

May 23, 2016



Aspen Group Announces Preliminary Fourth Quarter Revenue of \$2.5 Million, Delivering Over 61% Growth YoY and Over 15% Sequentially

Company Beats Prior Bottom Line Guidance

NEW YORK, May 23, 2016 (GLOBE NEWSWIRE) -- Aspen Group, Inc. (OTCQB:ASPU), a nationally accredited online postsecondary education company (Aspen University), today pre-announced that revenues for the unaudited Q4'16 Fiscal Quarter ending April 30, 2016 were approximately \$2.5 million, which would represent an increase of over 61% year-over-year and over 15% sequentially.

Aspen estimates preliminary unaudited Fiscal Q4'16 net loss was approximately \$240,000 which would represent over a 64% sequential improvement, and Adjusted EBITDA, a Non-GAAP Financial Measure to be at least \$120,000 which would represent over a 168% sequential improvement. This is the first fiscal quarter with positive Adjusted EBITDA, and the 5% margin or better beats the prior company guidance of breaking even on an Adjusted EBITDA basis.

Note the chart below reflects that Aspen is also estimating a near breakeven result for the fourth quarter on an EBITDA basis (loss of less than \$50,000).

	(estimate) Q4 FY'16	(unaudited) Q3 FY'16	(estimate) Q/o/Q Improvement
Revenue	> \$2,500,000	\$ 2,164,031	> 15%
Net Income (Loss)	< \$(240,000)	\$ (674,964)	> 64%
EBITDA	< \$(50,000)	\$ (490,628)	> 90%
-Stock Compensation	~\$85,000	\$ 94,670	~ 10%
-Non-Recurring Expenses	~\$65,000	\$ 147,681	~ 56%
-Bad Debt Expense	~\$20,000	\$ 71,489	~ 72%
Adjusted EBITDA	> \$120,000	\$ (176,788)	> 168%

Aspen's School of Nursing student body grew by 315 students in the quarter, from 2,307 to 2,622 students. That represented 78% of the growth of Aspen's full-time degree seeking student body, from 4,412 to 4,818. Aspen's School of Nursing now accounts for 54% of Aspen's full-time degree seeking student body.

Aspen's RN to BSN degree program is responsible for the majority of the university's growth,

increasing by 246 students in the quarter which represented 61% of Aspen's overall student body growth in the quarter. As previously announced, Aspen does not offer federal financial aid for its RN to BSN program, even though all other degree-seeking programs are currently eligible. Registered Nurses instead have adopted Aspen's debtless education solution en masse, simply paying their tuition via a monthly payment plan of \$250/month for 39 months, interest free.

At fiscal year ending April 30, 2016, Aspen had 1,855 degree-seeking students paying for their education through one of Aspen's monthly payment programs, representing contractual value over \$12 million. Aspen's total monthly payment students grew by 260 students in the quarter, and in the month of April monthly payment students represented 56% of all course payments.

In Q4 FY'16, Aspen set a quarterly enrollment record with 572 new student enrollments, as compared to 444 new student enrollments in the prior year, an increase of 29% year-over-year.

"We finished the fiscal year with an exceptional fourth quarter that exceeded our expectations across all key metrics, including achieving positive Adjusted EBITDA well beyond our breakeven forecast. This achievement of delivering outstanding top line growth while generating increasing operating leverage underscores the strength of our business model," said Chairman & CEO, Michael Mathews.

Balance Sheet Strengthens Prior to Fiscal Year End

Aspen Group, Inc. strengthened its balance sheet prior to its April 30 fiscal year end, through a warrant conversion offering in which Aspen received gross proceeds of approximately \$752,500. No additional warrants were issued to those warrant holders who converted. Additionally, Aspen's Chairman & CEO, Michael Mathews, converted a \$300,000 note to equity above market at \$0.19/share. As a result of these transactions and other transactions, the Company's stockholders equity increased to above \$1.75 million. Consequently, Aspen anticipates passing the Department of Education's Composite Score of 1.5 for a second year in a row.

About Aspen Group, Inc. (OTCQB:ASPU)

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 – 56 percent of our adjunct faculty hold doctoral degrees. To learn more about Aspen University, visit www.aspen.edu.

Cautionary Note Regarding Forward-Looking Statements

This press release contains forward-looking statements, including a statement regarding projected revenues and other operating results and a statement regarding passing the Composite Score.

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 adjustments made during the year-end audit. Further information on our risk factors is contained in our filings with the SEC, including the Annual Report filed 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.

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 EBITDA, which are non-GAAP financial measures. We believe that both management and shareholders benefit from referring to these 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 EBITDA as earnings (or loss) from continuing operations before interest expense, and depreciation and amortization and Adjusted EBITDA as earnings (or loss) from continuing operations before interest expense, bad debt expense, depreciation and amortization, non-recurring charges and amortization of stock-based compensation. Aspen Group excludes bad debt expense and all of the charges except interest because they are non-cash in nature.

Media Contact:
Aspen Group, Inc.
Michael Mathews, CEO
914-906-9159



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