

Cengage Learning

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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 Second Quarter Report for the Three- and Six-Months Ended December 31, 2009 and the "Risk Factors" section of the Annual Report For The Fiscal Year Ended June 30, 2009. 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.

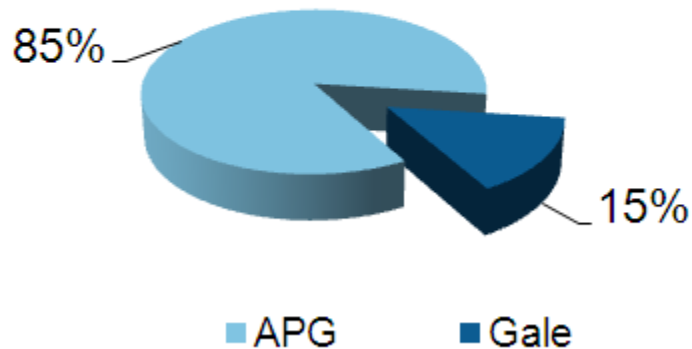


Company Overview

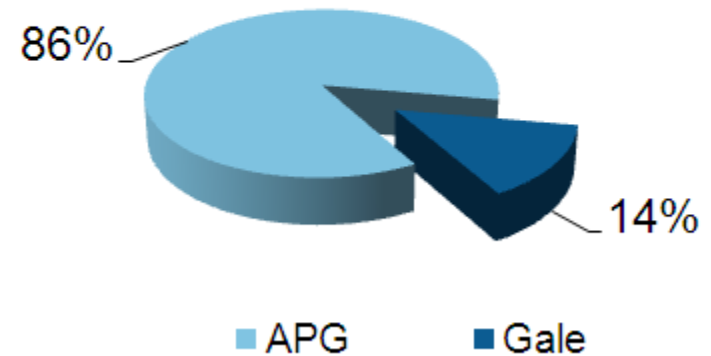
Market-leading global businesses:

- **Academic & Professional (“APG”)** – Second largest provider of textbooks and digitally-enabled learning solutions to students, faculty, institutions and professionals in the post-secondary education and professional markets.
- **Gale** – Leading provider of specialized digital databases and reference materials that support education and research in academic and K-12 libraries, as well as information tools that meet the needs of a broad range of public library users.

Revenue = \$1.9B⁽¹⁾⁽²⁾



EBITDA = \$686M⁽¹⁾⁽²⁾



(1) As reported for last twelve months ended December 31, 2009.

(2) Includes Corporate and other revenue and expenses.

The Cengage Learning Story

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 education and library reference publishing
- Global footprint

Strong Financials

- Track record of consistent 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 (Fiscal Year Basis)

2008

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

2009

- Acquired Gatlin Education Services
- Acquired HighBeam Research
- Acquired Concept Media
- Divested Paraninfo, Arden Shakespeare, NTI and ICS
- Repurchased and retired \$111.3 million of Senior Sub Notes and \$533.5 million Senior PIK debt

2010

- Acquired Marshall-Cavendish's ELT business
- Acquired Questia Media
- Reorganized International operations into APG
- Launched textbook rental program via CengageBrain.com
- Repurchased and retired \$35.6 million of Senior PIK Notes



Market Conditions

- Academic/Professional
- Libraries

Our Growth Strategy

Accelerate Development of Digital Learning Solutions

- Curriculum solutions
- Online courseware
- eCommerce

Broaden e-Reference Solutions

- “Digital first” strategy
- Open web services
- End-user focus

Focus on Innovation

- 4LTR Press
- Gale-APG synergy
- Textbook rental

Drive Financial Performance

- Emphasize organic growth
- Continually improve efficiency
- Pursue growth through acquisitions



Academic & Professional

- More than 2.7 million users
- *Aplia* covers more than 100 titles in 22 course areas; supported over 17 million user sessions last year
- *4LTR Press* – 2,500 adoptions at 1,400 schools for 41 titles (Revenue expected to double in fiscal 2010)
- Most digital solutions growing 30 – 50% per year
- *CengageBrain.com* launched in November – full-service, direct-to-consumer e-commerce retail outlet
- Westwood College selected Cengage Learning as its lead content provider
- “Watch” and “eReader” series

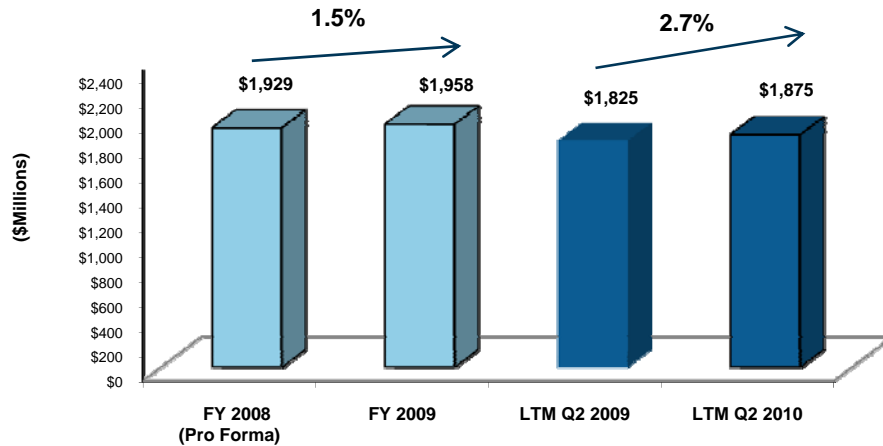
Digital Growth Story

Gale

- Over 60% of revenue from digital products
- Online user sessions grew 49% last year
- *Encyclopedia.com* traffic tripled in the last year (now 16M+ visitors/month)
 - Received CODIE award for Best Online Consumer Information Service (2nd year in a row)
- HighBeam Research: 10M users/month
- New Products
 - Global Issues in Context
 - Career Transitions
 - GREENR
 - Grzimek's
 - Community Health

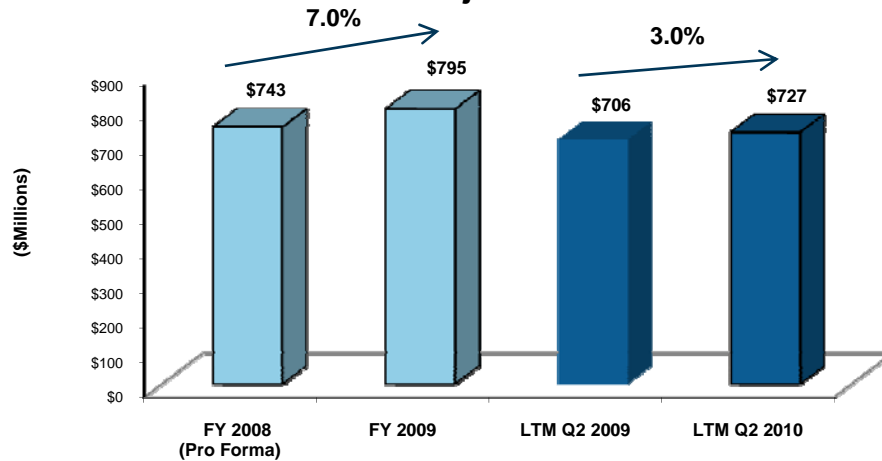
Financial Performance

Revenue⁽¹⁾



- Consistent record of revenue growth
 - Organic
 - Acquisitions

Adjusted EBITDA^{(1) (2)}



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

(1) Fiscal year 2008 results are pro forma to reflect the acquisition of Houghton Mifflin Harcourt higher education assets for the entire period.

(2) Calculated in accordance with Credit Agreement.

Liquidity and Capital Resources

| (\$ Millions) | December 31, 2009 |
|---|----------------------|
| Cash and cash equivalents | \$ 87.4 |
| Revolving Credit Facility | \$ 300.0 |
| Outstanding Letters of Credit | (5.6) |
| Outstanding Borrowings | - |
| Available under the Revolving Credit Facility | \$ 294.4 |
| | |
| Threshold | 8.00 |
| Credit Agreement Leverage Ratio | 5.40 |
| Total Leverage Ratio ¹ | 7.74 |

| (\$ Millions) | December 31, 2009 |
|--|----------------------|
| Term Loan Facility | \$ 3,362.6 |
| Incremental Term Loan Facility | 604.7 |
| 10.50% Senior Notes due 2015 | 1,205.3 |
| 13.25% Senior Subordinated Discount Notes due 2015 | 407.7 |
| 13.75% Senior PIK Notes due 2015 | 128.8 |
| Indebtedness | 5,709.1 |
| Cash and cash equivalents | (87.4) |
| Net Indebtedness | \$ 5,621.7 |
| Last Twelve Months Adjusted EBITDA ² | \$ 726.6 |

¹ Total Leverage Ratio is determined as the ratio of Net Indebtedness to Last Twelve Months Adjusted EBITDA (i.e., \$5,621.7 / \$726.6)

² Calculated in accordance with Credit Agreement.

Key Success Factors

- Innovation
- Execution