Wiley Reports Fourth Quarter and Fiscal Year 2015 Results

Release Date: Tuesday, June 16, 2015 8:00 am EDT

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

Revenue on a constant currency basis rose 2% to $442 million. Growth in Professional Development (+10%), aided by the CrossKnowledge and Profiles International acquisitions, and Education (+2%) 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 grew 32%.

Wiley recorded a restructuring charge of $4.9 million this quarter for severance and other costs related to reorganization and consolidation across the business.

CEO Update: In the quarter, EVP and COO Mark Allin was named Wiley’s 12th President and CEO after the retirement of Stephen M. Smith. Prior to serving as Chief Operating Officer, Mr. Allin had been EVP, Professional Development.

Fiscal Year Summary

Revenue on a constant currency basis grew 4% over prior year to $1,822 million, with organic growth in Research (+2%) and Education (+3%), as well as contributions from acquisitions in Professional Development (+11%) and Education (+1%). Total organic revenue, which excludes CrossKnowledge and Profiles International, increased modestly (+1%) over prior year at constant currency. Revenue grew 3% on a US GAAP basis.

Adjusted EPS on a constant currency basis grew 10% to $3.26 with revenue growth, higher gross margins from the shift to digital, restructuring savings, and a lower effective income tax rate. The adverse impact of foreign exchange compared to the prior year was -$0.11 per share. Adjusted EPS excludes certain one-time or unusual items in both years, as described in the attached reconciliation of US GAAP to Adjusted EPS. US GAAP EPS for fiscal year 2015 was $2.97 vs. $2.70 in the prior year.

Adjusted shared services and administrative costs were essentially flat for the year 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 and dispositions 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, 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 (+6%), digital books (+3%), and funded access (+3%). For the year, 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 Profiles International (+$15 million) and strong growth in Online Test Preparation (+34%), which more than offset continued weakness in Book sales (-9%). Excluding the acquisitions, which were closed on May 1 and April 1, 2014, respectively, revenue declined 5%. For the year, revenue on a constant currency basis increased 13% to $407 million, but decreased 5% excluding the acquisitions, driven by a continued decline in print and digital books.

- Adjusted Contribution to Profit: Fourth quarter adjusted contribution to profit grew 30% on a constant currency basis to $12 million primarily due to restructuring savings, which offset modest dilution from the two recent acquisitions. For the year, adjusted contribution to profit grew 28% to $43 million, driven by margin improvements due to the shift to higher margin solutions businesses.

- 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 System 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 38 partners and 200 degree programs under contract.

Earnings Conference Call

- Scheduled for today, June 16, at 10:00 a.m. (EDT)
- 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 from those 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.

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)
## FOURTH QUARTER ENDED APRIL 30, 2015

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>US GAAP</td>
<td>Adjustments</td>
<td>Adjusted</td>
</tr>
<tr>
<td>Revenue</td>
<td>$ 441,646</td>
<td>-</td>
<td>441,646</td>
</tr>
<tr>
<td>Costs and Expenses</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost of Sales</td>
<td>116,844</td>
<td>-</td>
<td>116,844</td>
</tr>
<tr>
<td>Operating and Admin</td>
<td>249,459</td>
<td>-</td>
<td>249,459</td>
</tr>
<tr>
<td>Restructuring Charges (A)</td>
<td>4,925</td>
<td>(4,925)</td>
<td>-</td>
</tr>
<tr>
<td>Amortization of Intangibles</td>
<td>12,355</td>
<td>-</td>
<td>12,355</td>
</tr>
<tr>
<td>Total Costs and Expenses</td>
<td>383,583</td>
<td>(4,925)</td>
<td>378,658</td>
</tr>
<tr>
<td>Operating Income</td>
<td>58,063</td>
<td>4,925</td>
<td>62,988</td>
</tr>
<tr>
<td>Operating Margin</td>
<td>13.1%</td>
<td>14.3%</td>
<td>10.4%</td>
</tr>
<tr>
<td>Interest Expense</td>
<td>(4,062)</td>
<td>-</td>
<td>(4,062)</td>
</tr>
<tr>
<td>Foreign Exchange Gain</td>
<td>(1,086)</td>
<td>-</td>
<td>(1,086)</td>
</tr>
<tr>
<td>Interest Income and Other</td>
<td>839</td>
<td>-</td>
<td>839</td>
</tr>
<tr>
<td>Income Before Taxes</td>
<td>53,754</td>
<td>4,925</td>
<td>58,679</td>
</tr>
<tr>
<td>Provision for Income Taxes (A,C)</td>
<td>6,857</td>
<td>3,945</td>
<td>10,802</td>
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<tr>
<td>Net Income</td>
<td>$ 46,897</td>
<td>980</td>
<td>47,877</td>
</tr>
<tr>
<td>Earnings Per Share- Diluted (A,C)</td>
<td>$ 0.79</td>
<td>0.02</td>
<td>0.81</td>
</tr>
<tr>
<td>Average Shares - Diluted</td>
<td>59,368</td>
<td>59,368</td>
<td>59,368</td>
</tr>
</tbody>
</table>

## TWELVE MONTHS ENDED APRIL 30, 2015

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>US GAAP</td>
<td>Adjustments</td>
<td>Adjusted</td>
</tr>
<tr>
<td>Revenue</td>
<td>$ 1,822,440</td>
<td>-</td>
<td>1,822,440</td>
</tr>
<tr>
<td>Costs and Expenses</td>
<td></td>
<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 Admin</td>
<td>1,005,000</td>
<td>-</td>
<td>1,005,000</td>
</tr>
<tr>
<td>Restructuring Charges (A)</td>
<td>28,804</td>
<td>(28,804)</td>
<td>-</td>
</tr>
<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>
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</table>
### Total Costs and Expenses

<table>
<thead>
<tr>
<th></th>
<th>1,584,701</th>
<th>(28,804)</th>
<th>1,555,897</th>
<th>1,568,522</th>
<th>(47,508)</th>
<th>1,521,014</th>
<th>1 %</th>
<th>3 %</th>
</tr>
</thead>
</table>

### Operating Income

<table>
<thead>
<tr>
<th></th>
<th>237,739</th>
<th>28,804</th>
<th>266,543</th>
<th>206,673</th>
<th>47,508</th>
<th>254,181</th>
<th>15 %</th>
<th>9 %</th>
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</table>

### Operating Margin

<table>
<thead>
<tr>
<th></th>
<th>13.0 %</th>
<th>14.6 %</th>
<th>11.6 %</th>
<th>14.3 %</th>
<th></th>
<th></th>
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</table>

### Interest Expense

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<thead>
<tr>
<th></th>
<th>(17,077)</th>
<th>-</th>
<th>(17,077)</th>
<th>(13,916)</th>
<th>-</th>
<th>(13,916)</th>
<th>23 %</th>
<th>23 %</th>
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</table>

### Foreign Exchange Gain

<table>
<thead>
<tr>
<th></th>
<th>1,742</th>
<th>-</th>
<th>1,742</th>
<th>-</th>
<th>8</th>
<th>-</th>
<th></th>
<th></th>
</tr>
</thead>
</table>

### Income and Other

<table>
<thead>
<tr>
<th></th>
<th>3,057</th>
<th>-</th>
<th>2,785</th>
<th>-</th>
<th>2,785</th>
<th>10 %</th>
<th>10 %</th>
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</thead>
</table>

### Income Before Taxes

<table>
<thead>
<tr>
<th></th>
<th>225,461</th>
<th>28,804</th>
<th>254,265</th>
<th>195,534</th>
<th>47,508</th>
<th>243,042</th>
<th>15 %</th>
<th>8 %</th>
</tr>
</thead>
</table>

### Provision for Income Taxes (A-D)

<table>
<thead>
<tr>
<th></th>
<th>48,593</th>
<th>11,599</th>
<th>60,192</th>
<th>35,024</th>
<th>26,457</th>
<th>61,481</th>
<th>39 %</th>
<th>1 %</th>
</tr>
</thead>
</table>

### Net Income

<table>
<thead>
<tr>
<th></th>
<th>$ 176,868</th>
<th>17,205</th>
<th>194,073</th>
<th>160,510</th>
<th>21,051</th>
<th>181,561</th>
<th>10 %</th>
<th>10 %</th>
</tr>
</thead>
</table>

### Earnings Per Share - Diluted (A-D)

<table>
<thead>
<tr>
<th></th>
<th>$ 2.97</th>
<th>0.29</th>
<th>3.26</th>
<th>2.70</th>
<th>0.35</th>
<th>3.05</th>
<th>10 %</th>
<th>10 %</th>
</tr>
</thead>
</table>

### Average Shares - Diluted

<table>
<thead>
<tr>
<th></th>
<th>59,594</th>
<th>59,594</th>
<th>59,594</th>
<th>59,514</th>
<th>59,514</th>
<th>59,514</th>
<th></th>
<th></th>
</tr>
</thead>
</table>

See the accompanying Notes to Unaudited Financial Statements for a description of each Adjustment.

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**John Wiley & Sons, Inc.**

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

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### RECONCILIATION OF US GAAP TO ADJUSTED EPS - DILUTED (UNAUDITED)

<table>
<thead>
<tr>
<th></th>
<th>Fourth Quarter Ended</th>
<th>Twelve Months Ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>April 30, 2015</td>
<td>April 30, 2014</td>
</tr>
<tr>
<td>US GAAP Earnings Per Share -</td>
<td>$ 0.79</td>
<td>$ 0.60</td>
</tr>
<tr>
<td>Diluted</td>
<td>$ 2.97</td>
<td>$ 2.70</td>
</tr>
<tr>
<td>Adjusted to exclude the following:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restructuring Charges (A)</td>
<td>(0.07)</td>
<td>(0.17)</td>
</tr>
<tr>
<td>Impairment Charges (B)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Non-recurring Tax Benefit (C)</td>
<td>0.05</td>
<td>0.05</td>
</tr>
<tr>
<td>Deferred Income Tax Benefit on</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>UK Rate Change (D)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Adjusted Earnings Per Share -</td>
<td>$ 0.81</td>
<td>$ 0.77</td>
</tr>
<tr>
<td>Diluted</td>
<td>$ 3.26</td>
<td>$ 3.05</td>
</tr>
</tbody>
</table>

### NOTES TO UNAUDITED FINANCIAL STATEMENTS

**Adjustments:**

**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.

**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.

**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 value.
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 US GAAP</th>
<th>Adjustments (A)</th>
<th>Adjusted</th>
<th>2014 US GAAP</th>
<th>Adjustments (A)</th>
<th>Adjusted</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></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>
<td>-7 %</td>
</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>
<td>8 % 10 %</td>
</tr>
<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 % 2 %</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$ 441,646</td>
<td>-</td>
<td>441,646</td>
<td>457,089</td>
<td>-</td>
<td>457,089</td>
<td>-3 % 2 %</td>
</tr>
<tr>
<td><strong>Direct Contribution to Profit</strong></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 % 0 %</td>
</tr>
<tr>
<td>Professional Development</td>
<td>36,234</td>
<td>552</td>
<td>36,786</td>
<td>28,901</td>
<td>7,026</td>
<td>35,927</td>
<td>25 % 5 %</td>
</tr>
<tr>
<td>Education</td>
<td>11,149</td>
<td>487</td>
<td>11,636</td>
<td>8,937</td>
<td>516</td>
<td>9,453</td>
<td>25 % 28 %</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$ 186,641</td>
<td>1,272</td>
<td>187,913</td>
<td>183,078</td>
<td>10,726</td>
<td>193,804</td>
<td>2 % 3 %</td>
</tr>
<tr>
<td>Contribution to Profit (After Allocated Shared Services)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Research</td>
<td>$ 99,186</td>
<td>233</td>
<td>99,419</td>
<td>101,081</td>
<td>3,184</td>
<td>104,265</td>
<td>-2 % 2 %</td>
</tr>
<tr>
<td>Professional Development</td>
<td>11,486</td>
<td>552</td>
<td>12,038</td>
<td>2,654</td>
<td>7,026</td>
<td>9,680</td>
<td>333 % 30 %</td>
</tr>
<tr>
<td>Education</td>
<td>(8,582)</td>
<td>487</td>
<td>(8,095)</td>
<td>(9,715)</td>
<td>516</td>
<td>(9,199)</td>
<td>12 % 13 %</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$ 102,090</td>
<td>1,272</td>
<td>103,362</td>
<td>94,020</td>
<td>10,726</td>
<td>104,746</td>
<td>9 % 6 %</td>
</tr>
<tr>
<td>Unallocated Shared Services and Admin. Costs</td>
<td>(44,027)</td>
<td>3,653</td>
<td>(40,374)</td>
<td>(46,478)</td>
<td>4,669</td>
<td>(41,809)</td>
<td>-5 % 0 %</td>
</tr>
<tr>
<td>--------------------------------</td>
<td>--------------</td>
<td>-----------------</td>
<td>------------------</td>
<td>--------------</td>
<td>------------------</td>
<td>------------------</td>
<td>------------------</td>
</tr>
<tr>
<td><strong>Revenue</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Research</td>
<td>$1,040,795</td>
<td>-</td>
<td>1,040,795</td>
<td>1,044,349</td>
<td>-</td>
<td>1,044,349</td>
<td>0%</td>
</tr>
<tr>
<td>Professional Development</td>
<td>407,023</td>
<td>-</td>
<td>407,023</td>
<td>363,869</td>
<td>-</td>
<td>363,869</td>
<td>12%</td>
</tr>
<tr>
<td>Education</td>
<td>374,622</td>
<td>-</td>
<td>374,622</td>
<td>366,977</td>
<td>-</td>
<td>366,977</td>
<td>2%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$1,822,440</td>
<td>-</td>
<td>1,822,440</td>
<td>1,775,195</td>
<td>-</td>
<td>1,775,195</td>
<td>3%</td>
</tr>
<tr>
<td><strong>Direct Contribution to Profit</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Research</td>
<td>$483,413</td>
<td>4,555</td>
<td>487,968</td>
<td>479,419</td>
<td>7,774</td>
<td>487,193</td>
<td>1%</td>
</tr>
<tr>
<td>Professional Development</td>
<td>140,588</td>
<td>4,385</td>
<td>144,973</td>
<td>128,976</td>
<td>11,860</td>
<td>140,836</td>
<td>9%</td>
</tr>
<tr>
<td>Education</td>
<td>125,870</td>
<td>1,571</td>
<td>127,441</td>
<td>121,978</td>
<td>891</td>
<td>122,869</td>
<td>3%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$749,871</td>
<td>10,511</td>
<td>760,382</td>
<td>730,373</td>
<td>20,525</td>
<td>750,898</td>
<td>3%</td>
</tr>
<tr>
<td><strong>Contribution to Profit (After Allocated Shared Services and Admin. Costs)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Research</td>
<td>$315,789</td>
<td>4,555</td>
<td>320,344</td>
<td>305,727</td>
<td>7,774</td>
<td>313,501</td>
<td>3%</td>
</tr>
<tr>
<td>Professional Development</td>
<td>38,116</td>
<td>4,385</td>
<td>42,501</td>
<td>22,167</td>
<td>11,860</td>
<td>34,027</td>
<td>-</td>
</tr>
<tr>
<td>Education</td>
<td>46,175</td>
<td>1,571</td>
<td>47,746</td>
<td>47,787</td>
<td>891</td>
<td>48,678</td>
<td>-3%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$400,080</td>
<td>10,511</td>
<td>410,591</td>
<td>375,681</td>
<td>20,525</td>
<td>396,206</td>
<td>6%</td>
</tr>
<tr>
<td><strong>Unallocated Shared Services and Admin. Costs</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Research)</td>
<td>(162,341)</td>
<td>18,293</td>
<td>(144,048)</td>
<td>(169,008)</td>
<td>26,983</td>
<td>(142,025)</td>
<td>-4%</td>
</tr>
<tr>
<td><strong>Operating Income</strong></td>
<td>$237,739</td>
<td>28,804</td>
<td>266,543</td>
<td>206,673</td>
<td>47,508</td>
<td>254,181</td>
<td>15%</td>
</tr>
</tbody>
</table>
Total Shared Services and Admin. Costs by Function

| Distribution and Operation Services | $ (92,791 ) | 4,567 | (88,224 ) | (105,445 ) | 6,012 | (99,433 ) | -12 % | -10 % |
| Technology and Content Management | (248,914 ) | 2,622 | (246,292 ) | (255,349 ) | 14,020 | (241,329 ) | -3 % | 2 % |
| Finance | (53,133 ) | 145 | (52,988 ) | (55,029 ) | 561 | (54,468 ) | -3 % | -1 % |
| Other Administration | (117,294 ) | 10,959 | (106,335 ) | (107,877 ) | 6,390 | (101,487 ) | 9 % | 6 % |
| Total | $ (512,132 ) | 18,293 | (493,839 ) | (523,700 ) | 26,983 | (496,717 ) | -2 % | 0 % |

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.

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

Professional
<table>
<thead>
<tr>
<th>Development:</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct Contribution to Profit</td>
<td>$36,234</td>
<td>28,901</td>
<td>25%</td>
<td>29%</td>
<td>140,588</td>
<td>128,976</td>
<td>9%</td>
<td>10%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restructuring Charges (A)</td>
<td>552</td>
<td>7,026</td>
<td>4,385</td>
<td>11,860</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjusted Direct Contribution to Profit</td>
<td>36,786</td>
<td>35,927</td>
<td>2%</td>
<td>5%</td>
<td>144,973</td>
<td>140,836</td>
<td>3%</td>
<td>4%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Allocated Shared Services and Admin. Costs:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Distribution and Operation Services</td>
<td>(7,167)</td>
<td>(8,883)</td>
<td>-19%</td>
<td>-16%</td>
<td>(30,838)</td>
<td>(37,673)</td>
<td>-18%</td>
<td>-17%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Technology and Content Management</td>
<td>(12,227)</td>
<td>(12,502)</td>
<td>-2%</td>
<td>-1%</td>
<td>(47,574)</td>
<td>(50,374)</td>
<td>-6%</td>
<td>-6%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Occupancy and Other</td>
<td>(5,354)</td>
<td>(4,862)</td>
<td>10%</td>
<td>12%</td>
<td>(24,060)</td>
<td>(18,762)</td>
<td>28%</td>
<td>29%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjusted Contribution to Profit (after allocated Shared Services and Admin. Costs)</td>
<td>$12,038</td>
<td>9,680</td>
<td>24%</td>
<td>30%</td>
<td>42,501</td>
<td>34,027</td>
<td>25%</td>
<td>28%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Education:</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct Contribution to Profit</td>
<td>$11,149</td>
<td>8,937</td>
<td>25%</td>
<td>30%</td>
<td>125,870</td>
</tr>
<tr>
<td>Restructuring Charges (A)</td>
<td>487</td>
<td>516</td>
<td>1,571</td>
<td>891</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>
</tr>
<tr>
<td>Allocated Shared Services and Admin. Costs:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Distribution and Operation Services</td>
<td>(2,977)</td>
<td>(3,698)</td>
<td>-19%</td>
<td>-14%</td>
<td>(12,863)</td>
</tr>
<tr>
<td>Technology and Content Management</td>
<td>(13,324)</td>
<td>(11,808)</td>
<td>13%</td>
<td>15%</td>
<td>(52,954)</td>
</tr>
<tr>
<td>Occupancy and Other</td>
<td>(3,430)</td>
<td>(3,146)</td>
<td>9%</td>
<td>9%</td>
<td>(13,878)</td>
</tr>
<tr>
<td>Adjusted Contribution to Profit (after allocated Shared Services and Admin. Costs)</td>
<td>$8,095</td>
<td>(9,199)</td>
<td>12%</td>
<td>13%</td>
<td>47,746</td>
</tr>
</tbody>
</table>

| Total Adjusted Contribution to Profit (after allocated Shared Services and Admin. Costs) | $103,362 | 104,746 | -1% | 6% | 410,591 | 396,206 | 4% | 7% |
Unallocated
Shared
Services and
Admin.
Costs:

Unallocated
Shared
Services and
Admin. Costs
$ (44,027 ) (46,478 ) -5 % -2 % (162,341 ) (169,008 ) -4 % -3 %
Restructuring
Charges (A)
3,653 4,669 18,293 22,197
Impairment
Charges (B)
- - - 4,786
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 Ended April 30</th>
<th>% of Revenue</th>
<th>% Change excl. FX</th>
<th>Twelve Months Ended April 30</th>
<th>% of Revenue</th>
<th>% Change excl. FX</th>
</tr>
</thead>
<tbody>
<tr>
<td>RESEARCH</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Research Communication:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Journal Subscriptions</td>
<td>$ 173,562</td>
<td>63 %</td>
<td>-2 %</td>
<td>$ 664,455</td>
<td>64 %</td>
<td>1 %</td>
</tr>
<tr>
<td>Funded Access</td>
<td>5,826</td>
<td>2 %</td>
<td>3 %</td>
<td>22,388</td>
<td>2 %</td>
<td>29 %</td>
</tr>
<tr>
<td>Other Journal Revenue</td>
<td>36,222</td>
<td>13 %</td>
<td>6 %</td>
<td>126,942</td>
<td>12 %</td>
<td>15 %</td>
</tr>
<tr>
<td></td>
<td>215,610</td>
<td>79 %</td>
<td>-1 %</td>
<td>813,785</td>
<td>78 %</td>
<td>4 %</td>
</tr>
<tr>
<td>Books and References:</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Print Books</td>
<td>21,214</td>
<td>8 %</td>
<td>-8 %</td>
<td>101,872</td>
<td>10 %</td>
<td>-9 %</td>
</tr>
<tr>
<td>Digital Books</td>
<td>15,396</td>
<td>6 %</td>
<td>3 %</td>
<td>45,550</td>
<td>4 %</td>
<td>-2 %</td>
</tr>
<tr>
<td></td>
<td>36,610</td>
<td>13 %</td>
<td>-3 %</td>
<td>147,422</td>
<td>14 %</td>
<td>-7 %</td>
</tr>
<tr>
<td>Other Research Revenue</td>
<td>22,426</td>
<td>8 %</td>
<td>4 %</td>
<td>79,588</td>
<td>8 %</td>
<td>-2 %</td>
</tr>
<tr>
<td>Total Revenue</td>
<td>$ 274,646</td>
<td>100 %</td>
<td>-1 %</td>
<td>$ 1,040,795</td>
<td>100 %</td>
<td>2 %</td>
</tr>
</tbody>
</table>

PROFESSIONAL DEVELOPMENT

Knowledge Services: | $ 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 | 10,679 | 10 % | -6 % | 30,370 | 29,882 | 7 % | 2 % |
| Total Revenue       | 74,365                        | 74 %         | -6 %             | 308,244                       | 76 %         | -6 %             |
Talent Solutions:

Assessment  | 15,562  | 11,422  | 15%  | 36%  | 56,762  | 33,047  | 14%  | 72%  
Online Learning and Training  | 10,515  |  -   | 10%  | 42,017 | 14%  | 72%  
Total Revenue  | 26,077  | 11,422  | 26%  | 128%  | 98,779  | 33,047  | 24%  | 199%  

EDUCATION

Online Learning and Training

Books:

Print Textbooks  | 17,630  | 22,189  | 25%  | -15%  | $144,416  | 163,152  | 39%  | -9%  
Digital Books  | 8,840  | 8,615  | 13%  | 7%  | 34,036  | 30,137  | 9%  | 15%  
Custom Products  | 26,077  | 30,804  | 40%  | -9%  | 178,452  | 193,289  | 48%  | -6%  
Total Revenue  | $ 66,558  | 67,235  | 100%  | 2%  | $ 374,622  | 366,977  | 100%  | 3%  

Note: Segment Revenue Categorization

JOHN WILEY & SONS, INC.
UNAUDITED STATEMENTS OF FINANCIAL POSITION
(in thousands)

April 30, 2015 2014

Current Assets

Cash & cash equivalents  | $457,441  | 486,377 
Accounts receivable  | 147,183  | 149,733 
Inventories  | 63,779  | 75,495 
Prepaid and other  | 72,516  | 78,057 
Total Current Assets  | 740,919  | 789,662 

Product Development Assets  | 69,589  | 82,940 
Technology, Property and Equipment  | 193,010  | 188,718 
Intangible Assets  | 917,621  | 984,661 
Goodwill  | 962,367  | 903,665 
Income Tax Deposits  | 57,098  | 64,037 
Other Assets  | 63,639  | 63,682 
Total Assets  | 3,004,243  | 3,077,365 

Current Liabilities

Short-term debt  | 100,000  | - 
Accounts and royalties payable  | 161,465  | 142,534 
Deferred revenue  | 372,051  | 385,654 
Accrued employment costs  | 93,922  | 118,503 
Accrued income taxes  | 9,484  | 13,324 
Accrued pension liability  | 4,594  | 4,671 
Other accrued liabilities  | 62,167  | 64,901 
Total Current Liabilities  | 803,683  | 729,587 

Long-Term Debt  | 650,090  | 700,100 
Accrued Pension Liability  | 209,727  | 164,634 
Deferred Income Tax Liabilities  | 198,947  | 222,482 
Other Long-Term Liabilities  | 86,756  | 78,314 
Shareholders’ Equity  | 1,055,040  | 1,182,248 
Total Liabilities & Shareholders’ Equity  | $3,004,243  | 3,077,365 

JOHN WILEY & SONS, INC.
UNAUDITED STATEMENTS OF FREE CASH FLOW
<table>
<thead>
<tr>
<th>Description</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating Activities:</strong></td>
<td></td>
<td></td>
</tr>
<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>
<tr>
<td>Deferred tax benefits on U.K. rate changes</td>
<td>-</td>
<td>(10,634)</td>
</tr>
<tr>
<td>Share-based compensation expense</td>
<td>13,617</td>
<td>12,851</td>
</tr>
<tr>
<td>Employee retirement plan expense</td>
<td>22,599</td>
<td>30,454</td>
</tr>
<tr>
<td>Excess tax (benefits) charges from share-based compensation</td>
<td>(3,191)</td>
<td>1,466</td>
</tr>
<tr>
<td>Royalty advances</td>
<td>(103,136)</td>
<td>(107,639)</td>
</tr>
<tr>
<td>Earned royalty advances</td>
<td>108,314</td>
<td>107,529</td>
</tr>
<tr>
<td>Other non-cash charges and credits</td>
<td>(8,046)</td>
<td>(3,626)</td>
</tr>
<tr>
<td>Change in deferred revenue</td>
<td>3,913</td>
<td>(750)</td>
</tr>
<tr>
<td>Income tax deposit</td>
<td>(5,280)</td>
<td>(11,968)</td>
</tr>
<tr>
<td>Net change in operating assets and liabilities, excluding acquisitions</td>
<td>(924)</td>
<td>2,702</td>
</tr>
<tr>
<td>Cash Provided by Operating Activities</td>
<td>355,122</td>
<td>348,224</td>
</tr>
<tr>
<td><strong>Investments in organic growth:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Composition spending</td>
<td>(39,421)</td>
<td>(40,568)</td>
</tr>
<tr>
<td>Additions to technology, property and equipment</td>
<td>(69,121)</td>
<td>(57,564)</td>
</tr>
<tr>
<td><strong>Free Cash Flow</strong></td>
<td>246,580</td>
<td>250,092</td>
</tr>
<tr>
<td><strong>Other Investing and Financing Activities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Acquisitions, net of cash</td>
<td>(172,229)</td>
<td>(54,515)</td>
</tr>
<tr>
<td>Repayment of long-term debt</td>
<td>(711,654)</td>
<td>(658,224)</td>
</tr>
<tr>
<td>Borrowings of long-term debt</td>
<td>659,369</td>
<td>685,324</td>
</tr>
<tr>
<td>Borrowings of short-term debt</td>
<td>100,000</td>
<td></td>
</tr>
<tr>
<td>Change in book overdrafts</td>
<td>(6,711)</td>
<td>(12,354)</td>
</tr>
<tr>
<td>Cash dividends</td>
<td>(68,498)</td>
<td>(58,953)</td>
</tr>
<tr>
<td>Purchase of treasury shares</td>
<td>(61,981)</td>
<td>(63,393)</td>
</tr>
<tr>
<td>Proceeds from exercise of stock options and other</td>
<td>25,326</td>
<td>55,532</td>
</tr>
<tr>
<td>Excess tax benefits (charges) from share-based compensation</td>
<td>3,191</td>
<td>(1,466)</td>
</tr>
<tr>
<td>Cash Used for Investing and Financing Activities</td>
<td>(232,087)</td>
<td>(104,749)</td>
</tr>
<tr>
<td><strong>Effects of Exchange Rate Changes on Cash</strong></td>
<td>(43,429)</td>
<td>6,894</td>
</tr>
<tr>
<td><strong>Decrease in Cash and Cash Equivalents for Period</strong></td>
<td>$ (28,936)</td>
<td>152,237</td>
</tr>
</tbody>
</table>

**RECONCILIATION TO GAAP PRESENTATION**

<table>
<thead>
<tr>
<th>Description</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Investing Activities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Composition spending</td>
<td>$ (39,421)</td>
<td>(40,568)</td>
</tr>
<tr>
<td>Additions to technology, property and equipment</td>
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<td>(57,564)</td>
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<td>(54,515)</td>
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<td>685,324</td>
</tr>
<tr>
<td>Borrowings of short-term debt</td>
<td>100,000</td>
<td></td>
</tr>
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<td>55,532</td>
</tr>
<tr>
<td>Excess tax benefits (charges) from share-based compensation</td>
<td>3,191</td>
<td>(1,466)</td>
</tr>
<tr>
<td>Cash Used for Investing and Financing Activities</td>
<td>(279,671)</td>
<td>(149,347)</td>
</tr>
<tr>
<td><strong>Financing Activities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash Used for Investing and Financing Activities</td>
<td>$ (232,087)</td>
<td>(104,749)</td>
</tr>
<tr>
<td>Excluding:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Acquisitions, net of cash</td>
<td>(172,229)</td>
<td>(54,515)</td>
</tr>
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<td>Repayment of long-term debt</td>
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<td>55,532</td>
</tr>
<tr>
<td>Excess tax benefits (charges) from share-based compensation</td>
<td>3,191</td>
<td>(1,466)</td>
</tr>
<tr>
<td>Cash Used for Financing Activities</td>
<td>$ (60,958)</td>
<td>(53,534)</td>
</tr>
</tbody>
</table>

**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.
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Exchange:
NYSE
Ticker:
JWB
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NYSE