

BOOK *smarts*

A quarterly newsletter from Nebraska Book Company, Inc. www.nebook.com Winter 2002

Nebraska Book Company Will Feature Innovative Product Lines at Upcoming CAMEX Show In St. Louis

Nebraska Book Company plans to stand out among the mass of 7,000 exhibitors and attendees at the upcoming CAMEX Trade Show by showing off its expanded line of integrated products and services. Attendees can expect to see Nebraska Book Company's (NBC) complete connection, which includes the following:

- Quality Used Textbook Programs
- College Bookstore Management Systems
- E-commerce Solutions
- Marketing Services
- Advocacy Programs
- Buying Group Programs
- College Bookstore Design

The CAMEX Trade Show, the collegiate retailing industry's largest trade show and educational event, is scheduled for March 7 – 11, 2003. The theme for this year's show is, "It's All About Smart Business."

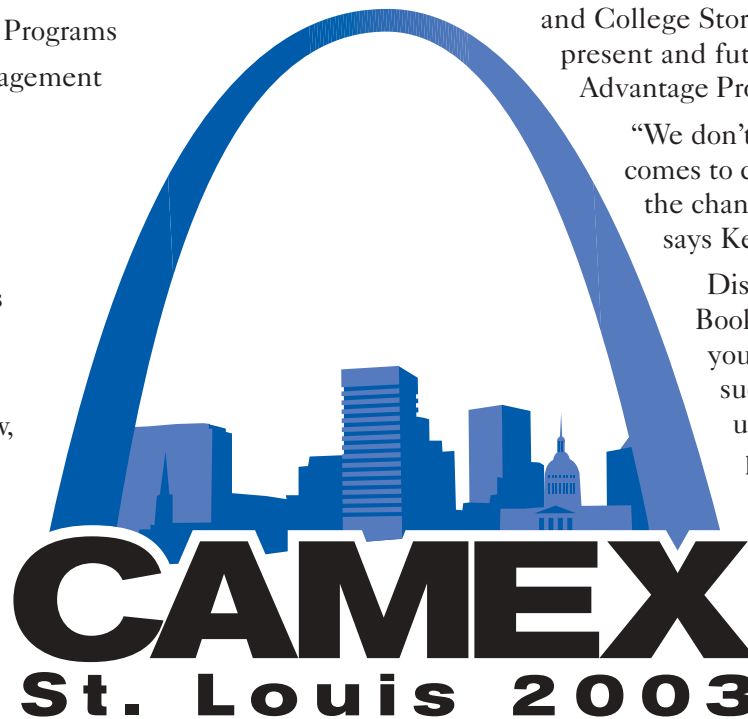
"If this year's show is about smart business, it's about Nebraska Book Company," says Mike Kelly, Senior Vice President, Complementary Services.

The newly created NBC display booth will be present for the second year. Bookstore managers can expect to be enticed by hands-on demonstrations of programs, as well as learn more about marketing opportunities.

While maintaining its reputation as a historically stellar and top-quality distributor of used textbooks, NBC plans to amaze attendees with innovative individual programs that easily work alone or together to complement smart business. In addition to CampusHub, Connect2One, PRISM and GotUsed, expect to catch a glimpse of updates on the Marketing Services and College Store Design divisions for present and future members of the Advantage Program.

"We don't want to stand still when it comes to creating programs that meet the changing needs of customers," says Kelly.

Discover how Nebraska Book Company can keep your independent bookstore successful and strong through updates on the following programs at the show.



COLLEGE STORE DESIGN has successfully redesigned 19 stores since the program began one year ago. Nebraska Book Company experts

assist bookstore staff in creating a functionally and aesthetically pleasant store for staff, as well as for the customer. Talk to the team from College Store Design to:

- Learn how to plan your store's new design
- Preview the core fixture program
- Learn about fixture and commercial floor covering sales and installation

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➤ St. Louis CAMEX Show (cont'd)

- Discuss your needs for a custom fixture design
- Ask about the communication, paging and sound system, security system sales and installation
- Learn more about the hi-tech media messaging and more

MARKETING SERVICES PROGRAM for Advantage members provides the tools necessary to successfully promote bookstores to customers:

- Learn more about the best items to use as give-aways
- Learn ways to promote your store through targeted promotions
- Talk to an NBC representative about how to drive traffic into stores through advertising
- Find out what a marketing tool kit is and how to increase sales during book rushes and buyback periods

ADVANTAGE PROGRAM allows you to receive rebates of up to 15 percent on the value of textbooks sold to NBC. When bookstores commit to sell 80 percent of their textbooks every year to NBC for a specific period of time, stores receive Advantage rebates based on the length of that commitment.

- Learn how using the program allows bookstores to use budget dollars wisely
- Find out how to increase profits using other NBC products and services with the Advantage Program
- Discuss updates to the program with NBC representatives

Nebraska Book Company has designed an all-inclusive product line in order to help keep independent bookstores competitive and independent. Stop by our booth #727 and speak with a knowledgeable representative to uncover what Nebraska Book Company can do for your bookstore at this year's event!

What our customers are saying about College Store Design!

It is fun to work in the newly designed store, and we are also hearing some very great comments on the new store from our customers.

- *Cornie Rylaarsdam, Dordt College*

Everyone was impressed and excited about NBC's plans for the bookstore.

- *Lee A. Fruitticher, Macon State College*

The project architect was very impressed with the NBC design, as was I, and he really liked many of the architectural and design elements the company injected into the plan. I'm glad that NBC also handles the design of the lighting, ceiling, etc. This is exciting, and I feel NBC's enthusiasm for this project! I think this will be a real winner!

- *Linda Freeman, County College of Morris*

What our customers are saying about the Advantage Program!

I've been amazed at what we've done as a result of participating in the program. We have saved enough money with Advantage Program dollars that we were able to upgrade our whole computer system. That was money I didn't have to pull from our budget.

- *Peggie Falgien, University of Wyoming*



CAMEX – The Tradition Continues

NBC HAS ATTENDED CAMEX for more than 40 years, and every year the company seeks opportunities to “wow” attendees. Our display booth is a must-stop on your list. This large, accessible booth is designed with sharp colors, wide-open space and hands-on demonstrations of new systems and programs. Bookstore personnel will also have a chance to sign up to win a variety of prizes.

At the show, attendees will get a glimpse of how Nebraska Book Company maintains its status as the largest textbook wholesaler in the business by evolving with the ever-changing needs of bookstores nationwide. The company’s unwavering commitment to providing solutions for bookstores has resulted in the addition of numerous programs and services that help bookstores to stay competitive in the marketplace.

The CAMEX Trade Show is an annual experience, but Nebraska Book Company is dedicated to offering its complete product line to the industry every day of the year. Each employee at NBC focuses on upholding the company’s dedication to people, products, resources, support and technology. Our NBC representatives look forward to visiting with you at the show!

MARK YOUR CALENDAR - CONNECT2ONE™ IS PLANNED FOR SECOND YEAR

For the second year, Connect2One and NACS will share the same location for the Connect2One Annual Meeting and Buying Show and the CAMEX Trade Show in 2003. The co-location will provide Connect2One members and vendors an opportunity to take advantage of both organizations’ events. For its members, Connect2One is offering value-added educational and social activities during the show.

As part of the combined show, Connect2One has scheduled an Education Day for Thursday, March 6. The day will be filled with the following:

- In-depth sessions for C2O members on supply and apparel programs
- Commodity price information
- Vendor category and product overviews
- An idea exchange and bonus sessions featuring top vendors in each of the merchandising categories

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➤ **Check Out an Innovative Product from NBC**

Introducing the e-commerce solution from TheCampusHub.com® A Web solution for everyone

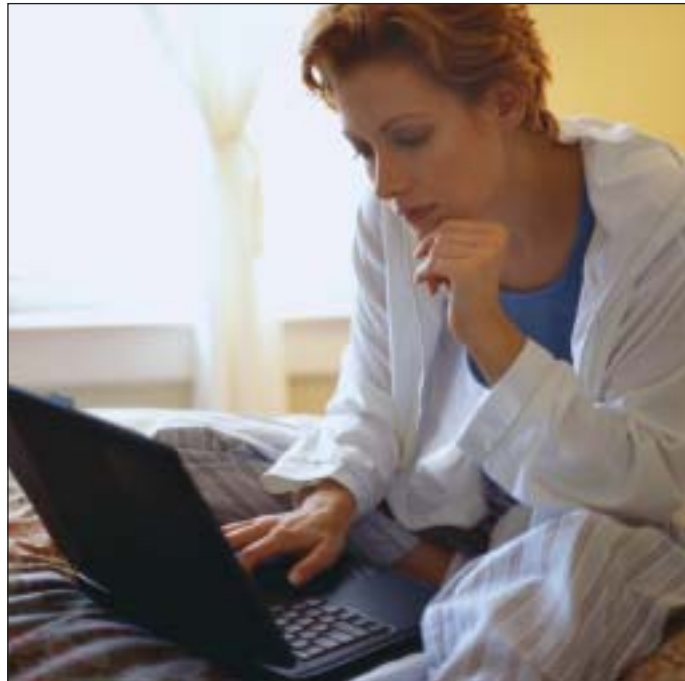
Students are being encouraged to shop around; with WebPRISM™ your “brick-and-mortar” bookstore is fortified with an online presence. WebPRISM is a comprehensive software package offering independent bookstores the tools needed to open an e-commerce site and sell directly to students over the Web. WebPRISM combines the tried-and-true features of many industry-specific back-office systems, including our own successful PRISM™ software with the latest Web technology—creating a package that can move your business forward. This turnkey e-commerce solution is designed to integrate online transactions with existing inventory, accounting and point-of-sale (POS) systems. WebPRISM is for any bookstore that wants to successfully compete with online-only booksellers or other Web-based competition. These products and services are an example of Nebraska Book Company’s commitment to deliver solutions that keep independent bookstores profitable.



Explosive Growth of Distance Learning Provides Business Niche for Nebraska Book Company

WHILE LISTENING TO A PROFESSOR LECTURE on Marketing Practices 101, one of the students is not in the typical classroom filled with hundreds of others. This non-traditional student just put her children to bed and is sitting down to begin her evening class. Distance learning, where students and teachers are connected by technology rather than classroom, offers Specialty Books a business niche in the education marketplace.

Specialty Books, Inc., a division of Nebraska Book Company (NBC), provides distribution services of textbooks and educational material for institutions, programs and students participating in distance learning programs. The company was purchased by NBC over five years ago and is growing at better than 50 percent a year. While the company started over 15 years ago, Specialty Books now employs more than 80 people and has recently relocated to a 50,000-square-foot facility in order to accommodate the company's growth.



“Nebraska Book Company saw an emerging trend in distance learning and realized that Specialty Books could successfully manage the fulfillment for these programs,” says Tom Swanson, Vice President of Specialty Books.

Specialty Books, Inc., is designed to provide a “one-stop” shop for course educational material needs:

- Textbooks
- Study guides
- Course packs
- Selected readings and original works
- Digital material
- Audio, video and CD
- Out-of-print editions, and/or anything that may be required to give students all the tools necessary to succeed in their educational experience

The typical customer for Specialty Books is considered to be the non-traditional college student. The average student in this market is a 28-year-old

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➤ Interesting facts about distance learning growth, according to research from International Data Corp.

- The number of U.S. college students enrolled in distance learning courses will reach 2.2 million in 2002, up from 710,000 in 1998.
- This number represents 15 percent of higher education students, up from five percent in 1998.
- The number of higher education institutions offering distance learning programs is also growing dramatically. By the end of the year, 85 percent of two-year colleges will offer distance learning courses, up from 58 percent in 1998.
- Eighty-four percent of four-year colleges will be offering distance learning courses, up from 62 percent in 1998.
- Distance learning has traditionally been delivered primarily through closed circuit television. Over the past two years, the Internet has replaced television as the medium of choice for distance learning.

Sales Representative of the Year Award Named After Dedicated Employee



NEBRASKA BOOK COMPANY has always recognized the value of its employees and has acknowledged individual efforts on an annual basis over the years. This year, there was a more significant, heart-felt meaning associated with the Sales Representative of

the Year Award. The yearly award will be named after Janet Mounce, a committed, hard-working and devoted employee who passed away in early July 2002.

“This award will honor and cherish her memory,” says Bill Allen, Senior Vice President.

During the Nebraska Book Company Awards Banquet, Allen took time to reflect on Janet’s work at the company:



Janet came to NBC in 1983 as a part-time stocker. She began traveling as a representative in 1989, serving Quebec, Newfoundland and the Maritime Provinces of Canada. Her work established new relationships and accounts for the company. During the 90s, she started covering the Montana, Idaho and Washington area with great success.

After finding out she had an unusual form of cancer, Janet persevered and worked off and on during her treatments. Her cancer recurred in the spring of 2000. She refused to give up and continued to work as much as she could until finally she could no longer manage the cancer in the summer of 2002.

“I visited with Janet and her family shortly before she passed away. She was moved and wished to tell everyone how honored she was to know her memory would live on in such a wonderful way,” says Allen. “I hope we honor her well.”

➤ Distance Learning (cont’d)

mother with a full-time job, according to Swanson.

The success of Specialty Books is evident with the volume of textbooks and educational material sent. Nearly 2,000 packages are shipped daily throughout the United States and overseas from the fulfillment center in Ohio.

“We have the logistics down and a strong relationship with vendors throughout the marketplace,” says Swanson.

Currently, the company maintains a successful business relationship with more than 85 programs found throughout the United States and Canada. Students are served worldwide.

Visit www.specialty-books.com for more information on Specialty Books’ services, or contact Mark Martukovich at markm@specialty-books.com or at 866-685-3780.

➤ Camex Tradition (cont’d)

A Connect2One lunch will include a virtual tour of bookstores by means of photos sent by member stores. Cash prizes will be awarded throughout the day, and social events are planned for the evenings of March 5 and 6 exclusively for store members.

In addition to the learning opportunities, Connect2One members will experience the same camaraderie between members at this combined convention that they have come to expect, even though they’re sharing the meeting venue with the larger CAMEX group. Connect2One will have a presence on the trade show floor. A booth staffed by Connect2One personnel will direct members to vendor partners with custom maps identifying partner locations.

A Profile of the College Store Industry

The following are interesting facts and figures about your industry. This data was collected from the most recent CSREF Salary and Benefits Survey and NACS member surveys.

- The typical store manager is a 47-year-old Caucasian woman with a bachelor's degree and 18 years of experience in the college store industry.
- Typically, managers run a store with annual sales of less than \$1 million.
- In 1997, 41 percent of respondents reported having more than 16 years of experience working in a college store; today, that figure is more than 48 percent.
- The number of younger college store managers is dropping. In 1997, 46 percent of managers and directors were under the age of 44, as opposed to 37 percent in more recent surveys.
- In 1997, 33 percent of them had less than eight years of experience working in a college store environment, compared to 29 percent in 2001.
- CAMEX seems to appeal to the younger audience. According to NACS, 19 percent of CAMEX attendees are under the age of 35, even though they represent only about 11 percent of the membership.

The CollegeStore, September/October 2002

Do you know what bookstore managers are saying about Nebraska Book Company?

The Gallup Organization surveyed 501 independent bookstore managers across the United States, and here is what they said about NBC:

- NBC ranked number one for being the best used textbook wholesaler in the marketplace.
- Store managers are extremely satisfied with NBC's order fulfillment capabilities.
- NBC received the highest ranking for providing fair pricing to customers.
- Store managers are extremely satisfied with the reliability of software purchased from NBC.

"We are extremely pleased with the results, says Barry Major, Chief Operating Officer. "All of us at NBC look forward to providing our customers with the same quality of products and services they have come to expect from us over the past 50 years."

www.nebook.com

WE WANT YOUR BUSINESS—NOT YOUR CUSTOMERS

- We believe the student is your customer.
- We believe the bookstore is our customer.
- We believe in integrity in business dealings.
- We believe college bookstores should be independent.
- We believe in providing solutions to keep your business independent.



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