John Wiley & Sons, Inc. Reports Second Quarter 2014 Results

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**Dateline City:**
Hoboken, N.J.

- Adjusted revenue of $449 million, up 8% over prior year on a constant currency basis
- Adjusted revenue change by segment on a constant currency basis and excluding the divested consumer publishing programs: Research +2%, Professional Development +7%, and Education +30%
- Journal subscription revenue of $164 million, up 2% over prior year and 3% year-to-date on a constant currency basis
- Adjusted EPS of $0.84, up 11% over prior year on a constant currency basis
- Full year financial outlook reaffirmed

John Wiley & Sons, Inc. (NYSE: JWa and JB), a global provider of knowledge and knowledge-enabled services that improve outcomes in research, professional practice, and education, today announced the following results for the second quarter of fiscal year 2014, ending October 31, 2013:

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<th>FY14</th>
<th>FY13</th>
<th>Excluding FX</th>
<th>Including FX</th>
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</thead>
<tbody>
<tr>
<td><strong>ADJUSTED</strong> Revenue</td>
<td></td>
<td></td>
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<tr>
<td>Q2</td>
<td>$449</td>
<td>$418</td>
<td>8%</td>
<td>8%</td>
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<tr>
<td>Six Months</td>
<td>$860</td>
<td>$816</td>
<td>6%</td>
<td>5%</td>
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<td><strong>EPS</strong></td>
<td></td>
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<tr>
<td>Q2</td>
<td>$0.84</td>
<td>$0.75</td>
<td>11%</td>
<td>12%</td>
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<tr>
<td>Six Months</td>
<td>$1.35</td>
<td>$1.28</td>
<td>6%</td>
<td>5%</td>
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<tr>
<td><strong>US GAAP</strong> Revenue</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Q2</td>
<td>$449</td>
<td>$432</td>
<td>5%</td>
<td>4%</td>
</tr>
<tr>
<td>Six Months</td>
<td>$860</td>
<td>$842</td>
<td>3%</td>
<td>2%</td>
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<tr>
<td><strong>EPS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Q2</td>
<td>$0.61</td>
<td>$0.71</td>
<td>-15%</td>
<td>-14%</td>
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</table>
Social Security Retirement Income (SSR) and Medicare Benefits (MBC) are calculated using a formula that includes earnings from wages and self-employment income. These earnings are subject to various rules and limitations, and the amount of income that can be earned without affecting retirement benefits or Medicare premiums is based on a percentage of the average indexed monthly earnings (AIME) for each year of work.

**Monthly Retirement Benefits:**

- A retiree with a full benefit rate of $1,500 at age 62 will receive $1,500 per month.
- At age 70, the same retiree will receive $1,890 per month.

**Full Benefits Age (FBA):**

The full benefits age (FBA) is the age at which one can receive full retirement benefits. The FBA for a person born before 1943 is 65 years, while for those born in 1943 or later, it is 66 years.

**Minimum and Maximum Age for Retirement:**

- Minimum age for full retirement benefits is 62 years.
- Maximum age for full retirement benefits is 70 years.

**Early Retirement Reduction:**

Retirement before the full retirement age results in a reduction of benefits. The reduction rate is 5% per month for each month of early retirement before age 62.

**Late Retirement Cargo:**

Retirement after the full retirement age results in an increase of benefits. The increase rate is 8% per year for each year of delay after age 66.

**Yearly Increase for Delayed Retirement:**

- Delaying retirement by one year from age 67 results in a 4% increase in benefits.
- Delaying retirement by two years from age 67 results in an 8% increase in benefits.

**Disability Benefits:**

- Disability benefits are available to those who are disabled before reaching the full retirement age.
- The disability benefit rate is 80% of the full retirement benefit rate.
- The disability benefit is based on the earnings record of the worker.

**Survivor Benefits:**

- Survivor benefits are available to eligible beneficiaries, such as a widow, widower, or child of a deceased worker.
- The benefit amount is based on the deceased worker's earnings record.
- The benefit is reduced if the beneficiary is under the full retirement age.

**Spousal Benefits:**

- Spousal benefits are available to a non-working spouse of a worker who is entitled to retirement benefits.
- The benefit amount is based on the worker's earnings record.
- The benefit is reduced if the spouse is under the full retirement age.

**Immediate 50% of Benefits:**

- In cases where a spouse is 60 or older and the deceased worker was entitled to at least 80% of the maximum benefit, the surviving spouse will receive 50% of the benefit.
- The benefit is reduced if the spouse is under age 60.

**Education and Professional Development:**

The Company provides financial measures referred to as "adjusted" revenue, contribution to profit, and EPS, which exclude restructuring charges, operating results from divestitures, impairment charges, gain on the sale of publishing programs, and the deferred tax benefits from the changes in UK income tax rates. Variance to adjusted revenue, contribution to profit, and EPS exclude FX impacts unless otherwise noted. Management believes the exclusion of such items provides additional information to facilitate the analysis of results. These non-GAAP measures are not intended to replace the financial results reported in accordance with GAAP.

**Research:**

- Revenue: Second quarter revenue on a constant currency basis rose 2% to $252.9 million due to journal subscription

**Foreign Exchange ("FX"):**

Throughout this report, references are made to variances "excluding foreign exchange" or "on a constant currency basis"; such amounts exclude both currency translation effects and transactional gains and losses.
growth (+2%), digital book sales (+45%) and open access fees, which contributed $2.1 million of incremental revenue over the prior year period. Partially offsetting this growth was a 10% decline in print book revenue. For the first six months, revenue on a constant currency basis grew 4%, with journal subscription revenue up 3%.

- **Adjusted Contribution to Profit**: Second quarter adjusted contribution to profit (after allocated shared services and administrative costs) grew 1% on a constant currency basis to $73.7 million due to revenue growth and restructuring and other savings, partially offset by higher society royalty costs. Adjusted contribution to profit for the second quarter of fiscal year 2014 excludes second quarter restructuring charges of $3.4 million, related to the aforementioned restructuring program. For the first six months, adjusted contribution to profit (after shared services and administrative costs) grew 6% to $141.8 million, excluding the impact of foreign exchange.

- **Society Business**: Two new society journals were signed in the quarter with combined annual revenue of $7.8 million; 13 were renewed worth approximately $10.5 million in annual revenue; and none were lost.

- **Other Key Developments**: In August, Wiley announced a licensing agreement with Information Handling Services (NYSE: IHS), a global informatics company. Under the agreement, IHS added Wiley digital books, databases and major reference works to IHS’s collection of technical documents spanning engineering standards and related industry and technical knowledge.

**PROFESSIONAL DEVELOPMENT**

- **Adjusted Revenue**: Second quarter adjusted revenue grew 7% to $92.5 million, excluding FX and revenue from the divested consumer publishing programs in the prior year period. Adjusted revenue growth was driven by digital books (+30%) and online training and assessment (+44%). For the first six months, adjusted revenue on a constant currency basis was essentially flat. Excluding the results of the ELS online training and assessment acquisition in the current year, and the prior year divested consumer publishing programs, year-to-date revenue declined 2% as compared to the prior year period. The effect of Hurricane Sandy delayed approximately $2 million of print sales into the third quarter of the prior year.

- **Adjusted Contribution to Profit**: Second quarter adjusted contribution to profit (after allocated shared service and administrative costs) grew from $3.3 million to $9.2 million due to revenue growth and restructuring and other savings. Adjusted contribution to profit excludes restructuring charges of $2.1 million in the current period; the optron from the divested consumer publishing program. For the first six months, adjusted contribution to profit (after shared services and administrative costs) grew $5.1 million reflecting an impairment of divested consumer assets, net of a gain on sale. For the first six months, adjusted contribution to profit (after shared services and administrative costs) grew $5.1 million to $10.9 million, excluding the impact of foreign exchange.

- **Online training and assessment** showed strong growth, driven by Inscape (+22%) and continued strength in CPA, CMA, and CFA test prep businesses.

**EDUCATION**

- **Revenue**: Second quarter revenue on a constant currency basis grew 30% to $103.7 million, driven by the contribution from Deltak (+$16.5 million) and growth in digital books (+55%), binder and custom products (+40%), and the WileyPLUS course management solution (+26%). For the first six months, Education revenue overall increased 22% (to $184.8 million) on a constant currency basis primarily due to the contribution of Deltak (+$31.3 million). Contributing to second quarter growth was the favorable impact of later ordering in the current year due to late semester starts in the US and the shift to digital formats, which pushed revenue into the second quarter. Second quarter and year-to-date revenue comparisons include the favorable impact of $2 million of sales delayed into the third quarter of the prior year due to Hurricane Sandy, in addition to earlier-than-usual orders in the Australia schools business in the current year.

- **Adjusted Contribution to Profit**: Second quarter adjusted contribution to profit (after allocated shared service and administrative costs) grew 43% to $22.8 million, reflecting revenue growth, gross margin improvement related to the continued migration to digital products and services, and restructuring and other savings. For the first six months, adjusted contribution to profit (after shared services and administrative costs) increased 17% to $28.9 million, excluding the impact of foreign exchange.

- **Online Program Management (OPM)**: Deltak contributed $16.5 million of revenue in the quarter. The Company signed the McCombs School of Business Foundation at University of Texas at Austin during the quarter, bringing the total number of institutions under contract to 34. As of October 31, 2013, Deltak had 107 programs generating revenue and 43 programs under contract and in development but not yet generating revenue.

- **International Deltak OPM Opportunity**: Deltak and Purdue University have partnered in the launch of Purdue Online Network (PON), online course offerings available globally that focus on upper-level engineering, science, and technology disciplines. The courses are marketed to three distinct markets: individuals looking to enhancing their skills and job prospects; institutions looking to augment their scientific and engineering curriculum content; and businesses looking to raise employee skill levels in key engineering disciplines.

*(Please see the attached tables for more information, including Quarter and Year-to-Date Segment Revenue Statistics by Product/Service and Subject Category)*

**Earnings Conference Call**

- Scheduled for today, December 10, at 10:00 a.m. (EST)
- Access the webcast at [www.wiley.com> Investor Relations> Events and Presentations](http://www.wiley.com/WileyCDA/Section/id- 370238.html)
- U.S. callers, please dial (888) 329-8877 and enter the participant code 1353328#
- International callers, please dial (719) 457-2689 and enter the participant code 1353328#
- An archive of the webcast will be available for a period of up to 14 days

"Safe Harbor" Statement under the Private Securities Litigation Reform Act of 1995
This release contains certain forward-looking statements concerning the Company's operations, performance, and financial condition. Reliance should not be placed on forward-looking statements, as actual results may differ materially from those in any forward-looking statements. Any such forward-looking statements are based upon a number of assumptions and estimates that are inherently subject to uncertainties and contingencies, many of which are beyond the control of the Company, and are subject to change based on many important factors. Such factors include, but are not limited to (i) the level of investment in new technologies and products; (ii) subscriber renewal rates for the Company's journals; (iii) the financial stability and liquidity of journal subscription agents; (iv) the consolidation of book wholesalers and retail accounts; (v) the market position and financial stability of key online retailers; (vi) the seasonal nature of the Company's educational business and the impact of the used book market; (vii) worldwide economic and political conditions; (viii) the Company's ability to protect its copyrights and other intellectual property worldwide; (ix) the ability of the Company to successfully integrate acquired operations and realize expected opportunities and (x) other factors detailed from time to time in the Company's filings with the Securities and Exchange Commission. The Company undertakes no obligation to update or revise any such forward-looking statements to reflect subsequent events or circumstances.

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