

As of February 20, 2014

## FREQUENTLY ASKED QUESTIONS ABOUT OUR FINANCIAL RESTRUCTURING

### **1. When will you successfully complete your financial restructuring process? What are your next steps in the process?**

We are making good progress and our goal is to continue moving steadily through this process to emerge as a stronger company.

On February 3, 2014, we announced a settlement agreement with our major financial stakeholders and creditors regarding the terms of an amended Plan of Reorganization. This amended Plan incorporates Cengage Learning's global settlement with a super-majority of our first lien, second lien and unsecured debt holders, existing primary equity holder, and the Official Committee of Unsecured Creditors, and thus assures the necessary support from key creditor groups for confirmation of our Plan in March 2014.

On February 12, 2014, the Court approved our supplemental Disclosure Statement and the voting solicitation procedures for the amended Plan. We now will begin mailing those documents to eligible creditors to vote on whether to approve the new amended Plan. (These documents also are available at [www.cengagecaseinfo.com](http://www.cengagecaseinfo.com).) After the Plan is approved by the Court, we will complete our restructuring and emerge from Chapter 11.

### **2. Will you be receiving additional financing?**

Yes. Upon the completion of our financial restructuring, we will secure financing of approximately \$1.75 billion, and an additional \$200 million will be an undrawn revolving credit facility. We continue to have adequate cash balances and generate positive cash flow to meet our working capital and operating requirements.

### **3. Can customers continue to count on Cengage Learning, Gale, and your other brands for high-quality educational content, exceptional service, and individualized support both during this process and in the years to come?**

Yes -- customer satisfaction remains our top priority. We're going to be delivering innovative customer offerings for many years to come.

As has been the case throughout this process, we're conducting normal business operations, and staying focused on our relationships with our customers, authors, employees, content providers, and vendors. As we originally stated when we initiated our financial restructuring on July 2, 2013, our customers can be confident that we will continue providing them high quality educational content and print and digital products along with the industry leading services and support that they are accustomed to, without interruption.

We also are developing and rolling out new programs and product enhancements, and creating more efficient ways of doing business that will help us take care of our customers better than anyone else.

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**4. Are authors receiving their royalty payments?**

Yes. We are paying authors for royalties earned for sales in accordance with their contracts and continuing to honor contracts in the same manner as we have been.

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

Our vendors are entitled to be paid under normal terms for goods and services provided to us and these payments are being made as usual. 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 Court. Payments for these “pre-petition” amounts generally are determined at the conclusion of this process. If you have any questions about claims, please call 800-654-4134. We look forward to providing you with further information once the Court approves our Plan, and regret any hardship or inconvenience this may cause our vendors.

**6. Who will the owners of Cengage Learning be when you complete this process?**

We will continue to be a private company, majority-owned by our existing first lien lenders.

**7. Who will be on the Board of Directors?**

The members of the Board of Directors will be named in the Plan Supplement, which is expected to be filed in a few weeks. It is expected that Cengage Learning CEO Michael Hansen will continue to serve on the Board.

**8. What if I have additional questions about your financial restructuring or want a copy of the Plan Support Agreement, supplemental Disclosure Statement, or other filings?**

Please visit [www.cengagecaseinfo.com](http://www.cengagecaseinfo.com), or call 800-654-4134. Information about Cengage’s financial restructuring is also available at [www.cengage.com/restructuring](http://www.cengage.com/restructuring).