



For Immediate Release

Blackboard and WebCT announce agreement to merge

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Washington, DC. October 12, 2005 – Two leading providers of enterprise software and services to the education community, Blackboard Inc. (NASDAQ: BBBB) and WebCT, Inc., today announced a definitive agreement to merge. Under terms of the agreement, Blackboard will acquire WebCT in a cash transaction for \$180 million, which values the offer at approximately \$154 million, net of WebCT's August 31, 2005 cash balance of \$26 million. The ultimate value of the offer will vary depending on WebCT's cash balance at closing. The transaction will combine two pioneering academic e-Learning organizations into a single company with the client base, resources and expertise to uniquely meet the rapidly evolving needs of educators around the world.

The merger of Blackboard and WebCT marks a major milestone in the build-out of networked learning environments by colleges, universities, schools and other education providers. It creates a large, collaborative community of academic institutions – a global e-Learning "Community of Practice" – supported by unsurpassed resources for innovation and support. Currently, more than 3,700 higher education, K-12, corporate, government and commercial academic institutions enhance their learning environments with solutions offered by the two organizations. Bringing Blackboard and WebCT together provides a powerful platform for innovating and supporting what at many institutions is the least developed, yet one of the most strategic segments of their technology infrastructure. Further, it will break down barriers and enable collaboration across institutions by developers and end-users at a critical time in the evolution of e-Learning technologies.

"This merger makes tremendous sense for our clients, shareholders and employees. It marks an unparalleled opportunity for two successful, mission-driven organizations to unify with a singular focus on being the premier partner and platform for educators on a global basis," said Michael Chasen, Blackboard President and Chief Executive Officer. "Together with our clients, we have one of those rare and special opportunities to truly improve the access, quality and efficiency of education on a global scale."

"Both companies are passionate about the academic market and, alongside our respective clients, have truly pioneered the category together," said Carol Vallone, WebCT President and Chief Executive Officer. "Given the alignment of our visions, technologies, and overall strategies, the combination of our two companies will advance the teaching and learning technology industry, benefiting customers worldwide."

Both companies' Boards of Directors have approved the merger. Subject to regulatory approval and other customary closing conditions, the transaction is expected to close late this year or in early 2006. The combined companies will operate under the Blackboard name and brand with corporate headquarters located in Washington, DC. Operations will continue in WebCT's facilities in Massachusetts and Canada. Michael Chasen will continue to serve as President and CEO.