

NEWS RELEASE

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Army Extends Language-Learning Partnership With Rosetta Stone

\$4.2 Million Contract Renewed to Make Free Web-based Language Learning Available for a Potential 1.4 Million Army Personnel Worldwide

ARLINGTON, Va. (Nov. 1, 2007) – Rosetta Stone Inc., creator of the No. 1 language-learning software, announced that the U.S. Army has renewed its \$4.2 million contract with Rosetta Stone Ltd., a subsidiary of Rosetta Stone Inc. The contract ensures that a potential 1.4 million active Army, Army Reserve, Army National Guard and Army civilians have on-demand access to 30 languages and continue developing critical language skills through Army e-learning, a component of the U.S. Army Distributed Learning System.

“I am pleased to continue the Army’s successful program with Rosetta Stone. It provides an effective, quality training tool that allows soldiers, leaders and Army civilians to learn critical foreign languages necessary in today’s complex operational environment,” said Col. Lawrence B. Smith, chief, institutional training, HQDA G-3/5/7.

More Than 500,000 Hours of Language Learning

Since the contract began in September 2005, Army personnel have logged more than a half-million hours of online Rosetta Stone® language training. Language learners have access to Rosetta Stone over a secure Web connection. Each month, approximately 4,000 new soldiers register for the program.

Rosetta Stone language-learning software is available to Army personnel worldwide, including those stationed in Iraq and Afghanistan. Units without reliable Internet access can request a network version of the program that is loaded directly onto computers for the study of



Arabic, Pashto and Farsi.

"The extension of this partnership reflects the Army's commitment to provide the latest technologies to its soldiers and personnel, as well as the importance of language learning to the Army's mission in today's world," says Tom Adams, Rosetta Stone CEO. "We are excited to continue to provide language-learning solutions to the U.S. Army, as the need to communicate in foreign environments grows."

The Fastest Way to Learn a New Language

With its proven method, innovative versatile instruction and clever, easy-to-use program, Rosetta Stone creates an effective and engaging learning environment. Language learners develop everyday proficiency naturally, the same way people learn their first language - by linking new words to real-world objects and events. The Dynamic Immersion™ method immediately teaches learners to think in a new language by connecting words with vivid imagery in real-life contexts to convey meaning. Its carefully sequenced structure, use of native speakers and ability to provide instantaneous feedback teach new languages without memorization, translation or grammar drills.

About Rosetta Stone Inc.

Rosetta Stone is a leading provider of language-learning software. Acclaimed for the speed, power and effectiveness of its Dynamic Immersion™ method, Rosetta Stone is a revolutionary language-learning software program. While teaching 30 languages to millions of people in more than 150 countries throughout the world, Rosetta Stone software is the key to Language-Learning Success™. *Inc. Magazine* has named Rosetta Stone one of the fastest-growing companies in the United States for the second consecutive year, and for the fourth consecutive year Deloitte has named the company one of the fastest-growing technology companies in Virginia. Rosetta Stone was founded in 1992 on two core beliefs: that the natural way people learn languages as children remains the most successful method for learning new languages; and that interactive CD-ROM and online technology can recreate the immersion method powerfully for learners of any age. The company is

based in Arlington, Va. For more information, visit
www.RosettaStone.com.

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