



July 2, 2013

Dear Cengage Learning Vendor,

You are a valued business partner, and we want you to know that we announced that Cengage Learning and certain of its subsidiaries filed voluntary petitions under Chapter 11 of the U.S. Bankruptcy Code on July 2, 2013 in the Eastern District of New York. We intend to use this legal process to substantially reduce debt and improve our capital structure, which will provide us with the operational flexibility and resources to support our growth as a digital education leader and world-class information provider.

We expect to move through this process to complete our financial restructuring in as short a time as possible and with minimal disruption to our business. Please be assured that we have adequate liquidity of approximately \$280 million to satisfy obligations associated with conducting business in the ordinary course. In addition, Cengage has reached an agreement with our secured lenders that permits us to continue to use cash flows from operations to support our operating and working capital needs during the restructuring. Our operations outside the United States were not included in the filing.

We will continue normal business operations throughout this process. All vendors and suppliers will be paid in full and under normal terms for goods and services provided after the filing date. These payments are given priority status in reorganization proceedings, providing additional protection to you. Unfortunately, if you have not received payment for services or goods we received prior to our Chapter 11 filing, federal law prohibits us from making those payments unless there is authorization to do so from the Bankruptcy Court. Payments for these "pre-petition" amounts generally are determined at the conclusion of the Chapter 11 case. We regret any hardship or inconvenience this may cause our vendors and will provide more information about our claims process in the near future.

Additional information about our restructuring, including Frequently Asked Questions for Cengage Learning Vendors, is available at www.cengagecaseinfo.com. You may also call our new Restructuring Call Center toll-free at 1-800-654-4134, or 1-646-378-4198 for callers from outside the U.S. and Canada.

Your role in our business is important to us and we look forward to continuing our relationship with you. We will keep you informed of significant developments.

Thanks for your continued support.

Sincerely,

A handwritten signature in black ink, appearing to read "DDurbin", written over a light blue horizontal line.

Dean D. Durbin
Chief Financial Officer
Cengage Learning

FREQUENTLY ASKED QUESTIONS FOR CENGAGE LEARNING VENDORS

1. *Will vendors be paid for goods and services provided to Cengage Learning after the Chapter 11 filing date and during your restructuring?*

Yes. Under U.S. bankruptcy law, we are permitted to and will pay our vendors in full and under normal terms for goods and services provided to us after the filing date.

2. *Should vendors continue to provide you with goods and services?*

Yes. Our vendors are entitled to be paid under normal terms for goods and services provided to us during the Chapter 11 process, and it is in our mutual best interest to preserve our business relationship. Payments for goods and services provided during our restructuring will be made as usual and are given priority status in the Chapter 11, providing additional protection to you. In addition, if you have a contract with our company, you are required to continue to perform services or provide products unless otherwise directed by the Bankruptcy Court.

3. *When will vendors be paid for goods and services provided before the filing date?*

Unfortunately, if you have not received payment for services or goods we received prior to our Chapter 11 filing, federal law prohibits us from making those payments unless there is authorization to do so from the Bankruptcy Court. Payments for these “pre-petition” amounts generally are determined at the conclusion of the Chapter 11 case. We regret any hardship or inconvenience this may cause our vendors and will provide more information about our claims process in the near future.

4. *What is the status of existing vendor agreements? Do these remain in place?*

Yes. We expect our vendors to continue to honor our existing agreements. If you have a contract with us, U.S. bankruptcy law requires that you continue to perform services or provide products under that contract unless otherwise directed by the Court.

5. *Does Cengage Learning have sufficient funds to operate as usual? Are you seeking DIP or additional financing?*

We have adequate liquidity of approximately \$280 million to satisfy obligations associated with conducting business in the ordinary course. Cengage does not need nor intend to obtain debtor-in-possession (DIP) financing during this process, as we maintain substantial cash balances, and expect to generate positive cash flow.

6. *How do I know if I have a “pre-petition” or “post-petition” claim?*

Pre-petition generally refers to those goods received or services provided before the Chapter 11 filing on July 2, 2013. Goods received or services provided on or after Cengage Learning’s Chapter 11 filing generally are considered post-petition.

7. *Will there be a process for submitting claims for any unpaid invoices?*

Yes. Information about the claims process will be available at www.cengagelcaseinfo.com.

8. Why has Cengage Learning filed for Chapter 11?

After exploring a range of alternatives to restructure our balance sheet, we decided to take this action because we have concluded it is in the best interest of Cengage and our other constituents. We intend to use this legal process to substantially reduce our approximately \$5.8 billion of debt and strengthen our balance sheet. With less debt and a stronger financial foundation going forward, we will be much better positioned to grow in the years ahead as an education leader.

9. How long will you be in Chapter 11?

Our goal is to successfully complete the financial restructuring and exit the Chapter 11 process in as short a time as possible.

10. Does filing for Chapter 11 mean that Cengage Learning is going out of business?

No. The Chapter 11 process is designed to allow companies to achieve a debt restructuring with minimal disruption to their business. We plan to continue normal business operations, meeting our customer commitments as usual. The financial restructuring will help establish a stronger financial foundation that supports our future as a digital education leader and world-class information provider, delivering innovative customer offerings for many years to come.

11. How does this affect vendors who supply goods and services to Cengage Learning's non-U.S./overseas operations? Are the company's operations outside of the U.S. included in the filing?

Cengage Learning's operations outside the U.S. are not included in the filing and there should be no adverse impact caused by these legal proceedings. These businesses continue to operate outside of the U.S. bankruptcy process, without interruption. We intend to pay vendors who supply goods and services to Cengage Learning's non-U.S./overseas operations under customary terms going forward.

12. I am a vendor and tried to deposit a check dated before the filing from Cengage but it bounced. Will a new check be re-issued to me?

Unfortunately, we cannot do that at this time. Federal law prohibits our bank from honoring checks from prior to our bankruptcy filing that were not deposited until after the filing, unless there is authorization to do so from the Bankruptcy Court. We regret the hardship or inconvenience this may cause and will provide more information about our claims process in the near future. Note that we are permitted to and will pay in full and under normal terms for goods and services provided to us from the filing date on July 2 and throughout our restructuring process.

13. Who should vendors contact if they have additional questions?

Additional information for vendors about Cengage Learning's reorganization process is available at www.cengagecaseinfo.com. If you have further questions or want to speak with someone about the claims process after reviewing this site, please contact our new Restructuring Call Center toll-free at 1-800-654-4134, or 1-646-378-4198 for callers from outside the U.S. and Canada.