Nelnet, Inc. Commences Cash Tender Offer for Up to $105,000,000 Aggregate Principal Amount of its 5.125% Senior Notes Due 2010

LINCOLN, Neb., June 24, 2009 /PRNewswire-FirstCall via COMTEX News Network/ -- Nelnet, Inc. (NYSE: NNI) (the "Company") announced today that it has commenced a cash tender offer (the "Offer") for up to $105,000,000 aggregate principal amount of its outstanding 5.125% Senior Notes due 2010 (CUSIP No. 64031NAA6) ("Notes"). The total consideration offered for Notes purchased in the Offer will be in the range of $920 to $1,000 per $1,000 principal amount of Notes, including the Early Tender Payment (as defined below) of $30 per $1,000 principal amount of Notes payable only to holders validly tendering and not validly withdrawing their Notes prior to the Early Tender Time (as defined below).

Notes validly tendered and not validly withdrawn will be accepted for payment pursuant to, and at a price determined by, an auction process.

Under the auction procedure, the Company will select the single lowest price per $1,000 principal amount of Notes (the "Tender Offer Consideration") to enable the Company to purchase up to $105,000,000 aggregate principal amount of the Notes (or, if less than $105,000,000 aggregate principal amount of the Notes are validly tendered (and not validly withdrawn), all Notes so tendered). Under the Offer, the Company will pay the same Tender Offer Consideration for all Notes accepted for purchase that were validly tendered at or below the clearing price and not validly withdrawn, upon the terms and subject to the conditions of the Offer, including the proration terms thereof. Registered holders of the Notes ("Holders") desiring to tender their Notes must specify the price at which such Holders are willing to sell their Notes to the Company, which price may not be less than $890 or greater than $970 per $1,000 principal amount of Notes (such price to be expressed in dollars in increments of $10 in such range).

In addition, the Company is offering to pay, in respect of Notes accepted for purchase pursuant to the Offer that were validly tendered and not validly withdrawn prior to midnight, New York City time, on Wednesday, July 8, 2009 (the "Early Tender Time"), a premium of $30 per $1,000 principal amount of Notes (the "Early Tender Payment"). The total consideration that the Company may pay is the sum of the Tender Offer Consideration and the Early Tender Payment (the "Total Consideration"). Only Notes validly tendered prior to the Early Tender Time (and not validly withdrawn) will be eligible to receive the Total Consideration. The Company will also pay all accrued and unpaid interest on the Notes purchased pursuant to this Offer up to, but not including, the Settlement Date (as defined below).

In the event that the amount of Notes validly tendered pursuant to the Offer prior to the Expiration Time (as defined below) (and not validly withdrawn) at or below the clearing price exceeds $105,000,000 aggregate principal amount, subject to the terms and conditions of such Offer, the Company will accept for purchase Notes validly tendered at prices at or below the clearing price (and not validly withdrawn) on a pro rata basis from among such tendered Notes up to $105,000,000 principal amount in aggregate (in each case, with appropriate adjustments to avoid purchases of Notes in a principal amount other than an integral multiple of $1,000).

The tender offer will expire at midnight, New York City time, on Wednesday, July 22, 2009, unless extended or earlier terminated (the "Expiration Time"). To be eligible to receive the Total Consideration, including the Early Tender Payment, holders of Notes must validly tender and not validly withdraw their Notes prior to the Early Tender Time. The Company will pay the Tender Offer Consideration, any Early Tender Payment and all accrued and unpaid interest on the Notes purchased pursuant to this Offer up to, but not including, the Settlement Date, in same-day funds promptly after the Expiration Time (the "Settlement Date"), which is expected to be on or about Tuesday, July 28, 2009. Nelnet expects to use available cash to pay for the Notes.

The complete terms and conditions of the Offer are set forth in the Offer to Purchase dated June 24, 2009, and the related Letter of Transmittal. Holders are urged to read the Offer documents carefully before taking any action with respect to the Offer.

J.P. Morgan Securities Inc. will act as Dealer Manager for the Offer. Persons with questions regarding the Offer should contact J.P. Morgan Securities Inc. at 866.834.4666 (toll-free) and 212.834.3424 (collect). Requests for documents may be directed to Global Bondholder Services Corporation, the Information Agent for the Offer, at 212.430.3774 or 866.540.1500.

This press release is neither an offer to purchase nor a solicitation to buy any of these Notes, nor is it a solicitation for acceptance of the tender offer. Nelnet is making the tender offer only by, and pursuant to the terms of, the Offer to Purchase and the Letter of Transmittal. The Offer is not being made in any jurisdiction in which the making or acceptance thereof would not be in compliance with the securities, blue sky or other laws of such jurisdiction. None of Nelnet or its affiliates, the Dealer Manager, the Depositary or the Information Agent is making any recommendation as to whether or not holders should tender their Notes in connection with the tender offer.

For more than 30 years, Nelnet has been helping families plan, prepare and pay for their educations.

Information contained or incorporated in this press release may be considered forward looking in nature and is subject to various risks, uncertainties, and assumptions. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those anticipated, estimated or expected. Among the key factors that may have a direct bearing on Nelnet's operating results, performance or financial condition expressed or implied by the forward-looking statements are the pending and uncertain nature of the reported federal legislation expected to significantly affect student loan programs, the uncertain nature of estimated expenses that may be incurred and cost savings that may result from Nelnet's restructuring plans, changes in terms of student loans and the educational credit marketplace, changes in the demand for educational financing or in financing preferences of educational institutions, students, and their families or changes in the general interest rate environment and in the securitization markets for education loans.

(code #: nnig)

SOURCE Nelnet, Inc.

http://www.nelnet.com

Copyright (C) 2009 PR Newswire. All rights reserved