, making biology, chemistry and physics more readily understandable, and inspiring learning by devolving more responsibility to the students themselves.

*This announcement includes forward-looking statements. PLATO Learning has based these forward-looking statements on its current expectations and projections about future events. Although PLATO Learning believes that its assumptions made in connection with the forward-looking statements are reasonable, no assurances can be given that its assumptions and expectations will prove to have been correct. These forward-looking statements are subject to various risks, uncertainties and assumptions. PLATO Learning undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Any forward looking statements made are subject to the risks and uncertainties as those described in the Company's Annual Report on Form 10-K for the year ended October 31 2002. Actual results may differ materially from anticipated results.*

#### **For further information, please contact:**

Dan Green, Sales and Marketing Manager, PLATO Learning (UK) Ltd  
**Tel: 01628 588 300 Email: [dgreen@plato.com](mailto:dgreen@plato.com)**

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