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SkillSoft Announces Closure of SEC Restatement Investigation

NASHUA, N.H., July 19 /PRNewswire-FirstCall/ -- SkillSoft PLC (Nasdaq: SKIL), a leading provider of e-learning and performance support solutions for global enterprises, government, education and small- to medium- sized businesses, announced today that the staff of the Securities and Exchange Commission has informed SkillSoft that the Commission will take no action against it in connection with the resolution of the SEC's investigation into SkillSoft's restatement of SmartForce PLC financial statements issued prior to the merger between SmartForce and SkillSoft in September 2002. After the merger, SkillSoft determined that SmartForce had made accounting errors with respect to its historical financial statements, corrected those errors and cooperated with the SEC throughout the course of its investigation into those errors.

The SEC announced settlements in connection with its restatement investigation with four former SmartForce employees and Ernst & Young, Chartered Accountants. The SEC's findings in connection with the settlements relate solely to the financial statements of SmartForce prior to the merger with SkillSoft.

The SEC staff has not closed an informal investigation concerning option granting practices at SmartForce prior to the merger for the period beginning April 12, 1996 through July 12, 2002. SkillSoft has been cooperating with the SEC's investigation.

In the merger, for accounting purposes SkillSoft Corporation was deemed to have acquired SmartForce. Accordingly, the pre-merger financial statements of SmartForce are not included in the historical financial statements of SkillSoft, and SkillSoft's financial statements include results from what had been the business of SmartForce only from the date of the merger. Under applicable accounting rules, SkillSoft valued all of the outstanding SmartForce stock options assumed in the merger at fair value upon consummation of the merger. As a result, SkillSoft believes these stock options were accounted for properly in the merger, and that any accounting issues that might have resulted from SmartForce's pre-merger option grants had it remained independent would have no effect on SkillSoft's financial statements from an accounting point of view.

About SkillSoft

SkillSoft PLC is a leading provider of e-learning and performance support solutions for global enterprises, government, education and small to medium- sized businesses. SkillSoft enables business organizations to maximize business performance through a combination of comprehensive e- learning content, online information resources, flexible learning technologies and support services.

Content offerings include business, IT, desktop, compliance and consumer/SMB courseware collections, as well as complementary content assets such as Leadership Development

Channel video products, KnowledgeCenter(TM) portals, virtual instructor-led training services and online mentoring services. The Books24x7(R) division offers online access to more than 15,000 digitized IT and business books, as well as book summaries and executive reports. Technology offerings include the SkillPort(R) learning management system, Search-and-Learn(R), SkillSoft(R) Dialogue(TM) virtual classroom, and SkillView(R) competency management software.

SkillSoft courseware content described herein is for information purposes only and is subject to change without notice. SkillSoft has no obligation or commitment to develop or deliver any future release, upgrade, feature, enhancement or function described in this press release except as specifically set forth in a written agreement.

SkillSoft, the SkillSoft logo, SkillPort, Search-and-Learn, SkillChoice, Books24x7, ITPro, BusinessPro, OfficeEssentials, GovEssentials, EngineeringPro, FinancePro, AnalystPerspectives ExecSummaries, ExecBlueprints, Express Guide and Dialogue are trademarks or registered trademarks of SkillSoft PLC in the United States and certain other countries. All other trademarks are the property of their respective owners.

This release includes information that constitutes forward-looking statements made pursuant to the safe harbor provision of the Private Securities Litigation Reform Act of 1995. Any such forward-looking statements involve risk and uncertainties that could cause actual results to differ materially from those indicated by such forward-looking statements. Factors that could cause or contribute to such differences include challenges in integrating the operations of NETg, competitive pressures, changes in customer demands or industry standards, adverse economic conditions, loss of key personnel, litigation and other risk factors disclosed under the heading "Risk Factors" in SkillSoft's Quarterly Report on Form 10-Q for the fiscal quarter ended April 30, 2007 as filed with the Securities and Exchange Commission. The forward-looking statements provided by the Company in this press release represent the Company's views as of July 19, 2007. The Company anticipates that subsequent events and developments may cause the Company's views to change. However, while the Company may elect to update these forward-looking statements at some point in the future, the Company specifically disclaims any obligation to do so. These forward-looking statements should not be relied upon as representing the Company's views as of any date subsequent to the date of this release.

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