

WILEY JOHN & SONS INC

FORM 10-K (Annual Report)

Filed 7/24/1995 For Period Ending 4/30/1995

Address	111 RIVER STREET HOBOKEN, New Jersey 07030
Telephone	201-748-6000
CIK	0000107140
Industry	Printing & Publishing
Sector	Services
Fiscal Year	04/30

FORM 10-K

SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended: April 30, 1995
OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934 (FEE REQUIRED)

For the transition period from _____ to _____

Commission file number 1-11507

JOHN WILEY & SONS, INC.

(Exact name of Registrant as specified in its charter)

NEW YORK	13-5593032
State or other jurisdiction of incorporation or organization	I.R.S. Employer identification No.
605 Third Avenue, New York, NY	10158-0012
Address of principal executive offices offices	Zip Code
Registrant's telephone number including area code	(212) 850-6000

Securities registered pursuant to Section

12(b) of the Act:

Class A Common Stock, par value \$1.00 per share

Title of Class

Class B Common Stock, par value \$1.00 per share

Title of Class

Securities registered pursuant to Section 12(g) of the Act:

None

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 X No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K

The number of shares outstanding of the Registrant's Class A and Class B Common Stock, par value \$1.00 per share as of May 31, 1995, was 6,314,492 and 1,646,150 respectively, and the aggregate market value of such shares of Common Stock held by non-affiliates of the Registrant as of such date was \$359,982,873 based upon the market price of \$57 per share of Class A and Class B Common Stock.

DOCUMENTS INCORPORATED BY REFERENCE

The Registrant's Definitive proxy Statement to be filed with the Commission on or about August 8, 1995 for the Annual Meeting of Shareholders to be held on September 21, 1995, (the "1995 Proxy Statement") is, to the extent noted below, incorporated by reference in Part III.

PART I

Item 1. Business

The Company is a New York corporation incorporated on January 15, 1904. (As used herein the term "Company" means John Wiley & Sons, Inc., and its subsidiaries and affiliated companies, unless the context indicates otherwise).

The Company operates in one business segment, namely publishing, which develops, publishes, and markets products in print and electronic formats including textbooks, professional and reference works, consumer books, journals, and other subscription-based products, for the educational, scientific, technical, professional and trade markets in the United States and internationally.

Textbooks are produced primarily for use in formal instruction in the college and university markets, as well as the secondary school market in Australia, while professional and reference books, encyclopedias, dictionaries, and periodicals are intended primarily for practicing and research professionals and for libraries. Some of these, as well as nonfiction consumer publications, are also marketed to the general public. In addition, the Company markets and distributes books from other publishers. The Company also develops and markets electronic versions of certain of its print products, as well as computer software and electronic data bases for educational use and professional research and training. Book publications are primarily in the areas of pure and applied science, engineering, architecture, the social sciences, biomedicine, accounting, law, computer science and business administration. Journal publications are primarily in the scientific and technical, and biomedical research areas.

In fiscal 1995, the Company acquired the publishing business of Executive Enterprises, Inc., consisting of books, journals and newsletters for environmental management, accounting, law and human resource professionals; ValuSource, which produces specialized business valuation software for accountants, entrepreneurs and corporations; the college engineering list of Houghton Mifflin; the book publishing program of Oliver Wight Publications, Inc. consisting of general management and manufacturing/quality titles; and the OS/2 computer-book list of Van Nostrand Reinhold. Early in fiscal 1996, the Company entered into an agreement in principle to acquire Preservation Press consisting of architectural heritage books, technical preservation guides and children's architecture books.

The company is on the Internet with a World Wide Web site located at <http://www.wiley.com>.

Domestic Publishing Operations

Adopted textbooks (i.e., textbooks prescribed for course use) are sold primarily to bookstores serving educational institutions in the United States (i.e., college bookstores). The Company employs college sales representatives who call upon faculty members responsible for selecting books to be used in courses, and upon the college bookstores which serve such institutions and their students. Approximately 3,000 college bookstores are active customers. Textbook sales are generally made on a fully returnable basis.

The textbook business is seasonal with the majority of textbook sales occurring during June through August and November through January. Significant amounts of inventory are acquired prior to those periods in order to meet customer delivery requirements. There is an active used textbook market which negatively affects the sales of new textbooks.

Professional and consumer book sales consist of sales to trade bookstores serving the general public, to wholesalers who supply such bookstores, to certain college bookstores for their non-textbook requirements, to individual professional practitioners, and to research institutions, jobbers, libraries (including public, professional, academic, and other special libraries), industrial organizations, and governmental agencies. The Company employs sales representatives who call upon independent bookstores, along with national and regional chain bookstores, wholesalers and jobbers in the United States. Trade sales to bookstores, wholesalers and jobbers are generally made on a fully returnable basis.

Sales of professional and consumer books also result from direct mail campaigns, telemarketing, and advertising and reviews in periodicals. The mailings and advertising are intended to promote sales through bookstores and jobbers, as well as to solicit sales directly.

Journal subscriptions result primarily from direct mail and other advertising and promotional campaigns, renewals which are solicited annually either directly or by companies commonly referred to as independent subscription agents, and memberships in the professional societies for those journals that are sponsored by such societies.

The Company also receives licensing revenues from photocopies and electronic reproductions of journal articles and other materials.

Domestic publishing products, other than journals, are distributed from a Company operated warehouse located in Somerset, New Jersey. Journals are mailed to subscribers directly from the independent printers.

International Publishing Operations

The Company's publications are sold throughout most of the world through subsidiaries located in Europe, Canada, Australia, and Asia, or through agents, or directly from New York. These subsidiaries market their own indigenous publications, as well as publications produced by the domestic operations and other subsidiaries and affiliates.

The Export Sales Department in New York markets the Company's publications through agents as well as foreign sales representatives in countries not served by a foreign subsidiary. The International Rights Department sells foreign reprint and translations rights. The Company publishes, or licenses others to publish, its products which are distributed throughout the world in 40 foreign languages.

Approximately 40% of the Company's fiscal 1995 revenues were derived from non-U.S. markets.

Publishing Procedures

The Company usually enters into agreements with authors which state the terms and conditions under which the respective authors' materials will be published and under which other related rights may be exercised, the name in which the copyright will be registered, the basis for any royalties, and other matters. The Company continues to add new titles, revise existing titles, and discontinue the sale of others in the normal course of its business.

Most of the authors of the books and other products published are compensated by royalties which vary with the nature of the product and its anticipated sales potential. In general, royalties for textbooks and consumer books are higher than royalties for research and reference works. The Company makes advances against future royalties to authors of certain of its publications.

Materials for publication are obtained from authors throughout most of the world through the efforts of an editorial staff, outside editorial advisors, and advisory boards. Most materials originate with their authors, but many are prepared as a result of suggestions or solicitations by editors or advisors. The Company's general practice is to revise its basic textbooks every three to five years, if warranted, and to revise other titles as appropriate. Approximately 35% of the Company's fiscal 1995 domestic book publishing revenues were from titles published or revised in that fiscal year. Subscription-based products, other than journals, are updated more frequently on a regular schedule.

Most journals are owned by the Company, in which case they may or may not be sponsored by a professional society. Some are owned by such societies and published by the Company under an agreement. Societies which sponsor or own such journals generally receive a royalty and/or other consideration which varies with the nature of the relationship. The Company usually enters into agreements with the editors of journals which state the duties of the editors, and the fees and expenses for their services. Contributions of journal articles transfer publication rights to the Company or professional society, as applicable. Journal revenues represented approximately 29% of the Company's fiscal 1995 revenues.

The Company's publishing business is not dependent upon a single customer, the loss of whom could have a material adverse effect. Approximately 90% of the Company's journal subscription business is sourced through independent subscription agents, and represents approximately 25% of total consolidated revenues. These companies facilitate the journal ordering process by consolidating the subscription orders/billings of each subscriber. Monies are collected in advance from subscribers by the subscription agents and are remitted to the journal publishers, including the Company, generally prior to the commencement of the subscription. Cash receipts from subscription agents are highly dependent on their financial position and liquidity. No one agent accounts for more than 6% of total consolidated revenues.

The Company performs marketing and distribution services for other publishers under agency arrangements. It also engages in copublishing of titles with foreign publishers and in publication of adaptations of works from other publishers for particular markets.

Like most other publishers, the Company generally contracts with independent printers and binderies for their services. The Company purchases its paper from printers and from independent suppliers. Paper prices have increased steadily over the past year. The Company believes that adequate printing and binding facilities, and sources of paper and other required materials are available to it, and that it is not dependent upon any single supplier.

The Company produces electronic versions of some of its products including software, video, CD-ROM, and through on-line services. Approximately 170 products are available in electronic formats. The Company believes that the demand for new electronic technology products will increase steadily. Accordingly, to properly service its customers and to remain competitive, the Company anticipates it will be necessary to increase its expenditures related to such new technologies over the next several years.

Copyrights, Patents, Trademarks, and Environment

Substantially all of the Company's publications are protected by copyright, either in its own name, in the name of the author of the work, or in the name of the sponsoring professional society. Such copyrights protect the Company's exclusive right to publish the work in the United States and in many countries abroad for specified periods: in most cases the author's life plus 50 years, but in any event a minimum of 28 years for works published prior to 1978 and 35 years for works published thereafter.

The Company does not own any other material patents, franchises, or concessions, but does have registered trademarks and service marks in connection with its publishing businesses. The Company's operations are generally not affected by environmental legislation.

Competition Within the Publishing Industry

The sectors of the publishing industry in which the Company is engaged are highly competitive. The principal competitive criteria for the publishing industry are believed to be product quality, suitability of format and subject matter, author reputation, price, timely availability of both new titles and revisions of existing texts and, for textbooks and certain trade books, timely delivery of products to retail outlets. Recent years have seen a consolidation trend within the publishing industry, with several publishing companies having been acquired by larger publishers and other companies.

Based upon currently available industry statistics, the Company believes that of books published and sold in the United States, it accounts for approximately 3% of the total sales of such university and college textbooks, and approximately 3% of the total sales of such professional books.

The Company knows of no reliable industry statistics which would enable it to determine its share of the various foreign markets in which it operates. The Company believes that the percentage of its total book publishing sales in markets outside the United States is higher than that of most of the United States publishers. The Company also believes it is one of the four largest publishers of scientific and technical journals worldwide, and one of the two largest such domestic publishers, and one of the four largest publishers of university and college textbooks for the "hardside" disciplines, i.e. engineering, sciences and mathematics.

Employees

As of April 30, 1995, the Company employed approximately 1,770 persons on a full-time basis worldwide, none of whom are unionized. Management considers relations with its employees to be generally satisfactory.

Financial Information About Industry Segments

The note entitled - "Segment Information" of the Notes to Consolidated Financial Statements listed in the attached index is incorporated herein by reference.

Financial Information about Foreign and Domestic Operations and Export Sales

The note entitled - "Segment Information" of the Notes to Consolidated Financial Statements listed in the attached index is incorporated herein by reference.

Executive Officers

Set forth below are the names and ages of all executive officers of the Company, the period during which they have been officers, and the offices presently held by each of them.

Name and Age	Officer Since	Present Office
Bradford Wiley II 54	1993	Chairman of the Board since January 1993 and a Director (previously Editor, College Division)
Charles R. Ellis 60	1988	President and Chief Executive Officer and a Director since June 1990 (previously Executive Vice President/Group President Publishing)
Stephen A. Kippur 48	1986	Senior Vice President, Professional, Reference & Trade Publishing Group since July 1990 (previously Group Vice President, Professional & Trade)
William J. Pesce 44	1989	Senior Vice President, Educational Publishing Group since July 1990 (previously Group Vice President, Educational Group)
Richard S. Rudick 56	1978	Senior Vice President, General Counsel since June 1989 (previously Vice President, General Counsel and Secretary)
Robert D. Wilder 47	1986	Senior Vice President, Chief Financial Officer since June 1990 (previously Vice President, Publishing Financial & Administrative Services)
William Arlington 46	1990	Vice President, Human Resources since June 1990 (previously Director, Human Resources, Publishing Group)
Peter W. Clifford 49	1989	Vice President, Finance and Controller since November 1991 (previously Vice President, Controller)
Deborah E. Wiley 49	1982	Vice President and Director of Corporate Communications since June 1994 and a Director (previously Vice Chairman of the Board)

Each of the officers listed above will serve until the next organizational meeting of the Board of Directors of the Company and until each of the respective successors is duly elected and qualified. Deborah E. Wiley is the sister of Bradford Wiley II. There is no other family relationship among any of the aforementioned individuals.

Item 2. Properties

The Company's publishing businesses occupy office, warehouse, and distribution centers in various parts of the world, as listed below (excluding those locations with less than 10,000 square feet of floor area, none of which is considered material property).

Location	Purpose	Approx. Sq. Ft.	Lease Expiration Date
Leased-Domestic:			
New York, New York	Executive and Editorial Offices	230,000	2003
Somerset, New Jersey	Distribution Center and Office	170,000	1998
Somerset, New Jersey	Warehouse	50,000	2000
Colorado Springs, Colorado	Office	15,000	2000
Leased-Foreign:			
Brisbane, Australia	Office	16,000	1998
	Warehouse	26,000	1996
Toronto, Canada	Office	14,000	2001
	Warehouse	41,000	1996
Chichester, England	Office	52,000	2009
	Warehouse	70,000	2012
Singapore	Office and Warehouse	53,000	1997

All of the buildings and the equipment owned or leased are believed to be in good condition and are generally fully utilized. The Company considers its facilities overall to be adequate for its present and near-term anticipated needs.

Item 3. Legal Proceedings

The Company is involved in routine litigation in the ordinary course of its business. In the opinion of management, the ultimate resolution of all pending litigation will not have a material effect upon the financial condition or results of operations of the Company.

**Item 4. Submission of Matters to a
Vote of Security Holders**

No matters were submitted to the Company's security holders during the last quarter of the fiscal year ended April, 30, 1995.

PART II**Item 5. Market for the Company's Common**

Equity and Related Stockholder Matters The Quarterly Share Prices, Dividends and Related Stockholder Matters listed in the attached index are incorporated herein by reference.

Item 6. Selected Financial Data

The Selected Financial Data listed in the attached index is incorporated herein by reference.

Item 7. Management's Discussion and Analysis of

Financial Condition and Results of Operations Management's Discussion and Analysis of Financial Condition and Results of Operations listed in the attached index is incorporated herein by reference.

Item 8. Financial Statements and Supplementary Data

The financial statements and supplementary data listed in the attached index are incorporated herein by reference.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

PART III

Item 10. Directors and Executive Officers

The information regarding the Board of Directors on pages 3 to 11 of the 1995 Proxy Statement is incorporated herein by reference, and information regarding Executive Officers appears in Part I of this report.

Item 11. Executive Compensation

The information on pages 11 to 18 of the 1995 Proxy Statement is incorporated herein by reference.

Item 12. Security Ownership of Certain

Beneficial Owners and Management The information on pages 2 to 9 of the 1995 Proxy Statement is incorporated herein by reference.

Item 13. Certain Relationships and Related Transactions

The information on pages 11 to 18 of the 1995 Proxy Statement is incorporated herein by reference.

PART IV

Item 14. Exhibits, Financial Statement

- Schedules and Reports on Form 8-K
- (a) Financial Statements and Schedules
- (1) List of Financial Statements filed.
The financial statements listed in the attached index are filed as part of this Report.
- (2) List of Financial Statement Schedules filed.
The financial statement schedules listed in the attached index are filed as part of this Report.
- (b) Reports on Form 8-K.
The Company filed a Form 8-K on April 28, 1995 related to the prepayment of the remaining balance of its 10.31% Notes in the amount of \$26 million.
- (c) Exhibits
- 3.1 Restated Certificate of Incorporation (incorporated by reference to the Company's report of Form 10-K for the year ended April 30, 1992).
- 3.2 Restated By-Laws as of July 1994.
- 4.1 Form of agreement between the Company and certain employees restricting transfer of Class B Common Stock (incorporated by reference to the Company's Report on Form 10-Q for the quarterly period ended January 31, 1986).
- 10.1 Credit Agreement dated as of March 30, 1995 among the Company, Morgan Guaranty Trust Company of New York, Chemical Bank, Corestates Bank, N.A., and Morgan Guaranty Trust Company of New York, as Agent.
- 10.2 1991 Key Employee Stock Plan (incorporated by reference to the Company's Definitive Proxy Statement dated August 8, 1991).
- 10.3 1982 and 1987 Incentive Stock Option and Performance Stock Plans (incorporated by reference to the Company's Definitive Proxy Statements dated July 30, 1982 and August 10, 1987).
- 10.4 Amendment to 1982 Stock Option and Performance Stock Plan dated as of September 19, 1985 (incorporated by reference to the Company's Report on Form 8-K dated as of September 19, 1985).

- 10.5 Amendment to 1982 Incentive Stock Option and Performance Stock Plan dated as of March 2, 1989 (incorporated by reference to the Company's Report on Form 10-K for the year ended April 30, 1989).
- 10.6 Amendment to 1987 Incentive Stock Option and Performance Stock Plan dated as of March 2, 1989 (incorporated by reference to the Company's Report on 10-K for the year ended April 30, 1989).
- 10.7 1990 Director Stock Plan (incorporated by reference to the Company's Definitive Proxy Statement dated August 7, 1990).
- 10.8 1989 Supplemental Executive Retirement Plan (incorporated by reference to the Company's Report on Form 10-K for the year ended April 30, 1989).
- 10.9 Agreement of Lease dated as of May 16, 1985 between Fisher 40th & 3rd Company and Hawaiian Realty, Inc., Landlord, and the Company, Tenant (incorporated by reference to the Company's Report on Form 10-K for the year ended April 30, 1985).
- 10.10 Form of the Fiscal Year 1995 Executive Long-Term Incentive Plan (incorporated by reference to the Company's Report on Form 10-K for the year ended April 30, 1994).
- 10.11 Form of the Fiscal Year 1995 Executive Annual Incentive Plan (incorporated by reference to the Company's Report on Form 10-K for the year ended April 30, 1994).
- 10.12 Form of the Fiscal Year 1996 Executive Annual Incentive Plan.
- 10.13 Form of the Fiscal Year 1996 Executive Long-Term Incentive Plan.
- 10.14 Senior Executive Employment Agreement amended as of March 29, 1995 between Charles R. Ellis and the Company.
- 10.15 Restricted Stock Award Agreement dated as of June 23, 1994

between Charles R. Ellis and the Company.

(incorporated by reference to the Company's Report on Form 10-Q for the quarterly period ended July 31, 1994).

- 10.16 Senior Executive Employment Agreement dated as of July 1, 1994 between Stephen A. Kippur and the Company. (incorporated by reference to the Company's Report on Form 10-Q for the quarterly period ended July 31, 1994).
- 10.17 Amendment No. 1 to Stephen A. Kippur's Senior Executive Employment Agreement. (incorporated by reference to the Company's Report on Form 10-Q for the quarterly period ended July 31, 1994).
- 10.18 Restricted Stock Award Agreement dated as of June 23, 1994 between Stephen A. Kippur and the Company. (incorporated by reference to the Company's Report on Form 10-Q for the quarterly period ended July 31, 1994).

- 10.19 Senior Executive Employment Agreement dated as of July 1, 1994 between William J. Pesce and the Company. (incorporated by reference to the Company's Report on Form 10-Q for the quarterly period ended July 31, 1994).
- 10.20 Amendment No. 1 to William J. Pesce's Senior Executive Employment Agreement. (incorporated by reference to the Company's Report on Form 10-Q for the quarterly period ended July 31, 1994).
- 10.21 Restricted Stock Award Agreement dated as of June 23, 1994

between William J. Pesce and the Company. (incorporated by reference to the Company's Report on Form 10-Q for the quarterly period ended July 31, 1994).

- 10.22 Senior Executive Employment Agreement dated as of July 1, 1994 between Robert D. Wilder and the Company. (incorporated by reference to the Company's Report on Form 10-Q for the quarterly period ended July 31, 1994).
- 10.23 Amendment No. 1 to Robert D. Wilder's Senior Executive Employment Agreement. (incorporated by reference to the Company's Report on Form 10-Q for the quarterly period ended July 31, 1994).
- 10.24 Restricted Stock Award Agreement dated as of June 23, 1994 between Robert D. Wilder and the Company. (incorporated by reference to the Company's Report on Form 10-Q for the quarterly period ended July 31, 1994).
- 10.25 Agreement dated as of January 1, 1993 between W. Bradford Wiley, a former Director, and the Company (incorporated by reference to the Company's Report on Form 10-K for the year ended April 30, 1993).
- 13-P Annual Report to Shareholders for Fiscal Year Ended April 30, 1995 (to be filed by amendment on or about July 26, 1995).
- 22 List of Subsidiaries of the Company.
- 24 Consent of Independent Public Accountants (included in this report as listed in the attached index).
- 27 Financial Data Schedule.

JOHN WILEY & SONS, INC. AND SUBSIDIARIES
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS AND SCHEDULES

The following financial statements and information are filed as part of this Report:

Report of Independent Public Accountants and Consent of Independent Public Accountants

Consolidated Statements of Financial Position as of April 30, 1995 and 1994

Consolidated Statements of Income and Retained Earnings for the years ended April 30, 1995, 1994 and 1993

Consolidated Statements of Cash Flows for the years ended April 30, 1995, 1994 and 1993

Notes to Consolidated Financial Statements

Management's Discussion and Analysis of
Financial Condition and Results of Operations

Results by Quarter (Unaudited)

Quarterly Share Prices, Dividends and Related Stockholders Matters

Selected Financial Data

Schedule II - Valuation and Qualifying Accounts

Other schedules are omitted because of absence of conditions under which they apply or because the information required is included in the Notes to the Consolidated Financial Statements.

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS To the Board of Directors and the Shareholders of John Wiley & Sons, Inc.:

We have audited the accompanying consolidated statements of financial position of John Wiley & Sons, Inc. (a New York corporation), and subsidiaries as of April 30, 1995 and 1994, and the related consolidated statements of income and retained earnings and cash flows for each of the three years in the period ended April 30, 1995. These financial statements and the schedule referred to below are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and the schedule based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of John Wiley & Sons, Inc., and subsidiaries as of April 30, 1995 and 1994, and the results of their operations and their cash flows for each of the three years in the period ended April 30, 1995 in conformity with generally accepted accounting principles.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedule listed in the Index to Consolidated Financial Statements and Schedules is presented for purposes of complying with the Securities and Exchange Commission's rules and is not part of the basic financial statements. This schedule has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, fairly state in all material respects the financial data required to be set forth therein in relation to the basic financial statements taken as a whole.

ARTHUR ANDERSEN LLP

New York, New York
June 7, 1995

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the incorporation of our report included in the John Wiley & Sons, Inc. Form 10-K for the year ended April 30, 1995, into the Company's previously filed Registration Statement File Nos. 3360268, 2-65296, 2-95104 and 33-29372.

ARTHUR ANDERSEN LLP

New York, New York
July 18, 1995

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	April 30	
John Wiley & Sons, Inc. and Subsidiaries Dollars in thousands	1995	1994
Assets		
Current Assets		
Cash and cash equivalents.....	\$ 34,410	\$ 57,457
Accounts receivable.....	52,562	45,998
Inventories.....	41,535	37,281
Deferred income tax benefits.....	8,004	9,246
Prepaid expenses.....	4,680	3,642

Total Current Assets.....	141,191	153,624

Product Development Assets.....	24,509	20,433
Property and Equipment.....	21,244	19,623
Intangible Assets.....	53,351	43,701
Other Assets.....	7,186	6,559

Total Assets.....	\$247,481	\$ 243,940
	=====	
Liabilities and Shareholders' Equity		
Current Liabilities		
Notes payable and current portion of long-term debt.....	\$ 621	\$ 6,079
Accounts and royalties payable.....	34,273	25,619
Deferred subscription revenues.....	65,749	56,420
Accrued income taxes.....	4,227	4,607
Other accrued liabilities.....	25,080	25,840

Total Current Liabilities.....	129,950	118,565

Long-Term Debt.....	-	26,000
Other Long-Term Liabilities.....	13,818	12,953
Deferred Income Taxes.....	4,881	4,092

Shareholders' Equity		
Common stock issued		
Class A (8,086,635 and 8,045,212 shares).....	8,087	8,045
Class B (2,084,230 and 2,091,002 shares).....	2,084	2,091
Additional paid-in capital.....	35,616	33,008
Retained earnings.....	87,541	74,024
Cumulative translation adjustment.....	(2,411)	(3,805)
Unearned deferred compensation.....	(1,547)	-

129,370	113,363	

Less Treasury shares at cost (Class A-1,775,941 and 1,826,636; Class B-435,512 and 434,640).....	(30,538)	(31,033)

Total Shareholders' Equity.....	98,832	82,330

Total Liabilities and Shareholders' Equity.....	\$247,481	\$ 243,940
	=====	

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

**CONSOLIDATED STATEMENTS OF INCOME
AND RETAINED EARNINGS**

	For the years ended April 30		
John Wiley & Sons, Inc. and Subsidiaries Dollars in thousands except per share data	1995	1994	1993
Revenues.....			
	\$331,091	\$ 294,289	\$ 272,894
Costs and Expenses			
Cost of sales.....	113,142	99,683	92,234
Operating and administrative expenses.....	186,984	170,000	162,422
Amortization of intangibles.....	4,086	5,723	5,222
Total Costs and Expenses.....			
	304,212	275,406	259,878
Operating Income.....			
	26,879	18,883	13,016
Interest Income and Other.....			
	1,768	1,821	1,551
Interest Expense.....			
	(2,854)	(3,638)	(3,996)
Interest Income (Expense)-Net.....			
	(1,086)	(1,817)	(2,445)
Income Before Taxes.....			
	25,793	17,066	10,571
Provision for Income Taxes.....			
	7,482	4,949	2,853
Net Income.....			
	18,311	12,117	7,718
Retained Earnings at Beginning of Year.....			
	74,024	66,080	62,468
Cash Dividends			
Class A Common (\$.62, \$.55 and \$.55 per share).....	3,885	3,358	3,288
Class B Common (\$.55, \$.49 and \$.49 per share).....	909	815	818
Total Dividends.....			
	4,794	4,173	4,106
Retained Earnings at End of Year.....			
	\$ 87,541	\$ 74,024	\$ 66,080
Income Per Share			
Primary.....			
	\$ 2.25	\$ 1.52	\$ 1.00
Fully Diluted.....			
	\$ 2.23	\$ 1.51	\$ 0.99

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

CONSOLIDATED STATEMENTS OF CASH FLOWS

John Wiley & Sons, Inc. and Subsidiaries	Dollars in thousands	For the years ended April 30		
		1995	1994	1993
Operating Activities				
Net Income.....		\$ 18,311	\$ 12,117	\$ 7,718
Non-cash Items				
Amortization of intangibles.....		4,086	5,723	5,222
Amortization of composition costs.....		12,285	11,979	10,997
Depreciation of property and equipment.....		6,589	6,075	5,266
Reserves for returns, doubtful accounts and obsolescence.....		4,321	3,679	4,932
Deferred income taxes.....		2,094	(1,499)	(1,321)
Other.....		5,155	3,295	3,200
Changes in Operating Assets and Liabilities				
Increase in receivables.....		(8,337)	(11,863)	(1,860)
Decrease (increase) in inventories.....		(3,962)	758	(3,709)
Increase (decrease) in accounts and royalties payable.....		6,951	5,594	(2,019)
Increase in deferred subscription revenues.....		7,596	6,132	5,468
Net change in other operating assets and liabilities.....		(3,198)	(2,256)	2,801
		51,891	39,734	36,695
Investing Activities				
Additions to product development assets.....		(19,705)	(16,827)	(16,596)
Additions to property and equipment.....		(7,876)	(6,504)	(7,072)
Proceeds from sale of publishing lines.....		-	9,210	1,900
Acquisition of publishing assets.....		(12,268)	(8,305)	(416)
		(39,849)	(22,426)	(22,184)
Financing Activities				
Purchase of treasury shares.....		(212)	-	-
Repayment of long-term debt.....		(32,000)	(4,000)	(4,000)
Net borrowings (repayments) of short-term debt.....		522	(21)	33
Cash dividends.....		(4,794)	(4,173)	(4,106)
Proceeds from exercise of stock options.....		590	2,815	1,157
		(35,894)	(5,379)	(6,916)
Effects of Exchange Rate Changes on Cash.....		805	(787)	(1,314)
Cash and Cash Equivalents				
Increase (Decrease) for Year.....		(23,047)	11,142	6,281
Balance at Beginning of Year.....		57,457	46,315	40,034
		\$ 34,410	\$ 57,457	\$ 46,315
Cash Paid During the Year for				
Interest.....		\$ 3,807	\$ 3,674	\$ 4,092
Income Taxes.....		\$ 6,886	\$ 3,715	\$ 3,007

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

Notes to Consolidated Financial Statements

Summary of Significant Accounting Policies

Principles of Consolidation: The consolidated financial statements include the accounts of John Wiley & Sons, Inc., and its majority owned subsidiaries ("the Company"). All significant intercompany items have been eliminated. Certain prior year amounts have been reclassified to conform to the current year's presentation.

Sales Returns and Doubtful Accounts: The Company provides an estimated allowance for doubtful accounts and for future returns on sales made during the year. The allowance for doubtful accounts and returns (estimated returns net of inventory and royalty costs) is shown as a reduction of receivables in the accompanying consolidated balance sheets and amounted to \$22.6 and \$19.9 million at April 30, 1995 and 1994, respectively.

Depreciation and Amortization: Furniture and equipment is depreciated principally on the straight-line method over estimated useful lives ranging from 3 to 10 years. Leasehold improvements and capital leases are amortized over the lesser of the estimated useful lives of the assets or the duration of the various leases, using the straight-line method. Composition costs representing the costs incurred to bring an edited manuscript to publication including typesetting, proofreading, design and illustration, etc. are capitalized and amortized over estimated useful lives representative of product revenue patterns, generally 3 years.

Intangible Assets: Intangible assets consist of: acquired publication rights, which are principally amortized based on the projected revenues of titles acquired; non-compete agreements, which are amortized over the term of such agreements; and goodwill and other intangibles, which are amortized on a straight-line basis over periods ranging from 10 to 40 years. If facts and circumstances indicate that intangible assets may be permanently impaired, it is the Company's policy to assess the carrying value and recoverability of such assets based on an analysis of undiscounted future cash flows of the related operations. Any resulting reduction in carrying value would be charged to operating results.

Income Per Share: Income per share is determined by dividing income by the weighted average number of common shares outstanding and common stock equivalents resulting from the assumed exercise of outstanding dilutive stock options and other stock awards less shares assumed to be repurchased with the related proceeds at the average market price for the period for primary earnings per share, and at the higher of the average or end of period market price for fully diluted earnings per share.

Subscription Revenues: Subscription revenues are generally collected in advance. These revenues are deferred and recognized as earned when the related issue is shipped to the subscriber.

Foreign Exchange Contracts: The Company, from time to time, enters into forward exchange contracts as a hedge against its overseas subsidiaries' non-functional currency asset, liability, and commitment exposures. Such exposures include anticipated annual journal subscription revenues, as well as that portion of the revenues and related receivables on sales of book products, that are denominated in U.S. dollars, while the foreign subsidiaries' expense structure is denominated in their own functional currencies. Realized and unrealized gains and losses are deferred and taken into income over the lives of the hedged items if permitted by generally accepted accounting principles; otherwise the contracts are marked to market with any gains and losses reflected in operating expenses. There were no open foreign exchange contracts, and no gains or losses were deferred at April 30, 1995 or 1994.

Cash Equivalents: Cash equivalents consist primarily of highly liquid investments with a maturity of three months or less and are stated at cost plus accrued interest which approximates market value.

Adoption of New Accounting Standards: The Company adopted the following Statements of Financial Accounting Standards (SFAS) effective as of the beginning of fiscal 1994:

- - Employer's Accounting for Postretirement Benefits Other Than Pensions - SFAS No. 106
- - Accounting for Income Taxes - SFAS No. 109
- - Employer's Accounting for Postemployment Benefits - SFAS No. 112

The Postretirement Benefits standard changed the method of accounting for retiree life insurance and health care benefits from the current practice of expensing the cost of such benefits on a pay as-you-go, cash basis to expensing the cost over the years the employees render service. The cumulative effect of adopting this standard amounted to a charge of approximately \$.2 million, or \$.1 million after taxes, in fiscal 1994.

The Income Tax standard changed the method of accounting for income taxes from the deferred method to the liability method, under which deferred tax assets and liabilities are now measured based on the enacted tax rates and laws that will be in effect when the deferred tax items are expected to reverse. The change had the effect of increasing net deferred tax benefits, resulting in a cumulative effect of approximately \$1.3 million of income in fiscal 1994.

The Postemployment Benefit standard requires the accrual of costs related to health care benefits provided to former or inactive employees prior to retirement. The cumulative effect of adopting this standard amounted to a charge of approximately \$1.6 million, or \$1.1 million after taxes, in fiscal 1994.

The net cumulative effect of adopting these new standards as of the beginning of fiscal 1994 was not material. Prior period financial statements have not been restated.

Acquisitions

In fiscal 1995, the Company acquired the publishing business of Executive Enterprises, Inc., consisting of books, journals and newsletters for environmental management, accounting, law and human resource professionals; ValuSource, which produces specialized business valuation software for accountants, entrepreneurs and corporations; the college engineering list of Houghton Mifflin; the book publishing program of Oliver Wight Publications, Inc., consisting of general management and manufacturing/quality titles; the OS/2 computer-book list of Van Nostrand Reinhold, Inc., and other smaller publishing lists, for purchase prices aggregating \$12.3 million in cash plus assumed liabilities of \$2.9 million. The excess of cost over the fair value of the tangible assets acquired amounted to approximately \$13.5 million, of which \$6.7 million related to acquired publication rights, \$.5 million related to non-compete agreements, and \$6.3 million represented goodwill and other intangibles which are being amortized over 10 to 15 years.

In fiscal 1994, the Company acquired the professional computer book line of QED Information Services in the United States; Belhaven Press, which publishes earth and environmental science titles in the United Kingdom; and the Company's joint venture partner's 30% minority interest in Protocols, which publishes life science continuity products, for purchase prices aggregating \$8.3 million. The excess of cost over the fair value of the tangible assets acquired amounted to approximately \$6.9 million, of which \$.5 million related to acquired publication rights, \$.3 million related to noncompete agreements, and \$6.1 million represented goodwill and other intangibles which are being amortized over 15 years.

These acquisitions have been accounted for by the purchase method, and the accompanying financial statements include their results of operations since their respective dates of acquisition. The pro forma effects on the results of operations for these acquisitions were not material.

Divested and Restructured Operations

In fiscal 1994, the Company divested its Canadian high school and Australian primary school and certain agency lines for aggregate proceeds of \$9.2 million, resulting in a gain of \$1.8 million, or \$1.3 million after taxes. In addition, in a cost saving initiative, the Company restructured and consolidated certain distribution and information technology support functions which resulted in an unusual charge of \$1.8 million, or \$1.1 million after taxes. The net effect of the divestitures and restructurings amounted to an after-tax gain of \$.2 million, or \$.03 per share, in fiscal 1994.

Inventories

Inventories at April 30 were as follows:

Dollars in thousands	1995	1994
Finished Goods	\$ 36,467	\$31,536
Work-in-Process	5,762	6,795
Paper, Cloth and Other	2,769	1,539
	44,998	39,870
LIFO Reserve	(3,463)	(2,589)
Total	\$ 41,535	\$37,281

Domestic book inventories aggregating \$29.0 and \$25.6 million at April 30, 1995 and 1994, respectively, are stated at cost or market, whichever is lower, using the last-in, first-out method. All other inventories are stated at cost or market, whichever is lower, using the first-in, first-out method.

Product Development Assets

Product development assets consisted of the following at April 30:

Dollars in thousands	1995	1994
Composition Costs	\$ 16,685	\$ 13,796
Royalty Advances	7,824	6,637
Total	\$ 24,509	\$ 20,433

Composition costs are net of accumulated amortization of \$23,014 in 1995 and \$21,654 in 1994.

Property and Equipment

Property and equipment consisted of the following at April 30:

Dollars in thousands	1995	1994
Furniture and Equipment	\$ 42,974	\$ 36,642
Leasehold Improvements	11,382	9,877
	54,356	\$ 46,519
Accumulated Depreciation	(33,112)	(26,896)
Total	\$ 21,244	\$ 19,623

Intangible Assets

Intangible assets are stated at cost, net of accumulated amortization, and consisted of the

following at April 30:

Dollars in thousands	1995	1994
Goodwill and Other Intangibles	\$ 43,273	\$ 38,773
Acquired Publication Rights	9,037	3,537
Noncompete Agreements	1,041	1,391
Total	\$ 53,351	\$ 43,701

Other Accrued Liabilities

Included in other accrued liabilities is accrued compensation of approximately \$13.3 and \$12.1 million for 1995 and 1994, respectively.

Income Taxes

The provision for income taxes was as follows:

Dollars in thousands	1995	1994	1993
Currently Payable			
Federal	\$ 1,184	\$ 1,471	\$ 708
Foreign	3,675	4,772	2,943
State and local	314	115	515
Total Current Provision	5,173	6,358	4,166
Deferred Provision			
Federal	1,716	(174)	59
Foreign	451	(1,277)	(1,372)
State and Local	142	42	—
Total Deferred Provision (Benefit)	2,309	(1,409)	(1,313)
Total Provision	\$ 7,482	\$ 4,949	\$ 2,853

The Company's effective income tax rate as a percent of pretax income differed from the U.S. federal statutory rate as shown below:

	1995	1994	1993
U.S. Federal Statutory Rate	35.0%	35.0%	34.0%
State and Local Income Taxes			
Net of Federal Income Tax Benefit	.8	.4	3.2
Tax Benefit Derived from FSC Income	(6.1)	(4.8)	(6.1)
Foreign Source Earnings Taxed at Other than U.S. Statutory Rate	(1.0)	(2.1)	(5.6)
Nondeductible Amortization of Intangibles	1.1	1.7	2.6
Other-Net	(.8)	(1.2)	(1.1)
Effective Income Tax Rate	29.0%	29.0%	27.0%

Deferred taxes result from timing differences in the recognition of revenue and expense for tax and financial reporting purposes. The components of the provision for deferred taxes were as follows:

Dollars in thousands	1995	1994	1993
Depreciation and Amortization	\$1,451	\$6	\$(251)
Accrued Expenses	1,197	715	(921)
Circulation Costs	1,614	(1,800)	1,177
Provision for Sales Returns and Doubtful Accounts	(255)	547	(779)
Inventory	(1,150)	1,076	69
Retirement Benefits	(224)	116	(615)
Alternative Minimum Tax Credit and Other Carryforwards	(722)	(1,770)	1,129
Tax Law Rate Change	—	(470)	—
Other-Net	398	171	(1,122)
Total Deferred Provision (Benefit)	\$2,309	\$(1,409)	\$(1,313)

The significant components of deferred tax assets and liabilities were as follows:

Dollars in thousands	1995		1994	
	Current	Long-Term	Current	Long-Term
Deferred Tax Assets				
Reserve for sales returns and doubtful accounts	\$5,603	\$ —	\$5,455	\$ —
Circulation and other costs capitalized for taxes	—	3,624	—	4,865
Retirement and post-employment benefits	—	2,510	—	2,337
Alternative minimum tax credit and other carryforwards	1,315	—	827	—
Accrued compensation	1,592	—	2,005	—
Accrued liabilities and other	213	—	1,568	—
Total Deferred Tax Assets	8,723	6,134	9,855	7,202
Deferred Tax Liabilities				
Depreciation and amortization	—	(6,954)	—	(5,487)
Divested operations	—	(2,156)	—	(2,400)
Long-term liabilities and other	(719)	(1,905)	(609)	(3,407)
Total Deferred Tax liabilities	(719)	(11,015)	(609)	(11,294)
Net Deferred Tax Asset (Liability)	\$8,004	\$(4,881)	\$9,246	\$(4,092)

The Company has filed amended U.S. federal income tax returns for prior years primarily related to timing differences and resulting in potential refund claims, which are subject to Internal Revenue Service approval.

In general, the Company plans to continue to invest the undistributed earnings of its foreign subsidiaries in those businesses and therefore, no provision is made for taxes which would be payable if such earnings were distributed. At April 30, 1995, the undistributed earnings of foreign subsidiaries approximated \$22.4 million and, if remitted currently, would result in additional taxes approximating \$1.5 million.

Notes Payable and Debt

Long-term debt consisted of the following at April 30:

Dollars in thousands	1995	1994
10.31% unsecured notes due Through July 1998	\$ —	\$ 32,000
Less current maturities	—	(6,000)
Long-term debt	\$ —	\$ 26,000

In fiscal 1995, the Company prepaid the remaining \$26 million of the 10.31% notes outstanding. Although the Company incurred prepayment costs of \$1.6 million, which is included in interest income and other, the Company benefits by eliminating the negative interest rate spread between the higher interest rate on the debt retired compared with the current interest rates being earned on short-term investments. Also included in interest income and other is a gain of \$1.5 million related to the sale of shares of Nippon Wilson Learning which were received in connection with the sale of the Company's training business in fiscal 1991.

The Company has a new revolving credit agreement with three banks providing a line of credit of \$50 million until March 30, 2000. The Company has the option of borrowing Eurodollars at a rate based on the London Interbank Offered Rate (LIBOR) or dollars at the banks' prime rate or at a rate based on the current certificate of deposit rate. A facility fee ranging from .125% to .25% depending on certain coverage ratios is charged on the total commitment. In the event of a change of control, as defined, the banks have the option to terminate the agreement and require repayment of any amounts outstanding. The Company and its subsidiaries also have other short term lines of credit aggregating \$51 million at various interest rates. Information relating to short-term lines of credit follows:

Dollars in thousands	1995	1994	1993
End of Year			
Amount outstanding	\$ 621	\$ 79	\$ 97
Weighted average interest rate	8.5%	7.3%	10.0%
During the Year			
Maximum amount outstanding	\$ 1,351	\$ 7,390	\$ 960
Average amount outstanding	\$ 529	\$ 1,184	\$ 394
Weighted average interest rate	8.7%	7.0%	9.6%

The Company's revolving credit agreement contains certain restrictive covenants related to minimum net worth, funded debt levels, financial ratios, restricted payments, including a cumulative limitation for dividends paid. Under the most restrictive covenant, approximately \$36 million was available for the payment of future dividends.

Retirement Plans

The Company and its principal subsidiaries have contributory and noncontributory retirement plans which cover substantially all employees. The plans generally provide for employee retirement between the ages of 60 to 65 and benefits based on length of service and final average compensation, as defined. In fiscal 1995, the domestic plan was amended to provide that final average compensation be based on the highest three consecutive years ended December 31, 1993. The Company may, but is not required to, update from time to time the ending date for the three-year period used to determine final average compensation. The amendment had the effect of increasing pension expense for fiscal 1995 by approximately \$.2 million. Funds are contributed as necessary to provide for current service and for a portion of any unfunded projected benefit obligation. To the extent these requirements are exceeded by plan assets, a contribution may not be made in a particular year. Plan assets consist principally of investments in corporate stocks and bonds and government obligations.

Pension costs for the defined benefit plans were as follows:

Dollars in thousands	1995	1994	1993
Service Cost	\$ 2,418	\$ 2,095	\$ 2,008
Interest Cost on Projected Benefit Obligation	3,440	3,073	2,978
Return on Assets	(2,937)	(3,685)	(3,584)
Net Amortization and Deferral	(1,764)	(731)	(800)
Net Periodic Pension Expense	\$ 1,157	\$ 752	\$ 602

The net pension expense included above for the international plans amounted to approximately \$1.0 million for 1995, 1994, and 1993, respectively.

The following table sets forth the status of the plans and the amounts recognized in the Company's consolidated statements of financial position.

Dollars in thousands	1995		1994	
	Domestic Plan	Int'l Plans	Domestic Plan	Int'l. Plans
Fair Value of Plan Assets	\$ 37,340	\$15,978	\$ 36,083	\$14,350
Accumulated Benefit Obligation				
Vested Benefits	(29,758)	(11,579)	(26,804)	(10,518)
Nonvested Benefits	(2,456)	(91)	(2,183)	(76)
	(32,214)	(11,670)	(28,987)	(10,594)
Projected Compensation Increases	(728)	(2,696)	(172)	(2,738)
Projected Benefit Obligation	(32,942)	(14,366)	(29,159)	(13,332)
Funded Status	4,398	1,612	6,924	1,018
Unrecognized Net Asset	(3,590)	(1,737)	(4,189)	(1,877)
Unrecognized Prior Service Cost	105	1,456	(270)	1,489
Unrecognized Net Loss (Gain)	362	(2,408)	(1,111)	(1,954)
Prepaid (Accrued) Pension Cost	\$ 1,275	\$(1,077)	\$1,354	\$(1,324)

The range of assumptions used in 1995 and 1994 were:

	1995		1994	
	Domestic Plan	Int'l. Plans	Domestic Plan	Int'l. Plans
Discount Rate	7.5%	8.5%	7.5%	8.5%
Expected Long-Term Rate of Return on Plan Assets	8.0%	7.0-8.0%	8.0%	7.0-8.0%
Rate of Increase in Compensation Levels	-%	5.5-7.0%	-%	5.5-7.0%

The Company has agreements with certain officers and senior management personnel that provide for the payment of supplemental retirement benefits during each of the 10 years after the termination of employment. Under certain circumstances, including a change of control as defined, the payment of such amounts could be accelerated on a present value basis. The cost of these benefits is being charged to expense on a present value basis over the estimated term of employment and amounted to approximately \$.9, \$.7 and \$.7 million in 1995, 1994 and 1993, respectively.

The Company provides life insurance and health care benefits, subject to certain dollar limitations and retiree contributions, for substantially all of its retired domestic employees. The cost of such benefits is expensed over the years that the employees render service and are funded on a pay-as-you-go, cash basis. The accumulated postretirement benefit obligation amounted to \$.2 million at April 30, 1995 and 1994 and the amount expensed in fiscal 1995 and prior years was not material.

Commitments and Contingencies

The following schedule shows the composition of rent expense for operating leases:

Dollars in thousands	1995	1994	1993
Minimum Rental	\$12,202	\$11,885	\$11,009
Lease Escalation	1,848	1,756	1,156
Less: Sublease Rentals	(63)	(55)	(43)
Total	\$13,987	\$13,586	\$12,122

Future minimum payments under operating leases aggregated \$111.1 million at April 30, 1995. Annual payments under these leases are \$14.4, \$14.2, \$13.2, \$12.9 and \$12.7 million for fiscal years 1996 through 2000, respectively. The Company is guarantor through 1998 of certain lease obligations assumed by the buyer of the domestic training operations which were divested in fiscal 1991, aggregating approximately \$4.2 million, which is net of the 50% guarantee provided by the parent of the buyer.

The Company is involved in routine litigation in the ordinary course of its business. In the opinion of management, the ultimate resolution of all pending litigation will not have a material effect upon the financial condition or results of operations of the Company.

Segment Information

The Company operates in one business segment, namely publishing, and develops, publishes and markets products in print and electronic formats including textbooks, professional and reference works, consumer books, and periodicals including journals and other subscription-based products, for the educational, scientific, technical, professional and trade markets around the world.

The Company's international operations are located in Europe, Canada, Australia and Asia. The following table presents revenues, operating income and identifiable assets for the domestic and international operations.

Dollars in thousands	1995	1994	1993
Revenues			
Domestic	\$258,464	\$229,061	\$208,787
International	102,907	89,235	87,170
Interarea transfers	(30,280)	(24,007)	(23,063)
Total	\$331,091	\$294,289	\$272,894
Operating Income(1)			
Domestic	\$15,242	\$ 8,957	\$ 8,898
International	11,637	9,926	4,396
Interarea profit elimination	—	—	(278)
Total	\$26,879	\$18,883	\$13,016
Identifiable Assets			
Domestic	\$166,478	\$144,624	\$127,490
International	46,593	41,859	46,788
Corporate	34,410	57,457	46,315
Total	\$247,481	\$243,940	\$220,593

(1) Includes pretax unusual items gain of \$1,819 in international operations and a pretax unusual items charge of \$1,768 in domestic operations for 1994.

Transfers between geographic areas are generally made at a fixed discount from list price and principally represent sales from the United States to the Company's international operations. Export sales from the United States to unaffiliated international customers amounted to approximately \$41.2, \$33.9 and \$28.2 million in 1995, 1994 and 1993, respectively. The pretax income for consolidated international operations was approximately \$11.6, \$10.0 and \$3.8 million in 1995, 1994 and 1993, respectively.

Included in operating and administrative expenses were net foreign exchange gains (losses) of approximately \$(.2), \$.2 and \$.1 million in 1995, 1994 and 1993, respectively.

Changes in the cumulative translation adjustment account were as follows:

Dollars in thousands	1995	1994
Balance, May 1	\$ (3,805)	\$ (2,734)
Aggregate Translation Adjustments for the Year	1,394	(1,071)
Balance, April 30	\$ (2,411)	\$ (3,805)

Stock Option and Other Plans

Options were granted on the Company's Class A Common stock and are exercisable, in part or in full, over a maximum period of 10 years from the date of grant under various stock option plans. Outstanding options were granted at prices not less than 100% of the fair market value of the stock at the date the options were granted. Under certain circumstances relating to a change of control, as defined, the right to exercise options outstanding could be accelerated.

Option activity under existing plans was as follows:

	1995	1994
Outstanding at Beginning of Year	439,096	587,936
Granted	142,900	28,076
Exercised	(34,701)	(161,114)
Canceled	(12,276)	(15,802)
Outstanding at End of Year	535,019	439,096
Exercisable at End of Year	297,877	272,382
Available for Future Grant	678,284	808,908

Price Range of Options Exercised \$14.00 to 41.38 \$14.00 to 24.50 Price Range of Options
Outstanding \$13.50 to 52.50 \$13.50 to 30.00

Under the terms of the Company's executive long-term incentive plans, upon the achievement of certain three-year financial performance based targets, awards will be payable in cash and/or restricted shares of the Company's Class A Common stock based on the market value at the end of the plan cycle. The restricted shares vest equally as to 50% on the first and second anniversary date after the date of the award. The amount charged to expense for such plans was approximately \$.8, \$.7 and \$.8 million in 1995, 1994 and 1993, respectively. Restricted shares issued under the plans amounted to 5,542, 16,820 and 10,966 in 1995, 1994 and 1993, respectively.

In fiscal 1995, the Company granted a total of 45,000 restricted shares of the Company's Class A Common stock to four key executive officers in connection with their employment agreements. The restricted shares vest one-third at the end of the third, fourth and fifth years, respectively, 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. Compensation expense aggregating \$1.9 million will be charged to earnings ratably over five years, or sooner if vesting is accelerated, from the date of grant, and amounted to \$.3 million in fiscal 1995. A second grant of an additional 45,000 restricted shares with similar terms and conditions was made subsequent to the fiscal 1995 year-end.

Under the terms of the Company's Director Stock Plan, each member of the Board of Directors who is not an employee of the Company is awarded Class A Common stock equal to 50% of the board member's cash compensation, based on the market value of the stock on the date of the shareholders' meeting. The compensation cost related to this plan and charged to expense amounted to approximately \$.2, \$.2 and \$.1 million in 1995, 1994 and 1993, respectively. Under this plan 4,331, 6,846 and 4,068 shares were issued in 1995, 1994 and 1993, respectively.

Capital Stock and Changes in Capital Accounts

Preferred stock consists of 2,000,000 authorized shares with \$1 par value. To date, no preferred shares have been issued. The Common stock consists of 10,000,000 authorized shares of Class A Common, \$1 par value, and 4,000,000 authorized shares of Class B Common, \$1 par value.

Each share of the Company's Class B Common stock is convertible into one share of Class A Common stock. The holders of Class A stock are entitled to elect 30% of the entire Board of Directors and the holders of Class B stock are entitled to elect the remainder. On all other matters, each share of Class A stock is entitled to one-tenth of one vote and each share of Class B stock is entitled to one vote.

In fiscal 1995, the Board of Directors declared a 2-for-1 stock split of its Class A and Class B Common stock to shareholders of record as of July 6, 1994.

Changes in selected capital accounts were as follows:

Dollars in thousands	Common Class A	Stock Class B	Additional Paid-In Capital	Treasury Stock
Balance				
May 1, 1992	\$3,907	\$1,053	\$32,694	\$(31,280)
Director Stock Plan Issuance	—	—	36	63
Executive Long-Term Incentive Plan Issuance	—	—	71	150
Proceeds from Exercise of Stock Options	30	1	1,218	(92)
Other	(1)	(3)	83	—
Retroactive effect of 2 for 1 stock split	\$3,937	\$1,051	\$(4,988)	—
Balance				
April 30, 1993	\$7,873	\$2,102	\$29,114	\$(31,159)
Director Stock Plan Issuance	—	—	64	94
Executive Long-Term Incentive Plan Issuance	—	—	174	230
Proceeds from Exercise of Stock Options	161	—	2,852	(198)
Other	11	(11)	804	—
Balance				
April 30, 1994	\$8,045	\$2,091	\$33,008	\$(31,033)
Restricted Share Issuance	—	—	1,266	618
Director Stock Plan Issuance	—	—	124	59
Executive Long-Term Incentive Plan Issuance	—	—	162	76
Proceeds from Exercise of Stock Options	35	—	601	(46)
Purchase of Treasury Shares	—	—	—	(212)
Other	7	(7)	455	—
Balance				
April 30, 1995	\$8,087	\$2,084	\$35,616	\$(30,538)

Management's Discussion and Analysis of Financial Condition and Results of Operations

Results of Operations:

Fiscal 1995 Compared to Fiscal 1994

In 1995, the Company continued to grow its core businesses through a combination of internal development and acquisitions, while at the same time improving its profitability and return on investment.

The Company invested \$12.3 million during the year to acquire: the publishing business of Executive Enterprises, Inc., consisting of books, journals and newsletters for environmental management, accounting, law and human resource professionals; ValuSource, which produces specialized business valuation software for accountants, entrepreneurs and corporations; the college engineering list of Houghton Mifflin; the book publishing program of Oliver Wight Publications, Inc., consisting of general management and manufacturing/quality titles; and the OS/2 computer-book list of Van Nostrand Reinhold, Inc.

Revenues for the year advanced 13% to \$331.1 million led by the domestic professional and trade division, where revenues increased 20% based on the strength of the business and computer book lines. The domestic scientific, technical and medical division registered a 10% improvement attributable to increased journal revenues. The domestic college division increased its market share and outperformed the industry as a whole in what was considered a difficult market environment. International revenues reflected significant increases over the prior year led by the Company's European and Asian operations.

Cost of sales as a percentage of revenues was 34.2% in 1995 compared with 33.9% in the prior year primarily reflecting increased paper costs.

Operating and administrative expenses as a percentage of revenues declined to 56.5% in 1995 from 57.8% as the rate of growth in expenses was contained at less than the revenue growth rate. This improvement was offset to some degree by unfavorable foreign exchange rates.

Operating income increased 43% over the prior year to \$26.9 million primarily due to the effects of the higher revenue base coupled with a cost contained infrastructure.

Interest expense declined by \$.8 million due to the repayment of long-term debt. The effective tax rate was 29% in both years due to the benefits derived from lower taxed foreign source earnings.

Net income increased 51% over 1994 due to the operating income gains and lower interest expense.

Results of Operations:
Fiscal 1994 Compared to Fiscal 1993

The Company acquired several publishing businesses during the year, for purchase prices aggregating \$8.3 million including: the professional computer book line of QED Information Services; the Belhaven Press, which publishes earth and environmental science titles in the United Kingdom; and the Protocols joint venture partner's 30% minority interest, thereby giving the Company total ownership of this publisher of life science continuity products.

During fiscal 1994, the Company divested its Canadian high school and Australian primary school and certain agency lines for \$9.2 million in aggregate proceeds, which resulted in a net gain after taxes of \$1.3 million. In addition, in a cost-saving initiative, certain distribution and information technology support functions were restructured and consolidated, resulting in an after tax charge of \$1.1 million. The net effect of the above amounted to an after-tax gain of \$.2 million, or \$.03 per share.

Revenues of \$294.3 million for 1994 increased 8% over the prior year. The domestic college division achieved revenue growth of 13% over the prior year by increasing market share through the publication of new and revised editions in its key disciplines, as well as through sales of a stronger backlist. The domestic professional and trade division registered a 13% increase paced by increased sales and marketing efforts both here and abroad, expansion of its continuity product base in accounting and architecture books, acquisition of a computer book line, and the publication of tax guides resulting from the new tax law, as well as new business and investment books. The domestic scientific, technical and medical division posted an 8% increase in revenues attributable to higher journal revenues. Revenue improvement was also noteworthy in our Asian operations due to expanded marketing efforts in that region, and in the United Kingdom due to higher journal revenues.

Cost of sales as a percentage of revenues was 33.9% in 1994, approximately the same as the prior year.

Operating and administrative expenses as a percentage of revenues declined to 57.8% in 1994 from 59.5% due mainly to cost containment measures as well as favorable foreign exchange effects.

Operating income of \$18.9 million was approximately 45% higher than the prior year, as the revenue growth mentioned above more than compensated for the planned increases in the expense structure.

Interest expense declined \$.4 million due to repayments on long term debt. Interest income increased by \$.3 million from the prior year due to higher cash balances, offset to some degree by lower rates.

The effective tax rate was 29% in 1994, compared with 27% in 1993. The increase is primarily due to higher domestic tax rates and a lower proportion of foreign source income in 1994, which is taxed at rates lower than the U.S. federal statutory rate.

Net income increased 57% over the prior year, as operating income gains and increases in net interest income more than offset a slightly higher effective tax rate.

Effective as of the beginning of fiscal 1994, the Company, adopted SFAS No. 106 - Employer's Accounting for Postretirement Benefits Other Than Pensions, SFAS No. 109 - Accounting for Income Taxes and SFAS No. 112 - Employer's Accounting for Postemployment Benefits. The net cumulative effect of adopting these new standards and the ongoing effect on fiscal 1994 results of operations was not material.

Liquidity and Capital Resources

The Company's cash and cash equivalents balance was \$34.4 million at the end of fiscal 1995, compared with \$57.5 at the end of the prior year. The decrease is primarily attributable to the prepayment of the outstanding balance of long-term debt, which benefits the Company by eliminating the negative interest rate spread between the higher interest rate on the debt retired compared with the current interest rates being earned on short-term investments. Cash provided by operating activities was \$51.9 million in fiscal 1995, an increase of \$12.2 million over the prior year.

The Company's operating cash flow is strongly affected by the seasonality of its domestic college business and receipts from its journal subscriptions. Receipts from journal subscriptions occur primarily during November and December from companies commonly referred to as independent subscription agents. These companies facilitate the journal ordering process by consolidating the subscription orders/billings of each subscriber. Monies are collected in advance from subscribers by the subscription agents and are remitted to the journal publishers, including the Company, generally prior to the commencement of the subscription. Remittances are highly dependent upon the financial position and liquidity of such companies.

Sales to the domestic college market tend to be concentrated in June through August, and again in November through January. Cash disbursements for inventory are relatively large during the spring in anticipation of these college sales. The Company normally requires increased funds for working capital from the beginning of the fiscal year into September. Subject to variations that may be caused by fluctuations in inventory accumulation or in patterns of customer payments, the Company's normal operating cash flow is not expected to vary materially in the near term.

To finance its short-term seasonal working capital requirements and its growth opportunities, the Company has adequate cash and cash equivalents available, as well as both domestic and foreign shortterm lines of credit, as more fully described in the note to the consolidated financial statements entitled "Notes Payable and Debt".

The capital expenditures of the Company consist primarily of investments in product development and property and equipment. Capital expenditures for fiscal 1996 are expected to increase approximately 25% over 1995, primarily representing increased investments in product development, including electronic media products, and computer equipment upgrades to support the higher volume of business to ensure efficient quality-driven customer service. These investments will be funded primarily from internal cash generation or from the liquidation of cash equivalents.

Effects of Inflation and Cost Increases

Although the impact of inflation is somewhat minimized, as the business does not require a high level of investment in property and equipment, the Company does experience continuing cost increases reflecting, in part, general inflationary factors. Fiscal 1995 witnessed an increase in paper prices ranging from 10% to 100% depending on the grade, after years of a stable to decreasing price environment. Although results for fiscal 1995 were slightly affected, it is anticipated that these increases will have a greater impact on fiscal 1996 results. To mitigate the effects of paper and other cost increases, the Company has taken a number of initiatives including various steps to lower overall production and manufacturing costs including substitution of paper grades. In addition, selling prices have been selectively increased as competitive conditions permit. The Company anticipates that it will be able to continue this approach in the future.

Results by Quarter (Unaudited)

John Wiley & Sons, Inc. and Subsidiaries		
Dollars in thousands except per share data		
	1995	1994
Revenues		
First quarter	\$80,787	\$74,608
Second quarter	78,558	67,682
Third quarter	91,930	79,480
Fourth quarter	79,816	72,519
Fiscal year	\$331,091	\$ 294,289
Operating Income (Loss)		
First quarter	\$10,450	\$8,951
Second quarter(1)	5,652	5,335
Third quarter(2)	10,240	5,377
Fourth quarter	537	(780)
Fiscal year	\$26,879	\$18,883
Net Income		
First quarter	\$6,067	\$5,051
Second quarter(1)	3,082	2,796
Third quarter(2)	6,530	3,503
Fourth quarter	2,632	767
Fiscal year	\$18,311	\$ 12,117
Income Per Share		
Primary		
First quarter	\$.75	\$.65
Second quarter(1)	.38	.36
Third quarter(2)	.80	.44
Fourth quarter	.32	.10
Fiscal year	\$2.25	\$ 1.52
Fully Diluted		
First quarter	\$.75	\$.65
Second quarter(1)	.38	.35
Third quarter (2)	.80	.44
Fourth quarter	.32	.10
Fiscal year	\$2.23	\$ 1.51

(1) Includes pretax unusual items gain of \$2,075, or \$1,285 after taxes, equal to \$.16 per share in 1994.

(2) Includes pretax unusual items charge of \$1,901, or \$1,085 after taxes, equal to \$.13 per share in 1994.

Effective July 12, 1995, the Company's Class A and Class B shares are listed on the New York Stock Exchange under the symbols JW.A and JW.B, respectively. Prior to that, the Company's Class A shares were listed on the Nasdaq Stock Market's National Market under the symbol WILLA; Class B shares were listed on the Nasdaq Stock Market's SmallCap Market under the symbol WILLB. Dividends per share and the market price range by fiscal quarter for the past two fiscal years were as follows:

	Class A Common Stock Divi- dends	Market High	Stock Price Low	Class B Common Stock Divi- dends	Market High	Stock Price Low
1995						
First quarter	\$.155	\$43.25	\$41.00	\$.1375	\$42.50	\$41.00
Second quarter	.155	44.25	40.25	.1375	43.50	40.75
Third quarter	.155	51.50	42.75	.1375	51.25	42.75
Fourth quarter	.155	56.00	50.25	.1375	55.50	50.50
1994						
First quarter	\$.1375	\$24.13	\$21.00	\$.1225	\$24.63	\$23.00
Second quarter	.1375	31.25	21.38	.1225	31.25	24.00
Third quarter	.1375	38.00	31.50	.1225	37.00	31.25
Fourth quarter	.1375	46.00	37.50	.1225	46.50	37.00

As of April 30, 1995, the approximate number of holders of the Company's Class A and Class B Common Stock were 1,460 and 400, respectively, based on the holders of record and other information available to the Company.

The Company's revolving credit agreements contain certain restrictive covenants related to the payment of dividends. Under the most restrictive covenant, approximately \$36 million was available for the payment of future dividends. Subject to the foregoing, the Board of Directors considers quarterly the payment of cash dividends based upon its review of earnings, the financial position of the Company and other relevant factors. In fiscal 1995, the Board of Directors approved a 2 for 1 stock split.

Selected Financial Data

John Wiley & Sons, Inc. and Subsidiaries

Dollars in thousands except per share data

For the years ended April 30

	1995	1994	1993	1992	1991
Revenues	\$331,091	\$294,289	\$272,894	\$248,151	\$236,859
Income From Continuing Operations(1)	18,311	12,117	7,718	3,576	3,567
Net Gain from Discontinued Operation	—	—	—	—	484
Extraordinary Item	—	—	—	(495)	—
Net Income	18,311	12,117	7,718	3,081	4,051
Working Capital	11,241	35,059	31,804	30,800	70,273
Total Assets	247,481	243,940	220,593	213,744	251,318
Long-Term Debt	—	26,000	32,000	36,000	40,000
Shareholders' Equity	98,832	82,330	71,276	69,552	94,905

Per Share Data

Income From Continuing Operations(1)

Primary	2.25	1.52	1.00	.46	.41
Fully diluted	2.23	1.51	.99	.46	.41
Net Income					
Primary	2.25	1.52	1.00	.39	.46
Fully diluted	2.23	1.51	.99	.39	.46
Cash Dividends					
Class A Common	.62	.55	.55	.55	.55
Class B Common	.55	.49	.49	.49	.49
Book Value-End of Year	12.42	10.46	9.26	9.12	10.79

(1) Includes after-tax unusual items gain of \$324, or \$.04 per share, in 1991.

Schedule II
JOHN WILEY & SONS, INC. AND SUBSIDIARIES
VALUATION AND QUALIFYING ACCOUNTS
FOR THE YEARS ENDED APRIL 30, 1995, 1994 AND 1993

(Dollars in Thousands)

Description	Balance at Beginning of Period	Additions Charged to Income	Deductions From Reserves	Balance at End of Period
Year Ended April 30, 1995				
Allowance for sales returns(1)	\$15,558	\$16,110	\$14,149	\$17,519
Allowance for doubtful accounts	\$ 4,385	\$ 4,014	\$ 3,285(2)	\$ 5,114
Year Ended April 30, 1994				
Allowance for sales returns(1)	\$13,424	\$13,470	\$11,336	\$15,558
Allowance for doubtful accounts	\$ 3,409	\$ 4,081	\$ 3,105(2)	\$ 4,385
Year Ended April 30, 1993				
Allowance for sales returns(1)	\$11,969	\$12,963	\$11,508	\$13,424
Allowance for doubtful accounts	\$ 2,512	\$ 3,603	\$ 2,706(2)	\$ 3,409

(1) Allowance for sales returns represents anticipated returns and royalty costs.

(2) Accounts written off, less recoveries.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Company has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

JOHN WILEY & SONS, INC.

(Company)

*By: /s/ Charles R. Ellis
Charles R. Ellis
President and Chief Executive Officer*

*By: /s/ Robert D. Wilder
Robert D. Wilder
Senior Vice President and
Chief Financial Officer*

*By: /s/ Peter W. Clifford
Peter W. Clifford
Vice President, Finance and
Controller and Chief Accounting Officer*

Dated: June 22, 1995

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons constituting all the directors of the Company on June 22, 1995.

/s/ Franklin E. Agnew
Franklin E. Agnew

/s/ Chester O. Macey
Chester O. Macey

/s/ Warren J. Baker
Warren J. Baker

/s/ William R. Sutherland
William R. Sutherland

/s/ Charles R. Ellis
Charles R. Ellis

/s/ Thomas M. Taylor
Thomas M. Taylor

/s/ H. Allen Fernald
H. Allen Fernald

/s/ Leo J. Thomas
Leo J. Thomas

/s/ Gary J. Fernandes
Gary J. Fernandes

/s/ Bradford Wiley II
Bradford Wiley II

/s/ Larry D. Franklin
Larry D. Franklin

/s/ Deborah E. Wiley
Deborah E. Wiley

/s/ John S. Herrington
John S. Herington

/s/ Peter Booth Wiley
Peter Booth Wiley

/s/ Nils A. Kindwall
Nils A. Kindwall

Exhibit 22
SUBSIDIARIES OF JOHN WILEY & SONS, INC.(1)

	Jurisdiction In Which Incorporated	Percent Of Voting Control
Wiley Europe Limited	England	100%
Wiley Heyden Limited	England	100% (2)
John Wiley & Sons Limited	England	100% (2)
Chancery Law Publishing Limited	England	100% (2)
Jacaranda Wiley Limited	Australia	100%
Jacaranda Wiley (H.K.) Limited	Hong Kong	100%
Wiley Intersciences, Inc.	New York	100%
John Wiley & Sons International Rights, Inc.	Delaware	100%
Wiley-Liss, Inc.	Delaware	100%
Wiley Publishing Services, Inc.	Delaware	100%
Wiley Subscription Services, Inc.	Delaware	100%
John Wiley & Sons Canada Limited	Canada	100%
Wiley Foreign Sales Corporation	Barbados	100%
John Wiley & Sons, (SEA) Pte Ltd.	Singapore	100%

Scripta Technica, Inc. District of Columbia 100%

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- (1) The name of other subsidiaries which would not constitute a significant subsidiary in the aggregate have been omitted.
(2) Wholly-owned subsidiary of Wiley Europe Limited.

Exhibit 3.2

**BY-LAWS
JOHN WILEY & SONS, INC.**

July 1994

By-Laws

As Amended July 1994 John Wiley & Sons, Inc. Article I

Offices

Section 1. Offices. The principle office of the Corporation shall be in the City, County and State of New York. The Corporation may also have offices and places of business at such other places within or without the State of New York as the Board of Directors may from time to time determine or the business of the Corporation may require.

Article II

Shareholders

Section 1. Annual Meeting. The annual meeting of the shareholders of the Corporation shall be held on the third Thursday of September, in each year or, if a legal holiday, on the next business day, or (whether or not a legal holiday) on such other day in September as may be fixed by resolution of the Board of Directors or by the chairman, at which the shareholders shall elect a Board of Directors and transact such other business as may properly come before the meeting.

Section 2. Special Meeting. Special meetings of the shareholders for any purpose or purposes, unless otherwise prescribed by statute, may be called by resolution of the Board of Directors or by the chairman, and shall be called by the chairman or by the president at the request in writing of a majority of the Board of Directors. Such request shall state the purpose of the proposed meeting.

Section 3. Time and Place of Meeting. Meetings of the shareholders shall be held at such time and place within or without the State of New York as the Board of Directors may determine, or as shall be stated in the notices of the meeting.

Section 4. Notice of Meeting. Written notice of every meeting of shareholders, stating the purpose or purposes for which the meeting is called and the place, date and hour of the meeting, and unless the notice pertains to the annual meeting, indicating that it is being issued by or at the direction of the persons calling the meeting, shall be given, personally or by mail, no less than ten nor more than fifty days before the date of the meeting, to each shareholder entitled to vote at such meeting. If mailed, such notice shall be directed to the shareholder at the shareholder's address as it appears on the Corporation's record of shareholders, unless such shareholder shall have filed with the Secretary of the Corporation a written request that notices be mailed to some other address, in which event the notice shall be directed to the shareholder at such other address. Notice of meeting need not be given to any shareholder who submits a waiver of notice, signed in person or by proxy, whether before or after the meeting. The attendance of any shareholder at a meeting, in person or by proxy, without protest as to the sufficiency of notice of such meeting, shall constitute a waiver by such shareholder of such notice.

Section 5. Quorum. Except as otherwise prescribed by statute, the holders of a majority of the shares of each class issued and outstanding and entitled to vote thereat, present in person or represented by proxy, shall be requisite to and shall constitute a quorum at all meetings of the shareholders for the transaction of each item of business required to be voted on by a class voting as a class. Except as otherwise provided by statute, the holders of shares issued and outstanding and entitled to vote thereat of a majority of the votes accorded to holders of all shares, present in person or represented by proxy, shall be requisite to and shall constitute a quorum at all meetings of the shareholders for the transactions of any items of business not required to be voted on separately by a class. If a quorum shall not be present or represented, the shareholders entitled to vote thereat, present in person or represented by proxy, shall have power to adjourn the

meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present and represented. At such adjourned meetings at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally noticed.

Section 6. Voting. Except as otherwise prescribed by statute, each shareholder of record having the right to vote, in respect of each share of stock standing in that shareholder's name on the books of the Corporation, shall be entitled at every meeting of the shareholders of the Corporation to such voting rights as are specified in the Certificate of Incorporation of the Corporation. Such voting rights may be exercised in person or by proxy. All elections shall be determined by a plurality of the class of shares voting thereon, and, except as otherwise prescribed by statute, all other matters shall be determined by vote of the majority of votes cast by shareholders present or represented at such meeting and voting on such question.

Section 7. Introduction of Business at an Annual Meeting of Shareholders. Except as otherwise provided by law, at any meeting of shareholders only such business shall be conducted as shall have been properly brought before the meeting. In order to be properly brought before the meeting, such business must have either been (a) specified in the written notice of the meeting (or any supplement thereto) given to shareholders of record on the record date for such meeting by or at the direction of the Board of Directors, (b) brought before the meeting at the direction of the Board of Directors or the presiding officer of the meeting, or (c) specified in a written notice given by or on behalf of a shareholder of record on the record date for such meeting entitled to vote thereat or a duly authorized proxy for such shareholder, provided that such shareholder continues to be a shareholder of record at the time of such meeting in accordance with all of the following requirements. A notice referred to in clause (c) hereof must be delivered personally, or mailed to and received at, the principal executive office of the Corporation, addressed to the attention of the secretary, not less than 120 calendar days in advance of the date in the then current year corresponding to the date the Corporation's proxy statement was released to shareholders in connection with the previous year's annual meeting of shareholders, except that if the date of the annual meeting has been changed by more than 30 calendar days from any date contemplated at the time of the previous year's proxy statement, the notice must be received by the Corporation a reasonable time before such new date for the annual meeting of shareholders. Such notice referred to in clause (c) hereof shall set forth (i) a full description of each such item of business proposed to be brought before the meeting, (ii) the name and address of the person proposing to bring such business before the meeting, (iii) the class and number of shares held of record, held beneficially and represented by proxy by such person as of the record date for the meeting (if such date has then been made publicly available) and as of the date of such notice, (iv) if any item of such business involves a nomination for director, all information regarding each such nominee that would be required to be set forth in a definitive proxy statement filed with the Securities and Exchange Commission (the "SEC") pursuant to Section 14 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or any successor thereto, and the written consent of each such nominee to serve if elected, and (v) if so requested by the Corporation, all other information that would be required to be filed with the SEC if, with respect to the business proposed to be brought before the meeting, the person proposing such business was a participant in a solicitation subject to Section 14 of the Exchange Act or any successor thereto. No business shall be brought before any meeting of shareholders of the Corporation otherwise than as provided in this Section. Notwithstanding the foregoing provision, unless otherwise required by law, the Board of Directors shall not be obligated to include information as to any nominee for director in any proxy statement or other communication sent to shareholders. The presiding officer of the meeting may, if the facts warrant, determine and declare to the meeting that any proposed item of business was not brought before the meeting in accordance with the foregoing procedures, and if he or she should so determine, he or she shall so declare at the meeting and the defective item of business shall be disregarded.

Article III
Board of Directors

Section 1. Number of Directors; Election; Tenure. The number of directors which shall constitute the Board of Directors shall not be less than ten (10) nor more than twenty (20) members. Within these limits the number of directors constituting the Board shall be determined from time to time by resolution of the Board of Directors, or by the shareholders at an annual or special meeting. Except as otherwise hereinafter provided in the case of vacancies, the directors shall be elected by the shareholders at the annual meeting. The holders of Class A Common Stock voting as a separate class shall be entitled to elect that number of directors which constitutes 30% of the authorized number of members of the Board of Directors and, if 30% of the authorized number of directors is not a whole number, the holders of Class A Common Stock shall be entitled to elect the nearest higher whole number of directors that is at least 30% of such membership. Holders of Class B Common Stock voting as a separate class shall be entitled to elect the remaining directors. Each director shall hold office until the election and qualification of his or her successor.

Section 2. Qualification of Directors. A director must be at least 18 years of age and not have attained age 70 on the first day of the month in which the annual meeting occurs. Notwithstanding the foregoing, the Board of Directors may in its discretion vote to nominate for election a person who by reason of having attained age 70 would otherwise cease to be qualified under this provision, if it deems that special circumstances justify such action.

Section 3. Nomination of Directors. Nominations for election to the Board of Directors of the Corporation at a meeting of the shareholders may be made only by the Board, or on behalf of the Board by any nominating committee appointed by the Board, or by any shareholder of the Corporation entitled to vote for the election of directors of the class for which such nomination is submitted who complies with the notice procedures set forth in the By laws.

Section 4. Director Emeritus. The Board of Directors may designate one or more former directors as director emeritus, which position shall be entirely honorary and shall not confer upon the director emeritus any of the powers, duties, rights or liabilities of a director.

Section 5. Vacancies. If any vacancy occurs in the Board of Directors by reason of the death, resignation, retirement, or removal from office of any director with or without cause, or if any new directorship is created, such vacancy shall be filled by the holders of the class of stock entitled to elect a director to fill such a vacancy or by a majority of the directors then in office of the class in which such a vacancy occurs, though less than a quorum, all in manner prescribed by the Certificate of Incorporation of the Corporation.

Section 6. Regular Meetings of the Board. The first regular meeting of each newly elected Board of Directors shall be held as soon as practicable after the annual meeting of the shareholders for the purpose of the election or appointment of officers and the transaction of other business. Other regular meetings of the Board of Directors may be held without notice at such time and place as shall, from time to time, be determined by the Board.

Section 7. Special Meetings; Notice. Special meetings of the Board of Directors may be called by the Chairman of the Board or by the president at any time, and shall be called

by the chairman, president, or secretary at the written request of two members of the Board. Notice of a special meeting shall be given to each director in writing either personally, by next day courier delivery service, by telegram at least two days prior to the meeting, or by mail at least four days prior to the meeting. If mailed, such notice shall be deemed given when deposited properly stamped and addressed in the United States mail. If telegraphed or by next day delivery service, such notice shall be deemed given when delivered properly addressed to the telegraph or courier company. Notice of meeting need not be given to a director who submits a signed waiver of notice either before or after the meeting. The attendance of a director at a meeting without protest as to the sufficiency of notice of such meeting shall constitute a waiver by such director of such notice.

Section 8. Quorum. At all meetings of the Board of Directors, a majority of the entire Board shall be requisite to and shall constitute a quorum for the transaction of business. If a quorum shall not be present at any meeting of the Board of Directors, a majority of those present may adjourn the meeting from time to time until a quorum shall be present.

Section 9. Executive and Policy Committee. The Board of Directors may elect from among its members, by resolution adopted by a majority of the entire Board of Directors, an Executive and Policy Committee consisting of four or more members of the Board (at least one of whom shall be a director elected by the holders of Class A common shares and none of whom shall be an employee of the Corporation or any of its subsidiaries). From among such committee members, the Board shall elect a chairman of such committee.

Section 10. Duties of Executive and Policy Committee. (a) During the intervals between meetings of the Board of Directors, the Executive and Policy Committee shall, subject to any limitations imposed by law or the Board of Directors, possess and it may exercise all the powers of the Board of Directors in the management and direction of the Corporation in such manner as the Executive and Policy Committee shall deem best for the interests of the Corporation. (b) The Executive and Policy Committee shall also have responsibility, together with the Chairman of the Board, for review of corporate objectives and strategies and policies formulated by senior management to attain them. It is authorized to assist management in developing and refining such policies as it deems appropriate, to monitor their implementation, and to evaluate the chief executive officer's performance in connection therewith. The Executive and Policy Committee shall monitor and report to the Board its recommendations and observations in respect of all matters within its charge and shall also serve as a focal point for communication between non-committee directors as their duties relate to the matters described in the preceding sentence.

Section 11. Other Committees. The Board of Directors may also elect from among its members, by resolutions adopted by a majority of the entire Board of Directors, such other committee or committees as the Board of Directors shall determine, each such committee to consist of at least three members of the Board. The Board shall elect a chairman of each such committee, shall fix the number and elect the other members thereof, and shall establish the duties and authority thereof, subject to such limitations as may be required by law.

Section 12. Committee Vacancies. The Board of Directors shall fill any vacancies on any committee established under this Article, with the objective of keeping the membership of each such committee at the authorized level.

Section 13. Action by Committees. All action by any committee of the Board of Directors shall be referred to the Board of Directors at its meeting next succeeding such action, and shall be subject to revision or alteration by the Board of Directors, provided that no rights or acts of third parties shall be affected by any such revision or alteration. Subject to such applicable resolutions as may be adopted by the Board, each committee shall fix its own rules of procedure as deemed appropriate, but in any case, except as the Board explicitly otherwise provides, the presence of a majority shall be necessary to constitute a quorum.

Section 14. Action of the Board. All corporate action taken by the Board of Directors or any committee thereof shall be taken at a meeting of such Board or committee, as

the case may be, except that any action required or permitted to be taken at a meeting of the Board or any committee may be taken without a meeting, if all members of the Board or committee, as the case may be, consent in writing to such action and the writing or writings are filed with the minutes of the proceedings of the Board or committee. Any one or more members of the Board of Directors or any committee thereof may participate in a meeting of the Board or such committee by means of a conference telephone or similar communications equipment allowing all persons participating in the meeting to hear each other. Participation by such means shall constitute presence in person at such meeting. Except as otherwise provided with respect to the election of a director or as otherwise provided by law, the vote of a majority of all directors present at the time of the vote, voting together as a single class, if a quorum is present at such time, shall be the act of the Board or any committee.

Article IV

Officers

Section 1. Officers. The executive officers of the Corporation shall be a chairman, a president, one or more vice presidents (one or more of whom may be designated as executive, senior or other class of vice president or designated as chief operating officer, chief financial officer or chief accounting officer), a secretary, and a treasurer. There may also be such assistant vice presidents, assistant secretaries, and assistant treasurers as the Board of Directors may from time to time deem advisable. The Board of Directors shall fix the authority and duties of the officers to the extent not provided herein. Any two or more offices may be held by the same person at the same time except that neither the chairman nor the president may hold the offices of vice president, treasurer or secretary.

Section 2. Election of Officers; Term of Office; Removal. The officers shall be elected or appointed by the Board of Directors at the first meeting of the Board following the annual meeting of the shareholders, and shall hold office until their respective successors have been elected or appointed and have qualified. Any officer may be removed with or without cause at any time by the Board. If an office becomes vacant for any reason, the Board of Directors shall fill such vacancy.

Section 3. Chairman. The chairman shall preside at all meetings of the shareholders and the Board of Directors; shall provide leadership to the Board of Directors and advice and counsel to the president of the Corporation; and shall perform such other duties as may be prescribed by the Board of Directors.

Section 4. President. The president shall be the chief executive officer of the Corporation; shall administer and implement the policies and decisions of the Corporation and see that all orders and resolutions of the Board of Directors are carried into effect; shall have general and active management of the business and affairs of the Corporation subject to the control of the Board of Directors; and shall have such other powers and perform such other duties as the Board of Directors may from time to time prescribe. In the absence of the chairman, the president shall preside at meetings of shareholders and of the Board of Directors.

Section 5. Vice Presidents. In the absence or disability of the chairman and of the president, the vice presidents, in the order designated by the Board of Directors or in the absence of such designation, then in the order of their election, shall exercise the duties and have the powers of the chairman and of the president and shall perform such other duties as may be prescribed by the chairman, the president, or by the Board of Directors.

Section 6. Secretary. The secretary shall attend all meetings of the Board of Directors and of the shareholders and record all votes and the minutes of all proceedings of the Board of Directors and of the shareholders in a book to be kept for that purpose; shall give or cause to be given notice of meetings of the Board of Directors and of the shareholders and shall have custody of the certificate books and shareholder records and such other books as the Board

may direct; shall have custody of the seal of the Corporation and, when authorized by the Board, shall affix it to any instrument requiring the corporate seal; and shall perform all other duties incident to the office of the secretary and such other duties as may from time to time be prescribed by the Board of Directors, by the chairman, or by the president.

Section 7. Chief Financial Officer and Chief Accounting Officer. The Board shall designate a chief financial officer and a chief accounting officer who may be a single officer or two officers and who may hold the office of treasurer (if chief financial officer) or controller (if chief accounting officer). The chief financial officer shall advise the Board and the officers regarding financial requirements of the Corporation and the financial impact of events affecting the Corporation or action proposed to be taken by the Corporation; shall have principal responsibility, subject to the authority of the Board and the president, for the development and implementation of financial planning for the Corporation and its subsidiaries, including matters pertaining to the capital and debt structure of the Corporation and its subsidiaries and the allocation of capital resources among the operations of the Corporation and its subsidiaries; shall have the right to require, from time to time, reports or statements giving such information as he or she may desire with respect to any and all financial transactions of the Corporation from the officers or agents transacting the same; and shall cause taxes and assessments to be paid and tax returns and reports to be prepared and filed as required by law. The chief accounting officer shall make and keep, or cause to be made and kept under his or her authority, books, records, and accounts which, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Corporation; shall prepare or cause to be prepared under his or her authority financial statements and other reports of the financial condition and results of operations of the Corporation and its subsidiaries; shall issue and file such statements and render such reports when and in the form and manner required by law; shall advise the Board and the officers regarding accounting policies and procedures to be adopted or adhered to in the reporting of the financial condition and results of operations of the Corporation and its subsidiaries; shall be responsible for the development and implementation of internal accounting controls necessary and appropriate to the management of the operations and activities of the Corporation and its subsidiaries; shall prepare or cause to be prepared such financial forecasts as may be requested from time to time by the president or the Board of Directors and shall develop and supervise procedures facilitating the preparation of such forecasts; and shall exhibit at all reasonable times the books of account and other records caused by him or her to be kept to any of the directors upon application at the office of the Corporation where such books and records are kept.

The chief financial officer and the chief accounting officer shall also, in general, perform (or cause to be performed subject to their authority and direction) all duties incident to the offices and functions of chief financial officer and chief accounting officer and such other duties as from time to time may be assigned to them by the president or the Board of Directors.

Section 8. Treasurer. The Treasurer shall have charge and custody of, and be responsible for, all funds, securities, and notes of the Corporation; receive and give receipts for moneys due and payable to the Corporation from any sources whatsoever; deposit all such moneys in the name of the Corporation in such banks, trust companies, and other depositories as shall be selected by the Board of Directors against proper vouchers, cause such funds to be disbursed by checks or drafts on the authorized depositories of the Corporation signed in such manner as shall be determined in accordance with resolutions of the Board of Directors and be responsible for the accuracy of the amounts of all moneys so disbursed; and in general, perform all duties incident to the office of treasurer and such other duties as from time to time may be assigned to him or her by the president, the chief financial officer, or the Board of Directors.

Section 9. Divisional Officers. The Board of Directors or the president may establish from time to time one or more divisions for the consolidation of all or part of the operations or administration of the Corporation and in connection therewith may appoint such officers and other agents of such divisions as the Board or the president may determine. Such divisional officers and agents as such shall not be deemed officers of the Corporation but shall have as between themselves and the Corporation such authority and perform such duties in the management of the division in which they are appointed as the Board may from time to time determine, and shall have such authority as between themselves and third parties to bind the Corporation in matters respecting the ordinary course of business of the

division for which they are appointed, as would generally be incident to the offices to which they are appointed if such a division were a separate corporation wholly owned by the Corporation and such offices were held in such subsidiary.

Section 10. Controller. The Board of Directors or the chief financial officer may elect or appoint a controller. The controller shall have principal responsibility for implementation of accounting policies and procedures, including the preparation of financial statements and reports, under the supervisory authority of the chief accounting officer. The controller shall have such responsibilities in the areas of development and implementation of internal accounting controls and financial forecasting as may be assigned to him or her from time to time by the president, the chief accounting officer, or the Board of Directors. The controller as such shall not be deemed an officer of the Corporation.

Section 11. Assistant Officer. Each assistant vice president, each assistant secretary and each assistant treasurer shall have such powers and shall perform such duties as may be prescribed by the Board of Directors or by the appropriate executive officer, as the case may be.

Section 12. Compensation. The compensation of all executive officers of the Corporation shall be fixed by the Board of Directors. The compensation of division officers, assistant officers, if any, and of other employees shall be fixed by the appropriate officers.

Article V

Certificates of Stock

Section 1. Description of Stock Certificates. The certificates of stock of this Corporation shall be consecutively numbered by class and shall be entered on books of the Corporation as they are issued. They shall show the holder's name and the number of shares and shall be signed by the chairman of the Board, the president, or a vice president, and countersigned by the secretary or treasurer, and shall have the seal of the Corporation, which may be a facsimile, affixed thereto. Whenever any certificate is countersigned by a transfer agent, or registered by a registrar, other than the Corporation itself or an employee of the Corporation, the signatures of officers of the Corporation upon such certificate may be facsimiles. If an officer who has signed or whose facsimile signature has been placed upon a certificate shall no longer hold such office when the certificate is issued, the certificate may nevertheless be issued by the Corporation with the same effect as if the officer were still holding such office at the date of the issue.

Section 2. Transfer of Stock. Upon surrender to the Corporation or any transfer agent of the Corporation of a certificate for shares duly endorsed or accompanied by proper evidence of succession, assignment or authority to transfer, together with all necessary federal and state transfer tax stamps affixed thereto, it shall be the duty of the Corporation or such transfer agent to issue a new certificate to the person entitled thereto, cancel the old certificate, and record the transaction upon its books.

Section 3. Fixing Record Date. For the purpose of determining the shareholders entitled to notice of or to vote at any meeting of shareholders or any adjournment thereof, or to express consent to or dissent from any proposal without a meeting, or for the purpose of determining shareholders entitled to receive payment of any dividend or the allotment of any rights, or for the purpose of any other action, the Board of Directors shall fix, in advance, a date as the record date for any such determination of shareholders. Such date shall not be more than fifty nor less than ten days before the date of such meeting, nor more than fifty days prior to any other action.

Section 4. Registered Shareholders. The Corporation shall be entitled to recognize the exclusive right of a person,

registered on its books as the owner of shares, to receive dividends or other distributions, and vote as such owner and otherwise treat such person as the owner of such shares and accordingly shall not be bound to recognize any equitable or other claim to or interest in such shares on the part of any other person, whether or not it shall have express or other notice thereof except as expressly provided by the laws of the State of New York.

Section 5. Lost Certificates. The Board of Directors may direct the issuance of a new stock certificate in place of a certificate theretofore issued by the Corporation which is alleged to have been lost or destroyed. The person claiming such loss or destruction shall submit an affidavit of the fact in form satisfactory to the Board of Directors. The Board of Directors, in its discretion and as condition precedent to the issuance of the new certificate, may require the owner of such lost or destroyed certificate or his legal representative to give the Corporation a suitable bond in such sum as it may direct as indemnity against any claims that may be made against the Corporation with respect to the certificate alleged to have been lost or destroyed and to satisfy such other reasonable conditions as it may impose.

Section 6. Stock Regulations. The Board of Directors shall have the authority to make all such further rules and regulations, not inconsistent with the laws of the State of New York, as it may deem expedient, concerning the issue, transfer, conversion, and registration of certificates representing shares of the Corporation, and may appoint one or more transfer agents and one or more registrars.

Article VI

General Provisions

Section 1. Dividends. Dividends upon the outstanding shares of the Corporation may be declared by the Board of Directors at any regular or special meetings in the manner provided by the Certificate of Incorporation of the Corporation and pursuant to applicable laws and may be paid in cash, or in property, or in shares of the Corporation.

Section 2. Fiscal Year. The fiscal year of the Corporation shall begin on the 1st day of May and end on the 30th day of April.

Section 3. Corporate Seal. The seal of the Corporation shall consist of a circular device, having inscribed thereon the name of the Corporation, the words "Corporate Seal New York" and the date "1904"; and shall otherwise be in such form as may be prescribed by the Board of Directors. The seal may be used by causing it or a facsimile thereof to be impressed or affixed or otherwise reproduced upon the instrument or writing to be sealed.

Article VII

Indemnification of Officers and Directors

Section 1. General. The Corporation shall, to the fullest extent permitted by the New York Business Corporation Law as the same exists or may hereafter be amended, indemnify any director or officer of the Corporation or any wholly-owned subsidiary (or the personal representative of such director or officer) who is or was made or threatened to be made a party to or is involved in any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative (including an action by or in the right of the Corporation or any of its subsidiaries or any other corporation, domestic or foreign, or any partnership, joint venture, trust, employee benefit plan, or other enterprise), by reason of the fact that he or she is or was a director or officer of the Corporation, or, at the request of the Corporation, is or was serving such subsidiary or other corporation, partnership, joint venture, trust, employee benefit plan, or other enterprise as director, officer, trustee, or in any other capacity, against judgments, fines, amounts paid or to be paid in settlement, excise tax or penalties, and costs, charges and expenses, including attorneys' fees, incurred in connection with such action or proceeding or any appeal therein; provided, however, that no indemnification shall be provided to any such person if a judgment or other final adjudication adverse to such person establishes that (i) his or her acts

(or those of the testator or intestate) were committed in bad faith or were the result of active and deliberate dishonesty and, in either case, were material to the cause of action so adjudicated, or (ii) he or she (or the testator or intestate) personally gained in fact a financial profit or other advantage to which he or she was not legally entitled; provided, further, that where applicable, payment of such indemnification shall be made pursuant to the provisions of Section 723 of the New York Business Corporation Law, as the same may be amended from time to time.

Section 2. Non-Exclusivity of Rights. The Corporation may indemnify any person to whom the Corporation is permitted to provide indemnification or the advancement of expenses by applicable law, whether pursuant to rights granted to, or provided by, the New York Business Corporation Law or other rights created by (i) a resolution of shareholders, (ii) a resolution of the Board of Directors, or (iii) an agreement providing for such indemnification. The rights conferred in this Article VII shall not be exclusive of any other right of indemnification, or reimbursement or advancement of expenses which any person may have or hereafter acquire.

Section 3. Expenses. The Corporation shall, from time to time, reimburse or advance to any person referred to in Section 1 of this Article VII the funds necessary for payment of expenses, including attorneys' fees, incurred in connection with any action or proceeding referred to in Section 1, upon receipt of a written undertaking by or on behalf of such person to repay such amount(s) if a judgment or other final adjudication adverse to the director or officer establishes that (i) his or her acts were committed in bad faith or were the result of active and deliberate dishonesty and, in either case, were material to the cause of action so adjudicated, or (ii) he or she personally gained in fact a financial profit or other advantage to which he or she was not legally entitled.

Section 4. Other Rights. The right to be indemnified or to the reimbursement or advancement of expenses pursuant to this Article VII (i) is a contract right pursuant to which the person entitled thereto may bring suit as if the provision hereof were set forth in a separate written contract between the Corporation and the director or officer, (ii) is intended to be retroactive and shall be available with respect to events occurring prior to the adoption thereof and (iii) shall continue to exist after the rescission or restrictive modification of the provisions of this Article VII, with respect to events occurring prior thereto.

Section 5. Insurance. Subject to the provisions of Section 726 of the New York Business Corporation Law, the Corporation may maintain insurance, at its expense, to protect itself and any director, officer, employee, or agent of the Corporation or another corporation, partnership, joint venture, trust, or other enterprise against any such expense, liability, or loss, whether or not the Corporation would have the power to indemnify such person against such expense, liability, or loss under the New York Business Corporation Law.

Section 6. Service with Another Corporation or Employee Benefit Plan. Any director or officer of the Corporation serving (i) another corporation of which a majority of the shares entitled to vote in the election of its directors is held by the Corporation, or (ii) any employee benefit plan of the Corporation or any corporation referred to in clause (i), in any capacity shall, unless and until otherwise expressly provided by a resolution of the Board of Directors of the Corporation, be deemed to be doing so at the request of the Corporation.

Section 7. Action to Enforce Right to Indemnification. If a request to be indemnified or for the reimbursement or advancement of expenses pursuant hereto is not paid in full by the Corporation within thirty days after a written claim has been received by the Corporation, the claimant may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim and, if entitled, also to be paid the expenses of prosecuting such claim. Neither the failure of the Corporation (including its Board of

Directors, independent legal counsel, or its shareholders) to have made a determination prior to the commencement of such action that indemnification of or reimbursement or advancement of expenses to the claimant is proper in the circumstances, nor an actual determination by the Corporation (including its Board of Directors, independent legal counsel, or its shareholders) that the claimant is not entitled to indemnification or to the reimbursement or advancement of expenses, shall be a defense to the action or create a presumption that the claimant is not so entitled.

Section 8. Exclusive Remedy. A person who has been successful, on the merits or otherwise, in the defense of a civil or criminal action or proceeding of the character described in Section 1 shall be entitled to indemnification only as provided in Sections 1 and 3, notwithstanding any provision of the New York Business Corporation Law to the contrary.

Section 9. Separability. If this Article VII or any portion hereby shall be invalidated on any ground by any court of competent jurisdiction, then the Corporation shall nevertheless indemnify each director, officer, employee, or agent of the Corporation as to costs, charges and expenses (including attorneys' fees), judgments, fines and amounts paid in settlement with respect to any action, suit or proceeding, whether civil, criminal, administrative or investigative, including an action by or in the right of the Corporation, to the fullest extent permitted by any applicable portion of this Article VII that shall not have been invalidated and to the fullest extent permitted by applicable law.

Article VIII

Amendments

Section 1. Power to Amend. The By-laws may be amended or repealed or new by-laws adopted from time to time by the shareholders or by the Board of Directors.

Exhibit 10.1
CONFORMED COPY

\$50,000,000

CREDIT AGREEMENT

dated as of

March 30, 1995 among

John Wiley & Sons, Inc., The Banks Listed Herein

and

Morgan Guaranty Trust Company of New York,
as Agent

TABLE OF CONTENTS(1)
ARTICLE I
DEFINITIONS

SECTION 1.01. Definitions
SECTION 1.02. Accounting Terms and Determinations

ARTICLE II
THE CREDITS

SECTION 2.01. Commitments to Lend
SECTION 2.02. Method of Borrowing
SECTION 2.03. Notes
SECTION 2.04. Maturity of Loans
SECTION 2.05. Interest Rates
SECTION 2.06. Facility Fees
SECTION 2.07. Optional Termination or Reduction of Commitments
SECTION 2.08. Mandatory Termination of Commitments
SECTION 2.09. Optional Prepayments
SECTION 2.10. General Provisions as to Payments
SECTION 2.11. Funding Losses
SECTION 2.12. Computation of Interest and Fees
SECTION 2.13. Withholding Tax Exemption
SECTION 2.14. Change of Control

ARTICLE III
CONDITIONS

SECTION 3.01. Effectiveness
SECTION 3.02. Borrowings

**ARTICLE IV
REPRESENTATIONS AND WARRANTIES**

- SECTION 4.01. Corporate Existence and Power
- SECTION 4.02. Corporate and Governmental Authorization; No Contravention
- SECTION 4.03. Binding Effect
- SECTION 4.04. Financial Information
- SECTION 4.05. Litigation
- SECTION 4.06. Compliance with ERISA
- SECTION 4.07. Taxes
- SECTION 4.08. Subsidiaries
- SECTION 4.09. Not an Investment Company
- SECTION 4.10. Status of Notes
- SECTION 4.11. Environmental Matters

**ARTICLE V
COVENANTS**

- SECTION 5.01. Information
- SECTION 5.02. Payment of Taxes; Insurance; Maintenance of Corporate Existence
- SECTION 5.03. Maintenance of Property; Conduct of Business
- SECTION 5.04. Compliance with Laws
- SECTION 5.05. Inspection of Property, Books and Records
- SECTION 5.06. Limitation on Liens
- SECTION 5.07. Consolidations, Mergers and Sales of Assets
- SECTION 5.08. Use of Proceeds
- SECTION 5.09. Subsidiary Debt
- SECTION 5.10. Consolidated Shareholders' Equity
- SECTION 5.11. Debt to Subsidiaries
- SECTION 5.12. EBIT/TD Ratio
- SECTION 5.13. Restricted Payments and Guarantees

**ARTICLE VI
DEFAULTS**

- SECTION 6.01. Events of Default
- SECTION 6.02. Notice of Default

**ARTICLE VII
THE AGENT**

SECTION 7.01. Appointment and Authorization
SECTION 7.02. Agent and Affiliates
SECTION 7.03. Action by Agent
SECTION 7.04. Consultation with Experts
SECTION 7.05. Liability of Agent
SECTION 7.06. Indemnification
SECTION 7.07. Credit Decision
SECTION 7.08. Successor Agent
SECTION 7.09. Agent's Fee

**ARTICLE VIII
CHANGE IN CIRCUMSTANCES**

SECTION 8.01. Basis for Determining Interest Rate Inadequate or Unfair
SECTION 8.02. Illegality
SECTION 8.03. Increased Cost and Reduced Return
SECTION 8.04. Base Rate Loans Substituted for Affected Fixed Rate Loans

**ARTICLE IX
MISCELLANEOUS**

SECTION	9.01.	Notices
SECTION	9.02.	No Waivers
SECTION	9.03.	Expenses; Documentary Taxes; Indemnification
SECTION	9.04.	Sharing of Set-Offs
SECTION	9.05.	Amendments and Waivers
SECTION	9.06.	Successors and Assigns
SECTION	9.07.	Collateral
SECTION	9.08.	New York Law
SECTION	9.09.	Counterparts; Integration
Exhibit	A	- Note
Exhibit	B	- Opinion of Counsel for the Borrower
Exhibit	C	- Opinion of Special Counsel for the Agent

(1) The table of contents is not a part of this Agreement.

CREDIT AGREEMENT

AGREEMENT dated as of March 30, 1995 among JOHN WILEY & SONS, INC., the BANKS listed on the signature pages hereof and MORGAN GUARANTY TRUST COMPANY OF NEW YORK, as Agent.

The parties hereto agree as follows:

ARTICLE I

DEFINITIONS

SECTION 1.01. Definitions. The following terms, as used herein, have the following meanings:

"Adjusted CD Rate" has the meaning set forth in Section 2.05(b).

"Adjusted London Interbank Offered Rate" has the meaning set forth in Section 2.05(c).

"Administrative Questionnaire" means, with respect to each Bank, the administrative questionnaire in the form submitted to such Bank by the Agent and submitted to the Agent (with a copy to the Borrower) duly completed by such Bank.

"Agent" means Morgan Guaranty Trust Company of New York in its capacity as agent for the Banks hereunder, and its successors in such capacity.

"Applicable Lending Office" means, with respect to any Bank, (i) in the case of its Domestic Loans, its Domestic Lending Office and (ii) in the case of its Euro-Dollar Loans, its Euro-Dollar Lending Office.

"Applicable Margin" has the meaning set forth in Section 2.05(e).

"Assessment Rate" has the meaning set forth in Section 2.05(b).

"Assignee" has the meaning set forth in Section 9.06(c).

"Bank" means each bank listed on the signature pages hereof, each Assignee which becomes a Bank pursuant to Section 9.06(c), and their respective successors.

"Base Rate" means, for any day, a rate per annum equal to the higher of (i) the Prime Rate for such day and (ii) the sum of 1/2 of 1% plus the Federal Funds Rate for such day.

"Base Rate Loan" means a Loan to be made by a Bank as a Base Rate Loan pursuant to the applicable Notice of Borrowing or Article VIII.

"Benefit Arrangement" means at any time an employee benefit plan within the meaning of Section 3(3) of ERISA which is not a Plan or a Multiemployer Plan and which is maintained or otherwise contributed to by any member of the ERISA Group.

"Board" means the Board of Directors of the Borrower or a committee of directors lawfully exercising the relevant powers of the Board.

"Borrower" means John Wiley & Sons, Inc., a New York corporation, and its successors.

"Borrower's 1994 Form 10-K" means the Borrower's annual report on Form 10-K for the fiscal year ended April 30, 1994, as filed with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934.

"Borrowing" means a borrowing hereunder consisting of Loans made to the Borrower at the same time by the Banks pursuant to Article II. A Borrowing is a "Domestic Borrowing" if such Loans are Domestic Loans or a "EuroDollar Borrowing" if such Loans are Euro-Dollar Loans. A Domestic Borrowing is a "CD Borrowing" if such Domestic Loans are CD Loans or a "Base Rate Borrowing" if such Domestic Loans are Base Rate Loans.

"Capital Lease" means any lease of property which, in accordance with GAAP, should be capitalized on the lessee's balance sheet; and "Capital Lease Obligation" means the amount of the liability which should be so capitalized.

"CD Base Rate" has the meaning set forth in Section 2.05(b).

"CD Loan" means a Loan to be made by a Bank as a CD Loan pursuant to the applicable Notice of Borrowing.

"College Publishing Segment" means the business segment of the Borrower and its Subsidiaries attributable to textbooks and other related materials for colleges and universities.

"Commitment" means, with respect to each Bank, the amount set forth opposite the name of such Bank on the signature pages hereof, as such amount may be reduced from time to time pursuant to Section 2.07.

"Consolidated EBIT" means, for any fiscal period, Consolidated Net Income for such period plus, to the extent deducted in determining Consolidated Net Income for such period, the aggregate amount of (i) Consolidated Interest Charges and (ii) provision for income taxes.

"Consolidated Interest Charges" means, for any fiscal period, the aggregate amount of interest charges, whether expensed or capitalized, incurred or accrued by the Borrower and its Consolidated Subsidiaries during such period.

"Consolidated Net Income" means the consolidated net income of the Borrower and its Consolidated Subsidiaries, determined in accordance with GAAP, excluding

- (A) the proceeds of any life insurance policy to the extent, if any, that such proceeds have been included in consolidated net income,
- (B) after-tax gains arising from (1) the sale or other disposition of any assets (other than sales in the Ordinary Course of Business) to the extent that the aggregate amount of the gain exceeds the aggregate amount of losses from the sale, abandonment or other disposition of assets (other than sales in the Ordinary Course of Business), (2) any write-up of assets to the extent, if any, such write-up has been included in consolidated net income, or (3) the acquisition of outstanding Debt securities of the Borrower or any Subsidiary,
- (C) any amount representing any interest in the undistributed earnings of any other Person (other than a Subsidiary),
- (D) any earnings, prior the date of acquisition, of any Person acquired in any manner, and any earnings of any Subsidiary accrued prior to becoming a Subsidiary, to the

extent, if any, that any such earnings have been included in consolidated net income,

(E) any earnings of a successor to or transferee

of the assets of the Borrower prior to becoming such successor or transferee, to the extent, if any, that any such earnings have been included in consolidated net income,

(F) any deferred credit (or amortization of a deferred credit) arising from the creation of the negative goodwill pursuant to the acquisition of any Person, and

(G) any portion of the net income of any Subsidiary which for any reason is unavailable for payment of dividends.

"Consolidated Net Worth" means Consolidated Shareholders' Equity minus the aggregate net book value of the following to the extent, if any, that such items were included in consolidated assets or deducted from consolidated liabilities in computing Consolidated Shareholders' Equity:

(A) the amount (if any) by which the sum of

(1) the aggregate amount of Investments described in subsection (C) of the definition of Restricted Investments plus

(2) other Restricted Investments made after May 1, 1994, exceeds \$10,000,000, and

(B) any write-up of assets (other than current assets and other than any write-up arising from the acquisition of any Person in the Ordinary Course of Business) made after May 1, 1994.

"Consolidated Shareholders' Equity" means the consolidated total shareholders' equity (including capital stock, additional paid-in capital, retained earnings and any accumulated translation adjustment as reduced by treasury stock) in the Borrower and its Consolidated Subsidiaries, determined in accordance with GAAP.

"Consolidated Subsidiary" means at any date any Subsidiary or other entity the accounts of which would be

consolidated with those of the Borrower in its consolidated financial statements if such statements were prepared as of such date.

"Debt" means all obligations for borrowed money, including (A) any obligation owed for all or any part of the purchase price of property or other assets or for services or for the cost of property or other assets constructed or of improvements thereto, other than trade accounts payable included in current liabilities and incurred in respect of property or services purchased in the ordinary course of business that are not more than 90 days overdue, (B) any Capital Lease Obligation, (C) any obligation (whether fixed or contingent) to reimburse any bank or other Person in respect of amounts paid or payable under a standby letter of credit and (D) any Guarantee with respect to Debt (of the kind otherwise described in this definition) of another Person.

"Default" means any condition or event which constitutes an Event of Default or which with the giving of notice or lapse of time or both would, unless cured or waived, become an Event of Default.

"Derivatives Obligations" of any Person means all obligations of such Person in respect of any rate swap transaction, basis swap, forward rate transaction, commodity swap, commodity option, equity or equity index swap, equity or equity index option, bond option, interest rate option, foreign exchange transaction, cap transaction, floor transaction, collar transaction, currency swap transaction, cross-currency rate swap transaction, currency option or any other similar transaction (including any option with respect to any of the foregoing transactions) or any combination of the foregoing transactions.

"Designated Business" means the College Publishing Segment or the Scientific and Technical Publishing Segment.

"Domestic Business Day" means any day except a Saturday, Sunday or other day on which commercial banks in New York City are authorized by law to close.

"Domestic Lending Office" means, as to each Bank, its office located at its address set forth in its Administrative Questionnaire (or identified in its Administrative Questionnaire as its Domestic Lending Office) or such other office as such Bank may hereafter designate as its Domestic Lending Office by notice to the Borrower and the Agent; provided that any Bank may so designate separate Domestic Lending Offices for its Base Rate Loans, on the one

hand, and its CD Loans, on the other hand, in which case all references herein to the Domestic Lending Office of such Bank shall be deemed to refer to either or both of such offices, as the context may require.

"Domestic Loans" means CD Loans or Base Rate Loans or both.

"Domestic Reserve Percentage" has the meaning set forth in Section 2.05(b).

"EBIT/TD Ratio" means at any date the ratio (expressed as a percentage) of (i) Consolidated EBIT for the four consecutive fiscal quarters of the Borrower and its Consolidated Subsidiaries ending on such date to (ii) Total Debt at such date.

"Effective Date" means the date this Agreement becomes effective in accordance with Section 3.01.

"Environmental Laws" means any and all federal, state, local and foreign statutes, laws, regulations, ordinances, rules, judgments, orders, decrees, permits, concessions, grants, franchises, licenses, agreements or other governmental restrictions relating to the environment or to emissions, discharges or releases of pollutants, contaminants, petroleum or petroleum products, chemicals or industrial, toxic or hazardous substances or wastes into the environment including, without limitation, ambient air, surface water, ground water, or land, or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of pollutants, contaminants, petroleum or petroleum products, chemicals or industrial, toxic or hazardous substances or wastes or the clean-up or other remediation thereof.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended.

"ERISA Group" means the Borrower, any Subsidiary and all members of a controlled group of corporations and all trades or businesses (whether or not incorporated) under common control which, together with the Borrower or any Subsidiary, are treated as a single employer under Section 414 of the Internal Revenue Code.

"Euro-Dollar Business Day" means any Domestic Business Day on which commercial banks are open for international business (including dealings in dollar deposits) in London.

"Euro-Dollar Lending Office" means, as to each Bank, its office, branch or affiliate located at its address set forth in its Administrative Questionnaire (or identified in its Administrative Questionnaire as its Euro-Dollar Lending Office) or such other office, branch or affiliate of such Bank as it may hereafter designate as its Euro-Dollar Lending Office by notice to the Borrower and the Agent.

"Euro-Dollar Loan" means a Loan to be made by a Bank as a Euro-Dollar Loan pursuant to the applicable Notice of Borrowing.

"Euro-Dollar Reserve Percentage" has the meaning set forth in Section 2.05(c).

"Event of Default" has the meaning set forth in Section 6.01.

"Federal Funds Rate" means, for any day, the rate per annum (rounded upwards, if necessary, to the nearest 1/100th of 1%) equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers on such day, as published by the Federal Reserve Bank of New York on the Domestic Business Day next succeeding such day, provided that (i) if such day is not a Domestic Business Day, the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Domestic Business Day as so published on the next succeeding Domestic Business Day, and (ii) if no such rate is so published on such next succeeding Domestic Business Day, the Federal Funds Rate for such day shall be the average rate quoted to Morgan Guaranty Trust Company of New York on such day on such transactions as determined by the Agent.

"Fixed Rate Borrowing" means a CD Borrowing or a Euro Dollar Borrowing.

"Fixed Rate Loans" means CD Loans or Euro-Dollar Loans or both.

"GAAP" means generally accepted accounting principles as in effect at the time of application to the provisions hereof.

"Guarantee" means any guarantee or other contingent liability (other than any endorsement for collection or deposit in the ordinary course of business), direct or indirect, with respect to any obligation of another Person, through an agreement or otherwise, including, without

limitation, (A) any other endorsement or discount with recourse or undertaking substantially equivalent to or having economic effect similar to a guarantee in respect of any such obligation and (B) any agreement (1) to purchase, or to advance or supply funds for the payment or purchase of, any such obligation, (2) to purchase, sell or lease property, products, materials or supplies, or transportation or services, in respect of enabling such other Person to pay any such obligation or to assure the owner thereof against loss regardless of the delivery or nondelivery of the property, products, materials or supplies or transportation or services or (3) to make any loan, advance or capital contribution to or other investment in, or to otherwise provide funds to or for, such other Person in respect of enabling such Person to satisfy any obligation (including any liability for a dividend, stock liquidation payment or expense) or to assure a minimum equity, working capital or other balance sheet condition in respect of any such obligation.

The amount of any Guarantee shall be equal to the outstanding amount of the obligation directly or indirectly guaranteed.

"Interest Period" means: (1) with respect to each Euro Dollar Borrowing, the period commencing on the date of such Borrowing and ending one, two, three or six months thereafter, as the Borrower may elect in the applicable Notice of Borrowing; provided that:

(a) any Interest Period which would otherwise end on a day which is not a Euro-Dollar Business Day shall be extended to the next succeeding Euro-Dollar Business Day unless such Euro-Dollar Business Day falls in another calendar month, in which case such Interest Period shall end on the next preceding Euro-Dollar Business Day;

(b) any Interest Period which begins on the last Euro- Dollar Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall, subject to clause (c) below, end on the last EuroDollar Business Day of a calendar month; and

(c) any Interest Period which would otherwise end after the Termination Date shall end on the Termination Date.

(2) with respect to each CD Borrowing, the period commencing on the date of such Borrowing and ending 30, 60, 90 or 180 days thereafter, as the Borrower may elect in the applicable Notice of Borrowing; provided that:

(a) any Interest Period (other than an Interest Period determined pursuant to clause (b) below) which would otherwise end on a day which is not a EuroDollar Business Day shall be extended to the next succeeding Euro-Dollar Business Day; and

(b) any Interest Period which would otherwise end after the Termination Date shall end on the Termination Date.

(3) with respect to each Base Rate Borrowing, the period commencing on the date of such Borrowing and ending 30 days thereafter; provided that:

(a) any Interest Period (other than an Interest Period determined pursuant to clause (b) below) which would otherwise end on a day which is not a EuroDollar Business Day shall be extended to the next succeeding Euro-Dollar Business Day; and

(b) any Interest Period which would otherwise end

after the Termination Date shall end on the Termination Date.

"Internal Revenue Code" means the Internal Revenue Code of 1986, as amended, or any successor statute.

"Investment" means any investment so classified under GAAP, made by stock purchase, capital contribution, loan or advance or by purchase of property or otherwise, but in any event shall include as an investment in any Person the amount of all Debt owed by such Person and all accounts receivable from such Person which are not current assets or did not arise from sales to such Person in the ordinary course of business.

"Lien" means, with respect to any asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of such asset. For the purposes of this Agreement, the Borrower or any Subsidiary shall be deemed to own subject to a Lien any asset which it has acquired or holds subject to the interest of a vendor or lessor under any conditional sale agreement, capital lease or other title retention agreement relating to such asset.

"Loan" means a Domestic Loan or a Euro-Dollar Loan and "Loans" means Domestic Loans or Euro-Dollar Loans or both.

"London Interbank Offered Rate" has the meaning set forth in Section 2.05(c).

"Material Debt" means Debt (other than the Notes) of the Borrower and/or one or more of its Subsidiaries, arising in one or more related or unrelated transactions, in an aggregate principal amount exceeding \$1,000,000.

"Material Financial Obligations" means a principal or face amount of Debt and/or payment or collateralization obligations in respect of Derivatives Obligations of the Borrower and/or one or more of its Subsidiaries, arising in one or more related or unrelated transactions, exceeding in the aggregate \$1,000,000.

"Material Plan" means at any time a Plan or Plans having aggregate Unfunded Liabilities in excess of \$10,000,000.

"Morgan" means Morgan Guaranty Trust Company of New York; provided that, when used in Section 2.05 or 8.01 with reference to any Euro-Dollar Loan, the term "Morgan" shall mean the principal London office of Morgan Guaranty Trust Company of New York.

"1992 Credit Agreement" means the Credit Agreement dated as of March 30, 1992, as amended, among the Borrower, the banks listed on the signature pages thereof and Morgan Guaranty Trust Company of New York, as agent.

"Notes" means promissory notes of the Borrower, substantially in the form of Exhibit A hereto, evidencing the obligation of the Borrower to repay the Loans, and "Note" means any one of such promissory notes issued hereunder.

"Notice of Borrowing" has the meaning set forth in Section 2.02.

"Operating Lease" means any lease, other than a Capital Lease, of real or personal property; and "Operating Lease Rentals" means the sum of the rental and other obligations required to be paid by the lessees under an Operating Lease excluding any amount required to be paid by the Lessee

(whether or not therein designated as rental or additional rental) on account of maintenance, repairs, insurance, taxes, assessments, water rates and similar charges.

"Ordinary Course of Business" means the activities, events and transactions of the Borrower that would reasonably be expected to recur in the foreseeable future, do not possess a high degree of abnormality and are not unrelated to, or only incidentally related to, the publishing and marketing of books, journals and information services in all formats and computer software related thereto; the importing, adapting and marketing of works from other publishers and the designing and marketing of teaching and training materials for business and professional users. For purposes of this Agreement, sales, directly or indirectly, of book lists, publishing or training product lines, or other similar forms of publication rights (excluding sales in one transaction or a series of related transactions of all or substantially all of any Designated Business) shall be deemed to be sales in the Ordinary Course of Business.

"Parent" means, with respect to any Bank, any Person controlling such Bank.

"Participant" has the meaning set forth in Section 9.06(b).

"PBGC" means the Pension Benefit Guaranty Corporation or any entity succeeding to any or all of its functions under ERISA.

"Person" means an individual, a corporation, a partnership, an association, a trust or any other entity or organization, including a government or political subdivision or an agency or instrumentality thereof.

"Plan" means at any time an employee pension benefit plan (other than a Multiemployer Plan) which is covered by Title IV of ERISA or subject to the minimum funding standards under Section 412 of the Internal Revenue Code and either (i) is maintained, or contributed to, by any member of the ERISA Group for employees of any member of the ERISA Group or (ii) has at any time within the preceding five years been maintained, or contributed to, by any Person which was at such time a member of the ERISA Group for employees of any Person which was at such time a member of the ERISA Group.

"Prime Rate" means the rate of interest publicly announced by Morgan Guaranty Trust Company of New York in New York City from time to time as its Prime Rate.

"Refunding Borrowing" means a Borrowing which, after application of the proceeds thereof, results in no net increase in the outstanding principal amount of Loans made by any Bank.

"Regulation U" means Regulation U of the Board of Governors of the Federal Reserve System, as in effect from time to time.

"Required Banks" means at any time Banks having at least 66 2/3% of the aggregate amount of the Commitments or, if the Commitments shall have been terminated, holding Notes evidencing at least 66 2/3% of the aggregate unpaid principal amount of the Loans.

"Restricted Guarantee" means any Guarantee of the Borrower or a Subsidiary in respect of any obligation of another Person other than

(A) any Guarantee of the Borrower in respect of any Subsidiary, and

(B) any Guarantee in respect of Debt to the extent such Debt is secured by a Capital Lease of the Borrower or a Subsidiary.

"Restricted Investment" means any Investment, other than

(A) any Investment in (1) a marketable obligation, maturing within one year after acquisition thereof, issued or guaranteed by the United States of America or an instrumentality or agency thereof, (2) a certificate of deposit or other obligation, maturing within one year after acquisition thereof, issued by a United States national or state bank or trust company having capital, surplus and undivided profits of at least \$100,000,000, (3) open market commercial paper, maturing within 270 days after acquisition thereof, which has the highest credit rating of either Standard & Poor's Corporation ("S&P") or Moody's Investors Service, Inc. ("Moody's"), (4) adjustable rate preferred stocks or money market preferred stocks issued by a corporation organized under the laws of the United States or a state thereof which have one of the two highest ratings of either S&P or Moody's and which mature (or are redeemable at the option of the holder) within twelve months after the acquisition thereof and (5) commercial paper or notes issued by a governmental authority located in the United States,

which are of credit quality not lower than that of the investments referred to in clause (4) above and which mature (or are redeemable at the option of the holder) within twelve months after the acquisition thereof,

(B) any Investment in a Subsidiary, and

(C) any Investment hereafter acquired in exchange for, or out of the net cash proceeds from the substantially concurrent sale of, common shares of the Borrower.

In computing the amount of any Restricted Investment in any Person, unrealized increases or decreases in value, or write ups, write-downs or write-offs of Restricted Investments in the Person shall be disregarded (except to the extent included in the determination of net income of the Borrower or a Subsidiary).

"Restricted Payment" means

(A) the declaration of any dividend on, or the incurrence of any liability to make any other payment or distribution in respect of, any shares of the Borrower (other than one payable solely in its common shares), and

(B) any payment or distribution on account of the purchase, redemption or other retirement of any shares of the Borrower, or of any warrant, option or other right to acquire such shares, or any other payment or distribution (other than pursuant to a dividend theretofore declared or liability theretofore incurred as specified in Subsection (A)), made in respect thereof, either directly or indirectly, except any payment or distribution on account of

(1) the principal of and prepayment charge, if any, on convertible Debt, or (2) the purchase, redemption or other retirement of shares of the Borrower in exchange for, or out of the net cash proceeds received by the Borrower from a substantially concurrent sale of, other shares of the Borrower.

The amount of the any Restricted Payment in property shall be deemed to be the greater of its fair value (as determined by the Board) or its net book value.

"Revolving Credit Period" means the period from and including the Effective Date to but not including the Termination Date.

"Scientific and Technical Publishing Segment" means that portion of the business of the Borrower and its Subsidiaries attributable to technical and scientific publications.

"Subsidiary" of any designated Person means any Person or other entity at least a majority of the Voting Stock (or comparable ownership interests) of which is at the time owned by the designated Person and/or one or more of its Subsidiaries. Except as otherwise expressly indicated herein, references to Subsidiaries shall mean Subsidiaries of the Borrower.

"Subsidiary Debt" means the Debt of all Subsidiaries of the Borrower, consolidated in accordance with GAAP.

"Termination Date" means March 30, 2000, or, if any such day is not a Euro-Dollar Business Day, the next succeeding Euro-Dollar Business Day unless such Euro-Dollar Business Day falls in another calendar month, in which case the Termination Date shall be the next preceding Euro-Dollar Business Day.

"Total Debt" means at any date the aggregate amount of Debt of the Borrower and its Consolidated Subsidiaries, determined on a consolidated basis as of such date.

"Unfunded Liabilities" means, with respect to any Plan at any time, the amount (if any) by which (i) the present value of all benefits under such Plan exceeds
(ii) the fair market value of all Plan assets allocable to such benefits (excluding any accrued but unpaid contributions), all determined as of the then most recent valuation date for such Plan, but only to the extent that such excess represents a potential liability of a member of the ERISA Group to the PBGC or any other Person under Title IV of ERISA.

"Voting Stock" means shares of a Person of the class or classes having general voting power (not depending on the happening of a contingency) under ordinary circumstances to elect a majority of the Board. As of the date of this Agreement, the Class B Stock is the Voting Stock of the Borrower.

SECTION 1.02. Accounting Terms and Determinations. All financial statements provided for in this Agreement shall be prepared, all financial computations hereunder shall be made, and all accounting terms shall have the meanings given to them, in accordance with GAAP, except as otherwise provided in this Agreement. Any consolidated or

consolidating financial statement or financial computation with respect to the Borrower and its Subsidiaries required by this Agreement shall be done in accordance with GAAP, and if at the time that any such statement or computation is required to be made the Borrower shall not have any Subsidiary such terms shall mean a financial statement or a financial computation, as the case may be, with respect to the Borrower only.

ARTICLE II

THE CREDITS

SECTION 2.01. Commitments to Lend. During the Revolving Credit Period each Bank severally agrees, on the terms and conditions set forth in this Agreement, to lend to the Borrower from time to time amounts not to exceed in the aggregate at any one time outstanding the amount of its Commitment. Each Borrowing under this Section 2.01 shall be in an aggregate principal amount of \$2,000,000 or any larger multiple of \$1,000,000 (except that any such Borrowing may be in the aggregate amount of the unused Commitments) and shall be made from the several Banks ratably in proportion to their respective Commitments. Within the foregoing limits, the Borrower may borrow under this Section 2.01, repay, or to the extent permitted by Section 2.09, prepay Loans and reborrow at any time during the Revolving Credit Period under this Section 2.01.

SECTION 2.02. Method of Borrowing. (a) The Borrower shall give the Agent notice (a "Notice of Borrowing") not later than 10:30 A.M. (New York City time) on (i) the second Domestic Business Day before each CD Borrowing, (ii) the date of each Base Rate Borrowing, and (iii) the third Euro-Dollar Business Day before each Euro Dollar Borrowing, specifying:

(i) the date of such Borrowing, which shall be a Domestic Business Day in the case of a Domestic Borrowing or a Euro-Dollar Business Day in the case of a Euro-Dollar Borrowing,

(ii) the aggregate amount of such Borrowing,

(iii)

whether the Loans comprising such Borrowing are to be CD Loans, Base Rate Loans or Euro-Dollar Loans, and

(iv) in the case of a Fixed Rate Borrowing, the duration of the Interest Period applicable thereto, subject to the provisions of the definition of Interest Period.

(b) Upon receipt of a Notice of Borrowing, the Agent shall promptly notify each Bank of the contents thereof and of such Bank's ratable share of such Borrowing and such Notice of Borrowing shall not thereafter be revocable by the Borrower.

(c) Not later than 12:00 noon (New York City time) on the date of each Borrowing, each Bank shall (except as provided in subsection (d) of this Section) make available its ratable share of such Borrowing (determined in accordance with Section 2.01), in Federal or other funds immediately available in New York City, to the Agent at its address specified in or pursuant to Section 9.01. Unless the Agent determines in its reasonable judgment that any applicable condition specified in Article III has not been satisfied, the Agent will make the funds so received from the Banks available to the Borrower at the Agent's aforesaid address.

(d) If any Bank makes a new Loan hereunder on a day on which the Borrower is to repay all or any part of an outstanding Loan from such Bank, such Bank shall apply the proceeds of its new Loan to make such repayment and only an amount equal to the difference (if any) between the amount being borrowed and the amount being repaid shall be made available by such Bank to the Agent as provided in subsection (c) of this Section, or remitted by the Borrower to the Agent as provided in Section 2.10, as the case may be.

(e) Unless the Agent shall have received notice from a Bank prior to the date of any Borrowing that such Bank will not make available to the Agent such Bank's share of such Borrowing, the Agent may assume that such Bank has made such share available to the Agent on the date of such Borrowing in accordance with subsections (c) and (d) of this Section 2.02 and the Agent may, in reliance upon such assumption, make available to the Borrower on such date a corresponding amount. If and to the extent that such Bank shall not have so made such share available to the Agent, such Bank and the Borrower severally agree to repay to the Agent forthwith on demand such corresponding amount together with interest thereon, for each day from the date such amount is made

available to the Borrower until the date such amount is repaid to the Agent, at (i) in the case of the Borrower, a rate per annum equal to the higher of the Federal Funds Rate and the interest rate applicable thereto pursuant to Section 2.05 and (ii) in the case of such Bank, the Federal Funds Rate. If such Bank shall repay to the Agent such corresponding amount, such amount so repaid shall constitute such Bank's Loan included in such Borrowing for purposes of this Agreement.

SECTION 2.03. Notes. (a) The Loans of each Bank shall be evidenced by a single Note payable to the order of such Bank for the account of its Applicable Lending Office in an amount equal to the aggregate unpaid principal amount of such Bank's Loans.

(b) Each Bank may, by notice to the Borrower and the Agent, request that its Loans of a particular type be evidenced by a separate Note in an amount equal to the aggregate unpaid principal amount of such Loans. Each such Note shall be in substantially the form of Exhibit A hereto with appropriate modifications to reflect the fact that it evidences solely Loans of the relevant type. Each reference in this Agreement to the "Note" of such Bank shall be deemed to refer to and include any or all of such Notes, as the context may require.

(c) Upon receipt of each Bank's Note pursuant to Section 3.01(b), the Agent shall forward such Note to such Bank. Each Bank shall record the date, amount, type and maturity of each Loan made by it and the date and amount of each payment of principal made by the Borrower with respect thereto, and may, if such Bank so elects in connection with any transfer or enforcement of its Note, endorse on the schedule forming a part thereof appropriate notations to evidence the foregoing information with respect to each such Loan then outstanding; provided that the failure of any Bank to make any such recordation or endorsement shall not affect the obligations of the Borrower hereunder or under the Notes. Each Bank is hereby irrevocably authorized by the Borrower so to endorse its Note and to attach to and make a part of its Note a continuation of any such schedule as and when required.

SECTION 2.04. Maturity of Loans. Each Loan included in any Borrowing shall mature, and the principal amount thereof shall be due and payable, on the last day of the Interest Period applicable to such Borrowing and on the Termination Date.

SECTION 2.05. Interest Rates. (a) Each Base Rate Loan shall bear interest on the outstanding principal amount thereof, for each day from the date such Loan is made until it becomes due, at a rate per annum equal to the Base Rate

for such day. Such interest shall be payable for each Interest Period on the last day thereof. Any overdue principal of and overdue interest on any Base Rate Loan shall bear interest, payable on demand, for each day until paid at a rate per annum equal to the sum of 1% plus the Base Rate for such day.

(b) Each CD Loan shall bear interest on the outstanding principal amount thereof, for the Interest Period applicable thereto, at a rate per annum equal to the sum of the Applicable Margin plus the applicable Adjusted CD Rate; provided that if any CD Loan shall, as a result of clause (2) (b) of the definition of Interest Period, have an Interest Period of less than 30 days, such CD Loan shall bear interest during such Interest Period at the rate applicable to Base Rate Loans during such period. Such interest shall be payable for each Interest Period on the last day thereof and, if such Interest Period is longer than 90 days, at intervals of 90 days after the first day thereof. Any overdue principal of and overdue interest on any CD Loan shall bear interest, payable on demand, for each day until paid at a rate per annum equal to the sum of 1% plus the higher of (i) the sum of the Applicable Margin plus the Adjusted CD Rate applicable to such Loan and (ii) the Base Rate for such day.

The "Adjusted CD Rate" applicable to any Interest Period means a rate per annum determined pursuant to the following formula:

$$\text{ACDR} = \frac{[\text{CDBR}]^*}{[1.00 - \text{DRP}]} + \text{AR}$$

ACDR = Adjusted CD Rate
CDBR = CD Base Rate
DRP = Domestic Reserve Percentage
AR = Assessment Rate

* The amount in brackets being rounded upwards, if necessary, to the next higher 1/100 of 1%

The "CD Base Rate" applicable to any Interest Period is the rate of interest determined by the Agent to be the

prevailing rate per annum bid at 10:00 A.M. (New York City time) (or as soon thereafter as practicable) on the first day of such Interest Period by two or more New York certificate of deposit dealers of recognized standing for the purchase at face value from Morgan of its certificates of deposit in an amount comparable to the unpaid principal amount of the CD Loan of Morgan to which such Interest Period applies and having a maturity comparable to such Interest Period.

"Domestic Reserve Percentage" means for any day that percentage (expressed as a decimal) which is in effect on such day, as prescribed by the Board of Governors of the Federal Reserve System (or any successor) for determining the maximum reserve requirement (including without limitation any basic, supplemental or emergency reserves) for a member bank of the Federal Reserve System in New York City with deposits exceeding five billion dollars in respect of new non-personal time deposits in dollars in New York City having a maturity comparable to the related Interest Period and in an amount of \$100,000 or more. The Adjusted CD Rate shall be adjusted automatically on and as of the effective date of any change in the Domestic Reserve Percentage.

"Assessment Rate" means for any day the annual assessment rate in effect on such day which is payable by a member of the Bank Insurance Fund classified as adequately capitalized and within supervisory subgroup "A" (or a comparable successor assessment risk classification) within the meaning of 12 C.F.R. 327.3(e) (or any successor provision) to the Federal Deposit Insurance Corporation (or any successor) for such Corporation's (or such successor's) insuring time deposits at offices of such institution in the United States. The Adjusted CD Rate shall be adjusted automatically on and as of the effective date of any change in the Assessment Rate.

(c) Each Euro-Dollar Loan shall bear interest on the outstanding principal amount thereof, for the Interest Period applicable thereto, at a rate per annum equal to the sum of the Applicable Margin plus the applicable Adjusted London Interbank Offered Rate. Such interest shall be payable for each Interest Period on the last day thereof and, if such Interest Period is longer than three months, at intervals of three months after the first day thereof.

The "Adjusted London Interbank Offered Rate" applicable to any Interest Period means a rate per annum equal to the quotient obtained (rounded upwards, if necessary, to the next higher 1/100 of 1%) by dividing

- (i) the applicable London Interbank Offered Rate by
- (ii) 1.00 minus the Euro-Dollar Reserve Percentage.

The "London Interbank Offered Rate" applicable to any Interest Period means the rate per annum at which deposits in dollars are offered to Morgan in the London interbank market at approximately 11:00 A.M. (London time) two Euro Dollar Business Days before the first day of such Interest Period in an amount approximately equal to the principal amount of the Euro-Dollar Loan of Morgan to which such Interest Period is to apply and for a period of time comparable to such Interest Period.

"Euro-Dollar Reserve Percentage" means for any day that percentage (expressed as a decimal) which is in effect on such day, as prescribed by the Board of Governors of the Federal Reserve System (or any successor) for determining the maximum reserve requirement for a member bank of the Federal Reserve System in New York City with deposits exceeding five billion dollars in respect of "Eurocurrency liabilities" (or in respect of any other category of liabilities which includes deposits by reference to which the interest rate on Euro-Dollar Loans is determined or any category of extensions of credit or other assets which includes loans by a non-United States office of any Bank to United States residents). The Adjusted London Interbank Offered Rate shall be adjusted automatically on and as of the effective date of any change in the Euro-Dollar Reserve Percentage.

(d) Any overdue principal of and overdue interest on any Euro-Dollar Loan shall bear interest, payable on demand, for each day from and including the date payment thereof was due to but excluding the date of actual payment, at a rate per annum equal to the sum of 1% plus the higher of (i) the sum of the Applicable Margin plus the Adjusted London Interbank Offered Rate applicable to such Loan and (ii) the Applicable Margin plus the quotient obtained (rounded upwards, if necessary, to the next higher 1/100 of 1%) by dividing (x) the rate per annum at which one day (or, if such amount due remains unpaid more than three Euro-Dollar Business Days, then for such other period of time not longer than six months as the Agent may select) deposits in dollars in an amount approximately equal to such overdue payment due to Morgan are offered to Morgan in the London interbank market for the applicable period determined as provided above by (y) 1.00 minus the Euro-Dollar Reserve Percentage (or, if the circumstances described in clause (a) or (b) of Section 8.01 shall exist, at a rate per annum equal to the sum of 1% plus the Base Rate for such day).

(e) The "Applicable Margin" for each Fixed Rate Loan outstanding on any day during any fiscal quarter of the Borrower is (i) for each day during any fiscal quarter as to which the EBIT/TD Ratio for the then immediately preceding

four consecutive fiscal quarters was greater than 75%, the applicable amount set forth in the table below under the caption Level I, (ii) for each day during any fiscal quarter as to which the EBIT/TD Ratio for the then immediately preceding four consecutive fiscal quarters was equal to or less than 75% but greater than 40%, the applicable amount set forth in the table below under the caption Level II, and (iii) for each day during any fiscal quarter as to which the EBIT/TD Ratio for the then immediately preceding four consecutive fiscal quarters was equal to or less than 40%, the applicable amount set forth in the table below under the caption Level III.

Level I Level II Level III

Euro-Dollar Loans 0.25% 0.35% 0.5% CD Loans 0.375% 0.475% 0.675%

For purposes of making interest payments hereunder, the Applicable Margin for Fixed Rate Loans of any type shall change only upon delivery of an officer's certificate pursuant to Section 5.01(e)(iii) setting forth the EBIT/TD Ratio on the basis of which a change is required pursuant to this subsection (e). Such change, however, will be retroactively effective to the first day of the relevant fiscal quarter, and an appropriate adjustment shall be made within three Domestic Business Days after the delivery of such certificate for any resulting change in the amount of interest accrued from such first day and previously paid.

(f) The Agent shall determine each interest rate applicable to the Loans hereunder. The Agent shall give prompt notice to the Borrower and the Banks of each rate of interest so determined, and its determination thereof shall be conclusive in the absence of manifest error.

SECTION 2.06. Facility Fees. During the Revolving Credit Period, the Borrower shall pay to the Agent, for the account of the Banks ratably in accordance with their respective Commitments, a facility fee for each day at a rate per annum equal to (i) 0.125% for any day on which Level I (as such term is used in Section 2.05) applies, (ii) 0.175% for any day on which Level II (as such term is used in Section 2.05) applies, and (iii) 0.25% for any day on which Level III (as such term is used in Section 2.05) applies, on the aggregate amount of the Commitments (whether used or unused) on such day. Such facility fees shall accrue for each day from and including the Effective Date to but excluding the Termination Date (or earlier date of termination of the Commitments in their entirety). Accrued

fees under this Section shall be payable quarterly in arrears on each March 31, June 30, September 30 and December 31 during the Revolving Credit Period and on the Termination Date (or earlier date of termination of the Commitments in their entirety).

SECTION 2.07. Optional Termination or Reduction of Commitments. During the Revolving Credit Period, the Borrower may, upon at least three Domestic Business Days' notice to the Agent, terminate at any time, or proportionately reduce from time to time by an aggregate amount of \$1,000,000 or any larger multiple of \$1,000,000, the unused portions of the Commitments. If the Commitments are terminated in their entirety, all accrued fees shall be payable on the effective date of such termination.

SECTION 2.08. Mandatory Termination of Commitments. The Commitments shall terminate on the Termination Date and any Loans then outstanding (together with accrued interest thereon) shall be due and payable on such date.

SECTION 2.09. Optional Prepayments. (a) The Borrower may, upon at least one Domestic Business Day's notice to the Agent, prepay any Base Rate Borrowing in whole at any time, or from time to time in part in amounts aggregating \$1,000,000 or any larger multiple of \$1,000,000, by paying the principal amount to be prepaid together with accrued interest thereon to the date of prepayment. Each such optional prepayment shall be applied to prepay ratably the Loans of the several Banks included in such Borrowing.

(b) Except as provided in Section 8.02, the Borrower may not prepay all or any portion of the principal amount of any Fixed Rate Loan prior to the maturity thereof.

(c) Upon receipt of a notice of prepayment pursuant to this Section, the Agent shall promptly notify each Bank of the contents thereof and of such Bank's ratable share of such prepayment and such notice shall not thereafter be revocable by the Borrower.

SECTION 2.10. General Provisions as to Payments.

(a) The Borrower shall make each payment of principal of, and interest on, the Loans and of facility fees hereunder, not later than 12:00 noon (New York City time) on the date when due, in Federal or other funds immediately available in New York City, to the Agent at its address referred to in

Section 9.01. The Agent will promptly distribute to each Bank its ratable share of each such payment received by the

Agent for the account of the Banks. Whenever any payment of principal of, or interest on, the Domestic Loans or of facility fees shall be due on a day which is not a Domestic Business Day, the date for payment thereof shall be extended to the next succeeding Domestic Business Day. Whenever any payment of principal of, or interest on, the Euro-Dollar Loans shall be due on a day which is not a Euro-Dollar Business Day, the date for payment thereof shall be extended to the next succeeding Euro-Dollar Business Day unless such Euro-Dollar Business Day falls in another calendar month, in which case the date for payment thereof shall be the next preceding Euro-Dollar Business Day. If the date for any payment of principal is extended by operation of law or otherwise, interest thereon shall be payable for such extended time.

(b) Unless the Agent shall have received notice from the Borrower prior to the date on which any payment is due to the Banks hereunder that the Borrower will not make such payment in full, the Agent may assume that the Borrower has made such payment in full to the Agent on such date and the Agent may, in reliance upon such assumption, cause to be distributed to each Bank on such due date an amount equal to the amount then due such Bank. If and to the extent that the Borrower shall not have so made such payment, each Bank shall repay to the Agent forthwith on demand such amount distributed to such Bank together with interest thereon, for each day from the date such amount is distributed to such Bank until the date such Bank repays such amount to the Agent, at the Federal Funds Rate.

SECTION 2.11. Funding Losses. If the Borrower makes any payment of principal with respect to any Fixed Rate Loan (pursuant to Article VI or VIII or otherwise) on any day other than the last day of the Interest Period applicable thereto, or the end of an applicable period fixed pursuant to Section 2.05(d), or if the Borrower fails to borrow any Fixed Rate Loans after notice has been given to any Bank in accordance with Section 2.02(b), the Borrower shall reimburse each Bank within 15 days after demand for any resulting loss or expense incurred by it (or by an existing or prospective Participant in the related Loan), including (without limitation) any loss incurred in obtaining, liquidating or employing deposits from third parties, but excluding loss of margin for the period after any such payment or failure to borrow, provided that such Bank shall have delivered to the Borrower a certificate as to the amount of such loss or expense, which certificate shall be conclusive in the absence of manifest error.

SECTION 2.12. Computation of Interest and Fees. Interest based on the Prime Rate hereunder and facility fees shall be computed on the basis of a year of 365 days (or 366

days in a leap year) and paid for the actual number of days elapsed (including the first day but excluding the last day). All other interest shall be computed on the basis of a year of 360 days and paid for the actual number of days elapsed (including the first day but excluding the last day).

SECTION 2.13. Withholding Tax Exemption. At least five Domestic Business Days prior to the first date on which interest or fees are payable hereunder for the account of any Bank, each Bank that is not incorporated under the laws of the United States of America or a state thereof agrees that it will deliver to each of the Borrower and the Agent two duly completed copies of United States Internal Revenue Service Form 1001 or 4224, certifying in either case that such Bank is entitled to receive payments under this Agreement and the Notes without deduction or withholding of any United States federal income taxes. Each Bank which so delivers a Form 1001 or 4224 further undertakes to deliver to each of the Borrower and the Agent two additional copies of such form (or a successor form) on or before the date that such form expires or becomes obsolete or after the occurrence of any event requiring a change in the most recent form so delivered by it, and such amendments thereto or extensions or renewals thereof as may be reasonably requested by the Borrower or the Agent, in each case certifying that such Bank is entitled to receive payments under this Agreement and the Notes without deduction or withholding of any United States federal income taxes, unless an event (including without limitation any change in treaty, law or regulation) has occurred prior to the date on which any such delivery would otherwise be required which renders all such forms inapplicable or which would prevent such Bank from duly completing and delivering any such form with respect to it and such Bank advises the Borrower and the Agent that it is not capable of receiving payments without any deduction or withholding of United States federal income tax.

SECTION 2.14. Change of Control. If a Change of Control shall occur (i) the Borrower will, promptly and in any event within 20 days after the occurrence thereof, give each Bank notice thereof and shall describe in reasonable detail the facts and circumstances giving rise thereto and (ii) each Bank may, by notice to the Borrower and the Agent given not later than 20 days after such notice of Change of Control shall have been given, terminate its Commitment, which shall be terminated 45 days after such notice of Change of Control shall have been given, and declare the Note held by it, together with accrued interest thereon, and

any other amounts payable hereunder for its account to be, and such Note and such other amounts shall thereupon become, due and payable on such forty-fifth day without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower; provided that no Bank shall be obligated, without its written consent given at the time, to make a Loan to be included in any Borrowing other than a Refunding Borrowing during the period from and including the date of any such Change of Control to and including the forty-fifth day following such notice of Change of Control.

For the purposes of this Section, the following terms have the following meanings:

"Acquiring Person" means any Person (excluding any trustee of any stock participation plan or pension plan of the Borrower or any Subsidiary so long as all such plans in the aggregate hold less than 20% of the Voting Stock of the Borrower), who along with any Affiliates or Associates of such Person, becomes the beneficial owner (within the meaning of Rule 13d-3 of the Securities Exchange Act of 1934, as amended), directly or indirectly, of more than 10% of the Voting Stock of the Borrower.

"Affiliate" of any designated Person means any Person that has a relationship with the designated Person whereby either of such Persons directly or indirectly controls or is controlled by or is under common control with the other, or holds or beneficially owns 5% or more of the equity interest in the other or 5% or more of any class of voting securities of the other. For this purpose "control" means the power, direct or indirect, of one Person to direct or cause direction of the management and policies of another, whether by contract, through voting securities or otherwise.

"Associate" means, with respect to any Person, (1) any corporation or organization (other than the Borrower or a Subsidiary of the Borrower) of which such Person is an officer, employee or partner or is, directly or indirectly, the beneficial owner of 10% or more of the shares of any class, (2) any trust or other estate in which such Person has a substantial beneficial interest or as to which such Person serves as trustee or in a similar fiduciary capacity, and (3) any relative or spouse of such

Person, or any relative of such spouse, who has the same home as such Person or who is a director or officer of the Borrower or any of its Subsidiaries.

"Change in Control" of the Borrower shall be deemed to have occurred at such time or times as (1) any Person (other than W. Bradford Wiley, Deborah E. Wiley, Peter Booth Wiley and William Bradford Wiley II, their Affiliates or Associates) alone or with any Affiliates or Associates of such Person, is or becomes the beneficial owner, directly or indirectly, of 50% or more of the Voting Stock of the Borrower or (2) individuals who constitute the Continuing Directors cease for any reason to constitute at least a majority of the Board.

"Continuing Director" means any member of the Board who is not an Affiliate or Associate of an Acquiring Person and who was a member of the Board immediately prior to the time that any Acquiring Person became an Acquiring Person and any other director who is not an Affiliate or Associate of an Acquiring Person and who is recommended to succeed a Continuing Director by a majority of Continuing Directors who are then members of the Board.

ARTICLE III

CONDITIONS

SECTION 3.01. Effectiveness. This Agreement shall become effective on the date that each of the following conditions shall have been satisfied (or waived in accordance with Section 9.05):

(a) receipt by the Agent of counterparts hereof signed by each of the parties hereto (or, in the case of any party as to which an executed counterpart shall not have been received, receipt by the Agent in form satisfactory to it of telegraphic, telex, facsimile or other written confirmation from such party of execution of a counterpart hereof by such party);

(b) receipt by the Agent for the account of each Bank of a duly executed Note dated on or before the Effective Date complying with the provisions of Section 2.03;

(c) receipt by the Agent of an opinion of Richard S. Rudick, General Counsel for the Borrower, substantially in the form of Exhibit B hereto and covering such additional matters relating to the transactions contemplated hereby as the Required Banks may reasonably request;

(d) receipt by the Agent of an opinion of Davis Polk & Wardwell, special counsel for the Agent, substantially in the form of Exhibit C hereto and covering such additional matters relating to the transactions contemplated hereby as the Required Banks may reasonably request;

(e) receipt by the Agent of a certificate signed by the Chief Financial Officer or Treasurer of the Borrower, dated the Effective Date, to the effect set forth in clauses (c) and (d) of Section 3.02;

(f) receipt by the Agent of all documents it may reasonably request relating to the existence of the Borrower, the corporate authority for and the validity of this Agreement and the Notes, and any other matters relevant hereto, all in form and substance satisfactory to the Agent; and

(g) receipt by the Agent of evidence satisfactory to it of the payment of all principal of and interest on any loans outstanding under, and of all other amounts payable under, the 1992 Credit Agreement;

Provided that this Agreement shall not become effective or be binding on any party hereto unless all of the foregoing conditions are satisfied not later than April 15, 1995. The Agent shall promptly notify the Borrower and the Banks of the Effective Date, and such notice shall be conclusive and binding on all parties hereto. The Banks that are parties to the 1992 Credit Agreement, comprising the "Required Banks" as defined therein, and the Borrower agree that the commitments under the 1992 Credit Agreement shall terminate in their entirety simultaneously with and subject to the effectiveness of this Agreement and that the Borrower shall be obligated to pay the accrued commitment and facility fees thereunder to but excluding the date of such effectiveness.

SECTION 3.02. Borrowings. The obligation of any Bank to make a Loan on the occasion of any Borrowing is subject to the satisfaction of the following conditions:

(a) receipt by the Agent of notice of such Borrowing as required by Section 2.02;

(b) the fact that, immediately after such Borrowing, the aggregate outstanding principal amount of the Loans will not exceed the aggregate amount of the Commitments;

(c) the fact that, immediately before and after such Borrowing, no Default shall have occurred and be continuing; and

(d) the fact that the representations and warranties of the Borrower contained in this Agreement (except, in the case of a Refunding Borrowing, the representations and warranties set forth in Sections 4.04(c) and 4.05 as to any matter which has theretofore been disclosed in writing by the Borrower to the Banks) shall be true on and as of the date of such Borrowing.

Each Borrowing hereunder shall be deemed to be a representation and warranty by the Borrower on the date of such Borrowing as to the facts specified in clauses (b), (c) and (d) of this Section.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES

The Borrower represents and warrants that:

SECTION 4.01. Corporate Existence and Power. The Borrower is a corporation duly incorporated, validly existing and in good standing under the laws of the State of New York, and has all corporate powers and all material governmental licenses, authorizations, consents and approvals required to carry on its business as now conducted.

SECTION 4.02. Corporate and Governmental Authorization; No Contravention. The execution, delivery and performance by the Borrower of this Agreement and the Notes are within the Borrower's corporate power, have been duly authorized by all necessary corporate action, require no action by or in respect of, or filing with, any governmental body, agency or official and do not contravene,

or constitute a default under, any provision of applicable law or regulation or of the Restated Certificate of Incorporation or by-laws of the Borrower or of any agreement, judgment, injunction, order, decree or other instrument binding upon the Borrower or result in the creation or imposition of any Lien on any asset of the Borrower or any of its Subsidiaries.

SECTION 4.03. Binding Effect. This Agreement constitutes a valid and binding agreement of the Borrower and each Note, when executed and delivered in accordance with this Agreement, will constitute a valid and binding obligation of the Borrower, in each case enforceable in accordance with its terms.

SECTION 4.04. Financial Information.

(a) The consolidated balance sheet of the Borrower and its Consolidated Subsidiaries as of April 30, 1994 and the related consolidated statements of income, retained earnings and cash flows for the fiscal year then ended, reported on by Arthur Andersen & Co., and set forth in the Borrower's 1994 Form 10-K, a copy of which has been delivered to each of the Banks, fairly present, in conformity with GAAP, the consolidated financial position of the Borrower and its Consolidated Subsidiaries as of such date and their consolidated results of operations and changes in financial position for such fiscal year.

(b) The unaudited consolidated balance sheet of the Borrower and its Consolidated Subsidiaries as of January 31, 1995 and the related unaudited consolidated condensed statements of income for the nine months then ended, set forth in the Borrower's quarterly report for the fiscal quarter ended January 31, 1995 as filed with the Securities and Exchange Commission on Form 10-Q, a copy of which has been delivered to each of the Banks, fairly present, in conformity with GAAP applied on a basis consistent with the financial statements referred to in subsection (a) of this Section, the consolidated financial position of the Borrower and its Consolidated Subsidiaries as of such date and their consolidated results of operations and changes in financial position for such nine month period (subject to normal year end adjustments).

(c) Since January 31, 1995 there has been no material adverse change in the business, financial position, results of operations or prospects of the Borrower and its Consolidated Subsidiaries, considered as a whole.

SECTION 4.05. Litigation. There is no action, suit or proceeding pending against, or to the knowledge of the Borrower threatened against or affecting, the Borrower or

any of its Subsidiaries before any court or arbitrator or any governmental body, agency or official in which there is a reasonable possibility of an adverse decision which could materially adversely affect the business, consolidated financial position or consolidated results of operations of the Borrower and its Consolidated Subsidiaries or which in any manner draws into question the validity of this Agreement or the Notes.

SECTION 4.06. Compliance with ERISA. Each member of the ERISA Group has fulfilled its obligations under the minimum funding standards of ERISA and the Internal Revenue Code with respect to each Plan and is in compliance in all material respects with the presently applicable provisions of ERISA and the Internal Revenue Code with respect to each Plan. No member of the ERISA Group has (i) sought a waiver of the minimum funding standard under Section 412 of the Internal Revenue Code in respect of any Plan, (ii) failed to make any contribution or payment to any Plan or Multiemployer Plan or in respect of any Benefit Arrangement, or made any amendment to any Plan or Benefit Arrangement, which has resulted or could result in the imposition of a Lien or the posting of a bond or other security under ERISA or the Internal Revenue Code or (iii) incurred any liability under Title IV of ERISA other than a liability to the PBGC for premiums under Section 4007 of ERISA.

SECTION 4.07. Taxes. United States Federal income tax returns of the Borrower and its Subsidiaries have been examined and closed through the fiscal year ended April 30, 1989, except for refund claims filed by the Borrower for the fiscal years ended April 30, 1982 through April 30, 1989 and currently under examination by the Internal Revenue Service. The Borrower and its Subsidiaries have filed all United States Federal income tax returns and all other material tax returns which are required to be filed by them and have paid all taxes due pursuant to such returns or pursuant to any assessment received by the Borrower or any Subsidiary. The charges, accruals and reserves on the books of the Borrower and its Subsidiaries in respect of taxes or other governmental charges are, in the opinion of the Borrower, adequate.

SECTION 4.08. Subsidiaries. Each of the Borrower's corporate Subsidiaries is a corporation duly incorporated, validly existing and in good standing under the laws of its jurisdiction of incorporation, and has all corporate powers and all material governmental licenses, authorizations, consents and approvals required to carry on its business as now conducted.

SECTION 4.09. Not an Investment Company. The Borrower is not an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

SECTION 4.10. Status of Notes. The obligations of the Borrower under this Agreement and the Notes to pay the principal of and interest on the Notes and any and all other amounts due hereunder constitute direct unconditional and general obligations of the Borrower and do rank and will rank at least pari passu in priority of payment and in all other respects with all other unsecured Indebtedness of the Borrower now existing.

SECTION 4.11. Environmental Matters. The Borrower has reasonably concluded that Environmental Laws are unlikely to have a material adverse effect on the business, financial condition, results of operations or prospects of the Borrower and its Subsidiaries, considered as a whole.

ARTICLE V

COVENANTS

The Borrower agrees that, so long as any Bank has any Commitment hereunder or any amount payable under any Note remains unpaid:

SECTION 5.01. Information. The Borrower will deliver to each of the Banks:

(a) as soon as available and in any event within 90 days after the end of each fiscal year, a consolidated and consolidating balance sheet of the Borrower and its Consolidated Subsidiaries as of the end of such fiscal year and the related consolidated and consolidating statements of income, retained earnings and cash flows for such year, setting forth in each case in comparative form the figures for the previous fiscal year, prepared in accordance with generally accepted accounting principles consistently applied and, in the case of the consolidated statements, reported on by Arthur Andersen & Co. or other independent public accountants of nationally recognized standing, which report shall contain no material exceptions or qualifications except such as are not unacceptable to the Banks;

(b) as soon as available and in any event within 45 days after the end of each of the first three quarters of each fiscal year, a consolidated balance sheet of the Borrower and its Consolidated Subsidiaries as of the end of such fiscal quarter and the related consolidated statements of income for such quarter and for the portion of the fiscal year ended on the last day of such quarter, and of cash flows for the portion of the fiscal year ended on the last day of such quarter, setting forth in each case in comparative form the figures for the corresponding quarter of the previous fiscal year and the corresponding portion of the previous fiscal year, prepared in accordance with generally accepted accounting principles consistently applied;

(c) promptly upon the filing thereof, copies of all registration statements (excluding registration statements on Form S-8 or any successor form) and regular and periodic reports filed by the Borrower with the Securities and Exchange Commission (or any governmental agency succeeding to the functions of said Commission) or with any stock exchange on which the Borrower's securities are traded;

(d) promptly upon the mailing thereof to the shareholders of the Borrower, copies of all financial statements, reports and proxy statements which the Borrower shall have sent to its shareholders;

(e) simultaneously with each delivery of the financial statements referred to in subsections (a) and (b) above, a certificate dated the date of such delivery and signed by the Treasurer or Chief Financial Officer of the Borrower (i) stating that such financial statements have been prepared in conformity with generally accepted accounting principles applied on a basis which, except as disclosed therein, is consistent with the preceding year, or the corresponding portion of the preceding year (subject in the case of financial statements delivered pursuant to subsection (b) above, to normal year-end adjustments of which none shall be material), (ii) stating whether there existed on the date of such financial statements or exists on the date of such certificate any Default, and, in the case of any such Default, specifying the nature and period of existence

thereof and what action the Borrower is taking and proposes to take with respect thereto, and (iii) stating that the Borrower is and at all times during such period has been in compliance with the covenants set forth in Article V hereof and setting forth calculations demonstrating compliance with the covenants set forth in Sections 5.06 and 5.09 through 5.13;

(f) simultaneously with each delivery of the consolidated financial statements referred to in subsection

(a) above, a written statement of the independent public accountants reporting on such consolidated financial statements to the effect that in the course of the examination upon which their report was based they became aware of no condition or event involving financial or accounting matters which constitutes a Default or, if such accountants did become aware of any such Default, specifying the nature and period of existence thereof (it being agreed that such accountants will not be required to conduct any special or additional audit procedures for the purpose of enabling them to furnish such written statement);

(g) forthwith upon any officer of the Borrower becoming aware of any Default, a certificate signed by the Treasurer or Chief Financial Officer of the Borrower specifying the nature and period of existence thereof and the action which the Borrower is taking or proposes to take with respect thereto;

(h) if and when any member of the ERISA Group (i) gives or is required to give notice to the PBGC of any "reportable event" (as defined in Section 4043 of ERISA) with respect to any Plan which might constitute grounds for a termination of such Plan under Title IV of ERISA, or knows that the plan administrator of any Plan has given or is required to give notice of any such reportable event, a copy of the notice of such reportable event given or required to be given to the PBGC; (ii) receives notice of complete or partial withdrawal liability under Title IV of ERISA or notice that any Multiemployer Plan is in reorganization, is insolvent or has been terminated, a copy of such notice;

(iii) receives notice from the PBGC under Title IV of ERISA of an intent to terminate, impose liability (other than for premiums under Section 4007 of ERISA) in respect of, or appoint a trustee to administer any Plan, a copy of such notice; (iv) applies for a waiver of the minimum funding standard under Section 412 of the Internal Revenue Code, a copy of such application; (v) gives notice of intent to terminate any Plan under Section 4041(c) of ERISA, a copy of such notice and other information filed with the PBGC; (vi) gives notice of withdrawal from any Plan pursuant to Section 4063 of ERISA, a copy of such notice; or (vii) fails to make any payment or contribution to any Plan or Multiemployer Plan or in respect of any Benefit Arrangement or makes any amendment to any Plan or Benefit Arrangement which has resulted or could result in the imposition of a Lien or the posting of a bond or other security, a certificate of the chief financial officer or the treasurer of the Borrower setting forth details as to such occurrence and action, if any, which the Borrower or applicable member of the ERISA Group is required or proposes to take;

(i) promptly upon the signing thereof, notice of any lease of real or personal property under which the Borrower or any of its Subsidiaries is obligated to make aggregate payments of \$5,000,000 or more over any period of five years, which notice shall provide for inspection of such leased property at such times as the Agent or the Banks may reasonably request; and

(j) such additional information regarding the business, assets, financial condition, results of operations or prospects of the Borrower and its Subsidiaries as the Agent, at the request of any Bank, may reasonably request from time to time.

SECTION 5.02. Payment of Taxes; Insurance; Maintenance of Corporate Existence. The Borrower will and will cause each Subsidiary to:

(a) pay or discharge promptly when due and payable all taxes, assessments and other governmental charges imposed upon it or any of its property; provided that neither the Borrower nor any Subsidiary shall be required to pay any such tax, assessment or governmental charge if the amount, applicability or validity thereof is being contested in good

faith by appropriate proceedings (or payment may be made without penalty) and a reserve, if appropriate, has been established with respect thereto;

(b) maintain adequate insurance with financially sound and reputable insurers covering all such properties and risks as are customarily insured by, and in such amounts as are customarily carried by, firms engaged in similar businesses and similarly situated; and

(c) do all things necessary to preserve and keep in full force and effect the corporate existence, rights and franchises of the Borrower and its Subsidiaries; provided that this Section 5.02(c) shall not prevent the Borrower or any Subsidiary from abandoning or disposing of any of its property or abandoning or terminating any right or franchise if (i) such abandonment, disposition or termination does not violate any other provision of this Agreement, (ii) in the opinion of the Board of Directors of the Borrower, such abandonment, disposition or termination is in the best interest of the Borrower and is not detrimental in any respect to the holder of any Note and (iii) all such abandonments, dispositions and terminations do not in the aggregate materially and adversely affect the business, assets, financial condition, results of operations or prospects of the Borrower and its Consolidated Subsidiaries, taken as a whole.

SECTION 5.03. Maintenance of Property; Conduct of Business. (a) The Borrower will keep, and will cause each Subsidiary to keep, all property useful and necessary in its business in good working order and condition, ordinary wear and tear excepted.

(b) The Borrower will continue, and will cause each Subsidiary to continue, to engage in business of the same general type as now conducted by the Borrower and its Subsidiaries.

SECTION 5.04. Compliance with Laws. The Borrower will comply, and cause each Subsidiary to comply, in all material respects with all applicable laws, ordinances, rules, regulations, and requirements of governmental authorities (including, without limitation, Environmental Laws and ERISA and the rules and regulations thereunder) except where the necessity of compliance therewith is contested in good faith by appropriate proceedings.

SECTION 5.05. Inspection of Property, Books and

Records. The Borrower will keep, and will cause each Subsidiary to keep, proper books of record and account in which full, true and correct entries shall be made of all dealings and transactions in relation to its business and

activities; and will permit, and will cause each Subsidiary to permit, representatives of any Bank at such Bank's expense to visit and inspect any of their respective properties, to examine and make abstracts from any of their respective books and records and to discuss their respective affairs, finances and accounts with their respective officers, employees and independent public accountants, all at such reasonable times and as often as may reasonably be desired.

SECTION 5.06. Limitation on Liens. The Borrower will not, and will not permit any Subsidiary to, create, assume or suffer to be created, assumed or incurred or to exist any Lien upon any property or assets of the Borrower or any Subsidiary (whether now owned or hereafter acquired) other than:

- (a) Liens securing taxes, assessments or other governmental charges to the extent non-payment thereof is permitted by Section 5.02(a);
- (b) Liens incurred in the ordinary course of business in connection with the workmen's compensation, unemployment insurance and other social security obligations;
- (c) Liens incurred in the ordinary course of business but not incurred in connection with the borrowing of money, the incurrence of Derivatives Obligations, the obtaining of advances or the payment of the deferred purchase price of any property or assets, including, without limitation, Liens securing:
 - (i) claims of mechanics, workmen, materialmen or other similar persons in respect of obligations not yet due or being contested in good faith by appropriate proceedings, or
 - (ii) the performance of bids, tenders or contracts which in the aggregate do not detract in any material

respect from the value of the property or assets of the Borrower or any Subsidiary or impair in any material respect the use thereof in the operation of the business of the Borrower or any Subsidiary, or

(iii) leases (including equipment leases), public or statutory obligations (other than the obligations referred to in paragraph (a) above), surety and appeal bonds or other similar obligations, provided that the aggregate obligations secured by such Liens shall not exceed \$15,000,000;

(d) Liens existing as of the date of this Agreement; provided that no such Lien shall extend to any property other than the property as to which such Lien was in effect as of such date and the Debt secured by such Lien shall not be increased, renewed or extended;

(e) Liens on property to secure the payment of all or any part of the purchase price thereof or to secure any Debt, incurred prior to, at the time of, or within 90 days after the acquisition of such property, for the purpose of financing all or any part of the purchase price of such property; provided (i) that in no event shall the amount of Debt secured by any such Lien exceed 75% of the purchase price or fair market value at the time of acquisition of the property subject to such Lien, whichever is less, (ii) that any such Lien does not extend to property other than the property purchased or financed in connection with which such Lien was created and (iii) that the aggregate outstanding principal amount of all such Debt shall not exceed \$10,000,000;

(f) Liens on property or assets of any Subsidiary operating outside the United States securing Debt of such Subsidiary;

(g) Liens on fixed assets securing Debt not otherwise permitted; provided that the aggregate outstanding principal amount of all Debt secured by Liens permitted by this paragraph and by paragraphs (d) and (e) above shall not exceed the greater of (i) \$4,000,000 or (ii) 25% of the excess of consolidated net fixed assets over net fixed assets subject to Liens permitted by paragraph (f) above;

(h) Liens on cash and cash equivalents securing Derivatives Obligations, provided that the aggregate amount of cash and cash equivalents subject to such Liens may at no time exceed \$1,000,000; and

(i) Liens not otherwise permitted by the foregoing clauses of this Section securing Debt in an aggregate principal amount at any time outstanding not to exceed 5% of Consolidated Net Worth.

SECTION 5.07. Consolidations, Mergers and Sales of Assets. The Borrower will not (i) consolidate or merge with or into any other Person or (ii) sell, lease or otherwise transfer, directly or indirectly, all or any substantial part of the assets of the Borrower and its Subsidiaries, taken as a whole, to any other Person (other than property held for sale in the ordinary course of business); provided that the Borrower may merge with another Person if (A) the Borrower is the corporation surviving such merger and (B) immediately after giving effect to such merger, no Default shall have occurred and be continuing.

SECTION 5.08. Use of Proceeds. The proceeds of the Loans made under this Agreement will be used by the Borrower for its general corporate purposes. None of such proceeds will be used in violation of any applicable law or regulation.

SECTION 5.09. Subsidiary Debt. Subsidiary Debt will at no time exceed an amount equal to (i) 25% of Consolidated Net Worth at such time minus (ii) the aggregate principal amount of Debt of the Borrower outstanding at such time secured by a Lien permitted solely under paragraph (i) of Section 5.06.

SECTION 5.10. Consolidated Shareholders' Equity. Consolidated Shareholders' Equity will at no time be less than \$60,000,000.

SECTION 5.11. Debt to Subsidiaries. The Borrower will not incur any Debt owing to any Subsidiary unless the same shall be for cash advances from such Subsidiary and shall be subordinated and subject in right to the prior payment in full of the Notes.

SECTION 5.12. EBIT/TD Ratio. The EBIT/TD Ratio will not, for any period of four consecutive fiscal quarters, be less than 20%.

SECTION 5.13. Restricted Payments and Guarantees. The Borrower will not, directly or indirectly, make any Restricted Payment and will not, and will not permit any Subsidiary to, make any Restricted Guarantee unless, after giving effect to any such action,

(i) the aggregate amount of all (A) Restricted Payments made during the period commencing on May 1, 1994 and ending on and including the date of such action ("Computation Period") and (B) Restricted Guarantees of the Borrower and its Subsidiaries existing on the date of such action, shall not exceed \$25,000,000 plus 85% (or in the case of a net loss, minus 100%) of Consolidated Net Income accumulated for the Computation Period, and

(ii) no Default shall have occurred and be continuing.

The Borrower will not declare any dividend on any of its shares payable more than 90 days after the declaration date. The Borrower will not permit any Subsidiary to make any Restricted Payment.

ARTICLE VI

DEFAULTS

SECTION 6.01. Events of Default. If one or more of the following events ("Events of Default") shall have occurred and be continuing:

(a) the Borrower shall fail to pay when due any principal of any Loan or shall fail to pay within five Domestic Business Days of the due date thereof any interest, fees or other amount payable hereunder;

(b) the Borrower shall fail to observe or perform any covenant contained in Sections 5.06 to 5.13, inclusive; (c) the Borrower shall fail to observe or perform any covenant or agreement contained in this Agreement (other than those covered by clause (a) or (b) above) for 30 days after notice thereof has been given to the Borrower by the Agent at the request of any Bank;

(d) any representation, warranty, certification or statement made by the Borrower in this Agreement or in any certificate, financial statement or other document delivered pursuant to this Agreement shall prove to have been incorrect in any material respect when made (or deemed made);

(e) the Borrower or any Subsidiary shall fail to pay when due, or within any applicable period of grace, any obligation with respect to Material Debt or Material Financial Obligations; or any event or condition referred to in any instrument or agreement evidencing or securing or relating to any obligation with respect to Material Debt or Material Financial Obligations of the Borrower or any Subsidiary shall have occurred and be continuing which would cause, or would permit (assuming the giving of appropriate notice if required) any Person to cause, such obligation to become due and payable prior to its stated maturity or the obligations of the Borrower or any Subsidiary under any obligation with respect to Material Debt or Material Financial Obligations to become due and payable;

(f) the Borrower or any Subsidiary shall commence a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, or shall consent to any such relief or to the appointment of or taking possession by any such official in an involuntary case or other proceeding commenced against it, or shall make a general assignment for the benefit of creditors, or shall fail generally to pay its debts as they become due, or shall take any corporate action to authorize any of the foregoing;

(g) an involuntary case or other proceeding shall be commenced against the Borrower or any Subsidiary seeking liquidation, reorganization or other relief with respect to it or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, and such involuntary case or other proceeding

shall remain undismissed and unstayed for a period of 60 days; or an order for relief shall be entered against the Borrower or any Subsidiary under the federal bankruptcy laws as now or hereafter in effect;

(h) any member of the ERISA Group shall fail to pay within 30 days of the date when due an amount or amounts aggregating in excess of \$1,000,000 which it shall have become liable to pay under Title IV of ERISA; or notice of intent to terminate a Material Plan shall be filed under Title IV of ERISA by any member of the ERISA Group, any plan administrator or any combination of the foregoing; or the PBGC shall institute proceedings under Title IV of ERISA to terminate, to impose liability (other than for premiums under Section 4007 of ERISA) in respect of, or to cause a trustee to be appointed to administer any Material Plan; or a condition shall exist by reason of which the PBGC would be entitled to obtain a decree adjudicating that any Material Plan must be terminated; or there shall occur a complete or partial withdrawal from, or a default, within the meaning of Section 4219(c)(5) of ERISA, with respect to, one or more Multiemployer Plans which could cause one or more members of the ERISA Group to incur a current payment obligation in excess of \$10,000,000; or

(i) a judgment or order for the payment of money in excess of \$1,000,000 shall be rendered against the Borrower or any Subsidiary and such judgment or order shall continue unsatisfied and unstayed for a period of 30 days;

then, and in every such event, the Agent shall (i) if requested by Banks having more than 66 2/3% in aggregate amount of the Commitments, by notice to the Borrower terminate the Commitments and they shall thereupon terminate, and (ii) if requested by Banks holding Notes evidencing more than 66 2/3% in aggregate principal amount of the Loans, by notice to the Borrower declare the Notes (together with accrued interest thereon) to be, and the Notes shall thereupon become, immediately due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower; provided that in the case of any of the Events of Default specified in clause (f) or (g) above with respect to the Borrower, without any notice to the Borrower or any other act by the Agent or the Banks, the Commitments shall thereupon terminate and the Notes (together with accrued interest thereon) shall become immediately due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower.

SECTION 6.02. Notice of Default. The Agent shall give notice to the Borrower under Section 6.01(c) promptly upon being requested to do so by any Bank and shall thereupon notify all the Banks thereof.

ARTICLE VII

THE AGENT

SECTION 7.01. Appointment and Authorization. Each Bank irrevocably appoints and authorizes the Agent to take such action as agent on its behalf and to exercise such powers under this Agreement and the Notes as are delegated to the Agent by the terms hereof or thereof, together with all such powers as are reasonably incidental thereto.

SECTION 7.02. Agent and Affiliates. Morgan and its affiliates may accept deposits from, lend money to, and generally engage in any kind of business with the Borrower or any Subsidiary or affiliate of the Borrower as if it were not the Agent hereunder.

SECTION 7.03. Action by Agent. The obligations of the Agent hereunder are only those expressly set forth herein. Without limiting the generality of the foregoing, the Agent shall not be required to take any action with respect to any Default, except as expressly provided in Article VI.

SECTION 7.04. Consultation with Experts. The Agent may consult with legal counsel (who may be counsel for the Borrower), independent public accountants and other experts selected by it and shall not be liable for any action taken or omitted to be taken by it in good faith in accordance with the advice of such counsel, accountants or experts.

SECTION 7.05. Liability of Agent. Neither the Agent nor any of its affiliates nor any of their respective directors, officers, agents or employees shall be liable for any action taken or not taken by it in connection herewith (i) with the consent or at the request of the Required Banks or (ii) in the absence of its own gross negligence or willful misconduct. Neither the Agent nor any of its affiliates nor any of their respective directors, officers, agents or employees shall be responsible for or have any duty to ascertain, inquire into or verify (i) any statement,

warranty or representation made in connection with this Agreement or any borrowing hereunder; (ii) the performance or observance of any of the covenants or agreements of the Borrower; (iii) the satisfaction of any condition specified in Article III, except receipt of items required to be delivered to the Agent; or (iv) the validity, effectiveness or genuineness of this Agreement, the Notes or any other instrument or writing furnished in connection herewith. The Agent shall not incur any liability by acting in reliance upon any notice, consent, certificate, statement, or other writing (which may be a bank wire, telex, facsimile or similar writing) believed by it to be genuine or to be signed by the proper party or parties.

SECTION 7.06. Indemnification. Each Bank shall, ratably in accordance with its Commitment, indemnify the Agent, its affiliates and their respective directors, officers, agents and employees (to the extent not reimbursed by the Borrower) against any cost, expense (including counsel fees and disbursements), claim, demand, action, loss or liability (except such as result from such indemnitees' gross negligence or willful misconduct) that such indemnitees may suffer or incur in connection with this Agreement or any action taken or omitted by such indemnitees hereunder.

SECTION 7.07. Credit Decision. Each Bank acknowledges that it has, independently and without reliance upon the Agent or any other Bank, and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Bank also acknowledges that it will, independently and without reliance upon the Agent or any other Bank, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking any action under this Agreement.

SECTION 7.08. Successor Agent. The Agent may resign at any time by giving notice thereof to the Banks and the Borrower. Upon any such resignation, the Required Banks shall have the right, subject to approval by the Borrower, to appoint a successor Agent, provided that approval of such successor Agent by the Borrower shall not be unreasonably withheld. If no successor Agent shall have been so appointed by the Required Banks, and shall have accepted such appointment, within 30 days after the retiring Agent gives notice of resignation, then the retiring Agent may, on behalf of the Banks, appoint a successor Agent, which shall be a commercial bank organized or licensed under the laws of the United States of America or of any State thereof and

having a combined capital and surplus of at least \$50,000,000. Upon the acceptance of its appointment as Agent hereunder by a successor Agent, such successor Agent shall thereupon succeed to and become vested with all the rights and duties of the retiring Agent, and the retiring Agent shall be discharged from its duties and obligations hereunder. After any retiring Agent's resignation hereunder as Agent, the provisions of this Article shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Agent.

SECTION 7.09. Agent's Fee. The Borrower shall pay to the Agent for its own account fees in the amounts and at the times previously agreed upon between the Borrower and the Agent.

ARTICLE VIII

CHANGE IN CIRCUMSTANCES

SECTION 8.01. Basis for Determining Interest Rate Inadequate or Unfair. If on or prior to the first day of any Interest Period for any Fixed Rate Borrowing:

(a) the Agent is advised by Morgan that deposits in dollars (in the applicable amounts) are not being offered to Morgan in the relevant market for such Interest Period, or

(b) Banks having 50% or more of the aggregate amount of the Commitments advise the Agent that the Adjusted CD Rate or the Adjusted London Interbank Offered Rate, as the case may be, as determined by the Agent will not adequately and fairly reflect the cost to such Banks of funding their CD Loans or Euro-Dollar Loans, as the case may be, for such Interest Period,

the Agent shall forthwith give notice thereof to the Borrower and the Banks, whereupon until the Agent notifies the Borrower that the circumstances giving rise to such suspension no longer exist, the obligations of the Banks to make CD Loans or Euro-Dollar Loans, as the case may be, shall be suspended. Unless the Borrower notifies the Agent at least two Domestic Business Days before the date of any Fixed Rate Borrowing for which a Notice of Borrowing has previously been given that it elects not to borrow on such date, such Borrowing shall instead be made as a Base Rate Borrowing.

SECTION 8.02. Illegality. If, on or after the date of this Agreement, the adoption of any applicable law, rule or regulation, or any change in any applicable law, rule or regulation, or any change in the interpretation or administration thereof by any governmental authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by any Bank (or its Euro-Dollar Lending Office) with any request or directive (whether or not having the force of law) of any such authority, central bank or comparable agency shall make it unlawful or impossible for any Bank (or its Euro-Dollar Lending Office) to make, maintain or fund its Euro-Dollar Loans and such Bank shall so notify the Agent, the Agent shall forthwith give notice thereof to the other Banks and the Borrower, whereupon until such Bank notifies the Borrower and the Agent that the circumstances giving rise to such suspension no longer exist, the obligation of such Bank to make Euro-Dollar Loans shall be suspended. Before giving any notice to the Agent pursuant to this Section, such Bank shall designate a different Euro Dollar Lending Office if such designation will avoid the need for giving such notice and will not, in the judgment of such Bank, be otherwise disadvantageous to such Bank. If such Bank shall determine that it may not lawfully continue to maintain and fund any of its outstanding Euro-Dollar Loans to maturity and shall so specify in such notice, the Borrower shall immediately prepay in full the then outstanding principal amount of each such Euro-Dollar Loan, together with accrued interest thereon. Concurrently with prepaying each such Euro-Dollar Loan, the Borrower shall borrow a Base Rate Loan in an equal principal amount from such Bank (on which interest and principal shall be payable contemporaneously with the related Euro-Dollar Loans of the other Banks), and such Bank shall make such a Base Rate Loan.

SECTION 8.03. Increased Cost and Reduced Return. (a) If on or after the date hereof, the adoption of any applicable law, rule or regulation, or any change in any applicable law, rule or regulation, or any change in the interpretation or administration thereof by any governmental authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by any Bank (or its Applicable Lending Office) with any request or directive (whether or not having the force of law) of any such authority, central bank or comparable agency:

(i) shall subject any Bank (or its Applicable Lending Office) to any tax, duty or

other charge with respect to its Fixed Rate Loans, its Notes or its obligation to make Fixed Rate Loans, or shall change the basis of taxation of payments to any Bank (or its Applicable Lending Office) of the principal of or interest on its Fixed Rate Loans or any other amounts due under this Agreement in respect of its Fixed Rate Loans or its obligation to make Fixed Rate Loans (except for changes in the rate of tax on the overall net income of such Bank or its Applicable Lending Office imposed by the jurisdiction in which such Bank's principal executive office or Applicable Lending Office is located); or

(ii) shall impose, modify or deem applicable any reserve, special deposit or similar requirement (including, without limitation, any such requirement imposed by the Board of Governors of the Federal Reserve System, but excluding (A) with respect to any CD Loan any such requirement included in an applicable Domestic Reserve Percentage and (B) with respect to any Euro-Dollar Loan any such requirement included in an applicable Euro-Dollar Reserve Percentage) against assets of, deposits with or for the account of, or credit extended by, any Bank (or its Applicable Lending Office) or shall impose on any Bank (or its Applicable Lending Office) or on the United States market for certificates of deposit or the London interbank market any other condition affecting its Fixed Rate Loans, its Notes or its obligation to make Fixed Rate Loans;

and the result of any of the foregoing is to increase the cost to such Bank (or its Applicable Lending Office) of making or maintaining any Fixed Rate Loan, or to reduce the amount of any sum received or receivable by such Bank (or its Applicable Lending Office) under this Agreement or under its Notes with respect thereto, by an amount deemed by such Bank to be material, then, within 15 days after demand by such Bank (with a copy to the Agent), the Borrower shall pay to such Bank such additional amount or amounts as will compensate such Bank for such increased cost or reduction.

(b) If any Bank shall have determined that, after the date hereof, the adoption of any applicable law, rule or regulation regarding capital adequacy, or any change in any such law, rule or regulation, or any change in the interpretation or administration thereof by any governmental

authority, central bank or comparable agency charged with the interpretation or administration thereof, or any request or directive regarding capital adequacy (whether or not having the force of law) of any such authority, central bank or comparable agency, has or would have the effect of reducing the rate of return on capital of such Bank (or its Parent) as a consequence of such Bank's obligations hereunder to a level below that which such Bank (or its Parent) could have achieved but for such adoption, change or compliance (taking into consideration its policies with respect to capital adequacy) by an amount deemed by such Bank to be material, then from time to time, within 15 days after demand by such Bank (with a copy to the Agent), the Borrower shall pay to such Bank such additional amount or amounts as will compensate such Bank (or its Parent) for such reduction.

(c) Each Bank will promptly notify the Borrower and the Agent of any event of which it has knowledge, occurring after the date hereof, which will entitle such Bank to compensation pursuant to this Section and will designate a different Applicable Lending Office if such designation will avoid the need for, or reduce the amount of, such compensation and will not, in the judgment of such Bank, be otherwise disadvantageous to such Bank. A certificate of any Bank claiming compensation under this Section and setting forth the additional amount or amounts to be paid to it hereunder shall be conclusive in the absence of manifest error. In determining such amount, such Bank may use any reasonable averaging and attribution methods.

SECTION 8.04. Base Rate Loans Substituted for Affected Fixed Rate Loans. If (i) the obligation of any Bank to make Euro-Dollar Loans has been suspended pursuant to Section 8.02 or (ii) any Bank has demanded compensation under Section 8.03(a) and the Borrower shall, by at least five Euro-Dollar Business Days' prior notice to such Bank through the Agent, have elected that the provisions of this Section shall apply to such Bank, then, unless and until such Bank notifies the Borrower that the circumstances giving rise to such suspension or demand for compensation no longer apply:

(a) all Loans which would otherwise be made by such Bank as CD Loans or Euro-Dollar Loans, as the case may be, shall be made instead as Base Rate Loans (on which interest and principal shall be payable contemporaneously with the related Fixed Rate Loans of the other Banks), and

(b) after each of its CD Loans or Euro-Dollar Loans, as the case may be, has been repaid, all payments of principal which would otherwise be applied to repay such Fixed Rate Loans shall be applied to repay its Base Rate Loans instead.

ARTICLE IX

MISCELLANEOUS

SECTION 9.01. Notices. All notices, requests and other communications to any party hereunder shall be in writing (including bank wire, telex, facsimile transmission or similar writing) and shall be given to such party: (x) in the case of the Borrower or the Agent, at its address or facsimile number set forth on the signature pages hereof, (y) in the case of any Bank, at its address or telex or facsimile number set forth in its Administrative Questionnaire or (z) in the case of any party, such other address or telex or facsimile number as such party may hereafter specify for the purpose by notice to the Agent and the Borrower. Each such notice, request or other communication shall be effective (i) if given by telex, when such telex is transmitted to the telex number specified in this Section and the appropriate answerback is received, (ii) if given by mail, 72 hours after such communication is deposited in the mails with first class postage prepaid, addressed as aforesaid or (iii) if given by any other means, when received at the address specified in this Section; provided that notices to the Agent under Article II or Article VIII shall not be effective until received.

SECTION 9.02. No Waivers. No failure or delay by the Agent or any Bank in exercising any right, power or privilege hereunder or under any Note shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by law.

SECTION 9.03. Expenses; Documentary Taxes; Indemnification. (a) The Borrower shall pay (i) all out-of-pocket expenses of the Agent, including fees and disbursements of special counsel for the Agent, in connection with the preparation of this Agreement, any waiver or consent hereunder or any amendment hereof or any Default or alleged Default hereunder and (ii) if an Event of Default occurs, all out-of-pocket expenses incurred by the

Agent or any Bank, including fees and disbursements of counsel, in connection with such Event of Default and collection and other enforcement proceedings resulting therefrom. The Borrower shall indemnify each Bank against any transfer taxes, documentary taxes, assessments or charges made by any governmental authority by reason of the execution and delivery of this Agreement or the Notes.

(b) The Borrower agrees to indemnify the Agent and each Bank, their respective affiliates and the respective directors, officers, agents and employees of the foregoing (each an "Indemnitee") and hold each Indemnitee harmless from and against any and all damages, costs and expenses of any kind (including, without limitation, the reasonable fees and disbursements of counsel for any Indemnitee in connection with any investigative, administrative or judicial proceeding, whether or not such Indemnitee shall be designated a party thereto) which may be incurred by any Indemnitee, relating to or arising out of this Agreement or any actual or proposed use of proceeds of Loans hereunder; provided that no Indemnitee shall have the right to be indemnified hereunder for its own gross negligence or willful misconduct as determined by a court of competent jurisdiction. The Borrower shall not be liable for any settlement effected without the Borrower's consent, which consent shall not be unreasonably withheld.

SECTION 9.04. Sharing of Set-Offs. Each Bank agrees that if it shall, by exercising any right of set-off or counterclaim or otherwise, receive payment of a proportion of the aggregate amount of principal and interest due with respect to any Note held by it which is greater than the proportion received by any other Bank in respect of the aggregate amount of principal and interest due with respect to any Note held by such other Bank, the Bank receiving such proportionately greater payment shall purchase such participation in the Notes held by the other Banks, and such other adjustments shall be made, as may be required so that all such payments of principal and interest with respect to the Notes held by the Banks shall be shared by the Banks pro rata; provided that nothing in this Section shall impair the right of any Bank to exercise any right of set-off or counterclaim it may have and to apply the amount subject to such exercise to the payment of indebtedness of the Borrower other than its indebtedness under the Notes. The Borrower agrees, to the fullest extent it may effectively do so under applicable law, that any holder of a participation in a Note, whether or not acquired pursuant to the foregoing arrangements, may exercise rights of set-off or counterclaim and other rights with respect to such participation as fully as if such holder of a participation were a direct creditor of the Borrower in the amount of such participation.

SECTION 9.05. Amendments and Waivers. Any provision of this Agreement or the Notes may be amended or waived if, but only if, such amendment or waiver is in writing and is signed by the Borrower and the Required Banks (and, if the rights or duties of the Agent are affected thereby, by the Agent); provided that no such amendment or waiver shall, unless signed by all the Banks, (i) increase or decrease the Commitment of any Bank (except for a ratable decrease in the Commitments of all Banks) or subject any Bank to any additional obligation, (ii) reduce the principal of, accrued interest on, or rate of interest on, any Loan or any fees hereunder, (iii) postpone the date fixed for any payment of principal of or interest on any Loan or any fees hereunder or the Termination Date or (iv) change the percentage of the Commitments or of the aggregate unpaid principal amount of the Notes, or the number of Banks, which shall be required for the Banks or any of them to take any action under this Section or any other provision of this Agreement.

SECTION 9.06. Successors and Assigns. (a) The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, except that the Borrower may not assign or otherwise transfer any of its rights under this Agreement without the prior written consent of all Banks.

(b) Any Bank may at any time grant to one or more banks or other institutions (each a "Participant") participating interests in its Commitment or any or all of its Loans. In the event of any such grant by a Bank of a participating interest to a Participant, whether or not upon notice to the Borrower and the Agent, such Bank shall remain responsible for the performance of its obligations hereunder, and the Borrower and the Agent shall continue to deal solely and directly with such Bank in connection with such Bank's rights and obligations under this Agreement. Any agreement pursuant to which any Bank may grant such a participating interest shall provide that such Bank shall retain the sole right and responsibility to enforce the obligations of the Borrower hereunder including, without limitation, the right to approve any amendment, modification or waiver of any provision of this Agreement; provided that such participation agreement may provide that such Bank will not agree to any modification, amendment or waiver of this Agreement described in clause (i), (ii) or (iii) of Section 9.05 without the consent of the Participant. The Borrower agrees that each Participant shall, to the extent provided in its participation agreement, be entitled to the benefits

of Article VIII with respect to its participating interest. An assignment or other transfer which is not permitted by subsection (c) or (d) below shall be given effect for purposes of this Agreement only to the extent of a participating interest granted in accordance with this subsection (b).

(c) Any Bank may at any time assign to one or more banks or other institutions (each an "Assignee") all, or a proportionate part of all, of its rights and obligations under this Agreement and the Notes, and such Assignee shall assume such rights and obligations, pursuant to an instrument executed by such Assignee and such transferor Bank, with (and subject to) the subscribed consent of the Borrower and the Agent; provided that if an Assignee is an affiliate of such transferor Bank, no such consent shall be required. Upon execution and delivery of such an instrument and payment by such Assignee to such transferor Bank of an amount equal to the purchase price agreed between such transferor Bank and such Assignee, such Assignee shall be a Bank party to this Agreement and shall have all the rights and obligations of a Bank with a Commitment as set forth in such instrument of assumption, and the transferor Bank shall be released from its obligations hereunder to a corresponding extent, and no further consent or action by any party shall be required. Upon the consummation of any assignment pursuant to this subsection (c), the transferor Bank, the Agent and the Borrower shall make appropriate arrangements so that, if required, a new Note is issued to the Assignee. If the Assignee is not incorporated under the laws of the United States of America or a state thereof, it shall, prior to the first date on which interest or fees are payable hereunder for its account, deliver to the Borrower and the Agent certification as to exemption from deduction or withholding of any United States federal income taxes in accordance with Section 2.13.

(d) Any Bank may at any time assign all or any portion of its rights under this Agreement and its Note to a Federal Reserve Bank. No such assignment shall release the transferor Bank from its obligations hereunder.

(e) No Assignee, Participant or other transferee of

any Bank's rights shall be entitled to receive any greater payment under Section 8.03 than such Bank would have been entitled to receive with respect to the rights transferred, unless such transfer is made with the Borrower's prior written consent or by reason of the provisions of Section 8.02 or 8.03 requiring such Bank to designate a different Applicable Lending Office under certain circumstances or at a time when the circumstances giving rise to such greater payment did not exist.

SECTION 9.07. Collateral. Each of the Banks represents to the Agent and each of the other Banks that it in good faith is not relying upon any "margin stock" (as defined in Regulation U) as collateral in the extension or maintenance of the credit provided for in this Agreement.

SECTION 9.08. New York Law. This Agreement and each Note shall be construed in accordance with and governed by the law of the State of New York.

SECTION 9.09. Counterparts; Integration. This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. This Agreement constitutes the entire agreement and understanding among the parties hereto and supersedes any and all prior agreements and understandings, oral or written, relating to the subject matter hereof.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

JOHN WILEY & SONS, INC.

By /s/ Robert D. Wilder
Senior Vice President
& Chief Financial Officer

605 Third Avenue New York, New York 10058-0012 Facsimile number: (212) 850-6088

Commitments

\$20,000,000 MORGAN GUARANTY TRUST COMPANY OF NEW YORK

By /s/ Vance B. Barbour
Associate

\$15,000,000 CHEMICAL BANK

By /s/ Debra J. Runkle
Vice President

\$15,000,000 CORESTATES BANK, N.A.

By /s/ Melissa G. Landay
Assistant Vice President

Total Commitments

\$50,000,000

**MORGAN GUARANTY TRUST COMPANY
OF NEW YORK, as Agent**

By /s/ Vance B. Barbour
Associate
60 Wall Street
New York, New York 10260-0060
Attention: Vance B. Barbour
Facsimile number: (212) 648-5017

EXHIBIT A

NOTE

New York, New York
March 30, 1995

For value received, JOHN WILEY & SONS, INC., a New York corporation (the "Borrower"), promises to pay to the order of _____ (the "Bank"), for the account of its Applicable Lending Office, the unpaid principal amount of each Loan made by the Bank to the Borrower pursuant to the Credit Agreement referred to below on the last day of the Interest Period relating to such Loan. The Borrower promises to pay interest on the unpaid principal amount of each such Loan on the dates and at the rate or rates provided for in the Credit Agreement. All such payments of principal and interest shall be made in lawful money of the United States in Federal or other immediately available funds at the office of Morgan Guaranty Trust Company of New York, 60 Wall Street, New York, New York.

All Loans made by the Bank, the respective types and maturities thereof and all repayments of the principal thereof shall be recorded by the Bank and, prior to any transfer hereof, appropriate notations to evidence the foregoing information with respect to each such Loan then outstanding shall be endorsed by the Bank on the schedule attached hereto, or on a continuation of such schedule attached to and made a part hereof; provided that the failure of the Bank to make any such recordation or endorsement shall not affect the obligations of the Borrower hereunder or under the Credit Agreement.

This note is one of the Notes referred to in the Credit Agreement dated as of March 30, 1995 among the Borrower, the banks listed on the signature pages thereof and Morgan Guaranty Trust Company of New York, as Agent (as the same may be amended from time to time, the "Credit Agreement"). Terms defined in the Credit Agreement are used herein with the same meanings. Reference is made to the Credit Agreement for provisions for the prepayment hereof and the acceleration of the maturity hereof.

JOHN WILEY & SONS, INC.
By _____
Title:

EXHIBIT B

**OPINION OF
COUNSEL FOR THE BORROWER**

March 30, 1995

To the Banks and the Agent
Referred to Below
c/o Morgan Guaranty Trust Company
of New York, as Agent
60 Wall Street
New York, New York 10260-0060

Dear Sirs:

I am counsel for John Wiley & Sons, Inc., a New York corporation (the "Borrower") and have acted as counsel to the Borrower in connection with the Credit Agreement (the "Agreement") dated as of March 30, 1995 among the Borrower, the banks named therein and Morgan Guaranty Trust Company of New York, as Agent. Terms defined in the Agreement are used herein as therein defined.

I have examined originals or copies, certified or otherwise identified to my satisfaction, of such documents, corporate records, certificates of public officials and other instruments and have conducted such other investigations of fact and law as we have deemed necessary or advisable for purposes of this opinion.

Upon the basis of the foregoing, we are of the opinion that:

1. The Borrower is a corporation duly

incorporated, validly existing and in good standing under the laws of the State of New York, and has all corporate powers and all material governmental licenses, authorizations, consents and approvals required to carry on its business as now conducted.

2. The execution, delivery and performance by the Borrower of the Agreement and each Note are within the Borrower's corporate power, have been duly authorized by all necessary corporate action, require no action by or in respect of, or filing with, any governmental body, agency or official and do not contravene, or constitute a default under, any provision of applicable law or regulation or of the Restated Certificate of Incorporation or by-laws of the Borrower or of any agreement, judgment, injunction, order, decree or other instrument binding upon the Borrower or result in the creation or imposition of any Lien on any asset of the Borrower or any of its Subsidiaries.

3. The Agreement constitutes a valid and binding agreement of the Borrower and each Note constitutes a valid and binding obligation of the Borrower, in each case enforceable in accordance with its terms, except as the same may be limited by bankruptcy, insolvency or similar laws affecting creditors' rights generally and by general principles of equity.

4. There is no action, suit or proceeding pending against, or to the best of my knowledge threatened against or affecting the Borrower or any of its Subsidiaries before any court or arbitrator or any governmental body, agency or official, in which there is a reasonable possibility of an adverse decision which could materially adversely affect the business, consolidated financial position or consolidated results of operations of the Borrower and its Consolidated Subsidiaries or which in any manner draws into question the validity of the Agreement or each Note.

5. I have no reason to believe that each of the Borrower's Subsidiaries is not a corporation duly incorporated, validly existing and in good standing under the laws of its jurisdiction of incorporation, or that each does not have all corporate powers and all material governmental licenses, authorizations, consents and approvals required to carry on its business as now conducted.

Very truly yours,

EXHIBIT C

**OPINION OF
DAVIS POLK & WARDWELL, SPECIAL COUNSEL
FOR THE AGENT**

March 30, 1995

To the Banks and the Agent
Referred to Below
c/o Morgan Guaranty Trust Company
of New York, as Agent
60 Wall Street
New York, New York 10260-0060

Dear Sirs:

We have participated in the preparation of the Credit Agreement (the "Credit Agreement") dated as of March 30, 1995 among John Wiley & Sons, Inc., a New York corporation (the "Borrower"), the banks listed on the signature pages thereof (the "Banks") and Morgan Guaranty Trust Company of New York, as Agent (the "Agent"), and have acted as special counsel for the Agent for the purpose of rendering this opinion pursuant to Section 3.01(d) of the Credit Agreement. Terms defined in the Credit Agreement are used herein as therein defined.

We have examined originals or copies, certified or otherwise identified to our satisfaction, of such documents, corporate records, certificates of public officials and other instruments and have conducted such other investigations of fact and law as we have deemed necessary or advisable for purposes of this opinion.

Upon the basis of the foregoing, we are of the opinion that:

1. The execution, delivery and performance by the Borrower of the Credit Agreement and each Note are within the Borrower's corporate powers and have been duly authorized by all necessary corporate action.
2. The Credit Agreement constitutes a valid and binding agreement of the Borrower and each Note constitutes

a valid and binding obligation of the Borrower, in each case enforceable in accordance with its terms, except as the same may be limited by bankruptcy, insolvency or similar laws affecting creditors' rights generally and by general principles of equity.

We are members of the Bar of the State of New York and the foregoing opinion is limited to the laws of the State of New York and the federal laws of the United States of America. In giving the foregoing opinion, we express no opinion as to the effect (if any) of any law of any jurisdiction (except the State of New York) in which any Bank is located which limits the rate of interest that such Bank may charge or collect.

This opinion is rendered solely to you in connection with the above matter. This opinion may not be relied upon by you for any other purpose or relied upon by any other person without our prior written consent.

Very truly yours,

Exhibit 10.12

JOHN WILEY & SONS, INC.

FY 1996 EXECUTIVE ANNUAL INCENTIVE PLAN

PLAN DOCUMENT

CONFIDENTIAL

JUNE 15, 1995

CONTENTS

Section	Subject	Page
I.	Definitions	2
II.	Plan Objectives	3
III.	Eligibility	3
IV.	Performance Objectives and Measurement	3
V.	Performance Evaluation	4
VI.	Payouts	6
VII.	Status Changes	6
VIII.	Administration and Other Matters	6

I. DEFINITIONS Following are definitions for words and phrases used in this document. Unless the context clearly indicates otherwise, these words and phrases are considered to be defined terms and appear in this document in italicized print:

company John Wiley & Sons, Inc.

plan The company's FY (Fiscal Year) 1996 Executive Annual Incentive Plan described in this document and any written amendments to this document.

plan year The twelve month period from May 1, 1995 to April 30, 1996.

executive compensation and development committee (ECDC) The committee of the company's Board of Directors (Board) responsible for reviewing executive compensation.

financial goals A participant's objective to achieve specific financial results for FY 1996, including interim revised financial goals, if any, as approved and communicated in writing, as described in Sections IV and V below.

financial results Total company or division achievement against financial goals set for FY 1996.

strategic milestone A participant's objective to achieve specific results for FY 1996, including interim revised strategic milestones, if any, as approved and communicated in writing, as described in Sections IV and V below. Strategic milestones are leading indicators of performance.

participant Any person who is eligible to and is selected to participate in the plan, as defined in Section III.

base salary The participant's total amount of base salary, calculated as follows: base salary as of June 26, 1995, or the date of hire, or promotion into the plan, if later, adjusted for any increases or decreases during FY 1996, on a prorated basis and adjusted for any amount of time the participant may not be in the plan for reasons of hire, promotion, death, disability, retirement and/or termination.

payout Actual gross dollar amount paid to a participant under the plan, if any, for achievement of financial goals and strategic milestones, as further discussed in this plan.

target incentive percent The percent applied to the participant's base salary to determine the target incentive amount.

target incentive amount The amount, if any, that a participant is eligible to receive if a participant achieves 100% of his/her financial goals and strategic milestones. The incentive for financial goals should constitute at least 70% of the target incentive amount for the participant.

performance levels

threshold The minimum acceptable level of achievement of each financial goal and strategic milestone. If threshold performance is achieved against all financial goals and strategic milestones, a participant may earn 50% of the target incentive amount for which he/she is eligible.

target Achievement in aggregate of target financial goals and strategic milestones. Each individual financial goal and strategic milestone is set at a level which is both challenging and achievable.

outstanding Superior achievement of financial goals and strategic milestones, both in quality and scope, with limited time and resources. If outstanding performance is achieved against all financial goals and strategic milestones, the maximum amount a participant may earn is 150% of the target incentive amount.

payout factor Percentage of financial goals and strategic milestones deemed achieved, used to determine the payout for which a participant is eligible.

II. PLAN OBJECTIVES The purpose of the FY 1996 Executive Annual Incentive Plan is to enable the company to reinforce and sustain a culture devoted to excellent performance, emphasize performance at the corporate and division levels, reward significant contributions to the success of Wiley, and attract and retain highly qualified executives.

III. ELIGIBILITY The participant is selected by the President and CEO of the company, from among those employees in key management positions deemed able to make the most significant contributions to the growth and profitability of the company, with the approval of the ECDC. The President and CEO of the company is a participant.

IV. PERFORMANCE OBJECTIVES AND MEASUREMENT The plan employs two categories of objectives for performance measurement: financial goals and strategic milestones. The weighting of and between the two measures may vary, depending upon the participant's position. Weighting is recommended by the participant's manager and approved by the President and CEO, if the President and CEO is not the participant's manager.

A. Financial Goals

1. Financial goals for the company are determined near the beginning of the plan year by the President and CEO. The President and CEO's goals are reviewed and approved by the Finance Committee of the Board and ECDC, and approved by the Board.

2. Financial goals are set for the company as a whole and for each division and may be revised in the interim, as appropriate. The participant will be given specific financial goals, based on an appropriate mix of company and/or division objectives.

3. Financial goals include defining levels of performance (threshold, target and outstanding) and the measures of each.

B. Strategic Milestones

1. Strategic milestones are non-financial individual objectives over which the participant has a large measure of control, which lead to, or are expected to lead to improved performance for the company in the future. Strategic milestones are determined near the beginning of the plan year by the participant, and approved by the participant's manager, if the President and CEO is not the participant's manager.

2. The strategic milestones for the President and CEO are reviewed and approved by the Executive and Policy Committee of the Board and by the Board.

3. The strategic milestones for the President and CEO should be appropriately reflected in those of all other employees at all levels. Each participant collaborates with his/her manager in setting strategic milestones. The strategic milestones may be revised in the interim, as appropriate.

4. The determination of strategic milestones includes defining a target level of performance and the measure of such, and may include defining threshold and outstanding levels of performance and the measures of such.

V. PERFORMANCE EVALUATION

A. Financial Results

1. Actual financial results achieved by the company and by each group and division will be calculated at the end of the plan year, subject to adjustment for audited results, and will be compared with previously set financial goals.

2. Actual financial results will be reviewed by the participant's manager and the President and CEO and a payout factor determined. The payout factor is based on a judgment of the relative importance of financial results and the achievement compared to the financial goals. This payout factor is subject to the review and approval of the President and CEO. The ECDC will evaluate the President and CEO's financial results and will recommend to the Board his/her financial results payout factor.

B. Strategic Milestones

1. Achievement of a participant's strategic milestones will be determined at the end of the plan year by comparing results achieved to previously set objectives.

2. Each participant's manager will recommend a payout factor for achievement of all strategic milestones compared with the previously set objectives. In determining the payout factor, the overall performance on all strategic milestones will be considered. This payout factor is subject to the review and approval of the President and CEO, the ECDC and the Board. The ECDC will recommend to the Board for approval the payout factor for the President and CEO's achievement of his/her strategic milestones based on the Executive and Policy Committee of the Board's evaluation of his/her achievement compared with the previously set objectives.

C. Award Determination

1. Financial goals, established for each participant, may include one or more organizational level's financial goals (e.g. company and division), and one or more financial goal for a particular organizational unit. At least threshold performance, in aggregate, of a participant's particular organizational level is necessary for the participant to receive a payout for the particular organizational level. However, once the overall threshold is achieved, the non- achievement of any one particular financial goal's target objective does not preclude a payout for all the participant's financial goals.

2. At least threshold performance of financial goals is required of the participant's organizational level for a payout of strategic milestones to be made. If the participant is measured against more than one organizational level, at least threshold performance of financial goals, is required of the

organizational level which has the greatest percent weighting of the organizational levels' target incentive amount for a payout of strategic milestones to be made. If the percent weighting of the target incentive amount is equal for all the organizational levels against which the participant is measured, then at least threshold performance of financial goals is required of all the participant's organizational levels for a payout of strategic milestones to be made.

3. Payout eligibility will be determined by calculating the amount for achievement of financial goals and strategic milestones and adding the two together, as follows:

EAIP PAYOUT ELIGIBILITY CALCULATION

FINANCIAL RESULTS PAYOUT AMOUNT

Base Salary X Target Incentive Percent

X Weighting of Financial Goals X Payout Factor

= Financial Goals Payout Eligibility

STRATEGIC MILESTONES PAYOUT AMOUNT

Base Salary X Target Incentive Percent

X Weighting of Strategic Milestones X Payout Factor

= Strategic Milestones Payout Eligibility

EAIP PAYOUT ELIGIBILITY

Financial Goals Payout Amount + Strategic Milestones Payout Amount

= EAIP Payout Eligibility

4. Notwithstanding anything to the contrary, the maximum payout, if any, a participant may receive is 150% of the target incentive amount.

5. The foregoing EAIP payout eligibility calculation is intended to set forth general guidelines on how awards are to be determined. The purpose of this plan is to motivate the participant to perform in an outstanding manner. The President and CEO has discretion under this plan to take into consideration the contribution of the participant, the participant's management of his/her organizational unit and other relevant factors, positive or negative, which impact the company's, the participant's organizational unit(s), and the participant's performance overall in determining whether to recommend granting or denying an award, and the amount of the award, if any. If the participant is the President and CEO, such discretion is to be exercised by the ECDC and the Board.

VI. PAYOUTS Payouts will be made within 90 days after the end of the plan year and will be based on audited financial results.

VII. STATUS CHANGES

A. In the event of a participant's death, disability, retirement or leave of absence prior to payout from the plan, the payout, if any, will be determined by the President and CEO in his/her sole discretion, subject to any approval of the ECDC in its sole discretion, subject to any required Board approvals. If the participant is the President and CEO, such approval is required by the Board, in its sole discretion.

B. A participant who resigns, or whose employment is terminated by the company, with or without cause, before payout from the plan is distributed, will not receive a payout. Exception to this provision shall be made only with the approval of the ECDC, in its sole discretion, subject to any required Board approvals. If the participant is the President and CEO, such approval is required by the Board in its sole discretion.

C. A participant who transfers between divisions of the company, will have his/her payout prorated to the nearest fiscal quarter for the time spent in each division, based on the achievement of financial goals and strategic milestones established for the position in each division, and based upon a judgment of the participant's contribution to the achievement of goals in each position, including interim revisions, if appropriate.

D. A participant who is appointed to a position with a different target incentive percent will have his/her payout prorated to the nearest fiscal quarter for the time spent in each position, based on the achievement of financial goals and strategic milestones established for each position.

E. A participant who is hired or promoted into an eligible position during the plan year may receive a prorated payout as determined by the President and CEO, in his/her sole discretion, subject to the approval of the ECDC.

VIII. ADMINISTRATION AND OTHER MATTERS

A. The plan is effective for the plan year. It will terminate, subject to payout, if any, in accordance with and subject to the provisions of this plan unless renewed by the company in writing in its sole discretion.

B. This plan will be administered by the President and CEO, who will have authority to interpret and administer this plan, including, without limitation, all questions regarding eligibility and status of the participant, subject to the approval of the ECDC required under this plan or the by-laws of the company.

C. This plan may be withdrawn, amended or modified at any time, and for any reason, in writing, in the company's sole discretion.

D. The determination of an award and payout under this plan, if any, is subject to the approval of the President and CEO, the ECDC, and the Board in their sole discretion. This plan does not confer upon any participant the right to receive any payout, or payment of any kind whatsoever.

E. No participant shall have any vested rights under this plan. This plan does not constitute a contract.

F. All deductions and other withholdings required by law shall be made to the participant's payout, if any.

Exhibit 10.13

JOHN WILEY & SONS, INC.

FY 1996 EXECUTIVE LONG TERM INCENTIVE PLAN

PLAN DOCUMENT

CONFIDENTIAL

JUNE 15, 1995

CONTENTS

Section Subject Page

I. Definitions	2
II. Plan Objectives	4
III. Eligibility	4
IV. Incentive	4
V. Performance Measurement and Objectives	4
VI. Performance Evaluation	5
VII. Payouts	6
VIII. Restricted Stock Award Provisions	7
IX. Stock Option	8
X. Administration and Other Matters	8

I. DEFINITIONS Following are definitions for words and phrases used in this document. Unless the context clearly indicates otherwise, these words and phrases are considered to be defined terms and appear in this document in italicized print:

company John Wiley & Sons, Inc.

plan The company's FY (Fiscal Year) 1996 Executive Long Term Incentive Plan as set forth in this document.

shareholder plan The company's 1991 Key Employee Stock Plan.

plan cycle The three year period from May 1, 1995 to April 30, 1998.

executive compensation and development committee (ECDC) The committee of the company's Board of Directors (Board) responsible for reviewing executive compensation.

cumulative financial goals The company's objectives to achieve specific cumulative financial results in terms of income, cash flow, return on equity and return on investment, as defined below, for the plan cycle, including interim revised cumulative financial goals, if any, as determined by the ECDC, the Finance Committee and the Board, and confirmed in writing.

cumulative financial results The company's actual achievement against the cumulative financial goals set for the plan cycle, as reflected in the company's audited financial statements.

participant Any person who is eligible and is selected to participate in the plan, as defined in Section III.

target incentive The target incentive has two components as determined and authorized by the ECDC at the committee meeting held on June 15, 1995: a restricted stock award, and cash, which combined represent the value that a participant is eligible to receive if 100% of his/her applicable cumulative financial goals are achieved and the participant remains an employee of the company through April 30, 2000, except as otherwise provided in Section VIII. The target incentive is based on the participant's position and is described in Section IV.

stock Class A Common Stock of the company.

restricted stock Stock issued pursuant to this plan and the shareholder plan that is subject to forfeiture. The value of each share of restricted stock under this plan will be determined by reference to the stock closing sale price, as reported by NASDAQ, on the date the ECDC acts at the beginning of the plan cycle (June 15, 1995). In the event the stock is not traded on June 15, 1995 or the date the ECDC acts, whichever is later, the closing sales price shall be the price of the stock on the next day after June 15, 1995 or the date the ECDC acts on which the stock trades.

restricted period The period during which the shares of restricted stock shall be subject to forfeiture in whole or in part, as defined in the shareholder plan, in accordance with the terms of the award.

plan end adjusted restricted stock award. The final amount of restricted stock awarded to a participant, at the end of the plan cycle after adjustments, if any, are made, as set forth in Section VIII.

stock option A right granted as a participant, as more fully described under Section IX, to purchase a specific number of shares of stock at a specified price. The stock option granted under this plan will be non-qualified (i.e. is not intended to comply with the terms and conditions for a tax-qualified option, as set forth in Section 422A of the Internal Revenue Code of 1986).

grant date The date on which a participant is granted the stock option. This is also the date on which the exercise price of the stock option is based.

payout amount Actual gross cash dollar amount paid plus the dollar value of the plan end adjusted restricted stock award, as set forth in Section VIII, to a participant under this plan, if any, for achievement of the cumulative financial goals, as further discussed in this plan.

performance levels

threshold The minimum acceptable level of achievement for each cumulative financial goal. If threshold performance is achieved against all company cumulative financial goals, a participant may earn 25% of the target incentive amount for which he/she is eligible. If threshold performance is achieved against all divisional cumulative financial goals, a participant may earn 50% of the target incentive amount for which he/she is eligible.

target Achievement in aggregate of the cumulative financial goals. Each individual cumulative financial goal is set at a level which is both challenging and achievable.

outstanding Superior achievement of the cumulative financial goals. If outstanding performance is achieved against all cumulative financial goals, the maximum amount a participant may earn is 150% of the target incentive amount for which he/she is eligible.

payout factor The percentage applied to the target incentive amount exclusive of the stock option portion, if any, to determine the payout amount based on the percentage of cumulative financial goals deemed achieved.

cumulative consolidated net income (net income) Reported net income after taxes adjusted for the after-tax effect of : (1) any unusual activity, and (2) any capital stock repurchase or other unusual capital stock transaction.

cumulative cash flow from operations after investing activities (cash flow) Net income, excluding unusual items not related to the period being measured, plus/minus any non-cash items included in net income and changes in operating assets and liabilities, minus normal investments in product development assets and property and equipment.

company average return on equity (ROE) The simple average ROE of the three fiscal years in the plan cycle. Each fiscal year ROE is net income, excluding unusual items not related to the period being measured, divided by the average of the total shareholders' equity.

company average return on investment (ROI) The simple average ROI of the three fiscal years in the plan cycle. Each fiscal year ROI is net income, excluding unusual items not related to the period being measured, plus amortization of intangibles and interest expense after taxes, divided by the average of total shareholders' equity plus long- term and short-term debt.

cumulative divisional operating income (divisional operating income) Divisional operating income is defined as operating income before taxes excluding the effects of any unusual activity.

divisional cumulative cash flow from operations after investing activities (divisional cash flow) Operating income before allocations and taxes, excluding unusual items not related to the period being measured, plus/minus any non-cash items included in operating income (other than provisions for bad debts), and changes in controllable assets and liabilities, less normal investments in product development assets and direct property and equipment additions. Controllable assets and liabilities are inventory, composition, author advances, other deferred publication costs, and deferred subscription revenues.

divisional average return on investment (ROI) The simple average ROI of the three fiscal years in the plan cycle. Each fiscal year ROI is operating income before allocations and taxes, excluding unusual items not related to the period being measured, plus amortization of intangibles and increases in deferred subscription revenues (net of any deferred subscription revenues acquired during the year), divided by the average of fully allocated net investment. Net investment is defined as controllable assets plus allocated accounts receivable, raw materials inventory and LIFO reserve, corporate property and equipment, accounts payable, trade customer credit balance, royalties payable, cumulative amortization and write-offs of intangible assets since May 1, 1989, deferred subscription liability balance, net of any deferred subscription liability balance at the date of acquisition for businesses acquired since May 1, 1989, and inventory consigned to the division, less divisional inventory consigned to others. Controllable assets are defined as inventory, composition costs, author advances, pre-publication costs, divisional property and equipment, acquired publication rights and other intangible assets, other deferred assets and deferred subscription liability.

II. PLAN OBJECTIVES The purpose of this plan is to enable the company to reinforce and sustain a culture devoted to excellent performance, emphasize long term financial performance at the corporate and division levels, reward significant contributions to the success of the company, attract and retain highly qualified executives, and provide an opportunity for each participant to acquire equity in the company.

III. ELIGIBILITY The participant is selected by the ECDC in its sole discretion, from among those employees in key management positions deemed able to make the most significant contributions to the growth and profitability of the company. An employee must be a participant of the FY 1996 Executive Annual Incentive Plan to be eligible to participate in this plan. The President and CEO of the company is a participant.

IV. INCENTIVE

A. The participant's target incentive is determined based on the participant's position in the company and the contributions the position is deemed able to make in achieving the cumulative financial goals of the company.

B. The participant's target incentive is recommended by the President and CEO to the ECDC for its and the Board's approval. In the case of the President and CEO, the target incentive is recommended by the ECDC for the Board's approval.

C. The incentive's two components may be restricted stock, if authorized by the ECDC, and cash.

V. PERFORMANCE MEASUREMENT AND OBJECTIVES

A. The objectives for the cumulative financial goals are recommended by the ECDC with the advice of the Finance Committee to the Board for its approval. The cumulative financial goals performance objectives are set at a level which are challenging and achievable.

B. Cumulative financial goals established for each participant may include one or more organizational level's financial goals (e.g. company and division), and one or more financial goals for a particular organizational unit (e.g. cash flow, income, ROE and

ROI). The weighting of and between the two organizational levels' cumulative financial goals may vary, depending upon the participant's position. Weighting of the participant's cumulative financial goals is recommended by the President and CEO to the ECDC. In the case of the President and CEO, the cumulative financial goals are company net income, cash flow, ROE and ROI.

C. Threshold, target and outstanding performance levels for the cumulative financial goals are recommended by the President and CEO for approval by the ECDC, the Finance Committee of the Board and the Board.

VI. PERFORMANCE EVALUATION

A. Cumulative Financial Results

1. Actual cumulative financial results achieved by the company and by each division will be calculated at the end of the plan cycle, subject to adjustment for audited results, and will be compared with the previously set cumulative financial goals.

2. The cumulative financial results will be reviewed by the President and CEO to determine proposed payout factors for the company and for the divisions.

3. The President and CEO will provide to the ECDC a view of the company's achievement of its cumulative financial goals, as well as divisional achievement of like objectives, if any, and will recommend payout factors to be used for the company and divisional objectives.

B. Award Determination

1. At least threshold performance, in aggregate, of a participant's particular organizational level's objectives is necessary for the participant to receive a payout for the particular organizational level. However, once the overall threshold is achieved, the non-achievement of any one particular cumulative financial goal's target objective does not preclude a payout.

2. The determination of the performance level achievement (threshold, target and outstanding, or points in between) for each organizational level's cumulative financial goals will be made independent of any other organizational level's cumulative financial goals a participant may have.

3. If the participant has more than one organizational level's cumulative financial goals, the non-achievement of a threshold performance level of one organizational level's cumulative financial goals does not preclude a payout for the other organizational level's cumulative financial goals.

4. The following details the effect of the cumulative financial results performance levels on a participant's payout amount. The actual payout factors will be in the sole judgment and discretion of the ECDC, taking into account the following guidelines:

a. For below threshold performance in aggregate, the payout amount is zero.

b. For company threshold performance in aggregate, 25% of the target incentive may be recommended. For divisional threshold performance in aggregate, 50% of the target incentive may be recommended

c. For between company threshold and target performance in aggregate, at minimum 25% of the target incentive and up to 100% of the target incentive may be recommended. For between divisional threshold and target performance in aggregate, at minimum 50% of the target incentive and up to 100% of the target incentive may be recommended.

d. For target performance in aggregate, 100% of the target incentive may be recommended.

e. For between target and outstanding performance in aggregate, at minimum 100% of the target incentive and up to 150% of the target incentive may be recommended.

f. For outstanding performance in aggregate, 150% of the target incentive may be recommended.

5. Notwithstanding anything to the contrary, the maximum payout amount, if any, a participant may receive is 150% of the target incentive.

VII PAYOUTS

A. The cash payout amount will be based on the following formula:

Target Incentive x Corporate Weighting x Payout Factor = Corporate Incentive Payout

Target Incentive x Divisional Weighting x Divisional Payout Factor = Divisional Incentive Payout

Corporate Incentive Payout + (if applicable) Divisional Incentive Payout - (Plan End Adjusted Restricted Stock Award x Stock Price at Beginning of Plan Cycle) = Cash Payout Amount

Note: See Section VIII for information regarding the proportion of the payout amount which is paid in cash and in restricted stock.

B. The restricted stock portion of the payout amount, if any, will be made as set forth in Section VIII below. The determination by the ECDC of plan end adjusted restricted stock shall constitute payout of this portion of the award.

C. The cash payout, if any, of the payout amount will be made within 90 days after the end of the plan cycle.

D. In the event of a participant's death, permanent disability, retirement or leave of absence prior to payout from this plan, restricted stock awarded at the beginning of the plan cycle, if any, is forfeited, and the payout amount, if any, will be determined by the ECDC in its sole discretion.

E. A participant who resigns, or whose employment is terminated by the company, with or without cause, prior to payout from this plan, is not eligible for a payout amount and shall forfeit any restricted stock awarded at the beginning of the plan cycle.

VIII. RESTRICTED STOCK AWARD PROVISIONS

A. Since one of the objectives of this plan is to provide the participant with an equity stake in the company and align management and shareholder interests, it is intended that a portion of the target incentive, will be awarded in equity (restricted stock and stock options) and the remaining portion will be awarded in cash. At the beginning of the plan cycle, the ECDC will determine the proportion of the target incentive that will be allocated between restricted stock, and cash. While it is intended that such proportions will be maintained, the actual proportions may be adjusted by the ECDC at the end of the plan cycle, in its sole discretion.

B. Restricted stock, if any, shall be awarded at the beginning of the plan cycle, after the June, 1995 ECDC meeting. The amount of restricted stock awarded shall be based on the proportion of the target incentive allocated to restricted stock, as determined by the ECDC. The value of each share will be determined based on the stock closing sale price, as reported by NASDAQ, on the date the ECDC acts at the beginning of the plan cycle (June 15, 1995). In the event the stock is not traded on June 15, 1995 or the date the ECDC acts, whichever is later, the closing sales price shall be the price of the stock on the next day after June 15, 1995 or the date the ECDC acts on which the stock trades. The restricted stock awarded at the beginning of the plan cycle also is subject to adjustment at the end of the plan cycle as set forth in Sections VIII (C) and (D) below. Restricted stock, if any, shall be awarded pursuant to the shareholder plan, as approved by the ECDC. In addition to the terms and conditions set forth in the shareholder plan and Section VII (D) and (E) above, the following conditions shall apply:

1. The participant shall have the right to receive dividends or other distributions with respect to restricted stock shares received at the beginning of the plan cycle and shall have the right to vote such shares, however the restricted stock may not be sold or transferred until all restrictions lapse. Restricted stock shall be legended and held by the Company.
2. Withholding taxes relating to restricted stock awarded may be satisfied by surrendering shares to the company, in lieu of cash, upon lapse of the restriction.
3. The restricted period for restricted stock awarded shall be as follows: subject to continued employment except as otherwise set forth in the shareholder plan or Sections VII and VIII of this plan, the lapse of restrictions on one-half of the restricted stock awarded will occur on the first anniversary (April 30, 1999) of the plan end date at which time the participant will receive a new stock certificate in a number of shares equal to one-half of the restricted stock awarded with the restrictive legend deleted, and the lapse of restrictions on the remaining half will occur on the second anniversary (April 30, 2000) of the plan end date at which time the participant will receive a new stock certificate in a number of shares equal to the remaining half with the restrictive legend deleted.
4. If the participant dies or becomes permanently disabled during the restricted period, the restrictions on the restricted stock will lapse on the date of such event.

5. If the participant retires during the restricted period at or after his/her normal retirement date, the restrictions on the restricted stock will lapse on the date of such event.

6. If the participant takes early retirement during the restricted period, the restrictions on the restricted stock will not lapse until the restricted period expires. If the participant dies between the time the participant takes early retirement and the end of the restricted period (April 30, 2000), the lapse of restrictions on the restricted stock will occur on the date of such event.

7. The restricted stock may be adjusted by the ECDC for any change in the capital stock of the company, as provided in Section II of the shareholder plan and is in all respects subject to the provisions of that plan.

8. In the event of a change of control, as defined in the shareholder plan, all shares of restricted stock which would otherwise remain subject to restrictions under the plan shall be free of such restrictions.

C. The number of shares of restricted stock awarded at the beginning of the plan cycle, may be adjusted at the end of the plan cycle for the following reasons: (1) if the proportion of the target incentive award is restricted stock is adjusted at plan year end by the ECDC as set forth in Section VIII (A) and/or (2) when the payout factor is adjusted at plan year end based on actual achievement of target objectives.

D. An adjustment to the restricted stock will be determined as follows: The final proportion (%) of restricted stock established by the ECDC at the end of the plan cycle times (x) the payout amount equals (=) that part of the payout amount to be awarded in restricted stock. The result of this calculation will be divided by the stock price set at the beginning of the plan cycle, as previously defined, to give the number of shares for the plan end adjusted restricted stock award. The result of this calculation will be compared to the restricted stock awarded at the beginning of the plan cycle, and the appropriate amount of restricted stock will be awarded or forfeited, as required, to bring the restricted stock award to the number of shares designated as the plan end adjusted stock award.

IX. STOCK OPTION The participant may be granted a stock option pursuant to the shareholder plan at the beginning of the plan cycle, representing another incentive vehicle by which the participant is able to share in the equity growth of the company. The number of shares in the stock option granted to a participant under this plan is based on a set of variables and assumptions, applied consistently to all participants, regarding the monetary value a participant might receive upon exercise of the stock option. The terms and conditions of the award of the stock option are contained in the shareholder plan and in the stock option award. Withholding taxes relating to the gain realized on the exercise of an option may be satisfied by surrendering to the company the equivalent value of the taxes, or a portion thereof, in option shares in lieu of cash.

X. ADMINISTRATION AND OTHER MATTERS

A. This plan will be administered by the ECDC, who will have authority in its sole discretion to interpret and administer this plan, including, without limitation, all questions regarding eligibility

and status of any participant, and no participant shall have any right to receive any restricted stock or payment of any kind whatsoever, except as determined by the ECDC hereunder.

B.The company will have no obligation to reserve or otherwise fund in advance any amount which may become payable under the plan.

C.Restricted stock awarded and cash paid out under this plan shall not be considered as compensation for purposes of defining compensation for retirement, savings or supplemental executive retirement plans, or similar type plans.

D.This plan may not be modified or amended except with the approval of the ECDC. Notwithstanding the foregoing, Section VIII B (8) shall not be amended.

E.In the event of a conflict between the provisions of this plan and the provisions of the shareholder plan, the latter shall apply.

Exhibit 10.14

1994 SENIOR EXECUTIVE EMPLOYMENT AGREEMENT

AGREEMENT made as of the 1st day of July, 1994, as amended and restated as of the 29th day of March, 1995, by and between John Wiley & Sons, Inc., a New York corporation, with offices at 605 Third Avenue, New York, New York 10158 (hereinafter referred to as the "Corporation"), and Charles R. Ellis presently residing at 300 East 54th Street, Apartment 34K, New York, New York 10022 (hereinafter referred to as the "Executive").

WITNESSETH:

Executive is presently employed as President and Chief Executive Officer of the Corporation. The Corporation and Executive entered into an Agreement dated as of July 1, 1994 (the "Original Agreement") regarding Executive's employment with the Corporation. The Corporation and Executive desire to amend and restate the Original Agreement and to enter into an agreement of employment on the terms and subject to the conditions hereinafter set forth.

NOW THEREFORE, the parties agree as follows:

1. Employment.

1.1 The Corporation hereby employs Executive as President and Chief Executive Officer of the Corporation.

1.2 Executive hereby accepts such employment and shall devote his full business time, attention, knowledge and skills faithfully, diligently and to the best of his ability to the performance of his duties. Executive shall do such traveling as may be reasonably required of him in the performance of his duties. Executive shall be subject to and shall observe and carry out such reasonable rules, regulations, policies, directions and restrictions consistent with the duties to be performed by him hereunder as the Corporation shall from time to time establish.

1.3 If at any time during the term of employment the Board of Directors of the Corporation shall, without his consent, and other than for cause or on account of death, disability or retirement, fail to re-elect Executive as President and Chief Executive Officer or shall remove him from such office, Executive shall have the right, exercisable by written notice to the Corporation within ten business days after the occurrence of such failure to re-elect or removal, to terminate his services hereunder, effective as of the last day of the month of receipt by the Corporation of any such written notice, and Executive shall have no further obligation under this Agreement. Termination of Executive's services under this Section shall be treated as a termination of employment by the Corporation other than for cause and shall be governed by the provisions of Section 6.2 of this Agreement.

1.4 Executive shall not be entitled to compensation other than the compensation provided for (or otherwise referred to) in this Agreement for any services he may render as a director or officer of any of the Corporation's subsidiaries.

1.5 Executive shall not without the prior written approval of the Corporation accept employment or compensation from or perform services of any nature for any business enterprise other than the Corporation or any of its subsidiaries or joint-venture entities.

1.6 Executive shall not without the prior written approval of the Corporation invest in any business enterprise -

1.6.1 if such enterprise engages in or involves a "Restricted Business" as that term is hereinafter defined in Section 8.1;

1.6.2 if such investment interferes with the performance of Executive's duties hereunder; or

1.6.3 if such investment would violate the Corporation's announced business policy with respect to employee interests in suppliers of goods or services to the Corporation or any of its subsidiaries. Notwithstanding the foregoing, Executive may invest in securities of any company if such securities are listed for trading on a national stock exchange or traded on the over-the-counter market and Executive's investment therein represents less than one percent (1%) of the total number of outstanding shares of the class of shares or outstanding principal amount of the class of other securities of such company, as the case may be.

1.7 Executive shall not without the prior written approval of the Corporation serve on the board of directors of any business enterprise other than the Corporation or any of its subsidiaries.

2. Term.

2.1 Executive's term of employment hereunder shall commence as of July 1, 1994 and shall continue through July 20, 1998, unless sooner terminated in accordance with this Agreement, and thereafter as herein provided. Executive's term of employment shall automatically renew for a subsequent two year term, beginning on July 21, 1998, subject to the terms of this Agreement, unless either party gives written notice 90 days or more prior to the expiration of the then existing term of his or its decision not to renew. Failure by the Corporation to renew, although not a termination by the Corporation without cause or for cause, shall for purposes of the benefits intended to be provided to Executive (and the obligations of Executive under Section 6.5) be deemed to constitute a termination without cause.

3. Compensation.

3.1 As compensation for his services hereunder, the Corporation shall pay Executive a base salary at the rate of three hundred seventy thousand (\$370,000) Dollars per annum, subject to increase as hereinbelow provided, payable in equal installments no less frequently than monthly.

3.2 Executive shall be eligible to participate in all of the Corporation's executive compensation plans in which any senior vice president is eligible to participate, including but not limited to the Executive Annual Incentive Plan ("EAIP"), the Executive Long Term Incentive Plan ("ELTIP"), or equivalents, for so long as such plans remain in effect and shall also be entitled to all of his other presently existing employment benefits and perquisites or equivalents.

3.3 Executive's compensation shall be reviewed periodically in accordance with procedures and policies established by the Corporation for salary review of its officers.

3.4 To the extent coverage is not duplicative of that provided under an executive compensation plan in which Executive is eligible to participate, Executive shall be included to the extent eligible under any and all plans providing benefits generally for the Corporation's employees, including, but not limited to, pension, group life insurance, hospitalization, medical and disability plans. The Corporation shall not, however, be under any obligation to continue the existence of any executive compensation or other employee benefit plan referred to in Section 3.2 or this Section 3.4.

3.5 The Executive Compensation and Development Committee (the "Committee") intends, at a meeting of the Committee to be held before the end of June 1995, to grant to Executive under the 1991 Key Employee Stock Plan 15,000 post 7/6/94 split shares of Class A Common Stock of the Corporation, par value \$1 per share ("Common Stock"), pursuant to substantially the same terms and subject to substantially the same conditions and restrictions as the restricted stock awarded to Executive by the Corporation on June 23, 1994, as the same may be amended from time to time; provided, however, that no "Transfer Restriction" (as defined in the Restricted Stock Award Agreement, dated as of June 23, 1994, between the Corporation and Executive) shall be placed on the restricted stock granted in 1995. Upon the retirement of Executive with the consent and approval of the Board of Directors of the Corporation, all restrictions with respect to all restricted stock granted to Executive shall lapse.

3.6 Subject to the next sentence of this

Section 3.6, (i) should the 1995 restricted stock award contemplated by Section 3.5 not be timely granted, or should any such award be altered or impaired thereafter, other than as contemplated by the 1991 Key Employee Stock Plan or (ii) should the Corporation cease to provide incentive compensation plans in which Executive is eligible to participate, substantially similar to those described in Section 3.2 above, and of a value to Executive substantially similar to that of the present plans, Executive shall have the right to terminate his services hereunder, exercisable by written notice to the Corporation within ten business days after (i) the end of June 1995, or (ii) the cessation of such plans, as applicable, effective as of the last day of the month of receipt by the Corporation of any such notice, and Executive shall have no further obligation of any kind under or arising out of this Agreement. Should a circumstance or event not within the reasonable contemplation of the parties at the date hereof arise on or before the date when the Committee meets to award grants of the kind contemplated by Section 3.5 that makes it inadvisable or undesirable in the reasonable judgment of the Committee to grant to Executive the awards contemplated by that Section, and should the Committee and/or the Board of Directors of the Corporation (as may be required) on or about such date, because of such intervening circumstance or event, instead bestow upon Executive benefits of reasonably equivalent value and having comparable vesting dates, Executive shall thereupon forego his right of termination under the preceding sentence. Termination of Executive's services under this Section 3.6 shall be treated as a termination of employment by the Corporation other than for cause and shall be governed by the provisions of Section 6.2.

4. Vacation.

Executive shall be entitled to four weeks of paid vacation, or such greater amount, if any, as provided in the policies of the Corporation then applicable to Executive, each calendar year during the period of his employment hereunder, to be taken at times mutually agreeable to Executive and the Corporation.

5. Change of Position

5.1 At any time during the term of this Agreement, or upon completion of Executive's first term of employment hereunder on July 20, 1998, Executive may, upon 90 days written notice to the Corporation, request to be employed by the Corporation (x) in a senior management position with less responsibility than President and Chief Executive Officer for a period of 24 months or (y) as an internal consultant to management and/or the Board of Directors of the Corporation (provided, that under such consultancy the knowledge, skills and experience of Executive would be generally available and accessible to the Corporation in such a manner as would continue to qualify him as an employee of the Corporation) for a period of 24 months (either (x) or (y), a "Change of Position"), and the Corporation shall honor such request. In the event of a Change of Position, the obligations of the Corporation to Executive shall be limited to the following:

5.1.1 Salary accrued to the effective date of such Change of Position;

5.1.2 Continuation of base salary at the per annum rate then in effect, for a period of 24 months from the effective date of such Change of Position (hereinafter the "Change Period"); and

5.1.3 Coverage during such Change Period under the employee benefit plans referred to in Section 3.4 or provisions for comparable benefits outside such plans. Executive shall have no right to continued employment with the Corporation beyond the Change Period. The Board of Directors is not precluded from, in its discretion, awarding Executive supplemental bonus compensation based on the contributions of Executive to the Corporation and the performance of the Corporation during the Change Period. Notwithstanding the foregoing, the obligations of the Corporation to Executive under this Section 5.1 shall not extend beyond July 20, 2000 without the consent of the Board of Directors of the Corporation.

6. Termination of Employment By Corporation.

6.1 The Corporation may terminate Executive's employment hereunder at any time for cause without further obligation or liability except as hereinbelow stated in this Section 6.1. For purposes of this Agreement, the term "cause" shall be limited to the following grounds:

6.1.1 Executive's refusal to substantially perform his duties or otherwise fulfill his material obligations under this Agreement (for reasons other than death or disability), in any such case after due written notice thereof, or serious willful misconduct in respect of his obligations hereunder;

6.1.2 Conviction of a felony crime;

6.1.3 Perpetration of a fraud against the Corporation or misappropriation of the Corporation's property;

6.1.4 Habitual intoxication or illegal use of habit forming substances; or

6.1.5 Knowingly making a material false statement to the Corporation's Board of Directors or management regarding the affairs of the Corporation.

In the event Executive's employment is terminated for cause, no further payments of salary or benefits of any kind or nature (except to the extent accrued to the date of termination) shall be paid to Executive, and Executive shall have no further claim against the Corporation under the terms of this Agreement or otherwise relating to his employment.

6.2 Corporation may terminate Executive's employment hereunder at any time without cause. In the event of such termination the obligations of the Corporation to Executive shall be limited to the following:

6.2.1 Salary accrued to the effective date of such termination;

6.2.2 Continuation of base salary at the per annum rate then in effect, until July 20, 1998, and for a period of 24 months thereafter (hereinafter the "Severance Period");

6.2.3 The "target incentive amount" under any executive annual incentive plan established by the Corporation for a fiscal year ending during the Severance Period, and the same "target incentive amount" for any such executive annual incentive plan, pro-rated to the end of the Severance Period, for a fiscal year commencing during but ending after the Severance Period, or the equivalent under any bonus or variable compensation plan which may hereafter be adopted by the Corporation in lieu of such executive annual incentive plan;

6.2.4 The value of the "payout amount," in cash, for any executive long term incentive plan established by the Corporation, the plan cycle of which ends within 12 months after the effective date of termination, pro-rated to the date of termination;

6.2.5 Lapse of restrictions on any outstanding restricted stock awards granted under any executive long term incentive plan established by the Corporation, but not vested on the effective date of termination, or at the Corporation's option, the cash value of the restricted stock forfeited under such awards based on "fair market value" on the effective date of termination; and

6.2.6 Coverage during such Severance Period under the following employee benefit plans or provisions for comparable benefits outside such plans, but only to the extent comparable coverage is not provided by any new employer: (1) Group Health Insurance Program; (2) Long-Term Disability Plan (as provided under such Plan, the Executive shall be required to pay the premium); (3) Group Life and Accidental Death and Dismemberment Insurance (at the levels in effect at the date of termination of employment, taking into account any waiver of coverage under the Corporation's Supplemental Executive Retirement Program).

For purposes of Section 6.2.5, the "fair market value" shall be the mean between the bid and asked prices at which the Common Stock is quoted in the over-the-counter market on the effective date of termination as reported by NASDAQ or any successor thereto. If no such quotations are available on such date, the most recent date, within a reasonable time, upon which such quotations are available shall be used. If at any time Common Stock shall be listed on a national securities exchange, the mean between the highest and lowest prices at which the Common Stock is traded on such exchange on such date shall be used. If there is no sale of the Common Stock on such exchange on such date, the mean between the bid and asked prices on such exchange at the close of the market on such date shall be deemed to be the fair market value of the Common Stock.

Executive shall not be required to seek other employment during such Severance Period, but in the event Executive renders personal services during such period to any person or firm other than the Corporation, whether as an employee, a partner or as a self-employed individual and earns income (whether or not then payable) attributable to the performance of such personal services during either the 12 month period commencing on the date of termination of employment or the next succeeding 12 month period in excess of \$75,000 per such 12 month period, (i) Executive shall notify the Corporation, in accordance with Section 10.3 hereof, within 15 days of the commencement of such employment, and (ii) the amount of salary which the Corporation would otherwise be required to pay Executive during such 12 month period shall be reduced dollar for dollar by such excess amount. If as a result of Executive's accruing such income, the Corporation has overpaid Executive, Executive shall promptly reimburse the Corporation for the amount of such overpayment.

6.3 Executive agrees that the payments described in Section 6.2 shall be full and adequate compensation to Executive for all damages he may suffer as a result of the termination of his employment pursuant to Section 6.2, and hereby waives and releases the Corporation from any and all obligations or liabilities to Executive arising from or in connection with Executive's employment with the Corporation or the termination of his employment including, without limitation, all rights and claims Executive may have under the Corporation's severance policy and federal, state or local statutes, regulations or ordinances or under any common law principles of breach of contract or the covenant of good faith and fair dealing, defamation, wrongful discharge, intentional infliction of emotional distress or promissory estoppel; provided, however, that any rights and benefits Executive may have under the employment benefit plans and programs of the Corporation, including, without limitation, the Corporation's Supplemental Executive Retirement Program, in which Executive is a participant, shall be determined in accordance with the terms and provisions of such plans and provisions.

6.4 If Executive voluntarily resigns from all employment with the Corporation, the Corporation shall have no further obligation to Executive except for salary accrued to the effective date of such resignation.

6.5 In the event the Corporation terminates Executive's employment, whether with or without cause, or in the event of Executive's voluntary resignation from all employment with the Corporation, Executive if so requested by the Corporation shall assist in the orderly transfer of authority and responsibility to his successor.

7. Death or Disability.

7.1 In the event of the death of Executive during the term of employment under this Agreement or during the period when payments are being made pursuant to Section 6.2.2, this Agreement shall terminate and all obligations to Executive shall cease as of the date of death except that the Corporation will pay the then base salary under

Section 3.1 until the end of the month in which Executive dies, and except for any rights and benefits of Executive under the benefit plans and programs of the Corporation including, without limitation, the Supplemental Executive Retirement Plan in which Executive is a participant, as determined in accordance with the terms and provisions of such plans and programs. The payout under the EAIP, or equivalent, for the fiscal year in which Executive's death occurs, shall be annualized and paid at the normal time to Executive's estate pro rata to the date of death. The value of the "payout amount," in cash, for any executive long term incentive plan established by the Corporation, the plan cycle of which ends within 12 months after the date of Executive's death, shall be paid at the normal time to Executive's estate.

7.2 In the event that Executive shall become entitled to salary continuation payments under the Corporation's Group Long-Term Disability Insurance Plan or under any generally similar plan then in effect, the Corporation may, at its option, terminate the employment of Executive hereunder without further obligation or liability on the part of the Corporation under the terms of this Agreement.

8 Restricted Covenant.

8.1 In consideration of the Corporation entering into this Agreement, Executive shall not, directly or indirectly, until July 21, 2000 (unless compliance herewith is excused pursuant to Section 8.2), be employed by, render services to or participate in the management, operation or control of, or serve as advisor or consultant to or otherwise become financially interested (other than by passive ownership of securities constituting less than one percent (1%) of such class of securities in any one case) in any business of the same nature as that now (or hereafter during the term of this Agreement) carried on by the Corporation or any of its subsidiaries (a "Restricted Business").

8.2 Should a Change of Control (as defined in the Corporation's Supplemental Executive Retirement Plan) occur during the term of employment and should the Executive terminate his employment for "Good Reason" (as defined in said Plan) within a period of 18 months following such Change of Control such termination by Executive shall constitute a waiver by the Corporation of the restrictive covenant set forth in Section 8.1 and Executive shall have no further obligation to comply with its terms.

8.3 Executive acknowledges and agrees that in the event of any violation of the restrictive covenant set forth in Section 8.1, the Corporation shall be authorized and entitled to obtain from any court of competent jurisdiction temporary, preliminary or permanent injunctive relief as well as an equitable accounting of all profits or benefits arising out of such violation and any damages for the breach of this Agreement which may be applicable. The aforesaid rights and remedies shall be independent, severable and cumulative and shall be in addition to any other rights or remedies to which the Corporation may be entitled.

8.4 The restrictions contained in this Section 8 are intended to be reasonable. In the event that any restriction contained herein is held by any court of competent jurisdiction or arbitrator to be in any respect unreasonable, the court so holding may limit the territory to which it pertains or the period of time in which it operates, or affect any other change to the extent necessary to make it enforceable.

The remaining provisions shall not be affected, but shall, subject to the discretion of such court, remain in full force and effect and any invalid and unenforceable provision shall be deemed without further action on the part of the parties hereto modified, amended and limited to the extent necessary to render the same valid and enforceable to the maximum extent permissible.

8.5 Executive shall hold in a fiduciary capacity for the benefit of the Corporation all confidential information, knowledge and data relating to or concerned with the Corporation's products, operations, sales, business and affairs which are proprietary and not readily ascertainable from trade sources or other publicly available data, and he shall not, at any time hereafter, use, disclose or divulge any such confidential information, knowledge or data to any person, firm or corporation other than to the Corporation, its subsidiaries or its designees or except as may otherwise be required in connection with the business and affairs of the Corporation. A breach of Executive's obligations hereunder shall entitle the Corporation to seek injunctive or equitable relief and/or damages from any court of competent jurisdiction.

9. Change of Control Agreements.

It is understood and agreed that none of the benefits accruing to Executive under the 1991 Key Employee Stock Option Plan or Supplemental Executive Retirement Plan resulting from a "change of control" shall derogate from the rights granted to Executive under this Agreement, and the rights granted to him thereunder shall, subject to the triggering events thereof, be supplementary to and not in substitution for his rights hereunder.

10. General.

10.1 Subject to Section 8.2 and Section 9 hereof, this Agreement constitutes the entire agreement concerning Executive's employment, and no amendment or modification hereof shall be valid or binding unless made in writing and signed by the party against whom enforcement thereof is sought.

10.2 The provisions of Section 8 hereof shall survive the termination or expiration of this Agreement.

10.3 Any notice required, permitted, or desired to be given pursuant to any of the provisions of this Agreement shall be deemed to have been sufficiently given or served for all purposes if delivered in person or sent by registered or certified mail, return receipt requested, postage and fees prepaid, as follows:

If to the Corporation, at:
605 Third Avenue
New York, New York 10158

Attention: W. Bradford Wiley II

with a copy to:

Richard S. Rudick, Esq.

John Wiley & Sons, Inc.
605 Third Avenue
New York, New York 10158

If to Executive, at:
300 East 54th Street

Apartment 34K
New York, New York 10022

Either of the parties hereto may at any time and from time to time change the address to which notices shall be sent hereunder by notice to the other party.

10.4 No course of dealing or any delay on the part of the Corporation or Executive in exercising any rights hereunder shall operate as a waiver of any such rights. No waiver of any default or breach of this Agreement shall be deemed a continuing waiver of any other breach or default.

10.5 This Agreement relates to services to be performed principally in, and accordingly shall be governed, interpreted and construed in accordance with the laws of the State of New York.

10.6 If any provision or part of this Agreement shall be held or declared to be void, invalid or illegal for any reason by any court of competent jurisdiction, such provision or part shall be ineffective but shall not in any way invalidate or affect any other provision or part of this Agreement.

10.7 This Agreement, and the respective rights and obligations of the parties hereunder, shall inure to the benefit of, and shall be binding upon, the Corporation and its successors and assigns.

10.8 Should there arise any claim, dispute or controversy relating to this Agreement, or the breach thereof, the parties shall use their best efforts and good will to settle such claim, dispute or controversy by amicable negotiations. Except as provided in Sections 8.2 and 8.4, any such claim, dispute or controversy that arises between the parties relating to this Agreement that is not amicably settled shall be resolved by arbitration, as follows.

10.8.1 Any such arbitration shall be heard in New York, New York, before a panel consisting of one (1) to three (3) arbitrators, each of whom shall be impartial. Except as the parties may otherwise agree, all arbitrators shall be appointed in the first instance by the President of the Association of the Bar of the City of New York or, in the event of his unavailability by reason of disqualification or otherwise, by the Chairman of the Executive Committee of the Association of the Bar of the City of

New York. In determining the number and appropriate background of the arbitrators, the appointing authority shall give due consideration to the issues to be resolved, but his decision as to the number of arbitrators and their identity shall be final. Except as otherwise provided in this Section 10.8, or as the parties may otherwise agree, arbitration hereunder shall be governed by the rules of the American Arbitration Association, as they then exist.

10.8.2 An arbitration may be commenced by any party to this Agreement by the service of a written Request for Arbitration upon the other affected parties. Such Request for Arbitration shall summarize the controversy or claim to be arbitrated, and shall be referred by the complaining party to the appointing authority for appointment of arbitrators ten (10) days following such service or

thereafter. If the panel of arbitrators is not appointed by the appointing authority within thirty (30) days following such reference, any party may apply to any court within the State of New York for an order appointing arbitrators qualified as set forth below. No Request for Arbitration shall be valid if it relates to a claim, dispute, disagreement or controversy that would have been time barred under the applicable statute of limitations had such claim, dispute or controversy been submitted to the Supreme Court of the State of New York.

10.8.3 All attorneys' fees and costs of the arbitration shall in the first instance be borne by the respective party incurring such costs and fees, but the arbitrators shall have the discretion to award costs and/or attorneys' fees as they deem appropriate under the circumstances. In addition to the waiver set forth in Section 6.3 above, the parties hereby expressly waive punitive damages, and under no circumstances shall an award contain any amount that in any way reflects punitive damages.

10.8.4 Judgment on the award rendered by the arbitrators may be entered in any court having jurisdiction thereof.

10.8.5 It is intended that claims, disputes or controversies submitted to arbitration under this Section 10.8 shall remain confidential, and to that end it is agreed by the parties that neither the facts disclosed in the arbitration, the issues arbitrated, nor the views or opinions of any persons concerning them, shall be disclosed to third persons at any time, except to the extent necessary to enforce an award or judgment or as required by law or in response to legal process or in connection with such arbitration.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the day and year first above written.

JOHN WILEY & SONS, INC.

Date: March 31, 1995

*By /s/ W. Bradford Wiley II
Chairman of the
Board of Directors*

/s/ Charles R. Ellis

ARTICLE 5

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION AND THE CONSOLIDATED STATEMENT OF INCOME AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

CIK: 0000107140

NAME: JOHN WILEY & SONS, INC.

MULTIPLIER: 1000

PERIOD TYPE	12 MOS
FISCAL YEAR END	APR 30 1995
PERIOD START	MAY 01 1994
PERIOD END	APR 30 1995
CASH	34,410
SECURITIES	0
RECEIVABLES	75,195
ALLOWANCES	22,633
INVENTORY	41,535
CURRENT ASSETS	141,191
PP&E	54,356
DEPRECIATION	33,112
TOTAL ASSETS	247,481
CURRENT LIABILITIES	129,950
BONDS	0
COMMON	10,171
PREFERRED MANDATORY	0
PREFERRED	0
OTHER SE	88,661
TOTAL LIABILITY AND EQUITY	247,481
SALES	0
TOTAL REVENUES	331,091
CGS	0
TOTAL COSTS	113,142
OTHER EXPENSES	191,070
LOSS PROVISION	0
INTEREST EXPENSE	2,854
INCOME PRETAX	25,793
INCOME TAX	7,482
INCOME CONTINUING	18,311
DISCONTINUED	0
EXTRAORDINARY	0
CHANGES	0
NET INCOME	18,311
EPS PRIMARY	2.25
EPS DILUTED	2.23

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