

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 (loss) 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 consolidated net income (loss) before income taxes.

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 Consolidated Net Income (Loss) Before Income Taxes:									
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
Depreciation and amortization	(9,729,733)	(4,839,007)	(4,890,726)	(18,986,651)	(4,979,937)	(14,006,714)	(4,623,999)	(9,382,715)	(4,710,293)
Goodwill impairment	-	-	-	(106,972,000)	(106,972,000)	-	-	-	-
Consolidated Income (Loss) From Operations	38,776,545	48,902,196	(10,125,651)	(54,926,321)	(78,688,508)	23,762,187	(12,471,974)	36,234,161	47,340,006
Interest and other expenses, net	(19,338,403)	(9,639,076)	(9,699,327)	(32,553,689)	(8,998,997)	(23,554,692)	(7,657,776)	(15,896,916)	(7,849,445)
Consolidated Net Income (Loss) Before Income Taxes	\$ 19,438,142	\$ 39,263,120	\$ (19,824,978)	\$ (87,480,010)	\$ (87,687,505)	\$ 207,495	\$ (20,129,750)	\$ 20,337,245	\$ 39,490,561

(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.