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AMERICAN PUBLIC EDUCATION, INC.

Wallace E. Boston, Jr.
President and Chief Executive Officer

Credit Suisse 10th Annual Growth Conference



Educating Those who Serve™

Safe Harbor Statement

This presentation may contain forward looking statements. We may, in some cases, use words such as “project,” “believe,” “anticipate,” “plan,” “expect,” “estimate,” “intend,” “should,” “would,” “could,” “potentially,” “will,” or “may,” or other words that convey uncertainty of future events or outcomes to identify these forward-looking statements. Forward-looking statements in this presentation include statements about:

- ◆ our ability to comply with the extensive regulatory framework applicable to our industry, including Title IV of the Higher Education Act and the regulations thereunder, state laws and regulatory requirements, and accrediting agency requirements;
- ◆ the pace of growth of our enrollment;
- ◆ our conversion of prospective students to enrolled students and our retention of active students;
- ◆ our ability to update and expand the content of existing programs and the development of new programs in a cost-effective manner or on a timely basis;
- ◆ our maintenance and expansion of our relationships with the United States Armed Forces and various organizations and the development of new relationships;
- ◆ the competitive environment in which we operate;
- ◆ our cash needs and expectations regarding cash flow from operations;
- ◆ our ability to manage and grow our business and execution of our business and growth strategies;
- ◆ Our estimated results for the year ended December 31, 2007;
- ◆ Our anticipated results for the quarter ending March 31, 2008 and any subsequent periods; and
- ◆ our financial performance.

Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance, or achievements. There are a number of important factors that could cause actual results to differ materially from the results anticipated by these forward-looking statements, which apply only as of the date of this presentation. These important factors include those that we discuss under the caption “Risk Factors” in the preliminary prospectus that forms a part of our registration statement on Form S-1 for this offering and elsewhere in the prospectus. You should read those factors and the other cautionary statements made in the prospectus as being applicable to all related forward-looking statements wherever they appear in this presentation. If one or more of those factors materialize, or if any underlying assumptions prove incorrect, our actual results, performance or achievements may vary materially from any future results, performance or achievements expressed or implied by these forward-looking statements. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

Educating Those Who Serve

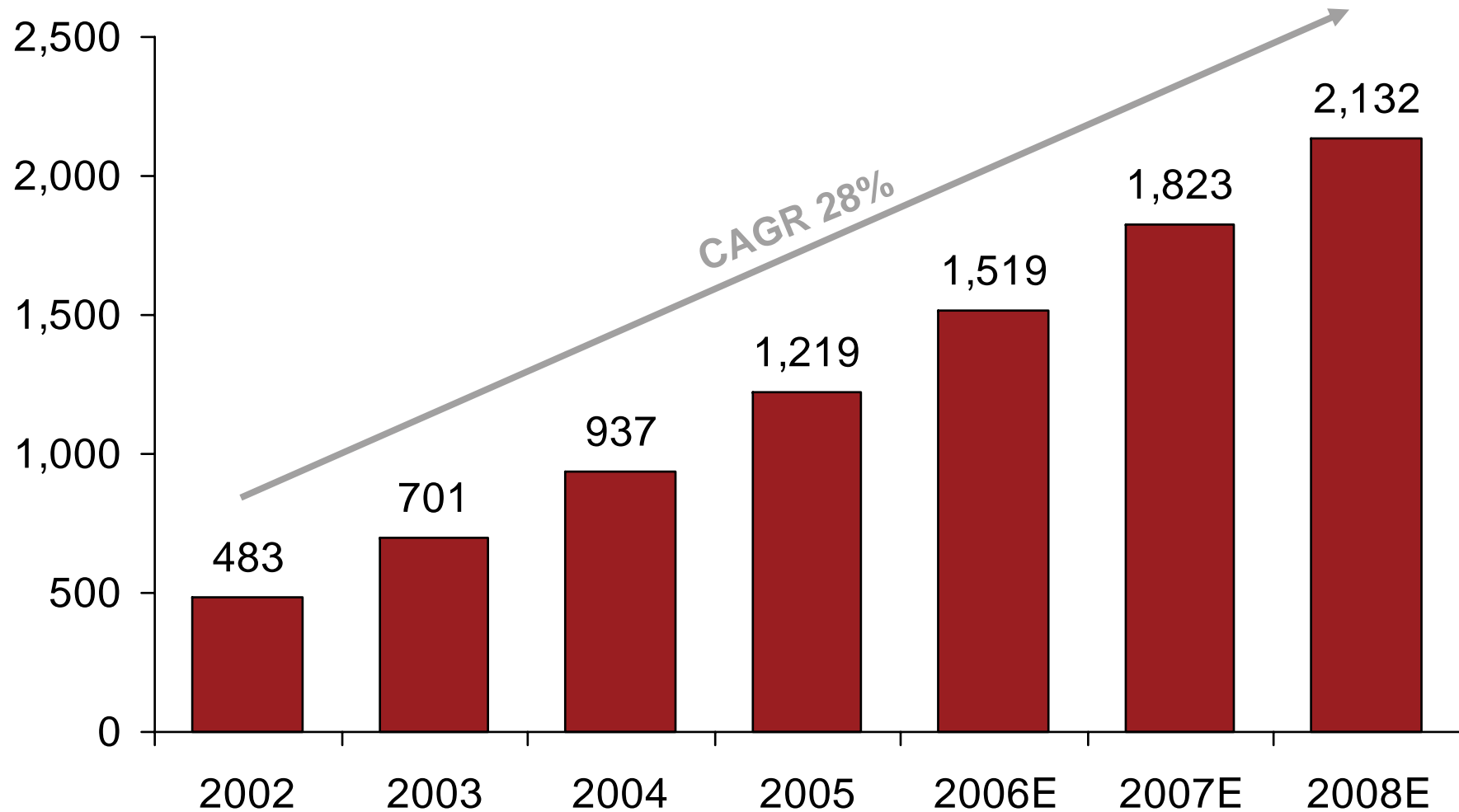
- ◆ **Online university system serving the military and public service communities**
 - Over 80% of students are military or military-affiliated
 - Over 30,000 working adult students from 50 states and more than 130 countries
- ◆ **American Military University (AMU) and American Public University (APU)**
- ◆ **Accredited and Title IV eligible**
 - Regional accreditation by The Higher Learning Commission, North Central Association
 - National accreditation by the Accrediting Commission of the Distance Education and Training Council
- ◆ **57 degree programs – 23 Masters, 31 Bachelors and 3 Associates**
 - Specialty programs that address target market needs
 - Supplemented by professional and liberal arts degrees
- ◆ **High referral and student satisfaction**
 - Over 50% of new students surveyed⁽¹⁾ indicated they were referred by others

(1) As of December 31, 2007.

Rapid Growth in Online Higher Education Market

U.S. Online Education Enrollment

(Students in thousands)



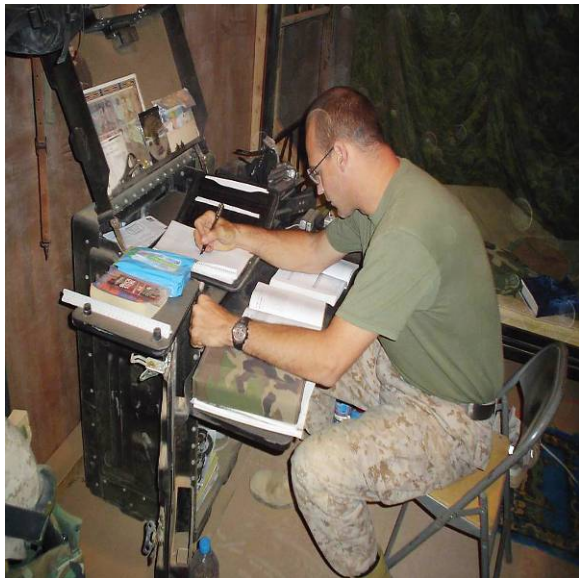
Source: Eduventures, LLC, "Online Higher Education Market Update 2006", 2007

High Demand for Online Education in Large Military Market

- ◆ 2.1 million active duty and reserve members
 - 300,000 new service members enter each year
- ◆ VA and DoD expenditures for postsecondary education exceeded \$2.6 billion*
- ◆ Frequent moves and deployments (including overseas)
- ◆ Military may require educational achievement for promotion
- ◆ Need for affordability
- ◆ Historic issues with transferring credits
- ◆ Post-military career preparation

* In year 2005

Well Positioned to Address Market Needs



- ◆ **Academic Programs Directly Related to Career Needs**

- ◆ **Convenient**

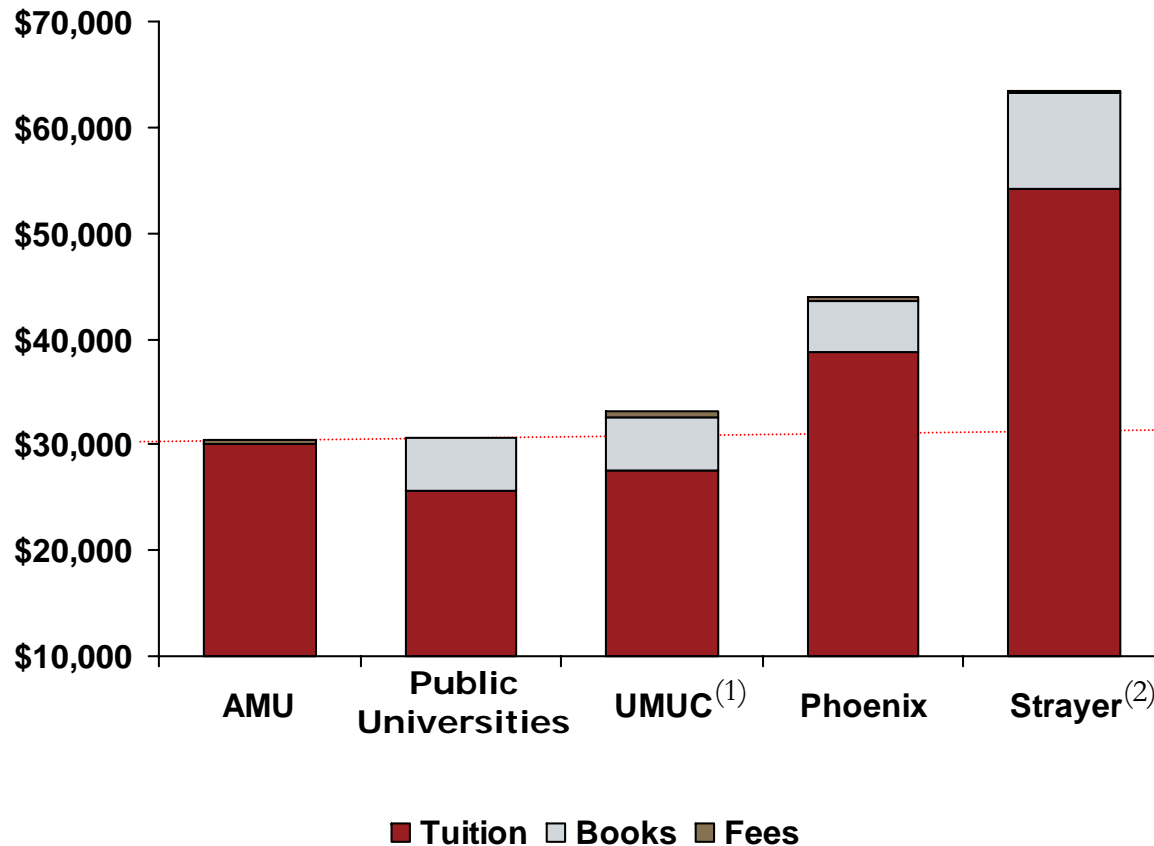
- 100% online
- Monthly starts
- Asynchronous classes
- Self-service student support
- Credit for in-service classes

- ◆ **Affordable**

- No out of pocket costs for undergraduates
- Comparable to “in-state” tuition

Disruptive Tuition Affordability Model

Undergraduate Degree Cost Comparison



- ◆ Rising cost of higher education creates political and social dilemma for the industry.
- ◆ Tuition costs increasingly out of student's reach - reducing ROI in higher education.
- ◆ APUS has the answer:
 - Affordable tuition
 - No application fees
 - Undergraduate book grant

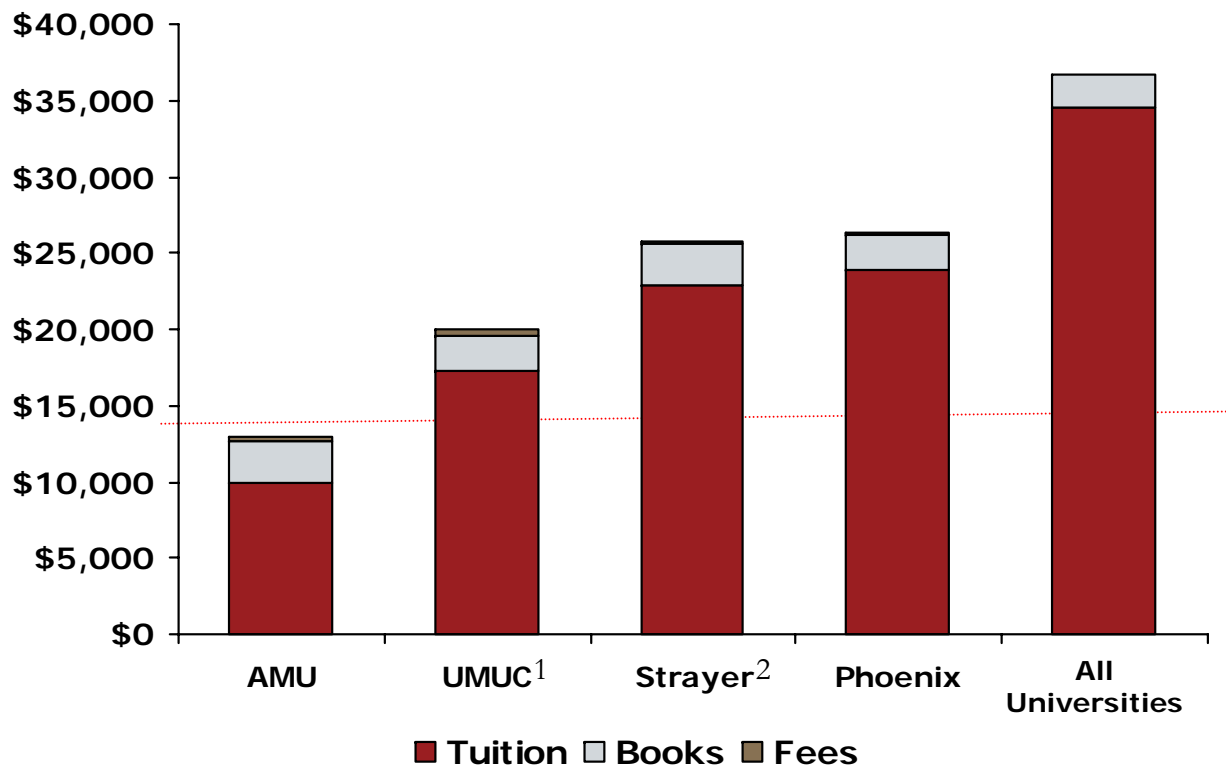
(1) Reflects Active Duty Military tuition. Non-resident and other program tuition is higher.

(2) Excludes military scholarship supplements that cover certain tuition costs of military students.

Source: Digest of Education Statistics 2005-06, GAO reports, and Company estimates based on customer service quotes.

Our Programs are Affordable

Graduate Degree Cost Comparison



- ♦ Tuition for our master's degree programs is \$275 per credit hour, or \$825 per course. This means that tuition for 36 credit hour graduate degrees is less than \$10,000.

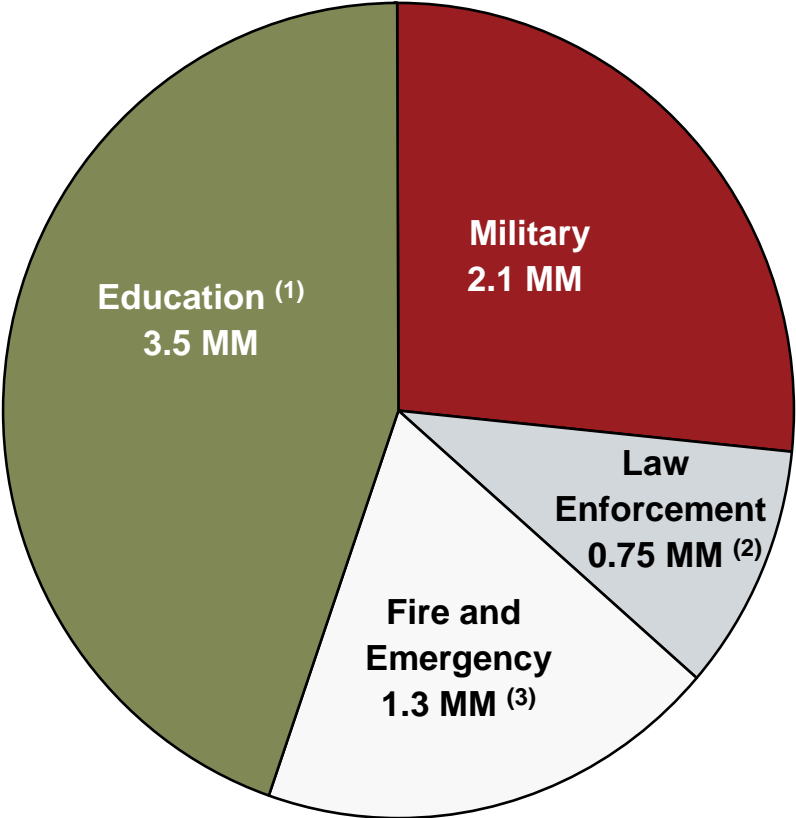
(1) Military tuition for MBA program; non-resident and other program tuition varies

(2) Excludes military scholarship supplements that covers "a majority of graduate tuition"

Source: Digest of Education Statistics 2005-06, GAO reports, and Company estimates based on customer service quotes.

Significant Opportunities in Civilian Markets

Over 7.6 million professionals in target markets



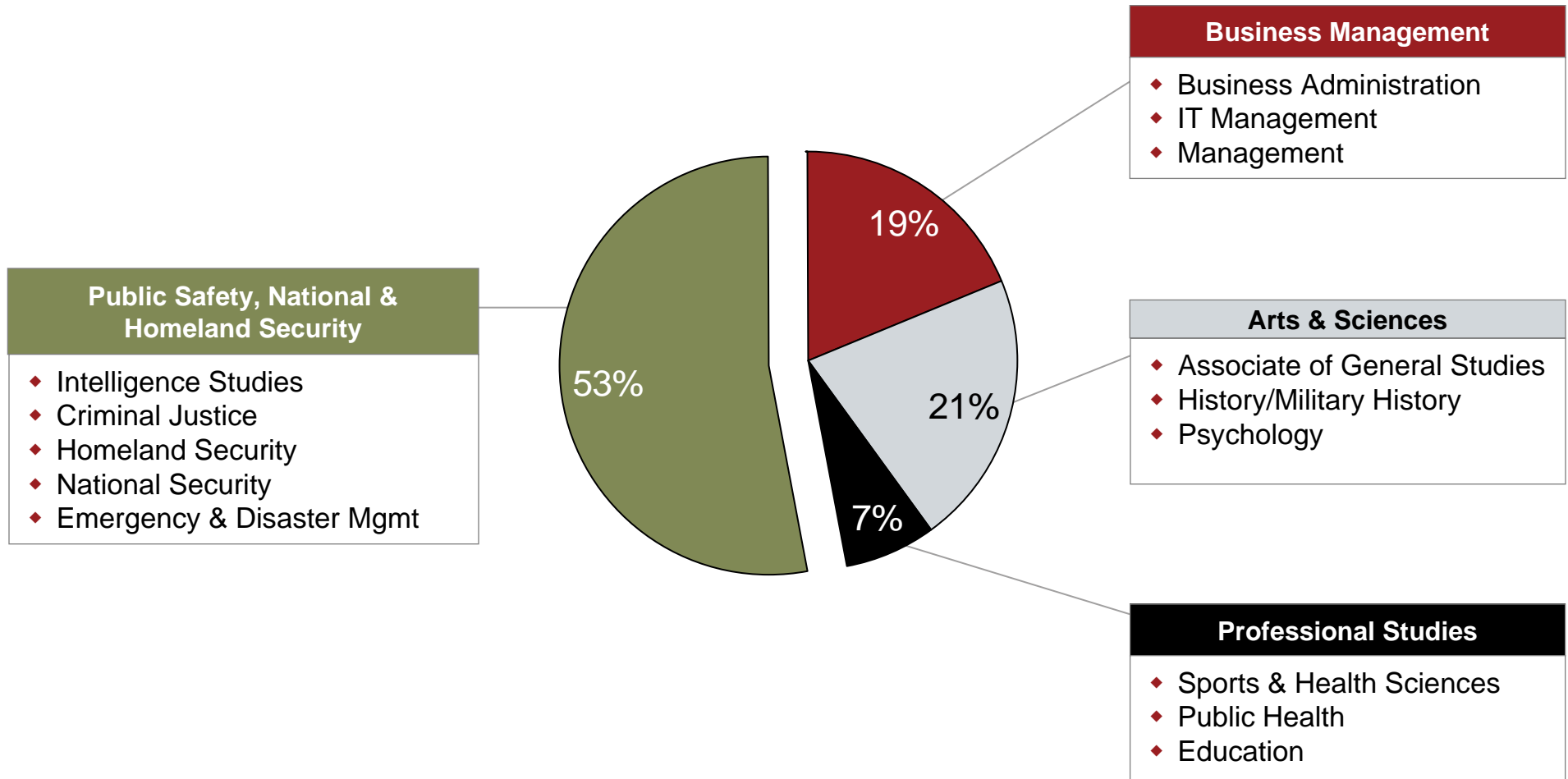
(1) Source: U.S. Department of Education, National Center for Education Statistics, Digest of Education Statistics 2006

(2) Source: U.S. Bureau of Labor Statistics

(3) Source: U.S. Bureau of Labor Statistics and the National Fire Protection Association

Distinctive Program Offerings

Students By School



As of September 30, 2007

Specialized Faculty Relate to Our Students

- ◆ **Faculty are practitioners**
- ◆ **Approximately 98 full time and 400+ part time faculty members⁽¹⁾**
 - 40% of all faculty hold doctoral degrees⁽²⁾
 - Over 1,000 qualified faculty on wait-list
- ◆ **Ongoing faculty development programs**



(1) As of September 30, 2007.

(2) As of December 31, 2007.

Learning Outcomes Assessment Leadership

- ◆ Comprehensive outcomes assessment process
 - Alumni survey
 - Student testimonials
 - Graduation rates
 - Retention rates
 - Employee survey
 - End of program student survey
 - Comprehensive exams
 - Major field tests
 - Student work samples, papers, discussion groups, and projects
- ◆ Transparency of learning outcomes
 - Integrated philosophy, approach and results published via website
- ◆ Continual improvement
 - PAD assists with metrics and reporting
 - Intense faculty development programs
 - Investment in instructional design
 - Variable compensation tied to improvement in outcomes

Academic Quality Summary

Strong Academic Oversight

- ◆ Distinguished Board of Trustees
- ◆ Regional and National Accreditation

Continuous Program Assessments

- ◆ Commitment to rigorous outcomes assessments
- ◆ Utilize proprietary systems to monitor, measure and evaluate programs
- ◆ Industry Advisory Councils

Flexible Faculty Model

- ◆ Enables smaller class sizes
- ◆ Attracts leading practitioners

Experienced Leadership

Name	Title	Prior Experience
Wallace E. Boston	President, CEO and Director	President & COO, NeighborCare Pharmacies CFO, Sun Healthcare Group
Harry T. Wilkins	EVP, CFO	CFO & COO, Strayer Education
James H. Herhusky	EVP, Institutional Advancement	Officer, United States Army (25 years)
Dr. Frank McCluskey	EVP, Provost	Director and Dean of Online Learning, Mercy College
Peter W. Gibbons	SVP, CAO	VP Human Resources, Sitel Corporation Officer, United States Army (25 years)
Carol S. Gilbert	SVP, Marketing	Brand VP, Marriott International
Mark L. Leuba	SVP, CIO	VP for Corporate Applications, Random House, Inc.

Growth Strategy – Capitalize on Existing Strengths

- ◆ Extend Leadership in Core Military Market
- ◆ Expand in Public Service Markets (Title IV)
- ◆ Establish New Articulation Agreements
- ◆ Improve Student Retention Rates
- ◆ Launch New Degree Programs

Compelling Financial Attributes

- ◆ Strong top-line growth with good visibility
- ◆ Tuition is paid in advance; attractive working capital dynamics
- ◆ High referral rates drive low student acquisition costs
- ◆ Limited “brick and mortar” costs
- ◆ Variable cost faculty model
- ◆ Technology platform drives potential for scalability and long-term margin expansion

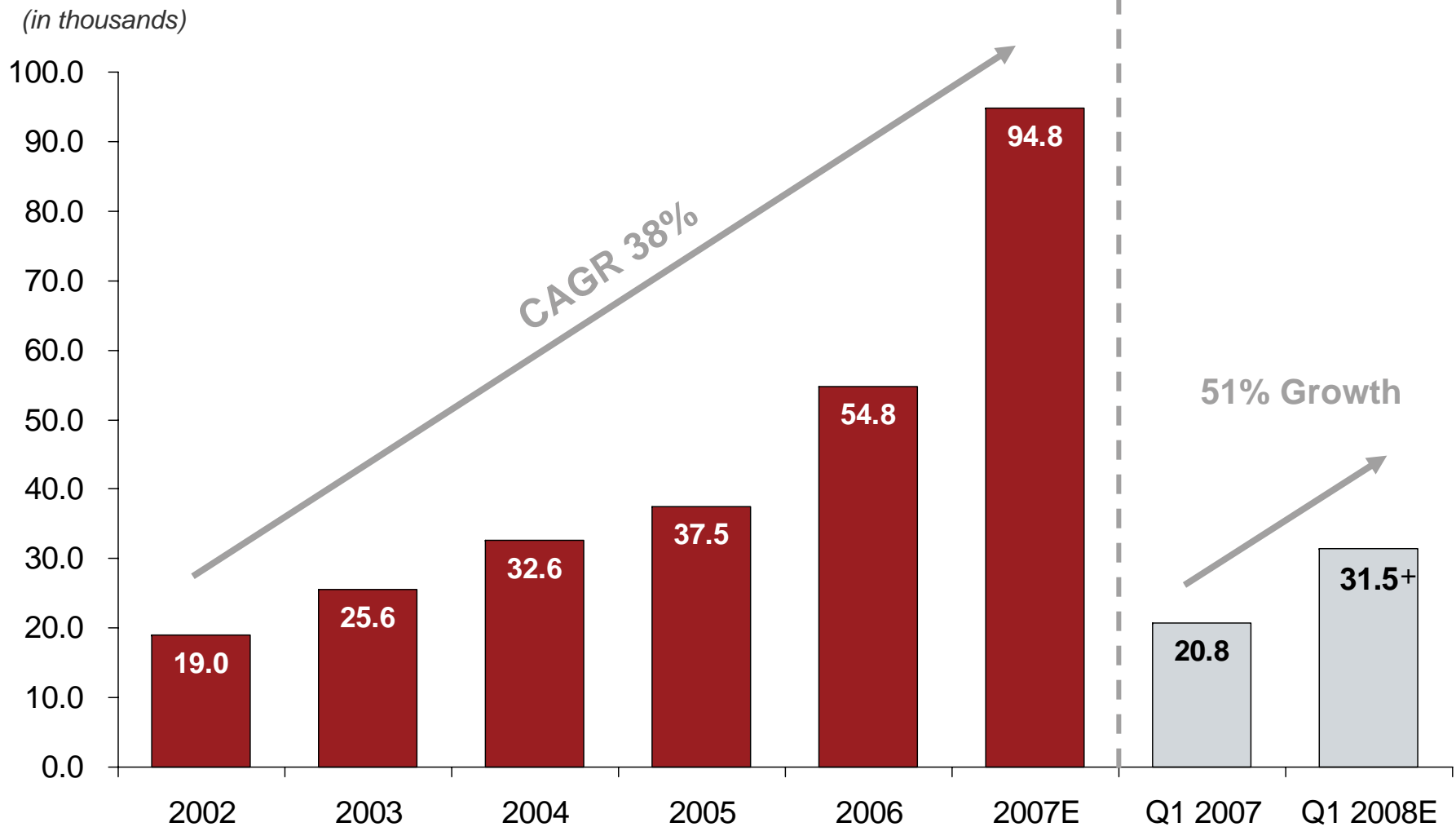
Additional Financial Strengths

- ◆ Economic resilience
 - Adult learners
 - Market positioning – differentiated programs
 - Partnership at A Distance
 - Affordable

- ◆ Insulated from current lending crisis
 - Affordable – low reliance on private loans
 - Less than 1% of revenue related to private loans
 - Current lender support is strong
 - DoD Tuition Assistance funding stable
 - Title IV lending continues strong
 - 11% of revenue related to Title IV lending
 - Further support students through customer service
 - Bad debt less than 1% of revenue

Outstanding Track Record of Growth

Net Course Registrations⁽¹⁾

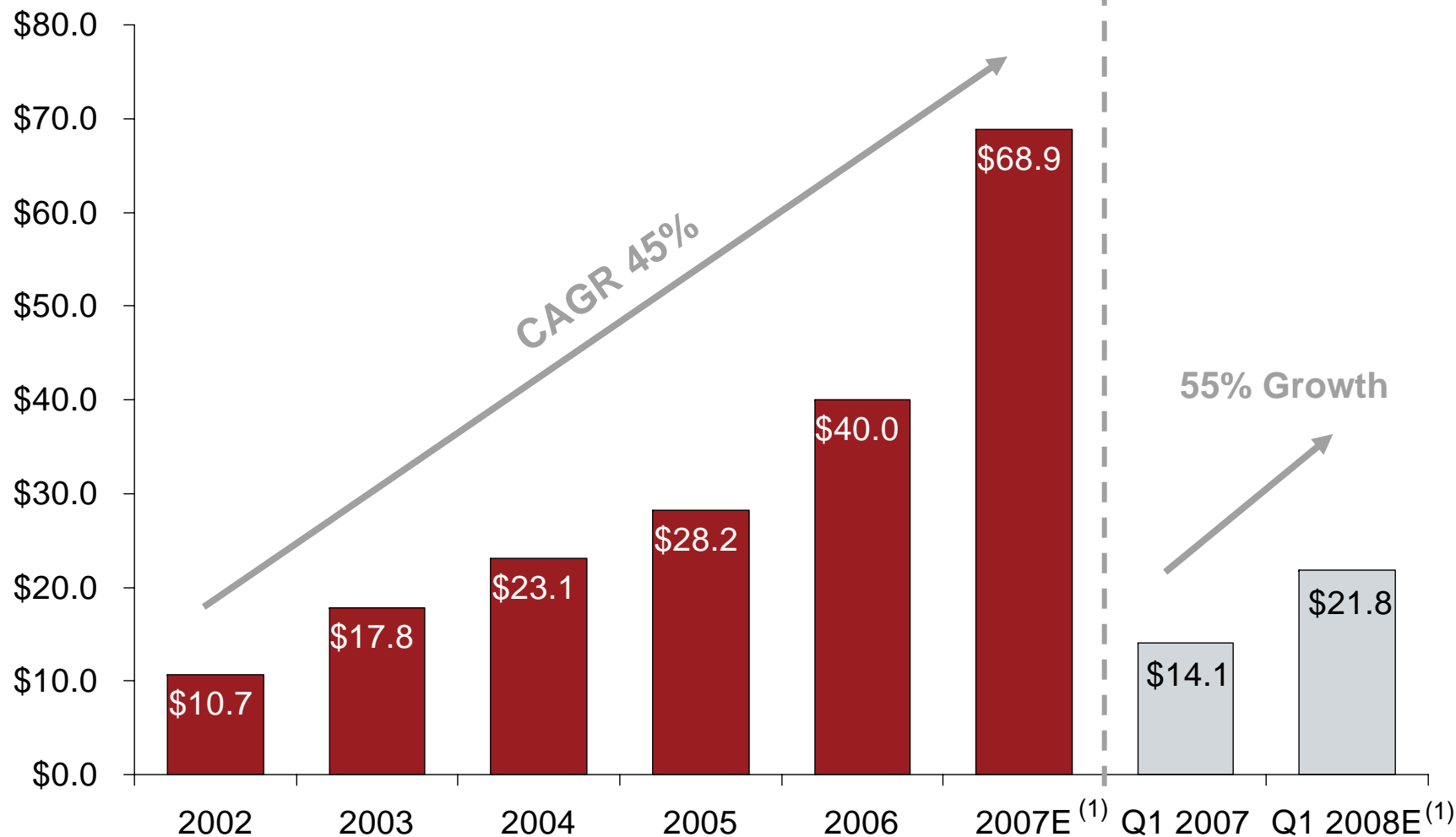


(1) Net course registrations represent the total number of course registrations for students that have attended a portion of a course.

Outstanding Track Record of Growth

Revenues

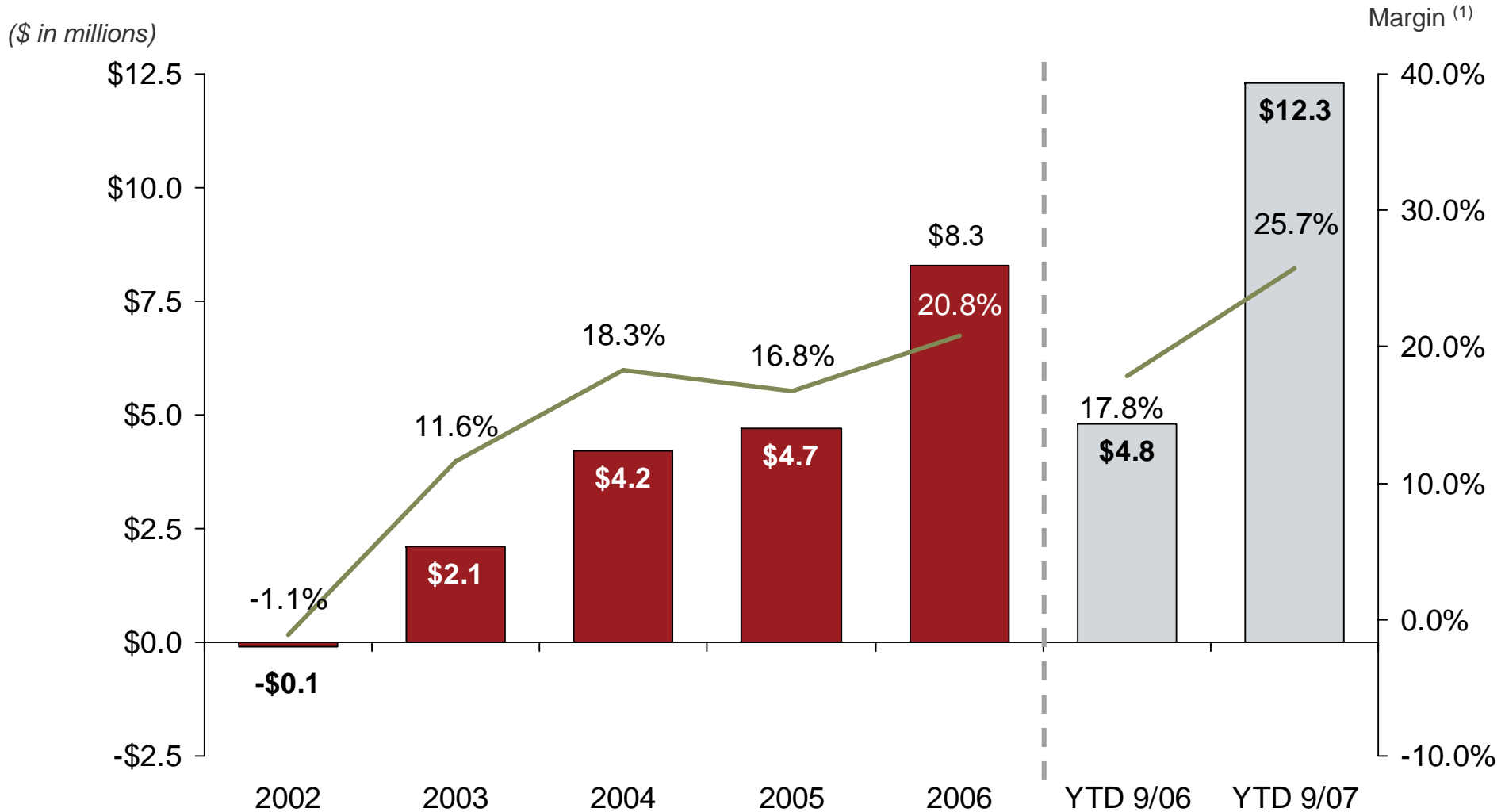
(\$ in millions)



(1) Represents mid-point of the range for estimated total revenue.

Strong EBITDA Growth

Adjusted EBITDA from Continuing Operations⁽¹⁾



(1) Represents EBITDA from continuing operations excluding a \$3.1 million write-off of software development costs in 2006 and excluding stock based compensation expense of \$1.2 million, \$284,000, \$239,000 and \$754,000 for the year ended December 31, 2005, the year ended December 31, 2006, the nine months ended September 30, 2006 and the nine months ended September 30, 2007, respectively.

Strong Balance Sheet with no Debt

(\$ in millions)

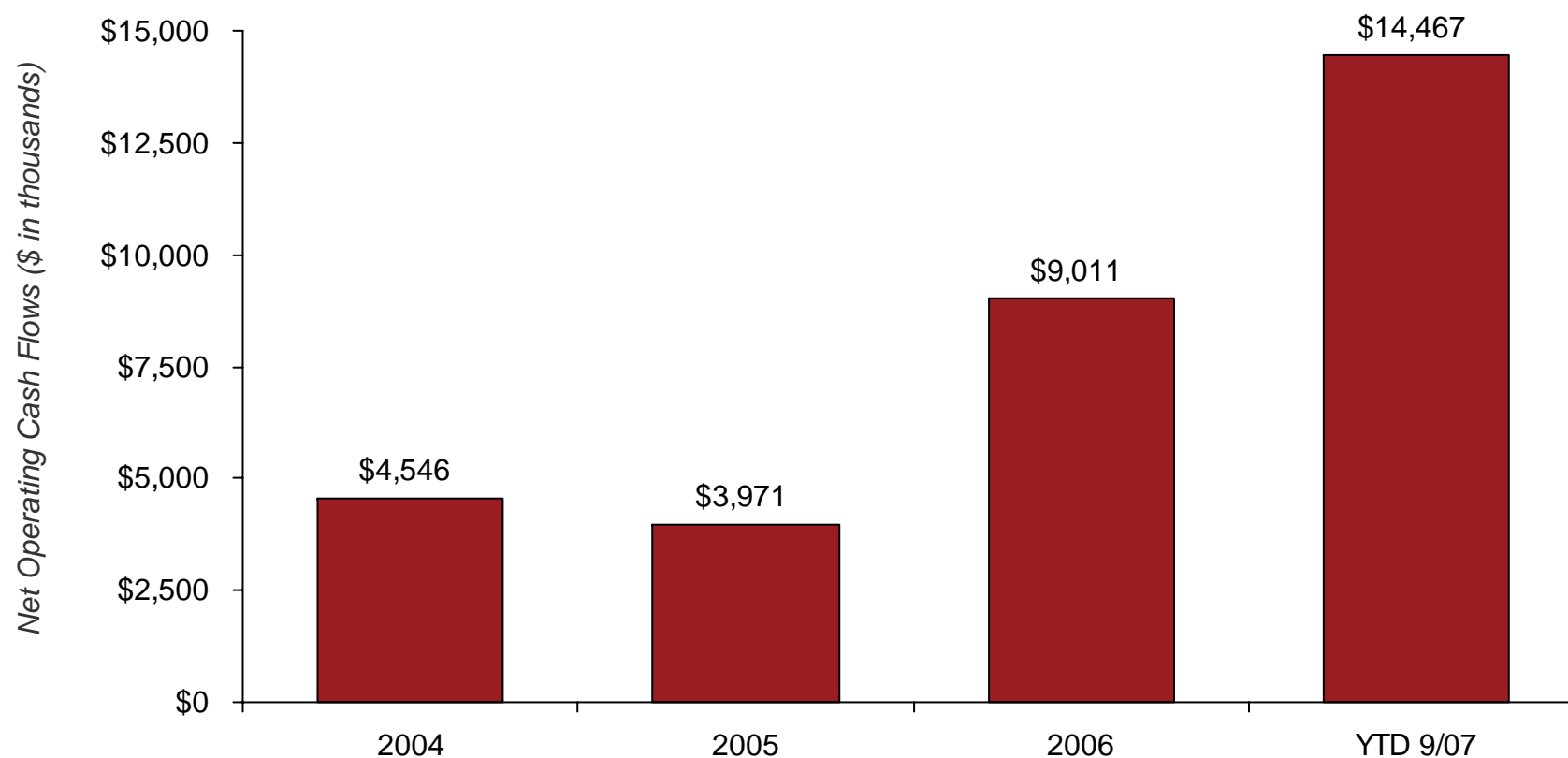
	As of September 30, 2007	
	<u>Actual</u>	<u>As Adjusted⁽¹⁾</u>
Cash and Cash Equivalents	\$20.3	\$25.1
Other Current Assets	6.4	6.4
Non-Current Assets	<u>12.5</u>	<u>12.5</u>
Total Assets	<u>\$39.2</u>	<u>\$44.0</u>
Liabilities	15.0	15.0
Total Stockholders' Equity	<u>24.2</u>	<u>29.0</u>
Total Liabilities and Equity	<u>\$39.2</u>	<u>\$44.0</u>

(1) Reflects sale of shares of common stock at the initial public offering price of \$20.00 per share, after deducting the underwriting discount and other offering expenses, and the impact of the sale of 25,000 shares of common stock in this offering and estimated offering expenses.

Strong Free Cash Flow

- ◆ Growth funded by operating cash flow

Net Cash Provided By Operating Activities from Continuing Operations



Capital Expenditures:	2004	2005	2006	YTD 9/07
	\$2,613	\$4,613	\$4,475	\$3,489

Investment Highlights

- ◆ 100% Online
- ◆ Emphasis on Military and Public Service Communities
- ◆ Efficient Operating Model
- ◆ Strong Financial Performance
- ◆ Compelling Growth Strategies



AMERICAN PUBLIC EDUCATION, INC.

Closing Remarks

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