



September 2004

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# *Agenda*

- **Strategic Highlights**
- Investment Facts
- Market Overview
- Company Overview
- Financial Summary
- Summary

## *Strategic Highlights*

- **Pure-play provider of career education in the allied health field**
- **Most campuses have over 30 years of experience in the allied health field**
- **Highly regarded programs with a strong reputation among students, faculty, and the health care community**
- **Recently expanded classroom capacity to provide for future growth**
- **Demand for health care jobs will increase 21% to 35% over the next ten years**

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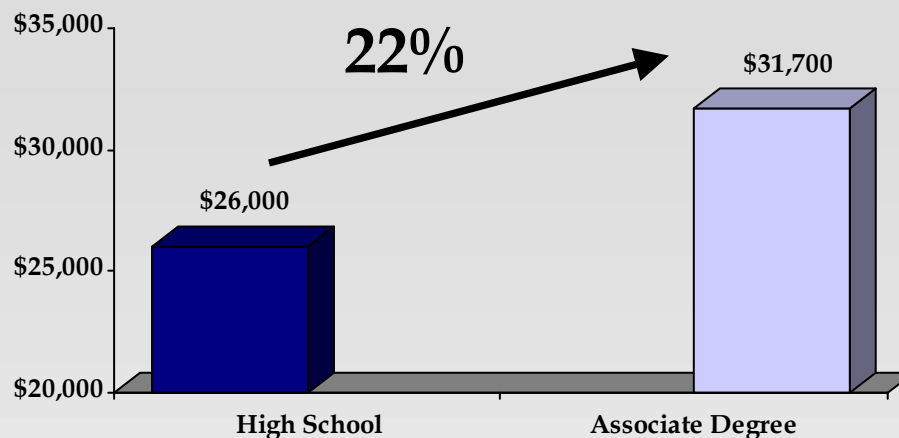
## *Investment Facts*

- **Market opportunity**
  - Aging baby boomer population with one in five Americans over 55 and 30% between the ages of 36 and 54 will increase demand for health care workers
  - Nursing shortage
  - Demand for all health care jobs will increase
- **2003 Financial performance**
  - Enrollment increased 11.1% to 9,454
  - Revenue increased 22.3% to \$74.7 million
  - Diluted income per share was \$.99 compared to \$.68 in 2002
- **June 2004 – Six month performance**
  - Enrollments increased 3.5% to 4,829 for the six months ended June 30, 2004
  - Revenue increased 16.3% \$41.0 million for the six months

# Education Counts

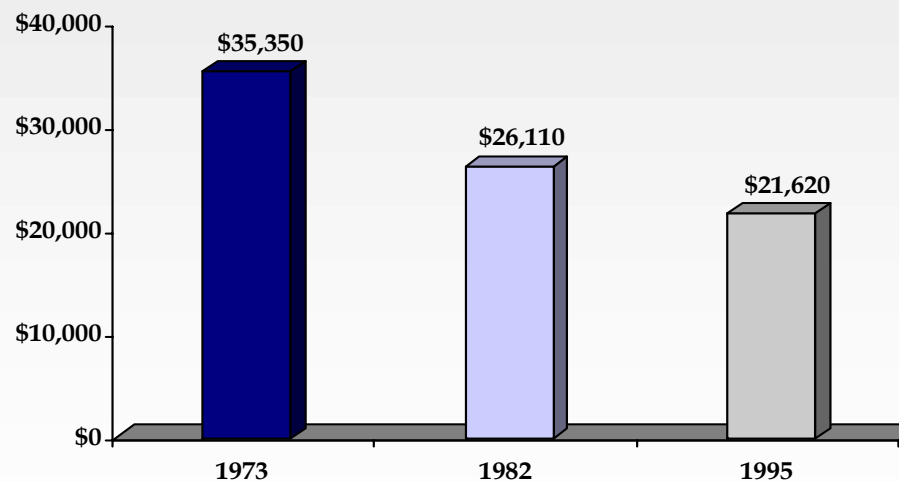
## Salary Gap between High School and Associate Degree Graduates

Median earnings in 1998 Dollars.  
Source: Bureau of Labor Statistics.



## Earning Power of a 30-Year Old Man With a High School Diploma

Data in 1995 Dollars.  
Source: Michael Milken.



# *Education and Health Care: Megatrends*

- **Health care in 2000**
  - Largest piece of GDP – 14%
  - \$2.3 trillion, or 16% of \$14.4 trillion U.S. capital markets
- **Demographics**
  - Aging baby boomer population
    - Over 56 million Americans 55 and older
    - Additional 80 million Baby Boomers between 35 and 54
    - Enormous strain on health care delivery system
  - Significant nursing shortage
    - RN population under the age of 30 dropped to 9% in 2000 from 25% in 1980
- **Health care job explosion**
  - Over 50% of the U.S. Department of Labor's fastest growing occupations (2000-2010) are health care-related
  - Majority require moderate-term training
  - Number of jobs projected to increase by over 45%

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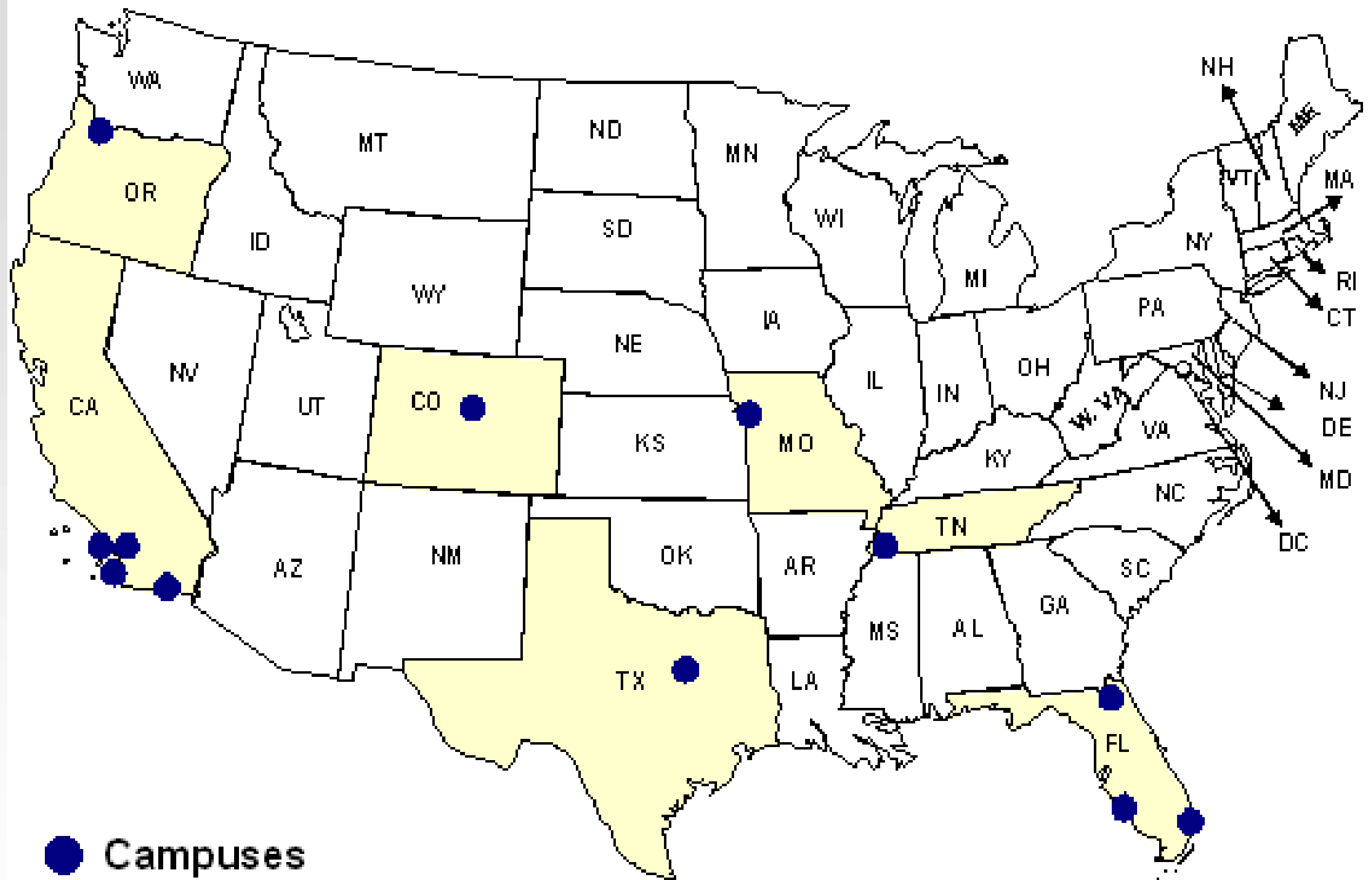
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## *Experienced Management Team*

Name	Position	Prior Experience / Affiliations
Jack Brozman	Chairman, President & CEO	Chairman, President & CEO, La Petite Academy - 14 years
Paul Gardner	VP & CFO	Controller, La Petite Academy - 16 years of multi-site / education / public company experience
Gene Johnson	VP, Operations	Over 25 years of education experience
Patrick Debold	VP, Academic Affairs	19 years of proprietary education experience
Vickey Cook	VP, Compliance	Over 20 years of proprietary education experience
Diana Hawkins-Jenks	VP, Human Resources	VP, Human Resources, La Petite Academy, 14 years of multi-site / education experience

# *Concorde Campuses*

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## *Demographics*

- **12 campuses**
- **Student enrollment of 9,454 in 2003**
  - Students aged 18-30 represent over 70% of total
  - Students aged 31-40 represent over 18% of total
  - Women represent 85% to 90% of total
- **Small class size with average of 12 to 15 students per class**
- **Completion and attrition rates**
  - Over 63% completion rate
  - Less than 6% of student population withdraws each month
  - Average completion rates for 4-year colleges is 50%, community colleges average 20%

## *Program Overview*

- **13 primary programs conferring diplomas, certificates, and associate degrees in allied health occupations**
  - Supplemented by short term courses / programs and certification test preparations
- **Non-traditional academic calendar**
  - Most programs commence monthly
  - Program length generally ranges from 10 to 14 months
  - Generally 720 to 2,265 hours of instruction
- **Hands-on learning experience**
  - Classroom atmosphere is supplemented by lab experience and externship or clinical experience
- **Total cost per program: \$7,700 to \$26,000**

# *Programs of Study -- Course Offerings*

## **Core Programs**

- Medical Assistant – 12 campuses
- Medical Office Assistant / Professional – 2 campuses
- Insurance Coding and Billing Specialist – 9 campuses
- Dental Assistant – 12 campuses
- Massage Therapy – 3 campuses

## **Other Programs With Externship**

- Pharmacy Technician - 1 campus
- Patient Care Technician – 3 campuses
- Health Unit Coordinator – 1 campus
- Clinical Lab Assistant – 1 campus

## **Clinical Programs**

- Vocational / Practical Nursing – 8 campuses
- Respiratory Therapy - 3 campuses
- Advanced Respiratory Therapy - 3 campuses
- Surgical Technology – 5 campuses
- Radiologic Technology – 1 campus

# *Program Status*

## **Programs started in 2003**

- Practical Nursing
- Medical Assistant
- Surgical Technology

## **Programs started in 2004**

- Dental Assistant
- Surgical Technology
- Health Unit Coordinator

## **Programs currently approved with enrollments expected in 2004**

- Associate of Science in Respiratory Therapy – 2 campuses
- Pharmacy Technician
- Surgical Technologist

**Anticipate Three Additional program approvals and starts in 2004**

## *Growth Strategy*

- Growth in existing programs in current markets
- Addition of Respiratory Therapy and Vocational Nursing at all campuses
- Addition of Associate Degrees at all campuses
- Additional programs at existing campuses
- Selective acquisitions
- Branching into new and existing markets

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# Financial Comparisons

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>Six Months 6/30/2003</u>	<u>Six Months 6/30/2004</u>
<b>Revenue</b>	38,785	49,049	61,112	74,714	35,250	41,002
<b>Percentage change to prior period</b>	9.9%	26.5%	24.6%	22.3%		16.3%
<b>Operating Income</b>	(426)	2,487	6,700	9,916	4,851	4,011
<b>Percentage change to prior period</b>	-30.4%	683.8%	169.4%	48.0%		-17.3%
<b>Net income (loss)</b>	(352)	1,633	4,234	6,163	3,020	2,501
<b>Percentage change to prior period</b>	-26.2%	563.9%	159.3%	45.6%		-17.2%
<b>Diluted EPS</b>	\$ (0.14)	\$ 0.28	\$ 0.68	\$ 0.99	\$ 0.48	\$ 0.39
<b>Percentage change to prior period</b>	-12.5%	300.0%	142.9%	45.6%		-18.8%
<b>Student Enrollment</b>	6,072	7,080	8,510	9,454	4,666	4,829
<b>Percentage change to prior period</b>	7.8%	16.6%	20.2%	11.1%		3.5%
<b>Average student population</b>	3,649	4,257	5,069	5,859	5,595	6,136
<b>Percentage change to prior period</b>	10.6%	16.7%	19.1%	15.6%		9.7%

## *Selected Metrics*

<b>(Numbers in 1,000s)</b>	<b><u>2000</u></b>	<b><u>2001</u></b>	<b><u>2002</u></b>	<b><u>2003</u></b>	<b><u>Six Months 6/30/2003</u></b>	<b><u>Six Months 6/30/2004</u></b>
<b>Cash &amp; temporary investments</b>	5,128	9,739	12,298	19,813	15,352	19,303
<b>Percentage change to prior period</b>	130.1%	89.9%	26.3%	61.1%		25.7%
<b>Capital expenditures</b>	794	827	1,842	3,237	1,463	2,276
<b>Percentage change to prior period</b>	-10.7%	4.2%	122.7%	75.7%		55.6%
<b>Campus moves</b>				2	2	2
<b>Square footage</b>	235	245	270	321	278	332
<b>Percentage change to prior period</b>	4.8%	4.3%	10.2%	19.3%		19.4%
<b>Depreciation &amp; amortization</b>	1,151	998	992	1,488	708	953
<b>New Programs</b>	4	7	3	3	1	3

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## *Summary*

- **Addressing Critical Need in Market**
- **Health Care Focused Education**
- **Incredible Long-term Demand for Health Care Workers**