



News Release

APOLLO GROUP, INC. REPORTS BUSINESS OUTLOOK FOR FISCAL 2003

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Phoenix, Arizona, August 29, 2002 -- Apollo Group, Inc. (Nasdaq:APOL, UOPX) today provided its business outlook for the first quarter of fiscal 2003 ending November 30, 2002 and the fiscal year ending August 31, 2003.

Apollo Group, Inc.

- We expect revenue for the quarter ending November 30, 2002 to be between \$290 million and \$292 million and to be between \$1.280 billion and \$1.285 billion for fiscal 2003.
- Operating margin is expected to be between 23.0% and 23.5% for the quarter ending November 30, 2002 and to be between 25.0% and 25.5% for fiscal 2003.

University of Phoenix Online

- We expect revenue for the quarter ending November 30, 2002 to be between \$100 million and \$101 million and to be between \$490 million and \$495 million for fiscal 2003.
- Operating margin is expected to be between 27.0% and 27.5% for the quarter ending November 30, 2002 and to be between 31.5% and 32.0% for fiscal 2003.

Diluted earnings per share attributed to Apollo Education Group are expected to be \$0.23 for the quarter ending November 30, 2002 and to be \$1.06 for fiscal 2003. Diluted earnings per share attributed to University of Phoenix Online are expected to be \$0.13 for the quarter ending November 30, 2002 and to be \$0.74 for fiscal 2003. These diluted earnings per share numbers for the quarter ending November 30, 2002 are consistent with the current First Call consensus estimates.

Based on lead flow, we expect degree enrollments at The University of Phoenix (excluding University of Phoenix Online) to continue to grow between 12% and 14% over the prior year at the end of the first quarter of fiscal 2003. We expect University of Phoenix Online degree enrollments to continue to grow in excess of 50% over the prior year at the end of the first quarter of fiscal 2003.

Apollo Group, Inc. has been providing higher education programs to working adults for over 25 years. Apollo Group, Inc., operates through its subsidiaries The University of Phoenix, Inc., Institute for Professional Development, The College for Financial Planning Institutes Corporation, and Western International University, Inc. The consolidated enrollment in its educational programs makes it the largest private institution of higher education in the United States. It offers educational programs and services at 63 campuses and 109 learning centers in 37 states, Puerto Rico and Vancouver, British Columbia. Combined degree enrollment was 148,100 students as of May 31, 2002.

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For more information about Apollo Group, Inc. and its subsidiaries, call (800) 990-APOL or visit Apollo on the World Wide Web at <http://www.apollogrp.edu>.

This press release includes statements that constitute “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995 (the “Reform Act”). Apollo Group, Inc. claims the protection of the safe-harbor for forward-looking statements contained in the Reform Act. These forward-looking statements are often characterized by the terms “may,” “believes,” “projects,” “expects,” or “anticipates,” and do not reflect historical facts. Specific forward-looking statements contained in this press release relate, among other matters, to the business outlook of Apollo Group, Inc.

Forward-looking statements involve risks, uncertainties and other factors which may cause actual results, performance or achievements of Apollo Group, Inc. to be materially different from those expressed or implied by such forward-looking statements. Factors that could affect Apollo Group, Inc.’s results and cause them to materially differ from those contained in the forward-looking statements include:

- the failure to maintain or renew required regulatory approvals, accreditation or state authorizations;
- the failure to obtain authorizations from states in which University of Phoenix does not currently provide degree programs;
- the failure to obtain the Higher Learning Commission’s approval for University of Phoenix to operate in new states;
- any adverse changes in student enrollment;
- risk factors and cautionary statements made in Apollo Group, Inc.’s Annual Report on Form 10-K for the period ended August 31, 2001; and
- other factors that Apollo Group is currently unable to identify or quantify, but may arise or become known in the future.

These forward-looking statements are based on estimates, projections, beliefs, and assumptions of us and our management and speak only as of the date made and are not guarantees of future performance. We undertake no obligation to publicly update or revise any forward-looking statements, or any facts, events or circumstances after the date hereof that may bear upon forward-looking statements. You are advised, however, to consult any further disclosures we make in our reports filed with the Securities and Exchange Commission.