

THE STATE OF DIGITAL EDUCATION



EDUCATION IS A 7 TRILLION DOLLAR INDUSTRY

THAT'S **570X** THE SIZE OF THE ONLINE ADVERTISING MARKET

EQUAL TO **7X** THE GLOBAL MOBILE INDUSTRY

MORE THAN THE GDP OF ITALY, FRANCE, AND THE UK – COMBINED

The Internet continues to disrupt entire industries
EDUCATION'S INTERNET MOMENT IS NOW



EDUCATION

Vastly improved technology and increased student drop out rates have set the stage for disruption.

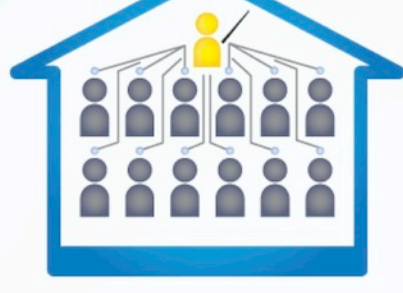
THE EDUCATION CRISIS



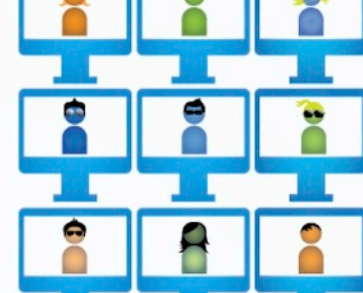
1 STUDENT DROPS OUT OF HIGH SCHOOL EVERY 26 SECONDS.

THE CHANGING LANDSCAPE

From the one-size-fits-all model and unprepared students...



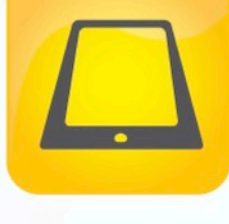
...to technology-enabled solutions customized for each student.



Three new trends in particular are bringing education into the modern age and helping to improve learning outcomes.

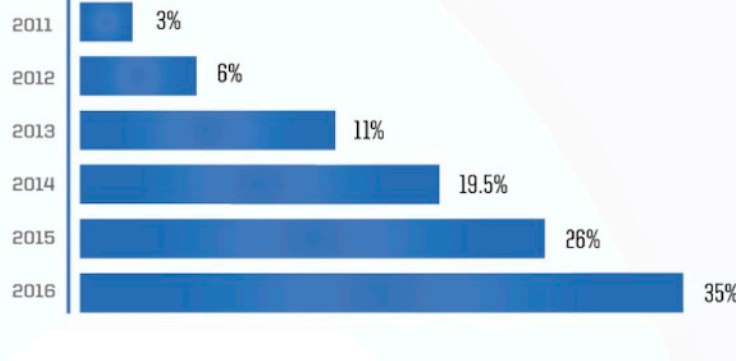
1 DIGITAL CONTENT

Digital textbook sales are projected to grow rapidly over the next decade



DIGITAL TEXTBOOK SALES

(AS PERCENT OF U.S. TEXTBOOK MARKET)

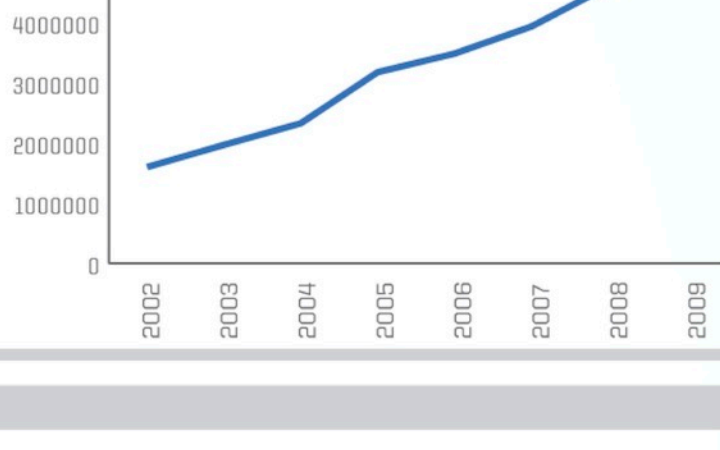


2 MASS DISTRIBUTION

The transformation of content from print to digital formats streamlines distribution and enables learning to happen anywhere.



ONLINE COLLEGE COURSE ENROLLMENT



3 PERSONALIZED LEARNING

New technologies generate individual learning profiles and custom solutions that ensure concept mastery.



"Today, our schools must prepare all students for college and careers—and do far more to personalize instruction and employ the smart use of technology."

—Arne Duncan, U.S. Secretary of Education

DIGITAL EDUCATION TODAY

GROWTH OF ONLINE LEARNING ENROLLMENT



Online learning enrollment growth rate vs. overall higher education enrollment

TEACHERS ARE EMBRACING ONLINE LEARNING TOOLS

93% of teachers believe online tools improve performance

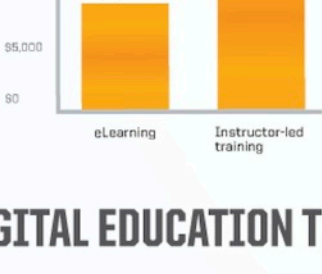
93%

95% of teachers believe that online tools engage students

95%

COST OF E-LEARNING VS. INSTRUCTOR-LED TRAINING

Cost for one-hour of instruction for 100 students



Cost savings by going digital

DIGITAL EDUCATION TOMORROW

PROJECTED GROWTH IN BLENDED LEARNING

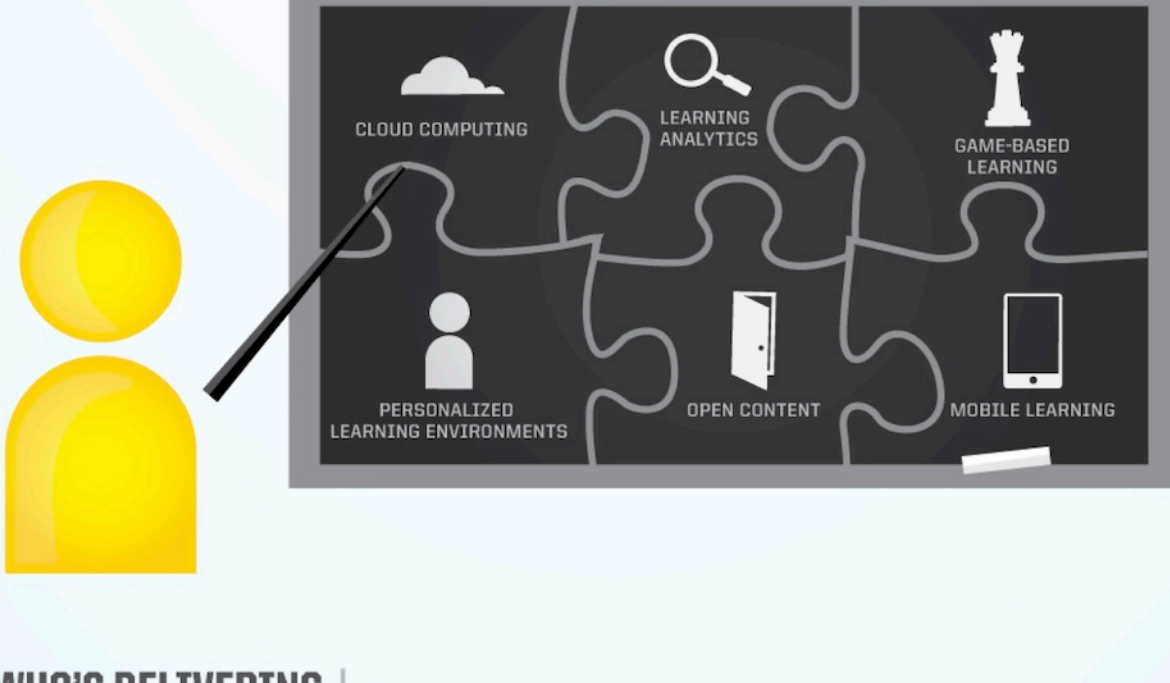
BLENDED LEARNING COURSES, WHICH CONTAIN BOTH CLASSROOM AND ONLINE COMPONENTS, ARE GROWING RAPIDLY.



People Using Blended Learning Solutions

THE FUTURE CLASSROOM

The education community is already adopting new technologies which will work together to result in more effective learning solutions.



WHO'S DELIVERING SOLUTIONS TODAY?

Educational publishers and degree-granting institutions are key to the continued growth of digital education.

FACT: U.S. COLLEGES EDUCATE 19 MILLION STUDENTS EACH YEAR.

FACT: 96% OF UNIVERSITIES OFFER AT LEAST ONE ONLINE CLASS.

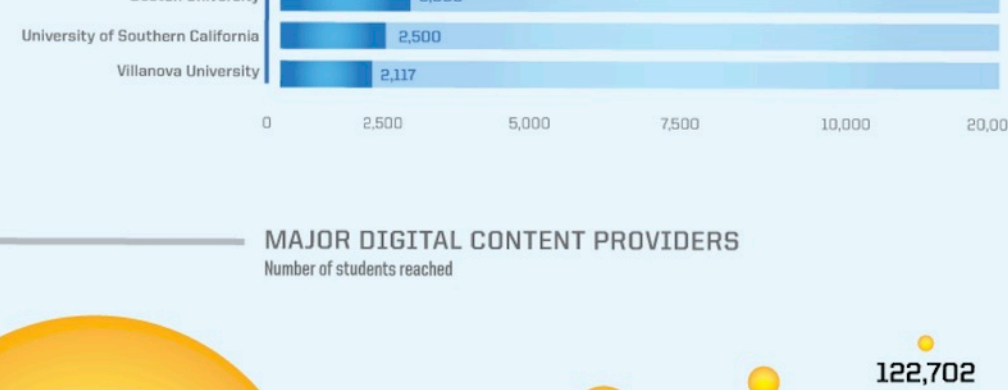
FACT: BY 2014, 81% OF POST-SECONDARY STUDENTS WILL TAKE SOME OR ALL OF THEIR CLASSES ONLINE.

FACT: 75,227,000 STUDENTS ATTEND K THROUGH COLLEGE INSTITUTIONS IN THE U.S.

FACT: IN 2010, 6.3 MILLION STUDENTS TOOK AT LEAST ONE ONLINE COURSE AT DEGREE-GRANTING POSTSECONDARY INSTITUTIONS.

NON-PROFIT UNIVERSITIES WITH ONLINE DEGREE PROGRAMS

Number of students enrolled



MAJOR DIGITAL CONTENT PROVIDERS

Number of students reached



Sources: Ambient Insight | Sloan Consortium | American Association of School Administrators | Center for Budget and Policy Priorities | New Media Consortium | Xplana Livros Hebdoo Publishers Weekly | BMO Capital Markets | Xplana | Gates Foundation | CIA World Factbook | Go-eknowledge.com | Arizona State University | University of Alabama DeVry University | Capella Education | Florida Virtual School | Michigan Virtual School | Mackinnac.org | Trade.gov | Education-Portal.com | CornellSun.com | Dartmouth.edu | Newton Telerate Estimates