

JOHN WILEY & SONS, INC.
UNAUDITED SUMMARY OF OPERATIONS
FOR THE FIRST QUARTER ENDED
JULY 31, 2012 AND 2011
(in thousands, except per share amounts)

US GAAP

	First Quarter Ended July 31,			
	2012	2011	% Change	% Change w/o FX
Revenue	\$ 410,734	430,069	-4%	-2%
Costs and Expenses				
Cost of Sales	127,244	129,674	-2%	0%
Operating and Administrative	229,986	231,169	-1%	2%
Restructuring Charges	4,841	-		
Amortization of Intangibles	9,668	9,074	7%	9%
Total Costs and Expenses	<u>371,739</u>	<u>369,917</u>	0%	3%
Operating Income	38,995	60,152	-35%	-33%
Operating Margin	9.5%	14.0%		
Interest Expense	(2,827)	(1,737)	63%	63%
Foreign Exchange Gain/(Loss)	1,020	(219)	-	-18%
Interest Income and Other	531	584		-9%
Income Before Taxes	37,719	58,780	-36%	-35%
Provision for Income Taxes	1,602	7,984		-79%
Net Income	<u>\$ 36,117</u>	<u>50,796</u>	-29%	-29%
Earnings Per Share- Diluted	\$ 0.60	0.82	-27%	-26%
Average Shares - Diluted	60,433	61,824		

ADJUSTED

	First Quarter Ended July 31,			
	2012	2011	% Change	% Change w/o FX
Revenue	\$ 410,734	430,069	-4%	-2%
Costs and Expenses				
Cost of Sales	127,244	129,674	-2%	0%
Operating and Administrative	229,986	231,169	-1%	2%
Amortization of Intangibles	9,668	9,074	7%	9%
Adjusted Total Costs and Expenses (A)	<u>366,898</u>	<u>369,917</u>	-1%	1%
Adjusted Operating Income (A)	43,836	60,152	-27%	-25%
Adjusted Operating Margin (A)	10.7%	14.0%		
Interest Expense	(2,827)	(1,737)	63%	63%
Foreign Exchange Gain/(Loss)	1,020	(219)	-	-18%
Interest Income and Other	531	584		-9%
Adjusted Income Before Taxes (A)	42,560	58,780	-28%	-27%
Adjusted Provision for Income Taxes (A, B)	11,384	16,753		-31%
Adjusted Net Income (A, B)	<u>\$ 31,176</u>	<u>42,027</u>	-26%	-25%
Adjusted Earnings Per Share- Diluted (A, B)	\$ 0.52	0.68	-24%	-23%
Average Shares - Diluted	60,433	61,824		

- (A) The adjusted results for the first quarter of fiscal year 2013 exclude a restructuring charge of \$4.8 million pre-tax, or \$3.5 million after-tax (\$0.06 per share) related to certain activities that will either be discontinued, outsourced, or relocated to a lower cost region due to the Company's ongoing transition and transformation to digital products and services.
- (B) The first quarter of fiscal years 2013 and 2012 include deferred tax benefits of \$8.4 million and \$8.8 million, respectively. The tax benefits were derived from 2% legislative reductions in the United Kingdom corporate income tax rates for both years. The benefits reflect the remeasurement of the Company's deferred tax liability position and had no current cash tax impact. U.K. deferred tax balances as of July 31, 2012 are reflected at 23%.

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.

JOHN WILEY & SONS, INC.
UNAUDITED SEGMENT RESULTS
FOR THE FIRST QUARTER ENDED
JULY 31, 2012 AND 2011
(in thousands)

	First Quarter Ended July 31,			
	2012	2011	% Change	% Change w/o FX
<u>Revenue</u>				
Scientific, Technical, Medical and Scholarly	\$ 235,946	252,715	-7%	-4%
Professional/Trade	101,973	99,025	3%	4%
Global Education	72,815	78,329	-7%	-5%
Total	<u>\$ 410,734</u>	<u>430,069</u>	-4%	-2%
<u>Direct Contribution to Profit</u>				
Scientific, Technical, Medical and Scholarly	\$ 91,263	106,157	-14%	-12%
Professional/Trade	21,206	21,960	-3%	-2%
Global Education	21,903	27,745	-21%	-19%
Total	<u>\$ 134,372</u>	<u>155,862</u>	-14%	-11%
<u>Contribution to Profit (After Allocated Shared Services and Administrative Costs)</u>				
Scientific, Technical, Medical and Scholarly	\$ 57,523	72,805	-21%	-19%
Professional/Trade	317	811	-61%	-49%
Global Education	8,868	16,096	-45%	-42%
Total	<u>\$ 66,708</u>	<u>89,712</u>	-26%	-23%
Unallocated Shared Services and Administrative Costs	(27,713)	(29,560)	-6%	-4%
Operating Income	<u>\$ 38,995</u>	<u>60,152</u>	-35%	-33%
<u>Total Shared Services and Administrative Costs by Function</u>				
Distribution	\$ (25,893)	(27,556)	-6%	-3%
Technology Services	(35,970)	(33,614)	7%	8%
Finance	(10,991)	(10,911)	1%	3%
Other Administration	(22,523)	(23,629)	-5%	-2%
Total	<u>\$ (95,377)</u>	<u>(95,710)</u>	0%	2%

Note: As of May 1, 2012, the Company changed its internal reporting of segment measures for the purposes of assessing performance and making resource allocation decisions. Accordingly, the Company will now report on segment performance after the allocation of certain direct Shared Services and Administrative Costs. Shared Services and Administrative costs were previously reported as independent functional activities and not reflected in each segment's operating results. We will continue to report total shared services and administrative costs by function as management believes they are still useful in understanding the company's overall performance.

In addition, management responsibility and reporting of certain Professional Trade and Global Education product lines were realigned as of May 1, 2012. Prior year results have been restated for comparative purposes for each of the changes described above.

JOHN WILEY & SONS, INC.
UNAUDITED ADJUSTED CONTRIBUTION TO PROFIT
INCLUDING ALLOCATED SHARED SERVICES AND ADMINISTRATIVE COSTS
FOR THE FIRST QUARTER ENDED
JULY 31, 2012 AND 2011
(in thousands)

	First Quarter Ended July 31		% Change	% Change w/o FX
	2012	2011		
<u>Scientific, Technical, Medical and Scholarly:</u>				
Direct Contribution to Profit	\$ 91,263	106,157	-14%	-12%
Restructuring Charges (A)	2,966	-		
Adjusted Direct Contribution to Profit	<u>94,229</u>	<u>106,157</u>	-11%	-9%
Allocated Shared Services and Administrative Costs:				
Distribution	(11,559)	(12,391)	-7%	-3%
Technology	(16,462)	(15,391)	7%	9%
Occupancy and Other	(5,719)	(5,570)	3%	6%
Adjusted Contribution to Profit (after allocated Shared Services and Admin. Costs)	<u>\$ 60,489</u>	<u>72,805</u>	-17%	-15%
<u>Professional/Trade:</u>				
Direct Contribution to Profit	\$ 21,206	21,960	-3%	-2%
Restructuring Charges (A)	1,254	-		
Adjusted Direct Contribution to Profit	<u>22,460</u>	<u>21,960</u>	2%	4%
Allocated Shared Services and Administrative Costs:				
Distribution	(10,374)	(11,428)	-9%	-7%
Technology	(7,179)	(5,966)	20%	20%
Occupancy and Other	(3,336)	(3,755)	-11%	-11%
Adjusted Contribution to Profit (after allocated Shared Services and Admin. Costs)	<u>\$ 1,571</u>	<u>811</u>	94%	106%
<u>Global Education:</u>				
Direct Contribution to Profit	\$ 21,903	27,745	-21%	-19%
Restructuring Charges (A)	169	-		
Adjusted Direct Contribution to Profit	<u>22,072</u>	<u>27,745</u>	-20%	-18%
Allocated Shared Services and Administrative Costs:				
Distribution	(3,793)	(3,710)	2%	5%
Technology	(7,358)	(6,169)	19%	21%
Occupancy and Other	(1,884)	(1,770)	6%	6%
Adjusted Contribution to Profit (after allocated Shared Services and Admin. Costs)	<u>\$ 9,037</u>	<u>16,096</u>	-44%	-41%
Total Adjusted Contribution to Profit (after allocated Shared Services and Admin. Costs)	\$ 71,097	89,712	-21%	-18%
<u>Unallocated Shared Services and Administrative Costs:</u>				
Unallocated Shared Services and Administrative Costs	(27,713)	(29,560)	-6%	-4%
Restructuring Charges (A)	452	-		
Adjusted Unallocated Shared Services and Administrative Costs	<u>\$ (27,261)</u>	<u>(29,560)</u>	-8%	-5%
Adjusted Operating Income	\$ 43,836	60,152	-27%	-25%

(A)

In the first quarter of fiscal year 2013, the Company recorded a restructuring charge related to certain activities that will either be discontinued, outsourced, or relocated to a lower cost region due to the Company's ongoing transition and transformation to digital products and services.

Note: As of May 1, 2012, the Company changed its internal reporting of segment measures for the purposes of assessing performance and making resource allocation decisions. Accordingly, the Company will now report on segment performance after the allocation of certain direct Shared Services and Administrative Costs. Shared Services and Administrative costs were previously reported as independent functional activities and not reflected in each segment's operating results. We will continue to report total shared services and administrative costs by function as management believes they are still useful in understanding the company's overall performance.

In addition, the management responsibility and reporting of certain Professional Trade and Global Education product lines were realigned as of May 1, 2012. Prior year results have been restated for comparative purposes for each of the changes described above.

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

	July 31,		April 30,
	2012	2011	2012
Current Assets			
Cash & cash equivalents	\$ 149,300	121,733	259,830
Accounts receivable	199,637	197,880	171,561
Inventories	93,322	103,504	101,237
Prepaid and other	47,798	41,098	41,972
Total Current Assets	490,057	464,215	574,600
Product Development Assets	98,945	105,140	108,414
Technology, Property and Equipment	188,551	165,712	187,979
Intangible Assets	879,214	922,426	915,495
Goodwill	674,505	640,720	690,619
Other Assets	84,286	50,307	55,839
Total Assets	2,415,558	2,348,520	2,532,946
Current Liabilities			
Accounts and royalties payable	140,743	149,968	151,350
Deferred revenue	238,979	232,731	342,034
Accrued employment costs	45,851	44,010	64,482
Accrued income taxes	16,327	12,756	18,812
Accrued pension liability	3,508	4,437	3,589
Other accrued liabilities	53,541	51,684	60,663
Current portion of long-term debt	-	118,125	-
Total Current Liabilities	498,949	613,711	640,930
Long-Term Debt	514,000	356,875	475,000
Accrued Pension Liability	143,979	92,603	145,815
Deferred Income Tax Liabilities	173,500	184,996	181,716
Other Long-Term Liabilities	70,569	81,518	71,917
Shareholders' Equity	1,014,561	1,018,817	1,017,568
Total Liabilities & Shareholders' Equity	\$ 2,415,558	2,348,520	2,532,946

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

	Three Months Ended July 31,	
	2012	2011
Operating Activities:		
Net income	\$ 36,117	50,796
Amortization of intangibles	9,668	9,074
Amortization of composition costs	13,402	11,973
Depreciation of technology, property and equipment	13,028	12,148
Restructuring charges (net of tax)	3,461	-
Deferred tax benefits on U.K. rate changes	(8,402)	(8,769)
Stock-based compensation	3,660	3,460
Excess tax benefits from stock-based compensation	(911)	(1,487)
Pension expense, net of contributions	3,538	2,953
Royalty advances	(24,970)	(27,746)
Earned royalty advances	29,069	28,842
Other non-cash charges	7,497	3,603
Change in deferred revenue	(96,137)	(88,401)
Income tax deposit	(29,705)	-
Net change in operating assets and liabilities, excluding acquisitions	(37,567)	(31,739)
Cash Used for Operating Activities	<u>(78,252)</u>	<u>(35,293)</u>
Investments in organic growth:		
Composition spending	(11,921)	(11,363)
Additions to technology, property and equipment	<u>(15,903)</u>	<u>(12,537)</u>
Free Cash Flow	(106,076)	(59,193)
Other Investing and Financing Activities:		
Acquisitions, net of cash	(1,660)	(4,038)
Repayment of long-term debt	(70,700)	(125,580)
Borrowings of long-term debt	109,700	146,380
Change in book overdrafts	(25,726)	(26,219)
Cash dividends	(14,369)	(12,137)
Purchase of treasury shares	(10,609)	(9,377)
Proceeds from exercise of stock options and other	19,011	9,982
Excess tax benefits from stock-based compensation	911	1,487
Cash Provided by (Used for) Investing and Financing Activities	<u>6,558</u>	<u>(19,502)</u>
Effects of Exchange Rate Changes on Cash	<u>(11,012)</u>	<u>(1,425)</u>
Decrease in Cash and Cash Equivalents for Period	<u>\$ (110,530)</u>	<u>(80,120)</u>

RECONCILIATION TO GAAP PRESENTATION

Investing Activities:		
Composition spending	\$ (11,921)	(11,363)
Additions to technology, property and equipment	(15,903)	(12,537)
Acquisitions, net of cash	<u>(1,660)</u>	<u>(4,038)</u>
Cash Used for Investing Activities	<u>\$ (29,484)</u>	<u>(27,938)</u>
Financing Activities:		
Cash Provided by (Used for) Investing and Financing Activities	\$ 6,558	(19,502)
Less:		
Acquisitions, net of cash	<u>(1,660)</u>	<u>(4,038)</u>
Cash Provided by (Used for) Financing Activities	<u>\$ 8,218</u>	<u>(15,464)</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.