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John Wiley & Sons, Inc. Q3 2009 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions) Your first question comes from Drew Crum – Stifel Nicolaus & Company, Inc.

Drew Crum – Stifel Nicolaus & Company, Inc.

I wanted to start with the revenue guidance, you reduced it owing to the professional trade business. Are you guys anticipating things get worse there or kind of similar to what we saw in the third quarter? And, related to that if you can give us an update on your inventory and the retail channels and just an update on the status of accounts receivables with your larger customers?

William J. Pesce

Drew, I'll start with our expectations for the balance of the fiscal year and the short story there is in terms of comparisons to the fourth quarter of last fiscal year we are expecting improvement and we're expecting improvement for two reasons. One is, as you may recall that some of the softness in revenue that we're currently experiencing began in the fourth quarter of the last fiscal year so the comparables are in that respect more favorable if you will.

Second, when you look at the combination of the publishing program, the list, the feedback that we're getting from our sales representatives as they work with major accounts, some of the agreements that we signed, we're anticipating that the improvement will come or begin to come in the fourth quarter. That assumes of course that there's nothing that happens in a significant way in terms of markets deteriorating any further.

We're not expecting a huge turnaround in the market in the fourth quarter but as long as it kind of stabilizes or slightly better, we think we have enough going for us internally that those comparisons will be favorable for professional trade in the fourth quarter of the year.

Drew Crum – Stifel Nicolaus & Company, Inc.

Can I interject and ask is that improvement on a sequential basis or year-to-year or both?

William J. Pesce

Both.

Ellis E. Cousens

Drew, in terms of your question about receivables and inventory, on the inventory side – well, let me kind of start with receivables. I think if you look at last year this time versus this year this time we've actually had a little bit of improvement in terms of accounts that are current, small but meaningful. Just to be sure, we do review all of our significant customers on a regular basis meaning at least monthly we have calls with them directly and have discussions with them directly about their current situations good, bad or indifferent.

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