

FORM 10-Q

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WILEY JOHN SONS, INC. - JW.A

Filing Date: September 11, 2006

Filing Period: July 31, 2006

DESCRIPTION

Quarterly report which provides a continuing view of a company's financial position

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10-Q - FY07 FIRST QUARTER

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PART II

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SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 or 15(d)
OF THE SECURITIES EXCHANGE ACT 1934

For the quarterly period ended July 31, 2006 Commission File No. 1-11507

OR

TRANSITION REPORT PURSUANT TO SECTION 13 or 15(d)
OF THE SECURITIES ACT OF 1934
For the transition period from to

JOHN WILEY & SONS, INC.

(Exact name of Registrant as specified in its charter)

NEW YORK 13-5593032

(State or other jurisdiction of (I.R.S. Employer Identification No.)
incorporation or organization)

111 RIVER STREET, HOBOKEN NJ 07030

(Address of principal executive offices) Zip Code

Registrant's telephone number, including area code (201) 748-6000

NOT APPLICABLE

Former name, former address, and former fiscal year,
if changed since last report

Indicate by check mark, whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES NO

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). YES NO

The number of shares outstanding of each of the Registrant's classes of common stock as of August 31, 2006 were:

Class A, par value \$1.00 - 46,921,806
Class B, par value \$1.00 - 10,253,263

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JOHN WILEY & SONS, INC.

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JOHN WILEY & SONS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(In thousands)

	(UNAUDITED) July 31,		April 30,
	2006	2005	2006
Assets:			
Current Assets			
Cash and cash equivalents	\$ 23,804	\$ 13,075	\$ 60,757
Accounts receivable	170,131	155,721	158,275
Inventories	89,949	83,329	88,578
Deferred Income Tax Benefit	6,218	5,921	5,536
Prepays and other	11,072	12,398	13,162
	301,174	270,444	326,308
Product Development Assets	65,106	59,555	65,641
Property, Equipment and Technology	102,212	108,239	102,123
Intangible Assets	305,431	300,903	302,384
Goodwill	198,833	193,146	198,416
Deferred Income Tax Benefit	6,572	4,208	3,809
Other Assets	28,931	26,564	27,328
	\$ 1,008,259	\$ 963,059	\$ 1,026,009
Liabilities & Shareholders' Equity:			
Current Liabilities			
Accounts and royalties payable	\$ 87,910	\$ 78,391	\$ 97,231
Deferred revenue	97,988	97,443	143,923
Accrued income taxes	31,328	33,399	24,226
Accrued pension liability	6,268	6,190	6,074
Other accrued liabilities	52,374	54,437	90,655
	275,868	269,860	362,109
Long-Term Debt	200,238	192,473	160,496
Accrued Pension Liability	57,844	63,828	56,068
Other Long-Term Liabilities	32,754	34,191	35,627
Deferred Income Taxes	11,652	2,700	9,869
Shareholders' Equity			
Class A & Class B common stock	83,191	83,191	83,191
Additional paid-in-capital	79,253	61,428	69,587
Retained earnings	612,783	529,779	596,474
Accumulated other comprehensive (loss)/gain	10,803	(3,580)	7,669
Unearned deferred compensation	-	(4,554)	(3,512)
Treasury stock	(356,127)	(266,257)	(351,569)
	429,903	400,007	401,840
Total Liabilities & Shareholders' Equity	\$ 1,008,259	\$ 963,059	\$ 1,026,009

The accompanying Notes are an integral part of the condensed consolidated financial statements.

JOHN WILEY & SONS, INC AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME - UNAUDITED
(In thousands except per share information)

	For The Three Months Ended July 31,	
	2006	2005
Revenue	\$ 263,432	\$ 236,749
Costs and Expenses		
Cost of sales	85,174	76,821
Operating and administrative expenses	139,713	124,706
Amortization of intangibles	3,583	3,066
Total Costs and Expenses	228,470	204,593
Operating Income	34,962	32,156
Operating Margin	13.3%	13.6%
Interest Income and Other, net	477	535
Interest Expense	(2,389)	(2,043)
Net Interest Expense and Other	(1,912)	(1,508)
Income Before Taxes	33,050	30,648
Provision For Income Taxes	11,105	2,791
Net Income	\$ 21,945	\$ 27,857
Income Per Share		
Diluted	\$ 0.38	\$ 0.46
Basic	\$ 0.39	\$ 0.47
Cash Dividends Per Share		
Class A Common	\$ 0.10	\$ 0.09
Class B Common	\$ 0.10	\$ 0.09
Average Shares		
Diluted	57,899	60,642
Basic	56,753	58,916

The accompanying Notes are an integral part of the condensed consolidated financial statements.

JOHN WILEY & SONS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW - UNAUDITED
(In thousands)

	For The Three Months Ended July 31,	
	2006	2005
Operating Activities		
Net income	\$ 21,945	\$ 27,857
Adjustments to reconcile net income to cash provided by (used for) operating activities:		
Amortization of intangibles	3,583	3,065
Amortization of composition costs	9,260	8,476
Depreciation of property, equipment and technology	6,856	8,198
Stock-based compensation (net of tax)	3,255	1,338
Non-cash charges & other	13,350	15,533
Non-cash tax benefit	-	(7,476)
Change in deferred revenue	(47,082)	(45,184)
Net change in operating assets and liabilities, excluding acquisitions	(49,691)	(40,769)
Cash Used for Operating Activities, excluding acquisitions	(38,524)	(28,962)
Investing Activities		
Additions to product development assets	(15,651)	(12,878)
Additions to property, equipment and technology	(5,993)	(4,734)
Acquisitions, net of cash acquired	(4,294)	(15,359)
Sales of marketable securities	-	10,000
Cash Used for Investing Activities	(25,938)	(22,971)

Financing Activities

Repayments of long-term debt	-	(50,000)
Borrowings of long-term debt	39,525	50,000
Purchase of treasury stock	(7,278)	(21,314)
Cash dividends	(5,636)	(5,334)
Proceeds from exercise of stock options and other	694	2,659
	-----	-----
Cash Provided by (Used for) Financing Activities	27,305	(23,989)
	-----	-----
Effects of Exchange Rate Changes on Cash	204	(404)
	-----	-----
Cash and Cash Equivalents		
Increase (Decrease) for Period	(36,953)	(76,326)
Balance at Beginning of Period	60,757	89,401
	-----	-----
Balance at End of Period	\$ 23,804	\$ 13,075
	=====	=====
Supplemental Information		
Cash Paid During the Period for:		
Interest	\$ 1,878	\$ 1,270
Income taxes	\$ 5,436	\$ 3,370

The accompanying Notes are an integral part of the condensed consolidated financial statements.

JOHN WILEY & SONS, INC., AND SUBSIDIARIES
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of Presentation

In the opinion of management, the accompanying unaudited condensed consolidated financial statements contain all adjustments, consisting only of normal recurring adjustments, necessary to present fairly the consolidated financial position of John Wiley & Sons, Inc., and Subsidiaries (the "Company") as of July 31, 2006 and 2005, and results of operations and cash flows for the three month period ended July 31, 2006 and 2005. The results for the three months ended July 31, 2006 are not necessarily indicative of the results expected for the full year. These statements should be read in conjunction with the most recent audited financial statements contained in the Company's Form 10-K for the fiscal year ended April 30, 2006.

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Certain prior-year amounts have been reclassified to conform to the current year's presentation.

2. Recent Accounting Standards

In July 2006, the Financial Accounting Standards Board ("FASB") issued Financial Interpretation No. 48 "Accounting for Uncertainty in Income Taxes" ("FIN 48"). FIN 48 clarifies the accounting for uncertainty in income taxes recognized in a company's financial statements in accordance with Statement of Financial Accounting Standards ("SFAS") No. 109 "Accounting for Income Taxes". FIN 48 provides guidance on recognizing, measuring, presenting and disclosing in the financial statements uncertain tax positions that a company has taken or expects to file in a tax return. FIN 48 is effective for the Company's 2008 fiscal year beginning May 1, 2007. The Company is currently assessing the impact, if any, of FIN 48 on its financial statements.

3. Share-Based Compensation

All equity compensation plans have been approved by security holders. Under the Key Employee Stock Plan ("the Plan"), qualified employees are eligible to receive awards that may include stock options, performance-based stock awards, and restricted stock awards. Under the Plan, a maximum number of 8,000,000 shares of Company Class A stock may be issued. As of July 31, 2006 there were 5,605,797 securities remaining available for future issuance under the Plan. The Company issues treasury shares to fund stock options and performance-based and restricted stock awards.

Accounting for Share-Based Compensation:

In December 2004, the FASB issued SFAS No. 123 (revised 2004), "Share-Based Payment" ("SFAS 123R"). SFAS 123R requires that companies recognize share-based compensation to employees in the Statement of Income based on the fair value of the share-based awards. The Company has adopted SFAS 123R in the first quarter of fiscal year 2007.

Prior to the adoption of SFAS 123R, the Company accounted for stock-based compensation using the "intrinsic value" method prescribed in Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees" ("APB 25"), and using the disclosure-only provisions of SFAS 123, as amended by SFAS 148. Under this approach, the value of restricted stock awards was expensed over their requisite service periods and the imputed cost of stock options over the vesting period were disclosed in footnotes to the financial statements. (i.e. not charged to expense).

The Company adopted SFAS 123R effective May 1, 2006 using the modified prospective approach. Under this approach, awards that are granted, modified or settled after May 1, 2006 will be measured and expensed in accordance with SFAS 123R. Unvested awards that were granted prior to May 1, 2006 will be expensed and recognized in the Company's results of operations, prospectively. No previous periods will be restated.

Pursuant to the provisions of SFAS 123R, the Company records share-based compensation as a charge to earnings reduced by the estimated cost of anticipated forfeited awards. As such, share-based compensation expense is only recognized for those awards that are expected to ultimately vest. Stock-based compensation expense associated with performance share awards is recognized based on management's best estimates of the achievement of the performance goals specified in such awards and the estimated number of shares that will be earned. The cumulative effect on current and prior periods of a change in the estimated number of performance share awards, or estimated forfeiture rate is recognized as an adjustment to earnings in the period of the revision.

Concurrent with the adoption of SFAS 123R the Company accelerated the recognition of compensation expense related to post-adoption awards granted to near-retirement and retirement-eligible employees to reflect accelerated vesting as provided in the Company's Key Employee Stock Plan. The impact of the change was not significant.

The adoption of SFAS 123R resulted in the recognition of an incremental share-based compensation expense of \$2.4 million (\$1.5 million after taxes) for the three months ended July 31, 2006, which is reflected in operating and administrative expenses. For the prior year period, this portion of stock-based compensation was reflected in the Company's disclosures, but was not recognized in the consolidated income statement. For comparative purposes, the adjusted net income and earnings per share for the three months ended July 31, 2005 reflect the amounts which would have been reported in the income statement if the provisions of SFAS 123R were in effect at that time.

(in thousands, except per share amounts)	For the Three Months Ended July 31,	
	2006	2005
Net income, as reported	\$21,945	\$27,857
Add: Stock-based compensation expense included in reported net income, net of taxes	3,255	1,338
Deduct: Total stock-based compensation expense determined under fair-value based method for all awards, net of taxes (1)	(3,255)	(2,866)
Adjusted net income	\$21,945	\$26,329
Reported earnings per share:		
Diluted	\$ 0.38	\$ 0.46
Basic	0.39	0.47
Adjusted earnings per share:		
Diluted	\$ 0.38	\$ 0.43
Basic	0.39	0.45

(1) Total stock-based compensation expense for all awards presented in the table above is net of taxes of \$2.0 million and \$1.7 million for the three months ended July 31, 2006 and 2005, respectively.

Stock Option Activity:

Under the terms of the Company's stock option plan the exercise price of stock options granted under the plan may not be less than 100% of the fair market value of the stock at the date of grant. Options are exercisable, in part or in full, over a maximum period of 10 years from the date of grant, and generally vest 50% on the fourth and fifth anniversary date after the award is granted. Under certain circumstances relating to a change of control, as defined, the right to exercise options outstanding could be accelerated.

The following table provides the estimated weighted average fair value, under the Black-Scholes option-pricing model, for each option granted during the periods and the significant weighted average assumptions used in their determination. The expected life represents an estimate of the period of time stock options are expected to remain outstanding based on the historical exercise behavior of the employees. The risk-free interest rate was based on the U.S. Treasury yield curve in effect at the time of the grant corresponding to the expected life. Similarly, the volatility was estimated based on the expected volatility over the estimated life, while the dividend yield was based on expected dividend payments to be made by the Company.

	For the Three Months Ended July 31,	
	2006	2005
Expected life of options (years)	7.8	8.0
Risk-free interest rate	5.2%	3.9%
Expected volatility	29.1%	27.1%
Expected dividend yield	1.2%	0.9%
Per share fair value of options granted	\$12.65	\$13.61

A summary of the activity and status of the Company's stock option plans was as follows:

Stock Options	Shares (in thousands)	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value (in millions)
Outstanding at April 30, 2006	6,084	\$25.95		
Granted	640	\$33.05		
Exercised	(28)	\$15.77		
Expired or forfeited	(18)	\$29.32		
Outstanding at July 31, 2006	6,678	\$26.67	6.1	\$48.3
Vested and expected to vest at July 31, 2006	6,570	\$26.64	6.1	\$47.7
Exercisable at July 31, 2006	2,752	\$19.73	3.5	\$36.7

The intrinsic value is the difference between the Company's closing common stock price as of July 31, 2006 and the option exercise price. Total intrinsic value of options exercised during the three months ended July 31, 2006 and 2005 were \$0.5 million and \$4.3 million, respectively. The Aggregate Intrinsic Value in the table above represents the value option holders would have received on options that were exercisable as July 31, 2006.

As of July 31, 2006, there was \$28.0 million of unrecognized share-based compensation expense related to stock options, which is expected to be recognized over a period up to 5 years, or 2.9 years on a weighted average basis.

Performance-Based and Restricted Stock Activity:

Under the terms of the Company's long-term incentive plans, upon the achievement of certain three-year financial performance-based targets, awards are payable in restricted shares of the Company's Class A common stock. During each three-year period the Company adjusts compensation expense based upon its best estimate of expected performance. The restricted shares vest 50% on the first and second anniversary date after the award is earned.

The Company also grants restricted shares of the Company's Class A Common Stock to key employees in connection with their employment. The restricted shares generally vest 50% at the end of the fourth and fifth years following the date of the grant. Under certain circumstances relating to a change of control or termination, as defined, the restrictions would lapse and shares would vest earlier.

Activity related to non-vested performance-based and restricted stock awards as of July 31, 2006 during the three months ended July 31, 2006 was as follows:

	Shares (in thousands)	Weighted Average Grant Date Value
	-----	-----
Nonvested shares at April 30, 2006	609	\$30.47
Shares granted	337	\$32.82
Shares vested	(19)	\$24.26

Nonvested shares at July 31, 2006	927	\$31.45
	=====	

As of July 31, 2006, there was \$15.2 million of unrecognized share-based compensation cost related to nonvested performance-based and restricted stock awards, which is expected to be recognized over a period up to 5 years, or 3.2 years on a weighted average basis. Compensation expense for performance-based and restricted stock awards is computed using the closing market price of the Company's Class A Common Stock at the date of grant. Total grant date value of shares vested during the three months ended July 31, 2006 and 2005 was \$0.5 million and \$0.5 million, respectively.

Director Stock Awards:

Under the terms of the Company's Director Stock Plan (the "Director Plan"), each non-employee director receives an annual award of Class A Common Stock equal in value to 100% of the annual director fee, based on the stock price on the date of grant. The granted shares may not be sold or transferred during the time the non-employee director remains a director. There were no shares awarded under the Director Plan for the three months ending July 31, 2006 and 2005.

4. Comprehensive Income

Comprehensive income was as follows (in thousands):

	For the Three Months Ended July 31,	
	2006	2005
	-----	-----
Net income	\$21,945	\$27,857
Change in other comprehensive income, net of taxes:		
Foreign currency translation adjustment	3,134	(5,562)
	-----	-----
Comprehensive income	\$25,079	\$22,295
	=====	=====

A reconciliation of accumulated other comprehensive gain (loss) follows (in thousands):

	April 30, 2006	Change for Period	July 31, 2006
	-----	-----	-----
Foreign currency translation adjustment	\$25,740	\$3,134	\$28,874
Minimum pension liability, net of tax	(18,071)	-	(18,071)
Total	\$7,669	\$3,134	\$10,803
	=====	=====	=====

5. Weighted Average Shares for Earnings Per Share

A reconciliation of the shares used in the computation of income per share follows (in thousands):

	For the Three Months Ended July 31,	
	2006	2005
	-----	-----
Weighted average shares outstanding	57,064	59,175
Less: Unvested shares outstanding	(311)	(259)
Shares used for basic income per share	56,753	58,916
Dilutive effect of stock options and other stock awards	1,146	1,726
Shares used for diluted income per share	57,899	60,642
	=====	=====

For the three months ended July 31, 2006 and 2005, options to purchase Class A Common Stock of 2,604,669 and zero, respectively, have been excluded from the shares used for diluted income per share, as their inclusion would have been anti-dilutive.

6. Inventories

Inventories were as follows (in thousands):

	As of July 31,		As of April 30,
	2006	2005	2006
	-----	-----	-----
Finished goods	\$77,656	\$72,156	\$79,389
Work-in-process	7,050	5,668	6,704
Paper, cloth and other	8,881	7,935	6,024
	93,587	85,759	92,117
LIFO reserve	(3,639)	(2,430)	(3,539)
Total inventories	\$89,948	\$83,329	\$88,578
	=====	=====	=====

7. Acquisitions

Fiscal Year 2007:

On July 20, 2006, the Company acquired the assets of a publisher of two controlled circulation advertising based journals. The acquisition has been recorded as acquired publication rights and is being amortized over a 15-year period. The Company is in the process of completing valuations necessary to finalize the purchase price allocation.

Fiscal Year 2006:

During the first three months of fiscal year 2006, the Company acquired certain businesses, assets and rights for \$15.4 million, including acquisition costs plus liabilities assumed. All amounts were recorded as brands, trademarks and acquired publishing rights. The brands, trademarks

and acquired publishing rights are being amortized over a weighted average period of approximately 10 years. The acquisitions consist primarily of the following:

On May 31, 2005, Wiley acquired substantially all the assets of a global publisher of computer books and software, specializing in IT business certification materials. The acquisition cost was allocated to branded trademarks and the net tangible assets acquired, which consisted primarily of accounts receivable, inventory, accrued royalties, accounts payable and other accrued liabilities. The branded trademarks are being amortized over a 10-year period.

On July 11, 2005, the Company acquired the rights to a newsletter publishing division of a leading publisher of mental health and addiction information. The majority of the acquisition was recorded as acquired publication rights and is being amortized over a 10-year period.

8. Segment Information

The Company is a global publisher of print and electronic products, providing content and services to customers worldwide. Core businesses include professional and consumer books and subscription services; scientific, technical, and medical journals, encyclopedias, books and online products and services; and educational materials for undergraduate and graduate students, and lifelong learners. The Company has publishing, marketing, and distribution centers in the United States, Canada, Europe, Asia, and Australia. The Company's reportable segments are based on the management reporting structure used to evaluate performance. Segment information is as follows:

	For The Three Months Ended July 31,					
	2006			2005		
	External Customers	Inter-segment Sales	Total	External Customers	Inter-segment Sales	Total
	(thousands)					
Revenue						
U.S. segments:						
Professional/Trade	\$ 77,458	\$ 8,196	\$ 85,654	\$ 70,438	\$ 8,078	\$ 78,516
Scientific, Technical, and Medical	51,579	1,988	53,567	46,439	2,314	48,753
Higher Education	40,174	7,567	47,741	37,692	7,850	45,542
European segment	66,576	5,344	71,920	58,427	4,699	63,126
Asia, Australia & Canada	27,645	421	28,066	23,753	403	24,156
Eliminations	-	(23,516)	(23,516)	-	(23,344)	(23,344)
Total Revenue	\$ 263,432	\$ -	\$ 263,432	\$ 236,749	\$ -	\$ 236,749
Direct Contribution to Profit						
U.S. segments:						
Professional/Trade			\$ 19,160			\$ 18,842
Scientific, Technical, and Medical			24,934			24,545
Higher Education			17,053			17,019
European segment			24,118			18,627
Asia, Australia & Canada			3,526			3,457
Total Direct Contribution to Profit			88,791			82,490
Shared Services and Administrative Costs						
Distribution			(12,387)			(11,848)
Information technology			(15,183)			(15,024)
Finance			(8,481)			(8,019)
Other administrative			(17,778)			(15,443)
Total Shared Services and Administrative Costs			(53,829)			(50,334)
Operating Income			\$ 34,962			\$ 32,156

9. Intangible Assets

Intangible assets consist of the following (in thousands):

	As of July 31,		As of April 30,
	2006	2005	2006
Intangible assets not subject to amortization			

Branded trademarks	\$57,900	\$57,900	\$57,900
Acquired publication rights	118,466	118,566	117,911
Total intangible assets not subject to amortization	176,366	176,466	175,811
Net intangible assets subject to amortization, principally acquired publication rights	129,065	124,437	126,573
Total	\$305,431	\$300,903	\$302,384

10. Marketable Securities

During the first quarter of fiscal year 2006, the Company sold its remaining marketable securities for approximately \$10.0 million. The marketable securities consisted entirely of shares of variable rate securities issued by closed-end funds that invest in a diversified portfolio of government and corporate securities. Generally, these securities do not have a stated maturity date and reset their dividends every 28 days. These securities were accounted for as available-for-sale in accordance with SFAS No. 115 "Accounting for Certain Investments in Debt and Equity Securities."

11. Income Taxes

The effective tax rate for the first quarter of fiscal year 2007 was 33.6%. The tax provision for the first quarter of fiscal year 2006 included \$7.5 million, or \$0.12 per diluted share, of tax benefits associated with the reversal of a tax accrual recorded on the repatriation of dividends from European subsidiaries in the fourth quarter of fiscal year 2005. On May 10, 2005, the U.S. Internal Revenue Service issued Notice 2005-38. The notice provided for a tax benefit that fully offset the tax accrued by the Company on foreign dividends in the fourth quarter of fiscal year 2005. Neither the tax benefit associated with the \$7.5 million tax accrual reversal, nor the corresponding fourth quarter fiscal year 2005 tax accrual had a cash impact on the Company. Excluding the tax benefit described above, the effective tax rate for the first quarter of fiscal year 2006 was 33.5%.

12. Retirement Plans

The components of net pension expense for the defined benefit plans were as follows:

(Dollars in thousands)	For the Three Months Ended July 31,	
	2006	2005
Service Cost	\$2,965	\$2,829
Interest Cost	3,476	2,942
Expected Return of Plan Assets	(3,297)	(2,768)
Net Amortization of Prior Service Cost	179	127
Recognized Net Actuarial Loss	481	858
Net Pension Expense	\$3,804	\$3,988

Pension plan contributions were \$2.5 million and \$1.4 million for the three months ended July 31, 2006 and 2005, respectively.

Revenue for the first quarter of fiscal year 2007 of \$263.4 million increased 11% from \$236.7 million in the prior year's first quarter. All of the Company's businesses contributed to the year-on-year growth. Global STM's results reflect strong journal subscriptions and increased sales of journal backfiles and books. The U.S. P/T business contributed to the growth with solid performances in business and consumer cooking. U.S. Higher Education revenue reflected growth in accounting and social sciences.

Gross profit margin for the first quarter was 67.7% compared to 67.6% in the prior year's quarter. Operating and administrative expenses for the first quarter increased 12% to \$139.7 million, or 11%, excluding the effect of foreign currency. Higher selling, marketing and editorial/production costs to support business growth and additional stock option costs of \$2.4 million associated with the adoption of Statement of Financial Accounting Standard 123R, Share-Based Payments (SFAS 123R) contributed to the increase over the first quarter of fiscal year 2006. Total pre-tax stock option and other share-based compensation expense for the current quarter were \$5.2 million compared to \$2.1 million in the first quarter of the prior year. The increase over the prior year period was principally due to the inclusion of \$2.4 million of stock option expense in the current year.

Operating income advanced 9% to \$35.0 million in the first quarter of fiscal year 2007, or 11%, excluding the effect of foreign currency. The first quarter operating margin for fiscal year 2007 declined 30 basis points to 13.3%. An improvement in product mix was more than offset by increased costs due to the adoption of SFAS 123R. Incremental expenses associated with the adoption of SFAS 123R contributed approximately 90 basis points to the decline. Net interest expense and other increased \$0.4 million primarily due to higher borrowing rates.

The effective tax rate for the first quarter of fiscal year 2007 was 33.6% compared to 9.1% in the first quarter of fiscal year 2006. In the first quarter of fiscal year 2006 the Company reported a tax benefit associated with the reversal of a tax accrual recorded on the repatriation of dividends from European subsidiaries in the fourth quarter of fiscal year 2005. The first quarter 2006 effective tax rate excluding the tax benefit was 33.5%.

Earnings per diluted share and net income for the first quarter of fiscal year 2007 were \$0.38 and \$21.9 million, respectively. The first quarter 2007 results include a \$1.5 million after-tax charge (\$.03 cents per share) related to the adoption of SFAS 123R. Reported earnings per diluted share and net income for the first quarter of fiscal year 2006 were \$0.46 and \$27.9 million. Earnings per diluted share and net income for the first quarter of fiscal year 2006 adjusted to exclude the \$7.5 million tax benefit recognized in the first quarter of fiscal year 2006 on the repatriation of dividends were \$0.34 and \$20.4 million. See Non-GAAP Financial Measures described below.

Growth in earnings per share excluding the \$7.5 million tax benefit reflects favorable operating performance and the Company's share repurchase program.

Non-GAAP Financial Measures:

The Company's management evaluates operating performance excluding unusual and/or nonrecurring events. The Company believes excluding such events provides a more effective and comparable measure of performance. Since adjusted net income and adjusted earnings per share are not measures calculated in accordance with GAAP, they should not be considered as a substitute for other GAAP measures, including net income and earnings per share as indicators of operating performance. Adjusted net income and adjusted earnings per diluted share excluding the tax benefits are as follows:

Reconciliation of non-GAAP financial disclosure	For the Three Months Ended July 31,	
Net Income (in millions):	2006	2005
As reported	\$21.9	\$27.9
Tax benefit on dividends repatriated	-	(7.5)
Adjusted	\$21.9	\$20.4
Earnings per Diluted Share:		
As reported	\$0.38	\$0.46

Tax benefit on dividends repatriated	-	(0.12)
Adjusted	\$0.38	\$0.34

The Adjusted Net Income and Adjusted Earnings per Diluted Share for the first quarter of fiscal year 2006 above exclude \$7.5 million, or \$0.12 per diluted share, of tax benefits associated with the reversal of a tax accrual recorded on the repatriation of dividends from European subsidiaries in the fourth quarter of fiscal year 2005. On May 10, 2005, the US Internal Revenue Service issued Notice 2005-38. The notice provided for a tax benefit that fully offset the tax accrued by the Company on foreign dividends in the fourth quarter of fiscal year 2005. The current tax benefit and the corresponding fourth quarter tax accrual had no cash impact on the Company.

The first quarter 2007 results include a \$1.5 million after-tax charge (\$.03 cents per share) related to the adoption of SFAS 123R.

SEGMENT RESULTS

During the first quarter of fiscal year 2007, the Company finalized a review of certain product prices used to settle inter-segment sales. As a result of the study, certain intersegment product prices were modified. While the modification had no effect on consolidated financial results, it did impact individual segment operating results. Below is a supplemental segment report adjusting prior year results to reflect the current modified product prices:

Adjusted Segment Results (amounts in millions)	For the Three Months Ended July 31,				
	2006	2005			% Change
	As Reported	As Reported	Inter-Segment Impact	Adjusted	Adjusted As Reported
Revenue:					
Professional/Trade	\$85.7	\$78.5	(1.3)	\$77.2	9%
Scientific, Technical and Medical	53.6	48.8	(0.2)	48.6	10%
Higher Education	47.7	45.5	(1.0)	44.5	7%
European Segment	71.9	63.1	(0.6)	62.5	14%
Asia, Australia & Canada	28.1	24.2	-	24.2	16%
Intersegment Sales Eliminations	(23.6)	(23.4)	3.1	(20.3)	16%
Total Revenue	\$263.4	\$236.7	-	\$236.7	11%
Direct Contribution to Profit:					
Professional/Trade	\$19.2	\$18.8	(1.2)	17.6	2%
Scientific, Technical and Medical	24.9	24.5	-	24.5	2%
Higher Education	17.1	17.0	(0.9)	16.1	6%
European Segment	24.1	18.7	1.6	20.3	19%
Asia, Australia & Canada	3.5	3.5	0.5	4.0	-11%
Total Direct Contribution to Profit	\$88.8	\$82.5	-	\$82.5	8%
Shared Services and Admin. Costs	(53.8)	(50.3)	-	(50.3)	7%
Operating Income	\$35.0	\$32.2	-	\$32.2	9%

Professional/Trade (P/T)

U.S. P/T revenue for the first quarter advanced 9% over prior year to \$85.7 million continuing the strong results reported in the fourth quarter of fiscal year 2006. Solid results in business, consumer cooking, professional education, online advertising and the sale of publishing rights drove the results. Backlist sales were particularly strong. Direct contribution to profit for the first quarter increased 2% to \$19.2 million. Adjusting for the effect of the change in inter-segment product prices noted above, revenue and direct revenue to profit improved 11% and 9%, respectively. Globally, P/T revenue in the first quarter increased 14% over the same period in the previous year.

First quarter highlights include the publication of Hotel California by Barry Hoskyns; What Israel Means to Me by Alan Dershowitz; One Party Country by Tom Hamburger and Peter Wallsten; Unwarranted Intrusions by Martin Fridson; Black Gold by George Orwell; Big Ripoff by Timothy B. Carney; Econospinning by Gene Epstein; Windows Vista For Dummies, Special Preview Edition by Andy Rathbone; Trump University Real Estate 101 by Gary Eldred; Trump University Marketing 101 by Donald Sexton; a custom edition of Betty Crocker: Cocina; Betty Crocker: Easy Everyday Vegetarian; and Betty Crocker: Why It Works.

The first three books of a new series designed to replace the venerable

Frommer's Dollar-a-Day series that started in 1957 were published: Pauline Frommer's New York City; Pauline Frommer's Hawaii; and Pauline Frommer's Italy. Also during the quarter, Wiley published the fourth edition of Complete Adult Treatment Planner by Arthur E. Jongsma Jr., which includes validated evidence-based treatment interventions that are critical in the changing mental-health landscape. The Company also began publishing the International Society for Performance Improvement's journal, in print and online through Wiley InterScience.

During the quarter, Wiley announced an agreement with Microsoft to publish business books under a Microsoft Executive Circle series. The first title, Think Factory: Managing Today's Most Precious Resource: Information by Susan Conway, is scheduled for release early in 2007. In May, the Company signed the first titles in a new alliance with Computer Associates. The American Culinary Federation endorsed two Wiley titles, Supervision in the Hospitality Industry: Applied Human Resources, 5th Edition by Jack E. Miller, John R. Walker, and Karen Eich Drummond and Nutrition for Foodservice and Culinary Professionals, 6th edition by Karen Eich Drummond and Lisa M. Brefere.

Scientific, Technical, and Medical (STM)

U.S. STM revenue of \$53.6 million increased 10% over the previous year's first quarter driven by increased revenue from journal subscriptions, controlled-circulation advertising and books. New businesses and publications acquired during the past year, such as InfoPOEMs, Dialysis & Transplantation, The Hospitalist, and the Journal of Orthopaedic Research, contributed \$1.2 million, or 2%, to the year-on-year growth. Direct contribution to profit for the first quarter of fiscal year 2007 increased 2% over the prior year. The first quarter direct contribution margin was 46.5% compared to 50.3% in the prior year. The decrease was mainly due to timing of advertising and selling costs and additional costs associated with business growth.

In addition to healthy subscription journal license renewals, several new Enhanced Access Licenses (EAL) were signed by academic and corporate customers around the world. EAL customers enjoyed improved customer service due to a number of system enhancements implemented during the quarter. Customers continue to take advantage of Wiley InterScience's wide range of access options. During the first quarter, the number of visits to Wiley InterScience increased by approximately 30% over prior year.

To broaden access to InfoPOEMs, Wiley signed collaborative agreements with Skyscape, a company with access to markets for mobile medical content, and PatientKeeper, a leading developer of physician information systems. Healthcare professionals using PatientKeeper(R) will consult InfoPOEMs evidence-based content in the context of a specific patient's information, filtered for relevance and coupled with powerful clinical support tools.

The growing value of Wiley's journals to the scientific community was evident in the results of the recently announced Thomson ISI(R) 2005 ISI Journal Citation Reports, an independent ranking of impact factors, which measure how often a journal's articles are cited by other researchers. Globally, 65% of Wiley global journals included in the Journal Citation Report's Science Edition increased their impact factors.

During the quarter, Wiley signed agreements with scholarly societies, including the Mt. Sinai School of Medicine, the American Cancer Society, and the International Society for Magnetic Resonance in Medicine. Wiley signed a new five-year journal publishing agreement with the International Union of Biochemistry and Molecular Biology. Now in its 33rd year of publication, Biochemistry and Molecular Biology Education is led by Editors-in-Chief Dr. Donald Voet, Department of Chemistry, University of Pennsylvania and Dr. Judith G. Voet, Department of Chemistry, Swarthmore College, who are also authors of Wiley textbooks and learning materials.

Wiley continued to build its controlled-circulation, advertising-based publication business through the acquisition of Clinical Cardiology. The Company also signed a contract with the American College of Rheumatology to launch The Rheumatologist, a controlled circulation newspaper.

The STM book program experienced another solid quarter, fueled by growth in online revenue and strong title output.

Higher Education

U.S. Higher Education revenue grew 5% to \$47.7 million over the first quarter of

fiscal year 2006. The improvement was principally due to growth in the accounting and social sciences programs. The first quarter direct contribution to profit of \$17.1 million was unchanged from the previous year. Adjusting for the change in inter-segment product prices, US Higher Education revenue and direct contribution to profit increased 7% and 6%, respectively. Globally, Higher Education revenue increased 7% over the prior year.

WileyPlus sales climbed rapidly as more teachers and students were introduced to this online integrated suite of content, learning, and teaching tools. By the end of the first quarter, sales of WileyPlus units were up 50% over the same period last year. Revenue from the sale of WileyPlus is deferred and recognized over the applicable school semester. As of the end of the first quarter, approximately \$2.6 million of revenue was deferred. The majority of this revenue will be recognized during fiscal year 2007.

Driving growth were strong sales of titles such as Hughes-Hallett/Applied Calculus, 3rd edition; Kimmel/Financial Accounting, 4th edition; Kieso/Intermediate Accounting, 12th edition; deBlij/Regions, 12th edition and Human Geography, 8th edition; Huffman/Psychology 8th edition; Cutnell/Physics, 7th edition; Barnett/Analytic Trigonometry Applications, 9th edition; and Kreyszig/Advanced Engineering Mathematics, 9th edition. Higher Education is taking advantage of Wiley's multiple sales channels. Revenue from professional and trade channels through direct/online and retail sales grew 23% over the same prior year period.

Higher Education launched the Wiley Visualizing Series at its recent sales conference. Developed in an exclusive partnership with the National Geographic Society, which is known for its extensive and masterful collection of maps, images, and data, these introductory level textbooks integrate rich visuals and media with text to enhance learning.

Wiley and the George Lucas Educational Foundation, a non-profit organization dedicated to innovation and improvement in U.S. schools, signed an agreement to co-produce a series of six textbooks employing project-based learning, which has been demonstrated to deepen the knowledge of the subject matter, increase self-direction, and improve research and problem solving skills.

During the quarter, Higher Education worked with the CFA Institute, a global membership organization of more than 83,000 investment practitioners and educators, to publish finance titles under the CFA Institute Investment Series brand. Wiley and the CFA Institute will develop a series of branded titles, online tools, and resources, extending the reach of CFA Institute content to university students and finance professionals worldwide.

Europe -----

Building on the strength exhibited throughout fiscal year 2006, Wiley Europe's first quarter revenue of \$71.9 million grew 14% over prior year, or 13% adjusted for the effects of foreign currency. All product groups improved during the first quarter with STM journals and P/T books contributing the largest increases over the first quarter of fiscal year 2006. Direct contribution to profit increased 29% over the prior year period mainly due to improved revenue and product mix. Adjusting for the effect of the change in inter-segment product prices, Wiley Europe's first quarter revenue and direct contribution to profit improved 15% and 19%, respectively.

The British Journal of Surgery, which Wiley publishes, was awarded the prestigious Association of Learned and Professional Society Publisher prize. During the quarter, Wiley Europe published the inaugural issue of Chemistry - An Asian Journal. In July, Wiley Europe entered into an agreement with the Royal Meteorological Society to publish four new journals. Wiley Europe also signed a contract with the Strategic Management Society to publish a new journal, Strategic Entrepreneurship, extending its relationship with the Society, with whom it already publishes the Strategic Management journal.

Early in the quarter, Wiley Europe and Curtin University in Australia reached an agreement to re-launch Developments in Chemical Engineering and Mineral Processing and Asia-Pacific Journal of Chemical Engineering. Wiley Europe renewed its contract with National Health Service in the United Kingdom for the Cochrane National Site License through 2007. In July, Wiley-VCH relaunched the pro-physik.de portal with a number of new customer-oriented features, such as enhanced search capabilities, that were well received by the more than 52,000 members of the German Physical Society, as well as its other visitors.

The STM book program in Europe enjoyed solid growth. The For Dummies program sustained its momentum with the continued success of SuDoku For Dummies.

Wiley Europe has been exploring new business opportunities with

telecommunications companies. As a result, it extended its publishing partnership with Symbian to include the formation of a new Symbian Academy program for accredited Higher Education institutions, drawing on content from across all of Wiley's publishing programs. In addition, the Company collaborated with Qualcomm to publish WCDMA (UMTS) Deployment Handbook: Planning and Optimization Aspects by Christophe Chevalier (Editor) and Christopher Brunner, Andrea Garavaglia, Kevin P. Murray, and Kenneth R. Baker (Co-Editors).

WileyPLUS was successfully introduced to the German market during the quarter based on material adapted from Voet and Voet/Fundamentals of Biochemistry, 2nd edition, and Solomons/Organic Chemistry, 8th edition. A German-language version linked to Halliday, Resnick, Walker, and Koch/Physik, is scheduled for the fall.

Asia, Australia, and Canada

Wiley's revenue in Asia, Australia, and Canada was up 16% or 13% excluding the effects of foreign currency. Strong Higher Education and P/T sales in Asia and Australia and P/T sales in Canada contributed to the improvement over the first quarter of fiscal year 2006. Direct contribution to profit increased 2%. Excluding the effect of foreign currency, the direct contribution to profit declined 4%. Adjusting for the effect of the change in inter-segment product prices, Asia, Australia and Canada's direct contribution to profit declined \$0.4 million to \$3.5 million principally due to product mix and the timing of Higher Education sales in Canada.

Wiley Asia's P/T program began the year on a positive note with the publication of a number of key titles with global appeal, including An Investor's Guide to the Next Economic Superpower by Aaron Chaze; China CEO: Voices of Experience from 20 International Leaders by Juan Antonio Fernandez and Laurie Underwood; and The Lenovo Affair: The Growth of China's Computer Giant and Its Takeover of IBM-PC by Zhijun Ling and Martha Avery. Revenue from translations increased during the first quarter in virtually all Asian markets.

Wiley Australia also began the year with several successful product launches, including the first three titles of the Australian Institute of Management series.

Wiley Canada had a good start to the year, driven by sales of business, technology, and consumer titles. The Company published Blackberry 7130 For Dummies in conjunction with Research in Motion.

WileyPLUS gained ground with new adoptions across Asia, Australia, and Canada. Its ability to deliver rich online content and resources is being tapped with the first quarter publication of Jordan/Introduction to Inclusive Education, to gain entry to Canada's teacher-training market.

Shared Services and Administrative Costs

Shared services and administrative costs for the first quarter increased 7% to \$53.8 million. The increase is primarily attributable to higher compensation costs associated with revenue growth and the shared service portion of additional share-based compensation costs of \$1.3 million associated with the adoption SFAS 123R.

LIQUIDITY AND CAPITAL RESOURCES

The Company's cash and cash equivalents balance was \$23.8 million at the end of the first quarter 2007, compared with \$13.1 million a year earlier. Cash used by operating activities in fiscal year 2007 was \$38.5 million compared with \$29.0 million in the prior year. The timing of vendor and author payments and increased incentive compensation payments related to fiscal year 2006 were partially offset by improved trade collections.

Cash used for investing activities for the first quarter 2007 was \$25.9 million compared to \$23.0 million in the prior year. The Company invested \$4.3 million in acquisitions of publishing assets and rights compared to \$15.4 million in the prior year. The current year acquisitions primarily consisted of the purchase of two advertising-based cardiology journals. Projected product development and property, equipment and technology capital spending for fiscal year 2007 is forecast to be approximately \$75 million and \$35 million, respectively.

The Company increased spending for investments in product development and property, plant and equipment by approximately \$4.0 million. The Company sold

\$10 million of marketable securities during the first quarter of 2006 consisting of shares of variable rate securities issued by closed-end funds.

Cash provided by financing activities was \$27.5 million in the first quarter of fiscal 2007, as compared to a use of funds of \$24.0 million in the prior period. The increase in borrowings this fiscal year is primarily due to the lower cash on hand at the beginning of fiscal year 2007 as compared to the prior year. Current year financing activities also included the continuation of the Company's stock repurchase program.

The Company increased its quarterly dividend to shareholders by 11% to \$0.10 per share versus \$0.09 per share in the prior year.

The Company believes its cash balances together with existing credit facilities are sufficient to meet its obligations. At July 31, 2006 the Company had \$200.2 million of variable rate loans outstanding and approximately \$208.2 million of unused borrowing capacity available under its revolving credit facilities and other short-term lines of credit.

"Safe Harbor" Statement under the
Private Securities Litigation Reform Act of 1995

This report contains certain forward-looking statements concerning the Company's operations, performance, and financial condition. Reliance should not be placed on forward-looking statements, as actual results may differ materially from those in any forward-looking statements. Any such forward-looking statements are based upon a number of assumptions and estimates that are inherently subject to uncertainties and contingencies, many of which are beyond the control of the Company, and are subject to change based on many important factors. Such factors include, but are not limited to (i) the level of investment in new technologies and products; (ii) subscriber renewal rates for the Company's journals; (iii) the financial stability and liquidity of journal subscription agents; (iv) the consolidation of book wholesalers and retail accounts; (v) the market position and financial stability of key online retailers; (vi) the seasonal nature of the Company's educational business and the impact of the used book market; (vii) worldwide economic and political conditions; and (viii) the Company's ability to protect its copyrights and other intellectual property worldwide (ix) other factors detailed from time to time in the Company's filings with the Securities and Exchange Commission. The Company undertakes no obligation to update or revise any such forward-looking statements to reflect subsequent events or circumstances.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market Risk

The Company is exposed to market risk primarily related to interest rates, foreign exchange and credit risk. It is the Company's policy to monitor these exposures and to use derivative financial instruments and/or insurance contracts from time to time to reduce fluctuations in earnings and cash flows when it is deemed appropriate to do so. The Company does not use derivative financial investments for trading or speculative purposes.

Interest Rates

The Company had \$200.2 million of variable rate loans outstanding at July 31, 2006, which approximated fair value. The Company did not use any derivative financial investments to manage this exposure. The weighted average interest rate as of July 31, 2006 was approximately 5.34%. A hypothetical 1% change in interest rates for the variable rate debt would affect annual net income and cash flow by approximately \$1.3 million.

Sales Return Reserves

Sales return reserves, net of estimated inventory and royalty costs, are reported as a reduction of accounts receivable in the Condensed Consolidated Statement of Financial Position and amounted to \$57.6 million and \$55.8 million at July 31, 2006 and April 30, 2006, respectively. The Company provides for sales returns based upon historical experience. A change in the pattern of trends in returns could affect the estimated allowance. On an annual basis, a one percent change in the estimated sales return rate could affect net income by approximately \$4.0 million.

Foreign Exchange Rates

The Company is exposed to foreign exchange movements primarily in sterling, euros, Canadian and Australian dollars, and certain Asian currencies. Under certain circumstances, the Company enters into derivative financial instruments in the form of forward contracts as a hedge against foreign currency fluctuation of specific transactions, including inter-company purchases. No derivative financial instruments were in effect during these reporting periods.

Customer Credit Risk

The Company's business is not dependent upon a single customer; however, the industry is concentrated in national, regional, and online bookstore chains. Although no one book customer accounts for more than 7% of total consolidated revenue, the top 10 book customers account for approximately 25% of total consolidated revenue and approximately 46% of total gross trade accounts receivable at April 30, 2006.

In the journal publishing business, subscriptions are primarily sourced through journal subscription agents who, acting as agents for library customers, facilitate ordering by consolidating the subscription orders/billings of each subscriber with various publishers. Cash is generally collected in advance from subscribers by the subscription agents and is remitted to the journal publisher, including the Company, generally prior to the commencement of the subscriptions. Although at fiscal year-end the Company had minimal credit risk exposure to these agents, future calendar-year subscription receipts from these agents are highly dependent on their financial condition and liquidity. Subscription agents' account for approximately 17% of total consolidated revenue and no one agent accounts for more than 7% of total consolidated revenue for the fiscal year ended April 30, 2006. Insurance for these accounts is not commercially feasible and/or available.

ITEM 4. CONTROLS AND PROCEDURES

The Company maintains disclosure controls and procedures designed to ensure that information required to be disclosed in reports filed or submitted under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported within the time periods specified by the Securities and Exchange Commission's rules and regulations. The Company's Chief Executive Officer and Chief Financial Officer, together with the Chief Accounting Officer and other members of the Company's management, have conducted an evaluation of these disclosure controls and procedures as of a date within 90 days prior to the date of filing this report. Based on this evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that the Company's disclosure controls and procedures are effective. There were no significant changes in the Company's internal controls or in other factors that could significantly affect such internal controls subsequent to this evaluation.

PART II - OTHER INFORMATION

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

During the first quarter ending on July 31, 2006 the Company purchased 205,700 shares of Common Stock in May, under its stock repurchase program at an average price of \$35.38. Remaining shares to be repurchased under the approved plan were 1,905,030 as of July 31 2006. The program was approved by the Company's Board of Directors and publicly announced in June 2005.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits

- 99.1 - 18 U.S.C. Section 1350 Certificate by the President and Chief Executive Officer
- 99.2 - 18 U.S.C. Section 1350 Certificate by the Chief Financial and Operations Officer

(b) The following reports on Form 8-K were furnished to the Securities and Exchange Commission since the filing of the Company's 10-K on June 23, 2006.

- i. Earnings release on the first quarter fiscal 2007 results issued on Form 8-K dated September 11, 2006 which include the condensed financial statements of the Company.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized

JOHN WILEY & SONS, INC.
Registrant

By /s/ William J. Pesce

William J. Pesce
President and
Chief Executive Officer

By /s/ Ellis E. Cousens

Ellis E. Cousens
Executive Vice President and
Chief Financial & Operations Officer

By /s/ Edward J. Melando

Edward J. Melando
Vice President, Controller and
Chief Accounting Officer

Dated: September 11, 2006

CERTIFICATIONS PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, William J. Pesce, certify that:

I have reviewed this quarterly report on Form 10-Q of John Wiley & Sons, Inc.:

- Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report; and
- Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented.
- The Company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f) for the Company and we have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in

- c. Evaluated the effectiveness of the Company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report, based on such evaluation; and
 - d. Disclosed in this report any change in the Company's internal control over financial reporting that occurred during the Company's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.
- The Company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and the audit committee of the board of directors:
- a. all significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting that are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and
 - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls.

By /s/ William J. Pesce

 William J. Pesce
 President and
 Chief Executive Officer

Dated: September 11, 2006

I, Ellis E. Cousins, certify that:

I have reviewed this quarterly report on Form 10-Q of John Wiley & Sons, Inc.;

- Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report; and
- Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented
- The Company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f) for the Company and we have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the Company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report, based on such evaluation; and
 - d. Disclosed in this report any change in the Company's internal control over financial reporting that occurred during the Company's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.
- The Company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and the audit committee of the board of directors:
 - a. all significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting

- that are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and
- b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls.

By /s/ Ellis E. Cousens

Ellis E. Cousens
Executive Vice President and
Chief Financial & Operations Officer

Dated: September 11, 2006

Exhibit 99.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of John Wiley & Sons, Inc. (the "Company") on Form 10-Q for the period ending July 31, 2006 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, William J. Pesce, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that based on my knowledge:

- (1) The Report fully complies with the requirements of section 13(a) or 15 (d) of the Securities Exchange Act of 1934 (as amended), as applicable; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ William J. Pesce

William J. Pesce
President and
Chief Executive Officer

Dated: September 11, 2006

Exhibit 99.2

CERTIFICATION PURSUANT TO
18 .S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of John Wiley & Sons, Inc. (the "Company") on Form 10-Q for the period ending July 31, 2006 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Ellis E. Cousens, Executive Vice President and Chief Financial & Operations Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that based on my knowledge:

- (1) The Report fully complies with the requirements of section 13(a) or 15 (d) of the Securities Exchange Act of 1934 (as amended), as applicable; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Ellis E. Cousens

Ellis E. Cousens
Executive Vice President and
Chief Financial & Operations Officer

Dated: September 11, 2006