

July 2, 2013

To Our Authors,

At Cengage Learning, our goal is to be an outstanding partner to our authors and we value your role in making our business successful. We wanted to reach out to you directly about some news that Cengage Learning has announced. Today we began taking steps that will strengthen our company financially so we can continue to invest in our business to meet the evolving needs of our customers and ensure that we are well-positioned for the future.

With the support of many of our lenders, Cengage Learning has chosen to file for Chapter 11 reorganization. We intend to use this legal process as the framework to substantially reduce our corporate debt and put in place a much better capital structure that supports our strategy for long-term growth. Our goal is to emerge from this process in as short a time as possible.

During this time, please know that we remain focused on bringing your titles to market and providing you with attentive support and dedicated partnership. Our company has adequate cash balances and expects to have positive cash flow to continue our normal day-to-day operations. Our offices and facilities around the world are serving our customers and business partners as usual.

I want to reassure you that the restructuring will have no impact on our business relationship going forward, and that we will process royalty payments for all future sales as usual.

Unfortunately, federal law restricts our ability to make royalty payments for sales occurring before July 2, 2013, unless there is authorization to do so from the bankruptcy court. Because we recognize that continuation of our relationship with you is critical to our future success, we already have begun seeking court permission to continue making these payments and honoring our obligations to you without delay or interruption.

The review of this request will be addressed by the court in the next few weeks. We know this is important to you, and it is a high priority for us. We are doing everything possible to expedite all aspects of this process and will keep you informed of future developments. We invite you to view a copy of the legal motion our lawyers filed with the court at [www.cengage.com/restructuring/authorlegalmotion](http://www.cengage.com/restructuring/authorlegalmotion) about why it is so important that we continue to make these payments to you.

If you have any questions or want additional information about our restructuring, you may 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. Updates on our restructuring progress will be available at [www.cengage.com/restructuring](http://www.cengage.com/restructuring). For all other questions, please don't hesitate to call your usual day-to-day contact and, of course, please always feel free to contact me directly at 617-757-8486.

We value our partnership with you and thank you again for your continued support.

Sincerely,



Jim Donohue  
Chief Product Officer  
Cengage Learning

## FAQ FOR CENGAGE LEARNING AUTHORS

**1. Why has Cengage Learning filed for Chapter 11 to implement its financial restructuring?**

Reducing our corporate debt is a key part of continuing Cengage Learning's transformation into a financially healthy, fully-integrated digital education leader and world-class information provider. We are implementing a financial restructuring through a Chapter 11 process to strengthen our capital structure and give us the ability to position our company for long-term growth and success.

This process will not impact the quality and reliability of our product offerings and our high level of service. A stronger financial foundation will enable us to continue with our strategic plans and deliver the best content, digital solutions and services for customers for many years to come.

**2. Does this mean that Cengage Learning is going out of business?**

No. We expect normal business operations during this process, continuing to meet our customer commitments. Our goal is to complete our financial restructuring and emerge from Chapter 11 as a financially strong company.

**3. How long will you be in Chapter 11?**

Our goal is to complete our financial restructuring and emerge from Chapter 11 in as short a time as possible as a financially strong company. Our relationship with authors remains a high priority. We expect to maintain normal business operations throughout this process, with no interruption in the solutions, services and support that we provide to our customers and their users.

**4. As a contracted author, will I continue to receive royalty payments in line with my contract? Will there be any change in my business relationship with Cengage Learning as a result of the financial restructuring?**

We hope to have the opportunity to grow our relationship with our authors further. The restructuring will have no impact on our business relationship going forward, and your royalty payments for all future sales will continue as usual.

Unfortunately, federal law restricts our ability to make royalty provider payments for sales occurring before July 2, 2013, unless there is authorization to do so from the bankruptcy court. Because we recognize that continuation of our relationship with you is critical to our future success, we already have begun seeking court permission to continue honoring our obligations to you without delay or interruption. We know this is important to you, and it is a high priority for us. The review of this request will be addressed by the court in the next few weeks and we will keep you apprised of its status. A copy of the legal motion our lawyers filed with the court is available at [www.cengage.com/restructuring/authorlegalmotion](http://www.cengage.com/restructuring/authorlegalmotion).

**5. Will the publication schedule we've discussed for my book be impacted? Will there be any change in the timeline to publication?**

No changes are expected in publication schedules or timelines to publication due to the restructuring. That said, Cengage Learning will continue to evaluate our publishing process to ensure we are putting our resources in growth areas to achieve our company goals.

**6. Will you continue with product development and marketing resources to support my titles?**

Yes. Our transformation efforts are designed to help us boost our product development and product management focus, and increase market share.

**7. Do you continue to have enough sales support to represent my titles with customers?**

Yes. As part of our broader transformation, Cengage has made organizational improvements, including in our sales force, to enhance our interaction with our customers.

**8. Are my editorial/product/marketing contacts the same? Are there further organizational changes planned?**

Your contacts for editorial, marketing, and other areas currently remain the same. There are no anticipated organizational changes related to the restructuring, although we will continue to evaluate our business to ensure that we have the appropriate resources in place to support authors' titles.

**9. Will Cengage Learning, Gale and your other brands continue scheduled deliveries and fulfilling existing and future orders for schools, higher education institutions and libraries?**

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.

**10. What does the financial restructuring mean for Cengage Learning's content and products?**

We have a continuing commitment to delivering the best educational content and innovative print and digital products and solutions -- and that won't change. We also are moving forward with 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.

**11. Where can I find additional information about your Chapter 11 restructuring?**

If you have questions or for additional information about our restructuring, you may 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. For all other questions, please don't hesitate to call your usual day-to-day contact. Updates on our progress will be at [www.cengage.com/restructuring](http://www.cengage.com/restructuring).