



News Release

APOLLO GROUP, INC. REPORTS REVENUES AND EARNINGS FOR FIRST QUARTER FISCAL 2001

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Phoenix, Arizona, December 19, 2000 -- Apollo Group, Inc. today reported financial results for Apollo Education Group (Nasdaq:APOL) and University of Phoenix Online (Nasdaq:UOPX) for the first quarter of fiscal 2001 ended November 30, 2000.

Net income attributed to Apollo Education Group for the three months ended November 30, 2000 was \$24.4 million, or \$.32 per share, compared to \$16.8 million, or \$.22 per share, reported for the same period last year. Net income attributed to University of Phoenix Online was \$390,000, or \$.06 per share for the three months ended November 30, 2000.

“This quarter exceeded our expectations for both the core business of Apollo Education Group and University of Phoenix Online demonstrating the earnings power of these businesses,” said Dr. John G. Sperling, chairman and CEO. “Looking ahead we plan to continue our focus on providing accessible, accredited education programs for working adults.”

Total consolidated revenues for Apollo Group, Inc. for the three months ended November 30, 2000 rose 23.5% to \$177.1 million, compared with \$143.4 million in the first quarter of fiscal 2000. The University of Phoenix accounted for 91% of the \$160.8 million in net tuition revenues from students enrolled in degree programs for the quarter ended November 30, 2000. Total revenues for University of Phoenix Online for the three months ended November 30, 2000 rose 64.5% to \$34.1 million, compared with \$20.7 million in the first quarter of fiscal 2000.

Consolidated net income for Apollo Group, Inc. for the three months ended November 30, 2000 increased 47.6% to \$24.8 million, compared to \$16.8 million for the same period last year. Net income for University of Phoenix Online for the three months ended November 30, 2000 increased 67.9% to \$5.6 million, compared to \$3.3 million for the same period last year.

Consolidated degree enrollments for all of the Apollo Group, Inc. institutions at November 30, 2000 increased by 20% to 104,400 students compared to 87,300 students at November 30, 1999. Degree enrollments at the University of Phoenix were 84,000 students at November 30, 2000 compared to 68,600 students at November 30, 1999 representing a 22% increase. Degree enrollments for University of Phoenix Online at November 30, 2000 increased by 67% to 18,500 students compared to 11,100 students at November 30, 1999.

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During the first quarter of fiscal year 2001, the University of Phoenix opened a new campus in St. Louis, Missouri and received state and accrediting agency approval to operate in Wisconsin. University of Phoenix anticipates opening campuses in the Boston and Houston areas during the second quarter of fiscal 2001.

Although Apollo Group, Inc. institutions enroll students throughout the year, student enrollments have fluctuated throughout each year with a “seasonal effect” occurring primarily during the second quarter. Second quarter (December to February) revenues and profits are typically lower than other quarters within the year due to student breaks during the Christmas and New Year holidays. We expect this second quarter seasonal trend to continue in the future.

Apollo Group, Inc. has been providing higher education programs to working adults for over 25 years. Apollo Group, Inc., operates through its subsidiaries the University of Phoenix, Inc., the Institute for Professional Development, the College for Financial Planning Institutes Corporation, Western International University, Inc. and Apollo Learning Group, Inc. The consolidated enrollment in its educational programs makes it the largest private institution of higher education in the United States. It offers educational programs and services at 55 campuses and 98 learning centers in 35 states, Puerto Rico and Vancouver, British Columbia. Combined degree enrollment was 104,400 students as of November 30, 2000.

For more information about Apollo Group, Inc. and its subsidiaries, call (800) 990-APOL or visit Apollo on the World Wide Web at <http://www.apollogrp.edu>.

This press release includes statements that constitute “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995 (the “Reform Act”). Apollo Group, Inc. claims the protection of the safe-harbor for forward-looking statements contained in the Reform Act. These forward-looking statements are often characterized by the terms “may,” “believes,” “projects,” “expects,” or “anticipates,” and do not reflect historical facts. Specific forward-looking statements contained in this press release relate, among other matters, to the anticipated opening of more University of Phoenix campuses.

Forward-looking statements involve risks, uncertainties and other factors which may cause actual results, performance or achievements of Apollo Group, Inc. to be materially different from those expressed or implied by such forward-looking statements. Factors that could affect Apollo Group, Inc.’s results and cause them to materially differ from those contained in the forward-looking statements include:

- the failure to maintain or renew required regulatory approvals, accreditation or state authorizations;
- the failure to obtain authorizations from states in which University of Phoenix does not currently provide degree programs;
- the failure to obtain the North Central Association of Colleges and Schools’ approval for University of Phoenix to operate in new states;
- any adverse changes in student enrollment;
- risk factors and cautionary statements made in Apollo Group, Inc.’s Annual Report on Form 10-K for the period ended August 31, 2000; and
- other factors that Apollo Group is currently unable to identify or quantify, but may arise or become known in the future.

These forward-looking statements are based on estimates, projections, beliefs, and assumptions of us and our management and speak only as of the date made and are not guarantees of future performance. We undertake no obligation to publicly update or revise any forward-looking statements, or any facts, events or circumstances after the date hereof that may bear upon forward-looking statements. You are advised, however, to consult any further disclosures we make in our reports filed with the Securities and Exchange Commission.

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APOLLO GROUP, INC. AND SUBSIDIARIES
SELECTED FINANCIAL AND OPERATING DATA
(Dollars in thousands, except per share amounts)

	For the Three Months Ended November 30,	
	2000	1999
Revenues:		
Tuition and other, net	\$ 177,073	\$ 143,418
Costs and expenses:		
Instructional costs and services	95,235	82,734
Selling and promotional	31,008	22,559
General and administrative	11,986	11,496
	<u>138,229</u>	<u>116,789</u>
Income from operations	38,844	26,629
Interest income, net	3,168	1,317
Income before income taxes	42,012	27,946
Provision for income taxes	17,183	11,119
Net income	<u>\$ 24,829</u>	<u>\$ 16,827</u>
Net income attributed to:		
Apollo Education Group Common Stock	<u>\$ 24,439</u>	<u>\$ 16,827</u>
University of Phoenix Online Common Stock	<u>\$ 390</u>	<u>\$ -</u>
Earnings per share attributed to:		
Apollo Education Group Common Stock:		
Diluted net income per share	<u>\$ 0.32</u>	<u>\$ 0.22</u>
Diluted weighted average shares outstanding	<u>76,806</u>	<u>77,495</u>
University of Phoenix Online Common Stock		
Diluted net income per share	<u>\$ 0.06</u>	<u>\$ -</u>
Diluted weighted average shares outstanding	<u>6,480</u>	<u>-</u>
	At November 30,	
	2000	1999
OPERATING DATA		
Students enrolled in degree programs	104,400	87,255
Number of locations:		
Campuses	55	52
Learning Centers	98	85
	<u>153</u>	<u>137</u>

APOLLO GROUP, INC. AND SUBSIDIARIES
DEGREE AND NON-DEGREE ENROLLMENTS

	Quarter Ended	
	November 30,	
	<u>2000</u>	<u>1999</u>
University of Phoenix:		
Campuses established prior to November 1995	72,009	60,234
Campuses established after November 1995	<u>11,970</u>	<u>8,363</u>
Total University of Phoenix	<u>83,979</u>	<u>68,597</u>
Institute for Professional Development	18,906	17,030
Western International University	1,382	1,329
College for Financial Planning	<u>156</u>	<u>299</u>
Total Degree Enrollment	<u>104,423</u>	<u>87,255</u>
College for Financial Planning (non-degree)	30,807	27,929
Other (non-degree)	<u>1,137</u>	<u>2,520</u>
Total Non-Degree Enrollment	<u>31,944</u>	<u>30,449</u>
Total Enrollments (Degree and Non-Degree)	<u>136,367</u>	<u>117,704</u>

UNIVERSITY OF PHOENIX ONLINE
SELECTED FINANCIAL DATA
(in thousands)

	For the Three Months	
	Ended November 30,	
	2000	1999
Revenues:		
Tuition and other, net	\$ 34,087	\$ 20,717
Costs and expenses:		
Instructional costs and services	15,646	10,542
Selling and promotional	7,602	3,086
General and administrative	2,099	1,503
	25,347	15,131
Income from operations	8,740	5,586
Interest income, net	694	-
Income before income taxes	9,434	5,586
Provision for income taxes	3,858	2,264
Net income	\$ 5,576	\$ 3,322

This press release includes statements which may constitute forward-looking statements made pursuant to the safe harbor provision of the Private Securities Litigation Reform Act of 1995. This information may involve risk and uncertainties that could cause

actual results to differ materially from the forward-looking statements.