

LAUREATE EDUCATION, INC.  
Form 10-K/A  
March 23, 2006

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 10-K/A**

Amendment No. 1

**ý ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**for the fiscal year ended December 31, 2005.**

**OR**

**o TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**for the transition period from                    to                    .**

**Commission File Number 0-22844**

**LAUREATE EDUCATION, INC.**

(Exact name of registrant as specified in its charter)

**Maryland**

**52-1492296**

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(State or other jurisdiction of  
incorporation or organization)

(I.R.S. Employer  
Identification No.)

**1001 Fleet Street, Baltimore, Maryland**  
(Address of principal executive offices)

**21202**  
(Zip Code)

Registrant's telephone number, including area code: **(410) 843-6100**

Securities registered pursuant to Section 12(b) of the Act: **None**

Securities registered pursuant to the Section 12(g) of the Act:

**Common Stock, Par Value \$.01**

**Preferred Stock Purchase Rights**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act Yes  No .

Indicated by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act. Yes  No .

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d), of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No .

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer or a non-accelerated filer. See definition of accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

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Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes  No .

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The aggregate market value of voting Common Stock held by non-affiliates of the registrant was approximately \$2,336,660,931 as of June 30, 2005.

The registrant had 49,901,220 shares of Common Stock outstanding as of March 1, 2006.

Circular 230 Notice: In accordance with Treasury Regulations which became applicable to all tax practitioners as of June 20, 2005, please note that any tax advice given herein (and in any attachments) is not intended or written to be used, and cannot be used by any taxpayer, for the purpose of (i) avoiding tax penalties or (ii) promoting, marketing or recommending to another party any transaction or matter addressed herein

**DOCUMENTS INCORPORATED BY REFERENCE**

Certain information in Laureate Education, Inc.'s definitive Proxy Statement for its 2006 Annual Meeting of Stockholders, which will be filed with the Securities and Exchange Commission pursuant to Regulation 14A no later than April 30, 2006, is incorporated by reference in Part III of this Amendment No. 1 on Form 10-K/A to its annual report on Form 10-K.

**EXPLANATORY NOTE**

The registrant is filing this Amendment No. 1 on Form 10-K/A to its annual report on Form 10-K for the fiscal year ended December 31, 2005, to correct a typographical error with respect to footnote Note 13 Income Taxes to its consolidated financial statements that occurred in the conversion of the filing to the EDGAR format and a typographical error in the Liquidity section of its Management's Discussion and Analysis of Financial Condition and Results of Operations. No other information contained in the original filing is amended hereby. This amendment does not modify or update disclosures in the original filing. Furthermore, except for the matters described above, this amendment does not change any previously reported financial results, nor does it reflect events occurring after the date of the original filing.

**INDEX**

**PART I.**

<u>Item 1.</u>	<u>Business</u>
<u>Item 1A.</u>	<u>Risk Factors</u>
<u>Item 1B.</u>	<u>Unresolved Staff Comments</u>
<u>Item 2.</u>	<u>Properties</u>
<u>Item 3.</u>	<u>Legal Proceedings</u>
<u>Item 4.</u>	<u>Submission of Matters to a Vote of Security Holders</u>

**PART II.**

<u>Item 5.</u>	<u>Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities</u>
<u>Item 6.</u>	<u>Selected Consolidated Financial Data</u>
<u>Item 7.</u>	<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>
<u>Item 7A.</u>	<u>Quantitative and Qualitative Disclosures About Market Risk</u>
<u>Item 8.</u>	<u>Financial Statements and Supplementary Data</u>
<u>Item 9.</u>	<u>Changes in and Disagreements with Accountants on Accounting and Financial Disclosure</u>
<u>Item 9A.</u>	<u>Controls and Procedures</u>
<u>Item 9B.</u>	<u>Other Information</u>

**PART III.**

Items 10, 11, 12, 13, and 14 are incorporated by reference to Laureate Education, Inc.'s definitive Proxy Statement which will be filed with the Securities and Exchange Commission, pursuant to Regulation 14A, no later than April 30, 2006

**PART IV.**

<u>Item 15.</u>	<u>Exhibits, Financial Statement Schedules</u>
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**SIGNATURES**

**PART I**

**Item 1. Business**

**Note Regarding Forward-Looking Statements**

*This Annual Report on Form 10-K and other materials the Company has filed or may file with the Securities and Exchange Commission, as well as information included in statements made, or to be made, by the Company's senior management contain, or will contain, forward-looking statements. Forward-looking statements include all statements that do not relate solely to historical or current facts and can be identified by the use of words such as anticipate, goal, may, will, expect, hope, believe, intend, plan, estimate, project, should and other similar terms. Such forward-looking statements are based on the current facts and circumstances and management's current strategic plan and are subject to a number of risks and uncertainties that could significantly affect the Company's current goals and future financial condition.*

*For a comprehensive description of the types of risks and uncertainties the Company faces, see Item 1.A. Risk Factors. of this Annual Report. Please note the forward-looking statements included in this Annual Report on Form 10-K are made only as of the date of this report. The Company assumes no obligation to publicly update any forward-looking statements Investors should not unduly rely on our forward-looking statements when evaluating the information presented in the our filings and reports.*

Laureate Education, Inc. ( the Company or Laureate ), operates a leading international network of accredited campus-based and online universities and higher education institutions ( higher education institutions or schools ). Through this network, Laureate offers a broad range of career-oriented undergraduate and graduate degree programs as well as other services that create a superior higher education experience for students. Currently, Laureate enrolls over 217,000 students at its higher education institutions located throughout The Americas, Europe, and Asia.

In many countries, demand for university-level education is rising - fueled by several demographic and economic factors including a growing middle class, a rising percentage of students who participate in higher education, and the need for highly-skilled professionals in an increasingly competitive workforce. To address this growing demand, Laureate is increasing student capacity at current locations, adding new campus locations, developing new programs and curricula, and leveraging the Company's education and marketing expertise. To further strengthen its leadership in the international higher education market, Laureate will also enter into attractive new geographic markets and market segments.

The schools in Laureate's network, known as *Laureate International Universities*, are generally characterized by degree programs in a wide variety of career fields, a curriculum with an international perspective and strong academic and brand name recognition. Laureate's higher education network creates opportunities for students to access unique and specialized curricula from other institutions within Laureate's network as well as study abroad programs and other services shared among institutions in the network.

While most of Laureate's institutions have many years of successful operating history, the Company implements programs and strategies to increase the financial and operational performance of each school. Laureate's higher education institutions share content and degree programs with other schools in the network and transfer best practices, including successful marketing, recruiting, and retention programs.

Laureate believes in the social and economic importance of expanding access to higher education, thus its business is focused on addressing this global need. The Company also believes that execution of its business model, a rigorous approach to expansion, and product innovation will continue to provide valuable benefits to students as well as generate increases in revenue and operating margins.

The Company's educational services are offered through three separate business segments: Campus Based - Latin America ( Latin America ), Campus Based Europe ( Europe ) and Laureate Online Education. In Latin America, the Company owns or maintains controlling interests in eleven separately accredited higher education institutions located in Mexico, Chile, Peru, Ecuador, Panama, Costa Rica, Honduras and Brazil. In Europe, the Company owns or maintains controlling interests in ten separately accredited higher education institutions located in Spain, Switzerland, France and Cyprus. Laureate's operations in China are managed in the Europe business segment, as those operations are associated with Les Roches, Switzerland. The Laureate Online Education segment provides career-oriented degree programs to approximately 27,000



students through one accredited university - Walden E-Learning, Inc. ( *Walden* ) - and two institutions that partner with accredited universities - Laureate Online Education B.V. and Canter and Associates ( *Canter* ).

On June 30, 2003, the Company sold the principal operations comprising its K-12 educational services segments ( *K-12 segments* ), including certain investments held by Sylvan Ventures LLC ( *Ventures* ), deemed not strategic to the Company's higher education business, in a transaction more fully described in Note 3 to the consolidated financial statements. As a result, the Company changed its name from Sylvan Learning Systems, Inc. to Laureate Education, Inc. on May 17, 2004. The Company began trading under a new NASDAQ ticker symbol, LAUR, on May 18, 2004.

As part of the Company's transformation in 2003 to focus exclusively on post-secondary education, the Company sold its English Language Instruction business, Wall Street Institute ( *WSI* ), on February 28, 2005 (see Note 3 of the consolidated financial statements).

The information in this Item 1 focuses only on continuing operations of the Company.

*Campus-based*

The Company owns and operates the leading network of private, post-secondary educational institutions outside the United States. Their program offerings address the fast-growing international demand for career-oriented education. In many international markets, public higher education institutions are unable to adequately increase capacity to address the burgeoning demand for university education. Laureate is uniquely positioned to address higher education demand by expanding campus locations, opening new campus locations, and developing innovative degree programs for traditional students and for students in new market segments, such as the working adult and technical/vocational markets.

Laureate campuses in Latin America and Europe primarily serve 18- to 24-year-old students, but are increasingly attracting working adults and those seeking vocational and technical training. The Laureate network of schools offers an education that emphasizes career-oriented fields of study with undergraduate and graduate degrees in a wide range of disciplines, including international business, hotel management, health sciences, information technology and engineering. The Company believes its network benefits from the strong academic reputation, developed brand awareness and established operating history of each of its institutions. Each institution also has flexible, teaching-focused faculty led by an experienced local management team. In addition to expanding capacity, Laureate is developing new degree programs and creating study abroad opportunities for both traditional students and working professionals.

#### *Latin America Higher Education Institution Descriptions*

The Latin America segment is composed of eleven institutions and operates in Mexico, Chile, Peru, Ecuador, Panama, Costa Rica, Honduras and Brazil. The Latin America schools enroll more than 171,000 students and offer more than 100 degree programs through 42 campuses.

The following table presents information about Laureate schools in Latin America:

<b>Higher Education Institution</b>	<b>Principal Locations</b>	<b>Year Founded</b>	<b>Year Acquired</b>	<b>Current Ownership</b>	<b>No. of Campuses</b>	<b>Enrolled Students(1)</b>	<b>Average Annual Tuition(2)</b>	<b>Regulatory Oversight</b>
Universidad del Valle de México	Mexico City, Mexico	1960	2000	80%	21	66,300	\$ 3,600	Mexican Secretary of Education
Universidad de Las Américas	Santiago, Chile	1988	2000	80%	7	30,400	\$ 3,400	Chilean Ministry of Education
Universidad Andrés Bello and AIEP	Santiago, Chile	1989	2003	80%	3	29,400	\$ 3,120	Chilean Ministry of Education

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Universidade Anhembi Morumbi	Sao Paulo, Brazil	1970	2005	51%	4	21,200	\$ 3,700	Brazilian Ministry of Education
Universidad Interamericana	San Jose, Costa Rica and Panama City, Panama	1986	2003	100%	2	9,700	\$ 1,400	Costa Rican and Panamanian Ministries of Education
Universidad Peruana de Ciencias Aplicadas	Lima, Peru	1994	2004	80%	2	7,400	\$ 4,500	Ministry of Education & National Assembly of Rectors
Universidad Tecnológica Centroamericana	Tegucigalpa, Honduras	1987	2005	100%	2	4,700	\$ 2,600	