

**Cengage Learning**  
**Investor Presentation for Period Ended December 31, 2007**  
**Financial Information Reconciliation**  
**Cumulative Period Reconciliation**  
(dollars in millions)

	<b>Second Quarter Fiscal 2008</b>		
	<b>Successor</b>	<b>Predecessor</b>	
	<b>Three Months</b>	<b>Three Months</b>	
	<b>Ended</b>	<b>Ended</b>	
	<b>December 31,</b>	<b>December 31,</b>	
	<b>2007</b>	<b>2006</b>	<b>Growth</b>
<b>Revenues:</b>			
Academic & Professional	\$ 304.6	\$ 301.0	1.2%
Gale	91.4	93.6	-2.4%
International	105.2	103.2	1.9%
Total for Segments	501.2	497.8	
Corporate/eliminations	(4.9)	4.7	
<b>Total Revenues</b>	<b>\$ 496.3</b>	<b>\$ 502.5</b>	<b>-1.2%</b>
<b>Segment Operating Profit:</b>			
Academic & Professional	\$ 108.6	\$ 114.9	-5.5%
Gale	32.4	28.6	13.3%
International	18.3	22.2	-17.6%
Total for Segments	159.3	165.7	
Corporate/eliminations	(26.1)	(20.9)	
<b>Total Segment Operating Profit</b>	<b>\$ 133.2</b>	<b>\$ 144.8</b>	<b>-8.0%</b>
<b>Segment Operating Profit Margin</b>			
Academic & Professional	35.7%	38.2%	
Gale	35.4%	30.6%	
International	17.4%	21.5%	

*Note: Prior period segment data has been restated to reflect the change in our segment operating structure effective October 1, 2007.*

**Cengage Learning**  
**Investor Presentation for Period Ended December 31, 2007**  
**Financial Information Reconciliation**  
**Cumulative Period Reconciliation**  
(dollars in millions)

	First Half Fiscal 2008			Predecessor Six Months Ended December 31, 2006	Growth
	Successor Period July 5, 2007 to December 31, 2007	Predecessor Period July 1, 2007 to July 4, Period	Cumulative Period Ended December 31, 2007		
<b>Revenues:</b>					
Academic & Professional	\$ 776.7	\$ 14.6	\$ 791.3	\$ 754.4	4.9%
Gale	165.9	1.4	167.3	174.3	-4.0%
International	189.4	2.5	192.0	179.4	7.0%
Total for Segments	1,132.0	18.5	1,150.6	1,108.1	
Corporate/eliminations	(4.3)	0.1	(4.2)	12.1	
<b>Total Revenues</b>	<u>\$ 1,127.7</u>	<u>\$ 18.6</u>	<u>\$ 1,146.4</u>	<u>\$ 1,120.2</u>	2.3%
<b>Segment Operating Profit:</b>					
Academic & Professional	\$ 334.7	\$ 6.7	\$ 341.4	\$ 324.6	5.2%
Gale	56.5	(0.2)	56.3	53.9	4.5%
International	26.9	(0.3)	26.6	28.0	-5.0%
Total for Segments	418.1	6.2	424.3	406.5	
Corporate/eliminations	(42.0)	(2.1)	(44.1)	(37.0)	
<b>Total Segment Operating Profit</b>	<u>\$ 376.1</u>	<u>\$ 4.1</u>	<u>\$ 380.2</u>	<u>\$ 369.5</u>	2.9%
<b>Segment Operating Profit Margin</b>					
Academic & Professional			43.1%	43.0%	
Gale			33.7%	30.9%	
International			13.9%	15.6%	

*Note: Prior period segment data has been restated to reflect the change in our segment operating structure effective October 1, 2007.*

**Cengage Learning**  
**Investor Presentation for Period Ended December 31, 2007**  
**Financial Information Reconciliation**  
**Operating Income Reconciliation**  
(dollars in millions)

	<b>Second Quarter Fiscal 2008</b>	
	<b>Successor</b>	<b>Predecessor</b>
	<b>Three Months Ended December 31, 2007</b>	<b>Three Months Ended December 31, 2006</b>
Total segment operating profit	\$ 133.2	\$ 144.8
Less: Allocation of management costs from TOC	-	(14.3)
Less: Amortization of identifiable intangible assets	(55.7)	(13.5)
Operating income	<u>\$ 77.5</u>	<u>\$ 117.0</u>

	<b>First Half Fiscal 2008</b>			<b>Predecessor Six Months Ended December 31, 2006</b>
	<b>Successor Period July 5, 2007 to December 31, 2007</b>	<b>Predecessor Period July 1, 2007 to July 4, Period</b>	<b>Cumulative Period Ended December 31, 2007</b>	
Total segment operating profit	\$ 376.1	\$ 4.1	\$ 380.2	\$ 369.5
Less: Allocation of management costs from TOC	-	(0.8)	(0.8)	(25.9)
Less: Amortization of identifiable intangible assets	(110.9)	(0.3)	(111.2)	(23.5)
Operating income	<u>\$ 265.2</u>	<u>\$ 3.0</u>	<u>\$ 268.2</u>	<u>\$ 320.1</u>

**Cengage Learning**  
**Investor Presentation for Period Ended December 31, 2007**  
**Financial Information Reconciliation**  
**Segment EBITDA Reconciliation**  
(dollars in millions)

	Second Quarter Fiscal 2008			Second Quarter Fiscal 2007			
	Segment Operating Profit	Addback: Depreciation	EBITDA	Segment Operating Profit	Addback: Depreciation	EBITDA	EBITDA Growth
Academic & Professional	\$ 108.6	\$ 2.7	\$ 111.3	\$ 114.9	\$ 1.9	\$ 116.8	-4.7%
Gale	32.4	3.1	35.5	28.6	4.1	32.7	8.6%
International	18.3	1.1	19.4	22.2	1.0	23.2	-16.4%
Total for Segments	159.3	6.9	166.2	165.7	7.0	172.7	
Corporate/eliminations	(26.1)	8.0	(18.1)	(20.9)	7.4	(13.5)	
	<u>\$ 133.2</u>	<u>\$ 14.9</u>	<u>\$ 148.1</u>	<u>\$ 144.8</u>	<u>\$ 14.4</u>	<u>\$ 159.2</u>	-7.0%

  

	First Half Fiscal 2008			First Half Fiscal 2007			
	Cumulative Segment Operating Profit	Addback: Cumulative Depreciation	Cumulative EBITDA	Segment Operating Profit	Addback: Cumulative Depreciation	Cumulative EBITDA	EBITDA Growth
Academic & Professional	\$ 341.4	\$ 5.1	\$ 346.5	\$ 324.6	\$ 3.6	\$ 328.2	5.6%
Gale	56.3	6.5	62.8	53.9	7.6	61.5	2.1%
International	26.6	2.0	28.6	28.0	1.8	29.8	-4.0%
Total for Segments	424.3	13.6	437.9	406.5	13.0	419.5	
Corporate/eliminations	(44.1)	15.5	(28.6)	(37.0)	15.0	(22.0)	
	<u>\$ 380.2</u>	<u>\$ 29.1</u>	<u>\$ 409.3</u>	<u>\$ 369.5</u>	<u>\$ 28.0</u>	<u>\$ 397.5</u>	3.0%

Note: Prior period segment data has been restated to reflect the change in our segment operating structure effective October 1, 2007.

**Cengage Learning**  
**Investor Presentation for Period Ended December 31, 2007**  
**Financial Information Reconciliation**  
**Free Cash Flow Reconciliation**  
(dollars in millions)

	<b>Second Quarter Fiscal 2008</b>	
	<b>Successor</b>	<b>Predecessor</b>
	<b>Three Months</b>	<b>Three Months</b>
	<b>Ended</b>	<b>Ended</b>
	<b>December 31,</b>	<b>December 31,</b>
	<b>2007</b>	<b>2006</b>
Net cash provided by operating activities	\$ 211.9	\$ 226.1
Additions to pre-publication costs	(29.7)	(35.9)
Additions to property, equipment and capitalized software for internal use	(9.9)	(16.0)
Free cash flow	<u>\$ 172.3</u>	<u>\$ 174.2</u>

*Note: Results presented above for the Three Months Ended December 31, 2007 and Three Months Ended December 31, 2006 are calculated by subtracting the Period July 5, 2007 to September 30, 2007 from the Period July 5, 2007 to December 31, 2007 and the Three Months Ended September 30, 2006 from the Six Months Ended December 31, 2006, respectively, as reported.*

	<b>First Half Fiscal 2008</b>			<b>Predecessor</b>
	<b>Successor</b>	<b>Predecessor</b>	<b>Cumulative</b>	
	<b>Period</b>	<b>Period</b>	<b>Period Ended</b>	<b>Six Months</b>
	<b>July 5, 2007 to</b>	<b>July 1, 2007 to</b>	<b>December 31,</b>	<b>Ended</b>
	<b>December 31,</b>	<b>July 4,</b>	<b>December 31,</b>	<b>December 31,</b>
	<b>2007</b>	<b>2007</b>	<b>2007</b>	<b>2006</b>
Net cash provided by operating activities	\$ 377.2	\$ 8.0	\$ 385.2	\$ 374.4
Additions to pre-publication costs	(56.1)	-	(56.1)	(63.4)
Additions to property, equipment and capitalized software for internal use	(18.6)	-	(18.6)	(27.0)
Free cash flow	<u>\$ 302.5</u>	<u>\$ 8.0</u>	<u>\$ 310.5</u>	<u>\$ 284.0</u>

## Cengage Learning

### Investor Presentation for Period Ended December 31, 2007

#### Financial Information Reconciliation

#### EBITDA and Adjusted EBITDA Reconciliation

(millions of U.S. dollars)

	<b>Add:</b>			<b>Last 12</b>
	<b>July 5 -</b>	<b>July 1 -</b>	<b>Six Months</b>	<b>Months Ended</b>
	<b>Dec 31,</b>	<b>July 4,</b>	<b>June 30,</b>	<b>Dec 31,</b>
	<b>2007</b>	<b>2007</b>	<b>2007</b>	<b>2007</b>
Net income (loss)	\$ (21.7)	\$ 1.8	\$ (81.4)	\$ (101.3)
Interest expense, net	273.2	-	11.6	284.8
Provision (benefit) from income taxes	12.5	1.1	(40.9)	(27.3)
Depreciation	28.5	0.6	30.2	59.3
Amortization of identifiable intangible assets	110.9	0.3	20.8	132.0
Amortization of pre-publication costs	77.0	0.9	47.0	124.9
EBITDA	\$ 480.4	\$ 4.7	\$ (12.7)	\$ 472.4
Equity losses of investee, net of taxes	2.0	0.1	4.9	7.0
Gain on disposals	(0.8)	-	-	(0.8)
Purchase accounting impact on deferred revenue	19.8	-	-	19.8
Reorganization costs	1.8	-	1.1	2.9
Transaction costs	3.6	0.5	28.1	32.2
Non-recurring items	-	-	8.5	8.5
Lost contract	-	-	-	-
Costs associated with change of corporate structure	-	-	0.1	0.1
Other adjustments	-	-	2.2	2.2
Corporate allocations	-	0.8	26.9	27.7
Stand alone cost	-	-	(12.3)	(12.3)
Management fee	4.9	-	-	4.9
Cost saving initiatives	-	-	-	31.3
Adjusted EBITDA	\$ 511.7	\$ 6.1	\$ 46.8	\$ 595.8