



# Nebraska Book Company

**FOR IMMEDIATE RELEASE**

## **NEBRASKA BOOK HOLDINGS, INC. ANNOUNCES EXTENSION OF AND AMENDMENTS TO EXCHANGE OFFER**

**LINCOLN, Neb., April 15, 2016**—Nebraska Book Holdings, Inc.\* (OTC Pink: NEEB) (the “Company”) today announced that it has extended its offer to exchange (the “Exchange Offer”) up to \$125.0 million in principal amount of 2.0% Convertible Senior PIK Notes due 2026 (the “New Senior Notes”) for any and all outstanding 15.0% Senior Secured Notes due 2016 (the “Existing Notes”), and amended the conditions to the Exchange Offer as described in the Company’s Offering Memorandum dated March 18, 2016.

### *Extension of Exchange Offer*

The Exchange Offer was originally scheduled to expire at 12:00 midnight, New York City time, on April 14, 2016, unless extended. As of the close of business on April 14, 2016, approximately \$83.1 million in principal amount, or 75.5%, of the Existing Notes have been validly tendered for exchange for New Senior Notes in the Exchange Offer and not validly withdrawn. In connection with the amendments described below, the Company has extended its Exchange Offer. The new expiration date for the Exchange Offer is 12:00 midnight, New York City time, on April 28, 2016, unless further extended by the Company (the “Expiration Time”). At the Expiration Time, the Company will accept all Existing Notes tendered and not withdrawn, provided that the remaining Exchange Offer conditions have been satisfied or waived and the Expiration Time has not been further extended. The amount of New Senior Notes to be issued will be determined based upon the amount of Existing Notes tendered and accepted in the Exchange Offer and the amount of accrued and unpaid interest due at the completion of the Exchange Offer.

### *Amendment to Minimum Tender Condition*

The Company has amended the minimum tender condition to its Exchange Offer by lowering the threshold of Existing Notes that must be validly tendered and not validly withdrawn in the Exchange Offer from 95.0% to 90.0%. Only Existing Notes that have not been reacquired by the Company will be counted in determining the satisfaction of the minimum tender condition.

### *New Term Loan and Sonifi Solutions Participation Rights*

The Company is also announcing that its proposed purchase of \$70.0 million of term loans of Sonifi Solutions, Inc. in exchange for a \$31.5 million term loan issued by a newly formed subsidiary of the Company (“Newco”), created for the purpose of purchasing and holding the Sonifi loans, will settle via participation rather than assignment as previously contemplated by the Company’s Offering Memorandum. The proceeds of the new senior term loan will be used solely to acquire the Sonifi participation interest. As a closing condition to the new senior term loan, Newco will enter into the participation agreement and grant a first lien security interest in the participation interest to the senior

term loan lenders. The lenders under the ABL credit facility will also be granted a second lien security interest in the participation interest. Under the terms of the participation agreement, the Company will receive full economic participation rights with respect to the purchased loans as well as certain voting rights. The senior term loan lenders have also agreed to use commercially reasonable efforts to assign the purchased loans to Newco upon the request of the Company's board of directors. The term loans underlying the participation right are summarized below.

<u>Debtor under Term Loans Underlying Participation Right</u>	<u>Maturity</u>	<u>Principal (\$)</u>	<u>Mkt. Price</u>	<u>Mkt. Value</u>	<u>Rate (%)</u>	<u>Income (\$)</u>	<u>Current Yield (%)</u>
Sonifi Solutions Inc.....	3/31/2018	70,000,000	45.00%	31,500,000	8.00%	5,600,000	17.78%

#### *Restructuring Support Agreements*

The Company is also announcing that it has entered into restructuring support agreements with major noteholders, including MAST Capital Management, LLC on behalf of certain funds managed by it ("MAST") and other major noteholders (the "Supporting Noteholders"), who collectively hold approximately 75.5% of the Existing Notes. Pursuant to the restructuring support agreements, each of MAST and the Supporting Noteholders have committed to tendering their Existing Notes in the exchange subject to the terms and conditions set forth in the Company's Offering Memorandum, as modified as described herein. The obligations of the Supporting Noteholders are conditioned upon MAST's participation in the Exchange Offer and that no material changes are made to the terms of the New Senior Notes.

#### *Conditions to the Exchange Offer*

The closing of the Exchange Offer is subject to customary conditions, which the Company may assert or waive. These conditions have been updated to reflect the change to the minimum tender condition and the participation agreement described above and include: (1) **90.0% of the outstanding aggregate principal amount of the Existing Notes is validly tendered and not withdrawn**; (2) finalizing definitive documentation for a new senior term loan with terms and conditions reasonably acceptable to the Company and MAST, as lender; (3) **finalizing definitive documentation for the participation agreement described above**; and (4) other customary conditions described in the Company's Offering Memorandum.

All of the other terms and conditions set forth in the Company's Offering Memorandum remain unchanged. The complete terms and conditions of the Exchange Offer are described in the Company's Offering Memorandum, Letter of Transmittal and Eligibility Packet that were previously distributed to holders of the Existing Notes.

#### *Agents for the Exchange Offer*

The Company has engaged Computershare as the exchange agent and Georgeson LLC as the information agent for the Exchange Offer. Persons with questions regarding the Exchange Offer or who want to obtain additional copies of the Company's Offering Memorandum, Letter of Transmittal and Eligibility Packet should contact Georgeson LLC by telephone at 1-888-206-0860 or by email at [nebraskabook@georgeson.com](mailto:nebraskabook@georgeson.com).

**Forward-Looking Information Is Subject to Risk and Uncertainty**

This press release contains forward-looking statements that involve risks and uncertainties, as well as assumptions that, if they do not fully materialize or prove incorrect, could cause the Company's business and results of operations to differ materially from those expressed or implied by such forward-looking statements.

Such forward-looking statements include statements that discuss management's beliefs and assumptions and can be identified by the use of words such as "will," "may," "should," "expects," "plans," "anticipates," "believes," "estimates," "predicts," "intends," "potential," "continue" or the negative of such terms, or other comparable terminology. These forward-looking statements speak only as of the date of this press release. The Company undertakes no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, except to the extent required by applicable law.

Additional information regarding forward-looking statements, as well as additional risks and uncertainties that may affect results and could cause results to differ materially from those expressed in such forward-looking statements, is contained in the Risk Factors section of the Company's Offering Memorandum that was previously distributed to holders of the Existing Notes.

**About Nebraska Book Holdings, Inc.**

Nebraska Book Holdings, Inc., more commonly known as Nebraska Book Company, began in 1915 as an independent college bookstore and is now a key resources partner to over 2,000 independent college retailers nationwide. With its strategic business services and technology offerings, including localized e-commerce capabilities, back-end system access and support as well as textbook solutions, Nebraska Book Company is devoted to supporting and strengthening independent higher education retailers across the United States. For more information about Nebraska Book Company, visit [www.nebook.com](http://www.nebook.com). The Company's website is not part of or being incorporated into the Exchange Offer.

\*Nebraska Book Holdings, Inc. common stock is not listed, traded or quoted on any U.S. stock exchange but is quoted on the OTC Pink Market under the symbol NEEB.

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