Harvard Business Publishing continued to produce top-line growth during a challenging time in the publishing industry. The ongoing transition to digital media, combined with the weakening global economy, led to a second consecutive year of declining demand for print advertising across the industry. Revenue from the School’s flagship publication, *Harvard Business Review (HBR)*, was level with fiscal 2007 at $44 million, as continued growth in paid subscriptions and reprint sales was offset by the ongoing decline in print advertising. In addition, sales of Harvard Business Press books were down by 8 percent to $23 million, reflecting the effects of the soft economy in the corporate market, as well as the absence of new blockbuster titles this year.

These headwinds were partially offset by HBP’s academic business, which continued to produce solid revenue growth. Case and teaching materials revenue rose for the seventh consecutive year to a record $36 million, from $26 million in fiscal 2007. At the same time, HBP continued to make progress on its key strategic initiative to shift its business focus from domestic print publishing to a global digital platform. As a result, sales of eLearning products grew by $7 million, or 46.6 percent, from last year to $22 million, and HBP’s total sales outside the United States grew by 14 percent.

**Gifts & Endowment**

The annual distribution of income from the School’s endowment, together with revenue from unrestricted current use gifts, accounted for $108 million in funding in fiscal 2008, or 23.9 percent of the School’s total revenue. This compares with $95 million in fiscal 2007, or 23.4 percent of total revenue.

Endowment distributions increased by 20.5 percent, or $16 million, to $94 million in fiscal 2008, from $78 million last year. In each of the five prior years, endowment distributions represented approximately 18 to 19 percent of the School’s total revenue. The exceptional growth in fiscal 2008 was made possible by continued strength in the University’s investment returns and the University-wide increase in the annual endowment distribution rate.

Unrestricted current use gifts, which have generated $59 million in revenue over the past five years, serve as the primary source of innovation funding at HBS. Since the School’s campaign concluded in fiscal 2006, encouraging unrestricted current use giving has been a key fundraising focus. Although unrestricted current use giving declined by $3 million in fiscal 2008, from the record $17 million posted for the prior year, it was the second-highest total in the history of the School.