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**LEXIA LEARNING SYSTEMS SECURES \$2 MILLION IN PRIVATE EQUITY**

**LINCOLN, MASS., MAY 3, 2004** – Lexia Learning Systems, Inc., a developer of reading skills and cognitive software, language arts curricula and professional development programs for educators, today announced a \$2 million private equity investment from Albert and Katharine Merck of Lexington, Massachusetts. The Mercks are well-known educational philanthropists and investors who are co-sponsors of on-line professional development programs at the Harvard Graduate School of Education, Teachers College Columbia University and WGBH.

“Our decision to invest in Lexia was based on our shared philosophy about educational disparities and our belief in the company’s proven ability to make learning a reality for all children,” said Albert Merck, former chairman of the New Jersey State Board of Higher Education.

“By supporting teachers with technology-based tools, Lexia can reach ever-larger numbers of students and enhance their reading skills and cognitive abilities, while reducing costs for special education programs. Lexia’s commitment and innovation will assure their future success in an industry dominated by larger and more institutionalized players,” Merck said.

The past few years have been marked by increasing growth for Lexia in professional development, curriculum products and its traditional software markets, with sales increasing by almost 100 percent since April 2002. The company continues to develop assessment and skill development tools for educators that are based on educational research. Lexia will use this new financing as general working capital to expand its sales

and marketing efforts, and to complete the development of the new Lexia Cross-Trainer™ line of software, designed to strengthen cognitive skills.

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“The Merck’s investment is a reaffirmation of Lexia’s mission and strategy,” said Jon Bower, CEO of Lexia Learning Systems. “We will remain dedicated to our mission to bring students equal opportunities for learning and achievement by creating affordable products that engage, develop and promote critical basic skills.”

The financing comes as Lexia celebrates its 20<sup>th</sup> anniversary. What began as a personal quest to help children like his son, who was diagnosed with dyslexia in 1977, culminated in Founder Bob Lemire’s desire to organize a company that would use computer technology to help all types of children experiencing reading difficulties. Beginning in 1984, with grants from The National Institutes of Health and Human Services, the Lexia staff has persisted in the development of affordable computer software, curricula and training programs that support the application of explicit multi-sensory reading programs in schools, other institutions and in homes. Today Lexia is used in more than 10,000 schools across the United States. In addition, Lexia has been adopted by systems of education in the U.K., Mexico and New Zealand.

### **About Lexia**

Lexia Learning Systems, headquartered in Lincoln, Mass., is a developer of professional development courses, curriculum materials and software to support basic skills development in people of all ages – from pre-schoolers to adults. Today, Lexia’s programs are used in over 10,000 schools, adult education centers, tutoring centers and correctional facilities, and in homes. Lexia reading software has won numerous awards, including the *District Administration* “District Choice Award” in 1994, 1998 and 2003. The Association of Educational Publishers, Ed Press, Media & Methods 2004 Portfolio Awards, “Distinguished Achievement Award” and the National Parenting Publications “Gold Award.” For more information, call 1-800-435-3942 or visit the Web site at [www.lexialearning.com](http://www.lexialearning.com).