FORM 10-K

Thomson StreetEvents℠

SEC Filing

WILEY JOHN SONS, INC. - JW.A

Filing Date: July 12, 2004
Filing Period: April 30, 2004

DESCRIPTION
Annual report which provides a comprehensive overview of the company for the past year

Table of Contents

10-K - 2004 10K

PART I

Item 1.	Business
Item 2.	Properties
Item 3.	Legal Proceedings
Item 4.	Submission of Matters to a

PART II

Item 5.	Market for the Company's Common
Item 6.	Selected Financial Data
Item 7.	Management's Discussion and Analysis of
Item 7A.	Quantitative and Qualitative Disclosures About Market Risk
Item 8	Financial Statements and Supplemental Data
Item 9.	Changes in and Disagreements With
Item 9A.	Controls and Procedures

PART III

Item 10.	Directors and Executive Officers
Item 11.	Executive Compensation
Item 12.	Security Ownership of Certain
Item 13.	Certain Relationships and Related Transactions
Item 14.	Principal Accountant Fees and Services

PART IV

Item 15.	Exhibits, Financial Statement

SIGNATURES

CERTIFICATIONS

Exhibit 99.1

Exhibit 99.2

Exhibit 10.27

FORM 10-K

SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

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

For the fiscal year ended: April 30, 2004

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.
111 River Street, Hoboken, NJ	07030
Address of principal executive offices	Zip Code

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

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

Title of each class	Name of each exchange on which registered
Class A Common Stock, par value $1.00 per share	New York Stock Exchange
Class B Common Stock, par value $1.00 per share	New York Stock Exchange

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, 2004, was 50,362,500, and 11,240,864 respectively, and the aggregate market value of such shares of Common Stock held by non-affiliates of the Registrant as of such date was $1,237,012,813 based upon the closing market price of the 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 5, 2004, for the Annual Meeting of Shareholders to be held on September 15, 2004 (the "2004 Proxy Statement"), is, to the extent noted below, incorporated by reference in Part III.

PART I

Item 1. Business

The Company, founded in 1807, was incorporated in the state of New York 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 is a global publisher of print and electronic products, providing must-have content and services to customers worldwide. Core businesses include professional and consumer books and subscription services; scientific, technical, and medical journals, encyclopedias, books, and online products and services; and educational materials, including course management and study guides for undergraduate and graduate students, teachers and lifelong learners. The Company takes full advantage of the product content of its various core businesses to develop material and cross-market products to its diverse customer base of academics, professionals, researchers and consumers. The use of technology enables the Company to make its content more accessible to its global communities of interest. The Company has publishing, marketing, and distribution centers in the United States, Canada, Europe, Asia, and Australia. The Company promotes long-term collaborative relationships with customers, authors, professional societies, suppliers, and employees.

Further description of the Company's business is incorporated herein by reference in the Management Discussion and Analysis section of this 10-K.

Employees

As of April 30, 2004, the Company employed approximately 3,300 persons on a full-time basis worldwide.

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.

Item 2. Properties

The Company occupies office, warehouse, and distribution facilities 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). All of the buildings and the equipment owned or leased are believed to be in good condition and are generally fully utilized.

Location	Purpose	Approx. Sq. Ft.	Lease Expiration Date
Leased			
Australia	Office	32,000	2006
	Warehouse	68,000	2009
Canada	Office and Warehouse	87,000	2011
England	Office	14,000	2012
	Warehouse	126,000	2012
United States:			
New Jersey	Corporate Headquarters Offices	383,000	2017
New York	Editorial and Administrative Offices	59,000	2010

New Jersey	Distribution Center and Office	188,000	2007
New Jersey	Warehouses	303,000	2006
Indiana	Editorial and Administrative Offices	120,000	2009
California	Office	38,000	2012
Singapore	Office and Warehouse	68,000	2005
Owned			
Germany	Office	57,000	
England	Office	50,000	

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, 2004.

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 7A. Quantitative and Qualitative Disclosures About Market Risk

The information appearing under the caption "Market Risk" in 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 Supplemental Data

The Financial Statements and Supplemental Data listed in the attached index is incorporated herein by reference.

JOHN WILEY & SONS, INC., AND SUBSIDIARIES

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS AND SCHEDULES

The following financial statements and information appearing on the pages indicated are filed as part of this report:

	Page(s)
Management's Discussion and Analysis of Financial Condition And Results of Operations	6 - 24
Results by Quarter (Unaudited)	24
Quarterly Share Prices, Dividends, and Related Stockholder Matters	25
Selected Financial Data	26
Report of Independent Registered Public Accounting Firm and Consent of Independent Registered Public Accounting Firm	27 - 28
Consolidated Statements of Financial Position as of April 30, 2004, and 2003	29
Consolidated Statements of Income for the years ended April 30, 2004, 2003, and 2002	30
Consolidated Statements of Cash Flows for the years ended April 30, 2004, 2003, and 2002	31
Consolidated Statements of Shareholders' Equity and Comprehensive Income for the years ended April 30, 2004, 2003, and 2002	32
Notes to Consolidated Financial Statements	33 - 49
Schedule II-- Valuation and Qualifying Accounts for the years ended April 30, 2004, 2003, and 2002	50

</TABLE>

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

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

The Company is a global publisher of print and electronic products, providing must-have content and services to customers worldwide. Core businesses include professional and consumer books and subscription services; scientific, technical, and medical journals, encyclopedias, books, and online products and services; and educational materials, including course management and study guides for undergraduate and graduate students, teachers and lifelong learners. The Company takes full advantage of the product content of its various core businesses to develop products that can be cross-marketed to its diverse customer base of academics, professionals, researchers and consumers. The use of technology enables the Company to make its content more accessible to its global communities of interest. The Company maintains publishing, marketing, and distribution centers in the United States, Canada, Europe, Asia, and Australia.

Professional/Trade Publishing

The Company's Professional/Trade business acquires, develops and publishes books and subscription products in all media, with a focus on travel, technology, psychology, architecture, professional culinary, cooking, business, consumer reference, education, and general interest. Products are developed for worldwide distribution through multiple channels, including major chains and online booksellers, independent bookstores, libraries, colleges and universities, warehouse clubs, corporations, direct marketing, and Web sites. Global Professional/Trade publishing accounted for approximately 43% of total Company revenue in fiscal year 2004.

A key strategy of the Professional/Trade publishing program is to increase revenue by adding value to its must-have content, the development of leading brands and franchises, and strategic acquisitions. Revenue for the Company's worldwide Professional/Trade publishing business grew at a compound annual rate

of approximately 20% over the past five years.

Publishing alliances and franchise products are central to the Company's strategy. The Company's ability to bring together Wiley's product development, sales, marketing, distribution and technological capabilities with a partner's content, and brand name recognition, has been a driving factor in its success. Alliance partners include the Culinary Institute of America, the American Institute of Architects, the National Restaurant Association Educational Foundation, and the Leader to Leader Institute (formerly The Peter F. Drucker Foundation) and General Mills, among many others.

The Company's customers are professionals, consumers, and students worldwide. Highly respected brands and extensive backlists are especially well suited for online bookstores such as Amazon.com. With their unlimited "virtual" shelf space, online retailers merchandise the Company's products for longer periods of time than brick-and-mortar bookstores.

Strategic Acquisitions: Key strategic Professional/Trade acquisitions over the past five years included: (i) An acquired list of approximately 250 titles from Prentice Hall Direct, a unit of Pearson Education in fiscal year 2003. These titles include a collection of practical, "hands-on" teaching resources, which complement the Company's renowned Jossey-Bass education series and its market-leading Janice Van Cleave series. (ii) In September 2001, of fiscal year 2002, the Company acquired Hungry Minds Inc., a leading publisher with an outstanding collection of respected brands including the For Dummies and Unofficial Guide series, the technological Bible and Visual series, Frommer's travel guides, CliffsNotes, Webster's New World Dictionary, Betty Crocker and Weight Watchers. (iii) In fiscal year 2002 the Company acquired Frank J. Fabozzi Publishing and Australian publisher, Wrightbooks Pty Ltd., both publishers of

high-quality finance books for the professional market. (iv) In fiscal year 2000 the Company acquired J.K. Lasser Tax, a publisher of tax and other financial help guides and Jossey-Bass, a publisher of business, psychology and education/health management.

Scientific, Technical, and Medical (STM) Publishing

The Company is a leading international publisher for the scientific, technical, and medical communities worldwide, such as academic and corporate librarians that serve scientists, researchers, clinicians, students, and professors. Its STM products encompass journals, encyclopedias, books, and online products and services in the life and medical sciences, chemistry, statistics and mathematics, electrical and electronics engineering, and telecommunication. The Company's STM programs develop products for global distribution through multiple channels including library consortia, subscription agents, bookstores, online booksellers, and direct sales to professional society members and other customers. Global STM publishing represented 37% of total Company revenue in fiscal year 2004. STM publishing revenue grew at a compound annual rate of 7% over the past five years.

The Company's Web-based service, Wiley InterScience (www.interscience.wiley.com) established commercially in 1999, offers fully searchable online access to the Company's publications. With more than twelve million authorized users in 87 countries around the globe, Wiley InterScience is one of the world's leading providers of online scientific, technical, medical, and professional content. The Web site features over 1,000 journals, major reference works, online books, current protocols, laboratory manuals, and databases, as well as a suite of professional and management resources. Wiley InterScience is based on a successful business model that features Enhanced Access Licenses. One to three years in duration, these licenses provide academic and corporate customers with multi-site online access. Created to respond to the evolving needs of today's researchers and professionals, Wiley InterScience offers flexible access, and service plans, and personalization features to meet customer needs. Wiley InterScience includes full-text HTML versions of journal content, allowing more advanced search and navigation options, and providing customers with greater choice and control over the information they retrieve.

Wiley InterScience offers a mobile Internet service for certain of its journals called MobileEditions to provide tables of contents and abstracts from Wiley InterScience directly to personal and wireless handheld devices and Web-enabled phones. Other features of Wiley InterScience include EarlyView, which provides customers with online access to individual articles well in advance of the print issue, and ContentAlerts and RoamingAccess, which enables researchers to access the scientific literature they need, as soon as it is available, wherever and whenever they want. Another feature of Wiley InterScience, called ArticleSelect, allows subscribers with Enhanced Access Licenses to gain access to individual articles and chapters from publications, which they do not hold subscriptions. The publications include journal content, online books, and an extensive range of online reference works. In fiscal year 2003 the Company introduced

Pay-Per-View, serving customers who want the opportunity to purchase individual articles by credit card.

Strategic Acquisitions: In April 2002, the Company acquired A&M Publishing Ltd., a U.K.-based publisher for the pharmaceutical and health-care sectors, and GIT Verlag GmbH, a German publisher for the chemical, pharmaceutical, biotechnology, security, and engineering industries. These businesses derive revenue principally from advertising.

Higher Education

The Company publishes educational materials for the higher education market in all media, focusing on courses in the sciences, geography, mathematics, engineering, accounting, business, economics, computer science, psychology, education, and modern languages. In Australia, the Company is also a leading publisher for the secondary school market.

Higher Education customers include undergraduate, graduate, and advanced placement students, educators, and lifelong learners worldwide. Product is delivered principally through college bookstores, online booksellers, and Web sites. Globally, Higher Educational publishing generated 20% of total Company revenue in fiscal year 2004. Through organic growth and the development of new and acquired products, both print and electronic, the Company's worldwide Higher Education publishing revenue grew at a compound annual rate of 10% over the past five years.

Higher Education's mission is to help teachers teach and students learn. Our strategy is to provide value-added quality materials and services through textbooks, supplemental study guides, course management tools and more, in print and electronic/Web-based formats. The Higher Education Web site offers online learning materials on more than 2,300 sub-sites to support and supplement textbooks.

Strategic Acquisitions: In fiscal year 2003 the Company acquired the assets of Maris Technologies to support the company's drive to produce Web-enabled products. This acquisition included the market-leading software Edugen, which provides users with the capability to customize their courses and to receive and study online, only the material they require. The Company leverages the skills of this development group across the organization. The development facility located in Moscow, Russia is staffed by approximately 45 highly skilled programmers and designers. In fiscal year 2002 the Company acquired publishing assets consisting of 47 higher education titles from Thomson Learning. The titles are in such publishing areas as business, earth and biological sciences, foreign languages, mathematics, nutrition, and psychology.

Supported by the Edugen technology platform, Higher Education has launched a number of products that integrate technology and print to provide students and instructors with tools to improve outcomes or meet specific objectives such as eGrade Plus and Interactive Homework Edition initiatives. In fiscal year 2002 the Company introduced the Wiley Faculty Resource Network, a peer-to-peer network of faculty/professors supporting the use of online course material tools and discipline-specific software in the classroom. The Company believes this unique, reliable, and accessible service gives the Company a competitive advantage.

To mitigate the effect of used textbook sales, which is a continuing industry-wide problem, Higher Education has introduced the Web Access Licensing program, which is a fee-based service that provides access to online supplements for students who purchase new books.

The Company continues to develop new formats, creating more value for teachers and students such as Active Learning Editions, which includes brief texts and integrated study tools as a lower-priced alternative to traditional textbooks. One of the trends in higher education is toward distance learning - students taking online courses either on or off campus.

Higher Education is also leveraging the Web in its sales and marketing efforts. The Web increases the Company's ability to have direct contact with students and faculty at universities worldwide through the use of interactive electronic brochures and e-mail campaigns.

Publishing Operations

Journal Products

The Company publishes over 1,000 journals and other subscription-based STM and Professional/Trade products, which accounted for approximately 32% of the Company's fiscal year 2004 revenue. 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 societies and published by the Company in collaboration with the societies pursuant to contracts. Societies that sponsor or own such journals generally receive a royalty and/or other consideration. The Company usually enters into agreements with outside independent editors of journals that state the duties of the editors, and the fees and expenses for their services. Contributors of journal articles transfer publication rights to the Company or professional society, as applicable.

Journal subscriptions result primarily from licenses for the Web-based Wiley InterScience service negotiated directly with customers or their subscription agent by the Company's sales representatives, direct mail or other advertising, promotional campaigns, and memberships in professional societies for those journals that are sponsored by such societies. Licenses range from one to three years in duration.

Printed journals are generally mailed to subscribers directly from independent printers. Journal content for virtually all journals is also made available online. Subscription revenue is generally collected in advance, and is deferred and recognized as earned when the related issue is shipped or made available online, or over the term of the subscription as services are rendered.

Book Products

Materials for book publications 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 or as a result of suggestion or solicitations by editors and advisors. The Company enters into agreements with authors that state the terms and conditions under which the materials will be published, the name in which the copyright will be registered, the basis for any royalties, and other matters. Most of the authors are compensated by royalties, which vary with the nature of the product and its anticipated sales potential. The Company makes advance payments against future royalties to authors of certain publications.

The Company continues to add new titles, revise existing titles, and discontinue the sale of others in the normal course of its business, also creating adaptations of original content for specific markets fulfilling customer demand. The Company's general practice is to revise its textbooks every three to five years, if warranted, and to revise other titles as appropriate. Subscription-based products are updated more frequently on a regular schedule. Approximately 34% of the Company's fiscal year 2004 U.S. book-publishing revenue was from titles published or revised in the current fiscal year.

Professional and consumer books are sold to bookstores and online booksellers serving the general public; wholesalers who supply such bookstores; warehouse clubs; college bookstores for their non-textbook requirements; individual professional practitioners; and 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, national and regional chain bookstores, wholesalers, and jobbers. Trade sales to bookstores, wholesalers, and jobbers are generally made on a returnable basis with certain restrictions. The Company provides for estimated future returns on sales made during the year principally based on historical experience. Sales of professional and consumer books also result from direct mail campaigns, telemarketing, online access, and advertising and reviews in periodicals.

Adopted textbooks and related supplementary material (i.e., textbooks prescribed for course use) are sold primarily to bookstores including online bookstores, serving educational institutions. The Company employs sales representatives who call on faculty responsible for selecting books to be used in courses, and on the bookstores that serve such institutions and their students. Textbook sales are generally made on a fully returnable basis with certain restrictions. The textbook business is seasonal, with the majority of textbook sales occurring during the June through August and November through January periods. There is an active used textbook market, which negatively affects the sales of new textbooks.

Like most other publishers, the Company generally contracts with independent printers and binderies for their services. The Company purchases its paper from independent suppliers and printers. Paper prices on average decreased slightly

during fiscal year 2004. Management 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. Printed book products

are distributed from both Company-operated warehouses and independent distributors.

The Company develops content in digital format that can be used for both online and print products, which results in productivity and efficiency savings, as well as enabling the Company to offer customized publishing and print-on-demand products. Book content is increasingly being made available online through Wiley InterScience and other platforms, and in eBook format through licenses with alliance partners. The Company is also developing online communities of interest, both on its own and in partnership with others, to expand the market for its products.

The Company believes that the demand for new electronic technology products will increase. 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.

The Internet not only enables the Company to deliver content online, but also helps to sell more books. The growth of online booksellers benefits the Company because they provide unlimited virtual "shelf space" for the Company's entire backlist.

Marketing and distribution services are made available to other publishers under agency arrangements. The Company also engages in copublishing of titles with international publishers and in publication of adaptations of works from other publishers for particular markets. The Company also receives licensing revenue from photocopies, reproductions, and electronic uses of its content.

Global Operations

The Company's publications are sold throughout most of the world through operations located in Europe, Canada, Australia, Asia, and the United States. All operations market their indigenous publications, as well as publications produced by other parts of the Company. The Company also markets publications through agents as well as sales representatives in countries not served by the Company. John Wiley & Sons International Rights, Inc., sells reprint and translations rights worldwide. The Company publishes or licenses others to publish its products, which are distributed throughout the world in many languages. Approximately 39% of the Company's fiscal year 2004 revenue was derived from non-U.S. markets.

Competition and Economic Drivers 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, customer service, suitability of format and subject matter, author reputation, price, timely availability of both new titles and revisions of existing books, online availability of published information, and for textbooks and certain trade books, timely delivery of products to retail outlets and consumers. Recent years have seen a consolidation trend within the publishing industry, including the acquisition of several publishing companies by larger publishers and other companies.

The Company is in the top rank of publishers of scientific and technical journals worldwide, as well as a leading commercial chemistry publisher at the research level; one of the leading publishers of university and college textbooks and related materials for the "hardside" disciplines i.e., sciences, engineering, and mathematics; and a leading publisher in its targeted professional/trade markets. The Company knows of no reliable industry statistics that would enable it to determine its share of the various international markets in which it operates.

The Company measures its performance based upon revenue, operating income, net income and cash flow growth excluding unusual or one-time events, and considering current worldwide and regional economic conditions. Because of the

Company's unique blend of businesses, industry statistics do not always provide informative comparatives. The Company does maintain market share statistics within each area for the Professional/Trade and Higher Education businesses. For Professional/Trade, market share statistics published by BOOKSCAN, a statistical clearinghouse for book industry point of sale in the United States, are used. The statistics include survey data from all major retail outlets, mass merchandisers, small chain and independent retail outlets. For Higher Education, the Company subscribes to Management Practices Inc., which publishes customized comparative sales reports.

Results of Operations
Fiscal Year 2004 Compared to Fiscal Year 2003

The Company achieved record revenue, operating income, net income and cash flow in fiscal year 2004. For the full year, revenue advanced 8% over prior year to $923 million, or 5% excluding foreign currency effects. The year-on-year growth was driven primarily by the strong second half performances of Professional/Trade in the U.S. and Scientific, Technical, and Medical globally.

Operating income advanced 8% to $129.4 million in fiscal year 2004. Operating margin was 14.0% compared with 14.1% in fiscal year 2003, reflecting higher operating and administrative costs partially offset by an improvement in gross margin.

Earnings per diluted share and net income for fiscal year 2004 were $1.41 and $88.8 million, compared to $1.38 and $87.3 million in fiscal year 2003. Excluding the tax benefits reported in fiscal year 2004 and 2003 and the relocation charge in fiscal year 2003 related to the Company's relocation to Hoboken, New Jersey, earnings per diluted share and net income for the fiscal year ended April 30, 2004, rose 12% to $1.36 and $86 million from $1.22 and $77 million in the prior year on the same basis, respectively.

Cash flow after investing activities for fiscal year 2004 was $120 million as compared to $44 million in the prior year. The improvement reflects the combined effect of a 25% increase in cash provided by operating activities and the expected decrease in capital expenditures.

Non-GAAP Financial Measures: Management believes the non-GAAP financial measures, which exclude certain tax credits and relocation charge described below, provide a more meaningful comparison of the Company's year-over-year results. These events are unusual to the Company, and except for the net tax benefits in fiscal year 2004, are unlikely to recur in the foreseeable future.

In fiscal year 2004 the Company recognized a net tax benefit of $3.0 million or $0.05 per diluted share related to the resolution of certain state and federal tax matters and accrued foreign taxes.

In fiscal year 2003 the Company merged several of its European subsidiaries into a new entity, which enabled the Company to increase the tax-deductible asset basis of the merged subsidiaries to the fair value of the business at the date of merger. Under U.S. accounting principles, the tax benefit attributable to the increase in tax basis is immediately included in income. Consequently, the Company had a one-time tax benefit of $12.0 million, equal to $0.19 per diluted share, in fiscal year 2003. The cash benefit of this change will be recognized pro rata over a 15-year period. The Company's effective tax rate, excluding this tax benefit, was 33.1% for the year.

In the fourth quarter of fiscal year 2002, Wiley finalized its commitment to relocate the Company's headquarters to Hoboken, N.J. The relocation was completed in the first quarter of fiscal year 2003. The new facility provides a more collaborative and efficient work environment and will meet the Company's growth expectations. Fiscal year 2003 includes an unusual charge for costs associated with the relocation of approximately $2.5 million, or $1.5 million after tax.

Pro forma operating income and net income excluding the tax benefits and relocation charge are as follows:

Reconciliation of non-GAAP financial disclosure

(In millions)	2004	2003
Operating Income as reported	$129.4	$120.3
Relocation charge	-	2.5
Pro Forma Operating Income	$129.4	$122.8
Net Income as reported	$88.8	$87.3
Relocation charge, net of tax	-	1.4
Resolution of tax matters	(3.0)	-
Tax benefit from merger	-	(12.0)
Pro Forma Net Income	$85.8	$76.7

Cost of sales as a percentage of revenue was 33.5% in fiscal year 2004 and 33.8%

in fiscal year 2003. The favorable results were principally due to higher journal revenue and lower inventory costs resulting from cost contingency programs in place during fiscal year 2004. Production costs for journals as a percentage of revenue are typically lower than the same costs for books reflecting lower royalty costs.

Operating and administrative expenses as a percentage of revenue increased to 51.5% in fiscal year 2004, from 50.7% in the prior fiscal year. The increase was principally due to incentive compensation, pension and health costs of approximately $12.9 million; technology costs of approximately $7.8 million, driven by product development of Web-enabled products; and foreign exchange effects of approximately $16.7 million.

Fourth quarter 2004 operating and administrative expenses, excluding foreign exchange, increased $18.3 million over the fourth quarter of fiscal year 2003. The increase was principally due to the timing of accrued performance compensation which reflects the achievement of cumulative corporate goals in the fourth quarter of fiscal year 2004.

Interest expense, net of interest income improved $3.4 million due to lower debt and interest rates. The Company's effective tax rate was 29.0% in fiscal year 2004. Excluding the tax benefits described in the Non-GAAP financial disclosure, the effective tax rate decreased to 31.4% as compared to 33.1%, mainly due to lower foreign taxes.

In January 2002, the World Trade Organization ruled that the Extra Territorial Income exclusion ("ETI", formerly the Foreign Sales Corporation) was an export subsidy inconsistent with U.S. obligations under international trade agreements. The ETI provides a tax benefit to Wiley and other U.S. corporations by excluding from taxable income certain foreign trading income. Proposed legislation has been presented to the U.S. Congress which will repeal the ETI tax benefit and replace it with an alternative tax benefit available to all U.S. manufacturers. As noted in the Company's footnotes to the fiscal year 2004 annual report filed with the SEC on form 10K, the tax benefit to the Company reduced the annual effective income tax rate by 1.6%. At the filing of this 10K the proposed legislation has not yet been approved by Congress.

Fiscal Year 2004 Segment Results

Professional/Trade (P/T):

Dollars in thousands	2004	2003	% change
Revenue	$340,252	$321,963	6%
Direct Contribution	$93,945	$87,354	8%
Contribution Margin	27.6%	27.1%	

Revenue of Wiley's U.S. P/T business increased 6% to $340 million in fiscal year 2004, principally due to organic growth in key publishing categories. Revenue rebounded solidly in the second half of the year, particularly in the business, architecture, culinary, education, and consumer programs. An improving retail book market contributed to the 16% revenue increase in the fourth quarter. Higher revenue along with lower inventory costs due to cost contingency programs, and lower composition costs, contributed to the improvement in margins.

P/T's business program generated strong momentum throughout the second half of the year. Two finance titles performed particularly well, Hirsch & Hirsch/Stock Trader's Almanac and Mauldin/Bull's Eye Investing (which published during the fourth quarter and quickly made the Wall Street Journal business bestseller list). Also contributing to the top-line results were real estate titles, such as Allen/Multiple Streams of Income (which appeared on the Wall Street Journal business bestseller list); leadership titles, such as the third edition of Kouzes & Posner/Leadership Practices Inventory and Lencioni/Five Dysfunctions of a Team (which celebrated 20 months on the BusinessWeek hardcover business bestseller list); as well as Testosterone, Inc., an examination of CEO misbehavior by Martha, Inc. author Christopher Byron.

Wiley's consumer programs, including the CliffsNotes and For Dummies brands, had a solid year. Extension of the CliffsNotes brand to new CliffsStudySolver Guides helped generate additional sales. Record-breaking traffic on Dummies.com drove incremental sales and reinforced the brand.

P/T's travel program showed renewed strength in the second half of the year as vacation and business travel rebounded. Frommer's, Wiley's market-leading travel brand, had an excellent year. Frommers.com had a record number of visitors this year, as evidenced by a greater than 40% increase in page views and user sessions.

The culinary program had a solid year, led by the Betty Crocker franchise. The Betty Crocker Bisquick II Cookbook, which published during the fourth quarter, sold well. Earlier in the year, Wiley launched a Betty Crocker microsite on FoodTV.com to increase the brand's presence and drive sales. Building on the successful Betty Crocker publishing partnership, Wiley signed another multi-year agreement with General Mills to publish new cookbooks under the well-known Pillsbury brand.

The technology publishing program gained some momentum during the second half of the year despite challenging market conditions. Although sales were down slightly from last year, Wiley's program maintained the significant market share gained in the prior year. Sales of consumer technology books on topics such as digital photography, wireless home networking and security, and professional technology titles, increased modestly for the year.

Scientific, Technical, and Medical (STM):

Dollars in thousands	2004	2003	% change
Revenue	$178,100	$168,208	6%
Direct Contribution	$86,310	$77,937	11%
Contribution Margin	48.5%	46.3%	

Wiley's U.S. STM revenue increased 6% to $178 million in fiscal year 2004 from $168 million in the previous year. Fourth quarter revenue increased over prior year by 17% to $51 million. Society journals, digitized journal backfiles, online major reference works, Current Protocols and the book program contributed to the year-on-year growth. STM books finished the year strongly, posting a 14% increase in the fourth quarter and a 4% increase for fiscal year 2004. The improvement in margin was driven by product mix reflecting an increase in journal products sold.

Worldwide STM journal revenue increased 11% for the fiscal year. The Company's STM business continued its transformation to digital access through Wiley InterScience. Approximately 70% of STM's global journal subscription revenue is now generated by Wiley InterScience licenses. The number of journal articles viewed increased by approximately 39% in fiscal year 2004, continuing the rapid growth in customer usage since the service was launched commercially in fiscal year 1999.

The STM book program showed improvement throughout the year. Sales of online major reference works and OnlineBooks were robust. Early in the fourth quarter, Wiley signed an agreement to distribute Merck's professional manuals in the U.S., including The Merck Manual, The Merck Veterinary Manual, The Merck Manual of Geriatrics and The Merck Index. These titles are widely considered to be among the most trusted resources for medical and scientific information.

Higher Education:

Dollars in thousands	2004	2003	% change
Revenue	$152,861	$148,220	3%
Direct Contribution	$41,749	$39,938	5%
Contribution Margin	27.3%	26.9%	

Wiley's U.S. Higher Education revenue increased 3% to $153 million in fiscal year 2004. Programs in the sciences and the social sciences did especially well. Sales of engineering and computer science titles continued to reflect sluggish market conditions. In the fourth quarter, which is seasonally the least significant for Higher Education, revenue declined from the same period in the previous year, principally due to sluggish market conditions. The improvement in margin was principally due to higher sales and the benefits of selling P/T products through the Higher Education sales force.

Year-on-year growth was driven by top-selling titles such as Tortora/Principles of Anatomy and Physiology, 10th edition; Kieso/Intermediate Accounting, 11th edition; Kimmel, Weygandt, and Kieso/Financial Accounting, 3rd edition; Solomons/Organic Chemistry, 8th edition; Huffman/Psychology in Action, 7th edition; Connally, Hughes-Hallett and Gleason/Functions Modeling Change, 2nd edition; and Cutnell and Johnson/Physics, 6th edition.

The textbooks and related educational materials that Wiley develops continue to be widely regarded by professors and students as crucial to effective teaching and learning. Wiley remains committed to delivering the highest quality materials and services, while addressing concerns about price and value. For example, Wiley's Core Concepts texts are pared-down, economical paperback books designed to be used in combination with online and customized components.

At the same time, the Company is migrating to online delivery in pace with customers' needs. Doing so offers opportunities for more customization and new pricing and business models. At a time when state budget cuts are increasing class sizes, innovative new products and services, most of which are technology-enabled, are helping teachers teach and students learn.

During the year, the Company launched eGrade Plus, which is the first product built on Wiley's Edugen technology platform. This platform enables Wiley to deliver integrated content that is organized around teaching and learning activities. Several pricing options are available to students. eGrade Plus is an innovative service which is being well received by our customers.

Europe:

Dollars in thousands	2004	2003	% change	% excluding FX
Revenue	$238,436	$210,482	13%	5%
Direct Contribution	$74,585	$ 69,191	8%	5%
Contribution Margin	31.3%	32.9%		

Full-year revenue of Wiley Europe advanced 13% over the prior year to $238 million, including foreign exchange gains, or 5% excluding exchange effects. Fourth quarter revenue was up 19% to $69 million, including foreign currency gains, or 10% excluding currency. Several factors contributed to the revenue growth of Wiley Europe's journal program, including a full year's results of the British Journal of Surgery and Ultrasound in Obstetrics and Gynecology, excellent reprint sales, healthy subscription and license renewals, and growth in Article Select sales. In Germany, Wiley-VCH launched a number of new journals, including Engineering in Life Sciences, Laser Physics Letters, Laser Technik Journal and Applied Numerical Analysis and Computational Mathematics. Direct contribution improved principally due to higher journal revenue. Excluding foreign exchange, the contribution margin percentage was on par with the prior year.

Asia, Australia, and Canada:

Dollars in thousands	2004	2003	% change	% excluding FX
Revenue	$98,986	$87,314	13%	1%
Direct Contribution	$22,218	$16,278	36%	1%
Contribution Margin	22.4%	18.6%		

Wiley's combined revenue for its operations in Asia, Australia and Canada advanced 13% to $99 million in fiscal year 2004 or 1% excluding foreign exchange. Fourth quarter revenue increased 11% over the prior year or 1% excluding foreign exchange. Foreign exchange gains, P/T sales growth in India, Taiwan and Indonesia and higher sales of indigenous products in Australia were partially offset by lower sales in Canada due to a weak retail book market. The improvement in direct contribution is principally due to revenue. Contribution margin, excluding foreign exchange was on par with the prior year.

The indigenous Asian publishing program finished the year on a high note, bolstered by strong global sales of key frontlist titles and a robust backlist performance. Wiley formed an alliance with Citibank to develop personal finance books in Asia. In addition, Wiley Asia launched the For Dummies franchise in China, publishing 20 consumer and business titles.

Wiley Canada's Higher Education performance during the quarter and the full year improved, in part, due to the introduction of adaptations of U.S. Higher Education titles. Growth in Higher Education did not, however, compensate for P/T sales, which were depressed by the weak economy and unusually high industry-wide returns.

In Australia, indigenous P/T publishing performed well, while Higher Education and School sales were sluggish, reflecting market conditions. During the quarter, the Company signed publishing agreements with the Australian Stock Exchange and the Australian Institute of Management.

Results of Operations
Fiscal Year 2003 Compared to Fiscal Year 2002

Revenue in fiscal year 2003 increased 16% over the prior year to $854 million, including foreign currency translation effects, or 14% excluding those effects. Excluding Hungry Minds, acquired in September 2001 - Wiley's largest acquisition - revenue increased 8%. In addition to Hungry Minds, year-on-year growth was driven primarily by organic growth in the U.S. and the April 2002 acquisition of GIT Verlag in Germany and A&M Publishing in the U.K.

Operating income advanced 37.0% to $120.3 million in fiscal year 2003. Operating margin, excluding unusual items as explained below, was 14.4% compared with 13.6% in fiscal year 2002, reflecting improvement due to acquisitions, a $5 million write-off of two investments in fiscal year 2002, and the effect of lower amortization ($9.6 million) due to the adoption of Statement of Financial Accounting Standard (SFAS) No. 142 in fiscal year 2003. Operating margin as reported for fiscal years 2003 and 2002 was 14.1% and 12.0%, respectively.

Management believes the non-GAAP financial measures, which exclude a one-time tax credit and relocation charge, provide a more meaningful comparison of the Company's year-over-year results. The tax credit resulted from a corporate reorganization and the relocation charge is associated with a move of the Company's corporate headquarters, both unusual to the Company and unlikely to recur in the foreseeable future. Both events were completed in fiscal year 2003.

During fiscal year 2003, the Company centralized several Web development activities, which were previously in the publishing operations. This organizational change will enable the Company to leverage these capabilities more efficiently across all of its global businesses. The expenses for these activities are now included in shared services and administrative costs, whereas previously they were included in business segment results. Accordingly, these

expenses were reclassified for in the fiscal year 2002 segment financial statements to provide a more meaningful comparison.

Earnings per diluted share and net income for the fiscal year ended April 30, 2003, advanced 18% to $1.22 and $76.7 million, respectively, excluding a one-time tax benefit in fiscal year 2003 and an unusual charge in fiscal years 2003 and 2002, related to the Company's relocation to Hoboken, New Jersey. Including the tax benefit and unusual charge, earnings per diluted share and net income for fiscal year 2003 were $1.38 and $87.3 million, compared to $0.91 and $57.3 million in fiscal year 2002.

In the fourth quarter of fiscal year 2002, Wiley finalized its commitment to relocate the Company's headquarters to Hoboken, N.J. The relocation was completed in the first quarter of fiscal year 2003. The new facility provides a more collaborative and efficient work environment and will meet the Company's growth expectations. The relocation was accomplished on attractive financial terms. Fiscal years 2003 and 2002 included an unusual charge for costs associated with the relocation of approximately $2.5 million, or $1.5 million after tax, and $12.3 million, or $7.7 million after tax, for the respective periods.

In fiscal year 2003, the Company merged several of its European subsidiaries into a new entity, which enabled the Company to increase the tax-deductible asset basis of the merged subsidiaries to the fair value of the business at the date of merger. Under U.S. accounting principles, the tax benefit attributable to the increase in tax basis is immediately included in income. Consequently, the Company had a one-time tax benefit of $12.0 million, equal to $0.19 per diluted share, in fiscal year 2003. The cash benefit of this change will be recognized pro rata over a 15-year period. The Company's effective tax rate, excluding this tax benefit, was 33.1% for fiscal year 2003.

Effective May 1, 2002, the Company adopted SFAS No. 142, which eliminated the amortization of goodwill and indefinite lived intangible assets. In fiscal year 2003, the estimated after-tax impact of the non-amortization of goodwill and intangible assets was $1.9 million equal to $0.03 per share, for the fourth quarter and $7.8 million equal to $0.12 per share, for the year.

Pro forma operating income and net income excluding the relocation charge, one-time tax benefit and the elimination of amortization of goodwill and indefinite life intangible were as follows:

Reconciliation of non-GAAP financial disclosure

(In millions)	2003	2002
Operating Income as Reported	$120.3	$87.8
Relocation Charge	2.5	12.3
SFAS No. 142	-	9.6
Pro Forma Operating Income	$122.8	$109.7
Net Income as Reported	$87.3	$57.3
Relocation Charge, Net of Taxes	1.4	7.7
SFAS No. 142, Net of Tax	-	7.8
One-Time Tax Benefit	(12.0)	-
Pro Forma Net Income	$76.7	$72.8

Cost of sales as a percentage of revenue was 33.8% in fiscal year 2003 and 33.1% in fiscal year 2002. The increase was principally due to product mix and the full-year impact from the addition of consumer titles from the Hungry Minds acquisition, which was acquired in September 2001. While Hungry Minds has attractive financial characteristics, its gross margin as a percent of revenue is lower than Wiley's consolidated gross margin.

Operating and administrative expenses as a percentage of revenue declined to 50.7% in fiscal year 2003, from 50.9% in fiscal year 2002. Synergistic benefits realized through the Hungry Minds acquisition and a $5 million write-off of two investments in fiscal year 2002 were partially offset by depreciation and other costs on new facilities.

During the year, the Company relocated three of its operations to new offices. Its global headquarters was moved to a waterfront site in Hoboken, New Jersey, while its European operations were relocated to new offices in Chichester in the

U.K. and Weinheim, Germany. All of the new facilities were designed to promote collaboration and productivity and provide room for growth and expansion.

Interest expense was $8.0 million in fiscal year 2003, up from $7.5 million in fiscal year 2002, reflecting the impact of acquisition financing.

The Company's effective tax rate was 22.5% in fiscal year 2003. Excluding the tax benefit mentioned above, the effective tax rate increased to 33.1% as compared to 29.3% in fiscal year 2002, reflecting higher foreign taxes in fiscal year 2003 and a favorable settlement of tax issues reported in fiscal year 2002.

During fiscal year 2003, the Company repurchased 535,600 Class A Common shares at an average price of $21.77 per share for a total cost of $11.7 million. Through April 30, 2003, the Company repurchased 3.3 million Class A Common shares at an average price of $17.61 per share for a total cost of $57.9 million under the Company's existing stock repurchase program. In December 2002, as the existing program neared its limit of 4 million shares, the Board of Directors approved an expanded program, increasing the number of shares that may be acquired by an additional 4 million shares of Class A Common Stock.

Fiscal Year 2003 Segment Results

Professional/Trade (P/T): Revenue of Wiley's U.S. P/T business advanced 27% over fiscal year 2002, reflecting the full-year effect of the Hungry Minds acquisition and organic growth. While growth in the first half of the year was very strong, second-half performance was adversely impacted by a sluggish retail environment and reduced customer traffic at brick-and-mortar bookstores as a result of the war in Iraq. Despite these unfavorable external factors, P/T revenue for the fourth quarter advanced 5% over the prior year. Wiley gained market share in all of its P/T publishing categories. The direct contribution margin was 27.1% of revenue in fiscal year 2003 compared with 25.0% of revenue in the prior year. The margin improvement was principally due to the integration of Hungry Minds and the elimination of goodwill and indefinite life intangible amortization.

Wiley's business program continued to exhibit strength despite soft market conditions. Eight Wiley business titles appeared on major bestseller lists, including Conquer the Crash: You Can Survive and Prosper in a Deflationary Depression; Five Dysfunctions of a Team: A Leadership Fable; The Morningstar

Guide to Mutual Funds: 5-Star Strategies for Success; Home Buying For Dummies; Starting an eBay Business For Dummies; Straight Talk on Investing: What You Need to Know; The Ernst & Young Tax Guide 2003; and JK Lasser's Your Income Tax 2003.

The Company's consumer publishing programs had a strong year, particularly cooking, reference, and travel. Cookbooks that sold well during the year were Betty Crocker's Cooking With Diabetes, Betty Crocker's Cookbook 9e, and Weight Watchers New Complete Cookbook. Two Wiley consumer titles appeared on major bestseller lists during the year: Bush's Brain and Religion For Dummies. Although the overall market for computer books continued to be weak, Wiley's technology publishing program outperformed the market and gained significant market share. Performing particularly well were consumer titles in areas such as digital photography, digital imaging software, general PC technology, Windows XP, home networking, eBay, Apple's Mac OS X, Red Hat Linux, and CD/DVD recording. In April 2003, Wiley acquired 34 best-selling computer titles from Wrox Press.

The Company's professional and academic programs in architecture, culinary/hospitality, psychology, and teacher education had a solid year. Wiley launched Graphicstandards.com, a major step in the evolution of the Architectural Graphic Standards franchise. Earlier in the year, Wiley acquired approximately 250 teacher education titles, representing an important step toward becoming the leading publisher of high-quality resources and ready-to-use tools for school leaders and classroom instructors.

Scientific, Technical, and Medical (STM): In fiscal year 2003, Wiley's U.S. STM revenue was 2% higher than the prior year. The continued success of the Wiley InterScience online service mitigated the adverse impact of the Divine/Rowecom bankruptcy and softness in the STM book market due to tight library budgets. Global STM revenue for the fiscal year 2003 increased 12% as compared to the previous year, bolstered by the acquisitions of GIT Verlag and A&M Publishing at the beginning of the fiscal year, as well as journal growth. The direct contribution margin in fiscal year 2003 was 46.3% compared with 43.1% in fiscal year 2002. Fiscal year 2002 included a $5 million write-off of two STM investments.

Wiley's STM online service Wiley InterScience experienced a significant increase in the number of journal articles viewed. More than 60% of global journal subscription revenue was generated by Wiley InterScience licenses.

The Company continued to add content and functionality to Wiley InterScience, increasing revenue by meeting customer needs. The Polymer Backfile Collection launched on Wiley InterScience with great success in March. The largest collection of high-quality polymer science backfile articles available online from a single publisher, the collection includes more than 600,000 pages of articles from seminal journals, such as the Journal of Polymer Science and Macromolecular Chemistry and Physics.

More than half a dozen major reference works were added to Wiley InterScience during fiscal year 2003, including the sixth edition of the 40-volume Ullman's Encyclopedia of Industrial Chemistry.

Wiley had an excellent year in the continued development of its society journal program, signing agreements to publish several important journals in print and online, such as the British Journal of Surgery, Hepatology, Liver Transplantation, and Ultrasound in Obstetrics and Gynecology. In addition, the Company successfully renewed its publishing contract for Cancer, a publication of the American Cancer Society, and extended its publishing contracts for Annals of Neurology, Journal of Magnetic Resonance Imaging, and Magnetic Resonance in Medicine.

Higher Education: Full-year revenue for the U.S. Higher Education business was up over the comparable prior-year period by 5%. Revenue growth was principally due to a strong front list in the life sciences, as well as solid performances of the physical sciences and social sciences programs. Results continued to be affected by sluggish industry wide conditions in engineering, although there was some improvement in the fourth quarter. Global revenue for fiscal year 2003 increased 6% over the prior year. The contribution margin for fiscal year 2003 was 26.9% as compared with 31.3% in fiscal year 2002. The change was principally due to product mix.

During the fourth quarter, Higher Education launched its biggest front list ever. Key new products include Hughes-Hallett/Applied Calculus 2e; Tortora and Grabowski/Principles of Anatomy and Physiology 10e; Cutnell/College Physics; Huffman/Psychology 7e; McDaniel/Marketing Research Essentials 4e; Voet/Biochemistry 3e; Weygandt/Managerial Accounting 2e; and Strahler/Introducing Physical Geography 3e.

Europe: Revenue in fiscal year 2003, excluding foreign translation exchange gains from Wiley's European operations, was up 21% over the prior year, reflecting the GIT Verlag and A&M Publishing acquisitions and organic growth. Primary contributors to the organic growth were the journals program, as well as

indigenous P/T titles, such as the global bestseller, Prechter/Conquer the Crash. Results in Germany were negatively affected by a weak advertising market and sluggish book sales. The direct contribution margin for Europe was 32.9% of revenue in fiscal year 2003 and 34.5% of revenue in fiscal year 2002. The decrease in contribution margin was principally due to product mix.

In March, Wiley Europe signed an agreement with The Cochrane Collaboration for the publication of the Cochrane Systematic Reviews in evidence-based medicine. These online databases are widely regarded as the world's most authoritative source of information on the effectiveness of health care interventions.

Asia, Australia, and Canada: Wiley's Asian, Australian, and Canadian operations recorded strong results for the year. Revenue in fiscal year 2003, excluding foreign exchange translation gains, increased over the prior year by 24%. Including the effects of foreign exchange translation gains, revenue increased over the prior year by 28%. These results were driven by the addition of Hungry Minds, as well as the performance of the P/T and Higher Education programs in Canada, and strong overall growth throughout Asia. Rapid growth of the Company's subscription and translation rights businesses continued in Asia, notably in China and India. The fourth quarter was adversely affected somewhat by the war in Iraq and the SARS outbreak.

Indigenous P/T publishing programs grew in Wiley's Asian, Australian, and Canadian businesses. Two titles, Privatising China by Carl Walter, the COO of J.P. Morgan, and Capitalist China by Jonathan Wotzel, a senior partner at McKinsey Consulting, reflect the importance of the growing market in China, and also Wiley's success in partnering with prestigious companies. Two Wiley Australia titles, Westfield/HIH, The Inside Story of Australia's Biggest Corporate Collapse and King/Gallipoli, published during the quarter to great acclaim. Wiley Canada had its best year ever, in part on the strength of the For Dummies brand.

Liquidity and Capital Resources

The Company's cash and cash equivalents balance was $82.0 million at the end of fiscal year 2004, compared with $33.2 million a year earlier. Cash provided by operating activities of $212.2 million improved by $43.1 million over the prior year. The improvement was mainly due to higher net income after giving effect to a $6.8 million improvement in non-cash charges. The utilization of deferred tax benefits and higher depreciation was partially offset by higher pension contributions. Pension contributions in fiscal year 2004 were $21.2 million, compared to $5.3 million in the prior year. The increase in contributions over the prior year was principally due to higher funding requirements caused by lower plan asset market values as of April 30, 2003. The estimated pension contributions anticipated for fiscal year 2005 are $6.3 million.

Cash provided from Operating Assets and Liabilities was $1.4 million in fiscal year 2004, compared to a use of $33.3 million in the prior year. In fiscal year 2004, increases in accounts receivable were due to higher fourth quarter professional/trade sales partially offset by accrued compensation. Prior year uses include investments in working capital to expand new businesses acquired and rent payments, for previously accrued for vacated facilities related to the relocation of the Company's headquarters.

Cash used for investing activities for fiscal year 2004 was $91.7 million compared to $125.6 million in fiscal year 2003. Lower cash used for property and equipment and acquisitions was partially offset by higher investments in product development. Additions to property plant and equipment in fiscal year 2004 are principally computer hardware and software to support customer products and improve productivity. Fiscal year 2003 investing activity in property and equipment included $33.0 million for the purchase of a building in the United Kingdom, additions to a building in Germany, and leasehold improvements at the Company's new Hoboken, N.J. headquarters. Cash used for investing activities in fiscal year 2002 included the acquisition of Hungry Minds Inc. (see footnotes to the financial statements).

Cash used for financing activities was $72.4 million in fiscal year 2004, as compared to $52.5 million in fiscal year 2003. Financing activity for fiscal year 2004 and 2003 included a $35 and $30 million of scheduled installment payments of long-term debt and $26.1 million and $11.7 million of shares repurchased under the Company's stock repurchase program, respectively. In fiscal year 2002 the Company took on new debt to finance Hungry Minds Inc. and other acquisitions.

Effective July 17, 2003 the Company increased the quarterly dividend to all shareholders by $0.015 to $0.065 per share.

During fiscal year 2004, the Company repurchased 937,150 Class A Common shares at an average price of $27.90 per share for a total cost of $26.1 million. Cumulatively through April 30, 2004, the Company has repurchased 4.2 million shares Class A Common shares at an average price of $19.89 per share under all stock repurchase programs.

The Company's operating cash flow is affected by the seasonality of its U.S. Higher Education business and receipts from its journal subscriptions. Journal receipts occur primarily during November and December from companies commonly referred to as journal subscription agents. Reference is made to the Credit Risk section, which follows, for a description of the impact on the Company as it relates to journal agents' financial position and liquidity. Sales in the U.S. higher education market tend to be concentrated in June through August, and again in November through January.

The Company normally requires increased funds for working capital from May through September. Subject to variations that may be caused by fluctuations in inventory levels or in patterns of customer payments, the Company's normal operating cash flow is not expected to vary materially in the near term.

Working capital at April 30, 2004 was $17.6 million. Current liabilities include $127.2 million of deferred subscription revenue related to journals for which the cash has been received and will be recognized into income as the journals are shipped or made available online to the customer, or over the term of the subscription as services are rendered. Working capital at April 30, 2003 was negative $60.8 million, including $118.6 million of deferred subscription revenue. The increase in working capital over the prior year was mainly due to additional cash on hand.

The Company has adequate cash and cash equivalents available, as well as short-term lines of credit to finance its short-term seasonal working capital requirements. The Company does not have any off-balance-sheet debt.

Estimated projected product development, and property and equipment capital spending for fiscal year 2005 is forecast to be approximately $70 million and $30 million, respectively. These investments will be funded primarily from internal cash generation, the liquidation of cash equivalents, and the use of short-term lines of credit.

A summary of contractual obligations and commercial commitments is as follows:

Dollars in millions		Payments due by period			
Contractual Obligation	Total	Less Than 1 Year	1-3 Years	4-5 Years	After 5 Years
Total Debt	$200.0	-	200.0	-	-
Operating Lease Obligations	235.3	24.5	46.5	43.9	120.4
Total Contractual Cash Obligations	$435.3	24.5	246.5	43.9	120.4

Market Risk

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

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 70 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.

Interest Rates

The Company had $200.0 million of variable rate loans outstanding at April 30, 2004, which approximated fair value. The Company did not use any derivative financial investments to manage this exposure. A hypothetical 1% change in interest rates for this variable rate debt would affect net income and cash flow

by approximately $1.2 million.

Foreign Exchange Rates

The Company is exposed to foreign exchange movements primarily in sterling, euros, Canadian and Australian dollars, and certain Asian currencies.

Under certain circumstances, the Company may enter into derivative financial instruments in the form of forward contracts as a hedge against foreign currency fluctuation of specific transactions, including inter-company purchases. The company does not use derivative financial instruments for trading or speculative purposes.

During the first quarter of fiscal year 2004 the Company entered into derivative contracts to hedge potential foreign currency volatility on a portion of fiscal year 2004 inventory purchases in Australia and Canada. The contracts were designated as cash flow hedges. All of the derivative foreign exchange contracts settled during fiscal year 2004 resulting in a pretax loss of approximately $0.3 million, which is recognized in cost of sales as the related inventory is sold. At April 30, 2004, the Company had no open foreign exchange forward contracts.

Credit Risk

The Company's business is not dependent upon a single customer; however, the industry has experienced a significant concentration in national, regional, and online bookstore chains in recent years. Although no one book customer accounts for more than 6% of total consolidated revenue, the top 10 book customers account for approximately 25% of total consolidated revenue and approximately 50% of total gross trade accounts receivable at April 30, 2004. To mitigate its credit risk exposure, the Company obtains credit insurance where available and economically justifiable.

In the journal publishing business, subscriptions are primarily sourced through journal subscription agents who, acting as agents for library customers, facilitate ordering by consolidating the subscription orders/billings of each subscriber with various publishers. Cash is generally collected in advance from subscribers by the subscription agents and is remitted to the journal publisher, including the Company, generally prior to the commencement of the subscriptions. Although at fiscal year-end the Company had minimal credit risk exposure to these agents, future calendar-year subscription receipts from these agents are highly dependent on their financial condition and liquidity. Subscription agents account for approximately 22% of total consolidated revenue and no one agent accounts for more than 7% of total consolidated revenue. Insurance for these accounts is not commercially feasible and/or available. A journal subscription agent, Rowecom Inc., filed for bankruptcy in January 2003. The bankruptcy had no material affect on the Company's consolidated financial statements.

Effects of Inflation and Cost Increases

The Company, from time to time, experiences cost increases reflecting, in part, general inflationary factors. To mitigate the effect of cost increases, the Company has implemented a number of initiatives, including various steps to reduce production and manufacturing costs. In addition, selling prices have been selectively increased as competitive conditions have permitted. The Company anticipates that it will be able to continue this approach in the future.

Critical Accounting Policies

The preparation of the Company's financial statements in conformity with accounting principles generally accepted in the U.S. requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the reporting period. Management continually evaluates the basis for its estimates; however, actual results could differ from those estimates, which could affect the reported results from operations. Set forth below is a discussion of the Company's critical accounting policies and the basis for estimates used.

Revenue Recognition: Revenue is recognized when products have been shipped or when services have been rendered and when the following additional criteria have been met: persuasive evidence that an arrangement or contract exists; delivery has occurred or services have been rendered; the price to the customer is fixed or determinable; and collectibility is reasonably assured. Collectibility is evaluated based on the amount involved, the credit history of the customer, and the status of the customer's account with the Company.

Allowance for Doubtful Accounts: The estimated allowance for doubtful accounts is based on a review of the aging of the accounts receivable balances, the historical write-off experience, a credit evaluation of the customer, and any amount of credit insurance coverage. A change in the evaluation of a customer's credit and/or the amount of credit insurance available could affect the

estimated allowance.

Allowance for Sales Returns: The estimated allowance for sales returns is based on a review of the historical return patterns associated with the various sales outlets, as well as current market trends in the businesses in which we operate. A change in the pattern or trends in returns could affect the estimated allowance.

Reserve for Inventory Obsolescence: Inventories are carried at cost or market, whichever is lower. A reserve for inventory obsolescence is estimated based on a review of damaged, obsolete, or otherwise unsaleable inventory. The review encompasses historical unit sales trends by title; current market conditions, including estimates of customer demand; and publication revision cycles. A change in sales trends could affect the estimated reserve.

Allocation of Acquisition Purchase Price to Assets Acquired and Liabilities Assumed: In connection with acquisitions, the Company allocates the cost of the acquisition to the assets acquired and the liabilities assumed based on estimates of the fair value of such items including goodwill, other intangible assets with indefinite lives, and other intangible assets and the related useful lives. Such estimates include expected cash flows to be generated by those assets and the expected useful lives based on historical experience, current market trends, and synergies to be achieved from the acquisition and expected tax basis of assets acquired. For major acquisitions, the Company uses independent appraisers to confirm the reasonableness of such estimates. A change in the useful lives of intangible assets other than goodwill could affect the Company's amortization expense for the year.

Goodwill and Other Intangible Assets: Goodwill is the excess of the purchase price paid over the fair value of the net assets of the business acquired. Other intangible assets principally consist of branded trademarks, acquired publication rights and non-compete agreements. The Company adopted Statement of Financial Accounting Standards No. 142, Goodwill and Other Intangible Assets (SFAS 142), effective May 1, 2002. In accordance with SFAS 142, goodwill and indefinite-lived intangible assets are no longer amortized but are reviewed at least annually for impairment, or more often if events or circumstances occur which would more likely than not reduce the fair value of a reporting unit below its carrying amount. Other finite-lived intangible assets continue to be amortized over their useful lives.

Acquired publication rights with definitive lives are amortized on a straight-line basis over periods ranging from 5 to 30 years. Noncompete agreements are amortized over the terms of the individual agreement. Prior to fiscal 2003, goodwill and other intangible assets were amortized using the straight-line method over periods ranging from 5 to 40 years for acquisitions prior to July 1, 2001.

Impairment of Long-Lived Assets: The Company adopted Statement of Financial Accounting Standards No. 144, Accounting for the Impairment of Disposal of Long-Lived Assets (SFAS 144) effective May 1, 2002. The initial adoption of SFAS 144 did not have a significant impact on the Company's results of operations or financial position. Under SFAS 144, long-lived assets, except goodwill and indefinite-lived intangible assets, are reviewed for impairment when circumstances indicate the carrying value of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of the assets to future net cash flows estimated by the Company to be generated by such assets. If such assets are considered to be impaired, the impairment to be recognized is the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are recorded at the lower of carrying value or estimated net realizable value.

Recent Accounting Standards

In July 2000 the Emerging Issues Task Force (EITF) issued EITF No. 00-21, "Accounting for Revenue Relationships with Multiple Deliverables." The EITF is effective for fiscal years beginning after July 15, 2003. The new guidance is not expected to have a material impact on the Company's consolidated financial statements.

In December 2003, the Financial Accounting Standards Board revised SFAS No. 132, "Employers' Disclosures about Pensions and Other Postretirement Benefits." This revision retained the disclosure requirements contained in the original SFAS No. 132, but added additional disclosures about the types of plan assets, investment strategy, measurement dates, plan obligations, cash flows, and components of net periodic benefit cost of defined benefit pension plans and other defined benefit postretirement plans. The annual disclosure provisions of SFAS No. 132, as revised, are effective for fiscal years ending after December 15, 2003, and are included in the notes to the Company's April 30, 2004 Consolidated Financial Statements.

In December 2003, the Financial Accounting Standards Board (FASB) revised interpretation No. 46, Consolidation of Variable Interest Entities (Fin 46R), an

Interpretation of ARB No. 51. Public companies must apply the revised interpretation immediately to entities created after January 31, 2003, no later than the end of the first reporting period that ends after December 15, 2003 and no later than the first reporting period that ends after March 15, 2004 for all other entities. Fin 46R did not have a material impact on the Company's financial position or results of operations.

In April 2003, the FASB issued SFAS 149, "Amendment of Statement 133 on Derivative instruments and Hedging Activities." SFAS 149 amends and clarifies accounting for derivative instruments, including certain derivative instruments embedded in other contracts, and for hedging activities under SFAS 133. The amendments set forth in SFAS 149 require that contracts with comparable characteristics be accounted for similarly. SFAS 149 is generally effective for contracts entered into or modified after June 30, 2003 and for hedging relationships designated after June 30, 2003. The guidance is to be applied prospectively. SFAS 149 did not have a material impact on the Company's financial position or results of operations.

In May 2003, the FASB issued Statement No. 150, "Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity." The statement requires that certain financial instruments be classified as liabilities, instead of equity, in statements of financial position. SFAS 150 was effective August 1, 2003 and did not have an impact on the Company's financial position or results of operations.

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

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

Results by Quarter (Unaudited)

Dollars in millions except per share data

	2004	2003
Revenue		
First Quarter	$ 219.7	$ 206.4
Second Quarter	228.9	223.0
Third Quarter	242.4	221.2
Fourth Quarter	232.0	203.4
Fiscal Year	$ 923.0	$ 854.0
Operating Income		
First Quarter (a)	$ 33.2	$ 30.7
Second Quarter	36.9	35.9
Third Quarter	43.9	36.9
Fourth Quarter	15.4	16.8
Fiscal Year (a)	$ 129.4	$ 120.3
Net Income		
First Quarter (a)	$ 21.8	$ 20.0
Second Quarter (b)	25.6	34.7
Third Quarter (c)	31.3	24.2
Fourth Quarter	10.1	8.4
Fiscal Year (a) (b)(c)	$ 88.8	$ 87.3

Income Per Share	Diluted	Basic	Diluted	Basic
First Quarter (a)	$.35	$.35	$.32	$.32
Second Quarter (b)	.41	.41	.55	.57
Third Quarter (c)	.50	.51	.39	.39
Fourth Quarter	.16	.16	.13	.13
Fiscal Year (a)(b)(c)	1.41	1.44	1.38	1.42

(a) The Company completed the relocation of its headquarters to Hoboken, New Jersey in the first quarter of fiscal year 2003. The amounts reported above include a charge associated with the relocation of approximately $2.5 million, or $1.5 million after tax equal to $0.02 per diluted share in fiscal year 2004.

(b) The second quarter of fiscal year 2003 includes a one-time tax benefit of $12 million, equal to $0.19 per diluted share, relating to an increase in the tax-deductible net asset basis of a European subsidiary's assets.

(c) In the third quarter of fiscal year 2004, the Company recognized a net tax benefit of $3.0 million, equal to $0.05 per diluted share, related to the resolution of certain state and federal tax matters, and an adjustment to accrued foreign taxes.

Quarterly Share Prices, Dividends, and Related Stockholder Matters

The Company's Class A and Class B shares are listed on the New York Stock Exchange under the symbols JWa and JWb, respectively. Dividends per share and the market price range by fiscal quarter for the past two fiscal years were as follows:

	Class A Common Stock			Class B Common Stock		
		Market Price			Market Price	
	Dividends	High	Low	Dividends	High	Low
2004						
First Quarter	$.065	$27.21	$24.07	$.065	$27.10	$24.13
Second Quarter	.065	28.26	25.80	.065	28.25	25.70
Third Quarter	.065	26.83	24.24	.065	26.77	24.40
Fourth Quarter	.065	31.58	26.28	.065	31.50	26.26
2003						
First Quarter	$.050	$27.30	$19.61	$.050	$27.31	$19.56
Second Quarter	.050	23.30	20.13	.050	23.20	20.20
Third Quarter	.050	24.20	21.27	.050	24.16	21.35
Fourth Quarter	.050	24.51	21.51	.050	24.60	21.64

As of April 30, 2004, the approximate number of holders of the Company's Class A and Class B Common Stock were 1,184 and 138 respectively, based on the holders of record and other information available to the Company.

The Company's credit agreement contains certain restrictive covenants related to the payment of dividends and share repurchases. Under the most restrictive covenant, approximately $214 million was available for such restricted payments. 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.

Selected Financial Data

	For the years ended April 30				
Dollars in thousands except per share data	2004	2003	2002	2001	2000
Revenue	$922,962	$853,971	$734,396	$613,790	$606,024

Operating Income	129,379	120,261 (a)	87,763 (a)(b)	95,424 (b)	89,004 (b)
Net Income	88,840 (c)	87,275 (a)(c)	57,316 (a)(b)	58,918 (b)	52,388 (b)
Working Capital	17,641 (d)	(60,814)(d)	(66,915) (d)	(82,564) (d)	(98,094) (d)
Total Assets	1,014,582	972,240	896,145	588,002	569,337
Long-Term Debt	200,000	200,000	235,000	65,000	95,000
Shareholders' Equity	415,064	344,004	276,650	220,023	172,738
Per Share Data					
Income Per Share					
Diluted	$ 1.41 (c)	$ 1.38 (a)(c)	$ .91 (a)(b)	$ .93 (b)	$ .81 (b)
Basic	1.44 (c)	1.42 (a)(c)	.94 (a)(b)	.97 (b)	.85 (b)
Cash Dividends					
Class A Common	.26	.20	.18	.16	.14
Class B Common	.26	.20	.18	.16	.13

(a) In the fourth quarter of fiscal year 2002 Wiley finalized its commitment to relocate the Company's headquarters to Hoboken, N.J. The relocation was completed in the first quarter of fiscal year 2003. The amounts reported above include an unusual charge associated with the relocation of approximately $2.5 million, or $1.5 million after tax equal to $0.02 per diluted share in fiscal year 2003, and $12.3 million, or $7.7 million after tax equal to $0.12 per diluted share, in fiscal year 2002.

(b) At the beginning of fiscal year 2003, the Company adopted Statement of Financial Accounting Standard (SFAS) No. 142: "Goodwill and Other Intangible Assets." In accordance with SFAS No. 142, amortization of goodwill and indefinite life intangibles is discontinued. Fiscal year 2002 includes amortization, which is no longer recorded of $9.6 million ($7.8 after-tax).

(c) In fiscal year 2004, the Company recognized a net tax benefit of $3.0 million, equal to $0.05 per diluted share, related to the resolution of certain state and federal tax matters, and an adjustment to accrued foreign taxes. Fiscal year 2003 includes a one-time tax benefit of $12 million, equal to $0.19 per diluted share, relating to an increase in the tax-deductible net asset basis of a European subsidiary's assets.

(d) Working capital is reduced or negative as a result of including in current liabilities the deferred subscription revenue related to journal subscriptions for which the cash has been received and that will be recognized into income as the journals are shipped or made available online to the customer, or over the term of the subscription as services are rendered.

Item 8. Financial Statements and Supplementary Data

Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders
John Wiley & Sons, Inc.:

We have audited the accompanying consolidated statements of financial position of John Wiley & Sons, Inc. ("the Company") and subsidiaries as of April 30, 2004 and 2003, and the related consolidated statements of income, shareholders' equity and comprehensive income, and cash flows for each of the years in the three-year period ended April 30, 2004. In connection with our audits of the consolidated financial statements, we have also audited the financial statement schedule (as listed in the index to Item 8). These consolidated financial statements and financial statement schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements and financial statement schedule based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). 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 consolidated 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, 2004 and 2003, and the results of their operations and their cash flows for each of the years in the three-year period ended April 30, 2004, in conformity with U.S. generally accepted accounting principles. Also, in our opinion, the related financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

As described in the "Goodwill and Other Intangible Assets" Note to the consolidated financial statements, the Company adopted Statement of Financial Accounting Standards No. 142, "Goodwill and Other Intangible Assets," as of May 1, 2002.

/S/ KPMG LLP

New York, New York
June 17, 2004

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Stockholders
John Wiley & Sons, Inc.:

We consent to the incorporation by reference in the Registration Statement Nos. 333-93691, 33-60268, 2-65296, 2-95104, 33-29372 and 33-62605 of John Wiley & Sons, Inc. (the "Company") of our report dated June 17, 2004, with respect to the consolidated statements of financial position of John Wiley & Sons, Inc. as of April 30, 2004 and 2003, and the related consolidated statements of income, shareholders' equity and comprehensive income, and cash flows, for each of the years in the three-year period ended April 30, 2004, and the related financial statement schedule, which report appears in the April 30, 2004 annual report on Form 10-K of John Wiley & Sons, Inc.

Our report refers to the Company's adoption of Statement of Financial Accounting Standards No. 142 as of May 1, 2002, as more fully described in the "Goodwill and Other Intangible Assets" Note to the consolidated financial statements.

/S/ KPMG LLP

New York, New York
July 12, 2004

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

John Wiley & Sons, Inc., and Subsidiaries	April 30	
Dollars in thousands	2004	2003
Assets		
Current Assets		
Cash and cash equivalents	$ 82,027	$ 33,241
Accounts receivable	127,224	107,242
Taxes receivable	2,768	9,657
Inventories	83,789	83,337
Deferred income tax benefits	18,113	27,314
Prepaid expenses	10,085	11,524
Total Current Assets	324,006	272,315
Product Development Assets	60,755	60,842
Property and Equipment	117,305	114,870
Intangible Assets	276,440	280,872
Goodwill	194,893	192,186
Deferred Income Tax Benefits	18,976	30,597
Other Assets	22,207	20,558
Total Assets	$ 1,014,582	$ 972,240
Liabilities and Shareholders' Equity		
Current Liabilities		
Current portion of long-term debt	$ -	$ 35,000
Accounts and royalties payable	68,338	71,296

Deferred subscription revenues	127,224	118,577
Accrued income taxes	19,338	30,632
Deferred income taxes	5,721	-
Other accrued liabilities	85,744	77,624
Total Current Liabilities	306,365	333,129
Long-Term Debt	200,000	200,000
Accrued Pension Liability	48,505	54,907
Other Long-Term Liabilities	31,757	28,192
Deferred Income Taxes	12,891	12,008
Shareholders' Equity		
Preferred Stock, $1 par value: Authorized - 2 million, Issued - zero	-	-
Class A Common Stock, $1 par value: Authorized - 180 million, Issued - 68,465,302 and 68,149,702	68,465	68,150
Class B Common Stock, $1 par value: Authorized - 72 million, Issued - 14,724,960 and 15,040,560	14,725	15,041
Additional paid-in capital	45,887	34,103
Retained earnings	441,533	368,963
Accumulated other comprehensive gain (loss):		
Foreign currency translation adjustment	18,123	10,134
Minimum liability pension adjustment	(15,926)	(17,305)
Unearned deferred compensation	(2,134)	(1,283)
	570,673	477,803
Less Treasury Shares At Cost (Class A - 18,011,826 and 18,076,002; Class B - 3,484,096 and 3,484,096)	(155,609)	(133,799)
Total Shareholders' Equity	415,064	344,004
Total Liabilities and Shareholders' Equity	$ 1,014,582	$ 972,240

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

CONSOLIDATED STATEMENTS OF INCOME

John Wiley & Sons, Inc., and Subsidiaries

Dollars in thousands except per share data	For the years ended April 30		
	2004	2003	2002
Revenue	$922,962	$853,971	$734,396
Costs and Expenses			
Cost of sales	308,905	288,925	243,196
Operating and administrative expenses	474,902	432,700	373,463
Amortization of intangibles	9,776	9,620	17,662
Unusual item - relocation-related expenses	-	2,465	12,312
Total Costs and Expenses	793,583	733,710	646,633
Operating Income	129,379	120,261	87,763
Interest Income and Other	890	262	835
Interest Expense	(5,159)	(7,964)	(7,480)
Income Before Taxes	125,110	112,559	81,118
Provision for Income Taxes	36,270	25,284	23,802
Net Income	$88,840	$87,275	$57,316
Income Per Share			
Diluted	$1.41	$1.38	$0.91
Basic	$1.44	$1.42	$0.94
Cash Dividends Per Share			
Class A Common	$0.26	$0.20	$0.18
Class B Common	$0.26	$0.20	$0.18

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		
	2004	2003	2002
Operating Activities			
Net Income	$ 88,840	$ 87,275	$ 57,316
Noncash Items			
Amortization of intangibles	9,776	9,620	17,662
Amortization of composition costs	31,852	29,923	25,653

Depreciation of property and equipment	29,739	23,420	16,007
Reserves for returns, doubtful accounts, and obsolescence	9,012	11,219	6,675
Deferred income taxes	26,685	11,224	451
Net pension expense, net of contributions	(8,603)	5,178	4,269
Write-off of investments	-	-	4,989
Unusual item - accrued relocation-related expenses	-	-	12,312
Other	23,518	24,552	12,254
Changes in Operating Assets and Liabilities			
Decrease (increase) in accounts receivable	(16,627)	(9,346)	(3,520)
Decrease (increase) in taxes receivable	7,141	15,841	(9,022)
Decrease (increase) in inventories	788	(14,594)	(4,657)
Increase (decrease) in deferred subscription revenues	7,365	(4,706)	6,579
Increase (decrease) in other accrued liabilities	12,834	(19,451)	(169)
Net change in other operating assets and liabilities	(10,108)	(1,027)	5,934
Payment of acquisition-related liabilities	-	-	(12,367)
Cash Provided by Operating Activities	212,212	169,128	140,366
Investing Activities			
Additions to product development assets	(59,426)	(51,835)	(48,039)
Additions to property and equipment	(29,222)	(63,221)	(33,643)
Acquisitions, net of cash acquired	(3,070)	(10,500)	(232,393)
Cash Used for Investing Activities	(91,718)	(125,556)	(314,075)
Financing Activities			
Borrowings of long-term debt	-	-	200,000
Repayment of long-term debt	(35,000)	(30,000)	(30,000)
Cash dividends	(16,270)	(12,344)	(11,015)
Purchase of treasury shares	(26,126)	(11,661)	(1,880)
Proceeds from issuance of stock on option exercises and other	4,958	1,500	2,813
Cash Provided by (Used for) Financing Activities	(72,438)	(52,505)	159,918
Effects of Exchange Rate Changes on Cash	730	2,469	549
Cash and Cash Equivalents			
Increase (decrease) for year	48,786	(6,464)	(13,242)
Balance at beginning of year	33,241	39,705	52,947
Balance at end of year	$ 82,027	$ 33,241	$ 39,705
Supplemental Information			
Acquisitions			
Fair value of assets acquired	$ 3,070	$ 10,530	$ 307,915
Liabilities assumed	-	(30)	(75,522)
Cash Paid for Businesses Acquired	$ 3,070	$ 10,500	$ 232,393
Cash Paid During the Year for			
Interest	$ 4,620	$ 7,496	$ 6,879
Income taxes (net of refunds)	$ 11,801	$ 3,859	$ 17,080

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

John Wiley & Sons, Inc., and Subsidiaries Dollars in thousands	Common Stock Class A	Common Stock Class B	Additional Paid-in Capital	Retained Earnings	Treasury Stock	Unearned Deferred Comp-ensation	Accumulated Other Comp-rehensive Income (Loss)	Total Share-holder's Equity
Balance at May 1, 2001	$ 68,037	$ 15,153	$ 18,900	$ 247,731	$ (124,926)	$(1,755)	$ (3,117)	$ 220,023
Director Stock Plan Issuance			29		10			39
Shares Issued Under Employee Benefit Plans			1,121		336			1,457
Purchase of Treasury Shares					(1,880)			(1,880)
Exercise of Stock Options			6,788		3,126			9,914
Class A Common Stock Dividends Declared				(8,918)				(8,918)
Class B Common Stock Dividends Declared				(2,097)				(2,097)
Other	30	(29)				380		381
Comprehensive Income, Net of Tax:								
Net income				57,316				57,316
Foreign currency translation adjustments							583	583
Transition hedge adjustment							(272)	(272)
Derivative cash flow hedges							104	104
Total Comprehensive Income								57,731
Balance at May 1, 2002	$ 68,067	$ 15,124	$ 26,838	$ 294,032	$ (123,334)	$(1,375)	$ (2,702)	$ 276,650
Shares Issued Under Employee Benefit Plans			4,990		656			5,646
Purchase of Treasury Shares					(11,661)			(11,661)
Exercise of Stock Options			2,275		540			2,815
Class A Common Stock Dividends Declared				(10,024)				(10,024)
Class B Common Stock Dividends Declared				(2,320)				(2,320)
Other	83	(83)				92		92
Comprehensive Income, Net of Tax:								
Net income				87,275				87,275
Foreign currency translation adjustments							12,668	12,668
Derivative cash flow hedges							168	168
Minimum liability pension adjustment, net of $9,299 of tax							(17,305)	(17,305)
Total Comprehensive Income								82,806
Balance at May 1, 2003	$ 68,150	$ 15,041	$ 34,103	$ 368,963	$ (133,799)	$(1,283)	$ (7,171)	$ 344,004
Shares Issued Under Employee Benefit Plans			4,203		1,371			5,574
Purchase of Treasury Shares					(26,126)			(26,126)
Exercise of Stock Options			7,581		2,945			10,526
Class A Common Stock Dividends Declared				(13,318)				(13,318)
Class B Common Stock Dividends Declared				(2,952)				(2,952)
Other	315	(316)				(851)		(852)

Comprehensive Income, Net of Tax:								
Net income				88,840				88,840
Foreign currency translation adjustments							7,989	7,989
Minimum liability pension adjustment, net of ($741) of tax							1,379	1,379
Total Comprehensive Income								98,208
Balance at April 30, 2004	$ 68,465	$ 14,725	$ 45,887	$ 441,533	$ (155,609)	$(2,134)	$ 2,197	$ 415,064

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

Notes to Consolidated Financial Statements

The Company, founded in 1807, was incorporated in the state of New York 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 is a global publisher of print and electronic products, providing must-have content and services to customers worldwide. Core businesses include professional and consumer books and subscription services; scientific, technical, and medical journals, encyclopedias, books, and online products and services; and educational materials for undergraduate and graduate students and lifelong learners. The Company has publishing, marketing, and distribution centers in the United States, Canada, Europe, Asia, and Australia.

Summary of Significant Accounting Policies

Principles of Consolidation: The consolidated financial statements include the accounts of the Company. Investments in entities in which the Company has at least a 20%, but less than a majority interest, are accounted for using the equity method of accounting. Investments in entities in which the Company has less than a 20% ownership and in which it does not exercise significant influence are accounted for using the cost method of accounting. All significant intercompany accounts and transactions have been eliminated in consolidation. Certain prior-year amounts have been reclassified to conform to the current year's presentation.

Use of Estimates: The preparation of the Company's financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Revenue Recognition: In accordance with SEC Staff Accounting Bulletin No. 104, "Revenue Recognition in Financial Statements," the Company recognizes revenue when the following criteria are met: persuasive evidence that an arrangement exists; delivery has occurred or services have been rendered; the price to the customer is fixed or determinable; and collectibility is reasonably assured. If all of the above criteria have been met, revenue is principally recognized upon shipment of products or when services have been rendered. Subscription revenue is generally collected in advance, and is deferred and recognized as earned when the related issue is shipped or made available online, or over the term of the subscription as services are rendered.

Sales Returns and Doubtful Accounts: The Company provides an estimated allowance for doubtful accounts and for future returns on sales made during the year principally based on historical experience. The allowance for doubtful accounts and returns (estimated returns net of inventory and royalty costs) is shown as a reduction of accounts receivable in the accompanying consolidated balance sheets and amounted to $75.1 million and $74.7 million at April 30, 2004 and 2003, respectively.

Inventories: Inventories are stated at cost or market, whichever is lower. U.S. book inventories aggregating $66.7 million and $68.1 million at April 30, 2004 and 2003, respectively, are valued using the last-in, first-out (LIFO) method. All other inventories are valued using the first-in, first-out method.

Product Development Assets: Product development assets consist of composition costs and royalty advances to authors. Costs associated with developing any publication are expensed until the product is determined to be commercially viable. Composition costs, primarily representing the costs incurred to bring an edited commercial manuscript to publication including typesetting, proofreading, design and illustration, etc., are capitalized and generally amortized on a double-declining basis over estimated useful lives, ranging from 1 to 3 years.

Royalty advances to authors are capitalized and, upon publication, are recovered as royalties are earned by the authors based on sales of the published works.

Author advances are periodically reviewed for recoverability.

Internal-Use Software Costs: Costs incurred during the application development stage to obtaining or develop computer software for internal use including costs of materials and services, and payroll and payroll-related costs for employees who are directly associated with the software project, are capitalized and amortized over the expected useful life of the related software. Costs incurred during the preliminary project stage, as well as maintenance, training, and upgrades that do not result in additional functionality, are expensed as incurred.

Advertising Expense: The cost of advertising is expensed as incurred.

Depreciation and Amortization: Buildings, leasehold improvements, and capital leases are amortized over the lesser of the estimated useful lives of the assets up to 40 years, or the duration of the various leases, using the straight-line method. Furniture and fixtures are depreciated principally on the straight-line method over estimated useful lives ranging from 3 to 10 years. Computer equipment and capitalized software are amortized on a straight-line basis over estimated useful lives ranging from 3 to 5 years.

Goodwill and Other Intangible Assets: Goodwill is the excess of the purchase price paid over the fair value of the net assets of the business acquired. Other intangible assets principally consist of branded trademarks, acquired publication rights and non-compete agreements. The Company adopted Statement of Financial Accounting Standards No. 142, "Goodwill and Other Intangible Assets," (SFAS 142), effective May 1, 2002. In accordance with SFAS 142, goodwill and indefinite-lived intangible assets are no longer amortized but are reviewed at least annually for impairment, or more often if events or circumstances occur which would more likely than not reduce the fair value of a reporting unit below its carrying amount. The Company evaluates the recoverability of goodwill and indefinite lived intangible assets using a two-step impairment test approach at the reporting unit level. In the first step the fair value for the reporting unit is compared to its book value including goodwill. In the case that the fair value of the reporting unit is less than the book value, a second step is performed which compares the implied fair value of the reporting unit's goodwill to the book value of the goodwill. The fair value for the goodwill is determined based on the difference between the fair values of the reporting units and the net fair values of the identifiable assets and liabilities of such reporting units. If the fair value of the goodwill is less than the book value, the difference is recognized as an impairment. Other finite-lived intangible assets continue to be amortized over their useful lives.

Acquired publication rights with definitive lives are amortized on a straight-line basis over periods ranging from 5 to 30 years. Noncompete agreements are amortized over the terms of the individual agreement. Prior to fiscal 2003, goodwill and other intangible assets were amortized using the straight-line method over periods ranging from 5 to 40 years for acquisitions prior to July 1, 2001.

Impairment of Long-Lived Assets: The Company adopted Statement of Financial Accounting Standards No. 144, Accounting for the Impairment of Disposal of Long-Lived Assets (SFAS 144) effective May 1, 2002. The initial adoption of SFAS 144 did not have a significant impact on the Company's results of operations or financial position. Under SFAS 144, long-lived assets, except goodwill and indefinite-lived intangible assets, are reviewed for impairment when circumstances indicate the carrying value of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of the assets to future net cash flows estimated by the Company to be generated by such assets. If such assets are considered to be impaired, the impairment to be recognized is the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are recorded at the lower of carrying value or estimated net realizable value.

In fiscal year 2002, the Company assessed the carrying value and recoverability of certain investments based on analysis of undiscounted future cash flows. As a result, $5.0 million was written off and charged against operating income in fiscal year 2002.

Derivative Financial Instruments - Foreign Exchange Contracts: The Company, from time to time, enters into forward exchange contracts as a hedge against foreign currency asset and liability commitments, and anticipated transaction exposures. The Company does not use financial instruments for trading or speculative purposes.

The Company accounts for its derivative instruments in accordance with SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities," as amended. Accordingly, all derivatives are recognized as assets or liabilities and measured at fair value. Derivatives that are not determined to be effective hedges are adjusted to fair value with a corresponding effect on earnings. Changes in the fair value of derivatives that are designated and determined to be effective as part of a hedge transaction have no immediate effect on earnings

and, depending on the type of hedge, are recorded either as part of other comprehensive income and will be included in earnings in the period in which earnings are affected by the hedged item, or are included in earnings as an offset to the earnings impact of the hedged item. Any ineffective portions of hedges are reported in earnings as they occur. The adoption of these new standards as of May 1, 2002, resulted in a transition adjustment loss of $.3 million after taxes, which is included as part of other comprehensive income.

For a derivative to qualify as a hedge at inception and throughout the hedged period, the Company formally documents the nature and relationships between the hedging instruments and hedged items, as well as its risk-management objectives, strategies for undertaking the various hedge transactions, and method of assessing hedge effectiveness. For hedges of forecasted transactions, the significant characteristics and expected terms of a forecasted transaction are specifically identified, and it must be probable that each forecasted transaction will occur. If it is deemed probable that the forecasted transaction will not occur, the gain or loss is recognized in earnings currently.

During the first quarter of fiscal year 2004 the Company entered into derivative contracts to hedge potential foreign currency volatility on a portion of fiscal year 2004 inventory purchases. The contracts were designated as cash flow hedges and were considered by management to be highly effective. All of the derivative foreign exchange contracts settled during fiscal year 2004 resulting in a loss of approximately $0.3 million, which is recognized in cost of sales as the related inventory is sold.

At April 30, 2004, there were no open foreign exchange derivative contracts. Included in operating and administrative expenses were net foreign exchange transaction losses of approximately $1.4 million, $.7 million, and $.3 million in fiscal years 2004, 2003, and 2002, respectively.

Foreign Currency Translation: The Company translates the results of operations of its international subsidiaries using average exchange rates during each period, whereas balance sheet accounts are translated using exchange rates at the end of each period. Currency translation adjustments are recorded as a component of accumulated other comprehensive income (loss) in stockholders' equity.

Stock-Based Compensation: Stock options and restricted stock grants are accounted for in accordance with Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees," and the disclosure-only provisions of SFAS No. 123, "Accounting for Stock-Based Compensation," as amended by SFAS No. 148, "Accounting for Stock-Based Compensation - Transition and Disclosure." Accordingly, the Company recognizes no compensation expense for fixed stock option grants since the exercise price is equal to the fair value of the shares at date of grant. For restricted stock grants, compensation cost is generally recognized ratably over the vesting period based on the fair value of shares.

The fair value of the awards was estimated at the date of grant using the Black Scholes option-pricing model.

The per share value of options granted in connection with the Company's stock option plans has been estimated with the following weighted average assumptions:

	2004	2003	2002
Expected Life of Options (Years)	8.1	8.0	8.0
Risk-Free Interest Rate	2.9%	4.9%	5.2%
Volatility	30.7%	34.3%	33.6%
Dividend Yield	1.0%	0.8%	0.9%
Weighted Average Fair Value	$8.97	$11.09	$10.19

For purposes of the following pro forma disclosure, the estimated fair value of the options is amortized to expense over the options' vesting periods. The Company's pro forma information under SFAS No. 123 and SFAS No. 148 was as follows:

	2004	2003	2002
Net Income as Reported	$88,840	$87,275	$57,316
Stock-Based Compensation, Net			

of Tax, Included in the Determination of Net Income as Reported:			
Restricted stock plans	2,642	1,436	2,049
Director stock plan	42	230	207
Stock-Based Compensation Costs, Net of Tax Determined Under the Fair Value Method	(7,145)	(5,521)	(5,182)
Pro Forma Net Income	$84,379	$83,420	$54,390
Reported Earnings Per Share			
Diluted	$1.41	$1.38	$0.91
Basic	$1.44	$1.42	$0.94
Pro Forma Earnings Per Share			
Diluted	$1.34	$1.32	$0.86
Basic	$1.37	$1.36	$0.90

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.

Recent Accounting Standards: In July 2000 the Emerging Issues Task Force (EITF) issued EITF No. 00-21, "Accounting for Revenue Relationships with Multiple Deliverables." The EITF is effective for fiscal years beginning after July 15, 2003. The new guidance is not expected to have a material impact on the Company's consolidated financial statements.

In December 2003, the Financial Accounting Standards Board revised SFAS No. 132, "Employers' Disclosures about Pensions and Other Postretirement Benefits." This revision retained the disclosure requirements contained in the original SFAS No. 132, but added additional disclosures about the types of plan assets, investment strategy, measurement dates, plan obligations, cash flows, and components of net periodic benefit cost of defined benefit pension plans and other defined benefit postretirement plans. The annual disclosure provisions of SFAS No. 132, as revised, are effective for fiscal years ending after December 15, 2003, and are included in the notes to the Company's April 30, 2004 Consolidated Financial Statements.

In December 2003, the Financial Accounting Standards Board (FASB) revised interpretation No. 46 Consolidation of Variable Interest Entities (FIN 46R), an Interpretation of ARB No. 51. Public companies must apply the revised interpretation immediately to entities created after January 31, 2003, no later than the end of the first reporting period that ends after December 15, 2003 and no later than the first reporting period that ends after March 15, 2004 for all other entities. FIN 46R did not have a material impact on the Company's financial position or results of operations.

In April 2003, the FASB issued SFAS 149, "Amendment of Statement 133 on Derivative instruments and Hedging Activities." SFAS 149 amends and clarifies accounting for derivative instruments, including certain derivative instruments embedded in other contracts, and for hedging activities under SFAS 133. The amendments set forth in SFAS 149 require that contracts with comparable characteristics be accounted for similarly. SFAS 149 is generally effective for contracts entered into or modified after June 30, 2003 and for hedging relationships designated after June 30, 2003. The guidance is to be applied prospectively. SFAS 149 did not have a material impact on the Company's financial position or results of operations.

In May 2003, the FASB issued Statement No. 150, "Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity." The

statement requires that certain financial instruments be classified as liabilities, instead of equity, in statements of financial position. SFAS 150 was effective August 1, 2003, and did not have an impact on the Company's financial position or results of operations.

Income Per Share

A reconciliation of the shares used in the computation of net income per share for the years ended April 30 follows:

In thousands	2004	2003	2002
Weighted Average Shares			

Outstanding	62,009	61,675	60,937
Less: Unearned Deferred Compensation Shares	(238)	(171)	(247)
Shares Used for Basic Income Per Share	61,771	61,504	60,690
Dilutive Effect of Stock Options and Other Stock Awards	1,455	1,582	2,404
Shares Used for Diluted Income Per Share	63,226	63,086	63,094

For the years ended April 30, 2004, 2003, and 2002 options to purchase Class A Common Stock of zero, .9 million, and zero, respectively, have been excluded from the shares used for diluted income per share as their inclusion would have been antidilutive.

Acquisitions

During fiscal year 2004, the Company invested $3.1 million in acquisitions including payments to complete prior year acquisitions, the purchase of publishing rights to higher education titles and publishing rights to several Scientific, Technical, and Medical journals.

During fiscal year 2003, the Company acquired publishing assets aggregating $10.5 million, which include teacher-education titles from Prentice Hall Direct/Pearson Education, turf grass management and golf-course design titles from Sleeping Bear Press/Ann Arbor Press, technology titles from Peer Information Ltd. published under the Wrox Press Ltd. and Friends of Ed Ltd. imprints, life-science textbooks from Fitzgerald Science Press, Inc., and the Book of Yields from Chef Desk. The cost of these investments were principally allocated to acquired publishing rights and noncompete agreements that are being amortized on a straight-line basis over estimated average useful lives ranging from 5 to 20 years.

In September 2001, the Company acquired 100% of the outstanding shares of Hungry Minds, Inc. (Hungry Minds), for a total purchase price of approximately $184.1 million, consisting of approximately $90.2 million in cash for the common stock of Hungry Minds, $91.7 million in cash to enable Hungry Minds to repay its outstanding debt, and fees and expenses of approximately $2 million. Hungry Minds is a leading publisher with a collection of respected brands including the For Dummies, Unofficial Guide, the technological Bible and Visual series, Frommer's travel guides, CliffsNotes, Webster's New World dictionaries, Betty Crocker and Weight Watchers cookbooks, and other market-leading brands. Through the Hungry Minds acquisition, the Company substantially increased its strong collection of content, thereby enhancing its competitive position in the P/T segment. The Hungry Minds brands are well known in the United States and abroad.

The results of operations of Hungry Minds have been included in the Company's consolidated financial statements since the date of acquisition. The cost of the acquisition was allocated on the estimated fair values of the assets acquired and the liabilities assumed.

During fiscal year 2003, the Company finalized the purchase accounting for the Hungry Minds acquisition, resulting in no material change to the Company's financial position. The following table summarizes the final allocation for the purchase price for the Hungry Minds assets acquired and liabilities assumed at the date of acquisition.

Dollars in thousands	
Current Assets	$ 84,163
Product Development Assets	10,661
Property and Equipment	3,839
Goodwill	90,603
Other Intangible Assets	58,600
Deferred Income Tax Benefit	9,282
Total assets acquired	257,148
Current Liabilities	(55,776)
Long-Term Liabilities	(17,239)
Total liabilities assumed	(73,015)
Net assets acquired	$184,133

In fiscal year 2002, the Company also acquired four other businesses for purchase prices aggregating $35.1 million. These included A&M Publishing Ltd., a U.K.-based publisher for the pharmaceutical and health care sectors; GIT Verlag GmbH, a German publisher for the chemical, pharmaceutical, biotechnology, security, and engineering industries; and Frank J. Fabozzi Publishing and an Australian publisher, Wrightbooks Pty Ltd., both publishing high-quality finance books for the professional market.

The final intangible assets recorded for all of the above fiscal year 2002 acquisitions, including Hungry Minds, were as follows:

Dollars in thousands	Amount Recorded	Tax-Deductible Amount
Goodwill	$104,962	$ 977
Other Intangible Assets Not Subject to Amortization		
Branded trademarks	$ 57,900	$ 48,592
Acquired publication rights	11,498	-
Total	$ 69,398	$ 48,592
Other Intangible Assets Subject to Amortization		
Acquired publication rights	$ 12,746	$ 9,482
Noncompete agreements	150	150
Total	$ 12,896	$ 9,632

The weighted average amortization period for acquired publication rights subject to amortization was 27 years and 5 years for noncompete agreements. The following unaudited pro forma financial information presents the results of operations of the Company as if the above acquisitions had been consummated as of May 1, 2000. The unaudited pro forma financial information is not necessarily indicative of the actual results that would have been achieved had the acquisition actually been consummated as of May 1, 2000, nor is it necessarily indicative of the future results of operations.

Dollars in thousands except per share data	2002
Revenue	$818,038
Net Income	$36,593
Income Per Diluted Share	$0.58

During fiscal year 2002, the Company also acquired publishing assets consisting of 47 higher education titles from Thomson Learning for approximately $16.1 million in cash. The titles are in such publishing areas as business, earth and biological sciences, foreign languages, mathematics, nutrition, and psychology. The excess of cost over the fair value of the tangible assets acquired amounted to approximately $13.5 million, relating to acquired publishing rights that are being amortized on a straight-line basis over 20 years.

All 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.

Headquarters Relocation

In the fourth quarter of fiscal year 2002, the Company finalized its commitment to relocate the Company's headquarters to Hoboken, N.J. The relocation was completed in the first quarter of fiscal year 2003. The first quarter of fiscal year 2003 and the fourth quarter of fiscal year 2002 include charges for costs associated with the relocation of approximately $2.5 million, or $1.5 million after tax equal to $0.02 per diluted share; and $12.3 million, or $7.7 million after tax equal to $0.12 per diluted share, for the respective periods. The costs include moving costs, duplicate rent payments, rent payments on the vacated facility, and the accelerated depreciation of leasehold improvements and certain furniture, fixtures, and equipment based on revised estimates of useful lives.

Inventories

Inventories at April 30 were as follows:

Dollars in thousands	2004	2003
Finished Goods	$74,310	$76,452
Work-in-Process	7,582	5,643
Paper, Cloth, and Other	4,397	4,798
	86,289	86,893
LIFO Reserve	(2,500)	(3,556)
Total	$83,789	$83,337

Product Development Assets

Product development assets consisted of the following at April 30:

Dollars in thousands	2004	2003
Composition Costs	$32,379	$31,959
Royalty Advances	28,376	28,883
Total	$60,755	$60,842

Composition costs are net of accumulated amortization of $76,248 in 2004 and $67,683 in 2003.

Property and Equipment

Property and equipment consisted of the following at April 30:

Dollars in thousands	2004	2003
Land and Land Improvements	$ 5,027	$ 3,539
Buildings and Leasehold Improvements	62,188	58,367
Furniture and Fixtures	49,506	44,344
Computer Equipment and Capitalized Software	122,581	99,011
	239,302	205,261
Accumulated Depreciation	(121,997)	(90,391)
Total	$117,305	$114,870

The net book value of capitalized software costs was $30.0 million and $24.8 million as of April 30, 2004 and 2003, respectively. The depreciation expense recognized in 2004, 2003, and 2002 for capitalized software costs was approximately $10.8 million, $6.0 million, and $5.9 million, respectively.

Goodwill and Other Intangible Assets

On May 1, 2002, the Company adopted SFAS No. 142, "Goodwill and Other Intangible Assets," which eliminates the requirement to amortize goodwill and those intangible assets that have indefinite useful lives, but requires an annual test for impairment or more frequently if impairment indicators arise. Intangible assets that have finite useful lives will continue to be amortized over their useful lives. The Company completed its initial evaluation and assessment of its goodwill and other intangible assets in accordance with SFAS No. 142 during the first quarter of fiscal year 2003. No impairment charge was required. The Company reclassified certain acquired publication rights to indefinite life intangibles in connection with the implementation of SFAS No. 142.

The following table represents net income and earnings per share adjusted for the non-amortization provision of SFAS 142:

	Year Ended April 30,		
	2004	2003	2002

Net Income, as Reported	$88,840	$87,275	$57,316
Add Back: Amortization Expense, Net of Tax			
Indefinite lived intangibles	-	-	4,001
Goodwill	-	-	3,844
Adjusted Net Income	$88,840	$87,275	$65,161
Income Per Diluted Share:			
As reported	$1.41	$1.38	$0.91
Adjusted	$1.41	$1.38	$1.03
Income Per Basic Share:			
As reported	$1.44	$1.42	$0.94
Adjusted	$1.44	$1.42	$1.07

The following table summarizes the activity in goodwill by segment:

(Dollars in thousands)	As of April 30, 2003	Acquisitions and Dispositions	Cumulative Translation and Other Adjustments	As of April 30, 2004
P/T	$147,256	-	-	$147,256
STM	23,193	-	-	23,193
European	19,830	730	1,711	22,271
Other	1,907	-	266	2,173
Total	$192,186	730	1,977	$ 194,893

The following table summarizes intangibles subject to amortization as of April 30:

(Dollars in thousands)	2004	2003
Acquired Publication Rights	$155,054	$150,708
Accumulated Amortization	(53,505)	(43,918)
Net Acquired Publication Rights	$101,549	$106,790
Covenants Not to Compete	$890	$900
Accumulated Amortization	(483)	(303)
Net Covenants Not to Compete	$407	$597
Total	$101,956	$107,387

Based on the current amount of intangible assets subject to amortization, the estimated amortization expense for each of the succeeding 5 fiscal years are as follows: 2005 - $9.9 million; 2006 - $9.5 million; 2007 - $9.3 million; 2008 - $9.1 million; and 2009 - $9.0 million.

The following table summarizes other intangibles not subject to amortization as of April 30:

(Dollars in thousands)	2004	2003
Acquired Publication Rights	$116,584	$115,585
Branded Trademarks	57,900	57,900
Total	$174,484	$173,485

Other Accrued Liabilities

Other accrued liabilities as of April 30 consisted of the following:

(Dollars in thousands)	2004	2003
Accrued Compensation	$42,053	$31,201
Pension Liability	4,563	8,048
Rent	2,313	2,505
Employee Benefits	3,471	3,171
Other	33,344	32,699
Total	$85,744	$77,624

Income Taxes

The provision for income taxes at April 30, was as follows:

Dollars in thousands	2004	2003	2002
Current Provision(Benefit)			
US - federal	(1,198)	$4,946	$14,984
International	9,425	8,186	7,045
State and local	1,358	928	1,322
Total Current Provision	9,585	14,060	23,351
Deferred Provision(Benefit)			
US - federal	21,529	16,923	(2,436)
International	2,600	(8,159)	1,983
State and local	2,556	2,460	904
Total Deferred Provision	26,685	11,224	451
Total Provision	$ 36,270	$ 25,284	$ 23,802

Included in the Company's consolidated statements of cash flows as cash provided by operating activities under the changes in other assets and liabilities caption are tax benefits related to the exercise of stock options and restricted stock held by employees amounting to $7.9 million, $3.0 million, and $8.0 million for fiscal years 2004, 2003, and 2002, respectively, which serve to reduce current income taxes payable.

International and United States pretax income was as follows (in thousands):

	2004	2003	2002
International	$41,853	$37,015	$29,707
United States	83,257	75,544	51,411
Total	$125,110	$112,559	$81,118

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

	2004	2003	2002
U.S. Federal Statutory Rate	35.0%	35.0%	35.0%
State and Local Income Taxes Net of Federal Income Tax Benefit	2.0	2.0	1.7
Tax Benefit Derived from FSC/EIE Income	(1.6)	(2.1)	(3.0)
Foreign Source Earnings Taxed at Other Than U.S. Statutory Rate	(2.9)	(.8)	(4.9)
Foreign Reorganization	-	(10.7)	-
Amortization of Intangibles	-	-	2.0
Tax Benefit	(2.4)	-	-
Other - Net	(1.1)	(.9)	(1.5)
Effective Income Tax Rate	29.0%	22.5%	29.3%

In fiscal year 2004 the Company reported a tax benefit related to the favorable resolution of certain Federal, State and foreign tax matters.

During the second quarter of fiscal year 2003 the Company merged several of its European subsidiaries into a new entity, which enabled the Company to increase the tax-deductible net asset basis of the merged subsidiaries to fair market value creating a tax asset greater than the related book value. The $12 million benefit attributable to the increase tax basis reduced the Company's fiscal year 2003 effective tax rate by 10.7%. The $12 million benefit includes the release of $7.8 million of valuation allowance recorded in prior years.

Deferred taxes result from temporary differences in the recognition of revenue and expense for tax and financial reporting purposes. The significant components of deferred tax assets and liabilities at April 30 were as follows:

	2004		2003	
Dollars in thousands	Current	Long-Term	Current	Long -Term
Reserve for Sales Returns and Doubtful Accounts	$17,617	$438	$23,969	$404
Inventory	(5,358)	-	2,708	-
Accrued Expenses	133	4,938	637	5,321
Capitalized Costs	-	5,657	-	5,623
Retirement and Post-employment Benefits	-	12,881	-	15,627
Depreciation and Amortization	-	(25,232)	-	(10,035)
Long-Term Liabilities	-	7,403	-	1,649
Net Deferred Tax Assets	$12,392	$6,085	$27,314	$18,589

In general, the Company plans to continue to invest the undistributed earnings of its international subsidiaries in those businesses, and therefore no provision is made for taxes that would be payable if such earnings were distributed. At April 30, 2004, the undistributed earnings of international subsidiaries approximated $90.9 million and, if remitted currently, would result in additional taxes approximating $1.2 million.

Notes Payable and Debt

Outstanding term loans consisted of $200 million due September 2006 and $35 million due and paid October 2003.

The weighted average interest rates on the term loans during fiscal years 2004 and 2003 were 1.87% and 2.35%, respectively. As of April 30, 2004 and 2003, the weighted average rates for the term loans were 2.00% and 2.11%, respectively.

To finance the Hungry Minds acquisition, as well as to provide funds for general working capital and other needs, in fiscal year 2002, the Company obtained an additional $300 million bank credit facility with 13 banks, consisting of a $200 million five-year term loan facility to be repaid in September 2006 and a $100 million revolving credit facility. The Company has the option of borrowing at the following floating interest rates: (i) at a rate based on the London Interbank Offered Rate (LIBOR) plus an applicable margin ranging from .625% to 1.375% depending on the coverage ratio of debt to EBITDA; or (ii) at the higher of (a) the Federal Funds Rate plus .5% or (b) UBS's prime rate, plus an applicable margin ranging from 0% to .375% depending on the coverage ratio of debt to EBITDA. In addition, the Company pays a commitment fee ranging from .125% to .225% on the unused portion of the facility, depending on the coverage ratio of debt to EBITDA.

In the event of a change of control, as defined, the banks have the option to terminate the agreements and require repayment of any amounts outstanding.

The credit agreements contain certain restrictive covenants related to minimum net worth, funded debt levels, an interest coverage ratio, and restricted payments, including a cumulative limitation for dividends paid and share repurchases. Under the most restrictive covenant, approximately $214 million was available for such restricted payments as of April 30, 2004.

The Company and its subsidiaries have other short-term lines of credit aggregating $32 million at various interest rates. Information relating to all short-term lines of credit follows:

Dollars in thousands	2004	2003	2002
End of Year			
Amount outstanding	$ -	$ -	$ -
Weighted average interest rate	-	-	-
During the Year			
Maximum amount outstanding	$65,000	$95,000	$70,000
Average amount outstanding	$ 14,241	$ 29,500	$14,137
Weighted average interest rate	1.8%	2.1%	2.9%

The Company's total available lines of credit as of April 30, 2004, were $132 million. Based on estimates of interest rates currently available to the Company for loans with similar terms and maturities, the fair value of notes payable and long-term debt approximates the carrying value.

Commitments and Contingencies

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

Dollars in thousands	2004	2003	2002
Minimum Rental	$ 23,218	$ 24,819	$ 24,463
Less: Sublease Rentals	(1,428)	(156)	(303)
Total	$ 21,790	$ 24,663	$ 24,160

Future minimum payments under operating leases aggregated $235.3 million at April 30, 2004. Future annual minimum payments under these leases are $24.5 million, $23.7 million, $22.8 million, $22.2 million, and $21.7 million for fiscal years 2005 through 2009, respectively.

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.

Retirement Plans

The Company and its principal subsidiaries have contributory and noncontributory retirement plans that cover substantially all employees. The plans generally provide for employee retirement between the ages of 60 and 65, and benefits based on length of service and final average compensation, as defined.

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 Company provides contributory life insurance and health care benefits, subject to certain dollar limitations for substantially all of its retired U.S. employees. The cost of such benefits is expensed over the years the employee renders service and is not funded in advance. The accumulated post-retirement benefit obligation as of April 30, 2004 and 2003 was $1.4 million and $1.1 million respectively. Expenses for these plans for all years were immaterial.

The Company has a defined contribution 401(k) savings plan. The Company contribution is based on employee contributions and the level of Company match. The expense for this plan amounted to approximately $2.9 million, $2.5 million, and $1.9 million in 2004, 2003, and 2002, respectively.

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

Dollars in thousands	2004	2003	2002
Service Cost	$6,962	$6,519	$6,174
Interest Cost	9,651	9,350	8,044

Expected Return on Plan Assets	(6,830)	(6,889)	(6,987)
Net Amortization of Prior Service Cost	666	645	511
Net Amortization of Unrecognized Transition Asset	(25)	(39)	(213)
Recognized Net Actuarial Loss	2,177	885	363
Net Pension Expense	$12,601	$10,471	$7,892

The weighted-average assumptions used to determine net pension expense for the years ended April 30 were as follows:

	2004	2003	2002
Discount rate	6.3%	7.1%	7.1%
Rate of Compensation Increase	3.7%	5.8%	5.7%
Expected Return on Plan Assets	7.9%	7.9%	8.0%

In fiscal year 2003, certain international plans were amended to require participants to make annual contributions to their plan. In fiscal year 2002, the U.S. plan was amended to provide that final average compensation be based on the highest three consecutive years ended December 31, 1997, or, if employed after that date, the first three consecutive years after that date. Neither of these amendments had a material impact on pension expense for both years. 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 net pension expense included above for the international plans amounted to approximately $6.3 million, $5.4 million, and $3.8 million for 2004, 2003, and 2002, respectively.

The following table sets forth the changes in and the status of the plans' assets and benefit obligations. The unfunded plans relate primarily to a non-US subsidiary, which is governed by local statutory requirements, and the domestic supplemental retirement plans for certain officers and senior management personnel.

Dollars in thousands	2004		2003	
CHANGE IN PLAN ASSETS	Funded	Unfunded	Funded	Unfunded
Fair Value of Plan Assets, Beginning of Year	$ 78,608	$ -	$ 82,540	$ -
Actual Return on Plan Assets	13,038	-	(7,037)	-
Employer Contributions	19,633	1,571	3,782	1,511
Participants' Contributions	472	-	220	-
Benefits Paid	(4,984)	(1,571)	(4,057)	(1,511)
Foreign Currency Rate Changes	4,130	-	3,160	-
Fair Value, End of Year	$ 110,897	$ -	$ 78,608	$ -
CHANGE IN BENEFIT OBLIGATION				
Benefit Obligation, Beginning of Year	$ (118,264)	$ (31,832)	$ (95,289)	$ (28,009)
Service Cost	(5,842)	(1,120)	(5,338)	(1,181)
Interest Cost	(7,689)	(1,962)	(7,280)	(2,070)
Employees' Contributions	(416)	-	(220)	-
Actuarial Gain (Loss)	(6,260)	16	(10,068)	326
Benefits Paid	4,984	1,571	4,057	1,511
Foreign Currency Rate Changes	(6,422)	(1,040)	(4,126)	(2,409)
Benefit Obligation, End of Year	$ (139,909)	$ (34,367)	$ (118,264)	$ (31,832)
Funded Status	$ (29,012)	$ (34,367)	$ (39,656)	$ (31,832)
Unrecognized Net Asset	210	6	(63)	-
Unrecognized Prior Service Cost	4,419	404	4,805	505
Unrecognized Net Actuarial Loss	31,960	2,818	32,138	3,010
Prepaid (Accrued) Pension Cost	$ 7,577	$ (31,139)	$ (2,776)	$ (28,317)
AMOUNTS RECOGNIZED IN THE STATEMENT OF FINANCIAL POSITION				
Deferred Pension Asset	$ 992	$ -	$ 686	$ -
Accrued Pension Liability	(21,669)	(31,399)	(34,221)	(28,734)
Other Asset	3,891	119	4,333	239
Accumulated Other Comprehensive Income	24,363	141	26,426	178
Net Amount Recognized	$ 7,577	$ (31,139)	$ (2,776)	$ (28,317)
WEIGHTED AVERAGE ASSUMPTIONS USED IN DETERMINING ASSETS AND LIABILITIES				
Discount Rate	6.1%	6.1%	6.3%	6.2%
Expected Return on Plan Assets	8.0%	-	7.9%	-
Rate of Compensation Increase	3.6%	3.7%	3.6%	3.9%
Accumulated Benefit Obligations	$ (131,212)	$ (30,668)	$ (110,608)	$ (28,008)
Increase/(Decrease) in Minimum Liability Included in Accumulated Other Comprehensive Income (Above)	$ (2,063)	$ (37)	$ 26,426	$ 178

The projected benefit obligation, accumulated benefit obligation, and fair value of plan assets for the retirement plans with accumulated benefit obligations in excess of plan assets were $170.1 million, $158.8 million, and $106.4 million, respectively, as of April 30, 2004, and $145.5 million, $136.2 million, $74.0 million, respectively, as of April 30, 2003.

The asset allocation for the domestic defined benefit pension plan as of the measurement date, by asset category, is as follows:

Asset Category	Percentage of Plan Assets 2004	2003
Equity Securities	48%	47%
Debt Securities	47%	46%
Real Estate	5%	7%
Total	100%	100%

The investment goal for the defined benefit pension plan is to generate an above-average return in a diversified portfolio of stocks, bonds, and real estate. The plan's risk management practices provide guidance to the balanced investment manager, including guidelines for asset concentration, credit rating and liquidity. Asset allocation favors a balanced portfolio, with a target allocation of approximately 50% equity securities, 45% fixed income securities, and 5% real estate. Due to volatility in the market, the target allocation is not always desirable and asset allocations will fluctuate between acceptable ranges.

The expected long-term rate of return was estimated using market benchmarks for equities, real estate, and bonds applied to the plan's target asset allocation. Expected returns are estimated by asset class and represent the sum of expected real rates of return plus anticipated inflation. The expected long-term rate is then compared to actual historic investment performance of the plan assets and evaluated through consultation with investment advisors.

Wiley does not anticipate making a contribution to its domestic defined benefit pension plan in 2005 as, currently, none is statutorily required. However, from time to time, the Company may elect to voluntarily contribute to the plan to improve its funded status.

Equity Compensation Plans

All equity compensation plans have been approved by security holders. The number of securities to be issued upon exercise of outstanding options, warrants, and rights as of April 30, 2004, was 5,047,980 at a weighted average exercise price of $20.12. The number of securities remaining available for future issuance under equity compensation plans was 4,466,812, excluding securities reserved for current outstanding options.

Under the Company's Long Term Incentive Plan, qualified employees are eligible to receive awards that may include stock options, performance stock awards, and restricted stock awards subject to an overall maximum of 8,000,000 shares and up to a maximum per year of 600,000 shares of Class A stock to any one individual.

The exercise price of options granted under the plan may not be less than 100% of the fair market value of the stock at the date of grant. Options are exercisable, in part or in full, over a maximum period of 10 years from the date of grant, and generally vest within five years from the date of the grant. Under certain circumstances relating to a change of control, as defined, the right to exercise options outstanding could be accelerated.

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

	2004		2003		2002	
	Options	Weighted Average Exercise Price	Options	Weighted Average Exercise Price	Options	Weighted Average Exercise Price
Outstanding at Beginning of Year	5,034,904	$16.98	4,599,704	$14.44	5,080,703	$11.21
Granted	928,834	$25.32	900,809	$24.90	656,143	$23.15
Exercised	(881,013)	$ 7.63	(427,356)	$ 5.78	(1,131,142)	$ 4.95
Canceled	(34,745)	$21.77	(38,253)	$23.17	(6,000)	$17.91

Outstanding at End of Year	5,047,980	$20.12	5,034,904	$16.98	4,599,704	$14.44
Exercisable at End of Year	2,104,909	$14.22	2,161,372	$10.08	2,021,876	$ 8.05

The following table summarizes information about stock options outstanding and options exercisable at April 30, 2004:

Options Outstanding			Options Exercisable	
Number of Options	Weighted Avergage Remaining Term	Weighted Average Exercise Price	Number of Options	Weighted Avergage Exercise Price
156,060	0.8 years	$ 6.33	156,060	$ 6.33
1,233,346	3.5 years	11.62	1,233,346	11.62
172,279	5.5 years	16.60	165,529	16.57
1,091,774	6.3 years	22.10	369,974	20.63
2,394,521	8.0 years	24.74	180,000	23.57
5,047,980	6.2 years	$ 20.12	2,104,909	$ 14.22

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 restricted shares of the Company's Class A Common stock. The restricted shares vest equally as to 50% on the first and second anniversary date after the award is earned. Compensation expense is charged to earnings over the respective three-year period.

The Company also grants restricted shares of the Company's Class A Common Stock to key executive officers and others in connection with their employment. The restricted shares generally vest one third at the end of the third, fourth, and fifth years following the date of the grant. Under certain circumstances relating to a change of control or termination, as defined, the restrictions would lapse and shares would vest earlier. Compensation expense is charged to earnings ratably over five years, or sooner if vesting is accelerated, from the dates of grant. Restricted shares issued in connection with the above plans amounted to 177,605, 84,376, and 12,000 shares at weighted average fair values of $25.16, $26.08, and $23.92 per share in 2004, 2003, and 2002, respectively.

Under the terms of the Company's Director Stock Plan, (the "Plan") each member of the Board of Directors who is not an employee of the Company is awarded either (a) Class A Common Stock equal to 50% of the board member's annual cash compensation, based on the stock price on the date of grant, or (b) stock options equal to 150% of the annual cash compensation divided by the stock price on the date of grant. Directors' stock options are 100% exercisable at date of grant. In fiscal year 2004, 4,109 shares of common stock were issued under the Plan. In fiscal years 2003 and 2002, 13,224 and 24,343 stock options were granted under the plan at an exercise price of $21.44 and $19.54, respectively.

Directors may also elect to receive all or a portion of their cash compensation in stock. No cash compensation was received in the form of shares for fiscal years 2004 and 2003. Shares of common stock issued in lieu of cash in fiscal year 2002 were 1,729.

Capital Stock and Changes in Capital Accounts

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.

Under the Company's current stock repurchase program, up to four million shares of its Class A common stock may be purchased from time to time in the open market and through privately negotiated transactions. During fiscal year 2004 the Company repurchased 937,150 shares at an average price of $27.90 per share under the current and previous programs. As of April 30, 2004, the Company has authorization from the Board of Directors of the Company to purchase up to 3.8 million additional shares.

Segment Information

The Company is a global publisher of print and electronic products, providing must-have content and services to customers worldwide. Core businesses include

professional and consumer books and subscription services; scientific, technical and medical journals, encyclopedias, books, and online products and services; and educational materials for advanced placement, undergraduate, and graduate students, teachers and lifelong learners. The Company has publishing, marketing, and distribution centers in the United States, Canada, Europe, Asia, and Australia. The Company's reportable segments are based on the management reporting structure, which is also used to evaluate performance. Segment information is as follows:

Dollars in thousands — 2004

	U.S. Segments				European Segment	Other Segments	Eliminations & Corporate Items	Total
	Professional/ Trade	Scientific, Technical, and Medical	Higher Education	Total U.S.				
Revenue								
External Customers	$306,042	$170,526	$128,067	$604,635	$220,756	$97,571	$ -	$922,962
Intersegment Sales	34,210	7,574	24,794	66,578	17,680	1,415	(85,673)	-
Total Revenue	$340,252	$178,100	$152,861	$671,213	$238,436	$98,986	$(85,673)	$922,962
Direct Contribution to Profit	$93,945	$86,310	$41,749	$222,004	$74,585	$22,218	-	$318,807
Shared Services and Admin. Costs (a)								($189,428)
Operating Income								129,379
Interest Expense - Net								(4,269)
Income Before Taxes								$125,110
Total Assets	$395,550	$56,277	$113,614	$565,441	$237,574	$39,146	$172,421	$1,014,582
Expenditures for Other Long-Lived Assets	$26,822	$11,620	$11,150	$49,592	$15,642	$4,445	$22,039	$91,718
Depreciation and Amortization	$16,728	$4,276	$13,904	$34,908	$13,013	$3,037	$20,409	$71,367

Dollars in thousands — 2003

	U.S. Segments				European Segment	Other Segments	Eliminations & Corporate Items	Total
	Professional/ Trade	Scientific, Technical, and Medical	Higher Education	Total U.S.				
Revenue								
External Customers	$289,090	$160,017	$124,017	$573,124	$194,326	$86,521	$ -	$853,971
Intersegment Sales	32,873	8,191	24,203	65,267	16,156	793	(82,216)	-
Total Revenue	$321,963	$168,208	$148,220	$638,391	$210,482	$87,314	$(82,216)	$853,971
Direct Contribution to Profit	$87,354	$77,937	$39,938	$205,229	$69,191	$16,278	-	$290,698
Shared Services and Admin. Costs (a)								($167,972)
Unusual Item (b)								(2,465)
Operating Income								120,261
Interest Expense - Net								(7,702)
Income Before Taxes								$112,559
Total Assets	$391,075	$55,868	$117,165	$564,108	$228,013	$36,565	$143,554	$972,240
Expenditures for Long-Lived Assets	$35,218	$9,258	$13,812	$58,288	$26,150	$3,602	$37,516	$125,556
Depreciation and Amortization	$16,849	$4,130	$12,650	$33,629	$10,054	$2,403	$16,877	$62,963

Dollars in thousands — 2002

	U.S. Segments				European Segment	Other Segments	Eliminations & Corporate Items	Total
	Professional/ Trade	Scientific, Technical, and Medical	Higher Education	Total U.S.				
Revenue								
External Customers	$238,060	$157,503	$119,833	$515,396	$151,442	$67,558	$ -	$734,396
Intersegment Sales	15,012	7,427	21,463	43,902	12,662	760	(57,324)	-
Total Revenue	$253,072	$164,930	$141,296	$559,298	$164,104	$68,318	$ (57,324)	$734,396

Direct Contribution to Profit	$63,210	$71,085	$44,272	$178,567	$56,664	$15,199	-	$250,430
Shared Services and Admin. Costs (a)								($150,355)
Unusual Items (b)								(12,312)
Operating Income								87,763
Interest Expense - Net								(6,645)
Income Before Taxes								$81,118
Total Assets	$397,054	$55,787	$103,496	$556,337	$198,432	$30,334	$111,042	$896,145
Goodwill Acquired	$90,656	-	-	$90,656	$11,646	$1,596	-	$103,898
Expenditures for Other Long-Lived Assets	$122,090	$7,581	$25,458	$155,129	$34,196	$3,112	$17,740	$210,177
Depreciation and Amortization	$19,096	$5,955	$11,330	$36,381	$11,922	$2,051	$8,968	$59,322

(a) The following chart is a detail of Shared Services and Administrative Costs (dollars in thousands):

Dollars in thousands	2004	2003	2002
Distribution	$47,174	$45,680	$37,627
Information Technology	51,918	42,427	39,750
Finance	29,900	27,919	23,691
Other Administration	60,436	51,946	49,287
Total	$189,428	$167,972	$150,355

(b) Relocation related expenses

During fiscal year 2003, the Company centralized several Web development activities, which were previously in the publishing operations. This organizational change enables the Company to leverage these capabilities more efficiently across all of its global businesses. The expenses for these activities are now included in shared services and administrative costs, whereas previously they were included in business segment results. Accordingly, these expenses have been reclassified for the prior year periods in the above statements to provide a more meaningful comparison.

Fiscal year 2002 direct contribution to profit for the U.S. STM segment includes a charge to earnings of $5 million representing a write-off of two investments in an environmental remediation portal and database and an entrepreneurial informatics company. Intersegment sales are generally made at a fixed discount from list price. Shared services costs are not allocated, as they support the Company's worldwide operations. Corporate assets primarily consist of cash and cash equivalents, deferred tax benefits, and certain property and equipment. Export sales from the United States to unaffiliated international customers amounted to approximately $68.8 million, $75.6 million, and $74.3 million in fiscal years 2004, 2003, and 2002, respectively. The pretax income for consolidated international operations was approximately $41.9 million, $37.0 million, and $29.7 million in 2004, 2003, and 2002, respectively.

Worldwide revenue for the Company's core businesses was as follows:

Dollars in thousands	2004	2003	2002
Professional/Trade	$393,134	$369,115	$292,054
Scientific, Technical, and Medical	340,235	308,554	276,510
Higher Education	189,593	176,302	165,832
Total	$922,962	$853,971	$734,396

Revenue from external customers based on the location of the customer and long-lived assets by geographic area was as follows:

Dollars in thousands	Revenue			Long-Lived Assets		
	2004	2003	2002	2004	2003	2002
United States	$567,341	$524,394	$473,145	$461,039	$468,763	$446,103
United Kingdom	67,821	56,285	35,427	61,712	55,941	39,218
Germany	57,018	56,826	34,818	138,311	135,553	126,786
Australia	34,241	27,849	23,182	6,699	5,690	4,262

Canada	33,918	33,063	26,798	2,097	1,651	639
Other Countries	162,623	155,554	141,026	1,742	1,730	2,527
Total	$922,962	$853,971	$734,396	$671,600	$669,328	$619,535

Schedule II

JOHN WILEY & SONS, INC., AND SUBSIDIARIES
VALUATION AND QUALIFYING ACCOUNTS
FOR THE YEARS ENDED APRIL 30, 2004, 2003, AND 2002

(Dollars in thousands)

Description	Balance at Beginning of Period	Additions/(Deductions) Charged to Cost & Expenses	Additions/(Deductions) From (3) Acquisitions	Deductions From Reserves	Balance at End of Period
Year Ended April 30, 2004					
Allowance for sales returns(1)	$ 65,130	$ 63,752	$ -	$ 65,130	$ 63,752
Allowance for doubtful accounts	$ 9,546	$ 2,861	$ -	$ 1,029(2)	$ 11,378
Year Ended April 30, 2003					
Allowance for sales returns(1)	$ 67,816	$ 65,130	$ -	$ 67,816	$ 65,130
Allowance for doubtful accounts	$ 17,008	$ 1,590	$ (7,326)	$ 1,726(2)	$ 9,546
Year Ended April 30, 2002					
Allowance for sales returns(1)	$ 43,118	$ 67,816	$ 30,226	$ 73,344	$ 67,816
Allowance for doubtful accounts	$ 9,684	$ 2,219	$ 7,026	$ 1,921(2)	$ 17,008

---

(1) Allowance for sales returns represents anticipated returns net of inventory and royalty costs.
(2) Accounts written off, less recoveries.
(3) Purchase accounting adjustment associated with the acquisition of Hungry Minds

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

None

Item 9A. Controls and Procedures

As of April 30, 2004, an evaluation was performed under the supervision and with the participation of the Company's management, including the CEO and CFO, of the effectiveness of the design and operation of the Company's disclosure controls and procedures. Based on that evaluation, the Company's management, including the CEO and CFO, concluded that the Company's disclosure controls and procedures were effective as of April 30, 2004. There have been no significant changes in the Company's internal controls or in other factors that could significantly affect internal controls subsequent to April 30, 2004.

The Company's Corporate Governance Principles, Committee Charters, Business Conduct and Ethics Policy and the Code of Ethics for Senior Financial Officers are published on our web site at www.wiley.com under the "About Wiley--Investor Relations--Corporate Governance" captions. Copies are also available free of charge to shareholders on request to the Corporate Secretary, John Wiley & Sons, Inc., 111 River Street, Hoboken, NJ 07030-5774.

PART III

Item 10. Directors and Executive Officers

The information regarding the Board of Directors on pages 6 to 12 of the 2004 Proxy Statement is incorporated herein by reference.

Executive Officers

Set forth below as of April 30, 2004 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
Peter Booth Wiley 61	2002	Chairman of the Board since September 2002 and a Director
William J. Pesce 53	1989	President and Chief Executive Officer and a Director since May 1, 1998 (previously Chief Operating Officer; Executive Vice President, Educational and International Group)
Ellis E. Cousens 52	2001	Executive Vice President and Chief Financial and Operations Officer since March 2001 (previously Senior Vice President, Chief Financial Officer of Bookspan, a Bertelsmann AG joint venture, from March 2000; Vice President, Finance and Strategic Planning, of Bertelsmann AG from March 1999; Vice President, Chief Financial Officer of BOL.com, a subsidiary of Bertelsmann AG, from August 1998)
Stephen A. Kippur 57	1986	Executive Vice President; and President, Professional and Trade Publishing, since July 1998 (previously Executive Vice President and Group President, Professional, Reference and Trade)
William Arlington 55	1990	Senior Vice President, Human Resources, since June 1996
Timothy B. King 64	1996	Senior Vice President, Planning and Development, since June 199
Richard S. Rudick 64	1978	Senior Vice President, General Counsel, since June 1989 (retiri
Gary M. Rinck 52	2004	Senior Vice President, General Counsel (previously Group Genera Pearson PLC, from 2000, Managing Partner of the London office o Foerster from 1995.)
Deborah E. Wiley 58	1982	Senior Vice President, Corporate Communications, since June 199
Edward J. Melando 48	2002	Vice President, Corporate Controller, since April 2002 (previou President, Corporate Controller of Journal Register Company fro Corporate Controller of Asarco Incorporated, from April 1999)

</TABLE>

Each of the other 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 Peter Booth Wiley. There is no other family relationship among any of the aforementioned individuals.

Item 11. Executive Compensation

The information on pages 13 to 19 of the 2004 Proxy Statement is incorporated herein by reference.

Item 12. Security Ownership of Certain Beneficial Owners and Management

The information on pages 2, 3, 11 and 12 of the 2004 Proxy Statement is incorporated herein by reference.

Item 13. Certain Relationships and Related Transactions

None.

Item 14. Principal Accountant Fees and Services

The information regarding principal accountant fees and services on

pages 20 and 21 of the 2003 Proxy Statement is incorporated herein by reference.

PART IV

Item 15. 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

Earnings Release on Fiscal year 2004 Results issued on Form 8-K dated June 16, 2004.

(c) Exhibits

2.1 Agreement and Plan of Merger dated as of August 12, 2001, among the Company, HMI Acquisition Corp. and Hungry Minds, Inc. (incorporated by reference to the Company's Report on Form 8-K dated as of August 12, 2001).

3.1 Restated Certificate of Incorporation (incorporated by reference to the Company's Report on Form 10-K for the year ended April 30, 1992).

3.2 Certificate of Amendment of the Certificate of Incorporation dated October 13, 1995 (incorporated by reference to the Company's Report on Form 10-K for the year ended April 30, 1997).

3.3 Certificate of Amendment of the Certificate of Incorporation dated as of September 1998 (incorporated by reference to the Company's Report on Form 10-Q for the quarterly period ended October 31, 1998).

3.4 Certificate of Amendment of the Certificate of Incorporation dated as of September 1999 (incorporated by reference to the Company's Report on Form 10-Q for the quarterly period ended October 31, 1999).

3.5 By-Laws as Amended and Restated dated as of September 1998 (incorporated by reference to the Company's Report on Form 10-Q for the quarterly period ended October 31, 1998).

10.1 $300,000,000 Credit Agreement dated as of September 21, 2001, among the Company and the Lenders From Time to Time Parties Hereto, UBS AG Stamford Branch, as Administrative Agent and UBS Warburg LLC, as Arranger (incorporated by reference to the Company's Report on Schedule TO/A Amendment No. 5 dated September 21, 2001).

10.2 Credit agreement dated as of November 15, 1996 among the Company, the Banks from time to time parties hereto, and Morgan Guaranty Trust Company of New York, as Agent (incorporated by reference to the Company's report on Form 10-Q for the quarterly period ended October 31, 1996).

10.3 Agreement of Lease dated as of August 4, 2000, between Block A South Waterfront Development L.L.C., as Landlord, and the Company, as Tenant (incorporated by reference to the Company's Report on Form 10-Q for the quarterly period ended July 31, 2000).

10.4 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).

10.5 Long Term Incentive Plan (incorporated by reference to the Company's Definitive Proxy Statement dated August 6, 1999).

10.6 Executive Annual Incentive Plan (incorporated by reference to the Company's Definitive Proxy Statement dated August 6, 1999).

10.7 1991 Key Employee Stock Plan (incorporated by reference to the Company's Definitive Proxy Statement dated August 8, 1991).

10.8 Amendment to 1991 Key Employee Stock plan dated as of September 19, 1996, (Incorporated by reference to the Company's Definitive Proxy Statement dated August 9, 1996).

10.9 Senior executive employment Agreement to Arbitrate dated as of April 29, 2003.

10.10 Senior executive Non-competition and Non-disclosure Agreement dated as of April 29, 2003

10.11 1990 Director Stock Plan as Amended and Restated as of June 22, 2001 (incorporated By reference to the Company's Definitive Proxy Statement dated August 8, 2001)

10.12 1989 Supplemental Executive Retirement Plan (incorporated by reference to the Company's Report on Form 10-K for the year ended April 30, 1989).

10.13 Form of the Fiscal Year 2002 Qualified Executive Long Term Incentive Plan (Incorporated by reference to the Company's Report on Form 10-K for the year ended April 30, 2002).

10.14 Form of the Fiscal Year 2002 Qualified Executive Annual Incentive Plan (incorporated by reference to the Company's Report on Form 10-K for the year ended April 30, 2002).

10.15 Form of the Fiscal Year 2002 Executive Annual Strategic Milestones Incentive Plan (incorporated by reference to the Company's Report on Form 10-K for the year ended April 30, 2002).

10.16 Form of the Fiscal Year 2001 Qualified Executive Long Term Incentive Plan (incorporated by reference to the Company's Report on Form 10-K for the year ended April 30, 2001).

10.17 Form of the Fiscal Year 2001 Qualified Executive Annual Incentive Plan (incorporated by reference to the Company's Report on Form 10-K for the year ended April 30, 2001).

10.18 Form of the Fiscal Year 2001 Executive Annual Strategic Milestones Incentive Plan (incorporated by reference to the Company's Report on Form 10-K for the year ended April 30, 2001).

10.19 Form of the Fiscal Year 2003 Qualified Executive Long Term Incentive Plan. (filed as a exhibit to the 10K report)

10.20 Form of the Fiscal Year 2003 Qualified Executive Annual Incentive Plan. (filed as a exhibit to the 10K report)

10.21 Form of the fiscal year 2003 Executive Annual Strategic Milestones Incentive Plan. (filed as a exhibit to the 10K report)

10.22 Senior executive Employment Agreement dated as of March 1, 2003, between William J. Pesce and the Company

10.23 Senior executive Employment Agreement dated as of March 1, 2003, between Stephen A. Kippur and the Company

10.24 Senior executive Employment Agreement dated as of March 1, 2003, between Ellis E. Cousens and the Company

10.25 Senior executive Employment Agreement letter dated as of March 1, 2003, between Richard S. Rudick and the Company

10.26 Senior executive Employment Agreement letter dated as of March 1, 2003, between Timothy B. King and the Company

10.27 Senior executive Employment Agreement letter dated as of March 15, 2004, between Gary M. Rinck and the Company (filed as an exhibit to this form 10K report)

22 List of Subsidiaries of the Company.

23 Consent of Independent Registered Public Accounting Firm (included in this report as listed in the attached index).

99 Certificates Pursuant to 18 S.C. Section 1350, as adopted pursuant to Sarbanes-Oxley Act of 2002.

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/ William J. Pesce
William J. Pesce
President and Chief Executive Officer

By: /s/ Ellis E. Cousens
Ellis E. Cousens
Executive Vice President and
Chief Financial and Operations Officer

By: /s/ Edward J. Melando
Edward J. Melando
Vice President, Controller and
Chief Accounting Officer

Dated: June 17, 2004

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons constituting directors of the Company on June 17, 2004.

/s/ Warren J. Baker Warren J. Baker	/s/ William J. Pesce William J. Pesce
/s/ Larry Franklin Larry Franklin	/s/ William B. Plummer William B. Plummer
/s/ Mathew S. Kissner Mathew S. Kissner	/s/ William R. Sutherland William R. Sutherland
/s/ Henry A. McKinnell Henry A. McKinnell	/s/ Bradford Wiley II Bradford Wiley II
/s/ John L. Marion, Jr. John L. Marion, Jr.	/s/ Peter Booth Wiley Peter Booth Wiley

CERTIFICATIONS

I, William J. Pesce, certify that:

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

- Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to

the period covered by this annual report; and

- Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented

- The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:
  a. designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;

  b. evaluated the effectiveness of the registrant's disclosure controls and procedures as of the end of the period covered by this report (the "Evaluation Date"); and

  c. presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

- The registrant's other certifying officer and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

  a. all significant deficiencies in the design or operation of internal controls which would adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

  b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

- The registrant's other certifying officer and I have indicated in this annual report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weakness.

By /s/ William J. Pesce

William J. Pesce
President and Chief Executive Officer

Dated: June 17, 2004

CERTIFICATIONS

I, Ellis E. Cousens, certify that:

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

- Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report; and

- Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented

- The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

  a. designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this

annual report is being prepared;

b. evaluated the effectiveness of the registrant's disclosure controls and procedures as of the end of the period covered by this report (the "Evaluation Date"); and

c. presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

- The registrant's other certifying officer and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

a. all significant deficiencies in the design or operation of internal controls which would adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

- The registrant's other certifying officer and I have indicated in this annual report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weakness.

By /s/ Ellis E. Cousens

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

Dated: June 17, 2004

Exhibit 22

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

	Jurisdiction in Which Incorporated
John Wiley & Sons International Rights, Inc.	Delaware
JWS HQ, LLC	New Jersey
JWS DCM, LLC	New Jersey
Wiley-Liss, Inc.	Delaware
Wiley Publishing Services, Inc.	Delaware
Wiley Periodicals, Inc.	Delaware
Wiley Subscription Services, Inc.	Delaware
John Wiley & Sons (Asia) Pte Ltd.	Singapore
John Wiley & Sons Australia, Ltd	Australia
John Wiley & Sons Canada Limited	Canada
John Wiley & Sons (HK) Limited	Hong Kong
Wiley Europe Limited	England
Wiley Heyden Ltd	England
Wiley Europe (S.A.R.L.)	France
Wiley Distribution Services Limited	England
John Wiley & Sons Ltd.	England
InPharm-Internet Services Limited	England
Wiley HMI Holdings, Inc.	Delaware
Wiley Europe Investment Holdings Ltd	England
A&M Publishing Ltd	England
HMI Investment, Inc.	Delaware
Wiley Publishing, Inc.	Delaware
Wiley Dreamtech India Private Limited (65%)	India
John Wiley & Sons GmbH	Germany
Wiley InterScience GmbH	Germany
Verlag Chemie GmbH	Germany
Wiley-VCH Verlag GmbH & Co. KGaA	Germany
Wiley-GIT Publishers GmbH	Germany
GIT Verlag GmbH & Co. KG	Germany
Wiley Fachverlag GmbH	Germany

Wilhelm Ernst & Sohn Verlag fuer Architectur und technische Wissenschaften GmbH & Co. KG	Germany
Verlag Helvetica Chimica Acta AG	Switzerland
Wiley-VCH Verlag Schweiz AG	Switzerland
Physik Verlag GmbH (52%)	Germany
WWL, Inc.	Delaware
Wiley-Japan Y.K.	Japan

---

(1) The names of other subsidiaries that would not constitute a significant subsidiary in the aggregate have been omitted. All subsidiaries are wholly owned unless indicated parenthetically.

Exhibit 99.1

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

In connection with the Annual Report of John Wiley & Sons, Inc. (the "Company"), on Form 10-K for the period ending April 30, 2004, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, William J. Pesce, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that based on my knowledge:

The Report fully complies with the requirements of section 13(a) or 15 (d) of the Securities Exchange Act of 1934 (as amended), as applicable; and

The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ William J. Pesce

William J. Pesce
President and
Chief Executive Officer

Dated: June 17, 2004

Exhibit 99.2

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

In connection with the Annual Report of John Wiley & Sons, Inc. (the "Company"), on Form 10-K for the period ending April 30, 2004, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Ellis E. Cousens, Executive Vice President and Chief Financial & Operations Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that based on my knowledge:

The Report fully complies with the requirements of section 13(a) or 15 (d) of the Securities Exchange Act of 1934 (as amended), as applicable; and

The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Ellis E. Cousens

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

Dated: June 17, 2004

Exhibit 10.27

EMPLOYMENT AGREEMENT

EMPLOYMENT AGREEMENT (this "Agreement") made as of the 15th day of March, 2004, by and between John Wiley & Sons, Inc., a New York corporation, with offices at 111 River Street, Hoboken, New Jersey 07030 (hereinafter referred to as the "Company"), and Gary M. Rinck presently residing at 56 Raymond Road, Wimbledon, SW19 4AL, England (hereinafter referred to as "Executive").

WHEREAS, the Company desires to employ Executive as Senior Vice President and General Counsel , and Executive desires to serve the Company in such capacity,

NOW THEREFORE, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. Employment. The Company agrees to employ Executive and Executive agrees to be employed by the Company for the Period of Employment (as defined below) and upon the terms and conditions provided in this Agreement.

2. Position and Responsibilities.

(a) During the Period of Employment, Executive will serve as Senior Vice President and General Counsel of the Company, and subject to the direction of the Company's Chief Executive Officer ("CEO") will perform such duties and exercise such supervision with regard to the business of the Company as are associated with such position, as well as such other duties as may be prescribed from time to time by the CEO. 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 Executive hereunder as the Company shall from time to time establish.

(b) Executive will, during the Period of Employment, devote his full business time and attention to the faithful and competent performance of services for the Company. Executive hereby represents and warrants to the Company that Executive has no conflicting obligations under any existing employment or service agreement and that Executive's performance of the services required of Executive hereunder will not conflict with any other existing obligations or commitments. Nothing in this Agreement shall preclude Executive from engaging, consistent with Executive's duties and responsibilities hereunder, in charitable and community affairs.

(c) Executive shall perform the duties contemplated hereunder at the principal executive office of the Company and at such other locations as may be reasonably necessary to the performance of such duties, and Executive shall do such traveling as may be reasonably required of Executive in the performance of such duties.

3. Period of Employment. The period of Executive's employment under this Agreement (the "Period of Employment") will begin on March 15, 2004 (the "Commencement Date"), and end on the second anniversary thereof, subject to earlier termination and further renewal as provided in this Agreement. Executive's Period of Employment shall automatically renew for subsequent two-year periods, 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 Period of Employment of Executive's or the Company's decision not to renew. A decision by the Company not to renew other than as a result of Executive's death or Disability (as defined below), and other than in circumstances which would give rise to a Termination for Cause (as defined below) shall be treated as a Without Cause Termination (as defined below), and so governed by the provisions of Section 9 hereof.

4. Compensation and Benefits. For all services rendered by Executive pursuant to this Agreement during the Period of Employment, including services as an executive, officer, director or committee member of the Company or any of its subsidiaries or affiliates, Executive will be compensated as follows:

(a) Base Salary. The Company will pay Executive a fixed base salary ("Base Salary") of not less than $375,000.00. Executive will be eligible to receive annual increases as the Company's Board of Directors (the "Board") deems appropriate, in accordance with the Company's customary procedures regarding the salaries of senior officers. Base Salary will be payable according to the customary payroll

practices of the Company but in no event less frequently than once each month.

(b) Executive Compensation Plans. Executive shall be eligible to participate in all of the Company's executive compensation plans in effect on the date hereof in which any senior executive of the Company is eligible to participate, including but not limited to the Company's Executive Annual Incentive Plan, as amended or restated from time to time (the "EAIP"), the Company's Long Term Incentive Plan, as amended or restated from time to time (the "LTIP"), or equivalents, for so long as such plans remain in effect. Nothing in this Agreement shall require the Company or its affiliates to establish, maintain or continue any executive compensation plan or restrict the right of the Company or any of its affiliates to amend, modify or terminate any such plan.

(c) FY05EAIP. The Company will recommend to the Compensation Committee of the Board (the "Committee") that Executive participate in the EAIP with an initial targeted bonus of 75% of Base Salary with respect to the fiscal year of the Company ending April 30, 2005, subject to the terms and conditions of the EAIP and those to be determined by the Committee.

(d) LTIP. The Committee has approved, and at the appropriate times will take action on (x) a grant to the Executive, on the Commencement Date, pursuant to the LTIP of 16,000 shares of Common Stock, as restricted stock vesting 50% at the end of two years of employment, and 50% at the end of three years of employment; and (y) subject to continued employment, an additional grant of 8,000 shares of restricted stock in March of 2005, vesting one-third each in March of 2006, 2007, and 2008. The foregoing are subject to the terms and conditions of the LTIP and those to be set forth in the Company's Restricted Stock grant letter to Executive. In addition, the Company will recommend to the Committee that Executive be granted pursuant to the FY05 LTIP, with respect to the three-year cycle of the Company ending April 30, 2007, (x) a non-qualified stock option to purchase an aggregate of 25,000 shares Common Stock, subject to the terms and conditions of the LTIP and those to be determined by the Committee and (y) restricted performance shares, with an initial target of 10,000 shares of Common Stock, subject to the terms and conditions of the LTIP and those to be determined by the Committee.

(e) SERP. The Company will recommend to the Committee that Executive participate in the Company's 1989 Supplemental Executive Retirement Plan, as amended or restated from time to time (the "SERP"), and Executive's "Applicable Percentage" (as defined in the SERP) shall be equal to 50% subject to the approval of the Committee.

(f) Participation in Benefit Plans. The Company shall afford Executive with an opportunity to participate in any health care, dental, disability insurance, life insurance, retirement, savings and any other employee benefits plans, policies or arrangements which the Company maintains for its employees in accordance with the written terms of such plans, policies or arrangements, on the same basis as the Company's other Senior Executives. Nothing in this Agreement shall require the Company or its affiliates to establish, maintain or continue any benefit plans, policies or arrangements or restrict the right of the Company or any of its affiliates to amend, modify or terminate any such benefit plan, policy or arrangement.

(g) Vacations, Holidays or Temporary Leave. Executive shall be entitled to take four weeks of vacation per calendar year, or such greater amount, if any, as provided in the policies of the Company then applicable to Executive, without loss or diminution of compensation. Such vacation shall be taken at such time or times consistent with the needs of the Company's business. Executive shall further be entitled to the number of paid holidays, and leaves for illness or temporary disability in accordance with the Company's policies as such policies may be amended from time to time or terminated in the Company's sole discretion.

5. Other Offices. Executive agrees to serve without additional compensation, if elected or appointed thereto, as an officer or director of any of the Company's subsidiaries or affiliates or as any other officer of the Company.

6. Business Expenses. The Company will reimburse Executive for all reasonable travel and other expenses incurred by Executive in connection with the performance of Executive's duties and obligations under this Agreement. Executive will comply with such limitations and reporting requirements with respect to expenses as may be established by Company from time to time and will promptly provide all appropriate and requested documentation in connection with such expenses.

7. Disability. If Executive becomes Disabled (as defined below) during the Period of Employment, the Company may, in its discretion, hire a permanent replacement to fill the position previously held and to perform the duties previously performed by Executive, provided, however, the Company shall continue Executive's employment with the Company on an inactive basis to the extent necessary to continue to maintain Executive's eligibility for benefits available under the Company's Group Long-Term Disability Insurance Plan or under any generally similar plan then in effect (the "LTD Plan") and such other employee benefit plans that are generally available to employees receiving benefits under the LTD Plan, in accordance with the terms of such plan(s) as they may be amended from time to time. For purposes of this Agreement, "Disabled" or "Disability" means Executive's inability, because of mental or

physical illness or incapacity, whether total or partial, to perform one or more of the primary duties of Executive's employment, with or without reasonable accommodation, for a length of time that the Company determines is sufficient to satisfy such obligations as it may have under the Family and Medical Leave Act ("FMLA") and such "reasonable accommodation" obligations it may have under federal, state or local disability laws. Upon Executive's entitlement to receive benefits available under the LTD Plan and such other benefits generally available to employees receiving benefits under the LTD Plan, the Company's obligation to provide Executive compensation and other benefits pursuant to Section 4 hereof shall cease. In the event that Executive ceases to be Disabled and Executive is able to return to work and Executive's former position is not open, the Company will endeavor to find, and will work interactively with Executive to find, a position of comparable responsibility, compensation and benefits and to reinstate Executive to such position, if such a position is available at the conclusion of Executive's disability leave of absence. Prior to restoration of Executive to active employment with the Company, Executive shall cooperate in obtaining all fitness for duty certifications from Executive's treating physician(s) and such other physicians as the Company may request in accordance with the FMLA and federal, state and local disability and worker's compensation laws. Within fifteen (15) days of receipt of all medical certification(s) requested by the Company, if the Company does not restore Executive to active employment with the Company, then at that time Executive's employment with the Company will be deemed to have terminated. Under the policy currently in effect for employees of the Company, such termination will be treated as a Without Cause Termination in accordance with Paragraph 9(a) below, provided the Executive has not then attained the age of 65. Nothing in this Agreement shall require the Company to continue such policy, and such termination shall be treated in accordance with the policy applicable at the time the Executive becomes disabled.

8. Death. In the event of the death of Executive during the Period of Employment, the Period of Employment will end and the Company's obligation to make payments under this Agreement will cease as of the date of death, except that the Company will pay Executive's beneficiary designated for purposes of Executive's life insurance provided by the Company or absent such designation to Executive's estate Executive's Base Salary 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 Company including, without limitation, the SERP (as defined below) 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 Company, 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.

9. Effect of Termination of Employment.

(a) Without Cause Termination and Constructive Discharge Absent a Change of Control
or a Special Change of Control. If Executive's employment terminates during the Period of Employment in circumstances in which no Change of Control (as defined below) or Special Change of Control (as defined below) has occurred, due to a Without Cause Termination (as defined below) or a Constructive Discharge (as

defined below), subject to Executive executing a general release of claims as more fully described in Section 9(e) hereof, the Company will pay or provide, as the case may be, Executive (or Executive's surviving spouse, estate or personal representative, as applicable) upon such event: (i) Base Salary earned but unpaid as of the effective date of such termination of employment; (ii) a lump sum payment equal to the Severance Pay Amount (as defined below); and (iii) coverage during the Benefits Continuation Period (as defined below) 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, (x) the Company's Group Health Insurance Program, (y) the LTD Plan (as provided under such plan, Executive shall be required to pay the premium), and (z) the Company's Group Life and Accidental Death and Dismemberment Insurance (at the levels in effect at the date of termination of employment). As

used in this Agreement, the term "Severance Pay Amount" shall equal the amount of Executive's then current Base Salary payable to Executive during one month multiplied by (x) twelve (12) if Executive has been employed by the Company for less than ten (10) continuous unbroken years of service, or (y) eighteen (18) if Executive has been employed by the Company for between ten (10) and twenty (20) continuous unbroken years of service, or (z) twenty-four (24) if Executive has been employed by the Company for more than twenty (20) continuous unbroken years of service. [I note what you have said about the company's practices concerning SERP, pension and other benefits during the "notice " period - thanks.]

(b) Without Cause Termination and Constructive Discharge Following a Change of Control or a Special Change of Control. If Executive's employment terminates during the Period of Employment due to a Without Cause Termination or a Constructive Discharge within the twenty-four (24) month period following a Change of Control or a Special Change of Control, then the Company will provide Executive (or Executive's surviving spouse, estate or personal representative, as applicable) the following payments and/or benefits upon such event: (i) Base Salary earned but unpaid as of the effective date of such termination of employment; (ii) a lump sum amount equal to twenty-four (24) months of Executive's then current Base Salary; (iii) the "target incentive amount" under any executive annual incentive plan established by the Company for a fiscal year ending during the Benefits Continuation Period, and the same "target incentive amount" for any such executive annual incentive plan, pro-rated to the end of the Benefits Continuation Period, for a fiscal year commencing during but ending after the Benefit Continuation Period, or the equivalent under any bonus or variable compensation plan which may hereafter be adopted by the Company in lieu of such executive annual incentive plan; (iv) accelerated vesting of all stock options and restricted stock granted to Executive under any executive long term incentive plan established by the Company but not yet vested on the effective date of termination of employment, or at the Company's option, the cash value of the stock options and restricted stock forfeited under such grants based on fair market value on the effective date of termination of employment; (v) accelerated vesting of all "target" restricted performance shares awarded to Executive under any executive long term incentive plan established by the Company that would be earned in the fiscal year of termination of employment or subsequent fiscal years, or at the Company's option, the cash value of the "target" restricted performance shares forfeited under such awards based on fair market value on the effective date of termination of employment; (vi) coverage during the Benefits Continuation 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, for (x) the Company's Group Health

Insurance Program, (y) the LTD Plan (as provided under such plan, Executive shall be required to pay the premium), and (z) the Company's Group Life and Accidental Death and Dismemberment Insurance (at the levels in effect at the date of termination of employment); (vii) all payments and benefits to which Executive may be entitled pursuant to the terms and conditions of the SERP; and (viii) all payments and benefits to which Executive may be entitled under the Company's Non-Qualified Supplemental Benefit Plan.

(c) Termination for Cause; Resignation If Executive's employment terminates due to a Termination for Cause (as defined below) or a Resignation (as defined below), Base Salary earned but unpaid as of the date of such termination will be paid to Executive in a lump sum and the Company will have no further obligations to Executive under this Agreement. Executive's rights with respect to LTIP grants and stock options shall be governed by the provisions of such grants and options. Executive's rights under benefit plans, including those referred to in Sections 4(e) and (f) above, shall be governed by the provisions of such plans. In the event any termination of Executive's employment for any reason, Executive if so requested by the Company agrees to assist in the orderly transfer of authority and responsibility to Executive's successor.

(d) For purposes of this Agreement, the following capitalized terms have the following meanings:

(i) "Benefits Continuation Period" means that number of months which is equal to the number of months of Base Salary that Executive receives as a lump sum severance payment in accordance with Sections 9(a) or 9(b) hereof.

(ii) "Change of Control" shall have the meaning set forth in the SERP.

(iii) "Constructive Discharge" means: (A) any material failure by the Company to fulfill its obligations under this Agreement (including, without limitation, any reduction of the Base Salary, as the same may be increased during the Period of Employment, or other material element of compensation); (B) a material and adverse change to, or a material reduction of, Executive's duties

and responsibilities to the Company; or (C) the relocation of Executive's primary office to any location more than fifty (50) miles from the Company's principal executive offices. Executive will provide the Company a written notice which describes the circumstances being relied upon for all terminations of employment by Executive resulting from any circumstances claimed to be a Constructive Discharge thirty (30) days after the event giving rise to the notice. The Company will have thirty (30) days after receipt of such notice to remedy the situation prior to Executive's termination of employment due to a Constructive Discharge.

(iv) "Resignation" means a termination of Executive's employment by Executive, other than in connection with Executive's Disability pursuant to Section 7 hereof, Death pursuant to Section 8 hereof or Constructive Discharge pursuant to Sections 9(a) or 9(b) hereof.

(v) "SERP" means the Company's 1989 Supplemental Executive Retirement Plan, as amended or restated from time to time.

(vi) A "Special Change of Control" shall be deemed to have occurred if a Person (as hereinafter defined) who was the beneficial owner (as defined in Rule 13d-3 under the Securities Exchange Act of 1934, as amended), directly or indirectly, of 33-1/3% or more of the Voting Power (as hereinafter defined) of the Company on January 1, 1989, ceases to have the Voting Power to elect a majority of the board of directors of the Company. For purposes of this subsection, each of the terms "Person" and "Voting Power" shall have the meaning ascribed to it by Section 6.3 of the SERP (as if it had been used in clause (b) of Section 6.2 of the SERP). For avoidance of doubt, it is understood by Executive and the Company that the only Person who was the beneficial owner, directly or indirectly, of 33-1/3% or more of the Voting Power of the Company on January 1, 1989, was composed of W. Bradford Wiley, Deborah E. Wiley, Peter Booth Wiley and William Bradford Wiley II (including trusts for which such any such persons serves as trustee); and it is further understood that as of the date hereof, such Person was composed of Deborah E. Wiley, Peter Booth Wiley and William Bradford Wiley II (including trusts for which any such person serves as trustee). Notwithstanding the foregoing, a Special Change of Control shall not be deemed to have occurred as a result of a "person" comprising such Person ceasing to have Voting Power to elect a majority of the Board of Directors of the Company so long as the other "person" or "persons" who compose such Person, in the aggregate, continue to have Voting Power to elect a majority of the board of directors of the Company.

(vii) "Termination for Cause" means: (A) Executive's refusal or willful and continued failure to substantially perform Executive's material duties to the best of Executive's ability under this Agreement (for reasons other than death or disability), in any such case after written notice thereof; (B) Executive's gross negligence in the performance of Executive's material duties under this Agreement; (C) any act of fraud, misappropriation, material dishonesty, embezzlement, or any similar conduct which might be deemed to affect Executive's employment or the reputation of the Company; (D) Executive's conviction of or plea of guilty or nolo contendere to a felony or any crime involving moral turpitude; or (E) Executive's material and willful violation of any of the Company's reasonable rules, regulations, policies, directions and restrictions.

(viii) "Without Cause Termination" or "Terminated Without Cause" means termination of Executive's employment by the Company other than in connection with Executive's Disability pursuant to Section 7 hereof, death pursuant to Section 8 hereof or Constructive Discharge pursuant to Sections 9(a) or 9(b) hereof, or the Company's Termination for Cause of Executive.

(e) Conditions to Payment. All payments and benefits due to Executive under this Section 9 shall be contingent upon the execution by Executive (or Executive's beneficiary or estate) of a general release of all claims to the maximum extent permitted by law against the Company, its affiliates, and their current and former officers, directors, employees and agents in such form as determined by the Company in its sole discretion.

(f)Conditional Payments and Limitations.

(i) In the event that (A) any payment or benefit received or to be received by Executive pursuant to the terms of this Agreement or of any other plan, arrangement or agreement of the Company (or any affiliate) (together, the

"Payments") would, in the opinion of independent tax counsel selected by the Company and reasonably acceptable to Executive ("Tax Counsel"), be subject to

the excise tax (the "Excise Tax") imposed by section 4999 of the Internal Revenue Code of 1986, as amended (the "Code") (in whole or in part), determined as provided below, and (B) the present value of the Payments is less than 115% of the present value of an amount calculated such that no portion of the Payments would be subject to the Excise Tax, then the Payments shall be reduced (but not below zero) until no portion of the payments would be subject to the Excise Tax. In the event that (C) the Payments would, in the opinion of Tax Counsel, be subject to the Excise Tax (in whole or in part), determined as provided below, and (D) the present value of the Payments is equal to or greater than 115% of the present value of an amount calculated such that no portion of the Payments would be subject to the Excise Tax, then the Company shall pay to Executive, at the time specified in Section 9(g)(vi) below, an additional amount (the "Gross-Up Payment") such that the net amount retained by Executive, after deduction of the Excise Tax on the Covered Payments (as that term is defined below) and any federal, state and local income tax and Excise Tax upon the payment provided for by this Section 9(g), and any interest, penalties or additions to tax payable by Executive with respect thereto, shall be equal to the total present value of the Covered Payments at the time such Covered Payments are to be made.

(ii) For purposes of determining whether any of the Payments will be subject to the Excise Tax and the amounts of such Excise Tax: (1) the total amount of the Payments shall be treated as "parachute payments" within the meaning of section 280G(b)(2) of the Code, and all "excess parachute payments" within the meaning of section 280G(b)(1) of the Code shall be treated as subject to the Excise Tax, except to the extent that, in the opinion of Tax Counsel, a Payment (in whole or in part) does not constitute a "parachute payment" within the meaning of section 280G(b)(2) of the Code, or such "excess parachute payments" (in whole or in part) are not subject to the Excise Tax; (2) the amount of the Payments that shall be treated as subject to the Excise Tax shall be equal to the lesser of (A) the total amount of the Payments or (B) the amount of "excess parachute payments" within the meaning of section 280G(b)(1) of the Code (after applying clause (1) hereof); and (3) the value of any noncash benefits or any deferred payment or benefit shall be determined by Tax Counsel in accordance with the principles of sections 280G(d)(3) and (4) of the Code.

(iii) In the event that by reason of the application of this Section 9(g), the Payments to Executive shall be reduced, then Executive may select from among the Payments those Payments to be reduced.

(iv) As used in this Section 9(g), the term "Covered Payments" shall mean the payments and/or benefits payable to Executive pursuant to the provisions of Sections 9(b)(i), 9(b)(ii), 9(b)(iii), 9(b)(iv) and 9(b)(vi) of this Agreement (but in the case of Section 9(b)(iv), only with respect to restricted performance shares awarded to Executive that have been earned prior to a Change of Control), the SERP and the Company's Nonqualified Supplemental Benefit Plan. Covered Payments shall not include any payments and/or benefits other than those listed in the preceding sentence (including, without limitation, any payments and/or benefits under the EAIP or the LTIP), except as expressly provided above.

(v) For purposes of determining the amount of the Gross-Up Payment, Executive shall be deemed to pay federal income taxes at the highest marginal rates of federal income taxation applicable to the individuals in the calendar year in which the Gross-Up Payment is to be made and state and local income taxes at the highest marginal rates of taxation applicable to individuals as are in effect in the state and locality of Executive's residence in the calendar year in which the Gross-Up Payment is to be made, net of the maximum reduction in federal income taxes that can be obtained from deduction of such state and local taxes taking into account any limitations applicable to individuals subject to federal income tax at the highest marginal rates.

(vi) The Gross-Up Payment provided for in Section 9(g)(i) hereof shall be made upon the earlier of (A) the making to Executive of any Payment or (B) the imposition upon Executive or payment by Executive of any Excise Tax.

(vii) If it is established pursuant to a final determination of a court or an Internal Revenue Service proceeding or the opinion of Tax Counsel that the Excise Tax on Covered Payments is less than the amount taken into account under Section 9(g)(i) hereof, Executive shall repay to the Company within five days of Executive's receipt of notice of such final determination or opinion the portion of the Gross-Up Payment attributable to such reduction (plus the portion of the Gross-Up Payment attributable to the Excise Tax and federal, state and local income tax imposed on the Gross-Up Payment being repaid by Executive if such repayment results in a reduction in Excise Tax or a federal, state and local

income tax deduction) plus any interest received by Executive on the amount of such repayment. If it is established pursuant to a final determination of a court or an Internal Revenue Service proceeding or the opinion of Tax Counsel that the Excise Tax on Covered Payments exceeds the amount taken into account hereunder (including by reason of any payment the existence or amount of which cannot be determined at the time of the Gross-Up Payment), the Company shall make an additional Gross-Up Payment in respect of such excess within five days of the Company's receipt of notice of such final determination or opinion. Executive acknowledges that the timing of the Gross-Up Payment made by the Company to the Executive pursuant to Section 9(g) hereof is for the benefit of the Executive, and that any repayment of such Gross-Up Payment by Executive to the Company that may subsequently be required pursuant to this Section 9(g)(vii) is solely for the purposes of the Company's recoupment of compensation that the Company overpaid to Executive.

10. Other Duties of Executive During and After the Period of Employment.

(a) Non-Competition and Non-Disclosure Agreement. Simultaneously with the execution of this Agreement, Executive agrees to execute and to comply with the terms of the Non-Competition and Non-Disclosure Agreement (hereinafter referred to as the "Non-Competition Agreement") in the form provided to Executive by the Company. The terms and conditions of the Non-Competition Agreement are incorporated herein by reference and made a part of this Agreement as if fully set forth herein.

(b) Agreement To Arbitrate. Simultaneous with the execution of this Agreement, Executive agrees to execute and to comply with the terms of the Agreement to Arbitrate (hereinafter referred to as the "Agreement to Arbitrate") in the form provided to Executive by the Company. The terms and conditions of the Agreement to Arbitrate are incorporated herein by reference and made a part of this Agreement as if fully set forth herein.

11. Indemnification. The Company will indemnify Executive to the fullest extent permitted by the laws of the state of the Company's incorporation in effect at that time, or the certificate of incorporation and by-laws of Company, whichever affords the greater protection to Executive.

12. Mitigation. Executive will not be required to mitigate the amount of any payment provided for hereunder by seeking other employment or otherwise, nor will the amount of any such payment be reduced by any compensation earned by Executive as the result of employment by another employer after the date Executive's employment hereunder terminates.

13. Withholding Taxes. Executive acknowledges and agrees that the Company may directly or indirectly withhold from any payments under this Agreement all federal, state, city or other taxes that will be required pursuant to any law or governmental regulation.

14. Relocation and Other Expenses.

(a) Relocation. The Company will reimburse Executive for reasonable relocation expenses, including commission on the sale of Executive's UK residence, related legal and closing costs, moving costs, and temporary storage costs, upon submission of vouchers with appropriate documentation. In the event of a Resignation, as defined in Section 9(d)(iv) above, or a Termination for Cause, as defined in Section 9(d) (vii) above, in either case before the anniversary of the Commencement Date, Executive will promptly repay the Relocation Expenses to the Company.

(b) Temporary Housing. The Company will, at its own expense, provide to Executive reasonable lodging in a temporary residence, following relocation, for a period of up to 90 days.

(c) Insurance. The Company will provide to Executive, or reimburse Executive for the cost of, private disability insurance, at a cost not to exceed approximately $10,000 per annum, to the extent generally comparable coverage is not available under the Company's regular plan for senior executives.

15 Effect of Prior Agreements. This Agreement, together with the Non-Competition Agreement and the Agreement to Arbitrate, constitute the sole and entire agreements and understandings between Executive and the Company with respect to the matters covered thereby. These agreements supersede all prior and contemporaneous agreements, understandings or other arrangements, whether written or oral, concerning the subject matter thereof. Upon execution of this Agreement, Executive's existing employment agreement with the Company shall be superceded by this Agreement in its entirety and shall be of no further

force and effect.

16. Notices. 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 Company, at:

John Wiley & Sons, Inc.
111 River Street
Hoboken, New Jersey 07030
Attention: Chief Executive Officer

with a copy to:

John Wiley & Sons, Inc.
111 River Street
Hoboken, New Jersey 07030
Attention: General Counsel

If to Executive, at:

(Executive to notify Company promptly upon establishment of new permanent residence.)

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.

17. Assignability. The obligations of Executive may not be delegated and, except as expressly provided in Section 8 hereof relating to the designation of a beneficiary in the event of death, Executive may not, without the Company's written consent thereto, assign, transfer, convey, pledge, encumber, hypothecate or otherwise dispose of this Agreement or any interest therein. Any such attempted delegation or disposition shall be null and void and without effect. The Company and Executive agree that this Agreement and all of the Company's rights and obligations hereunder may be assigned or transferred by the Company to and may be assumed by and become binding upon and may inure to the benefit of any affiliate of or successor to the Company. The term "successor" shall mean (with respect to the Company or any of its subsidiaries) any other corporation or other business entity which, by merger, consolidation, purchase of the assets, or otherwise, acquires all or a material part of the assets of the Company. Any assignment by the Company of its rights or obligations hereunder to any affiliate of or successor to the Company shall not be a termination of employment for purposes of this Agreement.

18. Modification. This Agreement may not be modified or amended except in writing signed by the parties. No term or condition of this Agreement will be deemed to have been waived except in writing by the party charged with waiver. A waiver will operate only as to the specific term or condition waived and will not constitute a waiver for the future or act on anything other than that which is specifically waived.

19. Governing Law. This Agreement will be construed and interpreted pursuant to the laws of the State of New York, without regard to such State's conflict of law rules.

20. Separability. All provisions of this Agreement are intended to be severable. In the event any provision or restriction contained herein is held to be invalid or unenforceable in any respect, in whole or in part, such finding will in no way affect the validity or enforceability of any other provision of this Agreement. The parties hereto further agree that any such invalid or unenforceable provision will be deemed modified so that it will be enforced to the greatest extent permissible under law, and to the extent that any court of competent jurisdiction determines any restriction herein to be unreasonable in any respect, such court may limit this Agreement to render it reasonable in the light of the circumstances in which it was entered into and specifically enforce this Agreement as limited.

21. No Waiver: No course of dealing or any delay on the part of the Company 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.

22. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have caused this Agreement to

be executed and delivered, effective as of the date first indicated above by a duly authorized officer of the Company.

EXECUTIVE:		JOHN WILEY & SONS, INC.
	By:	
Signature		Signature
Gary M. Rinck		William J. Pesce
Print name		Print name
		President and Chief Executive Officer
		Title