

NEBRASKA BOOK COMPANY, INC.
NON-GAAP FINANCIAL MEASURE
EBITDA - QUARTERLY & YEAR-TO-DATE

As the Company is highly-leveraged and as its equity is not publicly-traded, it believes that non-GAAP financial measures, Earnings Before Interest, Taxes, Depreciation, and Amortization ("EBITDA") and Adjusted Earnings Before Interest, Taxes, Depreciation, Amortization, and Goodwill Impairment ("Adjusted EBITDA"), are useful in measuring its liquidity and provides additional information for determining its ability to meet debt service requirements, measuring its overall performance for purposes of decision-making, developing its budgets and managing its expenditures. The Company's various debt agreements also use EBITDA, as defined in those agreements, for certain financial covenants. EBITDA and Adjusted EBITDA do not represent and should not be considered as an alternative to net cash flows from operating activities or net income as determined by GAAP, and EBITDA and Adjusted EBITDA do not necessarily indicate whether cash flows will be sufficient for cash requirements. Items excluded from EBITDA and Adjusted EBITDA, such as interest, taxes, depreciation, amortization, and goodwill impairment, are significant components in understanding and assessing the Company's financial performance. EBITDA and Adjusted EBITDA measures presented may not be comparable to similarly titled measures presented by other companies. The following presentation reconciles Adjusted EBITDA with net cash flows from operating activities and also sets forth net cash flows from investing and financing activities.

For additional information regarding the Company's financial condition and results of operations, please see the Company's periodic filings with the Securities and Exchange Commission, links to which are made available on this website.

	Six Months Ended September 30, 2009	Quarter Ended September 30, 2009	Quarter Ended June 30, 2009	Year Ended March 31, 2009	Quarter Ended March 31, 2009	Nine Months Ended December 31, 2008	Quarter Ended December 31, 2008	Six Months Ended September 30, 2008	Quarter Ended September 30, 2008
Adjusted Earnings Before Interest, Taxes, Depreciation, Amortization and Goodwill Impairment (Adjusted EBITDA) (1)	\$ 48,506,278	\$ 53,741,203	\$ (5,234,925)	\$ 71,032,330	\$ 33,263,429	\$ 37,768,901	\$ (7,847,975)	\$ 45,616,876	\$ 52,050,299
Reconciliation of Adjusted EBITDA to Net Cash Flows from Operating Activities:									
Adjusted EBITDA (1)	\$ 48,506,278	\$ 53,741,203	\$ (5,234,925)	\$ 71,032,330	\$ 33,263,429	\$ 37,768,901	\$ (7,847,975)	\$ 45,616,876	\$ 52,050,299
Share-based compensation	479,741	236,092	243,649	1,288,543	540,320	748,223	262,791	485,432	233,138
Interest income	43,697	26,897	16,800	426,536	83,926	342,610	162,890	179,720	179,720
Provision for losses (recoveries) on receivables	133,629	55,847	77,782	1,366,979	1,277,387	89,592	75,442	14,150	(15,380)
Cash paid for interest	(17,359,745)	(12,550,820)	(4,808,925)	(30,653,694)	(12,141,927)	(18,511,767)	(3,545,118)	(14,966,649)	(12,194,186)
Cash received (paid) for income taxes	1,304,327	1,833,852	(529,525)	(9,930,165)	(2,229,406)	(7,700,759)	(5,768,926)	(1,931,833)	(431,398)
(Gain) Loss on disposal of assets	118,143	73,753	44,390	124,871	68,119	56,752	(5,081)	61,833	36,035
Change in due (to) from parent	(1,338,000)	65,000	(1,403,000)	(3,160,038)	(372,038)	(2,788,000)	(1,437,000)	(1,351,000)	53,000
Changes in operating assets and liabilities, net of effect of acquisitions	45,383,157	69,315,625	(23,932,468)	1,170,551	49,318,081	(48,147,530)	(96,263,122)	48,115,592	86,028,004
Net Cash Flows from Operating Activities:	<u>\$ 77,271,227</u>	<u>\$ 112,797,449</u>	<u>\$ (35,526,222)</u>	<u>\$ 31,665,913</u>	<u>\$ 69,807,891</u>	<u>\$ (38,141,978)</u>	<u>\$ (114,366,099)</u>	<u>\$ 76,224,121</u>	<u>\$ 125,939,232</u>
Net Cash Flows from Investing Activities:	<u>\$ (5,074,342)</u>	<u>\$ (2,929,694)</u>	<u>\$ (2,144,648)</u>	<u>\$ (14,898,403)</u>	<u>\$ (3,039,644)</u>	<u>\$ (11,858,759)</u>	<u>\$ (2,070,521)</u>	<u>\$ (9,788,238)</u>	<u>\$ (4,691,577)</u>
Net Cash Flows from Financing Activities:	<u>\$ (10,150,840)</u>	<u>\$ (15,839,819)</u>	<u>\$ 5,688,979</u>	<u>\$ (2,055,498)</u>	<u>\$ (41,036,806)</u>	<u>\$ 38,981,308</u>	<u>\$ 43,242,807</u>	<u>\$ (4,261,499)</u>	<u>\$ (42,139,734)</u>

(1) Goodwill impairment was recorded for fiscal year ended March 31, 2009 and Quarter Ended March 31, 2009; therefore, Adjusted EBITDA equals EBITDA for all other periods.