

Q4 2014 Education Market Snapshot

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Signal Hill at a Glance

Signal Hill, named *2014 Boutique Investment Bank of the Year* by the Global M&A Network, 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 ACQUIRED JANUARY 2015	 HAS RECEIVED GROWTH EQUITY INVESTMENT FROM DECEMBER 2014	 RECEIVED A SIGNIFICANT GROWTH EQUITY INVESTMENT FROM DECEMBER 2014	 HAS SOLD GANNETT HEALTHCARE GROUP TO DECEMBER 2014	 THE LEADER IN DIGIFICATION HAS RECEIVED GROWTH EQUITY INVESTMENT FROM NOVEMBER 2014	 HAS ACQUIRED NOVEMBER 2014	 HAS ACQUIRED NOVEMBER 2014	 HAS MADE A STRATEGIC INVESTMENT IN OCTOBER 2014
 HAS BEEN ACQUIRED BY OCTOBER 2014	 HAS BEEN ACQUIRED BY SEPTEMBER 2014	 HAS RECEIVED GROWTH EQUITY INVESTMENT FROM AUGUST 2014	 HAS SOLD R I SOFT TO AUGUST 2014	 HAS BEEN ACQUIRED BY JULY 2014	 HAS RECEIVED A SIGNIFICANT INVESTMENT FROM JULY 2014	 DIVESTITURE OF JULY 2014	 HAS MERGED WITH JUNE 2014
 HAS SOLD CERTAIN ASSETS TO JUNE 2014	 HAS BEEN ACQUIRED BY JUNE 2014	 HAS RECEIVED GROWTH EQUITY INVESTMENT FROM JUNE 2014	 COMPLETES SALE OF SELECT BUSINESSES TO JUNE 2014	 RECEIVED MAJORITY INVESTMENT FROM JUNE 2014	 HAS BEEN ACQUIRED BY JUNE 2014	 HAS BEEN ACQUIRED BY MAY 2014	 HAS BEEN ACQUIRED BY MAY 2014
 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

Signal Hill's Education Practice

 HAS SOLD GANNETT HEALTHCARE GROUP TO DECEMBER 2014	 HAS RECEIVED A SIGNIFICANT INVESTMENT FROM JULY 2014	 COMPLETES SALE OF SELECT BUSINESSES TO Safanad Education Ventures Limited JUNE 2014	 HAS ACQUIRED Newton Alliance, LLC 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 BEEN ACQUIRED BY 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 ANDRES BELLO SEPTEMBER 2006	 HAS BEEN ACQUIRED BY JUNE 2006	 HAS ACQUIRED MAY 2006

Notable Q4 2014 Education M&A Transactions

Select Education Transactions, Q4 2014

Gannett Healthcare Group

GANNETT

**Gannett Healthcare Group
Acquired by OnCourse
Learning**

Signal Hill advised Gannett. Gannett Co. Inc. (NYSE: GCI), an international media and marketing solutions company, has sold Gannett Healthcare Group (“GHG”) to OnCourse Learning, an online education and training provider. GHG is a leading provider of continuing education, certification test preparation, online recruitment, digital media, publications and related services for nurses and healthcare professionals in the U.S.



royall&company

**Royall & Co. Acquired by The
Advisory Board**
EV: \$850.0M
Revenue Multiple: 7.8x

Royall & Co., the higher education industry leader in strategic, data-driven student engagement and enrollment management solutions, has been acquired by The Advisory Board (Nasdaq: ABCO), a global, insight-driven technology, research and services provider. The addition of Royall & Co. strengthens The Advisory Board’s strategy of developing service offerings to aid members across the entire student lifecycle by adding new front-end student engagement and enrollment capabilities to the Company’s portfolio.



RELIAS | LEARNING

**Relias Learning to be Acquired
by Bertelsmann**
EV: \$540.0M

Relias Learning, the leader in SaaS-based training and compliance solutions for the health and human services market, has entered into an agreement to be acquired by Bertelsmann, the preeminent global media company based in Germany. Bertelsmann is buying Relias Learning from Vista Equity Partners and LLR Partners.

BERTELSMANN



Global Knowledge

**Global Knowledge to be
Acquired by Rhone Capital**

Global Knowledge, the leading global provider of IT and business skills training, has agreed to be acquired by Rhone Capital, a global private equity firm. Global Knowledge educates more than 200,000 corporate professionals across 22,000 class sessions each year, working with preeminent technology companies including Cisco, Microsoft and VMware. Global Knowledge is being sold from MidOcean Partners.

R H Ô N E



**VectorLearning Acquired by
Providence Equity Partners**

LLR Partners has sold a majority stake in VectorLearning, a leading SaaS-based provider of digital compliance and professional development training solutions, to Providence Equity Partners. LLR Partners is reinvesting a portion of its existing equity in exchange for a minority stake in the newly recapitalized company.

PROVIDENCEEQUITY

Q4 2014 Education M&A Transactions

Date Announced	Target	Acquirer	Enterprise Value	EV / Revenue	EV / EBITDA
12/30/2014	Edu-Performance Canada Inc.	Management Buyout	\$0.3	NA	NA
12/29/2014	Gannett Healthcare Group	OnCourse Learning	NA	NA	NA
12/26/2014	VectorLearning	Providence Equity Partners	NA	NA	NA
12/11/2014	Royall & Co.	Advisory Board	\$850.0	7.8x	18.6x
12/2/2014	Oakstone Publishing, LLC	A.D.A.M., Inc.	NA	NA	NA
12/1/2014	Superior Training Solutions, Inc.	Lifeloc Technologies, Inc. (OTCPK:LCTC)	NA	NA	NA
12/1/2014	The Training Factor, LLC	Grace Hill, Inc.	NA	NA	NA
11/20/2014	Zipfian Academy	Galvanize	NA	NA	NA
11/19/2014	Smarterer	Pluralsight	\$75.0	NA	NA
11/19/2014	Corinthian Colleges Inc., 56 Everest and WyoTech Campuses	Zenith Education Group, Inc.	\$24.0	NA	NA
11/19/2014	ABE Systems, Inc.	ScholarChip Card LLC	NA	NA	NA
11/18/2014	Gambassa, Inc.	Greenwood Hall, Inc. (OTCPK:ELRN)	NA	NA	NA
11/14/2014	RealWeld Systems, Inc.	Lincoln Electric Holdings Inc. (NasdaqGS:LECO)	NA	NA	NA
11/13/2014	ParentLink	Blackboard	NA	NA	NA
11/11/2014	Spectrum	Liason International	NA	NA	NA
11/10/2014	Global Knowledge, Inc.	Rhone Capital	NA	NA	NA
11/4/2014	LeaseHawk, online education division	Grace Hill	NA	NA	NA
11/3/2014	School Reach	West Corporation	NA	NA	NA
11/3/2014	Varsity Brands, Inc.	Charlesbank Capital Partners, LLC	NA	NA	NA
10/31/2014	Intelligent Business Entertainment Inc.	NYSE Holdings LLC	NA	NA	NA
10/30/2014	Urban Planet Media & Entertainment Corp.	Sibling Group Holdings, Inc. (OTCPK:SIBE)	NA	NA	NA
10/30/2014	Justin Craig Education	Mander Portman Woodward	NA	NA	NA
10/28/2014	Avatar Training Management System	Truenorthlogic	NA	NA	NA
10/21/2014	Relias Learning	Bertelsmann	\$540.0	NA	NA
10/16/2014	Accent Training, LLC	New Horizons at Logical Operations	NA	NA	NA
10/14/2014	Smart Toy	Cartwheel Kids	NA	NA	NA
10/9/2014	Modern Star Pty Ltd	Navis Capital Partners	NA	NA	NA
10/7/2014	LightSide Labs	Turnitin	NA	NA	NA

Q4 2014 Education Public Company Valuation Metrics

Market data as of 12/31/13 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	84%	4,372	3,718	1.8x	1.7x	1.7x	8.2x	7.9x	7.4x	3%	22%
U.S. Site-Based/Hybrid	88%	8,178	7,220	0.3x	0.3x	1.0x	3.5x	4.2x	6.8x	(9%)	14%
U.S. Vocational	52%	535	557	0.3x	0.3x	0.3x	7.0x	6.9x	5.2x	(7%)	8%
International	95%	4,631	4,913	3.2x	2.6x	2.2x	13.6x	13.4x	10.8x	9%	19%
K-12	65%	2,395	2,863	2.2x	2.9x	2.6x	12.2x	16.2x	14.3x	11%	18%
Education Content & Services	95%	27,745	31,173	1.9x	1.9x	1.9x	10.7x	9.6x	10.5x	2%	17%
Corporate Learning	87%	3,370	3,775	1.7x	1.7x	1.5x	11.3x	10.8x	9.9x	12%	17%
International Education	75%	18,238	16,655	1.8x	1.3x	1.2x	16.3x	10.1x	9.4x	7%	20%

Source: Signal Hill

(1) Represents aggregate metrics of selected education companies

Q4 2014 Education Public Company Valuation Metrics

Company Name	Price 12/31/14	% 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 Online Post-Secondary															
American Public Education	\$36.87	79%	\$640	\$531	5%	23%	1.6x	1.5x	1.4x	6.9x	6.7x	6.2x	17.1x	16.8x	15.5x
							\$342	\$349	\$368	\$77	\$80	\$86	\$2.16	\$2.19	\$2.38
Bridgepoint Education	\$11.32	56%	\$514	\$249	(18%)	7%	0.4x	0.4x	0.4x	6.6x	5.5x	5.0x	53.9x	45.8x	36.1x
							\$671	\$636	\$640	\$38	\$45	\$50	\$0.21	\$0.25	\$0.31
Capella Education	\$76.96	99%	\$959	\$832	0%	21%	2.0x	2.0x	1.9x	9.6x	9.2x	8.6x	27.0x	25.1x	22.5x
							\$420	\$423	\$443	\$87	\$91	\$96	\$2.85	\$3.07	\$3.42
Grand Canyon University	\$46.66	90%	\$2,260	\$2,106	16%	31%	3.2x	3.1x	2.8x	10.8x	9.8x	8.6x	20.8x	20.0x	17.9x
							\$664	\$686	\$766	\$194	\$215	\$244	\$2.24	\$2.34	\$2.60
Min			\$514	\$249	(18%)	7%	0.4x	0.4x	0.4x	6.6x	5.5x	5.0x	17.1x	16.8x	15.5x
Mean			\$1,093	\$929	1%	21%	1.8x	1.7x	1.6x	8.5x	7.8x	7.1x	29.7x	26.9x	23.0x
Median			\$799	\$681	3%	22%	1.8x	1.7x	1.7x	8.2x	7.9x	7.4x	23.9x	22.5x	20.2x
Max			\$2,260	\$2,106	16%	31%	3.2x	3.1x	2.8x	10.8x	9.8x	8.6x	53.9x	45.8x	36.1x
US Site-Based/Hybrid Post-Secondary															
Apollo Group	\$34.11	95%	\$3,722	\$2,740	(16%)	16%	0.9x	0.9x	1.0x	4.3x	5.8x	5.7x	12.7x	18.9x	19.0x
							\$3,024	\$2,918	\$2,835	\$642	\$473	\$480	\$2.69	\$1.80	\$1.80
Career Education Corp.	\$6.96	88%	\$469	\$218	(16%)	(4%)	0.2x	0.2x	0.2x	NM	NM	139.8x	NM	NM	NM
							\$977	\$933	\$929	(\$13)	(\$39)	\$2	(\$2.55)	(\$1.65)	(\$0.88)
Corinthian Colleges	\$0.06	4%	\$6	\$78	(9%)	5%	0.1x	0.1x	NA	1.0x	1.1x	NA	NM	0.7x	NA
							\$1,481	\$1,331	NA	\$81	\$72	NA	(\$0.81)	\$0.10	NA
DeVry	\$47.47	96%	\$3,081	\$2,599	(2%)	16%	1.3x	1.3x	1.3x	7.9x	8.2x	7.8x	15.6x	16.8x	16.2x
							\$1,935	\$1,929	\$1,962	\$330	\$318	\$332	\$3.05	\$2.83	\$2.93
Education Management Corp.	\$0.17	2%	\$21	\$762	(4%)	14%	0.3x	0.3x	NA	2.8x	2.3x	NA	NM	NM	NA
							\$2,273	\$2,408	NA	\$270	\$329	NA	(\$5.29)	(\$0.50)	NA
National American University	\$2.70	68%	\$68	\$42	4%	13%	0.3x	0.3x	0.3x	2.3x	2.6x	2.5x	9.7x	13.9x	13.0x
							\$126	\$126	\$127	\$18	\$16	\$17	\$0.28	\$0.19	\$0.21
Strayer Education	\$74.28	93%	\$812	\$781	(11%)	23%	1.7x	1.8x	1.8x	6.8x	7.6x	8.8x	16.7x	18.1x	20.8x
							\$454	\$444	\$433	\$116	\$103	\$89	\$4.44	\$4.11	\$3.56
Min			\$6	\$42	(16%)	(4%)	0.1x	0.1x	0.2x	1.0x	1.1x	2.5x	9.7x	0.7x	13.0x
Mean			\$1,168	\$1,031	(8%)	12%	0.7x	0.7x	0.9x	4.2x	4.6x	32.9x	13.7x	13.7x	17.3x
Median			\$469	\$762	(9%)	14%	0.3x	0.3x	1.0x	3.5x	4.2x	7.8x	14.1x	16.8x	17.6x
Max			\$3,722	\$2,740	4%	23%	1.7x	1.8x	1.8x	7.9x	8.2x	139.8x	16.7x	18.9x	20.8x

Q4 2014 Education Public Company Valuation Metrics

Company Name	Price 12/31/14	% 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.	\$9.61	21%	\$225	\$255	(14%)	9%	0.2x	0.3x	0.3x	0.9x	2.9x	2.6x	2.3x	8.0x	5.3x
							\$1,025	\$942	\$919	\$291	\$87	\$98	\$4.16	\$1.21	\$1.80
Lincoln Educational	\$2.80	52%	\$67	\$97	(7%)	3%	0.3x	0.3x	0.3x	13.2x	10.9x	5.2x	NM	NM	NM
							\$330	\$330	\$339	\$7	\$9	\$19	(\$2.55)	(\$0.78)	(\$0.14)
Universal Technical Institute	\$9.84	69%	\$242	\$204	(4%)	8%	0.5x	0.5x	0.6x	7.0x	6.9x	7.7x	NM	NM	NM
							\$379	\$375	\$362	\$29	\$29	\$27	\$0.06	\$0.10	\$0.08
Min			\$67	\$97	(14%)	3%	0.2x	0.3x	0.3x	0.9x	2.9x	2.6x	2.3x	8.0x	5.3x
Mean			\$178	\$186	(9%)	7%	0.4x	0.4x	0.4x	7.1x	6.9x	5.2x	2.3x	8.0x	5.3x
Median			\$225	\$204	(7%)	8%	0.3x	0.3x	0.3x	7.0x	6.9x	5.2x	2.3x	8.0x	5.3x
Max			\$242	\$255	(4%)	9%	0.5x	0.5x	0.6x	13.2x	10.9x	7.7x	2.3x	8.0x	5.3x
International Post-Secondary															
Estácio Participações S.A	\$8.96	80%	\$2,811	\$2,839	15%	22%	3.2x	3.2x	2.5x	15.6x	14.3x	10.3x	17.6x	17.1x	12.4x
							\$892	\$898	\$1,119	\$182	\$199	\$275	\$0.51	\$0.53	\$0.72
Navitas Limited	\$4.16	95%	\$1,563	\$1,605	2%	17%	1.9x	2.1x	1.9x	11.6x	12.6x	11.2x	32.2x	21.1x	18.1x
							\$828	\$763	\$834	\$139	\$127	\$143	\$0.13	\$0.20	\$0.23
Raffles Education Corporation Limited	\$0.25	99%	\$257	\$474	NA	NA	4.8x	NA	NA	NM	NA	NA	5.6x	NA	NA
							\$99	NA	NA	\$9	NA	NA	\$0.05	NA	NA
Min			\$257	\$474	2%	17%	1.9x	2.1x	1.9x	11.6x	12.6x	10.3x	5.6x	17.1x	12.4x
Mean			\$1,544	\$1,639	9%	19%	3.3x	2.6x	2.2x	13.6x	13.4x	10.8x	18.5x	19.1x	15.3x
Median			\$1,563	\$1,605	9%	19%	3.2x	2.6x	2.2x	13.6x	13.4x	10.8x	17.6x	19.1x	15.3x
Max			\$2,811	\$2,839	15%	22%	4.8x	3.2x	2.5x	15.6x	14.3x	11.2x	32.2x	21.1x	18.1x
K-12 Education															
Bright Horizons Family Solutions, Inc.	\$47.01	99%	\$3,241	\$3,892	12%	18%	2.9x	2.9x	2.6x	19.9x	16.2x	14.3x	31.9x	32.6x	26.9x
							\$1,334	\$1,355	\$1,479	\$195	\$240	\$272	\$1.47	\$1.44	\$1.74
Cambium Learning	\$1.66	65%	\$75	\$213	NA	NA	1.5x	NA	NA	6.2x	NA	NA	NM	NA	NA
							\$144	NA	NA	\$35	NA	NA	(\$0.22)	NA	NA
Nord Anglia Education, Inc.	\$19.08	85%	\$1,865	\$2,221	NA	27%	4.7x	4.5x	3.9x	18.5x	16.8x	14.6x	NM	52.4x	29.7x
							\$475	\$493	\$571	\$120	\$132	\$152	(\$1.07)	\$0.36	\$0.64
K12 Inc.	\$11.87	45%	\$454	\$381	10%	13%	0.4x	0.4x	0.4x	3.6x	3.2x	4.0x	32.8x	16.3x	33.2x
							\$928	\$934	\$885	\$104	\$120	\$96	\$0.36	\$0.73	\$0.36
Min			\$75	\$213	10%	13%	0.4x	0.4x	0.4x	3.6x	3.2x	4.0x	31.9x	16.3x	26.9x
Mean			\$1,409	\$1,677	11%	19%	2.4x	2.6x	2.3x	12.0x	12.1x	11.0x	32.4x	33.8x	29.9x
Median			\$1,160	\$1,301	11%	18%	2.2x	2.9x	2.6x	12.3x	16.2x	14.3x	32.4x	32.6x	29.7x
Max			\$3,241	\$3,892	12%	27%	4.7x	4.5x	3.9x	19.9x	16.8x	14.6x	32.8x	52.4x	33.2x

Q4 2014 Education Public Company Valuation Metrics

(\$ in millions, except per share data) Company Name	Price 12/31/14	% 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
Educational Content & Services															
2U	\$19.66	96%	\$888	\$807	40%	(14%)	7.7x	7.4x	5.7x	NM	NM	NM	14.2x	NM	NM
							\$104	\$110	\$143	(\$22)	(\$16)	(\$13)	\$1.38	(\$0.58)	(\$0.49)
Chegg, Inc.	\$6.91	80%	\$579	\$496	20%	(6%)	1.7x	1.6x	1.4x	33.4x	NM	28.5x	NM	NM	47.0x
							\$298	\$306	\$353	\$15	(\$18)	\$17	(\$2.36)	(\$0.28)	\$0.15
John Wiley & Sons Inc.	\$59.24	95%	\$3,487	\$4,089	2%	23%	2.2x	2.2x	2.1x	12.1x	9.6x	10.0x	20.2x	18.5x	16.5x
							\$1,830	\$1,850	\$1,914	\$338	\$427	\$408	\$2.94	\$3.21	\$3.58
Houghton Mifflin Harcourt	\$20.71	98%	\$3,030	\$2,685	4%	22%	1.9x	1.9x	1.9x	9.3x	8.7x	7.8x	NM	NM	NM
							\$1,406	\$1,385	\$1,432	\$288	\$309	\$342	(\$0.55)	(\$0.49)	(\$0.09)
Pearson plc	\$18.55	89%	\$15,033	\$18,308	(3%)	17%	2.2x	2.4x	2.3x	13.9x	13.9x	12.3x	32.3x	18.6x	16.0x
							\$8,426	\$7,647	\$7,932	\$1,315	\$1,313	\$1,486	\$0.57	\$1.00	\$1.16
Scholastic Corporation	\$36.42	99%	\$1,191	\$1,254	(5%)	7%	0.7x	0.7x	0.7x	9.4x	9.9x	11.0x	23.7x	20.7x	18.3x
							\$1,872	\$1,843	\$1,922	\$134	\$127	\$114	\$1.54	\$1.76	\$2.00
Graham Holdings Company	\$863.71	91%	\$5,004	\$4,838	2%	18%	1.4x	1.4x	1.4x	7.7x	7.6x	7.7x	9.2x	26.5x	25.8x
							\$3,557	\$3,475	\$3,475	\$631	\$639	\$629	\$93.70	\$32.63	\$33.48

Min			\$579	\$496	(5%)	(14%)	0.7x	0.7x	0.7x	7.7x	7.6x	7.7x	9.2x	18.5x	16.0x
Mean			\$4,173	\$4,640	9%	10%	2.5x	2.5x	2.2x	14.3x	9.9x	12.9x	19.9x	21.1x	24.7x
Median			\$3,030	\$2,685	2%	17%	1.9x	1.9x	1.9x	10.7x	9.6x	10.5x	20.2x	19.6x	18.3x
Max			\$15,033	\$18,308	40%	23%	7.7x	7.4x	5.7x	33.4x	13.9x	28.5x	32.3x	26.5x	47.0x

Corporate Learning

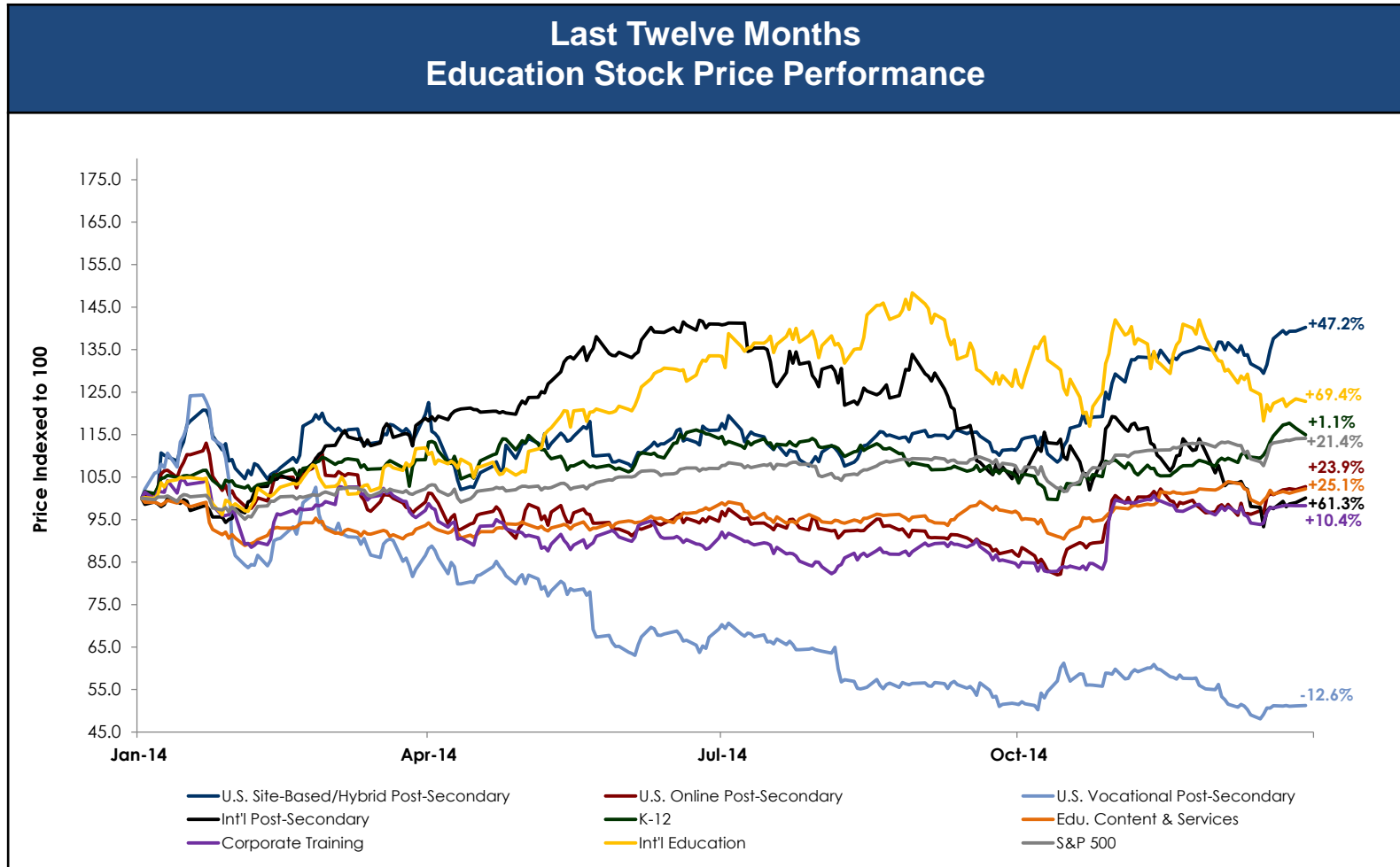
Franklin Covey Co.	\$19.36	85%	\$327	\$344	9%	17%	1.7x	1.6x	1.5x	11.3x	9.9x	8.6x	18.1x	18.8x	20.5x
							\$205	\$210	\$232	\$31	\$35	\$40	\$1.07	\$1.03	\$0.95
Corporate Executive Board Co.	\$72.53	90%	\$2,440	\$2,861	21%	24%	3.2x	3.1x	2.8x	15.3x	13.0x	11.5x	70.5x	21.5x	19.5x
							\$892	\$917	\$1,004	\$188	\$220	\$250	\$1.03	\$3.37	\$3.73
GP Strategies Corp.	\$33.93	99%	\$580	\$576	12%	11%	1.2x	1.1x	1.1x	11.1x	10.8x	9.9x	24.2x	24.3x	21.0x
							\$494	\$503	\$525	\$52	\$53	\$58	\$1.40	\$1.40	\$1.62
Learning Tree International Inc.	\$1.75	52%	\$23	(\$8)	NA	NA	NM	NM	NM	NM	NM	NM	NM	NA	NA
							\$118	NA	NA	(\$0)	NA	NA	\$0.00	NA	NA

Min			\$23	(\$8)	9%	11%	1.2x	1.1x	1.1x	11.1x	9.9x	8.6x	18.1x	18.8x	19.5x
Mean			\$842	\$943	14%	17%	2.0x	2.0x	1.8x	12.5x	11.3x	10.0x	37.6x	21.5x	20.3x
Median			\$453	\$460	12%	17%	1.7x	1.6x	1.5x	11.3x	10.8x	9.9x	24.2x	21.5x	20.5x
Max			\$2,440	\$2,861	21%	24%	3.2x	3.1x	2.8x	15.3x	13.0x	11.5x	70.5x	24.3x	21.0x

Q4 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		
	12/31/14	Week High	Value	Value	Rev Growth	Margin	LTM	2014E	2015E	LTM	2014E	2015E	LTM	2014E	2015E
International Education															
Benesse Holdings, Inc.	\$29.92	80%	\$2,878	\$1,929	(13%)	11%	0.5x	0.5x	0.5x	3.7x	4.6x	4.4x	59.7x	NM	25.8x
							\$4,278	\$3,919	\$3,972	\$516	\$422	\$440	\$0.50	\$0.07	\$1.16
Educomp Solutions Limited	\$0.39	81%	\$48	\$610	NA	NA	7.3x	NA	NA	NA	NA	NA	NM	NA	NA
							\$84	NA	NA	(\$16)	NA	NA	(\$1.54)	NA	NA
Kroton Educacional S.A.	\$5.83	85%	\$9,463	\$9,748	58%	34%	7.8x	5.7x	4.7x	22.0x	17.0x	13.1x	24.3x	21.2x	15.6x
							\$1,248	\$1,707	\$2,071	\$443	\$575	\$743	\$0.24	\$0.28	\$0.37
Megastudy Co. Ltd.	\$48.83	62%	\$305	\$225	(2%)	20%	0.7x	0.8x	0.7x	3.8x	3.8x	3.8x	9.1x	8.4x	8.3x
							\$304	\$298	\$313	\$59	\$59	\$60	\$5.38	\$5.82	\$5.87
New Oriental Education & Technology Grc	\$20.41	59%	\$3,202	\$2,144	17%	21%	1.8x	1.8x	1.6x	10.6x	8.7x	10.0x	16.1x	14.5x	13.2x
							\$1,172	\$1,171	\$1,343	\$203	\$246	\$215	\$1.27	\$1.41	\$1.54
NIIT Ltd.	\$0.76	73%	\$126	\$126	(19%)	7%	0.8x	0.8x	0.7x	22.8x	11.5x	8.8x	32.5x	20.8x	10.4x
							\$153	\$157	\$173	\$6	\$11	\$14	\$0.02	\$0.04	\$0.07
TAL Education Group	\$28.09	75%	\$2,215	\$1,873	35%	23%	4.7x	4.7x	3.8x	23.8x	21.0x	15.3x	31.9x	27.3x	25.5x
							\$398	\$396	\$498	\$79	\$89	\$122	\$0.88	\$1.03	\$1.10
Min			\$48	\$126	(19%)	7%	0.5x	0.5x	0.5x	3.7x	3.8x	3.8x	9.1x	8.4x	8.3x
Mean			\$2,605	\$2,379	13%	19%	3.4x	2.4x	2.0x	14.4x	11.1x	9.2x	28.9x	18.4x	16.5x
Median			\$2,215	\$1,873	7%	20%	1.8x	1.3x	1.2x	16.3x	10.1x	9.4x	28.1x	20.8x	14.4x
Max			\$9,463	\$9,748	58%	34%	7.8x	5.7x	4.7x	23.8x	21.0x	15.3x	59.7x	27.3x	25.8x

LTM Relative Education Stock Price Performance



Select Q4 2014 Education Financing Activity

Date Announced	Target	Investor(s)	Subsector	Amount Raised (\$M)
12/16/14	Clever	Lightspeed Venture Partners, Sequoia Capital, GSV Capital, Peter Thiel	Education Software	\$30.0
12/11/14	SRG Technology, LLC	Undisclosed	Education Software	\$8.0
12/10/14	Flat World Education, Inc.	Bessemer Venture Partners; Tribeca Venture Partners; Valhalla Partners	Education Software / Digital Publishing	\$5.1
11/21/14	Illuminate Education, Inc.	Undisclosed	Education Software	\$26.5
11/20/14	Everspring, Inc.	Park Loop; Carrick Capital Partners; Accretive	Education Software	\$10.0
11/11/14	gr8code, llc	OmniElite Financial Group	Professional Skill Training	\$5.4
11/7/14	Beacon Solutions, Inc.	Origin Ventures; Discovery Communications Holding, LLC., Asset Management Arm; Chicago Ventures; Pritzker Group Venture Capital; Corazon Capital LLC	Online Education	\$6.0
10/28/14	Echo360, Incorporated	Duchossois Capital Management LLC; CNF Investments LLC; SWaN & Legend Venture Partners; Revolution Growth	Education Software	\$18.1
10/27/14	Degreed, Inc.	Undisclosed	Social Education	\$9.2
10/24/14	Jefferson Education Holdings, LLC	Undisclosed	Education Technology	\$8.0
10/22/14	KnowRe	SoftBank Ventures Korea; KTB Network Partners Fund; Partners Investment; SparkLabs Global Ventures	Online Education	\$6.8
10/16/14	Osmo	Accel Partners; Upfront Ventures; K9 Ventures	Education Media	\$12.0
10/15/14	GEMS Education	Fajr Capital; Blackstone	K-12	NA
10/14/14	Minerva Project, Inc.	Benchmark Capital; Yongjin Group, Inc.; TAL Education Group (NYSE:XRS); ZhenFund	Post-Secondary	\$78.6



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