

FAQs for Customers and Readers about Chapter 11 Filing

1. **Why does RDA have to file for Chapter 11 protection?**

RDA took this action to preserve and enhance the value of the company. Our debt load and interest expenses are simply too high.

It is important to understand that this is primarily a financial event that we will manage in an orderly manner. It gives us the tools we need to emerge with a healthier balance sheet that will allow us to operate efficiently and aggressively in our markets as we will have ample cash for growth and investment opportunities.

2. **How does the filing affect RDA?**

The filing allows RDA to continue operating as normal while we significantly lower the debt on our balance sheet in an orderly and systematic manner. Chapter 11 is a proven tool in the U.S. court system to help companies reorganize. It is used regularly with great success to keep global companies like ours viable and in business as they streamline their finances. It is the next logical step in an ongoing process to improve our business.

3. **Is RDA going out of business?**

Absolutely not. This is NOT a closing or liquidation. Chapter 11 is a powerful and proven tool for companies like ours to help achieve a healthy future. It is a process through which we can significantly reduce our debt and better position RDA for long-term success. What that means for customers and readers is that, on a day-to-day basis, it is going to be business as usual.

4. **Which entities filed?**

The Chapter 11 filing is limited to all of RDA's U.S. operations. Importantly, the Chapter 11 filing does NOT include non-U.S. entities.

5. **Will RDA stop selling its products/services?**

Absolutely not. We expect there will be no interruption in the services and products we provide. The restructuring process allows us to continue operating as normal while we significantly lower the debt on our balance sheet in an orderly and systematic manner.

6. I just ordered and paid for RDA products/gifts. Will you honor my order?

Yes. We intend to honor ALL of our customer obligations and programs.

7. I am a recent sweepstakes/contest winner. Will I be awarded my money/prize?

Yes. We intend to award ALL sweepstakes and contest prizes as planned.

8. I recently sent you a deposit for a Worldwide Country Tour. Is my money lost? Is the tour still on?

We intend to honor ALL of our customer obligations and programs. No tours have been cancelled.

9. I am expecting a refund from you for a return, overpayment, etc. Will I get my money?

Yes. We intend to honor ALL of our customer and reader obligations, including issuing refund checks as planned. Please remember that most standard refunds take approximately 4 to 6 weeks to process.

10. I currently owe Reader's Digest money for a previously placed order. Do I have to pay that bill?

Yes, please do. Our financial restructuring has no impact on the products and services we provide to our customers and readers. Products will continue to be delivered – and you should proceed with payment – as scheduled.

11. Will prices increase as a result of the filing?

No. We are committed to offering quality products/services at a great value and with exceptional customer service. This will not change. In fact, we believe our continued ability to deliver exceptional service to our customers is critical to our future success.

12. Will you still accept my credit card?

Yes.

13. Will my subscription/website memberships/sweepstakes payments/contest winnings/vacation tour and related gift certificates and vouchers/cooking school enrollments be honored?

Yes, we intend to honor all of our customer commitments. The funding we have in place through this process allows us to do this as we conduct our business as usual.

15. If the company's businesses are solid, why does it have a problem with debt?

The company took on \$2.2 billion in debt when it went private in March 2007. The company's operations are in fact solid, and we continue to generate a lot of cash, but not enough to cover the cost of the financing, especially in the global recession. Our current situation is reminiscent of a regular earner living in a structurally sound house, but having various changes (e.g. the slower economy) that make it difficult to afford the mortgage.

16. Where should customers direct their questions?

You should feel free to contact your regular RDA representative. Additionally, you may visit www.RDARestructuring.com, or call the Customer Care Center at 877-342-3990.

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