



THE READER'S DIGEST ASSOCIATION, INC.  
READER'S DIGEST ROAD  
PLEASANTVILLE, NY 10570-7000

TODD C. McCARTY  
*Senior Vice President*  
*Global Human Resources*

TELEPHONE: (914) 244-5175  
FAX: (914) 244-7944  
todd\_mccarty@rd.com

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## A NOTE ABOUT CERTAIN PLANS AFFECTING RETIREES AND FORMER EMPLOYEES

As you probably know, The Reader's Digest Association, Inc. (and 47 of our domestic subsidiaries) filed for pre-arranged Chapter 11 bankruptcy protection on August 24, 2009 (the "Filing"). The company filed as part of an agreement in principle with our senior lenders to reduce the company's debt and to enable the company to emerge with manageable debt so we can continue as a going concern to the benefit of our many constituencies. The purpose of this letter is to provide retirees, former employees and/or their beneficiaries with information about the effect of the Filing on certain compensation and benefit arrangements applicable to retirees. We hope this will help to clarify the situation, remove some of the uncertainty that may exist, and refer you to helpful resources that can answer your questions about plan status and, where applicable, claims procedures.

The Filing had no effect on the Company's Retirement Plan, the core pension plan that covers RDA retirees. The assets of that Plan are held separately, and payments under that Plan are continuing unaffected at this time notwithstanding the occurrence of the Filing. In addition, the Reader's Digest Retiree Medical and Dental Plan is also continuing uninterrupted at this time.\* Accordingly, more than 95% of the Company's retirees are not impacted by the Filing.

However, for those who participate in any of the special supplemental and executive plans or arrangements listed below, as of August 24, 2009, the date of the Filing, the following general rules required by Federal bankruptcy law apply: (i) for those plans

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\* Please note that as a result of certain coverage changes made within one year of the Filing, among other things, participants in the Retiree Medical and Dental Plan will receive a letter by the first week in October from Aetna or the Company regarding an option to continue coverage for life through COBRA, which will be fully explained in that letter.

with account balances, those balances are no longer accessible and the account balance represents an unsecured claim against the Company, and (ii) for those plans under which a retiree, former employee or their beneficiaries may be receiving a stream of payments, payments will no longer be made and the amount of the remaining payments owed (including discounts for present value) represents an unsecured claim against the Company. Under the law, these claims will be handled in accordance with the Claims process as part of the Filing. Those affected will receive information directly from the Bankruptcy Court regarding the Claims process, and specific questions about the claims process can be best directed to our Claims Agent for this purpose, Kurtzman Carson Consultants (KCC) at [www.kccllc.net/readers](http://www.kccllc.net/readers) or 1-866-967-0491). The first notice from the Court was mailed on September 4, 2009. If you believe you should have received a notice and did not, please contact KCC.

The following plans and arrangements are affected by the Filing:

- The Excess Benefit Retirement Plan of The Reader's Digest Association, Inc.
- The Reader's Digest Association, Inc. Executive Cash Balance Plan
- The Reader's Digest Executive Retirement Plan
- The Reader's Digest Association, Inc. Supplemental Executive Retirement Plan (and related agreements)
- Reader's Digest Direct Pensions (miscellaneous arrangements)
- Reader's Digest Roving Editor Plan
- The Reader's Digest Association, Inc. Deferred Compensation Plan

Questions about specific benefit plans can be directed to RDA's Employee Resource Center at 1-888-243-5723 or [erc@rd.com](mailto:erc@rd.com). As mentioned above, specific questions about claims can be best addressed by KCC. The KCC website may also be accessed from this restructuring website, [www.RDARestructuring.com](http://www.RDARestructuring.com).

Sincerely,



Todd C. McCarty  
Senior Vice President, Global Human Resources