

Harcourt Education

Anthony Lucki
President and CEO

July 12, 2001

To: Rigby Employees
From: Tony Lucki
Re: Harcourt Education Transition

With the acquisition of Harcourt by Reed Elsevier now complete, I want to officially welcome all of the Rigby employees to Harcourt Education. As you may know, Harcourt Education consists of an outstanding group of companies that span the K-12 and Trade markets. The companies within the group are Harcourt School Publishers, Holt, Rinehart and Winston, Steck-Vaughn, Harcourt Religion Publishers, Harcourt Canada, and Harcourt Trade Publishers. We are delighted and honored to have Rigby join Harcourt Education to further position us as the leading publisher of educational materials. Rigby has demonstrated outstanding growth over the years and now makes us a truly formidable force in the supplemental market.

Our plan moving forward is to merge Rigby with our Steck-Vaughn business to create one unified supplemental company. The new company will be named Harcourt Supplemental Publishers and will continue to be based in both Barrington, Illinois, and Austin, Texas. I want to assure all of you that both prestigious imprints of Rigby and Steck-Vaughn will not only be preserved but will continue to be expanded through future product development.

I am pleased to announce that Steven Korte has been appointed President of Harcourt Supplemental Publishers. In his new capacity, Steven will oversee the growth of both imprints and will lead the operations in both Barrington and Austin. Steven has led the remarkable growth of Rigby for the past seven years, and we are fortunate to have him continue to provide us with his talent and his proven expertise in the educational marketplace.

I also want to give a special thanks to Ron Cox, who has served as President of Steck-Vaughn for the past year and a half and has done an excellent job of positioning the company for the continued growth that I know we will realize. Ron will be leaving Steck to pursue new opportunities and I wish him the very best in his new endeavors.

I look forward to meeting all of you in the weeks ahead and am honored to work with you to ensure both Harcourt and Reed Elsevier's position as the leading global publisher of educational materials.