

Cengage Learning
Investor Presentation for Period Ended September 30, 2007
Financial Information Reconciliation
Cumulative Period Reconciliation
(dollars in millions)

	First Quarter Fiscal 2008				
	Successor Period July 5, 2007 to September 30, 2007	Predecessor Period July 1, 2007 to July 4, Period	Cumulative Period Ended September 30, 2007	Three Months Ended September 30, 2006	Growth
Revenues:					
Domestic Higher Education	\$ 458.8	\$ 14.4	\$ 473.2	\$ 441.3	7.2%
Domestic Library Reference	74.5	1.4	75.9	80.7	-5.9%
International	97.4	2.7	100.1	88.6	13.0%
Total for Segments	630.7	18.5	649.2	610.6	
Corporate/eliminations	0.8	0.1	0.9	7.1	
Total Revenues	\$ 631.5	\$ 18.6	\$ 650.1	\$ 617.7	5.2%
Segment Operating Profit:					
Domestic Higher Education	\$ 224.0	\$ 6.8	\$ 230.8	\$ 198.5	16.3%
Domestic Library Reference	24.0	(0.2)	23.8	25.3	-5.9%
International	12.3	(0.5)	11.8	9.1	29.7%
Total for Segments	260.3	6.1	266.4	232.9	
Corporate	(17.3)	(2.1)	(19.4)	(8.3)	
Total Segment Operating Profit	\$ 243.0	\$ 4.0	\$ 247.0	\$ 224.6	10.0%
Segment Operating Profit Margin					
Domestic Higher Education			48.8%	45.0%	
Domestic Library Reference			31.4%	31.4%	
International			11.8%	10.3%	
Total Cengage Learning			38.0%	36.4%	

Cengage Learning
Investor Presentation for Period Ended September 30, 2007
Financial Information Reconciliation
Operating Income Reconciliation
(dollars in millions)

	First Quarter Fiscal 2008			
	Successor Period July 5, 2007 to September 30, 2007	Predecessor Period July 1, 2007 to July 4, Period	Cumulative Period Ended September 30, 2007	Three Months Ended September 30, 2006
Segment operating profit	\$ 243.0	\$ 4.0	\$ 247.0	\$ 224.6
Less: Allocation of management costs from TOC	-	(0.8)	(0.8)	(11.6)
Less: Amortization of identifiable intangible assets	(55.3)	(0.3)	(55.6)	(10.0)
Operating income	\$ 187.7	\$ 2.9	\$ 190.6	\$ 203.0

Cengage Learning
Investor Presentation for Period Ended September 30, 2007
Financial Information Reconciliation
EBITDA and Adjusted EBITDA Reconciliation
(millions of U.S. dollars)

	Year Ended December 31, 2006	Add:			Less:		Last 12 Months Ended Sept 30, 2007
		July 5 - Sept 30, 2007	July 1 - July 4, 2007	Six Months June 30, 2007	Three Months Sept 30, 2006	Six Months June 30, 2006	
Net income (loss)	\$ 124.3	\$ 53.9	\$ 1.8	\$ (81.4)	\$ 115.0	\$ (57.2)	\$ 40.8
Interest expense	41.2	130.8	-	11.6	12.5	22.7	148.4
Provision (benefit) from income taxes	85.5	1.6	1.1	(40.9)	73.9	(33.1)	6.5
Depreciation	53.8	13.6	0.6	30.2	13.6	25.9	58.7
Amortization of identifiable intangible assets	40.7	55.3	0.3	20.8	10.0	20.1	87.0
Amortization of pre-publication costs	124.9	44.1	0.9	47.0	46.2	45.5	125.2
EBITDA	\$ 470.4	\$ 299.3	\$ 4.7	\$ (12.7)	\$ 271.2	\$ 23.9	\$ 466.6
Equity losses of investee, net of taxes	6.9	1.4	0.1	4.9	1.6	4.0	7.7
Gain on nonmonetary transaction	(1.3)	-	-	-	-	-	(1.3)
Purchase accounting impact on deferred revenue	-	8.0	-	-	-	-	8.0
Reorganization costs	9.8	-	-	1.1	0.2	7.0	3.7
Transaction costs	2.0	1.7	0.5	32.1	-	-	36.3
Non-recurring items	5.6	-	-	8.5	1.1	2.3	10.7
Lost contract	(2.2)	-	-	-	(0.1)	(0.2)	(1.9)
Costs associated with change of corporate structure	10.1	-	-	0.1	3.4	4.6	2.2
Other adjustments	6.4	-	-	2.2	1.3	2.0	5.3
Corporate allocations	58.1	-	0.8	26.9	12.9	24.6	48.3
Stand alone cost	(27.8)	-	-	(12.3)	(6.5)	(13.3)	(20.3)
Management fee	-	2.4	-	-	-	-	2.4
Cost saving initiatives	-	-	-	-	-	-	29.8
Adjusted EBITDA	\$ 538.0	\$ 312.8	\$ 6.1	\$ 50.8	\$ 285.1	\$ 54.9	\$ 597.5