

Second-Quarter 2007

September 25, 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 Second 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 Second Quarter Report is available on the Investor Relations page at 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, such as adjusted EBITDA. Where presented, a reconciliation of each of these measures to the most directly comparable GAAP financial measure is also provided.

Agenda

- **Welcome/Introduction**
- **Overview** **David Shaffer**
- **Financial Results** **David Faiman**
- **Status of key performance improvement initiatives** **Ron Dunn**
- **Questions & Answers**

Overview

David Shaffer
Executive Chairman



Financial Review

David Faiman
Senior Vice President, Finance and Accounting



Financial Review Agenda

- Combined Results
- Business Segment Results
- Corporate and other
- EBITDA and Adjusted EBITDA

Combined Results

(\$ Millions)

	SECOND QUARTER			YEAR-TO-DATE		
	<u>2007</u>	<u>2006</u>	<u>Change</u>	<u>2007</u>	<u>2006</u>	<u>Change</u>
Revenues	\$ 310.4	\$ 302.9	2.5%	\$ 576.9	\$ 550.2	4.9%
Operating loss	\$ (48.5)	\$ (11.4)	NM	\$(105.9)	\$ (63.5)	NM

NM – Not meaningful

Domestic Higher Education

(\$ Millions)	SECOND QUARTER			YEAR-TO-DATE		
	<u>2007</u>	<u>2006</u>	<u>Change</u>	<u>2007</u>	<u>2006</u>	<u>Change</u>
Revenues	\$ 151.3	\$ 149.4	1.3%	\$ 279.1	\$ 267.0	4.5%
Segment Operating profit/(loss)	\$ 3.5	\$ 3.1	NM	\$ (7.5)	\$ (21.5)	NM

NM – Not meaningful

Domestic Library Reference

(\$ Millions)	SECOND QUARTER			YEAR-TO-DATE		
	<u>2007</u>	<u>2006</u>	<u>Change</u>	<u>2007</u>	<u>2006</u>	<u>Change</u>
Revenues	\$ 83.0	\$ 82.2	1.0%	\$ 148.5	\$ 148.0	0.3%
Segment Operating profit	\$ 26.3	\$ 26.9	NM	\$ 41.2	\$ 40.9	NM

NM – Not meaningful

International

(\$ Millions)	SECOND QUARTER			YEAR-TO-DATE		
	<u>2007</u>	<u>2006</u>	<u>Change</u>	<u>2007</u>	<u>2006</u>	<u>Change</u>
Revenues	\$ 70.8	\$ 66.7	6.1%	\$ 138.6	\$ 125.9	10.1%
Segment Operating loss	\$ (13.0)	\$ (1.5)	NM	\$ (23.8)	\$ (8.9)	NM

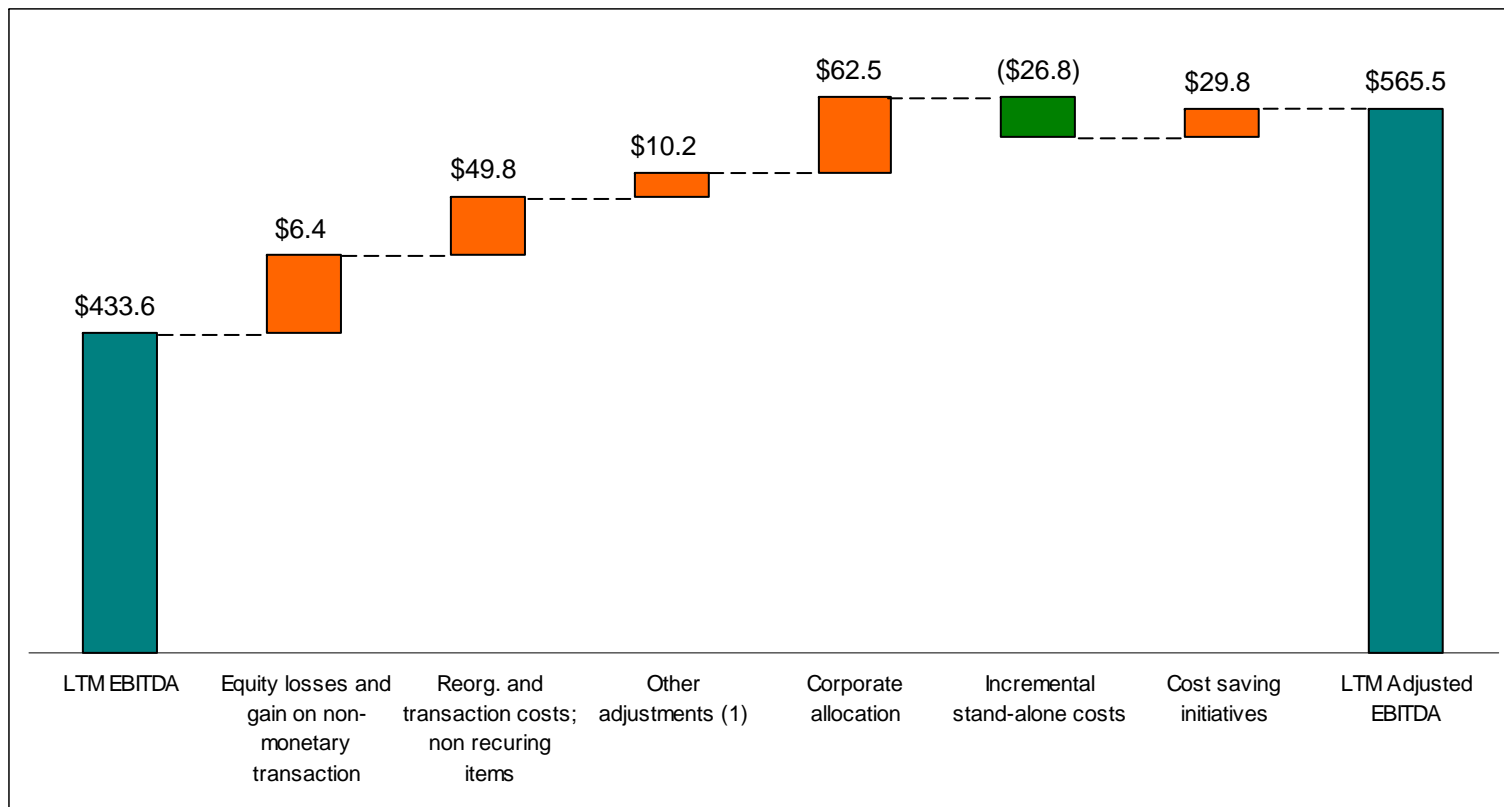
NM – Not meaningful

Corporate and other

(\$ Millions)

	SECOND QUARTER		YEAR-TO-DATE	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Revenue	\$ 5.3	\$ 4.6	\$ 10.7	\$ 9.3
Operating loss before transaction costs	\$ (20.5)	\$(19.2)	\$ (39.7)	\$ (32.1)
Transaction costs	<u>(18.9)</u>	<u>-</u>	<u>(28.4)</u>	<u>-</u>
Operating loss	<u><u>\$ (39.4)</u></u>	<u><u>\$(19.2)</u></u>	<u><u>\$ (68.1)</u></u>	<u><u>\$ (32.1)</u></u>

EBITDA and Adjusted EBITDA



(1) Other adjustments include lost contracts, cost associated with the change of corporate structure, and other adjustments.

EBITDA and Adjusted EBITDA

	Year Ended December 31, 2006	Six Months Ended June 30, 2007	Six Months Ended June 30, 2006	Twelve Months Ended June 30, 2007
Net income (loss)	\$ 124.3	\$ (79.5)	\$ (57.1)	\$ 101.9
Interest expense	41.2	11.6	22.7	30.1
Provision (benefit) for income taxes	85.5	(42.8)	(33.1)	75.8
Depreciation	53.8	30.2	25.9	58.1
Amortization of identifiable intangible assets	40.7	20.7	20.1	41.3
Amortization of pre-publication costs	<u>124.9</u>	<u>47.0</u>	<u>45.5</u>	<u>126.4</u>
EBITDA	470.4	(12.8)	24.0	433.6
Equity losses of investee, net of taxes	6.9	4.8	4.0	7.7
Gain on nonmonetary transaction	(1.3)	-	-	(1.3)
Reorganization costs, transaction costs and non-recurring items	17.4	41.7	9.3	49.8
Other adjustments	14.3	2.3	6.4	10.2
Corporate allocations	58.1	29.7	25.3	62.5
Stand alone cost	(27.8)	(12.3)	(13.3)	(26.8)
Cost saving initiatives	-	-	-	29.8
Adjusted EBITDA	<u>\$ 538.0</u>	<u>\$ 53.4</u>	<u>\$ 55.7</u>	<u>\$ 565.5</u>

Status of Key Performance Improvement Initiatives

Ron Dunn
Chief Executive Officer



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

Questions & Answers

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