The following discussion may 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 risk factors discussed in this presentation, our Second Quarter Report for the Three and Six Months Ended December 31, 2011, and the “Risk Factors” section of the Annual Report for the Fiscal Year Ended June 30, 2011. Please consult 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 and Other Financial Measures

This presentation contains disclosures of Adjusted EBITDA, Unlevered Free Cash Flow and Bank EBITDA which are non-GAAP financial measures.

This presentation also contains discussions of gross sales by markets, which represents amounts invoiced to our customers. Consequently, gross sales exclude any adjustments for sales returns provision or revenue deferral. We believe this measure provides investors with a more comprehensive understanding of our underlying revenue results and trends by presenting amounts invoiced on a consistent basis. In addition, we discuss ‘digital product sales’ which represents (i) revenue recognized on the sale of digital products that are not packaged with printed materials and (ii) gross sales, less actual returns, of bundled print and digital products where, we believe, that the value proposition to our customer is driven by the digital offering.
J.P. Morgan
High Yield & Leveraged Finance Conference

Topics for Today

- Cengage Learning Overview
- Business Updates
- Digital Solutions
- Fiscal 2012 Second Quarter
- Q&A
Who We Are

Leading provider of teaching, learning and research solutions in digital, print and hybrid forms

**LIFELONG LEARNING**
- 2- and 4-year Colleges and Universities
- Private/For Profit Colleges
- Professional Training & Continuing Education
- Elementary and High School

**RESEARCH**
- Academic
- School
- Public
- Government

- Annual revenue: ~$2 billion
- 5,500 employees
- Global with operations in more than 20 countries
Apple Announcement

- Apple’s initial focus is on creating digital textbooks on the iPad for the K-12 education market as opposed to Higher Education.
- Cengage Learning already partners with Apple in a variety of ways, and this announcement may lead to expanded opportunities for delivery of our content.
- Apple’s announcement highlights the growing importance of digital solutions in education.
- MindTap goes beyond Apple’s iPad textbook solution with features such as:
  - Device neutrality
  - LMS integration
  - Integration of third party apps
  - Flexibility to configure content
  - Integrated assessment tools
  - Services (support and training)
  - Strong authors and deep pedagogical expertise.
CSU eTextbook Agreement

- Significant digital partnership with the California State University (CSU) System, making e-books available to over 400,000 students on 23 campuses
- Partnership is a result of CSU’s Affordable Learning Solutions campaign to help control the cost of education for students
- Cengage Learning is the first publisher to announce a partnership with CSU
- Illustrates a trend toward more institutional sales in our industry - a trend we identified early and prioritized with our sales staff
- This partnership benefits all parties involved - Cengage Learning, the CSU System and CSU students
Benefits from the acquisition of National Geographic School Publishing have exceeded expectations to date.

Unit was rebranded as National Geographic Learning (NGL).

Integration continues to go smoothly.

FY12 National Geographic Learning significant sales wins in:
- Texas
- Florida
- New York
- Illinois
- Indiana
- Missouri

Several new NGL products illustrate Cengage Learning’s plans to bring National Geographic resources into the classroom.

Working to leverage National Geographic content across the entire Cengage Learning product portfolio.

Announced agreement with National Geographic Society to provide an online archive of more than 100 years of National Geographic Magazine for libraries.
This spring Gale will launch the first modules of the Nineteenth Century Collections Online (NCCO)

NCCO contains primary source content from:
- The British Library
- The National Archives (United States)
- The National Archives at Kew, United Kingdom
- The University of Oxford
- Castle Corvey in North Rhine-Westphalia, Germany

NCCO builds on the very successful model of Eighteenth Century Collections Online (ECCO)
Our Digital Transformation

Print  eBooks  Solutions  MindTap

We started with leading textbook franchises, encyclopedias, and primary source documents.

Over time, we migrated to eBooks and digital products, making our assets 100% digital and portable.

We have integrated applications, customized and focused on improving outcomes, bundled with services.

And now, a new platform well beyond an eBook, a homework solution or digital supplement or a LMS.
Digital revenue represents over a third of our business, with double digit growth in the overall portfolio.

Curriculum Solutions (nearly 50% of our portfolio) growing at nearly 35%, with all major homework solutions contributing with double digit growth.

Other Key Current Revenue Statistics:

- Curriculum Solutions Growth: 34.6%
- Custom Digital Growth: 25.4%
- Year to Date Revenue Growth: 27.2%
Cengage measures digital success through key utilization metrics.

Significant growth in activations and sessions; 25.4% and 33.1% respectively.
Instructors see the Value of Digital

75% of surveyed instructors think that student engagement has improved as the use of digital tools has increased.

87% of those instructors believe that learning outcomes have improved as well.

Source: Eduventures Survey
What is MindTap? It is a Personal Learning Experience

*Not just an eBook, Homework, Assessment, Resource Supplement or Learning Management System*

- Fully integrated digital platform, content and services
- Cloud – based
- App delivery
- Device independent
Early Adopter Program continues

MindTap solutions are now being used in 50 classrooms for the following disciplines:
  - Economics
  - History
  - Medical Terminology

Response and feedback from early adopters has been very positive

Four new MindTap products supporting the SAM solution were recently rolled out

Hundreds of new MindTap solutions will be launched in 2012 across a range of disciplines
“Easily Accessible, Easy to use”

“Material covered thoroughly, many learning activities, and MindTap makes learning more appealing”

“Easy to use, very interactive and hands on and very helpful while studying.”

“Try to make it easier for users to access their course(s).”
The aggregate of our two segments' Adjusted EBITDA does not equal our total Adjusted EBITDA because our segment profit measure of Adjusted EBITDA excludes equity-based compensation, fees paid to our Sponsors under advisory agreements and other corporate-related expenses.
The aggregate of our two segments’ Adjusted EBITDA does not equal our total Adjusted EBITDA because our segment profit measure of Adjusted EBITDA excludes equity-based compensation, fees paid to our Sponsors under advisory agreements and other corporate-related expenses.
Three Months Ended December 31

Revenue:
- 2010: $376.0
- 2011: $385.5

Adjusted EBITDA:
- 2010: $165.3
- 2011: $162.2

Margin:
- 2010: 44.0%
- 2011: 42.1%
Six Months Ended December 31

<table>
<thead>
<tr>
<th></th>
<th>2010 ($ Millions)</th>
<th>2011 ($ Millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>$958.9</td>
<td>$1,013.0</td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td>$481.3</td>
<td>$507.6</td>
</tr>
</tbody>
</table>

Margin
2010: 50.2%
2011: 50.1%
Three Months Ended December 31

Revenue
- 2010: $66.2
- 2011: $70.7

Adjusted EBITDA
- 2010: $10.0
- 2011: $16.0

Margin
- 2010: 15.1%
- 2011: 22.6%
Six Months Ended December 31

Revenue

2010: $125.1
2011: $135.1

Adjusted EBITDA

2010: $17.6
2011: $24.5

Margin

2010: 14.1%
2011: 18.1%
### December 31

<table>
<thead>
<tr>
<th>($ Millions)</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and Cash Equivalents</td>
<td>$137.0</td>
<td>$185.7</td>
</tr>
<tr>
<td>Revolving Credit Facility</td>
<td>$300.0</td>
<td>$300.0</td>
</tr>
<tr>
<td>Outstanding Letters of Credit</td>
<td>(2.6)</td>
<td>(6.3)</td>
</tr>
<tr>
<td>Available under the Revolving Credit Facility</td>
<td>$297.4</td>
<td>$293.7</td>
</tr>
</tbody>
</table>

### Unlevered Free Cash Flow

<table>
<thead>
<tr>
<th>June Months Ended December 31</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unlevered Free Cash Flow</td>
<td>$549.8</td>
<td>$470.8</td>
</tr>
</tbody>
</table>
Financial Update – Capital Expenditures

<table>
<thead>
<tr>
<th>($ Millions)</th>
<th>Six Months Ended December 31</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pre-Publication Costs</td>
<td>$ 79.4</td>
<td>$ 76.5</td>
</tr>
<tr>
<td>Property, Equipment and Capitalized Software for Internal Use</td>
<td>29.8</td>
<td>31.3</td>
</tr>
<tr>
<td>Capital Expenditures</td>
<td>$ 109.2</td>
<td>$ 107.8</td>
</tr>
</tbody>
</table>
### Financial Update – Net Indebtedness

**($ Millions)**

<table>
<thead>
<tr>
<th></th>
<th>December 31</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2011</td>
</tr>
<tr>
<td>Term Loan</td>
<td>$3,293.8</td>
</tr>
<tr>
<td>Incremental Term Loan</td>
<td>597.0</td>
</tr>
<tr>
<td>10.50% Senior Notes due 2015</td>
<td>1,209.5</td>
</tr>
<tr>
<td>13.25% Senior Subordinated Discount Notes due 2015</td>
<td>233.6</td>
</tr>
<tr>
<td>13.75% Senior PIK Notes due 2015</td>
<td>127.0</td>
</tr>
<tr>
<td>Indebtedness</td>
<td>5,460.9</td>
</tr>
<tr>
<td>Cash and Cash Equivalents</td>
<td>(137.0)</td>
</tr>
<tr>
<td>Net Indebtedness</td>
<td>$5,323.9</td>
</tr>
<tr>
<td>Last Twelve Months Bank EBITDA(^1)</td>
<td>$858.6</td>
</tr>
</tbody>
</table>

\(^1\) We calculate Bank EBITDA pursuant to the terms of our Credit Agreement.
Financial Update – Leverage Ratios

<table>
<thead>
<tr>
<th></th>
<th>December 31</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2011</td>
<td>2010</td>
</tr>
<tr>
<td>Credit Agreement Threshold</td>
<td>7.75</td>
<td>7.75</td>
</tr>
<tr>
<td>Senior Secured Leverage Ratio</td>
<td>4.46</td>
<td>4.48</td>
</tr>
<tr>
<td>Total Leverage Ratio</td>
<td>6.20</td>
<td>6.36</td>
</tr>
</tbody>
</table>

1 We calculate Senior Secured Leverage Ratio pursuant to the terms of our Credit Agreement.

2 Total Leverage Ratio is determined as the ratio of Net Indebtedness to Last Twelve Months Bank EBITDA (i.e., $5,323.9/ $858.6 and $5,489.8/ $862.6 for December 31, 2011 and 2010, respectively).
“Today we announced we are planning to launch an A&E in the next week or two. Pursuant to our strategy to be opportunistic about addressing our capital structure, we plan to capitalize on the recent improved market conditions.”

Dean Durbin, CFO, Cengage Learning
J.P. Morgan High Yield & Leveraged Finance Conference - 2/27/12