

Investor Presentation for Period Ended March 31, 2008
Condensed Consolidated and Combined Balance Sheets
(Unaudited)

(Dollars in millions)

	<u>Successor</u> <u>March 31,</u> <u>2008</u>	<u>Predecessor</u> <u>June 30,</u> <u>2007</u>
Assets		
Cash and cash equivalents	\$ 177.5	\$ 18.8
Accounts receivable, net	217.7	236.7
Notes receivable from TOC (Predecessor)	-	23.8
Inventories	179.4	185.5
Deferred tax assets	-	57.4
Prepaid expenses and other current assets	39.6	40.6
Total current assets	<u>614.2</u>	<u>562.8</u>
Property, equipment and capitalized software for internal use, net	158.4	150.3
Pre-publication costs, net	219.2	233.9
Author advances, net	23.2	24.8
Identifiable intangible assets, net	3,131.9	572.3
Goodwill	4,364.2	1,388.0
Deferred tax assets	-	4.8
Deferred financing costs	81.5	-
Other non-current assets	21.8	17.8
Total Assets	<u>\$ 8,614.4</u>	<u>\$ 2,954.7</u>
Liabilities and Owners' Equity		
Accounts payable and accrued expenses	\$ 246.0	\$ 241.2
Accrued interest	27.5	-
Deferred revenue	142.8	133.7
Current portion of long-term debt	34.4	35.0
Capital lease obligation	-	26.0
Notes payable to TOC (Predecessor)	-	693.9
Current taxes payable	15.6	12.4
Fair value of interest rate swaps and other current liabilities	86.0	22.1
Total current liabilities	<u>552.3</u>	<u>1,164.3</u>
Long-term debt	5,624.7	14.9
Deferred tax liabilities	972.7	310.9
Fair value of interest rate swaps and other non-current liabilities	107.4	10.8
Total liabilities	<u>7,257.1</u>	<u>1,500.9</u>
Commitments, contingencies and guarantees		
Net investment of TOC (Predecessor)	-	1,402.5
Partners' capital (Successor)	1,486.1	-
Accumulated other comprehensive (loss) income	(128.8)	51.3
Total Liabilities and Owners' Equity	<u>\$ 8,614.4</u>	<u>\$ 2,954.7</u>



Investor Presentation for Period Ended March 31, 2008
Condensed Consolidated and Combined Statements of Operations
(Unaudited)

(Dollars in millions)

	<u>Successor</u> Three Months Ended March 31, 2008	<u>Predecessor</u> Three Months Ended March 31, 2007	<u>% Change</u>
Revenues:			
Academic & Professional	\$ 157.6	\$ 134.3	17.3%
Gale	61.9	65.5	-5.5%
International	67.3	61.5	9.4%
Corporate and other	(0.6)	5.2	NM
Total Revenues	<u>286.2</u>	<u>266.5</u>	7.4%
Cost of Revenues, Excluding Depreciation stated below:			
Products, services and other	158.7	147.6	7.5%
Amortization of pre-publication costs	26.8	22.0	21.8%
Total Cost of Revenues, Excluding Depreciation stated below	<u>185.5</u>	<u>169.6</u>	9.4%
Selling, general & administrative, excluding depreciation stated below	105.7	118.5	-10.8%
Allocation of management costs from TOC	-	11.6	NM
Depreciation	15.1	13.9	8.6%
Amortization of identifiable intangible assets	51.2	10.3	NM
Total Costs and Expenses	<u>357.5</u>	<u>323.9</u>	10.4%
Operating Loss	(71.3)	(57.4)	24.2%
Interest expense with TOC	-	(4.5)	NM
Interest income	2.5	-	NM
Interest expense	(138.2)	(0.5)	NM
Loss Before Taxes	<u>(207.0)</u>	<u>(62.4)</u>	NM
Benefit from income taxes	11.7	23.1	-49.4%
Equity losses of investees, net of taxes	-	(1.7)	NM
Net Loss	<u>\$ (195.3)</u>	<u>\$ (41.0)</u>	NM

NM = Not meaningful

Note: Prior period segment data has been restated to reflect the change in our segment operating structure.



Investor Presentation for Period Ended March 31, 2008
Condensed Consolidated and Combined Statements of Operations
(Unaudited)

(Dollars in millions)

	Nine Months Ended Fiscal 2008			Predecessor Nine Months Ended March 31, 2007	% Change
	Successor Period July 5, 2007 to March 31, 2008	Predecessor Period July 1, 2007 to July 4, Period	Cumulative Period Ended March 31, 2008		
Revenues:					
Academic & Professional	\$ 934.3	\$ 14.6	\$ 948.9	\$ 888.7	6.8%
Gale	227.9	1.4	229.3	239.8	-4.4%
International	256.7	2.6	259.3	240.8	7.7%
Corporate and other	(4.9)	0.1	(4.8)	17.3	NM
Total Revenues	1,414.0	18.7	1,432.7	1,386.6	3.3%
Cost of Revenues, Excluding Depreciation stated below:					
Products, services and other	603.2	8.1	611.3	574.3	6.4%
Amortization of pre-publication costs	103.7	0.9	104.6	101.4	3.2%
Total Cost of Revenues, Excluding Depreciation stated below	706.9	9.0	715.9	675.7	5.9%
Selling, general & administrative, excluding depreciation stated below	307.4	5.0	312.4	335.1	-6.8%
Allocation of management costs from TOC	-	0.8	0.8	37.5	-97.9%
Depreciation	43.6	0.6	44.2	41.9	5.5%
Amortization of identifiable intangible assets	162.1	0.3	162.4	33.8	NM
Total Costs and Expenses	1,220.0	15.7	1,235.7	1,124.0	9.9%
Operating Income	194.0	3.0	197.0	262.6	-25.0%
Gain on sale of equity investee	0.8	-	0.8	-	NM
Gain on nonmonetary transaction	-	-	-	1.3	NM
Interest expense with TOC	-	-	-	(20.1)	NM
Interest income	6.0	-	6.0	-	NM
Interest expense	(415.0)	-	(415.0)	(3.4)	NM
Loss (Income) Before Taxes	(214.2)	3.0	(211.2)	240.4	NM
Provision for income taxes	(0.8)	(1.1)	(1.9)	(95.5)	-98.0%
Equity losses of investees, net of taxes	(2.0)	(0.1)	(2.1)	(4.7)	-55.3%
Net Loss	\$ (217.0)	\$ 1.8	\$ (215.2)	\$ 140.2	NM

NM = Not meaningful

Note: Prior period segment data has been restated to reflect the change in our segment operating structure.



Investor Presentation for Period Ended March 31, 2008
Condensed Consolidated and Combined Statements of Cash Flows
(Unaudited)

(Dollars in millions)

	Successor	Predecessor	
	Period	Period	Nine Months
	July 5, 2007 to	July 1, 2007	Ended
	March 31,	to July 4,	March 31,
	2008	2007	2007
Cash Flows from Operating Activities			
Net (loss) income	\$ (217.0)	\$ 1.8	\$ 140.2
Adjustments to reconcile net (loss) income to net cash provided by operating activities:			
Amortization of pre-publication costs	103.7	0.9	101.4
Depreciation	43.6	0.6	41.9
Amortization of identifiable intangible assets	162.1	0.3	33.8
Amortization of debt discounts and deferred financing costs	50.8	-	-
Non-cash interest on Senior Bridge Loan Facility	54.8	-	-
Non-cash interest on interest rate swaps	7.9	-	-
Provision for deferred taxes	(10.1)	0.8	26.3
Equity losses of investees, net of taxes	2.0	0.1	4.6
Gain on sale of equity investee	(0.8)	-	-
Changes in operating assets and liabilities, net of acquisitions	135.7	3.6	21.3
Other, net	3.0	(0.1)	2.6
Net Cash Provided by Operating Activities	335.7	8.0	372.1
Cash Flows from Investing Activities			
Acquisitions of business, less cash therein	(7,192.9)	-	(46.2)
Proceeds from sale of equity investee	2.0	-	-
Capital infusion into equity investee	-	-	(5.2)
Additions to pre-publication costs	(88.9)	-	(89.2)
Additions to property, equipment and capitalized software for internal use	(27.3)	-	(33.6)
Proceeds from disposition of property, equipment and capitalized software for internal use	0.3	-	-
Other, net	-	-	(0.2)
Net Cash Used by Investing Activities	(7,306.8)	-	(174.4)
Cash Flows from Financing Activities			
Proceeds from issuance of debt	5,580.2	-	-
Debt issuance costs	(90.9)	-	-
Borrowings under the revolving credit facility	41.5	-	-
Repayments under the revolving credit facility	(41.5)	-	-
Repayments of Senior Secured Credit Facility and capital lease obligation	(43.2)	-	(15.0)
Capital contribution	1,703.1	-	-
Change in cash overdrafts	(15.9)	(6.9)	29.7
Repayments from notes payable/receivable to TOC, net	-	(5.2)	(175.6)
Increase in net investment of TOC	-	0.4	(24.9)
Net Cash Provided (Used) by Financing Activities	7,133.3	(11.7)	(185.8)
Impact on Cash and Cash Equivalents from Change in Foreign Currency	0.3	-	1.6
Net Increase (Decrease) in Cash and Cash Equivalents	162.5	(3.7)	13.5
Cash and Cash Equivalents			
Beginning of period	15.0	18.7	25.0
End of period	\$ 177.5	\$ 15.0	\$ 38.5

These Condensed Consolidated and Combined Statements of Cash Flows should be read in conjunction with the Third Quarter Report for the Three and Nine Months ended March 31, 2008.



Cengage Learning
Investor Presentation for Period Ended March 31, 2008
Financial Information Reconciliation
Cumulative Period Reconciliation
(Dollars in millions)

	Successor Three Months Ended March 31, 2008	Predecessor Three Months Ended March 31, 2007	Growth
Revenues:			
Academic & Professional	\$ 157.6	\$ 134.3	17.3%
Gale	61.9	65.5	-5.5%
International	67.3	61.5	9.4%
Total for Segments	286.8	261.3	
Corporate/eliminations	(0.6)	5.2	
Total Revenues	\$ 286.2	\$ 266.5	7.4%
Segment Operating Profit:			
Academic & Professional	\$ (5.1)	\$ (13.2)	-61.4%
Gale	9.8	14.9	-34.2%
International	(6.6)	(9.5)	-30.5%
Total for Segments	(1.9)	(7.8)	
Corporate/eliminations	(18.2)	(27.7)	
Total Segment Operating Profit	\$ (20.1)	\$ (35.5)	-43.4%
Segment Operating Profit Margin			
Academic & Professional	-3.2%	-9.8%	
Gale	15.8%	22.7%	
International	-9.8%	-15.4%	
Total	-7.0%	-13.3%	

Note: Prior period segment data has been restated to reflect the change in our segment operating structure.



Cengage Learning
Investor Presentation for Period Ended March 31, 2008
Financial Information Reconciliation
Cumulative Period Reconciliation
(Dollars in millions)

	Nine Months Ended Fiscal 2008			Predecessor Nine Months Ended March 31, 2007	Growth
	Successor Period July 5, 2007 to March 31, 2008	Predecessor Period July 1, 2007 to July 4, Period	Cumulative Period Ended March 31, 2008		
Revenues:					
Academic & Professional	\$ 934.3	\$ 14.6	\$ 948.9	\$ 888.7	6.8%
Gale	227.9	1.4	229.3	239.8	-4.4%
International	256.7	2.6	259.3	240.8	7.7%
Total for Segments	1,418.9	18.6	1,437.5	1,369.3	
Corporate/eliminations	(4.9)	0.1	(4.8)	17.3	
Total Revenues	\$ 1,414.0	\$ 18.7	\$ 1,432.7	\$ 1,386.6	3.3%
Segment Operating Profit:					
Academic & Professional	\$ 329.7	\$ 6.7	\$ 336.4	\$ 311.3	8.1%
Gale	66.3	(0.2)	66.1	68.8	-3.9%
International	20.3	(0.3)	20.0	18.5	8.1%
Total for Segments	416.3	6.2	422.5	398.6	
Corporate/eliminations	(60.2)	(2.1)	(62.3)	(64.7)	
Total Segment Operating Profit	\$ 356.1	\$ 4.1	\$ 360.2	\$ 333.9	7.9%
Segment Operating Profit Margin					
Academic & Professional			35.5%	35.0%	
Gale			28.8%	28.7%	
International			7.7%	7.7%	
Total			25.1%	24.1%	

Note: Prior period segment data has been restated to reflect the change in our segment operating structure.

Cengage Learning
Investor Presentation for Period Ended March 31, 2008
Financial Information Reconciliation
Operating Income (Loss) Reconciliation
(Dollars in millions)

	<u>Successor</u> <u>Three Months</u> <u>Ended</u> <u>March 31,</u> <u>2008</u>	<u>Predecessor</u> <u>Three Months</u> <u>Ended</u> <u>March 31,</u> <u>2007</u>
Total segment operating loss	\$ (20.1)	\$ (35.5)
Less: Allocation of management costs from TOC	-	(11.6)
Less: Amortization of identifiable intangible assets	(51.2)	(10.3)
Operating loss	<u>\$ (71.3)</u>	<u>\$ (57.4)</u>

	<u>Nine Months Ended Fiscal 2008</u>			<u>Predecessor</u> <u>Nine Months</u> <u>Ended</u> <u>March 31,</u> <u>2007</u>
	<u>Successor</u> <u>Period</u> <u>July 5, 2007 to</u> <u>March 31,</u> <u>2008</u>	<u>Predecessor</u> <u>Period</u> <u>July 1, 2007 to</u> <u>July 4,</u> <u>Period</u>	<u>Cumulative</u> <u>Period Ended</u> <u>March 31,</u> <u>2008</u>	
Total segment operating profit	\$ 356.1	\$ 4.1	\$ 360.2	\$ 333.9
Less: Allocation of management costs from TOC	-	(0.8)	(0.8)	(37.5)
Less: Amortization of identifiable intangible assets	(162.1)	(0.3)	(162.4)	(33.8)
Operating income	<u>\$ 194.0</u>	<u>\$ 3.0</u>	<u>\$ 197.0</u>	<u>\$ 262.6</u>

Cengage Learning
Investor Presentation for Period Ended March 31, 2008
Financial Information Reconciliation
Free Cash Flow Reconciliation
(Dollars in millions)

	<u>Successor</u> <u>Three Months</u> <u>Ended</u> <u>March 31,</u> <u>2008</u>	<u>Predecessor</u> <u>Three Months</u> <u>Ended</u> <u>March 31,</u> <u>2007</u>
Net cash provided by operating activities	\$ (41.5)	\$ (2.3)
Additions to pre-publication costs	(32.8)	(25.8)
Additions to property, equipment and capitalized software for internal use, net of dispositions	(8.5)	(6.6)
Free cash flow	<u>\$ (82.8)</u>	<u>\$ (34.7)</u>

Note: Results presented above for the Three Months Ended March 31, 2008 and Three Months Ended March 31, 2007 are calculated by subtracting the Period July 5, 2007 to December 31, 2007 from the Period July 5, 2007 to March 31, 2008 and the Six Months Ended December 31, 2006 from the Nine Months Ended March 31, 2007, respectively, as reported.

	<u>Nine Months Fiscal 2008</u>			<u>Predecessor</u> <u>Nine Months</u> <u>Ended</u> <u>March 31,</u> <u>2007</u>
	<u>Successor</u> <u>Period</u> <u>July 5, 2007 to</u> <u>March 31,</u> <u>2008</u>	<u>Predecessor</u> <u>Period</u> <u>July 1, 2007 to</u> <u>July 4,</u> <u>2007</u>	<u>Cumulative</u> <u>Period Ended</u> <u>March 31,</u> <u>2008</u>	
Net cash provided by operating activities	\$ 335.7	\$ 8.0	\$ 343.7	\$ 372.1
Additions to pre-publication costs	(88.9)	-	(88.9)	(89.2)
Additions to property, equipment and capitalized software for internal use, net of dispositions	(26.9)	-	(26.9)	(33.6)
Free cash flow	<u>\$ 219.9</u>	<u>\$ 8.0</u>	<u>\$ 227.9</u>	<u>\$ 249.3</u>

Cengage Learning
Investor Presentation for Period Ended March 31, 2008
Financial Information Reconciliation
Segment EBITDA Reconciliation

(Dollars in millions)

	Third Quarter Fiscal 2008					Third Quarter Fiscal 2007					
	Segment Operating Profit	Addback:			EBITDA	Segment Operating Profit	Addback:			EBITDA	EBITDA Growth
		Depreciation	Pre-Publication Amortization				Depreciation	Pre-Publication Amortization			
Academic & Professional	\$ (5.1)	\$ 2.7	\$ 16.0	\$	\$ 13.6	\$ (13.2)	\$ 2.1	\$ 13.4	\$	\$ 2.3	491.3%
Gale	9.8	4.0	7.3		21.1	14.9	3.2	5.8		23.9	-11.7%
International	(6.6)	2.5	3.4		(0.7)	(9.5)	0.9	2.8		(5.8)	87.9%
Total for Segments	(1.9)	9.2	26.7		34.0	(7.8)	6.2	22.0		20.4	
Corporate/eliminations	(18.2)	5.9	0.1		(12.2)	(27.7)	7.7	-		(20.0)	
	\$ (20.1)	\$ 15.1	\$ 26.8	\$	\$ 21.8	\$ (35.5)	\$ 13.9	\$ 22.0	\$	\$ 0.4	5350.0%

	Nine Months Ended Fiscal 2008					Nine Months Ended Fiscal 2007					
	Cumulative Segment Operating Profit	Addback:			Cumulative EBITDA	Segment Operating Profit	Addback:			Cumulative EBITDA	EBITDA Growth
		Depreciation	Pre-Publication Amortization				Depreciation	Pre-Publication Amortization			
Academic & Professional	\$ 336.4	\$ 8.3	\$ 69.5	\$	\$ 414.2	\$ 311.3	\$ 5.9	\$ 72.8	\$	\$ 390.0	6.2%
Gale	66.1	11.7	24.8		102.6	68.8	10.8	18.3		97.9	4.8%
International	20.0	5.4	10.0		35.4	18.5	2.6	8.9		30.0	18.0%
Total for Segments	422.5	25.4	104.3		552.2	398.6	19.3	100.0		517.9	
Corporate/eliminations	(62.3)	18.8	0.3		(43.2)	(64.7)	22.6	1.4		(40.7)	
	\$ 360.2	\$ 44.2	\$ 104.6	\$	\$ 509.0	\$ 333.9	\$ 41.9	\$ 101.4	\$	\$ 477.2	6.7%

Note: Prior period segment data has been restated to reflect the change in our segment operating structure.