

JOHN WILEY & SONS, INC.
UNAUDITED SUMMARY OF OPERATIONS
FOR THE SECOND QUARTER AND SIX MONTHS ENDED
OCTOBER 31, 2011 AND 2010
(in thousands, except per share amounts)

US GAAP

	<u>Second Quarter Ended October 31,</u>			<u>Six Months Ended October 31,</u>		
	2011	2010	% Change	2011	2010	% Change
Revenue	\$ 446,985	441,844	1%	\$ 877,054	849,782	3%
Costs and Expenses						
Cost of Sales	132,667	139,539	-5%	262,341	264,808	-1%
Operating and Administrative Expenses	233,315	215,863	8%	464,484	426,891	9%
Amortization of Intangibles	9,016	8,712	3%	18,090	17,294	5%
Total Costs and Expenses	<u>374,998</u>	<u>364,114</u>	3%	<u>744,915</u>	<u>708,993</u>	5%
Operating Income	71,987	77,730	-7%	132,139	140,789	-6%
Operating Margin	16.1%	17.6%		15.1%	16.6%	
Interest Expense	(1,765)	(4,823)	-63%	(3,502)	(10,531)	-67%
Foreign Exchange Losses	(746)	(76)	-	(965)	(759)	-
Interest Income and Other	1,289	463		1,873	883	
Income Before Taxes	70,765	73,294	-3%	129,545	130,382	-1%
Provision for Income Taxes	19,989	19,636		27,973	32,679	
Net Income	<u>\$ 50,776</u>	<u>53,658</u>	-5%	<u>\$ 101,572</u>	<u>97,703</u>	4%
Earnings Per Share- Diluted	\$ 0.83	0.88	-6%	\$ 1.65	1.60	3%
Average Shares - Diluted	61,432	61,005		61,572	60,934	

ADJUSTED

	<u>Second Quarter Ended October 31,</u>			<u>Six Months Ended October 31,</u>		
	2011	2010	% Change	2011	2010	% Change
Revenue	\$ 446,985	441,844	1%	\$ 877,054	849,782	3%
Costs and Expenses						
Cost of Sales	132,667	139,539	-5%	262,341	264,808	-1%
Operating and Administrative Expenses	233,315	215,863	8%	464,484	426,891	9%
Amortization of Intangibles	9,016	8,712	3%	18,090	17,294	5%
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Operating Income	71,987	77,730	-7%	132,139	140,789	-6%
Operating Margin	16.1%	17.6%		15.1%	16.6%	
Interest Expense	(1,765)	(4,823)	-63%	(3,502)	(10,531)	-67%
Foreign Exchange Losses	(746)	(76)	-	(965)	(759)	-
Interest Income and Other	1,289	463		1,873	883	
Income Before Taxes	70,765	73,294	-3%	129,545	130,382	-1%
Adjusted Provision for Income Taxes (A)	19,989	19,636		36,742	36,834	
Adjusted Net Income (A)	<u>\$ 50,776</u>	<u>53,658</u>	-5%	<u>\$ 92,803</u>	<u>93,548</u>	-1%
Adjusted Earnings Per Share- Diluted (A)	\$ 0.83	0.88	-6%	\$ 1.51	1.54	-2%
Average Shares - Diluted	61,432	61,005		61,572	60,934	

- (A) The adjusted provision for income taxes in the first six months of fiscal years 2012 and 2011 exclude tax benefits of \$8.8 million and \$4.2 million, respectively, principally derived from a legislative reduction in the United Kingdom corporate income tax rates. The benefits reflect the remeasurement of the Company's expected deferred tax liability position in the UK as of April 1, 2012 and 2011, respectively, and had no current cash tax impact.

Note: The Company has provided income measures excluding certain items described above, in addition to net income determined in accordance with GAAP. These non-GAAP financial measures, as shown in the attached Adjusted Summary of Operations, are used in evaluating 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.

**UNAUDITED SEGMENT RESULTS
FOR THE SECOND QUARTER AND SIX MONTHS ENDED
OCTOBER 31, 2011 AND 2010
(in thousands)**

	Second Quarter Ended October 31,			Six Months Ended October 31,		
	2011	2010	% Change	2011	2010	% Change
<u>Revenue</u>						
Scientific, Technical, Medical and Scholarly	\$ 251,070	244,882	3%	\$ 503,785	474,281	6%
Professional/Trade	111,689	112,825	-1%	212,034	212,723	0%
Global Education	84,226	84,137	0%	161,235	162,778	-1%
Total	<u>\$ 446,985</u>	<u>441,844</u>	1%	<u>\$ 877,054</u>	<u>849,782</u>	3%
<u>Direct Contribution to Profit</u>						
Scientific, Technical, Medical and Scholarly	\$ 107,182	103,151	4%	\$ 213,339	196,894	8%
Professional/Trade	31,017	29,152	6%	53,785	50,837	6%
Global Education	31,764	31,714	0%	58,701	64,015	-8%
Total	<u>\$ 169,963</u>	<u>164,017</u>	4%	<u>\$ 325,825</u>	<u>311,746</u>	5%
<u>Shared Services and Administrative Costs</u>						
Distribution	\$ (27,845)	(27,201)	2%	\$ (55,401)	(54,221)	2%
Technology Services	(35,422)	(28,025)	26%	(69,036)	(55,575)	24%
Finance	(11,023)	(10,364)	6%	(21,934)	(20,382)	8%
Other Administration	(23,686)	(20,697)	14%	(47,315)	(40,779)	16%
Total	<u>\$ (97,976)</u>	<u>(86,287)</u>	14%	<u>\$ (193,686)</u>	<u>(170,957)</u>	13%
Operating Income	<u>\$ 71,987</u>	<u>77,730</u>	-7%	<u>\$ 132,139</u>	<u>140,789</u>	-6%

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

	October 31,		April 30,
	2011	2010	2011
Current Assets			
Cash & cash equivalents	\$ 82,294	112,311	201,853
Accounts receivable	202,434	201,571	168,310
Inventories	104,858	110,600	106,423
Prepaid and other	33,147	28,858	50,904
Total Current Assets	422,733	453,340	527,490
Product Development Assets	98,491	102,734	109,554
Technology, Property and Equipment	168,807	153,060	165,541
Intangible Assets	898,515	919,904	932,730
Goodwill	629,922	628,251	642,898
Other Assets	49,234	46,959	51,928
Total Assets	2,267,702	2,304,248	2,430,141
Current Liabilities			
Accounts and royalties payable	170,642	180,104	155,262
Deferred revenue	102,620	111,847	321,409
Accrued employment costs	48,104	50,291	87,770
Accrued income taxes	17,490	18,328	5,924
Accrued pension liability	4,390	2,291	4,447
Other accrued liabilities	50,210	50,301	57,853
Current portion of long-term debt	-	101,250	123,700
Total Current Liabilities	393,456	514,412	756,365
Long-Term Debt	510,000	555,750	330,500
Accrued Pension Liability	89,820	123,747	91,594
Deferred Income Tax Liabilities	182,689	172,467	192,909
Other Long-Term Liabilities	82,312	75,515	80,884
Shareholders' Equity	1,009,425	862,357	977,889
Total Liabilities & Shareholders' Equity	\$ 2,267,702	2,304,248	2,430,141

Prior year reclassification: The Company has historically reported sales return reserves, net of an inventory and royalty recovery, as a component of Accounts receivable. In the fourth quarter of fiscal year 2011, the Company changed the presentation of the net sales return reserve to reflect each respective balance sheet account. As such, the Company reclassified approximately \$11.1 million to increase Inventory and \$9.4 million to reduce Accounts and royalties payable from the October 31, 2010 Accounts receivable balance.

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

	Six Months Ended	
	October 31,	
	2011	2010
Operating Activities:		
Net income	\$ 101,572	97,703
Amortization of intangibles	18,090	17,294
Amortization of composition costs	23,764	24,284
Depreciation of technology, property and equipment	24,651	22,356
Special non-cash deferred tax benefits	(8,769)	(4,155)
Stock-based compensation	7,732	8,314
Excess tax benefits from stock-based compensation	(1,637)	(1,827)
Pension expense, net of contributions	3,144	6,365
Royalty advances	(49,206)	(44,585)
Earned royalty advances	54,285	46,543
Other Non-cash charges	18,387	15,279
Change in deferred revenue	(214,511)	(167,102)
Net change in operating assets and liabilities, excluding acquisitions	(12,006)	(729)
Cash (Used for) Provided by Operating Activities	<u>(34,504)</u>	<u>19,740</u>
Investments in organic growth:		
Composition spending	(23,236)	(24,064)
Additions to technology, property and equipment	<u>(30,267)</u>	<u>(20,805)</u>
Free Cash Flow	(88,007)	(25,129)
Other Investing and Financing Activities:		
Acquisitions, net of cash	(5,636)	(4,322)
Repayment of long-term debt	(212,973)	(174,700)
Borrowings of long-term debt	268,773	182,700
Change in book overdrafts	(28,370)	(19,595)
Cash dividends	(24,271)	(19,257)
Purchase of treasury shares	(37,480)	(313)
Proceeds from exercise of stock options and other	11,776	15,137
Excess tax benefits from stock-based compensation	1,637	1,827
Cash Used for Investing and Financing Activities	<u>(26,544)</u>	<u>(18,523)</u>
Effects of Exchange Rate Changes on Cash	<u>(5,008)</u>	<u>2,450</u>
Decrease in Cash and Cash Equivalents for Period	<u>\$ (119,559)</u>	<u>(41,202)</u>

RECONCILIATION TO GAAP PRESENTATION

Investing Activities:		
Composition spending	\$ (23,236)	(24,064)
Additions to technology, property and equipment	(30,267)	(20,805)
Acquisitions, net of cash	(5,636)	(4,322)
Cash Used for Investing Activities	<u>\$ (59,139)</u>	<u>(49,191)</u>
Financing Activities:		
Cash Used for Investing and Financing Activities	\$ (26,544)	(18,523)
Less:		
Acquisitions, net of cash	(5,636)	(4,322)
Cash Used for Financing Activities	<u>\$ (20,908)</u>	<u>(14,201)</u>

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.

Prior year reclassification: The Company has historically presented author advance payments as a component of Investments in organic growth. In the fourth quarter of fiscal year 2011, the Company changed the presentation of author advance payments from an Investing Activity to an Operating Activity. To be consistent with the current year presentation, the Company reclassified approximately \$44.6 million of author advance payments for the first six months of fiscal year 2011 from investing activities to operating activities.