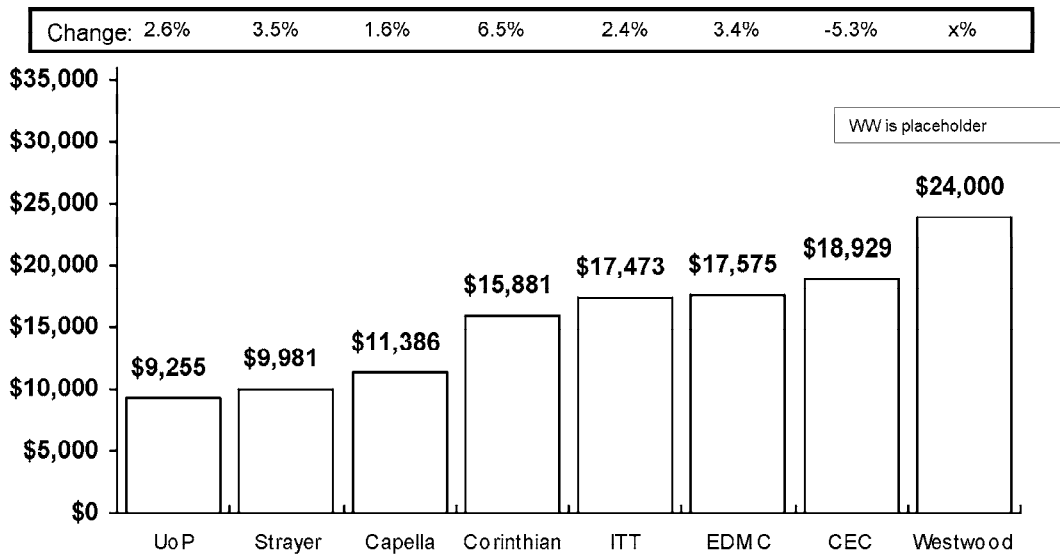


**Our revenue/student is substantially higher than our competitors have higher FT enrollment**

### Average Revenue/Student



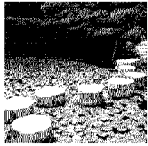
Note: TTM revenue/enrollment over that period  
Source: BMO Education and Training Annual Study; Westwood analysis

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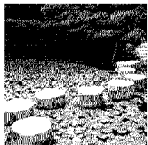
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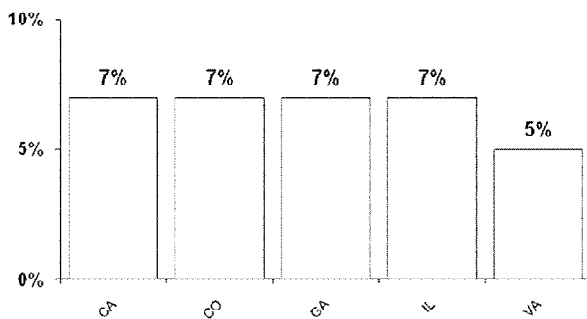
## 2009 pricing options

- » **Lowering prices by a meaningful amount (close to competitor or noticeable by students) could test several dimensions**
  - Higher start rate due to lower buyer remorse
  - Higher retention rate during repackaging
  - Whether students are elastic, and if so, how much and does that vary by School
  - Especially effective we can coincide with HLC in order to leverage potential lift from new revenue sources e.g. working adults with corporate reimbursement
  
- » **However, EBITDA requirements constrains large scale tests**
  - Proposed test to lower School of Design tuition to \$60,000 would create shortfall that is hard to overcome
    - \$1.2M in revenue or 6.5% of incremental growth
    - 262 incremental term equivalents or 18 incremental starts per term
  
- » **Small trials can provide learning while limiting exposure**
  - Ongoing regional test
    - Virginia market School of Tech and Business (see VA grand experiment slide in appendix)
    - Regional price to reflect local conditions e.g. higher CA price due to Cal Grant and highest cost city in our footprint
  - Online
    - lower price Assoc vs Bachelor in programs with no upsell opportunities (note that the Axia experiment may be over)
    - Ongoing ¾ time CJ trial (some pressure on revenue which we hope to compensate with better start and attrition)
  - Both onground and online
    - Blanket low dollar grant e.g. \$500 for all incoming students (or vary by region) to test response to incentives
    - In select programs, charge lower 1<sup>st</sup> and 2<sup>nd</sup> year tuition, increasing over time to capture higher Title IV amounts
    - In select programs, charge higher 1<sup>st</sup> and 2<sup>nd</sup> year tuition, lowering over time to gain more upfront revenue
  
- » **Additional considerations that will impact pricing decision**
  - In most markets we are already priced at top end next to ITT and Art Institute, and continued price ups will constrain our ability to test various pricing schemes given earnings impact

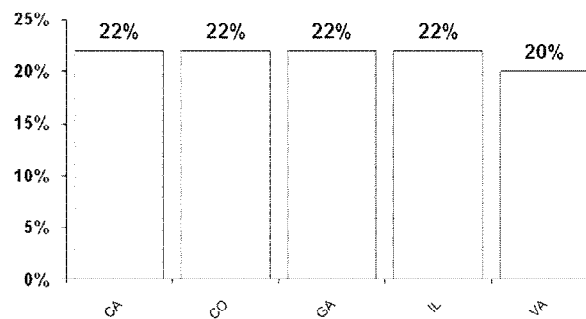


**Onground prices 20%+ higher than other than Business and Technology**

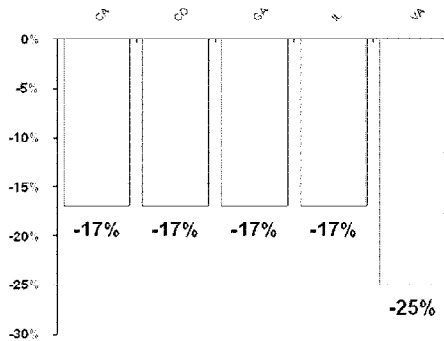
Business vs DeVry



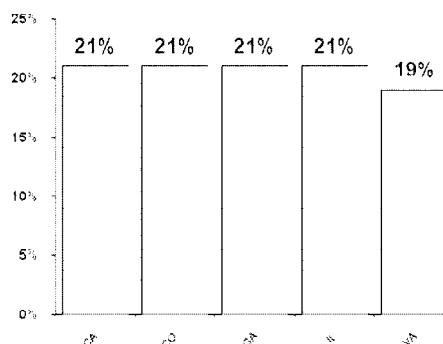
Design vs DeVry



Technology vs ITT



CJ vs DeVry



Competitor Price Increases	
DeVry	6%
ITT	5%
UoP	4%
CTU	7%
AIU	2%
Art Institute	0%
Strayer	6%
<b>Average</b>	<b>4.3%</b>

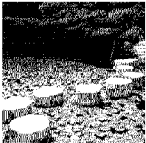
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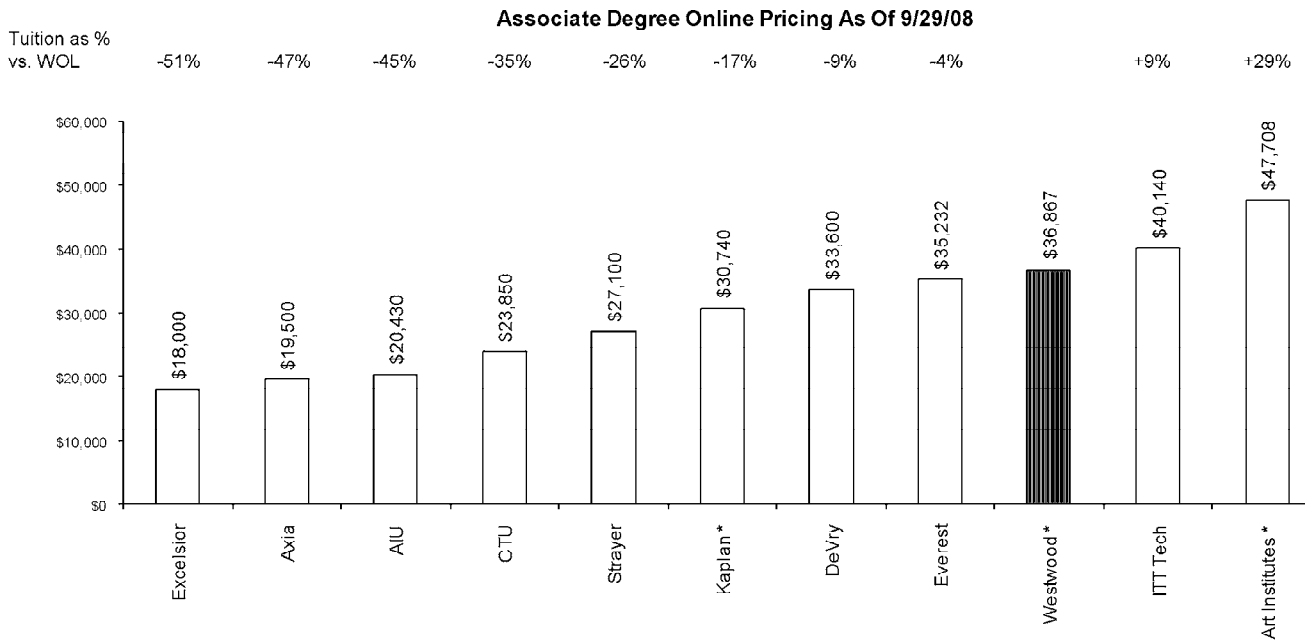
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## WOL Associate's price (incl online)



Note: All rates are restated to reflect most up to date information posted on competitor websites or catalogs

\* -- Updated Westwood (\$35 per credit), Kaplan (\$100 per term), and Art Institute (\$100 per course) costs to include online fees

-- WOL calculated for Schools of Design and Technology

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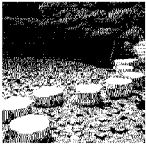
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## WOL Bachelor's price (incl online fees)

Bachelor's Degree Online Pricing As Of 9/29/08

Tuition as % vs. WOL



Year over year trend

Note: All rates are restated to reflect most up to date information posted on competitor websites or catalogs

- \* -- Updated Westwood (\$35 per credit), Kaplan (\$100 per term), and Art Institute (\$100 per course) costs to include online fees
- WOL calculated for Schools of Design, Technology and Justice. Business = \$65,025

**Avg**

10.2%

3.5%

5%

2.2%

12.8%

5.9%

5.9%

3.5%

5%

4.3%

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# 2009 pricing recommendations

## Pricing - Tuition Only

Number of Terms		Program	Virginia		ITT (Nat'l) (eff 3/1/08)		DeVry (VA) * (eff 7/1/08)		U of P (VA) (eff 7/1/08)		CTU (eff 2/24/08)		
Pre	Post		Per Term	% Change	Program	Program	% Change	Program	% Change	Program	% Change	Program	% Change
NA	13.25	Business	4,615	na	60,000	80,280	4.9%	57,590	0.5%	50,700	4.1%	51,300	3.6%
15	~13.25	Construction Management	4,659	NC	60,570								
15	15	Design	4,874	4%	73,117	80,280	4.9%	58,535	2.2%	50,700	4.1%	51,300	3.6%
NA	13.5	Technology	4,615	na	60,000	80,280	4.9%	57,590	0.5%	50,700	4.1%	51,300	3.6%
15	14	Justice	4,686	4%	70,294	80,280	4.9%	56,960	-0.6%	50,700	4.1%	51,300	3.6%

\* 2007 saw 11 DeVry campuses priced in line with Arlington (Group 3 pricing). Effective 2008, only Arlington and Bethesda remained in Group 3 pricing.

	CA, CO, IL, GA, TX**			ITT (Nat'l) (eff 3/1/08)		DeVry *** (eff 7/1/08)		AIU (eff 2/25/08)	
	Per Term	% Change	Program	Program	% Change	Program	% Change	Program	% Change
Business	4,200	4%	62,993	80,280	4.9%	56,530	6.4%	64,260	2.0%
Design	4,874	4%	73,117	80,280	4.9%	57,460	8.2%	66,780	3.8%
Technology	4,642	4%	69,623	80,280	4.9%	56,530	6.4%	64,260	2.0%
Justice	4,686	4%	70,294	80,280	4.9%	55,910	5.2%	55,080	2.0%
Healthcare (AAS)	3,951	4%	27,657	42,816	4.9%	29,530	5.7%	na	

\*\*\* DeVry moved toward national pricing from 2007 to 2008, so some regions increased far more than others within CA, CO, IL, and GA. All end at same program cost

\*\* TX calc based on this for May 2009 term

	WOL (Online Fee Not Incl.)			ITT (eff 3/1/08)		DeVry (eff 7/1/08)		AIU (eff 8/25/08)		CTU (eff 8/25/08)	
	Per Term	% Change	Program	Program	% Change	Program	% Change	Program	% Change	Program	% Change
Business	4,032	3%	60,487	80,280	4.9%	59,272	3.5%	50,940	2.2%	53,370	12.8%
Design	4,338	4.5%	65,036	80,280	4.9%	59,272	3.5%	52,920	2.1%	na	
Technology	4,338	4.5%	65,036	80,280	4.9%	59,272	3.5%	50,940	2.2%	53,370	12.8%
Justice	4,294	3%	64,413	80,280	4.9%	59,272	3.5%	49,950	2.3%	53,370	12.8%

WOL online fee increase from \$35 to \$40 to capture majority of price increase.

Cisco: Use remainder of the \$89 per course fee to pay for the \$75 subsidized first attempt at the CCNA exam (\$132.50 surplus)

### DeVry Tuition Regions - Tuition increase from Group I to Group III

Tuition: Group I @ \$7060 per term (+3%) (2007 47 campuses => 2008 62 campuses)

Tuition: Group II and Online @ \$7403 per term (+8%) (2007 16 campuses => 2008 11 campuses)

Tuition: Group III @ 7193 per term (+0.5%) (2007 12 campuses => 2008 2 campuses)

AIU Calculation: \$20,430 for Associate and \$30,510 for Bachelor's completer

completer

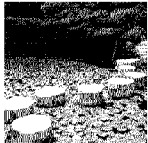
CTU Calculation: \$23,850 for Associate and \$29,520 for Bachelor's completer

completer

CTU Online: 12.8% total price increase 8/25/08 vs. 2/25/07. 5% year over year price increase effective 2/25/08 and then 7.4% price increase on top effective 8/25/08



# Appendix



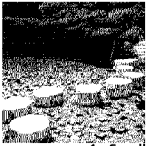
## 2008 pricing experiment

Price Change and additional factors		Conversion Rate			Start Rate			Conclusion
		J-M 07	J-M 08	% pt. change	J-M 07	J-M 08	% pt. change	
2008 BA Marketing & Sales Price Decrease (5% in IL, CA, GA) •No other variables changed	BA Marketing and Sales (-5%) School of Design (+5%) School of Technology (+5%) School of Justice (+6%)	Redacted by HELP Committee						No discernable impact
		VA*	Rest of System*	% pt. change	VA*	Rest of System*	% pt. change	
8/08 Virginia School of Technology introduction at lower price point •Stronger corporate interest •New admissions training on benefits <ul style="list-style-type: none"> <li>○ Cisco emphasis</li> <li>○ Brand new equipment in labs</li> <li>○ Instructors paid a premium</li> <li>○ Outcomes – ISS for gov't jobs</li> </ul> •New program excitement •Shorter program length •Stronger content from standardization (e.g. hands on component increased to 60% from 30%)	School of Technology** School of Design School of Justice	Redacted by HELP Committee						Very preliminary data. Impact driven by many factors.

\* Campus admissions only

\*\* IT, IT:NM, IT SS and corresponding non-standardized programs only





## 2009 VA experiment bus

1. Small percentage of cancels can be influenced
2. Across the board expereiment expensive, so recommend keeping CI pricing unchanged
3. Retention, bad debt, 90/10 impact not included

# Redacted by HELP Committee

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