

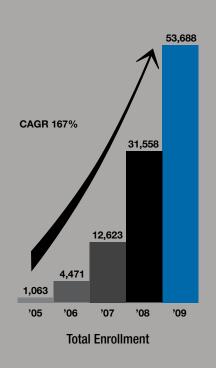
We believe in removing barriers to earning a college degree by making a quality higher education affordable and accessible. To fulfill that mission, we have built a best-in-class model for

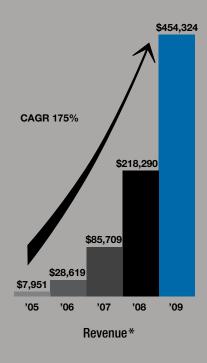
postsecondary education.

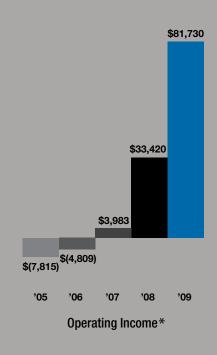
09 ANNUAL REPORT



## Financial Highlights







For the Year	2005	2006	2007	2008	2009
Total enrollment	1,063	4,471	12,623	31,558	53,688
Growth %	N/A	321%	182%	150%	70%
Revenue*	\$ 7,951	\$ 28,619	\$ 85,709	\$ 218,290	\$ 454,324
Operating income (loss)*	\$ (7,815)	\$ (4,809)	\$ 3,983	\$ 33,420	\$ 81,730
Earnings (loss) per share fully-diluted	\$ (6.53)	\$ (2.15)	\$ 0.01	\$ 0.16	\$ 0.74
Cash flow provided by operations*	\$ (7,244)	\$ (1,082)	\$ 10,367	\$ 70,748	\$ 131,727

Bridgepoint Education offers innovative approaches to the challenges facing higher education. Bridgepoint's universities help students overcome obstacles to earning a degree by providing affordability, high transferability of credits and online flexibility, without sacrificing academic quality. Our fine academic institutions deliver regionally accredited, high-quality degree programs through our traditional campuses, as well as online. We have built a strong business model on a compelling student value proposition, one that differentiates our educational programs from others in the postsecondary market. It is this difference that makes our campuses and online learning programs very attractive to prospective students. That difference has strategically positioned Bridgepoint Education as a major provider of superior postsecondary education services.



## **DEAR SHAREHOLDERS:**

## **HIGHER ACCESS TO HIGHER EDUCATION**

Many positive factors came together in 2009 to make it a significant year in Bridgepoint Education's history. Having earned the status of a major provider of quality postsecondary education services, we celebrated our first year as a publicly traded company. Year-over-year revenue increased for the fifth straight year. Both of our academic institutions—Ashford University and University of the Rockies—experienced significant increases in student enrollment and graduates from the previous year.

The environment in which we operate also contributed to our growth. The increasing cost of a traditional college education, as well as the push by the Obama Administration for greater access to higher education for all Americans, especially for the underserved, are examples of factors making regionally accredited, private-sector universities an increasingly desirable option for students of all ages. The ability of our universities to deliver flexible, affordable, quality choices in postsecondary education at any time, from anywhere in the world, puts our institutions at the leading edge of meeting students' educational needs.

## A YEAR OF SUPERIOR PERFORMANCE

By virtually every measure, 2009 was a year of strong growth and solid performance for Bridgepoint Education. Revenue increased 108.1% to \$454.3 million from \$218.3 million the year before. Operating income for the year rose 144.6% to \$81.7 million. Year-over-year total student enrollment at our two academic institutions climbed 70.1% to 53,688 at the end of 2009, versus 31,558 the previous year.

## **STARTING ON SOLID GROUND**

Bridgepoint's mission focuses on attaining bestin-class performance in all we do. As a prime example, our value proposition to students is a compelling one, attracting students to Ashford University as their college of choice. This student value proposition comprises four appealing reasons for students to enroll:

- **1. Affordability:** As the cost of higher education continues to rise, tuition for our quality degree programs remains within Title IV loan limits.
- 2. High transferability: Students may transfer up to 99 approved credits toward their bachelor's degree at Ashford University, one of only six colleges in the U.S. to do so, according to internal research.
- **3. Campus heritage:** While 99% of our students choose to learn online, they derive a sense of trust and connection to the student community at our traditional universities and their long-standing campuses.
- 4. Accessibility: Our online delivery model, coupled with the convenience of weekly class starts and sequential courses, makes our academic offerings highly accessible to a broad segment of the population.

## A COMPLIANCE-DRIVEN CULTURE

We have instilled in our academic institutions a strong culture of compliance and transparency. In 2009, Ashford University and University of the Rockies participated in Transparency by Design, a consortium of private- and public-sector universities that provides detailed consumer information to prospective students.

Since its inception, Bridgepoint Education has fostered a solid culture of compliance and has invested significantly to ensure our ability to maintain a best-in-class regulatory compliance program. Internally, seasoned industry professionals lead our regulatory compliance efforts, and we currently employ more than 90 individuals who focus on ensuring compliance. As a group, these individuals have established a highly structured system of internal checks and balances.

## **OUR STRATEGIC MARKET POSITIONING**

Bridgepoint Education is committed to controlled growth. We have developed focused recruitment efforts and pricing programs for students from the military and corporations, and we are increasing graduate-level offerings for those seeking advanced degrees.

Military personnel have been especially responsive to the offerings of our student value proposition, particularly the 24/7 online access to quality postsecondary education from virtually anywhere in the world. Enrollment in the military sector has increased from 3% of total students at the end of 2007, to 17% of total students at the end of 2009.

Our key partners in the corporate channel rely on us to help them offer quality, college-level courses to their employees at a reasonable cost. We have launched a National Corporate Team to develop this channel further.

We have continued to expand our graduatelevel programs by focusing on higher-demand vertical industries, such as business, healthcare/psychology, and education.

## A STUDENT-CENTRIC VIEW

Students are our central concern. Our enrollment growth at Ashford University and University of the Rockies is matched by strong learning outcomes through our universities' quality academic programs. Both institutions offer a wide array of student-support services, such as academic and financial advising, as well as online tutorial services and library services, designed to help our traditional and online students successfully complete their degree programs.

Our full-time faculty members, with help from professional content experts, develop the standardized curricula used in our traditional institutions, as well as across all of our online programs, to ensure superior learning outcomes.

## **EXPERIENCED MANAGEMENT TEAM**

Our executive management team, which is highly experienced in private-sector, postsecondary education, effectively executes our strategic business model with the highest ethical standards. These dedicated professionals have worked together for up to six years to develop and finely hone our student value proposition, which is at the heart of our growth model.

## A COMMITMENT TO SOCIAL RESPONSIBILITY

Bridgepoint Education cares about and gives back to the communities we serve. In fact, we have made that a core value. As an active corporate partner reaching out to alleviate the challenges many people face, we have identified three focus areas most relevant to our mission: education, youth and the military.

At Bridgepoint Education, we are committed to expanding educational opportunities for educators and students alike. Scholarship programs allow members of both groups to participate in various enriching educational programs.

## **QUALITY DRIVES RESULTS**

Finally, our commitment to quality drives everything we do—from providing superior education programs and services to the students we serve to proudly supporting the communities in which we live and work. It is with great commitment and enthusiasm that we focus on delivering high-quality results for our students. It is the success of our students, the professionalism of our faculty, the efforts of our employees, and the trust of our shareholders that will help us achieve our goal of becoming a best-in-class organization. Thank you for your investment in and support of our company.

Andrew S. Clark
President and
Chief Executive Officer

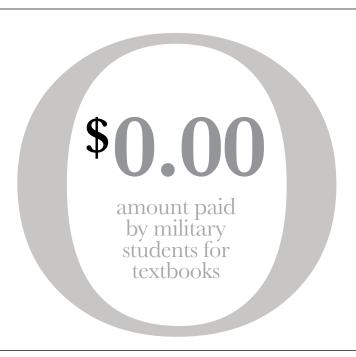


## Bridgepoint Education by the numbers:

97%

of Ashford University students would recommend Ashford to others

number of approved transfer credits an Ashford University student can apply toward their bachelor's degree



99%

of alumni state Ashford University prepared them for their current job

our executive management has more than 100 combined years of industry experience

Bridgepoint Education's

Core values: integrity ethics service

of alumni who attended a traditional college feel that the **quality** of an Ashford education is equal to or **better** than a traditional college

average years of teaching experience for faculty

100 percent of faculty with GRADUATE DEGREES

5,688 TOTAL

ENROLLMENT as of DECEMBER 31, 2009

## We built a business model to deliver widespread access to high-quality postsecondary education.

## CENTERING ON THE STUDENT—HOW THE BRIDGEPOINT EDUCATION MODEL WORKS

Bridgepoint Education (NYSE: BPI) was founded on the principle that anyone who is academically prepared deserves access to higher education without sacrificing quality, transferability of credits, accessibility, academic standards or credentials. Today, Bridgepoint Education is delivering superior postsecondary education programs to students through our two traditional, campus-based academic institutions—Ashford University in Clinton, Iowa, and University of the Rockies in Colorado Springs, Colorado. Both universities offer academic programs via campus classrooms, as well as through an increasingly popular online delivery.

Ashford University, founded in 1918, offers programs at the associate's, bachelor's, and master's degree levels. Major disciplines include business, education, psychology, social sciences and health sciences.

The long history and traditions of Ashford's bricks-and-mortar campus are of particular value, especially to our growing base of online students. It provides them with a much-desired connection to a physical university campus

experience. A case in point: At the May 2009 commencement ceremonies held at Ashford's campus, more than 400 Ashford University graduates from 40 states and six countries participated in the ceremonies, even though the majority had earned their degrees online and traveled to the Iowa campus from out of state.

University of the Rockies, founded in 1998, offers educational programs, both on campus and online, primarily leading to a graduate degree in psychology. Master's degree students can specialize in a range of areas, including executive coaching, general psychology, non-profit management and organizational leadership. The online doctor of psychology degree includes executive coaching, non-profit management and organizational leadership.

Both Ashford University and University of the Rockies are regionally accredited by the Higher Learning Commission of the North Central Association of Colleges and Schools (www.ncahlc.org). As of December 31, 2009, the combined enrollment of our two universities was 53,688 students, 99 percent of whom were taking their coursework exclusively online.

## Presenting a better model for

## postsecondary education



Student value proposition an attractive solution for today's adult learner



## STUDENT VALUE PROPOSITION—AN ATTRACTIVE SOLUTION FOR TODAY'S ADULT LEARNER

The demand for online learning is increasing at a phenomenal pace. A recent survey by the Sloan Consortium, "Online Education in the United States, 2009," revealed the number of students taking at least one online course during the fall 2008 term rose 17 percent over 2007, while the overall higher education student population grew just 1.2 percent. And today, 25 percent of all college students are taking at least one class online.

This burgeoning online trend seamlessly integrates with our student value proposition—a critical component of our business model and one of the most compelling and strategic elements of our marketing and admissions plans. We have a compelling answer to the four most-asked questions by prospective Ashford University students:

- Can I afford a quality college education?
- Can I transfer the credits I earned at another college?
- Are the academic programs easily accessible, and will they fit into my daily schedule?
- Is there a sense of tradition—a student community or campus heritage I can connect with?

At Ashford University, the answer to all is "Yes."

Responsible for driving strong results, Bridgepoint Education's student value proposition helps prospective students successfully hurdle the common barriers to completing their postsecondary education. The value proposition is a major differentiator among our peers. Its four cornerstones create a solid platform for growth.

## **AFFORDABILITY**

Put simply: Ashford University is more affordable for students. Tuition, which is priced within Title IV limits, is 20% to 50% below the majority of publicly traded peers and comparable with rates for state colleges.

## **TRANSFERABILITY**

Per Bridgepoint Education's internal research, Ashford University remains one of only six postsecondary institutions that allow students to transfer up to 99 approved credits toward their bachelor's degree program. Approximately 73% of Ashford students transfer in credits, and 49% of these students transfer more than 50 credits.

## **HERITAGE**

Online students at Ashford University and University of the Rockies share a sense of belonging, a connection to a traditional university campus and the academic community that resides there. This special heritage not only attracts students to our institutions, but it helps them stay connected and complete their degree programs.

Ashford University provides its traditional-aged college students with the culture, history and traditions important to campus-based students. The 24-acre campus is designed to meet students' academic, athletic, and social needs, while the 17 National Association of Intercollegiate Athletics (NAIA) sports teams competing in the Midwest Collegiate Conference provide student-athletes with the opportunity to pursue their passions athletically.

## **ACCESSIBILITY**

Convenience and flexibility are key components of program delivery at our academic institutions, especially for working adults. To help online students complete their degree programs, courses are 5–6 weeks in length and are typically taken one course at a time. Asynchronous delivery of the online classroom allows students to login when it is convenient for them to post their work or participate in discussions.

## A COMMITMENT TO ACADEMIC AND ADMINISTRATIVE QUALITY

Bridgepoint Education focuses on maintaining and enhancing the quality and delivery of the educational services our institutions provide students. Nowhere is that more apparent than in the credentials and professionalism of our full-time faculty, 100 percent of whom have graduate degrees.

The academic rigor of our two institutions is underlaid with the strength, experience and dedication of our faculty. These highly qualified academic professionals, with assistance from professional content experts, develop our curricula for both our traditional campuses and all online programs, thus ensuring consistent quality across all academic delivery channels—a tremendous benefit to our online students. Our faculty also provides strong governance and quality checks to produce satisfactory learning outcomes.

In 2009, Bridgepoint Education acquired Waypoint Outcomes, a creator and publisher of interactive rubrics and surveys used to develop crucial data on student achievement. Waypoint helps educators improve the quality of feedback they provide to their students and build a culture of continuous improvement. Bridgepoint Education uses Waypoint, as do faculty at many other universities, to help ensure the quality of our universities' educational outcomes.

To help create a meaningful student experience, Bridgepoint incorporates the use of additional academic professionals dedicated to supporting the faculty at its universities. Support positions include directors of academic quality, academic staff dedicated solely to assessment and student learning, teaching assistants who provide writing support for undergraduate students, and instructional specialists who monitor faculty and ensure adherence to instructional standards.

Student satisfaction is a key indicator of quality and performance. External assessments (using the Noel-Levitz Satisfaction-Priorities Assessments) revealed Bridgepoint's Ashford University outperformed the national average in overall student satisfaction with our educational programs. When asked whether students would recommend Ashford University to others, Ashford also outperformed the national average. In addition, Ashford students ranked the following items as very important with high levels of satisfaction related to their Ashford experience: one, the tuition paid is a worthwhile investment; two, assessment and evaluation procedures are clear and reasonable; and three, Ashford faculty members provide timely feedback about student progress.

Similarly, internal surveys of Ashford students and alumni showed significant results that support quality outcomes. For instance, in our past seven student-satisfaction surveys dating back to April of 2007, an average of 97% of our students surveyed would recommend Ashford University to others seeking their degrees. In Ashford University's most recent alumni survey, 99% of alumni felt their Ashford University program prepared them for their current job and more than nine out of ten alumni say they are satisfied with their Ashford University experience.

In 2009, Ashford University and University of the Rockies joined Transparency by Design, a consortium of accredited colleges and





universities aimed at providing adult learners with better information in choosing a distance-learning institution. Additionally, our two academic institutions are already members of Academy for Assessment of Student Learning and Quality Matters Consortium. Both organizations focus on the assessment of student learning and the quality of online courses and online components.

Ashford University and University of the Rockies have strong student-services programs that allow students to benefit from their academic experience, which in turn increases student retention. A dedicated Student Support Team, consisting of an enrollment advisor, an academic advisor and a financial advisor, is assigned to each student. This team of professionals maintains close contact with the student throughout his or her academic life cycle. To improve basic skills, students also have direct access to online writing center labs and extensive online tutoring. To maintain operating consistency in the area of student support, the administrative staffs of Ashford University and University of the Rockies also receive continuous evaluation from dedicated assessment teams.

## **FOSTERING A STRONG CULTURE OF COMPLIANCE**

Since our inception, Bridgepoint Education has fostered a strong culture of compliance to address regulatory issues, an area of critical importance to our business and one in which we continue to invest heavily. We have a large group of individuals who focus on compliance. These individuals have established a system of internal checks and balances to ensure we maintain regulatory compliance. In addition, we engage experts in regulatory issues to perform frequent reviews of Bridgepoint's systems and processes to ensure their current compliance.

Each year, an independent auditor performs a compliance audit of Ashford University

and University of the Rockies, as required by federal regulations. Bridgepoint Education has also implemented a system to allow students, employees and other interested parties to report any compliance issues.

## A COST-EFFICIENT, SCALABLE OPERATING MODEL

At Bridgepoint Education, our management team has developed an operating model that is not only cost-efficient but also scalable enabling us to offer a superior educational experience at an affordable tuition rate while generating attractive operating margins. Our processes and related technologies allow us to meet the instructional support-services needs of our students. Both our scalable operating model and our learning model are capable of supporting a much larger student population than is currently enrolled. We gain other cost efficiencies through our scalable online architecture, our focus on developing internal talent and our ratio-driven staffing model. Additionally, general and administrative costs are inversely proportional to increases in the number of enrolled students.

## **DEVELOPING STRATEGIC RELATIONSHIPS**

Bridgepoint Education recognizes the growth potential in two existing vertical channels—the U.S. military and corporate employers. Our two universities are developing unique and relevant strategic relationships with both.

The military channel team for our universities focuses on the educational needs of the military community. Our team is composed primarily of prior military members who understand the challenges facing current and former service members. We strive to provide all qualifying members of the military community anywhere in the world the opportunity to earn their degree. We offer military members a tuition grant, part of which reduces tuition fees and covers the cost of required textbooks.

Military enrollment grew at Ashford from 3 percent of total student enrollment in December 2007 to 17 percent in December 2009. In addition, in 2009 Ashford University was one of only three schools selected for the Army Letter-of-Instruction program; GoArmyEd.com added Ashford to its website, and the university was recognized by Military Advanced Education, G.I. Jobs and Military Times Edge magazines as a top militaryfriendly school.

In the corporate channel, employees of several major organizations, such as Blockbuster, Inc., the U.S. Postal Service and the International Union of Police Associations, benefit from Ashford University's affordability and transferability. Ashford's affordable tuition and the ability to transfer up to 99 approved credits, some of which may come from documented corporate training, lowers the overall cost to corporate continuing education programs and enables employers to stretch their tuition reimbursement budgets.

We follow a defined process for identifying and evaluating the demand for new degreeprogram opportunities. It incorporates student, faculty and market feedback, as well as macro trends in the relevant disciplines. According to a March 2009 report from the National Center for Educational Statistics, the programs in Ashford's current disciplines represent nearly 70 percent of the total bachelor's degrees conferred by all postsecondary institutions in 2006-2007.

Ashford University and University of the Rockies focus on specific degree programs that offer a strong demand for education and significant opportunity for employment. Our current program portfolio includes offerings at the associate's, bachelor's, master's and doctoral levels in the disciplines of business, education, psychology, social sciences and health sciences.

## **HIGHER ACCESS TO HIGHER EDUCATION**

The postsecondary education market in the United States represents a large, growing opportunity for Bridgepoint Education. There are two primary drivers: 1) the growing number of occupations that now require a bachelor's or master's degree, and 2) the higher compensation individuals with postsecondary degrees typically earn as compared with those who have not earned a degree. You'll find Bridgepoint Education at the convergence of these two dynamic factors. We are committed to providing our students with a rigorous and rewarding academic experience, one that provides not only better earning potential, but also the knowledge and experience necessary to be contributors, educators and leaders in their chosen professions. Our scalable, strategic operating model, coupled with our quality-focused student value propositionaffordability, transferability, heritage, and accessibility—positions Bridgepoint Education as a best-in-class provider of quality higher education programs to an increasing number of students seeking outstanding educational and career outcomes.







At Bridgepoint Education, we believe earning a postsecondary degree is a life-changing eventone that reveals many new paths and career opportunities. For graduates of Ashford University and University of the Rockies, earning a degree is the beginning of another great adventure. While our student value proposition makes it more accessible for students to obtain quality higher education, the curricula of our two institutions equip them with the skills and knowledge needed to thrive in their careers and lives. The result is a better future for graduates, their families and the communities in which they live and work.



# Working adults bring higher education home, one online course at a time.

In the job market today, higher education credentials are often required for career advancement and leadership in organizations large and small. Yet the traditional model of going to college after graduating from high school is not possible for everyone. Working adults, single moms, and people interested in a different career path all need flexible access to higher education. The average age of online students at Ashford University and University of the Rockies is 35. Most of them have existing commitments and responsibilities, so they turn to us to provide high-quality online degree programs they can access on their own time and in the comfort of their own homes.

In 2009, Ashford University continued its partnership with "Project Working Mom... and Dads, Too!"—a national scholarship initiative that seeks to remove the barriers of money, time and confidence, which often keep people from returning to school. The latest campaign received nearly 130,000 applications, more than double the number submitted in the first two rounds held in 2008. In 2009, Ashford University awarded 10 full-ride online degree program scholarships to working parents from across the nation, bringing the total number of scholarships to Working Moms and Dads to 20.





## Our faculty extends academic quality beyond the classroom.

Our campus faculty develops quality curricula that extend beyond the physical classroom. Unlike other universities with online programs that develop separate content for
their traditional programs, our full-time faculty develops comprehensive online degree
programs based on the same content they create for classroom delivery. To ensure a
consistent quality of student experience, additional academic professionals are dedicated
to supporting the faculty at our universities. This academic team includes directors of
academic quality, teaching assistants who provide writing support, and instructional specialists who monitor faculty and ensure adherence to instructional standards. This vast
network of faculty and their support teams allows students to receive relevant feedback
on their work so they can learn more effectively from their instructors. And reaching
tens of thousands of students through the online platform gives our faculty an expanded
perspective and higher sense of purpose.



## We serve those who serve our country anywhere in the world.

Even when serving overseas, U.S. military personnel are able to earn their degrees from Ashford University or University of the Rockies. The flexibility of the online classroom means they only need to login in order to connect with fellow classmates and their instructor. Thanks to our specialized military division and the benefits available to the military population, all active duty personnel, their spouses, dependents utilizing survivor benefits, Department of Defense employees, separated veterans, and retirees eligible for VA Education benefits can take advantage of our universities' online degree programs.

# Our students fulfill their dreams of getting an education, despite the odds.

A significant number of our students come from families in which neither parent attended college. These students know the value of earning a degree; they understand that a college education brings them closer to a fulfilling career and a better life. They choose one of Bridgepoint Education's universities, not just because they are more accessible, affordable and supportive, but because our academic institutions deliver high-quality academic programs.





## We enrich the lives and communities we serve.

Bridgepoint Education embraces the opportunity, as well as the responsibility, to enrich the communities we serve. As an active corporate partner reaching out to alleviate the challenges many people face, we have identified three focus areas most relevant to our mission: education, youth and the military. Bridgepoint Education is committed to supporting educational opportunities for both educators and students through scholarships, volunteer work or financial support. Additionally, youth outreach enables us to sponsor numerous causes that support children, including programs serving underprivileged schools providing hope and incentive to local youth. Finally, we maintain a close association with the men and women of the Armed Forces and strive to uphold the pillars of Duty, Honor and Education.





## 

## Corporate

## Information

## **MANAGEMENT**

### Andrew S. Clark

President and Chief Executive Officer Bridgepoint Education

## Christopher L. Spohn

Senior Vice President, Chief Admissions Officer

## Jane McAuliffe

Senior Vice President, Chief Academic Officer, CEO/President of Ashford

## **BOARD OF DIRECTORS**

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President and Chief Executive Officer Bridgepoint Education

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## Dale Crandall

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## Adarsh Sarma

Managing Director of the Technology, Media and Telecommunication Group at Warburg Pincus LLC

## OTHER CORPORATE INFORMATION

## **Corporate Address**

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## **Annual Meeting of Shareholders**

May 12, 2010 Bridgepoint Education Inc. Headquarters San Diego, CA

## **Stock Quote**

Bridgepoint Education (NYSE: BPI)

## **Transfer Agent**

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