

Edgar Filing: WHITMAN EDUCATION GROUP INC - Form 425

WHITMAN EDUCATION GROUP INC

Form 425

March 31, 2003

Filed by Whitman Education Group, Inc.

Pursuant to Rule 425 under the Securities Act  
of 1933 and deemed filed pursuant to Rule 14a-12  
under the Securities Exchange Act of 1934.

Subject Company: Whitman Education Group, Inc.

*Commission File No. 1-13722*

Date: March 28, 2003

The following slide show presentation has been made available by Whitman Education Group, Inc. on their website in connection with a conference call held by Career Education Corporation and Whitman Education Group, Inc. on March 27, 2003 to discuss, and answer questions related to, the planned merger between Whitman Education Group and a wholly owned subsidiary of Career Education:

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[CAREER EDUCATION CORPORATION LOGO]

[WHITMAN EDUCATION GROUP, INC. LOGO]

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### Safe Harbor Language

*Except for the historical and present factual information contained herein, the matters set forth in this slide presentation, including statements as to the expected date of the closing of the merger, future financial and operating results, expected benefits and synergies of the merger, tax treatment of the merger, future opportunities and any other effect, result or aspect of the proposed transaction and any other statements identified by words such as anticipates, expects, projects, plans, will, and similar expressions are forward-looking statements within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Such statements are based on information currently available to us and involve risks and uncertainties that could cause our actual growth, results, performance and business prospects and opportunities to differ materially from those expressed in, or implied by these statements. These risks and uncertainties include, but are not limited to, costs and difficulties related to the integration of acquired businesses, costs, delays, and any other difficulties related to the merger, failure of the parties to satisfy closing conditions to the merger, risks and effects of legal and administrative proceedings and governmental regulations, future financial and operational results, competition, general economic conditions, ability to manage and continue growth, and other risk factors relating to our industry and business as detailed in CEC's Annual Report on Form 10-K for the year ended December 31, 2002 and from time to time in each of CEC's and Whitman's reports filed with the SEC. CEC and Whitman disclaim any responsibility to update these forward-looking statements.*

*CEC and Whitman will file a proxy statement/prospectus concerning the proposed merger transaction with the SEC as soon as practicable. Investors are urged to read the proxy statement/prospectus when it becomes available and any other relevant documents filed with the SEC because they will contain important information about CEC, Whitman and the merger. You will be able to obtain the documents free of charge at the Web site maintained by the SEC at [www.sec.gov](http://www.sec.gov). In addition, you may obtain documents filed with the SEC by CEC free of charge by requesting them in writing from Career Education Corporation, 2895 Greenspoint Parkway, Suite 600 Hoffman Estates, Illinois 60195 Attention: Investor Relations Department, or by telephone at (847) 585-3899. You may obtain documents filed with the SEC by Whitman free of charge by requesting them in writing from Whitman Education Group, Inc., 4400 Biscayne Boulevard, Miami, Florida 33137, or by telephone at (800) 445-6108.*

*Whitman Education Group, Inc. and its directors and executive officers may be deemed to be participants in the solicitation of proxies from the shareholders of Whitman Education Group, Inc. in connection with the merger. Information about Whitman directors and executive officers and their ownership of Whitman stock is set forth in the proxy statement for Whitman's 2002 annual meeting of shareholders, which was filed on July 15, 2002. Investors may obtain additional information regarding such participants' interests in the merger by reading the proxy statement/prospectus when it becomes available.*

*Whitman investors should read the proxy statement/prospectus carefully when it becomes available before making any voting or investment decisions.*

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**What is Whitman Education?**

Publicly-traded on AMEX ( WIX )

Operates 3 school brands with 22 campuses in 13 states

Approximately 9,800 students

Focused curricula in Health Education, Business & Information Technology

Attractive geographic locations

Revenue of \$109 mil for FY March 31, 03E

EBITDA, excluding transaction costs, of \$16.8 mil for FY March 31, 03E

Revenue increase of 19% YOY for FY March 31, 03E

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**What does Whitman offer CEC ?**

Platform for growth for Health Education Division

Additional regional accreditation

Strong recent financial and operating performance

Quality brand names with significant opportunity for expansion

Advanced degrees (Bachelor's, Master's, Doctorate)

Attractive geographic markets

Atlanta, Cleveland, Dallas, Denver, Ft. Lauderdale, Houston, Jacksonville, New York City, Tampa

13 campuses in the Top 50 populated US markets

High quality school-level management

Regionally accredited online platform

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**What does CEC offer Whitman?**

Multi-dimensional marketing model

Ability to attract a broader student market

Strong management experience and expertise

New curricula offerings in Visual Communication, Design and Education

Successful track record for transplanting curricula

Start-up campus expertise

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**How does Whitman compare to CEC?**

|                                    | <b>Career Education Corporation</b> |        | <b>Whitman Education Group</b> |       |
|------------------------------------|-------------------------------------|--------|--------------------------------|-------|
| Calendar 2002 Revenue (millions) * | \$                                  | 751    | \$                             | 105   |
| Number of Campuses                 |                                     | 51     |                                | 22    |
| Student Population                 |                                     | 55,000 |                                | 9,800 |
| Core Curricula (Approx.% pop.):    |                                     |        |                                |       |
| VisCom and Design                  |                                     | 41%    |                                | NA    |
| Business Studies                   |                                     | 27%    |                                | 12%   |
| Information Technology             |                                     | 16%    |                                | 19%   |
| Culinary Arts                      |                                     | 14%    |                                | NA    |
| Health Education                   |                                     | 2%     |                                | 69%   |
| Degrees Offered (Approx.% pop.):   |                                     |        |                                |       |
| Diploma / Certificate              |                                     | 14%    |                                | 70%   |
| Associate s                        |                                     | 54%    |                                | 12%   |
| Bachelor s/Master s/Doctoral       |                                     | 32%    |                                | 18%   |

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\* Excludes the Feb. 18, 03 acquisition of the INSEEC Group

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[ULTRASOUND DIAGNOSTIC SCHOOLS LOGO]

**Ultrasound Diagnostic Schools**

Founded in 1977

14 locations primarily in the Eastern U.S.

Approximately 5,300 students

Broad platform of accredited programs in Health Education

Medical Assisting

Surgical Technology

Medical Coding & Billing

Cardiovascular Technology

Diagnostic Medical Ultrasound

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[SANFORD-BROWN COLLEGE LOGO]

**Sanford-Brown College**

Founded in 1866

Locations (4 in Missouri & 1 in Illinois)

Approximately 1,700 students

Strong local area presence

50% Diploma & 50% Associate

Health Education (*includes Practical & Registered Nursing*)

Information Technology

Business

Nationally accredited by ACICS

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[COLORADO TECHNICAL UNIVERSITY]

**Colorado Technical University**

Founded in 1965

3 locations in Denver, Colorado Springs & Sioux Falls

Approximately 2,800 students

Predominately Bachelor's, Master's, and Doctoral degrees

Information Technology

Business

Undermarketed online offerings

Regionally-accredited by North Central Association (both on-campus and online)

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**Integration Strategy**

Focused management direction from dedicated CEC divisional team

Invest in marketing & expand the marketing mix

Invest in retention & placement

Consolidate Executive office

Capital investment & facility expansion

Invest in online

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**Diversified Curricula Offerings**

Student % by curricula offerings

*CEC & Whitman Combined*

|               |     |
|---------------|-----|
| VisCom/Design | 34% |
| Business      | 25% |
| IT            | 17% |
| Health Ed.    | 12% |
| Culinary      | 12% |

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**Diversified Degree Offerings**

Student % by degree offerings

*CEC & Whitman Combined*

|                               |     |
|-------------------------------|-----|
| Associate s                   | 48% |
| Bachelor s/Master s/Doctorate | 30% |
| Certificate/Diploma           | 22% |

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**Transaction Summary**

Purchase Price - \$14.25 per WIX share

\$6.00 in cash

\$8.25 in CEC shares (subject to adjustment)

**Valuation**

Approx. \$230.0 mil enterprise value

Approx. 2.1x FY March 31, 03E Revenue

Approx. 13.7x FY March 31, 03E EBITDA

**Earnings Per Share**

Accretive to 03E Earnings

Expected to close by July 03

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