STRAYER EDUCATION INC.

STRAYER EDUCATION, INC. REPORTS RECORD SECOND QUARTER ENROLLMENT, REVENUES AND EARNINGS;

-- Strayer University Summer 2001 Enrollments Up 19% for the Third Quarter --
-- Strayer ONLINE Enrollments Increase 102%/Asynchronous Courses Rolled Out --
-- Company Commences Expansion Plan/Two New Campuses Opened --
-- Senior Management Additions --

WASHINGTON, DC, August 2, 2001—Strayer Education, Inc. (Nasdaq:STRA) (the "Company") today announced financial results for the three and six months ended June 30, 2001. Financial highlights are as follows:

Three Months

- Revenues for the three months ended June 30, 2001 increased 17.2% to $23.83 million, compared to $20.32 million for the same period in 2000.
- Operating income rose 9.8% to $9.26 million from $8.43 million for the same period in 2000. Operating margins were 38.9% compared to 41.5% for the same period in 2000, reflecting additional spending to fund the Company's announced growth strategy.
- Net income increased 6.3% to $6.25 million from $5.88 million for the same period in 2000, while earnings per diluted share rose 10.5% to $0.42 from $0.38 for the same period in 2000, as diluted weighted average shares outstanding decreased to 14,969,000 from 15,462,000 for the same period in 2000.

Six Months

- Total revenues increased by 14.5% to $47.47 million in 2001 compared to $41.45 million for the same period in 2000.
- Operating income rose 9.9% to $20.72 million from $18.86 million for the same period in 2000. Operating margins were 43.7% compared to 45.5% for the same period in 2000, reflecting additional spending to fund the Company's announced growth strategy.
- Net income increased 13.4% to $14.38 million from $12.69 million for the same period in 2000, while earnings per diluted share rose 15.9% to $0.95 compared to $0.82 for the same period in 2000, as diluted weighted average shares outstanding decreased to 15,218,000 from 15,507,000 for the same period in 2000.

At June 30, 2001 the Company had cash and marketable securities of $50.78 million and no debt.

Student Enrollment

The Company reported that Summer 2001 Quarter total enrollments at its subsidiary, Strayer University, increased 18.8% to 9,379 students compared to 7,898 for the same quarter in 2000. Enrollment at mature campuses (those in operation greater than three years) increased 4.0% to 6,515 students from 6,267. Enrollments at new campuses (those in operation three years or less) increased 40.8% to 987 students from 701. Strayer ONLINE enrollments increased 101.8% to 1,877 students from 930. Total students taking courses on-line (including students at bricks and mortar campuses taking at least one online course) in the Summer 2001 Quarter is 2,421. Across the Strayer University campus network, new student enrollments increased 15% and continuing student enrollments increased 20%.

Commenting on the results, Robert S. Silberman, President and Chief Executive Officer of Strayer Education, Inc., stated, "We are pleased with both the Company's overall financial performance for the second quarter and the increased enrollment results for the third quarter. In particular, we are encouraged by the continued strong growth of Strayer ONLINE, the revitalization of our mature campuses while maintaining their high operating margins, and the successful start-up of our two new campuses. We will continue our increased rate of reinvestment in the business through the remainder of this year to support our growth initiatives."

Growth Initiatives

<u>New Campus Openings</u>

The Company opened two new campuses during the second quarter in Owings Mills, MD, and Chesapeake, VA, bringing the total number of Strayer University brick and mortar campuses to 16. Owings Mills is the Company's third campus in the Baltimore, MD area. The Company is on schedule to open the Newport News, VA campus, its second in the Tidewater Region of VA, in time for the Fall 2001 Quarter.

Expanded ONLINE Investments and New Asynchronous ONLINE Course Offerings

In order to support accelerating ONLINE enrollment, the Company announced increases in its teaching station infrastructure, Admissions Officer staff, and technical support staff at its Strayer ONLINE division, as well as the rollout of a new asynchronous course pilot program. The asynchronous rollout commenced with 5 courses in the Summer 2001 Quarter and is expected to expand to 15 courses in the Fall 2001 Quarter. The pilot program is being accomplished in conjunction with eCollege.com and is expected to provide a supplement to Strayer ONLINE's synchronous offerings.

New Diploma and Degree Programs

The Company received approval from the District of Columbia Education Licensure Commission to offer, for the first time at the post-graduate level, Executive Certificate programs in Business Administration with specialization in either Management, Marketing or Human Resources Management, as well as in Accounting with specialization in Controller Functions, Taxation or Accounting Information Systems. In addition, the Company received approval to offer a new Master of Science degree in Management Information Systems, as well as several new diploma programs including Network Security, Web Development, and Acquisitions/Contract Management. The new Executive Certificate programs are aimed at providing Executives with convenient career enhancing specialized courses, which can also earn credit toward a Master's degree.

Senior Management and Board Additions

The Company also announced two senior management additions, as well as the addition of a new member of its Board of Directors.

Mark Brown, age 42, has agreed to join the Company as Senior Vice President and Chief Financial Officer, replacing Harry Wilkins who is retiring. Mr. Brown was most recently Chief Financial Officer of The Kantar Group, the information and consultancy division of WPP Group Plc., the multi-national communications services group. Prior to that, for over 10 years, Mr. Brown held a variety of financial management positions at PepsiCo, Inc., including Director of Corporate Planning for Pepsi Bottling Group and Business Unit CFO for Pepsi-Cola International. Mr. Brown is a CPA who started his career with PricewaterhouseCoopers and holds a Bachelor's degree in accounting from Duke University and a MBA degree from Harvard University.

The Company also announced that Kevin O'Reagan, age 41, had joined the Company as Vice President and Chief Technology Officer. Previously Mr. O'Reagan held the positions of Director of Financial Systems and Technology at The Prudential Mortgage Corporation and Chief Technology Officer at the RIA Group of The Thomson Corporation. Mr. O'Reagan holds a Bachelor's Degree in Information Systems from the University of Maryland and a Master's Degree in Information Systems from The John's Hopkins University. Mr. O'Reagan has also served as an adjunct professor in the Information Technology graduate program at The John's Hopkins University.

Joining the Company's Board of Directors is Charles Ayres, Managing Director and Head of DB Capital Partners, North America, the private equity arm of Deutsche Bank. Mr. Ayres replaces Steve Dollinger who is leaving DB Capital, and therefore resigning from the Board.

"We are very pleased to welcome Mark and Kevin, two very seasoned finance and IT professionals, to our senior management team. We know they will make significant contributions to our business performance going forward. In addition, our Board extends a warm welcome to Charlie Ayres, who represents our second largest shareholder," concluded Mr. Silberman.

Business Outlook for Remainder of 2001

The Company is providing the following guidance to investors and analysts to account for the effect of the recently completed common share repurchase, issuance of the Series A Convertible Preferred shares and stock dividends thereon, and the opening of three new campuses in the second and third quarters.

The Company reconfirmed its confidence with the consensus analyst estimate of $0.14 for the third quarter of 2001.

The Company estimates that full year 2001 diluted EPS will be in the range of $1.50-1.55, reflecting the effect of the share repurchase and Series A preferred stock issuance (and associated stock dividends), which results in a full year 2001 weighted average share outstanding number of approximately 14,800,000 diluted shares, as well as the costs associated with funding the Company's long term growth initiatives.

These costs include the opening of the three new campuses in 2001, which the Company estimates will increase expenses by approximately $2.2 million for the year, and will generate a negative EBIT contribution of approximately ($2.0 million) for the year or approximately ($0.08) per diluted share. The costs also include investments in the expansion of the ONLINE division for additional admissions officers, technical support staff, and physical infrastructure, totaling approximately $750,000, which will be expensed in the third and fourth quarters as they occur. The Company believes its expenditures on growth initiatives will result in a full year operating margin in the 35-36% range.

Mr. Silberman said, "We are excited about expanding our post secondary education offerings for working adults into new markets, both physically and online. The high returns on invested capital which new campuses provide makes them very attractive long term investments for our shareholders. I am very pleased that our team continues to manage our mature campuses at their historically high operating margins, providing the Company with the financial resources to invest in our growth initiatives."

Conference Call with Management

Strayer Education, Inc. will host a conference call to discuss their second quarter 2001 earnings on August 2nd at 10:00 AM ET. To participate on the live call, investors should dial 800-634-6311 approximately ten minutes prior to the start time. In addition, the call will be available via live webcast over the Internet. To access the live webcast of the conference call, please go to www.streetevents.com approximately 15 minutes prior to the start time of the call to register. An archived replay of the conference call will be available at 800-633-8284; pass code 19294441 for 48 hours and on the web site thereafter.

Strayer Education, Inc. is the holding company for Strayer University (www.strayer.edu). Strayer University is an institution of higher education offering graduate and undergraduate degree programs to students at campuses in Washington, D.C., Virginia, and Maryland. Strayer University also offers real-time online courses globally via the Internet through Strayer ONLINE. The University is accredited by the Commission on Higher Education of the Middle States Association of Colleges and Schools and focuses on offering programs to working adult students in the areas of information technology and business. Founded in 1892, Strayer attracts students from around the country and throughout the world.

This press release contains statements that are forward looking and are made pursuant to the Private Securities Litigation Reform Act of 1995 ("Reform Act"). The statements are based on the Company's current expectations and are subject to a number of uncertainties and risks. In connection with the Safe Harbor provisions of the Reform Act, the Company has identified important factors that could cause the Company's actual results to differ materially. The uncertainties and risks include the pace of growth of student enrollment, our continued compliance with Title IV of the Higher Education Act, and the economic environment. Further information about these and other relevant risks and uncertainties may be found in the Company's annual report on Form 10-K and its other filings with the Securities and Exchange Commission, all of which are incorporated herein by reference and which are available from the Commission. We undertake no obligation to update or revise forward looking statements.

STRAYER EDUCATION, INC.
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(Amounts in thousands, except per share data)

	For the three months ended June 30,			For the six months ended June 30,		
	2000	**2001**	**%Change**	**2000**	**2001**	**%Change**
Revenues:	$23,826	$20,325	17.2	$47,470	$41,453	14.5
Cost and Expenses						
Instruction and educational support	8,553	7,222	18.4	16,062	13,814	16.3
Selling and promotion	2,578	2,151	19.9	4,837	3,864	25.2
General administration	3,433	2,520	36.2	5,850	4,920	18.9
	14,564	11,893	22.5	26,749	22,598	18.4
Income from operations	9,262	8,432	9.8	20,721	18,855	9.9
Operating margin	38.9%	41.5%		43.7%	45.5%	
Investment and other income	956	1,219	(21.6)	2,859	2,014	42.0
Income before income taxes	10,218	9,651	5.9	23,580	20,869	13.0
Provision for income taxes	3,970	3,773		9,195	8,181	

Net income	6,248	5,878	6.3	14,385	12,688	13.4
Preferred Stock Dividends and Accretion	955	--		955	--	
Net Income Available to Common Shares	$5,293	$5,878		$13,430	$12,688	
Diluted net income per share	$0.42	$0.38	10.5	$0.95	$0.82	15.9

STRAYER EDUCATION, INC.
UNAUDITED CONDENSED BALANCE SHEET INFORMATION
(Amounts in thousands, except share data)

	June 30,		Dec 31,
	2001	2000	2000
Cash and marketable securities	$50,780	$69,595	$75,090
Total current assets	65,265	40,952	48,137
Total assets	96,249	107,084	119,139
Total current liabilities	21,458	15,405	21,395
Total liabilities	21,458	15,405	21,395
Mandatorily Redeemable Preferred stock	146,924	--	--
Total stockholders' equity (deficit)	(72,133)	91,679	97,744