

STRAYER EDUCATION NDQ-STR

RECENT PRICE **171.05** P/E RATIO **26.4** (Trailing: 30.1 Median: 30.0) RELATIVE P/E RATIO **1.97** DIV'D YLD **1.2%** VALUE LINE

TIMELINESS 2 Raised 5/1/09	High: 41.3 39.6 31.6 54.7 66.4 112.9 129.9 116.0 118.9 195.9 240.0 237.7	LEGENDS --- 22.0 x "Cash Flow" p sh ... Relative Price Strength 3-for-2 split 11/97 Options: Yes Shaded area: prior recession Latest recession began 12/07	Target Price Range 2012 2013 2014
SAFETY 3 New 5/14/99	Low: 24.4 12.9 17.5 23.8 42.3 49.6 83.5 77.2 87.1 104.6 142.1 143.5		640 480 400 320 240 200 160 120 80 60
TECHNICAL 2 Raised 3/27/09	2012-14 PROJECTIONS		
BETA .55 (1.00 = Market)	Ann'l Total		
	Price	Gain	Return
	High 465	(+170%)	29%
	Low 310	(+80%)	17%
Insider Decisions	J J A S O N D J F		
to Buy	0	0	0
Options	0	0	0
to Sell	0	0	0
Institutional Decisions	2Q2008 3Q2008 4Q2008		
to Buy	99	95	141
to Sell	132	130	122
Hld's(000)	15656	14591	14816
	Percent shares traded	30	
		20	
		10	

Strayer Education traces its roots to 1892 and was incorporated in June of 1966. In July of 1996 the company completed its initial public offering of 4.5 million shares at \$6.66 per share under lead underwriter Legg Mason Wood Walker. A secondary offering of 1.725 million shares at \$13.99 per share occurred in April of 1997 with Smith Barney and Legg Mason Wood Walker as co-underwriters. (All numbers are split adjusted.)

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	© VALUE LINE PUB., INC.	12-14
Revenues per sh	4.42	5.11	11.12	10.96	13.74	12.49	15.43	18.45	22.04	28.13	34.85	41.25		61.40
"Cash Flow" per sh	1.35	1.55	2.39	2.06	3.07	3.06	3.83	4.15	5.09	6.49	7.80	9.60		14.85
Earnings per sh ^A	1.23	1.41	1.52	1.78	2.27	2.74	3.26	3.61	4.47	5.67	6.95	8.55		13.35
Div'ds Decl'd per sh ^B	.21	.25	.26	.26	.26	.41	.63	1.06	1.31	1.63	2.00	2.20		3.00
Cap'l Spending per sh	.31	.29	.75	1.61	.64	.72	.86	.92	1.03	1.47	1.50	1.55		1.70
Book Value per sh	5.14	6.39	d8.50	.23	2.89	10.15	10.62	12.00	13.07	12.50	13.75	15.75		24.15
Common Shs Outst'g ^C	15.77	15.30	8.35	10.65	10.70	14.67	14.29	14.29	14.43	14.09	14.20	14.30		14.50
Avg Ann'l P/E Ratio	22.5	16.7	27.3	30.5	34.8	40.5	30.2	28.4	32.1	34.3	29.0	29.0		29.0
Relative P/E Ratio	1.28	1.09	1.40	1.67	1.98	2.14	1.61	1.53	1.70	1.93	1.95	1.95		1.95
Avg Ann'l Div'd Yield	.8%	1.1%	.6%	.5%	.3%	.4%	.6%	1.0%	.9%	.8%	1.0%	1.0%		1.0%
Revenues (\$mill)	69.8	78.2	92.9	116.7	147.0	183.2	220.5	263.6	318.0	396.3	495	590		890
Operating Margin	42.2%	42.2%	38.9%	38.4%	39.0%	38.7%	37.0%	32.8%	33.4%	36.0%	36.0%	36.0%		36.0%
Depreciation (\$mill)	1.9	2.1	2.6	3.6	4.4	5.4	6.6	7.1	8.5	10.8	11.0	12.0		15.0
Net Profit (\$mill)	19.3	21.7	22.4	25.8	33.7	41.2	48.1	52.3	64.9	80.7	100	125		200
Income Tax Rate	39.3%	39.2%	38.8%	39.4%	39.1%	38.5%	38.3%	37.8%	37.6%	39.0%	39.0%	39.0%		39.0%
Net Profit Margin	27.7%	27.8%	24.1%	22.1%	22.9%	22.5%	21.8%	19.8%	20.4%	20.4%	20.2%	21.2%		22.5%
Working Cap'l (\$mill)	18.2	26.7	49.8	55.9	94.8	112.7	110.9	122.2	131.8	112.7	120	140		215
Long-Term Debt (\$mill)	--	--	--	--	--	--	--	--	--	--	Nil	Nil		Nil
Shr. Equity (\$mill)	81.1	97.7	81.0	100.2	128.7	148.9	151.8	171.5	188.5	176.1	195	225		350
Return on Total Cap'l	23.8%	22.2%	27.6%	25.7%	26.2%	27.7%	31.7%	30.5%	34.4%	45.8%	51.0%	55.5%		57.0%
Return on Shr. Equity	23.8%	22.2%	27.6%	25.7%	26.2%	27.7%	31.7%	30.5%	34.4%	45.8%	51.0%	55.5%		57.0%
Retained to Com Eq	19.8%	18.4%	--	657.6%	83.2%	22.8%	25.7%	21.6%	24.4%	32.7%	39.0%	42.0%		43.5%
All Div'ds to Net Prof	17%	17%	23%	29%	18%	18%	19%	29%	29%	29%	26%	25%		23%

CAPITAL STRUCTURE as of 12/31/08

Total Debt None	1.9	2.1	2.6	3.6	4.4	5.4	6.6	7.1	8.5	10.8	11.0	12.0		15.0
Leases, Uncapitalized Annual rentals \$21.3 mill.	19.3	21.7	22.4	25.8	33.7	41.2	48.1	52.3	64.9	80.7	100	125		200
No Defined Benefit Pension Plan	39.3%	39.2%	38.8%	39.4%	39.1%	38.5%	38.3%	37.8%	37.6%	39.0%	39.0%	39.0%		39.0%
Pfd Stock None	27.7%	27.8%	24.1%	22.1%	22.9%	22.5%	21.8%	19.8%	20.4%	20.4%	20.2%	21.2%		22.5%
Common Stock 14,089,189 shs. as of 1/30/09	18.2	26.7	49.8	55.9	94.8	112.7	110.9	122.2	131.8	112.7	120	140		215
MARKET CAP: \$2.4 billion (Mid Cap)	--	--	--	--	--	--	--	--	--	--	Nil	Nil		Nil
	81.1	97.7	81.0	100.2	128.7	148.9	151.8	171.5	188.5	176.1	195	225		350

CURRENT POSITION (\$MILL.)	2006	2007	12/31/08
Cash Assets	52.7	95.0	56.4
Receivables	80.8	100.7	131.5
Other	80.3	80.4	61.6
Current Assets	213.8	276.1	249.5
Accts Payable	10.9	15.7	17.1
Other	80.7	128.6	119.7
Current Liab.	91.6	144.3	136.8

ANNUAL RATES	Past 10 Yrs.	Past 5 Yrs.	Past Est'd '05-'07
of change (per sh)	10 Yrs.	5 Yrs.	to '12-'14
Revenues	19.0%	15.5%	23.5%
"Cash Flow"	15.5%	17.0%	22.0%
Earnings	15.5%	19.0%	24.5%
Dividends	25.5%	31.5%	27.0%
Book Value	13.5%	--	25.0%

Cal-endar	QUARTERLY REVENUES (\$mill.)				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2006	67.1	65.5	56.7	74.3	263.6
2007	80.2	78.9	69.8	89.1	318.0
2008	97.1	97.9	87.0	114.3	396.3
2009	122	122	108	143	495
2010	145	145	130	170	590

Cal-endar	EARNINGS PER SHARE ^A				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2006	1.10	.96	.44	1.11	3.61
2007	1.30	1.19	.64	1.34	4.47
2008	1.63	1.50	.83	1.71	5.67
2009	1.97	1.78	1.02	2.18	6.95
2010	2.35	2.20	1.35	2.65	8.55

Cal-endar	QUARTERLY DIVIDENDS PAID ^B				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2005	.125	.125	.125	.125	.50
2006	.25	.25	.25	.313	1.06
2007	.313	.313	.313	.373	1.31
2008	.375	.375	.375	.50	1.62
2009	.50				

BUSINESS: Strayer Education, Inc., through its subsidiary, Strayer University, offers graduate and undergraduate, business, information technology, education and public administration degree programs. As of 12/31/07, student enrollment was about 36,000 students, incl. students taking at least one class at Strayer ONLINE, which offers courses over the Internet; there are 55 campuses in

Strayer Education continues to post solid results. During the fourth quarter, the company reported a 28% year-over-year jump in sales, driven primarily by higher enrollment and a 5% tuition increase that was implemented last January. Total enrollment for the 2008 winter term increased 22% from a year ago, to 45,697. New student enrollments continued to grow at a nice clip, climbing 20%, while the number of global online students jumped 47%. Share net for the period increased 28% from a year ago, thanks to the robust revenue gains and healthy enrollment figures.

We anticipate that 2009 will be another good year for Strayer. We expect top-and bottom-line growth of 25% and 23%, respectively, for the year. The educator ought to continue to benefit from solid enrollment figures, as well as another 5% tuition increase that it implemented in January. Strayer has already opened two new campuses in Augusta, Georgia and Huntsville, Alabama. It plans to open three more in the spring term, in Allentown, Pennsylvania; Charleston, West Virginia; and Salt Lake City, Utah, all

which are new markets. For the year, we anticipate that the company will open 11 campuses, and this ought to help boost sales and profits.

Strayer is committed to its growth strategy. Besides its focus on expanding the number of new campuses, it is investing in its online offerings. The online division has experienced extraordinary growth in recent quarters, and the company wants to ensure that it is upgrading its offerings to accommodate the surge. Strayer also maintains strong cash flows and a healthy balance sheet, with no debt, and this should allow continuation of its share-buyback program.

Strayer is ranked to outperform the broader market averages over the next six to 12 months. The company will likely continue to benefit from robust enrollment growth, tuition increases, and the addition of new campuses, although the costs related to opening these new schools may temper some of the bottom-line advance. Over the 3- to 5-year period, these shares offer above-average appreciation potential at the current quote.

Iason Dalavagas May 1, 2009

(A) Diluted earnings per share. Excludes non-recurring gains: '01, 3¢; '03, 7¢. Next earnings report due early May. (B) Dividends historically paid in late January, May, September, December. Paid special dividend of \$2.00 per share in January 2008. (C) Dividend reinvestment plan available. (D) In millions, adjusted for stock split.

Company's Financial Strength	A
Stock's Price Stability	70
Price Growth Persistence	75
Earnings Predictability	100