

The 3R_S

Recognize • Redefine • Reach



The 3R_S

Recognize • Redefine • Reach

Len Mariani



Chief Marketing and Admissions Officer
CAREER EDUCATION CORPORATION

March 18, 2008

© Career Education Corporation 2008

Safe Harbor

Except for the historical and present factual information contained herein, the matters set forth in this presentation, including statements identified by words such as "anticipate," "believe," "plan," "expect," "intend," "project," "will," and similar expressions, are 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 are subject to various risks, uncertainties and other factors that could cause our actual growth, results of operations, performance and business prospects, and opportunities to differ materially from those expressed in, or implied by, these statements. Except as expressly required by the federal securities laws, we undertake no obligation to update such factors or to publicly announce the results of any of the forward-looking statements contained herein to reflect future events, developments, or changed circumstances or for any other reason. These risks and uncertainties, the outcome of which could materially and adversely affect our financial condition and operations, include, but are not limited to, the following: risks associated with unfavorable changes in the cost or availability of financing, including alternative loans, for our students; potential higher bad debt expense or reduced revenue associated with requiring students to pay more of their educational expenses while in school; increased competition; the effectiveness of our regulatory compliance efforts; future financial and operational results, including the impact of the impairment of goodwill and other intangible assets; risks related to our ability to comply with accrediting agency requirements or obtain accrediting agency approvals; 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, and class action and other lawsuits; costs, risks and uncertainties associated with our company-wide restructuring, including risks and uncertainties associated with changes in management and reporting responsibilities; 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 or teach-out of any campuses; risks related to general economic conditions including credit market conditions and other risk factors relating to our industry and business and the factors discussed in our Annual Report on Form 10-K for the year ended December 31, 2007, and from time to time in our other reports filed with the Securities and Exchange Commission.

Summary

- **We recognize our marketing and admission performance represents a significant improvement opportunity**
- **We will build and add on to our core strengths in marketing and admissions to improve performance**
- **We will define our success by significantly improved starts and cost per start performance**

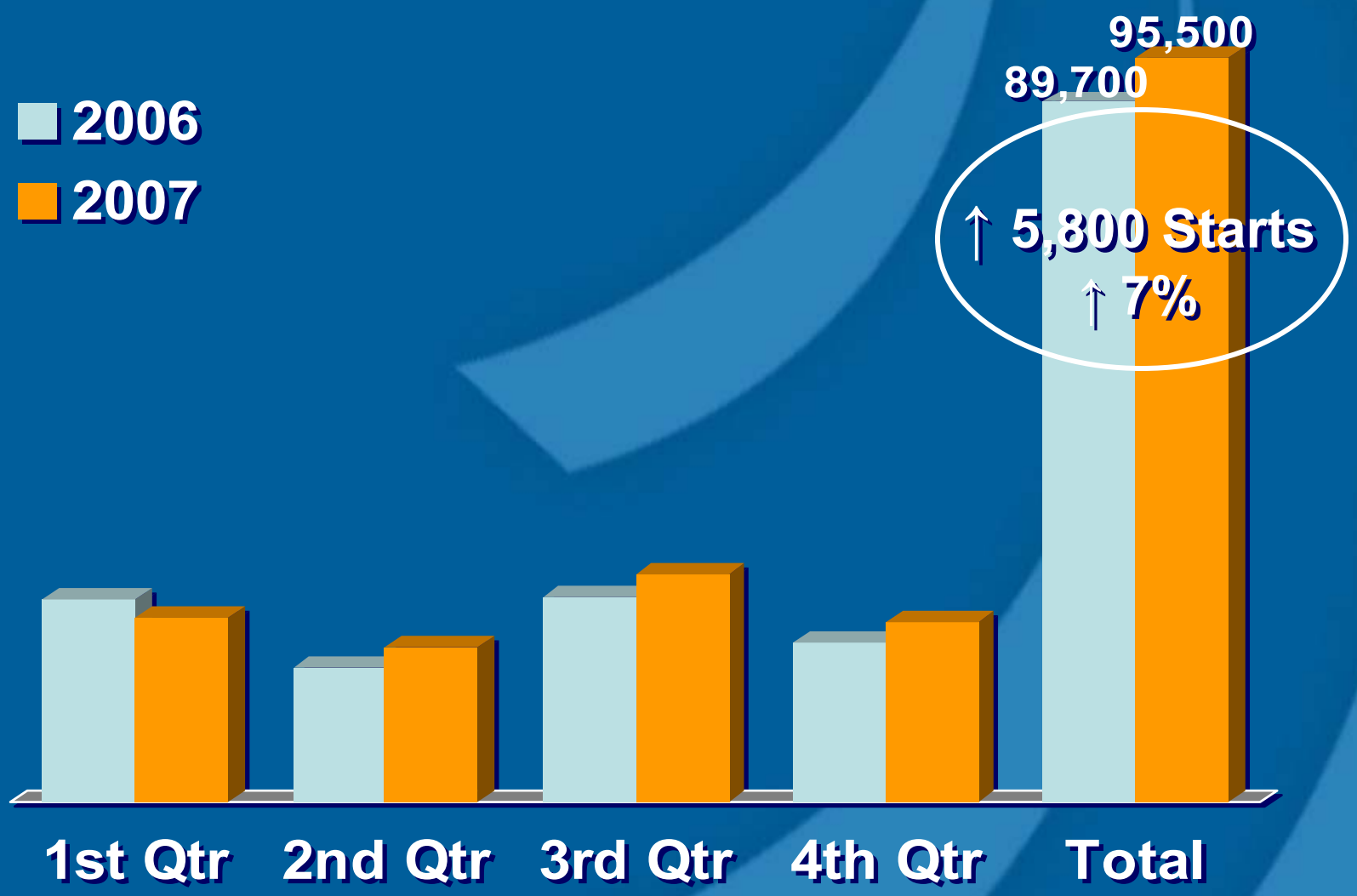
Marketing and Admissions Overview

Large, Distributed Operation

- Marketing, Admissions, PR and Communications
- Major activities performed in corporate and the business units
- Under 2,700 full and part-time employees
- Support over 75 ground and online schools
- \$464M spent in 2007 to generate over 6M leads and deliver over 95,500 starts

Positive Trends

Year Over Year Start Increase



*Continuing Operations

Positive Trends

Year Over Year Cost Per Start Decline

CEC Quarterly Average Starts

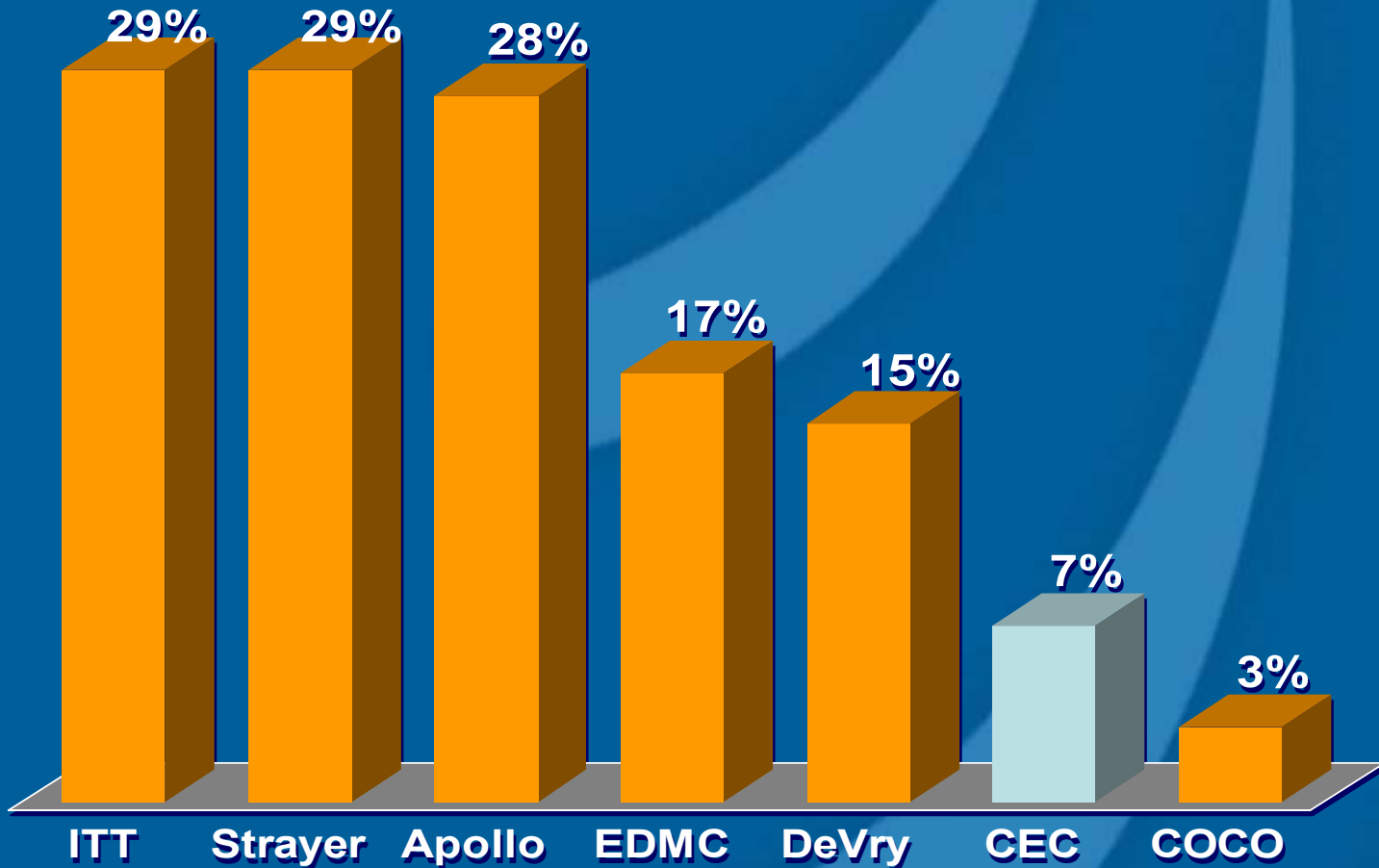
2006
2007



Operating Margins

Operating Margin Among Lowest in Industry

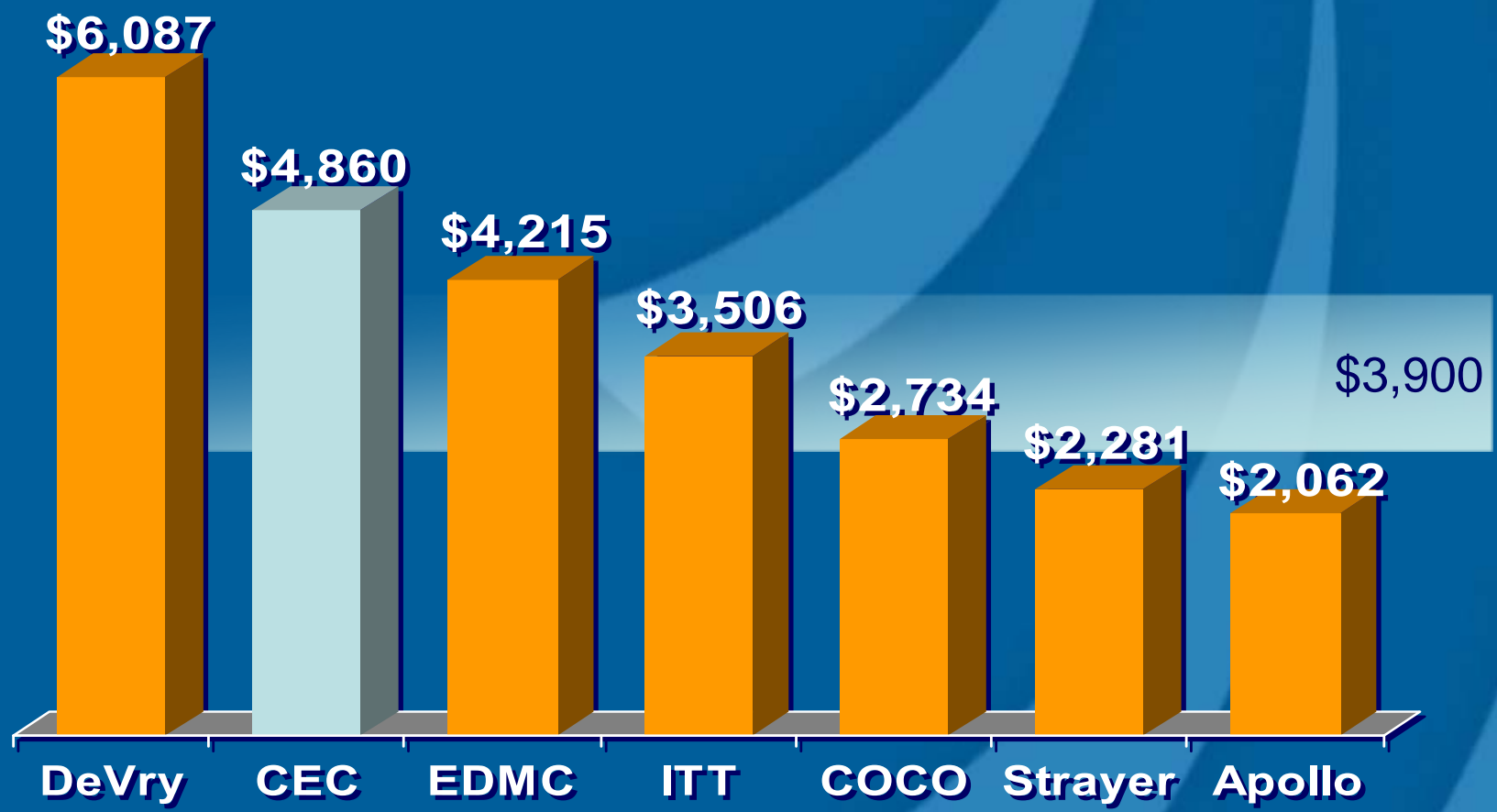
Operating Margin – *Percent of Revenue*



Cost Per Start

Marketing and Admissions Costs Among Highest in Industry

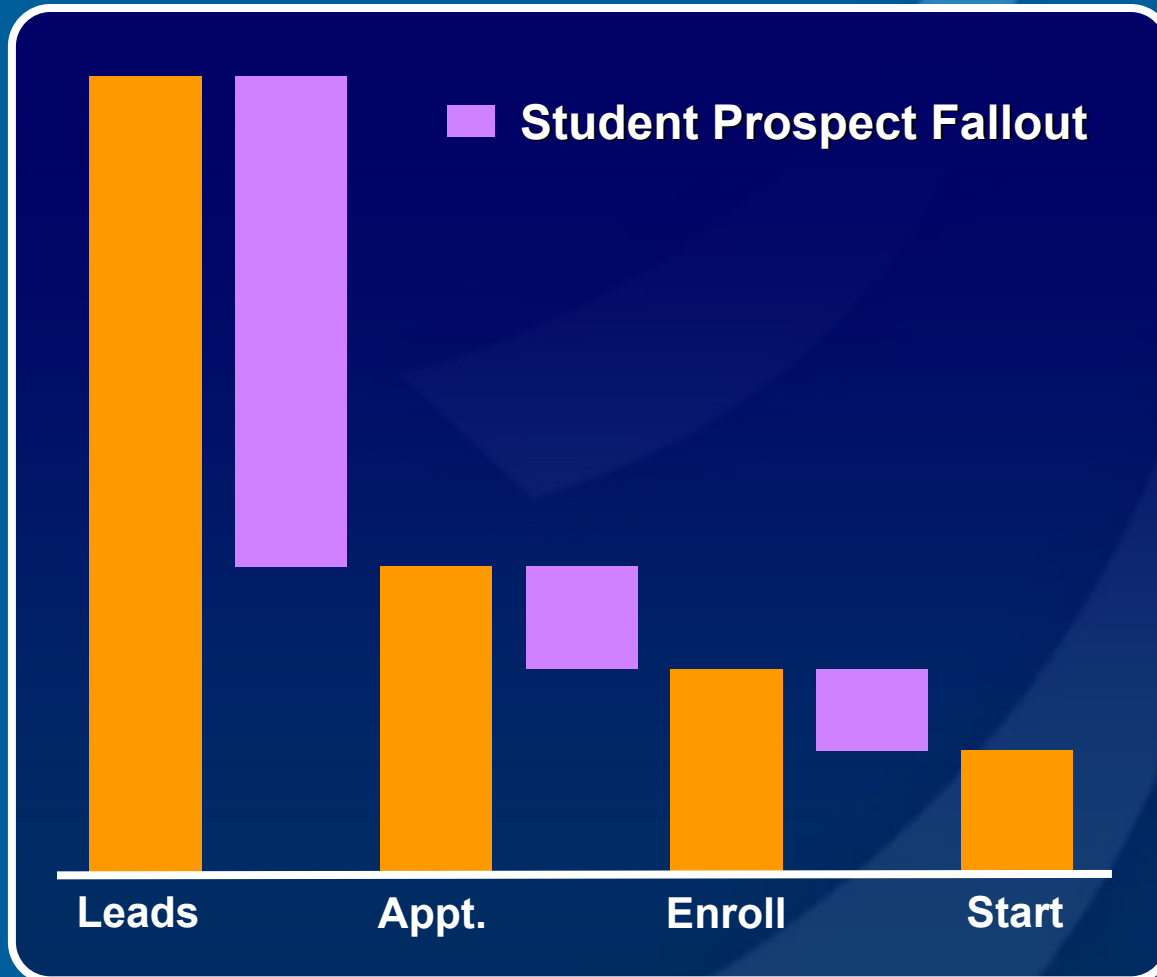
Marketing and Admissions – Costs Per Start



Source: CEC Finance Sept 2007 Profitability Report; Stifel Nicolaus Factbook (Fall 2007)

Framework

Excessive Student Prospect Fallout Prior to Start



Assets

Strong Fundamentals

- Online marketing innovation
- Broad online brand presence
- Custom lead management applications
- Recognized brands



- Best practices in advertising and admissions

Challenges

Operational, Cultural, Strategic Challenges

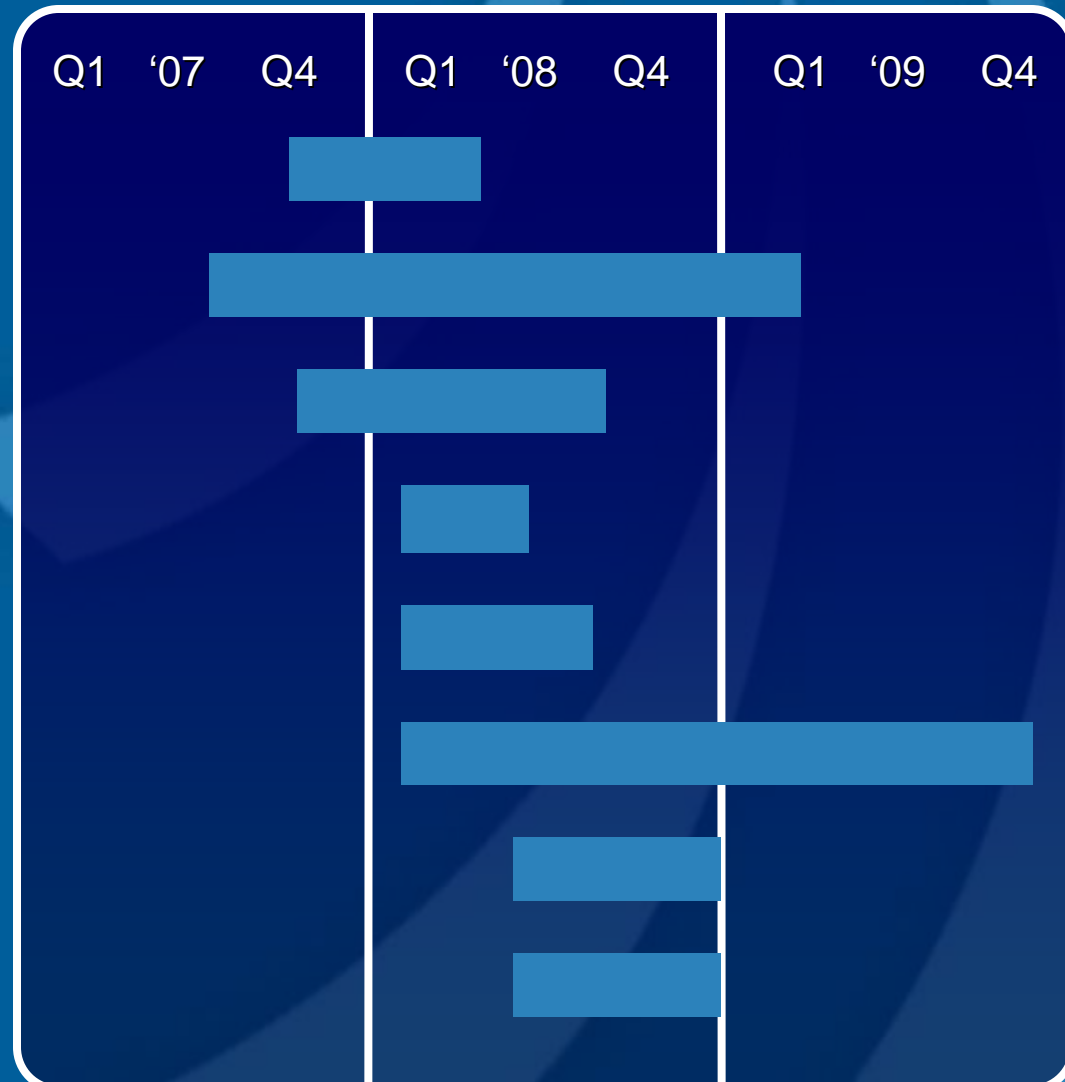
- Decentralized management model results in media buys and admissions process that lack consistency and scale
- Inadequate focus on student performance and lifetime value
- Admissions team effectiveness hampered by high turnover and inconsistent skills
- Multiple and sometimes un-differentiated brands result in sub-optimal performance, awareness, perceptions

Timing

Most Initiatives Complete or Underway

Execution Timing

- Eliminating unprofitable/least profitable media
- Scaling lead clearinghouse activities and technology
- Addressing private lending
- Consolidating offline and online media buying
- Consolidating agency and creative management
- Simplifying brand architecture
- Enhance front-line supervisor and admissions rep training
- Simplify rep supp comp plan



2010 Targets

Improve 2010 Performance Relative to 2007

Target Changes in Cost Per Start, Starts and Revenue Per Student

Cost Per Start

\$4,100 – \$4,400
2007 – \$4,860

M/A Costs % Revenue

25% – 27%
2007 – 28%

Starts

120,000 – 130,000
2007 – 95,500

Summary

- **We recognize our marketing and admission performance represents a significant improvement opportunity**
- **We will build and add on to our core strengths in marketing and admissions to improve performance**
- **We will define our success by significantly improved starts and cost per start performance**

The 3R_S

Recognize • Redefine • Reach

