Investor Presentation

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Safe Harbor

This presentation includes information that constitutes forward-looking statements made pursuant to the safe harbor provision of the Private Securities Litigation Reform Act of 1995. Any such forward-looking statements involve risk and uncertainties that could cause actual results to differ materially from those indicated by such forward-looking statements. Factors that could cause or contribute to such differences include competitive pressures, changes in customer demands or industry standards, adverse economic conditions, fluctuations in foreign exchange rates, loss of key personnel, litigation, challenges integrating the operations of NETg, and other risk factors disclosed under the heading "Risk Factors" in SkillSoft's Quarterly Report on Form 10-Q for the fiscal quarter ended October 31, 2008, as filed with the Securities and Exchange Commission. SkillSoft courseware content described herein is for information purposes only and is subject to change without notice. SkillSoft has no obligation or commitment to develop or deliver any future release, upgrade, feature, enhancement or function described in this presentation except as specifically set forth in a written agreement. The forward-looking statements provided by the Company in this presentation represent the Company's views as of November 24, 2008. The Company anticipates that subsequent events and developments may cause the Company's views to change. However, while the Company may elect to update these forward-looking statements at some point in the future, the Company specifically disclaims any obligation to do so. These forward-looking statements should not be relied upon as representing the Company's views as of any date subsequent to the date of this presentation.

SkillSoft Overview

- **SkillSoft is the largest public company in the world with a sole focus on e-Learning**
- **Uniquely positioned to help global enterprises leverage e-learning for maximum business impact**
- **Dual excellence in e-learning [content & technology]**
  - **Content Depth, Breadth & Currency**
    - **27,000+ titles of high-quality e-learning content in 19 languages**
    - **Offerings cover wide spectrum of enterprise learning needs with courses, simulations, online books, video, live virtual ILT classes, 24x7 online mentoring**
  - **Software as a Service (SaaS) Technology Excellence**
    - **SkillPort® - LMS platform for delivering, managing, and reporting on e-learning**
    - **OLSA (Open Learning Services Architecture) – web services technology integrating SkillSoft's advanced learning structures with 3rd-party LMS platforms and portals**

SkillSoft Corporate Highlights

Sales & Service

- Large direct sales & support organization with approximately:
  - 220 commissionable field sales personnel
- Serving over 3,000 customer organizations globally
  - Approximately 50% of the Fortune 500 and 25% of the Global 2000 in business, government and education
  - Over 10 million licensed users
- Telesales focus on SMB market

Product Development

- Targeted investment of 16%-17% of revenue for R&D initiatives for fiscal 2009
- Ownership of all major content and technology products
- Systematic customer feedback process ensures market focus

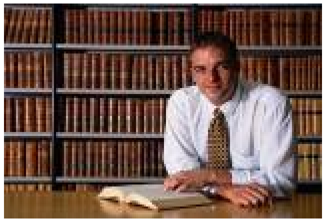
SkillSoft Courseware Collections

Business Skills
1,025+ English titles
2,080+ localized

IT Professional
1,730+ English Titles
400+ localized

ES&H
130+ English titles
80+ localized

Desktop
430+ English titles
830+ localized



Legal Compliance
70+ English titles

- **A sustainable content resource to support changing business needs**
  - 3,300+ U.S. English courses
  - 3,350+ localized courses in 18 languages
  - ~1,000 new and localized titles to be developed this year
- **Support for mission critical skills**
  - Project management, Six Sigma, ITIL, Microsoft, Cisco, Oracle and more
  - 120+ IT and business certification exams supported
  - Hundreds of courses qualify for CPE and college credit
    - *NASBA, PMI, HRCI, ASQ, ACE*

***Estimated titles, SkillSoft courseware libraries, November 2008.**

Books24x7 On Demand Solution

Content: Strong breadth & depth

- Thousands of books & white papers
- 500+ leading publishing imprints
- Full text, graphics, charts, etc.
- 22,100+ Titles, with 4,030 new titles in past 12 months
- New complementary collections of French, German and Spanish books

Search: Immediate drill-down for just-enough, just-in-time information

- Patented search technology
- All content tagged & indexed
- Precise, relevancy-ranked results

ExecBlueprints
Exclusive Executive content
790+ titles

ExecSummaries
330+ Top Business Titles

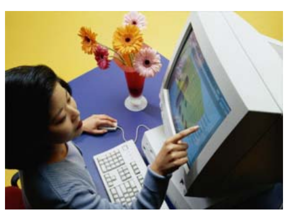
EngineeringPro
2,190+ titles

FinancePro
880+ titles

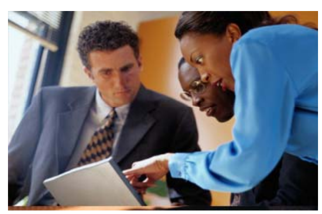
Well-BeingEssentials
1,030+ titles

GovEssentials
1,000+ titles

ITPro
7,430+ titles



OfficeEssentials
425+ titles



BusinessPro
4,770+ titles

AnalystPerspectives
2,450+ titles

ITIL®
16 titles

Leadership Development Channel
Acquisition of Targeted Learning Corporation

- Rich portfolio of video content of top business authors & executive leaders
- 1,040+ on-demand and live video titles, including:
  - 880+ CEO and Thought-Leader QuickTalks (3-to-5 minutes)
  - 150+ Video training programs (20-to-120 minutes)
  - 6-to-8 live executive leadership web events each year (~90 minutes)
- Focus on B2B leadership development market
- 320+ new video titles added in past 12 months

Featured Speakers Include:


Pat Lencioni


Ken Blanchard


Stephen Covey


John Kotter


Marshall Goldsmith


Dan Goleman


Anne Mulcahy CEO, Xerox


Jeff Immelt CEO, GE


Sir Howard Stringer CEO, Sony

Scalable, Enterprise-Class SaaS Architecture

- SkillSoft learning architecture designed from ‘ground up’ to leverage the web
- Delivered as a 24x7x365 global service
- Over 2,000+ active SaaS clients
- Managed entirely by SkillSoft with flexible options for clients with sensitive data or hosting requirements
- Priced on a subscription basis
- Operates at Level 4 (highest level) of Microsoft SaaS Maturity Model
- Consistently above 99.9% uptime performance

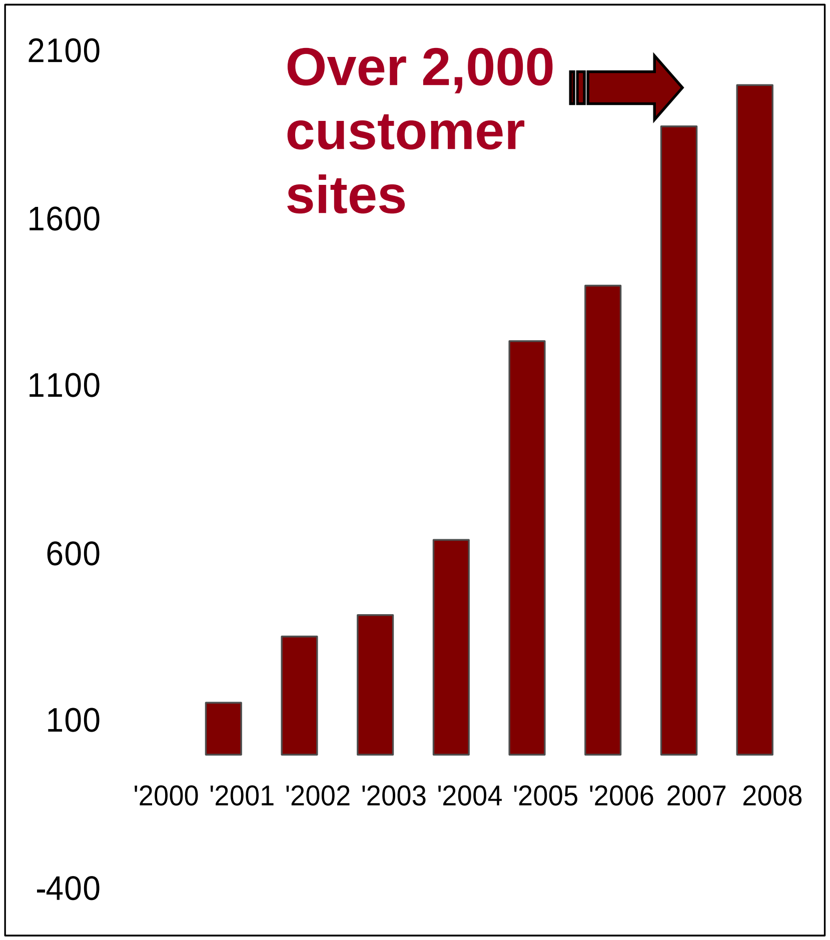
Microsoft SAAS Maturity Model

Level 4 Scalable, Configurable, Multi-tenant-efficient
Level 3 Configurable, Multi-tenant-efficient
Level 2 Configurable
Level 1 Traditional ASP Ad Hoc/Custom

SkillPort
SaaS Learning Management Platform

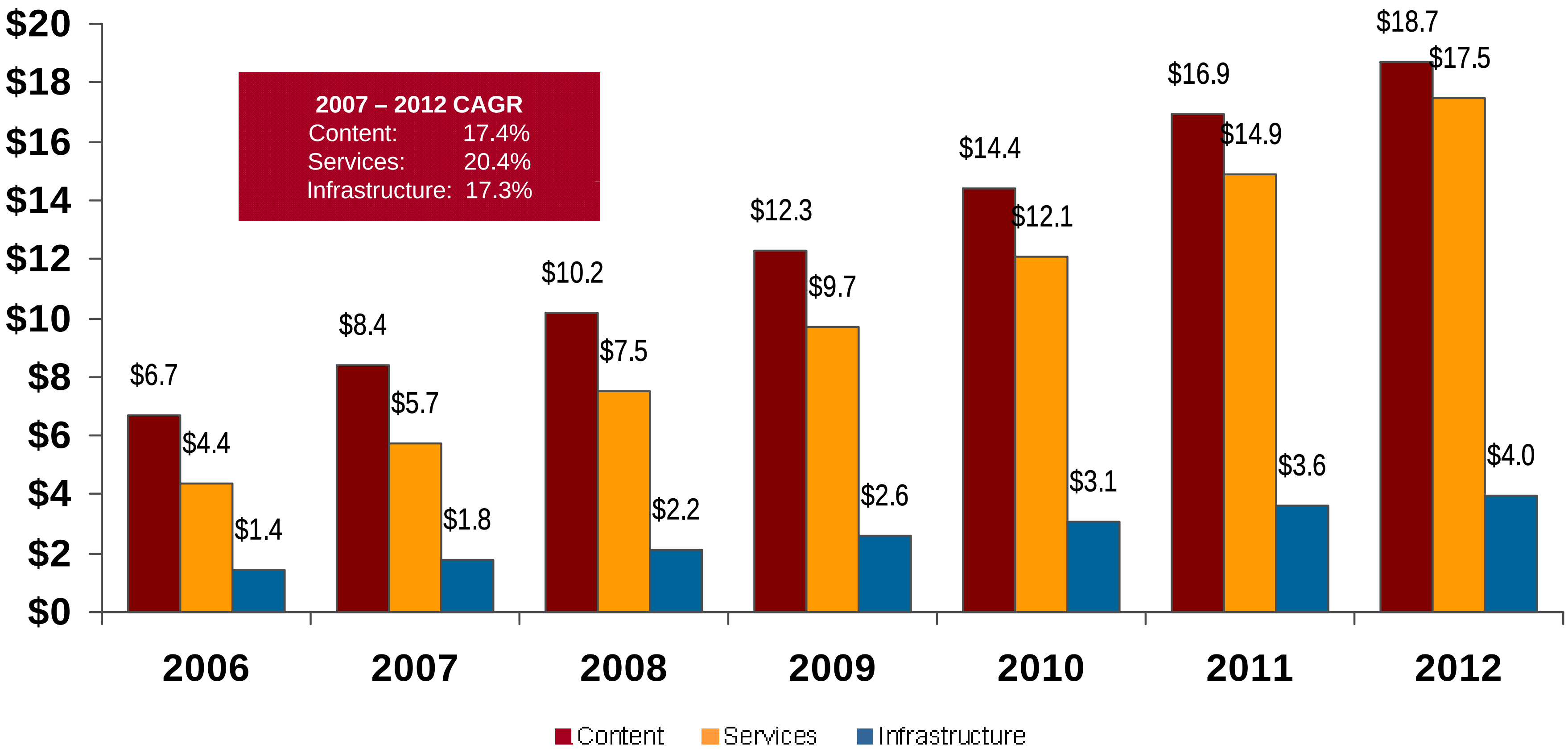
- **Scalable, reliable, flexible**
- **Support wide range of global users**
  - User interface in 8 languages
- **Search & Learn®**
  - provides unified discovery/view/access of all multi-modal learning assets on system
- **Strong management and reporting capabilities**
- **Optional add-ons**
  - Custom content tools & hosting
  - ILT management
  - Virtual classroom
- **7.0 Release targeted for early FY10**
  - **Next-generation user interface**
  - **Simplifies and speeds the process for users to find the exact content they need**
  - **Adds support for Russian and Polish languages**

# of Customers using SkillPort



Compelling Industry Dynamics

Corporate e-Learning Market Growth
($ in billions)



Source: IDC (July 2008).

Growth Initiatives for FY09

Key Product Initiatives

- **Video on Demand**
  - Leadership Development Channel
- **Increased localized products**
  - 700+ new localized titles
    - Includes Microsoft Office 2007 courseware in 6 languages in addition to US English
  - 2 new localized Books24x7 collections (German & Spanish)
- **Live Learning**
  - from NETg
- **KnowledgeCenter portals**
- **New Rich Media Content**

Sales Organizational Initiatives

- **Expanding Telesales Model**
  - Currently 70+ (up from 50+)
- **Expanding "New Business" sales team**
- **Expanding Custom Services sales team**
- **Continuing to refine compensation plan for SkillSoft field to reward revenue growth**
- **Expanding International distribution and localized content library**
- **Expanded lead generation investments**
  - Lead generation reps, paid search advertising, etc.

Definition of Adjusted EBITDA

- Adjusted EBITDA is calculated by taking net income and adding back (in the case of expense items) or deducting (in the case of income or gain items) depreciation and amortization, amortization of intangible assets and capitalized software development costs, stock-based compensation, restatement expenses, merger and integration related expenses, interest expense, interest income, other income/(expense), income/(loss) from discontinued operations, IP migration feasibility expenses, restructuring expenses and the provision or benefit from income taxes.
- An important leverage covenant included in our credit facility is adjusted EBITDA; given this covenant the Company feels that adjusted EBITDA is useful for investors in assessing the Company's business and operating performance on a comparable basis for the periods presented. However, this information should not be used as a substitute for financial measures determined under accounting principles generally accepted in the USA (GAAP).

Financial Highlights – FY2008

- **Strong Revenue Visibility**
  - Subscription model generates significant forward visibility
  - Approximately 75% of FY2008 revenue contractually determined (backlog of $181 million at 1/31/07)
  - FY2008 Organic revenue growth of approximately 10% vs. 9% in FY2007(3)
- **Significant Operating Leverage**
  - Highly scalable technology platform
  - Minimal incremental R&D / SG&A with increased subscriptions
  - Significant operating margin(1) leverage on incremental sales dollars (20% on first $230 million in revenue and 38% on every incremental revenue dollar)
- **Capital Efficient Business Model**
  - Minimal capex requirements (2-3% annually)
  - Up front billing self funds growth
- **Strong Free Cash Flow Generation (see slide 23 for table)**
  - FY 2008 free cash flow of $65 million
  - Adjusted EBITDA conversion (FCF / Adjusted EBITDA) of 81%2
  - Cash, short-term investments on hand, and restricted cash of $77.3 mm at 10/31/08
- **Conservative Business Model**
  - Subscription (pro rata) revenue recognition
  - Reseller revenue recognized net
  - All technology and content development expensed (R&D)
  - Backlog does not include multi-year commitments or any contract-based revenue where a cancellation option exists

Relevant Operating Statistics:

- 1/31/07 Backlog – ~$181 million
- 1/31/08 Backlog – ~$255 million ($206m SKIL)
- $ weighted renewal rate – 108% for FY08 (106% in FY07 and 100% in FY06)
- NETg – approx $49 million backlog and 82% renewal rate as of 1/31/2008
- Combined renewal rate of 102% at 1/31/2008

(1) Excludes Merger and Integration and Amortization Expenses
(2) This represents the % of Adjusted EBITDA that translates to free cash flow
(3) GAAP Revenue growth rate was 24.9%

Financial Highlights – Q4 YTD FY2009 & Q4 Forecast ($ millions)

	Q4 Target	Actual YTD at 10/31/2008
Revenue	$80.5 - $83.5	$248
Net Earnings (Continuing Operations)	$6 - $9	$30
EPS (Continuing Operations)	$0.06 - $0.08	$0.29
Adjusted EBITDA	$19 - $20	$82
Debt Reduction	-	$55
Share Repurchase	-	$57
Cash, Cash Equivalents, Restricted Cash, Short Term & Long Term Investments	-	$77

skillsoft

books24x7 a SkillSoft Company

Maintained Annual Earnings Projections – FY2009

	New Target	Previous Target (at 7/31/08)
Annual Revenue*	$328.5 - $332.5 million	$335 - $338 million
Revenue Growth %	17% - 18%	19% - 20%
Net Income	$38 - $41 million	$38 - $41 million
Adjusted EBITDA	$101 - $103 million	$101 - $103 million
Adjusted EBITDA Growth %	26% - 29%	26% - 29%
Share Count	108 - 109 million	108 - 110 million
Effective Tax Rate	37% - 39%	36% - 38%
Cash Tax Rate	7%	8%

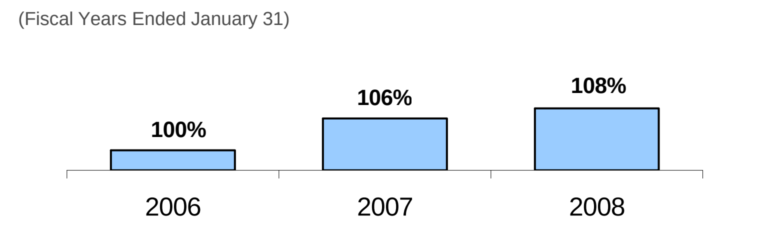
Targets Maintained

- Solid Gross Margins: 86% - 87%
- Projected incremental operating leverage: 35% - 40%
- Adjusted EBITDA cash conversion: 70% - 80%

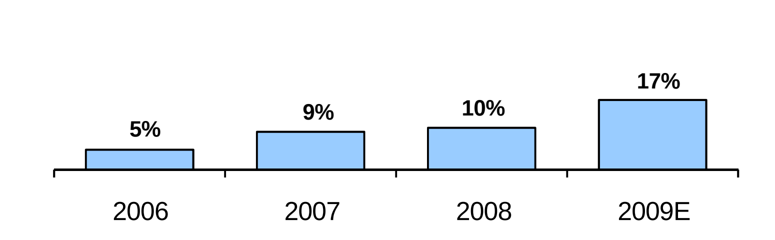
* Revenue decrease is directly attributable to the fluctuation in foreign exchange rates since 7/31/2008 (approx. $6-7 million)

SkillSoft Performance Metrics (1)

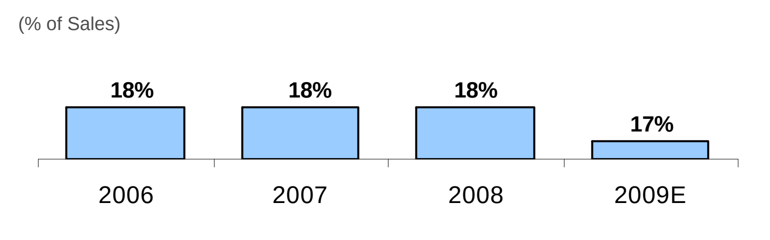
Dollar Renewal Rate Excl NETg (2)



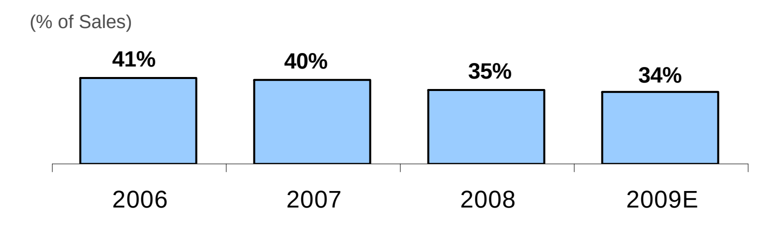
Revenue Growth Excl Retail Cert. & NETg(3)



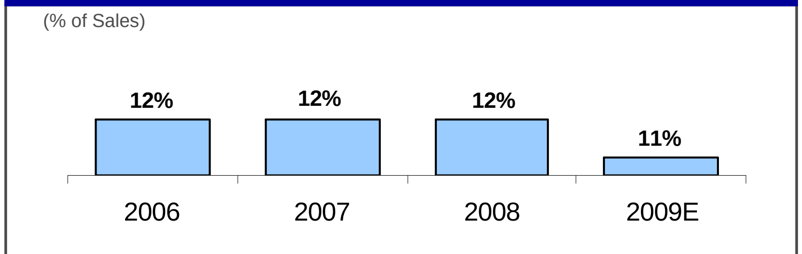
Research & Development Expense



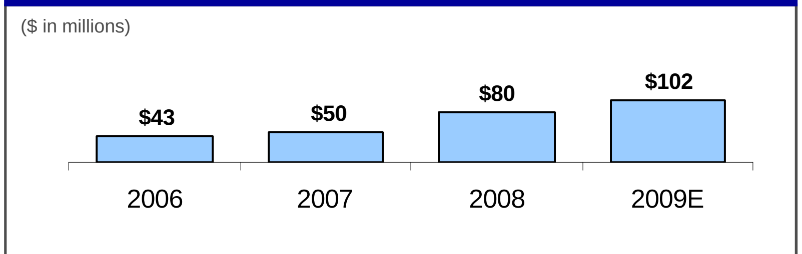
Sales & Marketing Expense



General & Administrative Expense



Adjusted EBITDA



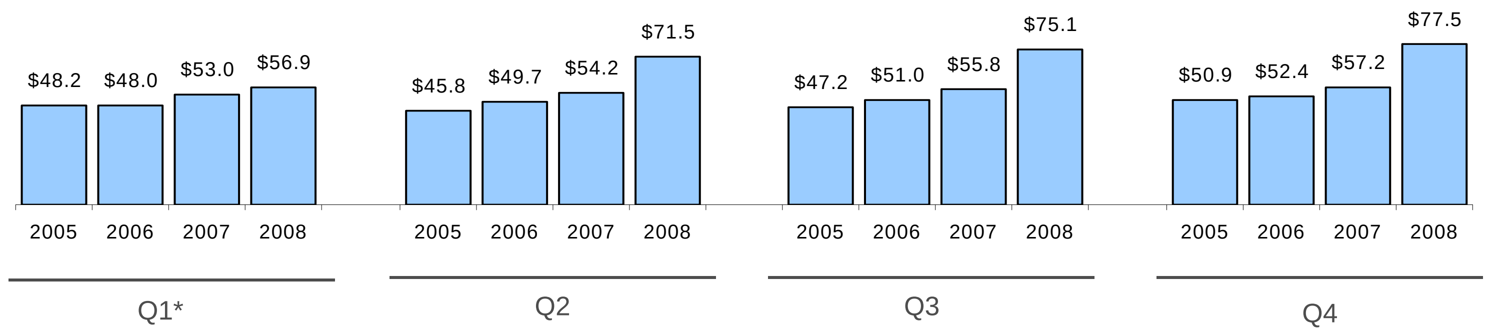
(1) 2009 metrics are midpoint range targets
(2) NETg renewal rate in Fiscal 2008 was 82% and consolidated SkillSoft including NETg was 102%
(3) Excludes Retail Cert in 2006-2008 and NETg in 2008

SkillSoft Revenue Profile

Note: All figures shown on a fiscal year basis and exclude retail certification business divested in FY07.

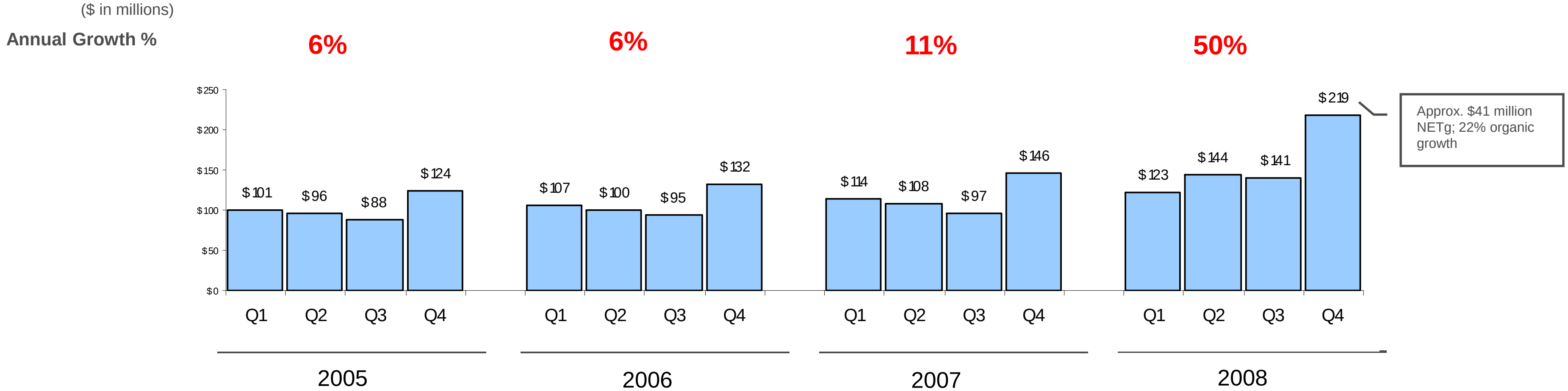
Year-over-Year Quarterly Revenue Growth(1)

($ in millions)



Sequential Deferred Revenue Trends(2)

($ in millions)



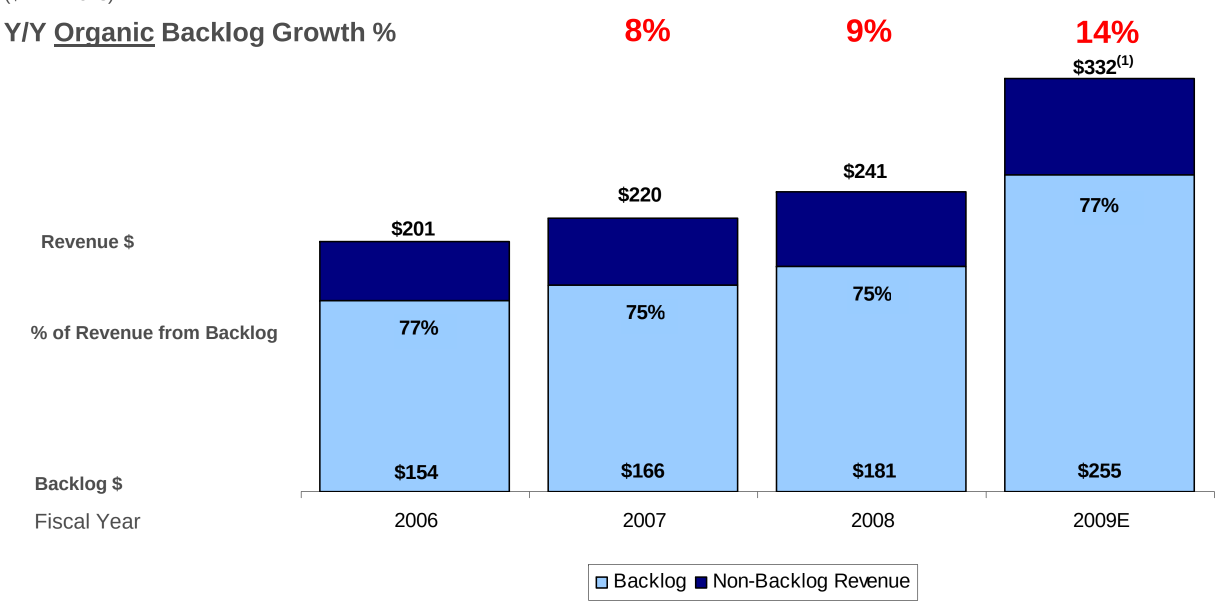
(1) FY2008 Q2, Q3, and Q4 Revenue includes the impact of the NETg acquisition

(2) FY2008 Deferred Revenue Includes NETg

* Q109 revenue growth of 42.9% vs. Q108

Excellent Revenue Visibility

Non-Cancelable Backlog As a % of Next Year's Revenue[3]



- Annual subscription license model with pro-rata revenue recognition
- Historic dollar renewal rates in excess of 100% since FY2006
- Over the past 4 years, 75+% visibility into the next 12 months revenue from contractually committed backlog[2]
- Additional visibility from expiring contracts up for renewal and with out-clauses

(1) Represents original midpoint of Company guidance at 1/31/08 exchange rates

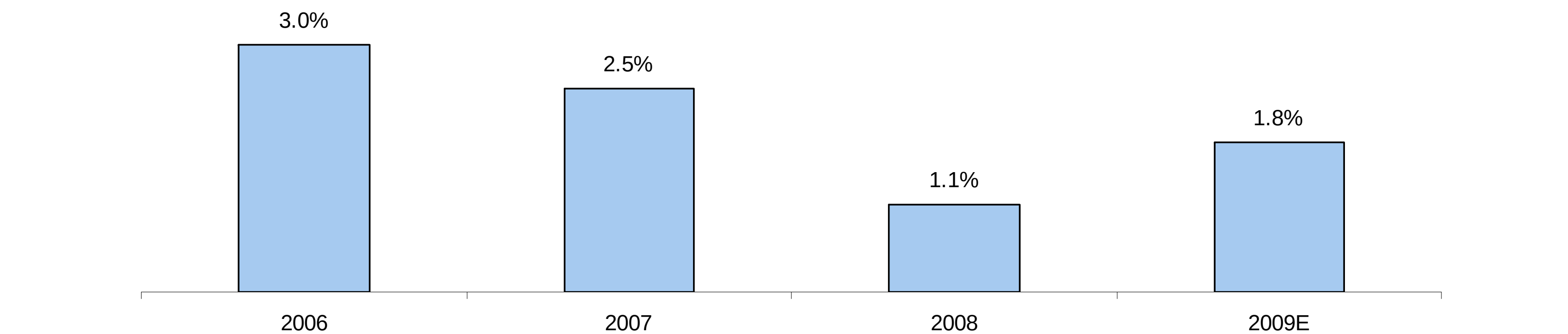
(2) Backlog is calculated by combining the amount of deferred revenue at fiscal year end with the amounts to be added to deferred revenue throughout the next twelve months as a result of committed customer contracts and determining how much of these amounts are scheduled to amortize into revenue. The amount scheduled to amortize into revenue during the next fiscal year is disclosed as "backlog".

(3) Excludes Smart Certify and NETg Backlog and Revenue of $14m, $5m, and .2 million in FY06, 07, and 08 respectively ; FY2009 includes approx $49M of NETg Backlog

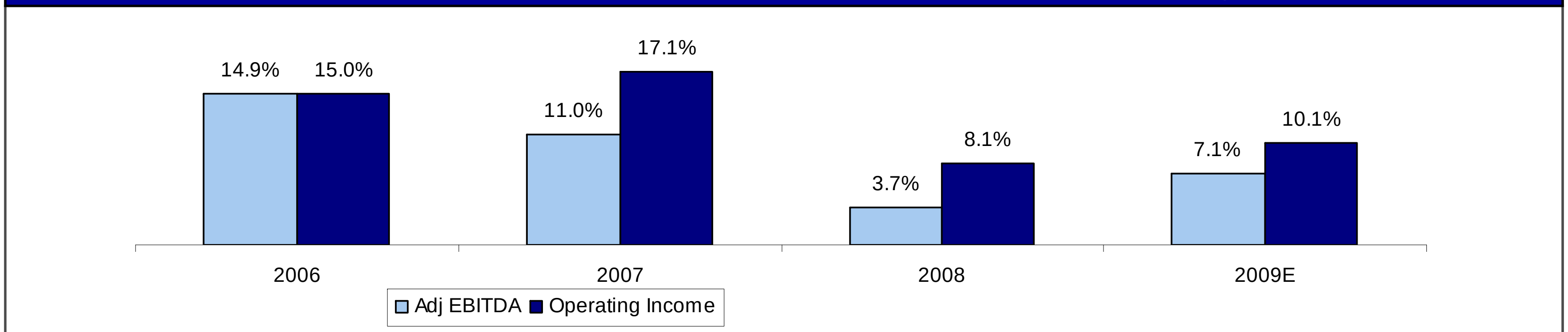
Capital Expenditures

- Capital expenditures are small in relation to Revenue & EBITDA
- Capital expenditures primarily consist of investments in the Company's hosting facilities and purchases of software for internal use

Capital Expenditures as a % of Revenue



Capital Expenditures as a % of Adjusted EBITDA and Operating Income



Q3 FY2009 Adjusted EBITDA (Trailing 12-months)

Unaudited
$ in Thousands
Trailing
Twelve Months Ended

	October 31, 2008	July 31, 2008	April 30, 2008	January 31, 2008	October 31, 2007
Net income, as reported	$ 66,281	$ 60,076	$ 59,582	$ 59,998	$ 33,892
Less: Interest income and other income/(expense)	3,337	1,970	2,219	3,762	3,231
Add: Interest expense	14,904	15,349	15,800	12,149	7,813
Add: Income tax expense/(gain) (GAAP)	(4,911)	(12,079)	(29,727)	(31,587)	(5,112)
Add: Amortization of acquired intangibles and FAS 86 assets	18,668	19,616	20,620	16,660	12,269
Add: Depreciation and amortization	5,375	5,788	6,744	6,935	7,079
EBITDA	**96,980**	**86,780**	**70,800**	**60,393**	**52,710**
Add: Restatement,Restructuring, Merger & Integration	1,998	4,722	13,339	13,663	12,913
Add: Stock-based compensation amortization	6,447	6,404	6,199	5,951	4,915
Add: Discontinued operations loss/(income)	(2,034)	(1,720)	(177)	(270)	(173)
Add: Business Realignment Strategy - Feasibility	1,457	1,138	628	203	-
EBITDA, as defined in credit agreement	**104,848**	**97,324**	**90,789**	**79,940**	**70,365**
Revenue	325,529	317,589	305,726	281,223	261,384
as % of revenue	**32%**	**31%**	**30%**	**28%**	**27%**
Total debt	143,697	144,060	174,500	199,000	199,500
Total debt ratio to EBITDA, as adjusted	**1.37**	**1.48**	**1.92**	**2.49**	**2.84**

Q3 FY2009 Operating Margin Analysis (Trailing 12-months)

	Unaudited $ In Thousands Trailing Twelve Months Ended October 31, 2008	2007
Revenue, as reported	$ 325,529	$ 261,384
Gross Margin, as reported	281,798	227,014
Operating Expense, as reported	210,895	193,825
Operating Income, as reported	**70,903**	**33,189**
Add: Amortization of acquired intangibles and FAS 86 assets	18,668	12,269
Add: NETg merger and integration related expenses	1,930	11,143
Operating Income, as adjusted	**91,501**	**56,601**
Operating Income, as adjusted, as a % of Revenue	28%	22%
20% Operating Income on first $230* million revenue	46,000	46,000
Incremental Operating Income over 20% threshold	45,501	10,601
Incremental Revenue over $230 million threshold	95,529	31,384
Incremental Operating income % over $230 million revenue	**48%**	**34%**

* The Company expects the operating margin to be 20% at $230 million in revenue. Every dollar in revenue above the $230 million threshold exemplifies incremental operating leverage in the model. The Company targets 35-40% incremental operating leverage.

Q3 FY2009 Free Cash Flow (Trailing 12-months)

	Unaudited $ in Thousands Trailing Twelve Months Ended October 31, 2008	2007
Net cash provided by operating activities, as reported	$ 99,573	$ 26,055
Less: purchases of property,equipment and software	4,713	3,851
Free Cash Flow	94,860	22,204
Add: legal settlement	-	15,250
Add: acquisition/restructure related expenses (Balance Sheet)	5,632	8,548
Add: merger and Integration expenses (P&L)	1,930	11,143
Less: tax benefit on stock based compensation	2,494	1,221
Free Cash Flow, as adjusted	99,928	55,924
Net revenue	325,529	261,383
as % of net revenue	**31%**	**21%**
ADJ EBITDA Conversion (Percentage of ADJ EBITDA converted to FCF)*	**95%**	**79%**

* The Company targets 70-80% EBITDA Conversion

Estimated Tax Schedule

	FY 06A	FY 07A	FY 08A	FY 09E
Effective Cash Tax Rate	**3%**	**5%**	**8%**	**7%**
Effective Non - Cash Tax Rate	17%*	28%*	31%*	30 - 32%
Effective **EPS** Tax Rate	20%	33%	39%	37 - 39%

* Reflects the use of acquired tax assets realized through reductions in Goodwill

FY06 includes non-taxable insurance settlement proceeds of $17.7 million

FY08 excludes effects of purchase accounting and the valuation allowance release of ($34.0) million or (121%); GAAP tax rate of (112.2%)

Operating Model (% of Revenue)

	Actual CY07/FY08 % (act)	Actual 9 mo/FY09 % (act)	Target CY08/FY09 % (est)	Target Long-term % (est)
Revenue	100%	100%	100%	100%
GM	86%*	87%*	86-87%*	85-88%
R&D	18%	16%	16-17%	14-16%
S&M	35%	34%	34-35%	32-35%
G&A	12%	11%	11-12%	8-10%

*Includes non-cash intangible amortization expense which reduced gross margin by 1.5% - 2% which is fully amortized as of 10/31/08

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