

# First Quarter 2008

November 15, 2007



## Special Note

### 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 and the "Risk Factors" section of the Offering Memorandum relating to the 10.50% Senior Subordinated Notes due 2015 and the 13.25% Senior Subordinated Discount Notes due 2015 issues by Cengage Learning Acquisitions, Inc. (formerly known as "TL Acquisitions, Inc."). A copy of our First Quarter Report is available on the Investor Relations page of our website at [www.cengage.com](http://www.cengage.com). 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](http://www.cengage.com), for a reconciliation of each of these measures to the most directly comparable GAAP financial measure.

## Agenda

- Welcome/Introduction
- Overview David Shaffer
- Key performance improvement initiatives Ron Dunn
- Financial Results David Faiman
- Summary Ron Dunn
- Questions & Answers

# Overview

David Shaffer  
Executive Chairman



# Key Performance Improvement Initiatives

Ron Dunn

President and Chief Executive Officer



CENGAGE  
Learning™

## Performance Improvement Plan

1. Establishing leadership team
2. Driving growth
3. Merging higher education and career & professional groups
4. Restructuring international group
5. Streamlining corporate functions
6. Reducing operating expenses

# Financial Review

David Faiman  
Senior Vice President, Finance and Accounting



## Financial Review Agenda

- Consolidated and Combined Results
- Business Segment Results
- Corporate and other

## Consolidated and Combined Results

<i>(\$ Millions)</i>	FIRST QUARTER		
	<u>2008</u>	<u>2007</u>	<u>Change</u>
Revenue	\$ 650.1	\$ 617.7	5.2%
Segment operating profit	\$ 247.1	\$ 224.6	10.0%
<i>Segment operating profit margin</i>	<i>38.0%</i>	<i>36.4%</i>	

## Domestic Higher Education

*(\$ Millions)*

	<u>2008</u>	FIRST QUARTER <u>2007</u>	<u>Change</u>
Revenue	\$473.2	\$441.3	7.2%
Segment operating profit	230.8	198.5	16.3%
<i>Segment operating profit margin</i>	<i>48.8%</i>	<i>45.0%</i>	

## Domestic Library Reference

<i>(\$ Millions)</i>	FIRST QUARTER		
	<u>2008</u>	<u>2007</u>	<u>Change</u>
Revenue	\$75.9	\$80.7	-5.9%
Segment operating profit	23.8	25.3	-5.9%
<i>Segment operating profit margin</i>	<i>31.4%</i>	<i>31.4%</i>	

## International

*(\$ Millions)*

	FIRST QUARTER		
	<u>2008</u>	<u>2007</u>	<u>Change</u>
Revenue	\$ 100.1	\$ 88.6	13.0%
Segment operating profit	11.8	9.1	29.7%
<i>Segment operating profit margin</i>	<i>11.8%</i>	<i>10.3%</i>	

## Corporate and other

*(\$ Millions)*

**FIRST QUARTER**  
**2008**                      **2007**

**Revenue**

**\$ 0.9**

**\$ 7.1**

**Operating loss**

**(19.4)**

**(8.3)**

# Summary

Ron Dunn  
President and Chief Executive Officer



# Questions & Answers

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