

July 2, 2014



Aspen Group, Inc. Announces Preliminary Fourth Quarter Results

Year-Over-Year Revenues and Adjusted Gross Profits Increase 28% and 76%, Respectively

Adjusted Gross Margin Jumps 1,000 Basis Points Sequentially, from 50% to 60%

NEW YORK, July 2, 2014 (GLOBE NEWSWIRE) -- Aspen Group, Inc. (OTCBB:ASPU), parent of Aspen University, a nationally accredited online postsecondary education company, today announced preliminary fiscal 2014 fourth quarter results.

The Company expects to record revenues for the fourth quarter in excess of \$1.16 million, an increase of 28% from the prior year period. Adjusted Gross Profits, a non-GAAP financial measure, are expected to exceed \$694,000, an increase of over \$300,000 or 76% from the prior year period, and an increase of over \$193,000 or 38% sequentially. Adjusted Gross Margin jumped from 50% to 60% on a sequential basis.

Accordingly, Adjusted EBITDA losses, a non-GAAP financial measure, are expected to decline to (\$376,000), a decline of over 57% from the prior year period and a decline of over 38% sequentially. The Company reiterated that it expects to report positive Adjusted EBITDA in its upcoming fiscal year second quarter ending October 31, 2014.

"Aspen's innovative business model offering students the ability to earn their degree debt free through monthly payment plans is rapidly improving our financial results," said Chairman & CEO Michael Mathews. "Today thousands of Aspen University students have the opportunity to earn their degree debt free. But we're not satisfied. In the coming years, we intend on growing this University so we're in a position to inform millions of Americans that this debt free college degree opportunity exists," said Mathews.

Operational Update

Aspen continues to decrease its industry-leading cost per enrollment. During the fourth quarter, the Company's cost per enrollment declined 36% year-over-year to a record of \$705, due to continued increases in student enrollments, lower marketing spend and rising conversion rates.

The Company previously announced that its School of Nursing grew from 376 to 828 nursing students during the fiscal year ending April 30, 2014. That represented 74% of Aspen University's fiscal year 2014 full-time degree-seeking student body growth, as the University grew its student body from 1,875 to 2,485 or 33% year-over-year. Aspen's School of Nursing now accounts for 33% of its student body and is now Aspen's largest school.

The Company expects to file its April 30, 2014 Fiscal Year End 10-K in late-July.

About Aspen Group, Inc. (OTCBB: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 – 61 percent of our adjunct faculty hold doctoral degrees. To learn more about Aspen University, visit www.aspen.edu.

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 management benefits 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. We believe our shareholders are focused on these non-GAAP metrics because they disregard non cash GAAP charges and other GAAP metrics.

Aspen Group defines Adjusted EBITDA as earnings (or loss) from continuing operations before interest expense, amortization of prepaid stock, amortization of debt issue costs, amortization of debt discount, bad debt expense, depreciation and amortization, and amortization of stock-based compensation and other non-recurring expenses. Aspen Group excludes the charges from these items because they are non-cash or non-recurring in nature. Adjusted EBITDA is an important measure of our operating performance because it allows management, investors and analysts to evaluate and assess our core operating results from period-to-period after removing the impact of items of a non-operational nature that affect comparability.

Aspen Group defines Adjusted Gross Profit (or Adjusted Gross Margins) 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.

Cautionary Note Regarding Forward-Looking Statements

This release contains forward-looking statements including statements regarding our future growth in revenue, positive Adjusted EBITDA, Adjusted EBITDA losses and Adjusted Gross Margins, and increasing our student body. 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 competition, ineffective media and/or marketing, the continued acceptance of our monthly payment programs and failure to comply with regulatory requirements including our ability to obtain permanent certification. Further information on our risk factors is contained in our filings with the SEC, including the Prospectus dated October 21, 2013. 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.

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

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