



HOP, LLC a division of educate, inc.

MEDIA CONTACTS:

Angela Giovanello
Mullen for Hooked on Phonics
(978) 468-8921
angela.giovanello@mullen.com

Mark Gauthier
Mullen for Hooked on Phonics
(978) 468-8955
mark.gauthier@mullen.com

FOR IMMEDIATE RELEASE

Hooked on Phonics® Introduces New Products Designed to Help Children Build Critical Reading and Math Skills – Just in Time for the New School Year

Products Available for the First Time at Retailers Nationwide

BALTIMORE – Hooked on Phonics®, a highly trusted name in teaching kids to read, is introducing a variety of new products created to uniquely meet the broad range of educational needs and desires that parents have for their children – just in time for the new school year. This fall, for the first time, Hooked on Phonics is offering its award-winning Hooked on Phonics *Learn to Read* and Hooked on Math® products at retail locations nationwide.

The Hooked on Phonics *Learn to Read* and Hooked on Math programs provide a system for kids to develop essential skills in core subjects. *Learn to Read*, an award-winning program that uses a Skills-Practice-Play learning method, provides a strong foundation in phonics and reading, which will be available for the first time in *Kindergarten*, *First Grade* and *Second Grade* systems. New Hooked on Math programs for *Addition and Subtraction*, *Multiplication* and *Division* will be introduced this October.

“The start of the school year means new teachers, new classmates and new challenges for children heading back to school,” said Chip Paucek, General Manager, Hooked on Phonics. “Our mission is to provide families with fun, easy to use, and educationally sound programs that boost self-esteem and help children reach their full potential.”

For more than 17 years, Hooked on Phonics has created programs designed to help children with the essential skills for success in school. To date, more than two million families and thousands of schools have turned to Hooked on Phonics for its reading and math programs.

Consumers can now find Hooked on Phonics products at select retail locations across the country including Target, Wal-Mart, Kmart, Borders, Toys R Us, Books-A-Million, Costco, Sam's Club, BJ's Wholesale, and Hastings. Customers should check with their local retailer for availability. Products are also available online, 24 hours a day at www.hookedonphonics.com and www.amazon.com.

Hooked on Phonics *Learn to Read*

Hooked on Phonics *Learn to Read* uses a balanced approach, coupling systematic phonics instruction with reading stories and books. Kids learn how to sound out letters and words, and then put their skills to use reading an original storybook written with the words just learned. Hooked on Phonics recognizes that each child learns differently, so the program includes a variety of multi-sensory tools that appeal to visual, auditory and experience-based learners.

For the first time, *Learn to Read* is now available in grade level systems with skills targeted to children in *Kindergarten* (ages 4-6), *First Grade* (ages 6-7) and *Second Grade* (ages 7-8). Each kit (SRP \$64.99) comes with audio CDs, flash cards, workbooks, original storybooks, progress posters and stickers, and a parent's guide. *Learn to Read—Kindergarten* also comes with an interactive CD-ROM.

Designed for kids ages 4 to 8, the complete Hooked on Phonics *Learn to Read* program combines elements of the grade level systems, teaching the basic skills needed to become confident readers now and in the future.

Hooked on Phonics *Learn to Read* is available as a complete package with all three grade levels (SRP \$199.99).

Hooked on Math

Hooked on Math is designed to take kids from basic addition and subtraction through multiplication and long division. With original games like Space Bingo and Remainder Road, Hooked on Math provides kids with an entertaining way to reinforce and apply the key math concepts learned.

Designed for kids ages 5 to 10, Hooked on Math is also available in subject-specific smaller kits: *Addition and Subtraction*, *Multiplication* and *Division*. Available at retail in mid-October, each system (SRP \$64.99) comes with workbooks, audio CDs, flash cards, game pieces, progress posters and stickers, and a parent's guide.

Hooked on Math is also available as a complete package with all basic math skills (SRP \$199.99).

About Hooked on Phonics®

Hooked on Phonics, operated by HOP, LLC, a division of Educate, Inc., is a leading creator of educational products for families that are fun and easy to use and get results. The company works with educators, interactive designers, writers, artists and parents to develop step-by-step learning systems that help teach children critical reading, math and study skills. Since the company was founded in 1987, more than two million families and thousands of schools have turned to Hooked on Phonics' library of award-winning programs. The company's products are available at major retailers nationwide and online at www.hookedonphonics.com.

About Educate, Inc.

Educate, Inc. (NASDAQ: EEEE) is a leading pre-K-12 education services company delivering education services and products to students and their families. It has a portfolio of highly acclaimed brands including Sylvan Learning Centers, North America's largest and most trusted network of tutoring centers, providing supplemental, remedial and enrichment instruction; Hooked on Phonics, delivering highly regarded early reading, math and study skills programs; and Catapult Learning, a leading provider of educational services to public and non-public schools. More information on Educate, Inc. can be found at www.educate-inc.com.

Forward-looking Statements

This release includes information about Educate, Inc. that could constitute forward-looking statements made pursuant to the safe harbor provision of the Private Securities Litigation Reform Act of 1995. The words "believe," "anticipate," "intend," "estimate," "expect," "will," "should," "may" and similar expressions, or the negative of such words and expressions, are intended to identify forward-looking statements, although not all forward-looking statements contain such words or expressions. Such forward-looking statements involve risks and uncertainties. Although Educate, Inc. believes that the expectations reflected in such forward-looking statements are based on reasonable assumptions, Educate, Inc.'s actual results could differ materially from those described in the forward-looking statements. The following factors might cause such a difference: the development and expansion of the Sylvan Learning Center franchise system; changes in the relationships among Sylvan Learning Center and its franchisees; Educate, Inc.'s ability to effectively manage business growth; increased competition from other educational service providers; changes in laws and government policies and programs; changes in the acceptance of Educate, Inc.'s services by institutional customers and consumers; changes in customer relationships; the seasonality of operating results; global economic conditions, including interest and currency rate fluctuations, and inflation rates. Additional information regarding these and other risk factors and uncertainties are set forth from time to time in Educate, Inc.'s filings with the Securities and Exchange Commission, available for viewing on Educate, Inc.'s website <http://www.educate-inc.com>. (To access this information on Educate, Inc.'s website, click on "Investor Relations" and then "SEC Filings".) All forward-looking statements are based on information available to Educate, Inc. on the date of this Release. Educate, Inc. undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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