
From: Kevin Modany at HQ
To: Rene Champagne at HQ; Dan Fitzpatrick at HQ
Sent: 9/14/2006 9:05:15 AM
Subject: Re: ThinkEquity/ESI: ThinkEquity Partners Growth Conference Highlights

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Check out our QA when you get back to the office. We were hit right away with a pricing question (as we suspected).

We said.....we've historically have had 5%....we look at:

- 1) ROI for students (very strong now)
- 2) Availability of financing (still good now)
- 3) Inflation rates now and going forward

After considering these options we expect 5% in 2007 and think we should be able to be around the historical range going forward.....but we'll continue to look at these three variables.

I did not....but I should have added.....right now the demand still is strong so pricing doesn't yet appear to be an issue on this front.....but we watch this as well.

----- Original Message -----

From: Rene Champagne at HQ
To: Kevin Modany at HQ; Dan Fitzpatrick at HQ
Sent: Thu Sep 14 08:09:38 2006
Subject: Re: ThinkEquity/ESI: ThinkEquity Partners Growth Conference Highlights

As I recall my comment I said we were increasing 07 pricing by 07 and that we have raised prices forever in the range of 5% to 12%. Unfortunately I then added that I believed that pricing could be increased no less than the inflation rate on a going forward basis and that we did not agree with peers who say that tuition pricing must be reduced because students can't afford higher prices. (Apollo presented before me).

Rene R. Champagne
Chairman & CEO
ITT Educational Services, Inc.
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----- Original Message -----

From: Kevin Modany at HQ
To: Rene Champagne at HQ; Dan Fitzpatrick at HQ
Sent: Thu Sep 14 06:51:44 2006
Subject: Fw: ThinkEquity/ESI: ThinkEquity Partners Growth Conference Highlights

We all need to make sure we're on the same page on the tuition pricing discussions.

Her comment that we've decided to raise prices at inflation rates instead of 5% could cause some major discussion as that could materially impact our future financial projections for many people..

Long term we need to make sure we're saying the same thing here. My plan today is to stick to the 2007 discussion and avoid any longer term price discussions at this time (but to continue to say we expect price increases in the historical range at this time but we constantly monitor available financing and the ROI as considerations when looking at tuition pricing). I hate to have us thrown into the mix with CECO and UOP

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who have begun to commoditize their offerings with price reductions.

At any point, let's discuss this more at Dan's Friday afternoon meeting....

Thanks

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