DECLARATION OF MICHAEL J. FARIS IN SUPPORT OF MOTION TO DISMISS OF DEFENDANTS PROQUEST COMPANY, ALAN ALDWORTH AND KEVIN GREGORY
The undersigned, Michael J. Faris, hereby declares as follows:

1. I am one of the attorneys representing Defendants ProQuest Company, Alan Aldworth and Kevin Gregory, am over the age of 18 years, and except as otherwise indicated have personal knowledge of the matters set forth herein. Where statements are made upon information and belief, they accurately recite information given to me by others that I believe to be true.

2. Attached as Exhibit 1 is a true and correct copy of excerpts of Defendant ProQuest Company’s Form 10-K, filed with the SEC on March 17, 2005.

3. Attached as Exhibit 2 is a true and correct copy of excerpts of Defendant ProQuest Company’s Form 8-K, filed with the SEC on December 20, 2006.

4. Attached as Exhibit 3 is a true and correct copy of excerpts of Defendant ProQuest Company’s Form 8-K, filed with the SEC on February 15, 2007.

5. Attached as Exhibit 4 is a true and correct copy of Defendant ProQuest Company’s Form 8-K, filed with the SEC on February 9, 2006.

6. Attached as Exhibit 5 is a true and correct copy of excerpts of Defendant ProQuest Company’s Form 8-K, filed with the SEC on May 4, 2006.

7. Attached as Exhibit 6 is a true and correct copy of Defendant ProQuest Company’s Form 8-K, filed with the SEC on August 1, 2006.

8. Attached as Exhibit 7 is a true and correct copy of excerpts of Defendant ProQuest Company’s Form 8-K, filed with the SEC on February 1, 2007.

9. Attached as Exhibit 8 is a true and correct copy of excerpts of Defendant ProQuest Company’s Form 8-K, filed with the SEC on May 6, 2005.
10. Attached as Exhibit 9 is a true and correct copy of Renee Burchfield’s Declaration signed on August 28, 2006.

11. Attached as Exhibit 10 is a true and correct copy of Defendant ProQuest Company’s Quarterly Certification form signed by Renee Burchfield, Senior Financial Analyst in the Corporate Finance Department, on November 9, 2004.

12. Attached as Exhibit 11 is a true and correct copy of ProQuest Company’s Form 4 (Defendant James Roemer’s Statement of Changes in Beneficial Ownership of Securities), filed with the SEC on June 6, 2003.

13. Attached as Exhibit 12 is a true and correct copy of excerpts of Defendant ProQuest Company’s Form 8-K, filed with the SEC on October 23, 2006.

I declare under penalty of perjury under 28 U.S.C. § 1746 that the foregoing is true and correct.

Executed on March 15, 2007

______________________________
Michael J. Faris
Michael J. Faris
## INDEX OF EXHIBITS REFERENCED IN MEMORANDUM IN SUPPORT OF MOTION TO DISMISS OF DEFENDANTS PROQUEST COMPANY, ALAN ALDWORTH AND KEVIN GREGORY

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PROQUEST CO

FORM 10-K
(Annual Report)

Filed 3/17/2005 For Period Ending 1/1/2005

Address
300 NORTH ZEEB ROAD
ANN ARBOR, Michigan 48103-1553

Telephone
734-761-4700

CIK
0000215219

Industry
Computer Services

Sector
Technology

Fiscal Year
01/03
UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

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

For the fiscal year ended January 01, 2005

OR

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

For the transition period from ______ to ______

Commission file number 1-3246

ProQuest Company
(Exact name of registrant as specified in its charter)

Delaware
(State or Other Jurisdiction of Incorporation or Organization)

300 North Zeeb Road, Ann Arbor, Michigan
(Address of Principal Executive Offices)

36-3580106
(I.R.S. Employer Identification No.)

48103-1553
(Zip Code)

Registrant's telephone number, including area code: (734) 761-4700

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

<table>
<thead>
<tr>
<th>Title of each class</th>
<th>Name of each exchange on which registered</th>
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<tbody>
<tr>
<td>common stock, $.001 par value per share</td>
<td>New York Stock Exchange</td>
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</table>

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 ☒ 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. ☐

Indicate by checkmark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Act). Yes ☒ No ☐

The aggregate market value of the Registrant’s voting stock held by non-affiliates (based upon the per share closing price of $27.19 on July 3, 2004) was approximately $556 million.

The number of shares of the Registrant’s common stock, $.001 par value, outstanding as of March 11, 2005 was 29,735,582.

Documents Incorporated By Reference

(1) Portions of the Registrant’s Notice of Annual Meeting and Proxy Statement related to the 2005 Annual Meeting of Stockholders, to be filed subsequent to the date hereof pursuant to Schedule 14A - Part III of this Annual Report on Form 10-K.
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Part I
ProQuest Company

Item 1. Business.

ProQuest Company is a leading publisher of solutions for the education, automotive and power equipment markets. We have more than 50 years of experience in information, content development, and aggregation. Our predecessor company, Bell & Howell Company, was known for creative, technology-based solutions. It was incorporated in Delaware in 1907. In 2001, we sold our legacy Imaging, Mail and Messaging Technologies and finance-related businesses and changed our name to ProQuest Company.

We provide products and services to our customers through two business segments: ProQuest Information and Learning and ProQuest Business Solutions. Financial information for each of our business segments and operations by geographic area is contained in Note 2 to the Consolidated Financial Statements which is incorporated herein by reference. An overview of our two business segments follows.

ProQuest Information and Learning.

Overview – PQIL

We are a leading provider of content to schools, academic institutions, and public libraries worldwide. Our products are found in over 8,000 university and college libraries worldwide and in many cases the content cannot be obtained from any other source besides the original publisher. Our business is based upon long-term relationships with our content suppliers, some of which span more than 50 years. These relationships enable us to develop our unique information capabilities and have resulted in high market penetration of our products in the markets that we serve. PQIL has licensing arrangements with over 9,000 publishers such as The New York Times, The Washington Post, U.S. News & World Report, Wall Street Journal, Chicago Tribune, Los Angeles Times, The Economist, Time Inc., University of California Press, Fairfax Publishing, and McGraw Hill. We have written agreements with substantially all of our content suppliers. More recently, we have been able to successfully extend many of our relationships to include various forms of electronic media, despite strong competition from other providers. We have leveraged many relationships to enter into unique or preferred content arrangements. For example, our agreement with The New York Times Company provides that we are the exclusive distributor in the education market for digital vault page images of The New York Times in electronic form. Our relationship with John Wiley & Sons has given us content that is not available in other aggregated databases.

Through our own distinct methods, we convert information to microfilm and electronic form and add value to this information through our professionally prepared proprietary abstracts and
indices. The result is an expansive information vault that includes content from over 18,000 periodical titles and 7,000 newspaper titles, as well as a unique content collection consisting of approximately two million dissertations, 150,000 out-of-print books, 550 research collections, and over 15 million proprietary abstracts.

Along with this expansive information vault, we provide proprietary tools that assist the user in finding the right content. Our ProQuest interface assists users in the navigation of our databases and obtaining productive results by incorporating features such as contextual help, simple search-building tips, intuitive icons, and dropdown menus.

Our information vault covers all major areas of study including business, humanities, social science, math and science, medical/health, ethnic and diversity studies, genealogy, psychology, biology, and current events. Our content is primarily in English, but we also have content in 40 other languages including German, Latin, Portuguese, Italian, French, and Spanish.

PQIL primarily serves the education market. Our products are present in most academic research libraries around the world. Our library customers generally sign a one year subscription contract to access our proprietary database or receive microform updates. In 2004, PQIL generated 41.4% of sales from published products, 22.4% of sales from general reference products, 31.5% of sales from traditional products, and 4.7% of sales from classroom products. Over the last three years, we have experienced renewal rates of approximately 85% to 90%. In 2004, PQIL represented approximately 63% of our total sales.

Product Review – PQIL

Published Products:

Topic specific products. We provide users with comprehensive databases in our flagship areas of business and economics and the arts and humanities.

Our premier business product is ABI/Inform. This was our first published product and it continues to be a leading resource for universities around the world with full text coverage of more than 1,800 of the world’s business journals. The rich indexing and proprietary article abstracts created by PQIL have led to this product’s installation in 45 of the top 50 business schools in the U.S. as well as 30 of the top 46 business schools in Asia and 23 of the top 42 business schools in Europe.

In the arts and humanities, our Chadwyck-Healey products have particular strengths in language and literature, history, music, performing arts and film, and news and reference, pertaining to the U.S., the U.K., the European Union, and Asia.
Publications range from databases of medieval texts in Latin and Greek to up-to-the-minute reference resources such as KnowUK, an online reference service on the people, places, and institutions that make up life in the U.K.

Other humanities titles include services such as Literature Online and History Online, both of which deliver a combination of primary works and extensive contextual support.

Digital Vault Initiative. In an initiative started in 1998, we selected portions of our microfilm collection to digitize and created products such as EEBO, Historical Newspapers, and Digital Sanborn Maps.

EEBO is a digital compilation of the majority of the content existing in the English language developed from 1475-1700, which comprises more than 125,000 works.

Historical Newspapers, one of the largest product development efforts in our history, is an initiative which began in 2000 to digitize several of the nation’s leading newspapers including The New York Times, The Christian Science Monitor, The Washington Post, Wall Street Journal, Chicago Tribune, and Los Angeles Times from their first issues to the late 20th Century. To date, we have digitized and released The New York Times, Wall Street Journal, The Washington Post, and The Christian Science Monitor as well as a part of the Los Angeles Times. We have already sold approximately 2,000 subscriptions for these products.

Digital Sanborn Maps provide electronic maps that contain detailed property and land-use records that depict such information as building outline, size and shape, construction materials, height, windows and doors, and house numbers in more than 12,000 U.S. towns and cities from 1867-1970.

Digital Vault Initiative products also include digital compilations of the Gerritsen Collection of Women’s History and the American Periodical Series, which features content from over 1,000 magazine and other periodical titles from 1741-1900.

SIRS Products. SIRS Products include SIRS Discoverer®, SIRS Interactive Citizenship®, and SIRS Researcher®. SIRS Discoverer includes full-text articles and images from over 1,600 domestic and international newspapers, magazines, and government documents for students in grades 1 to 9. SIRS Interactive Citizenship is an online program that helps users learn about every facet of government and the philosophies and concepts underlying world affairs and economics. SIRS Researcher is a highly-acclaimed age appropriate general reference database containing full-text articles exploring social, scientific, health, historic, business, economic, political, and global issues.

Digital Dissertations. PQIL is the recognized publisher and repository for dissertations and master’s theses. ProQuest Digital
Dissertations provides electronic access to over 455,000 titles from our vast collection.

Serials Solutions. Our products provide e-journal management and access solutions for academic, public, government, and corporate libraries around the world. These tools provide customers with accurate, complete, and current information about their e-journal holdings, along with the means to easily link to full-text content. Our products are in 1,300 libraries worldwide.

General Reference Products.

Higher Education. Introduced in 1995, ProQuest online products allow users to search and find useful information from more than 6,000 periodicals, newspapers and other resources originating after 1985. Our products help librarians build information bridges that enable users to quickly locate resources appropriate to their needs. These products combine easy-to-use search menus, current information content in a variety of formats, convenient delivery options, and support. We provide the tools to efficiently create predefined searches, electronic reserve rooms for multiple simultaneous users, digital magazine racks, reading rooms, and table-of-content services. The quality indexing we create ensures unparalleled accuracy and specificity, which allows the users’ searches to be more successful. All online text is customizable and allows easy integration with our customers’ other information holdings. Our proprietary engine helps librarians by providing easy-to-use templates, copy-and-paste technology and step-by-step help. Librarians can link selected ProQuest online content to their online catalogs, library websites and other web-based resources.

K-12. K-12 products include eLibrary®, Bigchalk Library™ and Bigchalk Multimedia™, which are general reference products for the K-12 market segment and include full-text articles, maps, pictures, web links and audio and video clips.

Reseller. PQIL provides electronic content to premier information companies such as Factiva and LexisNexis, which resell the content to corporate desktop customers. Under written agreements with these companies, we generally receive revenue based on the amount of ProQuest content accessed by their customers.

Traditional Products.

Microfilm Products. We sell microform newspaper and periodical subscriptions, microform newspaper and periodical backfiles, out-of-print books, phonefiche, and scholarly research collections. Today, our microform vault is one of the largest commercial archives in the world. Newspapers, magazines and journals are marketed as complete microfilm sets of both publishers and authors. In addition, we create abstracts and indices of business, general interest and science and humanities articles. There has been less demand for these products as electronic products become more popular. Despite the growth of electronic products, we believe that there is
still demand for our microfilm products because microfilm products may be the only source of out-of-print information, are a less expensive alternative for storing content and are considered a more permanent archival medium than online access.

**Paper Products.** Copies of our dissertations and many of the newspaper and dissertation indices sold through our microfilm products are available in paper format. We also offer over 150,000 out-of-print books in paper format on a print-on-demand basis. Copies of the more than two million doctoral dissertations in our archive are the most common product delivered in paper format. PQIL is the recognized repository for dissertations and master’s theses and the designated digital archive for the Library of Congress, having begun publishing titles in 1938. We provide worldwide access to two million citations, of which more than 1.7 million are available in full text. ProQuest publishes over 55,000 new titles each year from over 700 institutions.

**Classroom Products.**

Our classroom products include custom online and print course materials and textbook supplements as well as more comprehensive study aids. These products are in more than 1,100 universities throughout the U.S.

**XanEdu**. XanEdu products further leverage our content through the development of supplemental curriculum materials for the college classroom. XanEdu products provide premium online content targeted directly at students and faculty of higher education institutions. XanEdu products have been adopted in over 1,100 of the 4,000 educational institutions in the U.S. Nearly 14,000 coursepack titles were produced during 2004.

Our XanEdu coursepack products include customizable products and textbook supplements from our vast archive of copyright-cleared content. Our copyright clearance services offer a streamlined solution for clearing content not currently found in our vast archive of XanEdu products. We offer instructors a turnkey solution to building XanEdu coursepacks, with the ultimate choice of distribution either online, in print, or a combination of the two. We have relationships with major textbook publishers, Pearson and John Wiley & Sons, to create online supplemental materials that expand and enrich the publisher’s textbook.

**ProQuest Business Solutions.**

**Overview - PQBS**

PQBS is the global leader in the development and deployment of parts and service information products and dealer performance applications for the automotive market. We pioneered the EPC in 1985. In the years since then, we have added features and functions to the EPC such that our product is no longer merely just an EPC. Our APSP offer information on more automobile brands than
similar products from any other provider, and provide a powerful and flexible technical reference system using CD-ROM and web-based technology. Over 31,000 automobile dealerships now use our APSP worldwide. We currently publish APSP for approximately 32 automobile brands manufactured by General Motors, Ford Motor Company, DaimlerChrysler, Honda/Acura, Toyota/Lexus, Hyundai, Kia, Isuzu, Lotus, Mazda, Mercedes-Benz, Nissan, Saturn, Subaru, Suzuki, and Volvo, among others. Our continued ability to access data from these OEMs is required for us to continue to publish these products. Our customers typically sign two to five year contracts.

We also provide automobile OEMs and their dealerships with management information systems that monitor and evaluate dealer performance in areas such as product inventory, pricing, territory, margins and OEM support.

In addition to the Automobile market we provide PSP to the Power Equipment and Powersports markets, including brands manufactured by John Deere, Stihl, Alamo, Ingersoll Rand, Tecumseh, Yamaha, Kawasaki, and Honda, among others.

We have various flexible business arrangements to suit the requirements of our customers. For example, we have exclusive provider arrangements with certain OEMs and for other OEMs we provide individual contracts to their franchised dealerships.

PQBS sells primarily to the automotive and power equipment markets. In 2004, PQBS generated 94.5% of sales from automotive products, 4.8% of sales from power equipment - electronic products, and 0.7% of sales from other products. In 2004, PQBS represented approximately 37% of our total sales.

Product Review – PQBS

Automotive Products.

Automotive Parts and Service Products. For over 20 years, we have been developing customized market-leading APSP solutions for the automotive dealer. We create and market turnkey solutions in 17 languages that allow automotive dealerships to electronically access manufacturers’ proprietary technical documentation (such as parts catalogs, parts and service bulletins and other reference materials) and to interface with other important information systems (such as inventory management and billing) within the dealership. These applications help dealers improve business processes by transforming complex technical data into answers. Everyday, manufacturers of 32 automobile brands and over 31,000 automotive dealerships worldwide utilize our products.

Performance Management Products. We offer management information systems to both OEMs and their dealerships in the automotive industry. We collect, manage, and publish statistics on dealer performance such as product inventory, pricing, territory, margins, and OEM support and use this content to produce our
Selling and Administrative Expense. Our selling expenses primarily consist of salaries and compensation paid to employees engaged in sales and marketing activities, advertising, and promotional materials, public relations costs and travel. Administrative expenses principally consist of salaries and compensation paid to our executives and other corporate employees as well as incidental costs incurred in managing our business.

Discontinued Operations. We sold our Dealer Management System business, which was a component of PQBS, in fiscal 2004. Accordingly, the operating results of this business have been segregated from our continuing operations and are separately reported as discontinued operations in the Consolidated Financial Statements.

Critical Accounting Policies

Our Consolidated Financial Statements are prepared in accordance with accounting principles generally accepted in the U.S., which require management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenue, and expenses and related disclosure of contingent assets and liabilities.

On an ongoing basis, we evaluate our estimates including those related to accounting for revenue recognition, royalties, impairment of product masters and goodwill, capitalization and depreciation, allowance for doubtful accounts, income taxes, and other contingencies. We base our estimates on historical experience and other assumptions we believe are reasonable under the circumstances, the result of which form the basis for making judgments about the carrying value of assets and liabilities that may not be readily available from other sources. Actual results may differ from these estimates, which could have a material impact on our financial statements. Our significant accounting policies are described in Note I to our Consolidated Financial Statements.

Net Sales. We derive revenue from licenses of database content, sales of microfilm subscriptions, microfilm backfile sales, paper products, service, software, equipment, and product royalties. Services consist of training and installation with respect to our PSP and performance management products. Revenues from services accounted for less than 10% of our revenues for 2004, 2003, and 2002.

Published Products

PQIL's published products provide users with access to our comprehensive databases, including Historical Newspapers, EEBO, e-dissertations, and topic specific products on either a subscription basis that normally covers twelve months, or a perpetual license. PQIL follows the guidance under SAB 101/SAB 104 for all subscription products. Revenue from subscription agreements is
recognized ratably over the term of the subscription using the straight-line method. For sales of perpetual licenses, revenue is recognized when we provide access to the content and bill the customer.

**General Reference Products**

For PQIL’s general reference products, customers purchase access to periodicals, newspapers, and other resources contained in our databases in exchange for a fee that normally covers a subscription period of twelve months. Revenue from subscription agreements is recognized ratably over the term of the subscription using the straight-line method.

PQIL provides content on a wholesale basis to premier information companies such as Factiva and LexisNexis. We receive a royalty from these wholesalers based on the usage of our products by their customers. We recognize this revenue based on the usage of our product.

**Traditional Products**

PQIL derives revenue from sales of microform subscriptions and backfiles, publishing fees, and sales of dissertations. For newspaper subscription products, revenue is recognized ratably over the term of the subscription, which is normally twelve months. For periodical subscription products, we accumulate the product on microfilm and ship the completed set to our customers quarterly or annually. Revenue for these products is recognized when the product is shipped. For our backfile products, dissertations and publishing fees, revenue is also recognized when the product is shipped.

**Classroom Products**

For the classroom market, we provide digital and paper products. The majority of our classroom product sales are from print coursepacks. Revenue is recognized when the print coursepacks are shipped. Our digital coursepacks comprised 41.8% of classroom products in 2004. These products are static databases of information in which we provide access, through a URL sold to the customer, for the semester the related class is being offered. Revenue for digital coursepacks is recognized when the URL is delivered to the customer. There is a right of return for coursepack sales. Therefore, a reserve has been recorded based on historical experience. The reserve was $681 thousand and $250 thousand in 2004 and 2003, respectively.

**Parts and Service Products**

A majority of the APSP revenue is related to multiple element contracts in which PQBS provides hardware, training and installation, database content licenses, and ongoing support to our customers. PQBS follows the guidance under EITF 00-21 in
allocating the contract revenue to the various elements. EITF 00-21 addresses how to determine whether an arrangement involving multiple deliverables contains more than one unit of accounting. EITF 00-21 prescribes that in circumstances where there are multiple units of accounting in a contract; revenue should be allocated to each unit based on fair value, irrespective of the amount ascribed in the contract. Determination of fair value is judgmental and is typically based on our pricing of similar products that are not part of a multi-element arrangement and/or pricing of a market competitor. PQBS follows SAB 101 and SAB 104 for determination of revenue recognition. Assuming fair value exists for all elements, the amount assigned to the hardware value is recognized upon shipment of the hardware to the customer. The amounts assigned to training and installation are recognized as the services are performed. The amounts assigned to the database licenses and the ongoing support is recognized over the term of the contract, typically 24 to 60 months.

We provide certain APSP customers with the option to bundle into monthly payments hardware or training and installation. An interest factor of approximately 8% is charged for the bundled items and recorded as deferred interest income. Deferred interest income was $538 thousand at January 1, 2005. This amount will be recognized as interest income over the collection period. The receivable related to these items and the related deferred interest income are recorded in “Long-term receivables” in our Consolidated Financial Statements. Interest income recognized related to these arrangements in 2004 was approximately $1.0 million.

We also provide PSP products for the power equipment markets. Certain of these products are highly customized for the individual customer. As such, PQBS follows the guidance under EITF 00-21 which addresses how to determine whether an arrangement involving multiple deliverables contains more than one unit of accounting. EITF 00-21 prescribes that in circumstances where there are multiple units of accounting in a contract; revenue should be allocated to each unit based on fair value, irrespective of the amount ascribed in the contract. Determination of fair value is judgmental and is typically based on our pricing of similar products that are not part of a multi-element arrangement and/or pricing of a market competitor. PQBS follows SAB 101, SAB 104 and SOP 97-2 for determination of revenue recognition. Software revenue is recognized when evidence of an arrangement exists, delivery has occurred, the fee is fixed and collectibility is probable. Initial license and project management fees are recognized over the term of the contract. An annual license fee is charged and is recognized ratably over the year. Ongoing services revenue is recognized over the term of the contract.

Performance Management Products

Revenue from performance management products is primarily derived from business management information systems and business
products provided to both OEMs and their dealerships in the automotive industry. Dealer information is collected and published, typically on a monthly or quarterly basis. This content is used to monitor and evaluate dealer performance against various metrics and to manage dealer contracts and track compliance with the European Common Market’s block exemption regulations. Revenue is recognized when the dealer information collecting and publishing cycle is completed and delivered.

Royalties. Royalty expense at PQIL, which is included in “Cost of sales”, in our Consolidated Statement of Operations, is recorded monthly based on actual monthly revenue and historical average royalty rates by product line. Royalty rates by product line are reviewed on an ongoing basis to ensure that estimates are appropriate and take into consideration any significant changes to the royalty calculations or contractual minimum royalties due to the individual publisher. Estimates are necessary as monthly revenue can be attributable to thousands of publishers and most of the royalties are paid annually, semi-annually or quarterly. Royalty accruals are reviewed monthly to ensure that we have adequately reserved for all estimated future royalty payments.

Impairment of Product Masters. We review the carrying value of product masters for impairment whenever events or changes in circumstances indicate that the net book value of this asset may not be recoverable from the estimated undiscounted future cash flows expected to result from its use and eventual disposition. If such assets are considered to be impaired, the impairment is measured as the amount by which the carrying amount of the assets exceeds the fair value as estimated by discounted cash flows. Assets to be disposed of are reported at the lower of the carrying amount or fair value less cost of disposal.

Impairment of Goodwill. We review the carrying value of goodwill for impairment annually based on the requirements of SFAS No. 142. This annual analysis is performed during the second fiscal quarter, based on the goodwill balance as of the end of the first fiscal quarter. The impairment test requires us to compare the fair value of each reporting unit to its carrying value. The determination whether these assets are impaired involves significant judgment based on long-term and short-term projections of future performance. Changes in strategy and/or market conditions may result in adjustments to recorded asset balances.

Capitalization and Depreciation. A fixed asset is recognized for items with a purchase price over one thousand dollars and an estimated useful life of greater than one year. We currently employ the straight-line depreciation method for all fixed assets over the estimated useful life of the asset, except for product masters. Traditional products (microfilm and microfiche) and electronic products each have capitalizable “product masters”. Costs associated with the creation of traditional and electronic product masters are capitalized. For product masters, PQIL uses the double declining balance method of depreciation over a 10 year
PROQUEST CO

FORM 8-K
(Current report filing)

Filed 12/20/2006 For Period Ending 12/14/2006

Address 300 NORTH ZEEB ROAD
ANN ARBOR, Michigan 48103-1553
Telephone 734-761-4700
CIK 0000215219
Industry Computer Services
Sector Technology
Fiscal Year 01/03
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant To Section 13 OR 15(d) Of The Securities Exchange Act Of 1934
Date of report (Date of earliest event reported) December 14, 2006

PROQUEST COMPANY
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation)
1-3246
(Commission File Number)
36-3580106
(IRS Employer Identification Number)

777 Eisenhower Parkway, PO Box 1346
(Address of Principal Executive Offices)
48106-1346
(Zip Code)

Registrant’s Telephone Number, including area code (734) 761-4700
Not Applicable
(Former name or former address, if changed since last report)

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
ITEM 1.01 ENTRY INTO A MATERIAL DEFINITIVE AGREEMENT.

A. Subscription Agreement and Plan of Merger

On December 14, 2006, ProQuest Company (the “Company”) entered into a Subscription Agreement and Plan of Merger (the “Agreement”), by and among the Company, ProQuest Information and Learning Company (“PQIL”), ProQuest Canada/U.K. Holdings, LLC (“Canada/U.K.
LLC”), I&L Holding, Inc. (“Buyer Parent”), I&L Operating LLC (“Buyer Sub”) and Cambridge Scientific Abstracts, Limited Partnership (“Guarantor”). The following summary description of the Agreement is not complete and is qualified in its entirety by reference to the full text of the Agreement filed as Exhibit 10.1 and incorporated herein by reference.

Under the terms of the Agreement, at the closing, the following transactions will occur:

(i) Buyer Parent will purchase 1,000 shares of PQIL’s Series A Preferred Stock (the “Preferred Stock”) for a total consideration of $122 million (the “Issuance”), and as a result, Buyer Parent will own 90% of the voting control of PQIL;

(ii) Immediately after the Issuance, Canada/U.K. LLC will merge (the “Merger”) with and into Buyer Sub and the separate existence of Canada/U.K. LLC shall cease and Buyer Sub shall continue as the surviving company (the “Surviving LLC”). The consideration for the Merger will be approximately $91.3 million, subject to certain reductions and adjustments, including changes in working capital; and

(iii) following the transactions described in clauses (i) and (ii) above, Buyer Parent, shall cause Surviving LLC (or a wholly owned subsidiary of Surviving LLC) to merge with and into PQIL, with PQIL continuing as the surviving entity (the “Second Merger”). In connection with the Second Merger, all shares of PQIL common stock will be exchanged for the right to receive, in the aggregate $9 million and each share of Preferred Stock will be exchanged for the right to receive one share of Common Stock of PQIL.

The Agreement contains a working capital adjustment and representations and warranties and indemnification obligations customary for transactions of this type.

In the Agreement, the Company also agreed to cease any discussions or negotiations with respect to the sale of PQIL or a sale of the Company.

If the Company board determines that an unsolicited proposal is reasonably likely to lead to a proposal to purchase the Company that is more favorable to the Company than the terms of the Agreement (a “Superior Proposal”) and such actions are necessary or advisable to comply with the fiduciary obligations of the Company’s board of directors, the Company may provide information to and negotiate terms with the proposing party. The Company may under certain circumstances terminate the Agreement within five business days following the date the Company provides notice to the Buyer Parent of its intention to terminate the Agreement in favor of a Superior Proposal. If the Agreement is so terminated, the Company must pay to the Buyer Parent a termination fee equal to $8,500,000.
The Transactions are subject to customary closing conditions and regulatory approvals, including expiration or termination of the applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended.

The foregoing description of the Agreement does not purport to be complete and is qualified in its entirety by reference to the Subscription Agreement and Plan of Merger, a copy of which is filed as Exhibit 10.1 hereto and is incorporated herein by reference. There are representations and warranties contained in the Subscription Agreement and Plan of Merger which were made by the parties to each other as of specific dates. The assertions embodied in these representations and warranties were made solely for purposes of the Subscription Agreement and Plan of Merger and may be subject to important qualifications and limitations agreed to by the parties in connection with negotiating its terms. Moreover, certain representations and warranties may not be accurate or complete as of any specified date because they are subject to a contractual standard of materiality that is different from certain standards generally applicable to shareholders or were used for the purpose of allocating risk between the parties rather than establishing matters as facts. Based upon the foregoing reasons, you should not rely on the representations and warranties as statements of factual information.

A copy of the press release issued on December 15, 2006 in connection with the execution of the Agreement is filed as Exhibit 99.1 to this Form 8-K.

ITEM 2.02 RESULTS OF OPERATIONS AND FINANCIAL CONDITION.


Transaction Fees and Expenses:

As previously announced, the Company anticipates that it will incur approximately $32.4 million of transaction costs with respect to the sale of the ProQuest Business Solutions segment and $45.0 million of transaction costs with respect to the sale of the ProQuest Information and Learning segment.

The following is a itemization of the fees and expenses that the Company expects to incur as a result of the sale of the ProQuest Business Solutions segment:

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Investment banker fees</td>
<td>$7,800,000</td>
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<tr>
<td>2. Transaction costs (legal, due diligence, actuarial, and other transaction costs)</td>
<td>$4,000,000</td>
</tr>
<tr>
<td>3. Transfer to &amp;L UK to cover existing overdrafts and required working capital</td>
<td>$8,000,000</td>
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<tr>
<td>4. UK Pension funding</td>
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<tr>
<td>5. Retirement benefit plan obligation to PBS employees</td>
<td>$2,300,000</td>
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<tr>
<td>6. PBS annual bonus and quarterly sales bonus</td>
<td>$2,700,000</td>
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<tr>
<td>7. Transaction incentives bonuses</td>
<td>$1,100,000</td>
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<tr>
<td>8. 401k matching payments</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>$32,400,000</strong></td>
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</table>

The following is a itemization of the fees and expenses that the Company expects to incur as a result of the sale of the ProQuest Information and Learning segment:

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
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</thead>
<tbody>
<tr>
<td>1. Investment banker fees</td>
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<tr>
<td>2. Transaction costs (legal, due diligence, actuarial, and other transaction costs)</td>
<td>$4,000,000</td>
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<tr>
<td>3. UK Pension funding</td>
<td>$23,000,000</td>
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<tr>
<td>4. Retirement benefit plan payments, transaction bonuses, severance payments, and other CIC related costs</td>
<td>$4,000,000</td>
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<tr>
<td>5. Estimated transition expenses and costs to separate PQIL operations and obligations from Corporate</td>
<td>$10,000,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$45,000,000</strong></td>
</tr>
</tbody>
</table>

Forward-Looking Statements

Some of the statements contained herein constitute forward-looking statements. These statements relate to future events, the results of our pending restatement process, or our future financial performance and involve known and unknown risks, uncertainties and other factors that may cause our or our markets' actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by such forward-looking statements. These risks and other factors you should specifically consider include, but are not limited to the Company's ability to successfully conclude the review and restatement of its financial results, the discovery of additional restatement items, the ability to renegotiate the terms of its revolving credit agreement and senior notes in connection with defaults under such debt due to any potential restatement if further defaults occur, ability to support its current debt level, the Company's ability to refinance its outstanding debt and working capital needs, changes in customer demands or industry standards, adverse economic conditions, loss of key personnel, litigation, decreased library and educational funding/budgets, the ability to consummate the ProQuest Information and Learning segment transaction, including the risk that the buyer might not obtain financing, demand for ProQuest's products and services, or successful product development, maintaining acceptable margins, ability to control costs, the impact of federal, state and local regulatory requirements on ProQuest's business including K-12 and higher education, the impact of competition and the uncertainty of economic conditions in general, the ability to successfully attract and retain customers, sell additional products to existing customers, and win new business due to changes in technology, the ability to maintain a broad customer base to avoid dependence on any one single customer, K-12 enrollment and demographic trends, the level of educational funding, the level of education technology investments, the Company's ability to obtain financing, global economic conditions, financial market performance, and other risks listed under “Risk Factors” in our regular filings with the Securities and Exchange Commission. In some cases, you can identify forward-looking statements by terminology such as “may,” “should,” “expects,” “plans,” “anticipates,” “believes,” “estimates,” “predicts,” “potential,” “continue,” “projects,”
"intends," "prospects," "priorities," or the negative of such terms or other comparable terminology. These statements are only predictions. Actual events or results may differ materially. The Company undertakes no obligation to update any of these statements.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS.

Exhibits


99.1 Press Release issued on December 15, 2006 regarding sale of ProQuest Information and Learning.


* Schedules and certain exhibits omitted pursuant to Item 601(b)(2) of Regulation S-K. The Company agrees to furnish supplementally a copy of any omitted schedule to the SEC upon request.
SIGNATURES

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

PROQUEST COMPANY
(Registrant)

DATE December 20, 2006

BY /s/ Todd W. Buchardt
Todd W. Buchardt
Senior Vice President and General Counsel
Exhibit 99.2

Contacts:
Jennifer Chelune
Investor Relations Manager
(734) 997-4910
jennifer.chelune@proquest.com

PROQUEST PROVIDES UPDATE

Company Updates on Sale of ProQuest Information and Learning, Expected Tax Impacts, Restatement Process, Preliminary 2005 and 2006 Financial Results and Information on Certain Other Liabilities

ANN ARBOR, Mich., December 15, 2006—ProQuest Company (NYSE:PQE, the Company), a publisher of information and education solutions, is today providing a business update, following its separately announced definitive agreement with Cambridge Information Group (CIG), providing for the acquisition of the ProQuest Information and Learning (PQIL) segment for approximately $222 million.

Alan Aldworth, ProQuest Company’s chairman and chief executive officer, said, "This pending transaction is consistent with the strategic intent we announced in April. When complete, it will significantly improve ProQuest Company’s capital structure."

ProQuest Business Solutions Transaction

ProQuest previously reported that it closed on the sale of its ProQuest Business Solutions segment (PQBS) to Snap-on Incorporated (NYSE:SNA) for approximately $527 million, consisting of $508 million in cash received and the assumption by Snap-On Incorporated of $19 million in debt in the form of monetized future billings. Concurrent with the sale, the Company incurred approximately $33 million of transaction costs and other required payments including funding $8 million of working capital needed for its remaining U.K. PQIL operations.

ProQuest used the remaining proceeds of approximately $475 million to pay down a portion of its $532 million in outstanding debt. After application of the available proceeds and payment of make-whole amounts due to its lenders, the Company’s remaining outstanding debt balance as of December 1, 2006 was approximately $58 million, consisting of a mix of senior notes and bank debt.
Taking into account the capital gain on the sale of PQBS and the utilization of existing capital loss carry forwards, basis in the assets sold, and available tax credits, it is anticipated that the Company will owe income taxes for 2006 of approximately $50 million due March 2007.

**ProQuest Information and Learning Transaction**

Final cash proceeds from the PQIL transaction are anticipated to be approximately $195 million after purchase price adjustments for obligations not assumed by CIG and for projected working capital adjustments.

Concurrent with the close of the transaction, the Company anticipates it will incur approximately $45 million of transaction costs and other required payments including approximately $23 million in U.K. pension plan contributions.

After these transaction costs and other required payments, ProQuest intends to use a portion of the remaining proceeds of approximately $150 million to pay down its entire outstanding senior note and bank debt balances which it projects will be approximately $60 million, including make-whole payments and fees. In addition, ProQuest will use a portion of the remaining proceeds to make the approximately $50 million income tax payment due in March 2007.

The PQIL transaction will generate a significant capital loss for tax purposes which ProQuest intends to carry back against its 2006 taxable gain on the sale of PQBS. Taking into account this capital loss and remaining available tax credits, it is anticipated that the Company will receive a tax refund of $35 million to $40 million in the first quarter of 2008.

**Certain Other Liabilities**

The Company is also providing additional information regarding certain liabilities, including two retirement benefit plans and long-term leases on two buildings in Ann Arbor, Michigan used for its corporate headquarters and PQIL operations.
The Supplemental Retirement Plan (SRP) is a legacy unfunded defined benefit type plan with no active employees as members. The SRP has a projected liability based on actuarial assumptions under SFAS 87 and SFAS 158 of $22.5 million as of December 31, 2006.

The Retirement Benefit Plan is a closed, unfunded account balance type plan for certain U.S. employees and represents an estimated liability of approximately $10.2 million as of September 30, 2006. After a January 2007 scheduled distribution, the Company estimates this liability will be reduced to approximately $6.3 million.

In November 2004, ProQuest Company entered into long-term leases on two buildings at 777 and 789 Eisenhower Parkway, Ann Arbor, Michigan. The lease terms commenced in April 2006, and cover approximately 183,000 square feet of office and storage space. Under the terms of the definitive agreement with CIG, the Company will assign or sublease all of its space in the building at 777 Eisenhower to CIG. In addition, CIG has agreed to sublease at cost from ProQuest for a period of two years approximately 85 percent of its leased space in the 789 Eisenhower building. ProQuest anticipates that the annual cost of space retained from year three through the remainder of the lease term, which expires in 2021, will be approximately $4 million per year. The Company currently expects that most or all of this space will be surplus to its needs and that it will attempt to sublease the space.

Accounting Restatement Update

ProQuest’s ongoing accounting review will result in the restatement of previously reported earnings for fiscal years 2001 through 2004 and for the first three quarters of 2005 when it files its 2005 Annual Report on Form 10-K with the Securities and Exchange Commission ("SEC"). Adjustments prior to that period will be incorporated into retained earnings at the beginning of the year 2001.

The Company has refined its estimates of the restatement’s impact on certain line items in its financial statements, as set forth below.
Preliminary Restatement Impacts for the Period 2001 to 3Q2005

($) in millions

<table>
<thead>
<tr>
<th>Total ProQuest Company</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>1Q-3Q 2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Previously reported earnings before interest and taxes</td>
<td>63.8</td>
<td>85.3</td>
<td>89.2</td>
<td>96.2</td>
<td>81.5</td>
</tr>
<tr>
<td>Preliminary restated earnings before interest and taxes</td>
<td>$40 to $45</td>
<td>$65 to $70</td>
<td>$60 to $65</td>
<td>$30 to $35</td>
<td>$25 to $30</td>
</tr>
</tbody>
</table>

The majority of adjustments the Company has identified to date relate to PQIL and the accounting irregularities initially identified and disclosed by ProQuest on April 28, 2006. These accounting irregularities were the subject of a previously disclosed investigation by the Audit Committee of the Board of Directors, conducted with the assistance of independent outside experts including Skadden, Arps, Slate, Meagher & Flom LLP and Chicago Partners LLC. However, as a result of the Company’s continuing accounting review and KPMG LLP’s (KPMG’s) ongoing audit work, the Company has identified additional accounting issues with previously reported results for PQIL and also its ProQuest Education and ProQuest Business Solutions segments which have led to an expansion of the scope of its accounting review.

The Company now anticipates it will restate unaudited interim results for its ProQuest Education segment primarily to reflect changes in revenue recognition at Voyager Expanded Learning (Voyager) during the first three quarters of 2005. ProQuest Education results were previously reported in PQIL segment results.

The Company has completed its review of PQBS results and will restate results for the 2001 to 2005 periods primarily related to how it accounted for its equity in earnings of an affiliate and the timing of revenue and expense recognition related to a contract with an OEM.

Prior to finalizing its restatement adjustments, ProQuest intends to conduct impairment testing of certain assets in accordance with SFAS 144, Accounting for the Impairment or Disposal of Long-Lived Assets and SFAS 142, Goodwill and Other Intangible Assets. Management’s estimated ranges of possible restatement amounts do not include adjustments for potential impairment of assets, if any.
The Company has completed a significant amount of work on its restatement. However, several items remain open and will require additional work before the Company can complete its review and finalize the results. In addition, KPMG’s ongoing audit of prior periods is not complete and there can be no assurance that additional issues will not be identified. As a result, the Company now expects that it will not file its restated consolidated financial statements, in the form of the 2005 Annual Report on Form 10-K, until the first quarter of 2007.

Unaudited Full Year 2005 Financial Results by Business Segment

The following financial results for ProQuest Information and Learning and ProQuest Education are ProQuest Company figures and have not been reviewed or audited by the Company’s independent registered public accounting firm. All comparisons are based upon preliminary restated amounts and as such, are subject to change.

All of the financial results contained in this section are unaudited, preliminary and are subject to change, including potential impairment charges, prior to the filing of the Company’s 2005 10-K.

ProQuest Education

ProQuest Company acquired Voyager Expanded Learning (Voyager) on January 31, 2005, and ExploreLearning on February 25, 2005. For the year ended December 31, 2005, the results include 11 months of Voyager and other K-12 curriculum businesses. For this period, the Education segment is expected to have revenue of $91.2 million, of which Voyager accounted for $86.0 million. The reduction from the Company’s previous estimate of $98.2 million is the result of adjustments primarily related to the timing of revenue recognition in its Voyager business.

For the year ended December 31, 2005, the ProQuest Education segment is expected to report EBIT of $15.1 million, of which Voyager accounted for all $15.1 million, and EBITDA of $27.9 million, of which Voyager accounted for $26.3 million.
Capital expenditures for the Education segment were approximately $9 million in 2005.

ProQuest Business Solutions
ProQuest Business Solutions (PQBS) generated $182.9 million of revenue in fiscal year 2005. PQBS’ EBIT for the same period was $50.0 million and EBITDA was $56.0 million. Capital expenditures were approximately $3.0 million in 2005.

ProQuest Information and Learning
ProQuest is continuing the accounting review of its ProQuest Information and Learning segment.

Preliminary revenue for PQIL for 2005 is expected to be between $275 million and $280 million. On a pro forma basis, as if the October 2005 divestiture of the periodical microfilm business had occurred on January 2, 2005, PQIL’s 2005 revenue is expected to be between $245 million and $250 million.

The Company estimates that its PQIL segment will report an EBIT loss of $20 million to $25 million for fiscal year 2005. The Company estimates that EBITDA for the period was between $42 million and $47 million.

PQIL capital expenditures totaled approximately $70 million in 2005. In addition, required cash rents and other lease related payments under capitalized leases for 2005 totaled approximately $8.5 million.

Corporate and Net Interest Expense
ProQuest corporate expense for fiscal year 2005 is expected to be $15.4 million, which reflects a one-time benefit of $1.5 million related to the discontinuance of the Company’s post-retirement medical program. Net interest expense for the period is expected to be $32.8 million.
2006 UPDATE

ProQuest currently expects its financial results for the first three quarters of 2006 to be within the following ranges, and is providing guidance for the full year 2006 as follows:

**ProQuest Education**

The Company expects revenue for the ProQuest Education segment for the nine months ended September 30, 2006 to be approximately $94 million, EBIT to be approximately $18 million, and EBITDA to be approximately $30 million. Capital expenditures are expected to total approximately $4 to $5 million.

Of the ProQuest Education segment results, Voyager Expanded Learning is expected to account for $87 million of its revenue, $18 million of its EBIT, $29 million of its EBITDA, and $3.5 million of its capital expenditures during the nine-month period.

ProQuest Education’s revenue for the full year is expected to be below the low end of the Company’s previous guidance, which was a range of $120 million to $135 million. EBIT and EBITDA are also expected to be below the Company’s previous guidance, a range of $25 million to $35 million for EBIT and $40 million to $50 million for EBITDA.

**ProQuest Business Solutions**

For the nine months ended September 30, 2006, the company anticipates PQBS will report revenue of $138.4 million, EBIT of $40.5 million, and EBITDA of $44.7 million. Capital expenditures are expected to be approximately $6.2 million.

For the period January 1, 2006 through November 28, 2006 (the date of the close of the PQBS sale), the company anticipates PQBS will report revenue of $169 million, EBIT of $46.5 million, and EBITDA of $52 million. Capital expenditures are expected to be approximately $8 million.

**ProQuest Information and Learning**

For the nine months ended September 30, 2006, the Company expects revenue for its PQIL segment to be within a range of $195 million to $200 million. During the same period, ProQuest anticipates that this segment generated EBIT of $0 million to $5 million.
and EBITDA of $45 million to $50 million. Capital expenditures are expected to total $35 million to $40 million for the nine months ended September 30, 2006. Required cash rents and other lease related payments associated with capitalized leases totaled $5 million for the nine months ended September 30, 2006.

For the full year 2006, the company expects PQIL revenue will be at the upper end of the Company’s previously disclosed guidance, which was $235 million to $260 million. For the full year 2006, the company currently projects that PQIL will be slightly EBIT and cash flow positive.

**Corporate and Net Interest Expense**

The company anticipates corporate expense for the nine months ended September 30, 2006 to be approximately $31.5 million. Included in this amount is option and restricted stock expense of approximately $4.5 million in accordance with the adoption of SFAS 123R, *Share-Based Payment*, as well as one-time legal, accounting, and other costs associated with the restatement which are estimated to be approximately $11.5 million. The company anticipates interest expense for the nine months ended September 30, 2006 of approximately $34 million including nine months of imputed interest associated with monetized future billings from PQBS.

For the full year, the Company expects corporate expense to be approximately $44 to $45 million, including compensation expense of approximately $5 million in accordance with SFAS 123R, *Share-Based Payment*, and one-time legal, accounting and other costs associated with the restatement of $20 million to $21 million. Interest expense is expected to be approximately $46.5 million.

**SEC Filing Timeline and New York Stock Exchange Status**

As a result of the unanticipated delays in completing the restatement, ProQuest now expects to file its 2005 10-K with the SEC during the first quarter of 2007. The Company has received an extension for continued listing and trading on the New York Stock Exchange (NYSE) through January 2, 2007 and has applied for an additional extension through April 2, 2007. The extension is to provide
ProQuest Provides Update, Page 9 of 10

ProQuest Company with additional time to meet the Annual Financial Statement Requirements of the NYSE, which the NYSE, in its sole discretion, has the power to grant. The NYSE has indicated to the Company it will move forward with the initiation of suspension procedures in the event that ProQuest Company has not filed its Annual Report on Form 10-K for 2005 by April 2, 2007. ProQuest has applied to the NYSE for a further extension through April 2, 2007.

Basis of Presentation

The unaudited preliminary financial results in this press release are presented in accordance with generally accepted accounting principles (GAAP), but are subject to change until the Company finalizes its accounting review and restatement adjustments. Earnings from continuing operations before interest and income taxes (EBIT), which excludes interest, income taxes and discontinued operations, is a key metric used by ProQuest Company to assess the performance of its business segments. EBIT provides useful information about how ProQuest Company’s management assesses the Company’s ability to fund working capital items and capital expenditures as well as service and comply with the terms of its debt agreements. The Company’s ability to fund working capital items, fund capital expenditures and service debt in the future, however, may be affected by other operating or legal requirements.

About ProQuest Company

ProQuest Company (PQE: NYSE) is based in Ann Arbor, Michigan, and is a publisher of information and education solutions. We provide products and services to our customers through two business segments: ProQuest Education and ProQuest Information and Learning. Our Education segment, which includes the Voyager Expanded Learning business, serves the K-12 market. It is a leading provider of K-12 curriculum products, in-school core reading programs, reading and math intervention programs, and professional development programs for school districts throughout the United States. ProQuest Information and Learning serves the higher education and public library markets, and is a world leader in collecting, organizing, and publishing high-quality research resources for researchers, faculty, and students in libraries and schools. It is widely known for its strengths in business and economics; general reference; genealogy; humanities; social sciences; and scientific, technical and medical (STM) content. Information and Learning develops products comprising periodicals, newspapers, dissertations, out-of-print books, and other scholarly information from more than 9,000 publishers worldwide.

Forward-Looking Statements

Some of the statements contained herein constitute forward-looking statements. These statements relate to future events, the results of our pending restatement process, or our future financial performance and involve known and unknown risks, uncertainties and other factors that may cause our or our markets’ actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by such forward-looking statements. These risks and other factors you should specifically consider include, but are not limited to the Company’s ability to successfully conclude the review and restatement of its financial results, the discovery of additional restatement items, the ability to renegotiate the terms of its revolving credit agreement and senior notes in connection with defaults under such debt due to any potential
restatement if further defaults occur, ability to support its current debt level, the Company’s ability to refinance its outstanding debt and working capital needs, changes in customer demands or industry standards, adverse economic conditions, loss of key personnel, litigation, decreased library and educational funding/budgets, the ability to consummate the ProQuest Information and Learning segment transaction, including the risk that the buyer might not obtain financing, demand for ProQuest’s products and services, success of ongoing product development, maintaining acceptable margins, ability to control costs, the impact of federal, state and local regulatory requirements on ProQuest’s business including K-12 and higher education, the impact of competition and the uncertainty of economic conditions in general, the ability to successfully attract and retain customers, sell additional products to existing customers, and win new business due to changes in technology, the ability to maintain a broad customer base to avoid dependence on any one single customer, K-12 enrollment and demographic trends, the level of educational funding, the level of education technology investments, the Company’s ability to obtain financing, global economic conditions, financial market performance, and other risks listed under “Risk Factors” in our regular filings with the Securities and Exchange Commission. In some cases, you can identify forward-looking statements by terminology such as “may,” “should,” “expects,” “anticipates,” “believes,” “estimates,” “predicts,” “potential,” “continue,” “projects,” “intends,” “prospects,” “priorities,” or the negative of such terms or other comparable terminology. These statements are only predictions. Actual events or results may differ materially. The Company undertakes no obligation to update any of these statements.
EXHIBIT 3
# PROQUEST CO

**FORM 8-K**  
(Current report filing)


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</table>
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K
CURRENT REPORT
Pursuant To Section 13 OR 15(d) Of The Securities Exchange Act Of 1934
Date of report (Date of earliest event reported) February 9, 2007

PROQUEST COMPANY
(Exact name of registrant as specified in its charter)

Delaware 1-3246 36-3580106
(State or other jurisdiction (Commission (IRS Employer
of incorporation) File Number) Identification Number)

789 Eisenhower Parkway, PO Box 1346 48106-1346
(Address of Principal Executive Offices) (Zip Code)

Registrant’s Telephone Number, including area code (734) 761-4700

Not Applicable
(Former name or former address, if changed since last report)

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
ITEM 2.01 COMPLETION OF ACQUISITION OR DISPOSITION OF ASSETS.

On February 9, 2007, the Company completed its previously announced sale of its Information and Learning business to Cambridge Scientific Abstracts and its affiliates (the “Sale”). The aggregate consideration received by the Company upon the consummation of the Sale was $222.3 million in cash, subject to adjustments, including a reduction in purchase price of approximately $4 million and a working capital adjustment.

The Sale was consummated in a series of transactions pursuant to the terms and conditions of a Subscription Agreement and Plan of Merger, dated as of December 14, 2006 (as amended as of February 8, 2007, the “Agreement”) by and among the Company, ProQuest Information and Learning Company (“PQIL”), ProQuest Canada/UK Holdings, LLC, I&L Holdings, Inc., I&L Operating LLC and Cambridge Scientific Abstracts Limited Partnership, a copy of which was attached as Exhibit 10.1 to the Form 8-K filed by the Company on December 20, 2006. The Agreement was amended as of February 8, 2006 to address, among other things, the parties' agreement (a) cash balances and the treatment thereof in the calculation of closing working capital, (b) amended purchase price allocation and (c) certain additional matters indemnified by the Company (the “Amendment”). This Item 2.01 is qualified in its entirety by reference to the full text of the Agreement and the Amendment filed as Exhibit 10.2, both of which are incorporated herein by reference.

ITEM 5.02. DEPARTURE OF DIRECTORS OR CERTAIN OFFICERS; ELECTION OF DIRECTORS; APPOINTMENT OF CERTAIN OFFICERS; COMPENSATORY ARRANGEMENTS OF CERTAIN OFFICERS.

On February 9, 2007, in connection with Mr. Pritchard’s transfer of employment from PQIL to the Company, the Company entered into an amendment (the “Pritchard Amendment”) of Mr. Pritchard’s employment terms letter agreement dated August 7, 2006 (described in the Form 8-K filed by the Company on August 14, 2006) as amended on January 18, 2007 (described in the Form 8-K filed by the Company of January 19, 2007) (collectively, “Existing Pritchard Agreement”). A copy of the Pritchard Amendment is attached hereto as Exhibit 10.3 to this Form 8-K and is incorporated herein by reference. The following summary of the Pritchard Amendment does not purport to be complete and is subject to and qualified in its entirety by reference to the attached agreement.

Upon the closing of the Sale, Mr. Pritchard ceased being an employee of PQIL and became a full time employee of the Company for the 60 day period following the closing (the “Transition Period”). Mr. Pritchard’s base salary during the Transition Period is $44,233 per month. Mr. Pritchard also will receive severance benefits of (i) a single lump sum payment of $600,000 contributed to the Company’s existing rabbi trust and (ii) continued coverage under the Company’s group health insurance plan at normal contribution rates for himself and eligible dependents for two years after termination. All of Mr. Pritchard’s outstanding stock option and restricted stock became fully vested as of the Sale. If Mr. Pritchard remains employed by the Company through the Transition Period, he will also be entitled to (i) a lump sum payment of $52,603 in lieu of any 2007 SERP contribution and in lieu of a 2007 bonus and (ii) a lump sum of $1,230,000 in lieu of the issuance of restricted stock under the Existing Pritchard Agreement.
ITEM 8.01 OTHER EVENTS.

The Company used the proceeds from the Sale to repay its outstanding indebtedness to its secured creditors under that certain Credit Agreement dated as of January 31, 2005 among the Company, the financial institutions that are parties thereto and LaSalle Bank Midwest National Association, as administrative and collateral agent ("2005 Credit Agreement"); that certain Note Purchase Agreement dated as of October 1, 2002 between the Company and the respective note holders that are a party thereto, as amended ("2002 Note Purchase Agreement"); that certain Note Purchase Agreement dated as of January 31, 2005 between the Company and the respective note holders that are a party thereto, as amended ("2005 Note Purchase Agreement"); that certain Credit Agreement dated as of May 2, 2006 among the Company, the financial institutions that are parties thereto and ING Investment Management LLC, as administrative agent ("2006 Credit Agreement"); and the Waiver and Omnibus Amendment Agreement dated as of May 2, 2006 among the Company, the subsidiary guarantors that are parties thereto, the noteholders that are parties thereto, and LaSalle Bank Midwest National Association, as collateral agent ("2006 Waiver") (the 2005 Credit Agreement, 2002 Note Purchase Agreement, 2005 Note Purchase Agreement, 2006 Credit Agreement and 2006 Waiver, collectively, the "Creditor Agreements"; and the noteholders, the bank lenders, and the collateral and administrative agents to the Creditor Agreements, collectively, the "Creditors"), along with accrued interest, fees and required makewhole premiums. Upon receipt of this paydown, the Creditors released all of their liens against the assets of the Company and the Creditor Agreements were terminated.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS.

As a result of the Company’s ongoing review related to its earnings restatement, the Company is not able to file the pro forma financial information with respect to the Sale that is required by this Form 8-K. As previously announced on February 9, 2006, the Company intends to restate certain of its previously issued financial statements due to its discovery of material irregularities in its accounting in numerous accounts. Until the review is complete, the Company’s previously issued financial statements for fiscal years 2000 through 2004, and quarterly periods in 2005 should no longer be relied upon. When the restatement is complete, the Company intends to amend this Form 8-K to include the required pro forma financial information.

Exhibits


10.2 Letter Agreement dated February 8, 2007 with respect to Subscription Agreement and Plan of Merger by and among ProQuest Company, ProQuest Information and Learning Company, ProQuest Canada/U.K. Holdings, LLC, I&L Holdings, Inc., I&L Operating LLC and Cambridge Scientific Abstracts, Limited Partnership. Exhibits to the Amendment omitted pursuant to Item 601(b)(2) of Regulation S-K. The Company agrees to furnish supplementally a copy of any omitted exhibit to the SEC upon request.

10.3 Amendment to David Pritchard’s Employment Letter.

* Incorporated by reference to Form 8-K filed by the Company on December 20, 2006.
Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

PROQUEST COMPANY

(Registrant)

DATE February 15, 2007     BY /s/ Todd W. Buchardt

Todd W. Buchardt
Senior Vice President and General Counsel
ANN ARBOR, Mich., February 12, 2007 – ProQuest Company (NYSE: PQE) today reported that it has closed on its previously announced transaction with Cambridge Information Group (CIG), under which CIG has acquired its ProQuest Information and Learning segment for approximately $222 million. CIG will combine its Bethesda, Maryland-based CSA subsidiary with Ann Arbor, Michigan-based ProQuest Information and Learning to create a new, privately held independent company, ProQuest-CSA LLC.

About ProQuest Company
ProQuest Company (PQE. NYSE) is based in Ann Arbor, Michigan, and is a publisher of K-12 education solutions. We provide products and services to our customers through our ProQuest Education business segment, comprised of three product lines – Voyager Expanded Learning, Learning Page and ExploreLearning. Voyager is a leading provider of K-12 curriculum products, in-school core reading programs, reading and math intervention programs, and professional development programs for school districts throughout the United States. The family of Learning Page websites – Reading A-Z, Raz-Kids, Vocabulary A-Z, Reading-Tutor, Writing A-Z and Learning Page – includes more than 1,650 downloadable books (including English, Spanish and French versions) and thousands of teaching and learning materials. ExploreLearning offers a catalog of modular, interactive simulations in math and science called Gizmos, for teachers and students in grades 6-12. Gizmos are fun for students, easy to use, and flexible enough to support many different teaching styles and contexts. They are designed as supplemental curriculum materials that support state and national curriculum standards.

About ProQuest Information and Learning
ProQuest Information and Learning is a world leader in collecting, organizing, and publishing information for researchers, faculty and students in libraries and schools. It is widely known for its strength in business and economics, general reference, genealogy, humanities, social sciences and STM content. The company develops premium databases comprising periodicals, newspapers, dissertations, out-of-print books, and other scholarly information from more than 9,000 publishers worldwide. Users access the information through the ProQuest® Web-based online information system, Chadwyck-Healey® electronic and microform resources, UMI® microform and print reference products, eLibrary® and SIRS® educational resources, and Serials Solutions e-resource access and management solutions. ProQuest® Smart Search was named "Best Specialist Search Product" by the International Information Industry Awards in late 2005. For more information about ProQuest Information and Learning, visit www.il.proquest.com.

-more-
ProQuest Closes on Sale of Its Information and Learning Segment to Cambridge Information Group, Page 2 of 2

About Cambridge Information Group
Cambridge Information Group (CIG) is a privately owned group of information services companies and educational institutions located around the world. CIG's operating companies include: ProQuest-CSA, R.R. Bowker, RefWorks and the Sotheby's Institute of Art. CIG is also the largest shareholder of Navtech, Inc. (Nasdaq: NAVH.OB).

About CSA
CSA has been an innovator and leader in publishing and distributing quality abstracts and indexes for more than 30 years. A worldwide information company, CSA's products serve as a guide to researchers, faculty, librarians and students enabling discovery and aiding the identification, management and organization of quality information. CSA specializes in publishing and distributing, in print and electronically, more than 100 bibliographic and full-text databases and journals in four primary editorial areas: natural sciences, social sciences, arts & humanities and technology. CSA is headquartered in Bethesda, Maryland and has offices throughout the U.S., Canada, Latin America, Australia, Hong Kong, Japan, Europe and the United Kingdom. Researchers in more than 4,000 institutions worldwide use CSA information resources and CSA's print journals are used in more than 80 countries. For more information about CSA, visit www.csa.com.

Forward-Looking Statements
Some of the statements contained herein constitute forward-looking statements. These statements relate to future events, the results of our pending restatement process, or our future financial performance and involve known and unknown risks, uncertainties and other factors that may cause our or our markets' actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by such forward-looking statements. These risks and other factors you should specifically consider include, but are not limited to the company's ability to successfully conclude the review of its financial results, the discovery of additional restatement items, changes in customer demands or industry standards, adverse economic conditions, loss of key personnel, the company's ability to favorably manage costs and expenses associated with its ongoing litigation and SEC investigation, decreased educational funding/budgets, the ability to successfully close and integrate other acquisitions, demand for ProQuest's products and services, success of ongoing product development, maintaining acceptable margins, ability to control costs, the impact of federal, state and local regulatory requirements on ProQuest's business including K-12, the impact of competition and the uncertainty of economic conditions in general, the ability to successfully attract and retain customers, sell additional products to existing customers, and win new business due to changes in technology, the ability to maintain a broad customer base to avoid dependence on any one single customer, K-12 enrollment and demographic trends, the level of educational funding, the level of education technology investments, global economic conditions, financial market performance, and other risks listed under "Risk Factors" in our regular filings with the Securities and Exchange Commission. In some cases, you can identify forward-looking statements by terminology such as "may," "should," "expects," "plans," "anticipates," "believes," "estimates," "predicts," "potential," "continue," "projects," "intends," "prospects," "priorities," or the negative of such terms or other comparable terminology. These statements are only predictions. Actual events or results may differ materially. The company undertakes no obligation to update any of these statements.

###
8-K
FEBRUARY 9, 2006
Filed on 02/09/2006 – Period: 02/08/2006
File Number 001-07680
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C., 20549

FORM 8-K
CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of report (Date of earliest event reported)  February 8, 2006

PROQUEST COMPANY
(Exact name of registrant as specified in its charter)

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<td>(State or other jurisdiction of incorporation)</td>
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777 Eisenhower Parkway, PO Box 1346
(Address of Principal Executive Offices)

Registrant's Telephone Number, including area code  (734) 761-4700

Not Applicable
(Former name or former address, if changed since last report)

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
ITEM 2.02 RESULTS OF OPERATIONS AND FINANCIAL CONDITION.
On February 9, 2005, ProQuest Company (the “Company” or “ProQuest”), issued a press release which announced that the Company will restate certain of its historical financial statements. The press release is attached hereto as Exhibit 99.1.

ITEM 4.02 NON—RELIANCE ON PREVIOUSLY ISSUED FINANCIAL STATEMENTS OR A RELATED AUDIT REPORT OR COMPLETED INTERIM REVIEW.

ProQuest, a publisher of information and education solutions, announced that during a review related to its internal controls assessment required by the Sarbanes—Oxley Act of 2002, the Company discovered material irregularities in its accounting. As a result, the Company intends to restate certain of its previously issued financial statements.

The accounting irregularities that have been identified primarily affect ProQuest’s Information and Learning business unit. While the results for the Voyager Expanded Learning (“Voyager”) business have been included in the segment results for the Information and Learning division since the first quarter 2005, the accounting irregularities do not involve Voyager.

Based upon its initial findings, the Company believes that its deferred income and accrued royalty accounts are materially understated in previously issued financial statements. It also believes that its prepaid royalty account is materially overstated. It anticipates that as a result it will be required to recognize amounts of royalty and other expenses as well as reduce a portion of revenues previously reported for its Information and Learning business, the effect of which will materially reduce earnings from continuing operations for many of the affected periods. Based upon its initial findings, the Company believes that the accounting irregularities do not affect the Company’s cash balances, the amounts invoiced to customers, cash receipts from customers, or disbursements to publishers and suppliers.

Upon discovery of the accounting irregularities, the Company discussed these matters with its independent auditor, KPMG LLP. ProQuest has also retained an external accounting firm to assist the Company with its internal review. Until the review is complete, the Company’s previously issued financial statements for fiscal years 1999 through 2004, quarterly periods in 2005, and the Company’s guidance for fiscal 2005, should no longer be relied upon. In addition, the Company’s review is ongoing and there can be no assurance additional material irregularities or errors will not be identified.

The decision to restate prior financial statements based on these matters was made on February 8, 2006 by the Audit Committee of the Company after discussion with KPMG LLP.

ProQuest’s Audit Committee has initiated an independent investigation which is being conducted with the assistance of Skadden, Arps, Slate, Meagher & Flom LLP, who was retained solely for
this purpose. Skadden, Arps has hired forensic accountants from Chicago Partners LLC to assist it in the investigation. While the Audit Committee believes a restatement will be required, it has not yet determined the time periods involved or the amount of the accounting restatement.

As a result of the expected restatement, the Company believes that it is not in compliance with certain covenants and representations and warranties of its revolving credit agreement and its private-placement debt, including certain financial covenants and representations made with regard to previously issued financial statements. The Company has discussed the initial results of its internal review with its revolving credit agreement lenders and private placement note holders and has begun discussions to obtain interim waivers until its internal review can be completed.

ProQuest will continue to work with its external accounting firm to complete the review and restatement as soon as possible. The Company anticipates that it will delay filing its 2005 10-K as a result of its internal review. The Company is in the process of evaluating whether these accounting irregularities were the result of one or more material weaknesses in its internal control over financial reporting.

Some of the statements contained herein constitute forward-looking statements. These statements relate to future events or our future financial performance and involve known and unknown risks, uncertainties and other factors that may cause our or our markets' actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by such forward-looking statements. These risks and other factors you should specifically consider include, but are not limited to: the Company's ability to successfully conclude the review of its financial results, the discovery of additional accounting irregularities, the ability to renegotiate the terms of its revolving credit agreement and senior notes in connection with defaults under such debt due to any potential restatement, the outcome of the Company's and the Audit Committee's continuing investigation of the accounting irregularities, increased debt level due to the acquisition of Voyager, changes in customer demands or industry standards, adverse economic conditions, loss of key personnel, litigation, decreased library and educational funding/budgets, the ability to successfully integrate the Voyager acquisition, the ability to successfully close and integrate other acquisitions, demand for ProQuest's products and services, success of ongoing product development, maintaining acceptable margins, ability to control costs, the impact of federal, state and local regulatory requirements on ProQuest's business, including K-12 and higher education, and automotive, the impact of competition and the uncertainty of economic conditions in general, the ability to successfully attract and retain customers, sell additional products to existing customers, and win new business due to changes in technology, the ability to maintain a broad customer base to avoid dependence on any one single customer, K-12 enrollment and demographic trends, the level of educational funding, the level of education technology investments, the Company's ability to obtain OEM data access agreements, the Company's ability to obtain financing, global economic conditions, financial market performance, and other risks listed under "Risk Factors" in our regular filings with the Securities and Exchange Commission. In some cases, you can identify forward-looking statements by terminology such as "may," "should," "expects," "plans," "anticipates," "believes," "estimates," "predicts," "potential," "continue," "projects," "intends," "prospects," "priorities," or the negative of such terms or other comparable terminology. These statements are only predictions. Actual
events or results may differ materially. We undertake no obligation to update any of these statements.

ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS.

(c) Exhibits

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<th>Description</th>
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SIGNATURES

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

PROQUEST COMPANY

(Registrant)

DATE February 9, 2006

BY /s/ Todd Buchardt

Todd Buchardt

Senior Vice President and General Counsel
EX-99.1
PRESS RELEASE ISSUED FEBRUARY 9, 2006
8-K Filed on 02/09/2006 – Period: 02/08/2006
File Number 001-07680
PROQUEST COMPANY TO RESTATE HISTORICAL FINANCIAL STATEMENTS

ANN ARBOR, Mich., February 9, 2006 — ProQuest Company (NYSE: PQE), a publisher of information and education solutions, announced that during a review related to its internal controls assessment required by the Sarbanes-Oxley Act of 2002, the company discovered material irregularities in its accounting. As a result, the company intends to restate certain of its previously issued financial statements.

The accounting irregularities that have been identified primarily affect ProQuest’s Information and Learning business unit. While the results for the Voyager Expanded Learning business have been included in the segment results for the Information and Learning division since the first quarter 2005, the accounting irregularities do not involve Voyager.

Based upon its initial findings, the company believes that its deferred income and accrued royalty accounts are materially understated in previously issued financial statements. It also believes that its prepaid royalty account is materially overstated. It anticipates that as a result it will be required to recognize amounts of royalty and other expenses as well as reduce a portion of revenues previously reported for its Information and Learning business, the effect of which will materially reduce earnings from continuing operations for many of the affected periods. Based upon its initial findings, the company believes that the accounting irregularities do not affect the company's cash balances, the amounts invoiced to customers, cash receipts from customers, or disbursements to publishers and suppliers.

"While we are disappointed to have discovered these accounting irregularities, the Board and senior management team of ProQuest are absolutely committed to the highest level of accounting and financial reporting standards," said Alan Aldworth, president and chief executive officer of ProQuest Company. "Our business units remain focused on providing our customers with quality products and the highest level of customer service.”

Upon discovery of the accounting irregularities, the company discussed these matters with its independent auditor, KPMG LLP. ProQuest has also retained an external accounting firm to assist the company with its internal review. Until the review is complete, the company's previously issued financial statements for fiscal years 1999 through 2004, quarterly periods in 2005, and the company’s guidance for fiscal 2005, should no longer be relied upon. In addition, the company’s review is ongoing and there can be no assurance additional material irregularities or errors will not be identified.

ProQuest’s Audit Committee has initiated an independent investigation which is being conducted with the assistance of Skadden, Arps, Slate, Meagher & Flom LLP, who was retained solely for this purpose. Skadden, Arps has hired forensic accountants from Chicago Partners LLC to assist it in the investigation. While the Audit Committee believes a restatement will be required, it has not yet determined the time periods involved or the amount of the accounting restatement.
As a result of the expected restatement, the company believes that it is not in compliance with certain covenants and representations and warranties of its revolving credit agreement and its private-placement debt, including certain financial covenants and representations made with regard to previously issued financial statements. The company has discussed the initial results of its internal review with its revolving credit agreement lenders and private placement note holders and has begun discussions to obtain interim waivers until its internal review can be completed. ProQuest will continue to work with its external accounting firm to complete the review and restatement as soon as possible. The company anticipates that it will delay filing its 2005 10-K as a result of its internal review. The company is in the process of evaluating whether these accounting irregularities were the result of one or more material weaknesses in its internal control over financial reporting.

Conference Call
ProQuest Company chairman and chief executive officer Alan Aldworth will make a statement about today's press release on a conference call at 9 a.m. ET today. The call will be in listen-only mode, and there will be no question and answer period. To listen to the conference call, please dial (888) 688-0384 at 9:00 a.m. ET on Thursday, February 9, 2006.

This conference call may also be accessed over the Internet at www.proquestcompany.com. The call will be taped and archived until February 17, 2006 and can be replayed by calling (800) 642-1687, and entering ID#5295484. The replay will be available shortly after the call at the www.proquestcompany.com website.

About ProQuest Company
ProQuest Company (NYSE: PQE) is based in Ann Arbor, Michigan, and is a leading publisher of information and education solutions. We provide products and services to our customers through two business segments: Information and Learning and Business Solutions. Through our Information and Learning segment, which primarily serves the education market, we collect, organize and publish content from a wide range of sources including newspapers, periodicals and books. Our Business Solutions segment is primarily engaged in the delivery in electronic form of comprehensive parts and service information to the automotive market. Its products transform complex technical data, like parts catalogs and service manuals, into easily accessed electronic information. For the world's automotive manufacturers and their dealer networks, ProQuest also secures business-to-business information and retail performance management services.

Forward-Looking Statements
Some of the statements contained herein constitute forward-looking statements. These statements relate to future events or our future financial performance and involve known and unknown risks, uncertainties and other factors that may cause our or our markets' actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by such forward-looking statements. These risks and other factors you should specifically consider include, but are not limited to: the company's ability to successfully conclude the review of its financial results, the discovery of additional accounting irregularities, the ability to renegotiate the terms of its revolving credit agreement and senior notes in connection with defaults under
such debt due to any potential restatement, the outcome of the company's and the Audit Committee's continuing investigation of the accounting
irregularities, increased debt level due to the acquisition of Voyager Learning, changes in customer demands or industry standards, adverse economic
conditions, loss of key personnel, litigation, decreased library and educational funding/budgets, the ability to successfully integrate the Voyager Learning
acquisition, the ability to successfully close and integrate other acquisitions, demand for ProQuest's products and services, success of ongoing product
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business, including K–12 and higher education, and automotive, the impact of competition and the uncertainty of economic conditions in general, the
ability to successfully attract and retain customers, sell additional products to existing customers, and win new business due to changes in technology, the
ability to maintain a broad customer base to avoid dependence on any one single customer, K–12 enrollment and demographic trends, the level of
educational funding, the level of education technology investments, the company's ability to obtain OEM data access agreements, the company's ability to
obtain financing, global economic conditions, financial market performance, and other risks listed under "Risk Factors" in our regular filings with the
Securities and Exchange Commission. In some cases, you can identify forward-looking statements by terminology such as "may," "should," "expects,"
terms or other comparable terminology. These statements are only predictions. Actual events or results may differ materially. We undertake no obligation to
update any of these statements.

CONTACT:
Mark Trinske
Vice President, Investor Relations
ProQuest Company
734-997-4910
mark.trinske@proquest.com
EXHIBIT 5
PROQUEST CO

FORM 8-K
(Unscheduled Material Events)


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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): April 28, 2006

ProQuest Company
(Exact Name of Registrant as Specified in its Charter)

Delaware  1-3246  36-3580106
(State or Other Jurisdiction of  (Commission File Number)  (I.R.S. Employer
Incorporation or Organization)  Identification No.)

777 Eisenhower Parkway, Ann Arbor, Michigan  48106-1346
(Aдрес of Principal Executive Offices) (Zip Code)

Registrant’s telephone number, including area code: (734) 761-4700

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of
the following provisions (see General Instruction A.2. below):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 420.14a-12)
☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
Item 2.02 Results of Operations and Financial Condition

ANN ARBOR, Mich., April 28, 2006 – ProQuest Company (NYSE: PQE), a publisher of information and education solutions, today announced preliminary findings from its ongoing accounting review and provided 2006 revenue and EBIT guidance. ProQuest also announced steps that it has taken in order to address the financial issues resulting from the restatement. These include the initiation of cost reduction measures focused on reducing headcount, capital expenditures and operating expenses, and establishment of a Special Committee of its Board to explore strategic alternatives to reduce debt and enhance value, including the potential sale of the company’s Business Solutions segment. The company is also in discussions with its lenders and note holders concerning an arrangement under which the lenders and note holders would temporarily waive the company’s existing default under its credit arrangements.

Accounting Restatement Update

ProQuest anticipates its accounting review will result in the restatement of previously reported earnings for fiscal years 2000 to 2004 and for the first three quarters of 2005. The accounting irregularities identified to date do not affect the company’s cash balances, the amounts invoiced to customers, cash receipts from customers, or disbursements to publishers and suppliers.

Preliminarily, the company expects to restate earnings from continuing operations by reducing previously reported pre-tax earnings by a total of $35 million to $45 million for the first three quarters of 2005 and by $45 million to $55 million for the full year 2004. Based upon information available to date, the company believes it will also restate earnings for fiscal years
2000 through 2003. ProQuest currently estimates the aggregate reduction for these four years will be materially less than the total adjustment for 2004 and 2005. The company currently believes that financial results for fiscal year 1999 and prior will not be restated. The company’s accounting review is not complete and final results may deviate from current estimates.

As a result of the preliminary findings of the accounting review, the company is now conducting impairment testing of certain assets in accordance with SFAS 144, *Accounting for the Impairment or Disposal of Long-Lived Assets* and SFAS 142, *Goodwill and Other Intangible Assets*. The preliminary findings contained in this press release do not include any impact associated with the potential impairment of assets.

Separately, the company and its independent registered public accounting firm are reviewing accounting principles with respect to Information and Learning’s revenue recognition for certain one-time sales of published products. The preliminary findings contained in this press release do not include any impact associated with any potential change in revenue recognition policies. If a change to the accounting treatment for these one-time sales is necessary, it would have the effect of decreasing revenue and earnings for the period from fiscal 2002 to fiscal 2005. Revenue from these one-time sales between 2002 and 2005 was approximately $35 million. Any revenue that is impacted would be deferred and recognized in future periods.

The accounting irregularities that have been identified primarily affect ProQuest’s Information and Learning division. The results for the Voyager Expanded Learning business have been included in the segment results for the Information and Learning business unit since the first quarter 2005, and the accounting irregularities do not involve Voyager. While the company has made substantial progress on the restatement investigation, the review is ongoing and there can be no assurance additional issues will not be identified.

**Company in Discussions with Lenders and Note Holders**

As previously announced, as a result of the accounting adjustments the company will make, the company is not in compliance with certain covenants and representations contained in its revolving credit agreement and its private-placement debt. The company is in discussions with
its revolving credit agreement lenders and private placement note holders to obtain waiver agreements and access to additional working capital. While the company is optimistic an agreement will be reached, there can be no assurance that this will occur. If the company is not able to negotiate those arrangements, it may not have access to sufficient working capital to meet its liquidity needs and its lenders and note holders may take steps to accelerate the repayment of debt.

Cost Reduction Initiatives
ProQuest has taken and will continue to take certain actions intended to reduce costs and return its Information and Learning segment to profitability. These include reductions in positions, operating expenses, and capital expenditures. The company currently estimates these measures will result in annualized pre-tax savings of approximately $10 million to $20 million per year starting in 2007 and beyond.

Exploration of Strategic Alternatives
The Board of Directors has determined that the company should explore strategic alternatives to reduce debt and enhance value. The Board of Directors has established a Special Committee to oversee this process. Initially, these efforts are expected to focus on a potential sale of or other transaction involving Business Solutions and the Committee has retained Allen & Company LLC as its financial advisor. However, there can be no assurance that the decision to explore strategic alternatives will result in any transaction or ultimately lead to increased value. The company undertakes no obligation to provide updates on this process.

Strategic Outlook
Alan Aldworth, ProQuest Company's chairman and chief executive officer, said, “Our priorities are to improve our capital structure, reduce debt, and deliver value. We continue to believe that the markets in which we operate are sound, and that ProQuest has highly regarded products and services, strong customer demand and solid competitive positions. We recognize the financial challenges the company faces as a result of the ongoing accounting review, but we have confidence in the company's future and are committed to overcoming these obstacles.”
Continuing, Aldworth said, “We have already taken meaningful steps to reduce the cost structure and restore the profitability of our Information and Learning segment. We are confident of its potential, as well as the potential of our Voyager segment, to generate earnings and capitalize on growth opportunities in the education market. Business Solutions is also well established in its marketplace and continues to be a consistent performer with strong cash flow. However, Business Solutions is unique from our education segments, and given ProQuest’s current financial circumstances we believe the sale of Business Solutions may be in the best interests of the company. We expect that the business may be attractive to potential buyers with a structure and resource base to invest in its full potential.”

Change in Reported Business Segments
In order to better align ProQuest’s segment reporting with the way the company currently manages its businesses, it will report its financial results in three business segments for its quarterly and annual filings with the SEC starting with the fourth quarter 2005. The third segment will be formed by splitting the Information and Learning segment into the following two segments:

- Voyager – which includes the acquired Voyager Expanded Learning business combined with the K-12 curriculum products (ExploreLearning and Learning Page) previously reported as part of the Information and Learning segment; and
- Information and Learning – which includes Information and Learning’s higher education products, library products, and K-12 library products which were all previously reported in the Information and Learning segment.

The company’s Business Solutions segment will remain unchanged.

Unaudited Full Year 2005 Financial Results by Business Segment
All of the following financial results are ProQuest Company figures, and have not been reviewed or audited by the company’s independent registered public accounting firm. All comparisons are based upon preliminary restated amounts.

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ProQuest acquired Voyager Expanded Learning on January 31, 2005, and ExploreLearning on February 25, 2005. For the year ended December 31, 2005, the Voyager segment, including 11 months of Voyager and the results of other K-12 curriculum products, had unaudited revenue of $98.2 million.

For the year ended December 31, 2005, the Voyager segment, including 11 months of Voyager and the results of other K-12 curriculum products, reported EBIT of $22.1 million. EBITDA for the period was $33.9 million.

Business Solutions

Business Solutions’ 2005 unaudited revenue was $183.0 million.

Business Solutions’ unaudited EBIT for 2005 was $49.2 million. EBITDA for the period was $54.9 million.

Information and Learning

ProQuest is continuing the accounting review of its Information and Learning segment.

Preliminary unaudited revenue for Information and Learning for 2005 was between $285 million and $290 million. On a pro forma basis, Information and Learning’s 2005 unaudited revenue would have been between $255 million and $260 million. These pro forma results show unaudited results as if the October 2005 divestiture of Information and Learning’s periodical microfilm business had occurred on January 2, 2005, the first day of the company’s fiscal year.

Based on the preliminary unaudited results of the accounting review, the company estimates that its Information and Learning segment will report an EBIT loss for fiscal year 2005. The company estimates that EBITDA for the period was between $45 million and $55 million.
Corporate Expense, Net Interest Expense and Capital Expenditures

ProQuest unaudited corporate expense for fiscal year 2005 was $14.7 million. Corporate expense in 2005 reflected a one-time benefit of $1.5 million related to the discontinuance of the company post-retirement medical program. Unaudited net interest expense for the period was $32 million.

Unaudited total company capital expenditures for 2005 were between $60 million and $70 million. Of these amounts, the Business Solutions segment accounted for $3 million, the Voyager segment accounted for $9 million, and the Information and Learning segment accounted for the remainder.

All of the financial results contained in “Unaudited Full Year 2005 Financial Results by Business Segment,” are unaudited, preliminary and are subject to change, including potential impairment charges, prior to the filing of the company’s 2005 10-K.

2006 Outlook

ProQuest expects its full year 2006 financial results to be within the following ranges:

Voyager

The company expects full year 2006 revenue for the Voyager segment to be within a range of $120 million to $135 million. EBIT is anticipated to be within a range of $25 million to $35 million. The company anticipates Voyager’s depreciation and amortization expense to be approximately $15 million.

Business Solutions

The company expects full year 2006 revenue for the Business Solutions segment to be within a range of $185 million to $195 million. EBIT is anticipated to be within a range of $50 million to $55 million. The company anticipates Business Solutions’ depreciation and amortization expense to be approximately $7 million. The company anticipates that the increase in royalty payments under its new General Motors agreement, which will have a full year effect in 2007, will likely be offset by reduced expenses and revenue growth in other parts of Business Solutions.

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Information and Learning
The company expects full year 2006 revenue for the Information and Learning segment to be within a range of $235 million to $260 million, and anticipates that this segment will generate a minor EBIT loss for the fiscal year 2006. Information and Learning’s depreciation and amortization expense is expected to be about $50 million. If it is determined that the accounting treatment for certain one-time sales of published products should be changed as discussed earlier in this release, the company would further adjust Information and Learning’s revenue and earnings outlook in 2006. Given the effect of cost reduction and other initiatives currently underway, the company anticipates that Information and Learning will generate positive EBIT in 2007.

Corporate, Net Interest Expense and Capital Expenditures
The company expects corporate expense in 2006 to be approximately $39 million. Included in this amount is option expense of approximately $5 million in accordance with SFAS 123R, Share-Based Payment, as well as one-time legal, accounting, and other costs associated with the restatement which are estimated to be between $11 million and $12 million. The company anticipates interest expense in 2006 of approximately $42 million resulting from higher debt balances, and higher interest rates under the terms of its pending agreement with its lenders.

Capital expenditures for 2006 are currently anticipated in the range of $60 million to $65 million, of which Business Solutions accounts for $7 million, Voyager accounts for $6 million and Information and Learning accounts for the remainder.

Basis of Presentation
The unaudited preliminary financial results in this press release are presented in accordance with generally accepted accounting principles (GAAP), except for references to earnings from continuing operations before interest, income taxes, depreciation and amortization (EBITDA), which excludes interest, income taxes, depreciation and amortization and discontinued operations. Reconciliations of non-GAAP amounts to the company’s unaudited preliminary GAAP results are attached as Appendix A to this release, and can also be found on the ProQuest Company website at www.proquestcompany.com.
Earnings from continuing operations before interest and income taxes (EBIT), which excludes interest, income taxes and discontinued operations, is a key metric used by ProQuest Company to assess the performance of its business segments. EBIT and EBITDA provide useful information about how ProQuest Company’s management assesses the company’s ability to fund working capital items and capital expenditures as well as service and comply with the terms of its debt agreements. The company’s ability to fund working capital items, fund capital expenditures and service debt in the future, however, may be affected by other operating or legal requirements.

About ProQuest Company

ProQuest Company (PQE: NYSE) is based in Ann Arbor, Michigan, and is a publisher of information and education solutions. We provide products and services to our customers through three business segments: Voyager, Information and Learning and Business Solutions. Our Voyager segment is a leading provider of K-12 curriculum products, in-school core reading programs, reading and math intervention programs, and professional development programs for school districts throughout the United States. Through our Information and Learning segment, which primarily serves the education market, we collect, organize and publish content from a wide range of sources including newspapers, periodicals and books. Our Business Solutions segment is primarily engaged in the delivery in electronic form of comprehensive parts and service information to the automotive market. Its products transform complex technical data, like parts catalogs and service manuals, into easily accessed electronic information. For the world’s automotive manufacturers and their dealer networks, ProQuest also secures business-to-business information and retail performance management services.

Forward-Looking Statements

Some of the statements contained herein constitute forward-looking statements. These statements relate to future events, the results of our pending restatement process, or our future financial performance and involve known and unknown risks, uncertainties and other factors that may cause our or our markets’ actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by such forward-looking statements. These risks and other factors you should specifically consider include, but are not limited to: the company’s ability to successfully conclude the review of its financial results, the discovery of additional restatement items, the ability to renegotiate the terms of its revolving credit agreement and senior notes in connection with defaults under such debt due to any potential restatement if further defaults occur, the outcome of the company’s and the Audit Committee’s continuing investigation of the accounting errors, increased debt level due to the acquisition of Voyager Learning, changes in customer demands or industry standards, adverse economic conditions, loss of key personnel, litigation, decreased library and educational funding/budgets, the ability to successfully integrate the Voyager Learning acquisition, the ability to successfully close and integrate other acquisitions, demand for ProQuest’s products and services, success of ongoing product development, maintaining acceptable margins, ability to control costs, the impact of federal, state and local regulatory requirements on ProQuest’s business, including K-12 and higher education, and automotive.

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the impact of competition and the uncertainty of economic conditions in general, the ability to successfully attract and retain customers, sell additional products to existing customers, and win new business due to changes in technology, the ability to maintain a broad customer base to avoid dependence on any one single customer, K-12 enrollment and demographic trends, the level of educational funding, the level of education technology investments, the company's ability to obtain OEM data access agreements, the company's ability to obtain financing, global economic conditions, financial market performance, and other risks listed under "Risk Factors" in our regular filings with the Securities and Exchange Commission. In some cases, you can identify forward-looking statements by terminology such as "may," "should," "expects," "plans," "anticipates," "believes," "estimates," "predicts," "potential," "continue," "projects," "intends," "prospects," "priorities," or the negative of such terms or other comparable terminology. These statements are only predictions. Actual events or results may differ materially. The company undertakes no obligation to update any of these statements.

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PROQUEST CO (PQE)

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ANN ARBOR, MI 48103-1553
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http://www.proquestcompany.com/

8-K

FORM 8-K
Filed on 08/01/2006 - Period: 07/31/2006
File Number 001-07680

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant To Section 13 OR 15(d) Of The Securities Exchange Act Of 1934

Date of report (Date of earliest event reported) July 31, 2006

PROQUEST COMPANY
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation)

1-3246
(Commission File Number)

36-3580106
(IRS Employer Identification Number)

777 Eisenhower Parkway, PO Box 1346
(Address of Principal Executive Offices)

Not Applicable
(Former name or former address, if changed since last report)

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a–12 under the Exchange Act (17 CFR 240.14a–12)

☐ Pre–commencement communications pursuant to Rule 14d–2(b) under the Exchange Act (17 CFR 240.14d–2(b))

☐ Pre–commencement communications pursuant to Rule 13e–4(c) under the Exchange Act (17 CFR 240.13e–4(c))
ITEM 8.01 OTHER EVENTS.

ProQuest Company (the “Company”) is filing this Report on Form 8—K to disclose that its Audit Committee has completed its investigation into the circumstances that led to the need for the previously announced ongoing accounting review and financial restatement. As previously announced, the Audit Committee had retained Skadden, Arps, Slate, Meagher & Flom LLP (“Skadden”) to conduct the investigation and Skadden had retained Chicago Partners LLC (“Chicago Partners”), an accounting advisory firm that specializes in expert forensic services, to assist in the investigation. Skadden has gathered and reviewed more than 3.6 million pages of documents, interviewed 53 persons and conducted over 70 interviews.

A summary of the key findings of the investigation, on the basis of the evidence gathered, include the following: (i) the evidence strongly indicates that former VP Finance (the “former PQIL VP Finance”) of the Company’s Information and Learning business unit (“PQIL”) bears primary responsibility for the accounting misstatements that have required the restatement, (ii) the former PQIL VP Finance exercised primary control over the accounts in which significant misstatements were identified and regularly directed (often without providing appropriate support) that manual journal entries, many of which were erroneous, be made in a number of these accounts, especially during month-end and quarter-end closes, (iii) the net effect of the manual entries was to increase current-period net income by decreasing expense or increasing revenue, (iv) other than with respect to two employees reporting to and acting under the direction of the former PQIL VP Finance, there is no evidence that any other employee, officer or director of the Company had any direct knowledge of, or involvement in, the accounting misstatements, (v) the Company in general and PQIL in particular had certain deficiencies in internal controls that allowed the former PQIL VP Finance to engage in the misstatements, and (vi) no evidence indicated undue pressure from corporate management to attain certain results.

The conclusions reached by Skadden, and accepted by the Audit Committee, were that the evidence indicates the former PQIL VP Finance intentionally manipulated the PQIL financial reports in order to inflate PQIL profits or to create the appearance of profitability. Additionally, the evidence indicates that the former PQIL VP Finance recognized the problematic nature of his conduct and at times made efforts to conceal information from others, including ProQuest’s external auditors. Skadden and the Audit Committee also concluded that the evidence indicated that the former PQIL VP Finance acted intentionally to alter the reported financial condition of PQIL and that a direct report of the former PQIL VP Finance should have known that some of the former PQIL VP Finance methods (e.g., unsupported manual journal entries) lacked integrity. Further, the investigation concluded that a second person acting under the direction of the former PQIL VP Finance knew or should have known that his efforts to withhold certain information from ProQuest’s external auditors were improper. Because, however, these individuals all denied engaging in purposeful conduct to distort the Company’s reported operating condition, Skadden and the Audit Committee were not able to determine definitively whether an illegal act occurred.

The Audit Committee has also directed a number of remedial measures as a result of its investigation, including: (i) enhancement of the internal audit function by appointing a new head of internal audit and conducting a review of the scope of duties assigned to the head of internal audit, (ii) taking appropriate remedial measures with respect to employees responsible for the accounting misstatements, (iii) requiring a quarterly internal audit plan be submitted to the Audit Committee, (iv) development of a comprehensive policy and set of internal controls for manual journal entries, (v) implementing ethics training for financial staff as well as additional training for all employees involved in the financial reporting process.

The former PQIL VP Finance is no longer employed by the Company.

ProQuest Company continues to conduct its accounting review to complete its restatement and expects that it will file its Annual Report on Form 10—K for fiscal 2005 in the fall of 2006.
Forward-Looking Statements

Some of the statements contained herein constitute forward-looking statements. These statements relate to future events, the results of our pending restatement process, or our future financial performance and involve known and unknown risks, uncertainties and other factors that may cause our or our markets' actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by such forward-looking statements. These risks and other factors you should specifically consider include, but are not limited to: the company’s ability to successfully conclude the review of its financial results, the discovery of additional restatement items, the ability to renegotiate the terms of its revolving credit agreement and senior notes in connection with defaults under such debt due to any potential restatement if further defaults occur, the outcome of the company’s and the Audit Committee’s investigation of the accounting errors, increased debt level due to the acquisition of Voyager Learning, changes in customer demands or industry standards, adverse economic conditions, loss of key personnel, litigation, decreased library and educational funding/budgets, the ability to successfully integrate the Voyager Learning acquisition, the ability to successfully close and integrate other acquisitions, demand for ProQuest’s products and services, success of ongoing product development, maintaining acceptable margins, ability to control costs, the impact of federal, state and local regulatory requirements on ProQuest’s business, including K-12 and higher education, and automotive, the impact of competition and the uncertainty of economic conditions in general, the ability to successfully attract and retain customers, sell additional products to existing customers, and win new business due to changes in technology, the ability to maintain a broad customer base to avoid dependence on any one single customer, K-12 enrollment and demographic trends, the level of educational funding, the level of education technology investments, the company’s ability to obtain OEM data access agreements, the company’s ability to obtain financing, global economic conditions, financial market performance, and other risks listed under “Risk Factors” in our regular filings with the Securities and Exchange Commission. In some cases, you can identify forward-looking statements by terminology such as “may,” “should,” “expects,” “plans,” “anticipates,” “believes,” “estimates,” “predicts,” “potential,” “continue,” “projects,” “intends,” “propects,” “priorities,” or the negative of such terms or other comparable terminology. These statements are only predictions. Actual events or results may differ materially. We undertake no obligation to update any of these statements.

Item 9.01 Financial Statements and Exhibits.

(c) Exhibits.

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

PROQUEST COMPANY
(Registrant)

DATE: July 31, 2006

BY /s/ Todd Buchardt
Todd Buchardt
Senior Vice President and General Counsel
PROQUEST REPORTS COMPLETION OF AUDIT COMMITTEE INVESTIGATION
Report Affirms Initial Conclusions Regarding Scope And Nature Of Accounting Issues

ANN ARBOR, Mich., July 31, 2006 — ProQuest Company (NYSE: PQE), a publisher of information and education solutions, today reported that its Audit Committee has completed its investigation into the circumstances that led to the need for the previously announced ongoing accounting review and financial restatement. The investigation was conducted with the assistance of independent outside experts including Skadden, Arps, Slate, Meagher & Flom LLP and Chicago Partners LLC.

A summary of the key findings of the investigation, on the basis of the evidence gathered, includes the following:

(i) the evidence strongly indicates that the former VP Finance (the “former PQIL VP Finance”) of the Company’s Information and Learning business unit (“PQIL”) bears primary responsibility for the accounting misstatements that have required the restatement,

(ii) the former PQIL VP Finance exercised primary control over the accounts in which significant misstatements were identified and regularly directed (often without providing appropriate support) that manual journal entries, many of which were erroneous, be made in a number of these accounts, especially during month-end and quarter-end closes,

(iii) the net effect of the manual entries was to increase current-period net income by decreasing expense or increasing revenue.
(iv) other than with respect to two employees reporting to and acting under the direction of the former PQIL VP Finance, there is no evidence that any other employee, officer or director of the Company had any direct knowledge of, or involvement in, the accounting misstatements,

(v) the Company in general and PQIL in particular had certain deficiencies in internal controls that allowed the former PQIL VP Finance to engage in the misstatements, and

(vi) no evidence indicated undue pressure from corporate management to attain certain results.

The Audit Committee has also directed the implementation of a number of remedial measures as a result of its investigation, including:

(i) enhancement of the internal audit function by appointing a new head of internal audit and conducting a review of the scope of duties assigned to the head of internal audit,

(ii) taking appropriate remedial measures with respect to employees responsible for the accounting misstatements,

(iii) requiring a quarterly internal audit plan be submitted to the Audit Committee,

(iv) developing a comprehensive policy and set of internal controls for manual journal entries, and

(v) implementing ethics training for financial staff as well as additional training for all employees involved in the financial reporting process.

Gary Roubos, Chairman of the Audit Committee of the ProQuest Company Board of Directors, said, "The Audit Committee is very satisfied with the thoroughness of this investigation, and the company's commitment to fully implement the necessary steps to ensure such a situation never happens again. The external experts Skadden, Arps, Slate, Meagher & Flom LLP and Chicago Partners LLC, retained by the Audit Committee, have"

"more"
the highest reputation for investigating these types of matters and their investigation was extensive. The Audit Committee, together with its independent outside experts, has appreciated management’s full cooperation during the investigation and respects management’s role in uncovering the misstatements and bringing them promptly to the attention of the Board. I have confidence in management’s commitment to implement all of the remedial measures as directed by the Audit Committee.”

Mr. Roubos further said, “During this difficult period, the entire management team, together with all the company’s employees, has worked tirelessly to keep the company moving forward and we are pleased with what they have achieved to date.”

Alan Aldworth, ProQuest Chairman and Chief Executive Officer, said, “During this time we have been enormously grateful for the hard work and commitment of all our employees and the continued support of our customers. We have a new finance team in place including Richard Surratt, who joined us as Chief Financial Officer of ProQuest in November 2005, and William Rozek, recently appointed Vice President Finance at Information and Learning. Under their leadership I am confident we will fully implement the remedial measures directed by the Audit Committee and complete the restatement process. Our focus is now squarely on completing the accounting review and restatement process even as we continue to deliver the quality products and services that our customers expect.”

The results of the Audit Committee investigation are being shared with the Securities and Exchange Commission (“SEC”), which as previously disclosed, has opened an investigation as a result of the accounting irregularities. The Company is cooperating with the SEC in that investigation.

ProQuest Company continues to work with its auditors to complete its accounting review and restate its financials. As a result, the Company presently expects that it will file its Annual Report on Form 10-K for fiscal 2005 in the fall of 2006.

—more—
About ProQuest Company

ProQuest Company (PQE: NYSE) is based in Ann Arbor, Michigan, and is a publisher of information and education solutions. We provide products and services to our customers through three business segments: Education, Information and Learning and Business Solutions. Our Education segment is a leading provider of K–12 curriculum products, in–school core reading programs, reading and math intervention programs, and professional development programs for school districts throughout the United States. Through our Information and Learning segment, which primarily serves the education market, we collect, organize and publish content from a wide range of sources including newspapers, periodicals and books. Our Business Solutions segment is primarily engaged in the delivery in electronic form of comprehensive parts and service information to the automotive market. Its products transform complex technical data, like parts catalogs and service manuals, into easily accessed electronic information. For the world’s automotive manufacturers and their dealer networks, ProQuest also secures business-to-business information and retail performance management services.

Forward–Looking Statements

Some of the statements contained herein constitute forward–looking statements. These statements relate to future events, the results of our pending restatement process, or our future financial performance and involve known and unknown risks, uncertainties and other factors that may cause our or our markets’ actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by such forward–looking statements. These risks and other factors you should specifically consider include, but are not limited to, the company’s ability to successfully conclude the review of its financial results, the discovery of additional restatement items, the ability to renegotiate the terms of its revolving credit agreement and senior notes in connection with defaults under such debt due to any potential restatement if further defaults occur, the outcome of the company’s and the Audit Committee’s continuing investigation of the accounting errors, increased debt level due to the acquisition of Voyager Learning, changes in customer demands or industry standards, adverse economic conditions, loss of key personnel, litigation, decreased library and educational funding/budgets, the ability to successfully integrate the Voyager Learning acquisition, the ability to successfully close and integrate other acquisitions, demand for ProQuest’s products and services, success of ongoing product development, maintaining acceptable margins, ability to control costs, the impact of federal, state and local regulatory requirements on ProQuest’s business, including K–12 and higher education, and automotive, the impact of competition and the uncertainty of economic conditions in general, the ability to successfully attract and retain customers, sell additional products to existing customers, and win new business due to changes in technology, the ability to maintain a broad customer base to avoid dependence on any one single customer, K–12 enrollment and demographic trends, the level of educational funding, the level of education technology investments, the company’s ability to obtain OEM data access agreements, the company’s ability to obtain financing, global economic conditions, financial market performance, and other risks listed under “Risk Factors” in our regular filings with the Securities and Exchange Commission. In some cases, you can identify forward–looking statements by terminology such as “may,” “should,” “expects,” “plans,” “anticipates,” “believes,” “estimates,” “predicts,” “potential,” “continue,” “projects,” “intends,” “prospects,” “priorities,” or the negative of such terms or other comparable terminology. These statements are only predictions. Actual events or results may differ materially. The company undertakes no obligation to update any of these statements.

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EXHIBIT 7
PROQUEST CO

FORM 8-K
(Current report filing)

Filed 2/1/2007 For Period Ending 1/30/2007

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K
CURRENT REPORT
Pursuant To Section 13 OR 15(d) Of The Securities Exchange Act Of 1934
Date of report (Date of earliest event reported) January 30, 2007

PROQUEST COMPANY
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation) 1-3246
(Commission File Number) 36-3580106
(Commission File Number) (IRS Employer Identification Number)

777 Eisenhower Parkway, PO Box 1346
(Address of Principal Executive Offices) 48106-1346
(Zip Code)

Registrant’s Telephone Number, including area code (734) 761-4700

Not Applicable
(Former name or former address, if changed since last report)

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
ITEM 5.02. DEPARTURE OF DIRECTORS OR CERTAIN OFFICERS; ELECTION OF DIRECTORS; APPOINTMENT OF CERTAIN OFFICERS; COMPENSATORY ARRANGEMENTS OF CERTAIN OFFICERS.

Departure of Certain Officer and Director; Election of Certain Officers

On January 30, 2007, ProQuest Company announced that effective January 30, 2007, Alan Aldworth, resigned as President, Chief Executive Officer, Director and Chairman of the Board of the ProQuest Company (the “Company”) and Richard J. Surratt, age 46, was appointed the Company’s President and Chief Executive Officer.

Mr. Surratt joined the Company on November 2, 2005 as Senior Vice President and has served as the Chief Financial Officer since November 11, 2005. Mr. Surratt served as Executive Vice President, Chief Financial Officer and Treasurer of FLYi (Independence Air, Inc.) from December 2001 until October, 2005 and served as Senior Vice President, Chief Financial Officer, Treasurer and Assistant Secretary of FLYi (Independence Air, Inc.) from December 1999 to December 2001. From 1990 to December 1999, Mr. Surratt was with Mobil Corporation. During that time he held a number of executive management positions in corporate finance, accounting and new business development. From April 1998 to December 1999, he was Director in the Mergers and Acquisitions Group, functioning as the lead finance member for that team. Prior to that position, he served as Treasurer of Latin America for Mobil Corporation.

Also effective on January 30, 2007, David W. Asai, age 51, became Chief Financial Officer of the Company. Mr. Asai has served as the Vice President, Corporate Controller and Principal Accounting Officer since joining the Company on June 7, 2006. Mr. Asai served as Vice President, Controller and Assistant Secretary with FLYi (Independence Air, Inc.) from 1998 through October 2005 and served as Senior Vice President, Chief Financial Officer and Treasurer from October 2005 until May 2006. From December 1994 until 1998, he served as Vice President, Controller and Chief Accounting Officer at Reno Air, Inc. From July 1992 to November 1994, he was Vice President-Finance and Chief Financial Officer of Spirit Airlines, Inc.

There are no family relationships between either Mr. Surratt or Mr. Asai and any director or executive officer of the Company, which would require disclosure under Item 401(d) of Regulations S-K. Other than with respect to their employment with the Company, there are no transactions between Mr. Surratt, Mr. Asai or any of their immediate family members and the Company or any of its subsidiaries which would require disclosure under Item 404(a) of Regulation S-K.

In connection with Mr. Aldworth’s resignation, William E. Oberndorf, Managing Director, SPO Partners & Co, was elected Chairman of the Board effective January 30, 2007.

A copy of the press release dated January 30, 2007 is attached as Exhibit 99.1 to this Form 8-K.

Employment Agreement with Richard Surratt

On February 1, 2007, in connection with Mr. Surratt’s promotion to Chief Executive Officer and President, the Company entered into an amendment (“Amendment”) of Mr. Surratt’s

A copy of the Amendment is attached hereto as Exhibit 10.1 to this Form 8-K and is incorporated herein by reference. The following summary of the Amendment does not purport to be complete and is subject to and qualified in its entirety by reference to the attached agreement.

The material terms of the Amendment are as follows:

(a) Mr. Surratt’s base salary was increased to $675,000 and his target bonus percentage was increased to 85% of base salary (both the base salary and target bonus percentage are the same as that previously provided to Mr. Aldworth). Mr. Surratt’s bonus is guaranteed at such target level through June 30, 2008.

(b) One of the vesting dates for the restricted stock award or liquidation amount in lieu of such award is accelerated from December 31, 2007 to September 1, 2007 and Mr. Surratt is provided in lieu of an equity grant during 2008, one million dollars within five business days after the earliest of (1) June 30, 2008 provided he is employed by the Company on such date, (2) a Change of Control, or (3) termination of his employment without cause or resignation for good reason.

(c) A sale of ProQuest Information and Learning Company pursuant to the terms set forth in the Subscription Agreement and Plan of Merger by and among ProQuest Company, ProQuest Information and Learning Company, ProQuest Canada/U.K Holdings, LLC, and I&L Holdings, Inc., I&L Operating LLC, Cambridge Scientific Abstracts, Limited Partnership, dated as of December 14, 2006 (“I&L Agreement”) would constitute a Change of Control under Mr. Surratt’s Existing Agreement entitling him to certain benefits. The Amendment redefines Change of Control so that other than for purposes of qualifying for enhanced severance and funding of such severance into a rabbi trust, the sale of ProQuest Information and Learning Company does not constitute a Change of Control (including not constituting a Change of Control for purposes of accelerated vesting of the equity replacement grants). The Amendment also delays the date when Mr. Surratt can voluntarily terminate his employment and have it treated as good reason from between December 31, 2007 and January 30, 2008 to between June 30, 2008 and July 31, 2008. The Amendment also provides reimbursement and a tax gross-up for relocation and related expenses.

(d) Except for regular salary compensation (including annual bonus), no payments in addition to those provided by his Existing Agreement can be made to Mr. Surratt prior to the payment in full in cash of the Secured Obligations under, and as defined in, the Waiver and Omnibus Amendment Agreement dated as of May 2, 2006 (as amended, supplemented or otherwise modified from time to time), among the Company, certain of its subsidiaries, the lenders thereunder and LaSalle Bank Midwest National Association, as collateral agent (“Loan Repayment Date”).
Separation Agreement with Alan Aldworth

On February 1, 2007, the Company entered into a Separation Agreement with Alan Aldworth in connection with his resignation as President, Chief Executive Officer, Director and Chairman of the Board.

A copy of the Separation Agreement is attached hereto as Exhibit 10.2 to this Form 8-K and is incorporated herein by reference. The following summary of the Separation Agreement does not purport to be complete and is subject to and qualified in its entirety by reference to the attached agreement.

Pursuant to the terms of the Separation Agreement, the Company has agreed that if the sale of ProQuest Information and Learning occurs by March 31, 2007 with no material change from the terms set forth in the I&L Agreement and the Loan Repayment Date occurs, the Company will provide Mr. Aldworth with 24 months of base salary ($56,250 monthly base salary) payable over the 24 months after his resignation and up to 24 months of health benefit continuation. In return, Mr. Aldworth has agreed to cooperate with the Company and to a 12-month nonsolicitation of employees and customers as well as a release of all claims that he may have against the Company.
ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS.

Exhibits

10.1 Amendment to Richard Surratt's employment letter.
10.2 Aldworth Separation agreement
SIGNATURES

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

PROQUEST COMPANY
(Registrant)

DATE February 1, 2007

BY /s/ Todd W. Buchardt
Todd W. Buchardt
Senior Vice President and General Counsel
Contact:
Jennifer Chelune
Investor Relations Manager
(734) 997-4910
jennifer.chelune@proquest.com

PROQUEST ANNOUNCES MANAGEMENT CHANGES

ANN ARBOR, Mich., January 30, 2007 – The Board of Directors of ProQuest Company and Alan Aldworth announced today that they have mutually agreed that Aldworth will leave his position as ProQuest’s Chairman, President and Chief Executive Officer (CEO) and as a Director, effective immediately. Richard Surratt, the company’s Chief Financial Officer, will become ProQuest’s President and CEO. David Asai, the company’s Controller, will become ProQuest’s Chief Financial Officer. William E. Oberndorf, Managing Director, SPO Partners & Co., will become the Chairman of ProQuest’s Board of Directors. Ronald Klausner will remain President of ProQuest Education and Voyager Expanded Learning.

“The Board and Alan determined together that this is the right time to make this change,” the Board of Directors said. “We want to thank Alan for his deep commitment to ProQuest during the period of time he has served as the company’s Chairman, President and CEO.”

The Board went on to say, “Richard Surratt is a leader who has demonstrated the ability to keep the organization focused and moving forward aggressively, and we are confident that he is the right person to serve in this role. Richard now has in place a capable finance team that is driving the company’s restatement process under his direction. The Board looks forward to working closely with Richard and the management team as we continue to execute at Voyager, finalize the restatement process, and evaluate the best long-term course of action for the company, its shareholders, customers, and employees.”

-more-
ProQuest Announces Management Changes, Page 2 of 2

About ProQuest Company

ProQuest Company (PQE: NYSE) is based in Ann Arbor, Michigan, and is a publisher of information and education solutions. We provide products and services to our customers through two business segments: ProQuest Education and ProQuest Information and Learning. Our Education segment, which includes the Voyager Expanded Learning business, serves the K-12 market. It is a leading provider of K-12 curriculum products, in-school core reading programs, reading and math intervention programs, and professional development programs for school districts throughout the United States. ProQuest Information and Learning serves the higher education and public library markets, and is a world leader in collecting, organizing, and publishing high-quality research resources for researchers, faculty, and students in libraries and schools. It is widely known for its strengths in business and economics; general reference; genealogy; humanities; social sciences; and scientific, technical and medical (STM) content. Information and Learning develops products comprising periodicals, newspapers, dissertations, out-of-print books, and other scholarly information from more than 9,000 publishers worldwide.

Forward-Looking Statements

Some of the statements contained herein constitute forward-looking statements. These statements relate to future events, the results of our pending restatement process, or our future financial performance and involve known and unknown risks, uncertainties and other factors that may cause our or our markets' actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by such forward-looking statements. These risks and other factors you should specifically consider include, but are not limited to the Company's ability to successfully conclude the review and restatement of its financial results, the discovery of additional restatement items, the ability to renegotiate the terms of its revolving credit agreement and senior notes in connection with defaults under such debt due to any potential restatement if further defaults occur, ability to support its current debt level, the Company's ability to refinance its outstanding debt and working capital needs, changes in customer demands or industry standards, adverse economic conditions, loss of key personnel, litigation, decreased library and educational funding/budgets, the ability to consummate the ProQuest Information and Learning segment transaction, including the risk that the buyer might not obtain financing, demand for ProQuest's products and services, success of ongoing product development, maintaining acceptable margins, ability to control costs, the impact of federal, state and local regulatory requirements on ProQuest's business including K-12 and higher education, the impact of competition and the uncertainty of economic conditions in general, the ability to successfully attract and retain customers, sell additional products to existing customers, and win new business due to changes in technology, the ability to maintain a broad customer base to avoid dependence on any one single customer, K-12 enrollment and demographic trends, the level of educational funding, the level of education technology investments, the Company's ability to obtain financing, global economic conditions, financial market performance, and other risks listed under “Risk Factors” in our regular filings with the Securities and Exchange Commission. In some cases, you can identify forward-looking statements by terminology such as "may," "should," "expects," "plans," "anticipates," "believes," "estimates," "predicts," "potential," "continue," "projects," "intends," "prospet," "priorities," or the negative of such terms or other comparable terminology. These statements are only predictions. Actual events or results may differ materially. The Company undertakes no obligation to update any of these statements.

###
EXHIBIT 8
PROQUEST CO

FORM 8-K
(Unscheduled Material Events)

Filed 5/6/2005 For Period Ending 5/3/2005

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K
CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of Earliest Event Reported): May 3, 2005

PROQUEST COMPANY
(Exact name of registrant as specified in its charter)

Delaware 1-3246 36-3580106
(State of Incorporation) (Commission File Number) (IRS Employer
Identification No.)

300 North Zeeb Road, Ann Arbor, Michigan 48103
(Address of Principal Executive Offices) (Zip Code)

Registrant's telephone number, including area code: (734) 761-4700

o Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
o Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
Item 5.02. Departure of Directors or Principal Officers; Election of Directors; Appointment of Principal Officers

On May 3, 2005, Kevin Gregory, the Chief Financial Officer of ProQuest Company (the "Company") announced his intention to resign from the Company. Mr. Gregory will leave his position as Chief Financial Officer by year-end 2005. The Company has commenced a search for a new Chief Financial Officer. A copy of the press release announcing his resignation is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits

99.1 99.1 Press Release issued by the Company on May 6, 2005
PROQUEST COMPANY ANNOUNCES RESIGNATION OF CHIEF FINANCIAL OFFICER

ANN ARBOR, Mich., May 6, 2005 - ProQuest Company (NYSE: PQE), a leading provider of information solutions and content to the education, automotive and power equipment markets, today announced the resignation of Chief Financial Officer, Kevin Gregory.

Gregory will step down as CFO by year-end 2005. Gregory has been an employee of ProQuest Company, formerly known as Bell and Howell, since 1996 and has served as CFO since June 2002.

Alan Aldworth, Chairman and CEO stated, "I would like to thank Kevin Gregory for his contributions to the growth and repositioning of ProQuest Company over the past several years. I appreciate his professionalism in planning a smooth transition."

Aldworth indicated that ProQuest Company will immediately begin a search for a new CFO. Aldworth also confirmed the company remains committed to the full year earnings guidance provided in last week's conference call.

ABOUT PROQUEST COMPANY
ProQuest Company (NYSE: PQE) is based in Ann Arbor, Mich., and is a leading publisher of information solutions for the education, automotive and power equipment markets. We provide products and services to our customers through two business segments: Information and Learning and Business Solutions. Through our Information and Learning segment, which primarily serves the education market, we collect, organize and publish content from a wide range of sources including newspapers, periodicals and books. Our Business Solutions segment is primarily engaged in the delivery in electronic form of comprehensive parts and service information to the automotive market. Its products transform complex technical data, like parts catalogs and service manuals, into easily accessed electronic information. For the world's automotive manufacturers and their dealer networks, ProQuest also secures business-to-business information and retail performance management services. ProQuest Company was recently named one of the nation's 200 best small companies by Forbes magazine, and one of the 100 fastest growing technology companies in the United States by Business 2.0 magazine.

FORWARD-LOOKING STATEMENTS
Some of the statements contained herein constitute forward-looking statements. These statements relate to future events or our future financial performance and involve known and unknown risks, uncertainties and other factors that may cause our or our markets' actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by such forward-looking statements. These risks and other factors you should specifically consider include, but are not limited to: increased debt level due to the acquisition of Voyager, changes in customer demands or industry
standards, adverse economic conditions, loss of key personnel, litigation, decreased library and educational funding/budgets, the ability to successfully integrate the Voyager acquisition, the ability to successfully close and integrate other acquisitions, demand for ProQuest's products and services, success of ongoing product development, maintaining acceptable margins, ability to control costs, the impact of federal, state and local regulatory requirements on ProQuest's business, including K-12 and higher education, and automotive, the impact of competition and the uncertainty of economic conditions in general, the ability to successfully attract and retain customers, sell additional products to existing customers, and win new business due to changes in technology, the ability to maintain a broad customer base to avoid dependence on any one single customer, K-12 enrollment and demographic trends, the level of educational funding, the level of education technology investments, the company's ability to obtain OEM data access agreements, the company's ability to obtain financing, global economic conditions, financial market performance, and other risks listed under "Risk Factors" in our regular filings with the Securities and Exchange Commission. In some cases, you can identify forward-looking statements by terminology such as "may", "should", "expects", "plans", "anticipates", "believes", "estimates", "predicts", "potential", "continue", "projects", "intends", "propects", "priorities", or the negative of such terms or other comparable terminology. These statements are only predictions. Actual events or results may differ materially.

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End of Filing

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Declaration of Renee M. Burchfield

I, Renee M. Burchfield, do hereby depose and state as follows:

1. On information and belief, I am the person described as “Confidential Informant 1” or “CI 1” in the Consolidated Class Action Complaint filed in the case In Re ProQuest Company Securities Litigation, Master File No. 2:06-CV-10619, currently pending in the U.S. District Court for the Eastern District of Michigan.

2. I worked as a senior financial analyst with responsibilities for assisting in the financial reporting for ProQuest Company (“ProQuest” or the “Company”) for one year from October 2003 to November 2004, when I resigned to take a new job as manager of financial reporting for another company. I am not a CPA or an accountant.

3. On a date unknown in 2006, I was contacted by telephone by a person who I believe to be a private investigator (“Unknown Caller”) who said he was working for the Plaintiffs in this matter. I spoke to the Unknown Caller for about 10 minutes. I later met for approximately one hour with three lawyers representing the Plaintiffs (“Plaintiffs’ Lawyers”).

4. On both occasions, I was very clear with the Unknown Caller and the Plaintiffs’ Lawyers that I knew of no fraud committed by ProQuest or any of its officers, directors or employees. I further told them that I had no documents, emails, or other evidence to support any allegation of fraud by ProQuest or any of its officers, directors or employees. Based on these statements to the Unknown Caller and the Plaintiffs’ Lawyers, I was confused that they wanted to talk to me about the lawsuit filed in this case.

5. I am not aware of any violations of Generally Accepted Accounting Principles (“GAAP”) at ProQuest related to the reporting of earnings, revenue, expenses, or taxes. I am aware of one good-faith disagreement over the accounting for revenue on one contract with General Motors Europe (the “GME Contract”), which the Company changed to comply with a more conservative best practice under GAAP soon after the disagreement first arose (after I left the Company). To the best of my knowledge and based on press reports, I do not believe that the GME Contract is part of the Company’s announced intended restatement.

6. I was not asked to, and did not, provide a statement or affidavit to the Unknown Caller or the Plaintiffs’ Lawyers. I also was not asked to review any of the statements attributed to me in the Class Action Complaint prior to it being filed in this Court.

7. After the Complaint was filed in Court, I read the statements attributed to me (Paragraphs 9 and 90) for the first time. These two paragraphs do not represent what I believe to be the truth and materially misrepresent what I told the Unknown Caller and the Plaintiffs’ Lawyers.

8. Specifically, the following allegations attributed to me are inaccurate and misleading:
Paragraph 90(a): I never stated that ProQuest “improperly recognized material amounts of revenues prematurely, in violation of GAAP and [SOP 99-1]” from a transaction with General Motors. I did not tell the Unknown Caller or the lawyer for the Plaintiffs that I “verbally brought such improprieties to the attention of superiors,” that the “Company was violating GAAP by wrongfully recognizing revenues from General Motors” or that my concerns were “ignored.”

Correction: I told the Unknown Caller and the lawyer for the Plaintiffs that at the time I left ProQuest, there was an ongoing, routine, good-faith discussion between the Company and its auditors regarding the application of GAAP to the GME Contract. I also told the Unknown Caller and the Plaintiffs’ Lawyers that I had written a memorandum on the topic that disagreed with the Company’s current position on the accounting treatment of the GME Contract. I told the Unknown Caller and the Plaintiffs’ Lawyers that after I left ProQuest, I was told by someone that ProQuest – in consultation with its auditors – had changed its accounting treatment for the GME Contract to a position in line with my memorandum. I did not know the dollar amount involved in the contract or whether it was “material.” To the best of my knowledge, at the time I left ProQuest, performance of the GME Contract was just beginning and the amount of revenue recognized by ProQuest was small.

Paragraph 90(a) footnote 2: I never stated that I had “almost daily interaction” with CFO Kevin Gregory.

Correction: I interacted with Mr. Gregory frequently around the quarterly and year-end financial reporting deadlines, and otherwise would say hello to him or acknowledge him when I saw him in the office.

Paragraph 90(a) footnote 2: I never told the Director of Human Resources that I believed the Company was “improperly managing earnings” or that anyone, including Mr. Gregory, “wrongfully omitted information from the Company’s SEC filings.”

Correction: Upon my resignation to take a new job, I told the human resources director that I disagreed with the accounting treatment on the GME Contract, which was soon changed, and that I did not think the Company’s accountants were always using conservative “best practices” in accounting for tax rates.

Paragraph 90(a) footnote 3: I never stated, in words or to the effect, that Mr. Gregory “bullied subordinates into compliance with his directives concerning financial reporting.”

Paragraph 90(b): I never stated, in words or to the effect, that the CFO of ProQuest’s PQIL division “acknowledged on multiple occasions” that the revenue numbers were “wrong”.

Correction: The PQIL division’s internal revenue reports often had to be analyzed and adjusted so that each internal business segment received proper credit for earned revenues on specific product lines. This did not affect the total amount of revenue
reported for the Company or the division and was a normal financial reporting procedure to ensure that the Company's revenue reports were accurate.

**Paragraph 90(c):** I never stated, in words or to the effect, that CFO Kevin Gregory or anyone else at ProQuest ever discussed "directing divisional CFO's to scrub the numbers which was known to essentially be a euphemism for manipulating the accounting records by finding ways to understate expenses."

**Correction:** The phrase "scrub the numbers" is commonly used in the accounting and financial reporting professions, and at ProQuest, to mean thoroughly reviewing financial reports for accuracy. I never told the Unknown Caller or the lawyer for the Plaintiffs that "scrub the numbers" was a "euphemism" or that Mr. Gregory ever directed anyone to manipulate accounting records.

**Paragraph 90(d):** I never stated, in words or to effect, that I believed the "Company artificially understated expenses, and thereby reported by utilizing a lower than appropriate tax rate to calculate the Company's reportable taxes."

**Correction:** I stated that expenses were affected by the tax rates applied by the Company's tax department, and that the choice of tax rate would raise or lower earnings. I am not a tax expert, I was not responsible for or involved in tax decisions at the Company, and did not have personal knowledge of what the Company's tax department determined the appropriate effective tax rate to be.

**Paragraph 90(e):** I never stated, in words or to effect, on an "internal certification form" that the Company was "improperly recognizing revenue on certain transactions" or committing "other improprieties." Furthermore, I never stated that any "superiors" requested that I "delete the comments concerning improper accounting." However, one superior requested that I delete a concern I raised about how the Company was accounting for the GME contract, because the Company and its auditors were still discussing the proper treatment of that contract.

9. I do not have personal information, nor do I believe, that anyone at ProQuest committed fraud.

I declare under penalty of perjury according to the laws of the State of Michigan and the Laws of the United States that the foregoing statements are true and correct.

Dated August 16, 2006

Renee M. Burchfield
EXHIBIT 10
ProQuest Company - Quarterly Certification

Subsection 2 and 3 are based upon your knowledge. This should be interpreted to include those matters for which you are directly responsible. It should also include those matters that may have been brought to your attention by other persons in the organization. We are not assuming that you will have knowledge over areas in which you have no management responsibility.

I, Renee Burchfield, certify that:

1. I have reviewed the quarterly report on Form 10-Q of ProQuest Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact; omit to state a material fact; and is not misleading with respect to the period covered by this report;
3. Based on my knowledge, the information included in this report, fairly present the assets and liabilities; the results of operations; and the cash flow of ProQuest's businesses for the periods presented in this report;

It is important to focus on whether the information “fairly presents” the ProQuest business. This section is not intended to require everyone to understand all aspects of Generally Accepted Accounting Principles. This is the responsibility of the financial organizations of ProQuest. However, those who are not in a financial role should review with the respective financial professional, and be comfortable with the accounting treatment of the types of matters or transactions for which they have management responsibility. For example, sales personnel should discuss revenue recognition; legal should discuss litigation reserves, etc.

4. ProQuest’s other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures and have:
   a) designed such controls and procedures to ensure that material information relating to ProQuest’s business is made known to us by others, particularly during the period in which this report is being prepared;
   b) evaluated the effectiveness of these controls and procedures as of a date within 90 days prior to the filing date of this report; and
   c) presented in this report appropriate disclosure of any deficiencies in the effectiveness of the controls and procedures based on our evaluation of the controls and procedures.

5. I have disclosed to ProQuest’s CFO and/or General Counsel (or persons performing the equivalent functions):
   a) all significant deficiencies in the design or operation of internal controls which could adversely affect ProQuest’s ability to record, process, summarize and report information and any material weaknesses in internal controls;
   b) any fraud, whether or not material, that involves management or other employees who have a significant role in businesses.

6. I reviewed the report and determined that the report discloses adequately whether there were significant changes in internal controls or in other factors that could significantly affect internal controls, including any corrective actions with regard to significant deficiencies and material weaknesses.

   November 9, 2004
   Renee Burchfield, Senior Financial Analyst
   Corporate Finance

☑ See Comments
Please see comments attached on the Certification of Financial Disclosure – Corporate Finance.

Renee M. Burchfield
Senior Financial Analyst

November 9, 2004
Certification of Financial Disclosure – Corporate Finance

1. Renee Burchfield, Sr. Financial Analyst, as a financial representative of the ProQuest Corporate Finance Staff of ProQuest Company and having responsibility for the preparation of information related to the financial position and results of operations for ProQuest Company as of October 2, 2004 and for the fiscal quarter ended October 2, 2004, which have been incorporated in the overall ProQuest Company results as of the same date and period previously indicated,

A. Have reviewed the 10-Q for the Quarter ended October 2, 2004. .......................................................... YES ☑ NO ☐

Based on my position at ProQuest Company and to the best of my knowledge, I believe that:

B. There are no material items that have been omitted from the ProQuest 10-Q and all material items have been properly disclosed in the ProQuest 10-Q. ......................................................... YES ☐ NO ☑

C. The items included in the “Safe Harbor for Forward-Looking Statements” (Management’s Discussion and Analysis of Financial Condition and Results of Operations) are appropriate and is a complete list of the risks we face. .................................................................................................................. YES ☑ NO ☐

D. Revenue has been properly recognized. ................................................................................................. YES ☑ NO ☐
   a) Internal controls exist to assure that revenue is recognized accurately and consistently from year to year. .......................................................................................................................... YES ☑ NO ☐
   b) Internal controls are working and there have been no exceptions noted from the internal controls related to revenue. .................................................................................................................. YES ☑ NO ☐

E. Cost of Sales has been properly recognized. .................................................................................... YES ☑ NO ☐
   a) Internal controls exist to assure that Cost of Sales is recognized accurately and consistently from year to year. .......................................................................................................................... YES ☑ NO ☐
   b) Internal controls are working and there have been no exceptions noted from the internal controls related to Cost of Sales. .......................................................................................... YES ☑ NO ☐

F. There have been no changes in classification of accounts or types of expenses between Cost of Sales and Selling and Administrative expense. ................................................................. YES ☑ NO ☐

G. Research and Development expense has been properly recognized. ............................................ YES ☑ NO ☐
   a) Internal controls exist to assure that Research and Development is recognized accurately and consistently from year to year. .......................................................................................................................... YES ☑ NO ☐
   b) Internal controls are working and there have been no exceptions noted from the internal controls related to Research and Development expense. ............................................................. YES ☑ NO ☐

H. Selling and Administration expense has been properly recognized. .................................................. YES ☑ NO ☐
   a) Internal controls exist to assure that Selling and Administration is recognized accurately and consistently from year to year. .......................................................................................................................... YES ☑ NO ☐
   b) Internal controls are working and there have been no exceptions noted from the internal controls related to Selling and Administration expense. ............................................................. YES ☑ NO ☐

I. There have been no changes in classification of accounts or types of expenses between Selling and Administrative expense and Cost of Sales. ................................................................. YES ☑ NO ☐

J. Accounts Receivable are fairly stated, the allowance for doubtful accounts is adequate. ...................... YES ☑ NO ☐
   a) Internal controls exist to assure that Accounts Receivable is recognized accurately and consistently from year to year. .......................................................................................................................... YES ☑ NO ☐
   b) Internal controls are working and there have been no exceptions noted from the internal controls related to Accounts Receivable. .......................................................................................... YES ☑ NO ☐
   c) There has been no significant change in the make-up or mix of Accounts Receivable. ...................... YES ☑ NO ☐
   d) There are no large customer balances in Accounts Receivable. .......................................................... YES ☑ NO ☐
K. Items included in prepaid assets and other current assets are properly recorded. ................................................. YES ☑ NO ☐ 
   a) Internal controls exist to assure that prepaid assets and other current assets are recognized accurately and consistently from year to year. ............................................. YES ☑ NO ☐ 
   b) Internal controls are working and there have been no exceptions noted from the internal controls related to prepaid assets and other current assets. ........................................... YES ☑ NO ☐ 

L. Costs associated with product masters are consistently and properly determined. ............................................. YES ☑ NO ☐ 
   a) Internal controls exist to assure that product masters are recognized accurately and consistently from year to year. ......................................................... YES ☑ NO ☐ 
   b) Internal controls are working and there have been no exceptions noted from the internal controls related to product masters. ................................................. YES ☑ NO ☐ 

M. All product masters are being properly and consistently depreciated utilizing a 10-year double declining method. ......................................................................................................................... YES ☑ NO ☐ 

N. Items included in software are properly capitalized and valued. ................................................................. YES ☑ NO ☐ 
   a) Internal controls exist to assure that software is recognized accurately and consistently from year to year. ............................................................................ YES ☑ NO ☐ 
   b) Internal controls are working and there have been no exceptions noted from the internal controls related to capitalized software. ...................................................... YES ☑ NO ☐ 

O. Items included in licenses are properly capitalized and valued. ................................................................. YES ☑ NO ☐ 
   a) Internal controls exist to assure that licenses are recognized accurately and consistently from year to year. ......................................................... YES ☑ NO ☐ 
   b) Internal controls are working and there have been no exceptions noted from the internal controls related to capitalized licenses. ...................................................... YES ☑ NO ☐ 

P. Items included in other assets are properly capitalized and valued. ................................................................. YES ☑ NO ☐ 
   a) Internal controls exist to assure that other assets are recognized accurately and consistently from year to year. ......................................................... YES ☑ NO ☐ 
   b) Internal controls are working and there have been no exceptions noted from the internal controls related to other assets. ...................................................... YES ☑ NO ☐ 

Q. Items included in intangible assets are properly recorded and valued. ................................................................. YES ☑ NO ☐ 
   a) Internal controls exist to assure that intangible assets are recognized accurately and consistently from year to year. ......................................................... YES ☑ NO ☐ 
   b) Internal controls are working and there have been no exceptions noted from the internal controls related to intangible assets. ...................................................... YES ☑ NO ☐ 

R. All known liabilities are properly recorded in accounts payable (or other liability account). ............................. YES ☑ NO ☐ 
   a) Internal controls exist to assure that accounts payable is recognized accurately and consistently from year to year. ......................................................... YES ☑ NO ☐ 
   b) Internal controls are working and there have been no exceptions noted from the internal controls related to accounts payable. ...................................................... YES ☑ NO ☐ 

S. Royalties due to publishers are consistently and properly determined, calculated, and accrued for. .................. YES ☑ NO ☐ 
   a) Internal controls exist to assure that royalties are recognized accurately and consistently from year to year. ......................................................... YES ☑ NO ☐ 
   b) Internal controls are working and there have been no exceptions noted from the internal controls related to royalties. ...................................................... YES ☑ NO ☐ 

T. Deferred revenue is consistently and properly recognized and recorded, based on subscription periods. .......................... YES ☑ NO ☐ 
   a) Internal controls exist to assure that deferred revenue is recognized accurately and consistently from year to year. ......................................................... YES ☑ NO ☐ 
   b) Internal controls are working and there have been no exceptions noted from the internal controls related to deferred revenue. ...................................................... YES ☑ NO ☐
For all items that were checked 'NO', please completely describe why: (For more space, please attach an extra page.)

SEE ATTACHED DOCUMENT

Signature: Renee Burchfield
Date: 11/9/04
Renee Burchfield
Sr. Financial Analyst
Corporate Finance
B. Exception:
   1. The LTIP agreement (if completed) needs to be attached and filed as an exhibit.
   2. Q3 2004 vs. Q3 2003 net sales discussion in MD&A – Power Equipment – Electronic. The increase of $3.4 million is not primarily due to new sales in the OEM customer market per a discussion between me and Terry Snoddy.

C. Usually the “Safe Harbor for Forward-Looking Statements” has been sent to Todd Buchardt for review; if this has not yet been completed then I do not agree.

D. The only exception that I have is related to the GME contract, which is still an outstanding issue with KPMG and ProQuest.

Concerns / Questions

1. The format of the revenue discussion in the MD&A – I do not agree with. The format has changed from previous quarters 2004. The format makes the discussion hard to read.

2. The incomes tax expense discussion needs to be sent to John Carr for verification of accuracy.

3. The format of the liquidity discussion in the MD&A – I do not agree with. The format has changed from previous quarters in 2004. Also, I believe the MD&A discussion is supposed to be text not in tabular form. I have never seen a liquidity section which contains tables.

4. I have not been involved in this filing of Q3 2004 on Form 10-Q. As a result, I am concerned that the information and format have not gone through the proper structured review as prior quarters.

Renee M. Burchfield
Senior Financial Analyst

November 9, 2004
PROQUEST CO

FORM 4
(Statement of Changes in Beneficial Ownership)

Filed 6/6/2003 For Period Ending 6/6/2003

Address
300 NORTH ZEEB ROAD
ANN ARBOR, Michigan 48103-1553

Telephone
734-761-4700

CIK
0000215219

Industry
Computer Services

Sector
Technology

Fiscal Year
01/03
UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(1) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person*  
   ROEMER JAMES P  
   (Last) (First) (Middle)

2. Issuer Name and Ticker or Trading Symbol  
   PROQUEST CO [PQE]

3. Date of Earliest Transaction  
   (MM/DD/YYYY)  
   6/6/2003

4. If Amendment, Date Original Filed  
   (MM/DD/YYYY)  
   
5. Relationship of Reporting Person(s) to Issuer  
   (Check all applicable)
   - X Director  
   - X Officer (give title below)  
   - 10% Owner
   - 10% Owner (specify below)
   - Chairman of the Board /

6. Individual or Joint/Group Filing (Check Applicable Line)
   - X Form filed by One Reporting Person
   - Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

<table>
<thead>
<tr>
<th>I.Title of Security (Instr. 3)</th>
<th>2. Transaction Date (MM/DD/YYYY)</th>
<th>2A. Deemed Execution Date, if any (MM/DD/YYYY)</th>
<th>3. Transaction Code (Instr. 8)</th>
<th>4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)</th>
<th>5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)</th>
<th>6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)</th>
<th>7. Nature of Indirect Beneficial Ownership (Instr. 4)</th>
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Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)
Reporting Owners

<table>
<thead>
<tr>
<th>Reporting Owner Name / Address</th>
<th>Relationships</th>
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<tbody>
<tr>
<td>ROEMER JAMES P, X</td>
<td>Chairman of the Board</td>
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</table>

Signatures

Todd W. Buchhardt, Attorney in Fact 6/6/2003

** Signature of Reporting Person

Explanation of Responses:

* If the form is filed by more than one reporting person, see Instruction 4(b)(v).


(1) Includes 1,464 shares held indirectly by 401k trust
(2) Includes 1,464 shares held indirectly by 401k trust
(3) Includes 1,464 shares held indirectly by 401k trust
(4) non-applicable

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.
EXHIBIT 12
PROQUEST CO

FORM 8-K
(Current report filing)

Filed 10/23/2006 For Period Ending 10/20/2006

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<th>Address</th>
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<td>ANN ARBOR, Michigan 48103-1553</td>
</tr>
<tr>
<td>Telephone</td>
<td>734-761-4700</td>
</tr>
<tr>
<td>CIK</td>
<td>0000215219</td>
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<td>Industry</td>
<td>Computer Services</td>
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<td>Technology</td>
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<tr>
<td>Fiscal Year</td>
<td>01/03</td>
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K
CURRENT REPORT
Pursuant To Section 13 OR 15(d) Of The Securities Exchange Act Of 1934

Date of report (Date of earliest event reported) October 20, 2006

PROQUEST COMPANY
(Exact name of registrant as specified in its charter)

Delaware 1-3246 36-3580106
(State or other jurisdiction (Commission (IRS Employer
of incorporation) File Number) Identification Number)

777 Eisenhower Parkway, PO Box 1346 48106-1346
(Address of Principal Executive Offices) (Zip Code)

Registrant’s Telephone Number, including area code (734) 761-4700

Not Applicable
(Former name or former address, if changed since last report)

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
ITEM 1.01 ENTRY INTO A MATERIAL DEFINITIVE AGREEMENT.

A. Stock and Asset Purchase Agreement

On October 20, 2006, ProQuest Company (the “Company”) entered into a Stock and Asset Purchase Agreement (the “Agreement”), with Snap-On Incorporated (“Buyer”) pursuant to which the Company agreed to sell its Business Solutions business (“PQBS”) to Buyer (the “Sale”). The following summary description of the Agreement is not complete and is qualified in its entirety by reference to the full text of the Agreement filed as Exhibit 10.1 and incorporated herein by reference.

Under the terms of the Agreement, at the closing, Buyer will purchase the stock of ProQuest Business Solutions Inc. and ProQuest Alison, Inc. and the foreign assets of the Company used in the operation of PQBS for approximately $500 million, comprised of $480.7 million in cash, subject to adjustments, including changes in working capital, and the assumption by Buyer of approximately $19 million of debt in the form of monetized future billings. The Agreement contains representations and warranties and indemnification obligations customary for transactions of this type. The Company only has responsibility for indemnification claims exceeding $100,000 and then only to the extent they aggregate to over $5,000,000. Total indemnification obligations of the Company are limited to $40,000,000 (except in cases of fraud). The Company also agreed to enter into an agreement not to compete with the business sold for a period of five years, except in the United Kingdom, such period shall be two years.

In the Agreement, the Company also agreed to cease any existing discussions with respect to the sale of PQBS or a sale of the Company. However, the Company may have discussions regarding any unsolicited proposal to purchase PQBS or the Company made after October 20, 2006 in order to clarify and understand the terms of the proposal. Further, if the Company’s board determines that such proposal is reasonably likely to lead to a proposal to purchase PQBS or the Company that is more favorable to the Company than the terms of the Agreement (a “Superior Proposal”) the Company may provide information to and negotiate terms with the proposing party. The Company may terminate the Agreement within two business days following the date its board of directors authorizes the Company to negotiate and execute a definitive acquisition agreement providing for a Superior Proposal provided that it pays Buyer $10,000,000.

The Sale is subject to customary closing conditions and regulatory approvals, including expiration or termination of the applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended.

The foregoing description of the Agreement does not purport to be complete and is qualified in its entirety by reference to the Stock and Asset Purchase Agreement, a copy of which is filed as Exhibit 10.1 hereto and is incorporated herein by reference. There are representations and warranties contained in the Stock and Asset Purchase Agreement which were made by the parties to each other as of specific dates. The assertions embodied in these representations and warranties were made solely for purposes of the Stock and Asset Purchase Agreement and may be subject to important qualifications and limitations agreed to by the parties in connection with
negotiating its terms. Moreover, certain representations and warranties may not be accurate or complete as of any specified date because they are subject to a contractual standard of materiality that is different from certain standards generally applicable to shareholders or were used for the purpose of allocating risk between the parties rather than establishing matters as facts. Based upon the foregoing reasons, you should not rely on the representations and warranties as statements of factual information.

Allen & Company LLC and Sonenshine Partners LLC acted as the Company's financial advisors in the ProQuest Business Solutions sale process.

A copy of the press release issued on October 23, 2006 in connection with the execution of the Agreement is filed as Exhibit 99.1 to this Form 8-K.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS.

Exhibits

10.1 Stock and Asset Purchase Agreement by and between ProQuest Company and Snap-On Incorporated dated as of October 20, 2006.

99.1 Press Release issued on October 23, 2006
SIGNATURES

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

PROQUEST COMPANY
(Registrant)

DATE October 23, 2006

BY /s/ Todd Buchardt
Todd Buchardt
Senior Vice President and General Counsel
STOCK AND ASSET PURCHASE AGREEMENT

by and between

PROQUEST COMPANY

and

SNAP-ON INCORPORATED

Dated as of October 20, 2006
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<td>4.2 Corporate Authority</td>
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<td>4.5 Governmental Approvals; Consents</td>
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<td>4.7 Absence of Changes</td>
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<td>4.8 Title to Foreign Assets; Sufficiency of Assets</td>
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<td>4.9 Real Property</td>
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<td>4.13 Tax Matters</td>
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ARTICLE V REPRESENTATIONS AND WARRANTIES OF THE BUYER

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ARTICLE VI AGREEMENTS OF ALL PARTIES

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ARTICLE VII CONDITIONS

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**ARTICLE VIII TAX MATTERS**

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**ARTICLE IX CLOSING**

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violate any Law or order, judgment or decree of any Governmental Authority applicable to the Seller, the Retained Subsidiaries or any Acquired Entity or (c) conflict with, result in any breach of, constitute a default (or event which with the giving of notice or lapse of time, or both, would become a default) under, require any consent under, or give to others any rights of termination or cancellation, modification or acceleration of, any Contract to which the Seller, any of the Retained Subsidiaries or any Acquired Entity is a party, except, in the case of clauses (b) and (c), as would not reasonably be expected to have a Material Adverse Effect.

4.4 Acquired Entities.

(a) Section 4.4(a) of the Disclosure Schedule sets forth for each Acquired Entity (i) its name and jurisdiction of formation, (ii) the authorized, issued and outstanding equity ownership interests of such entity, and (iii) the names of the holders thereof, and the number of ownership interests held by each such holder.

(b) Each holder of the ownership interests of each Acquired Entity listed on Section 4.4(a) of the Disclosure Schedule has good and valid title to, and is the sole record and beneficial owner of, such ownership interests, free and clear of all Liens (except for Permitted Liens) and Restrictions.

(c) All of the equity ownership interests of each Acquired Entity listed on Section 4.4(a) of the Disclosure Schedule have been validly issued, have been fully paid and are nonassessable. There are no outstanding options, warrants, agreements or other rights of any kind relating to the sale or issuance of additional shares of capital stock or other securities in, or of any securities convertible into, exchangeable for or evidencing the right to purchase any shares of capital stock or other securities in any Acquired Entity.

4.5 Governmental Approvals: Consents. No claim, legal action, suit, arbitration, governmental investigation or other legal or administrative Proceeding is pending or, to the Knowledge of Seller, threatened in writing against the Seller or the Acquired Business which would enjoin or delay the Transactions. Except as set forth on Section 4.3 of the Disclosure Schedule or as required by Antitrust Laws, no consent, approval, order or authorization of, license or permit from, notice to or registration, declaration or filing with any Governmental Authority or of any third party, is or has been required on the part of Seller, the Retained Subsidiaries or the Acquired Entities in connection with the execution and delivery of this Agreement or the consummation of the Transactions, except for such consents, approvals, orders or authorizations of, licenses or permits, filings or notices the failure of which to obtain or make would not reasonably be expected to have a Material Adverse Effect or which have been obtained or which may be necessary as a result of any facts relating solely to Buyer or its Affiliates.

4.6 Financial Statements.

(a) Seller has heretofore delivered to Buyer the following financial statements for the Acquired Business (the "Financial Statements") and copies thereof are attached hereto as Section 4.6(a) of the Disclosure Schedule:
(i) Audited consolidated balance sheets as of January 1, 2005 and December 31, 2005 and unaudited consolidated balance sheets as of July 1, 2006;

(ii) Audited consolidated statements of operations for the fiscal years ended January 1, 2005 and December 31, 2005 and unaudited consolidated statements of operations for the six month period ended July 1, 2006; and

(iii) Audited consolidated cash flow statements for the fiscal years ended January 1, 2005 and December 31, 2005 and unaudited consolidated cash flow statements for the six month period ended July 1, 2006.

(b) Each balance sheet included in the Financial Statements fairly presents in all material respects the consolidated financial position of the Acquired Business as of the respective dates thereof, and the consolidated operations and cash flow statements included in the Financial Statements fairly present in all material respects the results of operations and the cash flows of the Acquired Business for the respective periods indicated therein, in accordance with GAAP (except for the absence of footnotes, the absence of year end adjustments in the interim period Financial Statements and excluding the Excluded Assets and Excluded Liabilities and the business conducted thereby).

4.7 Absence of Changes. Except as contemplated or permitted by this Agreement or as reflected in the Financial Statements, since January 1, 2006 to the date hereof:

(a) the Business has been conducted in all material respects in the ordinary course consistent with past practice; and

(b) there has not occurred any change or event that has resulted in, or would reasonably be expected to have, a Material Adverse Effect.

4.8 Title to Foreign Assets; Sufficiency of Assets. The Retained Subsidiaries have adequate title to, or a valid leasehold interest in (or other right to use) the Foreign Assets, free and clear of any Liens except Permitted Liens. The assets of the Acquired Business (as a whole), including the Foreign Assets, are sufficient to operate the Acquired Business as operated by Seller, the Acquired Entities and their Subsidiaries as of the date hereof, except to the extent of services to be provided by Seller or its Affiliates under the Transition Services Agreement or for the assets set forth on Section 4.8 of the Disclosure Schedule.

4.9 Real Property.

(a) Section 4.9(a) of the Disclosure Schedule lists all of the real property and interests therein owned by any Acquired Entity or included in the Foreign Assets (with all easements and other rights appurtenant to such property, the "Owned Real Property") and, relative to each such property or interest, the Acquired Entity that owns it. The applicable Acquired Entity or Retained Subsidiary holds fee simple title to the applicable parcel of Owned Real Property, free and clear of any Liens, except Permitted Liens.

(b) Section 4.9(b) of the Disclosure Schedule lists all of the real property and interests therein leased or subleased by any Acquired Entity or by the Retained Subsidiaries with
ProQuest Enters Definitive Agreement to Sell Its Business Solutions Segment to Snap-on Incorporated
Monday October 23, 6:31 am ET

ProQuest Also Enters Waiver Extension Agreement with Its Lender Group

ANN ARBOR, Mich., Oct. 23 /PRNewswire-FirstCall/ — ProQuest Company (NYSE: PQE — News ), a publisher of information and education solutions, today reported that it has signed a definitive agreement to sell its ProQuest Business Solutions segment to Snap-on Incorporated (NYSE: SNA - News ) for approximately $500 million. Total consideration is comprised of $481 million in cash and the assumption by Snap-on of $19 million of debt in the form of monetized future billings.

The transaction is subject to customary closing conditions and regulatory approvals, including expiration or termination of the applicable waiting period under the Hart-Scott-Rodino Antitrust Improvement Act of 1976. The transaction is expected to close after receiving regulatory approvals and is not subject to any financing conditions.

ProQuest Company will use most of the proceeds from the sale to pay down outstanding debt. The company has also entered into a waiver extension agreement with its current lender group, under which the lenders have agreed to extend the timeframe for refinancing the company’s remaining debt through March 15, 2007.

Alan Aldworth, ProQuest Company’s chairman and chief executive officer, said, “This pending transaction is consistent with the strategic intent we announced in April. Snap-on is a leader in the automotive service industry and has broad capabilities in diagnostics and information, which, together with ProQuest Business Solutions, should bring added value to Business Solutions’ customers. We are very pleased with this outcome, which follows a highly competitive bidding process that included many potential buyers, both strategic and financial.”

Aldworth added, “When complete, the transaction announced today, combined with ProQuest’s highly regarded products, strong customer demand, and solid competitive positions, will further enable us to achieve our financial goals of improving ProQuest Company’s capital structure and delivering value to shareholders.”

Andy Wyszkowski, president of ProQuest Business Solutions, noted, “I am extremely pleased with today’s agreement with Snap-on. Snap-on’s stated mission is to deliver the most valued productivity solutions in the world. We couldn’t find a better match for the way we at Business Solutions view our own mission, and look forward to continuing to provide our customers with world-class products and service.”

Aldworth added, “Our priority after the transaction has closed will be the ongoing successful performance of our education businesses. We are enthusiastic about the potential of ProQuest Information and Learning and ProQuest Education to provide important solutions for the higher education and K-12 markets, while delivering profitable growth and capitalizing on growth opportunities.”

Richard Surratt, senior vice president and chief financial officer of ProQuest Company, said, “Using the proceeds of this transaction to repay debt improves the overall financial situation for ProQuest Company. The new waiver extension agreement we have with our lender group will provide us with the time and flexibility to evaluate multiple refinancing alternatives, and to select the option with the potential to create the most operating flexibility for the company and value for the company’s shareholders.”
The Company continues to work with its auditors to complete its accounting review and restate its financials. Allen & Company LLC acted as the Company’s financial advisor in the ProQuest Business Solutions sale process.

About ProQuest Company

ProQuest Company (PQE: NYSE) is based in Ann Arbor, Michigan, and is a publisher of information and education solutions. We provide products and services to our customers through three business segments: Education, Information and Learning and Business Solutions. Our Education segment is a leading provider of K-12 curriculum products, in-school core reading programs, reading and math intervention programs, and professional development programs for school districts throughout the United States. Through our Information and Learning segment, which primarily serves the education market, we collect, organize and publish content from a wide range of sources including newspapers, periodicals and books. Our Business Solutions segment is primarily engaged in the delivery in electronic form of comprehensive parts and service information to the automotive market. Its products transform complex technical data, like parts catalogs and service manuals, into easily accessed electronic information. For the world’s automotive manufacturers and their dealer networks, ProQuest also secures business-to-business information and retail performance management services.

About ProQuest Business Solutions

ProQuest Business Solutions is the original developer and a global leader of electronic parts catalogs, which are used by over 33,000 dealerships worldwide. ProQuest products transform complex technical data, like parts catalogs and service manuals, into easily accessed electronic information for the world’s automotive manufacturers and their dealer networks. ProQuest also provides business-to-business information and retail performance measurement services. For more information on ProQuest Business Solutions, call 888.543.0894 or visit pbis.proquest.com.

About Snap-on Incorporated

Snap-on Incorporated is a leading global innovator, manufacturer and marketer of tools, diagnostics and equipment solutions for professional users. Product lines include hand and power tools, tool storage, diagnostics software, information and management systems, shop equipment and other solutions for vehicle manufacturers, dealerships and repair centers, as well as customers in industry, government, agriculture and construction. Products are sold through its franchisees, company-direct sales and distributor channels, as well as over the Internet. Founded in 1920, Snap-on is a $2.4 billion, S&P 500 company headquartered in Kenosha, Wisconsin. For additional information on Snap-on, visit www.snapon.com.

Forward-Looking Statements

Some of the statements contained herein constitute forward-looking statements. These statements relate to future events, the results of our pending restatement process, or our future financial performance and involve known and unknown risks, uncertainties and other factors that may cause our or our markets’ actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by such forward-looking statements. These risks and other factors you should specifically consider include, but are not limited to the company’s ability to successfully conclude the review of its financial results, the discovery of additional restatement items, the ability to renegotiate the terms of its revolving credit agreement and senior notes in connection with defaults under such debt due to any potential restatement if further defaults occur, the outcome of the company’s and the Audit Committee’s continuing investigation of the accounting errors, increased debt level due to the acquisition of Voyager Learning, changes in customer demands or industry standards, adverse economic conditions, loss of key personnel, litigation, decreased library and educational funding/budgets, the ability to successfully integrate the Voyager Learning acquisition, the ability to successfully close and integrate other acquisitions, the ability to consummate the sale of the ProQuest Business Solutions segment, demand for ProQuest’s products and services, success of ongoing product development, maintaining
acceptable margins, ability to control costs, the impact of federal, state and local regulatory requirements on ProQuest's business, including K-12 and higher education, and automotive, the impact of competition and the uncertainty of economic conditions in general, the ability to successfully attract and retain customers, sell additional products to existing customers, and win new business due to changes in technology, the ability to maintain a broad customer base to avoid dependence on any one single customer, K-12 enrollment and demographic trends, the level of educational funding, the level of education technology investments, the company’s ability to obtain OEM data access agreements, the company’s ability to obtain financing, global economic conditions, financial market performance, and other risks listed under “Risk Factors” in our regular filings with the Securities and Exchange Commission. In some cases, you can identify forward-looking statements by terminology such as “may,” “should,” “expects,” “plans,” “anticipates,” “believes,” “estimates,” “predicts,” “potential,” “continue,” “projects,” “intends,” “prospects,” “priorities,” or the negative of such terms or other comparable terminology. These statements are only predictions. Actual events or results may differ materially. The company undertakes no obligation to update any of these statements.

Source: ProQuest Company