Corinthian Colleges Posts Record Revenues and Operating Income for Third Fiscal Quarter

SANTA ANA, Calif., April 29, 1999-- Corinthian Colleges, Inc. (Nasdaq: COCO - news) today reported record revenues and operating results for its third quarter and nine-month periods ended March 31, 1999.

Revenues for the current third quarter increased to a record $34.9 million, up 25.5 percent from $27.8 million a year ago, reflecting a 14.4 percent rise in the total student population from a year ago and a 9.6 percent increase in the average tuition rate per student.

Income from operations for the quarter rose 130.5 percent to $4.2 million from $1.8 million in the third quarter a year ago. Net income, before an extraordinary charge, totaled $2.4 million, or $0.25 per diluted share. The extraordinary charge was anticipated by Corinthian's management in connection with the early repayment of debt with proceeds from the company's initial public offering as was described in the company's prospectus. After giving effect to the charge, net income equaled $0.3 million, or $0.03 per diluted share. During the same quarter a year ago, Corinthian recorded net income of $0.6 million, or $0.06 per diluted share.

Revenues for the first nine months of fiscal 1999 reached $98.2 million, an increase of 24.9 percent from $78.6 million in the corresponding prior-year period.

For the fiscal 1999 nine-month period, income from operations increased 131.1 percent to $9.2 million from $4.0 million a year earlier. Net income, before the extraordinary charge, totaled $4.2 million, or $0.48 per diluted share. Including the charge, net income was $2.2 million, or $0.23 per diluted share. This compares with nine-month net income a year ago of $0.9 million, or $0.09 per diluted share.

For the current three- and nine-month periods, earnings per share reflect the effect of Corinthian's initial public offering completed in February 1999 and have been calculated using 25.7 and 12.4 percent more diluted weighted average shares outstanding, respectively. Net proceeds of approximately $45.2 million were used, in part, to pay off certain indebtedness, resulting in the above-mentioned extraordinary charge.

"We are extremely pleased with our results this quarter," said David Moore, Corinthian's president and chief executive officer. "Our performance in the third quarter, as it has been all year, is a testament to the strength and quality of our education programs and our marketing efforts to fill existing capacity in our classrooms across the country. While we have increased aggregate marketing expenditures, our conversion rates have improved, resulting in our increased profitability."

New student starts during the quarter rose 19.7 percent over the corresponding three-month period in 1998.

At March 31, 1999, total student population was 16,467, up 14.4 percent from a year ago. Moore noted that results for the third quarter and nine-months of fiscal 1999 and fiscal 1998 are based on essentially the same number of schools. In the final days of the current quarter, Corinthian opened a new campus in Chesapeake, Virginia, which added 20 students to the final student population count. Subsequent to the close of the quarter, the company opened a campus in Houston, Texas.

"The initial response to both new campuses has been excellent," Moore said. "The strength of our performance this quarter bolsters our optimism for the balance of the year, even as we head into a quarter that, seasonally, is one of our slowest. We intend to continue our focus on attracting qualified applicants and building successful programs in the growing market for post-secondary career-oriented education."

Corinthian Colleges, Inc. is one of the largest private, for-profit post-secondary education companies in the United States, operating 37 colleges in 16 states, including nine in California and eight in Florida. Corinthian serves the large and growing segment of the population seeking to acquire career-oriented education to become more qualified and marketable in today's increasingly demanding workplace environment.

Certain statements in this press release may be deemed to be forward- looking statements under the Private Securities Litigation Reform Act of 1995, and the Company intends that such statements be subject to the "safe-harbor" provisions of that Act. Such statements include, but are not limited to, the Company's belief that the strength of its performance this quarter bolsters its optimism for the balance of the year. There are many important factors that could cause the Company's actual

results to differ materially from those discussed in the forward-looking statements, including changes in student perceptions, increased competition, the effectiveness of the company's advertising and promotional efforts and the other risks and uncertainties described in the Company's filings with the Securities and Exchange Commission. The Company undertakes no obligation to publicly update or revise any forward looking statements, whether as a result of new information, future events or otherwise.

Corinthian Colleges, Inc.
(In thousands, except per share data)
Consolidated Statements of Income
(Unaudited)

	For the three months ended March 31,		For the nine months ended March 31,	
	1999	1998	1999	1998
Net revenues	$34,939	$27,841	$98,209	$78,627
Operating expenses				
Educational services	19,791	16,978	56,480	48,271
General and administrative	3,617	2,891	10,374	8,092
Marketing and advertising	7,306	6,139	22,163	18,286
Total operating expenses	30,714	26,008	89,017	74,649
Income from operations	4,225	1,833	9,192	3,978
Interest expense, net	190	809	1,884	2,479
Income before provision for income taxes	4,035	1,024	7,308	1,499
Provision for income taxes	1,683	410	3,143	600
Income before extraordinary loss	2,352	614	4,165	899
Extraordinary loss from early extinguishment of debt (net of tax benefit)	2,011	--	2,011	--
Net Income	$341	$614	$2,154	$899
Income attributable to common stockholders before extraordinary loss:				
Income before extraordinary loss	$2,352	$614	$4,165	$899
Less preferred stock dividends	(75)	(172)	(355)	(233)
Income attributable to common stockholders before extraordinary loss	$2,277	$442	$3,810	$666
Income per common share before extraordinary loss:				
Basic	$0.27	$0.09	$0.61	$0.13
Diluted	$0.25	$0.06	$0.48	$0.09
Income attributable to common stockholders after extraordinary loss:				
Net income	$341	$614	$2,154	$899
Less preferred stock dividends	(75)	(172)	(355)	(233)
Income attributable to common stockholders after extraordinary loss	$266	$442	$1,799	$666
Net income per common share after extraordinary loss:				
Basic	$0.03	$0.09	$0.29	$0.13
Diluted	$0.03	$0.06	$0.23	$0.09
Weighted average number of common shares outstanding:				
Basic	8,302	4,961	6,243	4,961
Diluted	9,178	7,301	7,940	7,067

Selected Balance Sheet Data

	March 31, 1999	June 30, 1998
	(Unaudited)	
Cash, restricted cash and cash equivalents	$7,694	$3,162
Marketable investments	4,459	--
Receivables, net (including long term notes receivable)	17,906	16,261
Current assets	32,329	20,537
Total assets	69,956	59,905

Current liabilities	14,950	19,931
Long-term debt (including current portion)	3,570	36,169
Total liabilities	18,752	51,587
Redeemable preferred stock	--	2,167
Convertible preferred stock	--	5,174
Total stockholders' equity	51,204	977

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