JOHN WILEY & SONS, INC.
(Exact name of Registrant as specified in its charter)

NEW YORK 13-5593032
(State of other jurisdiction of incorporation or organization) (I.R.S. Employer Identification No.)
111 RIVER STREET, HOBOKEN NJ 07030
(Address of principal executive offices) Zip Code
(201) 748-6000
Registrant’s telephone number, including area code
NOT APPLICABLE

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by section 13 or 15(d) of the securities exchange act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes [x] No [ ]

Indicate by check mark, whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes [x] No [ ]

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definition of “large accelerated filer”, “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer [x] Accelerated filer [ ] Non-accelerated filer [ ]
Smaller reporting company [ ]

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
YES [ ] NO [x]

The number of shares outstanding of each of the Registrant’s classes of Common Stock as of November 30, 2014 were:

Class A, par value $1.00 – 49,386,167
Class B, par value $1.00 – 9,482,216

This is the first page of a 48 page document
JOHN WILEY & SONS, INC.

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## JOHN WILEY & SONS, INC. AND SUBSIDIARIES
### CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(In thousands)

<table>
<thead>
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<th>October 31, 2014 (Unaudited)</th>
<th>April 30, 2014 (Unaudited)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current Assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$198,912</td>
<td>$149,662</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>204,424</td>
<td>180,175</td>
</tr>
<tr>
<td>Inventories</td>
<td>70,941</td>
<td>81,368</td>
</tr>
<tr>
<td>Prepaid and other</td>
<td>66,233</td>
<td>52,377</td>
</tr>
<tr>
<td>Total Current Assets</td>
<td>540,510</td>
<td>463,582</td>
</tr>
<tr>
<td>Product Development Assets</td>
<td>58,851</td>
<td>67,149</td>
</tr>
<tr>
<td>Technology, Property &amp; Equipment</td>
<td>190,811</td>
<td>184,050</td>
</tr>
<tr>
<td>Intangible Assets</td>
<td>992,618</td>
<td>961,588</td>
</tr>
<tr>
<td>Goodwill</td>
<td>1,003,290</td>
<td>851,309</td>
</tr>
<tr>
<td>Income Tax Deposits</td>
<td>64,036</td>
<td>61,001</td>
</tr>
<tr>
<td>Other Assets</td>
<td>62,659</td>
<td>61,782</td>
</tr>
<tr>
<td>Total Assets</td>
<td>$2,912,775</td>
<td>$2,650,461</td>
</tr>
<tr>
<td><strong>Liabilities &amp; Shareholders’ Equity:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current Liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Short-term debt</td>
<td>$50,000</td>
<td>-</td>
</tr>
<tr>
<td>Accounts and royalties payable</td>
<td>180,033</td>
<td>161,649</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>163,902</td>
<td>138,354</td>
</tr>
<tr>
<td>Accrued employment costs</td>
<td>66,737</td>
<td>83,738</td>
</tr>
<tr>
<td>Accrued income taxes</td>
<td>10,127</td>
<td>7,804</td>
</tr>
<tr>
<td>Accrued pension liability</td>
<td>4,625</td>
<td>4,389</td>
</tr>
<tr>
<td>Other accrued liabilities</td>
<td>52,976</td>
<td>44,579</td>
</tr>
<tr>
<td>Total Current Liabilities</td>
<td>528,400</td>
<td>440,513</td>
</tr>
<tr>
<td>Long-Term Debt</td>
<td>749,513</td>
<td>647,900</td>
</tr>
<tr>
<td>Accrued Pension Liability</td>
<td>155,497</td>
<td>203,266</td>
</tr>
<tr>
<td>Deferred Income Tax Liabilities</td>
<td>234,685</td>
<td>194,639</td>
</tr>
<tr>
<td>Other Long-Term Liabilities</td>
<td>82,278</td>
<td>77,773</td>
</tr>
<tr>
<td>Shareholders’ Equity</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Class A &amp; Class B Common Stock</td>
<td>83,190</td>
<td>83,190</td>
</tr>
<tr>
<td>Additional paid-in-capital</td>
<td>345,082</td>
<td>306,356</td>
</tr>
<tr>
<td>Retained earnings</td>
<td>1,542,082</td>
<td>1,430,295</td>
</tr>
<tr>
<td>Accumulated other comprehensive loss</td>
<td>(250,490)</td>
<td>(235,463)</td>
</tr>
<tr>
<td>Treasury stock</td>
<td>(557,462)</td>
<td>(498,008)</td>
</tr>
<tr>
<td>Total Shareholders’ Equity</td>
<td>1,162,402</td>
<td>1,086,370</td>
</tr>
<tr>
<td>Total Liabilities &amp; Shareholders' Equity</td>
<td>$2,912,775</td>
<td>$2,650,461</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of the condensed consolidated financial statements.
## Condensed Consolidated Statements of Income – Unaudited

(In thousands except per share information)

<table>
<thead>
<tr>
<th></th>
<th>For The Three Months</th>
<th>For The Six Months</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2014</td>
<td>2013</td>
</tr>
<tr>
<td><strong>Revenue</strong></td>
<td>$476,972</td>
<td>$449,153</td>
</tr>
<tr>
<td><strong>Costs and Expenses</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost of sales</td>
<td>134,541</td>
<td>130,352</td>
</tr>
<tr>
<td>Operating and administrative expenses</td>
<td>253,328</td>
<td>237,526</td>
</tr>
<tr>
<td>Restructuring charges (credits)</td>
<td>-</td>
<td>15,316</td>
</tr>
<tr>
<td>Impairment charges</td>
<td>-</td>
<td>4,786</td>
</tr>
<tr>
<td>Amortization of intangibles</td>
<td>13,099</td>
<td>10,986</td>
</tr>
<tr>
<td><strong>Total Costs and Expenses</strong></td>
<td>400,968</td>
<td>398,966</td>
</tr>
<tr>
<td><strong>Operating Income</strong></td>
<td>76,004</td>
<td>50,187</td>
</tr>
<tr>
<td><strong>Interest Expense</strong></td>
<td>(4,506)</td>
<td>(3,392)</td>
</tr>
<tr>
<td>Foreign Exchange Transaction Gain (Loss)</td>
<td>210</td>
<td>(581)</td>
</tr>
<tr>
<td>Interest Income and Other</td>
<td>1,108</td>
<td>491</td>
</tr>
<tr>
<td><strong>Income Before Taxes</strong></td>
<td>72,816</td>
<td>46,705</td>
</tr>
<tr>
<td><strong>Provision For Income Taxes</strong></td>
<td>19,039</td>
<td>10,508</td>
</tr>
<tr>
<td><strong>Net Income</strong></td>
<td>$53,777</td>
<td>$36,197</td>
</tr>
<tr>
<td><strong>Earnings Per Share</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Diluted</td>
<td>$0.90</td>
<td>$0.61</td>
</tr>
<tr>
<td>Basic</td>
<td>$0.91</td>
<td>$0.62</td>
</tr>
<tr>
<td><strong>Cash Dividends Per Share</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Class A Common</td>
<td>$0.29</td>
<td>$0.25</td>
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<tr>
<td>Class B Common</td>
<td>$0.29</td>
<td>$0.25</td>
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<tr>
<td><strong>Average Shares</strong></td>
<td></td>
<td></td>
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<tr>
<td>Diluted</td>
<td>59,756</td>
<td>59,416</td>
</tr>
<tr>
<td>Basic</td>
<td>58,962</td>
<td>58,535</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of the condensed consolidated financial statements.
<table>
<thead>
<tr>
<th></th>
<th>For The Three Months Ended October 31,</th>
<th>For The Six Months Ended October 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2014</td>
<td>2013</td>
</tr>
<tr>
<td>Net Income</td>
<td>$53,777</td>
<td>$36,197</td>
</tr>
<tr>
<td>Other Comprehensive Income (Loss):</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Foreign currency translation adjustment</td>
<td>(63,930)</td>
<td>50,940</td>
</tr>
<tr>
<td>Unamortized retirement costs, net of tax provision (benefit) of $1,877, $(253), $2,266 and $881, respectively</td>
<td>5,428</td>
<td>(1,106)</td>
</tr>
<tr>
<td>Unrealized gain on interest rate swaps, net of tax (benefit) provision of $(144), $35, $24 and $198, respectively</td>
<td>(227)</td>
<td>57</td>
</tr>
<tr>
<td>Total Other Comprehensive Income (Loss)</td>
<td>(58,729)</td>
<td>49,891</td>
</tr>
<tr>
<td>Comprehensive Income (Loss)</td>
<td>$(4,952)</td>
<td>$86,088</td>
</tr>
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</table>

The accompanying notes are an integral part of the condensed consolidated financial statements.
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<thead>
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<th>Operating Activities</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net income</td>
<td>$87,423</td>
<td>$72,130</td>
</tr>
<tr>
<td>Amortization of intangibles</td>
<td>25,754</td>
<td>21,901</td>
</tr>
<tr>
<td>Amortization of composition costs</td>
<td>20,810</td>
<td>22,827</td>
</tr>
<tr>
<td>Depreciation of technology, property and equipment</td>
<td>30,510</td>
<td>28,909</td>
</tr>
<tr>
<td>Restructuring and impairment charges (credits)</td>
<td>(155)</td>
<td>27,857</td>
</tr>
<tr>
<td>Restructuring payments</td>
<td>(16,267)</td>
<td>(12,453)</td>
</tr>
<tr>
<td>Deferred tax benefits on U.K. rate changes</td>
<td>-</td>
<td>(10,634)</td>
</tr>
<tr>
<td>Stock-based compensation expense</td>
<td>8,118</td>
<td>7,305</td>
</tr>
<tr>
<td>Excess tax (benefit) charge from stock-based compensation</td>
<td>(1,774)</td>
<td>1,672</td>
</tr>
<tr>
<td>Royalty advances</td>
<td>(47,997)</td>
<td>(44,005)</td>
</tr>
<tr>
<td>Earned royalty advances</td>
<td>64,939</td>
<td>59,926</td>
</tr>
<tr>
<td>Other non-cash charges</td>
<td>20,436</td>
<td>29,651</td>
</tr>
<tr>
<td>Change in deferred revenue</td>
<td>(223,731)</td>
<td>(229,572)</td>
</tr>
<tr>
<td>Income tax deposit</td>
<td>(3,783)</td>
<td>(10,433)</td>
</tr>
<tr>
<td>Net change in operating assets and liabilities, excluding acquisitions</td>
<td>(58,419)</td>
<td>(31,579)</td>
</tr>
<tr>
<td>Cash Used for Operating Activities</td>
<td>(94,136)</td>
<td>(66,498)</td>
</tr>
<tr>
<td>Investing Activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Composition spending</td>
<td>(16,934)</td>
<td>(19,290)</td>
</tr>
<tr>
<td>Additions to technology, property and equipment</td>
<td>(29,584)</td>
<td>(26,199)</td>
</tr>
<tr>
<td>Acquisitions, net of cash acquired</td>
<td>(172,145)</td>
<td>(739)</td>
</tr>
<tr>
<td>Escrowed proceeds from sale of consumer publishing programs</td>
<td>1,100</td>
<td>-</td>
</tr>
<tr>
<td>Cash Used for Investing Activities</td>
<td>(217,563)</td>
<td>(46,228)</td>
</tr>
<tr>
<td>Financing Activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Repayment of long-term debt</td>
<td>(228,051)</td>
<td>(293,500)</td>
</tr>
<tr>
<td>Borrowings of long-term debt</td>
<td>275,070</td>
<td>268,400</td>
</tr>
<tr>
<td>Borrowings of short-term debt</td>
<td>50,000</td>
<td>-</td>
</tr>
<tr>
<td>Change in book overdrafts</td>
<td>(8,123)</td>
<td>(23,836)</td>
</tr>
<tr>
<td>Cash dividends</td>
<td>(34,402)</td>
<td>(29,347)</td>
</tr>
<tr>
<td>Purchase of treasury stock</td>
<td>(41,534)</td>
<td>(18,533)</td>
</tr>
<tr>
<td>Proceeds from exercise of stock options and other</td>
<td>18,876</td>
<td>24,900</td>
</tr>
<tr>
<td>Excess tax benefit (charge) from stock-based compensation</td>
<td>1,774</td>
<td>(1,672)</td>
</tr>
<tr>
<td>Cash Provided by (Used for) Financing Activities</td>
<td>33,610</td>
<td>(73,588)</td>
</tr>
<tr>
<td>Effects of Exchange Rate Changes on Cash and Cash Equivalents</td>
<td>(9,376)</td>
<td>1,836</td>
</tr>
<tr>
<td>Cash and Cash Equivalents</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Decrease for the period</td>
<td>(287,465)</td>
<td>(184,478)</td>
</tr>
<tr>
<td>Balance at Beginning of Period</td>
<td>486,377</td>
<td>334,140</td>
</tr>
<tr>
<td>Balance at End of Period</td>
<td>$198,912</td>
<td>$149,662</td>
</tr>
<tr>
<td>Cash Paid During the Period for:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest</td>
<td>$7,483</td>
<td>$6,136</td>
</tr>
<tr>
<td>Income taxes, net</td>
<td>$28,159</td>
<td>$35,623</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of the condensed consolidated financial statements.
1. **Basis of Presentation**

In the opinion of management, the accompanying unaudited condensed consolidated financial statements contain all adjustments, consisting only of normal recurring adjustments, necessary to present fairly the financial condition, results of operations, comprehensive income and cash flows for the periods presented. Operating results for the interim period are not necessarily indicative of the results expected for the full year. For the Company’s recent international acquisition CrossKnowledge Group, Ltd. (“CrossKnowledge”), financial information is reported on a two-month lag. No events related to CrossKnowledge occurred during September or October which would materially affect the financial position of the Company. These financial statements should be read in conjunction with the most recent audited financial statements included in the Company’s Form 10-K for the fiscal year ended April 30, 2014.

The preparation of the Company’s financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Certain prior year amounts have been reclassified to conform to the current year’s presentation.

2. **Recent Accounting Standards**

In May 2014, the Financial Accounting Standards Board (“FASB”) issued ASU 2014-09 "Revenue From Contracts With Customers" (Topic 606) (“ASU 2014-09”), and the International Accounting Standards Board (“IASB”) published its equivalent standard, International Financial Reporting Standard (“IFRS”) 15, “Revenue from Contracts with Customers”. The standard will require companies to review contract arrangements with customers and ensure all separate performance obligations are properly recognized in compliance with the new guidance. The standard is effective for the Company on May 1, 2017 with early adoption prohibited. The standard allows for either “full retrospective” adoption, meaning the standard is applied to all periods presented or “cumulative effect” adoption, meaning the standard is applied only to the most current period presented in the financial statements. The Company is currently assessing whether the adoption of the guidance will have an impact on its consolidated financial statements.

3. **Share-Based Compensation**

The Company has share-based compensation plans under which employees may be granted options to purchase shares of Company common stock at the fair market value at the time of grant. In addition to stock options, the Company grants performance-based stock awards and other restricted stock awards to certain management level employees. The Company recognizes the grant date fair value of share-based compensation in net income on a straight-line basis over the requisite service period. The measurement of performance for performance-based stock awards is based on actual financial results for targets established three years in advance. For the three months ended October 31, 2014 and 2013, the Company recognized share-based compensation expense, on a pre-tax basis, of $4.8 million and $4.0 million, respectively. For the six months ended October 31, 2014 and 2013, the Company recognized share-based compensation expense, on a pre-tax basis, of $8.1 million and $7.3 million, respectively.
The following table provides share-based compensation data for awards granted by the Company:

<table>
<thead>
<tr>
<th></th>
<th>For the Six Months Ended October 31,</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2014</td>
<td>2013</td>
<td></td>
</tr>
<tr>
<td><strong>Restricted Stock:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Awards granted (in thousands)</td>
<td>294</td>
<td>375</td>
<td></td>
</tr>
<tr>
<td>Weighted average fair value of grant</td>
<td>$59.70</td>
<td>$40.75</td>
<td></td>
</tr>
<tr>
<td><strong>Stock Options:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Awards granted (in thousands)</td>
<td>188</td>
<td>322</td>
<td></td>
</tr>
<tr>
<td>Weighted average fair value of grant</td>
<td>$16.97</td>
<td>$10.12</td>
<td></td>
</tr>
</tbody>
</table>

The weighted average Black-Scholes fair value assumptions for stock option grants are as follows:

<table>
<thead>
<tr>
<th></th>
<th>For the Six Months Ended October 31,</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2014</td>
<td>2013</td>
<td></td>
</tr>
<tr>
<td>Expected life of options (years)</td>
<td>7.2</td>
<td>7.4</td>
<td></td>
</tr>
<tr>
<td>Risk-free interest rate</td>
<td>2.2%</td>
<td>2.1%</td>
<td></td>
</tr>
<tr>
<td>Expected volatility</td>
<td>30.9%</td>
<td>30.5%</td>
<td></td>
</tr>
<tr>
<td>Expected dividend yield</td>
<td>1.9%</td>
<td>2.5%</td>
<td></td>
</tr>
<tr>
<td>Fair value of common stock on grant date</td>
<td>$59.70</td>
<td>$39.53</td>
<td></td>
</tr>
</tbody>
</table>

4. Accumulated Other Comprehensive Loss

Changes in Accumulated Other Comprehensive Loss by component, net of tax, for the three and six months ended October 31, 2014 were as follows (in thousands):

<table>
<thead>
<tr>
<th></th>
<th>Foreign Currency Translation</th>
<th>Unamortized Retirement Costs</th>
<th>Interest Rate Swaps</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at July 31, 2014</td>
<td>$(69,522)</td>
<td>$(121,903)</td>
<td>$(336)</td>
<td>$(191,761)</td>
</tr>
<tr>
<td>Other comprehensive income (loss) before reclassifications</td>
<td>(63,930)</td>
<td>3,917</td>
<td>(497)</td>
<td>(60,510)</td>
</tr>
<tr>
<td>Amounts reclassified from accumulated other comprehensive loss</td>
<td>-</td>
<td>1,511</td>
<td>270</td>
<td>1,781</td>
</tr>
<tr>
<td>Total other comprehensive income (loss)</td>
<td>(63,930)</td>
<td>5,428</td>
<td>(227)</td>
<td>(58,729)</td>
</tr>
<tr>
<td><strong>Balance at October 31, 2014</strong></td>
<td>$(133,452)</td>
<td>$(116,475)</td>
<td>$(563)</td>
<td>$(250,490)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Foreign Currency Translation</th>
<th>Unamortized Retirement Costs</th>
<th>Interest Rate Swaps</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at April 30, 2014</td>
<td>$(66,664)</td>
<td>$(123,025)</td>
<td>$(602)</td>
<td>$(190,291)</td>
</tr>
<tr>
<td>Other comprehensive income (loss) before reclassifications</td>
<td>(66,788)</td>
<td>3,441</td>
<td>(423)</td>
<td>(63,770)</td>
</tr>
<tr>
<td>Amounts reclassified from accumulated other comprehensive loss</td>
<td>-</td>
<td>3,109</td>
<td>462</td>
<td>3,571</td>
</tr>
<tr>
<td>Total other comprehensive income (loss)</td>
<td>(66,788)</td>
<td>6,550</td>
<td>39</td>
<td>(60,199)</td>
</tr>
<tr>
<td><strong>Balance at October 31, 2014</strong></td>
<td>$(133,452)</td>
<td>$(116,475)</td>
<td>$(563)</td>
<td>$(250,490)</td>
</tr>
</tbody>
</table>
Foreign Unamortized Interest Currency Unamortized Interest Translation Retirement Costs Rate Swaps Total

Balance at July 31, 2013 $(144,342) $(140,319) $(693) $(285,354)
Other comprehensive income (loss) before reclassifications 50,940 (3,704) (127) 47,109
Amounts reclassified from accumulated other comprehensive loss - 2,598 184 2,782
Total other comprehensive income (loss) 50,940 (1,106) 57 49,891
Balance at October 31, 2013 $(93,402) $(141,425) $(636) $(235,463)

Foreign Unamortized Interest Currency Unamortized Interest Translation Retirement Costs Rate Swaps Total

Balance at April 30, 2013 $(134,539) $(143,124) $(969) $(278,632)
Other comprehensive income (loss) before reclassifications 41,137 (3,394) (29) 37,714
Amounts reclassified from accumulated other comprehensive loss - 5,093 362 5,455
Total other comprehensive income 41,137 1,699 333 43,169
Balance at October 31, 2013 $(93,402) $(141,425) $(636) $(235,463)

During the three months ended October 31, 2014 and 2013, pre-tax actuarial losses included in Unamortized Retirement Costs of approximately $2.0 million and $3.7 million, respectively, were amortized from Accumulated Other Comprehensive Loss and recognized as pension expense in Operating and Administrative Expenses in the Condensed Consolidated Statements of Income. During the six months ended October 31, 2014 and 2013 pre-tax actuarial losses of approximately $3.9 million and $7.2 million, respectively, were amortized.

5. Reconciliation of Weighted Average Shares Outstanding

A reconciliation of the shares used in the computation of earnings per share follows (in thousands):

<table>
<thead>
<tr>
<th>Shares Used for Basic Earnings per Share</th>
<th>For the Three Months Ended October 31,</th>
<th>For the Six Months Ended October 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td>Weighted average shares outstanding</td>
<td>59,215</td>
<td>59,205</td>
</tr>
<tr>
<td>Less: Unearned restricted shares</td>
<td>(253)</td>
<td>(245)</td>
</tr>
<tr>
<td>Shares used for basic earnings per share</td>
<td>58,962</td>
<td>58,960</td>
</tr>
<tr>
<td>Dilutive effect of stock options and other stock awards</td>
<td>794</td>
<td>817</td>
</tr>
<tr>
<td>Shares used for diluted earnings per share</td>
<td>59,756</td>
<td>59,777</td>
</tr>
</tbody>
</table>

Since their inclusion in the calculation of diluted earnings per share would have been anti-dilutive, options to purchase 185,860 shares of Class A Common Stock have been excluded for both the three and six months ended October 31, 2014 and 715,952 and 1,125,120 shares of Class A Common Stock have been excluded for the three and six months ended October 31, 2013, respectively. In addition, for the six months ended October 31, 2013, 5,000 unearned restricted shares have been excluded as their inclusion would have been anti-dilutive.
6. **Acquisitions:**

   **CrossKnowledge:**
   
   On May 1, 2014, the Company acquired CrossKnowledge Group Limited (“CrossKnowledge”) for approximately $166 million in cash, net of cash acquired. CrossKnowledge is a learning solutions provider focused on leadership and managerial skills development that offers subscription-based, digital learning solutions for global corporations, universities, and small and medium-sized enterprises. CrossKnowledge’s solutions include managerial and leadership skills assessments, courses, certifications, content and executive training programs that are delivered on a cloud-based platform providing over 17,000 learning objects in 17 languages. CrossKnowledge serves over five million end-users in 80 countries. CrossKnowledge reported approximately $37 million of revenue and approximately $5 million of operating income in its fiscal year ended June 30, 2013.

   CrossKnowledge results reflect three and four months of operations for the three and six months ended October 31, 2014, respectively and are reported on a two-month lag to facilitate accurate reporting. For the three and six months ended October 31, 2014, CrossKnowledge’s revenue included in Wiley’s results was $11.3 million and $15.3 million, respectively, and CrossKnowledge’s operating loss included in Wiley’s results was $0.7 million and $0.9 million, respectively. The $166 million purchase price was allocated to identifiable long-lived intangible assets ($63.0 million), mainly customer relationships and content; technology ($6.3 million); long-term deferred tax liabilities ($21.5 million); negative working capital ($4.3 million); and goodwill ($122.5 million). The fair value of intangible assets and technology acquired was based on management’s assessment performed with the assistance of a third party valuation consultant. Goodwill represents the excess of the purchase price over the fair value of net assets acquired and comprises the estimated value of CrossKnowledge’s workforce, unidentifiable intangible assets and the fair value of expected synergies. None of the goodwill is deductible for tax purposes. The identifiable long-lived intangible assets are primarily amortized over a weighted average estimated useful life of approximately 15 years. The acquisition was funded through the use of the Company’s existing credit facility and available cash balances. The Company expects to finalize its purchase accounting for CrossKnowledge by April 30, 2015.

   **Profiles International:**
   
   On April 1, 2014, the Company acquired all of the stock of Profiles International (“Profiles”) for approximately $47.5 million in cash, net of cash acquired. Profiles provides pre-employment assessment and selection tools that enable employers to optimize candidate selections and develop the full potential of their employees. Solutions include pre-hire assessments, including those designed to measure and match personality, knowledge, skills, managerial fit, loyalty, and values; and post-hire assessments, focused on measuring sales and managerial effectiveness, employee performance and career potential. Founded in 1991 and based in Waco, Texas, Profiles has served more than 40,000 enterprise clients and millions of end users in over 120 countries, with assessments available in 32 languages. Profiles reported approximately $27 million of revenue and approximately $5 million of operating income in its fiscal year ended December 31, 2013. The $47.5 million purchase price was allocated to identifiable long-lived intangible assets ($22.9 million), mainly customer relationships and assessment content; technology ($2.7 million); long-term deferred tax liabilities ($9.4 million); a credit to short-term deferred tax assets ($1.9 million); negative working capital ($6.7 million) and goodwill ($39.9 million). The fair value of intangible assets and technology acquired was based on management’s assessment performed with the assistance of a third party valuation consultant. Goodwill represents the excess of the purchase price over the fair value of net assets acquired and comprises the estimated value of Profile’s workforce, unidentifiable intangible assets and the fair value of expected synergies. None of the goodwill is deductible for tax purposes. The Company expects to finalize its purchase accounting for Profiles by January 31, 2015. Profiles contributed $5.9 million and $11.4 million to the Company’s revenue for the three and six months ended October 31, 2014, respectively.

   Unaudited proforma financial information has not been presented since the effects of the acquisitions were not material.
Restructuring Programs

Restructuring and Reinvestment Program:

In fiscal year 2013, the Company initiated a program (the “Restructuring and Reinvestment Program”) to restructure and realign its cost base with current and anticipated future market conditions. The Company is targeting a majority of the cost savings achieved to improve margins and earnings, while the remainder will be reinvested in high growth digital business opportunities.

The following tables summarize the pre-tax restructuring charges related to this program, which are reflected in Restructuring Charges (Credits) in the Condensed Consolidated Statements of Income (in thousands):

<table>
<thead>
<tr>
<th>Charges (Credits) by Segment:</th>
<th>For the Three Months Ended October 31,</th>
<th>For the Six Months Ended October 31,</th>
<th>Cumulative Charges Incurred to Date</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2013</td>
<td>2014</td>
<td>2013</td>
</tr>
<tr>
<td>Research</td>
<td>$3,401</td>
<td>$(185)</td>
<td>$5,372</td>
</tr>
<tr>
<td>Professional Development</td>
<td>2,114</td>
<td>245</td>
<td>5,667</td>
</tr>
<tr>
<td>Education</td>
<td>210</td>
<td>51</td>
<td>258</td>
</tr>
<tr>
<td>Shared Services</td>
<td>9,591</td>
<td>(266)</td>
<td>11,774</td>
</tr>
<tr>
<td>Total Restructuring Charges</td>
<td>$15,316</td>
<td>$(155)</td>
<td>$23,071</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Charges (Credits) by Activity:</th>
<th>For the Three Months Ended October 31,</th>
<th>Foreign Translation &amp; Reclassifications</th>
<th>October 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2014</td>
<td>Payments</td>
<td>Reclassifications</td>
</tr>
<tr>
<td>Severance</td>
<td>$9,900</td>
<td>$(641)</td>
<td>$(14,027)</td>
</tr>
<tr>
<td>Process reengineering consulting</td>
<td>3,100</td>
<td>(145)</td>
<td>5,611</td>
</tr>
<tr>
<td>Other activities</td>
<td>2,316</td>
<td>(651)</td>
<td>2,529</td>
</tr>
<tr>
<td>Total Restructuring Charges</td>
<td>15,316</td>
<td>$(155)</td>
<td>$23,071</td>
</tr>
</tbody>
</table>

There were no restructuring charges (credits) for the three months ended October 31, 2014. The amounts reflected above for the six months ended October 31, 2014 reflect true-ups to the previously estimated accrued restructuring charges.

The following table summarizes the activity for the Restructuring and Reinvestment Program liability for the six months ended October 31, 2014 (in thousands):

<table>
<thead>
<tr>
<th>Foreign Translation &amp; Reclassifications</th>
<th>October 31, 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>April 30, 2014</td>
<td>Charges (Credits)</td>
</tr>
<tr>
<td>Severance</td>
<td>$29,255</td>
</tr>
<tr>
<td>Process reengineering consulting</td>
<td>722</td>
</tr>
<tr>
<td>Other activities</td>
<td>4,995</td>
</tr>
<tr>
<td>Total</td>
<td>$34,972</td>
</tr>
</tbody>
</table>

The restructuring liability for accrued Severance costs is reflected in Accrued Employment Costs in the Condensed Consolidated Statements of Financial Position. Approximately $0.2 million and $2.4 million of the Other Activities are reflected in Other Accrued Liabilities and Other Long-Term Liabilities, respectively.

The Company expects to record a restructuring charge of approximately $18 million in the third quarter of fiscal year 2015. Roughly half of the expected charge is related to the completion of facility consolidations and dispositions in connection with prior restructuring actions. The restructuring charge will also include severance costs for reorganization and consolidation plans, primarily in Research and books.
8. **Impairment Charges**

In the second quarter of fiscal year 2014, the Company terminated a multi-year software development program for an internal operations application due to a change in the Company’s longer-term enterprise systems plans. As a result, the Company recorded an asset impairment charge for previously capitalized software costs related to the program of $4.8 million.

9. **Segment Information**

The Company 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 training services, and test prep and certification. In Education, the Company provides print and digital content, and education solutions including online program management services for higher education institutions and course management tools for instructors and students. The Company takes full advantage of its content from all three core businesses in developing and cross-marketing products to its diverse customer base of researchers, professionals, students, and educators. The use of technology enables the Company to make its content efficiently more accessible to its customers around the world. The Company’s operations are primarily located in the North America, Europe, Asia, and Australia.

As part of Wiley’s restructuring and reorganization program, during the first quarter of fiscal year 2015, the Company consolidated certain decentralized business functions (Content Management, Vendor Procurement Services, Marketing Services, etc.) into Shared Service and Administrative functions. These newly centralized service groups are part of the Company’s plan to reduce costs through efficiencies gained from standardized technology and centralized management. The costs of these functions were previously reported as direct operating expenses in each business segment but will now be reported within the shared service functions. Prior year amounts have been restated to reflect the same reporting methodology. The Company uses occupied square footage of space; number of employees; units shipped; specific identification/activity-based; gross profit; revenue and number of invoices to allocate shared service costs to each business segment.
Segment information is as follows (in thousands):

<table>
<thead>
<tr>
<th></th>
<th>For the Three Months Ended October 31,</th>
<th>For the Six Months Ended October 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2014</td>
<td>2013</td>
</tr>
<tr>
<td><strong>RESEARCH</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td>$264,825</td>
<td>$252,947</td>
</tr>
<tr>
<td>Direct Contribution to Profit</td>
<td>$121,577</td>
<td>$112,854</td>
</tr>
<tr>
<td>Allocated Shared Services and Administrative Costs:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Distribution and Operation Services</td>
<td>(11,449)</td>
<td>(11,828)</td>
</tr>
<tr>
<td>Technology and Content Management</td>
<td>(25,314)</td>
<td>(24,843)</td>
</tr>
<tr>
<td>Occupancy and Other</td>
<td>(6,061)</td>
<td>(6,519)</td>
</tr>
<tr>
<td>Contribution to Profit</td>
<td>$78,753</td>
<td>$69,664</td>
</tr>
<tr>
<td><strong>PROFESSIONAL DEVELOPMENT</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td>$105,667</td>
<td>$92,545</td>
</tr>
<tr>
<td>Direct Contribution to Profit</td>
<td>$36,799</td>
<td>$34,972</td>
</tr>
<tr>
<td>Allocated Shared Services and Administrative Costs:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Distribution and Operation Services</td>
<td>(7,991)</td>
<td>(9,503)</td>
</tr>
<tr>
<td>Technology and Content Management</td>
<td>(11,953)</td>
<td>(12,969)</td>
</tr>
<tr>
<td>Occupancy and Other</td>
<td>(7,130)</td>
<td>(4,996)</td>
</tr>
<tr>
<td>Contribution to Profit (Loss)</td>
<td>$9,725</td>
<td>$7,504</td>
</tr>
<tr>
<td><strong>EDUCATION</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td>$106,480</td>
<td>$103,661</td>
</tr>
<tr>
<td>Direct Contribution to Profit</td>
<td>$40,154</td>
<td>$40,484</td>
</tr>
<tr>
<td>Allocated Shared Services and Administrative Costs:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Distribution and Operation Services</td>
<td>(3,226)</td>
<td>(3,848)</td>
</tr>
<tr>
<td>Technology and Content Management</td>
<td>(13,828)</td>
<td>(11,407)</td>
</tr>
<tr>
<td>Occupancy and Other</td>
<td>(3,595)</td>
<td>(3,044)</td>
</tr>
<tr>
<td>Contribution to Profit</td>
<td>$19,505</td>
<td>$22,185</td>
</tr>
<tr>
<td><strong>Total Contribution to Profit</strong></td>
<td>$107,983</td>
<td>$99,353</td>
</tr>
<tr>
<td>Unallocated Shared Services and Administrative Costs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating Income</td>
<td>$76,004</td>
<td>$50,187</td>
</tr>
</tbody>
</table>

The following table reflects total shared services and administrative costs by function, which are allocated to business segments based on the methodologies described above:

<table>
<thead>
<tr>
<th>Total Shared Services and Administrative Costs:</th>
<th>For the Three Months Ended October 31,</th>
<th>For the Six Months Ended October 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2014</td>
<td>2013</td>
</tr>
<tr>
<td>Distribution &amp; Operation Services</td>
<td>$22,443</td>
<td>$25,281</td>
</tr>
<tr>
<td>Technology &amp; Content Management</td>
<td>59,452</td>
<td>59,820</td>
</tr>
<tr>
<td>Finance</td>
<td>12,817</td>
<td>13,457</td>
</tr>
<tr>
<td>Other Administration</td>
<td>27,814</td>
<td>25,188</td>
</tr>
<tr>
<td>Restructuring Charges (Credits) (see Note 7)</td>
<td>-</td>
<td>14,377</td>
</tr>
<tr>
<td>Total</td>
<td>$122,526</td>
<td>$138,123</td>
</tr>
</tbody>
</table>
In the first quarter of fiscal year 2015, the Company modified its segment product/service revenue categories to reflect recent changes to the business, including acquisitions and restructuring. All prior periods have been revised to reflect the new categorization as follows:

<table>
<thead>
<tr>
<th>Total Revenue by Product/Service:</th>
<th>For the Three Months Ended October 31, 2014</th>
<th>For the Six Months Ended October 31, 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Research Communications</td>
<td>$209,807</td>
<td>$410,521</td>
</tr>
<tr>
<td>Books and Custom Print Products</td>
<td>170,541</td>
<td>342,106</td>
</tr>
<tr>
<td>Education Services (Deltak)</td>
<td>19,699</td>
<td>35,935</td>
</tr>
<tr>
<td>Talent Solutions</td>
<td>26,440</td>
<td>43,616</td>
</tr>
<tr>
<td>Course Workflow Solutions (WileyPlus)</td>
<td>18,397</td>
<td>19,711</td>
</tr>
<tr>
<td>Other</td>
<td>32,088</td>
<td>63,000</td>
</tr>
<tr>
<td>Total</td>
<td>$476,972</td>
<td>$914,889</td>
</tr>
</tbody>
</table>

10. Inventories

Inventories were as follows (in thousands):

<table>
<thead>
<tr>
<th></th>
<th>As of October 31, 2014</th>
<th>As of April 30, 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Finished goods</td>
<td>$54,766</td>
<td>$62,071</td>
</tr>
<tr>
<td>Work-in-process</td>
<td>7,132</td>
<td>6,041</td>
</tr>
<tr>
<td>Paper, cloth and other</td>
<td>4,640</td>
<td>5,476</td>
</tr>
<tr>
<td></td>
<td>$66,538</td>
<td>$73,588</td>
</tr>
<tr>
<td>Inventory value of estimated sales returns</td>
<td>9,420</td>
<td>6,774</td>
</tr>
<tr>
<td>LIFO reserve</td>
<td>(5,017)</td>
<td>(4,867)</td>
</tr>
<tr>
<td>Total inventories</td>
<td>$70,941</td>
<td>$75,495</td>
</tr>
</tbody>
</table>

11. Intangible Assets

Intangible assets consisted of the following (in thousands):

<table>
<thead>
<tr>
<th></th>
<th>As of October 31, 2014</th>
<th>As of April 30, 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intangible assets with indefinite lives:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Brands and trademarks</td>
<td>$159,266</td>
<td>$164,202</td>
</tr>
<tr>
<td>Content and publishing rights</td>
<td>98,261</td>
<td>106,898</td>
</tr>
<tr>
<td></td>
<td>$257,527</td>
<td>$271,100</td>
</tr>
</tbody>
</table>

Net intangible assets with determinable lives:

<table>
<thead>
<tr>
<th></th>
<th>As of October 31, 2014</th>
<th>As of April 30, 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Content and publishing rights</td>
<td>$521,416</td>
<td>$535,827</td>
</tr>
<tr>
<td>Customer relationships</td>
<td>193,969</td>
<td>162,295</td>
</tr>
<tr>
<td>Brands and trademarks</td>
<td>18,845</td>
<td>14,716</td>
</tr>
<tr>
<td>Covenants not to compete</td>
<td>861</td>
<td>723</td>
</tr>
<tr>
<td></td>
<td>$735,091</td>
<td>$713,561</td>
</tr>
<tr>
<td>Total</td>
<td>$992,618</td>
<td>$984,661</td>
</tr>
</tbody>
</table>
12. **Income Taxes**

The effective tax rate for the first six months of fiscal year 2015 was 26.2% compared to 10.7% in the prior year. During the first quarter of fiscal year 2014, the Company recorded non-cash deferred tax benefits of $10.6 million ($0.18 per share), principally associated with new tax legislation enacted in the United Kingdom (“U.K”) that reduced the U.K. statutory income tax rates by 3%. The benefits reflect the measurement of all applicable U.K. deferred tax balances to the new income tax rates of 21% effective April 1, 2014 and 20% effective April 1, 2015. Excluding the impact of the deferred tax benefit described above, the Company’s effective tax rate increased from 23.9% to 26.1% principally due to a $1.5 million net tax reserve release recorded in the second quarter of fiscal year 2014.

**Payments Related to Tax Audit in Germany**

In fiscal year 2003, the Company merged several of its German subsidiaries into a new operating entity which enabled the Company to increase (“step-up”) the tax deductible net asset basis of the merged subsidiaries to fair market value. The expected tax benefits to be derived from the step-up are approximately 50 million euros claimed as amortization over 15 years beginning in fiscal year 2003.

In May 2012, as part of its routine tax audit process, the German tax authorities filed a challenge to the Company’s tax position with respect to the amortization of certain stepped-up assets. The Company filed an appeal with the local finance court in September 2014. Under German tax law, the Company must pay all contested taxes and the related interest to have the right to defend its position. As a result, the Company made deposits of 3 million and 8 million euros in the first six months of fiscal years 2015 and 2014, respectively, related to amortization claimed on certain “stepped-up” assets. The Company has made all required payments to date with total deposits paid of 45 million euros through October 31, 2014. The Company expects that it will be required to deposit additional amounts up to 12 million euros plus interest for tax returns to be filed in future periods until the issue is resolved.

In October 2014, the Company received an unfavorable decision from the local finance court and is in the process of appealing the court decision. The Company’s management and its advisors still believe that it is “more likely than not” to successfully defend that the tax treatment was proper and in accordance with German tax regulations, as such the Company has not recorded any charges related to the loss of the step-up benefit. The Company expects to file its appeal in January 2015 and resolution of the appeal could take up to several years. If the Company is ultimately successful, as expected, the tax deposits will be returned with 6% simple interest, based on current German legislation. As of October 31, 2014, the USD equivalent of the deposit and accrued interest was $64.0 million, which is recorded as Income Tax Deposits on the Condensed Consolidated Statements of Financial Position. The Company records the accrued interest at 6% within the Provision for Income Taxes in the Condensed Consolidated Statements of Income.

13. **Retirement Plans**

The components of net pension expense for the company’s global defined benefit plans were as follows (in thousands):

<table>
<thead>
<tr>
<th></th>
<th>For the Three Months Ended October 31,</th>
<th>For the Six Months Ended October 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2014</td>
<td>2013</td>
</tr>
<tr>
<td>Service Cost</td>
<td>$1,588</td>
<td>$2,004</td>
</tr>
<tr>
<td>Interest Cost</td>
<td>7,638</td>
<td>7,326</td>
</tr>
<tr>
<td>Expected Return on Plan Assets</td>
<td>(9,112)</td>
<td>(8,977)</td>
</tr>
<tr>
<td>Net Amortization of Prior Service Cost</td>
<td>(30)</td>
<td>31</td>
</tr>
<tr>
<td>Recognized Net Actuarial Loss</td>
<td>1,946</td>
<td>3,602</td>
</tr>
<tr>
<td>Net Pension Expense</td>
<td>$2,030</td>
<td>$3,986</td>
</tr>
</tbody>
</table>
As disclosed in the Company’s fiscal year 2013 Form 10-K, in March 2013 the Company’s Board of Directors approved plan amendments that froze the U.S. Employees’ Retirement Plan, Supplemental Benefit Plan, and Supplemental Executive Retirement Plan, defined benefit plans effective June 30, 2013. As a result of freezing the U.S. defined benefit plans, the Company changed the amortization period from the average expected future service period of active plan participants to the average expected life of plan participants. Employer defined benefit pension plan contributions were $2.2 million and $2.5 million for the three months ended October 31, 2014 and 2013, respectively and $5.0 million and $5.5 million for the six months ended October 31, 2014 and 2013, respectively. Contributions for employer defined contribution plans were approximately $2.8 million and $2.4 million for the three months ended October 31, 2014 and 2013 respectively, and $8.9 million and $4.7 million for the six months ended October 31, 2014 and 2013, respectively.

14. Debt and Available Credit Facilities

On October 31, 2014, the Company entered into a new U.S. dollar facility with TD Bank, N.A. which is equally ranked with the Company’s existing agreement with Bank of America - Merrill Lynch and The Royal Bank of Scotland plc. The new agreement consists of a $50 million 364-day revolving credit facility. The facility was fully drawn as of October 31, 2014. The borrowing rate is LIBOR plus an applicable margin ranging from 0.80% to 1.40%, and a facility fee will be due on any undrawn amounts ranging from 0.125% to 0.30%, both depending on the Company consolidated leverage ratio, as defined. The credit agreement contains certain restrictive covenants related to the Company’s consolidated leverage ratio and interest coverage ratio, which the Company was in compliance with as of October 31, 2014. The proceeds of the new revolving credit facility were used to pay a portion of the Company’s existing revolving credit facility and meet seasonal operating cash requirements.

15. Derivative Instruments and Hedging Activities

The Company, from time-to-time, enters into forward exchange and interest rate swap contracts as a hedge against foreign currency asset and liability commitments, changes in interest rates and anticipated transaction exposures, including intercompany purchases. All derivatives are recognized as assets or liabilities and measured at fair value. Derivatives that are not determined to be effective hedges are adjusted to fair value with a corresponding adjustment to earnings. The Company does not use financial instruments for trading or speculative purposes.

Interest Rate Contracts:

The Company had $798.1 million of variable rate loans outstanding at October 31, 2014, which approximated fair value. As of October 31, 2014 and 2013, the interest rate swap agreements maintained by the Company were designated as fully effective cash flow hedges as defined under Accounting Standards Codification (“ASC”) 815 “Derivatives and Hedging”. As a result, there was no impact on the Company’s Condensed Consolidated Statements of Income for changes in the fair value of the interest rate swaps. Under ASC 815, fully effective derivative instruments that are designated as cash flow hedges have changes in their fair value recorded initially within Accumulated Other Comprehensive Loss in the Condensed Consolidated Statements of Financial Position. As interest expense is recognized based on the variable rate loan agreements, the corresponding deferred gain or loss on the interest rate swaps is reclassified from Accumulated Other Comprehensive Loss to Interest Expense in the Condensed Consolidated Statements of Income. It is management’s intention that the notional amount of interest rate swaps be less than the variable rate loans outstanding during the life of the derivatives.

On August 15, 2014, the Company entered into an interest rate swap agreement which fixed a portion of the variable interest due on its variable rate loans outstanding. Under the terms of the agreement, the Company pays a fixed rate of 0.65% and receives a variable rate of interest based on one-month LIBOR (as defined) from the counterparty which is reset every month for a two-year period ending August 15, 2016. As of October 31, 2014, the notional amount of the interest rate swap was $150.0 million.
On January 15, 2014, the Company entered into an interest rate swap agreement which fixed a portion of the variable interest due on its variable rate loans outstanding. Under the terms of the agreement, the Company pays a fixed rate of 0.47% and receives a variable rate of interest based on one-month LIBOR (as defined) from the counterparty which is reset every month for a two-year period ending January 15, 2016. As of October 31, 2014, the notional amount of the interest rate swap was $150.0 million.

On March 30, 2012, the Company entered into an interest rate swap agreement which fixed a portion of the variable interest due on its variable rate loans outstanding. Under the terms of the agreement, the Company pays a fixed rate of 0.645% and receives a variable rate of interest based on one-month LIBOR (as defined) from the counterparty which is reset every month for a three-year period ending March 31, 2015. As of October 31, 2014, the notional amount of the interest rate swap was $150.0 million.

The Company records the fair value of its interest rate swaps on a recurring basis using Level 2 inputs of quoted prices for similar assets or liabilities in active markets. The fair value of the interest rate swaps as of October 31, 2014 and 2013 and April 30, 2014 was a deferred loss of $1.0 million, $1.0 million, and $1.0 million, respectively. Based on the maturity dates of the contracts, approximately $0.3 million and $0.7 million of the deferred losses as of October 31, 2014 and April 30, 2014 were recorded in Other Accrued Liabilities, with the remaining deferred losses in each period of $0.7 million and $0.3 million recorded in Other Long-Term Liabilities, respectively. The entire $1.0 million deferred loss as of October 31, 2013 was recorded in Other Long-Term liabilities. The pre-tax losses that were reclassified from Accumulated Other Comprehensive Loss into Interest Expense for the three months ended October 31, 2014 and 2013 were $0.4 million and $0.3 million, respectively. The pre-tax losses that were reclassified from Accumulated Other Comprehensive Loss into Interest Expense for the six months ended October 31, 2014 and 2013 were $0.8 million and $0.6 million, respectively.

Foreign Currency Contracts:

The Company may enter into forward exchange contracts to manage the Company’s exposure on certain foreign currency denominated assets and liabilities. The forward exchange contracts are marked to market through Foreign Exchange Transaction Gains (Losses) in the Condensed Consolidated Statements of Income, and carried at their fair value in the Condensed Consolidated Statements of Financial Position. Foreign currency denominated assets and liabilities are remeasured at spot rates in effect on the balance sheet date, with the effects of changes in spot rates reported in Foreign Exchange Transaction Gains (Losses). As of October 31, 2014 and 2013, the total notional amounts of the open forward contracts were 75 million euros and 43 million euros, respectively. The Company did not maintain any open forward contracts as of April 30, 2014. During the first six months of fiscal years 2015 and 2014, the Company did not designate any forward contracts as hedges under current accounting standards as the benefits of doing so were not material due to the short-term nature of the contracts. The fair value changes in the forward exchange contracts substantially mitigated the changes in the value of the applicable foreign currency denominated assets and liabilities.

As of October 31, 2014 and 2013, the fair values of the open forward exchange contracts were a loss of approximately $4.2 million and a gain of $0.1 million, respectively, and recorded within Other Accrued Liabilities and the Prepaid and Other line item, respectively, in the Condensed Consolidated Statements of Financial Position. The fair values were measured on a recurring basis using Level 2 inputs. For the three and six months ended October 31, 2014 and 2013, the gains (losses) recognized on the forward contracts were $(0.2) million, $0.1 million, $(4.2) million and $(0.1) million, respectively.

16. Corporate Headquarters Lease Renewal

During the first quarter of fiscal year 2015, the Company renewed the lease for its corporate headquarters in Hoboken, New Jersey. The lease renewal is an operating lease which commences on July 1, 2017 and extends the current lease through March 31, 2033. As a result of the renewal, the Company’s total future minimum payments under the new lease will be $223.0 million, with annual minimum payments of $14.4 million in fiscal years 2018 through 2022.
ITEM 2. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

RESULTS OF OPERATIONS – SECOND QUARTER ENDED OCTOBER 31, 2014

Throughout this report, references to variances “excluding foreign exchange”, “currency neutral basis” and “performance basis” exclude both foreign currency translation effects and transactional gains and losses. Foreign currency translation effects are based on the change in average exchange rates for each reporting period multiplied by the current period’s volume of activity in local currency for each non-U.S. location. For the second quarters of fiscal years 2015 and 2014, the average exchange rates to convert British pounds sterling to U.S. dollars were 1.64 and 1.58, respectively; the average exchange rates to convert euros into U.S. dollars were 1.30 and 1.34, respectively; and the average exchange rates to convert Australian dollars to U.S. dollars were 0.91 and 0.93, respectively. Unless otherwise noted, all variance explanations below are on a currency neutral basis.

For the Company’s recent international acquisition CrossKnowledge Group, Ltd. (“CrossKnowledge”), financial results reflect three months of operations, but are reported on a two-month lag to facilitate accurate reporting. No events related to CrossKnowledge occurred during September or October which would materially affect the financial position of the Company.

Revenue:
Revenue for the second quarter of fiscal year 2015 increased 6% to $477.0 million. The increase mainly reflects incremental revenue from the acquisitions of CrossKnowledge ($11 million) and Profiles International (“Profiles”) ($6 million), the sale of a backfile license ($10 million), journal subscriptions ($4 million), growth in Education custom products and WileyPLUS workflow solutions ($4 million) and Deltak Education Services ($3 million) and Professional Development online test preparation and certification ($3 million), partially offset by lower print book revenue in all three businesses ($14 million).

Cost of Sales and Gross Profit:
Cost of sales for the second quarter of fiscal year 2015 increased 3% to $134.5 million. The increase mainly reflects higher royalty rates on society owned journals ($3 million) and incremental costs from acquisitions ($2 million), partially offset by other mainly cost savings initiatives ($2 million).

Gross profit for the second quarter of fiscal year 2015 of 71.8% was 80 basis points higher than prior year due to growth in digital sales in Education and Research (80 basis points), incremental revenue from higher margin acquisitions (60 basis points) and cost savings initiatives, partially offset by higher royalty rates on society owned journals (90 basis points).

Operating and Administrative Expenses:
Operating and administrative expenses for the second quarter of fiscal year 2015 increased 7% to $253.3 million, or 6% excluding the unfavorable impact of foreign exchange. The increase was mainly driven by incremental operating and administrative expenses from acquisitions ($15 million), Education Services’ (Deltak) program growth ($3 million), and other, mainly technology investments in internal systems and digital platforms ($3 million), partially offset by restructuring and other cost savings ($7 million).
Restructuring Charges:

In the second quarter of fiscal year 2014, the Company recorded pre-tax restructuring charges of $15.3 million, or $0.17 per share, which are described in more detail below. There were no restructuring charges or credits recorded for the three months ended October 31, 2014.

The following tables summarize the pre-tax restructuring charges related to this program, which are reflected in Restructuring Charges (Credits) in the Condensed Consolidated Statements of Income (in thousands):

<table>
<thead>
<tr>
<th>Charges by Segment:</th>
<th>For the Three Months</th>
<th>Cumulative Charges</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Ended October 31, 2013</td>
<td>Incurred to Date</td>
</tr>
<tr>
<td>Research</td>
<td>$3,401</td>
<td>$10,485</td>
</tr>
<tr>
<td>Professional Development</td>
<td>2,114</td>
<td>18,389</td>
</tr>
<tr>
<td>Education</td>
<td>210</td>
<td>2,059</td>
</tr>
<tr>
<td>Shared Services</td>
<td>9,591</td>
<td>36,086</td>
</tr>
<tr>
<td>Total Restructuring Charges</td>
<td>$15,316</td>
<td>$67,019</td>
</tr>
</tbody>
</table>

Charges by Activity:

<table>
<thead>
<tr>
<th>Charges by Activity:</th>
<th>For the Three Months</th>
<th>Cumulative Charges</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Ended October 31, 2013</td>
<td>Incurred to Date</td>
</tr>
<tr>
<td>Severance</td>
<td>$9,900</td>
<td>$46,309</td>
</tr>
<tr>
<td>Process reengineering consulting</td>
<td>3,100</td>
<td>11,029</td>
</tr>
<tr>
<td>Other activities</td>
<td>2,316</td>
<td>9,681</td>
</tr>
<tr>
<td>Total Restructuring Charges</td>
<td>$15,316</td>
<td>$67,019</td>
</tr>
</tbody>
</table>

The cumulative charge recorded to-date related to the Restructuring and Reinvestment program of $67.0 million is expected to be fully recovered by the end of fiscal year 2015. The Company expects to record a restructuring charge of approximately $18 million in the third quarter of fiscal year 2015. Roughly half of the expected charge is related to the completion of facility consolidations and dispositions in connection with prior restructuring actions. The restructuring charge will also include severance costs for reorganization and consolidation plans, primarily in Research and books.

Impairment Charges

In the second quarter of fiscal year 2014, the Company terminated a multi-year software development program for an internal operations application due to a change in the Company’s longer-term enterprise systems plans. As a result, the Company recorded an asset impairment charge for previously capitalized software costs related to the program of $4.8 million, or $3.4 million after tax ($0.06 per share).

Amortization of Intangibles:

Amortization of intangibles increased $2.1 million to $13.1 million in the second quarter of fiscal year 2015 and was mainly driven by the acquisitions.

Interest Expense/Income, Foreign Exchange and Other:

Interest expense for the second quarter of fiscal year 2015 increased $1.1 million to $4.5 million. The increase was driven by higher average debt mainly due to acquisition financing and higher interest rates. The Company’s average cost of borrowing in the second quarters of fiscal years 2015 and 2014 was 1.9% and 1.8%, respectively. In the second quarters of fiscal years 2015 and 2014, the Company recognized foreign exchange transaction gains (losses) of $0.2 million and ($0.6) million, respectively. Interest income and other in the second quarters of fiscal years 2015 and 2014 was $1.1 million and $0.5 million, respectively.
Provision for Income Taxes:

The effective tax rate for the second quarter of fiscal year 2015 was 26.1% compared to 22.5% in the prior year. The increase was principally due to a higher proportion of income from high tax jurisdictions (United States) in the current year, partially offset by lower U.K. income tax rates. Prior year results included proportionately higher restructuring charges related to U.S. operations.

Earnings Per Share:

Earnings per diluted share for the second quarter of fiscal year 2015 increased 48% to $0.90 per share. Excluding the impact of the prior year restructuring ($0.17 per share) and impairment charges ($0.06 per share) and the unfavorable impact of foreign exchange ($0.01 per share), earnings per diluted share increased 8%. The increase was mainly driven by revenue growth in Research and company-wide cost savings resulting from restructuring, partially offset by investment in Education Services (Deltak) partnership and program development and the dilutive impact of the recent Talent Solutions acquisitions.

SECOND QUARTER SEGMENT RESULTS

As part of Wiley’s restructuring and reorganization program, in the first quarter of fiscal year 2015, the Company consolidated certain decentralized business functions (Content Management, Vendor Procurement Services, Marketing Services, etc.) into global shared service functions. These newly centralized service groups enable significant cost reduction opportunities, including efficiencies gained from standardized technology and centralized management. The costs of these functions were previously reported as direct operating expenses in each business segment but are now reported within the shared service functions. In addition, the Company has modified its segment product/service revenue categories to reflect recent changes to the business. Prior year amounts have been restated to reflect the same reporting methodology.
For the Three Months Ended October 31, % change

<table>
<thead>
<tr>
<th>RESEARCH:</th>
<th>2014</th>
<th>2013</th>
<th>% change w/o FX (a)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Research Communication:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Journal Subscriptions</td>
<td>$168,315</td>
<td>$164,119</td>
<td>3% 2%</td>
</tr>
<tr>
<td>Funded Access</td>
<td>5,067</td>
<td>3,857</td>
<td>31% 30%</td>
</tr>
<tr>
<td>Other Journal Revenue</td>
<td>36,425</td>
<td>23,534</td>
<td>55% 55%</td>
</tr>
<tr>
<td></td>
<td>209,807</td>
<td>191,510</td>
<td>10% 9%</td>
</tr>
<tr>
<td>Books and References:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Print Books</td>
<td>26,843</td>
<td>31,069</td>
<td>-14% -14%</td>
</tr>
<tr>
<td>Digital Books</td>
<td>9,957</td>
<td>9,383</td>
<td>6% 6%</td>
</tr>
<tr>
<td></td>
<td>36,800</td>
<td>40,452</td>
<td>-9% -9%</td>
</tr>
<tr>
<td>Other Research Revenue</td>
<td>18,218</td>
<td>20,985</td>
<td>-13% -13%</td>
</tr>
<tr>
<td>Total Revenue</td>
<td>$264,825</td>
<td>$252,947</td>
<td>5% 5%</td>
</tr>
<tr>
<td>Cost of Sales</td>
<td>(72,542)</td>
<td>(68,935)</td>
<td>5% 4%</td>
</tr>
<tr>
<td>Gross Profit</td>
<td>$192,283</td>
<td>$184,012</td>
<td>4% 5%</td>
</tr>
<tr>
<td>Gross Profit Margin</td>
<td></td>
<td></td>
<td>72.6% 72.7%</td>
</tr>
<tr>
<td>Direct Expenses</td>
<td>(63,509)</td>
<td>(60,793)</td>
<td>4% 4%</td>
</tr>
<tr>
<td>Amortization of Intangibles</td>
<td>(7,197)</td>
<td>(6,964)</td>
<td>3% 1%</td>
</tr>
<tr>
<td>Restructuring Charges (see Note 7)</td>
<td>-</td>
<td>(3,401)</td>
<td>-</td>
</tr>
<tr>
<td>Direct Contribution to Profit</td>
<td>$121,577</td>
<td>$112,854</td>
<td>8% 5%</td>
</tr>
<tr>
<td>Direct Contribution Margin</td>
<td></td>
<td></td>
<td>45.9% 44.6%</td>
</tr>
<tr>
<td>Shared Services and Administrative Costs</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Distribution and Operational Services</td>
<td>(11,449)</td>
<td>(11,828)</td>
<td>-3% -4%</td>
</tr>
<tr>
<td>Technology and Content Management</td>
<td>(25,314)</td>
<td>(24,843)</td>
<td>2% 1%</td>
</tr>
<tr>
<td>Occupancy and Other</td>
<td>(6,061)</td>
<td>(6,519)</td>
<td>-7% -7%</td>
</tr>
<tr>
<td>Contribution to Profit</td>
<td>$86,753</td>
<td>$69,664</td>
<td>13% 9%</td>
</tr>
<tr>
<td>Contribution Margin</td>
<td></td>
<td></td>
<td>29.7% 27.5%</td>
</tr>
</tbody>
</table>

(a) Adjusted to exclude the fiscal year 2014 Restructuring Charges

Revenue:

Research revenue for the second quarter of fiscal year 2015 increased 5% to $264.8 million. Growth in Journal Subscriptions, Funded Access, Other Journal Revenue and Digital Books was partially offset by declines in Print Books and Other Research Revenue. Journal subscription revenue growth was driven by new titles ($1 million), new subscriptions ($1 million) and publication timing ($2 million). As of October 31, 2014, calendar year 2014 journal subscription renewals were up approximately 1.4% over calendar year 2013 on a constant currency basis with 99% of targeted business closed.

Funded Access revenue, which represents article publication fees that provide for free access to author articles on the Company’s website, grew $1.2 million in the second quarter. Other Journal Revenue, which includes service charges for journal page counts and color charges and sales of journal licensing rights, backfiles and individual articles, increased 55% to $36.4 million principally due to the sale of a backfile license ($10 million) and journal content rights ($2 million).
Books declined 14% to $26.8 million, while Digital Books grew 6% to $10.0 million in the second quarter of fiscal year 2015. Other Research Revenue, which includes journal reprint revenue, advertising, book licensing rights, distribution services and the sale of protocols, declined 13% mainly due to lower journal reprint and advertising revenue.

Revenue by Region is as follows:

<table>
<thead>
<tr>
<th>Revenue by Region</th>
<th>For the Three Months Ended October 31, % of Revenue</th>
<th>% change w/o FX</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2014</td>
<td>2013</td>
</tr>
<tr>
<td>Americas</td>
<td>$99.5</td>
<td>$98.0</td>
</tr>
<tr>
<td>EMEA</td>
<td>150.1</td>
<td>141.0</td>
</tr>
<tr>
<td>Asia-Pacific</td>
<td>15.2</td>
<td>13.9</td>
</tr>
<tr>
<td>Total Revenue</td>
<td>$264.8</td>
<td>$252.9</td>
</tr>
</tbody>
</table>

Cost of Sales:

Cost of sales for the second quarter of fiscal year 2015 increased 5% to $72.5 million. The increase mainly reflects higher royalties due to growth in backfile revenue ($2 million) and royalty rates on society owned journals ($3 million), partially offset by cost savings initiatives ($2 million).

Gross Profit:

Gross Profit Margin for the second quarter of fiscal year 2015 of 72.6% was essentially flat with the prior year as higher royalty rates on society owned journals were offset by inventory cost savings initiatives and lower cost digital sales.

Direct Expenses and Amortization:

Direct Expenses for the second quarter of fiscal year 2015 increased 4% to $63.5 million mainly driven by higher employment costs ($2 million) and higher editorial costs to support business growth ($1 million). Amortization of intangibles increased $0.2 million to $7.2 million in the second quarter of fiscal year 2015.

Contribution to Profit:

Contribution to Profit for the second quarter of fiscal year 2015 increased 13% to $78.8 million, or 9% excluding the unfavorable impact of foreign exchange and the prior year Restructuring Charges. Revenue growth and restructuring savings were partially offset by higher royalty rates on society journals. Contribution Margin increased 220 basis points to 29.7%, mainly due to higher margin digital revenue, restructuring charges in the prior year and restructuring saving in the current year.

Society Partnerships
- 3 new society journals were signed during the quarter with combined annual revenue of approximately $0.9 million
- 3 renewals/extensions were signed with approximately $0.8 million in combined annual revenue
- 2 journals were not renewed with combined annual revenue of approximately $0.4 million

Reorganization

In November 2014, the company announced plans to reorganize the Research segment. The reorganization will provide sharper focus in managing the portfolio of journal-related products and services. The books-related portion of Research will be managed toward increasing operating synergies with the Professional Development books business.
Journal Agent Bankruptcy (Swets)

Swets Information Services, a global library subscription agent based in Amsterdam, declared bankruptcy in late September. While the bankruptcy had no material impact on the Company’s financial statements, future sourcing of journal subscriptions may be temporarily impacted. The impact to calendar year 2015 journal subscription revenue is expected to be on the order of $5 million. Wiley continues to investigate the matter and will provide an update when it releases third quarter earnings.

For the Three Months Ended October 31, % change

<table>
<thead>
<tr>
<th>PROFESSIONAL DEVELOPMENT (PD):</th>
<th>2014</th>
<th>2013</th>
<th>% change w/o FX (a)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Knowledge Services:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Print Books</td>
<td>$52,685</td>
<td>$59,794</td>
<td>-12%</td>
</tr>
<tr>
<td>Digital Books</td>
<td>14,465</td>
<td>13,980</td>
<td>3%</td>
</tr>
<tr>
<td>Online Test Preparation and Certification</td>
<td>5,538</td>
<td>4,275</td>
<td>30%</td>
</tr>
<tr>
<td>Other</td>
<td>6,539</td>
<td>5,942</td>
<td>10%</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td>79,227</td>
<td>83,991</td>
<td>-6%</td>
</tr>
<tr>
<td><strong>Cost of Sales</strong></td>
<td>(30,172)</td>
<td>(29,410)</td>
<td>3%</td>
</tr>
<tr>
<td><strong>Gross Profit</strong></td>
<td>$75,495</td>
<td>$63,135</td>
<td>20%</td>
</tr>
<tr>
<td><strong>Gross Profit Margin</strong></td>
<td>71.4%</td>
<td>68.2%</td>
<td></td>
</tr>
<tr>
<td>Direct Expenses</td>
<td>(35,175)</td>
<td>(24,409)</td>
<td>44%</td>
</tr>
<tr>
<td>Amortization of Intangibles</td>
<td>(3,521)</td>
<td>(1,640)</td>
<td>115%</td>
</tr>
<tr>
<td>Restructuring Charges (see Note 7)</td>
<td>-</td>
<td>(2,114)</td>
<td></td>
</tr>
<tr>
<td><strong>Direct Contribution to Profit</strong></td>
<td>$36,799</td>
<td>$34,972</td>
<td>5%</td>
</tr>
<tr>
<td><strong>Direct Contribution Margin</strong></td>
<td>34.8%</td>
<td>37.8%</td>
<td></td>
</tr>
<tr>
<td><strong>Shared Services and Administrative Costs:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Distribution and Operational Services</td>
<td>(7,991)</td>
<td>(9,503)</td>
<td>-16%</td>
</tr>
<tr>
<td>Technology and Content Management</td>
<td>(11,953)</td>
<td>(12,969)</td>
<td>-8%</td>
</tr>
<tr>
<td>Occupancy and Other</td>
<td>(7,130)</td>
<td>(4,996)</td>
<td>43%</td>
</tr>
<tr>
<td><strong>Contribution to Profit</strong></td>
<td>$9,725</td>
<td>$7,504</td>
<td>30%</td>
</tr>
<tr>
<td><strong>Contribution Margin</strong></td>
<td>9.2%</td>
<td>8.1%</td>
<td></td>
</tr>
</tbody>
</table>

(a) Adjusted to exclude the fiscal year 2014 Restructuring Charges

Revenue:

PD revenue for the second quarter of fiscal year 2015 increased 14% to $105.7 million reflecting incremental revenue from the CrossKnowledge ($11 million) and Profiles ($6 million) acquisitions. Excluding revenue from both acquisitions, revenue decreased 4% as declines in print book sales exceeded growth in Online Test Preparation and Certification and other Assessment revenue. Other Knowledge Services Revenue, which includes the sales of licensing rights, subscription revenue and advertising and agency revenue increased 10% mainly due to the timing of licensing rights revenue.
Revenue by Region is as follows:

<table>
<thead>
<tr>
<th>Region</th>
<th>2014</th>
<th>2013</th>
<th>% of Revenue</th>
<th>% change w/o FX</th>
</tr>
</thead>
<tbody>
<tr>
<td>Americas</td>
<td>$73.2</td>
<td>$73.5</td>
<td>69%</td>
<td>3%</td>
</tr>
<tr>
<td>EMEA</td>
<td>26.6</td>
<td>13.3</td>
<td>25%</td>
<td>65%</td>
</tr>
<tr>
<td>Asia-Pacific</td>
<td>5.9</td>
<td>5.7</td>
<td>6%</td>
<td>0%</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td><strong>$105.7</strong></td>
<td><strong>$92.5</strong></td>
<td><strong>100%</strong></td>
<td><strong>12%</strong></td>
</tr>
</tbody>
</table>

**Cost of Sales:**

Cost of sales for the second quarter of fiscal year 2015 increased 3% to $30.2 million due to costs from new acquisitions ($2 million), partially offset by lower Print Book sales volume ($1 million).

**Gross Profit:**

Gross Profit Margin increased from 68.2% to 71.4% in the second quarter of fiscal year 2015. The improvement was mainly driven by higher margin incremental revenue from the Profiles (160 basis points) and CrossKnowledge (160 basis points) acquisitions.

**Direct Expenses and Amortization:**

Direct Expenses for the second quarter of fiscal year 2015 increased 44% to $35.2 million. The increase was driven by incremental operating expenses from acquisitions ($10 million), higher advertising costs ($1 million) and higher costs to support online test preparation and certification growth ($1 million), partially offset by restructuring and other cost savings ($2 million). Amortization of Intangibles increased $1.9 million to $3.5 million in the second quarter of fiscal year 2015 principally due to the Profiles and CrossKnowledge acquisitions.

**Contribution to Profit:**

Contribution to Profit increased 30% to $9.7 million in the second quarter of fiscal year 2015, or 2% on a currency neutral basis and excluding the prior year Restructuring Charges. The improvement was mainly driven by restructuring and other cost savings, partially offset by the dilutive impact of the CrossKnowledge acquisition. Contribution Margin improved 110 basis points to 9.2% in the second quarter of fiscal year 2015 due to restructuring savings in the current year, restructuring charges in the prior year partially offset by the impact of the CrossKnowledge acquisition.

**Partnership**

In September 2014, Wiley announced a strategic collaboration with SilverCloud Health, a global provider of online behavioral and wellness solutions. The partnership, which will provide a comprehensive range of therapeutic programs across behavioral health and long-term chronic disease management, brings together Wiley’s evidence-based psychological and wellness content and SilverCloud Health’s award-winning cloud-based technology platform. The first set of programs, to be released in 2015, will address Generalized Anxiety Disorder and Diabetes, conditions that affect more than 40 million people in the United States on a daily basis alone.
For the Three Months Ended October 31, 2014 2013 % change % change w/o FX (a)

<table>
<thead>
<tr>
<th>EDUCATION:</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Books:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Print Textbooks</td>
<td>$41,778</td>
<td>$45,202</td>
<td>-8%</td>
<td>-6%</td>
</tr>
<tr>
<td>Digital Books</td>
<td>8,450</td>
<td>9,360</td>
<td>-10%</td>
<td>-10%</td>
</tr>
<tr>
<td>Total Books</td>
<td>50,228</td>
<td>54,560</td>
<td>-8%</td>
<td>-7%</td>
</tr>
<tr>
<td>Custom Products</td>
<td>16,363</td>
<td>14,762</td>
<td>11%</td>
<td>11%</td>
</tr>
<tr>
<td>Course Workflow Solutions (WileyPLUS)</td>
<td>18,397</td>
<td>15,916</td>
<td>17%</td>
<td>16%</td>
</tr>
<tr>
<td>Education Services (Deltak)</td>
<td>19,699</td>
<td>16,551</td>
<td>19%</td>
<td>19%</td>
</tr>
<tr>
<td>Other Education Revenue</td>
<td>1,793</td>
<td>1,870</td>
<td>-4%</td>
<td>-4%</td>
</tr>
<tr>
<td>Total Revenue</td>
<td>$106,480</td>
<td>$103,661</td>
<td>3%</td>
<td>3%</td>
</tr>
<tr>
<td>Cost of Sales</td>
<td>(31,826)</td>
<td>(32,007)</td>
<td>-1%</td>
<td>0%</td>
</tr>
<tr>
<td>Gross Profit</td>
<td>74,654</td>
<td>71,654</td>
<td>4%</td>
<td>5%</td>
</tr>
<tr>
<td>Gross Profit Margin</td>
<td>70.1%</td>
<td>69.1%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Direct Expenses</td>
<td>(32,119)</td>
<td>(28,579)</td>
<td>12%</td>
<td>12%</td>
</tr>
<tr>
<td>Amortization of Intangibles</td>
<td>(2,381)</td>
<td>(2,381)</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Restructuring Charges (see Note 7)</td>
<td>-</td>
<td>(210)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Direct Contribution to Profit</td>
<td>$40,154</td>
<td>$40,484</td>
<td>-1%</td>
<td>0%</td>
</tr>
<tr>
<td>Direct Contribution Margin</td>
<td>37.7%</td>
<td>39.1%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Shared Service Costs:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Distribution and Operational Services</td>
<td>(3,226)</td>
<td>(3,848)</td>
<td>-16%</td>
<td>-16%</td>
</tr>
<tr>
<td>Technology and Content Management</td>
<td>(13,828)</td>
<td>(11,407)</td>
<td>21%</td>
<td>21%</td>
</tr>
<tr>
<td>Occupancy and Other</td>
<td>(3,595)</td>
<td>(3,044)</td>
<td>18%</td>
<td>18%</td>
</tr>
<tr>
<td>Contribution to Profit</td>
<td>$19,505</td>
<td>$22,185</td>
<td>-12%</td>
<td>-11%</td>
</tr>
<tr>
<td>Contribution Margin</td>
<td>18.3%</td>
<td>21.4%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(a) Adjusted to exclude the fiscal year 2014 Restructuring Charges

Revenue:

Education revenue for the second quarter of fiscal year 2015 increased 3% to $106.5 million. The growth was driven by Deltak Education Services ($3 million), WileyPLUS Course Workflow Solutions ($3 million) and partially offset by a decrease in Books ($4 million). WileyPLUS revenue, which is earned ratably over the school semester, grew 17% during the second quarter of fiscal year 2015. Unearned deferred WileyPLUS revenue as of October 31, 2014 was $18.1 million as compared to $16.3 million as of October 31, 2013.

Education Services (Deltak) accounted for 19% of total Education revenue in the second quarter of fiscal year 2015 compared to 16% in the prior year. In the quarter, Education Services added the University of Birmingham as Wiley’s first European education services program partner. The university is the U.K.’s 11th largest, with over 19,000 undergraduate and 9,000 postgraduate students. As of October 31, 2014, Deltak had 37 university partners, compared to 34 in the prior year period. As of October 31, 2014, Deltak had 181 programs under contract (25 in development but not yet generating
revenue) compared to 143 programs under contract in the prior year period (36 in development but not yet generating revenue).

Revenue by Region is as follows:

<table>
<thead>
<tr>
<th>Revenue by Region:</th>
<th>For the Three Months Ended October 31, 2014</th>
<th>% of Revenue</th>
<th>% change w/o FX</th>
</tr>
</thead>
<tbody>
<tr>
<td>Americas</td>
<td>$87.4</td>
<td>82%</td>
<td>3%</td>
</tr>
<tr>
<td>EMEA</td>
<td>6.6</td>
<td>6%</td>
<td>-6%</td>
</tr>
<tr>
<td>Asia-Pacific</td>
<td>12.5</td>
<td>12%</td>
<td>13%</td>
</tr>
<tr>
<td>Total Revenue</td>
<td>$106.5</td>
<td>100%</td>
<td>3%</td>
</tr>
</tbody>
</table>

Cost of Sales:

Cost of Sales for the second quarter of fiscal year 2015 decreased 1% to $31.8 million, but was flat excluding the favorable impact of foreign exchange. Cost reduction initiatives in content development ($1 million) were offset by higher curriculum development cost in Education Services due to growth in new partners and programs ($1 million).

Gross Profit:

Gross Profit Margin for the second quarter of fiscal year 2015 improved 100 basis points to 70.1% principally due to cost saving initiatives and higher digital revenue.

Direct Expenses and Amortization:

Direct Expenses increased 12% to $32.1 million in the second quarter of fiscal year 2015. The increase was mainly driven by costs associated with growth in Education Services (Deltak) partner programs. Amortization of Intangibles was $2.4 million in the second quarters of fiscal years 2015 and 2014.

Contribution to Profit

Contribution to Profit for the second quarter of fiscal year 2015 decreased 12% to $19.5 million mainly due to continued investment in Education Services (Deltak) programs partially offset by revenue growth. Contribution Margin decreased 310 basis points to 18.3% in the second quarter of fiscal year 2015.

SHARED SERVICES AND ADMINISTRATIVE COSTS:

As part of Wiley’s restructuring and reorganization program, in the first quarter of fiscal year 2015 the Company consolidated certain decentralized business functions (Content Management, Vendor Procurement Services, Central Marketing, etc.) into global shared service functions. These newly centralized service groups enable significant cost reduction opportunities, including efficiencies gained from standardized technology and centralized management. The costs of these functions were previously reported as direct operating expenses in each business segment but are now reported within the shared service functions. Prior year amounts have been restated to reflect the same reporting methodology.
For the Three Months Ended October 31, 2014 2013 % change w/o FX (a)

<table>
<thead>
<tr>
<th>Service/Category</th>
<th>2014</th>
<th>2013</th>
<th>% change</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Distribution and Operation Services</td>
<td>$22,443</td>
<td>$25,281</td>
<td>-11%</td>
<td>-12%</td>
</tr>
<tr>
<td>Technology and Content Management</td>
<td>59,452</td>
<td>59,820</td>
<td>-1%</td>
<td>-1%</td>
</tr>
<tr>
<td>Finance</td>
<td>12,817</td>
<td>13,457</td>
<td>-5%</td>
<td>-5%</td>
</tr>
<tr>
<td>Other Administration</td>
<td>27,814</td>
<td>25,188</td>
<td>10%</td>
<td>10%</td>
</tr>
<tr>
<td>Restructuring Charges (see Note 7)</td>
<td>-</td>
<td>14,377</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$122,526</td>
<td>$138,123</td>
<td>-11%</td>
<td>-1%</td>
</tr>
</tbody>
</table>

(a) Adjusted to exclude the fiscal year 2014 Restructuring Charges

Shared Services and Administrative Costs for the second quarter of fiscal year 2015 decreased 11% to $122.5 million, or 1% on a currency neutral basis and excluding the prior year Restructuring Charges. Distribution and Operation Service costs decreased reflecting restructuring cost savings. Technology and Content Management costs decreased mainly due to restructuring and other cost savings ($4 million), partially offset by incremental costs from acquisitions ($2 million) and investments in internal systems and digital platforms ($1 million). Finance costs decreased mainly due to lower employment costs. Other Administration costs increased mainly due to incremental costs from the CrossKnowledge acquisition.

RESULTS OF OPERATIONS – SIX MONTHS ENDED OCTOBER 31, 2014

Throughout this report, references to variances “excluding foreign exchange”, “currency neutral basis” and “performance basis” exclude both foreign currency translation effects and transactional gains and losses. Foreign currency translation effects are based on the change in average exchange rates for each reporting period multiplied by the current period’s volume of activity in local currency for each non-U.S. location. For the first six months of fiscal years 2015 and 2014, the average exchange rates to convert British pounds sterling to U.S. dollars were 1.67 and 1.56, respectively; the average exchange rates to convert euros into U.S. dollars were 1.33 and 1.32, respectively; and the average exchange rates to convert Australian dollars to U.S. dollars were 0.92 and 0.94, respectively. Unless otherwise noted, all variance explanations below are on a currency neutral basis.

For the Company’s recent international acquisition CrossKnowledge Group, Ltd. (“CrossKnowledge”), financial results reflect four months of operations and are reported on a two-month lag to facilitate accurate reporting. No events related to CrossKnowledge occurred during September or October which would materially affect the financial position of the Company.

Revenue:

Revenue for the first half of fiscal year 2015 increased 6% to $914.9 million, or 5% excluding the favorable impact of foreign exchange. The increase mainly reflects incremental revenue from the acquisitions of CrossKnowledge ($15 million) and Profiles ($11 million), the sale of a backfile license ($10 million), growth in Education custom product and WileyPLUS workflow solutions ($7 million), journal subscriptions ($6 million), Deltak Education Services ($5 million) and funded access ($3 million), partially offset by lower print book revenue in all three businesses ($15 million).

Cost of Sales and Gross Profit:

Cost of sales for the first six months of fiscal year 2015 increased 3% to $258.6 million, or 2% excluding the unfavorable impact of foreign exchange. The increase mainly reflects higher royalty rates on society owned journals ($5 million),
incremental costs from acquisitions ($3 million), revenue growth ($3 million), partially offset by cost savings initiatives ($7 million).

Gross profit for the first half of fiscal year 2015 of 71.7% was 80 basis points higher than prior year due to cost efficiencies and a higher proportion of digital sales (90 basis points) and higher margin revenue from acquisitions (50 basis points), partially offset by higher royalty rates on society owned journals (60 basis points).

Operating and Administrative Expenses:

Operating and administrative expenses for the first half of fiscal year 2015 increased 6% to $505.1 million. The increase was mainly driven by incremental operating and administrative costs from acquisitions ($23 million); higher technology costs ($3 million) mainly due to investments in internal systems and digital platforms; Education Services’ (Deltak) program growth ($8 million) and higher employment and travel costs ($3 million); partially offset by restructuring and other cost savings ($13 million).

Restructuring (Credits) Charges:

In fiscal year 2013, the Company initiated a program (the “Restructuring and Reinvestment Program”) to restructure and realign its cost base with current and anticipated future market conditions. The Company is targeting a majority of the cost savings achieved to improve margins and earnings, while the remainder will be reinvested in high growth digital business opportunities.

In the first half of fiscal years 2015 and 2014, the Company recorded pre-tax restructuring (credits) charges of ($0.2) million and $23.1 million, or $0.26 per share, respectively, which are described in more detail below:

The following tables summarize the pre-tax restructuring (credits) charges related to this program, which are reflected in Restructuring (Credits) Charges in the Condensed Consolidated Statements of Income (in thousands):

<table>
<thead>
<tr>
<th></th>
<th>For the Six Months Ended October 31,</th>
<th>Cumulative Charges Incurred to Date</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2014</td>
<td>2013</td>
</tr>
<tr>
<td>Charges (Credits) by Segment:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Research</td>
<td>$(185)</td>
<td>$5,372</td>
</tr>
<tr>
<td>Professional Development</td>
<td>245</td>
<td>5,667</td>
</tr>
<tr>
<td>Education</td>
<td>51</td>
<td>258</td>
</tr>
<tr>
<td>Shared Services</td>
<td>(266)</td>
<td>11,774</td>
</tr>
<tr>
<td>Total Restructuring (Credits) Charges</td>
<td>$(155)</td>
<td>$23,071</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Charges (Credits) by Activity:</th>
<th>For the Six Months Ended October 31,</th>
<th>Cumulative Charges Incurred to Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Severance</td>
<td>$641</td>
<td>$14,931</td>
</tr>
<tr>
<td>Process reengineering consulting</td>
<td>(145)</td>
<td>5,611</td>
</tr>
<tr>
<td>Other activities</td>
<td>(651)</td>
<td>2,529</td>
</tr>
<tr>
<td>Total Restructuring (Credits) Charges</td>
<td>$(155)</td>
<td>$23,071</td>
</tr>
</tbody>
</table>

Charges (Credits) for the six months ended October 31, 2014 reflect true-ups to the previously estimated accrued restructuring charges. The cumulative charge recorded to-date related to the Restructuring and Reinvestment program of $67.0 million is expected to be fully recovered by the end of fiscal year 2015. The Company expects to record a restructuring charge of approximately $18 million in the third quarter of fiscal year 2015. Roughly half of the expected charge is related to the completion of facility consolidations and dispositions in connection with prior restructuring actions. The restructuring charge will also include severance costs for reorganization and consolidation plans, primarily in Research and books.
Impairment Charges

In the second quarter of fiscal year 2014, the Company terminated a multi-year software development program for an internal operations application due to a change in the Company’s longer-term enterprise systems plans. As a result, the Company recorded an asset impairment charge for previously capitalized software costs related to the program of $4.8 million, or $3.4 million after tax ($0.06 per share).

Amortization of Intangibles:

Amortization of intangibles increased $3.9 million to $25.8 million in the first half of fiscal year 2015 and was mainly driven by the acquisitions.

Interest Expense/Income, Foreign Exchange and Other:

Interest expense for the first half of fiscal year 2015 increased $1.8 million to $8.7 million. The increase was driven by higher average debt mainly due to acquisition financing and higher interest rates. The Company’s average cost of borrowing in the first half of fiscal years 2015 and 2014 was 2.0% and 1.8%, respectively. In the first six months of fiscal year 2014, the Company recognized a foreign exchange transaction gain of $0.3 million. Interest income and other in the first half of fiscal years 2015 and 2014 was $1.4 million and $1.6 million, respectively.

Provision for Income Taxes:

The effective tax rate for the first six months of fiscal year 2015 was 26.2% compared to 10.7% in the prior year. During the first quarter of fiscal year 2014, the Company recorded non-cash deferred tax benefits of $10.6 million ($0.18 per share), principally associated with new tax legislation enacted in the United Kingdom (“U.K.”) that reduced the U.K. statutory income tax rates by 3%. The benefits reflect the measurement of all applicable U.K. deferred tax balances to the new income tax rates of 21% effective April 1, 2014 and 20% effective April 1, 2015. Excluding the impact of the deferred tax benefit described above, the Company’s effective tax rate increased from 23.9% to 26.2% principally due to a greater proportion of income from high tax jurisdiction (United States) in the current year and a $1.5 million net tax reserve release recorded in the second quarter of fiscal year 2014, partially offset by lower U.K. income tax rates. Prior year results included proportionately higher restructuring charges related to U.S. operations.

Earnings Per Share:

Earnings per diluted share for the first half of fiscal year 2015 increased 20% to $1.46 per share. Excluding the impact of the prior year restructuring and impairment ($0.32 per share) charges and the prior year deferred tax benefit related to the change in the U.K. corporate income tax rate ($0.18 per share), earnings per diluted share increased 8%. The increase was mainly driven by revenue growth in Education and Research and company-wide savings resulting from restructuring, partially offset by the dilutive impact of the Talent Solutions acquisitions and investments in Education Services (Deltak) programs.

SEGMENT RESULTS FOR THE SIX MONTHS ENDED OCTOBER 31, 2014

As part of Wiley’s restructuring and reorganization program, in the first quarter of fiscal year 2015, the Company consolidated certain decentralized business functions (Content Management, Vendor Procurement Services, Marketing Services, etc.) into global shared service functions. These newly centralized service groups enable significant cost reduction opportunities, including efficiencies gained from standardized technology and centralized management. The costs of these functions were previously reported as direct operating expenses in each business segment but are now reported within the shared service functions. In addition, the Company has modified its segment product/service revenue categories to reflect recent changes to the business. Prior year amounts have been restated to reflect the same reporting methodology.
RESEARCH:

For the Six Months Ended October 31, 2014 2013 % change % change w/o FX (a)

Revenue:
Research Communication:
  Journal Subscriptions $337,138 $324,339  4% 2%
  Funded Access 10,496  7,191  46% 41%
  Other Journal Revenue 62,887  49,094  28% 26%
  410,521  380,624  8% 6%

Books and References:
  Print Books  52,915  58,493  -10% -11
  Digital Books  19,213  18,952  1% -1%
  72,128  77,445  -7% -9%

Other Research Revenue  37,046  40,666  -9% -10%

Total Revenue $519,695 $498,735  4% 2%

Cost of Sales (141,538) (135,543)  4% 2%

Gross Profit $378,157 $363,192  4% 2%
Gross Profit Margin 72.8% 72.8%

Direct Expenses (128,354) (121,149)  6% 3%
Amortization of Intangibles (14,560) (13,810)  5% 1%
Restructuring Credits (Charges) (see Note 7)  185 (5,372)

Direct Contribution to Profit $235,428 $222,861  6% 2%
Direct Contribution Margin 45.3% 44.7%

Shared Services and Administrative Costs:
  Distribution and Operational Services (23,419) (23,395)  0% -3%
  Technology and Content Management (51,186) (51,081)  0% -2%
  Occupancy and Other (12,219) (12,972)  -6% -8%

Contribution to Profit $148,604 $135,413  10% 5%
Contribution Margin 28.6% 27.2%

(a) Adjusted to exclude the fiscal year 2015 and 2014 Restructuring Credits (Charges)

Revenue:

Research revenue for the first six months of fiscal year 2015 increased 4% to $519.7 million, or 2% excluding the favorable impact of foreign exchange. Growth in Journal Subscriptions, Funded Access and Other Journal Revenue was partially offset by declines in Print Books and Other Research Revenue. Journal subscription revenue growth was driven by new titles ($2 million), new subscriptions ($2 million) and other mainly publication timing ($1 million). As of October 31, 2014, calendar year 2014 journal subscription renewals were up approximately 1.4% over calendar year 2013 on a constant currency basis.

Funded Access revenue, which represents article publication fees that provide for free access to author articles on the Company’s website, grew $3.3 million in the first half of fiscal year 2015. Other Journal Revenue, which includes service charges for journal page counts and color charges and sales of journal licensing rights and backfiles and individual articles, increased 28% to $62.9 million principally due the sale of a backfile license ($10 million) and journal rights ($1 million).
Print Books declined 10% to $52.9 million, while Digital Books revenue of $19.2 million was essentially flat with the prior year. Other Research Revenue, which includes journal reprint revenue, advertising, book licensing rights, distribution services and the sale of protocols, declined 9% mainly due to lower journal reprint ($2 million) and advertising ($1 million) revenue.

**Revenue by Region is as follows:**

<table>
<thead>
<tr>
<th>Revenue by Region</th>
<th>For the Six Months Ended October 31, 2014</th>
<th>% of Revenue</th>
<th>% change w/o FX</th>
</tr>
</thead>
<tbody>
<tr>
<td>Americas</td>
<td>$198.5</td>
<td>38%</td>
<td>0%</td>
</tr>
<tr>
<td>EMEA</td>
<td>293.2</td>
<td>57%</td>
<td>3%</td>
</tr>
<tr>
<td>Asia-Pacific</td>
<td>28.0</td>
<td>5%</td>
<td>5%</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td><strong>$519.7</strong></td>
<td><strong>100%</strong></td>
<td><strong>2%</strong></td>
</tr>
</tbody>
</table>

**Cost of Sales:**

Cost of sales for the first six months of fiscal year 2015 increased 4% to $141.5 million, or 2% excluding the unfavorable impact of foreign exchange. The increase was mainly driven by journal revenue growth ($2 million) and higher digital revenue and cost savings initiatives ($5 million), partially offset by higher royalty rates on society journals ($5 million).

**Gross Profit:**

Gross Profit Margin for the first half of fiscal year 2015 of 72.8% was flat with the prior year as higher royalty rates on society owned journals (110 basis points) were offset by inventory cost savings initiatives and lower cost digital sales.

**Direct Expenses and Amortization:**

Direct Expenses for the first six months of fiscal year 2015 increased 6% to $128.4 million, or 3% excluding the unfavorable impact of foreign exchange. The increase was mainly driven by higher employment costs ($3 million) and higher editorial costs to support business growth ($1 million). Amortization of Intangibles increased $0.8 million to $14.6 million in the first six months of fiscal year 2015, but was flat excluding the unfavorable impact of foreign exchange.

**Contribution to Profit:**

Contribution to Profit for the first six months of fiscal year 2015 increased 10% to $148.6 million, or 5% excluding the favorable impact of foreign exchange and the current and prior year Restructuring Credits (Charges). Revenue growth from the sale of a backfile license and journal subscriptions and restructuring savings were partially offset by higher employment costs and royalty rates on society owned journals. Contribution Margin increased 140 basis points to 28.6%, but was flat on a currency neutral basis and excluding the Restructuring Credits (Charges).

**Society Partnerships**

- 5 new society journals were signed with combined annual revenue of approximately $1.2 million
- 10 renewals/extensions were signed with approximately $12.2 million in combined annual revenue
- 6 journals were not renewed with combined annual revenue of approximately $2.7 million
For the Six Months Ended October 31, % change % change

<table>
<thead>
<tr>
<th>PROFESSIONAL DEVELOPMENT (PD):</th>
<th>2014</th>
<th>2013</th>
<th>w/o FX (a)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Knowledge Services:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Print Books</td>
<td>$108,612</td>
<td>$116,102</td>
<td>-6%</td>
</tr>
<tr>
<td>Digital Books</td>
<td>24,964</td>
<td>25,637</td>
<td>-3%</td>
</tr>
<tr>
<td>Online Test Preparation and Certification</td>
<td>8,487</td>
<td>7,121</td>
<td>19%</td>
</tr>
<tr>
<td>Other</td>
<td>12,315</td>
<td>12,630</td>
<td>-2%</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td>$154,378</td>
<td>$161,490</td>
<td>-4%</td>
</tr>
<tr>
<td><strong>Talent Solutions:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assessment</td>
<td>28,309</td>
<td>15,141</td>
<td>87%</td>
</tr>
<tr>
<td>Online Learning and Training</td>
<td>15,307</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td>$43,616</td>
<td>15,141</td>
<td>188%</td>
</tr>
<tr>
<td><strong>Gross Profit</strong></td>
<td>$140,797</td>
<td>$120,592</td>
<td>17%</td>
</tr>
<tr>
<td><strong>Direct Expenses</strong></td>
<td>(64,981)</td>
<td>(50,409)</td>
<td>29%</td>
</tr>
<tr>
<td><strong>Amortization of Intangibles</strong></td>
<td>(6,431)</td>
<td>(3,327)</td>
<td>93%</td>
</tr>
<tr>
<td><strong>Restructuring Charges (see Note 7)</strong></td>
<td>(245)</td>
<td>(5,667)</td>
<td></td>
</tr>
<tr>
<td><strong>Direct Contribution to Profit</strong></td>
<td>$69,140</td>
<td>$61,189</td>
<td>13%</td>
</tr>
<tr>
<td><strong>Shared Services and Administrative Costs:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Distribution and Operational Services</td>
<td>(16,270)</td>
<td>(19,156)</td>
<td>-15%</td>
</tr>
<tr>
<td>Technology and Content Management</td>
<td>(22,797)</td>
<td>(26,038)</td>
<td>-12%</td>
</tr>
<tr>
<td>Occupancy and Other</td>
<td>(12,750)</td>
<td>(9,761)</td>
<td>31%</td>
</tr>
<tr>
<td><strong>Contribution to Profit</strong></td>
<td>$17,323</td>
<td>$6,234</td>
<td>0%</td>
</tr>
</tbody>
</table>

(a) Adjusted to exclude the fiscal year 2015 and 2014 Restructuring Charges

**Revenue:**

PD revenue for the first six months of fiscal year 2015 increased 12% to $198.0 million. The increase reflected incremental revenue from the CrossKnowledge ($15 million) and Profiles ($11 million) acquisitions. Excluding revenue from both acquisitions, revenue decreased 3% as declines in book sales exceeded growth in Online Test Preparation and Certification and other Assessment revenue. Other Revenue, which includes the sales of licensing rights, subscription revenue and advertising and agency revenue, decreased 2% to $12.3 million in the first half of fiscal year 2015.
Revenue by Region is as follows:

<table>
<thead>
<tr>
<th>Revenue by Region:</th>
<th>For the Six Months</th>
<th>% of Revenue</th>
<th>% change w/o FX</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Ended October 31, 2014</td>
<td>2013</td>
<td>Revenue</td>
</tr>
<tr>
<td>Americas</td>
<td>$142.9</td>
<td>$139.3</td>
<td>72%</td>
</tr>
<tr>
<td>EMEA</td>
<td>43.4</td>
<td>25.5</td>
<td>22%</td>
</tr>
<tr>
<td>Asia-Pacific</td>
<td>11.7</td>
<td>11.8</td>
<td>6%</td>
</tr>
<tr>
<td>Total Revenue</td>
<td>$198.0</td>
<td>$176.6</td>
<td>100%</td>
</tr>
</tbody>
</table>

**Cost of Sales:**

Cost of sales for the first half of fiscal year 2015 increased 2% to $57.2 million as incremental cost of sales from acquisitions ($3 million) were partially offset by lower Print Book sales volume ($2 million).

**Gross Profit:**

Gross Profit Margin increased from 68.3% to 71.1% in the first six months of fiscal year 2015. The improvement was mainly driven by higher margin revenue from the Profiles (155 basis points) and CrossKnowledge (125 basis points) acquisitions.

**Direct Expenses and Amortization:**

Direct Expenses for the first six months of fiscal year 2015 increased 29% to $65.0 million. The increase was driven by incremental operating expenses from the acquisitions ($17 million), higher costs to support online test preparation and certification growth ($1 million) and merit increases ($1 million), partially offset by restructuring and other cost savings ($5 million). Amortization of Intangibles increased $3.1 million to $6.4 million in the first half of fiscal year 2015 principally due to the Profiles and CrossKnowledge acquisitions.

**Contribution to Profit:**

Contribution to Profit was $17.3 million in the first six months of fiscal year 2015, as compared to $6.2 million in the prior year. Excluding the Restructuring Charges in each period, Contribution to Profit increased $5.7 million in the first six months of fiscal year 2015 mainly due to restructuring and other cost savings, partially offset by lower Print Book revenue and the dilutive impact of the Profiles and CrossKnowledge acquisitions. Contribution Margin was 8.7% in the first six months of fiscal year 2015, as compared to 3.5% in the prior year. Excluding the Restructuring Charges in each period, Contribution Margin improved 220 basis points mainly due to restructuring and other cost savings.

**CrossKnowledge Acquisition**

On May 1, 2014, the Company acquired CrossKnowledge Group, Ltd. (“CrossKnowledge”) for approximately $166 million in cash, net of cash acquired. CrossKnowledge is a learning solutions provider focused on leadership and managerial skills development that offers subscription-based, digital learning solutions for global corporations, universities, and small and medium-sized enterprises. CrossKnowledge’s solutions include managerial and leadership skills assessments, courses, certifications, content and executive training programs that are delivered on a cloud-based platform providing over 17,000 learning objects in 17 languages. CrossKnowledge serves over five million end-users in 80 countries. CrossKnowledge reported approximately $37 million of revenue and approximately $5 million of operating income in its fiscal year ended June 30, 2013. CrossKnowledge results reflect four months of operations and are reported on a two-month lag to facilitate accurate reporting.
### Revenue:

**Books:**  
- **Print Textbooks:** $86,313 (2014), $86,574 (2013), 0% change.  
- **Digital Books:** $14,154 (2014), $13,560 (2013), 4% change.  
  
**Custom Products:**  

**Course Workflow Solutions (WileyPLUS):**  
- $19,711 (2014), $17,012 (2013), 16% change.  

**Education Services (Deltak):**  

**Other Education Revenue:**  

**Total Revenue:**  
- $197,200 (2014), $184,807 (2013), 7% change.  

**Cost of Sales:**  

**Gross Profit:**  
  
**Direct Expenses:**  
- $(64,221) (2014), $(56,595) (2013), 13% change.  

**Amortization of Intangibles:**  

**Restructuring Charges (see Note 7):**  
- $(51) (2014), $(258) (2013), 0% change.  

**Direct Contribution to Profit:**  

**Shared Service Costs:**  
- **Distribution and Operational Services:** $(6,545) (2014), $(7,889) (2013), -17% change.  
- **Technology and Content Management:** $(26,815) (2014), $(23,044) (2013), 16% change.  
- **Occupancy and Other:** $(6,770) (2014), $(6,046) (2013), 12% change.  

**Contribution to Profit:**  

(a) Adjusted to exclude the fiscal year 2015 and 2014 Restructuring Charges  

*Revenue:*  

Education revenue for the first six months of fiscal year 2015 increased 7% to $197.2 million. The growth was mainly driven by Deltak Education Services ($5 million), binder and custom print products ($5 million) and WileyPLUS Course Workflow Solutions ($3 million). WileyPLUS revenue, which is earned ratably over the school semester, grew 16% during the first six months of fiscal year 2015. Unearned deferred WileyPLUS revenue as of October 31, 2014 was $18.1 million as compared to $16.3 million as of October 31, 2013. Book revenue grew 1% to $100.5 million as digital growth exceeded print book growth.  

Education Services (Deltak) accounted for 18% of total Education revenue in the first half of fiscal year 2015 compared to 17% in the prior year. At October 31, 2014, Deltak had 181 programs under contract (25 in development but not yet generating revenue) compared to 143 programs under contract at October 31, 2013 (36 in development but not yet generating revenue).
Revenue by Region is as follows:

<table>
<thead>
<tr>
<th>Region</th>
<th>2014</th>
<th>2013</th>
<th>% of Revenue</th>
<th>% change w/o FX</th>
</tr>
</thead>
<tbody>
<tr>
<td>Americas</td>
<td>$160.0</td>
<td>$148.9</td>
<td>81%</td>
<td>8%</td>
</tr>
<tr>
<td>EMEA</td>
<td>11.1</td>
<td>11.4</td>
<td>6%</td>
<td>-6%</td>
</tr>
<tr>
<td>Asia-Pacific</td>
<td>26.1</td>
<td>24.5</td>
<td>13%</td>
<td>9%</td>
</tr>
<tr>
<td>Total Revenue</td>
<td>$197.2</td>
<td>$184.8</td>
<td>100%</td>
<td>7%</td>
</tr>
</tbody>
</table>

Cost of Sales:

Cost of Sales for the first six months of fiscal year 2015 increased 2% to $59.9 million, mainly driven by higher sales volume ($3 million) and higher curriculum development costs associated with new Education Services (Deltak) partners and programs ($1 million), partially offset by cost savings initiatives ($3 million).

Gross Profit:

Gross Profit Margin for the first half of fiscal year 2015 improved 130 basis points to 69.6% principally due to cost savings initiatives and higher digital revenue (160 basis points), partially offset by Education Services (Deltak) program growth (30 basis points).

Direct Expenses and Amortization:

Direct Expenses increased 13% to $64.2 million in the first half of fiscal year 2015. The increase was mainly driven by costs associated with growth in Education Services (Deltak) partner programs ($7 million). Amortization of Intangibles was $4.8 million in the second quarters of fiscal years 2015 and 2014.

Contribution to Profit:

Contribution to Profit for the first six months of fiscal year 2015 increased 2% to $28.2 million mainly due to the revenue growth and cost savings initiatives, partially offset by continued investment in Education Services (Deltak) programs. Contribution Margin decreased 70 basis points to 14.3% in the first six months of fiscal year 2015 mainly driven by continued investment in Education Services (Deltak).

SHARED SERVICES AND ADMINISTRATIVE COSTS:

As part of Wiley’s restructuring and reorganization program, in the first quarter of fiscal year 2015 the Company consolidated certain decentralized business functions (Content Management, Vendor Procurement Services, Central Marketing, etc.) into global shared service functions. These newly centralized service groups enable significant cost reduction opportunities, including efficiencies gained from standardized technology and centralized management. The costs of these functions were previously reported as direct operating expenses in each business segment but are now reported within the shared service functions. Prior year amounts have been restated to reflect the same reporting methodology.
For the Six Months Ended October 31, 2014 2013 % change % change w/o FX (a)

Distribution and Operation Services $46,119 $50,516 -12% -10%
Technology and Content Management 121,831 119,707 2% 1%
Finance 26,552 26,242 1% 0%
Other Administration 53,004 49,904 6% 5%
Restructuring (Credits) Charges (see Note 7) (266) 16,560
Total $247,240 $262,929 -6% -1%

(a) Adjusted to exclude the fiscal year 2015 and 2014 Restructuring (Credits) Charges

Shared Services and Administrative Costs for the first six months of fiscal year 2015 decreased 6% to $247.2 million, or 1% on a currency neutral basis and excluding the Restructuring (Credits) Charges. Distribution and Operation Service costs decreased due to restructuring cost savings. Technology and Content Management costs increased mainly due to incremental costs from acquisitions ($4 million) and other investments in digital platforms and internal systems ($3 million), partially offset by Content Management restructuring and other cost savings ($7 million). Finance costs were flat as lower employment costs were offset by incremental costs from acquisitions. Other Administration costs increased mainly due to incremental costs from the CrossKnowledge acquisition.

LIQUIDITY AND CAPITAL RESOURCES

The Company’s Cash and Cash Equivalents balance was $198.9 million at the end of the second quarter of fiscal year 2015, compared with $149.7 million a year earlier. Cash Used for Operating Activities in the first six months of fiscal year 2015 increased $27.6 million to $94.1 million principally due to higher cash used for operating assets and liabilities ($27 million), higher payments related to the Company’s restructuring programs ($4 million) and higher royalty advance payments ($4 million), partially offset by lower income tax deposits paid to German tax authorities ($7 million). The higher use of cash from other operating assets and liabilities was mainly driven by higher accounts receivable ($24 million) due to a backfile license signed at the end of second quarter and lower cash collections, higher incentive compensation payments ($20 million) and higher employee retirement plan contributions ($4 million), partially offset by higher accrued income taxes ($20 million) due to higher taxable earnings and timing of payments.

Cash Used for Investing Activities for the first half of fiscal year 2015 was $217.6 million compared to $46.2 million in the prior year. The first half of fiscal year 2015 includes the acquisition of CrossKnowledge for approximately $166 million in cash, net of cash acquired. The acquisition was funded through the use of the existing credit facility and available cash and did not have an impact on the Company’s ability to meet other operating, investing and financing needs. During the first half of fiscal year 2015, the Company received $1.1 million of escrow proceeds from the sale of certain consumer publishing assets in fiscal year 2013 which represents the final amounts due to the Company from the sale of those assets.

Composition spending was $16.9 million in the first half of fiscal year 2015 compared to $19.3 million in the prior year. The decrease reflects lower spending in Education and Research due to cost reduction efficiencies and lower title counts. Cash used for technology, property and equipment was $29.6 million in the first six months of fiscal year 2015 compared to $26.2 million in the prior year. The increase mainly reflects Deltak curriculum development costs due to growth in new partners and programs ($2 million) and costs associated with new systems development ($1 million).
Cash Provided by Financing Activities was $33.6 million in the first half of fiscal year 2015, as compared to a use of $73.6 million in the prior year. The Company’s net debt (debt less cash and cash equivalents) increased $102.4 million from the prior year. During the first six months of fiscal year 2015, net debt borrowings were $97.0 million compared to net debt repayments of $25.1 million in the prior year. The higher net borrowings in the first six months of fiscal year 2015 mainly reflect additional funds borrowed for acquisitions and other changes in working capital. The total notional amount of the interest rate swap agreements associated with the Company’s revolving credit facility was $450 million as of October 31, 2014.

To take advantage of more favorable interest rates available in the current market and due to the Company’s credit profile, on October 31, 2014, the Company entered into a new U.S. dollar facility with TD Bank, N.A. which is equally ranked with the Company’s existing agreement with Bank of America - Merrill Lynch and The Royal Bank of Scotland plc. The new agreement consists of a $50 million 364-day revolving credit facility. The facility was fully drawn as of October 31, 2014. The borrowing rate is LIBOR plus an applicable margin ranging from 0.80% to 1.40%, and a facility fee will be due on any undrawn amounts ranging from 0.125% to 0.30%, both depending on the Company consolidated leverage ratio, as defined. The credit agreement contains certain restrictive covenants related to the Company’s consolidated leverage ratio and interest coverage ratio, which the Company was in compliance with as of October 31, 2014. The proceeds of the new revolving credit facility were used to pay a portion of the Company’s existing revolving credit facility and meet seasonal operating cash requirements.

In the first half of fiscal year 2015, the Company repurchased 732,502 shares of common stock at an average price of $56.70 compared to 435,198 shares at an average price of $42.58 in the prior year. In fiscal year 2015, the Company increased its quarterly dividend to shareholders by 16% to $0.29 per share versus $0.25 per share in the prior year. Lower proceeds from the exercise of stock options reflect a lower volume of stock option exercises in the first six months of fiscal year 2015 compared to the prior year.

The Company’s operating cash flow is affected by the seasonality and timing of receipts from its Research journal subscriptions and its Education business. Cash receipts for calendar year Research subscription journals occur primarily from December through April. Reference is made to the Customer Credit Risk section, which follows, for a description of the impact on the Company as it relates to independent journal agents’ financial position and liquidity. Sales primarily in the U.S. higher education market tend to be concentrated in June through August, and again in November through January. Due to this seasonality, the Company normally requires increased funds for working capital from May through October.

Cash and Cash Equivalents held outside the U.S. were approximately $174.4 million as of October 31, 2014. The balances were comprised primarily of pound sterling, euros, and Australian dollars. Maintenance of these cash and cash equivalent balances outside the U.S. does not have a material impact on the liquidity or capital resources of the Company’s global, including U.S., operations. Cash and cash equivalent balances outside the U.S. may be subject to U.S. taxation, if repatriated. The Company intends to reinvest cash outside the U.S. except in instances where repatriating such earnings would result in no additional income tax. Accordingly, the Company has not accrued for U.S. income tax on the repatriation of non-U.S. earnings. It is not practical to determine the U.S. income tax liability that would be payable if such cash and cash equivalents were not indefinitely reinvested.

As of October 31, 2014, the Company had approximately $799.5 million of debt outstanding and approximately $204.7 million of unused borrowing capacity under its Revolving Credit and other facilities. The Company believes that its operating cash flow, together with its revolving credit facilities and other available debt financing, will be adequate to meet its operating, investing and financing needs in the foreseeable future, although there can be no assurance that continued or increased volatility in the global capital and credit markets will not impair its ability to access these markets on terms commercially acceptable. The Company does not have any off-balance-sheet debt.
The Company’s working capital can be negative due to the seasonality of its businesses. The primary driver of the negative working capital is unearned deferred revenue related to subscriptions for which cash has been collected in advance. Cash received in advance for subscriptions is used by the Company for a number of purposes including acquisitions; debt repayments; funding operations; dividend payments; and purchasing treasury shares. The deferred revenue will be recognized as income when the products are shipped or made available online to the customers over the term of the subscription. Current liabilities as of October 31, 2014 include $163.9 million of such deferred subscription revenue for which cash was collected in advance.

Projected capital spending for Technology, Property and Equipment and Composition for fiscal year 2015 is forecast to be approximately $80 million and $40 million, respectively, primarily to create new digital products and enhance system functionality that will drive future business growth. Projected spending for author advances, which is classified as an operating activity, for fiscal year 2015 is forecast to be approximately $110 million.

“Safe Harbor” Statement under the Private Securities Litigation Reform Act of 1995

This report 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 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.
ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market Risk

The Company is exposed to market risk primarily related to interest rates, foreign exchange, and credit risk. It is the Company’s policy to monitor these exposures and to use derivative financial investments and/or insurance contracts from time to time to reduce fluctuations in earnings and cash flows when it is deemed appropriate to do so. The Company does not use derivative financial instruments for trading or speculative purposes.

Interest Rates

The Company had $798.1 million of variable rate loans outstanding at October 31, 2014, which approximated fair value. On August 15, 2014, the Company entered into an interest rate swap agreement which fixed a portion of the variable interest due on its variable rate loans outstanding. Under the terms of the agreement, the Company pays a fixed rate of 0.65% and receives a variable rate of interest based on one-month LIBOR (as defined) from the counterparty which is reset every month for a two-year period ending August 15, 2016. As of October 31, 2014, the notional amount of the interest rate swap was $150.0 million.

On August 15, 2014, the Company entered into an interest rate swap agreement which fixed a portion of the variable interest due on its variable rate loans outstanding. Under the terms of the agreement, the Company pays a fixed rate of 0.65% and receives a variable rate of interest based on one-month LIBOR (as defined) from the counterparty which is reset every month for a two-year period ending August 15, 2016. As of October 31, 2014, the notional amount of the interest rate swap was $150.0 million.

On January 15, 2014, the Company entered into an interest rate swap agreement which fixed a portion of the variable interest due on its variable rate loans outstanding. Under the terms of the agreement, the Company pays a fixed rate of 0.47% and receives a variable rate of interest based on one-month LIBOR (as defined) from the counterparty which is reset every month for a two-year period ending January 15, 2016. As of October 31, 2014, the notional amount of the interest rate swap was $150.0 million.

On March 30, 2012, the Company entered into an interest rate swap agreement which fixed a portion of the variable interest due on its variable rate loans outstanding. Under the terms of the agreement, the Company pays a fixed rate of 0.645% and receives a variable rate of interest based on one month LIBOR (as defined) from the counterparty which is reset every month for a three-year period ending March 31, 2015. As of October 31, 2014, the notional amount of the interest rate swap was $150.0 million.

It is management’s intention that the notional amount of interest rate swaps be less than the variable rate loans outstanding during the life of the derivatives. During the three and six months ended October 31, 2014, the Company recognized losses on its hedge contracts of approximately $0.4 million and $0.8 million, respectively, which are reflected in Interest Expense in the Condensed Consolidated Statements of Income. At October 31, 2014, the fair value of the outstanding interest rate swaps was a deferred loss of $1.0 million. Based on the maturity dates of the contracts approximately $0.3 million and $0.7 million of the deferred loss was recorded in Other Accrued Liabilities and Other Long-term Liabilities, respectively. On an annual basis, a hypothetical one percent change in interest rates for the $348.1 million of unhedged variable rate debt as of October 31, 2014 would affect net income and cash flow by approximately $2.2 million.

Foreign Exchange Rates

Fluctuations in the currencies of countries where the Company operates outside the U.S. may have a significant impact on financial results. The Company is primarily exposed to movements in British pound sterling, euros, Canadian and
Australian dollars, and certain currencies in Asia. The Statements of Financial Position of non-U.S. business units are translated into U.S. dollars using period-end exchange rates for assets and liabilities and weighted-average exchange rates for revenues and expenses.

The Company’s significant investments in non-US businesses are exposed to foreign currency risk. Adjustments resulting from translating assets and liabilities are reported as a separate component of Accumulated Other Comprehensive Loss within Shareholders’ Equity under the caption Foreign Currency Translation Adjustment. During the three and six months ended October 31, 2014, the Company recorded foreign currency translation losses in Other Comprehensive Income of approximately $63.9 million and $66.8 million, respectively, primarily as a result of the strengthening of the U.S. dollar relative to the British pound sterling and the euro for the three and six month periods.

Exchange rate gains or losses related to foreign currency transactions are recognized as transaction gains or losses in the Condensed Consolidated Statements of Income as incurred. Under certain circumstances, the Company may enter into derivative financial instruments in the form of foreign currency forward contracts to hedge against specific transactions, including intercompany purchases and loans. The Company does not use derivative financial instruments for trading or speculative purposes.

The Company may enter into forward exchange contracts to manage the Company’s exposure on certain foreign currency denominated assets and liabilities. The forward exchange contracts are marked to market through Foreign Exchange Transaction Gains and Losses on the Condensed Consolidated Statements of Income, and carried at their fair value on the Condensed Consolidated Statements of Financial Position. Foreign currency denominated assets and liabilities are remeasured at spot rates in effect on the balance sheet date, with the effects of changes in spot rates reported in Foreign Exchange Transaction Gains and Losses. As of October 31, 2014, there was one open forward contract with a notional amount of approximately 75 million euros. During the six months ended October 31, 2014, the Company did not designate any forward exchange contracts as hedges under current accounting standards as the benefits of doing so were not material due to the short-term nature of the contracts. The fair value changes in the forward exchange contracts substantially mitigated the changes in the value of the applicable foreign currency denominated assets and liabilities. As of October 31, 2014, the fair value of the open forward exchange contract was a loss of approximately $4.2 million, which was measured on a recurring basis using Level 2 inputs and recorded within the Other Accrued Liabilities line item on the Condensed Consolidated Statements of Financial Position. For the three and six months ended October 31, 2014, the losses recognized on the forward exchange contracts was $0.2 million and $4.2 million, respectively.

**Sales Return Reserves**

The estimated allowance for sales return is based upon historical return patterns, as well as current market trends in the businesses in which we operate. Associated with the estimated sales return reserves, the Company also includes a related reduction in inventory and royalty costs as a result of the expected returns.

Net sales return reserves amounted to $39.9 million, $43.2 million and $28.6 million as of October 31, 2014 and 2013, and April 30, 2014, respectively. The reserves are reflected in the following accounts of the Condensed Consolidated Statements of Financial Position – increase (decrease):

<table>
<thead>
<tr>
<th></th>
<th>October 31, 2014</th>
<th>October 31, 2013</th>
<th>April 30, 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts Receivable</td>
<td>$(57,647)</td>
<td>$(61,218)</td>
<td>$(41,102)</td>
</tr>
<tr>
<td>Inventories</td>
<td>9,420</td>
<td>9,418</td>
<td>6,774</td>
</tr>
<tr>
<td>Accounts and Royalties Payable</td>
<td>(8,368)</td>
<td>(8,594)</td>
<td>(5,695)</td>
</tr>
<tr>
<td>Decrease in Net Assets</td>
<td>$(39,859)</td>
<td>$(43,206)</td>
<td>$(28,633)</td>
</tr>
</tbody>
</table>
A one percent change in the estimated sales return rate could affect net income by approximately $2.5 million. A change in the pattern or trends in returns could affect the estimated allowance.

Customer Credit Risk

In the journal publishing business, subscriptions are primarily sourced through journal subscription agents who, acting as agents for library customers, facilitate ordering by consolidating the subscription orders/billings of each subscriber with various publishers. Cash is generally collected in advance from subscribers by the subscription agents and is principally remitted to the Company between the months of December and April. Future calendar-year subscription receipts from these agents are highly dependent on their financial condition and liquidity. Subscription agents account for approximately 24% of total annual consolidated revenue and no one agent accounts for more than 10% of total annual consolidated revenue.

Swets Information Services, a global library subscription agent based in Amsterdam, declared bankruptcy in late September. While the bankruptcy had no material impact on the Company’s financial statements, future sourcing of journal subscriptions maybe temporarily impacted. The impact to calendar year 2015 journal subscription revenue is expected to be on the order of $5 million. Wiley continues to investigate the matter and will provide an update when it releases third quarter earnings.

The Company’s book business is not dependent upon a single customer; however, the industry is concentrated in national, regional, and online bookstore chains. Although no one book customer accounts for more than 9% of total annual consolidated revenue and 12% of accounts receivable at October 31, 2014, the top 10 book customers account for approximately 20% of total annual consolidated revenue and approximately 33% of accounts receivable at October 31, 2014.

The European Union, Canada and United States have imposed sanctions on business relationships with Iran, including restrictions on financial transactions and prohibitions on direct and indirect trading with listed “designated persons.” In the first six months of fiscal year 2015, the Company recorded revenue and net profits of approximately $1.2 million and $0.4 million, respectively, related to the sale of scientific and medical content to certain publicly funded universities, hospitals and institutions that meet the definition of the “Government of Iran” as defined under section 560.304 of title 31, Code of Federal Regulations. The Company has assessed its business relationship and transactions with Iran and believes it is in compliance with the regulations governing the sanctions. The Company intends to continue in these or similar sales as long as they continue to be consistent with all applicable sanction-related regulations.

ITEM 4. CONTROLS AND PROCEDURES

The Company's Chief Executive Officer and Chief Financial Officer, together with the Chief Accounting Officer and other members of the Company's management, have conducted an evaluation of the Company’s disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934 (the “Exchange Act”) as of the end of the period covered by this report. Based on this evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that the Company's disclosure controls and procedures were effective to ensure that information required to be disclosed by the Company in reports filed or submitted under the Exchange Act is (i) recorded, processed, summarized and reported within the time periods specified by the Securities and Exchange Commission's rules and forms and (ii) accumulated and communicated to the Company’s management, including its Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

There were no changes in the Company’s internal controls over financial reporting during the second quarter of fiscal year 2015 that have materially affected, or are reasonably likely to materially affect, internal controls over financial reporting.
PART II - OTHER INFORMATION

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

During the second quarter of fiscal year 2015, the Company made the following purchases of Class A Common Stock under its stock repurchase program:

<table>
<thead>
<tr>
<th>Month</th>
<th>Total Number of Shares Purchased</th>
<th>Average Price Paid Per Share</th>
<th>Total Number of Shares Purchased as part of a Publicly Announced Program</th>
<th>Maximum Number of Shares that May be Purchased Under the Program</th>
</tr>
</thead>
<tbody>
<tr>
<td>August 2014</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>3,061,130</td>
</tr>
<tr>
<td>September 2014</td>
<td>208,906</td>
<td>57.54</td>
<td>208,906</td>
<td>2,852,224</td>
</tr>
<tr>
<td>October 2014</td>
<td>323,104</td>
<td>53.67</td>
<td>323,104</td>
<td>2,529,120</td>
</tr>
<tr>
<td>Total</td>
<td><strong>532,010</strong></td>
<td><strong>55.19</strong></td>
<td><strong>532,010</strong></td>
<td></td>
</tr>
</tbody>
</table>
ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits

10.1 – 2014 Key Employee Stock Plan effective September 18, 2014
10.2 – 2014 Executive Annual Incentive Plan effective September 18, 2014
10.3 – 2014 Director Stock Plan effective September 18, 2014
31.1 – Certification of the Chief Executive Officer pursuant to Section 302 of the Sarbanes – Oxley Act of 2002
31.2 – Certification of the Chief Financial Officer pursuant to Section 302 of the Sarbanes – Oxley Act of 2002
32.1 – 18 U.S.C. Section 1350 Certificate by the President and Chief Executive Officer
32.2 – 18 U.S.C. Section 1350 Certificate by the Chief Financial and Operations Officer
101.INS – XBRL Instance Document*
101.SCH – XBRL Taxonomy Extension Schema Document*
101.CAL – XBRL Taxonomy Extension Calculation Linkbase Document*
101.LAB – XBRL Taxonomy Extension Label Linkbase Document*
101.PRE – XBRL Taxonomy Extension Presentation Linkbase Document*
101.DEF – XBRL Taxonomy Extension Definition Linkbase Document*

(b) The following reports on Form 8-K were submitted to the Securities and Exchange Commission since the filing of the Company’s 10-Q on September 9, 2014:

i. Earnings release on the second quarter fiscal year 2015 results issued on Form 8-K dated December 9, 2014 which included the condensed financial statements of the Company.

ii. Results of Vote of Security Holders at the annual meeting of the Company’s shareholders held on September 18, 2014, issued on Form 8-K filed September 23, 2014.


*Pursuant to Rule 406T of Regulation S-T, this interactive data file is deemed not filed or part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933, is deemed not filed for purposes of Section 18 of the Securities Exchange Act of 1934, and otherwise is not subject to liability under these sections.
Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized

JOHN WILEY & SONS, INC.
Registrant

By /s/ Stephen M. Smith
Stephen M. Smith
President and
Chief Executive Officer

By /s/ John A. Kritzmacher
John A. Kritzmacher
Executive Vice President and
Chief Financial Officer

By /s/ Edward J. Melando
Edward J. Melando
Senior Vice President, Controller and
Chief Accounting Officer

Dated: December 10, 2014
CERTIFICATIONS PERSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Stephen M. Smith, certify that:

I have reviewed this quarterly report on Form 10-Q of John Wiley & Sons, Inc.:
- Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report; and

- Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented.

- The Company’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f) for the Company and we have:
  a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  c. Evaluated the effectiveness of the Company’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report, based on such evaluation; and
  d. Disclosed in this report any change in the Company’s internal control over financial reporting that occurred during the Company’s most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Company’s internal control over financial reporting.

- The Company’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company’s auditors and the audit committee of the board of directors:
  a. all significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting that are reasonably likely to adversely affect the Company’s ability to record, process, summarize and report financial information; and
  b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal controls.

By /s/ Stephen M. Smith
______________________________
Stephen M. Smith
President and
Chief Executive Officer

December 10, 2014
I, John A. Kritzmacher, certify that:

I have reviewed this quarterly report on Form 10-Q of John Wiley & Sons, Inc.:

- Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report; and

- Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented

- The Company’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f) for the Company and we have:

  a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

  b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

  c. Evaluated the effectiveness of the Company’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report, based on such evaluation; and

  d. Disclosed in this report any change in the Company’s internal control over financial reporting that occurred during the Company’s most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Company’s internal control over financial reporting.

- The Company’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company’s auditors and the audit committee of the board of directors:

  a. all significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting that are reasonably likely to adversely affect the Company’s ability to record, process, summarize and report financial information; and

  b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal controls.

By /s/ John A. Kritzmacher  
John A. Kritzmacher  
Executive Vice President and  
Chief Financial Officer  
December 10, 2014
CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of John Wiley & Sons, Inc. (the “Company”) on Form 10-Q for the period ending October 31, 2014, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Stephen M. Smith, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that based on my knowledge:

(1) The Report fully complies with the requirements of section 13(a) or 15 (d) of the Securities Exchange Act of 1934 (as amended), as applicable; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

By /s/ Stephen M. Smith
Stephen M. Smith
President and Chief Executive Officer

December 10, 2014
CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of John Wiley & Sons, Inc. (the “Company”) on Form 10-Q for the period ending October 31, 2014, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, John A. Kritzmacher, Executive Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that based on my knowledge:

(1) The Report fully complies with the requirements of section 13(a) or 15 (d) of the Securities Exchange Act of 1934 (as amended), as applicable; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

By /s/ John A. Kritzmacher
John A. Kritzmacher
Executive Vice President and
Chief Financial Officer

December 10, 2014