

Houghton Mifflin Harcourt Completes Sale of College Division to Cengage Learning

BOSTON — June 2, 2008 — Houghton Mifflin Harcourt Publishing Company today announced the completion of the sale of the Houghton Mifflin College Division to Cengage Learning, formerly Thomson Learning. The sale allows Houghton Mifflin Harcourt to focus its efforts on growing its core K–12, trade and reference businesses. In addition, Houghton Mifflin Harcourt and Cengage Learning have entered into a long-term agreement whereby Houghton Mifflin Harcourt will have exclusive rights to distribute leading titles from both Houghton Mifflin Harcourt and Cengage Learning for Advanced Placement and honors classes to high school customers in the United States.

The purchase price was \$750 million in cash, of which approximately \$600 million will be used to retire senior bank debt and the remainder will be used for working capital and other general corporate purposes.

Tony Lucki, chairman and CEO of Houghton Mifflin Harcourt Publishing Company said, "We are delighted to announce the completion of the sale of the College Division, which helps ensure Houghton Mifflin Harcourt is best positioned to be the industry-leading K–12 educational publisher now and in the future. We are especially pleased that our distribution arrangement with Cengage Learning will enable us to expand our presence in the rapidly growing Advanced Placement market."

The previously announced divestitures of textbooks and related materials, which Cengage Learning will be making, do not affect any of Houghton Mifflin Harcourt's ongoing programs for the K–12 marketplace.

About Houghton Mifflin Harcourt

Boston-based Houghton Mifflin Harcourt Publishing Company is a global education company with approximately \$2.5 billion in revenue. The Company publishes a comprehensive set of best-in-class pre-K–12 educational solutions, ranging from research-based textbook programs to instructional technology to standards-based assessments for students and educators. The Company also publishes an extensive line of reference works and award-winning literature for adults and young readers. With origins dating back to 1832, Houghton Mifflin Harcourt combines its tradition of excellence with a commitment to innovation. To learn more about Houghton Mifflin Harcourt, visit www.hmhpublish.com.

CONTACT:

Richard Blake

Senior Vice President, Communications and Government Relations

Houghton Mifflin Harcourt Publishing Company

617-351-5280

Richard.blake@harcourt.com