

Q1 2014 Education Market Snapshot

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Signal Hill at a Glance

Signal Hill is a leading independent advisory boutique serving the M&A and private capital raising needs of growth companies. Signal Hill's experienced bankers provide deep domain expertise and an unyielding commitment to clients in our sectors: Internet & Digital Media, Internet Infrastructure, Services and Software. With more than 600 completed transactions and offices in Baltimore, Bangalore, Boston, Mumbai, Nashville, New York, Reston and San Francisco, Signal Hill leverages deep strategic industry and financial sponsor relationships to help our clients achieve Greater Outcomes®.

Recent Mergers & Acquisitions, Strategic Advisory Transactions













- Mergers & Acquisitions
- Equity Private Placements
- Restructurings
- Strategic Advisory
- Special Committee Advisory
- Fairness Opinions

 HAS MERGED WITH APRIL 2014	 HAS RECEIVED AN EQUITY INVESTMENT FROM MARCH 2014	 HAS BEEN ACQUIRED BY FEBRUARY 2014	 HAS RECEIVED AN INVESTMENT FROM FEBRUARY 2014	 HAS BEEN ACQUIRED BY FEBRUARY 2014	 HAS RECEIVED GROWTH EQUITY INVESTMENT FROM JANUARY 2014	 HAS BEEN ACQUIRED BY JANUARY 2014	 HAS RECEIVED AN INVESTMENT FROM DECEMBER 2013
 HAS ACQUIRED DECEMBER 2013	 HAS BEEN ACQUIRED BY DECEMBER 2013	 HAS BEEN ACQUIRED BY NOVEMBER 2013	 HAS BEEN ACQUIRED BY NOVEMBER 2013	 HAS BEEN ACQUIRED BY NOVEMBER 2013	 MAJORITY STAKE ACQUISITION BY NOVEMBER 2013	 HAS RECEIVED AN EQUITY INVESTMENT FROM OCTOBER 2013	 HAS BEEN ACQUIRED BY OCTOBER 2013
 HAS BEEN ACQUIRED BY SEPTEMBER 2013	 HAS BEEN ACQUIRED BY SEPTEMBER 2013	 HAS BEEN ACQUIRED BY AUGUST 2013	 HAS BEEN ACQUIRED BY AUGUST 2013	 HAS BEEN ACQUIRED BY AUGUST 2013	 HAS BEEN ACQUIRED BY AUGUST 2013	 MINORITY RECAPITALIZATION BY JULY 2013	 HAVE BEEN ACQUIRED BY JULY 2013
 HAS BEEN ACQUIRED BY JUNE 2013	 HAS RECEIVED EQUITY FUNDING FROM JUNE 2013	 HAS BEEN ACQUIRED BY JUNE 2013	 CERTAIN ASSETS HAVE BEEN ACQUIRED BY MAY 2013	 HAS BEEN ACQUIRED BY APRIL 2013	 HAS RECEIVED EQUITY FUNDING FROM MARCH 2013	 HAS BEEN ACQUIRED BY MARCH 2013	 HAS RECEIVED GROWTH EQUITY INVESTMENT FROM MARCH 2013

Signal Hill's Education Practice

 HAS ACQUIRED  DECEMBER 2013	 HAS BEEN ACQUIRED BY  NOVEMBER 2013	 HAS BEEN ACQUIRED BY  AUGUST 2013	 HAS BEEN ACQUIRED BY  APRIL 2013	 HAS BEEN ACQUIRED BY  FEBRUARY 2013	 HAS BEEN ACQUIRED BY  JANUARY 2013	 HAS BEEN ACQUIRED BY  OCTOBER 2012	 HAS BEEN ACQUIRED BY AN INVESTOR GROUP LED BY  SEPTEMBER 2012	 HAS BEEN ACQUIRED BY  AUGUST 2012
 HAS BEEN ACQUIRED BY  AUGUST 2012	 HAS SOLD ITS HIGHER EDUCATION READINESS DIVISION  MAY 2012	 HAS BEEN ACQUIRED BY  MAY 2012	 HAS BEEN ACQUIRED BY  MARCH 2011	 HAS BEEN ACQUIRED BY  FEBRUARY 2011	 HAS BEEN ACQUIRED BY  SEPTEMBER 2010	 \$107,000,000 INITIAL PUBLIC OFFERING AUGUST 2010	 HAS BEEN ACQUIRED BY  AUGUST 2010	 HAS BEEN ACQUIRED BY  JULY 2010
 FOLLOW-ON OFFERING MAY 2010	 EQUITY INVESTMENT  MARCH 2010	 SERIES B PRIVATE PLACEMENT LED BY  JANUARY 2010	 HAS SOLD ITS PORTFOLIO COMPANY, PENN FOSTER, TO  DECEMBER 2009	 INITIAL PUBLIC OFFERING OCTOBER 2009	 FOLLOW-ON OFFERING SEPTEMBER 2009	 HAS MERGED WITH  AUGUST 2009	 SERIES A INVESTMENT JUNE 2009	 INITIAL PUBLIC OFFERING APRIL 2009
 CONVERTIBLE PREFERRED PRIVATE PLACEMENT MARCH 2009	 CONVERTIBLE DEBT OFFERING MARCH 2009	 FOLLOW-ON OFFERING DECEMBER 2008	 HAS COMPLETED THE SALE OF  AUGUST 2006	 HAS BEEN RECAPITALIZED BY  AUGUST 2008	 HAS BEEN ACQUIRED BY  JULY 2008	 HAS COMPLETED THE SALE OF  MARCH 2008	 INITIAL PUBLIC OFFERING NOVEMBER 2007	 HAS BEEN ACQUIRED BY  NOVEMBER 2007
 HAS BEEN ACQUIRED BY  NOVEMBER 2007	 FOLLOW-ON OFFERING AUGUST 2007	 FOLLOW-ON OFFERING MAY 2007	 HAS ACQUIRED THE REMAINING INTEREST IN  SEPTEMBER 2006	 HAS BEEN ACQUIRED BY  JUNE 2006	 HAS ACQUIRED  MAY 2006	 HAS BEEN ACQUIRED BY  AUGUST 2005	 HAS ACQUIRED  FEBRUARY 2005	 HAS COMPLETED THE SALE OF  FEBRUARY 2005

Notable Q1 2014 Education M&A Transactions

Select Education Transactions, Q1 2014			
	<p>Skillssoft Acquired by Charterhouse Capital Partners EV: \$2,300.0M EBITDA Multiple: 13.5x</p>	<p>Skillssoft, a pioneer of cloud-based learning solutions for global enterprises, government and SMBs, has entered into a definitive agreement to be acquired by Charterhouse Capital Partners, a Europe-based private equity firm. Skillssoft will be acquired from Berkshire Partners, Advent International and Bain Capital.</p>	
	<p>Renaissance Learning Acquired by Hellman & Friedman EV: \$1,100.0M</p>	<p>Renaissance Learning (“Renaissance”), a K-12 assessment and learning analytics company with a presence in more than a third of U.S. schools and in 60 countries around the world, has been acquired by private equity firm Hellman & Friedman. The acquisition follows a \$40M investment in Renaissance by Google Capital in February 2014.</p>	
	<p>OnCourse Learning Acquired by CIP Capital Partners</p>	<p>OnCourse Learning (“OnCourse”), a provider of online training services for the financial services, insurance, real estate, home inspection, appraisal and information technology sectors, has been acquired by private equity firm CIP Capital. CIP Capital focuses on investments in the business information and outsourced services businesses in North America. The acquisition allows OnCourse to expand its presence in its core verticals while entering new markets seeking outsourced compliance solutions.</p>	
	<p>MyEdu Acquired by Blackboard</p>	<p>MyEdu, a provider of a popular technology platform that helps college students create an academic roadmap tailored to their academic and career goals, has been acquired by Blackboard, a global leader in enterprise technology and innovative solutions that allows thousands of higher education, K-12, professional, corporate and government organizations extend teaching and learning online, facilitate campus commerce and security and communicate more effectively with their communities. The acquisition complements Blackboard’s portfolio of solutions that focus on learner needs and student success.</p>	
	<p>Advanced Academics Acquired by Connections Education</p>	<p>The education products and service assets of Advanced Academics, an e-learning provider serving grades 6 – 12 and part of DeVry Education Group, have been acquired by Connections Education, a leading K-12 virtual education provider. The acquisition will now enable students to transfer select credits earned at DeVry Group institutions toward their high school diploma.</p>	
	<p>PeopleAdmin Acquired by Vista Equity Partners</p>	<p>PeopleAdmin, the leading provider of on-demand talent management solutions for higher education and government, has been acquired by private equity firm Vista Equity Partners (“Vista”). Vista’s involvement will provide focus and expertise, particularly in the software sector, enabling PeopleAdmin to better serve its clients and invest in its product suite.</p>	

Q1 2014 Education M&A Transactions

Date Announced	Target	Acquirer	Enterprise Value	EV / Revenue	EV / EBITDA
3/27/2014	PeopleAdmin	Vista Equity Partners	NA	NA	NA
3/17/2014	SchoolSpring	Netchemia, LLC	NA	NA	NA
3/14/2014	Skillssoft	Charterhouse Capital Partners	\$2,300.0	5.6x	13.5x
3/13/2014	Renaissance Learning	Hellman & Friedman	\$1,100.0	NA	NA
3/9/2014	CourseSmart	Vital Source	NA	NA	NA
3/4/2014	OnCourse Learning	CIP Capital Partners	NA	NA	NA
3/4/2014	Wikispaces	TSL Education	NA	NA	NA
3/4/2014	Moolaguides	Flashnotes.com	NA	NA	NA
3/4/2014	Achievement Standards Network	Desire2Learn	NA	NA	NA
3/3/2014	ExitTicket	EdStart.com	NA	NA	NA
2/10/2014	National Medical Education	Medtech	NA	NA	NA
2/7/2014	Betterfly	TakeLessons	NA	NA	NA
2/7/2014	Art Masters	Global Vision Holdings, Inc. (OTCBB:GVHI.B)	NA	NA	NA
2/6/2014	Area9 Aps	McGraw-Hill Education, Inc.	NA	NA	NA
2/3/2014	Engrade	McGraw-Hill Education, Inc.	NA	NA	NA
2/3/2014	Young Leaders Academy	Milwaukee College Prep	NA	NA	NA
1/31/2014	Virginia Intermont College	Webber International University	NA	NA	NA
1/28/2014	Alternatives Unlimited (Drop Back In Academy)	Catapult Learning	NA	NA	NA
1/27/2014	TutorSpree	WyzAnt	NA	NA	NA
1/15/2014	MyEdu	Blackboard	NA	NA	NA
1/10/2014	Northern Educate VSC	Ability Academic and Athletic LLC	NA	NA	NA
1/9/2014	SEC Institute	Practising Law Institute	NA	NA	NA
1/6/2014	Advanced Academics	Connections Education	NA	NA	NA

Q1 2014 Education Public Company Valuation Metrics

Market data as of 3/31/13 Median Metrics, except where noted	% of 52 Week High	Equity Value ⁽¹⁾ (\$ in mm)	Enterprise Value ⁽¹⁾ (\$ in mm)	Enterprise Value as a Multiple of:						Y/Y Revenue Growth '12A - '14E	EBITDA Margin 2014E
				Revenue			EBITDA				
				LTM	2014E	2015E	LTM	2014E	2015E		
Post-Secondary											
U.S. Online	81%	4,331	3,709	1.6x	1.5x	1.5x	7.0x	7.9x	6.6x	2%	22%
U.S. Site-Based/Hybrid	94%	8,448	7,692	0.7x	0.7x	0.8x	4.5x	5.1x	5.7x	(7%)	14%
U.S. Vocational	63%	1,080	894	0.5x	0.6x	0.6x	6.4x	8.0x	5.8x	(6%)	7%
International	90%	8,462	8,978	3.9x	3.1x	2.8x	22.7x	14.7x	11.3x	8%	22%
K-12	90%	2,844	3,362	2.1x	1.7x	1.5x	11.4x	10.2x	8.9x	12%	16%
Education Content & Services	93%	27,262	29,409	1.9x	1.5x	1.3x	10.0x	7.9x	6.8x	3%	20%
Corporate Learning	88%	3,391	3,780	1.5x	1.7x	1.5x	12.4x	9.5x	10.0x	10%	18%
International Education	87%	16,580	14,618	1.9x	1.5x	1.5x	12.0x	6.2x	7.7x	3%	22%

Source: Signal Hill

(1) Represents aggregate metrics of selected education companies

Q1 2014 Education Public Company Valuation Metrics

(\$ in millions, except per share data)															
Company Name	Price	% of 52	Equity	Enterprise	'12-'14E	'14E EBITDA	TEV / Revenue			TEV / EBITDA			Price / Earnings		
	03/31/14	Week High	Value	Value	Rev Growth	Margin	LTM	2014E	2015E	LTM	2014E	2015E	LTM	2014E	2015E
US Online Post-Secondary															
American Public Education	\$35.08	75%	\$622	\$527	5%	23%	1.6x	1.5x	1.4x	6.5x	6.6x	6.0x	14.9x	15.8x	14.0x
							\$329	\$347	\$370	\$81	\$80	\$88	\$2.35	\$2.22	\$2.50
Bridgepoint Education	\$14.89	73%	\$673	\$424	(16%)	8%	0.6x	0.6x	0.6x	4.6x	8.3x	6.2x	18.6x	42.7x	25.2x
							\$769	\$679	\$700	\$91	\$51	\$69	\$0.80	\$0.35	\$0.59
Capella Education	\$63.15	87%	\$789	\$646	(1%)	21%	1.6x	1.6x	1.5x	7.4x	7.5x	7.1x	22.4x	21.4x	19.8x
							\$416	\$417	\$428	\$87	\$87	\$91	\$2.81	\$2.96	\$3.19
Grand Canyon University	\$46.70	91%	\$2,247	\$2,112	14%	30%	3.5x	3.2x	2.8x	12.8x	10.5x	9.2x	24.9x	22.2x	19.7x
							\$598	\$670	\$743	\$165	\$202	\$229	\$1.88	\$2.10	\$2.37

Min			\$622	\$424	(16%)	8%	0.6x	0.6x	0.6x	4.6x	6.6x	6.0x	14.9x	15.8x	14.0x
Mean			\$1,083	\$927	1%	20%	1.8x	1.7x	1.6x	7.8x	8.2x	7.1x	20.2x	25.5x	19.7x
Median			\$731	\$587	2%	22%	1.6x	1.5x	1.5x	7.0x	7.9x	6.6x	20.5x	21.8x	19.8x
Max			\$2,247	\$2,112	14%	30%	3.5x	3.2x	2.8x	12.8x	10.5x	9.2x	24.9x	42.7x	25.2x

US Site-Based/Hybrid Post-Secondary

Apollo Group	\$34.24	95%	\$3,872	\$2,746	(15%)	18%	0.8x	0.9x	1.0x	3.8x	5.2x	6.3x	11.5x	16.6x	18.7x
							\$3,482	\$2,975	\$2,752	\$721	\$532	\$439	\$2.97	\$2.06	\$1.84
Career Education Corp.	\$7.46	94%	\$510	\$147	(14%)	(5%)	0.1x	0.1x	0.1x	NM	NM	5.1x	NM	NM	NM
							\$1,057	\$985	\$993	(\$13)	(\$50)	\$29	(\$1.87)	(\$1.28)	(\$0.38)
Corinthian Colleges	\$1.38	46%	\$120	\$164	(7%)	6%	0.1x	0.1x	0.1x	1.9x	1.9x	1.8x	30.6x	14.9x	11.5x
							\$1,527	\$1,376	\$1,347	\$89	\$88	\$93	\$0.05	\$0.09	\$0.12
DeVry	\$42.39	99%	\$2,722	\$2,451	(2%)	15%	1.3x	1.3x	1.3x	8.2x	8.7x	8.0x	21.0x	17.8x	15.6x
							\$1,926	\$1,918	\$1,912	\$298	\$280	\$306	\$2.02	\$2.38	\$2.72
Education Management Corp.	\$4.87	29%	\$625	\$1,578	(6%)	14%	0.7x	0.7x	0.7x	4.6x	4.8x	4.6x	NM	20.7x	14.8x
							\$2,408	\$2,295	\$2,311	\$343	\$327	\$342	(\$0.67)	\$0.24	\$0.33
National American University	\$3.89	95%	\$98	\$78	5%	12%	0.6x	0.6x	NA	5.9x	5.1x	NA	26.3x	18.5x	NA
							\$129	\$128	NA	\$13	\$15	NA	\$0.15	\$0.21	NA
Strayer Education	\$46.43	79%	\$501	\$528	(12%)	22%	1.0x	1.2x	1.3x	4.3x	5.6x	7.1x	10.1x	13.5x	18.7x
							\$504	\$432	\$408	\$123	\$94	\$74	\$4.62	\$3.45	\$2.49

Min			\$98	\$78	(15%)	(5%)	0.1x	0.1x	0.1x	1.9x	1.9x	1.8x	10.1x	13.5x	11.5x
Mean			\$1,207	\$1,099	(7%)	12%	0.7x	0.7x	0.8x	4.8x	5.2x	5.5x	19.9x	17.0x	15.9x
Median			\$510	\$528	(7%)	14%	0.7x	0.7x	0.8x	4.5x	5.1x	5.7x	21.0x	17.2x	15.6x
Max			\$3,872	\$2,746	5%	22%	1.3x	1.3x	1.3x	8.2x	8.7x	8.0x	30.6x	20.7x	18.7x

Q1 2014 Education Public Company Valuation Metrics

(\$ in millions, except per share data)																
Company Name	Price 03/31/14	% of 52 Week High	Equity Value	Enterprise Value	'12-'14E Rev Growth	'14E EBITDA Margin	TEV / Revenue			TEV / EBITDA			Price / Earnings			
							LTM	2014E	2015E	LTM	2014E	2015E	LTM	2014E	2015E	
US Vocational Post-Secondary																
ITT Educational Svcs.	\$28.68	63%	\$670	\$561	(11%)	15%	0.5x	0.6x	0.6x	2.0x	3.7x	3.6x	4.2x	9.3x	9.1x	
							\$1,108	\$1,009	\$1,012	\$286	\$152	\$158	\$6.79	\$3.08	\$3.14	
Lincoln Educational	\$3.77	52%	\$90	\$113	(6%)	2%	0.3x	0.3x	0.3x	6.4x	14.2x	6.0x	NM	NM	NM	
							\$345	\$335	\$348	\$18	\$8	\$19	(\$1.41)	(\$0.79)	(\$0.29)	
Universal Technical Institute	\$12.95	85%	\$319	\$221	(3%)	7%	0.6x	0.6x	0.6x	7.7x	8.0x	5.8x	NM	NM	38.2x	
							\$379	\$382	\$401	\$29	\$27	\$38	\$0.08	\$0.15	\$0.34	
			Min	\$90	\$113	(11%)	2%	0.3x	0.3x	0.3x	2.0x	3.7x	3.6x	4.2x	9.3x	9.1x
			Mean	\$360	\$298	(7%)	8%	0.5x	0.5x	0.5x	5.4x	8.6x	5.1x	4.2x	9.3x	23.7x
			Median	\$319	\$221	(6%)	7%	0.5x	0.6x	0.6x	6.4x	8.0x	5.8x	4.2x	9.3x	23.7x
			Max	\$670	\$561	(3%)	15%	0.6x	0.6x	0.6x	7.7x	14.2x	6.0x	4.2x	9.3x	38.2x
International Post-Secondary																
Anhanguera Educacional Participacoes S.A.	\$6.20	86%	\$2,711	\$2,959	8%	22%	3.9x	3.2x	2.8x	26.3x	14.7x	11.3x	52.8x	21.5x	14.4x	
							\$768	\$916	\$1,069	\$113	\$202	\$261	\$0.12	\$0.29	\$0.43	
Estácio Participações S.A	\$10.13	98%	\$2,972	\$2,975	22%	22%	4.1x	3.0x	2.5x	22.7x	13.6x	10.7x	28.8x	16.7x	13.3x	
							\$733	\$1,008	\$1,188	\$131	\$218	\$277	\$0.35	\$0.61	\$0.76	
Navitas Limited	\$6.77	94%	\$2,543	\$2,642	7%	17%	3.7x	3.1x	2.8x	21.7x	18.0x	14.9x	37.5x	29.3x	23.3x	
							\$714	\$840	\$943	\$122	\$147	\$178	\$0.18	\$0.23	\$0.29	
Raffles Education Corporation Limited	\$0.23	79%	\$236	\$402	NA	NA	4.0x	NA	NA	NM	NA	NA	11.1x	NA	NA	
							\$100	NA	NA	(\$26)	NA	NA	\$0.02	NA	NA	
			Min	\$236	\$402	7%	17%	3.7x	3.0x	2.5x	21.7x	13.6x	10.7x	11.1x	16.7x	13.3x
			Mean	\$2,116	\$2,244	13%	20%	3.9x	3.1x	2.7x	23.6x	15.4x	12.3x	32.6x	22.5x	17.0x
			Median	\$2,627	\$2,801	8%	22%	3.9x	3.1x	2.8x	22.7x	14.7x	11.3x	33.2x	21.5x	14.4x
			Max	\$2,972	\$2,975	22%	22%	4.1x	3.2x	2.8x	26.3x	18.0x	14.9x	52.8x	29.3x	23.3x

Q1 2014 Education Public Company Valuation Metrics

Company Name	(\$ in millions, except per share data)															
	Price 03/31/14	% of 52 Week High	Equity Value	Enterprise Value	'12-'14E Rev Growth	'14E EBITDA Margin	TEV / Revenue			TEV / EBITDA			Price / Earnings			
							LTM	2014E	2015E	LTM	2014E	2015E	LTM	2014E	2015E	
K-12 Education																
Bright Horizons Family Solutions, Inc.	\$39.11	98%	\$2,679	\$3,413	13%	18%	2.8x	2.5x	2.3x	14.8x	14.0x	12.6x	32.6x	27.0x	22.7x	
							\$1,219	\$1,360	\$1,490	\$231	\$243	\$272	\$1.20	\$1.45	\$1.72	
Cambium Learning	\$2.13	84%	\$97	\$207	NA	NA	1.4x	NA	NA	6.2x	NA	NA	NM	NA	NA	
							\$151	NA	NA	\$33	NA	NA	(\$0.24)	NA	NA	
Nord Anglia Education, Inc.	\$19.17	96%	\$1,819	\$2,346	NA	NA	6.3x	NA	NA	26.8x	NA	NA	NM	NA	NA	
							\$370	NA	NA	\$88	NA	NA	(\$0.30)	NA	NA	
K12 Inc.	\$22.65	59%	\$927	\$809	11%	14%	0.9x	0.9x	0.8x	8.0x	6.3x	5.3x	NM	24.4x	18.8x	
							\$873	\$951	\$1,047	\$101	\$129	\$154	\$0.29	\$0.93	\$1.21	

Min			\$97	\$207	11%	14%	0.9x	0.9x	0.8x	6.2x	6.3x	5.3x	32.6x	24.4x	18.8x
Mean			\$1,381	\$1,694	12%	16%	2.9x	1.7x	1.5x	13.9x	10.2x	8.9x	32.6x	25.7x	20.7x
Median			\$1,373	\$1,578	12%	16%	2.1x	1.7x	1.5x	11.4x	10.2x	8.9x	32.6x	25.7x	20.7x
Max			\$2,679	\$3,413	13%	18%	6.3x	2.5x	2.3x	26.8x	14.0x	12.6x	32.6x	27.0x	22.7x

Educational Content & Services

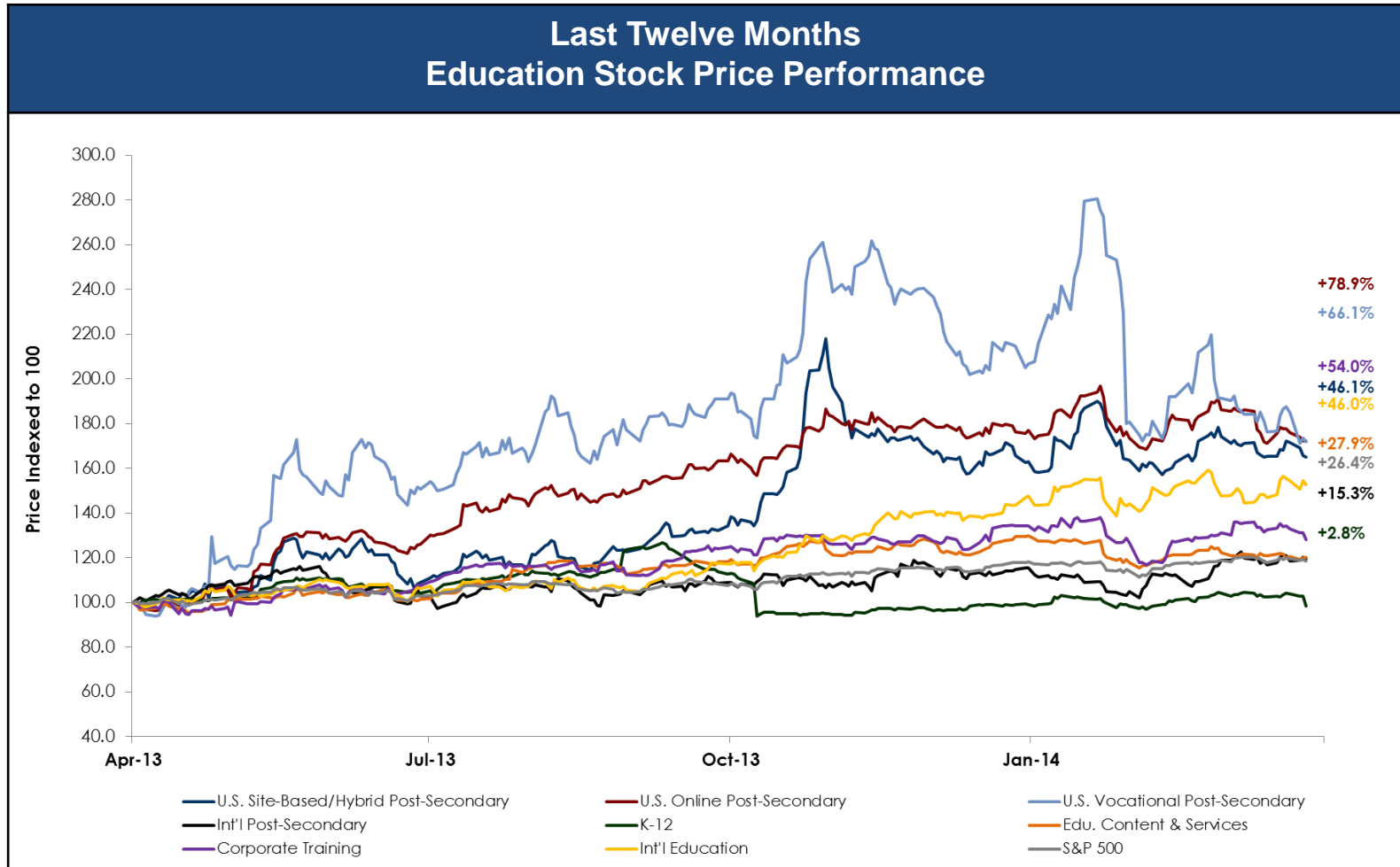
2U	\$13.65	92%	\$594	\$587	NA	NA	7.1x	NA	NA	NM	NA	NA	NM	NA	NA
							\$83	NA	NA	(\$23)	NA	NA	(\$0.89)	NA	NA
Chegg, Inc.	\$7.00	62%	\$574	\$460	22%	21%	1.8x	1.5x	1.2x	16.7x	7.0x	4.2x	NM	NM	41.2x
							\$256	\$315	\$399	\$27	\$65	\$110	(\$7.58)	(\$0.30)	\$0.17
John Wiley & Sons Inc.	\$57.64	98%	\$3,417	\$3,736	1%	21%	2.1x	2.1x	2.0x	11.8x	9.8x	9.1x	25.9x	17.4x	15.7x
							\$1,764	\$1,792	\$1,860	\$318	\$379	\$412	\$2.22	\$3.32	\$3.68
Houghton Mifflin Harcourt	\$20.33	97%	\$2,941	\$2,762	7%	24%	2.0x	1.9x	1.8x	NM	7.9x	6.7x	NM	NM	29.1x
							\$1,379	\$1,481	\$1,552	\$297	\$349	\$410	(\$0.63)	\$0.11	\$0.70
Pearson plc	\$17.72	76%	\$14,347	\$16,943	1%	17%	2.0x	2.0x	1.9x	NM	11.8x	10.3x	29.5x	16.2x	13.5x
							\$8,397	\$8,287	\$8,774	\$1,365	\$1,433	\$1,638	\$0.60	\$1.09	\$1.31
Rosetta Stone	\$11.22	61%	\$237	\$126	4%	7%	0.5x	0.4x	0.4x	NM	6.2x	5.5x	NM	NM	NM
							\$265	\$293	\$315	(\$8)	\$20	\$23	(\$0.72)	(\$0.20)	\$0.01
Scholastic Corporation	\$34.48	94%	\$1,110	\$1,268	(6%)	6%	0.7x	0.7x	0.7x	8.2x	12.0x	9.0x	27.4x	20.5x	17.6x
							\$1,780	\$1,813	\$1,869	\$155	\$106	\$141	\$1.26	\$1.68	\$1.96
Graham Holdings Company	\$703.75	94%	\$5,209	\$4,575	3%	20%	1.3x	1.3x	1.3x	7.5x	6.6x	6.8x	27.3x	19.7x	19.3x
							\$3,488	\$3,546	\$3,542	\$614	\$692	\$668	\$25.79	\$35.70	\$36.55

Min			\$237	\$126	(6%)	6%	0.5x	0.4x	0.4x	7.5x	6.2x	4.2x	25.9x	16.2x	13.5x
Mean			\$3,554	\$3,807	5%	16%	2.2x	1.4x	1.3x	11.0x	8.8x	7.4x	27.5x	18.4x	22.7x
Median			\$2,026	\$2,015	3%	20%	1.9x	1.5x	1.3x	10.0x	7.9x	6.8x	27.3x	18.5x	18.4x
Max			\$14,347	\$16,943	22%	24%	7.1x	2.1x	2.0x	16.7x	12.0x	10.3x	29.5x	20.5x	41.2x

Q1 2014 Education Public Company Valuation Metrics

(\$ in millions, except per share data)															
Company Name	Price	% of 52	Equity	Enterprise	'12-'14E	'14E EBITDA	TEV / Revenue			TEV / EBITDA			Price / Earnings		
	03/31/14	Week High	Value	Value	Rev Growth	Margin	LTM	2014E	2015E	LTM	2014E	2015E	LTM	2014E	2015E
Corporate Learning															
Franklin Covey Co.	\$19.77	88%	\$330	\$351	10%	18%	1.8x	1.7x	1.5x	12.4x	9.2x	NA	24.2x	20.3x	18.0x
							\$196	\$212	\$233	\$28	\$38	NA	\$0.82	\$0.97	\$1.10
Corporate Executive Board Co.	\$74.23	92%	\$2,497	\$2,893	20%	25%	3.5x	3.2x	2.9x	16.3x	12.8x	11.6x	NM	22.7x	20.1x
							\$820	\$904	\$990	\$177	\$226	\$249	\$0.94	\$3.27	\$3.69
GP Strategies Corp.	\$27.23	88%	\$521	\$521	10%	11%	1.2x	1.1x	1.0x	11.5x	9.5x	8.4x	22.1x	18.8x	16.2x
							\$437	\$490	\$531	\$45	\$55	\$62	\$1.23	\$1.45	\$1.69
Learning Tree International Inc.	\$3.25	74%	\$43	\$15	NA	NA	0.1x	NA	NA	NM	NA	NA	NM	NA	NA
							\$116	NA	NA	(\$2)	NA	NA	(\$0.50)	NA	NA
Min			\$43	\$15	10%	11%	0.1x	1.1x	1.0x	11.5x	9.2x	8.4x	22.1x	18.8x	16.2x
Mean			\$848	\$945	14%	18%	1.7x	2.0x	1.8x	13.4x	10.5x	10.0x	23.2x	20.6x	18.1x
Median			\$426	\$436	10%	18%	1.5x	1.7x	1.5x	12.4x	9.5x	10.0x	23.2x	20.3x	18.0x
Max			\$2,497	\$2,893	20%	25%	3.5x	3.2x	2.9x	16.3x	12.8x	11.6x	24.2x	22.7x	20.1x
International Education															
Benesse Holdings, Inc.	\$38.32	91%	\$3,686	\$2,783	(5%)	11%	0.6x	0.6x	0.6x	5.4x	5.3x	5.0x	19.1x	19.1x	17.7x
							\$4,384	\$4,657	\$4,785	\$514	\$528	\$554	\$2.00	\$2.00	\$2.16
ChinaEdu Corporation	\$6.90	90%	\$59	\$71	NA	NA	0.8x	NA	NA	2.7x	NA	NA	9.7x	NA	NA
							\$88	NA	NA	\$26	NA	NA	\$0.71	NA	NA
Educomp Solutions Limited	\$0.42	34%	\$52	\$406	3%	24%	2.8x	1.5x	NA	30.0x	6.2x	NA	NM	1.6x	NA
							\$143	\$269	NA	\$14	\$65	NA	(\$0.45)	\$0.27	NA
Kroton Educacional S.A.	\$22.11	98%	\$5,934	\$5,992	27%	42%	7.0x	5.4x	4.8x	21.8x	12.8x	13.6x	27.2x	19.5x	15.8x
							\$854	\$1,110	\$1,240	\$274	\$470	\$440	\$0.81	\$1.14	\$1.40
Megastudy Co. Ltd.	\$67.01	80%	\$418	\$297	2%	21%	1.0x	0.9x	0.9x	4.9x	4.4x	3.8x	11.6x	9.4x	7.9x
							\$300	\$319	\$347	\$60	\$67	\$78	\$5.77	\$7.09	\$8.49
New Oriental Education & Technology Group	\$29.35	85%	\$4,599	\$3,507	22%	22%	3.3x	2.7x	2.2x	15.3x	12.4x	10.4x	24.7x	16.5x	13.3x
							\$1,055	\$1,288	\$1,575	\$230	\$283	\$337	\$1.19	\$1.78	\$2.20
NIIT Ltd.	\$0.45	91%	\$74	\$74	(14%)	7%	0.5x	0.4x	0.4x	8.7x	5.8x	4.8x	NM	8.9x	7.1x
							\$150	\$180	\$186	\$9	\$13	\$16	\$0.01	\$0.05	\$0.06
TAL Education Group	\$22.52	85%	\$1,758	\$1,488	33%	22%	4.7x	3.8x	2.9x	23.0x	17.5x	13.8x	29.6x	26.0x	19.4x
							\$314	\$389	\$505	\$65	\$85	\$108	\$0.76	\$0.87	\$1.16
Min			\$52	\$71	(14%)	7%	0.5x	0.4x	0.4x	2.7x	4.4x	3.8x	9.7x	1.6x	7.1x
Mean			\$2,073	\$1,827	10%	21%	2.6x	2.2x	2.0x	14.0x	9.2x	8.6x	20.3x	14.4x	13.5x
Median			\$1,088	\$947	3%	22%	1.9x	1.5x	1.5x	12.0x	6.2x	7.7x	21.9x	16.5x	14.5x
Max			\$5,934	\$5,992	33%	42%	7.0x	5.4x	4.8x	30.0x	17.5x	13.8x	29.6x	26.0x	19.4x

LTM Relative Education Stock Price Performance



Select Q1 2014 Education Financing Activity

Date Announced	Target	Investor(s)	Subsector	Amount Raised (\$M)
3/31/2014	JumpStart	Telesoft Partners; Hercules Technology Growth Capital, Inc. (NYSE:HTGC)	Education Software	\$13.0
3/25/2014	Service Scout, Inc.	CrossLink Capital, Inc.; SoftTech VC; Triangle Peak Partners, Inc.; Lightbank LLC; Moore Venture Partners	Online Education	\$7.0
3/19/2014	Meducation	Technology Strategy Board	Education Software	\$1.0
3/16/2014	Detroit Institute of Music Education	Beringea LLC	Professional Skill Training	\$3.0
3/7/2014	General Assembly	Institutional Venture Partners, GSV Capital, Rethink Education, Maveron, Western Technology Investment	Professional Skill Training	\$35.0
3/6/2014	Quipper	Atomico, Benesse	Education Software	\$5.8
3/5/2014	ePals Corporation (TSXV:SLN)	ZG Ventures, LLC; Shaman III, LLC	Education Media	\$4.1
3/5/2014	GuideSpark, Inc.	IDG Ventures; New Enterprise Associates; Storm Ventures LLC	Professional Skill Training	\$15.0
2/28/2014	Learn-It Systems, LLC	Spell Capital Partners LLC	Tutoring Services	\$5.5
2/27/2014	Smarterer	Rethink Education	Professional Skill Training	\$1.6
2/26/2014	Knowledge Delivery Systems	Edison Venture Fund	Professional Skill Training	\$9.8
2/19/2014	Renaissance Learning	Google Capital	Education Software	\$40.0
2/18/2014	Duolingo	Kleiner Perkins Caufield and Bryers, New Enterprise Associates, Union Square Ventures	Online Education	\$20.0
2/17/2014	Varsity News Network, LLC	Invest Detroit; North Coast Technology Investors, LP; Ann Arbor SPARK, Investment Arm; Arsenal Venture Partners, inc.; Start Garden; RSL Venture Partners	Social Education	\$3.0
2/5/2014	Citelighter	New York Angels, Blu Ventures, Harvard Business School Angels of New York City, and EdTechFund	Education Software	\$1.5
2/5/2014	Allouue	TEDCO, Baltimore Angels and Shulman Ventures	Education Software	\$0.8
2/4/2014	Remind101	Kleiner Perkins Caufield and Bryers	Social Education	\$15.0
2/4/2014	AtTask, Inc.	JMI Equity; Greenspring Associates, Inc.; Escalate Capital Partners; University Venture Fund	Education Software	\$38.0
2/3/2014	Flashnotes	Stage 1 Ventures, Runa Capital, Soft Bank Capital and Atlas Venture	Social Education	\$3.6
1/29/2014	Flat World	Bessemer Venture Partners	Education Software	\$9.5
1/28/2014	Epic!	Melno Ventures, Webb Investment Network, Innocation Endeavors, Maven Ventures, Morado Ventures	Education Software	\$1.4
1/15/2014	Sciencescape	NA	Education Software	\$2.5
1/3/2014	Ubiquity University	NA	Online Education	\$15.0



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