

THE GORES GROUP

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THE LEARNING COMPANY IS PROFITABLE 75 DAYS AFTER PURCHASE FROM MATTEL; AGREES TO SELL ITS NON-CORE ENTERTAINMENT DIVISION TO UBI SOFT ENTERTAINMENT

LOS ANGELES and NOVATO, Calif., March 5, 2001 /PRNewswire/ - Gores Technology Group (GTG) and The Learning Company (TLC) today announced that The Learning Company achieved an operating profit in the first 75 days of GTG ownership. GTG acquired The Learning Company from Mattel in October 2000.

Concurrently, GTG said that it has signed and is preparing to close a definitive agreement for the sale of The Learning Company's Entertainment Division to Ubi Soft Entertainment. Alec Gores, Founder, Chairman and Chief Executive of GTG, said that since GTG acquired The Learning Company, it has received a number of offers for the company's Entertainment Division.

James Bailey, President of The Learning Company and Group President of GTG said that early on GTG and TLC management identified the Entertainment Division as a non-core part of the company. "This move allows our company to focus solely on its strategy to invest in and promote its core brands in the highly synergistic Productivity and Education Divisions, which already have a substantial user base, leading market share and consumer brand strength," he said.

Vance Diggins, CEO of The Learning Company and President of GTG, said that The Learning Company's profit -- from a loss of more than \$1.5 million per day -- was achieved by realigning the company's structure to be more consistent with current revenue and profit targets and by re-focusing on the company's top-selling brands," he said.

Mr. Diggins said that the company's resizing, which included a reduction of operating budgets and the centralization of critical and common functions, resulted in an immediate reduction in operating expenses.

"All core areas of research, development, sales, finance, and operations were preserved," he stated. "Marketing was refined and improved and new products successfully introduced."

Mr. Gores added, "The management and staff of The Learning Company have done a truly outstanding job. Although we still have a way to go until we achieve the full potential of this company, the team at The Learning Company has made impressive strides in a very short amount of time. Everyone involved should be very proud."

Mr. Gores lauded Mattel's management for recognizing that this business was outside of the company's core area of expertise and that it was in the best interests of all constituents for GTG to work with TLC to turn the company around.

"This is truly a win-win," he said, "for all concerned," he said.

Mr. Bailey stated that the company's vision moving forward is to maintain and increase its market leadership position by continuing to strengthen business partnerships with retailers, key and new licensors and original equipment manufacturers (OEMs). Additionally, he said, "the company is placing top product brands and partners in a position to fully capitalize on the transition and migration of future technology and distribution mediums, including integrated e-commerce initiatives."

Mr. Bailey added, "Over the next several years, The Learning Company will be working to leverage its technology, brands, partners and customer base to continue to be a leader in consumer technology. The company is now and will continue to be a contributor for the industry in furthering new platforms, new modes of product distribution and new business models with our partners and for our users."

About The Learning Company

The Learning Company (TLC) is the leading developer of innovative, interactive consumer technology products. The company's objective is to stay ahead of the technology curve in order to provide consumers enjoyable, state-of-the-art technology in the areas of education, entertainment and productivity. TLC is home to several best-selling software titles and realizes the importance of providing consumers with technological advancements in software development. The company's one product, two-platform strategy allows consumers to use the Internet to enhance software program capabilities. For more information about The Learning Company and its products please contact Jennifer Schroeder, at jennifer.schroeder@learningco.com or 415-382-3038 or visit our Web site at www.learningco.com.

About Gores Technology Group

With headquarters in Los Angeles, Gores Technology Group (GTG) is a privately held international acquisition and management firm that pursues an aggressive strategy of acquiring promising high-technology organizations and managing them for growth and profitability. GTG has made a name for itself by acquiring and successfully managing companies -- including many divisions acquired from large publicly traded companies -- through its commitment to customers, employees and continued development of intellectual property. GTG has acquired and managed approximately 35 interrelated but autonomous technology-oriented companies with locations throughout the world. Those companies provide a broad range of technology-based products and services to a substantial customer base representing millions of active users worldwide. Visit the company's Web site at www.gores.com.

About Ubi Soft Entertainment

Ubi Soft Entertainment is a global producer, publisher and international distributor of interactive entertainment products. A leading company in the industry, Ubi Soft's strong and diversified lineup has grown considerably. As well as developing original properties, Ubi Soft has also steadfastly partnered with several high-profile companies and is dedicated to delivering consumers with quality videogame titles while offering blockbuster franchises. Some of Ubi Soft's recent licenses include Disney, Warner Bros., DreamWorks and Sony Pictures. Founded in 1986, the company has offices in 18 countries including the United States, Canada, France, Germany and China and sells its products in a total of 52 countries. For more information about Ubi Soft, visit <http://www.ubisoft.com> or call 1-800-UBI-SOFT.