
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934**

Date of Report (Date of Earliest Event Reported): January 8, 2016



Apollo Education Group, Inc.

(Exact name of registrant as specified in its charter)

Arizona
(State or other jurisdiction
of incorporation)

0-25232
(Commission
File Number)

86-0419443
(I.R.S. Employer
Identification No.)

**4025 S. Riverpoint Parkway,
Phoenix, Arizona**
(Address of principal executive offices)

85040
(Zip Code)

Registrant's telephone number, including area code: (480) 966-5394

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Section 2 – Financial Information

Item 2.02 Results of Operations and Financial Condition.

On January 11, 2016, Apollo Education Group, Inc. (“the Company”) issued a press release announcing its financial results for the three months ended November 30, 2015. A copy of the press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated by reference herein.

The information in Item 2.02 of this Form 8-K and Exhibit 99.1 furnished herewith shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities under that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended or the Exchange Act, regardless of any general incorporation language in such filing.

Section 5 – Corporate Governance and Management

Item 5.03 Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year.

On January 8, 2016, the Board approved an amendment to the Company’s Amended and Restated Bylaws (“Amendment No. 1 to the Amended and Restated Bylaws”).

Amendment No. 1 to the Amended and Restated Bylaws adds a new Article X, which provides that unless the Company consents to the selection of an alternative forum, the sole and exclusive forum for any derivative action or proceeding brought on behalf of the Company, any action asserting a claim of breach of a fiduciary duty owed by any director, officer, employee or agent of the Company to the Company or the Company’s shareholders, or any action asserting a claim against the Company or any director, officer, employee, agent or shareholder of the Company arising pursuant to any provision of the Arizona Revised Statutes, the Company’s Articles of Incorporation or the Company’s Amended and Restated Bylaws, or governed by the internal affairs doctrine, shall be a state court located within the State of Arizona (or, if no such state court has jurisdiction, the federal district court for the District of Arizona).

The adoption of Amendment No. 1 to the Amended and Restated Bylaws was effective on January 8, 2016.

The foregoing description of Amendment No. 1 to the Amended and Restated Bylaws does not purport to be complete and is subject to, and qualified in its entirety by, the full text of Amendment No. 1 to the Amended and Restated Bylaws attached as Exhibit 3.1 hereto and incorporated herein by reference. The Amended and Restated Bylaws, as amended through January 8, 2016, are attached as Exhibit 3.2 hereto.

Section 8 – Other Events

Item 8.01 Other Events.

On January 11, 2016, the Company issued a press release announcing that the Board has made the determination to explore strategic alternatives available to the Company. A copy of the press release is attached as Exhibit 99.2 hereto and incorporated herein by reference.

Section 9 – Financial Statements and Exhibits

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

The following exhibit is furnished herewith:

<u>Exhibit Number</u>	<u>Exhibit Description</u>
3.1	Amendment No. 1 to the Amended and Restated Bylaws of Apollo Education Group, Inc., effective as of January 8, 2016.
3.2	Amended and Restated Bylaws of Apollo Education Group, Inc., as amended through January 8, 2016.
99.1	Text of press release of Apollo Education Group, Inc. dated January 11, 2016 (quarterly financial results).
99.2	Text of press release of Apollo Education Group, Inc. dated January 11, 2016 (strategic alternatives).

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

January 11, 2016

APOLLO EDUCATION GROUP, INC.

By: /s/ Gregory J. Iverson

Gregory J. Iverson
Senior Vice President, Chief Financial Officer, Chief Accounting Officer
and Treasurer

Exhibit Index

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**AMENDMENT NO. 1 TO
AMENDED AND RESTATED BYLAWS OF
APOLLO EDUCATION GROUP, INC.**

(As amended effective January 8, 2016)

The Amended and Restated Bylaws of Apollo Education Group, Inc. (the "Bylaws") are hereby amended as follows:

1. The following is hereby added as a new Article X of the Bylaws and a new Section 10.01 thereto:

"X. GENERAL PROVISIONS

10.01. Forum for Adjudication of Disputes. Unless the corporation consents in writing to the selection of an alternative forum, the sole and exclusive forum for (i) any derivative action or proceeding brought on behalf of the corporation, (ii) any action asserting a claim of breach of a fiduciary duty owed by any director, officer, employee or agent of the corporation to the corporation or the corporation's shareholders, (iii) any action asserting a claim against the corporation or any director, officer, employee, agent or shareholder of the corporation arising pursuant to any provision of the Arizona Revised Statutes or the Articles or these Bylaws (in each case, as they may be amended from time to time), or (iv) any action asserting a claim against the corporation or any director, officer, or other employee of the corporation governed by the internal affairs doctrine shall be a state court located within the State of Arizona (or, if no state court located within the State of Arizona has jurisdiction, the federal district court for the District of Arizona), in all cases subject to the court having personal jurisdiction over the indispensable parties named as defendants therein. If any action the subject matter of which is within the scope of the preceding sentence is filed in a court other than a court located within the State of Arizona (a "Foreign Action") in the name of any shareholder, such shareholder shall be deemed to have consented to (i) the personal jurisdiction of the state and federal courts located within the State of Arizona in connection with any action brought in any such court to enforce the preceding sentence and (ii) having service of process made upon such shareholder in any such action by service upon such shareholder's counsel in the Foreign Action as agent for such

shareholder. Any person or entity purchasing or otherwise acquiring any interest in shares of capital stock of the corporation shall be (i) deemed to have notice of and consented to the provisions of this Section 10.01 and (ii) deemed to have waived any argument relating to the inconvenience of the forums referenced above in connection with any action or proceeding described in this Section 10.01 of these Bylaws.

If any provision or provisions of this Section 10.01 of these Bylaws shall be held to be invalid, illegal or unenforceable as applied to any person or circumstance for any reason whatsoever, then, to the fullest extent permitted by law, the validity, legality and enforceability of such provision(s) in any other circumstance and of the remaining provisions of this Section 10.01 of these Bylaws (including, without limitation, each portion of any sentence of this Section 10.01 of these Bylaws containing any such provision held to be invalid, illegal or unenforceable that is not itself held to be invalid, illegal or unenforceable) and the application of such provision to other persons and circumstances shall not in any way be affected or impaired thereby.”

2. Except as expressly modified hereby, the Bylaws and all the provisions contained therein shall remain in full force and effect.

AMENDED AND RESTATED BYLAWS
OF
APOLLO EDUCATION GROUP, INC.
(As amended through January 8, 2016)

I. REFERENCES TO CERTAIN TERMS AND CONSTRUCTION

- 1.01. Certain References. Any reference herein made to law will be deemed to refer to the law of the State of Arizona, including any applicable provision of Chapters 1 through 17 of Title 10 of the Arizona Revised Statutes, or any successor statute, as from time to time amended and in effect (sometimes referred to herein as the "Arizona Business Corporation Act"). Any reference herein made to the corporation's Articles will be deemed to refer to its Articles of Incorporation and all amendments thereto as at any given time on file with the Arizona Corporation Commission. Except as otherwise required by law and subject to any procedures established by the corporation pursuant to Arizona Revised Statutes Section 723, the term "shareholder" as used herein shall mean one who is a holder of record of shares of the corporation. References to specific sections of law herein made shall be deemed to refer to such sections, or any comparable successor provisions, as from time to time amended and in effect.
- 1.02. Seniority. The law and the Articles (in that order of precedence) will in all respects be considered senior and superior to these Bylaws, with any inconsistency to be resolved in favor of the law and such Articles (in that order of precedence), and with these Bylaws to be deemed automatically amended from time to time to eliminate any such inconsistency which may then exist.
- 1.03. Computation of Time. The time during which an act is required to be done, including the time for the giving of any required notice herein, shall be computed by excluding the first day or hour, as the case may be, and including the last day or hour.

II. OFFICES

- 2.01. Principal Office. The principal office of the corporation shall be located at any place either within or outside the State of Arizona as designated in the corporation's most current Annual Report filed with the Arizona Corporation Commission or in any other document executed and delivered to the Arizona Corporation Commission for filing. If a principal office is not so designated, the principal office of the corporation shall mean the known place of business of the corporation. The corporation may have such other offices, either within or without the State of Arizona, as the Board of Directors may designate or as the business of the corporation may require from time to time.
- 2.02. Known Place of Business. A known place of business of the corporation shall be located within the State of Arizona and may be, but need not be, the address of the statutory agent of the corporation. The corporation may change its known place of business from time to time in accordance with the relevant provisions of the Arizona Business Corporation Act.

III. SHAREHOLDERS

- 3.01. Annual Meetings of Class A Shareholders. Each annual meeting of the Class A shareholders is to be held on the third Wednesday in the month of January of each year (unless that day be a legal holiday, in which event the annual meeting will be held on the next succeeding business day) at a time and place as determined by the Board of Directors or, in the absence of action by the Board, as set forth in the notice given, or waiver signed, with respect to such meeting pursuant to Section 3.03 below. At the annual meeting, the Board of Directors shall report on the corporation's financial results for the past year and other matters. If any annual meeting is for any reason not held on the date determined as aforesaid, a deferred annual meeting may thereafter be called and held in lieu thereof, at which the same proceedings may be conducted.
- 3.02. Annual Meetings of Class B Shareholders. Each annual meeting of the Class B shareholders is to be held on the first Wednesday in the month of December of each year (unless that day be a legal holiday, in which event the annual meeting will be held on the next succeeding business day) at a time and place as determined by the Board of Directors or, in the absence of action by the Board, as set forth in the notice given, or waiver signed, with respect to such meeting pursuant to Section 3.03 below. At the annual meeting, the Class B shareholders shall elect a Board of Directors and transact such other business as may be properly brought before the meeting. If any annual meeting is for any reason not held on the date determined as aforesaid, a deferred annual meeting may thereafter be called and held in lieu thereof, at which the same proceedings may be conducted. Any Director elected at any annual meeting, deferred annual meeting, or special meeting will continue in office until the election of his or her successor, subject to his or her earlier resignation pursuant to Section 7.01 below.
- 3.03. Special Shareholder Meetings. Special meetings of the shareholders may be held whenever and wherever, either within or without the State of Arizona, called for by or at the direction of the Chairman of the Board, the President, or the Board of Directors. A special meeting of shareholders shall also be called by the President or the Secretary at the written request of the holder or holders of not less than 50% of all outstanding votes entitled to be cast on any matter to be voted on at the meeting. Any such written request by shareholders shall state the purpose or purposes of the proposed meeting, and business to be transacted at any such meeting shall be confined to the purposes stated in the notice thereof and to such additional matters as the chairman of the meeting may rule to be germane to such purposes.
- 3.04. Notice of Shareholders Meetings.
- (a) Required Notice. Notice stating the place, day and hour of any annual or special shareholders meeting shall be given not less than ten (10) nor more than sixty (60) days before the date of the meeting by or at the direction of the person or persons calling the meeting, to each shareholder entitled to vote at such meeting and to any other shareholder entitled to receive notice of the meeting by law or the

Articles. Notices to shareholders shall be given in accordance with, and shall be deemed to be effective at the time and in the manner described in, Arizona Revised Statutes Section 10-141. If no designation is made of the place at which an annual or special meeting will be held in the notice for such meeting, the place of the meeting will be at the principal place of business of the corporation.

- (b) **Adjourned Meeting.** If any shareholders meeting is adjourned to a different date, time, or place, notice need not be given of the new date, time, and place, if the new date, time, and place are announced at the meeting before adjournment. But if a new record date for the adjourned meeting is fixed or must be fixed in accordance with law or these Bylaws, then notice of the adjourned meeting shall be given to those persons who are shareholders as of the new record date and who are entitled to such notice pursuant to Section 3.03(a) above.
 - (c) **Waiver of Notice.** Any shareholder may waive notice of a meeting (or any notice of any other action required to be given by the Arizona Business Corporation Act, the corporation's Articles, or these Bylaws), at any time before, during, or after the meeting or other action, by a writing signed by the shareholder entitled to the notice. Each such waiver shall be delivered to the corporation for inclusion in the minutes or filing with the corporate records. Under certain circumstances, a shareholder's attendance at a meeting may constitute a waiver of notice, unless the shareholder takes certain actions to preserve his/her objections as described in the Arizona Business Corporation Act.
 - (d) **Contents of Notice.** The notice of each special shareholders meeting shall include a description of the purpose or purposes for which the meeting is called. Except as required by law or the corporation's Articles, the notice of an annual shareholders meeting need not include a description of the purpose or purposes for which the meeting is called.
- 3.05. **Fixing of Record Date.** For the purpose of determining shareholders of any voting group entitled to notice of or to vote at any meeting of shareholders, or shareholders entitled to receive any distribution or dividend, or in order to make a determination of shareholders for any other proper purpose, the Board of Directors may fix in advance a date as the record date. Such record date shall not be more than seventy (70) days prior to the date on which the particular action requiring such determination of shareholders is to be taken. If no record date is so fixed by the Board of Directors, the record date for the determination of shareholders shall be as provided in the Arizona Business Corporation Act. When a determination of shareholders entitled to notice of or to vote at any meeting of shareholders has been made as provided in this Section, such determination shall apply to any adjournment thereof, unless the Board of Directors fixes a new record date, which it must do if the meeting is adjourned to a date more than one hundred twenty (120) days after the date fixed for the original meeting.
- 3.06. **Shareholder List.** The corporation shall make a complete record of the shareholders entitled to notice of each meeting of shareholders thereof, arranged in alphabetical order,

listing the address and the number of shares held by each. The list shall be arranged by voting group and within each voting group by class or series of shares. The shareholder list shall be available for inspection by any shareholder, beginning two (2) business days after notice of the meeting is given for which the list was prepared and continuing through the meeting. The list shall be available at the corporation's principal office or at another place identified in the meeting notice in the city where the meeting is to be held. Failure to comply with this section shall not affect the validity of any action taken at the meeting.

3.07. Shareholder Quorum and Voting Requirements.

- (a) If the Articles or the Arizona Business Corporation Act provide for voting by a single voting group on a matter, action on that matter is taken when voted upon by that voting group.
- (b) If the Articles or the Arizona Business Corporation Act provide for voting by two (2) or more voting groups on a matter, action on that matter is taken only when voted upon by each of those voting groups counted separately.
- (c) Shares entitled to vote as a separate voting group may take action on a matter at a meeting only if a quorum of those shares exists with respect to that matter. Unless the Articles or the Arizona Business Corporation Act provide otherwise, a majority of the votes entitled to be cast on the matter by the voting group constitutes a quorum of that voting group for action on that matter.
- (d) Once a share is represented for any purpose at a meeting, it is deemed present for quorum purposes for the remainder of the meeting and for any adjournment of that meeting, unless a new record date is or must be set for that adjourned meeting.
- (e) If a quorum exists, action on a matter (other than the election of directors) by a voting group is approved if the votes cast within the voting group favoring the action exceed the votes cast opposing the action, unless the Articles or the Arizona Business Corporation Act require a greater number of affirmative votes.
- (f) Voting will be by ballot on any question as to which a ballot vote is demanded prior to the time the voting begins by any person entitled to vote on such question; otherwise, a voice vote will suffice. No ballot or change of vote will be accepted after the polls have been declared closed following the ending of the announced time for voting.

3.08. Proxies. At all meetings of shareholders, a shareholder may vote in person or by proxy duly executed in writing by the shareholder or the shareholder's duly authorized attorney-in-fact. Such proxy shall comply with law and shall be filed with the Secretary of the corporation or other person authorized to tabulate votes before or at the time of the meeting. No proxy shall be valid after eleven (11) months from the date of its execution unless otherwise provided in the proxy. The burden of proving the validity of any

undated, irrevocable, or otherwise contested proxy at a meeting of the shareholders will rest with the person seeking to exercise the same. A facsimile appearing to have been transmitted by a shareholder or by such shareholder's duly authorized attorney-in-fact may be accepted as a sufficiently written and executed proxy.

- 3.09. Voting of Shares. Unless otherwise provided in the Articles or the Arizona Business Corporation Act, each outstanding share entitled to vote shall be entitled to one (1) vote upon each matter submitted to a vote at a meeting of shareholders.
- 3.10. Voting for Directors. Unless otherwise provided in the Articles, directors are elected by a plurality of the votes cast by the shares entitled to vote in the election at a meeting at which a quorum is present at the time of such vote. As provided by law, shareholders shall be entitled to cumulative voting in the election of directors.
- 3.11. Election Inspectors. The Board of Directors, in advance of any meeting of the shareholders, may appoint an election inspector or inspectors to act at such meeting (and at any adjournment thereof). If an election inspector or inspectors are not so appointed, the chairman of the meeting may, or upon request of any person entitled to vote at the meeting will, make such appointment. If any person appointed as an inspector fails to appear or to act, a substitute may be appointed by the chairman of the meeting. If appointed, the election inspector or inspectors (acting through a majority of them if there be more than one) will determine the number of shares outstanding, the authenticity, validity, and effect of proxies, the credentials of persons purporting to be shareholders or persons named or referred to in proxies, and the number of shares represented at the meeting in person and by proxy; will receive and count votes, ballots, and consents and announce the results thereof; will hear and determine all challenges and questions pertaining to proxies and voting; and, in general, will perform such acts as may be proper to conduct elections and voting with complete fairness to all shareholders. No such election inspector need be a shareholder of the corporation.
- 3.12. Organization and Conduct of Meetings. Each meeting of the shareholders will be called to order and thereafter chaired by the Chairman of the Board of Directors if there is one, or, if not, or if the Chairman of the Board is absent or so requests, then by the President, or if both the Chairman of the Board and the President are unavailable, then by such other officer of the corporation or such shareholder as may be appointed by the Board of Directors. The corporation's Secretary or in his or her absence, an Assistant Secretary will act as secretary of each meeting of the shareholders. If neither the Secretary nor an Assistant Secretary is in attendance, the chairman of the meeting may appoint any person (whether a shareholder or not) to act as secretary for the meeting. After calling a meeting to order, the chairman thereof may require the registration of all shareholders intending to vote in person and the filing of all proxies with the election inspector or inspectors, if one or more have been appointed (or, if not, with the secretary of the meeting). After the announced time for such filing of proxies has ended, no further proxies or changes, substitutions, or revocations of proxies will be accepted. If directors are to be elected, a tabulation of the proxies so filed will, if any person entitled to vote in such election so requests, be announced at the meeting (or adjournment thereof) prior to the closing of the

election polls. Absent a showing of bad faith on his or her part, the chairman of a meeting will, among other things, have absolute authority to fix the period of time allowed for the registration of shareholders and the filing of proxies, to determine the order of business to be conducted at such meeting, and to establish reasonable rules for expediting the business of the meeting and preserving the orderly conduct thereof (including any informal, or question and answer portions thereof).

- 3.13. Shareholder Approval or Ratification. The Board of Directors may submit any contract or act for approval or ratification of the shareholders at a duly constituted meeting of the shareholders. Except as otherwise required by law, if any contract or act so submitted is approved or ratified by a majority of the votes cast thereon at such meeting, the same will be valid and as binding upon the corporation and all of its shareholders as it would be if it were the act of its shareholders.
- 3.14. Informalities and Irregularities. All informalities or irregularities in any call or notice of a meeting of the shareholders or in the areas of credentials, proxies, quorums, voting, and similar matters, will be deemed waived if no objection is made at the meeting.
- 3.15. Shareholder Action by Written Consent. Any action required or permitted to be taken at a meeting of the shareholders may be taken without a meeting if one (1) or more consents in writing, setting forth the action so taken, shall be signed by all of the shareholders entitled to vote with respect to the subject matter thereof. The consents shall be delivered to the corporation for inclusion in the minutes or filing with the corporate record. Action taken by consent is effective when the last shareholder signs the consent, unless the consent specifies a different effective date, except that if, by law, the action to be taken requires that notice be given to shareholders who are not entitled to vote on the matter, the effective date shall not be prior to ten (10) days after the corporation shall give such shareholders written notice of the proposed action, which notice shall contain or be accompanied by the same material that would have been required if a formal meeting had been called to consider the action. A consent signed under this section has the effect of a meeting vote and may be described as such in any document.

IV. BOARD OF DIRECTORS

- 4.01. General Powers. All corporate powers shall be exercised by or under the authority of, and the business and affairs of the corporation shall be managed under the direction of, the Board of Directors.
- 4.02. Number, Tenure, and Qualification of Directors. Unless otherwise provided in the Articles of Incorporation, the authorized number of directors shall be not less than one nor more than fifteen. The number of directors in office from time to time shall be within the limits specified above, as prescribed from time to time by resolution adopted by either the shareholders or the Board of Directors. The directors will regularly be elected at each annual meeting of the Class B shareholders, but directors may be elected at any other meeting of the shareholders. Each director shall hold office until the annual meeting of Class B shareholders following his/her election, subject to his/her earlier resignation or

removal. However, if a director's term expires, he/she shall continue to serve until his/her successor shall have been elected and qualified, until his/her resignation or removal, or until there is a decrease in the number of directors. Unless required by the Articles, directors do not need to be residents of the State of Arizona or shareholders of the corporation.

- 4.03. Regular Meetings of the Board of Directors. A regular annual meeting of the Board of Directors is to be held as soon as practicable after the adjournment of each annual meeting of the Class B shareholders, either at the place of the Class B shareholders meeting or at such other place as the directors elected at the shareholders meeting may have been informed of at or prior to the time of their election. Additional regular meetings may be held at regular intervals at such places and at such times as the Board of Directors may determine.
- 4.04. Special Meetings of the Board of Directors. Special meetings of the Board of Directors may be held whenever and wherever called for by the Chairman of the Board, the President, or the number of directors that would be required to constitute a quorum.
- 4.05. Notice of, and Waiver of Notice for, Directors Meetings. No notice need be given of regular meetings of the Board of Directors. Notice of the time and place of any special directors meeting shall be given at least 48 hours prior thereto. Notice shall be given in accordance with and shall be deemed to be effective at the time and in the manner described in Arizona Revised Statutes Section 10-141. Any director may waive notice of any meeting and any adjournment thereof at any time before, during, or after it is held. Except as provided in the next sentence below, the waiver must be in writing, signed by the director entitled to the notice, and filed with the minutes or corporate records. The attendance of a director at or participation of a director in a meeting shall constitute a waiver of notice of such meeting, unless the director at the beginning of the meeting (or promptly upon his/her arrival) objects to holding the meeting or transacting business at the meeting, and does not thereafter vote for or assent to action taken at the meeting.
- 4.06. Director Quorum. A majority of the number of directors prescribed according to Section 4.02 above, or if no number is so prescribed, the number in office immediately before the meeting begins, shall constitute a quorum for the transaction of business at any meeting of the Board of Directors, unless the Articles require a greater number.
- 4.07. Directors, Manner of Acting.
- (a) If a quorum is present when a vote is taken, the affirmative vote of a majority of the directors present shall be the act of the Board of Directors unless the Articles require a greater percentage.
 - (b) Unless the Articles provide otherwise, any or all directors may participate in a regular or special meeting by, or conduct the meeting through the use of, any means of communication by which all directors participating may simultaneously hear each other during the meeting, in which case, any required notice of the

meeting may generally describe the arrangements (rather than or in addition to the place) for the holding thereof. A director participating in a meeting by this means is deemed to be present in person at the meeting.

- (c) A director who is present at a meeting of the Board of Directors or a committee of the Board of Directors when corporate action is taken is deemed to have assented to the action taken unless: (1) the director objects at the beginning of the meeting (or promptly upon his/her arrival) to holding it or transacting business at the meeting; or (2) his/her dissent or abstention from the action taken is entered in the minutes of the meeting; or (3) he/she delivers written notice of his/her dissent or abstention to the presiding officer of the meeting before its adjournment or to the corporation before 5:00 p.m. on the next business day after the meeting. The right of dissent or abstention is not available to a director who votes in favor of the action taken.

4.08. Director Action Without a Meeting. Unless the Articles provide otherwise, any action required or permitted to be taken by the Board of Directors at a meeting may be taken without a meeting if the action is taken by unanimous written consent of the Board of Directors as evidenced by one (1) or more written consents describing the action taken, signed by each director and filed with the minutes or corporate records. Action taken by consent is effective when the last director signs the consent, unless the consent specifies a different effective date. A signed consent has the effect of a meeting vote and may be described as such in any document.

4.09. Removal of Directors by Class B Shareholders. The Class B shareholders may remove one (1) or more directors at a meeting called for that purpose if notice has been given that a purpose of the meeting is such removal. The removal may be with or without cause unless the Articles provide that directors may only be removed with cause. If a director is elected by a voting group of shareholders, only the shareholders of that voting group may participate in a shareholder vote to remove him. If less than the entire Board of Directors is to be removed, a director may not be removed if the number of votes sufficient to elect the director under cumulative voting is voted against the director's removal.

4.10. Board of Director Vacancies.

- (a) Unless the Articles provide otherwise, if a vacancy occurs on the Board of Directors, including a vacancy resulting from an increase in the number of directors, either the shareholders or the Board of Directors may fill the vacancy.
- (b) If the vacant office was held by a director elected by a voting group of shareholders, only the holders of shares of that voting group are entitled to vote to fill the vacancy if it is filled by the shareholders.
- (c) A vacancy that will occur at a specific later date (by reason of resignation effective at a later date) may be filled before the vacancy occurs, but the new director may not take office until the vacancy occurs.

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- (d) The term of a director elected to fill a vacancy expires at the next shareholders meeting at which directors are elected.
- 4.11. Director Compensation. Unless otherwise provided in the Articles by resolution of the Board of Directors, each director may be paid his/her expenses, if any, of attendance at each meeting of the Board of Directors or any committee thereof, and may be paid a stated salary as director or a fixed sum for attendance at each meeting of the Board of Directors or any committee thereof, or both. No such payment shall preclude any director from serving the corporation in any capacity and receiving compensation therefor.
- 4.12. Director Committees.
- (a) Creation of Committees. Unless the Articles provide otherwise, the Board of Directors may create one (1) or more committees and appoint members of the Board of Directors to serve on them. Each committee shall have one (1) or more members, who serve at the pleasure of the Board of Directors.
- (b) Selection of Members. The creation of a committee and appointment of members to it shall be approved by the greater of (1) a majority of all the directors in office when the action is taken or (2) the number of directors required by the Articles to take such action.
- (c) Required Procedures. Sections 4.03 through 4.08 of this Article IV, which govern meetings, action without meetings, notice and waiver of notice, and quorum and voting requirements of the Board of Directors, apply to committees and their members.
- (d) Authority. Unless limited by the Articles, each committee may exercise those aspects of the authority of the Board of Directors which the Board of Directors confers upon such committee in the resolution creating the committee, provided, however, that a committee may not: (1) authorize distributions; (2) approve or propose to shareholders action that requires shareholder approval under the Arizona Business Corporation Act; (3) fill vacancies on the Board of Directors or on any of its committees; (4) amend the Articles of Incorporation without shareholder action as provided by law; (5) adopt, amend or repeal these Bylaws; (6) approve a plan of merger not requiring shareholder approval; (7) authorize or approve reacquisition of shares, except according to a formula or method prescribed by the Board of Directors; (8) authorize or approve the issuance or sale or contract for sale of shares or determine the designation and relative rights, preferences, and limitations of a class or series of shares, except within limits specifically prescribed by the Board of Directors; or (9) fix the compensation of directors for serving on the Board of Directors or any committee of the Board of Directors.

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- 4.13. Director Resignations. Any director or committee member may resign from his or her office at any time by written notice delivered to the Board of Directors, the Chairman of the Board, or the corporation at its known place of business. Any such resignation will be effective upon its receipt unless some later time is therein fixed, and then from that time. The acceptance of a resignation will not be required to make it effective.
- 4.14. Indemnification. Each director, and any former director, shall be indemnified to the maximum extent permitted by law from any liability related to such service to the corporation, and shall be entitled to advances for expenses as permitted by law.

V. OFFICERS

- 5.01. Number of Officers. The officers of the corporation shall be a President, a Secretary, and a Treasurer, each of whom shall be appointed by the Board of Directors. Such other officers and assistant officers as may be deemed necessary, including any Vice Presidents, may be appointed by the Board of Directors. If specifically authorized by the Board of Directors, an officer may appoint one (1) or more other officers or assistant officers. The same individual may simultaneously hold more than one (1) office in the corporation.
- 5.02. Appointment and Term of Office. The officers of the corporation shall be appointed by the Board of Directors for a term as determined by the Board of Directors. The designation of a specified term grants to the officer no contract rights, and the Board of Directors can remove the officer at any time prior to the termination of such term. If no term is specified, an officer of the corporation shall hold office until he or she resigns, dies, or until he or she is removed in the manner provided by law or in Section 5.03 of this Article V. The regular election or appointment of officers will take place at each annual meeting of the Board of Directors, but elections of officers may be held at any other meeting of the Board.
- 5.03. Resignation and Removal of Officers. An officer may resign at any time by delivering written notice to the corporation at its known place of business. A resignation is effective when the notice is delivered unless the notice specifies a later effective date or event. Any officer may be removed by the Board of Directors at any time, with or without cause. Such removal shall be without prejudice to the contract rights, if any, of the person so removed. Appointment of an officer shall not of itself create contract rights.
- 5.04. Duties of Officers. Officers of the corporation shall have authority to perform such duties as may be prescribed from time to time by law, in these Bylaws, or by the Board of Directors, the President, or the superior officer of any such officer. Each officer of the corporation (in the order designated herein or by the Board) will be vested with all of the powers and charged with all of the duties of his or her superior officer in the event of such superior officer's absence, death, or disability.
- 5.05. Bonds and Other Requirements. The Board of Directors may require any officer to give bond to the corporation (with sufficient surety and conditioned for the faithful performance of the duties of his or her office) and to comply with such other conditions as may from time to time be required of him or her by the Board of Directors.

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- 5.06. President. Unless otherwise specified by resolution of the Board of Directors, the President shall be the principal executive officer of the corporation and, subject to the control of the Board of Directors, shall supervise and control all of the business and affairs of the corporation and the performance by all of its other officers of their respective duties and in general shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time. The President shall, when present, and in the absence of a Chairman of the Board, preside at all meetings of the shareholders and of the Board of Directors. The President will be a proper officer to sign on behalf of the corporation any deed, bill of sale, assignment, option, mortgage, pledge, note, bond, evidence of indebtedness, application, consent (to service of process or otherwise), agreement, indenture, contract, or other instrument, except in each such case where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these Bylaws to some other officer or agent of the corporation, or shall be required by law to be otherwise signed or executed. The President may represent the corporation at any meeting of the shareholders or members of any other corporation, association, partnership, joint venture, or other entity in which the corporation then holds shares of capital stock or has an interest, and may vote such shares of capital stock or other interest in person or by proxy appointed by him or her, provided that the Board of Directors may from time to time confer the foregoing authority upon any other person or persons.
- 5.07. The Vice-President. If appointed, in the absence of the President or in the event of his/her death or disability, the Vice-President (or in the event there be more than one Vice-President, the Vice-Presidents in the order designated at the time of their election, or in the absence of any such designation, then in the order of their appointment) shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. If there is no Vice-President or in the event of the death or disability of all Vice-Presidents, then the Treasurer shall perform such duties of the President in the event of his or her absence, death, or disability. Each Vice-President will be a proper officer to sign on behalf of the corporation any deed, bill of sale, assignment, option, mortgage, pledge, note, bond, evidence of indebtedness, application, consent (to service of process or otherwise), agreement, indenture, contract, or other instrument, except in each such case where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these Bylaws to some other officer or agent of the corporation, or shall be required by law to be otherwise signed or executed. Any Vice-President may represent the corporation at any meeting of the shareholders or members of any other corporation, association, partnership, joint venture, or other entity in which the corporation then holds shares of capital stock or has an interest, and may vote such shares of capital stock or other interest in person or by proxy appointed by him or her, provided that the Board of Directors may from time to time confer the foregoing authority upon any other person or persons. A Vice-President shall perform such other duties as from time to time may be assigned to him/her by the President or by the Board of Directors.

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- 5.08. The Secretary. The Secretary shall: (a) keep the minutes of the proceedings of the shareholders and of the Board of Directors and any committee of the Board of Directors and all unanimous written consents of the shareholders, Board of Directors, and any committee of the Board of Directors in one (1) or more books provided for that purpose; (b) see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; (c) be custodian of the corporate records and of any seal of the corporation; (d) when requested or required, authenticate any records of the corporation; (e) keep a register of the address of each shareholder which shall be furnished to the Secretary by such shareholder; and (f) in general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him/her by the President or by the Board of Directors. Except as may otherwise be specifically provided in a resolution of the Board of Directors, the Secretary will be a proper officer to take charge of the corporation's stock transfer books and to compile the voting record pursuant to Section 3.05 above, and to impress the corporation's seal, if any, on any instrument signed by the President, any Vice President, or any other duly authorized person, and to attest to the same. In the absence of the Secretary, a secretary pro tempore may be chosen by the directors or shareholders as appropriate to perform the duties of the Secretary.
- 5.09. The Treasurer. The Treasurer shall: (a) have charge and custody of and be responsible for all funds and securities of the corporation; (b) receive and give receipts for moneys due and payable to the corporation from any source whatsoever, and deposit all such moneys in the name of the corporation in such bank, trust companies, or other depositories as shall be selected by the Board of Directors or any proper officer; (c) keep full and accurate accounts of receipts and disbursements in books and records of the corporation; and (d) in general perform all of the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him/her by the President or by the Board of Directors. The Treasurer will render to the President, the directors, and the shareholders at proper times an account of all his or her transactions as Treasurer and of the financial condition of the corporation. The Treasurer shall be responsible for preparing and filing such financial reports, financial statements, and returns as may be required by law.
- 5.10. Assistant Secretaries and Assistant Treasurers. The Assistant Secretaries and the Assistant Treasurers, when authorized by the Board of Directors, may sign with the President or a Vice-President certificates for shares of the corporation, the issuance of which shall have been authorized by a resolution of the Board of Directors. The Assistant Secretaries and Assistant Treasurers, in general, shall perform such duties as shall be assigned to them by the Secretary or the Treasurer, respectively, or by the President or the Board of Directors.
- 5.11. Chairman of the Board. The Board of Directors may elect a Chairman to serve as a general executive officer of the corporation, and, if specifically designated as such by the Board of Directors, as the chief executive officer of the corporation. If elected, the Chairman will preside at all meetings of the Board of Directors and be vested with such other powers and duties as the Board of Directors may from time to time delegate to him or her.

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- 5.12. Salaries. The salaries of the officers of the corporation may be fixed from time to time by the Board of Directors or (except as to the President's own) left to the discretion of the President. No officer will be prevented from receiving a salary by reason of the fact that he or she is also a director of the corporation.
- 5.13. Additional Appointments. In addition to the officers contemplated in this Article V, the Board of Directors may appoint other agents of the corporation with such authority to perform such duties as may be prescribed from time to time by the Board of Directors.
- 5.14. Indemnification. Each officer, and any former officer, shall be indemnified to the maximum extent permitted by law from any liability related to such service to the corporation, and shall be entitled to advances for expenses as permitted by law.

VI. CERTIFICATES FOR SHARES AND THEIR TRANSFER

6.01. Certificates for Shares.

- (a) Content. Certificates representing shares of the corporation shall, at a minimum, state on their face the name of the issuing corporation and that it is formed under the laws of the State of Arizona, the name of the person to whom issued, and the number and class of shares and the designation of the series, if any, the certificate represents. Such certificates shall be signed (either manually or by facsimile to the extent allowable by law) by one or more officers of the corporation, as determined by the Board of Directors, or, if no such determination is made, by any of the Chairman of the Board (if any), the President, any Vice-President, the Secretary, or the Treasurer of the corporation, and may be sealed with a corporate seal or a facsimile thereof. Each certificate for shares shall be consecutively numbered or otherwise identified and will exhibit such information as may be required by law. If a supply of unissued certificates bearing the facsimile signature of a person remains when that person ceases to hold the office of the corporation indicated on such certificates or ceases to be the transfer agent or registrar of the corporation, they may still be issued by the corporation and countersigned, registered, issued, and delivered by the corporation's transfer agent and/or registrar thereafter, as though such person had continued to hold the office indicated on such certificate.
- (b) Legend as to Class or Series. If the corporation is authorized to issue different classes of shares or different series within a class, the designations, relative rights, preferences, and limitations applicable to each class and the variations in rights, preferences, and limitations determined for each series (and the authority of the Board of Directors to determine variations for future series) shall be summarized on the front or back of each certificate. Alternatively, each certificate may state conspicuously on its front or back that the corporation will furnish a shareholder this information on request in writing and without charge.

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- (c) Shareholder List. The name and address of the person to whom shares are issued, with the number of shares and date of issue, shall be entered on the stock transfer books of the corporation.
 - (d) Lost Certificates. In the event of the loss, theft, or destruction of any certificate representing shares of the corporation or of any predecessor corporation, the corporation may issue (or, in the case of any such shares as to which a transfer agent and/or registrar have been appointed, may direct such transfer agent and/or registrar to countersign, register, and issue) a new certificate, and cause the same to be delivered to the registered owner of the shares represented thereby; provided that such owner shall have submitted such evidence showing the circumstances of the alleged loss, theft, or destruction, and his, her, or its ownership of the certificate, as the corporation considers satisfactory, together with any other facts that the corporation considers pertinent; and further provided that, if so required by the corporation, the owner shall provide a bond or other indemnity in form and amount satisfactory to the corporation (and to its transfer agent and/or registrar, if applicable).
- 6.02. Registration of the Transfer of Shares. Registration of the transfer of shares of the corporation shall be made only on the stock transfer books of the corporation. In order to register a transfer, the record owner shall surrender the shares to the corporation for cancellation, properly endorsed by the appropriate person or persons with reasonable assurances that the endorsements are genuine and effective. Unless the corporation has established a procedure by which a beneficial owner of shares held by a nominee is to be recognized by the corporation as the owner, the corporation will be entitled to treat the registered owner of any share of the capital stock of the corporation as the absolute owner thereof and, accordingly, will not be bound to recognize any beneficial, equitable, or other claim to, or interest in, such share on the part of any other person, whether or not it has notice thereof, except as may expressly be provided by applicable law.
- 6.03. Shares Without Certificates. The Board of Directors may authorize the issuance of uncertificated shares by the corporation and may prescribe procedures for the issuance and registration of transfer thereof and with respect to such other matters as the Board of Directors shall deem necessary or appropriate.

VII. DISTRIBUTIONS

- 7.01. Distributions. Subject to such restrictions or requirements as may be imposed by applicable law or the corporation's Articles or as may otherwise be binding upon the corporation, the Board of Directors may from time to time declare, and the corporation may pay or make, dividends or other distributions to its shareholders.

VIII. CORPORATE SEAL

- 8.01. Corporate Seal. The Board of Directors may provide for a corporate seal of the corporation that will have inscribed thereon any designation including the name of the corporation, Arizona as the state of incorporation, the year of incorporation, and the words "Corporate Seal."

IX. AMENDMENTS

- 9.01. Amendments. The corporation's Board of Directors may amend or repeal the corporation's Bylaws unless:
- (1) the Articles or the Arizona Business Corporation Act reserve this power exclusively to the shareholders in whole or part; or
 - (2) the shareholders in adopting, amending, or repealing a particular Bylaw provide expressly that the Board of Directors may not amend or repeal that Bylaw.

The corporation's shareholders may amend or repeal the corporation's Bylaws even though the Bylaws may also be amended or repealed by its Board of Directors.

X. GENERAL PROVISIONS

- 10.01. Forum for Adjudication of Disputes. Unless the corporation consents in writing to the selection of an alternative forum, the sole and exclusive forum for (i) any derivative action or proceeding brought on behalf of the corporation, (ii) any action asserting a claim of breach of a fiduciary duty owed by any director, officer, employee or agent of the corporation to the corporation or the corporation's shareholders, (iii) any action asserting a claim against the corporation or any director, officer, employee, agent or shareholder of the corporation arising pursuant to any provision of the Arizona Revised Statutes or the Articles or these Bylaws (in each case, as they may be amended from time to time), or (iv) any action asserting a claim against the corporation or any director, officer, or other employee of the corporation governed by the internal affairs doctrine shall be a state court located within the State of Arizona (or, if no state court located within the State of Arizona has jurisdiction, the federal district court for the District of Arizona), in all cases subject to the court having personal jurisdiction over the indispensable parties named as defendants therein. If any action the subject matter of which is within the scope of the preceding sentence is filed in a court other than a court located within the State of Arizona (a "Foreign Action") in the name of any shareholder, such shareholder shall be deemed to have consented to (i) the personal jurisdiction of the state and federal courts located within the State of Arizona in connection with any action brought in any such court to enforce the preceding sentence and (ii) having service of process made upon such shareholder in any such action by service upon such shareholder's counsel in the Foreign Action as agent for such shareholder. Any person or entity purchasing or otherwise acquiring any interest in shares of capital stock of the corporation shall be (i) deemed to have notice of and consented to the provisions of this Section 10.01 and (ii) deemed to have waived any argument relating to the inconvenience of the forums referenced above in connection with any action or proceeding described in this Section 10.01 of these Bylaws.

If any provision or provisions of this Section 10.01 of these Bylaws shall be held to be invalid, illegal or unenforceable as applied to any person or circumstance for any reason whatsoever, then, to the fullest extent permitted by law, the validity, legality and enforceability of such provision(s) in any other circumstance and of the remaining provisions of this Section 10.01 of these Bylaws (including, without limitation, each portion of any sentence of this Section 10.01 of these Bylaws containing any such provision held to be invalid, illegal or unenforceable that is not itself held to be invalid, illegal or unenforceable) and the application of such provision to other persons and circumstances shall not in any way be affected or impaired thereby.



Apollo Education Group, Inc.

News Release

Apollo Education Group, Inc. Reports First Quarter Fiscal Year 2016 Results

Phoenix, January 11, 2016 - Apollo Education Group, Inc. (NASDAQ: APOL) (“Apollo” or the “Company”) today reported financial results for the three months ended November 30, 2015, with first quarter revenue of \$586.0 million and a \$0.53 diluted loss per share from continuing operations, or \$0.29 earnings per share excluding special items.

“Apollo is taking the necessary steps to enhance long-term shareholder value through a series of strategic actions which include transforming University of Phoenix into a higher retaining, more trusted provider of career relevant higher education, continued expansion of our international network, and a commitment to efficiency,” said Greg Cappelli, Chief Executive Officer, Apollo Education Group. “The University of Phoenix team is implementing major components of its transformational plan as quickly as possible, and although this is having a near-term negative impact on revenue, we believe speed of execution will help the University return to stability more quickly. Apollo Global continues to expand and grow its network through a combination of high quality acquisitions and organic growth and is on-target for a record year. Finally, we have committed to incremental cost reductions in order to preserve our operating margin during this transformational period.”

First Quarter 2016 Results of Operations

Apollo Education Group reported net revenue for the first quarter 2016 of \$586.0 million, compared to \$714.5 million for the first quarter 2015. First quarter 2016 University of Phoenix New Degreed Enrollment was 24,500 and Degreed Enrollment was 176,900, compared to New Degreed Enrollment of 39,600 and Degreed Enrollment of 227,400 for the prior year first quarter. Operating loss for the first quarter 2016 was \$45.2 million, compared to operating income of \$64.2 million for the first quarter 2015. The operating results for the first quarter 2016 were significantly impacted by \$73.4 million of goodwill impairment charges. Loss from continuing operations attributable to Apollo Education Group for the first quarter 2016 was \$57.5 million, or \$0.53 per share, compared to income of \$36.1 million, or \$0.33 per share, for the prior year first quarter.

Excluding special items, income from continuing operations attributable to Apollo Education Group for the first quarter 2016 was \$31.3 million, or \$0.29 per share, compared to \$49.9 million, or \$0.46 per share, for the first quarter 2015. Adjusted EBITDA was \$80.2 million for the first quarter 2016 compared to \$118.5 million for the first quarter 2015. (Special items and Adjusted EBITDA for the respective periods are included in the reconciliation of GAAP to non-GAAP financial information tables of this press release.)

Balance Sheet and Cash Flow

As of November 30, 2015, the Company’s unrestricted cash and cash equivalents and marketable securities (including current and noncurrent) totaled \$755.7 million, compared to \$794.2 million as of August 31, 2015. The decrease was primarily attributable to cash used in operating activities and capital expenditures during the first quarter 2016.

Total debt outstanding (including short-term borrowings and the current portion of long-term debt) was \$43.3 million as of November 30, 2015.

Conference Call Information

The Company will hold a conference call to discuss these earnings results at 8:30 a.m. (ET), 6:30 a.m. (MT), today, Monday, January 11, 2016.

Dial-In Numbers:

877-292-6888 (Domestic)

973-200-3381 (International)

Conference ID: 13724699

A live webcast of this event may be accessed by visiting the Company's website at www.apollo.edu. A webcast replay will be available approximately one hour following the conclusion of the call at the same link.

A telephone replay will be available approximately two hours following the conclusion of the call until January 22, 2016.

Dial-In Numbers:

855-859-2056 (Domestic)

404-537-3406 (International)

Conference ID: 13724699

About Apollo Education Group, Inc.

Apollo Education Group, Inc. is one of the world's largest private education providers, serving students since 1973. Through its subsidiaries, Apollo Education Group offers undergraduate, graduate, certificate and nondegree educational programs and services, online and on-campus, principally to working learners in the U.S. and abroad. For more information about Apollo Education Group, Inc. and its subsidiaries, call (800) 990-APOL or visit the Company's website at www.apollo.edu.

Apollo Education Group, Inc. and Subsidiaries
Condensed Consolidated Statements of Operations
(Unaudited)

	Three Months Ended	
	November 30,	
	2015	2014
<i>(In thousands, except per share data)</i>		
Net revenue	\$586,021	\$714,525
Costs and expenses:		
Instructional and student advisory	291,327	321,574
Marketing	93,802	126,883
Admissions advisory	34,188	57,085
General and administrative	70,326	71,823
Depreciation and amortization	27,394	33,631
Provision for uncollectible accounts receivable	15,313	17,398
Restructuring and impairment charges	97,823	18,748
Acquisition and other related costs	1,097	3,219
Total costs and expenses	631,270	650,361
Operating (loss) income	(45,249)	64,164
Interest income	919	589
Interest expense	(1,456)	(1,662)
Other loss, net	(843)	(1,290)
(Loss) income from continuing operations before income taxes	(46,629)	61,801
Provision for income taxes	(12,239)	(27,054)
(Loss) income from continuing operations	(58,868)	34,747
Loss from discontinued operations, net of tax	(3,259)	(2,278)
Net (loss) income	(62,127)	32,469
Net loss attributable to noncontrolling interests	1,362	1,316
Net (loss) income attributable to Apollo	<u>\$ (60,765)</u>	<u>\$ 33,785</u>
Earnings (loss) per share - Basic:		
Continuing operations attributable to Apollo	\$ (0.53)	\$ 0.33
Discontinued operations attributable to Apollo	(0.03)	(0.02)
Basic (loss) income per share attributable to Apollo	<u>\$ (0.56)</u>	<u>\$ 0.31</u>
Earnings (loss) per share - Diluted:		
Continuing operations attributable to Apollo	\$ (0.53)	\$ 0.33
Discontinued operations attributable to Apollo	(0.03)	(0.02)
Diluted (loss) income per share attributable to Apollo	<u>\$ (0.56)</u>	<u>\$ 0.31</u>
Basic weighted average shares outstanding	108,446	108,581
Diluted weighted average shares outstanding	108,446	109,378

Apollo Education Group, Inc. and Subsidiaries
Condensed Consolidated Balance Sheets
(Unaudited)

(\$ in thousands)	As of	
	November 30, 2015	August 31, 2015
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 419,766	\$ 503,705
Restricted cash and cash equivalents	209,480	198,369
Marketable securities	257,012	194,676
Accounts receivable, net	214,379	198,459
Prepaid taxes	26,795	38,371
Other current assets	57,559	48,823
Assets of business held for sale	—	40,897
Total current assets	1,184,991	1,223,300
Marketable securities	78,874	95,815
Property and equipment, net	351,602	370,281
Goodwill	173,012	247,190
Intangible assets, net	137,452	143,244
Deferred taxes	89,190	92,105
Other assets	31,457	29,129
Total assets	\$ 2,046,578	\$ 2,201,064
LIABILITIES, REDEEMABLE NONCONTROLLING INTERESTS AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Short-term borrowings and current portion of long-term debt	\$ 22,485	\$ 14,080
Accounts payable	49,282	64,100
Student deposits	239,946	245,470
Deferred revenue	187,830	186,950
Accrued and other current liabilities	251,948	280,847
Liabilities of business held for sale	—	40,897
Total current liabilities	751,491	832,344
Long-term debt	20,782	31,566
Deferred taxes	7,928	7,729
Other long-term liabilities	169,661	172,452
Total liabilities	949,862	1,044,091
Commitments and contingencies		
Redeemable noncontrolling interests	9,702	11,915
Shareholders' equity:		
Preferred stock, no par value	—	—
Apollo Class A nonvoting common stock, no par value	103	103
Apollo Class B voting common stock, no par value	1	1
Additional paid-in capital	—	—
Apollo Class A treasury stock, at cost	(3,923,029)	(3,928,419)
Retained earnings	5,092,995	5,153,452
Accumulated other comprehensive loss	(83,575)	(80,579)
Total Apollo shareholders' equity	1,086,495	1,144,558
Noncontrolling interests	519	500
Total equity	1,087,014	1,145,058
Total liabilities, redeemable noncontrolling interests and shareholders' equity	\$ 2,046,578	\$ 2,201,064

Apollo Education Group, Inc. and Subsidiaries
Condensed Consolidated Statements of Cash Flows
(Unaudited)

<i>(\$ in thousands)</i>	Three Months Ended	
	November 30,	
	2015	2014
Operating activities:		
Net (loss) income	\$ (62,127)	\$ 32,469
Adjustments to reconcile net (loss) income to net cash (used in) provided by operating activities:		
Share-based compensation	9,520	10,711
Excess tax benefits from share-based compensation	—	(229)
Depreciation and amortization	27,394	36,404
Accelerated depreciation included in restructuring	2,953	3,086
Impairment charges and loss on asset dispositions	73,393	972
Non-cash foreign currency loss, net	352	535
Provision for uncollectible accounts receivable	15,313	17,398
Deferred income taxes	3	2,938
Changes in assets and liabilities:		
Restricted cash and cash equivalents	(10,973)	(3,298)
Accounts receivable	(32,899)	(50,331)
Prepaid taxes	11,612	19,989
Other assets	(9,915)	(13,032)
Accounts payable	(14,690)	5,156
Student deposits	(4,880)	(26,138)
Deferred revenue	2,087	29,822
Accrued and other liabilities	(26,010)	(48,153)
Net cash (used in) provided by operating activities	(18,867)	18,299
Investing activities:		
Purchases of property and equipment	(14,456)	(20,337)
Purchases of marketable securities	(109,715)	(59,490)
Maturities and sales of marketable securities	62,776	53,974
Other investing activities	(196)	405
Net cash used in investing activities	(61,591)	(25,448)
Financing activities:		
Payments on borrowings	(3,448)	(596,789)
Proceeds from borrowings	926	3,563
Share repurchases	(517)	(20,064)
Share reissuances	—	217
Excess tax benefits from share-based compensation	—	229
Payment for contingent consideration	—	(21,371)
Net cash used in financing activities	(3,039)	(634,215)
Exchange rate effect on cash and cash equivalents	(442)	(2,473)
Net decrease in cash and cash equivalents	(83,939)	(643,837)
Cash and cash equivalents, beginning of period	503,705	1,228,813
Cash and cash equivalents, end of period	\$ 419,766	\$ 584,976
Supplemental disclosure of cash flow and non-cash information:		
Cash paid for income taxes, net of refunds	\$ —	\$ 3,214
Cash paid for interest	1,392	1,701
Restricted stock units vested and released	1,430	5,499

Apollo Education Group, Inc. and Subsidiaries
Segment Data and University of Phoenix Operating Metrics
(Unaudited)

	Three Months Ended November 30,	
	2015	2014
<i>(\$ in thousands)</i>		
Net revenue:		
University of Phoenix:		
Degree seeking gross revenues ⁽¹⁾	\$523,590	\$657,166
Less: Discounts and other	(70,468)	(75,794)
Degree seeking net revenues ⁽¹⁾	453,122	581,372
Other revenues	9,495	11,481
Total University of Phoenix	462,617	592,853
Apollo Global	115,332	115,140
Other	8,072	6,532
Net revenue	<u>\$586,021</u>	<u>\$714,525</u>
Operating (loss) income:		
University of Phoenix	\$ (17,504)	\$ 96,614
Apollo Global	(2,335)	(4,842)
Other	(25,410)	(27,608)
Operating (loss) income	<u>\$ (45,249)</u>	<u>\$ 64,164</u>

(1) Represents revenue from tuition and other fees for students enrolled in University of Phoenix degree programs or certificate programs of at least 18 credits in length with some course applicability into a related degree program.

University of Phoenix Enrollment Data:

	Three Months Ended November 30,		
	2015	2014	% Change
<i>(Rounded to the nearest hundred, except per degreed enrollment)</i>			
Degreed Enrollment ⁽¹⁾	176,900	227,400	(22.2)%
New Degreed Enrollment ⁽²⁾	24,500	39,600	(38.1)%
Average Degreed Enrollment ⁽³⁾	183,800	230,500	(20.3)%
Degree seeking net revenues per degreed enrollment	\$ 2,561	\$ 2,557	

- (1) Represents students enrolled in a degree program who attended a credit bearing course during the quarter and had not graduated as of the end of the quarter; students who previously graduated from one degree program and started a new degree program in the quarter (e.g., a graduate of an associate's degree program returns for a bachelor's degree); and students participating in certain certificate programs of at least 18 credits with some course applicability into a related degree program.
- (2) Represents new students and students who have been out of attendance for more than 12 months who enroll in a degree program and start a credit bearing course in the quarter; students who have previously graduated from a degree program and start a new degree program in the quarter; and students who commence participation in certain certificate programs of at least 18 credits with some course applicability into a related degree program.
- (3) Represents the average of quarterly Degreed Enrollment from the beginning to the end of the respective periods.

Apollo Education Group, Inc. and Subsidiaries
Reconciliation of GAAP Financial Information to Non-GAAP Financial Information
(Unaudited)

	Three Months Ended	
	November 30,	
<i>(In thousands, except per share data)</i>	2015	2014
Net (loss) income attributable to Apollo, as reported	\$ (60,765)	\$ 33,785
Less: Loss from discontinued operations, net of tax	(3,259)	(2,278)
(Loss) income from continuing operations attributable to Apollo	(57,506)	36,063
Special items:		
Restructuring and impairment charges ⁽¹⁾	97,823	18,748
Acquisition and other related costs	1,097	3,219
Special items before income taxes	98,920	21,967
Less: income tax effects of special items	(10,077)	(8,124)
Special items, net of income taxes	88,843	13,843
Income from continuing operations attributable to Apollo, excluding special items	\$ 31,337	\$ 49,906
Diluted (loss) income per share from continuing operations attributable to Apollo, as reported	\$ (0.53)	\$ 0.33
Diluted income per share from continuing operations attributable to Apollo, excluding special items	\$ 0.29	\$ 0.46
Diluted weighted average shares outstanding	108,446	109,378

(1) During the first quarter of fiscal year 2016, we recorded \$73.4 million of goodwill impairment charges.

Reconciliation of Adjusted EBITDA to Net (Loss) Income

	Three Months Ended	
	November 30,	
<i>(\$ in thousands)</i>	2015	2014
Adjusted EBITDA:		
University of Phoenix	\$ 92,459	\$129,614
Apollo Global	6,490	6,222
Other	(18,727)	(17,364)
Adjusted EBITDA	80,222	118,472
Less: Special items before income taxes (see above table)	98,920	21,967
Less: Depreciation and amortization	27,394	33,631
Less: Interest expense, net of interest income	537	1,073
Less: Provision for income taxes	12,239	27,054
Plus: Loss from discontinued operations, net of tax	(3,259)	(2,278)
Net (loss) income, as reported	\$(62,127)	\$ 32,469

Use of Non-GAAP Financial Information

The Company's non-GAAP financial measures are intended to supplement, but not substitute for, the most directly comparable GAAP measures. Management uses, and chooses to disclose to investors, these non-GAAP financial measures because: (i) such measures provide an additional analytical tool to clarify the Company's results from operations and help to identify underlying trends in its results of operations; (ii) as to the non-GAAP earnings measures, such measures help compare the Company's performance on a consistent basis across time periods; and (iii) these non-GAAP measures are employed by the Company's management in its own evaluation of performance and are utilized in financial and operational decision-making processes, such as budgeting and forecasting. Exclusion of items in the non-GAAP presentation should not be construed as an inference that these items are unusual, infrequent or non-recurring. Other companies, including other companies in the education industry, may calculate non-GAAP financial measures differently, limiting their usefulness as a comparative measure across companies.

"Adjusted EBITDA" is earnings from continuing operations before interest expense and interest income, income taxes, depreciation and amortization, and special items. It is intended to provide an indicator of our operating performance across time periods due to the impact of amortization from acquisitions and other factors.

Forward-Looking Statements Safe Harbor

Statements about Apollo Education Group and its business in this release which are not statements of historical fact, including statements regarding Apollo Education Group's future strategy and plans and commentary regarding future results of operations and prospects, are forward-looking statements and are subject to the Safe Harbor provisions created by the Private Securities Litigation Reform Act of 1995. These forward-looking statements are based on current information and expectations and involve a number of risks and uncertainties. Actual plans implemented and actual results achieved may differ materially from those set forth in or implied by such statements due to various factors, including without limitation: (i) the impact of increased competition from traditional public universities and proprietary educational institutions; (ii) the impact of the initiatives to transform University of Phoenix into a more focused, higher retaining and less complex institution, including the near-term impact on enrollment; (iii) the impact of the Company's ongoing restructuring and cost-reduction initiatives; (iv) impacts from actions taken by our regulators that could affect University of Phoenix's eligibility to participate in or the manner in which it participates in U.S. federal and state student financial aid programs; (v) impact of changes in our business in order to comply with existing or new regulatory requirements; (vi) further delay in the University's pending recertification by the U.S. Department of Education for participation in Title IV student financial aid programs, or any limitations or qualifications imposed in connection with any recertification; (vii) the impact of the U.S. Department of Defense ("DoD") action to place University of Phoenix on probation in relation to participation in the DoD's Tuition Assistance Program for active duty military students; (viii) the impact of any reduction in financial aid available to students, including active and retired military personnel, due to the U.S. government deficit reduction proposals, debt ceiling limitations, budget sequestration or otherwise; (ix) unexpected changes in University of Phoenix enrollment or student mix; and (x) unexpected expenses or other challenges in integrating acquired businesses, consumer or regulatory impact arising from consummation of such acquisitions, and unexpected changes or developments in the acquired businesses. For a discussion of the various factors that may cause actual plans implemented and actual results achieved to differ materially from those set forth in the forward-looking statements, please refer to the risk factors and other disclosures contained in Apollo Education Group's Form 10-K for fiscal year 2015, and other filings with the Securities and Exchange Commission which are available at www.apollo.edu.

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Apollo Education Group, Inc. Explores Strategic Alternatives

Phoenix, January 11, 2016 – Apollo Education Group, Inc. (Nasdaq: APOL) announced today that the Board of Directors has made the determination to explore strategic alternatives while the Company continues to execute its ongoing business transformation. The Board is currently in discussions that could potentially lead to a change of control of the Company. The Board believes that these actions will support and accelerate Apollo's strategic initiatives, which include the continued growth and investment in Apollo Global and the continuation of the University of Phoenix's transformation plan to further enhance student outcomes and provide outstanding, career relevant higher education for working adults.

The Company has retained Barclays and Credit Suisse as financial advisors and Sullivan & Cromwell as legal advisor. There can be no assurance that any transaction will be pursued or completed. Given the ongoing nature of these discussions, the Company will not make any further comment at this time.

About Apollo Education Group, Inc.

Apollo Education Group, Inc. is one of the world's largest private education providers, serving students since 1973. Through its subsidiaries, Apollo Education Group offers undergraduate, graduate, professional development and other nondegree educational programs and services, online and on-campus principally to working learners. Its educational programs and services are offered throughout the United States and in Europe, Australia, Latin America, Africa and Asia, as well as online throughout the world. For more information about Apollo Education Group, Inc. and its subsidiaries, call (800) 990-APOL or visit the Company's website at www.apollo.edu.

Forward-Looking Statements Safe Harbor

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Defense (“DoD”) action to place University of Phoenix on probation in relation to participation in the DoD’s Tuition Assistance Program for active duty military students; (vii) the impact of any reduction in financial aid available to students, including active and retired military personnel, due to the U.S. government deficit reduction proposals, debt ceiling limitations, budget sequestration or otherwise; (viii) changes in University of Phoenix enrollment or student mix; and (ix) unexpected expenses or other challenges in integrating acquired businesses, consumer or regulatory impact arising from consummation of such acquisitions, and unexpected changes or developments in the acquired businesses. For a discussion of the various factors that may cause actual plans implemented and actual results achieved to differ materially from those set forth in the forward-looking statements, please refer to the risk factors and other disclosures contained in Apollo Education Group’s Form 10-K for fiscal year 2015, most recently filed 10-Q, and other filings with the Securities and Exchange Commission which are available at www.apollo.edu.

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