**John Wiley & Sons, Inc., Reports Third Quarter Fiscal Year 2013 Results**

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<table>
<thead>
<tr>
<th>$ millions</th>
<th>FY13</th>
<th>FY12</th>
<th>Change Excluding FX</th>
<th>Change Including FX</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q3</td>
<td>$472</td>
<td>$451</td>
<td>4%</td>
<td>5%</td>
</tr>
<tr>
<td>Nine Months</td>
<td>$1,315</td>
<td>$1,328</td>
<td>-0.30%</td>
<td>-1%</td>
</tr>
<tr>
<td><strong>EPS:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Q3</td>
<td>$0.95</td>
<td>$1.03</td>
<td>-7%</td>
<td>-8%</td>
</tr>
<tr>
<td>Nine Months</td>
<td>$2.26</td>
<td>$2.69</td>
<td>-15%</td>
<td>-16%</td>
</tr>
<tr>
<td><strong>ADJUSTED</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue*</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q3</td>
<td>$461</td>
<td>$434</td>
<td>6%</td>
<td>6%</td>
</tr>
<tr>
<td>Nine Months</td>
<td>$1,281</td>
<td>$1,281</td>
<td>1%</td>
<td>0%</td>
</tr>
<tr>
<td>EPS**</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q3</td>
<td>$0.93</td>
<td>$0.88</td>
<td>6%</td>
<td>6%</td>
</tr>
<tr>
<td>Nine Months</td>
<td>$2.21</td>
<td>$2.35</td>
<td>-5%</td>
<td>-6%</td>
</tr>
</tbody>
</table>

*The Company divested certain consumer product lines in August and November 2012. For comparison purposes, revenue from these divested publishing programs of $12 million and $34 million for the third quarter and first nine months of fiscal year 2013, and $18 million and $47 million in the third quarter and first nine months of fiscal year 2012, respectively, have been excluded in determining adjusted revenue.

**See attached schedule for calculation of Adjusted Earnings Per Share (EPS).**

John Wiley & Sons, Inc. (NYSE: JW.A and JW.B), a global provider of knowledge and knowledge-based services in areas of scientific, technical, medical, and scholarly research (STMS); professional development (PD); and education today announced results for the third quarter of fiscal year 2013:

**Adjusted:**

- **Revenue** grew 6% to $461 million excluding divested consumer publishing programs and including acquisitions. Revenue grew 1% excluding both the divested and acquired assets. Digital revenue growth in Professional Development and Global Education was offset by continued softness in print books and lower STMS journal revenue, as expected.
- **Adjusted revenue change by segment, excluding FX and divested consumer publishing revenue:** STMS -3%, PD +14%, and Education +18%
- **Adjusted EPS** grew 6% to $0.93 per share excluding FX. Adjusted EPS excludes the divested consumer publishing programs (-$0.02 per share) and certain other items described in the attached schedule. Acquired businesses were accretive to results by $0.01 per share.
US GAAP:

- **Revenue** grew 5% due to contribution from our acquired businesses ($23 million) and including a decline in revenue from divested consumer publishing program ($6 million)
- **Revenue change by segment**: STMS -2%, PD 6%, and Education 19%
- **US GAAP earnings per share (EPS)** fell 8% to $0.95, mainly due to an $8 million tax benefit in the prior year, divested consumer publishing programs and higher technology expense partially offset by earnings from acquired businesses

**Shared services and administrative costs** for the quarter were up 6% over prior year, with technology offsetting lower distribution, finance and other administrative costs.

**Restructuring Program**

As noted in its December second quarter earnings announcement, Wiley announced an expansion of its ongoing program to restructure and realign its cost base with current and anticipated future market conditions. When implemented, the plan will reduce operating expense and the cost of sales to improve margins, profitability and accelerate earnings growth while providing increased capacity for investment to grow its digital businesses. Working with a third-party restructuring firm since January, the Company is progressing towards finalizing plans to realize approximately $80 million in cost savings on a run-rate basis by the end of April 2014. The Company is targeting a majority of the cost savings achieved to improve margins and earnings, while some will be reinvested in high growth digital business opportunities. Savings will come from the following actions:

- Strategic sourcing and procurement of third-party-vendor supplied services to reduce complexity and cost of outside services
- Management delayering of certain business activities through consolidation
- Offshoring, and potentially outsourcing, of select services to lower cost locations
- Overall reduction of business operating complexity

In June, Wiley will provide more forward-looking details on the fourth quarter earnings call, including more information around cost savings initiatives, a timeline of expected savings and charge(s) in fiscal year 2014, as well as revenue growth and earnings expectations for the year to come.

**Restructuring Charge**

As part of the implementation of the restructuring program, Wiley expects to record a restructuring charge of approximately $25 million in the fourth quarter of this fiscal year. At least one additional charge in fiscal year 2014 is expected as phases of the program are implemented over the course of the year. The charges will be related principally to severance and other employee separation-related benefits as well as other business transition-related costs.

**Share Repurchases**

The Company repurchased 887,651 shares in the third quarter at a cost of $34.6 million. There are approximately 1.3 million shares remaining in the current authorized program.

**Management Commentary**

"Our core business performed as expected this quarter," said Steve Smith, President and CEO of Wiley. "The print higher education textbook market continued to face headwinds and journal revenue fell slightly due to publication timing and continued funding pressures, particularly in Europe. Professional book sales were up modestly and digital content sales, including digital books and WileyPLUS, showed solid growth. We are encouraged by calendar year 2013 journal renewals, which are up approximately 3-4% over last year with 85% of the business closed as of the end of February, driven in part by new society business. Open Access revenue, while small, continues to be an incremental gain. In addition, recently acquired businesses, including Inscape, Deltak and ELS, are all performing as or better than expected."

Mr. Smith continued: "As discussed last quarter, due to the market transition away from print to digital and the economic realities facing some of our markets, we have initiated a company-wide restructuring effort that will result in approximately $80 million of run-rate savings going into fiscal year 2015. Besides reducing our cost base, we fully expect to improve our variable-fixed cost ratio, shorten our time to market, and concentrate our investment resources on high growth opportunities and markets. A majority of the savings will provide improved earnings and cash flow, and some of it will be reinvested back into high growth areas of the business."

"Based on key indicators going into the fourth quarter, our guidance is unchanged on an operating basis. Currency neutral, low-single digit revenue growth, including $37 million of additional revenue from the Deltak and ELS acquisitions and forgone revenue from the divested consumer businesses. Our full year US GAAP EPS of approximately $2.95 - $3.05, which includes all of the following: 1) the net negative impact from the divestiture of the consumer publishing assets, including: (a) $0.16
per share assets impairment charge, (b) $0.10 per share gain on the sale of travel publishing assets, and (c) reduced contribution to profit versus our original plan which assumed a full year of ownership; 2) a restructuring charge of $0.06 per share in the first quarter; 3) $0.14 per share benefit from a reduction in UK tax rates; and 4) forecasted $0.02 per share of negative foreign exchange, will be further impacted approximately $0.30 per share by the $25 million restructuring charge we expect to take in the upcoming quarter.”

Foreign Exchange

The weighted average foreign exchange translation rates reflected in Wiley’s income statement during fiscal year 2012 were approximately 1.59 sterling and 1.37 euro. Unless otherwise noted, amounts referenced in this report are presented excluding the effect of foreign exchange transactions and translations.

SCIENTIFIC, TECHNICAL, MEDICAL AND SCHOLARLY (STMS)

- Third quarter revenue fell 3%, excluding FX
- Third quarter contribution to profit including allocated shared service and administrative costs fell 1%, excluding FX
- 2 new society journals were signed in the quarter with combined annual revenue of $147,000. None were lost. Forty were renewed worth approximately $26 million annually
- Calendar year 2013 journal renewals are showing approximately 3-4% growth due to society wins, with 85% of business closed as of the end of February

STMS revenue for the quarter fell 2% to $241 million, or 3% excluding FX due to journal publication timing versus prior year, a change in journal subscription license terms that affects the timing of subscription revenue recognition, noted below, and continued softness in library funding, particularly Europe and much of the Middle East. Backfiles, advertising and journal reprints also contributed to the decline. Growth in digital books of 20% offset the reduction in print book sales while funded open access and article select showed solid growth off a small base. Weakness in EMEA was partially offset by modest performance improvement in the US and Asia-Pacific.

For calendar year 2013, the Company has introduced an alternative subscription license structure for some customers which was previously based on a commitment by the Company to provide a discrete number of online journal issues. The alternative license is based upon online access for a calendar year and is not issue-specific. This resulted in a $1.5 million shift of revenue which would have been otherwise recognized in the third quarter to later in the calendar year. The shift is expected to impact fiscal year 2013 revenue but have no impact on calendar 2013 journal revenue growth.

Contribution to profit including allocated shared service and administrative costs fell 1% for the quarter due to top line results, partially offset by improved gross margin reflecting the transition from print to digital products and lower bad debt provisions.

Revenue by Product/Service (excluding FX):

- Journal Subscription revenue fell 2% to $144 million mainly due to issue publication timing, a change in license terms and continued tight library funding
- Print Book sales fell 5% to $37 million
- Digital Book sales rose 20% to $11 million
- Advertising/Corporate Reprints fell 13% to $16 million
- Article Select (pay-per-article) rose 5% to $4 million
- Funded (Open) Access more than doubled to $1.3 million

Journal Renewals

- Calendar year 2013 subscription billings are up approximately 3-4% due to strong society wins, with 85% of business closed as of the end of February. Calendar year 2012 subscription billings were up 1.6% for the year.

Society Partnerships

- 2 new society journals were signed in the quarter with combined annual revenue of $147,000
- 40 renewals/extensions were signed with $26 million in combined annual revenue
- No society contracts were lost

Acquisitions

In January, Wiley acquired the assets of the FIZ Chemie Berlin, a provider of online database products for organic and industrial chemists. The products include the ChemInform weekly abstracting service and reaction database (CIRX), as well as the abstracting journal Chemisches Zentralblatt, the InfoTherm database of thermophysical properties, and eLearning tools and services.

Global Citizenship and Research4Life

Wiley announced that its 12,200 online books would be made available through the Research4Life initiatives of HINARI, AGORA and OARE, benefitting research and academic communities in 80 low- and middle-income
countries. Research4Life provides 6,000 institutions in developing countries with free or low cost access to peer-reviewed online content from the world’s leading scientific, technical and medical publishers. The addition of Wiley’s online books brings the total number of peer reviewed scientific journals, books and databases now available through the public-private Research4Life partnership to almost 30,000.

PROFESSIONAL DEVELOPMENT (PD)

- Third quarter adjusted revenue grew 14%, excluding FX. Adjusted revenue excludes revenue from the divested consumer assets in travel, cooking, Webster's New World Dictionary, and Cliffsnotes in both the current and prior year periods. Revenue rose 6% on a US GAAP basis primarily due to revenue from acquired businesses, Inscape and ELS Digital book revenue in the quarter grew 20% to $12.9 million
- Third quarter revenue associated with online training and assessment increased $6.4 million over the prior year quarter to $7.3 million, driven by Inscape
- Third quarter adjusted contribution to profit including allocated shared service and administrative costs, rose $5.3 million to $9.9 million, excluding FX and the operating results related to the divested consumer publishing program

Adjusted Professional Development revenue for the quarter, excluding FX, grew 14% to $101 million, or 6% including the revenue from the recently divested consumer publishing programs. Strong contributions from Inscape and the ELS acquisitions and eBook sales drove results offset by lower print book sales. Business and Technology categories performed well. Revenue from divested consumer publishing programs declined $5.9 million to $11.6 million.

Adjusted contribution to profit including allocated shared service and administrative costs, rose $5.3 million to $9.9 million for the quarter excluding FX and the operating results related to the divested consumer publishing assets. Performance is mainly due to top-line results and cost containment. Lower distribution and occupancy expenses were partially offset by higher technology costs.

Digital revenue was 18% of total PD revenue, approximately a 74% increase over prior year. Results were driven by ebooks, online assessment (Inscape) and e-learning services (ELS, etc).

Revenue by Product/Service (excluding FX):

- Book revenue declined $0.9 million with print down $3.1 million or -4% and ebook growth up $2.2 million or 20%
- Online Training and Assessment grew by $6.4 million to $7.3 million due to the Inscape workplace assessment acquisition

Acquisitions, Divestments and Alliances

- In December, PD completed the acquisition of assets from Stevenson, Inc., a leading resource for newsletters and online events in fundraising, nonprofit management, and communications. The assets include six well-respected newsletters and a variety of online events. The acquisition will enable the Company to expand its strategy for digital delivery of content to the growing nonprofit market globally, providing practical, must-have information to nonprofit professionals.
- During the quarter, Wiley signed a Financial Industry Regulatory Authority (FINRA) series test preparation agreement with the Securities Institute of America (SIA) to provide preparatory exam content for financial brokers and advisors.

GLOBAL EDUCATION

- Third quarter revenue grew 18%, excluding FX, to $118 million. Excluding Deltak ($17 million in revenue) which was acquired at the end of October, revenue rose 1%, excluding FX.
- Digital revenue grew $25.3 million to $41.4 million, accounting for 35% of revenue vs. 16% in the prior year. Results were due to the addition of Deltak revenue, 24% growth in WileyPLUS, and increased ebook sales. Digital revenue excluding Deltak was 20% of total revenue, up from 16% of revenue in the prior year.
- Third quarter contribution to profit including allocated shared service and administrative costs grew 10% or $3.0 million, excluding FX due to top line results.

Third quarter Global Education revenue grew 18% to $118 million, excluding FX, or 1% excluding the contribution from Deltak. Excluding Deltak, the increase is due to a strong performance from WileyPLUS and digital content, including eBooks offset by continued weakness in print textbooks. Growth in Asia-Pacific, particularly in the Australia School business, offset flat results in the Americas and EMEA.

Contribution to profit including allocated shared service and administrative costs grew 10% to $35 million, excluding FX. The increase was due to top line results, including the impact of acquisitions, and cost containment offset by higher allocated
technology costs due to continued investment in digital solutions.

**Revenue by Product/Service (excluding FX):**

- *Print Textbook* revenue declined 10% to $63 million
- *Custom Print* increased by 2% to $12 million
- *Ebooks* grew 144% to $9 million
- *Online Program Management* (eg. Deltak) was $17 million in its first full quarter as a Wiley entity. Annual revenue at the time of the acquisition was approximately $54 million.
- *WileyPLUS* grew 24% to $15 million

**Note:**
The Company provides cash flow and income measures referred to as adjusted revenue, EPS and free cash flow, which exclude certain items. 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.

**Earnings Call and Webcast Instructions**

Wiley has scheduled an earnings call beginning at 10 a.m. EST today to discuss the results. Note that our format has changed, from audio only to audio plus slides. Slides will be available to download at the conclusion of the call.

- You may listen to a live webcast of the call by accessing the investor page of wiley.com: [http://www.wiley.com/WileyCDA/Section/id-370238.html](http://www.wiley.com/WileyCDA/Section/id-370238.html). An archive of the webcast will be available on that page for a period of up to one year. Slides will be available for download at the conclusion of the call.
- For telephone access, please dial the following number approximately ten minutes prior to the 10 a.m. start time: (888) 599-4875 and enter the participant code 7502041#. International callers, please dial: (913) 312-1227 and enter the participant code 7502041#.

**About Wiley**

Wiley is a global provider of content-enabled solutions that improve outcomes in research, education, and professional practice. Our core businesses produce scientific, technical, medical, and scholarly journals, reference works, books, database services, and advertising; professional books, subscription products, certification and training services and online applications; and education content and services including integrated online teaching and learning resources for undergraduate and graduate students and lifelong learners.

**Language:**

English