

NEWS FOR IMMEDIATE RELEASE  
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**AMBASSADORS GROUP REPORTS LOSS PER SHARE OF (\$0.18) FOR THE FIRST QUARTER OF 2002**

Spokane, WA – April 19, 2002

Ambassadors Group, Inc. (NASDAQ:EPAX), a leading provider of educational travel experiences, announced a loss per share of (\$0.18) in the first quarter of 2002, comparable to the loss in the first quarter of 2001 of (\$0.17) per share. Net revenue decreased to \$0.7 million in the first quarter of 2002 from \$1.9 million in the comparable quarter of 2001. Due to the seasonal nature of Ambassadors revenue, both first and fourth quarters are expected to be loss quarters.

Gross receipts decreased to \$2.4 million in the first quarter of 2002 from \$5.0 million in the comparable quarter of 2001. Net revenue decreased 66%, from \$1.9 million to \$0.7 million. The decrease in both gross and net revenue was due to the number of traveled participants quarter over quarter.

Operating expenses decreased to \$3.5 million in the first quarter of 2002 from \$5.1 million in the first quarter of 2001, a \$1.6 million or 31% decrease. This reduction in operating expenses was driven by changes implemented in the wake of September 11. As a result of the decrease in operating expenses, the operating loss decreased to \$2.8 million in the first quarter of 2002 from \$3.1 million in the first quarter of 2001.

The Company's cash, cash equivalent and available-for-sale securities balances at March 31, 2002 and December 31, 2001 were reported at \$49.7 million and \$39.8 million, of which \$41.7 million and \$16.6 million represented participant deposits, respectively. During the first quarter of 2002, the Company made a cash dividend of \$20.4 million to Ambassadors International, Inc. (AMIE), the Company's former parent. In addition and as a part of the spin-off of the Company from AMIE, the Company received a cash contribution of \$10.4 million during the first quarter.

Jeff Thomas, CEO and President of Ambassadors Group, Inc., stated,

“Our Q1 2002 financial report represents our first earnings release since the March 1, 2002 spin-off from our parent company. We are pleased to see that some of our objectives are already visible to shareowners.

First, our income statement shows a business model with single-segment reporting. The similarities of our educational travel programs, including student, sport and professional, enable us to group all of our revenues into one line. To keep our shareowners properly informed, we will report total participants traveled and enrolled on a year-over-year basis each quarter.

Second, our balance sheet reflects a business model that is much more focused on return on equity and return on assets. We have goodwill of less than \$100,000. In conjunction with the spin-off, excess cash was paid to the parent in the form of a dividend. The majority of the cash on our balance sheet today reflects customer deposits, rather than unrestricted free cash.

Third, we have a management team that is exclusively focused on providing outstanding educational experiences through travel to an increasingly internationally focused consumer audience. Already we have introduced more new programs for 2002 than in any previous year. We understand that the results from these rollouts are not the final verdict on the programs' success. We will not know the real long-term success for a couple of years, but we will grow and learn from our new products no matter the results.

Finally, we are enthusiastic about "being on our own." The 2002 marketing season is nearly complete, and we have navigated the aftermath of September 11 better than expected, although our financial results for 2002 will surely show that September 11 did have a very large negative impact on our business. In addition, our 2002 results are highly dependent upon the revenue that we generate in the second and third quarters. For us to realize these revenues, no matter how many enrollments we have today, we still need to operate our travel programs in June, July and August, which represents more than 80% of our participants this year.

Still, the trauma of September 11 has made us a stronger, smarter and more cohesive company. We work to make the world a better place through travel, knowing that our programs help thousands of young people every year realize their own individual potential as well. Our daily focus is straightforward: create, develop and implement changes and improvements every day that enhance the quality and value of our programs for our participants and create new value for our shareowners."

Ambassadors Group, Inc. will host a conference call to discuss results of operations and the outlook for 2002, Monday, April 22, 2002, at 8:30 a.m., Pacific Time. Interested parties may join the call by dialing (800) 547-9328. The conference call may also be joined via the Internet at [www.AmbassadorsGroup.com/EPAX](http://www.AmbassadorsGroup.com/EPAX). For post view access, parties may dial (800) 633-8284 with the reservation number 20523462 and follow the prompts, or visit the [www.AmbassadorsGroup.com/EPAX](http://www.AmbassadorsGroup.com/EPAX) website. Post view dial in access will be available beginning April 22, 2002 at 10:30 a.m. Pacific Time through April 23, 2002 at 10:30 a.m. Pacific Time. Post view webcast access will be available following the conference call through May 31, 2002.

Ambassadors Group, Inc. is a leading educational travel company that organizes and promotes international and domestic programs for students, athletes, and professionals. These programs provide the opportunities for grade school, junior, and senior high school students to visit foreign and domestic destinations to learn about the history, government, economy and culture of such areas, as well as for junior and senior high school athletes to participate in domestic and international sports challenges. The Company's professional programs emphasize meetings and seminars between participants and persons in similar professions abroad. The Company is headquartered and located in Spokane, Washington.

### *Forward-Looking Statements*

This press release contains forward-looking statements regarding the Company's actual and expected financial performance, the reasons for variances between quarter-to-quarter results, and the Company's spin-off from its parent, Ambassadors International, Inc. Forward-looking statements, which are included per the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995, may involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results and performance in future periods to be materially different from any future results or performance suggested by the forward-looking statements in this release. Such forward-looking statements speak only as of the date of this release, and could involve risks including current investor reaction to the spin-off of the Company from its parent, Ambassadors International, Inc., overall conditions in the travel services and educational travel services markets, and general economic conditions. The Company expressly disclaims any obligation to provide public updates or revisions to any forward-looking statements found herein to reflect any changes in Company expectations or any change in events. Although the Company believes the expectations reflected in such forward-looking statements are based upon reasonable assumptions, it can give no assurance that its expectations will be attained. For a more complete discussion of these and other factors, please refer to Ambassadors Group, Inc. 10K filed on March 27, 2002 and Form 10 Registration Statement, as amended, initially filed on November 15, 2001.

The following summarizes the Company's financial information (unaudited) for the quarters ended March 31, 2002 and 2001 (in thousands, except per share amounts):

<u>Quarter ended March 31,</u>	<u>2002</u>	<u>2001</u>
Gross program receipts	\$ 2,371	\$ 4,970
Net revenue	667	1,939
Operating expenses:		
Selling and tour promotion	1,791	3,167
General and administration	<u>1,702</u>	<u>1,921</u>
Total operating expenses	3,493	5,088
Operating loss	(2,826)	(3,149)
Other income, net	193	607
Net loss	<u>\$ (1,765)</u>	<u>\$ (1,677)</u>
Loss per share – basic and diluted	<u>\$ (0.18)</u>	<u>\$ (0.17)</u>
Weighted average shares outstanding – basic and diluted	9,817	9,813

The Company has a single operating segment consisting of the educational travel and sports programs for students, athletes and professionals. These programs have similar economic characteristics and offer comparable products to participants, as well as utilize similar processes for the program marketing.

The following summarizes the Company's balance sheets as of March 31, 2002 and December 31, 2001 (in thousands):

	<u>March 31, 2002</u> <u>(unaudited)</u>	<u>December 31, 2001</u>
<u>Assets</u>		
Cash, cash equivalents, and available-for-sale securities	\$ 49,664	\$ 39,772
Prepaid program cost and expenses	3,157	1,501
Other current assets	650	445
Total current assets	<u>53,471</u>	<u>41,718</u>
Property and equipment, net	2,273	2,457
Other assets	2,151	1,948
Total assets	<u>\$ 57,895</u>	<u>\$ 46,123</u>
<u>Liabilities and Stockholders' Equity</u>		
Accounts payable and accrued expenses	\$ 2,597	\$ 4,230
Participants' deposits	41,672	16,551
Foreign currency exchange contracts	255	503
Total current liabilities	<u>44,524</u>	<u>21,284</u>
Stockholders' equity	<u>13,371</u>	<u>24,839</u>
Total liabilities and stockholders' equity	<u>\$ 57,895</u>	<u>\$ 46,123</u>