



Career Education Corporation

Bank of America 37th Annual Investment Conference

September 17, 2007

Safe Harbor

This presentation contains certain “forward-looking statements,” as defined in Section 21E of the Securities Exchange Act of 1934, as amended. These statements are based on information currently available to us and involve risks and uncertainties that could cause our actual growth, results, performance and business prospects and opportunities to differ materially from those expressed in, or implied by, these statements. These risks and uncertainties, the outcome of which could materially and adversely affect our financial condition and operations, include, but are not limited to: future financial and operational results, including the impact of impairment of goodwill and other intangible assets; risks related to our ability to comply with accrediting agency requirements or obtain accrediting agency approvals, including the adverse impact of negative publicity concerning the continued probation status of American InterContinental University and ongoing review by its accrediting body; risks related to our ability to comply with, and the impact of changes in, legislation and regulations that affect our ability to participate in student financial aid programs; costs, risks and effects of legal and administrative proceedings and investigations and governmental regulations, including the pending Securities and Exchange Commission and Justice Department investigations and, class action, derivative, and other lawsuits; costs and difficulties related to the integration of acquired businesses; risks related to our ability to manage and continue growth; risks related to the sale of any campuses; risks related to competition, general economic conditions, and other risk factors relating to our industry and business, as described in our Annual Report on Form 10-K for the year ended December 31, 2006, and from time to time in our other reports filed with the SEC. Except as expressly required by federal securities laws, we undertake no obligation to update such factors or to publicly announce the results of any of these forward-looking statements to reflect future events, developments, or changed circumstances, or for any other reason.

Agenda

- **CEC Today and Tomorrow**
 - Company Overview
 - Strategic Choices
 - Near Term Areas of Focus
- **Financial Performance**
 - Second Quarter Financial Results
- **Summary**

CEC Today and Tomorrow

Gary McCullough
President and Chief Executive Officer



Overview

- Approximately 80,000 Students
- Degrees and Certificates offered including Associates, Bachelors, Masters, Doctorate
- Core curriculum in fields such as business, visual communications & design, culinary arts, health education & information technology



- 78 on-ground campuses in 22 states and 5 countries
- 3 online campuses without geographic boundaries

Student Profile

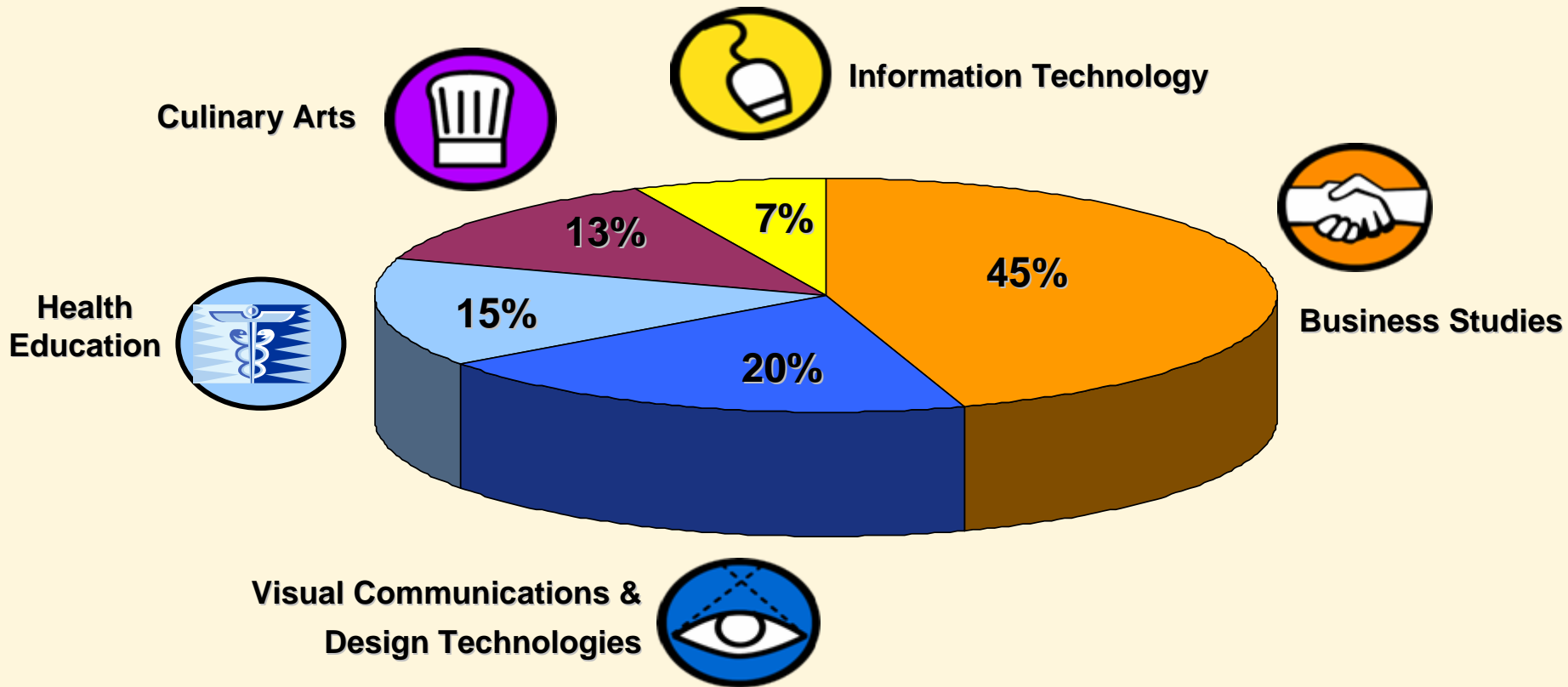
Students from diverse demographic backgrounds seek opportunity through higher education.

	On-Ground	Online	Total CEC
Under 21	25%	3%	15%
21-30	50%	40%	48%
Over 30 yrs	25%	57%	37%
 			
Bachelor, Master, Doctorate	36%	47%	42%
Associate	36%	53%	42%
Certificate	28%	N/A	16%

* As of June 30, 2007

Program Profile

Students pursue a variety of program offerings through both on-ground and online delivery methods.



* As of June 30, 2007

Strategic Choices

- Grow Our Core Educational Institutions
- Improve Academic and Operational Effectiveness
- Enter New Markets
- Build Our Reputation and External Relationships
- Grow and Develop Our People

Grow Our Core Educational Institutions

- AIU



- CTU



- Le Cordon Bleu



- Sanford Brown



- IADT



Improve Academic and Operational Effectiveness

Disciplined investment model focused on high-return opportunities.

- Increase Centralized Activities
- Eliminate Small, Unprofitable Programs
- Share Resources Among Campuses
- Modify Start-up Models
- Seek Greater Synergy in On-ground/Online Activities

Enter New Markets

1H07

- Istituto Marangoni
- Kitchen Academy (KA) Sacramento

2H07

- IADT San Antonio
- IADT Sacramento
- Le Cordon Bleu (LCB) Dallas

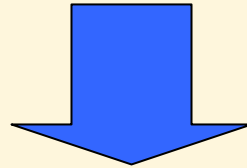
1H08

- KA St. Peters
- KA Seattle
- LCB Boston

- Target 4-6 New Schools Per Year
- Identify Potential Opportunities in Europe, Asia and Latin America

Build Our Reputation and External Relationships

Reactive Crisis Management



**Proactive Reputation Management and
Relationship Building**

- **ENGAGEMENT** with Employees and Alumni
- **PARTNERSHIP** with Community and Employers
- **COMMUNICATION** with Legislators, Accreditors and Regulators

Grow and Develop Our People



Near Term Areas of Focus

- Build Our Leadership Team
- Resolution of Recommendations to AIU by SACS

DATE	EVENT
Sept. 7, 2007	Submitted monitoring report to the Commission on Colleges (COC) of SACS
Mid-October	Special Committee to visit AIU campuses
Dec. 8-10, 2007	COC review and decision during Annual Meeting

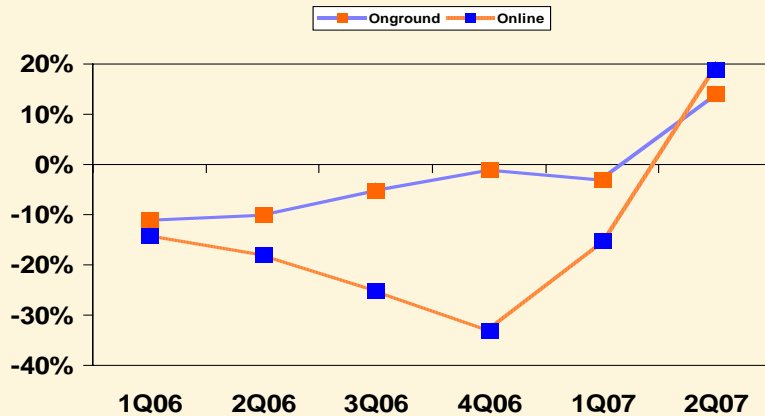
- Sale of 11 Discontinued Schools

Financial Performance

Pat Pesch

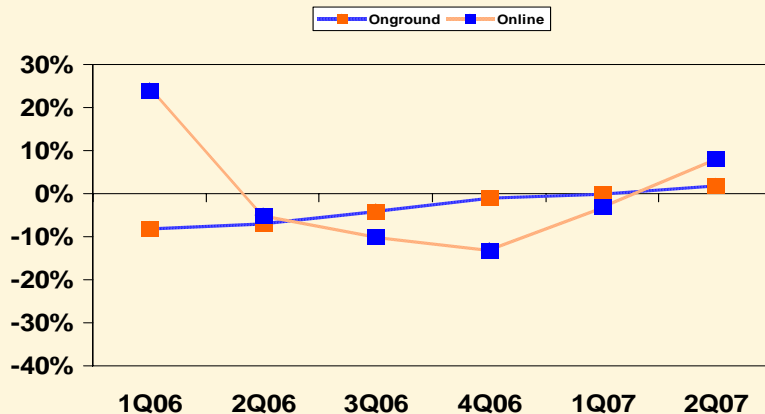
Second Quarter Metric Results

Student Starts



- 2Q07 new student start growth of 16%
- 2Q07 population growth of 4%

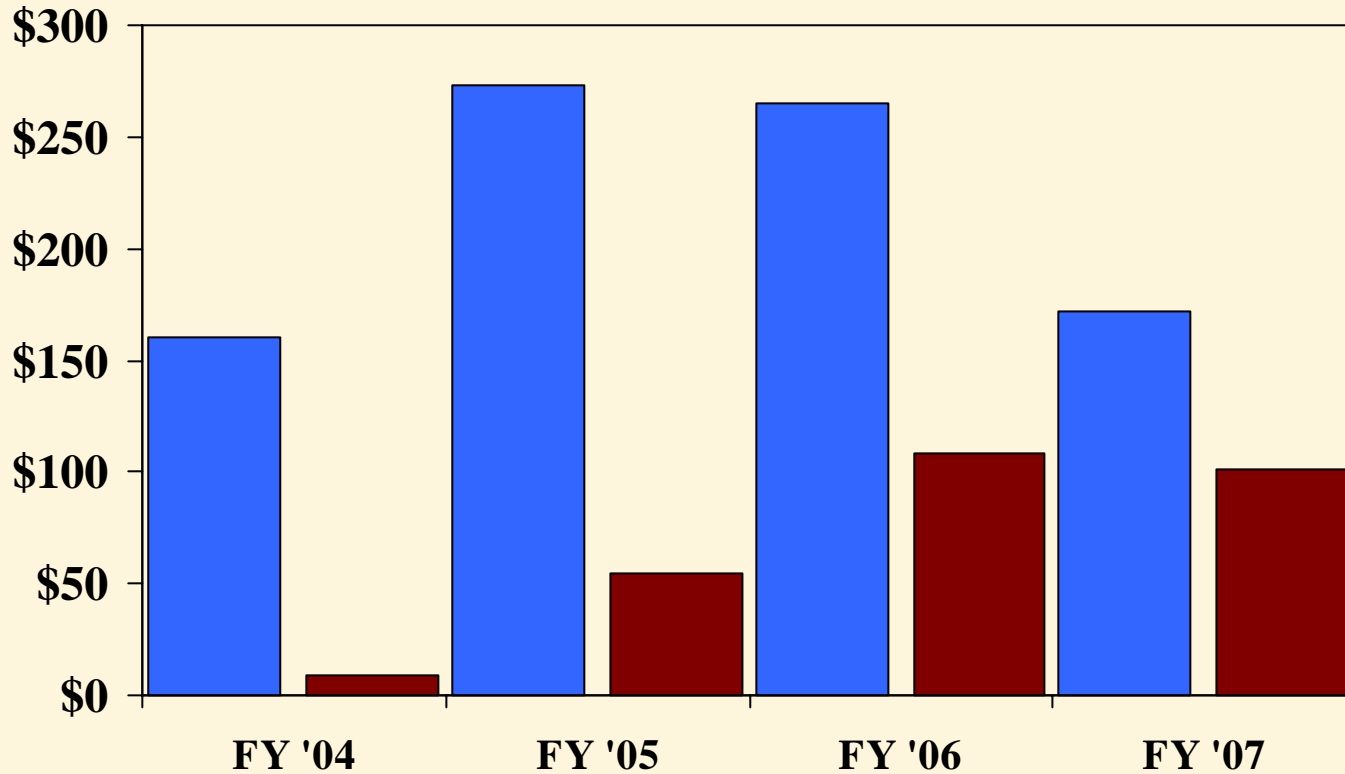
Student Population



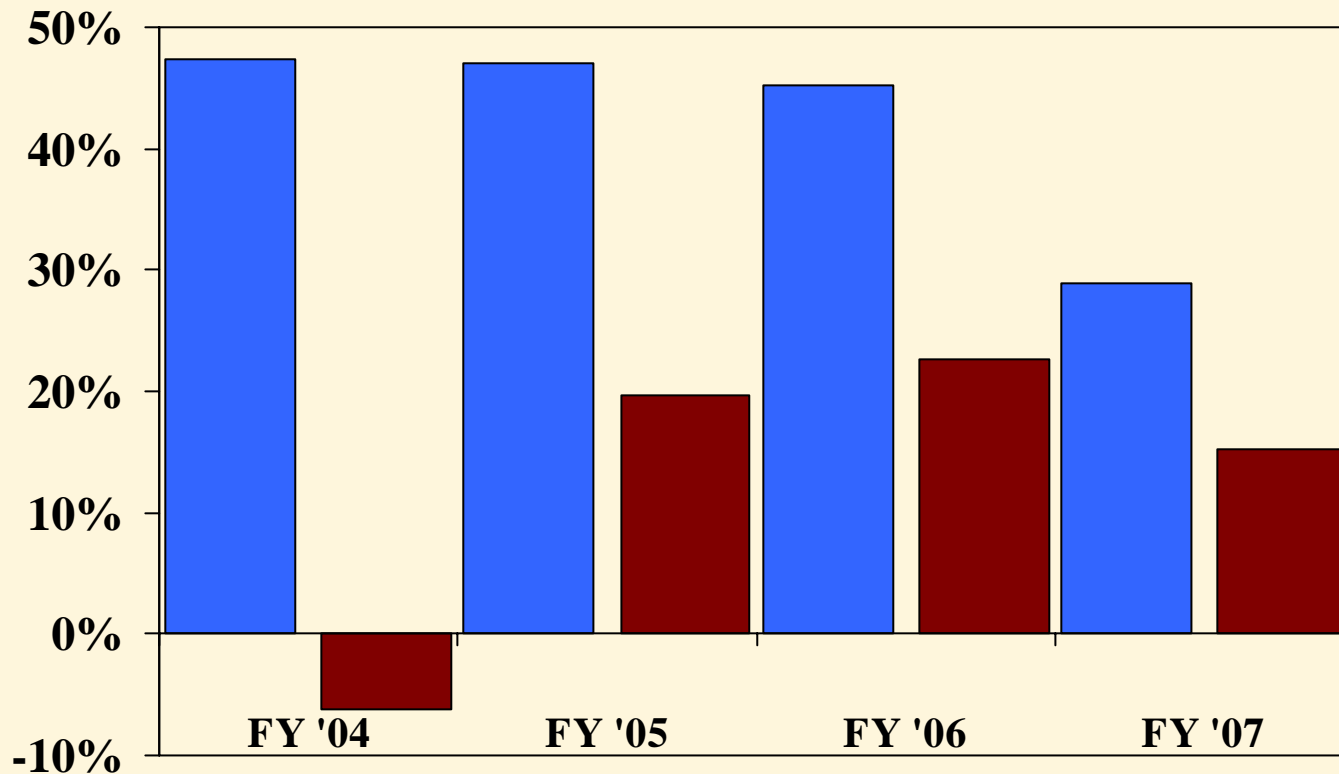
- July, 2007 new student start growth of 14%
- Continued improvements in conversion rates, show rates and retention rates

Online Revenue (First six months)

In Millions



Online Profit Margin % (First six months)



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Second Quarter Financial Results

- As of June 30, 2007, cash and cash equivalents and investments totaled \$363.3 million
- Capital expenditures decreased to \$14.5 million, or 3.3% of consolidated revenue
- Since inception, repurchased 14.7 million shares for approximately \$491.2 million with \$308.8 million still available to repurchase shares
- Renewal of bank credit agreement anticipated early fourth quarter 2007

Summary

Gary McCullough
President and Chief Executive Officer



Second Quarter Comments

- AIU probation and the related loss of population have been a significant factor in declining online and campus profitability
- CTU population has increased, but lags AIU in profitability because:
 - Student acquisition costs are offset later in the student's programs when variable costs drop significantly
 - Associate degree programs have not yielded graduates who can move up to more profitable bachelor degree programs

Short Term Growth

- We have reported improvements in operating metrics: starts, population and retention
- We continue to see revenue and margin pressure due to:
 - Growth in associate degree seeking students
 - Mix change between AIU and CTU online
 - AIU probation
- By fourth quarter, 2007, AIU online associate degree program price reductions will have been in effect for a full year
- We believe we will see sequential improvement in profitability from third to fourth quarter 2007

Long Term Growth

- Opportunity Ahead
- Population Growth – upper single digits
- Revenue Growth – upper single digits
- Operating Profit Growth – mid teens to 20%

Q&A

