

Cengage Learning

J.P. Morgan High Yield Conference
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Ronald G. Dunn
President and CEO



Safe Harbor/Forward-Looking Statements

- The following discussion will contain forward-looking statements, including statements about the outlook and prospects for Cengage Learning.
- Forward-looking statements are those which are not historical facts. These and other statements that relate to future results and events are based on Cengage Learning's current expectations and assumptions and are subject to risks and uncertainties which may cause our actual results in future periods to differ materially from those currently expected because of factors discussed in this presentation, in the management's discussion and analysis section of the Company's First Quarter Report for the Three Months Ended September 30, 2008 and the "Risk Factors" section of the Annual Report For The Fiscal Year Ended June 30, 2008 and the First Quarter Report for the Three Months Ended September 30, 2008. Please consult either of these documents for a more complete understanding of these risks and uncertainties. We disclaim any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Non-GAAP Financial Measures

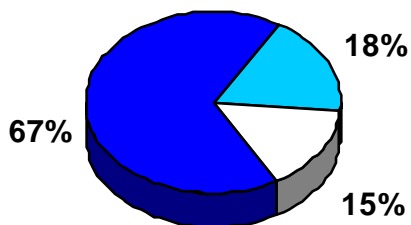
- This presentation contains disclosures of certain non-GAAP financial measures. Please see the "Investor Relations" section of our website, www.cengage.com, for a definition of these measures and a reconciliation of each these measures to the most directly comparable GAAP financial measure.

Company Overview

Market-leading global businesses:

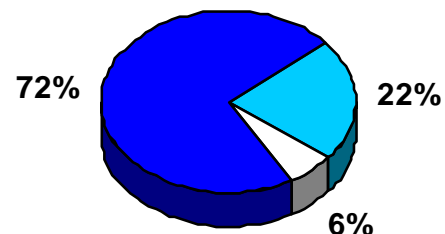
- **Academic & Professional (“APG”)** – Second largest provider of instructional materials for professors and students in post-secondary colleges and universities, career and vocational schools, and professional training centers
- **Gale** – Leading provider of information services for the global library reference market

Revenue = \$1.7B^{(1) (2)}



■ APG ■ Gale □ International

Segment Operating Profit/EBITDA = \$594M^{(1) (2)}



■ APG ■ Gale □ International

(1) As reported for fiscal year ended June 30, 2008.

(2) Includes Corporate and other revenue and expenses.

To be the most respected and innovative source of teaching, learning and research solutions for the academic, professional and library markets worldwide

The Cengage Story

Dependable Business Drivers

- Education is important for both governments and individuals
- Textbooks and digital learning solutions are critical to student success
- Core academic business is not highly sensitive to the economy

Attractive Portfolio of Businesses

- Leading franchises in Higher Ed Publishing and Library Reference
- Global footprint

Strong Financials

- Track record of top line growth
- Economies of scale drive margin performance and enable accretive acquisitions
- Consistently strong EBITDA and cash flow growth

Experienced Leadership

- Seasoned management team
 - History of driving growth and controlling costs
 - Significant business integration experience
- Leading private equity partner

Significant Milestones

2007

- Acquired business from Thomson Reuters Corporation on July 5, 2007
- Created Academic & Professional Group
- Restructured International Division
- Substantially reduced operating cost base

2008

- Acquired and fully integrated Houghton Mifflin College Division
- Acquired Gatlin Education Services
- Acquired HighBeam Research
- Sold Paraninfo
- Sold Arden Shakespeare

2009

- Acquired Concept Media

Current Business Environment

Academic & Professional Market

- Enrollments
- Endowments
- Financial aid
- Government funding
- Used books/gray market/piracy

Library Market

- State/local tax receipts
- Government funding
- Endowments

International Markets

- Global recession

Our Growth Strategy

Accelerate Development of Digital Learning Solutions

- Curriculum solutions
- Online courseware
- eCommerce

Broaden e-Reference Solutions

- “Digital first” strategy
- End-user orientation

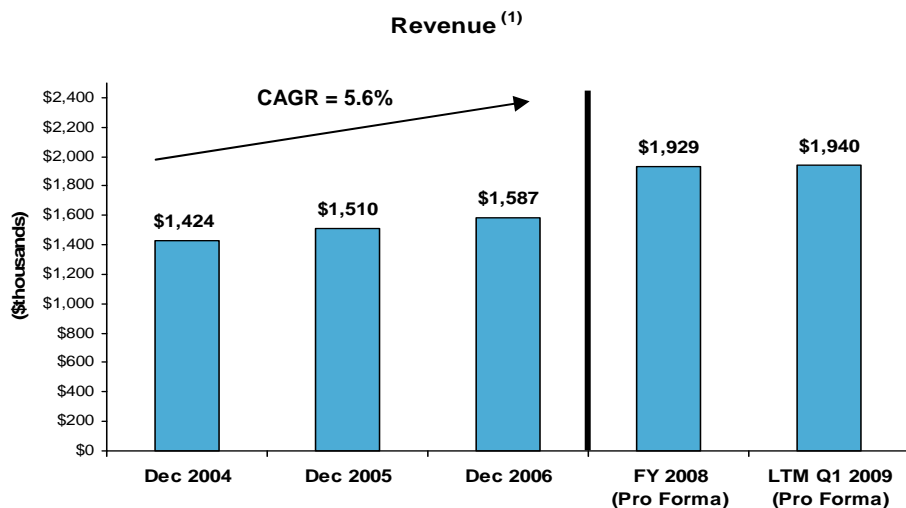
Focus on Innovation

- 4LTR Press
- Gale-APG synergy

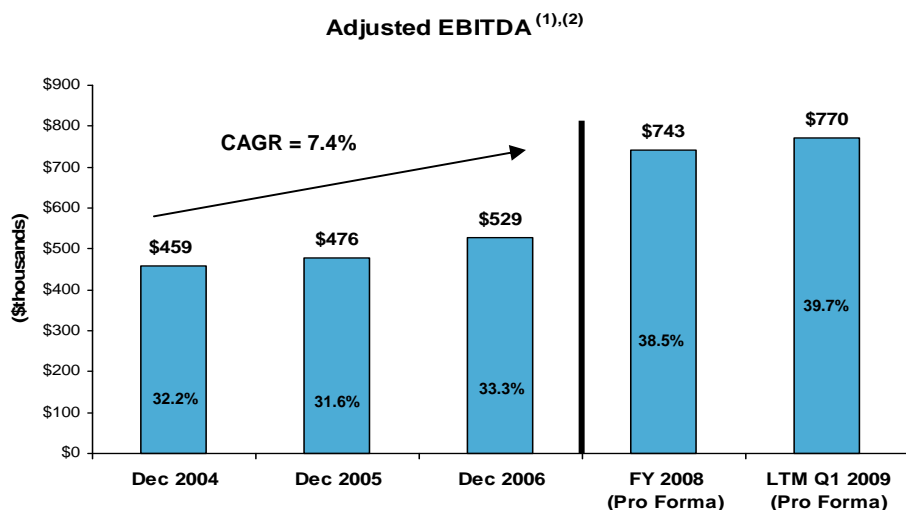
Drive Financial Growth

- Improve efficiency
- Outperform competitors
- Pursue growth through acquisitions

Financial Performance



- Consistent record of revenue growth
 - Organic
 - Acquisitions



- Substantial EBITDA growth
 - Fixed cost leverage (scale)
 - Rigorous cost management

(1) Results for December 2004, 2005 and 2006 were while under Thomson Reuters ownership. Fiscal year 2008 results are pro forma to reflect the acquisition of Houghton Mifflin Harcourt college assets for the entire period.

(2) Calculated in accordance with credit agreement.

Capitalization

(\$ millions)

| Tranche | As of September 30, 2008 | % Total Debt | x Adj EBITDA ⁽¹⁾ |
|--|-----------------------------|--------------|-----------------------------|
| \$300 million Revolving Credit Facility | \$ - | | |
| Term Loan Facility | 3,405.6 | | |
| Incremental Term Loan Facility | 609.5 | | |
| Total Senior Secured Debt | <u>4,015.1</u> | 63.9% | 5.2x |
| 10.50% Senior Notes Due 2015 | 1,202.6 | 19.2% | 1.6x |
| Total Senior Debt | <u>5,217.7</u> | | |
| 13.25% Senior Subordinated Discount Notes due 2015 | 469.2 | 7.5% | 0.6x |
| Total Operating Company Debt | <u>5,686.9</u> | | |
| Senior Bridge Loan Credit Facility ⁽²⁾ | 591.7 | 9.4% | 0.8x |
| Total Debt | <u>\$ 6,278.6</u> | 100.0% | 8.2x |

(1) Based on LTM Adjusted EBITDA as of September 30, 2008 of \$770.1 million.

(2) On October 31, 2008, the Senior Bridge Loan Credit Facility was converted into Senior PK Notes.

Key Success Factors

- Innovation
- Execution
- Financial Performance