

July 2, 2013

Dear Gale Customer,

At Gale, we strive to be an outstanding partner in helping our library and research customers foster academic excellence, increase student engagement, and improve learning outcomes with accurate and authoritative information and solutions. We are dedicated to upholding our heritage as a leader in learning and library research solutions, addressing all types of information needs with dynamic content in a variety of formats.

As you may know, Gale is part of Cengage Learning, an industry leader that is transitioning into a fully integrated digital education company and world-class information provider. This effort includes strengthening its financial position to support its strategic plans and continued business transformation. While Cengage Learning has solid revenues, strong cash flow and sufficient liquidity, it has too much corporate debt. Cengage Learning has filed for Chapter 11 to substantially reduce debt in a restructuring that will enable us to be a financially strong company.

Cengage Learning and its sub-brands, including Gale, will continue normal day-to-day business operations. There will be no impact to the quality and reliability of product offerings and our high level of service at Gale. This legal process allows companies the time and protection to address their financial burdens as they continue operating. Customers can continue to rely on our agreement with the *Portico* archiving program that ensures the security of our content. For additional information on our restructuring, please visit [www.cengage.com/restructuring](http://www.cengage.com/restructuring).

As the three most senior leaders of Gale, we collectively bring more than 55 years of experience -- that's as long as Gale has existed. We remain committed to you and to libraries worldwide. At Gale, we're advancing in exciting new directions and want you to know that:

- Gale intends to continue providing outstanding products and content to libraries, just as we have been for more than half a century. Subscription renewals will continue providing value to our customers and their users tomorrow, next month and in the years ahead.
- Our *Portico* archiving program remains an excellent resource to ensure the security of our content for customers. For details about our archiving program, please visit [http://gdc.gale.com/assets/files/Portico\\_FAQ.pdf](http://gdc.gale.com/assets/files/Portico_FAQ.pdf).
- Gale is growing in dynamic ways through exceptional partnerships and product initiatives. In the past year, we've initiated strategic alliances with world-class organizations, including National Geographic Society, the Smithsonian Institution and the Associated Press. We will be delivering on those alliances over the next twelve months.

- In fact, this spring has been one of our busiest product launch periods yet. We've embarked on the development of a new research environment, *Artemis*, and have launched the first phase of that program with more to follow in the coming months. We've recently expanded our Nineteenth Century Collections Online program and launched several new Gale Digital Collections products.

We're delighted to continue meeting your content needs and those of users worldwide in libraries, schools and on the Internet.

Please feel free to write or call any one of us. We'll be glad to speak further with you about our products and plans.

Sincerely,

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## FREQUENTLY ASKED QUESTIONS FOR GALE CUSTOMERS ABOUT OUR FINANCIAL RESTRUCTURING

**1. *Why has Cengage Learning filed for Chapter 11? How does this affect Gale and library customers?***

Our parent company, Cengage Learning, has solid revenues, strong cash flow and sufficient liquidity, but has too much corporate debt. Cengage Learning has filed for Chapter 11 to substantially reduce debt in a restructuring that will enable us to be a financially strong company. We need to reduce that debt in order to position ourselves to be a world-class provider of the best products and services in the education and research space.

The Chapter 11 filing will have no effect on the day-to-day business operations at Cengage Learning or any of its sub-brands, including Gale. We expect to emerge from the Chapter 11 process with a greater capacity to invest in our company and state-of-the-art customer offerings, and build our business on a strong foundation for the long term. This is about addressing our finances so we can continue to put our customers first.

**2. *What does "Chapter 11" mean? Does this mean Gale is going out of business?***

No. Gale is NOT going out of business. Cengage is NOT going out of business either. Chapter 11 is the legal process that allows companies the time and protection to address their financial burdens as they continue operating. Companies that have sought Chapter 11 protection generally continued to pay employees, serve their customers and meet their obligations during the process. It is different from Chapter 7, in which a company's assets are liquidated. Other well-known companies have utilized the Chapter 11 process and emerged stronger and healthier, including General Motors, Delta Airlines and Houghton Mifflin Harcourt.

**3. *What does the financial restructuring mean for Gale's content and products?***

We have a continuing commitment to delivering the best educational content and innovative print and digital research solutions -- and that won't change. We are developing and delivering new products and content for our library customers, and all of our content and products will continue to be available. In fact, this spring has been one of our busiest launch periods yet. Not only are we forging and maintaining partnerships with premiere, world-renowned institutions and organizations, we are continuing to deliver product subscriptions and renewals without interruption. We are also pursuing new opportunities to increase discoverability of content.

**4. *How long will this restructuring process take?***

Our goal is to successfully complete the financial restructuring and emerge as a stronger company in as short a time as possible while maintaining normal business operations throughout this process.

**5. *Do Cengage and Gale have adequate funds to operate as usual during this process?***

Yes. We maintain substantial cash balances and expect to generate positive cash flow to meet our working capital and operating requirements throughout this process.

**6. Will Gale continue to maintain databases, continue scheduled deliveries and fulfill existing and future orders for libraries and other institutions?**

Yes. It's business as usual for us and customer satisfaction remains a top priority. We're delivering all orders in full and on schedule. You can continue to count on high-quality educational content, exceptional service and individualized support.

**7. What other assurances can you provide for database accessibility and content availability for the long-term?**

This restructuring process is about the future of our brand, offerings and relationships with our customers. There will be no interruption in the solutions or quality of services we provide to our customers. The details of our archiving agreement with *Portico*, describing the security of our content for our customers, are available at [http://gdc.gale.com/assets/files/Portico\\_FAQ.pdf](http://gdc.gale.com/assets/files/Portico_FAQ.pdf).

**8. As a customer or contracted author, will there be any impact on my business relationship with you as a result of the financial restructuring?**

No. We don't expect any changes in our business relationships with our authors or customers, other than the opportunity to build a stronger relationship. We are maintaining our customer programs and practices and your contacts here remain the same.

**9. Will you attempt to negotiate new contract terms with us during this period?**

We expect to continue our relationship and to renew contracts in the normal course of business.

**10. What is your relationship with vendors?**

We have good relationships with our vendors. We intend to continue paying our vendors under normal terms for business we conduct with them during the restructuring process.

**11. Does my point of contact remain the same?**

Yes. There are no planned changes in your regular points of contact and we are ready and available to work with you to meet, and hopefully exceed, your needs.

**12. How will this financial restructuring impact the Company's international operations?**

Our operations outside the United States are not participants in this process and are conducting business as usual.