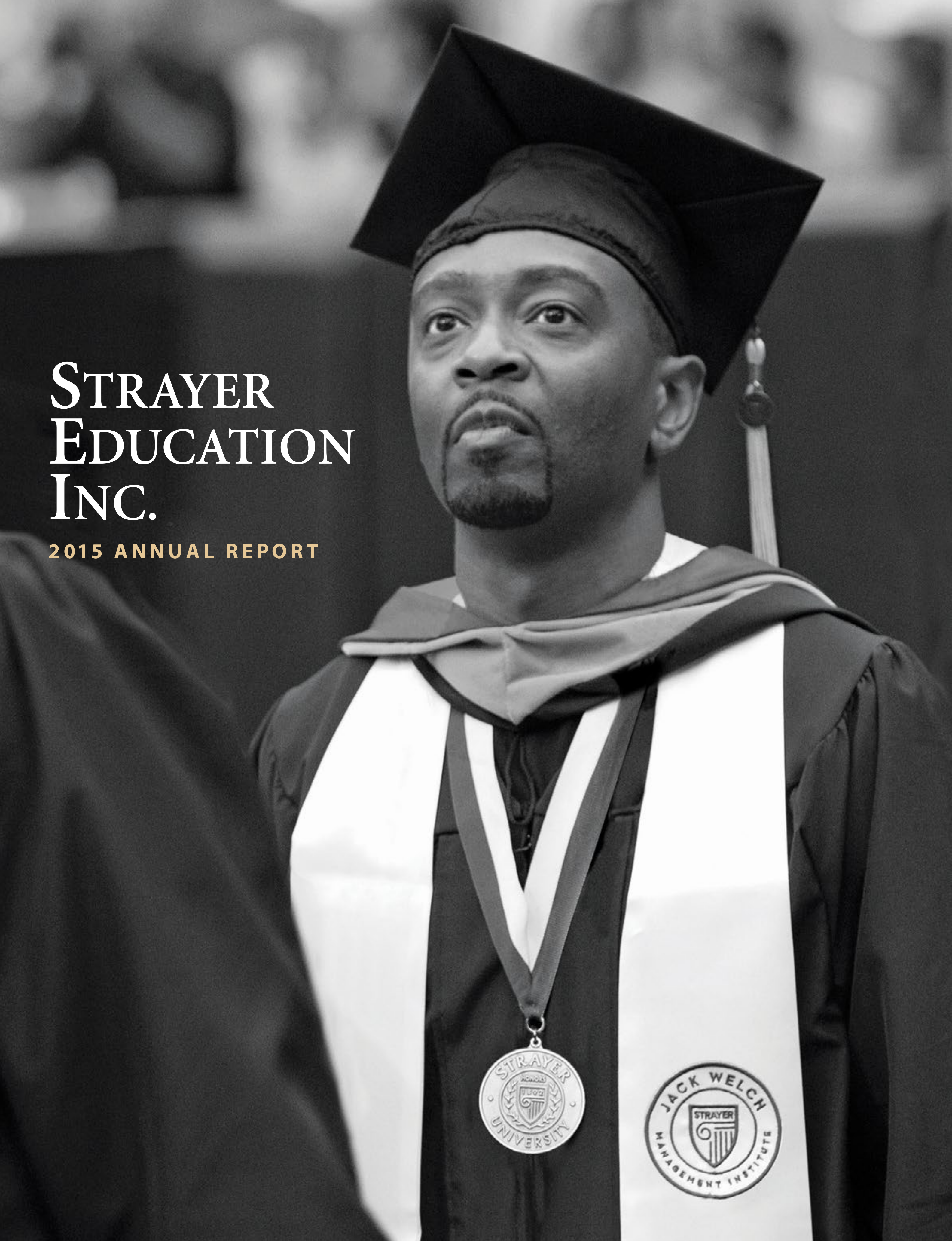
Strayer Education Inc.

2015 ANNUAL REPORT



OUR HERITAGE

*Reprinted from the Strayer Business College
1912 student catalog*

This catalog was written with a view of setting before the men and women of this community some of the advantages of a business education, and of acquainting them with the superior facilities of this school for giving high-grade business training.

The courses have been designed and presented to meet the needs of the business office of today. The teachers are men and women who are specialists in their respective subjects. The school rooms have been chosen and equipped with special reference to light, comfort and sanitation, so as to make it an ideal place for study.

We ask that the public, in determining which school it shall attend, to consider the facts in connection with this school, as are outlined in this catalog and supplementary literature. It is twenty years old. It has grown steadily since the beginning. It attributes its growth to correct ideals, careful management and successful, enthusiastic, and rapidly increasing alumni.

While it is essential to its success that a school should give thorough instruction in the subjects that comprise its courses, yet the school that does only this, falls short of its full mission. The development of those traits of character which make for reliability in business and good citizenship are the peculiar province of the school as well as the home. This school, then, has nothing in common, can have nothing in common, with those so-called business schools offering cheap and superficial courses. Such courses, while inexpensive, and possibly of short duration, cannot result in anything but disappointment in the end.

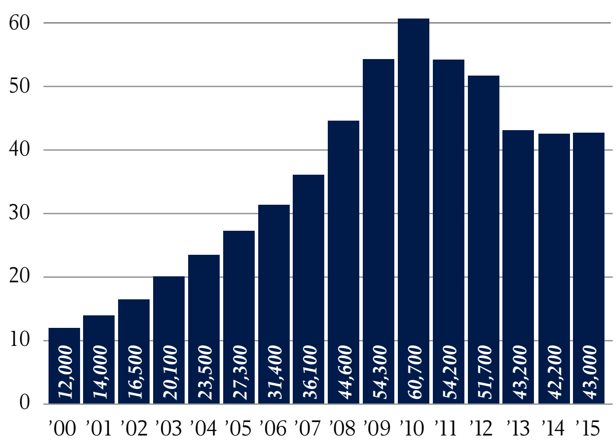
This school, then, stands for high ideals, it courts investigation, welcomes comparison, and stands by its promises. It is a school to which you may attend with the knowledge that you will be in pleasant surroundings, will be accorded fair treatment, and will be given thorough and painstaking instruction.

Finally, in presenting this catalog, we want to thank a discerning public for its support, and assure it that we shall endeavor to continue to merit the bountiful confidence it has heretofore placed in us.

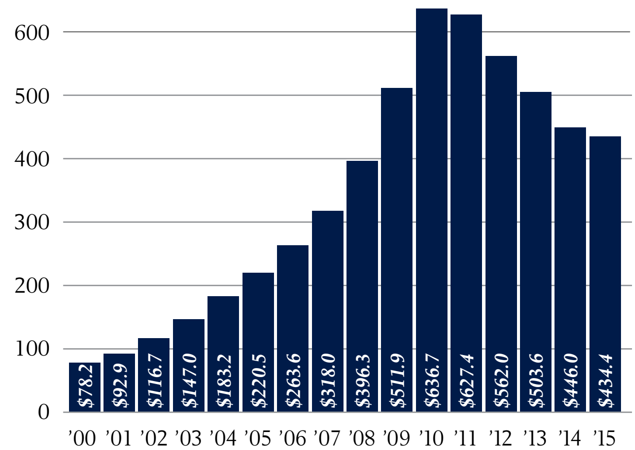
STRAYER BUSINESS COLLEGE
CIRCA 1912

OUR RESULTS

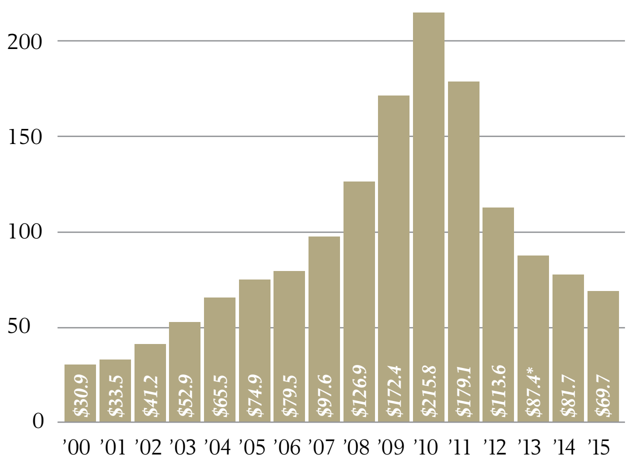
Student Enrollment: Fall Term



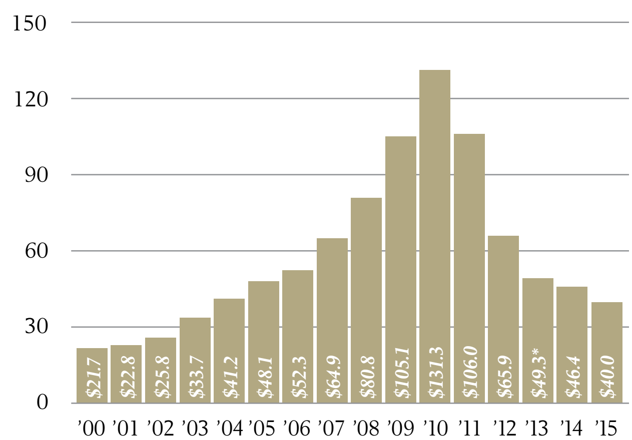
Revenues (millions)



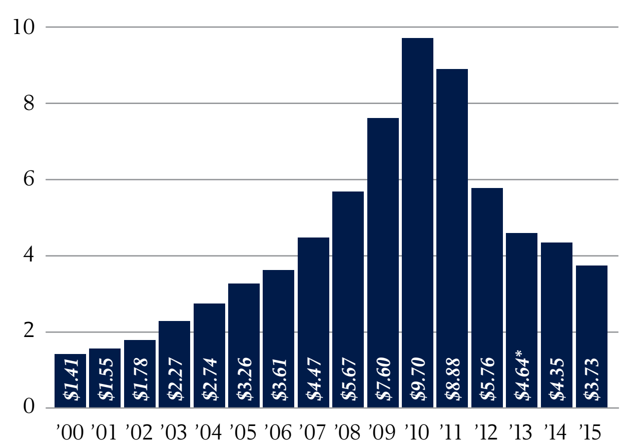
Operating Income (millions)



Net Income (millions)



Earnings Per Share (diluted)



*Before a one time restructuring charge of $55 million

OUR BUSINESS MODEL

Reprinted from the Strayer Education, Inc.
2001 Letter to Shareholders

Strayer Education, Inc. is an education services holding company whose primary asset is Strayer University, a *124* year old institution of higher learning focused on educating working adults. In this letter, when I use the term "Strayer", I am referring to the company, as opposed to the university. Strayer University, founded in 1892, offers associate, bachelor's, and master's level degree programs in Business Administration, Accounting, and Computer Information Systems. Strayer University serves students at *80* campuses. In addition, Strayer University serves students in all 50 states and more than 60 foreign countries worldwide on the Internet through Strayer University Online.

Strayer's revenue comes from tuition payments and fees paid by, or on behalf of, Strayer University students. That revenue comes in essentially three forms. Roughly 70% is paid through federally insured student loans by banks, approximately 20% is paid directly to Strayer by corporations or institutions on behalf of their employees who attend Strayer University, and the remainder is paid by students through their own sources of credit.

Strayer's expenses include salaries paid to the faculty at the University who perform the teaching duties, salaries paid to the administrative and admissions staff who manage the campuses and enroll the students, and salaries paid to the corporate staff who manage the Company's affairs. Expenses also include lease payments for the campus buildings we lease and depreciation for the campus buildings we own, as well as advertising and marketing costs which serve to attract prospective students to Strayer University. Finally, our expenses include supplies; such as books, desks, chairs and computers necessary to support the educational process. Some of the furniture and electronic equipment is capitalized on our balance sheet and the expense is recorded as amortization over the period we expect the equipment to last, in accordance with generally accepted accounting principles.

The difference between the revenue we take in and the expenses we pay out is used to first pay taxes and is then added to the after-tax income generated by our financial assets (cash and marketable securities on our balance sheet) to make up our reported net income on a fully diluted basis.

Two of the attractive attributes of our business are that it generates significant after-tax free cash flow from operations, and that it has a high return on invested capital. The required capital expenditures to keep our existing assets functioning are roughly equal to our depreciation expenses. The investment capital required to fund our growth initiatives is not major. This investment capital includes traditional GAAP defined capitalized expenses, as well as increased spending which runs through our income statement. We are therefore in the enviable position of generating almost our entire net income as distributable free cash flow, even after investing in our growth. Some of this cash we do distribute back to our shareholders as dividends. The rest of the cash we intend to maintain as liquidity to either fund new opportunities, or ultimately return to our shareholders in a tax efficient manner. We understand that the redeployment of this cash is crucial to creating shareholder value.

As both shareholders and management, we are excited by this business model because we believe that the value of a college degree is rising with the transition to a knowledge economy, and that working adult students in search of an accredited college degree are underserved. We know that Strayer University's academic quality and convenience make it ideally suited to meet this growing demand. We have the right product, at the right time for a growing market. Our product, a quality college degree, is valued highly both by students and employers.

In 2001, we developed and committed to a new strategic plan, geared to expanding beyond our current regional focus to serve unmet nationwide demand for working adult post-secondary education. This plan consists of five elements:

— Maintaining enrollment in our mature campuses.

— Accelerating the addition of new campuses, particularly beyond our current geographic scope.

— Investing in our online university.

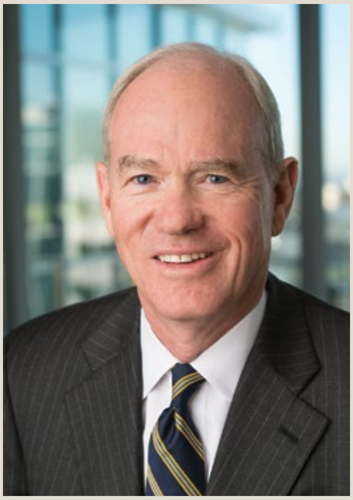
— Maintaining strong alliances and outreach to the major employers of our students.

— Carefully screening opportunities to redeploy capital back into the business or return it to owners.

Note: Numbers that appear in italics are updated to reflect current information.

LETTER TO SHAREHOLDERS

Robert S. Silberman
Executive Chairman
Strayer Education, Inc.



Dear Fellow Shareholder,

The headline is that student enrollment at our Company's main operating asset, Strayer University, increased last year for the first time since 2010. While that enrollment growth was hardly spectacular (roughly 1%), it does bode well for a future return to growth in our Company's revenue, operating income, and earnings per share.

In this letter I would like to discuss Strayer Education's 2015 results, as well as share some of our plans to employ your invested capital in 2016. First, however, in order to put this letter into context, reprinted on the facing page is an excerpt from my original Letter to Shareholders, written in 2001. This excerpt describes what our Company does, how our business generates both reported net income and owners' distributable cash flow, and our strategy to increase the intrinsic value per share of your investment in Strayer Education. We have reprinted this excerpt in each of our annual reports since 2001, as we believe it is helpful to compare our annual results against these first principles.

2015 Operational Results

On the positive side, Strayer University's 2015 enrollment results compare very favorably to the 2% decline in total U.S. university student enrollment during the year, as well as to the whopping 14% decline in student enrollment suffered by investor funded universities in 2015. We were clearly fighting some sector headwinds during the year, and therefore look better on a relative basis than we do absolutely. However, as the saying goes, you cannot eat relative performance. Our objective remains to prosper both academically for our students, and financially for our shareholders, over the long term in all conditions.

During a year of relatively weak demand, Strayer University's enrollment in 2015 was bolstered by three traditional areas of strength for us; our corporate alliance program, our strong academic results, and The Jack Welch Management Institute (about which more later in this letter). Strayer University's corporate alliance program dates back decades. Indeed our largest corporate partner, Verizon, first began sending us students from its predecessor company, Chesapeake and Potomac Telephone Company, in the 1920's. For a University which has always been focused on serving working adult students, it only makes sense that employers would be a strong source for those students. In 2015, we added 56 new corporate partners, bringing our total number of partner organizations to 340. To be sure, such partnerships come with high standards. No rational organization will continuously pay for its employees to attend a university that does not meet the organization's academic requirements. We are therefore proud of the fact that in 2015 we increased the number of students enrolled from our *existing* corporate partners by 11%.

Strong academic performance also contributed to Strayer University's 2015 enrollment results. Specifically, our student continuation rate, the rate at which existing students enroll for the next academic term, improved by 100 basis points in 2015, and substantially added to our student enrollment for the year. In order to improve academic performance, Strayer University requires undergraduates to establish basic levels of competency in math and English (through either college level transfer credits, satisfactory SAT scores, or passing remedial courses in math and English) before enrolling in college level courses. We believe that these entrance requirements, while admittedly limiting our enrollment of new students, have been very helpful in improving the continuation rate and ultimate academic success of those students who do enroll.

Traditionally, our continuation rate is weakest in a student's first year. Put another way, most of the students who drop out of Strayer University do so by the end of their second term of enrollment. This makes intuitive sense, as some of our undergraduate working adult students have not been in a classroom (physical or online) for over 10 years. In addition to the rigor of the academic material, some of these students may also have difficulty mustering the discipline and commitment necessary to succeed in a university classroom. To further support our incoming undergraduate students in 2015 we introduced a new first year students' experience program, with specifically designed courses we have labeled "Foundations of Success". These new courses are designed to instill some of the non-academic behavioral traits, such as determination and perseverance, which our research suggests are important predicates to student success. Similar to our math and English requirements for incoming students, these new Foundations of Success courses have also had a positive impact on our overall academic metrics.

In 2015 we further improved Strayer University's academic curricula with the addition of two new program offerings. The first initiative was the development of our entire MBA program in a Competency Based Learning (CBL) format. As the name suggests, in a CBL course, students are not required to attend a fixed number of course hours, but may proceed through the material at whatever pace they can demonstrate mastery of the courses' learning objectives. For certain well prepared MBA students (think adults who have been working in business for 20+ years and are returning to school to seek an MBA) CBL programs can significantly reduce the time and cost necessary to earn a post-secondary degree. At Strayer University, our new CBL based MBA program will provide the same student to faculty ratio, and require demonstration of the same learning outcomes, as our traditional MBA. We are currently seeking regulatory approval from the U.S. Department of Education (DOE) to offer our CBL courses in 2016, as either a full MBA program, or as electives within our traditional MBA. Last year we also completed the curriculum development for Strayer University's new Registered Nurse to Bachelor of Science in Nursing Program (RN to BSN). This initiative is our first foray into the Health Sciences area. We are rolling the program out slowly, with just a handful of students in 2016, and are keeping careful track of the performance of these students, in order to ensure the program's academic success. While neither program is likely to be a significant contributor to 2016 results, we are excited about the opportunities which both the RN to BSN degree, as well as our Competency Based Learning MBA, will offer to future Strayer University students.

Finally, and most importantly in terms of academic results, over 8,000 Strayer University students earned their degrees in 2015. We celebrated their success at six different commencement ceremonies across the country. Our graduates come from all walks of life, and earned bachelors and master's degrees in subjects such as business administration, accounting, economics, information technology, public administration, and health services administration. With these 8,000 graduates, Strayer University reached an important milestone in 2015. Since 2000, the year present management assumed the stewardship of this institution, we have now graduated over 100,000 students. We have achieved many noteworthy accomplishments over the last 15 years, but none more significant, or that add more value, than these 100,000 alumni.

The quality of Strayer University's student body and alumni base is reflected in our institution's strong history of regulatory compliance. 2015 was no exception, as our metrics improved on both of the key annual regulatory tests we must currently comply with: the 90/10 ratio, and the Cohort Default Rate. The 90/10 ratio is a federal law that limits the amount of revenue an investor funded (tax-paying) university can receive from federally issued Title IV student loans to 90% of the university's total revenue. The limitation does not apply to non-profit universities. Since students from Strayer University's corporate alliance partners have some or all of their tuition paid for by their employer, those students tend to borrow less from the federal government to pay for their education, thus lowering our 90/10 ratio. In 2015, Strayer University's 90/10 ratio decreased slightly to approximately 72%. The Cohort Default Rate is a federal law that measures the performance of all universities' (non-profit and investor funded) alumni in paying off their Title IV loans. In 2015, Strayer University's Cohort Default Rate improved to 11.6%. This is better than the 11.7% national average of all state universities for the same period, and significantly better than the 15.8% national average of all investor funded institutions. Starting in 2016, investor funded universities will also have to comply with a third regulatory metric — the "Gainful Employment Rule." Based on both our reported 2015 metrics, as well as the DOE's own previously released data, all of Strayer University's programs comfortably pass the requirements of this Gainful Employment Rule.

2015 Financial Results

While Strayer Education's detailed and audited financial results for 2015 are available elsewhere in this report, I find it helpful to think about and explain our numbers in a more narrative form, in order to better understand what is really going on in the business. Our slight *increase* (1%) in student enrollment during 2015 translated into a slight *decrease* (-2%) in our Company's revenue for the year. This is so because the average amount of tuition revenue we collected per student during the year decreased by approximately 3%, due to the fact that we significantly reduced tuition for incoming undergraduate students starting in 2014. In addition to the often acknowledged academic quality of an education from Strayer University, we are also particularly proud of the affordability which we provide to our students. A complete undergraduate degree from Strayer University costs $42,600, and a graduate degree costs $29,400, both tuitions at, or significantly below, most state universities. Our Jack Welch Management Institute MBA costs $39,000, well below the premier Executive MBA programs with which it competes. We did not increase Strayer University's tuition for 2016. However, we do expect the downward pressure on our revenue per student to lessen in 2016, as the impact of our reduced undergraduate tuition is already almost fully reflected in our income statement.

We are able to maintain this level of affordability for our students because we run more efficiently than traditional universities. This is partly due to the nature of our mission (an institution focused on working adults does not need to invest in dormitories, athletic programs, student dining halls, etc.). But more importantly, we are specifically more productive at those key academic functions which we *share* with traditional universities. We focus solely on teaching and student achievement, without the need to divert funds into research, and we have avoided the enormous administrative bloat which has characterized most traditional universities over the last 15 years. Indeed, in 2015 our total expenses at the University remained flat, even as our student enrollment *increased*.

The impact of our 3% decrease in revenue combined with flat expenses led to an approximate 14% decrease in income before tax, net income, and earnings per share for 2015. This larger negative impact in 2015 on our bottom line (net income), than on our top line (revenue), is also reflected in our lower operating margin, and is the result of unused capacity at Strayer University. We expect the situation to reverse itself, i.e. our net income will grow at a faster rate than our revenue, and our operating margin will increase, as we add students and fill that unused capacity.

We started 2015 with $162 million in cash on our balance sheet and $119 million in debt in the form of a term loan. We generated $70 million in pre-tax income from operations during the year, which translated into a very healthy $103 million of pre-tax cash. We used our available cash of $265 million in 2015 as follows:

1. We paid $26 million in federal and state taxes (unlike traditional universities who take money from federal and state governments, at Strayer Education we have *paid* $540 million to those same governments over the last 15 years);

2. We made $13 million in investments in improving our physical plant, our curricula, and our technology in the form of capital expenditures; and

3. We repaid the $119 million in term loan debt, and secured a new $150 million revolving credit facility, on which we currently have no draws.

We therefore ended 2015 with a rock solid balance sheet consisting of $107 million in cash, 10.7 million shares outstanding, no debt, and significant expected distributable cash flow in 2016. To paraphrase Robert Frost, it is what we do with that expected cash flow that will make all the difference.

2016 Capital Allocation

Our highest return (and therefore first) use of cash in 2016 will be to invest in our academic product. For instance, we are developing a new Strayer University mobile application, as not only do an increasing percentage of our students take their classes in an online format, but more importantly, they are accessing that online material through mobile devices. We are also building a central production studio on one floor of our main campus in Washington, D.C., in order to create the most compelling and engaging online academic content. This studio will be staffed by graphic artists, instructional designers, script writers, and producers, who will work with our faculty to create the kind of online courses which, based on our extensive data, we know will drive student success. With over one half of our class seats taught online, we must be in the vanguard of using technology to achieve learning outcomes. When you run a university, quality is not just a differentiator, it is indispensable to longevity.

In addition to these investments in academic quality at Strayer University, there are three other important initiatives we will be focusing on at Strayer Education during 2016. The first two, the Jack Welch Management Institute and Strayer@Work, will not require significant additional capital, but the third, the acquisition of the New York Code and Design Academy (NYCDA), will.

Under the leadership of our partners, Jack and Suzy Welch, the Jack Welch Management Institute (JWMI) reached an inflection point in 2015, and I believe it will begin to be a more meaningful contributor to Strayer Education's results in the future. JWMI currently has over 1,000 students enrolled in its MBA program, and we expect it to grow by 30% in 2016. We already have 400 graduates from JWMI, including Kevin T. Parker who appears on the cover of this annual report. Kevin is an executive at ORI, Inc. an economic data collection and analysis firm based in Arlington, Virginia. He leads a team which includes 10 managers and over 100 researchers engaged in the measurement and analysis of employment and economic trends, for clients such as the United States Department of Labor's Bureau of Labor Statistics. Similar to Kevin, our typical JWMI student is 40 years of age, employed, and has an average of five years of management experience before enrolling in the MBA program. Importantly, only 35% of JWMI students are using federally issued Title IV Loans to fund their education, as compared to 70% of students for our University as a whole. Student satisfaction at JWMI has been extremely high. In 2015, the Institute had a Net Promoter Score (NPS) of 77[1], the highest in the University. JWMI's high student satisfaction is not surprising given Jack Welch's intimate involvement, both in the school's curricula, and with the school's students. In 2015, JWMI also signed an agreement with the Jefferson Hospital System Medical School which we hope will lead to the development of a joint MD/MBA degree from the two institutions. While only one fifth as large as our Strayer University MBA program, JWMI is growing at a much faster rate. We look forward to its future successes, and are extremely grateful for Jack and Suzy's partnership, as well as for the leadership of the Institute's Director, Dean Sippel.

Our second growth initiative for 2016 is the continued expansion of our Strayer@Work program. Under the leadership of Kelly Bozarth, this program provides a broad range of services to employers, including consulting assignments to determine workplace skills gaps, customized training programs to fill those gaps, and specialized undergraduate and graduate degree programs designed for individual companies. For instance, through a Strayer@Work educational partnership with Fiat/Chrysler North America (which itself grew out of a consulting assignment performed by Strayer@Work for Fiat/Chrysler in 2014), Fiat/Chrysler dealer employees and their family members can attend Strayer University with **100%** of the tuition covered by the dealership. That last statement bears repeating: one can go to work for a participating Fiat/Chrysler dealer and earn a Strayer University degree, without any out-of-pocket expense, or incurring a single dollar of debt. And not just the employee, but their immediate family as well. At the risk of sounding too dramatic, we think this innovative new partnership between Fiat/Chrysler and Strayer University could revolutionize the way American higher education is funded.

Strayer@Work is in its early stages, and we have only performed consulting assignments for a handful of companies, but we have already covered a wide swath of industries. In addition to our work on automobile manufacturing and sales with Fiat/Chrysler, our engagements have included companies in industries such as retail (Dollar General), services (Aramark), aircraft manufacturing (Airbus), and media (Daily Mail). We are very excited about the opportunity Kelly and her team have in building on our long history of serving corporations. I will report our progress in this area in future letters.

Our final growth initiative for 2016 is both outside of our core University operations, and will require additional financial capital. In January 2016 Strayer Education announced the acquisition of the New

[1] NPS is a metric which measures a customer's willingness to positively recommend the purchase of a good or service. To put JWMI's score of 77 in context, the iPhone as a product has an NPS score of 67, and Apple as a company scores 70. JWMI's 77 ranks higher than JetBlue's 68, Harvard Business School's 41, and Wharton's 51.

York Code and Design Academy (NYCDA) for consideration of $7 million, plus an earn-out of up to an additional $18 million over the next five years if certain performance, revenue, and operating income targets are met. We have been carefully watching the coding boot camp space for several years. Companies in this space run intensive, full time, six to 12 week programs, teaching primarily college graduates the fundamentals of writing the codes on which most web sites and mobile applications run. This coding is essentially the alphabet of the new digital economy. Unlike in the bachelors and master's degree market, demand for coding training has been increasing at a rapid pace over the last several years, and supply is still relatively constrained. NYCDA was founded in 2012 by a young entrepreneur, Jeremy Snepar (who remains as its CEO), and has approximately 800 students at a downtown Manhattan campus, as well as a handful of students overseas in Amsterdam, Netherlands. We believe we can roll out NYCDA's coding Boot Camp curricula throughout Strayer University's campus footprint, and are hopeful that NYCDA will contribute a meaningful amount of revenue and operating income to Strayer Education over the next several years.

We are particularly attracted to NYCDA's business model because it:

1. Provides training in a high demand, rapidly growing, sector of the economy;

2. Does not rely on Title IV loans for its revenue. The roughly $10,000 tuition for the 12 week intensive course is paid from students' own savings or sources of credit; and

3. Is completely reliant on the achievement of learning outcomes and student academic success to drive long term value.

Jeremy and his team have already built an organization where the culture of commitment to academic outcomes and student achievement closely mirrors our own. We expect the financial impact of the acquisition to be dilutive by about 30 cents of EPS in 2016. Approximately half of that dilution will be the impact of roughly $3 million in start-up operating losses we anticipate in 2016, as we roll the program out to a number of our existing markets. The other half is a non-cash accounting amortization of a claw-back provision in the acquisition agreement (we want Jeremy and his team to stick around and build this business). 2017 will be closer to breakeven, and we hope NYCDA will be significantly accretive to our earnings in 2018 and beyond.

In terms of capital allocation, we have already earmarked roughly 25% of our anticipated distributable owners' cash for 2016 for the NYCDA acquisition. We will, of course, continue to fully fund our core asset, Strayer University, as well as look for other high return, value enhancing ways to put your capital to work through acquisitions. Given the current regulatory climate, we are particularly interested in increasing our exposure to non-Title IV funded educational activities, as well as areas with high growth profiles. However, most importantly, we are only interested in investing in assets where we can maintain our 125 year history of providing successful academic outcomes.

Since we paid off all our long term debt in 2015, our capital allocation strategy for 2016 is quite simple: maintain sufficient liquidity to fully fund our existing business; look for acquisitions to invest in complimentary, high return assets; and return to owners, in the most value enhancing manner, capital which is in excess of both of the above.

Conclusion

On behalf of our Board of Directors and entire management team, I wish to sincerely thank you for the opportunity to have employed your capital over the past year. I look forward to seeing all of you at our Annual Meeting of Shareholders at our corporate offices on May 3rd, 2016 at 8:00 a.m. In addition, our Strayer University Graduation Ceremonies will be held this year in Atlanta, GA, Washington, D.C., Charlotte, NC, Philadelphia, PA, Orlando, FL, Baltimore, MD, and Memphis, TN. If you have the time this year, please come see the tangible results of your invested capital in person at one of these commencement exercises.

The strong academic and financial results for our company could not happen without the dedicated and inspired leadership of our Company's CEO, Karl McDonnell, his entire leadership team, and most importantly, our University's Board of Trustees. Karl, assisted by our CFO, Dan Jackson, and our General Counsel, Viet Dinh (who is also a distinguished professor of law at Georgetown University), has navigated our institution with incredible skill over the last year. As shareholders, we are extremely fortunate to have three such able and committed executives with their hands on the Company's tiller. Strayer University's Board of Trustees has been led for the last 10 years by Dr. Charlotte Beason, who also serves on our Company's Board of Directors. I was delighted this year when the Board of Trustees selected Brian Jones to be Strayer University's 15th President. Brian is very capably supported in his role by both the University's Provost, Dr. Andrea Backman, and the University's Chief Operating Officer, Rosemary Rose. As an institution, we have always taken great pride in promoting our senior officers from within whenever possible, and our current crop of University leadership is no exception. Before being appointed as Strayer University's President, Brian was Strayer University's General Counsel (he had previously served as the U.S. Department of Education's General Counsel as well). Before assuming her current role as Provost, Andrea was Strayer University's Dean of Faculty, as well as the Dean of our Jack Welch Management Institute, and Rosemary is one of our most seasoned operating executives, having run campuses and regions for us throughout the United States, before becoming the University's Chief Operating Officer. If, as I believe, the ultimate success of an organization is directly tied to the caliber and longevity of its leadership, then our Company is well poised for the future with Karl and his team.

In 2016, we plan to both stabilize our core University operations, and more importantly, invest your capital in a number of promising growth areas. We never forget that we are stewards of a University approaching its 125th anniversary, and we are extremely proud of having successfully weathered significant economic, regulatory, competitive, and financial storms over the last five years. Indeed, Strayer University in 2015 is a stronger academic institution, with better student learning outcomes, than it was in 2010. We also never forget that we are stewards of the financial capital you have entrusted to our care, and we are confident that the strong academic performance of Strayer University, combined with the returns on the capital we are investing on your behalf, will significantly increase the intrinsic value of your ownership in this institution in the future.

Sincerely,

Robert S. Silberman
Executive Chairman

OUR ALUMNI

Kimberly Pope

Interior Designer and Space Planning Specialist
Office of Administration, Executive Office of the President
◆ Bachelor of Business Administration, 2014

"I have always recognized the power of higher education, and I knew it held the key for making dreams a reality. Strayer University provided me with the academic and counseling support I needed to be successful as an adult returning to school. Now I am reaping the rewards of higher education. I have an interior designer's dream job overseeing design projects for the White House complex."

Mark Lee, J.D., Ph.D.

Retired Colonel
United States Army
◆ Master of Business Administration, 2010

"I have had the honor of serving in the military for more than 30 years. During this time I have had tours in many countries and have supported several combat missions including Desert Storm, Operation Iraqi Freedom, Operation Enduring Freedom, and Operation New Dawn. Through these experiences I developed a greater appreciation of the world. As I served our country at home and abroad, I knew my contributions to the military would grow significantly through higher education. Early on in my career I recognized an MBA would be valuable in understanding overall military strategies and operations. Strayer University provided me the flexibility I needed to serve my country while earning my MBA. I was learning material in class that I could implement immediately with my fellow military personnel. Now as an associate college professor, I am delighted to help students build and further their career aspirations through higher education."

Ranjith Nair

Business Intelligence Architect
Saxony Partners
◆ Master of Science in Information Systems, 2005

"With a bachelor's degree in mathematics, I returned to school with the hope of developing professionally and furthering my career. My background in mathematics was valuable, but I was still missing opportunities for practical applications. Strayer University offered a program tailored to bring new perspectives to the management levels and prepare you for emerging technologies. Earning my degree at Strayer University gave me the confidence I needed to take on additional responsibilities at work and lead new, more complex teams."

OUR ALUMNI

Carolin Burger

Senior Cost Control Analyst
Daimler Trucks North America
◆ Bachelor of Business Administration, 2012

"I began my academic career by obtaining a two-year degree in my home country of Germany. I always knew that I wanted to go back to school once I had settled in the United States. Strayer University was the perfect fit for me and my busy professional schedule. I was able to take online classes when I wanted and on-campus classes whenever I needed. It was not always easy, as I had to overcome some language barriers and cultural hurdles, but the faculty and staff helped guide me along the way. Obtaining an undergraduate degree from an accredited institution and being able to continue to pursue my career abroad is my American dream!"

Eric Coe

Detective
District Attorney's Office; Charlotte-Mecklenberg Police Department
◆ Bachelor of Science in Criminal Justice, 2012

"I have served on the police force for almost 30 years. During this time I have held a variety of challenging and exciting roles, but it was my work as a detective that inspired me to get my college degree. I wanted a more comprehensive picture of how the District Attorney's Office worked and the process of taking a case from arrest all the way to prosecution and conviction, so I went back to school. I completed my Strayer University degree online and I was always impressed with the quality of the faculty and fellow students. My Strayer University degree gave me a competitive edge. Today I am armed with everything I need to take my career as a detective to the next level."

Winnie Nelson, Ph.D.

Director of Health Economics and Outcomes Research
Janssen Pharmaceuticals, part of Johnson & Johnson
◆ Master of Business Administration, Jack Welch Management Institute, 2012

"I have a job that straddles the space between drug research and development and the sales and marketing of that medication after its approval from the Food and Drug Administration. With prior degrees in the fields of pharmacy and health services research and administration I felt that something was still missing. I needed business acumen to effectively engage with my counterparts. The Jack Welch MBA added a certain 'grit' in the teaching that I appreciated. Today, I know that in order to get things moving in the right direction, I have to be decisive about people and strategy. Now I feel that I am well rounded professionally to taken on any role of my choice."

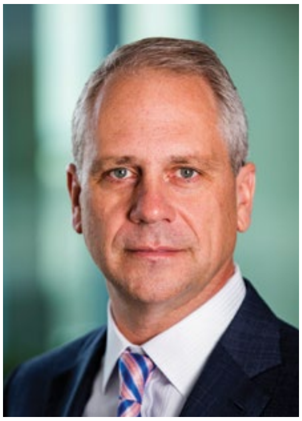
Strayer is steadfast in its commitment to innovation in the area of education and academic achievement. Higher education has certainly evolved over the last 100 years, but now given the advances in technology and data analytics there remains significant opportunity to push the boundaries of innovation in academia and approach it in an effective, non-traditional manner. We believe the era of lecturing en masse to students and expecting meaningful outcomes has long passed. Today, it is the institution's obligation to do more for its students. The institution must serve as the champion of innovation to yield the results students expect and so rightfully deserve. I am delighted to report that Strayer exceeds every expectation in this area.

We took on the critically important issue of student affordability and made a meaningful impact in the lives of our students by reducing the cost of tuition by over 40% through our scholarships and Graduation Fund. We believe in tuition affordability, and we acted accordingly simply because it was in the best interest of our students.

With this success we do not rest on our laurels, we continue to push innovation in probing and truly understanding student learning outcomes and predictive analytics. We have made noteworthy strides in this area on an individualized student basis. We can see precisely where, when, and if the learning is occurring, and can make immediate interventions when needed. I can say with certainty that understanding student outcomes is a complex

and a heavily analytic process that cannot be taken on lightly. It requires a firm commitment of time and resources and Strayer has made this commitment to its students. There is nothing more important to us than the success of our alumni. We know that Strayer University graduates are well prepared for the workforce. The level of visibility Strayer has into the student learning outcomes process is unparalleled and far ahead of any other institution of higher education. We will continue to be a leader in this important area.

For most companies, this level of disruption and innovation would be sufficient over the life of the company. At Strayer, innovation is one of our strategic objectives and we have achieved these milestones and others in just a few short years. This is not the end for us, but only the beginning of intensifying our efforts toward greater innovation. We are just beginning to realize our full potential and we are excited about the future. We look forward to the journey and the powerful impact Strayer will have on education in the years ahead.



KARL MCDONNELL

Chief Executive Officer
Strayer Education, Inc.

CORPORATE INFORMATION

STRAYER EDUCATION EXECUTIVE OFFICERS
Left to Right: Viet Dinh, Karl McDonnell, Daniel Jackson, Robert Silberman, Kelly Bozarth

STRAYER UNIVERSITY LEADERSHIP
Left to Right: Rosemary Rose, Brian Jones, Andrea Backman

Executive Officers

Robert S. Silberman
Executive Chairman

Karl McDonnell
Chief Executive Officer

Daniel W. Jackson
Executive Vice President and Chief Financial Officer

Kelly J. Bozarth
Executive Vice President, Strayer@Work

Viet Dinh
General Counsel

Strayer University Leadership

Brian W. Jones, J.D.
President of Strayer University

Andrea Backman, Ph.D.
Provost and Chief Academic Officer

Rosemary Rose
Chief Operating Officer

Board of Directors

Robert S. Silberman
Executive Chairman

Charlotte F. Beason, Ed.D.
Chairwoman, Strayer University Board of Trustees

William E. Brock
Founder and Chairman, Brock Offices

John T. Casteen, III, Ph.D.
President Emeritus, University of Virginia

Robert R. Grusky
Founder and Managing Member, Hope Capital Management, LLC

Robert L. Johnson
Founder and Chairman, RLJ Companies

Karl McDonnell
Chief Executive Officer

Todd A. Milano
President Emeritus, Central Penn College

G. Thomas Waite, III
Treasurer and CFO, Humane Society of the United States

J. David Wargo
President, Wargo and Company, Inc.

Corporate Offices

2303 Dulles Station Boulevard,
Herndon, VA 20171

Web Sites

Strayer Education, Inc.
www.strayereducation.com

Strayer University
www.strayer.edu

Annual Meeting

The Annual Meeting of Shareholders will be held on Tuesday, May 3, 2016 at 8:00 a.m. at the Strayer Education corporate headquarters located at 2303 Dulles Station Boulevard, Herndon, VA 20171

Transfer Agent

American Stock Transfer &
Trust Company, LLC
6201 15th Avenue
Brooklyn, NY 11219

Stock Listing

Strayer Education, Inc.'s common stock is traded on the NASDAQ Global Select Market under the symbol "STRA"

Independent Registered Public Accounting Firm

PricewaterhouseCoopers LLP
1800 Tysons Boulevard
McLean, VA 22102

Investor Relations

Information may be obtained by contacting the Investor Relations Department at 703-561-1600


STRAYER UNIVERSITY
HONORS
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