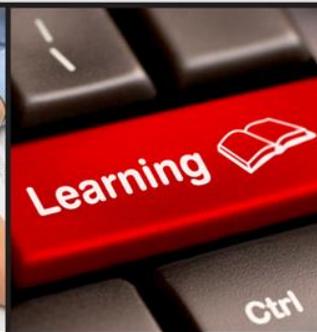


# WILEY

## Acquisition Update

May 2014



## Safe Harbor Statement

This presentation 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 online retailers; (vi) the seasonal nature of the Company's educational business and the impact of the used book market; (vii) worldwide economic and political conditions; (viii) the Company's ability to protect its copyrights and other intellectual property worldwide (ix) the ability of the Company to successfully integrate acquired operations and realize expected opportunities and (x) other factors detailed from time to time in the Company's filings with the Securities and Exchange Commission. The Company undertakes no obligation to update or revise any such forward-looking statements to reflect subsequent events or circumstances.

## About Wiley

Wiley is a global provider of knowledge and knowledge-enabled services that improve outcomes in areas of research, professional practice and education. Through its **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 to professionals in business and finance, leadership, technology, architecture, psychology, education and other areas. In **Education**, Wiley provides education solutions including online program management services for higher education institutions and course management tools and content for instructors and students.

# Investment Focus

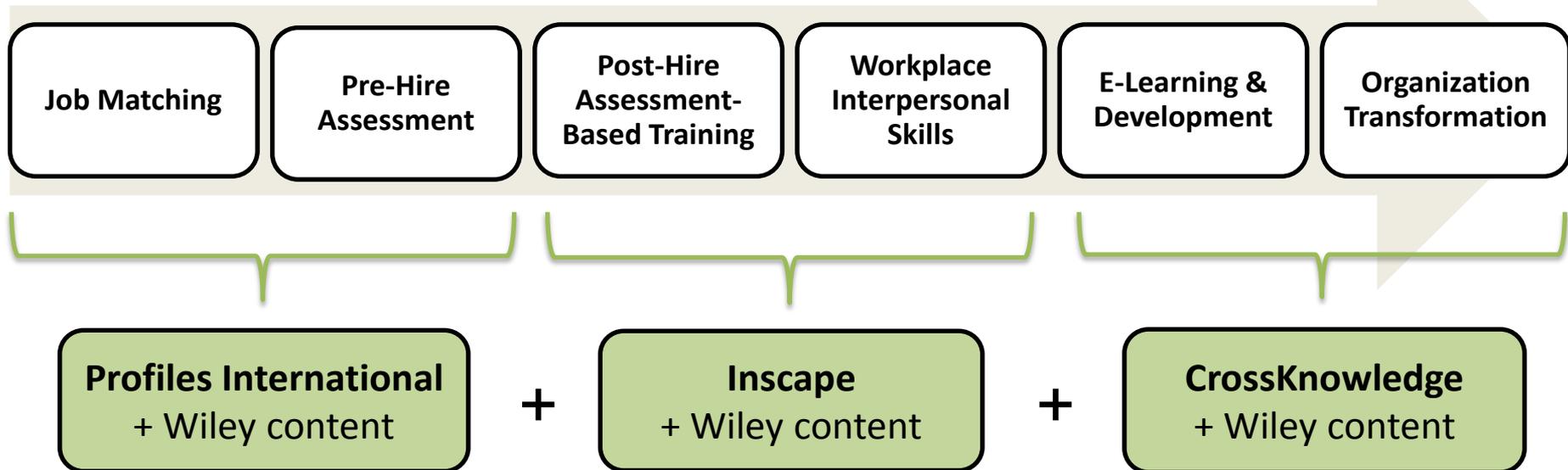
- Ongoing migration to knowledge-enabled solutions
- Targeting 25% share of revenue from solutions by FY17
- Opportunity runs through Professional Development and Education
- Acquisitions to play a key role in reaching our target

Year	Online Education	Test Preparation	Talent Assessment	Talent Development
2012	Deltak Online Program Management	ELS CPA Test Preparation	Inscape Post-Hire Assessment	
2013		Elan Guides CFA Test Preparation		
2014			Profiles International Pre-Hire Assessment	CrossKnowledge Corporate eLearning

# Addressing the Talent Gap

- An organization's human capital is its key differentiator in a rapidly-changing global economy
- Talent gap is accelerating around the world as organizations compete for skilled workers
- Professionals require new and/or updated skills to compete in a fast-paced economy that demands specialization

Creating an end-to-end solution that will help employers hire, assess, develop, and optimize



# eLearning Opportunity

- Corporations shifting away from face-to-face training toward eLearning for improved effectiveness, speed, global scalability, cost-to-train, and customization
  - 75% of large companies and 77% of SMBs plan to utilize online or hybrid solutions over the next three years, up from 69% and 70% today, respectively\*
- Corporate learning and development market is large, dynamic, and fragmented
  - \$135B spent on training and development worldwide\*\*/ \$71B in the US\*\*\*
  - \$21B outsourced in the US alone / \$6B on eLearning solutions (US)\*\*\*
  - Industry a mix of system providers, content providers and consultants. Only one large integrated player (~\$400M in revenue) focused on large companies; no clear leader in SMB marketplace (100-3,000 employees)

\*Proprietary survey results

\*\*Bersin by Deloitte: "The Business of Talent," April 16, 2014

\*\*\*The Parthenon Group

# Why CrossKnowledge?

- eLearning is a critical component of talent management strategy
- One of only a few companies to provide a fully integrated solution across learning systems, proprietary content and consulting
- Strong cloud-based platform; highly regarded in the industry
- Strong early momentum in US and Brazil; substantial European share
- 12-year track record with proven acceptance by large, blue-chip multinational customers; exceptional management team and innovative culture

Attribute	Description
<b>Solutions</b>	Designs and delivers elearning and training focused on management, leadership and business skills. Provides authoring tools, Learning Management System, and client services
<b>Employees</b>	200
<b>Customers</b>	Large and medium-sized corporations, and academic institutions
<b>Regional focus</b>	Predominantly European-based; recent Americas entry showing momentum
<b>End users</b>	5 million
<b>Revenue model</b>	90% subscription-based
<b>Value</b>	Reduced training cost, ability to customize, easy integration, demonstrable ROI

# Pre-Hire Assessment Opportunity

- Scientifically-based assessment in corporate hiring is growing rapidly worldwide
  - Growing at 10-15% year-over-year; higher in emerging markets and SMB market\*
  - \$1.3B spent annually on pre-hire assessments\*\*
- Highly fragmented; no dominant player in the space
- Cost of a bad hire far outweighs the expense of effective hiring assessments
  - 41% of companies estimate the cost of a bad hire at \$25,000; 25% say the cost is more than \$50,000\*\*\*
  - Poor skills match and cultural fit are top factors

\*Proprietary Research

\*\*Proprietary Research

\*\*\*Harris Interactive Survey of 2,696 employers (2011)

# Why Profiles International?

- Pre-hire assessment is a necessary component of a complete solution
- Well-regarded job matching and performance modeling capabilities
- Full suite of testing instruments on a single cloud-based platform
- Strong US direct sales footprint and solid momentum with Fortune 500; no significant concentrations

Attribute	Description
<b>Solutions</b>	Provides scientifically sound assessments used to screen candidates and employees; Measures knowledge, skills, managerial fit, and values
<b>Employees</b>	150
<b>Customers</b>	Mostly SMB clients. Solid progress with Fortune 500
<b>Regional focus</b>	Predominantly US-based
<b>End users</b>	1 million
<b>Revenue model</b>	45% subscription/48% prepaid individual assessment/7% consultancy
<b>Value to customer</b>	Lower cost per retained hire; Improved applicant fit

# Inscape + Profiles + CrossKnowledge

- Creation of an end-to-end talent management solution (assessment through development) – significant value proposition for customers
- Opportunities to leverage broad set of sales resources, content and solutions across broader base of existing global customers

## Direct Selling Capabilities

- US - Inscape and Profiles International
- Europe - CrossKnowledge

## US Reseller Capabilities

- Post-hire Assessment - Profiles International
- Pre-hire Assessment - Inscape

## Brand & Product Recognition

- US – Inscape, Profiles International and Wiley
- Europe – CrossKnowledge and Wiley

## Content

- Leadership & HR – Inscape, Profiles, CrossKnowledge and Wiley
- Business and Finance – ELS and Wiley

# Financial Performance

	Purchase Price	FY13 Revenue	FY13 EBITDA Margin
CrossKnowledge	\$175M	\$38M (ending June 30, 2013)	24% (ending June 30, 2013)
Profiles International	\$51M	\$27M (ending Dec 31, 2013)	19% (ending Dec 31, 2013)

- Wiley talent management portfolio now roughly \$100M in annual revenue and positioned for strong double-digit growth
- FY15 EPS dilution estimated to be 10 to 15 cents, primarily driven by one-time write-down of deferred revenue under purchase accounting
- Acquisitions funded primarily from overseas cash on-hand accompanied by borrowings under revolving credit facility

# Summary

- Wiley's migration to knowledge-based solutions has accelerated
  - Focusing on education through employment, particularly online education, test preparation, talent assessment, and talent development
  - On track to meet FY17 goal of 25% of revenue coming from solutions
- Acquired businesses show solid growth, attractive margins, well-regarded offerings, and compelling opportunities for leverage

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