



NATIONAL AMERICAN UNIVERSITY HOLDINGS, INC. REPORTS
FISCAL 2012 FOURTH QUARTER AND YEAR-END RESULTS

Company to host conference call on August 2, 2012, at 11:00 a.m. ET

Financial and Operational Highlights

Enrollment by headcount increased 12.0% over the prior year to a record 11,221 students as of May 31, 2012.

FY 2012 fourth quarter total revenue increased 18.0% to \$33.1 million from \$28.1 million in the prior-year period. FY 2012 fourth quarter total revenue increased 19.0% to \$33.8 million, compared to \$27.6 million in the FY 2011 fourth quarter.

FY 2012 fourth quarter net income attributable to the Company was \$1.6 million, compared to \$2.3 million in the prior-year period, primarily due to increased educational service and selling, general, and administrative (SG&A) expenses incurred from continued expansion and development of physical locations; FY 2012 fourth quarter EBITDA was \$4.0 million, compared to \$4.3 million in the prior-year period.

FY 2012 annual revenues increased 11.3% to \$118.9 million from \$106.8 million in the prior year with the

with staff for assistance on their educational choices and related services while completing the majority of the coursework online.

Of the & R P S D Q 5 campuses, the following sites are pending regulatory approvals:

- x Tigard, OR
- x Indianapolis, IN

12.0% Enrollment Increase

Total NAU student enrollment for the spring term of 2012 increased 12.0% to 11,221 students, up from 10,015 in the last spring term. Students enrolled in 98,384.5 credit hours compared to 88,725 credit hours in the spring term of last year. TKH FXU UHQW DYH UDJH DJH in the 1830s, with 6 HSEWng undergraduate degrees

Fiscal 2012 Fourth Quarter Financial Results

x Total revenues for the three months ended May 31, 2012, increased 18.0% to \$33.1 million from \$28.1 million for the same period last year. As a result of 1 \$ 8 enrollment growth WKH DFDGHPLF V H J P H Q W ¶ V increased 19.0% to \$32.8 million from \$27.6 million for the prior-year period.

x Educational services expense specifically relates to the academic segment, and includes salaries and benefits of faculty and academic administrators, costs of educational supplies, facility costs, faculty reference and support material and related academic costs.

For the three months ended May 31, 2012, this expense was \$7.6 million, or 23.2 RI WKH DFDGHPLF V H J total revenue, compared to \$6.2 million, or 22.4%, for the three months ended May 31, 2011. This increase was primarily a result of expenses incurred from increased instructional compensation and hiring the additional faculty and staff necessary to support the larger student population.

x During the FY 2012 fourth quarter, SG&A expenses were \$20.3 million, or 61.2% of total revenues, compared to \$17.4 million, or 62.0%, in the prior-year period. The dollar increase was primarily due to increased spending for 1 \$ 8 developing physical locations and academic programs, as well as increased staffing for new and existing campuses. The Company expects SG&A as a percentage of total revenues will decline as it focuses on increasing enrollment at its existing campus locations over the next fiscal year. SG&A as a percentage of total revenues decreased significantly quarter over quarter, from 70.3% in the fiscal 2012 third quarter to 61.2% in the

x EBITDA for FY 2012 was \$13.5

NATIONAL AMERICAN UNIVERSITY HOLDINGS, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE THREE MONTHS AND YEARS ENDED MAY 31, 2012 AND MAY 31, 2011
(In thousands except per share data)

	2012	2011	2012	2011
REVENUE:				
AcademiCore revenue	\$ 29,163	\$ 26,017	\$ 109,833	\$ 99,216
Auxiliary revenue	3,679	1,570	7,992	6,153
Rental income — apartments	268	251	1,069	990
Condominium sales	<u>0</u>	<u>225</u>	<u>0</u>	<u>449</u>
Total revenue	<u>33,110</u>	<u>28,063</u>	<u>118,894</u>	<u>106,808</u>
OPERATING EXPENSES:				
Cost of educational services	7,609	6,184	27,831	22,575
Selling, general and administrative	20,274	17,412	77,476	64,474
Auxiliary expense	2,628	769	4,747	2,888
Cost of condominium sales	0	188	0	381
(Gain) loss on disposition of property	<u>(194)</u>	<u>12</u>	<u>(320)</u>	<u>82</u>
Total operating expenses	<u>30,317</u>	<u>24,565</u>	<u>109,734</u>	<u>90,400</u>
OPERATING INCOME	<u>2,793</u>	<u>3,498</u>	<u>9,160</u>	<u>16,408</u>
OTHER INCOME (EXPENSE):				
Interest income	28	36	133	148
Interest expense	(278)	0	(594)	0
Other income — net	<u>30</u>	<u>27</u>	<u>121</u>	<u>123</u>
Total other income (expense)	<u>(220)</u>	<u>63</u>	<u>(340)</u>	<u>271</u>
INCOME BEFORE INCOME TAXES	2,573	3,561	8,820	16,679

NATIONAL AMERICAN UNIVERSITY HOLDINGS, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS AS OF MAY 31, 2012 AND 2011

(In thousands except per share data)

	May 31, 2012	May 31, 2011
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 15,658	\$ 25,716
Available for sale investments	14,917	19,085
Student receivables — net of allowance of \$759 and \$223 at May 31, 2012 and 2011, respectively	2,804	2,010
Other receivables	366	425
Bookstore inventory	6	1,057
Income tax receivable	974	1,260
Deferred income taxes	1,914	1,723
Prepaid and other current assets	<u>613</u>	<u>559</u>
Total current assets	<u>37,252</u>	<u>51,835</u>
 Total Property and Equipment - Net	 <u>40,496</u>	 <u>21,265</u>
 OTHER ASSETS:		
Condominium inventory	2,667	2,664
Land held for future development	312	312
Course development — net of accumulated amortization of \$1,715 and \$1,415 at May 31, 2012 and 2011, respectively	1,241	956
Other	<u>1,130</u>	<u>906</u>
	<u>5,350</u>	<u>4,838</u>
 TOTAL	 <u>\$ 83,098</u>	 <u>\$ 77,938</u>
 LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Current portion of capital lease payable	\$ 40	\$ 0
Accounts payable	4,175	4,430
Dividends payable	840	831
Student accounts payable	659	400
Deferred income	236	294
Accrued and other liabilities	<u>6,717</u>	<u>6,403</u>
Total current liabilities	<u>12,667</u>	<u>12,358</u>
 DEFERRED INCOME TAXES	 <u>5,098</u>	 <u>2,827</u>
 OTHER LONG-TERM LIABILITIES	 <u>4,161</u>	 <u>4,248</u>
 CAPITAL LEASE PAYABLE, NET OF CURRENT PORTION	 <u>10,460</u>	 <u>0</u>
 COMMITMENTS AND CONTINGENCIES		
STOCKHOLDERS' EQUITY:		
Common stock \$0.0001 par value (50,000,000 authorized; 28,057,891 issued and 25,574,124 outstanding as of May 31, 2012; 27,546,499 issued and 26,546,499 outstanding as of May 31, 2011)	3	3
Additional paid-in capital	57,203	56,643
Retained earnings	11,239	9,549
Treasury stock, at cost (2,483,767 shares at May 31, 2012 and 1,000,000 shares at May 31, 2011)	(17,589)	(7,505)
Accumulated other comprehensive income, net of taxes - unrealized gain on available for sale securities	<u>25</u>	<u>72</u>
Total National American University Holdings, Inc. stockholders' equity	<u>50,881</u>	<u>58,762</u>
Net income attributable to non-controlling interest	(169)	(257)
Total equity	<u>50,712</u>	<u>58,505</u>
 TOTAL	 <u>\$ 83,098</u>	 <u>\$ 77,938</u>

