



Corinthian Colleges Posts Record-Setting Third Fiscal Quarter Results

- **Revenues increase 49%**
- **Operating profits up 53%**
- **Student population grows 38%**
- **Net income increases 54%**

SANTA ANA, Calif., April 26 - Corinthian Colleges, Inc. (Nasdaq: COCO) today reported new highs for revenues, net income, operating profits, starts and earnings per share for its third fiscal quarter and nine months ended March 31, 2001.

Revenues for the third quarter of fiscal 2001 increased 48.6% to \$65.2 million, up from \$43.9 million for the third quarter of last year. For the nine months year-to-date, revenues increased 42.5% to \$177.8 million, up from the \$124.7 million reported in the first nine months of fiscal 2000. The record revenues reflect increases in both student population and average tuition rates. As of March 31, 2001, total student population increased 38.1% over the prior year. The average tuition rate per student rose 8.9% in the third quarter and 10.0% for the nine months year-to-date period.

Income from operations for the third quarter of fiscal 2001 increased 53.2% to \$11.6 million, or 17.7% of revenues, compared with \$7.5 million, or 17.2% of revenues, for the third quarter of fiscal 2000. For the nine months year-to-date in fiscal 2001, income from operations increased 66.0% to \$29.0 million, or 16.3% of revenues, compared with \$17.5 million, or 14.0% of revenues, for the same period last year.

Net income for the third quarter of fiscal 2001 increased 53.7% to \$7.2 million, compared with \$4.7 million in the third quarter of last year. For the nine months year-to-date in fiscal 2001, net income increased 66.7% to \$18.2 million, compared with \$10.9 million for the nine-month period last year.

Diluted earnings per common share for the third quarter of fiscal 2001 increased 50.0% to \$0.33, compared with \$0.22 for the third quarter of last year. For the nine months year-to-date period, diluted earnings per common share increased 61.5% to \$0.84, compared with \$0.52 for the same period a year ago. In December 2000, Corinthian completed a two-for-one split of all outstanding shares of its common stock. Accordingly, all shares and earnings per common share amounts have been restated as if the common stock split had occurred at the beginning of each year presented.

At March 31, 2001, total student population increased 38.1% to 26,085 from 18,886 students at March 31, 2000 and same school student population increased 12.9% to 21,257. Total starts, or new student enrollments, for the third quarter of fiscal 2001 increased 41.1% to 9,132, and same school starts increased 8.3% over the third quarter of last year. For the first nine months in fiscal 2001, total starts increased 32.0% to 24,625 and same school starts increased 9.1% over starts for the same period of last year.

The weighted average number of shares outstanding in the third quarter and year-to-date period of fiscal 2001 increased, primarily reflecting the impact of 400,000 shares (200,000 shares on a pre-split basis) sold by the company in its secondary stock offering completed in October 2000. On a split-adjusted basis, the weighted average number of diluted common shares outstanding was 21,964,000 and 20,871,000 for the third quarters of fiscal 2001 and 2000, respectively. For the nine months year-to-date period, the weighted average number of diluted common shares outstanding was 21,647,000 and 20,832,000 for fiscal 2001 and 2000, respectively.

David G. Moore, Corinthian's president and chief executive officer, said, "We are pleased with the results of operations for the third quarter and the first nine months in fiscal 2001, especially when we review the significant growth from January through March 2001. During the third quarter, we opened two branch campuses, one in Rancho Cucamonga in January and the second in Dearborn, Michigan in March. These represent the second and third branch campuses opened this fiscal year and we are currently on track to open our fourth fiscal 2001 branch campus in Skokie, Illinois this June.

"In February, we completed the acquisition of Grand Rapids Education Center, Inc. and integrated its three campuses into the

Corinthianfamily. Grand Rapids was our third acquisition this fiscal year and, when coupled with the second quarter acquisitions of Educorp and Computer Training Academy, added nine campuses during the fiscal year. We believe these acquisitions and our new branch campuses will provide operating and marketing synergies with our existing locations and will increase our capacity to grow revenue and income. Most importantly, these new campuses further strengthen and enhance our ability to provide the highest quality education and career preparation to a greater number of students.

"During the third quarter and the first nine months of fiscal 2001, our valued employees have diligently implemented our fiscal 2001 operating plan and we have already achieved a substantial number of our fiscal 2001 initiatives. Corinthian's continued success, and the success of our students and graduates is a reflection of our commitment to the quality of our programs and the dedication of our instructors and staff."

Business Outlook

The following statements are based on our current expectations. These statements are forward looking and actual results may differ materially as a result of the factors more specifically referenced below. These statements of expected results of operations include the results of the previously announced new branch campuses that we expect to open after the date of this news release. Except as otherwise specifically noted, these expectations are for the full fiscal year ending June 30, 2001.

- While we expect to sustain revenue growth over the next several years in the 20% to 25% range, we believe that revenues for fiscal 2001 will grow approximately 42% over revenues for fiscal 2000;
- we currently expect that revenues for fiscal 2002 will increase between 25% and 30% over fiscal 2001;
- Growth in quarterly revenues for the remainder of fiscal 2001 and for fiscal 2002 will be influenced by the timing of branch openings and acquisitions completed in fiscal 2000 and fiscal 2001;
- We expect to be able to leverage educational services expenses and general and administrative expenses against our anticipated revenue increases to improve operating margin percentages for fiscal 2001 to between 16.0% and 17.0% of revenues and between 16.5% and 17.5% of revenues for fiscal 2002;
- We believe our effective income tax rate will remain relatively constant at approximately 41%; and
- Based on current operating trends, we expect fourth quarter fiscal 2001 earnings to be between \$0.33 and \$0.35 per diluted share.

About Corinthian Colleges, Inc.

Corinthian Colleges, Inc. is one of the largest for-profit post-secondary education companies in the United States. As of April 25, 2001, the company operated 55 colleges in 19 states, including 17 in California and nine 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. The company intends that all such statements be subject to the "safe-harbor" provisions of that Act. Such statements may include, but are not limited to, the company's discussion of its plan to open new branch campuses in Skokie, Illinois, marketing and operating synergies associated with acquired campuses, and the discussion of projections under the heading "Business Outlook". Many important factors may cause the company's actual results to differ materially from those discussed in any such forward-looking statements, including changes in student perceptions, increased competition, the effectiveness of the company's advertising and promotional efforts, changes in the regulatory environment, integration risks associated with acquisitions and opening branch campuses, general economic and market conditions and the other risks and uncertainties described in the Company's filings with the Securities and Exchange Commission. The historical results achieved by the Company are not necessarily indicative of its future prospects. 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.

A conference call pertaining to the above news is scheduled for 8:00 a.m. Pacific Time (11:00 a.m. Eastern Time) on Friday, April 27. Access to the call is available through the Internet at www.cci.edu and www.streetfusion.com. Rebroadcast of the call will also be available for two weeks at both Web sites.

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,	
	2001	2000	2001	2000
Net revenues	\$65,197	\$43,873	\$177,758	\$124,701
Operating expenses				
Educational services	34,903	22,988	94,268	67,569
General and administration	5,257	4,128	15,326	12,269
Marketing and advertising	13,479	9,212	39,139	27,373
Total operating expenses	53,639	36,328	148,733	107,211
Income from operations	11,558	7,545	29,025	17,490
Interest expense (income), net	(481)	(420)	(1,644)	(1,160)
Income before provision for income taxes	12,039	7,965	30,669	18,650
Provision for income taxes	4,875	3,305	12,515	7,759
Net income	\$7,164	\$4,660	\$18,154	\$10,891
Income per common share:				
Basic	\$0.34	\$0.23	\$0.86	\$0.53
Diluted	\$0.33	\$0.22	\$0.84	\$0.52
Weighted average number of common shares outstanding:				
Basic	21,182	20,693	20,999	20,692
Diluted	21,964	20,871	21,647	20,832

Selected Balance Sheet Data

	March 31, 2001 (Unaudited)	June 30, 2000 (Unaudited)
Cash, restricted cash and marketable securities	\$28,646	\$29,003
Receivables, net (including long-term notes receivable)	29,063	18,284
Current assets	65,893	50,736
Total assets	131,519	95,233
Current liabilities	29,137	21,667
Long-term liabilities (including current portion)	2,328	2,332
Total liabilities	34,010	26,230
Total stockholders' equity	\$97,509	\$69,003

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