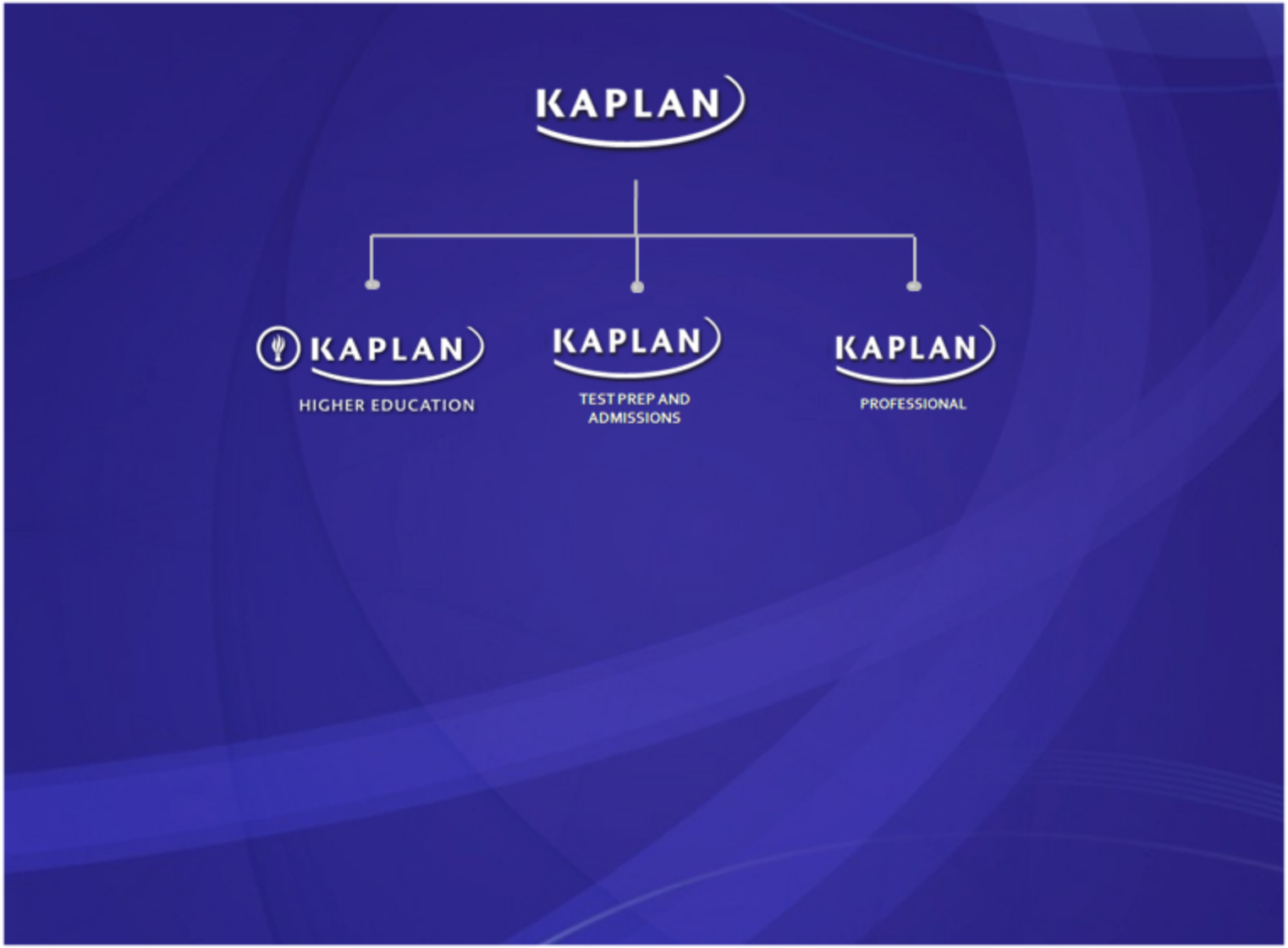
KAPLAN
SHAREHOLDERS DAY
September 2009

Jonathan Grayer

Stanley H. Kaplan

Mission Statement

Kaplan helps individuals achieve their educational and career goals. We build futures one success story at a time.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HIGHER EDUCATION
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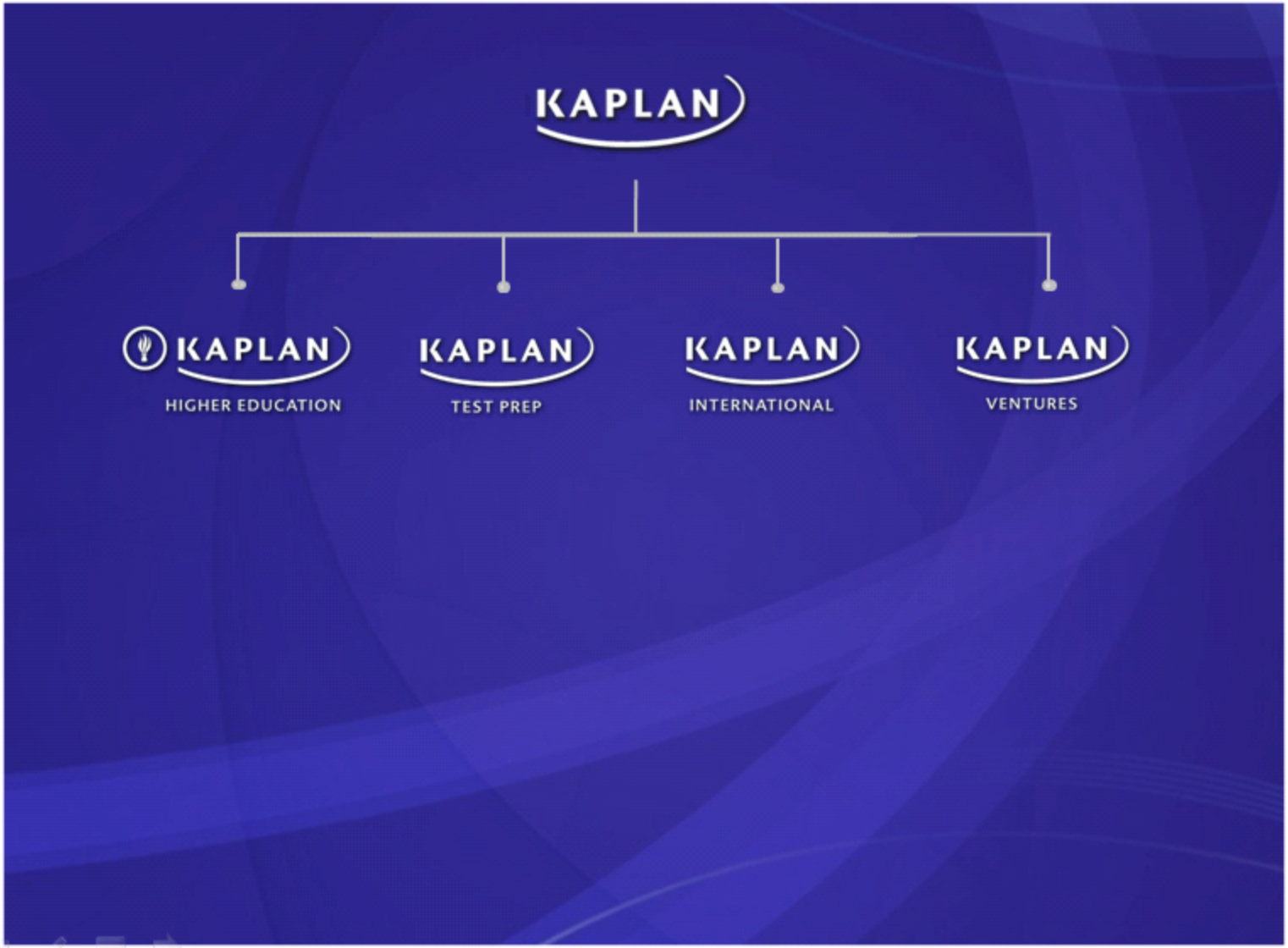
TEST PREP AND ADMISSIONS
KAPLAN
PROFESSIONAL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HIGHER EDUCATION
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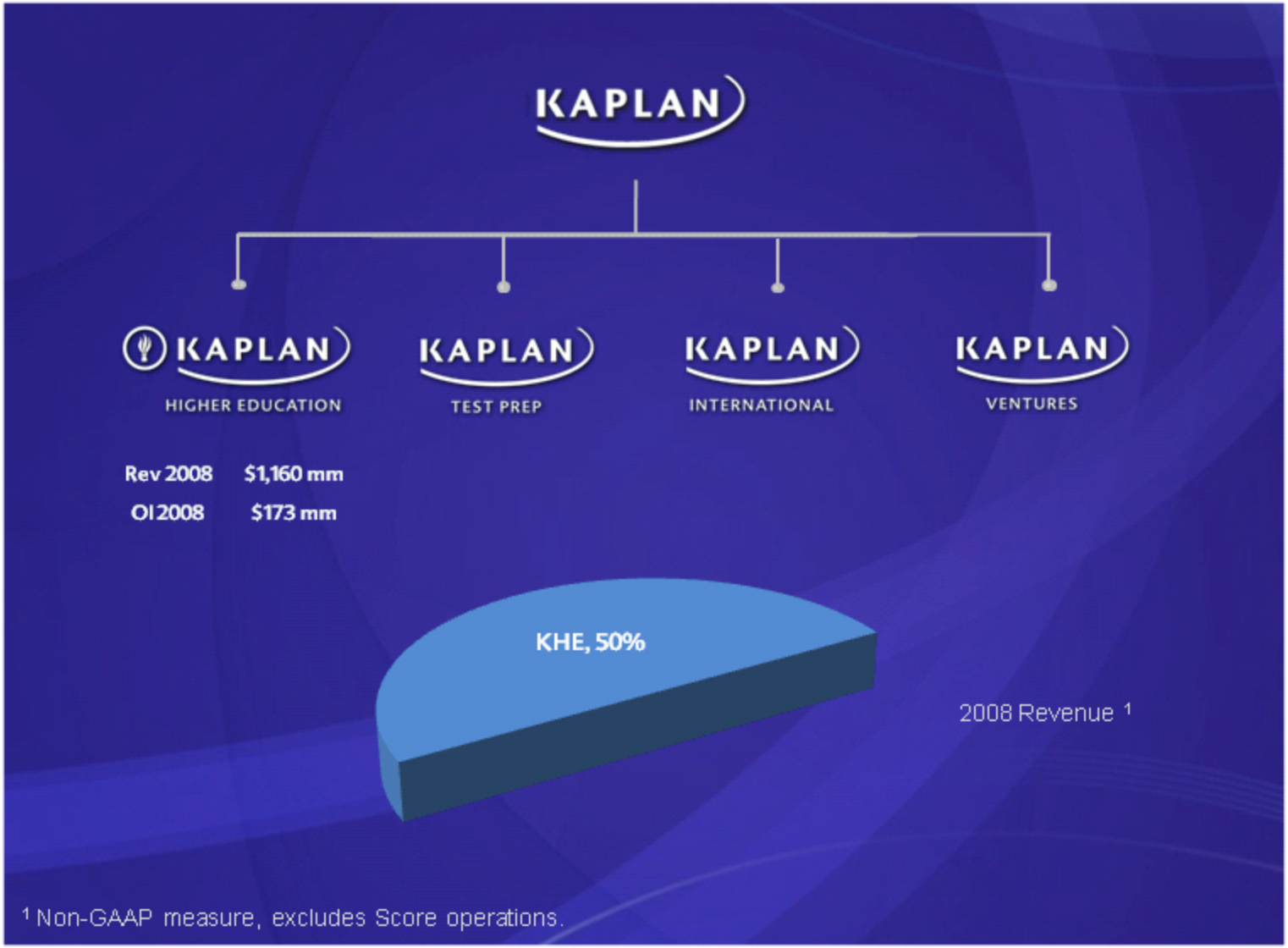
TEST PREP
KAPLAN
INTERNATIONAL
KAPLAN
VENTURES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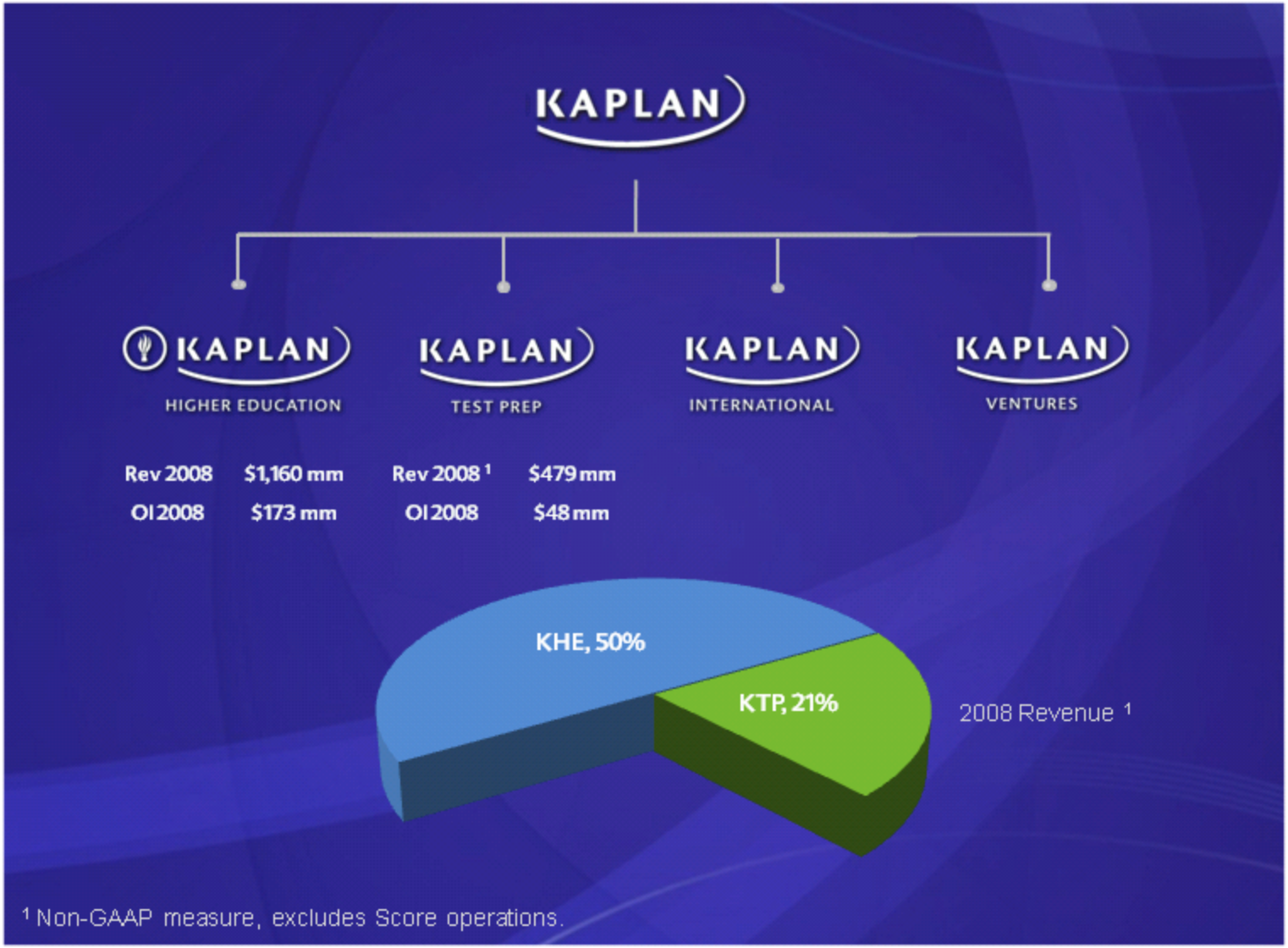
KAPLAN
TEST PREP
KAPLAN
INTERNATIONAL
KAPLAN
VENTURES
Rev 2008 $1,160 mm
OI 2008 $173 mm
KHE, 50%
2008 Revenue [1]
[1] Non-GAAP measure, excludes Score operations.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HIGHER EDUCATION
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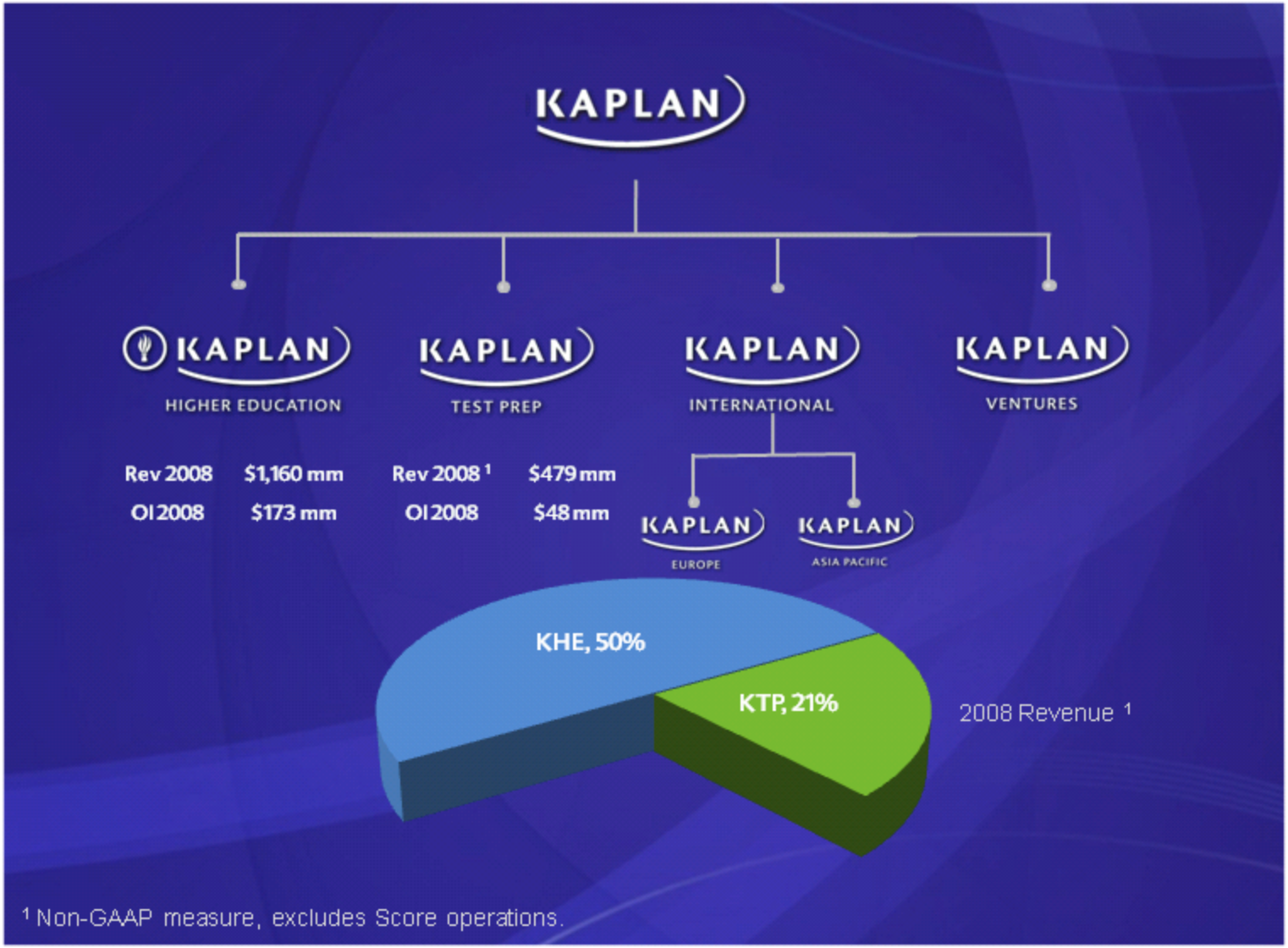
TEST PREP
KAPLAN
INTERNATIONAL
KAPLAN
VENTURES
Rev 2008 $1,160 mm
OI 2008 $173 mm
Rev 2008 [1] $479 mm
OI 2008 $48 mm
KHE, 50%
KTP, 21%
2008 Revenue [1]
[1] Non-GAAP measure, excludes Score operations.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VENTURES
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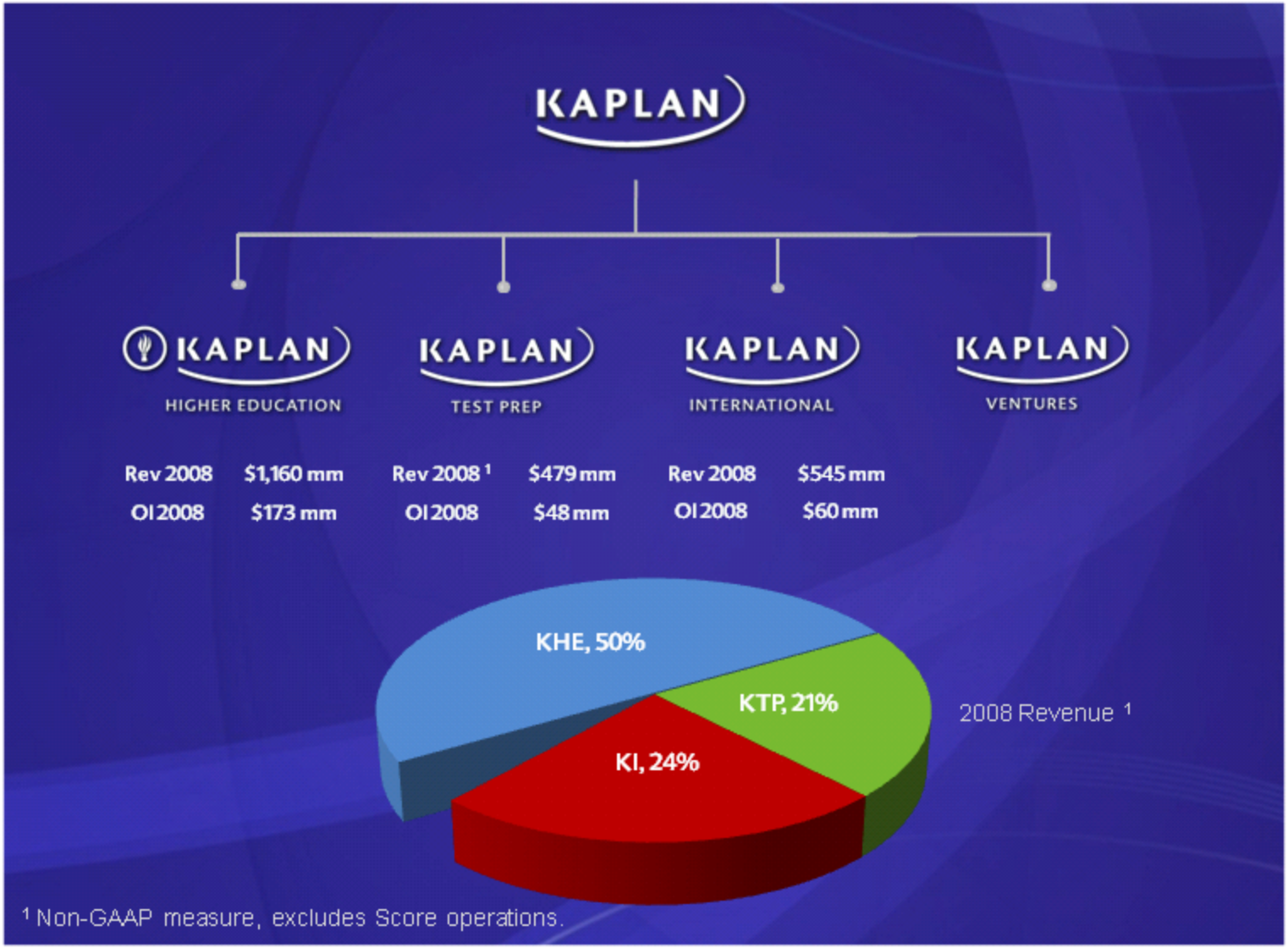
KHE, 50%
KTP, 21%
2008 Revenue 1
1 Non-GAAP measure, excludes Score operations.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HIGHER EDUCATION
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TEST PREP
KAPLAN
INTERNATIONAL
KAPLAN
VENTURES
Rev 2008 $1,160 mm
OI 2008 $173 mm
Rev 2008 [1] $479 mm
OI 2008 $48 mm
Rev 2008 $545 mm
OI 2008 $60 mm
KHE, 50%
KTP, 21%
KI, 24%
2008 Revenue [1]
[1] Non-GAAP measure, excludes Score operations.

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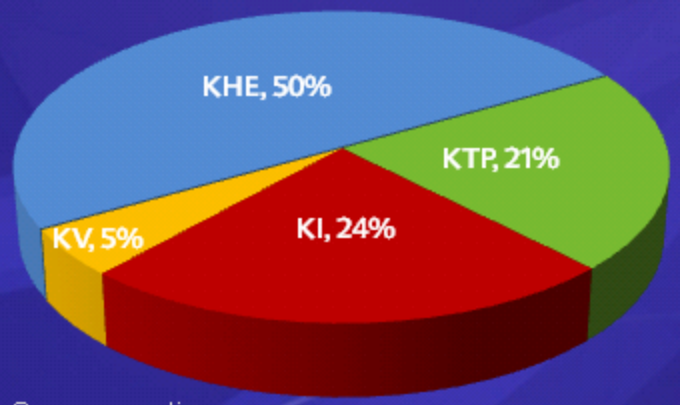
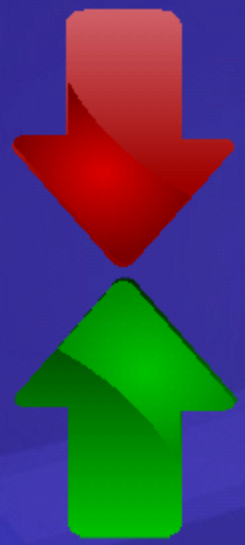
KAPLAN HIGHER EDUCATION		KAPLAN TEST PREP		KAPLAN INTERNATIONAL		KAPLAN VENTURES	
Rev 2008	$1,160 mm	Rev 2008 [1]	$479 mm	Rev 2008	$545 mm	Rev 2008	$126mm
OI 2008	$173 mm	OI 2008	$48 mm	OI 2008	$60 mm	OI 2008	($4 mm)



2008 Revenue [1]

[1] Non-GAAP measure, excludes Score operations.

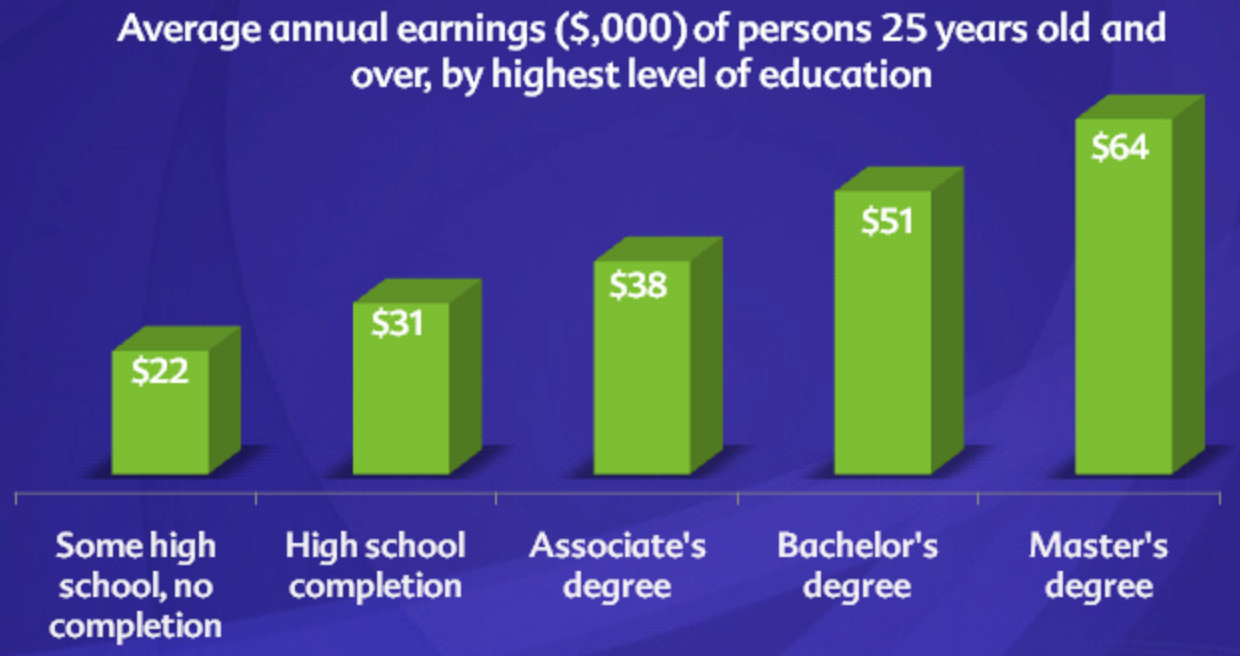
Market Conditions



Unfavorable economic conditions

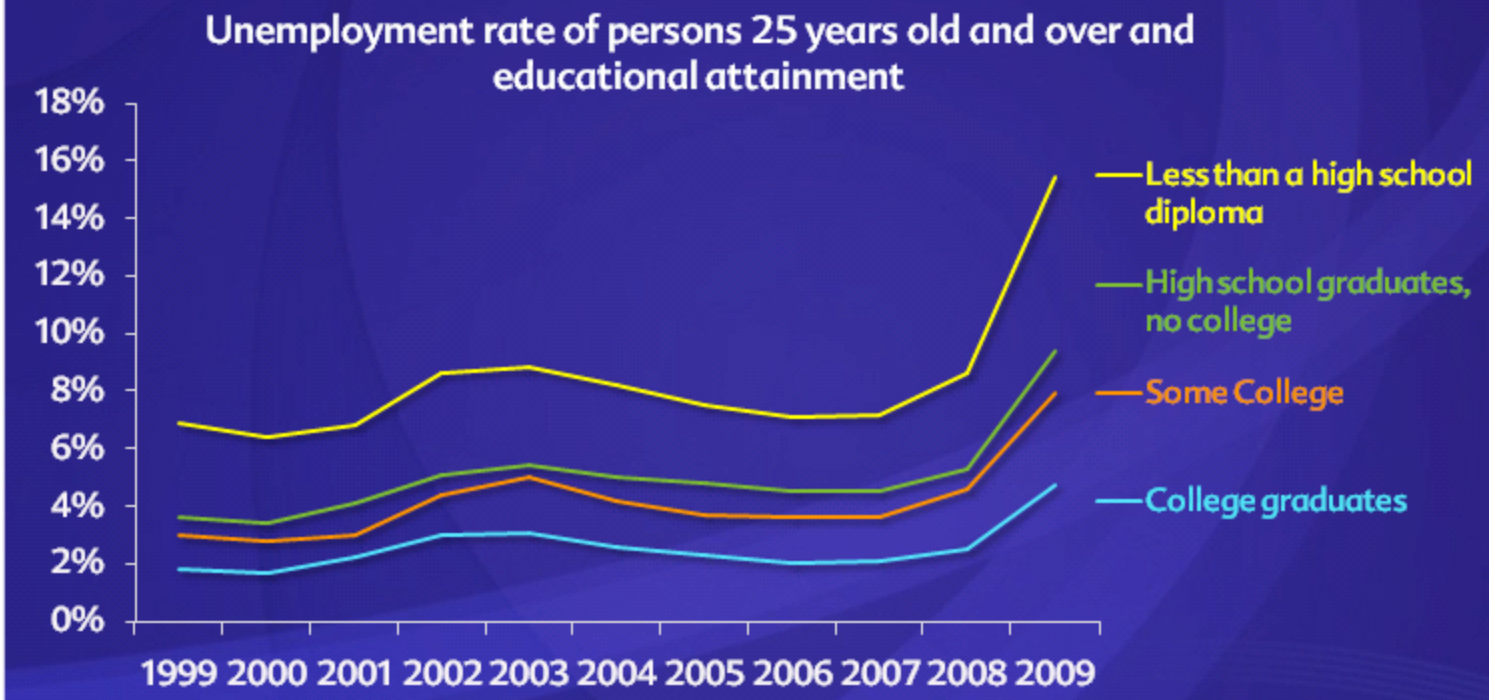
Favorable demand factors

Market Conditions



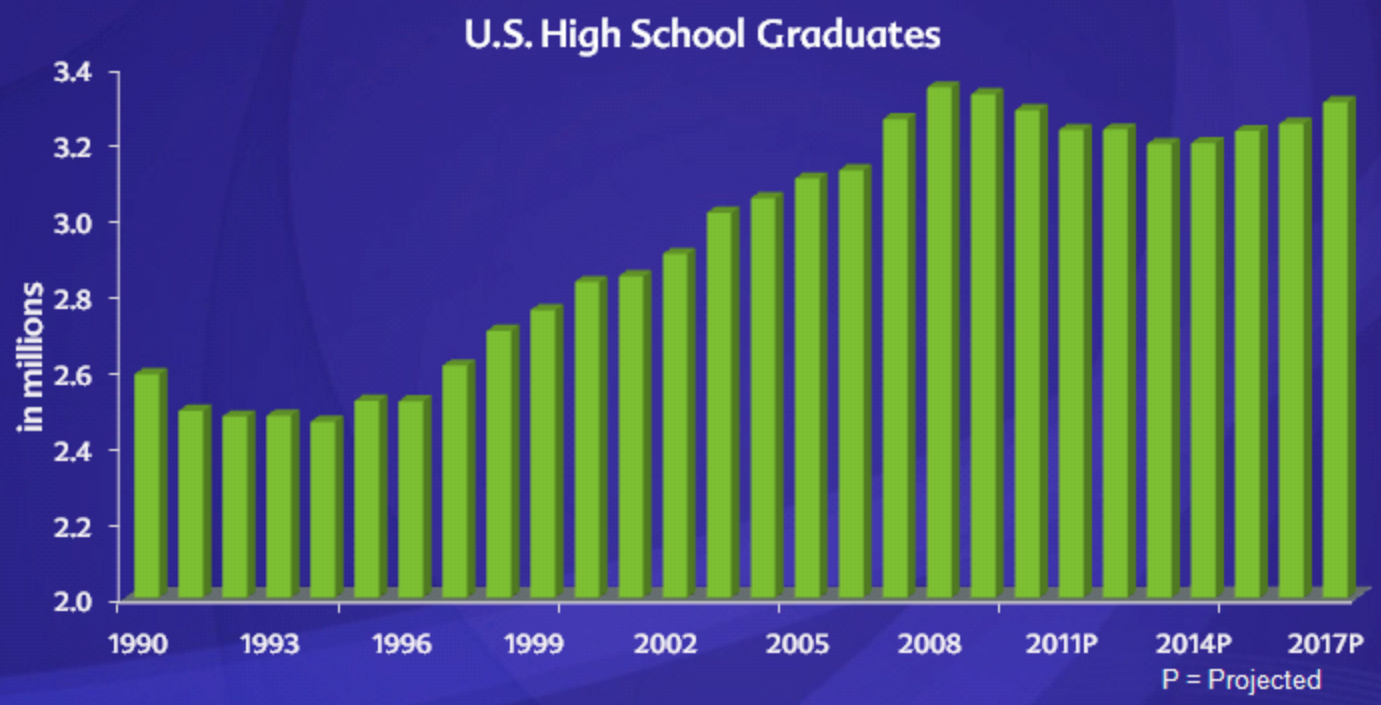
Source: Bureau of Labor Statistics; 2008 Population Survey

Market Conditions



Source: U.S. Department of Education, Bureau of Labor Statistics

Market Conditions

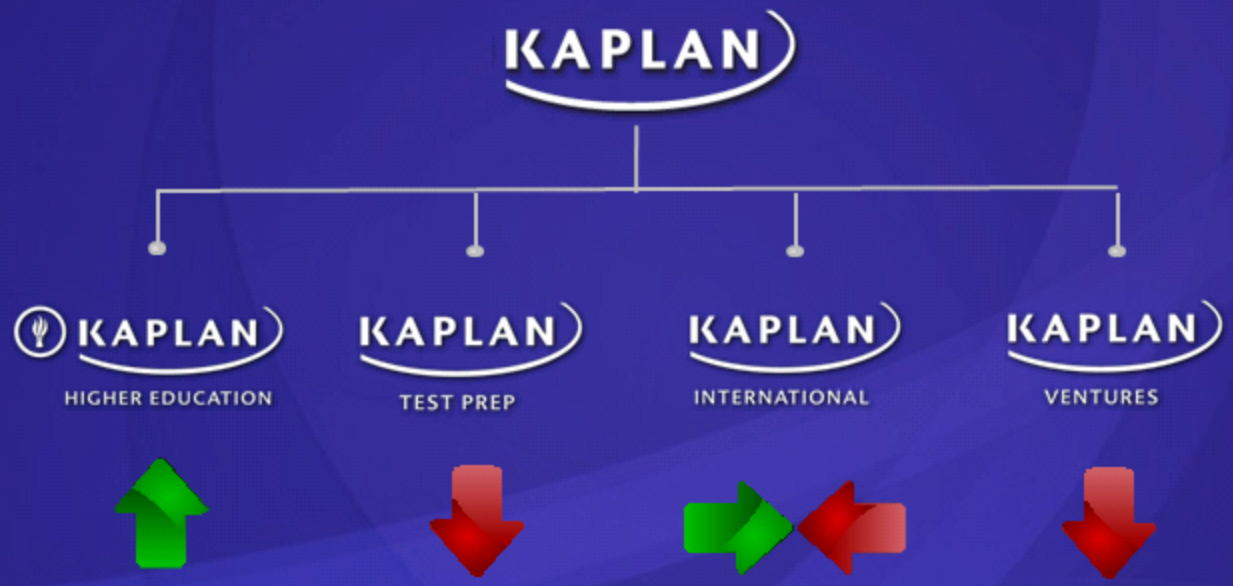


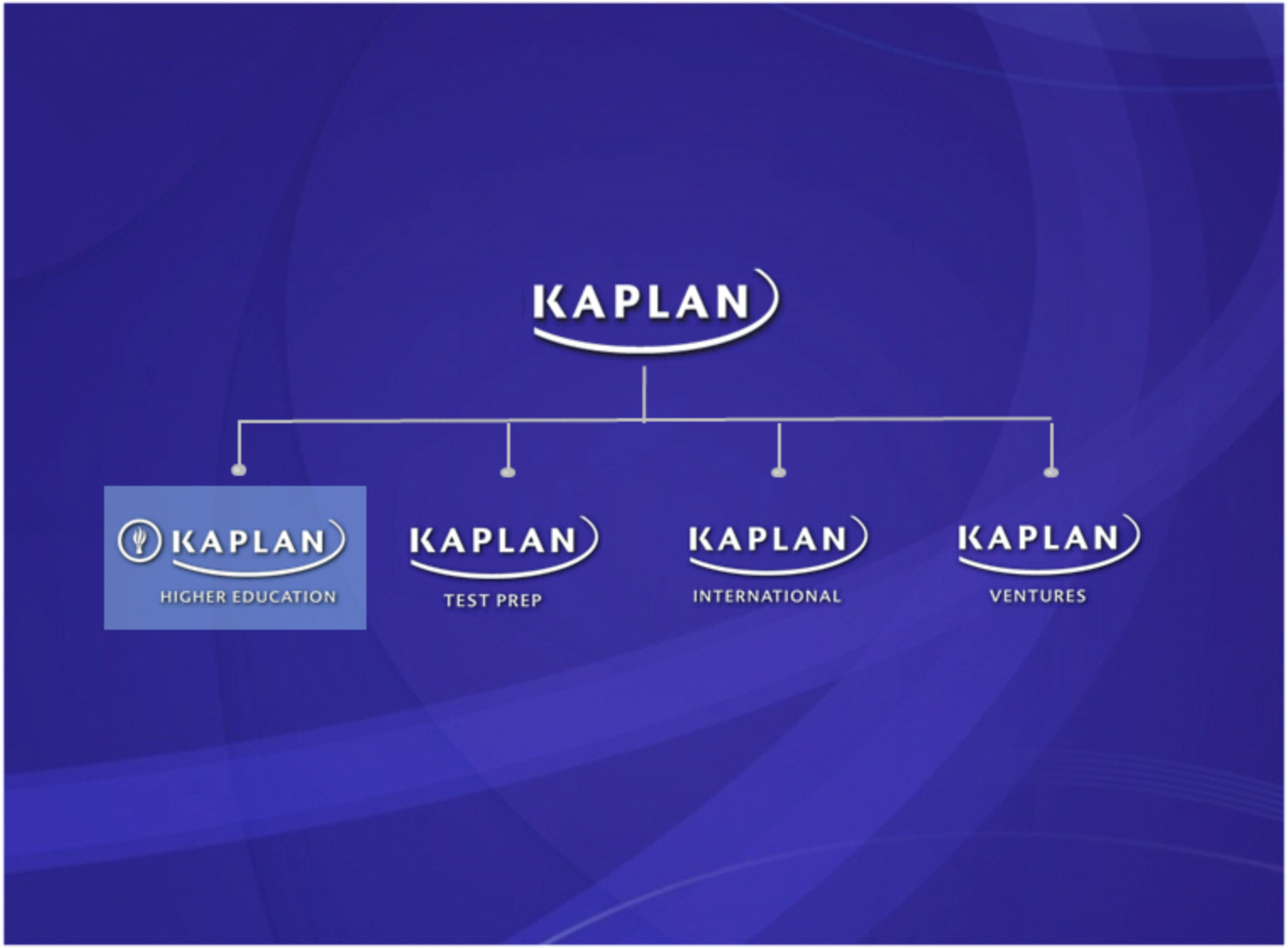
Source: U.S. Department of Education

Market Conditions

Market Conditions

Market Conditions

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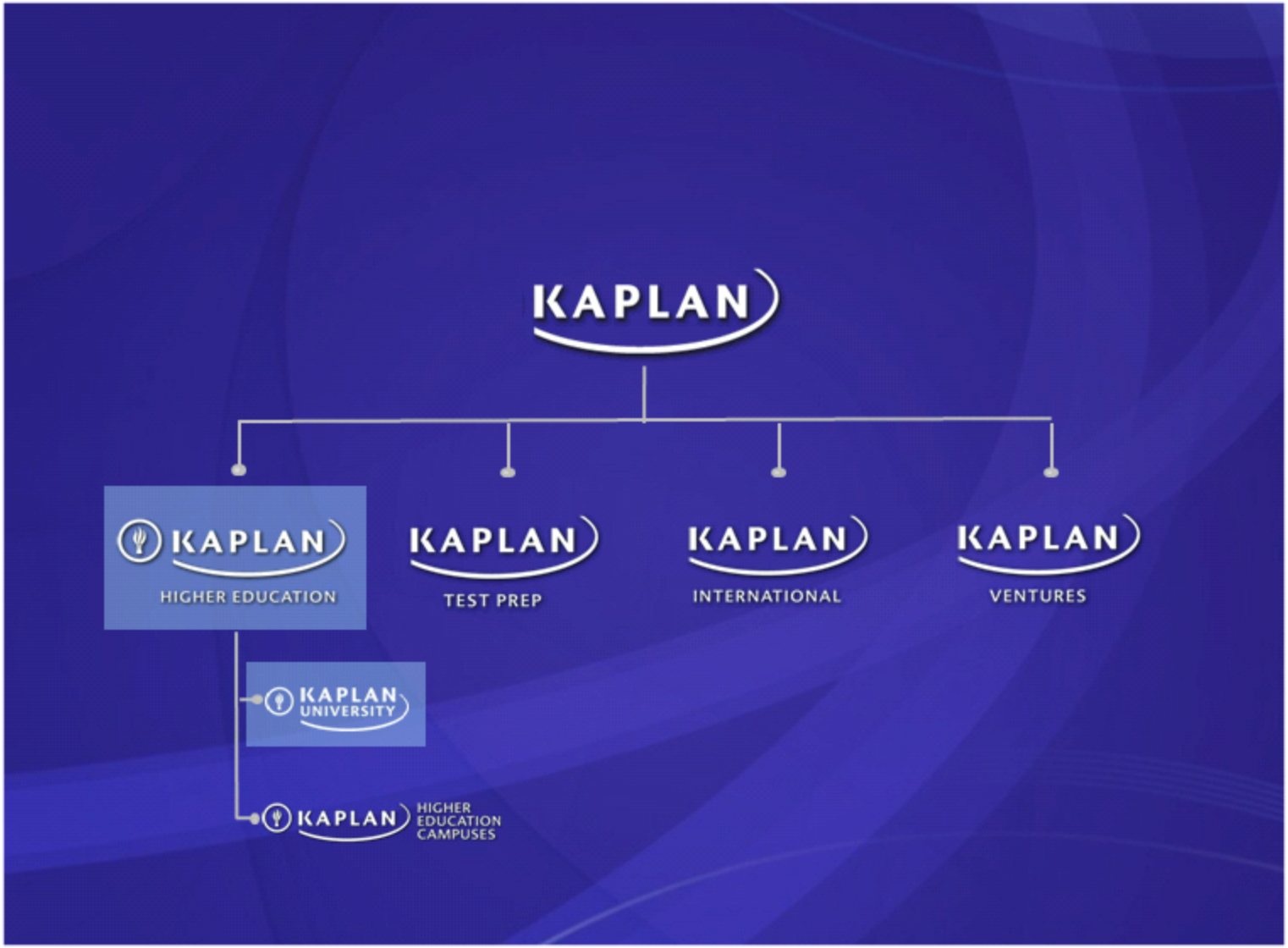
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KAPLAN UNIVERSITY

Online

Typical KU Student

- Average age: 33 years
- Works fulltime
- Some previous college experience
- Focused on career advancement

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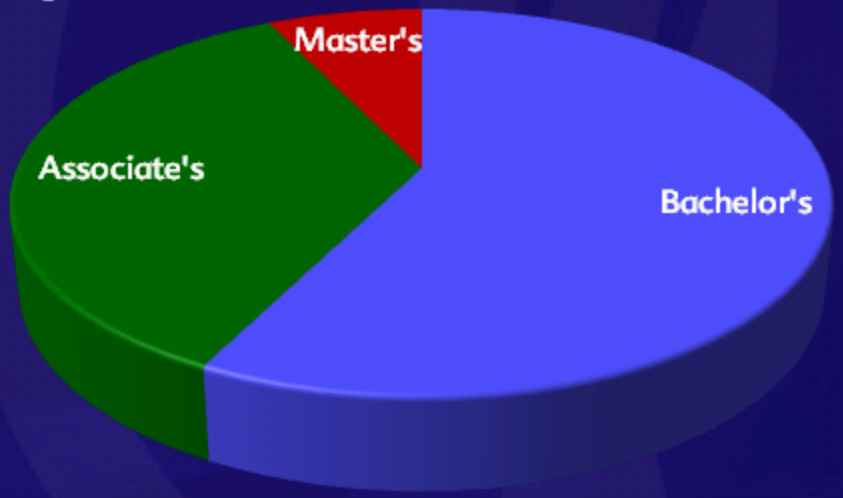
KAPLAN UNIVERSITY

Online

KU Academics

Degrees



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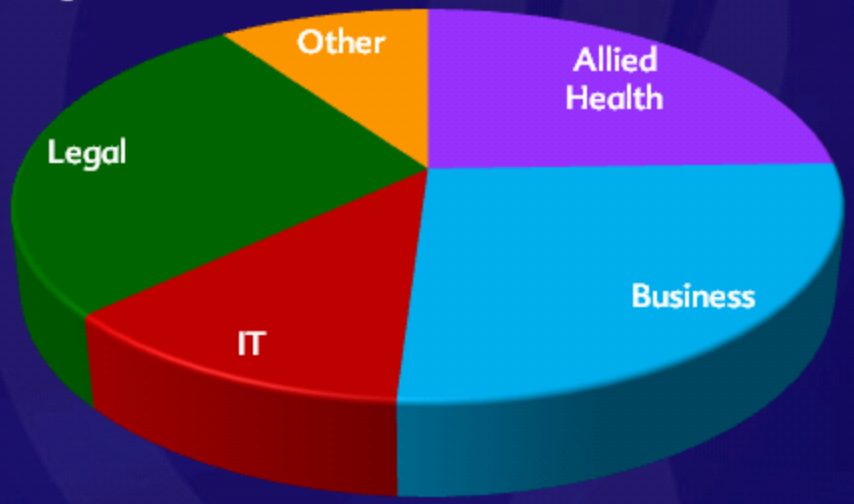
KU Academics

Programs



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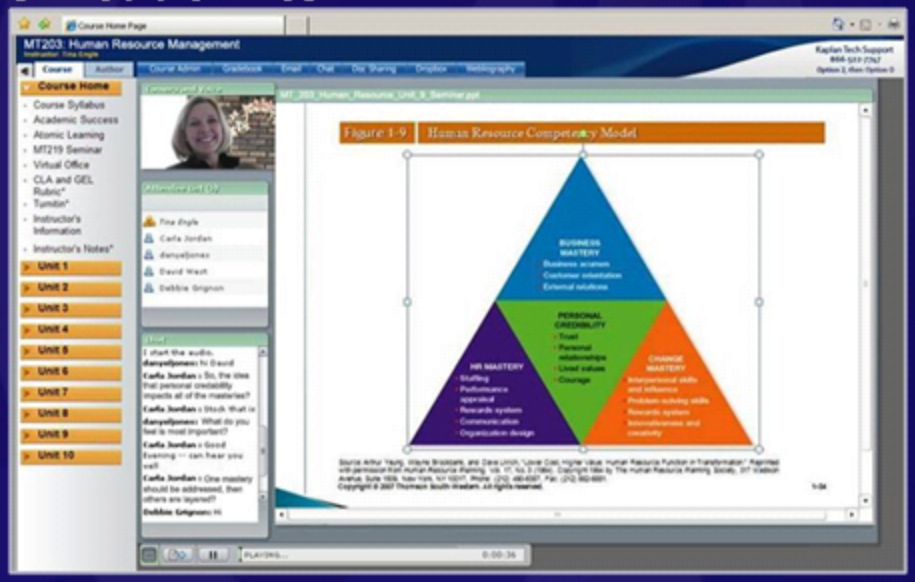
KU Academics



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KAPLAN UNIVERSITY

Online

KU Academics

- Faculty count: 3,928
- Average class size: 25 students
- Standardized curriculum
- Program and course level assessment

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KAPLAN UNIVERSITY

Online

KU Academics

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KU Academics

- Academic Advising, Coaching, and Tutoring
- Registrar and Prior Learning Assessment
- Curriculum Development
- Academic Operations
- Academic Administration

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KAPLAN UNIVERSITY

Online

Student Services

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Online

Student Services

- Admissions Advising
- Financial Aid
- Technology Support
- Career Services
- Financial Counseling

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Online

WHY KU?

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Online

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KAPLAN UNIVERSITY

Online

Student Growth

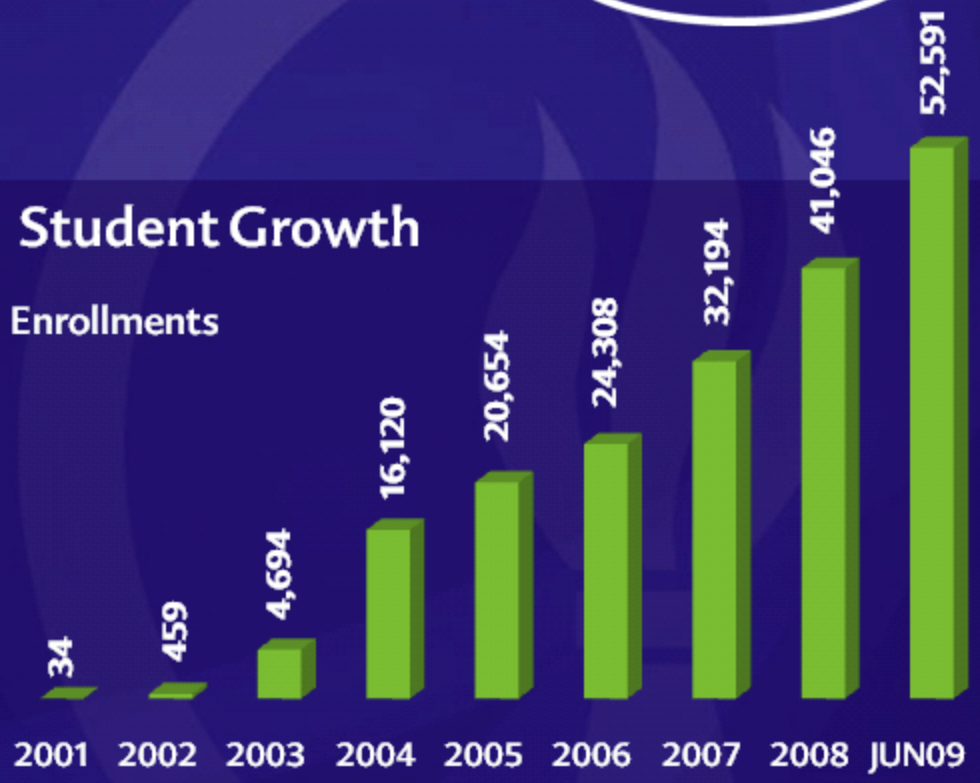
Enrollments

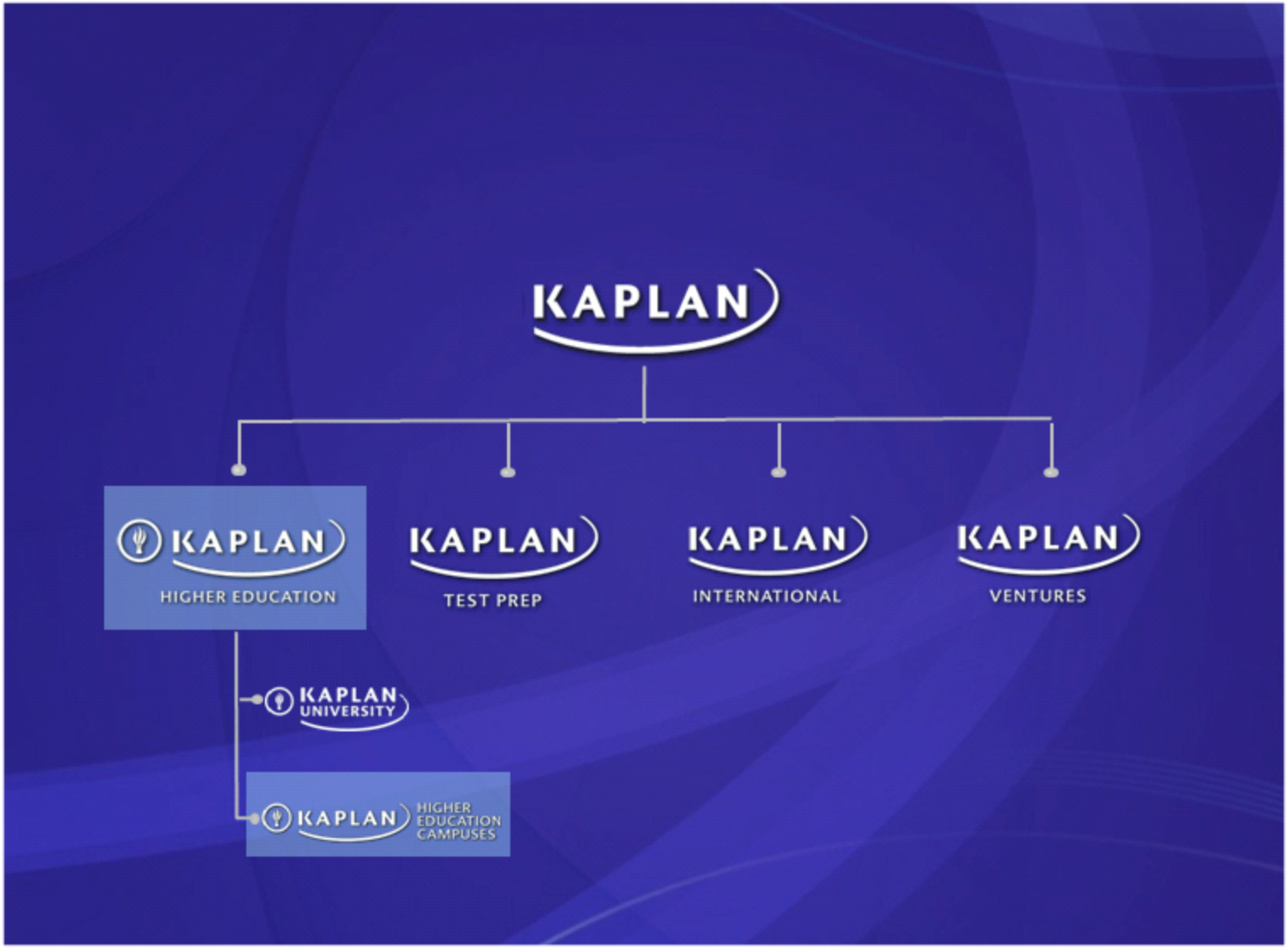
KAPLAN UNIVERSITY

Online

Student Growth

Enrollments

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EDUCATION
CAMPUSES

KAPLAN HIGHER EDUCATION CAMPUSES

Campus

Typical KHEC Student

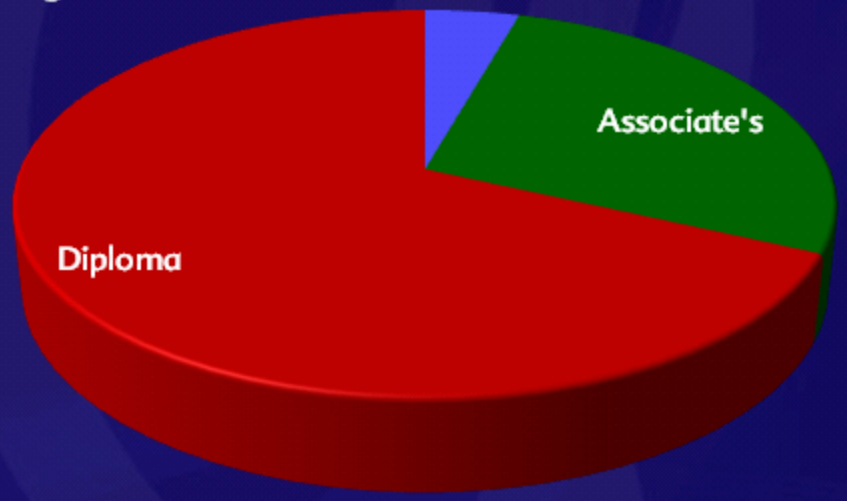
- Average age: 27 years
- Works part-time
- Little to no college experience
- Desires a new career

KAPLAN HIGHER EDUCATION CAMPUSES

Campus

KHEC Academics

Degrees

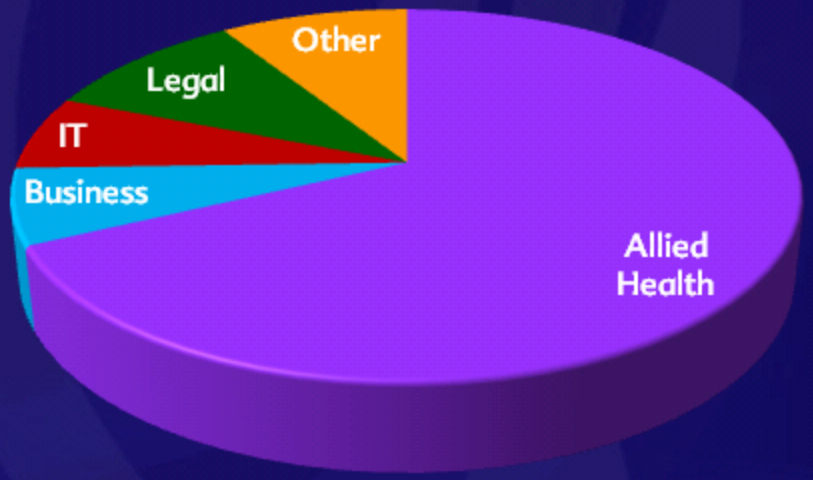


KAPLAN HIGHER EDUCATION CAMPUSES

Campus

KHEC Academics

Programs



KAPLAN HIGHER EDUCATION CAMPUSES

Campus

KHEC Academics

KAPLAN HIGHER EDUCATION CAMPUSES

Campus

KHEC Academics

- 72 Campuses
- 22 States

KAPLAN HIGHER EDUCATION CAMPUSES

Campus

KHEC Academics

KAPLAN HIGHER EDUCATION CAMPUSES

Campus

KHEC Academics

KAPLAN HIGHER EDUCATION CAMPUSES

Campus

KHEC Academics

- Faculty count: 2,804
- Average class size: 17
- Standardized curriculum

KAPLAN HIGHER EDUCATION CAMPUSES

Campus

KHEC Student Services

KAPLAN HIGHER EDUCATION CAMPUSES

Campus

KHEC Student Services

- Admissions Advising
- Financial Aid
- Student Support
- Financial Counseling
- Career Services

KAPLAN HIGHER EDUCATION CAMPUSES

Campus

KAPLAN HIGHER EDUCATION

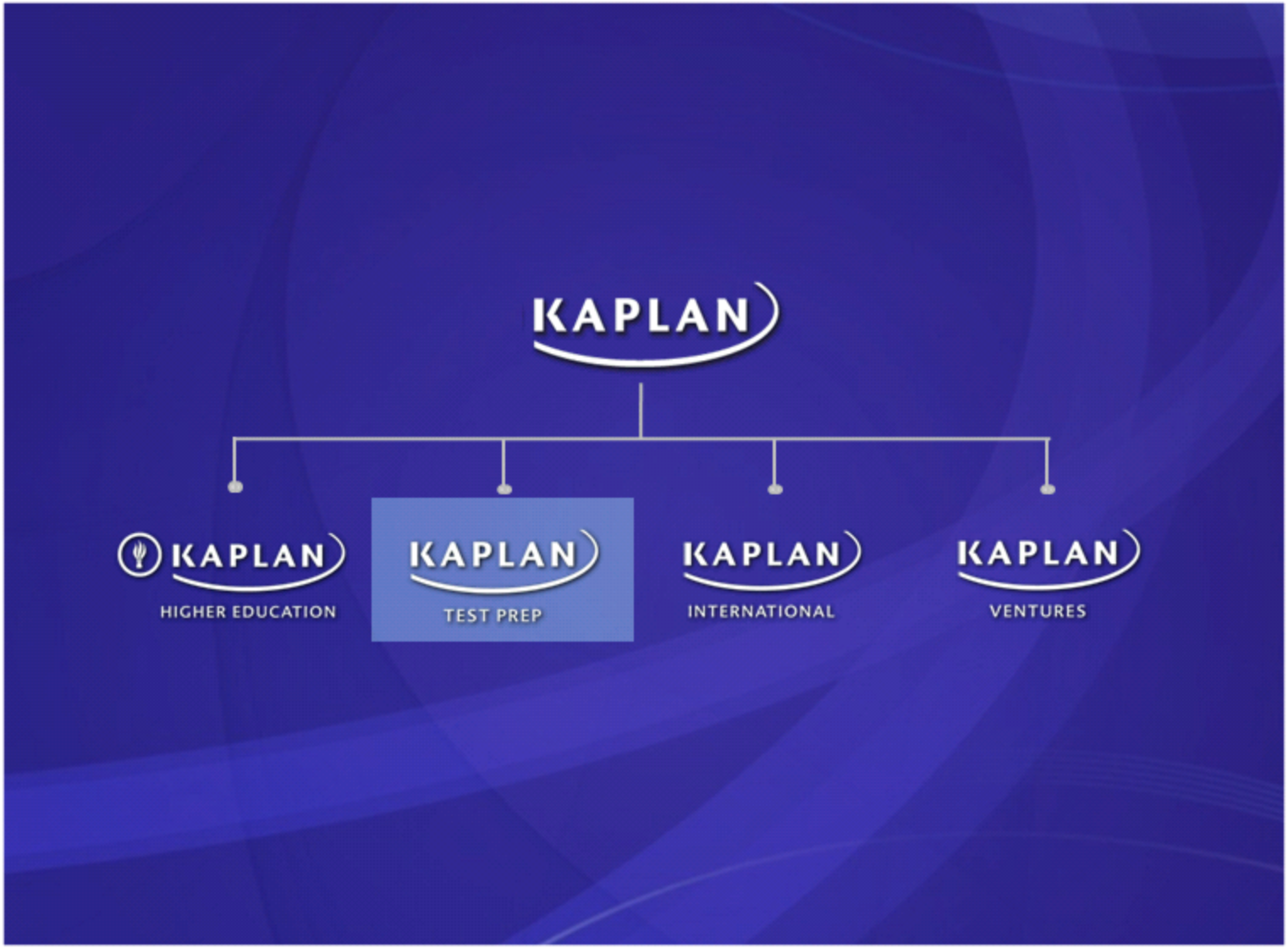
Future

- Set standard for academic excellence
- Add new programs
- Open new campuses
- Innovate

KAPLAN HIGHER EDUCATION

Financial Results

	Annual Financial Results				Year to Date June		
	2005	2006	2007	2008	2008	2009	% chg
Revenue	$ 672	$ 797	$ 933	$1,160	$ 535	$ 711	33%
Expenses	599	699	810	987	452	599	33%
Op Income	$ 73	$ 98	$ 124	$ 173	$ 83	$ 111	34%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TEST PREP

Typical KTP Student

- Preparing for a high stakes exam
- Strong desire for educational or career advancement

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TEST PREP

KTP Offerings

- SAT
- ACT
- MCAT
- GMAT
- BAR REVIEW
- CFA
- INSURANCE
- REAL ESTATE
- PSAT
- GRE
- LSAT
- USMLE
- NCLEX
- CPA
- SECURITIES
- SIX SIGMA

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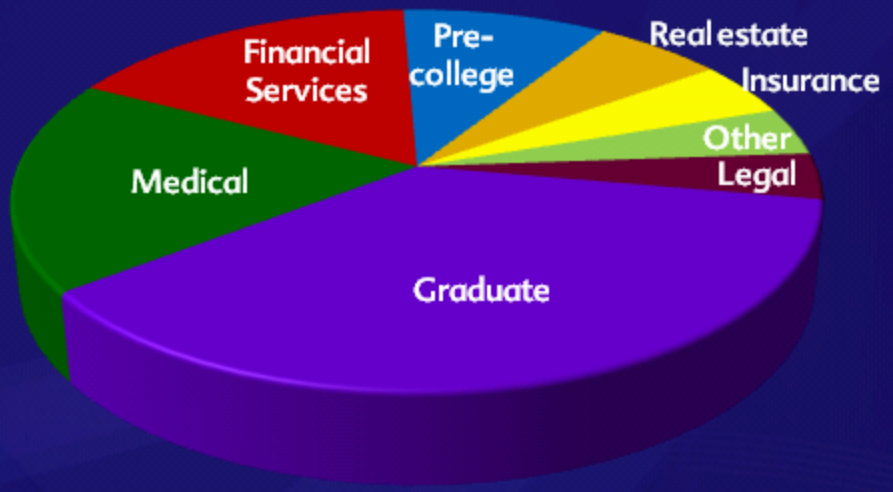
TEST PREP

KTP Offerings

2008 Revenue



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TEST PREP

KTP Offerings

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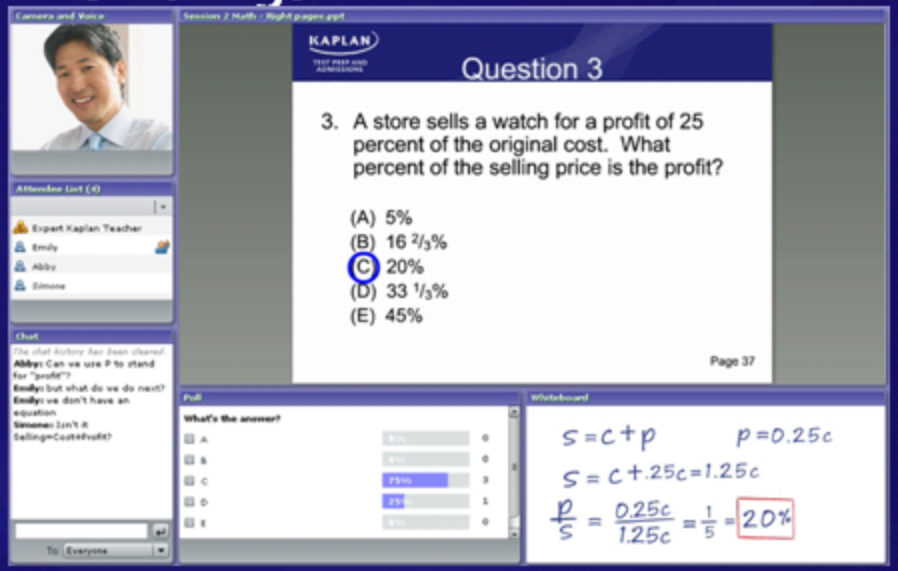
TEST PREP

KTP Offerings



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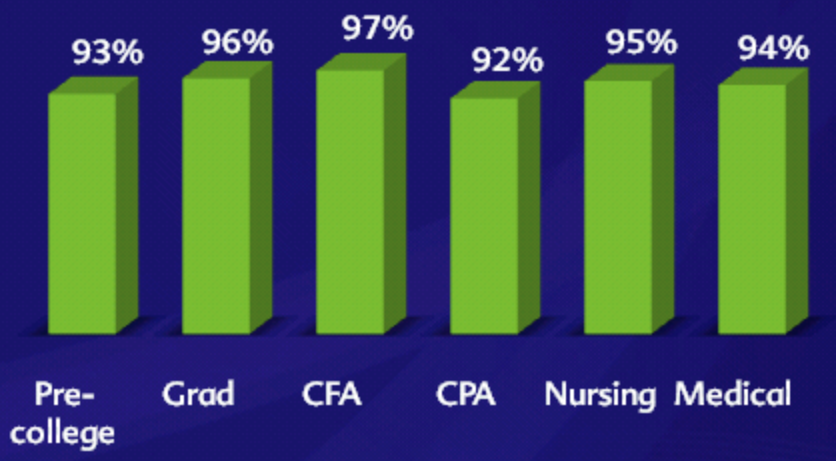
KTP Student Outcomes

Recommendation Rate



Based on student surveys

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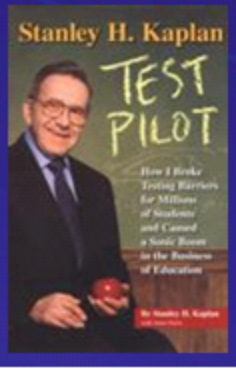
TEST PREP

Changes in the marketplace

Then	Now
• Moderate barriers to entry	• Lower barriers to entry
• Mature industry	• Expanding industry
• Limited competition	• Intense competition
• Classroom instruction	• Classroom / online / blended

KTP Strengths

- Student outcomes
- Research capabilities
- Technological sophistication
- Convenience — geographic footprint
- Industry and institutional knowledge
- Success building online businesses
- Kaplan brand



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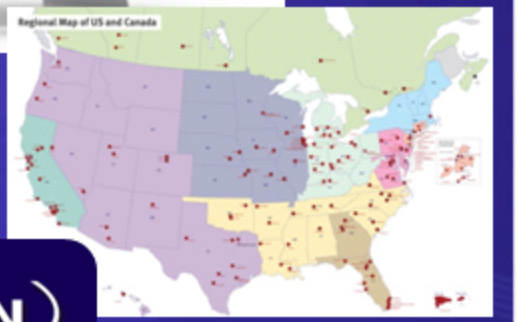
TEST PREP



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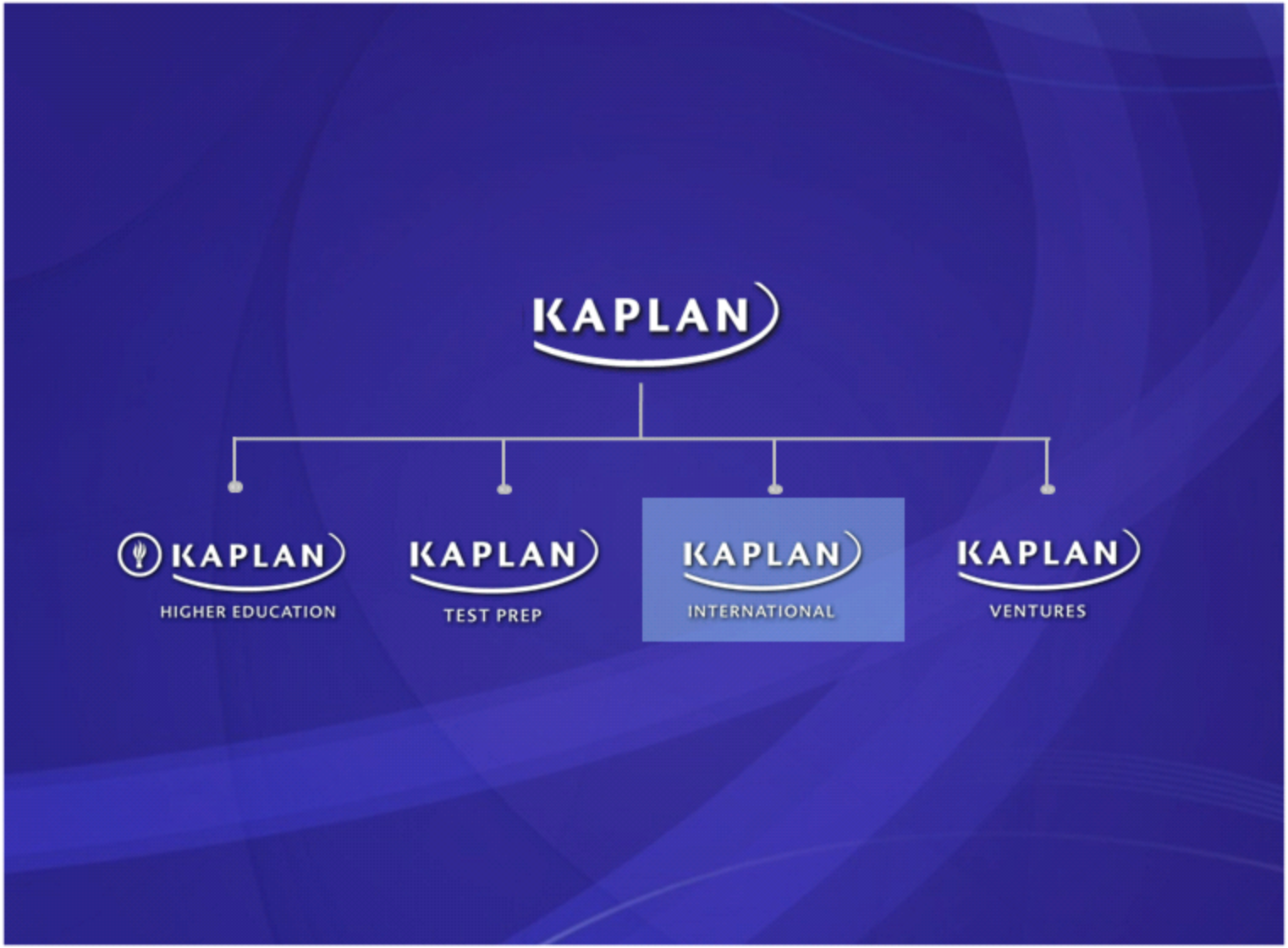
KAPLAN TEST PREP

Financial Results

	Annual Financial Results [1]				Year to Date June [1]		
	2005	2006	2007	2008	2008	2009	% chg
Revenue	$ 484	$ 507	$ 499	$ 479	$ 244	$ 225	-8%
Expenses	386	413	418	431	216	206	-5%
Op Income	$ 98	$ 94	$ 81	$ 48	$ 29	$ 19	-34%

[1] Non-GAAP measure, excludes Score operations.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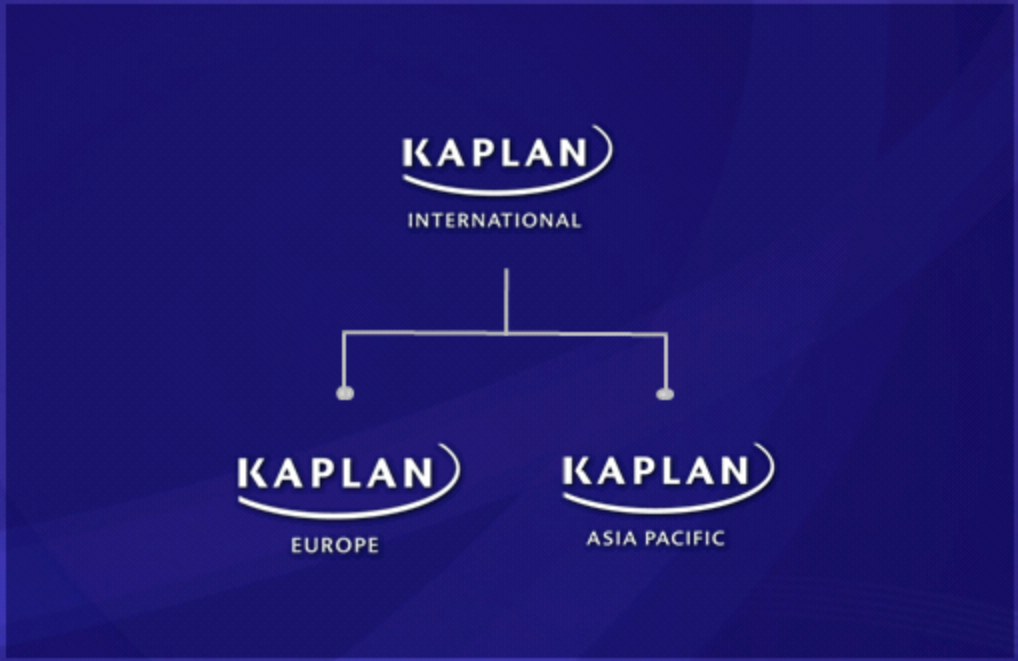
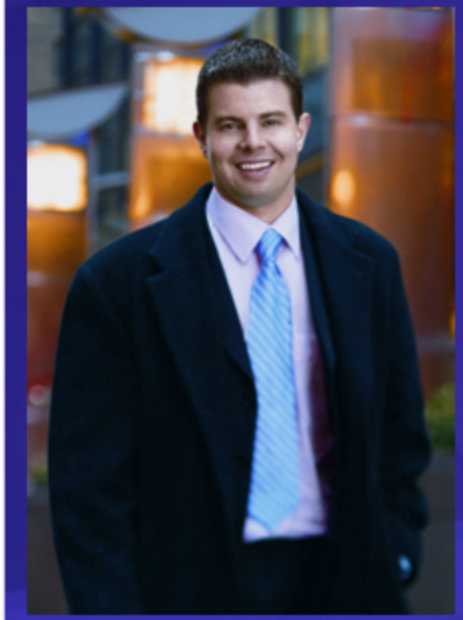


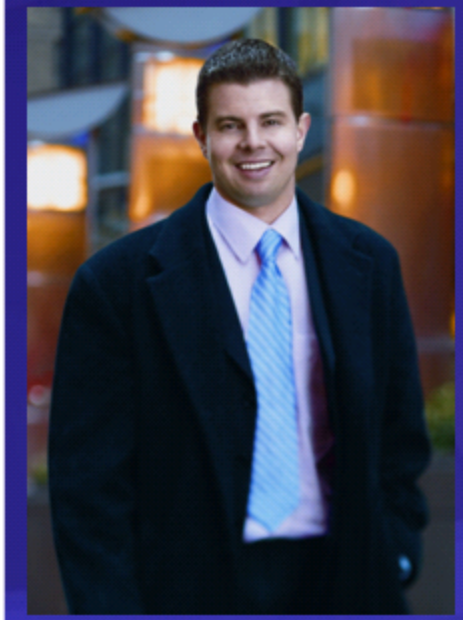
KAPLAN INTERNATIONAL

Europe



KAPLAN INTERNATIONAL

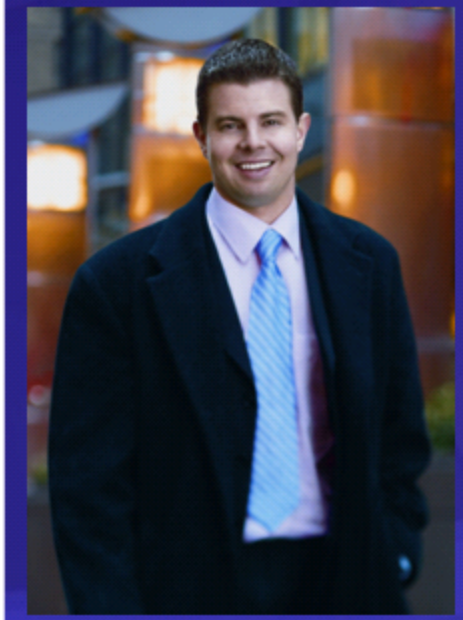
Europe

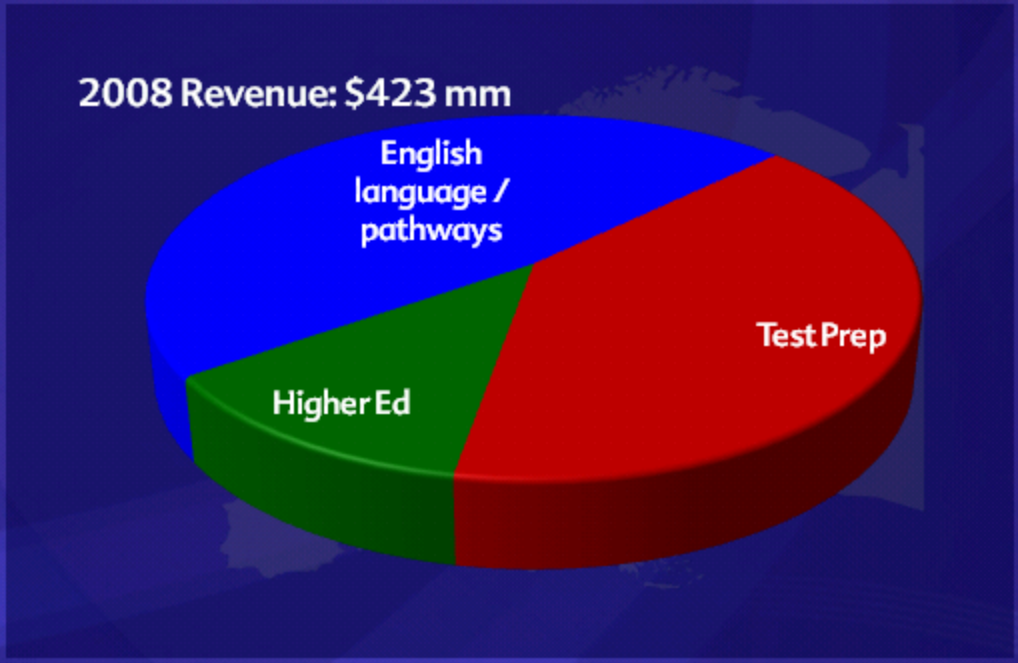


- Test preparation
- English language / pathways
- Higher education

KAPLAN INTERNATIONAL

Europe





KAPLAN INTERNATIONAL

Asia Pacific

KAPLAN INTERNATIONAL

Asia Pacific

- Test preparation
- English language / pathways
- Higher education

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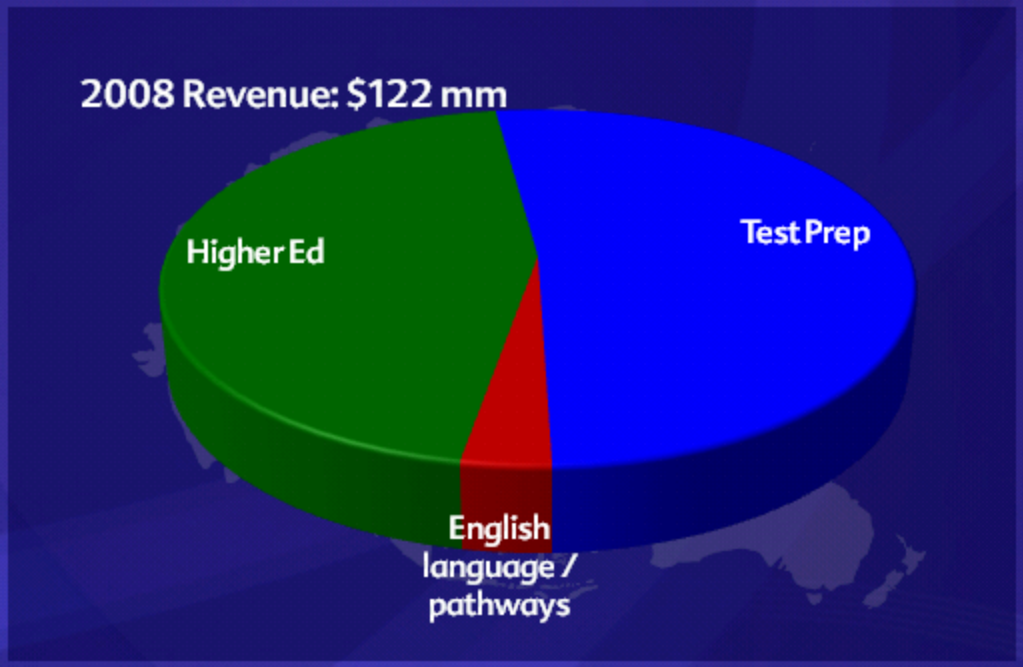
Asia Pacific



KAPLAN INTERNATIONAL

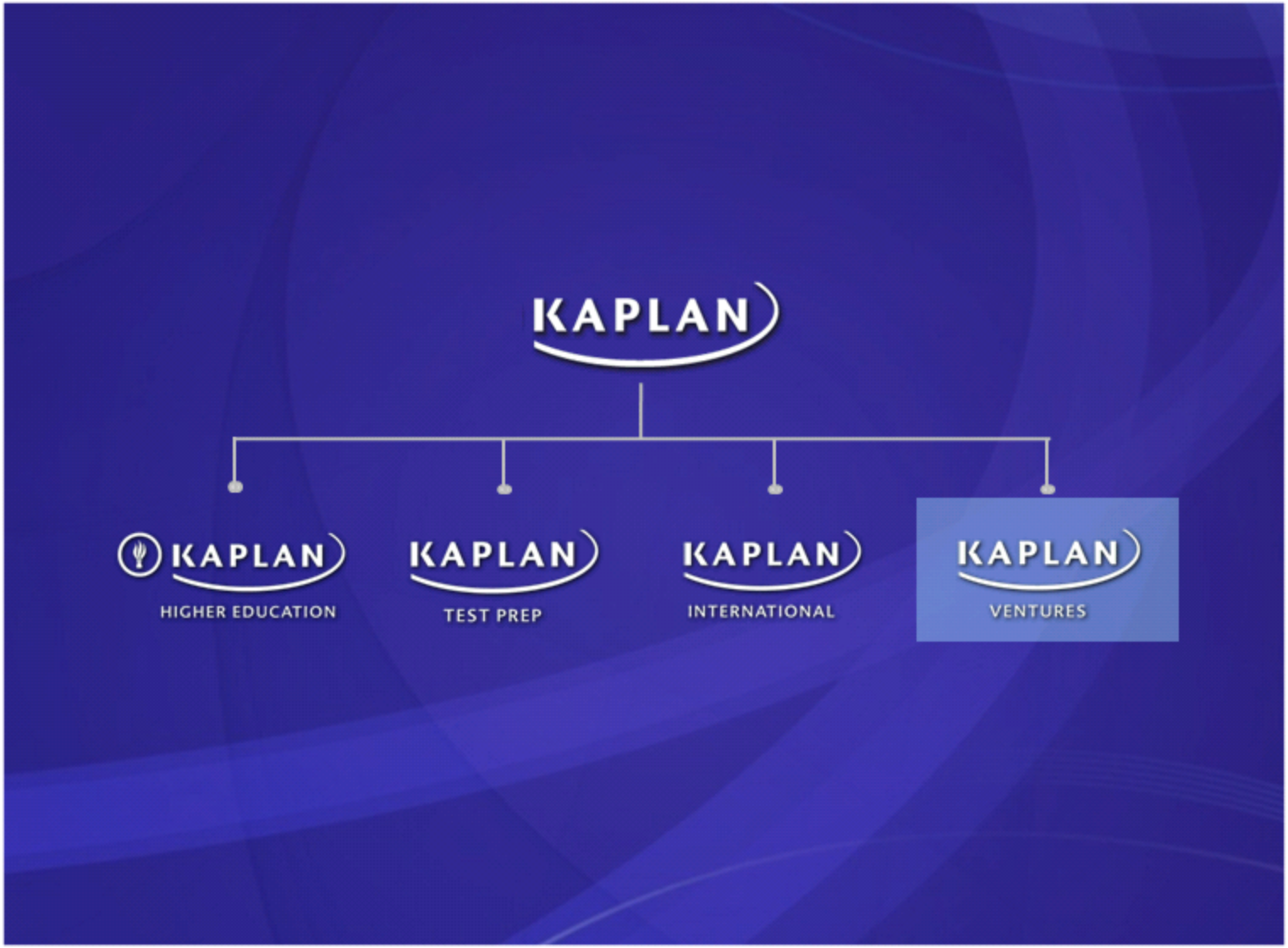
Future

- Leverage Kaplan capabilities from the U.S.
- Expand online
- Grow global pathways
- Open new schools

KAPLAN INTERNATIONAL

Financial Results

	Annual Financial Results				Year to Date June		
	2005	2006	2007	2008	2008	2009	% chg
Revenue	$ 160	$ 248	$ 442	$ 545	$ 266	$ 244	-8%
Expenses	139	229	387	485	242	225	-7%
Op Income	$ 21	$ 19	$ 55	$ 60	$ 24	$ 19	-20%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VENTURES

KAPLAN VENTURES

Characteristics

- Small to mid-size
- Different product lines
- Attractive growth prospects
- Incubator management focus

KAPLAN VENTURES

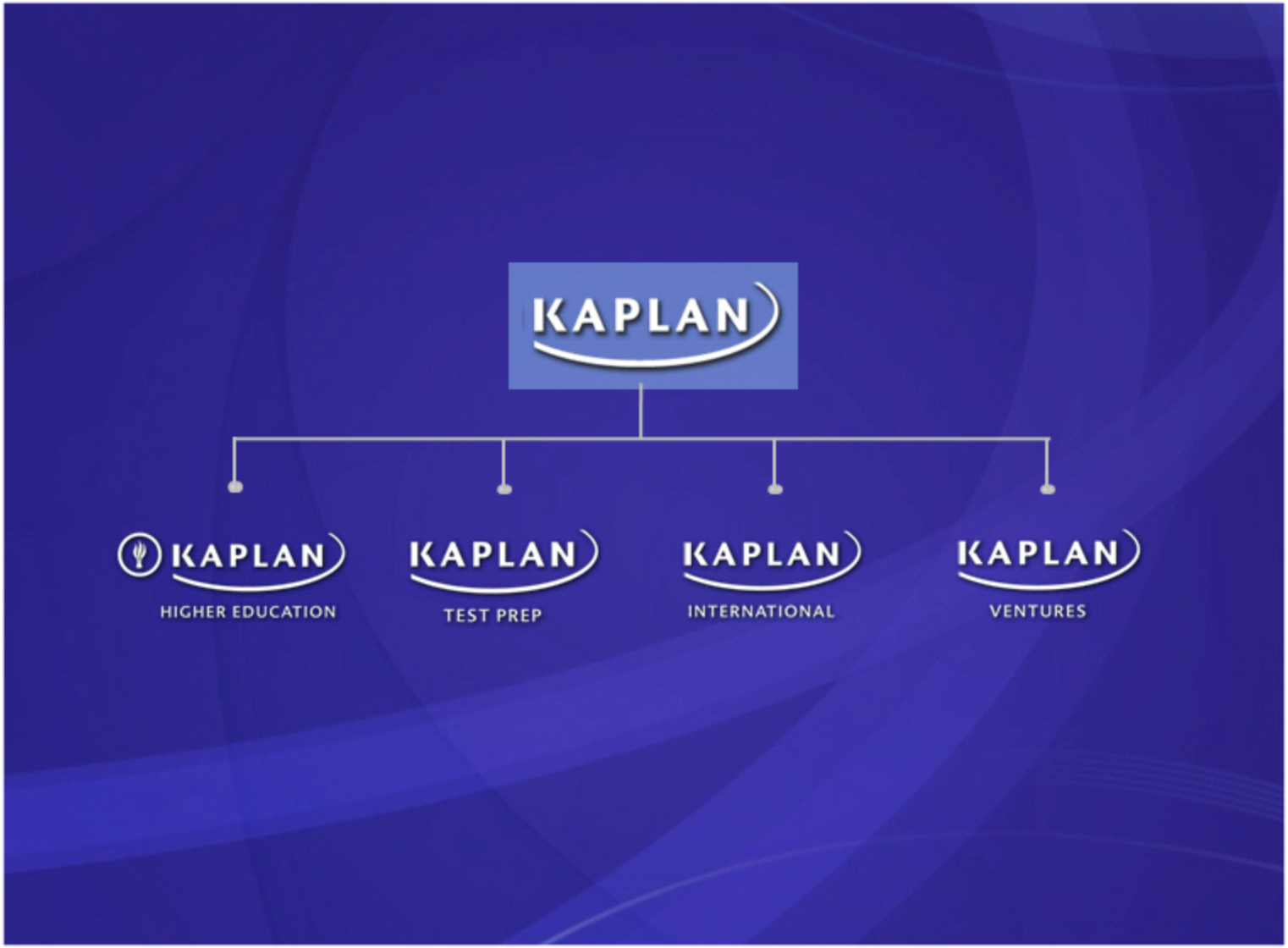
Future

- Rationally invest for scale
- Strategic acquisitions
- Innovation

KAPLAN VENTURES

Financial Results

	Annual Financial Results				Year to Date June		
	2005	2006	2007	2008	2008	2009	% chg
Revenue	$ 28	$ 67	$ 106	$ 126	$ 61	$ 60	-1%
Expenses	24	65	104	130	60	65	9%
Op Income	$ 4	$ 2	$ 2	($ 4)	$ 1	($ 5)	n/a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Annual Financial Results

	2005	2006	2007	2008
Revenue	$ 1,412	$ 1,684	$ 2,031	$ 2,332
Expenses	1,254	1,554	1,882	2,126
Op Income	$ 158	$ 130	$ 149	$ 206

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Annual Financial Results

	2005	2006	2007	2008
Revenue	$ 1,412	$ 1,684	$ 2,031	$ 2,332
Expenses	1,254	1,554	1,882	2,126
Op Income	$ 158	$ 130	$ 149	$ 206
Score	*3*	*2*	*(23)*	*(13)*
OI w/out Score[1]	$ 155	$ 128	$ 172	$ 220

[1] Non-GAAP measure, excludes Score operations.

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	Annual Financial Results				Year to Date June		
	2005	2006	2007	2008	2008	2009	% chg
Revenue	$ 1,412	$ 1,684	$ 2,031	$ 2,332	$ 1,120	$ 1,243	*11%*
Expenses	1,254	1,554	1,882	2,126	1,026	1,174	*14%*
Op Income	$ 158	$ 130	$ 149	$ 206	$ 94	$ 69	*-27%*
Score	*3*	*2*	*(23)*	*(13)*	(6)	(36)	
OI w/out Score[1]	$ 155	$ 128	$ 172	$ 220	$ 100	$ 105	5%

[1] Non-GAAP measure, excludes Score operations.

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Kaplan, Inc.
25-year History

Revenue
($ in millions)

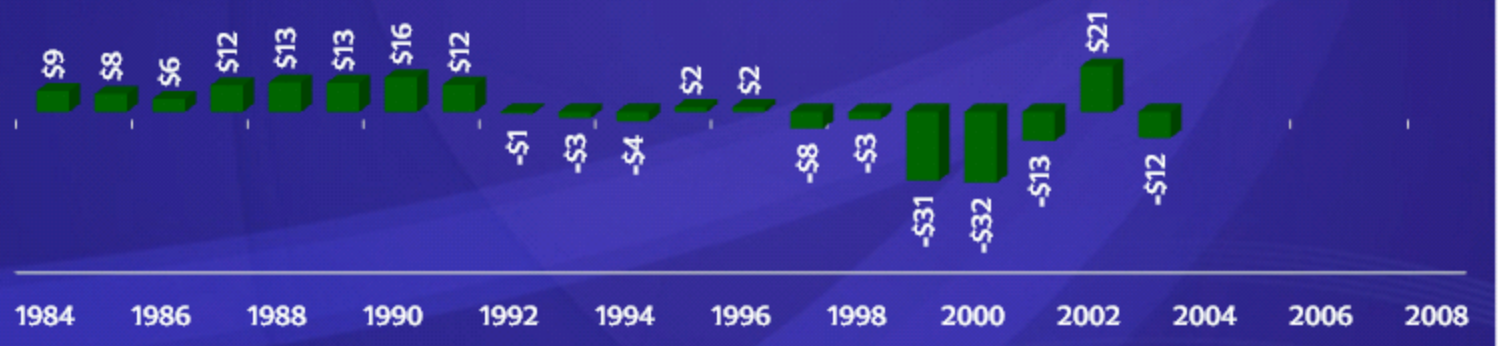
Kaplan, Inc.
25-year History

Revenue
($ in millions)

Kaplan, Inc.
25-year History
Revenue
($ in millions)
$36
$38
$40
$50
$57
$65
$74
$78
$75
$77
$80
$89
$95
$117
$195
$258
$354
$494
$621
$838
$1,135
$1,412
$1,684
$2,031
$2,332
1984
1986
1988
1990
1992
1994
1996
1998
2000
2002
2004
2006
2008

Kaplan, Inc.
25-year History

Operating Income [1]
($ in millions)



[1] Operating income for 2001 and prior excludes goodwill amortization expense.

Kaplan, Inc.
25-year History

[1] Operating income for 2001 and prior excludes goodwill amortization expense.

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