

Rasmussen Overview

Rasmussen - Proprietary & Confidential

Overview

- Rasmussen College, Inc. Introduction
- Rasmussen College Overview
 - Redacted by HELP Committee
- Rasmussen College, Inc. Leadership Team and Board Members
- Financial Review
- Key Quality Metrics
- The Offering and Valuation Information



Rasmussen - Proprietary & Confidential

2

The Vision

To be the **premier** provider of **online** educational experiences delivering Associates, Bachelors and Graduate degree programs through its **network** of online and local community campuses with \$500mn in revenue in 2014.



Rasmussen - Proprietary & Confidential

3

Basic Investment Thesis from 2003

- Tremendous trends driving post-secondary education with arrival of services economy
- Online is changing how schools need to operate
- Opportunity to build large and valuable company taking career colleges into “new model” of operation
- **Redacted by HELP Committee**
- Acquired highest quality century-old institutions in Rasmussen, Aakers and Webster with top talent in good markets
- Build a world-class bricks & clicks school serving over 15,000 students throughout Midwest and Southeast



Rasmussen - Proprietary & Confidential

4

Basic Business Model

Maintain High Academic Quality as the Market Continues to Move Online

Revenue Growth

Grow mature campuses 20% + with new student markets (HS) and new programs

Open 2-3 new campuses per year

Expand Rasmussen Online 75% + per year

Add new programs to each Redacted by HELPCO partner

Open 3-4 new Redacted by HELPCO partners per year

Profit Growth

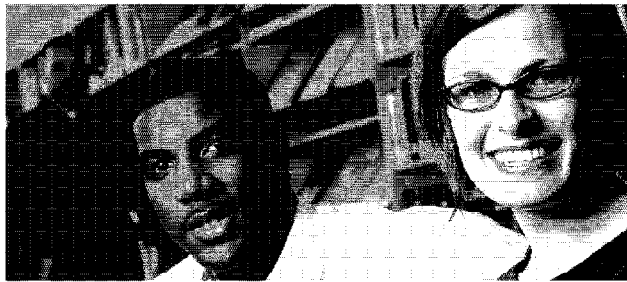
Manage Expense Growth to be less than revenue growth by a minimum of 5%

Build World Class Team of Professionals and Human Capital System



Rasmussen - Proprietary & Confidential

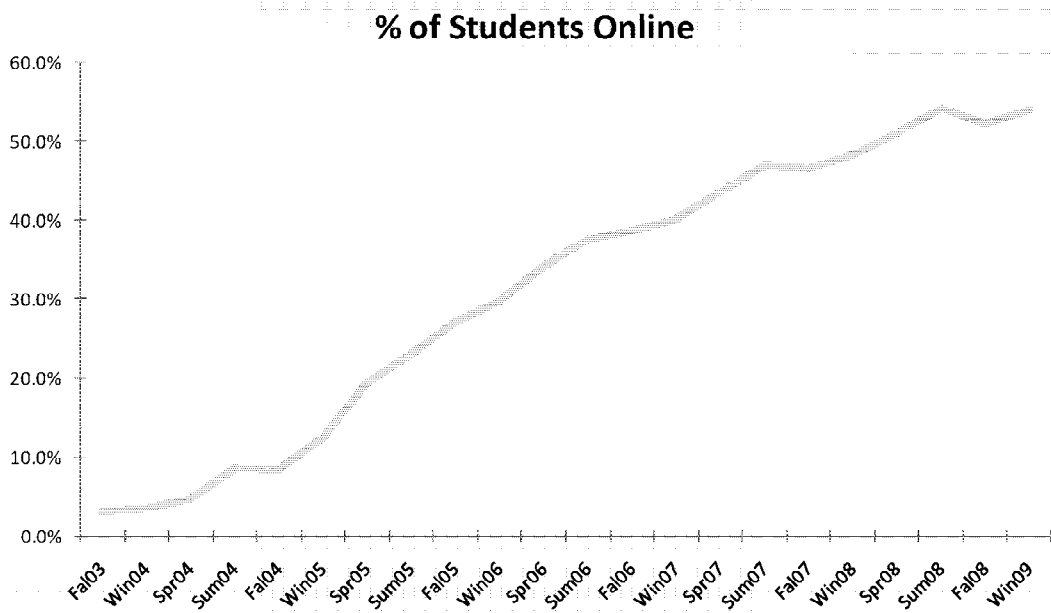
8



Rasmussen College

Rasmussen - Proprietary & Confidential

The Driving Force of Our Growth: The World is Moving Online

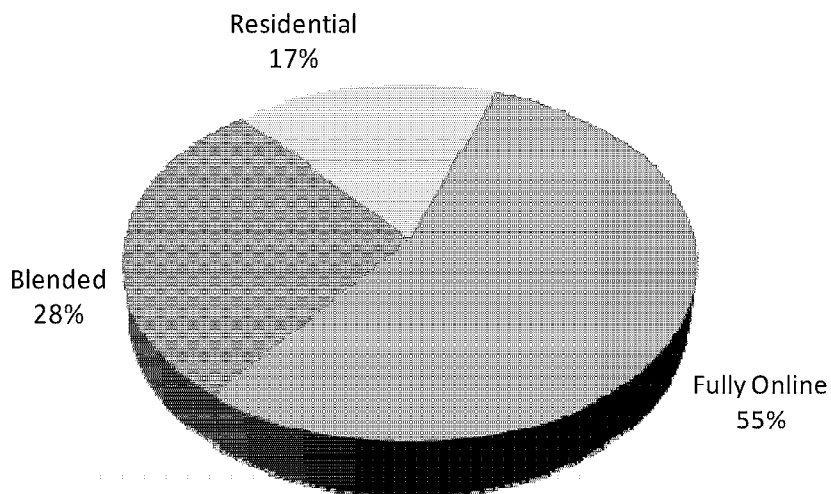


Rasmussen - Proprietary and Confidential

17

Majority of Students Now Fully Online and Only 17% Fully Residential

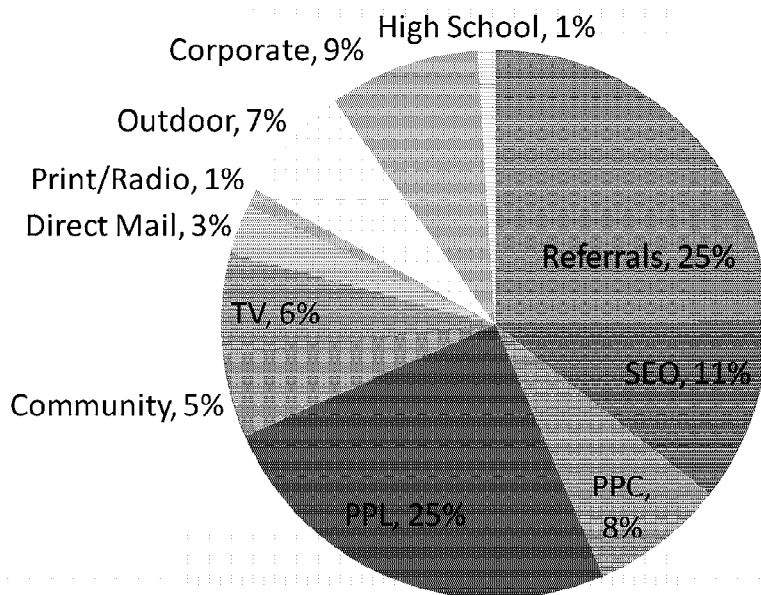
Current Quarter - Students Online Status



Rasmussen - Proprietary & Confidential

18

Online Has Also Changed Marketing: Spring 2009 Starts by Lead Source



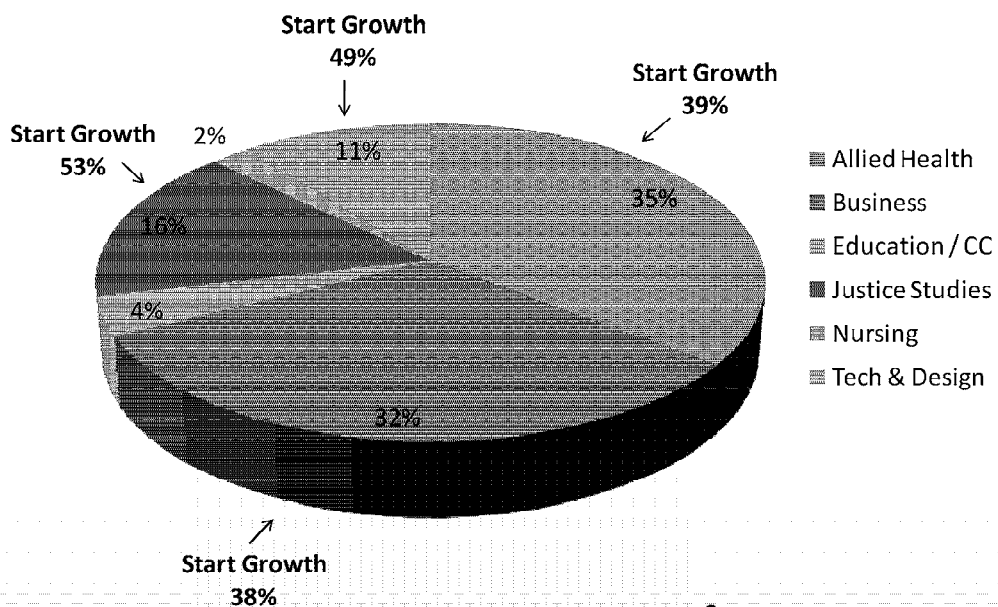
 RASMUSSEN

Rasmussen - Proprietary & Confidential

19

Starting From Scratch in 2000, Allied Health is Now Largest School

% of Enrollments

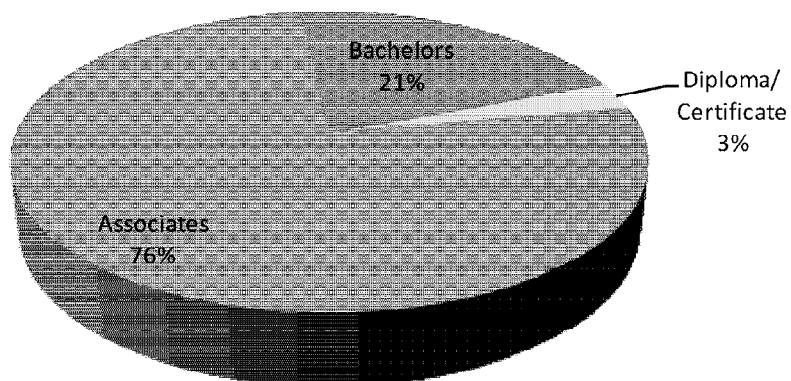


Rasmussen - Proprietary & Confidential

20

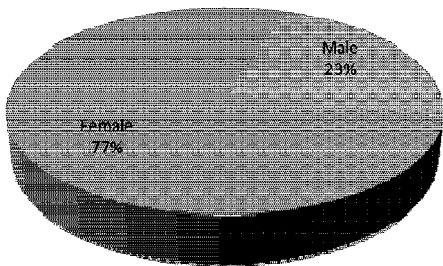
Bachelor Growing Since Introduced in 2007

Rasmussen Enrollments by Credential

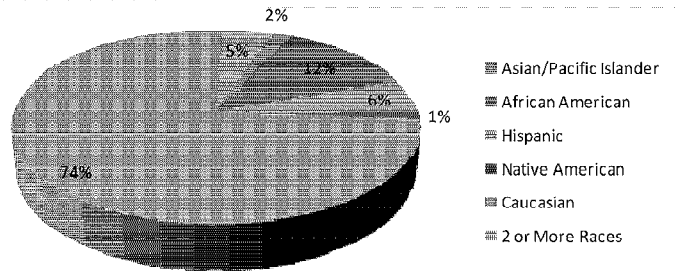


Student Profile

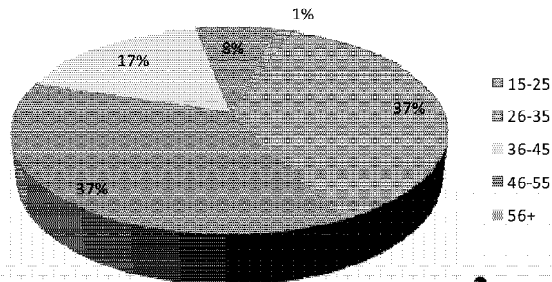
Rasmussen College July 2009 Enrollments by Gender



Rasmussen College July 2009 Enrollments by Race



Rasmussen College July 2009 Enrollments by Age



Board of Directors and Investors

Henry S. Bienen	President, Northwestern University
John A. Canning, Jr.	Chairman, Madison Dearborn Partners, LLC
James E. Cowie	Managing Partner, Frontenac Company
Therese A. Fitzpatrick	Executive V.P. and Healthcare Practice Leader, The Optime Group
Stanford J. Goldblatt, Esq.	Winston & Strawn LLP
Bernard Goldstein	Director, Broadview International
Robert E. King (Chairman)	Lead investor and 16 -year DeVry Board member; Collegis, Inc. Founder
J. Michael Locke	Chief Executive Officer, Rasmussen
Thurston E. Manning	Former Chairman of Higher Learning Commission of North Central Association, Former Board member of DeVry * Compensation Committee Chair
John C. Staley	Former Chairman, DePaul University Board of Trustees * Audit Committee Chair
Kristi Waite	President, Rasmussen College and third generation family owner * Academic Excellence Committee Chair



Risks

- Differentiation with increased competition from other for-profits (including large national online) and not for profits
- Extended losses from new campuses
- Scaling human capital effectively with growth
- Increased scrutiny from Washington and DOE in light of rapid growth
- Litigious former students and employees (e.g. Green Bay)
- Preserving culture and entrepreneurial approaches with size
- Matrix management issues between programmatic and functional experts located centrally with local general managerial organization
- Technology dependence and need to upgrade key systems
- Rhythm disrupted by minority investor



Summary of Growth Drivers

- Increased Admission Capacity
- New Programs to Existing Partners and Campuses – Drive New Programs to Sustain Mature Campuses and Partners Growth
- New Channels – Expand New Channels, such as Military, Corporate and High School to Broaden Target Market

➤ Redacted by HELP Committee

- New Geographic Locations – 2-3 New Campuses per Year FY10-FY14
- New Partners – Add 3-5 New Partners per Year - FY10 – FY14



Model Assumptions

➤ Rasmussen College

- **Start Growth** Mature Campuses: 10% - 30% Growth (Declining in Out Years)
Total Campuses: 30% - 45% Growth (Declining in Out Years)
- **Enrollment Growth** Mature Campuses: 10% - 30% Growth (Declining in Out Years)
Total Campuses: 33% - 47% Growth (Declining in Out Years)
- **Retention Rates** Flat at 82.5% - 83.0% per Quarter
- **Credit Loads** Consistent with Current Credit Loads
- **Price** Maximum of 3% Tuition Increase
- **2-3 New Campuses Launched Each Year FY10 – FY14**
- **Additional Programs Launched through Existing Campuses**

Redacted by HELP Committee

