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**FOR IMMEDIATE RELEASE**

**FLAT WORLD KNOWLEDGE RECEIVES \$8 MILLION INVESTMENT AND ACCELERATES  
THE NEXT DISRUPTIVE SHIFT IN CONTENT MARKETS**

*Major Milestone Surpassed in Its Quest to Transform the College Textbook Market*

**Nyack, NY – March 24, 2009** – Flat World Knowledge, the world’s first publisher of commercial open-source college textbooks, today announced that it received \$8 million in Series A funding from Valhalla Partners, Greenhill SAVP, and High Peaks Venture Partners, with continued participation from several angel investors.

“This is an exciting investment,” said Hooks Johnston, General Partner at Valhalla Partners. “Like MP3’s blew up the delivery model for recorded music, the blogosphere and online news sources blew up the newspaper business, Flat World Knowledge is poised to blow up the college textbook market. We’re backing the perfect team to make it happen.”

Traditional textbook publishers have seen their distribution channels disrupted by the Internet, leading to a rise in the sale of used books, global gray markets, and online piracy. Publishers have responded defensively, raising prices sharply to preserve revenue as unit sales fall. As a result, the average U.S. student now spends over \$900 on textbooks each year (Student PIRG’s, 2008). For community college students today, textbook and supplies as a percentage of tuition and fees is estimated at a shocking 72%, and for four-year public students the number is 26% (Dept. of Education).

Flat World Knowledge, founded by former textbook industry executives, offers a value proposition that is a win for students, their families, faculty, and colleges. Flat World’s textbooks are written by world-class authors. The company makes its books available as free web-hosted textbooks. It earns revenue and pays its authors royalties by providing students with options to purchase print-on-demand soft cover textbooks, audio textbooks, and self-print individual chapters at a fraction of the cost of traditional textbooks. The company enhances the learning experience by offering low-cost digital study aids like mp3 study guides, interactive web quizzes, and digital flashcards. Faculty prefer the open-source approach employed by Flat World because it gives them more control over the classroom experience by enabling them to customize books to better suit their teaching style.

“The Flat World Knowledge model embodies the future of education publishing,” said Brian Hirsch, Managing Director of Greenhill SAVP. “In today’s digital world people have come to expect the ability to consume information anywhere, anytime and anyway. Flat World Knowledge is fulfilling this need for students and is poised to revolutionize the \$8 billion annual textbook market.”

Flat World Knowledge recently conducted two successful rounds of in-class testing at over 40 colleges and universities. The company has 22 business and economics textbooks in the pipeline and is releasing 10 titles for faculty review this spring. The company will put the new funding to work to grow its list of textbooks, with a specific objective of expanding into the general education curriculum.

“I’m sensitive to the cost issue for my students” said Audrey Ashton-Savage, a professor in the Whittemore School of Business and Economics at the University of New Hampshire. “As a marketing faculty member, what I really like about this new model is that it is a perfect example of entrepreneurship

as the solution to a market problem. It provides affordability for my students and more flexibility for me. That's sufficient *value* for me to make the switch."

**About Flat World Knowledge**

Founded in 2007 by textbook publishing industry veterans Jeff Shelstad and Eric Frank, privately held Flat World Knowledge is a leading publisher of open textbooks for higher education. Flat World Knowledge's textbooks are written by the world's leading subject matter experts. The books are peer-reviewed and professionally edited and developed. The company then offers its textbooks as free web-hosted textbooks to students, and earns its revenue by providing students the option to purchase print-on-demand soft-cover textbooks, audio textbooks, and digital study aids, all at a fraction of the cost of traditional textbooks. Educators have the freedom to use the books as-is, or to reorganize and edit them to suit their unique classroom requirements. Flat World Knowledge backs its textbooks with an online social learning platform that allows students to learn from each other as well as from the book. More information about Flat World Knowledge is available on the Web at [www.flatworldknowledge.com](http://www.flatworldknowledge.com).

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