

August 15, 2016



Legacy Education Alliance, Inc. Announces Second Quarter 2016 Results

CAPE CORAL, Fla.-- Legacy Education Alliance, Inc. (OTCQB: LEAI) (www.legacyeducationalliance.com), a leading international provider of practical, high-quality, and value-based educational training on the topics of personal finance, entrepreneurship, real estate, and financial markets investing strategies and techniques, announces financial results for the three months ended June 30, 2016.

2016 SECOND QUARTER HIGHLIGHTS

- Revenue increased \$0.8 million or 4% to \$23.4 million for the second quarter 2016, up from \$22.6 million for the second quarter 2015.
- Revenue from attendance increased \$4.4 million or 26% to \$21.3 million for the second quarter 2016, up from \$16.9 million for the second quarter 2015.
- Non-U.S. revenue was \$8.7 million for the second quarter 2016 compared to \$7.9 million for the second quarter 2015, an increase of \$0.8 million or 10%.
- Cash sales were \$22.7 million for the second quarter 2016, compared to \$23.7 million for the second quarter 2015, a decrease of \$1.0 million or 4%.
- Total operating costs and expenses were \$22.7 million for the second quarter 2016, compared to \$23.8 million for the second quarter 2015, a decrease of \$1.1 million or 5%.
- Net income was \$1.0 million, or \$0.05 per basic and \$0.04 per diluted common share, for the second quarter 2016, compared to a net loss of (\$1.0) million, or (\$0.05) per basic and diluted common share, for the second quarter 2015, an increase in net income of \$2.0 million or \$0.10 per basic and \$0.9 per diluted common share.

"Building on the successes of the first quarter 2016 results, we are pleased to report further top-line and bottom-line improvements, with second quarter 2016 revenue up 4% to \$23.4 million and net income of \$1.0 million, or \$0.05 per basic and \$0.04 per diluted common share," said Anthony Humpage, CEO of Legacy Education Alliance.

"Our strategy of achieving growth through brand and channel diversification, as well as geographic market expansion, continues to gain traction. In the first half of the year we added the *Elite Business Star*[™] brand. We've also seen continued double-digit growth of our non-U.S. revenue, and expect this trend to continue as we further penetrate the many new markets we have established over the past two years. The experience we're gaining in these markets will lead to new courses, including country-specific courses, that we believe will drive long-term shareholder value for Legacy," concluded Humpage.

Q2 2016 VERSUS Q2 2015 RESULTS

Revenue was \$23.4 million for the three months ended June 30, 2016 compared to \$22.6 million for the three months ended June 30, 2015, an increase of \$0.8 million or 4%. The increase was due to increased attendance (i.e. fulfillment) of \$4.4 million or 26%, partially offset by the decrease in recognition of revenue from expired contracts of \$0.9 million or 31% and the decline in recognition of revenue of \$2.7 million or 99%, due to the change in our revenue recognition policy with regards to DVD fulfillment. Cash sales were \$22.7 million for the three months ended June 30, 2016 compared to \$23.7 million for the three months ended June 30, 2015, a decrease of \$1.0 million or 4%.

Total operating costs and expenses were \$22.7 million for the three months ended June 30, 2016 compared to \$23.8 million for the three months ended June 30, 2015, a decrease of \$1.1 million or 5%. The decrease was primarily due to a \$0.6 million decrease in royalty expense, a \$0.6 million decrease in general and administrative expenses and a \$0.1 million decrease in advertising and sales expenses, partially offset by a \$0.2 million increase in direct course expenses.

Net income was \$1.0 million or \$0.05 per basic and \$0.04 per diluted common share for the three months ended June 30, 2016, compared to a net loss of (\$1.0) million or (\$0.05) per basic and diluted common share for the three months ended June 30, 2015, an increase in net income of \$2.0 million or \$0.10 per basic and \$0.09 per diluted common share. Net income for the three months ended June 30, 2016 was positively impacted by the increase in revenue primarily due to increased attendance (i.e. fulfillment) of \$4.4 million or 26% and decreases in operating costs and expenses of \$1.1 million or 5%, primarily due to decreases in royalty expenses and general and administrative expenses.

YTD 2016 VERSUS YTD 2015 RESULTS

Revenue was \$46.1 million for the six months ended June 30, 2016 compared to \$44.4 million for the six months ended June 30, 2015, an increase of \$1.7 million or 4%. The increase was due to increased attendance (i.e. fulfillment) of \$7.5 million or 23%, partially offset by the decline in recognition of revenue of \$5.2 million or 94%, due to the change in our revenue recognition policy with regards to DVD fulfillment and the decrease in recognition of revenue from expired contracts of \$0.6 million or 9%. Cash sales were \$44.0 million for the six months ended June 30, 2016 compared to \$46.4 million for the six months ended June 30, 2015, a decrease of \$2.4 million or 5%.

Total operating costs and expenses were \$44.6 million for the six months ended June 30, 2016 compared to \$46.2 million for the six months ended June 30, 2015, a decrease of \$1.6 million or 4%. The decrease was due to a \$1.1 million decrease in general and administrative expenses and a \$0.7 million decrease in royalty expense, partially offset by a \$0.2 million increase in direct course expenses.

Net income was \$1.6 million or \$0.08 per basic and \$0.07 per diluted common share for the six months ended June 30, 2016, compared to a net loss of (\$1.6) million or (\$0.08) per basic and diluted common share for the six months ended June 30, 2015, an increase in net income of \$3.2 million or \$0.16 per basic and \$0.15 per diluted common share. Net income for the six months ended June 30, 2016 was positively impacted by the increase in revenue primarily due to increased attendance (i.e. fulfillment) of \$7.5 million or 23% and decreases

in operating costs and expenses primarily due to decreases in general and administrative expenses and royalty expense.

CASH FLOW AND CAPITAL STRUCTURE

The following is a summary of our cash flow activities for the periods stated (in thousands):

	Six Months Ended June 30,	
	2016	2015
Net cash provided by (used in) operating activities	(571)	2,199
Net cash used in investing activities	(37)	(59)
Net cash provided by (used in) financing activities	(5)	454
Effect of foreign currency exchange rates	703	(430)
Net increase in cash and cash equivalents	<u>90</u>	<u>2,164</u>

Net cash used in operating activities was \$0.6 million in the six months ended June 30, 2016 compared to net cash provided by operating activities of \$2.2 million in the six months ended June 30, 2015, representing a period-over-period decrease of \$2.8 million. This decrease was primarily the result of a decrease in current liabilities for deferred revenue in 2016 as a result of increased revenue recognition related to the previously-mentioned increase in attendance (i.e. fulfillment).

Our consolidated capital structure as of June 30, 2016 and December 31, 2015 was 100% equity.

CONFERENCE CALL

Legacy Education Alliance, Inc. will hold a conference call on August 16 at 3:00 p.m. ET to discuss its financial results for the quarter ended June 30, 2016. To participate in the call, please dial (877) 718-5106, or (719) 325-4789 for international calls, approximately 10 minutes prior to the scheduled start time. A replay of the call will be available for two weeks from 6:00 p.m. ET on August 16, 2016, until 11:59 p.m. ET on August 30, 2016. The number for the replay is (877) 870-5176, or (858) 384-5517 for international calls; the passcode for the replay is 5827624.

About Legacy Education Alliance, Inc.

Legacy Education Alliance, Inc. (<http://www.legacyeducationalliance.com>) is a leading international provider of practical, high-quality, and value-based educational training on the topics of personal finance, entrepreneurship, real estate, and financial markets investing strategies and techniques. Legacy Education Alliance was founded in 1996, today we are a global company with approximately 200 employees that has cumulatively served more than two million students from more than 150 countries and territories over the course of our operating history.

We offer our training through a variety of brands including Rich Dad® Education; Rich Dad® Stock Education; Making Money from Property with Martin Roberts™; Brick Buy Brick™; Building Wealth; Robbie Fowler Property Academy™; Women in Wealth™; The

Independent Woman™; Trade Up Investor Education™; and Elite Business Star™. For more information, visit our website at www.legacyeducationalliance.com.

Forward-Looking Statements

This press release contains “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”) (which Sections were adopted as part of the Private Securities Litigation Reform Act of 1995). Statements preceded by, followed by or that otherwise include the words “believe,” “anticipate,” “estimate,” “expect,” “intend,” “plan,” “project,” “prospects,” “outlook,” and similar words or expressions, or future or conditional verbs such as “will,” “should,” “would,” “may,” and “could” are generally forward-looking in nature and not historical facts. These forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the Company's actual results, performance or achievements to be materially different from any anticipated results, performance or achievements. The Company disclaims any intention to, and undertakes no obligation to, revise any forward-looking statements, whether as a result of new information, a future event, or otherwise. For additional risks and uncertainties that could impact the Company's forward-looking statements, please see the Company's Annual Report on Form 10-K (including but not limited to the discussion under “Risk Factors” therein) filed with the SEC on March 28, 2016 and which may be viewed at <http://www.sec.gov>.

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