



NEWS RELEASE

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ITN and Espresso join forces in UK digital education market

Independent Television News (ITN) and Espresso Education announced today that ITN has made a strategic investment in Espresso, the UK's market leader in the provision of video-rich digital teaching materials to schools. The partnership between the two companies provides ITN with a clear entry point to the education sector and will be aimed at developing Espresso's multi-media service, which is built to support core curriculum requirements, and exploring opportunities to market the Espresso concept outside the UK.

The agreement, under which ITN will take a significant minority shareholding in Espresso, enables the news organisation to move into the rapidly-growing digital education market as part of a broader strategy to utilise its now substantial video archive business. ITN manages the world's largest video collection, comprising over 680,000 hours of footage. It has exclusive selling rights for the ITN, Reuters, British Pathe, Granada, Channel 4 and Fox News video libraries.

The investment will accelerate Espresso's roll-out into the UK education sector, where it has already signed up 4,400 schools for its services, achieving 25% market penetration in primary schools. Since its inception in 1997, Espresso has pioneered the use of media-rich digital teaching materials in UK schools and uses full-screen video, updated weekly to keep pace with major news events, as a key part of its interactive service. The Espresso service, including both the weekly News Service and subject-specific teaching modules, is designed to supplement and enhance classroom lessons and closely follows key strands of the education curriculum. The investment by ITN marks the entrance by a new major media player into the educational software industry, a sector driven and supported by the government's education agenda. The ITN-Espresso agreement involves both a cash investment and wider access for Espresso to the ITN Archive for the next 15 years. Espresso will use the cash to extend its reach into the market and to support and retain existing subscribers through the continual development of high quality products and renewal programmes.

Over the past two years the number of schools subscribing to Espresso services has grown by 400% and Espresso has developed a 36-gigabyte library of curriculum-linked resources. The partnership will enable Espresso to raise the industry standard for breadth and depth of video-rich teaching resources. ITN and Espresso will also work together on exploring opportunities for Espresso services in overseas markets, utilising ITN's global archive sales infrastructure. Mark Wood, Chief Executive of ITN, will join the board of Espresso Broadband.

Mark Wood said:

"This is a highly complementary partnership. ITN has been aggressively building and expanding its video archive business, which is now a global leader. Teaming up with Espresso links us to a well-managed and dynamic educational company which is also a market leader, utilising modern technology. It gives ITN an important position in the education sector, which has strong government support, and means we can make great strides in the utilisation of our video content in schools, both in the UK and in other markets. "

Lewis Bronze, Chief Executive of Espresso and former editor of children's programmes Blue Peter and Newsround, said:

"ITN's investment marks a significant milestone in Espresso's development. Having ITN as a strategic investor and partner will extend our ability to produce quality services for the education market in the UK and, in time, abroad. The partnership will raise the standard for the breadth, depth and quality of curriculum-linked teaching resources that schools can come to expect from digital educational resource providers across the industry."

Espresso is a significant supplier to the Information & Communication Technology (ICT) sector in UK education. Commenting on ITN's investment, the Chair of the National Regional Broadband Consortia Group and Manager of the Northern Grid for Learning, Ms. Mel Philipson, said:

"In a few short years, Espresso has established itself as a leading brand and contributor to the development of digital education in Britain. Schools and LEAs around the country will welcome the expansion of Espresso's content base that this deal with ITN will deliver."

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Editor's note

Background to ITN

ITN is one of the world's leading news producers. From its main production studios in London, where most of its 800 plus employees are based, ITN provides news programming for ITV1, the ITV News Channel, Channel 4, and Independent Radio News (IRN). ITN's combined news broadcasts reach over two-thirds of the population, making it one of the leading news providers in the UK. The company has a strong reputation for the efficient use of modern technology (winning the Royal Television Society's 2004 Innovation Award) and optimises the use of its IP through ITN Archive – which is both the biggest commercial news archive and TV-based video archive in the world with a library of over 680,000 hours of footage - and through producing factual documentaries and programming, and streaming news and entertainment content to 3G phones.

Background to Espresso Education

With over 4,400 subscribing schools using its resources, Espresso Education is the leading provider of educational broadband content in the UK and the proud winner of two 2004 BETT Awards: Best Online Learning Resource and Best Educational Software. Espresso is a constantly updating comprehensive digital library of high quality, video-rich teaching resources and interactive student activities that support teachers, motivates pupils and raises standards in primary and secondary classrooms. Espresso combines television features, online interactive news articles, instructional video and audio clips, multi-media games and websites, all categorised into modules that directly support QCA and National Curriculum requirements. The service automatically updates on a weekly basis, giving teachers and pupils access to fresh, relevant resources that draw on topical events.