## Agenda

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Leadership Development & Succession Planning

- **Will Pesce**  
  President & CEO

- **Steve Smith**  
  Chief Operating Officer

- **Ellis Cousens**  
  Chief Financial & Operations Officer

- **Steve Smith** – to succeed Will Pesce as President & CEO (May 2011)  
  - Chief Operating Officer (May 2009)  
  - 18 years at Wiley

- **Ellis Cousens** – over 9 years at Wiley  
  - Finance, operations, investor relations, technology
About Steve Miron

- SVP – STMS (April 2010)
- 17 years at Wiley
- Extensive experience with core businesses globally, particularly STMS
About Mark Allin

- SVP – Professional/Trade (August 2010)
- 10 years at Wiley
- Extensive experience with core businesses globally, particularly Professional/Trade
About Bonnie Lieberman
- Retiring April 2011
- Recruited by Will Pesce (January 1990)
- Recruited Joe Heider (June 1994)

About Joe Heider
- Successor to Bonnie Lieberman (May 2011)
- Former VP, Product & E-Business Development
- 16 years at Wiley
- With Bonnie, driving force behind digital strategy
Growth drivers:

- Ongoing shift to knowledge-based economies
- Investments in R&D and education worldwide
- Emphasis on outcomes-based learning
- Demand for professional development & certification
- Technology enabling access, discoverability & new business models
- Emerging markets – source of content & revenue
Wiley’s key attributes:

- Unique collection of businesses
- Content + services = workflow solutions
- Digital & recurring revenue significant . . . and growing
- Free cash flow – disciplined approach to investing
- Mission, values & culture
Business Portfolio

Unique Collection of Businesses

- STMS: 58%
- P/T: 25%
- HE: 17%

Geographic Diversity

- Americas: 56%
- EMEA: 25%
- Asia Pacific: 19%

*Breakdown by revenue*
Growth in Digital Publishing

Digital revenue as a % of the business . . .

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<th>STMS</th>
<th>Higher Education</th>
<th>P/T</th>
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<tr>
<td></td>
<td>56%</td>
<td>15%</td>
<td>7%</td>
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- 79% of journal revenue
- 11% of book revenue
- Wiley Online Library
- Online advertising
- Databases

- WileyPLUS
  - 11% of revenue
  - Nearly 500K validations in FY10
  - 73% validation rate
  - Digital-only now 36% of revenue

- Digital sales to institutions
- Ebooks

- Ebooks up significantly
- Sold through Amazon, Apple, B&N, Borders, Google & other channels
- Online advertising
- B2B
- Content licensing
Top 3 globally

#1 society publisher

Leader in quality

Source: Global ranking based on internal estimates for the STMS markets we serve.

Impact refers to the number of journals receiving an impact factor as a proportion of the total journal portfolio (Thomson ISI 2009)

#1 Finance

#1 Technology

#1 Travel

#2 Cooking

#2 Business

Source: Bookscan, April 2010 (US market only)

Leader in key disciplines

Accounting

Engineering

Sciences

Mathematics
Emerging Markets

Middle East
- Institutional WileyPLUS agreement
- Large o-book sale to Saudi consortium
- Wiley sales office to open in FY11
- Heavy regional investment in education

Latin America
- Regional staffing started
- New institutional licenses in FY10
- Brazil – active publishing scene & significant source of scientific papers

India
- $30 million in FY10
- Largest Wiley Higher Education market in Asia
- Investment from foreign education providers
- Growing need for professional certification & vocational training
- Source of talent & capabilities

China
- $30 million in FY10
- #2 in journal usage & authorship
- Wileychina.com launched
- Growing demand for professional content/certification
Outlook: 3 – 5 years

- More flexible and customizable delivery of content/solutions
  - STMS journals to be predominantly digital and license-based; book revenue about 30% digital
  - P/T digital revenue (ebooks, e-learning, branded & vertical websites, online advertising) to be about 25-30% of business
  - Higher Education non-traditional revenue to exceed 50% of business – digital to exceed 40%

- Organization focused on end users
  - Ease of use/purchase
  - Discoverability
  - 24/7 access & support

Projected CAGR of technology spend in mid-teens per year through 2013, while print distribution costs remain essentially flat
Outlook: 3 – 5 years

- Value proposition focused on workflows & outcomes
  - Evidence-based
  - Measurable
- Intelligent use of customer data
  - Customer Data Management (CDM)
  - More interaction with end users
  - Upsell opportunities
- Culture of innovation
  - Partnering with customers & clients (e.g., Amazon/CrossRef)
STMS: Society Business

Number of society journals
2008 - 2010

- New: 129
- Renewed: 251
- Not Renewed: 14

Benefits of society partnerships

- Large existing customer base (1 million members)
- Key members of research community
- New journal launches, books, online reference, workflow tools, funded access revenue streams
- Services: continuing education and certification (CPD & CME), virtual conferences, community sites, online advertising
Revenue opportunities:
- Online advertising (300 million page views/month)
- Deeper penetration into emerging markets
- Improved discoverability
- Sales to individuals
- New applications (e.g., CME, funded access publications)

Growing demand for o-books/margin benefit

Content enrichment (e.g., structure searching in chemistry)
P/T: Digital Opportunity

E-Learning
CPA test prep, CPE, eLPI, webinars, online conferences, online courseware

Workflow Applications
Leadership, psychology, travel planning tools

Vertical Websites
Frommers.com, Wrox.com
P/T: eBooks & Other Applications

- All content is not created equal
  - Most P/T ebooks sold for more than $9.99 – “content for knowledge”
- Potential margin & volume benefit
- Highly regarded brands
- Multiple channel partners
- Mobile applications
- Emergence of enhanced e-books
Non-traditional Textbooks

37% growth in FY10

- 25% Non-traditional
- 75% Textbooks

8% growth in FY10

Non-traditional Revenue (Sources)

- WileyPLUS 44%
- Binder 21%
- Custom 24%
- Other Digital 11%

Benefits:
- Non-resellable
- Lower cost
- High margin
- Customizable
- Direct to institution

Gross Margin Trends

2008 (63%) → 2009 (64%) → 2010 (66%)
Digital Education

WileyPLUS (outcomes-based learning)
- Over 1 million validations to date
- Superior outcomes from courses employing online resources vs. face-to-face instruction alone – U.S. Department of Education
- 75% of students surveyed report that WileyPLUS had a positive impact on grades

Direct digital delivery to institutions
- For-profit universities
- Opportunities in Middle East & Asia

Other
- CourseSmart (400 ebooks available)
- Custom course creation
Revenue & EPS Growth

Revenue

Adjusted EPS

CAGR = 11%

CAGR = 12%
# Normalized Free Cash Flow

<table>
<thead>
<tr>
<th>Cash Usage (in millions)</th>
<th>FY 2007</th>
<th>FY 2008</th>
<th>FY 2009</th>
<th>FY 2010</th>
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<tbody>
<tr>
<td>Acquisitions</td>
<td>953</td>
<td>7</td>
<td>24</td>
<td>6</td>
</tr>
<tr>
<td>Debt Paydown (Net)</td>
<td>22</td>
<td>146</td>
<td>63</td>
<td>224</td>
</tr>
<tr>
<td>Dividends</td>
<td>22</td>
<td>26</td>
<td>31</td>
<td>33</td>
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<tr>
<td>Share Repurchase</td>
<td>–</td>
<td>–</td>
<td>35</td>
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M&A and Partnerships

- Capabilities & services that add value to our content
- Leveraged across more than one business
- Examples:
  - Distance learning/e-learning
  - Custom course creation
  - Enabling technologies in continuing education/certification
  - Test preparation
  - Applications that improve discoverability
- Content acquisitions that are strategically & financially sound