Wiley Reports Fourth Quarter and Fiscal Year 2015 Results

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Terms:
All Corporate News  Earnings Releases  Business and Finance

Dateline City:
HOBOKEN, N.J.

• Fourth quarter revenue of $442 million, up 2% on a constant currency basis. Fiscal year revenue of $1,822 million, up 4% on a constant currency basis
• Percent of full-year revenue from digital products and services increased to 60% from 55% for the prior year. Percent of full-year revenue from print books declined to 25%
• Fourth quarter adjusted EPS of $0.81, up 17% on a constant currency basis. Fiscal year adjusted EPS of $3.26, up 10% on a constant currency basis
• Fiscal Year 2016 outlook of low-single-digit revenue growth and flat EPS growth on a constant currency basis and excluding the adverse transitional impact of shifting to time-based journal subscription agreements

HOBOKEN, N.J.--(BUSINESS WIRE)--John Wiley & Sons, Inc. (NYSE:JWa and JWb), 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 fourth quarter and fiscal year 2015, ending April 30, 2015:

<table>
<thead>
<tr>
<th></th>
<th>$ millions</th>
<th>FY15</th>
<th>FY14</th>
<th>Excluding FX</th>
<th>Including FX</th>
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</thead>
<tbody>
<tr>
<td>ADJUSTED Revenue</td>
<td>Q4</td>
<td>$442</td>
<td>$457</td>
<td>2%</td>
<td>(3%)</td>
</tr>
<tr>
<td></td>
<td>Full Year</td>
<td>$1,822</td>
<td>$1,775</td>
<td>4%</td>
<td>3%</td>
</tr>
<tr>
<td>EPS</td>
<td>Q4</td>
<td>$0.81</td>
<td>$0.77</td>
<td>17%</td>
<td>5%</td>
</tr>
<tr>
<td></td>
<td>Full Year</td>
<td>$3.26</td>
<td>$3.05</td>
<td>10%</td>
<td>7%</td>
</tr>
<tr>
<td>US GAAP Revenue</td>
<td>Q4</td>
<td>$442</td>
<td>$457</td>
<td>(3%)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Full Year</td>
<td>$1,822</td>
<td>$1,775</td>
<td></td>
<td>3%</td>
</tr>
<tr>
<td>EPS</td>
<td>Q4</td>
<td>$0.79</td>
<td>$0.60</td>
<td>32%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Full Year</td>
<td>$2.97</td>
<td>$2.70</td>
<td>10%</td>
<td></td>
</tr>
</tbody>
</table>

Please see the attached financial schedules for more detail

Management Commentary

“We are pleased to report that we delivered on our revenue and earnings guidance for the year,” said Mark Allin, President and CEO of Wiley. “On a constant currency basis, our largest and most profitable business, Research journals (‘Research Communication’) delivered 4% revenue growth for the year. Our strategic digital solutions businesses also contributed to our growth, with digital products and services rising to 60% of revenues for the full year. Revenue growth, the continued shift to digital, and additional savings from restructuring all contributed to 9% operating income growth for the year.”

Fiscal Year 2016 Outlook

Wiley’s fiscal year 2016 outlook is for low-single-digit revenue growth and flat adjusted EPS growth on a constant currency basis and excluding the adverse transitional impact of shifting to time-based journal subscription agreements. As previously announced, Wiley is moving to time-based digital journal subscription agreements for calendar year 2016 in order to simplify the contracting and administration of such agreements. The change will shift roughly $35 million of revenue and $0.35 of EPS from FY16 to FY17, with recurring effect annually thereafter. The change will not impact free cash flow. Included in the EPS guidance is an incremental expense impact of more than $0.15 for the previously announced ERP implementation as compared to FY15.

Foreign Exchange (FX)

Wiley generates half of its revenue from outside the United States, and is therefore exposed to a stronger dollar.
particularly in relation to the euro and pound sterling. For fiscal year 2015, the weighted average rates for sterling and the euro were 1.60 and 1.25, respectively, on a US dollar equivalent basis. Also, 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.

**Adjusted Results**

The Company provides financial measures referred to as "adjusted" revenue, contribution to profit, and EPS, which exclude restructuring and impairment charges, deferred tax benefits related to a UK corporate income tax rate reduction, and other non-recurring tax benefits. Variances to adjusted revenue, contribution to profit, and EPS are on a constant currency basis 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.

**Fourth Quarter Summary**

- **Revenue on a constant currency basis** rose 2% to $442 million. Growth in Professional Development (+10%), research and Professional, and Education (+25%) offset a decline in Research (-1%). Organic revenue decreased 1% at constant currency, while revenue on a US GAAP basis declined 3% due to the adverse impact of foreign exchange.
- **Adjusted earnings per share (EPS) on a constant currency basis** grew 17% to $0.81 due to restructuring savings, higher gross margins from the shift to digital, and a lower effective income tax rate. Adjusted EPS excludes certain one-time or unusual items in both years as further described in the attached reconciliation of US GAAP to Adjusted EPS. US GAAP EPS for the fourth quarter were $2.97 vs. $2.70 in the prior year.
- **Adjusted shared services and administrative costs** were essentially flat for the quarter at $494 million due to restructuring, procurement, and outsourcing savings offset by additional investment in new business growth. Lower Distribution and Operation Services (-10%) and Finance (-1%) expense offset higher Technology and Content Management (+2%) and Other Administration (+6%) expense.
- **Restructuring Charges**: Wiley recorded $29 million in restructuring charges principally related to facility consolidations in connection with prior restructuring actions, as well as severance costs related to reorganization and consolidation.
- **Free Cash Flow**: Of $247 million was $4 million behind prior year due to increased investment in technology and restructuring payments related to severance.
- **Net Debt and Cash Position**: Net debt (long-term debt less cash and cash equivalents) at the end of April was $293 million, up from $214 million at the end of the prior year due to the acquisition of CrossKnowledge. Net debt to EBITDA was at 0.7 on a trailing twelve month basis. Cash and cash equivalents as of April 30, 2015 were $457 million.
- **Share repurchases**: In fiscal year 2015, Wiley repurchased 1.1 million shares for $62 million, an average cost of $57.26. As of April 30, 2015, the company had nearly 2.2 million shares remaining in the repurchase program announced in June 2013. Wiley did not repurchase shares in the fourth quarter.
- **Dividend**: In June 2014, Wiley increased its quarterly dividend by 16% to $0.29, or $1.16 annualized. It was the 21st consecutive annual increase.

**RESEARCH**

- **Revenue**: Fourth quarter revenue on a constant currency basis declined 1% to $275 million, with a decline in journal subscription (-2%) and print book (-8%) revenue offsetting growth in other journal revenue (+5%), digital books (+3%), and funded access (+3%). Revenue on a constant currency basis rose 2% to $1,041 million, driven by journal subscriptions (+1%), funded access (+29%), and other journal revenue (+15%), which offset an overall book decline of 7%.
- **Adjusted Contribution to Profit**: Fourth quarter adjusted contribution to profit grew 2% on a constant currency basis to $99 million, with procurement and outsourcing savings offsetting the revenue decline. For the year, adjusted contribution to profit grew 5% on a constant currency basis to $320 million, reflecting revenue growth and gross margin expansion. Gross margin improved due to procurement and outsourcing savings, as well as the continuing shift to digital.

**Calendar Year 2015 Journal Subscriptions**: At the end of April, calendar year 2015 journal subscriptions were up 1% on a constant currency basis, with 97% of targeted business closed for the 2015 volume year.

**Society Business**: Two new society contracts were signed in the three month period ending April with combined annual revenue of $4 million; 11 were renewed with combined annual revenue of $4 million; and five with combined annual revenue of $5 million were not renewed. For calendar year 2015, nine new society contracts were signed with combined annual revenue of $4 million, and seven with combined annual revenue of $8 million were not renewed, for an annualized revenue loss on a calendar year basis of $4 million. This compares to an annualized revenue gain of $11 million in CY14 and $20 million in CY13. Additionally, CY15 includes renewals of 121 contracts with combined annual revenue of $57 million.

**PROFESSIONAL DEVELOPMENT**

- **Revenue**: Fourth quarter revenue grew 10% on a constant currency basis to $100 million due to revenue contributions from CrossKnowledge and ProFessio International (+15% and $67 million). Strong growth in Online Test Preparation (+34%), which is measured independently in Book sales (+8%), was also driven by the acquisition of CrossKnowledge. Net debt to EBITDA was 0.7 on a trailing twelve month basis. Cash and cash equivalents as of April 30, 2015 were $457 million.
- **Adjusted Contribution to Profit**: Fourth quarter adjusted contribution to profit grew 30% on a constant currency basis to $32 million, driven by a continued decline in print and digital books.
- **Institute of Management Accountants (IMA) India Partnership**: In the quarter, the IMA announced a partnership agreement in India with Wiley to offer Wiley’s Certified Management Accountant Exam (CMA) Learning Systems as part of a full offering that includes live training from Miles Professional Education, a major professional certification course provider in India.

**EDUCATION**

- **Revenue**: Fourth quarter revenue rose 2% on a constant currency basis to $67 million. Revenue growth from Education Services/Deltak (+15%), Digital Books (+7%), and Course Workflow/WileyPLUS (+1%) offset a decline in Print Textbooks (-15%). For the year, education revenue increased 3% on a constant currency basis to $375 million with double-digit growth in Education Services/Deltak (+16%), Custom Products (+16%), WileyPLUS (+11%), and Digital Books (+15%) offsetting a 9% decline in Print Textbooks.
- **Adjusted Contribution to Profit**: Fourth quarter adjusted contribution to profit improved 13% to a seasonal loss of $8 million, reflecting revenue growth and gross margin expansion. For the year, adjusted contribution to profit increased 1% to $48 million, excluding the impact of foreign exchange. Continued investment in Education Services/Deltak offset revenue growth and restructuring savings. Gross profit improved modestly due to portfolio management and improvements in composition costs.

- **Online Program Management (OPM): Education Services/Deltak secured two new large university partners in the quarter, the University of Delaware (US) and University College Cork (Ireland). University College Cork is the second international partner signed by Deltak and is one of Ireland’s largest educational institutions, with 18,000 students. At fiscal year-end, Deltak had 36 partners and 200 degree programs under contract.

**Earnings Conference Call**
- Scheduled for today, June 16, at 10:00 a.m. (EDT)
- Access the webcast at [www.wiley.com > Investor Relations > Events and Presentations](http://www.wiley.com/WileyCDA/Section/id-370290.html)
- U.S. callers, please dial (888) 505-4375 and enter the participant code 3217239#
- International callers, please dial (719) 325-2435 and enter the participant code 3217239#
- 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.

**About Wiley**
Wiley is a global provider of knowledge and knowledge-enabled services that improve outcomes in areas of research, professional practice, and education. Through the **Research** segment, the Company provides digital and print scientific, technical, medical, and scholarly journals, reference works, books, database services, and advertising. The **Professional Development** segment provides digital and print books, online assessment and corporate learning services, and test prep and certification. In **Education**, Wiley provides education solutions including online program management services for higher education institutions and course management tools for instructors and students, as well as print and digital content.

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**JOHN WILEY & SONS, INC.**

**UNAUDITED SUMMARY OF OPERATIONS**

FOR THE FOURTH QUARTER AND TWELVE MONTHS ENDED
APRIL 30, 2015 AND 2014

(in thousands, except per share amounts)

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</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>$441,646</td>
<td>-</td>
<td>441,646</td>
<td></td>
<td>$457,089</td>
<td>-</td>
<td>457,089</td>
<td>-3%</td>
<td>2%</td>
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<tr>
<td><strong>Costs and Expenses</strong></td>
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<tr>
<td>Cost of Sales</td>
<td>116,844</td>
<td>-</td>
<td>116,844</td>
<td>126,173</td>
<td>-</td>
<td>126,173</td>
<td>-7%</td>
<td>-3%</td>
<td>-7%</td>
<td>-3%</td>
<td>-7%</td>
<td>-3%</td>
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<tr>
<td>Operating and Administrative</td>
<td>249,459</td>
<td>-</td>
<td>249,459</td>
<td>256,366</td>
<td>-</td>
<td>256,366</td>
<td>-3%</td>
<td>2%</td>
<td>2%</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Restructuring Charges (A)</td>
<td>4,925 (4,925)</td>
<td>-</td>
<td>15,395 (15,395)</td>
<td>-</td>
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<tr>
<td>Amortization of Intangibles</td>
<td>12,355</td>
<td>-</td>
<td>12,355</td>
<td>11,613</td>
<td>-</td>
<td>11,613</td>
<td>6%</td>
<td>11%</td>
<td></td>
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</tr>
<tr>
<td><strong>Total Costs and Expenses</strong></td>
<td>383,583 (4,925)</td>
<td>378,658</td>
<td></td>
<td>409,547 (15,395)</td>
<td>394,152</td>
<td>-6%</td>
<td>1%</td>
<td></td>
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<tr>
<td><strong>Operating Income</strong></td>
<td>58,063</td>
<td>4,925</td>
<td>62,988</td>
<td>47,542</td>
<td>15,395</td>
<td>62,937</td>
<td>22%</td>
<td>10%</td>
<td>22%</td>
<td>10%</td>
<td></td>
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<tr>
<td>Operating Margin</td>
<td>13.1%</td>
<td>14.3%</td>
<td>14.3%</td>
<td>10.4%</td>
<td>10.4%</td>
<td>10.4%</td>
<td>13.8%</td>
<td></td>
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<tr>
<td><strong>Interest Expense</strong></td>
<td>(4,062)</td>
<td>-</td>
<td>(4,062)</td>
<td>(3,568)</td>
<td>-</td>
<td>(3,568)</td>
<td>14%</td>
<td>14%</td>
<td></td>
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<tr>
<td>Foreign Exchange Gain</td>
<td>(1,086)</td>
<td>-</td>
<td>(1,086)</td>
<td>(337)</td>
<td>-</td>
<td>(337)</td>
<td></td>
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<tr>
<td>Interest Income and Other</td>
<td>839</td>
<td>-</td>
<td>839</td>
<td>690</td>
<td>-</td>
<td>690</td>
<td>22%</td>
<td>22%</td>
<td></td>
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<tr>
<td><strong>Income Before Taxes</strong></td>
<td>53,754</td>
<td>4,925</td>
<td>58,679</td>
<td>44,327</td>
<td>15,395</td>
<td>59,722</td>
<td>21%</td>
<td>10%</td>
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<tr>
<td><strong>Provision for Income Taxes</strong></td>
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Access the webcast at [www.wiley.com/WileyCDA/Section/id-370290.html](http://www.wiley.com/WileyCDA/Section/id-370290.html)
(A,C)  6,857  3,945  10,802  8,436  5,331  13,767  -19%  -8%

Net Income  $46,897  980  47,877  35,891  10,064  45,955  31%  16%

Earnings Per Share- Diluted (A,C)  $0.79  0.02  0.81  0.60  0.17  0.77  32%  17%

Average Shares - Diluted  59,368  59,368  59,368  59,925  59,925  59,925

TWELVE MONTHS ENDED APRIL 30,

<table>
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<tr>
<th></th>
<th>2015</th>
<th>2014</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>$1,822,440</td>
<td>-</td>
<td>1,822,440</td>
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<tr>
<td>Costs and Expenses</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Cost of Sales</td>
<td>499,683</td>
<td>-</td>
<td>499,683</td>
</tr>
<tr>
<td>Operating and</td>
<td>1,005,000</td>
<td>-</td>
<td>1,005,000</td>
</tr>
<tr>
<td>Administrative</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restructuring Charges (A)</td>
<td>28,804</td>
<td>(28,804)</td>
<td>-</td>
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<tr>
<td>Impairment Charges (B)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amortization of Intangibles</td>
<td>51,214</td>
<td>-</td>
<td>51,214</td>
</tr>
<tr>
<td>Total Costs and</td>
<td>1,584,701</td>
<td>(28,804)</td>
<td>1,555,897</td>
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<tr>
<td>Expenses</td>
<td></td>
<td></td>
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<tr>
<td>Operating Income</td>
<td>237,739</td>
<td>28,804</td>
<td>266,543</td>
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<tr>
<td>Operating Margin</td>
<td>13.0%</td>
<td>14.6%</td>
<td>11.6%</td>
</tr>
<tr>
<td>Interest Expense</td>
<td>(17,077)</td>
<td>-</td>
<td>(17,077)</td>
</tr>
<tr>
<td>Foreign Exchange Gain</td>
<td>1,742</td>
<td>-</td>
<td>1,742</td>
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<tr>
<td>Interest Income and Other</td>
<td>3,057</td>
<td>-</td>
<td>3,057</td>
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<tr>
<td>Income Before Taxes</td>
<td>225,461</td>
<td>28,804</td>
<td>254,265</td>
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<td>Provision for</td>
<td>48,593</td>
<td>11,599</td>
<td>60,192</td>
</tr>
<tr>
<td>Income Taxes (A-D)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Income</td>
<td>$176,868</td>
<td>17,205</td>
<td>194,073</td>
</tr>
<tr>
<td>Earnings Per Share- Diluted (A-D)</td>
<td>$2.97</td>
<td>0.29</td>
<td>3.26</td>
</tr>
<tr>
<td>Average Shares - Diluted</td>
<td>59,594</td>
<td>59,594</td>
<td>59,594</td>
</tr>
</tbody>
</table>

See the accompanying Notes to Unaudited Financial Statements for a description of each Adjustment.
US GAAP Earnings Per Share - Diluted

<table>
<thead>
<tr>
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<th>2015</th>
<th>2014</th>
<th>2015</th>
<th>2014</th>
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<tbody>
<tr>
<td>Adjusted to exclude the following:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restructuring Charges (A)</td>
<td>(0.07)</td>
<td>(0.17)</td>
<td>(0.34)</td>
<td>(0.48)</td>
</tr>
<tr>
<td>Impairment Charges (B)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(0.06)</td>
</tr>
<tr>
<td>Non-recurring Tax Benefit (C)</td>
<td>0.05</td>
<td>-</td>
<td>0.05</td>
<td>-</td>
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<tr>
<td>Deferred Income Tax Benefit on UK Rate Change (D)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>0.18</td>
</tr>
<tr>
<td>Adjusted Earnings Per Share - Diluted</td>
<td>$ 0.81</td>
<td>$ 0.77</td>
<td>$ 3.26</td>
<td>$ 3.05</td>
</tr>
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</table>

NOTES TO UNAUDITED FINANCIAL STATEMENTS

Adjustments:
(A) RESTRUCTURING CHARGES: The adjusted results for the three and twelve months ended April 30, 2015 and the three and twelve months ended April 30, 2014 exclude restructuring charges related to the Company's Restructuring and Reinvestment Program of $4.9 million or $0.07 per share, $28.8 million or $0.34 per share, $15.4 million or $0.17 per share, and $42.7 million or $0.48 per share, respectively.

(B) IMPAIRMENT CHARGES: The adjusted results for the twelve months ended April 30, 2014 exclude impairment charges related to certain technology investments of $4.8 million or $0.06 per share.

(C) NON-RECURRING TAX BENEFIT: The adjusted results for the three and twelve months ended April 30, 2015 reflect a non-recurring tax benefit of $3.1 million or $0.05 per share related to tax deductions claimed on the write-up of certain foreign tax assets to fair market value.

(D) Deferred Income Tax Benefit on UK Rate Change: The adjusted results for the twelve months ended April 30, 2014 exclude deferred tax benefits of $10.6 million, or $0.18 per share, associated with tax legislation enacted in the United Kingdom that reduced the U.K. corporate income tax rates by 3%. The benefits reflect the remeasurement of the Company's deferred tax balances to the new income tax rates of 21% effective April 1, 2014 and 20% effective April 1, 2015 and had no current cash tax impact.

Non-GAAP Financial Measures:
In addition to providing financial results in accordance with GAAP, the Company has provided adjusted financial results that exclude the impact of other nonrecurring items described in more detail throughout this press release. These non-GAAP financial measures are labeled as "Adjusted" and are used for evaluating the results of operations for internal purposes. These non-GAAP measures are not intended to replace the presentation of financial results in accordance with GAAP. Rather, the Company believes the exclusion of such items provides additional information to investors to facilitate the comparison of past and present operations. Unless otherwise noted, adjusted amounts in the attached schedules include foreign exchange.

JOHN WILEY & SONS, INC.
UNAUDITED SEGMENT RESULTS
FOR THE FOURTH QUARTER AND TWELVE MONTHS ENDED
APRIL 30, 2015 and 2014
(in thousands)

FOURTH QUARTER ENDED APRIL 30,

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>Adjustments (A)</th>
<th>Adjusted</th>
<th>2014</th>
<th>Adjustments (A)</th>
<th>Adjusted</th>
<th>% Change</th>
<th>US GAAP</th>
<th>Adjusted excl. FX</th>
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<tbody>
<tr>
<td>Revenue</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Research</td>
<td>$ 274,646</td>
<td>-</td>
<td>274,646</td>
<td>$ 296,817</td>
<td>-</td>
<td>296,817</td>
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</tr>
<tr>
<td>Professional Development</td>
<td>100,442</td>
<td>-</td>
<td>100,442</td>
<td>93,037</td>
<td>-</td>
<td>93,037</td>
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<tr>
<td>Education</td>
<td>66,558</td>
<td>-</td>
<td>66,558</td>
<td>67,235</td>
<td>-</td>
<td>67,235</td>
<td>-1%</td>
<td>2%</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>$ 441,646</td>
<td>-</td>
<td>441,646</td>
<td>$ 457,089</td>
<td>-</td>
<td>457,089</td>
<td>-3%</td>
<td>2%</td>
<td></td>
</tr>
<tr>
<td>Direct Contribution to Profit</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Research</td>
<td>$ 139,258</td>
<td>233</td>
<td>139,491</td>
<td>$ 145,240</td>
<td>3,184</td>
<td>148,424</td>
<td>-4%</td>
<td>0%</td>
<td></td>
</tr>
</tbody>
</table>

JOHN WILEY & SONS, INC.
UNAUDITED SEGMENT RESULTS
FOR THE FOURTH QUARTER AND TWELVE MONTHS ENDED
APRIL 30, 2015 and 2014
(in thousands)
### Development

<table>
<thead>
<tr>
<th>Year</th>
<th>US GAAP</th>
<th>Adjustments (A)</th>
<th>Adjusted</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>36,234</td>
<td>552</td>
<td>36,786</td>
</tr>
<tr>
<td>2014</td>
<td>36,786</td>
<td>516</td>
<td>35,927</td>
</tr>
<tr>
<td></td>
<td>25%</td>
<td>4%</td>
<td>28%</td>
</tr>
</tbody>
</table>

### Education

<table>
<thead>
<tr>
<th>Year</th>
<th>US GAAP</th>
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<th>Adjusted</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>11,149</td>
<td>487</td>
<td>11,636</td>
</tr>
<tr>
<td>2014</td>
<td>8,937</td>
<td>516</td>
<td>9,453</td>
</tr>
<tr>
<td></td>
<td>25%</td>
<td>3%</td>
<td>28%</td>
</tr>
</tbody>
</table>

### Total

<table>
<thead>
<tr>
<th>Year</th>
<th>US GAAP</th>
<th>Adjustments (A)</th>
<th>Adjusted</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>186,641</td>
<td>1,272</td>
<td>187,913</td>
</tr>
<tr>
<td>2014</td>
<td>183,078</td>
<td>10,726</td>
<td>193,804</td>
</tr>
<tr>
<td></td>
<td>2%</td>
<td>3%</td>
<td>3%</td>
</tr>
</tbody>
</table>

### Contribution to Profit (After Allocated Shared Services and Admin. Costs)

<table>
<thead>
<tr>
<th>Function</th>
<th>US GAAP</th>
<th>Adjustments (A-B)</th>
<th>Adjusted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Research</td>
<td>99,186</td>
<td>233</td>
<td>101,081</td>
</tr>
<tr>
<td></td>
<td>3,184</td>
<td>7,026</td>
<td>9,680</td>
</tr>
<tr>
<td>Professional Development</td>
<td>(8,582)</td>
<td>(8,095)</td>
<td>(9,199)</td>
</tr>
<tr>
<td>Education</td>
<td>(487)</td>
<td>(9,715)</td>
<td>(9,199)</td>
</tr>
<tr>
<td></td>
<td>9,453</td>
<td>25%</td>
<td>30%</td>
</tr>
</tbody>
</table>

### Total

<table>
<thead>
<tr>
<th>Year</th>
<th>US GAAP</th>
<th>Adjustments (A-B)</th>
<th>Adjusted</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>102,090</td>
<td>1,272</td>
<td>103,362</td>
</tr>
<tr>
<td>2014</td>
<td>94,020</td>
<td>10,726</td>
<td>104,746</td>
</tr>
<tr>
<td></td>
<td>9%</td>
<td>6%</td>
<td>6%</td>
</tr>
</tbody>
</table>

### Unallocated Shared Services and Admin. Costs

<table>
<thead>
<tr>
<th>Year</th>
<th>US GAAP</th>
<th>Adjustments (A-B)</th>
<th>Adjusted</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>(44,027)</td>
<td>3,653</td>
<td>(40,374)</td>
</tr>
<tr>
<td>2014</td>
<td>(40,374)</td>
<td>3,653</td>
<td>(40,374)</td>
</tr>
<tr>
<td></td>
<td>5%</td>
<td>0%</td>
<td>0%</td>
</tr>
</tbody>
</table>

### Operating Income

<table>
<thead>
<tr>
<th>Year</th>
<th>US GAAP</th>
<th>Adjustments (A-B)</th>
<th>Adjusted</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>58,063</td>
<td>1,272</td>
<td>62,988</td>
</tr>
<tr>
<td>2014</td>
<td>47,542</td>
<td>15,935</td>
<td>62,937</td>
</tr>
<tr>
<td></td>
<td>22%</td>
<td>10%</td>
<td>10%</td>
</tr>
</tbody>
</table>

### Total Shared Services and Admin. Costs by Function

<table>
<thead>
<tr>
<th>Function</th>
<th>US GAAP</th>
<th>Adjustments (A-B)</th>
<th>Adjusted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Research</td>
<td>(21,031)</td>
<td>131</td>
<td>(20,900)</td>
</tr>
<tr>
<td></td>
<td>(27,111)</td>
<td>3,421</td>
<td>(23,690)</td>
</tr>
<tr>
<td></td>
<td>-22%</td>
<td>-6%</td>
<td></td>
</tr>
<tr>
<td>Technology and Content Management</td>
<td>(63,662)</td>
<td>1,337</td>
<td>(62,325)</td>
</tr>
<tr>
<td></td>
<td>(64,024)</td>
<td>777</td>
<td>(63,247)</td>
</tr>
<tr>
<td></td>
<td>-1%</td>
<td>1%</td>
<td></td>
</tr>
<tr>
<td>Finance</td>
<td>(13,564)</td>
<td>74</td>
<td>(13,490)</td>
</tr>
<tr>
<td></td>
<td>(14,593)</td>
<td>(321)</td>
<td>(14,914)</td>
</tr>
<tr>
<td></td>
<td>-7%</td>
<td>-6%</td>
<td></td>
</tr>
<tr>
<td>Other Administration</td>
<td>(30,321)</td>
<td>2,111</td>
<td>(28,210)</td>
</tr>
<tr>
<td></td>
<td>(29,808)</td>
<td>792</td>
<td>(29,016)</td>
</tr>
<tr>
<td></td>
<td>2%</td>
<td>1%</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>(128,578)</td>
<td>3,653</td>
<td>(124,925)</td>
</tr>
<tr>
<td></td>
<td>(135,536)</td>
<td>4,669</td>
<td>(130,867)</td>
</tr>
<tr>
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<td>-5%</td>
<td>-1%</td>
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</tbody>
</table>

### TWELVE MONTHS ENDED APRIL 30,

<table>
<thead>
<tr>
<th>Year</th>
<th>US GAAP</th>
<th>Adjustments (A-B)</th>
<th>Adjusted</th>
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</thead>
<tbody>
<tr>
<td>2015</td>
<td>1,040,795</td>
<td>-</td>
<td>1,040,795</td>
</tr>
<tr>
<td>2014</td>
<td>1,044,349</td>
<td>-</td>
<td>1,044,349</td>
</tr>
<tr>
<td></td>
<td>0%</td>
<td>2%</td>
<td></td>
</tr>
<tr>
<td>Professional Development</td>
<td>407,023</td>
<td>-</td>
<td>407,023</td>
</tr>
<tr>
<td></td>
<td>363,869</td>
<td>-</td>
<td>363,869</td>
</tr>
<tr>
<td></td>
<td>12%</td>
<td>13%</td>
<td></td>
</tr>
<tr>
<td>Education</td>
<td>374,622</td>
<td>-</td>
<td>374,622</td>
</tr>
<tr>
<td></td>
<td>376,977</td>
<td>-</td>
<td>376,977</td>
</tr>
<tr>
<td></td>
<td>2%</td>
<td>3%</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>1,822,440</td>
<td>-</td>
<td>1,822,440</td>
</tr>
<tr>
<td></td>
<td>1,775,195</td>
<td>-</td>
<td>1,775,195</td>
</tr>
<tr>
<td></td>
<td>3%</td>
<td>4%</td>
<td></td>
</tr>
</tbody>
</table>

### Direct Contribution to Profit

<table>
<thead>
<tr>
<th>Function</th>
<th>US GAAP</th>
<th>Adjustments (A-B)</th>
<th>Adjusted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Research</td>
<td>483,413</td>
<td>4,555</td>
<td>487,968</td>
</tr>
<tr>
<td></td>
<td>479,419</td>
<td>7,774</td>
<td>487,193</td>
</tr>
<tr>
<td></td>
<td>1%</td>
<td>2%</td>
<td></td>
</tr>
<tr>
<td>Professional Development</td>
<td>140,588</td>
<td>4,385</td>
<td>144,973</td>
</tr>
<tr>
<td></td>
<td>128,976</td>
<td>11,860</td>
<td>140,836</td>
</tr>
<tr>
<td></td>
<td>9%</td>
<td>4%</td>
<td></td>
</tr>
<tr>
<td>Education</td>
<td>374,622</td>
<td>1,571</td>
<td>127,441</td>
</tr>
<tr>
<td></td>
<td>121,978</td>
<td>891</td>
<td>122,869</td>
</tr>
<tr>
<td></td>
<td>3%</td>
<td>5%</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>749,871</td>
<td>10,511</td>
<td>760,382</td>
</tr>
<tr>
<td></td>
<td>730,373</td>
<td>20,525</td>
<td>750,898</td>
</tr>
<tr>
<td></td>
<td>3%</td>
<td>3%</td>
<td></td>
</tr>
</tbody>
</table>

### Contribution to Profit (After Allocated Shared Services and Admin. Costs)

<table>
<thead>
<tr>
<th>Function</th>
<th>US GAAP</th>
<th>Adjustments (A-B)</th>
<th>Adjusted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Research</td>
<td>315,789</td>
<td>4,555</td>
<td>320,344</td>
</tr>
<tr>
<td></td>
<td>305,727</td>
<td>7,774</td>
<td>313,501</td>
</tr>
<tr>
<td></td>
<td>3%</td>
<td>5%</td>
<td></td>
</tr>
<tr>
<td>Professional Development</td>
<td>38,116</td>
<td>4,385</td>
<td>42,501</td>
</tr>
<tr>
<td></td>
<td>42,217</td>
<td>11,860</td>
<td>34,027</td>
</tr>
<tr>
<td></td>
<td>-6%</td>
<td>28%</td>
<td></td>
</tr>
<tr>
<td>Education</td>
<td>125,870</td>
<td>1,571</td>
<td>127,441</td>
</tr>
<tr>
<td></td>
<td>121,978</td>
<td>891</td>
<td>122,869</td>
</tr>
<tr>
<td></td>
<td>3%</td>
<td>5%</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>46,175</td>
<td>1,571</td>
<td>47,746</td>
</tr>
<tr>
<td></td>
<td>47,787</td>
<td>891</td>
<td>48,678</td>
</tr>
<tr>
<td></td>
<td>-3%</td>
<td>1%</td>
<td></td>
</tr>
</tbody>
</table>
### UNAUDITED ADJUSTED CONTRIBUTION TO PROFIT
#### INCLUDING ALLOCATED SHARED SERVICES AND ADMINISTRATIVE COSTS
FOR THE FOURTH QUARTER AND TWELVE MONTHS ENDED
APRIL 30, 2015 and 2014
(in thousands)

<table>
<thead>
<tr>
<th></th>
<th>Fourth Quarter Ended</th>
<th>Twelve Months Ended</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>April 30,</td>
<td>April 30,</td>
</tr>
<tr>
<td></td>
<td>2015</td>
<td>2014</td>
</tr>
<tr>
<td>Research:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Direct Contribution to</td>
<td>$139,258</td>
<td>145,240</td>
</tr>
<tr>
<td>Restructuring Charges (A)</td>
<td>233</td>
<td>3,184</td>
</tr>
<tr>
<td>Adjusted Direct Contribution to Profit</td>
<td>139,491</td>
<td>148,424</td>
</tr>
<tr>
<td>Allocated Shared Services and Admin. Costs:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Distribution and Operation Services</td>
<td>(10,461)</td>
<td>(10,972)</td>
</tr>
<tr>
<td>Technology and Content Management</td>
<td>(24,256)</td>
<td>(25,953)</td>
</tr>
<tr>
<td>Occupancy and Other</td>
<td>(5,355)</td>
<td>(7,234)</td>
</tr>
<tr>
<td>Adjusted Contribution to Profit (after allocated)</td>
<td>$99,419</td>
<td>104,265</td>
</tr>
</tbody>
</table>

See the accompanying Notes to Unaudited Financial Statements for a description of each Adjustment. Certain prior year amounts have been reclassified to conform to the current year's presentation.
### Professional Development:

<table>
<thead>
<tr>
<th></th>
<th>Direct Contribution to Profit</th>
<th>Restructuring Charges (A)</th>
<th>Adjusted Direct Contribution to Profit</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$36,234</td>
<td>552</td>
<td>$36,786</td>
</tr>
<tr>
<td></td>
<td>28,901</td>
<td>7,026</td>
<td>35,927</td>
</tr>
<tr>
<td></td>
<td>25%</td>
<td>2%</td>
<td>2%</td>
</tr>
<tr>
<td></td>
<td>29%</td>
<td>5%</td>
<td>5%</td>
</tr>
<tr>
<td></td>
<td>$140,588</td>
<td>4,385</td>
<td>$144,973</td>
</tr>
<tr>
<td></td>
<td>128,976</td>
<td>11,860</td>
<td>140,836</td>
</tr>
<tr>
<td></td>
<td>9%</td>
<td>3%</td>
<td>3%</td>
</tr>
<tr>
<td></td>
<td>10%</td>
<td>4%</td>
<td>4%</td>
</tr>
</tbody>
</table>

### Restructuring Charges (A):

<table>
<thead>
<tr>
<th></th>
<th>$552</th>
<th>7,026</th>
<th>4,385</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>-19%</td>
<td>-16%</td>
<td>-18%</td>
</tr>
<tr>
<td></td>
<td>-2%</td>
<td>-1%</td>
<td>-6%</td>
</tr>
<tr>
<td></td>
<td>10%</td>
<td>12%</td>
<td>28%</td>
</tr>
</tbody>
</table>

### Adjusted Direct Contribution to Profit (after allocated): $12,038

### Allocated Shared Services and Admin. Costs:

<table>
<thead>
<tr>
<th>Distribution and Operation Services</th>
<th>(7,167) $(8,883)</th>
<th>-19%</th>
<th>-16%</th>
<th>(30,838) $(37,673)</th>
<th>-18%</th>
<th>-17%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Technology and Content Management</td>
<td>(12,227) $(12,502)</td>
<td>-2%</td>
<td>-1%</td>
<td>(47,574) $(50,374)</td>
<td>-6%</td>
<td>-6%</td>
</tr>
<tr>
<td>Occupancy and Other</td>
<td>(5,354) $(4,862)</td>
<td>10%</td>
<td>12%</td>
<td>(24,060) $(18,762)</td>
<td>28%</td>
<td>29%</td>
</tr>
</tbody>
</table>

### Adjusted Contribution to Profit (after allocated): $12,038

### Shared Services and Admin. Costs: $9,680

### Education:

<table>
<thead>
<tr>
<th>Direct Contribution to Profit</th>
<th>$11,149</th>
<th>8,937</th>
<th>25%</th>
<th>30%</th>
<th>125,870</th>
<th>122,978</th>
<th>3%</th>
<th>5%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Restructuring Charges (A)</td>
<td>487</td>
<td>516</td>
<td></td>
<td></td>
<td>1,571</td>
<td>891</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjusted Direct Contribution to Profit</td>
<td>$11,636</td>
<td>9,453</td>
<td>23%</td>
<td>28%</td>
<td>127,441</td>
<td>122,869</td>
<td>4%</td>
<td>5%</td>
</tr>
</tbody>
</table>

### Allocated Shared Services and Admin. Costs:

<table>
<thead>
<tr>
<th>Distribution and Operation Services</th>
<th>(2,977) $(3,698)</th>
<th>-19%</th>
<th>-14%</th>
<th>(12,863) $(15,685)</th>
<th>-18%</th>
<th>-16%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Technology and Content Management</td>
<td>(13,324) $(11,808)</td>
<td>13%</td>
<td>15%</td>
<td>(52,954) $(46,787)</td>
<td>13%</td>
<td>14%</td>
</tr>
<tr>
<td>Occupancy and Other</td>
<td>(3,430) $(3,146)</td>
<td>9%</td>
<td>9%</td>
<td>(13,878) $(11,719)</td>
<td>18%</td>
<td>19%</td>
</tr>
</tbody>
</table>

### Adjusted Contribution to Profit (after allocated): $(8,095) $(9,199) 12% 13% 47,746 48,678 -2% 1%

### Total Adjusted Contribution to Profit (after allocated): $103,362 104,746 -1% 6% 410,591 396,206 4% 7%

### Unallocated Shared Services and Admin. Costs:

<table>
<thead>
<tr>
<th>Unallocated Shared Services and Admin. Costs</th>
<th>$ (44,027) $(46,478)</th>
<th>-5%</th>
<th>-2%</th>
<th>(162,341) $(169,008)</th>
<th>-4%</th>
<th>-3%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Restructuring Charges (A)</td>
<td>3,653</td>
<td>4,669</td>
<td>18,293</td>
<td>22,197</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Impairment Charges (B)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Adjusted Unallocated Shared Services and Admin. Costs: $40,374 $(41,809) -3% 0% (144,048) $(142,025) 1% 2%
Adjusted Operating Income $62,988 $62,937 0% 10% $266,543 $254,181 5% 9%

See the accompanying Notes to Unaudited Financial Statements for a description of each Adjustment. Certain prior year amounts have been reclassified to conform to the current year's presentation.

JOHN WILEY & SONS, INC.
SEGMENT REVENUE by PRODUCT/SERVICE
FOR THE FOURTH QUARTER AND TWELVE MONTHS ENDED
APRIL 30, 2015 and 2014
(in thousands)

<table>
<thead>
<tr>
<th></th>
<th>Fourth Quarter</th>
<th>Twelve Months</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2015</td>
<td>2014</td>
</tr>
<tr>
<td></td>
<td>% of Revenue</td>
<td>% Change</td>
</tr>
<tr>
<td>Revenue excl. FX</td>
<td></td>
<td></td>
</tr>
<tr>
<td>RESEARCH</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Research Communication:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Journal Subscriptions</td>
<td>$173,562</td>
<td>63% -2%</td>
</tr>
<tr>
<td>Funded Access</td>
<td>5,826</td>
<td>2% 3%</td>
</tr>
<tr>
<td>Other Journal Revenue</td>
<td>36,222</td>
<td>13% 6%</td>
</tr>
<tr>
<td></td>
<td>215,610</td>
<td>79% -1%</td>
</tr>
<tr>
<td>Books and References:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Print Books</td>
<td>21,214</td>
<td>8% -8%</td>
</tr>
<tr>
<td>Digital Books</td>
<td>15,396</td>
<td>6% 3%</td>
</tr>
<tr>
<td>Other Research</td>
<td>36,610</td>
<td>13% -3%</td>
</tr>
<tr>
<td>Revenue</td>
<td>74,226</td>
<td>8% 4%</td>
</tr>
<tr>
<td>Total Revenue</td>
<td>$274,646</td>
<td>100% -1%</td>
</tr>
</tbody>
</table>

PROFESSIONAL DEVELOPMENT
Knowledge Services:
| Print Books          | $44,917         | 45% -9%        | $209,484       | 51% -9%        |
| Digital Books        | 13,506          | 13% -9%        | 49,822         | 12% -7%        |
| Online Test Preparation and Certification | 6,051 | 6% 34% | 18,568 | 5% 22% |
| Other Knowledge Service Revenue | 9,891 | 10% -6% | 30,370 | 7% 2% |
|                      | 74,365          | 74% -6%       | 308,244        | 76% -6%        |

Talent Solutions:
| Assessment           | 15,562         | 15% 36%        | 56,762         | 14% 72%        |
| Online Learning and Training | 10,515 | - 10%        | 42,017         | 10%           |
|                      | 26,077         | 26% 128%      | 98,779         | 24% 199%       |

Total Revenue $100,442 $93,037 100% 10% $407,023 $363,869 100% 13%

EDUCATION
Books:
| Print Textbooks      | $17,630         | 25% -15%       | $144,416       | 39% -9%        |
| Digital Books        | 8,840           | 13% 7%         | 34,036         | 9% 15%         |
|                      | 26,470          | 40% -9%        | 178,452        | 48% -6%        |

Custom Products 1,062 (410) 2% - 50,622 43,556 14% 16%
JOHN WILEY & SONS, INC.
UNAUDITED STATEMENTS OF FINANCIAL POSITION
(in thousands)

April 30,

<table>
<thead>
<tr>
<th>Current Assets</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash &amp; cash equivalents</td>
<td>$457,441</td>
<td>486,377</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>147,183</td>
<td>149,733</td>
</tr>
<tr>
<td>Inventories</td>
<td>63,779</td>
<td>75,495</td>
</tr>
<tr>
<td>Prepaid and other</td>
<td>72,516</td>
<td>78,057</td>
</tr>
<tr>
<td>Total Current Assets</td>
<td>740,919</td>
<td>789,662</td>
</tr>
<tr>
<td>Product Development Assets</td>
<td>69,589</td>
<td>82,940</td>
</tr>
<tr>
<td>Technology, Property and Equipment</td>
<td>193,010</td>
<td>188,718</td>
</tr>
<tr>
<td>Intangible Assets</td>
<td>917,621</td>
<td>984,661</td>
</tr>
<tr>
<td>Goodwill</td>
<td>962,367</td>
<td>903,665</td>
</tr>
<tr>
<td>Income Tax Deposits</td>
<td>57,098</td>
<td>64,037</td>
</tr>
<tr>
<td>Other Assets</td>
<td>63,639</td>
<td>63,682</td>
</tr>
<tr>
<td>Total Assets</td>
<td>3,004,243</td>
<td>3,077,365</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Current Liabilities</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Short-term debt</td>
<td>100,000</td>
<td>-</td>
</tr>
<tr>
<td>Accounts and royalties payable</td>
<td>161,465</td>
<td>142,534</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>372,051</td>
<td>385,654</td>
</tr>
<tr>
<td>Accrued employment costs</td>
<td>93,922</td>
<td>118,503</td>
</tr>
<tr>
<td>Accrued income taxes</td>
<td>9,484</td>
<td>13,324</td>
</tr>
<tr>
<td>Accrued pension liability</td>
<td>4,594</td>
<td>4,671</td>
</tr>
<tr>
<td>Other accrued liabilities</td>
<td>62,167</td>
<td>64,901</td>
</tr>
<tr>
<td>Total Current Liabilities</td>
<td>803,683</td>
<td>729,587</td>
</tr>
<tr>
<td>Long-Term Debt</td>
<td>650,090</td>
<td>700,100</td>
</tr>
<tr>
<td>Accrued Pension Liability</td>
<td>209,727</td>
<td>164,634</td>
</tr>
<tr>
<td>Deferred Income Tax Liabilities</td>
<td>198,947</td>
<td>222,482</td>
</tr>
<tr>
<td>Other Long-Term Liabilities</td>
<td>86,756</td>
<td>78,314</td>
</tr>
<tr>
<td>Shareholders' Equity</td>
<td>1,055,040</td>
<td>1,182,248</td>
</tr>
<tr>
<td>Total Liabilities &amp; Shareholders' Equity</td>
<td>$3,004,243</td>
<td>3,077,365</td>
</tr>
</tbody>
</table>

JOHN WILEY & SONS, INC.
UNAUDITED STATEMENTS OF FREE CASH FLOW
(in thousands)

Twelve Months Ended April 30,

<table>
<thead>
<tr>
<th>Operating Activities</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net income</td>
<td>$176,868</td>
<td>160,510</td>
</tr>
<tr>
<td>Amortization of intangibles</td>
<td>51,214</td>
<td>44,679</td>
</tr>
<tr>
<td>Amortization of composition costs</td>
<td>40,639</td>
<td>45,097</td>
</tr>
<tr>
<td>Depreciation of technology, property and equipment</td>
<td>62,072</td>
<td>58,321</td>
</tr>
<tr>
<td>Restructuring and impairment charges</td>
<td>28,804</td>
<td>47,508</td>
</tr>
<tr>
<td>Restructuring payments</td>
<td>(32,341)</td>
<td>(28,276)</td>
</tr>
</tbody>
</table>
Deferred tax benefits on U.K. rate changes          -        $(10,634)
Share-based compensation expense               13,617    12,851
Employee retirement plan expense               22,599    30,454
Excess tax (benefits) charges from share-based compensation (3,191)     1,466
Royalty advances                                (103,136) (107,639)
Earned royalty advances                        108,314    107,329
Other non-cash charges and credits              (8,046)     (3,626)
Change in deferred revenue                     3,913      (750)
Income tax deposit                              (5,280)     (11,968)
Net change in operating assets and liabilities, excluding acquisitions (924)      2,702
Cash Provided by Operating Activities          355,122    348,224

Investments in organic growth:
Composition spending                           (39,421)     (40,568)
Additions to technology, property and equipment (69,121)     (57,564)
Free Cash Flow                                  246,580    250,092

Other Investing and Financing Activities:
Acquisitions, net of cash                      (172,229)     (54,515)
Escrowed proceeds from sale of consumer publishing programs 1,100      3,300
Repayment of long-term debt                    (711,654)    (658,224)
Borrowings of long-term debt                   659,369     683,324
Borrowings of short-term debt                  100,000      -
Change in book overdrafts                      (6,711)     (12,354)
Cash dividends                                 (68,498)     (58,953)
Purchase of treasury shares                    (61,981)     (63,393)
Proceeds from exercise of stock options and other 25,326     55,532
Excess tax benefits (charges) from share-based compensation 3,191     (1,466)
Cash Used for Investing and Financing Activities (232,087)    (104,749)
Effects of Exchange Rate Changes on Cash       (43,429)      6,894
Decrease in Cash and Cash Equivalents for Period $ (28,936)      152,237

RECONCILIATION TO GAAP PRESENTATION

Investing Activities:
Composition spending                           $ (39,421)     (40,568)
Additions to technology, property and equipment (69,121)     (57,564)
Acquisitions, net of cash                      (172,229)     (54,515)
Escrowed proceeds from sale of consumer publishing programs 1,100      3,300
Cash Used for Investing Activities             $ (279,671) (149,347)

Financing Activities:
Cash Used for Investing and Financing Activities $ (232,087)    (104,749)
Excluding:
Acquisitions, net of cash                      (172,229)     (54,515)
Escrowed proceeds from sale of consumer publishing programs 1,100      3,300
Cash Used for Financing Activities             $ (60,958)      (53,334)

Note: The Company’s management evaluates performance using free cash flow. The Company believes free cash flow provides a meaningful and comparable measure of performance. Since free cash flow is not a measure calculated in accordance with GAAP, it should not be considered as a substitute for other GAAP measures, including cash used for or provided by operating activities, investing activities and financing activities, as an indicator of performance.