



 CAREER
EDUCATION
CORPORATION

power
of
opportunity



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 are subject to risks and uncertainties 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. These risks and uncertainties, the outcomes of which could materially and adversely affect our financial condition and operations, include, but are not limited to: 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, Qui Tam, and other lawsuits; costs and potential impact of the investigation conducted by the special committee of our Board of Directors into allegations of securities laws violations against CEC; risks related to our ability to comply with accrediting agency requirements or obtain accrediting agency approvals; costs and difficulties relating to the integration of acquired businesses; competition, general economic conditions, and other risk factors relating to our industry and business, as discussed in our Annual Report on Form 10-K for the year ended December 31, 2004, and from time to time in our other reports filed with the Securities and Exchange Commission. Career Education assumes no obligation to update these forward-looking statements.

Jack Larson

Chairman of the Board
President and Chief Executive Officer
Analyst/Investor Day Presentation
February 24, 2006

- **Dawn Fisher**, IADT-Orlando, art director for Arabian Nights theatre company
- **Jamie Glass**, Orlando Culinary Academy, chef for Walt Disney World
- **Keenan Miranda**, IADT-Orlando, web designer for Darden restaurants
- **Lauren Mitchell**, Sanford Brown-Dallas, medical assistant
- **Amy Murphy**, IADT-Tampa, buyer for Home Shopping Network (HSN)
- **Jacob Rushing**, Brooks Institute of Photography, freelance photographer

- Seasoned veterans
- New talent, with fresh perspective
- The team to take us forward

- Business strategy
- Student lifecycle
- Divisional overview
- Legal, regulatory and compliance
- Finance

- On-site education
- Online learning
- Hybrid learning model
- International opportunities
- Program expansion

- Students
- Shareholders
- Employees
- Regulators
- Employers

- Gold standard brands
- Outstanding and committed faculty
- Flexible offerings
- Adaptability
- Technology

Career Education Is Evolving

High-growth,
early stage
public
company



High-quality,
sustainable
growth
company

Todd H. Steele

Group President
International and Startup Divisions
Analyst/Investor Day Presentation
February 24, 2006

1. Management of the business

- Emphasize customer service
- Promote operational and educational excellence
- Adhere to the business model
- Focus on ROI

2. People

- Become a preferred employer

3. Compliance

- Become an industry leader

4. Business expansion

- Systematically identify and leverage opportunities for growth

- Emphasize customer service
- Promote operational and educational excellence
- Adhere to the business model
- Focus on ROI

- Become a preferred employer
 - Improve job descriptions
 - Formalize career-pathing
 - Implement new training programs
 - Review reward and recognition system

- Be an industry leader in compliance
 - Create an operating environment consistent with the spirit of regulations and requirements
 - Develop processes and controls which prevent compliance failure
 - Foster relationships with various regulatory constituencies

- Identify systematically all opportunities for growth
 - New programs and initiatives
 - Hybrid model
 - Satellite campuses
 - International expansion

Dr. Pat Kapper

Senior Vice President of Education

Chelena Adkins

Senior Vice President of Admissions

Analyst/Investor Day Presentation

February 24, 2006

THE STUDENT LIFE CYCLE: Access = Opportunity



**Graduation
(Career Services)**



Initial Inquiry



**Enrolled Student
Attending Class
(Career Services)**



**Admissions
(Career Services)**



Initial Inquiry: Marketing



- Targeted outreach
- Powerful message
- Access to Information: programs and market
- Efficiency
- Technology



Admissions

- The right people
- Focus on entire student life cycle
- Rigorous training
- Effective oversight
- Career-pathing



Enrolled Student
Attending Class

The Mission is Quality Education

- Quality of faculty
- Small classes
- Active population management

Graduation and Career Services

- Industry-current programs meet employer needs
- Current job opportunities
- Life-long career services and skills



THE STUDENT LIFE CYCLE: Measuring Success



**Graduation
(Career Services)**



Initial Inquiry



**Enrolled Student
Attending Class
(Career Services)**



**Admissions
(Career Services)**



Paul R. Ryan

Group President
Culinary and Healthcare
Investor Day Presentation
February 24, 2006

- Two Educational Segments
 - Culinary
 - Le Cordon Bleu
 - Kitchen Academy
 - Healthcare
 - Sanford Brown Institutes
 - Sanford Brown Colleges
- Segments represent two of the fastest growing areas of career-focused education

- Le Cordon Bleu
 - Exclusive rights to North America
 - Top brand within industry
 - Brand helps attract and place students
- Kitchen Academy program
 - 30 week program
 - Less capital investment
 - Shorter, more focused program
 - December 2005: first graduating class



- 22 schools in two groups
 - Sanford Brown Colleges
 - Bachelors and associates degrees
 - Business, health & technology
 - Sanford Brown Institutes
 - Shorter terms
 - New accreditation



- Expand healthcare offering
- Culinary – higher degrees
- Expand Kitchen Academy
- Utilize existing capacity to full advantage



Jacob P. Gruver

Group President

Colleges and Academy Divisions

Analyst/Investor Day Presentation

February 24, 2006

- Two educational segments
 - Colleges
 - International Academy of Design & Technology



- Enhanced learning environment
- Focus on academics
- Positive media outreach
- Growth opportunities

- Professional Learning Model (PLM)
 - Unique method of learning
 - Best support the needs of our student body
 - Plans to roll out to other CEC locations

- Academic priorities
 - Best practices
 - Assessment
 - Faculty development
 - Student / teacher ratios

- Perception
- School highlights
- Student satisfaction
- Strong assets

- Satellite campuses
 - Large markets and main campus
- Four-year programs
 - Supplemental to two-year offering
- Focus on local markets

- Enhanced learning environment
- Focus on academics
- Student-centered strategies
- Growth opportunities

Kenneth D. Shore

Group President

Gibbs Division

Analyst/Investor Day Presentation

February 24, 2006



- Appointed new leadership team
- Reduced employee and staff turnover
- Improved conversion and show rates

- Brand name
- Location and facilities
- Existing programs
- Faculty
- Smaller class size



- Introduce innovative new programs
- Add additional four year degrees
- Update core business programs
- Enhance student services

Stephen C. Fireng

Group President

University Division

Analyst/Investor Day Presentation

February 24, 2006

American InterContinental University

“University of the People”

- AIU Online
- Dunwoody, GA
- Buckhead, GA
- South Florida
- Los Angeles
- Houston
- London
- Dubai



Colorado Technical University

“University of Choices”

- CTU Online
 - Stonecliffe College Online
- Colorado Springs
- Denver
- Kansas City
- Sioux Falls



American InterContinental University

- Hybrid learning- “Class Net”
- MBA program
- 50% learning on-ground and 50% online
- Launched 1st quarter ‘06

Colorado Technical University

- Executive format
- Master programs
- 4 weekends per year on-ground and remaining online

American InterContinental University

- Forensic studies
 - Information Technology
 - Criminal Justice

Colorado Technical University

- Medical
 - Bachelor of Science in Nursing
 - Medical Assisting

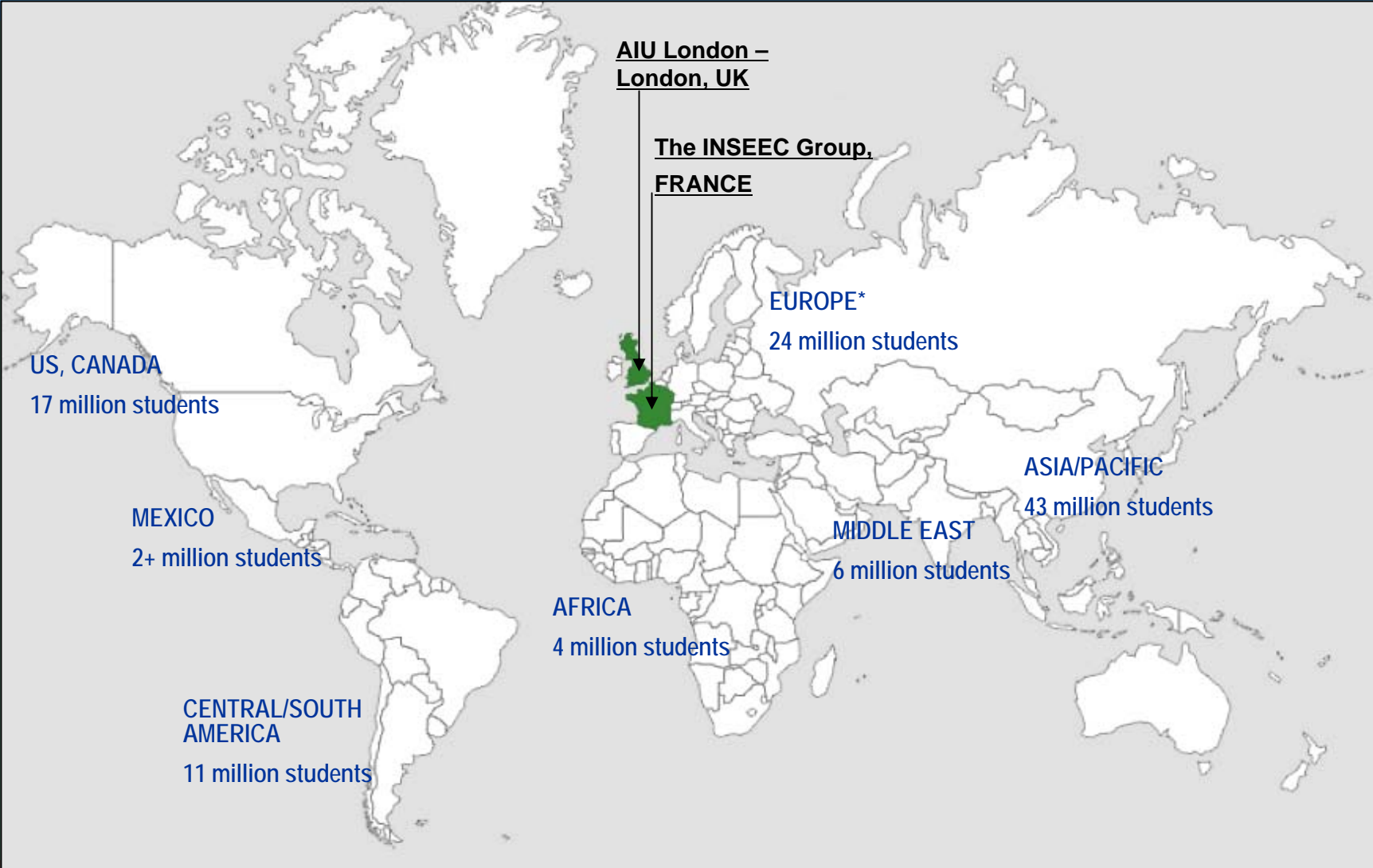
- Educational partnerships
 - Satellite campuses
 - Example: Pikes Peak Community College (PPCC)
 - Corporate training and education
 - Blend online and on-business education
- Military partnerships

- Merging Online and On-ground
 - Brand efficiency
 - Marketing and creative opportunities
 - Lead leveraging
 - Accreditation alignment
 - Public relations

Todd H. Steele

Group President
International and Startup Divisions
Analyst/Investor Day Presentation
February 24, 2006

MARKET POTENTIAL



* Excludes Russia

Source: UNESCO Institute for Statistics

- Attractive educational demand fundamentals
- Acceptance of private for-profit education as alternative to not-for-profit sector
- For-profit markets appear underdeveloped
- CEC operational competencies can be transferred
- Excellent use of capital
- Understand challenges of overseas expansion

- INSEEC Group acquired in Feb. 2003
- Quality educational programs and strong management team
- Under-developed business
- Significant changes since acquisition
- Financial results and operating outcomes excellent
- No corporate management turnover
- Actively pursuing add-on acquisitions

- Focus on countries where private, for-profit education is culturally accepted
- “School of choice” platform with stand-alone growth opportunity
 - Add-on acquisition opportunities
 - Additional growth opportunities through CEC relationship
- Serve multiple curricula areas
- Network international platforms

- **Active focus on Europe**
 - INSEEC acquisition
 - AIU-London presence
 - Relatively stable environment
 - Reasonably good cultural acceptance of private, for-profit education
- **Investigating opportunities outside of Europe**

Stephen C. Fireng

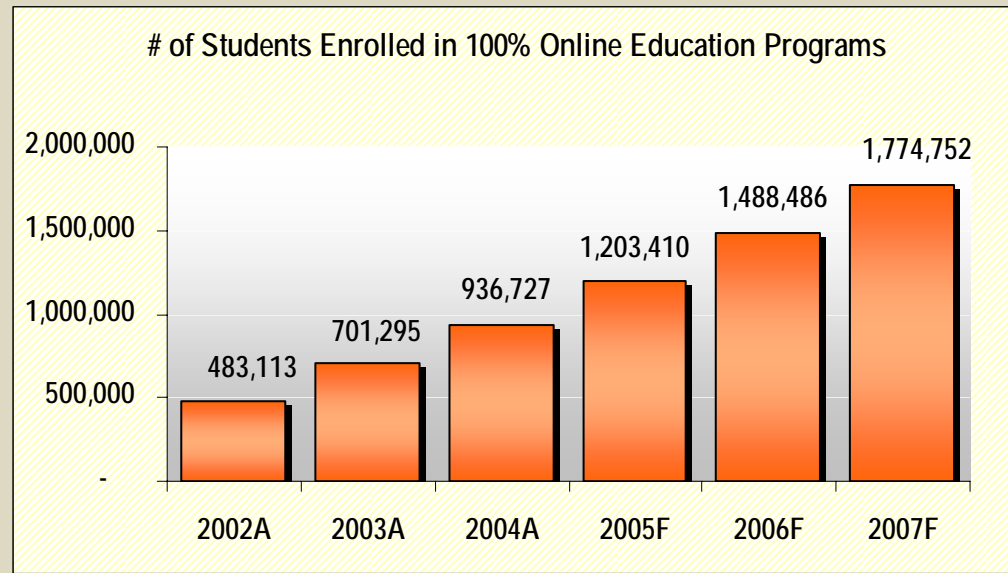
Group President

University Division

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The 1.2 million students enrolled in 100% online programs in 2005 account for approximately 7% of total degree enrollment in post-secondary institutions.



Source: Eduventures. "Online Distance Education Market Update 2005: Growth in the Age of Competition," June, 2005

- Online learning is fastest growing segment of for-profit education
- Significant barrier to entry
 - Start up costs much higher now than in the past
 - Branding and quality perceptions important to consumers
 - Students are showing a preference for a combination of online and campus programs
- Online learning has particular appeal to students who do not pursue traditional learning alternative

- Changing consumer attitudes towards online education
 - Perceived value
 - Quality of product
- Complete experience
 - Virtual student life cycle

Online Courses

- Augments classroom experience
- Replaces course in classroom curriculum sequence
- Limited access to additional campus resources
- Most institutions can launch immediately

Online Education

- Integrated Learning Platform
- One-stop student experience
- Unlimited resource and service access
- Growth schools can launch with thorough planning

- Access to capital
- Student-centered approach
- Distinctive learning model
- Marketing experience
- Management ability

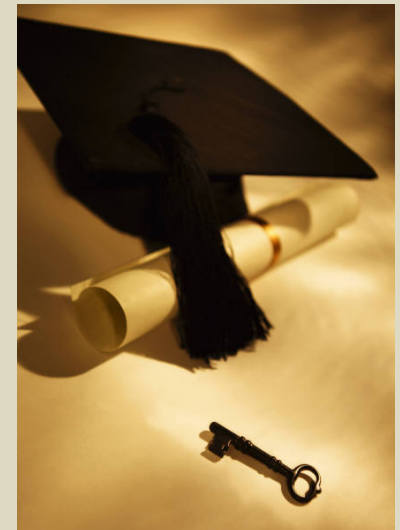
- Two universities
 - American InterContinental University (AIU)
 - Colorado Technical University (CTU)
 - Stonecliffe College Online
- Education is 100% online
- Population growth rate: 20-30%
- Operating margins: low to mid 30%



- Re-design
 - CTU March, 2005
 - AIU October, 2005
- Zero depth navigation
- Virtual tour guide – Tory
- Live chat capability
- Faculty version

- Most students are full-time workers
- Content is important, not location
 - Students from all 50 states
 - Students from 60 different countries
- Students need 24/7 access to learning
- Partnerships with leading institutions
 - Corporate
 - Over 50% of Fortune 500 companies
 - US Military
 - Approximately 25% of population

- AIU
 - Accelerated AA, BA, MA degrees
- CTU
 - BA and MA degrees at traditional pace
 - Embedded certificate programs
- Stonecliffe
 - Decelerated AA degree



- December 6 – academic probation
- Respect confidentiality and integrity of accreditation process
- Main goal – address SACS' concerns

Dr. George Miller

Chief Executive Officer
American InterContinental University (AIU)
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February 24, 2006

- Faculty and education programs
- Academic leadership
- Student complaint process
- Admissions and marketing
- Integrity as a SACS accredited institution

- University catalog policies and institutional procedures
- Number of full-time faculty at Buckhead and Los Angeles
- Assessment of general education outcomes
- Faculty input into University decision-making

- Increase breadth/depth of Central Administration leadership and expertise
- Greater accessibility to consumer information
- Greater accessibility to campus management and staff
- Academic leadership consistent with COC expectations

- Added Ombudsman staff at all campuses and added more student advocates at online
- Streamlined, user-friendly student complaint process

- Admissions management and staff qualifications
- Revised training program and new assessment for hiring, training and evaluation
- Improved student recruitment and marketing materials
- Third party call monitoring for online admissions staff

- Governing Board involvement in statement on Integrity
- Integrity standards for admissions and marketing
- Foster culture of compliance

Feb - March	Complete third-party assessment
April - June	Implement recommended changes
July	Third-party re-assessment
September	Submit monitoring report to COC
October	Special Committee visit
December	COC review and consideration

Janice Block

Chief Legal Officer

Robert McNamara

Chief Compliance Officer

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Structure

Mission

Focus





Structure





Mission





Focus





Regulatory





Litigation





Corporate Governance





Corporate Communications



A compliance culture:

Key to our future

Agenda:

- Plan
- Strategic approach
- Ultimate outcome

2005: Discipline and Infrastructure	2006: Enhancements and Oversight	2007 and Beyond: Enabling the Future
<ul style="list-style-type: none">• New structure• Directors of compliance• Corporate Compliance Policy Board• Ethics training	<ul style="list-style-type: none">• Compliance Steering Group• Experienced project manager• Rigorous analysis and resulting development of "fail-safe" systems	<ul style="list-style-type: none">• Strategic enhancements and adaptation

The Future:

- Setting the industry standard
- Protecting our students
- Enabling quality, sustainable growth

Pat Pesch

Chief Financial Officer
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- High-quality growth company
- Substantial growth opportunities
- Commitment to operational and educational excellence

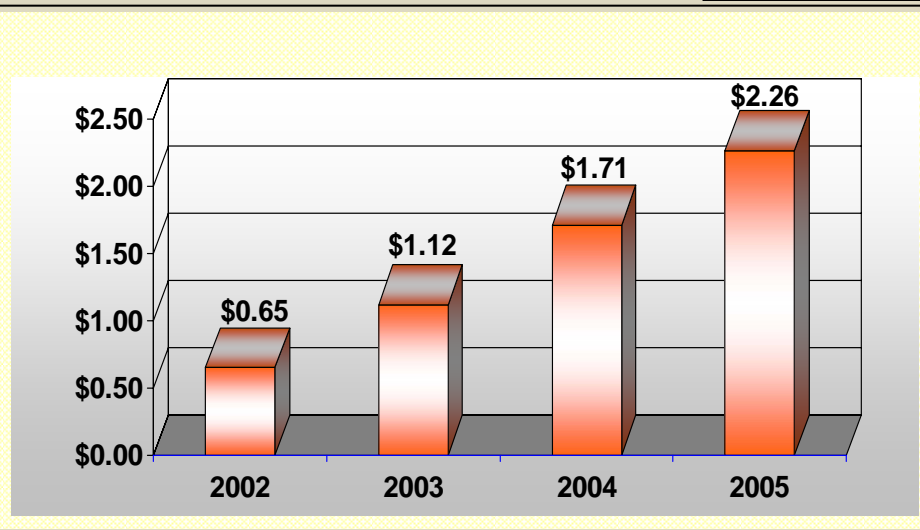
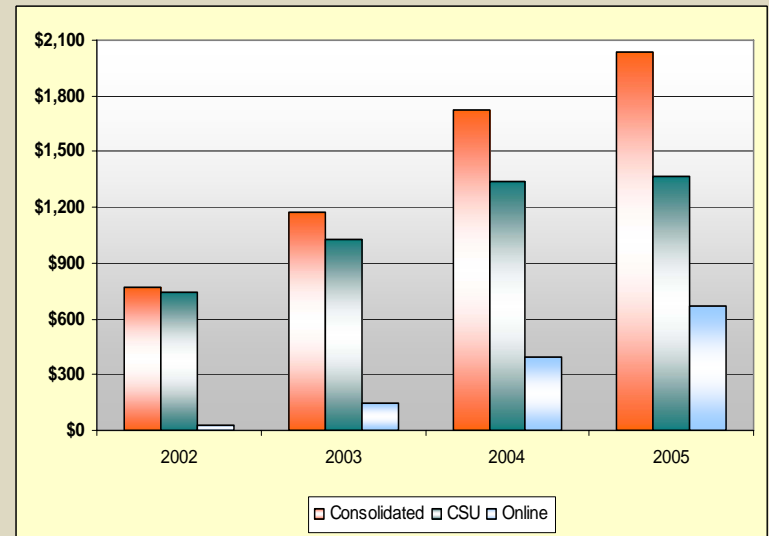


- Consolidated revenue increased 8% to \$529 million
- Operating profit margin decreased 20 basis points to 19.8%
- Tax rate declined to 37.4%
 - \$0.03 favorable for the quarter
- Net income increased 12% to \$70 million
- EPS increased 17% to \$0.70 per diluted share

FULL YEAR 2005 RESULTS: STATEMENT OF INCOME



- Revenue increased **18%** to more than \$2.0 billion from \$1.7 billion in 2004



- Earnings per share increased **32%** to \$2.26 versus \$1.71 in 2004

FULL YEAR 2005 RESULTS: BALANCE SHEET AND CASH FLOW



- Capital expenditures decreased to 6.2% of revenue in 2005, from 8.3% of revenue in 2004
- Net student receivables declined 11% to \$76.4 million
 - Allowance for doubtful accounts declined to 37 percent
- Quarterly DSO's were 14 days, down 18% from 17 days in 2004



- Board authorized additional \$200 million repurchase
- Total available is \$300 million
- Approximately 5.3 million shares, equivalent to approximately \$200 million repurchased since summer 2005
- Added approximately \$0.03 to FY05 diluted EPS, \$0.02 to 4Q05

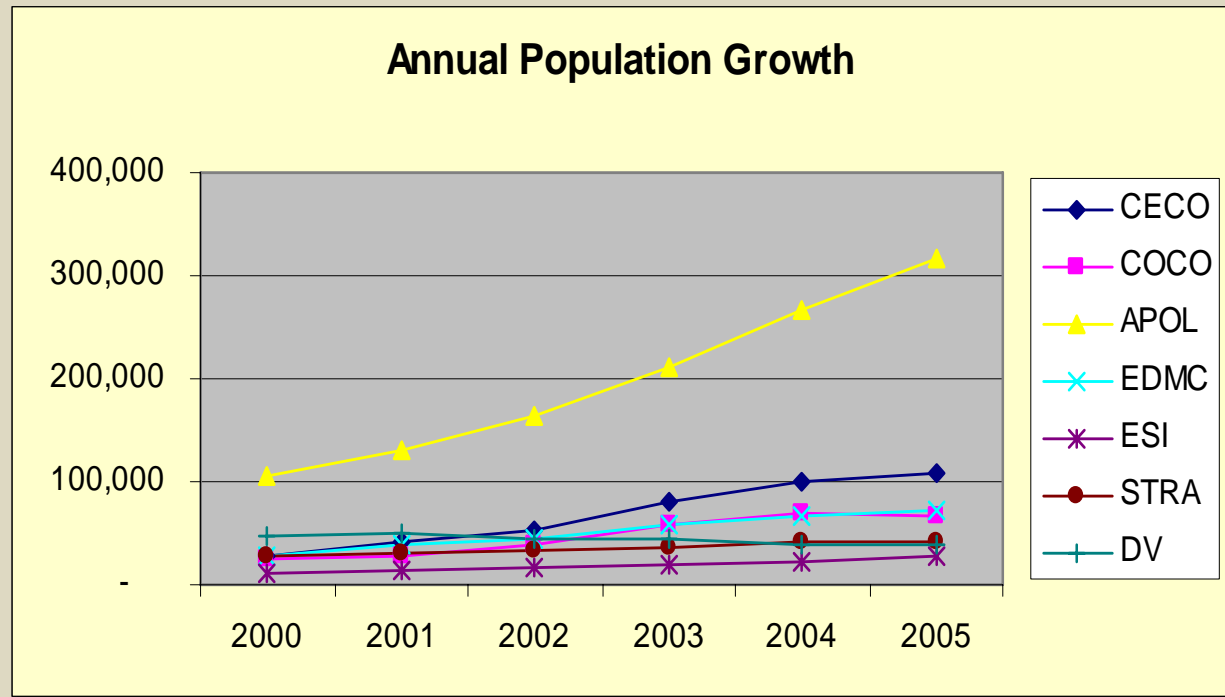
- Nearing completion on renewed three-year agreement with Sallie Mae
- Discontinued use of Stillwater National Bank loan program for new students
- Opportunities for improved capacity utilization
- Increases in retention result in significant margin impact

- Strong growth in revenue
- Solid growth in earnings
- Substantial cash flow generation
- \$200 million returned to shareholders through repurchase



- Full year 2006 consolidated revenue growth of 10%
 - Campus-based revenue ending the year with modest increases
 - Online revenue growth in the mid-20% range
- Operating margins maintain seasonal characteristics
- Full year 2006 EPS growth of 10-12%
- Acquisitions or dispositions not contemplated in guidance

The rate of population growth has slowed down industry-wide

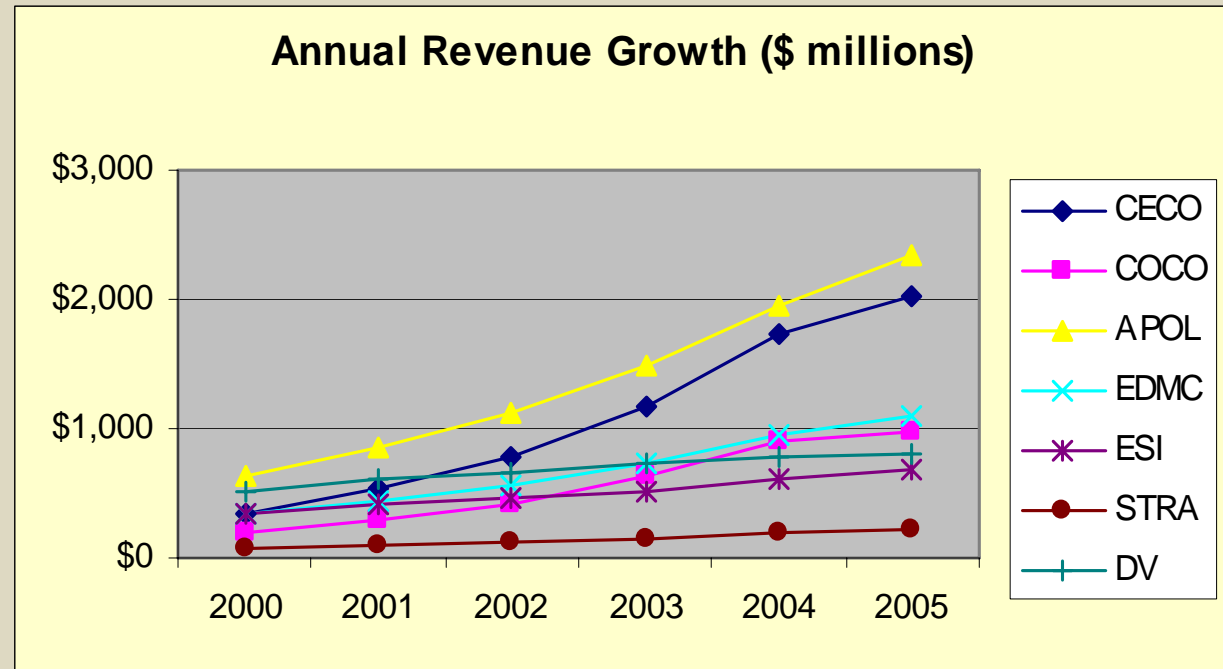


While rate of population growth has slowed industry-wide, Career Education has maintained the highest rate of growth over time

COMPANY	POPULATION		
	Fall 2005	1 Yr Growth	5 Yr CAGR
Career Education	107,300	8%	30%
Apollo Group	315,400	18%	25%
Education Management	72,741	10%	22%
Corinthian Colleges	66,319	-5%	23%
ITT	42,985	16%	9%
DeVry	38,546	-2%	-4%
Strayer Education	27,305	5%	18%

Source: Publicly available company press releases

Overall revenue growth, while still strong in the double digits, has also shown an industry-wide decline



PEER GROUP TRENDS: REVENUE AND NET INCOME GROWTH



Career Education remains a leader among its peers with strong financial performance year over year

COMPANY	REVENUE		
	2005	1 Yr Growth	5 Yr CAGR
Career Education	\$2.03 B	18%	44%
Apollo Group	\$2.35 B	20%	30%
Education Management	\$1.10 B	16%	27%
Corinthian Colleges	\$972.9 M	7%	37%
ITT	\$688.0 M	11%	15%
DeVry	\$805.0 M	3%	9%
Strayer Education	\$220.5 M	20%	23%

COMPANY	NET INCOME		
	2005	1 Yr Growth	5 Yr CAGR
Career Education	\$233.9 M	30%	65%
Apollo Group	\$472.6 M	53%	42%
Education Management	\$115.4 M	31%	35%
Corinthian Colleges	\$51.8 M	-31%	50%
ITT	\$110.5 M	47%	32%
DeVry	\$33.9 M	-19%	-9%
Strayer Education	\$48.1 M	17%	23%

Source: Publicly available company press releases; based on calendar year calculations

- Dedicated senior management team with low turnover
- Hiring high-quality individuals with strong, experienced backgrounds
- Turning challenges into opportunities
- Solid plan for the future