

September 10, 2015



Aspen Group Reports 46% Increase in Revenue to a Record \$1.71 Million for Fiscal 2016 First Quarter

Total Enrollments Expand to a Record 3,609 Students

Nursing School Now Represents Majority of Aspen's Revenues at 52%

NEW YORK, Sept. 10, 2015 (GLOBE NEWSWIRE) -- Aspen Group, Inc. (OTCBB:ASPU), a nationally accredited online post-secondary education company (Aspen University), today announced results for its fiscal 2016 first quarter ended July 31, 2015.

Results from the First Quarter include:

- Revenues of \$1,705,861, a 46% increase from the comparable prior year period, an acceleration from 34% year-over-year growth in the previous quarter;
- Degree-seeking enrollments increased 81% year-over-year, as Aspen enrolled 410 new students in this seasonally softer summer period;
- Aspen University's School of Nursing student body grew from 920 to 1,604 students or 74% year-over-year; and now represents 44% of Aspen's total full-time degree-seeking student body;
- Aspen University's School of Nursing now accounts for the majority of Aspen's revenues, accounting for \$881,783 or 52% of the total revenues in the quarter.

"Demand for our BSN and MSN programs continues to accelerate as a result of our unique debtless education solution and monthly payment plans. Given our current monthly pace of Registered Nurse enrollments, we expect our School of Nursing to grow to approximately two-thirds of our student body by year-end 2016," said Aspen Group Chairman and CEO Michael Mathews.

First Quarter Highlights

For the first quarter, revenues increased 46% from the comparable prior year period to \$1,705,861. In particular, Nursing program revenues rose 123% year-over-year to \$881,783 to represent 52% of Aspen's revenues.

Aspen's School of Nursing student body grew by 230 students in the quarter, from 1,374 to 1,604 students. That represented 77% of the growth of Aspen's full-time degree seeking

student body in the quarter, from 3,309 to 3,609. Aspen's School of Nursing now accounts for 44% of Aspen's full-time degree seeking student body.

Adjusted Gross Profit, a non-GAAP financial measure, increased 29% from the comparable prior year period to \$931,752 or 55% margin. GAAP Gross Profit increased 32% from the comparable prior year period to \$799,232 or 47% margin. Gross Profit increases lagged the revenue growth increase of 46% as a result of the company sequentially increasing its marketing spend rate by 15%.

Net loss applicable to shareholders was (\$718,706), a sequential improvement of 30%. Adjusted EBITDA, a non-GAAP financial measure, resulted in a loss of (\$299,625), a sequential decline of 12%.

*** Non-GAAP – Financial Measures**

This press release includes both financial measures in accordance with Generally Accepted Accounting Principles, or GAAP, as well as non-GAAP financial measures. Generally, a non-GAAP financial measure is a numerical measure of a company's performance, financial position or cash flows that either excludes or includes amounts that are not normally included or excluded in the most directly comparable measure calculated and presented in accordance with GAAP. Non-GAAP financial measures should be viewed as supplemental to, and should not be considered as alternatives to net income, operating income, and cash flow from operating activities, liquidity or any other financial measures. They may not be indicative of the historical operating results of Aspen Group nor are they intended to be predictive of potential future results. Investors should not consider non-GAAP financial measures in isolation or as substitutes for performance measures calculated in accordance with GAAP.

Our management uses and relies on Adjusted EBITDA and Adjusted Gross Profit, each of which are non-GAAP financial measures. We believe that both management and shareholders benefit from referring to the following non-GAAP financial measures in planning, forecasting and analyzing future periods. Our management uses these non-GAAP financial measures in evaluating its financial and operational decision making and as a means to evaluate period-to-period comparison. Our management recognizes that the non-GAAP financial measures have inherent limitations because of the excluded items described below.

Aspen Group defines Adjusted EBITDA as earnings (or loss) from continuing operations before preferred dividends, interest expense, collateral valuation adjustment, bad debt expense, depreciation and amortization, warrant conversion expense, non-recurring charges and amortization of stock-based compensation. Aspen Group excludes the charges from collateral valuation adjustment, bad debt expense and stock based compensation because they are non-cash in nature. The preferred dividends were derived from Aspen University. Upon the closing of the Reverse Merger in March 2012, Aspen University preferred stock was exchanged for Aspen Group common stock and dividends will not accrue in the future. In 2014, Aspen Group excluded non-recurring charges.

Aspen Group defines Adjusted Gross Profit as revenues less cost of revenues (instructional costs and services and marketing and promotional costs), but excluding the

amortization of courseware and software. Adjusted Gross Profit excludes non-cash items and permits our management to focus on core operating results.

We have included a reconciliation of our non-GAAP financial measures to the most comparable financial measures calculated in accordance with GAAP. We believe that providing the non-GAAP financial measures, together with the reconciliation to GAAP, helps investors make comparisons between Aspen Group and other companies. In making any comparisons to other companies, investors need to be aware that companies use different non-GAAP measures to evaluate their financial performance. Investors should pay close attention to the specific definition being used and to the reconciliation between such measure and the corresponding GAAP measure provided by each company under applicable SEC rules.

The following table presents a reconciliation of Adjusted EBITDA to Net loss, a GAAP financial measure:

	<i>Three Months Ended</i>		
	<u>7/31/2015</u>	<u>4/30/2015</u>	<u>7/31/2014</u>
Net Loss	\$ (718,706)	\$ (1,028,344)	\$ (864,261)
Interest expense, net of income	33,115	30,460	78,417
Bad debt expense	31,889	38,426	105,511
Depreciation and amortization	143,459	138,790	125,608
Receivable collateral valuation reserve	--	--	--
Amortization of prepaid services	--	--	--
Amortization of debt issue costs	--	--	56,440
Amortization of debt discount	--	--	124,343
Warrant conversion exercise expense	6,000	333,323	--
Other Miscellaneous Incomes			
Stock-based compensation	72,941	122,148	97,203
Non-recurring charges	<u>131,677</u>	<u>96,512</u>	<u>23,019</u>
Adjusted EBITDA (Loss)	<u>\$ (299,625)</u>	<u>\$ (268,685)</u>	<u>\$ (253,720)</u>

The following table presents a reconciliation of Adjusted Gross Profit, a non-GAAP financial measure, to gross profit calculated in accordance with GAAP:

	For the Three Months Ended July 31,	
	<u>2015</u>	<u>2014</u>
Revenues	\$1,705,861	\$1,169,860
Costs of revenues (exclusive of amortization shown separately)	<u>774,109</u>	<u>449,098</u>
Gross profit (exclusive of amortization)	931,752	720,762

Amortization expenses excluded from cost of revenues	<u>132,520</u>	<u>116,190</u>
GAAP gross profit	<u>\$ 799,232</u>	<u>\$ 604,572</u>

Conference Call

Aspen Group, Inc. will host a conference call to discuss its July 31, 2015 fiscal year first quarter financial results and business outlook on Thursday, September 10, 2015, at 5:00 p.m. (ET). The conference call can be accessed by dialing toll-free (844) 452-6823 (U.S.) or (731) 256-5216 (international). Subsequent to the call, a transcript of the audiocast will be available from the Company's website at ir.aspen.edu.

About Aspen Group, Inc.

Aspen Group, Inc. is an online postsecondary education company. Aspen University's mission is to offer any motivated college-worthy student the opportunity to receive a high quality, responsibly priced distance-learning education for the purpose of achieving sustainable economic and social benefits for themselves and their families. Aspen is dedicated to providing the highest quality education experiences taught by top-tier faculty - 60% of our adjunct faculty hold doctoral degrees. To learn more about Aspen, visit www.aspen.edu.

Cautionary Note Regarding Forward-Looking Statements

This press release contains forward-looking statements including statements regarding accelerated demand for the nursing programs and expected growth in the school of nursing.

The words "believe," "may," "estimate," "continue," "anticipate," "intend," "should," "plan," "could," "target," "potential," "is likely," "will," "expect" and similar expressions, as they relate to us, are intended to identify forward-looking statements. We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends that we believe may affect our financial condition, results of operations, business strategy and financial needs. Important factors that could cause actual results to differ from those in the forward-looking statements include unexpected regulatory issues, competition and changes within the healthcare industry that make the nursing occupation less attractive to learners or reduce the benefits of an advanced degree. Further information on our risk factors is contained in our filings with the SEC, including our Form 10-K filed on July 28, 2015. Any forward-looking statement made by us herein speaks only as of the date on which it is made. Factors or events that could cause our actual results to differ may emerge from time to time, and it is not possible for us to predict all of them. We undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future developments or otherwise, except as may be required by law.

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