DEVRY INC
Form 10-K
August 26, 2011

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UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
Form 10-K

(Mark One)

þ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the fiscal year ended: June 30, 2011
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: 1-13988
DeVry Inc.
(Exact name of registrant as specified in its charter)

DELAWARE	**36-3150143**
(State or other jurisdiction of incorporation or organization)	*(I.R.S. Employer Identification No.)*
3005 HIGHLAND PARKWAY DOWNERS GROVE, ILLINOIS	**60515**
(Address of principal executive offices)	*(Zip Code)*

Registrant s telephone number; including area code:
(630) 515-7700
Securities registered pursuant to section 12(b) of the Act:

Title of Each Class	**Name of Each Exchange on Which Registered:**
Common Stock $0.01 Par Value	NYSE, CSE
Common Stock Purchase Rights	NYSE

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

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

Indicate by check mark if the Registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes o No þ

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 þ No o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes þ No o

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, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer þ	Accelerated filer o	Non-accelerated filer o	Smaller reporting company o

(Do not check if a smaller reporting company)

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

State the aggregate market value of the voting and non-voting common equity held by nonaffiliates computed by reference to the price at which the common equity was last sold, or the average bid and asked price of such common equity, as of the last business day of the Registrant s most recently completed second fiscal quarter. Shares of common stock held directly or controlled by each director and executive officer have been excluded.

December 31, 2010 $3,279,183,510

Indicate the number of shares outstanding of each of the registrant s classes of common stock, as of the latest practicable date.

August 19, 2011 68,423,122 shares of Common Stock, $0.01 par value

DOCUMENTS INCORPORATED BY REFERENCE

Certain portions of the Registrant s definitive Proxy Statement for the Annual Meeting of Stockholders to be held on November 3, 2011, are incorporated into Part III of this Form 10-K to the extent stated herein.

DeVry Inc.
ANNUAL REPORT ON FORM 10-K
FISCAL YEAR ENDED JUNE 30, 2011
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FORWARD-LOOKING STATEMENTS

Certain statements contained in this annual report on Form 10-K, including those that affect DeVry s expectations or plans, may constitute forward-looking statements subject to the Safe Harbor Provision of the Private Securities Litigation Reform Act of 1995. These forward-looking statements generally can be identified by phrases such as DeVry Inc. or its management anticipates, believes, estimates, expects, forecasts, foresees, or other words o of similar import. Actual results may differ materially from those projected or implied by these forward-looking statements. Potential risks and uncertainties that could affect DeVry s results are described more fully in Item 1A, Risk Factors and in the subsections of Item 1 Business entitled Competition, Student Admissions, Accreditation, A and Licensing, Tuition and Fees, Financial Aid and Financing Student Education, Student Loan Defaults, Ca Services, Seasonality, and Employees. The forward looking statements should be considered in the context of the risk factors listed above and discussed elsewhere in this Form 10-K.

ITEM 1. BUSINESS

OVERVIEW OF DEVRY INC.

DeVry Inc. (DeVry) is a global provider of educational services and the parent organization of Advanced Academics, American University of the Caribbean, Becker Professional Education, Carrington College and Carrington College California, Chamberlain College of Nursing, DeVry Brasil, DeVry University, and Ross University. These institutions offer a wide array of programs in business, healthcare and technology and serve students in middle school through postsecondary education as well as accounting and finance professionals. DeVry s purpose is to empower its students to achieve their educational and career goals.

DeVry Inc. is incorporated under the laws of the State of Delaware. DeVry s executive offices are located at 3005 Highland Parkway, Downers Grove, Illinois, 60515, and the telephone number is (630) 515-7700. DeVry refers to DeVry Inc. alone or with its wholly owned subsidiaries, as the context requires. When this report uses the words we or our, it refers to DeVry and its subsidiaries unless the context otherwise requires.

Vision and Strategy

DeVry s vision is to become a leading global provider of career-oriented educational services. DeVry will create value for society and all of its stakeholders by offering superior, responsive educational programs that are supported by exceptional services to its students, and delivered with integrity and accountability. In achieving this vision, DeVry is proud to play a vital role in expanding access to higher education along with other schools in the public and private sectors.

To attain this vision, DeVry will achieve superior student outcomes by providing high quality education and student services; continue to grow and diversify into new program areas, levels and geographies; and build high-quality brands and infrastructure to compete in an increasingly competitive market.

DeVry s Educational Institutions

DeVry University, founded by Dr. Herman DeVry in 1931, provides high-quality, career-oriented associate, bachelor s and master s degree programs in technology; science; business; and the arts. DeVry University is one of the largest private, degree-granting, regionally accredited, higher education systems in North America. Undergraduate and graduate degree programs are offered in the United States, Canada and online. Graduate degree programs in management are offered through DeVry University s Keller Graduate School of Management. DeVry University comprises DeVry s Business, Technology and Management segment.

Ross University School of Medicine, which was founded in 1978, is one of the world s largest providers of medical education. Ross University School of Medicine is located in the Caribbean country of Dominica with a location in Freeport, Grand Bahama.

Ross University School of Veterinary Medicine, which was founded in 1982, is located in St. Kitts. DeVry acquired the parent organization of Ross University School of Medicine and Ross University School of Veterinary Medicine in May 2003.

Chamberlain College of Nursing, formerly Deaconess College of Nursing, was founded in 1889 and acquired by DeVry in March 2005. Chamberlain offers associate, bachelor s, master s and degree completion programs in nursing at its ten campuses in the United States and online.

Carrington College, formerly Apollo College was founded in 1976, and prepares students for careers in healthcare through certificate and associate and degree programs.

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Carrington College of California, formerly Western Career College was founded in 1967, and prepares students for careers in healthcare, business and technology through certificate, associate and bachelor s degree programs. DeVry acquired the parent organization of Carrington College and Carrington College of California in September 2008.

American University of the Caribbean, which was founded in 1978, provides its students with high quality medical education. American University of the Caribbean s medical school is located in the country of St. Maarten. DeVry acquired American University of the Caribbean on August 3, 2011. Ross University, Chamberlain, Carrington, and American University of the Caribbean comprise DeVry s Medical and Healthcare segment.

DeVry Brasil, based in Fortaleza, Ceará, Brazil, is comprised of three colleges: Fanor, Ruy Barbosa and ÁREA1. These institutions operate five campus locations in the cities of Salvador and Fortaleza, and offer undergraduate and graduate programs focused in business management, law and engineering. DeVry acquired a majority ownership in these schools on April 1, 2009.

Advanced Academics, founded in 2000 and acquired by DeVry in October 2007, partners with schools and districts throughout the United States to deliver customizable online learning solutions for middle and high school education.

Becker Professional Education, founded in 1957 as the Becker CPA review and acquired by DeVry in 1996, prepares candidates for the Certified Public Accountant (CPA) examination, Chartered Financial Analyst (CFA) professional certification examinations, and the Project Management Professional (PMP) certification examination. It also offers continuing professional education programs and seminars in accounting and finance. Classes are taught in nearly 300 locations, including sites in 40 foreign countries and DeVry University teaching sites. On April 30, 2011, Becker Professional Education completed the acquisition of ATC International, a leading provider of professional accounting and finance training from centers in Central and Eastern Europe as well as Central Asia. ATC International provides training for professional designations such as ACCA (Association of Chartered Certified Accountants), CIMA (Chartered Institute of Management Accountants) and the Diploma in International Financial Reporting. DeVry Brasil, Advanced Academics and Becker Professional Education comprise DeVry s International, K-12 and Professional Educational segment.

The following tables provide the percentage of enrollment by both degree and program for DeVry s U.S. postsecondary educational institutions. The data for the fall 2009 enrollments have been revised from the prior year presentation for consistency with the methodology of determining the fall 2010 enrollments.

	Percent of Enrollment by Degree	
	Fall 2009	Fall 2010
Doctoral	3.9%	3.4%
Master s	17.8%	18.3%
Bachelor s	53.0%	55.8%
Associate	15.9%	15.6%
Certificate	9.4%	6.9%

	Percent of Enrollment by Program	
	Fall 2009	Fall 2010
Technology	28.3%	28.0%
Business	45.3%	45.8%
Medical and Health	26.0%	25.7%
Other	0.4%	0.5%

Financial and descriptive information about DeVry s operating segments is presented in Note 14, Segment Information, to the Consolidated Financial Statements. During the fourth quarter of fiscal year 2011, DeVry renamed and repositioned some of its segments to reflect the current alignment of its operations. The former Other Educational Services segment was combined with the former Professional Education segment to create the International, K-12 and Professional Education segment. The three reporting segments are now as follows:

Business, Technology and Management (undergraduate and graduate at DeVry University, including Keller Graduate School of Management)

Medical and Healthcare (Chamberlain College of Nursing, Ross University, and Carrington Colleges Group, Inc. and as of August 3, 2011, American University of the Caribbean)

International, K-12 and Professional Education (DeVry Brasil, Advanced Academics and Becker Professional Education)

Unless indicated, or the context requires otherwise, references to years refer to DeVry s fiscal years then ended.

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DEVRY UNIVERSITY

The mission of DeVry University is to foster student learning through high-quality, career-oriented education integrating technology, science, business and the arts. The university delivers practitioner-oriented undergraduate and graduate programs onsite and online to meet the needs of a diverse and geographically dispersed student population.

Curriculum

DeVry University s academic structure is organized within five colleges.

The College of Business & Management, which includes Keller Graduate School of Management

The College of Engineering & Information Sciences

The College of Liberal Arts & Sciences

The College of Media Arts & Technology

The College of Health Sciences

This structure provides flexibility for future curricula. Degree programs are offered in the following areas. Unless otherwise noted, all degree programs are also available online.

College of Liberal Arts & Sciences	**College of Health Sciences**	**College of Media Arts & Technology**
Bachelor s Degree Programs	*Associate Degree Programs*	*Associate Degree Program*
Justice Administration with specializations in:	Electroneurodiagnostic Technology*	Web Graphic Design
Corrections	Health Information Technology	*Bachelor s Degree Programs*
Digital Forensics	*Bachelor s Degree Program*	Multimedia Design & Development with specializations in:
Emergency Management	Clinical Laboratory Science*	Graphic & Multimedia Design
Policing		Graphics & Multimedia Management
Communications with Specializations in:		
Business Communication		
Emerging Media Communication		
Technical Communication		
Graduate Programs		
Educational Technology, Master s Degree**		Web Design & Development
Educational Management, Graduate Certificate		Web Game Programming

College of Business and Management	**Keller Graduate School of Management (included within The College of Business and Management)**	**College of Engineering & Information Sciences**
Associate Degree Program	*Master s Degree Programs*	*Associate Degree Programs*
Accounting	Accounting & Financial	Electronics & Computer Technology
Bachelor s Degree Programs	Management	Network Systems Administration
Business Administration	Human Resource Management	*Bachelor s Degree Programs*

Management

Technical Management

Specializations for the bachelor s degree programs:

Accounting
Business Information Systems
Criminal Justice
Finance
General Management
Health Information Management
Health Services Management
Hospitality Management
Human Resource Management
Operations Management
Project Management
Sales & Marketing

Security Management

Small Business Management & Entrepreneurship
Sustainability Management
Technical Communication

Project Management

Public Administration

Information Systems Management

Network and Communications Management
Business Administration (MBA) with concentrations in:
Accounting
E-Commerce Management
Finance
General Management
Health Services
Hospitality Management
Human Resources
Information Security

Information Systems

Management
International Business
Marketing
Network & Communications Management

Project Management
Public Administration
Security Management
Sustainability Management

Biomedical Engineering Technology*
Computer Engineering Technology
Computer Information Systems with specializations in:
Business Management
Computer Forensics
Database Management
Enterprise Computing
Flex Option
Health Information Systems
Information Systems Security
Systems Analysis & Integration
Web Development & Administration
Web Game Programming
Electronics Engineering Technology
Game & Simulation Programming
Network & Communications Management

Master s Programs

Electrical Engineering**
Information Systems Management
Network & Communications Management

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College of Business and Management	Keller Graduate School of Management (included within The College of Business and Management)	College of Engineering & Information Sciences
	Graduate Certificates	
	Accounting	
	Business Administration	
	Educational Management	
	E-Commerce Management	
	Entrepreneurship	
	Financial Analysis	
	Health Services Management	
	Human Resource Management	
	Information Security	
	Information Systems Management	
	Network & Communications Management	
	Project Management	
	Wireless Communications	

* Not available online

** Only available online

Students access these degree and certificate programs through a North American system of 99 locations as of June 30, 2011, as well as through DeVry University s online delivery platform.

DeVry University reviews and revises its curricula on a regular basis for relevance to both students and employers. In addition, new programs and degrees are regularly evaluated to improve DeVry University s educational offerings and to respond to competitive changes in the employment market.

Laboratory courses throughout each curriculum prepare students for the workplace by integrating classroom learning with a practical, hands-on experience and applied learning activities that enhance technical skills. For some courses, laboratory activities are delivered in a specialized classroom featuring advanced equipment and software. In addition, some laboratory activities take place in a lecture-lab classroom, using PCs and various software packages.

DeVry University also invests in resources for libraries and academic support services that can assist students in any phase of their educational program. DeVry University offers undergraduate students an array of social and professional activities including student organizations closely linked to students professional aspirations. Campuses regularly invite technology and business leaders into the classroom. Faculty members serve as mentors for student chapters of professional associations and sponsor a wide range of student co-curricular projects. Students are required to complete a course that teaches practical strategies and methods for realizing success so they will be prepared to assume responsibility for their own learning and growth.

Keller Graduate School of Management has a continued and sustained focus on excellence in teaching, student mastery of practical management skills, and service to working adults. The curricula, like the undergraduate curricula, are subject to regular review for relevance to both students and employers. Keller offers classes in the evening, on weekends and online, which enables students to complete their degrees using whatever combination of online and onsite coursework suits their needs. To broaden the scope and appeal of its master s degree programs, Keller has developed concentrations and graduate certificates. Most faculty members are practicing professionals who bring their expertise to the classroom, emphasizing theory and practices that will best serve students in their work as managers. Critical competencies in areas such as business communications, electronic commerce, technology, ethics, quality,

and international matters are woven throughout the curricula.

Keller s Master of Accounting and Financial Management program offers students a choice of three professional certification exam-preparation emphases: Certified Public Accountant, Certified Fraud Examiner, or Chartered Financial Analyst. The Certified Public Accountant and Chartered Financial Analyst concentrations were developed in conjunction with Becker Professional Education. Keller s Master of Project Management program abides by the operational and educational criteria established by the Project Management Institute (PMI) and has earned the highest level of accreditation and the elite designation of Global Accreditation Center (GAC). Coursework within Keller s Master of Human Resource Management program is in alignment with the HR Curriculum Guidelines and Templates established by the Society for Human Resource Management. The Master of Public Administration program offers students a choice of three tracks: government management, nonprofit management, and health management.

Academic Calendar

DeVry University operates on a uniform academic calendar for both the undergraduate and graduate degree programs across all methods of educational delivery onsite and online. The calendar consists of three academic periods (i.e. semesters) of 16 weeks, each comprising two eight-week sessions.

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Online Delivery and Technology

DeVry University has offered online graduate programs since September 1998, and online undergraduate programs since 2001. Our online course offerings have increased every year, and we expect to continue to add online programs and concentrations in the future. By offering courses online, we can better serve students whose schedules or personal circumstances prevent them from attending classes in person, optimize use of classroom space, and offer students the latest educational technologies.

The majority of DeVry University s online students are adults attracted by the quality, inherent flexibility and convenience of the program delivery format. We also have many students who mix and match onsite and online courses to best meet their individual needs and schedules.

In addition to our online degree programs, many undergraduate and graduate courses are taught using an integrated learning system, or blended learning model, that incorporates both onsite and instructor-guided online activities.

Enrollment Trends

New student undergraduate enrollment in summer 2011 decreased 25.6% to 15,566 students as compared to the prior year. Total undergraduate enrollment in summer 2011 was 64,317 students, a decrease of 5.8% compared to 68,290 in the previous summer. There were 21,576 coursetakers for the July 2011 session in DeVry University s graduate programs, including its Keller Graduate School of Management, representing an increase of 1.9% over the prior year. Coursetaker enrollment in DeVry University online program offerings in summer 2011 was 69,617, a decrease of 0.7% over the prior year. The term coursetaker refers to the number of courses taken by a student. Thus, one student taking two courses is counted as two coursetakers.

The following table provides historical enrollment data for DeVry University s undergraduate programs including both onsite and online students.

	Undergraduate New Students					
	Enrollment			% Change Over Prior Year		
Fiscal Year	Summer	Fall	Spring	Summer	Fall	Spring
2012	15,566			(25.6%)		
2011	20,935	17,983	14,981	9.9%	(4.7%)	(15.4%)
2010	19,057	18,878	17,715	14.8%	19.4%	24.0%
2009	16,595	15,811	14,288	19.3%	19.7%	15.1%
2008	13,906	13,204	12,410	9.7%	10.7%	12.1%

	Undergraduate Total Students					
	Enrollment			% Change Over Prior Year		
Fiscal Year	Summer	Fall	Spring	Summer	Fall	Spring
2012	64,317			(5.8%)		
2011	68,290	73,543	70,863	22.0%	14.9%	5.9%
2010	55,979	64,003	66,909	21.9%	22.7%	25.6%
2009	45,907	52,146	53,259	12.6%	16.9%	18.8%
2008	40,774	44,594	44,814	9.8%	10.3%	10.3%

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The following table provides historical coursetaker enrollment for DeVry University s graduate programs including its Keller Graduate School of Management.

	Graduate Coursetakers					
Fiscal Year	**July**	**September**	**November**	**January**	**March**	**May**
2012	21,576					
2011	21,165	23,389	23,199	24,784	24,406	23,802
2010	17,991	20,496	20,734	22,679	22,343	22,103
2009	16,017	17,799	17,803	19,475	19,357	18,822
2008	14,023	15,857	15,657	17,377	17,005	16,537

	% Change Over Prior Year					
Fiscal Year	**July**	**September**	**November**	**January**	**March**	**May**
2012	1.9%					
2011	17.6%	14.1%	11.9%	9.3%	9.2%	7.7%
2010	12.3%	15.2%	16.5%	16.5%	15.4%	17.4%
2009	14.2%	12.2%	13.7%	12.1%	13.8%	13.8%
2008	11.1%	12.7%	12.5%	13.7%	15.2%	15.7%

The following table provides historical enrollment for DeVry University s undergraduate and graduate online coursetakers.

	Online Coursetakers*					
	Enrollment			% Change Over Prior Year		
Fiscal Year	**Summer**	**Fall**	**Spring**	**Summer**	**Fall**	**Spring**
2012	69,617			(0.7%)		
2011	70,088	76,473	78,366	24.4%	20.9%	15.7%
2010	56,321	63,264	67,744	26.6%	22.5%	21.5%
2009	44,503	51,628	55,745	23.6%	25.5%	27.0%
2008	36,001	41,128	43,889	26.0%	27.1%	25.0%

* Online coursetakers are included in the new and total undergraduate and graduate student counts.

Population trends

The total postsecondary student population can be thought of as two categories of students: career-launchers, who are primarily traditional college-age students; and career-enhancers, who are primarily working adults.

According to the U.S. Department of Education, between 1999 and 2009, the latest period for which data are available, enrollment in degree-granting institutions increased by 38%, from 14.8 million to 20.4 million. Much of the enrollment growth was in full-time enrollment; the number of full-time students rose 45%, while the number of part-time students grew 28%. Enrollment increases may be affected both by population growth and by rising rates of individuals inspired to attend college. Between 1999 and 2009, the number of 18- to 24-year olds increased from 26.7 million to 30.4 million, and the percentage of 18- to 24-year olds enrolled in college rose from 36% in 1999 to 41% in 2009.

According to the National Center for Education Statistics (NCES), in recent years the percentage increase in the number of students age 25 and over has been larger than the percentage increase in the number of younger students, and this pattern is expected to continue. Between 2000 and 2009, the enrollment of students under age 25 increased by 27%. Enrollment of students 25 and over rose 43% during the same period. From 2010 to 2019, NCES projects a rise of 9% in enrollments of students under age 25, and a rise of 23% in enrollments of students 25 and over. Many external forces have combined to inspire older students to attend college today: the development of the knowledge-based economy; the rapid pace of technological change in the workplace; the emergence of e-learning tools that make continuing education more feasible; and a growing recognition of the importance of lifelong learning.

The NCES estimates that in 2010 approximately 38.6% of all college students were at least 25 years old. More than half of DeVry University s undergraduate students are at least 25 years old. Projections indicate that the percentage of this age group attending college will remain constant at approximately 40% until 2019. The Bureau of Labor Statistics projects that through 2010, job categories requiring at least some postsecondary education (primarily bachelor s and associate degrees) will grow nearly twice as fast as those not requiring such education.

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Another strong motivation for students considering a postsecondary education is the prospective income premium. According to the U.S. Census Bureau, in 2008 (the most recent date for which data are available), the average income of U.S. employees with a bachelor s degree was approximately $58,613 which was nearly 82% higher than the average for those with only a high school education. The wage gap is even larger for those with graduate degrees.

DeVry University s student body is diverse and many come from lower income families, or are the first in their family to attend college. Some DeVry University campuses rank near the top of the list of institutions in the number of degrees granted to minority students in the fields of computer and information science, business, and all academic disciplines combined.

Demographic information based on DeVry University s fall term enrollments follows.

Total Population	**Fall 2009**	**Fall 2010**
Undergraduate	77.9%	77.4%
Graduate	22.1%	22.6%

Age	**Fall 2009**	**Fall 2010**
24 and Under	27.8%	25.4%
25 - 39	53.3%	53.4%
40 and Over	18.9%	21.1%

Gender	**Fall 2009**	**Fall 2010**
Male	53.9%	54.0%
Female	46.1%	46.0%

Race/Ethnicity	**Fall 2009**	**Fall 2010**
White	39.9%	30.7%
Black or African American	28.5%	22.2%
Hispanic (of any race)	14.4%	14.3%
Asian	5.3%	3.9%
American Indian or Alaska Native	1.2%	1.4%
Non-resident Alien	0.4%	0.7%
Two or More Races	0.7%	0.5%
Native Hawaiian or Other Pacific Islander	0.4%	0.4%
Race/Ethnicity Unknown	9.3%	25.8%

MEDICAL AND HEALTHCARE

DeVry s Medical and Healthcare segment includes Ross University, Chamberlain College of Nursing, Carrington and American University of the Caribbean. Under the leadership of the president of DeVry s Medical and Healthcare Group, a management team works with each of the four institutions in this segment.

Ross University

Ross University operates two schools: Ross University School of Medicine confers the Doctor of Medicine (M.D.) degree, and Ross University School of Veterinary Medicine confers the Doctor of Veterinary Medicine (D.V.M.) degree. Together, the two Ross schools had 4,825 students enrolled in the May 2011 semester. Over 8,700 graduates have received Ross M.D. degrees since 1978; these individuals are practicing in all 50 states. More than 2,700 graduates have received Ross D.V.M. degrees.

Ross medical students complete a four-semester (approximately 16 months) Foundations of Medicine curriculum in modern classrooms and laboratories at a campus located in Dominica. The four semesters are followed by a one-semester course entitled Advanced Introduction to Clinical Medicine at the Dominica campus, the Ross clinical location in Miami or at an affiliated hospital facility in Saginaw, Michigan. After students successfully complete Step 1 of the U.S. Medical Licensing Examination[tm], which assesses whether medical school students understand and can apply scientific concepts that are basic to the practice of medicine, they complete the remainder of the 10-semester

program by participating in clinical rotations under Ross University direction, and conducted at 70 affiliated teaching hospitals in the United States.

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An element of the growth strategy at Ross University School of Medicine was the planned development of a clinical education center located in Freeport, Grand Bahama. The Freeport site was expected to mitigate capacity constraints at the main campus in Dominica. However, the projected volume of Ross students studying in Freeport has not been realized due to factors including an unforeseen delay in the Medical Board of California licensing review process and delays in confirming the financial aid implications for students studying in Freeport. In November 2010, Ross University School of Medicine secured licensing approval for its Freeport clinical location from the Medical Board of California. It had been Ross understanding that medical students would not be eligible to receive Title IV of the Higher Education Act (Title IV) financial aid for their semesters in Freeport, but would be eligible to receive financial aid once they moved elsewhere to complete the remaining portions of their programs. However, this understanding was contradicted in a letter to the Ross University School of Medicine from the U.S. Department of Education (ED) indicating that Ross medical students attending any portion of their Foundations of Medicine delivered outside of Ross Dominica campus would be excluded from participating in the Title IV financial aid program for the remainder of their programs. Currently, Ross University School of Medicine is teaching only its pre-medical review program courses at its Freeport location, while it continues to evaluate how to best utilize the location as part of its overall expansion strategy.

Ross medical educational program is comparable to the educational programs offered at U.S. medical schools. Ross program consists of three academic semesters per year beginning in May, September, and January which allows the medical students to complete their basic science and clinical curriculum in less time than they would at a U.S. medical school. The program prepares students for general medical practice and provides the foundation for postgraduate specialty training primarily in the United States.

Ross veterinary students complete a seven-semester pre-clinical curriculum in a large modern facility in St. Kitts. This program is structured to provide a veterinary education that is comparable to educational programs at U.S. veterinary schools. After completing their pre-clinical curriculum, Ross veterinary students enter a clinical clerkship lasting approximately 48 weeks under Ross University direction at one of 22 affiliated U.S. Colleges of Veterinary Medicine. At both the Medical and Veterinary schools, students are introduced to clinical experiences and clinical skills early in their respective curriculums.

The following table provides historical enrollment data for Ross University, including both medical and veterinary school students.

	Ross University New Students					
	Enrollment			% Change Over Prior Year		
Fiscal Year	September	January	May	September	January	May
2011	490	642	469	(26.4%)	(8.2%)	37.9%
2010	666	699	340	9.5%	14.4%	(39.5%)
2009	608	611	562	6.3%	10.9%	16.8%
2008	572	551	481	-8.9%	11.1%	15.6%

	Ross University Total Students					
	Enrollment			% Change Over Prior Year		
Fiscal Year	September	January	May	September	January	May
2011	4,567	4,810	4,825	(0.7%)	3.0%	6.2%
2010	4,601	4,669	4,542	9.1%	8.0%	2.1%
2009	4,219	4,323	4,448	8.8%	7.8%	9.4%
2008	3,876	4,011	4,064	4.1%	7.0%	7.9%

For students who started in the 2010-2011 academic year, the average Ross medical student is 26 years old two years older than the U.S. medical school average and the student population is approximately 56% male. The average Ross veterinary student also is 26 years old two years older than the U.S. veterinary school average and the student population is approximately 76% female. Most Ross students are either citizens or permanent residents of the United States.

Chamberlain College of Nursing

DeVry acquired Chamberlain College of Nursing in March 2005. Founded as Deaconess College of Nursing more than a century ago, Chamberlain offers programs in nursing education leading to one of three degrees: Associate Degree in Nursing (ADN), Bachelor of Science in Nursing (BSN), or Master of Science in Nursing (offered only online). These programs are offered at nine campuses and/or online. All of these campuses are co-located with DeVry University locations. Chamberlain had 9,954 students enrolled in the July 2011 semester.

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Chamberlain s BSN program is a traditional on-campus baccalaureate program. The BSN program enables students to complete their BSN degree in three years of full-time study as opposed to typical four year BSN programs where students take the summer off. Students who already have achieved Registered Nurse (RN) designation through a diploma or associate degree can complete their BSN online through Chamberlain s fast track RN to BSN completion program in as few as three semesters. The ADN program is a six-semester year-round program offered onsite or online only from the Columbus, Ohio location. In addition, Licensed Practical Nurses (LPNs) receive up to 10 hours of credit for their previous work and can complete an ADN degree through either the onsite or online programs in Ohio. General education courses are taught through DeVry University.

Chamberlain s degree programs provide nursing skill training and general education. Pre-licensure students complete clinical training at hospitals or other healthcare facilities. Chamberlain has developed numerous partnerships with hospitals and other healthcare facilities for this purpose. In addition, Chamberlain provides robust, hands-on instruction utilizing high-fidelity human simulators and medical scenarios enacted in a simulated hospital environment.

The online master s degree program offers two specialty tracks: nurse educator and nurse executive. The program is 72 credit hours and is designed to take approximately two years of part-time study. Management courses are taught through Keller Graduate School of Management.

The following table provides historical enrollment data for Chamberlain, including both onsite and online students.

Chamberlain College of Nursing New Students

	Enrollment			% Change Over Prior Year		
Fiscal Year	**July**	**November**	**March**	**July**	**November**	**March**
2012	2,805			16.1%		
2011	2,416	2,981	2,852	55.1%	42.0%	31.5%
2010	1,558	2,100	2,168	51.9%	55.3%	75.4%

Chamberlain College of Nursing Total Students

	Enrollment			% Change Over Prior Year		
Fiscal Year	**July**	**November**	**March**	**July**	**November**	**March**
2012	9,954			40.0%		
2011	7,108	8,862	9,897	65.2%	57.8%	47.9%
2010	4,302	5,617	6,691	77.8%	67.2%	72.2%

Ninety percent of Chamberlain students are female. Students in the on-campus BSN program tend to be younger, yet most enter Chamberlain with previous college credits. Those in the ADN program tend to be non-traditional adult students who are changing careers.

Carrington

Carrington, also known as U.S. Education Corporation, was acquired by DeVry in September 2008. Carrington is the parent organization of Carrington College (formerly Apollo College founded in 1976) and Carrington College California (formerly Western Career College founded in 1967). The parent organization is headquartered in Mission Viejo, California. Carrington prepares students for careers in healthcare through certificate and associate degree programs. The two colleges operate 19 campuses in the western United States and offer selected programs online. Currently, Carrington serves more than 8,300 students.

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Carrington College and Carrington College California currently offer career specific certificate or associate degree programs through campus-based courses in the following areas:

Medical
Diagnostic Medical Sonography
Health Care Administration
Medical Assisting
Medical Billing and Coding
Medical Laboratory Technology(1)
Medical Office Management(1)
Medical Radiography(1)
Respiratory Care
Surgical Technology(2)

Nursing
Practical Nursing(1)
Registered Nursing
Vocational Nursing(2)

Dental
Dental Assisting
Dental Hygiene

Health & Fitness/Massage
Fitness Training
Massage Therapy
Physical Therapy Technology(1)
Physical Therapist Assistant

Veterinary
Veterinary Assisting(1)
Veterinary Technology(2)

Pharmacy
Pharmacy Technology

Criminal Justice
Criminal Justice(2)

Graphics
Graphics Design(2)
Architectural Design Drafting(2)

(1) Offered only at Carrington College

(2) Offered only at Carrington College California

Carrington utilizes DeVry s Online Services technology platform, further leveraging DeVry s high quality systems to improve efficiency while maintaining institutional academic oversight.

In addition to its onsite programs, Carrington College California offers online Programs in Accounting, Business, Computer Technology, Criminal Justice, Graphic Design, Health Care Administration, Health Information Technology, Paralegal Studies, Renewable Energy, and Sales and Marketing.

The following table provides historical enrollment data for Carrington students.

	Carrington New Students					
	Enrollment			% Change Over Prior Year		
Fiscal Year	July	November	March	July	November	March
2012	2,850			(33.6%)		
2011	4,291	4,595	3,261	(2.7%)	(19.2%)	(22.7%)
2010	4,411	5,688	4,218	15.4%	21.5%	-2.4%

	Carrington Total Students					
	Enrollment			% Change Over Prior Year		
Fiscal Year	July	November	March	July	November	March
2012	8,363			(25.6%)		
2011	11,234	10,942	10,206	5.5%	(6.4%)	(15.0%)
2010	10,644	11,695	12,009	17.9%	14.8%	9.9%

American University of the Caribbean

On August 3, 2011, DeVry acquired the American University of the Caribbean (AUC) which was founded in 1978. AUC confers the Doctor of Medicine degree and its campus is located in the country of St. Maarten. AUC s total enrollment is approximately 1,000 students. Over 4,000 graduates have received AUC M.D. degrees and are licensed and practicing medicine throughout the world.

AUC medical students complete a two-year basis sciences program taught at AUC s St. Maarten campus, followed by two years of clinical sciences taught at affiliated hospitals in the United States and England. AUC s educational program is comparable to the educational programs offered at U.S. medical schools. AUC graduates are eligible to practice medicine in all 50 states.

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The acquisition of AUC is consistent with DeVry s growth and diversification strategy, increasing its presence in high quality medical and healthcare education and expanding its academic offerings at the post-baccalaureate level. DeVry was attracted to AUC because of its highly regarded faculty, commitment to academic excellence, and an accomplished network of alumni. In addition, AUC has strong partnerships with residency placement hospitals across the United States.

AUC will continue to operate as an independent institution, and will benefit from the sharing of best practices and systems as a part of DeVry s family of colleges and universities. The school will become part of DeVry s Medical and Healthcare segment, joining Ross University School of Medicine, Ross University School of Veterinary Medicine, Chamberlain College of Nursing and Carrington Colleges Group.

INTERNATIONAL, K-12 AND PROFESSIONAL EDUCATION

DeVry Brasil

Founded in 2001 and based in Fortaleza, Ceará, Brazil, DeVry Brasil is the parent organization of Faculdades Nordeste (Fanor), Faculdade Ruy Barbosa, and Faculdade FTE ÁREA1. These three institutions operate five campus locations in the cities of Salvador and Fortaleza, in northeastern Brazil. DeVry completed its acquisition of a majority stake in DeVry Brasil in April 2009.

The mission of DeVry Brasil is to become a leading provider of high quality post-secondary education across Brazil by sharing international academic standards and offering world class career-focused programs that prepare its students for success in their professions.

DeVry Brasil serves more than 13,000 students through undergraduate and graduate programs focused in business management, nursing, law and engineering. The following table provides historical enrollment data for DeVry Brasil students.

	DeVry Brasil New Students			
	Enrollment		% Change Over Prior Year	
Fiscal Year	Spring	Fall	Spring	Fall
2011	3,833	2,347	41.0%	9.1%
2010	2,718	2,151	(5.9%)	13.6%
2009	2,887	1,893	N/M	N/M

	DeVry Brasil Total Students			
	Enrollment		% Change Over Prior Year	
Fiscal Year	Spring	Fall	Spring	Fall
2011	13,688	11,972	16.1%	3.8%
2010	11,789	11,532	0.4%	10.6%
2009	11,742	10,424	N/M	N/M

Advanced Academics

Advanced Academics Inc. (AAI) is a leading provider of high-quality online education to middle and high school students. Headquartered in Oklahoma City, Oklahoma, AAI was founded in 2000 and acquired by DeVry in October 2007.

The mission of AAI is to help students graduate and succeed. AAI partners with schools and districts throughout the United States to deliver customizable online learning solutions that include Web-based curricula, highly qualified teachers, a twenty-four hour/seven day per week support environment, and a proprietary technology platform specifically designed for grades 6 to 12. AAI s strategy is not to replace or compete with schools, but to enable schools to serve more students.

Since its inception, AAI has educated more than 60,000 students and has partnerships with school districts in more than 30 states and more than 100 school districts and charter schools, as well as six virtual high schools.

Becker Professional Education

For more than 50 years, Becker Professional Education, a global leader in exam review and continuing education, has helped nearly half a million accounting, finance and project management professionals advance their careers and achieve success.

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Becker Professional Education s primary product lines are review courses preparing students to take the Certified Public Accountant, Chartered Financial Analyst and Project Management Professional certification examinations. On April 30, 2011, Becker expanded its course offerings and geographic presence through its acquisition of ATC International, a leading provider of professional accounting and finance training with centers in Central and Eastern Europe as well as Central Asia. ATC International provides training for professional designations such as ACCA (Association of Chartered Certified Accountants), CIMA (Chartered Institute of Management Accountants) and the Diploma in International Financial Reporting.

Through its CPA and CFA review courses, Becker served more than 50,000 students in fiscal year 2011. Becker CPA Review is the industry leader in providing CPA exam review services and has been preparing candidates to pass the exam for over 50 years. In calendar year 2009 (the latest period for which data is available) 14 of the top 15 Elijah Watt Sells Award winners, individuals who achieved the highest cumulative scores on the CPA exam, prepared with Becker. For 2008, nine of the top 10 Elijah Watt Sells Award winners prepared with Becker.

To better meet the demands of today s busy professionals, Becker Professional Education s classes are offered in three flexible formats: live, self-study and online. The self-study and online products are interactive, and offer the same instructor-led lectures and materials available in the live classroom courses. The online course also provides each student an online instructor who offers individualized guidance and assistance as needed.

Based on published exam pass rate statistics supplied by the American Institute of Certified Public Accountants (AICPA), Becker CPA Review students pass at twice the rate of all CPA exam candidates who did not take a Becker review course. Becker CPA exam review course students represent about one-half of all students passing the CPA exam. At the mandate of the CFA Institute, the professional association that administers the CFA exam, Stalla by Becker Professional Education and other CFA preparation providers are prohibited from publicly disclosing pass rate performance.

Becker Professional Education also offers continuing professional education and training programs in the fields of accounting, finance and project management to help individuals and organizations achieve superior performance through professional development.

Enrollment trends

CPA Exam Review

The Uniform CPA Examination (CPA exam) is prepared and administered by the AICPA. The CPA exam is offered only in a computer-based, on-demand, four-part format for eight months of the year. In addition to successfully passing the four-part exam, CPA candidates must also meet educational, work experience, and other requirements specific to the state or jurisdiction in which they intend to be licensed to practice. Despite the turbulent economic times, the demand for CPAs remains relatively strong and the number of exam candidates has increased during the past several years.

Review for the CFA® Exam

The CFA program is a graduate-level curriculum and examination program intended to expand a candidate s working knowledge and skills relating to the investment decision-making process. The curriculum is divided into three successive levels, each of which concludes with an examination. The CFA designation is often referred to in practice as the gold standard for investment professionals, serving as a standard for measuring practitioner-oriented competence and integrity in areas including corporate finance, portfolio management, securities analysis, wealth management, and ethical and professional standards. Stalla by Becker Professional Education s approach to CFA exam preparation combines expert, comprehensive instruction, an integrated suite of learning tools continuous guidance and academic support in a program personalized to fit candidates unique learning styles and scheduling requirements. While strong overall enrollment growth continues, new Level I enrollments in North America have declined in light of the recent economic and financial sector turmoil.

COMPETITION

DeVry University

The postsecondary education market is highly fragmented and competitive; no single institution has a significant market share. According to the NCES, there were 6,742 Title IV eligible postsecondary institutions in the United States as of the 2009-10 academic year, including 2,944 private, for-profit (private-sector) schools; approximately

1,989 public schools (e.g. state institutions and community colleges); and approximately 1,809 private, not-for-profit (independent) schools. According to the NCES, in 2009 approximately 20.4 million students were attending degree-granting institutions that participate in the various financial aid programs under Title IV.

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In every market in which DeVry University operates, there are numerous state institutions, community colleges, and independent universities. In particular, there is growing competitive pressure from community colleges, traditional universities, and technical colleges that offer industry-specific certification programs, particularly in the computer information field. In addition, there is growing competition from online programs (by private-sector, publicly-funded and independent institutions) and site-based private-sector school programs.

Tuition at independent institutions is, on average, higher than the tuition at DeVry University. Publicly-supported colleges may offer similar programs at a lower tuition level because of government subsidies, tax-deductible contributions, and other financial sources not available to private-sector schools. In fact, many local community colleges offer programs similar in content to DeVry University s associate degree programs, but at a much lower tuition. While community college enrollments have grown significantly in recent years and these institutions may be viewed as competitors, they also provide DeVry University an opportunity: it has a number of articulation and transfer agreements in place with community colleges that make it easier for their graduates to continue their education to earn a bachelor s degree at DeVry University.

For more information on DeVry University tuition, please read the section entitled Tuition and Fees.

Geography and Consistency

DeVry University campuses and centers are located in 26 states, with multiple locations within many of the states, as well as one location in Canada. As such, DeVry University offers a North American system of educational offerings to adults who may be transferred or choose to move from one part of the country to another. In addition, we offer all our graduate programs and nearly all undergraduate programs through DeVry University s online delivery, making these programs available to all qualified students in all 50 states and internationally without regard to their location or daily schedule.

To ensure that students can readily transfer from one DeVry University location to another without disrupting their studies, our graduate and undergraduate curricula generally are consistent at all locations (with some content variations to meet local employment market and/or regulatory requirements).

Undergraduate Programs

DeVry University s competitive strengths in the market for undergraduate programs include:

Career-oriented curricula developed with employer input to ensure that graduates learn marketable skills;

Faculty with relevant industry experience;

Well-developed and professionally-staffed undergraduate career service programs;

National name recognition and market presence;

Regional accreditation;

Modern facilities and well-equipped laboratories;

Flexibility and convenience with classes offered at 99 locations and online;

Evening, weekend, and online class schedules;

Year-round academic schedules that permit more flexible attendance and earlier graduation;

Bachelor s degree programs that can be completed in three years, giving DeVry University students the financial advantage of entering the work force one year earlier than their counterparts at traditional four-year undergraduate institutions; and

Small class sizes.

In recent years, DeVry has increased its competitiveness by enhancing several of the undergraduate programs, expanding DeVry University online offerings, and adding DeVry University centers. As a result, we offer more locations, and more flexible class schedules and learning formats, than most other educational institutions. Undergraduate classes at DeVry University campuses generally are offered in morning, afternoon and evening sessions, which helps students maintain part-time or full-time jobs. Undergraduate classes at DeVry University centers generally are offered in the evening for the convenience of working adult students, but daytime classes are offered at centers in markets where there is deemed to be sufficient demand.

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Graduate Programs

DeVry University s competitive strengths in the market for graduate programs include:

A practitioner approach to education that stresses skills and strategies that employers value;

A high level of service to the adult student, including flexible schedules and locations that are convenient to where many students work;

Convenience of more than 90 onsite teaching locations in major metropolitan areas nationwide and online; and

Flexible schedules with six sessions each year that enable new students to start their program any time of the year and continuing students to take a session off, if necessary, to accommodate their schedules.

Graduate programs, both onsite and online, are offered in six, eight-week sessions each year. Classroom-based courses generally meet once a week, either in the evening or on Saturday, for the convenience of students with heavy travel, work schedules or other demands on their time.

As the market for adult education programs has expanded in recent years, other schools have implemented multi-location evening and weekend programs. Enrollments in DeVry University s graduate programs continue to increase, demonstrating the recognition it has earned as an innovator in providing high quality practical education.

Medical and Healthcare

Ross University

In the medical education market, Ross University competes with the 134 U.S. schools of medicine, 26 U.S. colleges of osteopathic medicine, and approximately 30 Caribbean medical schools. In the veterinary education market, Ross competes with AVMA accredited schools, of which 28 are U.S., five are Canadian and nine are international veterinary schools. In addition, Ross competes with three non-AVMA accredited Caribbean veterinary schools.

Ross University attracts potential students for several reasons. For some, Ross is their first or only choice of schools because of its commitment to and focus on practitioner-oriented teaching. Others applied to U.S.-based medical or veterinary schools but were not admitted or were wait-listed. Some students elected not to apply to U.S. schools because of self-perceived deficiencies in their academic record or standardized test scores.

For the 2010-11 academic year, it is estimated that applications to U.S. medical and veterinary medical schools totaled approximately 43,000 and 6,300, respectively. From each of these separate applicant pools, approximately 46% were accepted. An additional estimated 5,200 students were accepted to U.S. osteopathic medical schools.

Medical and veterinary school applicants who were denied admission or wait-listed at U.S. schools constitute a large segment of prospective students for Ross University. Based upon the number of Medical College Admission Test (MCAT) takers, which increased to approximately 82,000 in 2010 (up from approximately 79,200 in 2009), management believes the potential market for medical school students is much larger than the denied applicant pool alone.

According to the Association of American Medical Colleges Center for Workforce Studies, June 2010 analysis, the demand for physicians will outpace supply by approximately 12% in 2020 and by almost 17% by 2025. The capacity of U.S. medical schools has not changed materially in more than two decades. However, there has been some recent expansion in the U.S. medical education industry because of the growing supply/demand imbalance for medical doctors. Management believes this imbalance will continue to spur demand for medical education. Management also believes the veterinary medical education market is subject to some of the same forces.

Compared to its private-sector competitors, Ross University enjoys several competitive advantages, including a large alumni base and strong reputation, federal financial aid eligibility for its students, and its historically large network of diverse geographical opportunities for clinical rotations.

In the last year for which there is published data (September 2008), more Ross University School of Medicine graduates obtained first year residency positions at U.S. teaching hospitals than graduates from any other medical school in the world, including those schools in the United States. Those residency appointments have been in virtually every medical specialty and subspecialty.

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Chamberlain College of Nursing

Nursing constitutes the largest occupation in healthcare in the United States, with more than 3.7 million licensed nurses in 2008. Nurses represent the largest occupation of all health care workers in the United States and provide 85 percent of the health care delivery. The Bureau of Labor Statistics reports that employment of RNs is expected to grow 22 percent from 2008 to 2018, much faster than the average employment growth rate for all other occupations.

Despite the long term need for nurses, demand has not yet produced a sufficient increase in educational capacity. It is estimated by the National League for Nursing that over 99,000 qualified applicants were turned away from U.S. nursing schools in 2008 because of lack of capacity.

Nationally, Chamberlain competes in the nursing education market which has more than 800 programs leading to RN licensure. These include both four-year educational institutions and two-year community colleges. However, Chamberlain has an advantage over many of its competitors because it offers a three-year, year-round BSN program and the opportunity to take classes both onsite and online.

Carrington

The career college segment of the postsecondary education market is also highly fragmented and competitive; no single institution has a significant market share. Most students will not relocate or travel long distances to attend a career college, so competition is primarily at the local level. Competitors range from large public community colleges to professionally operated multi-campus institutions to single campus family owned institutions. In general, community colleges offer the lowest tuition prices and have the largest enrollments.

A prospective career college student in most markets will have a choice of institutions offering similar programs. Carrington College and Carrington College California compete by focusing primarily on healthcare and nursing programs. Both institutions are well known in their local markets for offering:

A wide range of healthcare program offerings;

Attractive and conveniently located facilities;

Learning methodologies that blend didactic instruction with experiential laboratory exercises;

Faculty that have relevant work experience;

Relatively small class sizes;

High levels of service to students; and

Accelerated programs with a choice of class schedules.

American University of the Caribbean

AUC s competitive environment is similar to that of Ross University School of Medicine as previously described in the Ross University section.

Professional Education

Becker Professional Education competes with other methods of CPA and CFA exam preparation, including self-study resources from the CFA Institute, courses sponsored by affiliated CFA societies, courses offered by colleges and universities, and courses offered by other private training companies. Becker typically charges more for exam preparation than colleges and private competitors. In fiscal year 2010, Becker launched a zero percent financing program designed to make its CPA review more affordable to recent college graduates.

With its 50-plus year history and exceptional track record of preparing students to pass the CPA exam, Becker Professional Education differentiates itself from competitors by providing:

Extensive and constantly updated review and practice test materials;

Experienced, highly qualified instructors for each of the areas of specialty included in the exam;

Courses available in several formats, including live class, self study, and online sessions, to meet candidate needs for flexibility and control; and

Practice simulations and software functionality, similar to those used in the actual exam

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In calendar year 2011, the CPA exam underwent the most significant content change since the exam became computer based in 2004. In advance of this change, Becker Professional Education invested significantly in course development to ensure that the quality of its product remains world class.

Becker s live, self study and online courses provide a wider range of study alternatives than other course providers. Becker students have a high success rate on the exam, passing at double the rate of non-Becker students. Some Becker students enroll after taking other review courses or studying independently without success.

CPA and CFA exam candidates can take advantage of the Becker Professional Education review course content and methodology in conjunction with their DeVry University MBA or Master of Accounting and Financial Management programs, earning full academic credit. These credits also may be used to fulfill the 150-hour educational requirement that most states have made a prerequisite to becoming licensed as a certified public accountant. Extending the marketing and administrative benefits of joint operation, Becker offers classes at DeVry University locations or through online learning.

STUDENT ADMISSIONS

DeVry University

Student Admissions

DeVry University employs admissions advisors and other administrative staff who support the admissions process, throughout the United States and Canada. Admissions advisors are salaried, full-time DeVry employees. There are admissions advisors at each DeVry University location who work with potential applicants.

Undergraduate students applying to DeVry University to take courses online primarily work with admissions advisors, either at a DeVry University location, or with a central staff of admissions advisors who are dedicated to serving online applicants. Applicants to online programs who are in areas remote from a DeVry University location, including active military personnel on military bases, work with a central staff of admissions advisors. DeVry University also employs Military Education Liaisons who visit military bases and conduct interviews with active military personnel.

All graduate school students work with admissions advisors.

Certain states and Canadian provinces require advisors and student recruiters to be licensed or authorized by a particular regulatory agency. Regulations governing student participation in U.S. federal financial assistance programs prohibit schools from paying commissions, bonuses, or incentives to student recruiters based directly or indirectly on the number of students they enroll. DeVry University s compensation practices have been designed to be in compliance with current regulations.

Many of DeVry University s applicants are working adults who want to attend class in the evening or on weekends, recently unemployed adults seeking to improve their job skills, and students transferring to a DeVry University undergraduate program from nearby colleges and universities. In addition, DeVry University has entered into articulation agreements with community colleges to facilitate the enrollment of their students seeking to transfer course credits to DeVry University. A large portion of new students enrolling in our undergraduate programs have some prior college experience. In addition, military veterans with military-specific technical training are attracted to DeVry University s practical career-oriented education and extensive geographic reach.

DeVry University s High School Programs Presenters visit high schools throughout North America, making presentations on career choices particularly in business and technology-related fields and on the importance of a college education. DeVry University s military team and community outreach team visits military bases and community colleges. Admissions advisors also receive student inquiries generated by DeVry University s web site, other sources on the Internet, and direct mail. Follow-up interview sessions with prospective students generally take place at a DeVry University location or by telephone.

DeVry University s Keller Corporate Center for Learning is designed to meet the education needs of corporate clients and their employees with DeVry University program offerings. A national network of corporate account managers directs its student recruiting efforts primarily at Fortune 1000 companies leveraging relationships with these clients through DeVry University s career services organization.

Marketing and Outreach

DeVry University currently advertises on various Internet sites, on television and radio, in magazines and newspapers, and utilizes telemarketing and direct mail to reach prospective students. DeVry University frequently

updates its marketing programs in order to better communicate the quality of its degree programs and the value of a DeVry University education. DeVry University s highly

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integrated brand initiative focuses on the university s graduate employment success, while emphasizing DeVry University as an accredited, highly-respected academic institution. The brand campaign is grounded in ongoing in-depth consumer, marketplace and brand research, and leverages a number of channels, including broadcast, print and Internet advertising, public relations, and social media, as well as local marketing efforts.

DeVry University serves high school students in several unique ways. Since July 2004, we have worked with the Chicago Public School system to create the DeVry University Advantage Academy. A second Advantage Academy was later started in Columbus, Ohio. More than 1,000 students have graduated from the two programs. Students enter DeVry University Advantage Academy at the start of their junior year, and complete two academic years and one summer term. At the conclusion of the program, students have earned their high school diploma and an associate degree in either Network Systems Administration or Web Graphic Design. Most students go on to bachelor s degree programs, either at DeVry University or other public or private universities. The Advantage Academy model is flexible based on the needs of individual school districts. DeVry faculty teach all college courses and high school classes are taught by certified high school educators. School districts can determine whether to establish a cohort program for all students or allow students from different schools to travel for college-level coursework. For example, in Chicago, all classes are taught at Advantage Academy, a stand-alone, certified Chicago Public Schools high school with its own principal located on DeVry University s Chicago campus. In Columbus, students take high school courses at their own high school and travel to DeVry for college classes. The two flagship programs report a combined high school graduation rate of 93 percent, and an associate degree completion rate of 83 percent.

In July 2010, DeVry announced a major, multi-year partnership to help increase high school and college graduation rates across the country. The partnership is a featured component of the America s Promise Alliance Grad Nation campaign. Launched in March 2010 with the support of President Obama and U.S. Secretary of Education Arne Duncan, Grad Nation is a 10-year campaign to mobilize all Americans to take action in their communities to end the high school dropout crisis and ultimately prepare young people for postsecondary education and the 21st century workforce.

Several additional Advantage Academies are being developed under the umbrella of this partnership. The third Advantage Academy will enroll its first cohort of students in Health Information Technology in the fall of 2011 in association with the Decatur Center Academy in Decatur, Georgia. In support of the partnership, DeVry will donate $1.5 million to the America s Promise Alliance, to be distributed over three years, and provide additional in-kind donations of up to $2.5 million over three years to support a key goal of both organizations to see more young people earn a postsecondary or college degree.

In-kind contributions by DeVry will include cost-sharing agreements with public school systems to establish new dual-enrollment, high-school-to-college programs, providing its Advanced Academics online high school curriculum to high school students who need to make up credits required for graduation, and college and career workshops to motivate young people to pursue higher education degrees. A key focus of the partnership will be expanding the DeVry Advantage Academy dual-enrollment model across the country.

Other outreach and recruitment initiatives include weekend SAT preparatory classes for high school seniors, Career Reality workshops to teach students and educators about trends in business and industry, free summer classes for high school students seeking a head start on business and technology college credits, and fellowships for high school and community college faculty and administrators. Another example is HerWorld®, an innovative program designed to encourage and reinforce interest in business and technology careers among high school girls.

Admissions Standards

To be admitted to a DeVry University undergraduate program in the United States, an applicant must be either a high school graduate from a DeVry-recognized institution, have a General Education Development (GED) certificate, or hold a degree from a DeVry University-approved postsecondary institution. Applicants for admission must be at least 17 years old and complete an interview with an admissions advisor. In Canada, an applicant must meet either the same criteria as in the United States, or meet alternative mature student criteria. International applicants must provide documentation demonstrating the required level of prior education, satisfy the English-language proficiency requirement and meet all other admission requirements.

All applicants must meet prescribed admission qualifications and attain minimum placement examination scores, which vary depending on the program. Students take the Accuplacer computer-adaptive placement tests designed by The College Board or the DeVry online computer adaptive placement tests developed internally, to assess applicants achievement levels and developmental needs during the admission process. ACT or SAT examination scores deemed appropriate for the desired program, or acceptable grades in qualifying college-level work completed at an approved postsecondary institution, also can be used to meet undergraduate admission requirements.

After prospective students complete an application, an admissions advisor contacts them through phone calls, mailings, and invitations to site-based workshops or other events to improve the rate at which such applicants begin their program of study.

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To be admitted to a graduate program, applicants must hold a bachelor s degree from a U.S. institution that is accredited by or is in candidacy status with a U.S. regional accrediting agency or selected national accrediting agencies or international institutions recognized as the equivalent, and complete an interview with an admissions advisor. International applicants must hold a degree recognized to be equivalent to a U.S. baccalaureate degree, satisfy the English-language proficiency requirement, and meet all other admission requirements. Applicants whose undergraduate cumulative grade point average is 2.70 or higher are eligible for admission. Applicants with a cumulative grade point average below 2.70 must achieve acceptable scores on the Graduate Management Admission Test (GMAT), the Graduate Record Examination (GRE) or the Keller-administered admission test. Admissions decisions are based on evaluation of a candidate s academic credentials, entrance test scores, and a personal interview.

Medical and Healthcare

Ross University

The Ross University School of Medicine and School of Veterinary Medicine focus their marketing efforts on attracting highly qualified, primarily U.S. and Canadian applicants, with the motivation and requisite academic ability to complete their educational programs and pass the United States Medical Licensing Exam and the North American Veterinary Licensure Examination, respectively. Ross marketing effort includes direct e-mail marketing, visits to undergraduate campuses to meet students and their pre-med/pre-vet advisors, targeted direct mail campaigns, information seminars in 40 major markets throughout the United States, Canada, and Puerto Rico, alumni referrals, a national undergraduate poster campaign, radio advertisements in select markets and print ads in major magazines and newspapers.

Ross University employs regional admissions representatives in 12 cities throughout the U.S. and in Ontario, Canada, who seek out and pursue student interest in our two programs. Senior Associate Directors of Admission and Associate Directors of Admission recruit, interview, admit, and enroll all new students to each of our three entering cohorts. The successful applicant must have all prerequisite sciences (with labs), mathematics, and English courses as dictated by the admissions committee of both the medical and veterinary schools. All candidates for admission must interview with an associate director and all admission decisions are made by the admissions committees of the medical and veterinary schools.

Chamberlain College of Nursing

Chamberlain utilizes varied marketing approaches to generate interest from potential students. Chamberlain recruiters visit Arizona, Illinois, Missouri, Ohio, Florida and Washington, D.C. metro area high schools, employ targeted direct mail and Internet campaigns, cultivate alumni referrals and participate in information seminars and career fairs. Chamberlain holds open house events to attract local prospective students, and advertises in healthcare career publications, in newspapers, and on television and radio. Chamberlain s extensive informational website generates nearly one-third of all potential applicant inquiries.

Chamberlain employs regional admissions representatives who arrange for student interviews and campus tours. Admission requirements include a high school diploma or GED; minimum cumulative grade point average requirements vary depending upon the program. Applicants to the pre-licensure programs must pass the Chamberlain standard pre-admission exam or obtain a prescribed minimum score on the ACT or SAT exam, depending upon the program in which the applicant is interested. Admissions decisions are made by an admissions committee.

Carrington

Carrington utilizes varied marketing approaches to generate interest from potential students. Admissions advisors visit high schools in Arizona, California, New Mexico, Nevada, Oregon, Washington and Idaho. Carrington also conducts local advertising campaigns using broadcast media, print media, targeted direct mail and the internet. In addition, Carrington holds open house events for local prospective students, cultivates alumni referrals, and participates in information seminars and career fairs.

American University of the Caribbean

AUC focuses its marketing efforts on attracting highly qualified, primarily U.S. applicants, with the motivation and ability to complete their medical programs and pass the applicable licensure examinations. Approximately one-third of AUC s applicants come from referrals, with the remainder primarily from general advertising, including print and Internet media, AUC s website and visits by admissions advisors to U.S. undergraduate institutions. AUC employs

admissions advisors who are located at AUC s administrative offices in Coral Gables, Florida and remotely throughout the United States.

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International, K-12 and Professional Education

Becker Professional Education

Becker Professional Education markets its courses directly to potential students and to selected employers, primarily the large global, national and regional public accounting and financial services firms. Alumni referrals, direct mail, print advertising, e-mail, internet and social media advertising and a network of on-campus recruiters at colleges and universities across the country also generate new students for Becker s review courses. The Becker web-site is another source of information for interested applicants.

Becker Professional Education has relationships with more than 2,000 public accounting firms, corporations, government agencies and universities. Becker delivers its CPA review courses on about 100 college campuses, recruiting students attending those institutions. Becker also is the preferred provider of CPA review for most of the country s largest public accounting firms, partnering with 98 of the top 100 public accounting firms, including each of the Big 4 Firms.

ACCREDITATION

Educational institutions and their individual programs are awarded accreditation by achieving a level of quality that entitles them to the confidence of the educational community and the public they serve. Accredited institutions are subject to periodic review by accrediting bodies to ensure continued high performance and institutional and program improvement and integrity, and to confirm that accreditation requirements continue to be satisfied.

DeVry University

Regional accreditation in the United States is a voluntary process designed to promote educational quality and improvement, and is an important strength for DeVry University. Since 1981, DeVry University has been accredited by the Higher Learning Commission (HLC) of the North Central Association of Colleges and Schools, which is one of the six regional collegiate accrediting agencies in the United States. College and university administrators depend on the accredited status of an institution when evaluating transfers of credit and applications to their schools; employers rely on the accredited status of an institution when evaluating a candidate s credentials; and parents and high school counselors look to accreditation for assurance that an institution meets quality educational standards. Moreover, accreditation is necessary for students to qualify for federal financial assistance, and most scholarship commissions restrict their awards to students attending accredited institutions.

Keller Graduate School of Management was first awarded its North Central Association accreditation in 1977, and DeVry Institutes was first awarded North Central Association (now HLC) accreditation in 1981. Each school was separately accredited until February 2002, when the North Central Association approved the merger of DeVry Institutes and Keller Graduate School into a single institution to form DeVry University. After a comprehensive evaluation visit in August 2002, the HLC approved a 10-year re-accreditation for DeVry University. The HLC further affirmed that DeVry University can offer, without restriction, any of its programs onsite, online, or through any combination of the two. In September 2008, DeVry University was accepted into the Academic Quality Improvement Program (AQIP) of the HLC, a seven year accreditation reaffirmation process based on creating a culture of continuous improvement, one of DeVry University s key values.

In addition to regional accreditation, the baccalaureate electronics engineering technology programs at most of DeVry University s U.S. locations are accredited by the Technology Accreditation Commission of ABET (TAC of ABET), an accreditation board for applied science, computing, engineering, and technical educations. Baccalaureate computer engineering technology programs at several DeVry University U.S. locations are also accredited by TAC of ABET.

The associate degree program in health information technology is offered online and at DeVry University locations in Atlanta, Chicago, Columbus, Dallas, Ft. Washington, Houston, and Southern California. These programs are accredited by the Commission on Accreditation for Health Informatics and Information Management Education. Additional DeVry campuses are in the process of applying for this accreditation for their programs.

The province of Alberta granted accreditation to DeVry Calgary to confer Bachelor of Technology degrees in 2001 and accreditation to confer Bachelor of Science degrees in 2006. DeVry Calgary is the first and only private-sector institution in Canada to be provincially accredited to grant bachelor s degrees. Through an arrangement with the Alberta Department of Advanced Education, the State of Arizona, and the HLC, the computer engineering technology

and network and communications management curricula offered at DeVry Calgary fall under the accreditation of DeVry University (Arizona) as an offsite instructional location. The computer engineering technology and electronics engineering technology programs are accredited by the Canadian Technology Accreditation Board.

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Medical and Healthcare

Ross University

The Commonwealth of Dominica authorizes Ross University School of Medicine to confer the Doctor of Medicine degree. The medical school is recognized and accredited as a University and School of Medicine by the Dominica Medical Board (DMB). The National Committee on Foreign Medical Education of the U.S. Department of Education has affirmed that the DMB has established and enforces standards of educational accreditation that are comparable to those promulgated by the U.S. Liaison Committee on Medical Education. Ross University has also received four-year accreditation by the Caribbean Accreditation Authority for Education in Medicine and other Health Professions. In addition, Ross University is approved by the four U.S. states California, Florida, New Jersey and New York that have processes in place to evaluate and accredit an international medical school s programs, allowing Ross students to participate in clinical residency training programs in those states.

The Ross University School of Veterinary Medicine has been recognized and accredited as a University and School of Veterinary Medicine by the government of the Federation of St. Christopher and Nevis (St. Kitts) and is chartered to confer the Doctor of Veterinary Medicine degree. In March 2011, the Veterinary School received an additional accreditation by the American Veterinary Medical Association (AVMA). This prestigious accreditation reflects the investments that DeVry has made in academic quality and student services. The Veterinary School has affiliations with 22 AVMA-accredited U.S. colleges of veterinary medicine so that Ross students can complete their final three semesters of study in the United States.

Chamberlain College of Nursing

Chamberlain College of Nursing is HLC accredited. The ASN, BSN and MSN programs are approved by the respective State Boards of Nursing of Arizona, Illinois, Missouri, Ohio, Florida, Virginia and Texas. The ADN program on the Columbus campus and the BSN program on the St. Louis and Columbus campuses are accredited by the National League for Nursing Accrediting Commission (NLNAC). The BSN program on the St. Louis, Columbus, Addison, Phoenix and Jacksonville campuses is also accredited by the Commission on Collegiate Nursing Education (CCNE). NLNAC and CCNE accreditation are sought by campuses and programs after a required wait period.

Carrington

Carrington College is nationally accredited by the Accrediting Council of Independent Colleges and Schools. Carrington College California is regionally accredited by the Accrediting Commission for Community and Junior Colleges of the Western Association of Schools and Colleges. In addition to the institutional accreditations, the various individual campus locations hold a number of programmatic accreditations and approvals, including:

Carrington College	Carrington College California
Accrediting Bureau of Health Education Schools for Medical Assisting	Commission on Accreditation of Allied Health Education Programs
Committee on Accreditation for Respiratory Care	
Commission on Dental Accreditation	American Veterinary Medical Association
Joint Review Committee on Education in Radiologic Technology	American Society of Health-System Pharmacists
National League for Nursing Accrediting Commission	Commission on Dental Accreditation

American University of the Caribbean

The Minister of Health for the Government of St. Maarten authorizes AUC to confer the Doctor of Medicine degree. AUC is recognized and accredited by the Accreditation Commission on Colleges of Medicine (ACCM). The National Committee on Foreign Medical Education of the U.S. Department of Education has affirmed that the ACCM has established and enforces standards of educational accreditation that are comparable to those promulgated by the U.S. Liaison Committee on Medical Education. In addition, AUC is approved by three of the four states California, Florida, New Jersey and New York that have processes in place to evaluate and accredit an international medical school s programs, allowing AUC students to participate in clinical residency training programs in those states. AUC

has not sought approval from New Jersey to place its students in clinical rotation positions in the state.

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International, K-12 and Professional Education

DeVry Brasil

DeVry Brasil s institutions are accredited by the Brazilian Ministry of Education.

Advanced Academics

Advanced Academics is accredited by the North Central Association Commission on Accreditation and School Improvement, the Northwest Association of Accredited Schools, and the Southern Association of Colleges and Schools. Advanced Academics has also been designated an approved provider by the Washington Digital Learning Department and the Florida Department of Education.

APPROVAL AND LICENSING

DeVry needs authorizations from many state or Canadian provincial licensing agencies or ministries to recruit students, operate schools, conduct exam preparation courses, and grant degrees. Generally, the addition of any new program of study or new operating location also requires approval by the appropriate licensing and regulatory agencies. In the United States, each DeVry University, Chamberlain College of Nursing, Carrington College and Carrington College California location is approved to grant associate, bachelor s and/or master s degrees by the respective state in which it is located. Ross University School of Medicine and American University of Caribbean clinical sites are accredited as part of their programs of medical education by their respective accrediting bodies, approved by the appropriate boards in those states that have a formal process to do so, and are posted with the U.S. Department of Education.

Many states and Canadian provinces require private- sector postsecondary education institutions to post surety bonds for licensure. In the United States, DeVry has posted approximately $16.1 million of surety bonds with regulatory authorities on behalf of DeVry University, Chamberlain College of Nursing, Carrington College, Carrington College California and Becker Professional Education. DeVry has posted CDN $0.3 million of surety bonds with regulatory agencies in Canada.

Certain states have set standards of financial responsibility that differ from those prescribed by federal regulation. DeVry believes it is in material compliance with state and Canadian provincial regulations. If DeVry were unable to meet the tests of financial responsibility for a specific state, and could not otherwise demonstrate financial responsibility, DeVry could be required to cease operations in that state. To date, DeVry has successfully demonstrated its financial responsibility where required.

TUITION AND FEES

DeVry University

Effective with the summer 2011 term, DeVry University s U.S. undergraduate tuition is $597 per credit hour for students enrolling in 1 to 11 credit hours. Tuition is $360 per credit hour for each credit hour in excess of 11 credit hours. These tuition rates represent an increase of approximately 2.9% as compared to the summer 2010 term. These amounts do not include the cost of books, supplies, transportation and living expenses.

Based upon current tuition rates, a full-time student enrolling in the five-term undergraduate network systems administration program will pay total tuition of $37,155. A full-time student enrolled in the eight-term undergraduate business administration program will pay total tuition of $65,496.

Among four-year institutions, DeVry University s undergraduate tuition during the 2010-2011 academic year was lower than the average tuition of independent schools and to the average out-of-state (un-subsidized) tuition of public schools, but it was higher than the average in-state (taxpayer subsidized) tuition of publicly-supported institutions, according to data published in the Annual Survey of Colleges by the College Board. At four-year private schools, the average annual undergraduate tuition and fees for the 2010-2011 academic year was $27,293 at independent schools (a 4.5% increase from the prior year) and $13,935 at private sector schools (a 5.1% increase). The average annual undergraduate tuition and fees at four-year public schools was $7,605 for in-state (a 7.9% increase) and $19,595 for out-of-state tuition (a 6.0% increase).

Effective with the July 2011 session, Keller Graduate School of Management program tuition per course is $2,255. This represents an expected weighted average increase of 2.8% compared to the year-ago session.

If a student leaves school before completing an enrollment period, federal, state, and Canadian provincial regulations permit schools to retain a set percentage of the total tuition received. This amount varies, but generally

equals or exceeds the percentage of the term the student completes. Excess amounts are refunded to the student or the appropriate financial aid funding source.

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Some DeVry University programs, including the computer information systems and electronics and computer technology programs require students to own a laptop computer and have it available for class. Laptops can be purchased at some locations. Students also must purchase their own textbooks, electronic course materials and supplies.

Medical and Healthcare

Ross University

Effective September 2011, tuition and fees for the beginning basic sciences portion of the programs at the medical and veterinary schools will be $16,575 and $15,800, respectively, per semester. Tuition and fees for the final clinical portion of the programs are $18,200 per semester for the medical school, and $19,850 per semester for the veterinary school. These tuition rates represent an increase from September 2010 rates of 6.3% for the medical school and 5.3% for the veterinary school. These amounts do not include the cost of books, supplies, transportation, and living expenses.

DeVry believes that Ross University s tuition is in the middle of the range among private medical and veterinary schools, but equal to or higher than tuition in publicly-supported (taxpayer subsidized) medical and veterinary schools. Tuition rates at most medical and veterinary schools, including Ross University, have increased every year, and management believes rates will continue to increase.

Chamberlain College of Nursing

Effective July 2011, tuition is $650 per credit hour for students enrolled in the BSN (onsite), ADN and LPN-to-RN programs. Students enrolled on a full-time basis (between 12 and 17 credit hours) are charged a flat tuition amount of $7,800 per semester. This represents an increase from July 2010 rates of approximately 4.8%. These amounts do not include the cost of books, supplies, transportation and living expenses.

Effective July 2011, tuition is $590 per credit hour for students enrolled in the RN-to-BSN online degree program. This tuition rate represents an increase from July 2010 tuition rate of approximately 2.6%. Tuition for students enrolled in the online MSN program is $650 per credit hour, which is unchanged from the prior year.

DeVry believes that Chamberlain s tuition is in the middle of the range among private nursing schools, but equal to or higher than tuition in publicly-supported (taxpayer subsidized) schools. Tuition rates at most nursing schools have increased every year, and management believes they will continue to increase.

Carrington

On a per credit hour basis, tuition for Carrington College and Carrington College California programs ranges from $254 per credit hour to $1,651 per credit hour for non-general education courses, with the wide range due to the nature of the programs. General Education courses are charged at $325 per credit hour at Carrington College, and $364 per credit hour at Carrington College California. Student tuition is reduced accordingly for any incoming academic credits that are applicable. Students are charged a non-refundable registration fee ranging from $95 to $100, and they are also charged separately for books and special (program specific) supplies and/or testing. A student services fee ranging from $75 to $150 is charged at Carrington College as well, depending on the program. Total program tuition ranges from approximately $12,000 for certificate programs to over $60,000 for some advanced programs.

Tuition for programs offered by Carrington College and Carrington College California is based on the cost to provide the education as well as market conditions affecting the programs and the locations in which they are offered. Carrington s pricing strategy is to leverage its high-quality programs by pricing them at the high end of the range of comparable private-sector institutions.

American University of the Caribbean

Effective September 2011, tuition and fees for the beginning basic sciences and final clinical rotation portions of AUC s medical program will be $16,900 and $18,900, respectively, per semester.

Professional Education

The price of Becker Professional Education s complete classroom CPA review course, including an administrative fee, is $3,245. The complete CPA review course on DVD and the complete online review course are offered at the same price. Exam candidates may elect to enroll for individual sections of the exam review course at a price of $1,050 per section. Becker offers discounts from these tuition rates under various enrollment promotions at college campuses, state CPA societies and participating accounting firms.

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The current list prices for the CFA exam course packages range from $1,290 to $1,590, and Stalla by Becker Professional Education offers various promotional program discounts and stand alone preparation prices.

FINANCIAL AID AND FINANCING STUDENT EDUCATION

Students attending DeVry University, Ross University, Chamberlain College of Nursing, Carrington College and Carrington College California finance their education through a variety of sources, including government-sponsored financial aid, private and university-provided scholarships, employer-provided tuition assistance, veteran s benefits, private loans and cash payments. Students attending the Becker Professional Education review courses are not eligible for federal or state financial aid, but many receive partial or full tuition reimbursement from their employers.

The following table summarizes DeVry s cash receipts from tuition payments by fund source as a percentage of total revenue for the fiscal years 2010 and 2009, respectively. Final data for fiscal year 2011 are not yet available.

	Fiscal Year	
Funding Source:	**2010**	**2009**
Federal Assistance (Title IV) Program Funding:		
Grants and Loans	71%	73%
Federal Work Study	0%	1%
Total Title IV Program Funding	71%	74%
State Grants	2%	2%
Private Loans	1%	3%
Student accounts, cash payments, private scholarships, employer and military provided tuition assistance and other	26%	21%
Total	100%	100%

During fiscal year 2010, the source of the funding from student accounts, cash payments, private scholarships, employer and military provided tuition assistance increased to 26% of DeVry s total tuition revenues as compared to 21% in the prior year. The primary reason for this increase was the full year impact of the financial results of DeVry Brasil in fiscal year 2010 as compared to the three month impact in fiscal year 2009. DeVry Brasil students do not participate in the Title IV program funding, resulting in a proportional increase in funding from student accounts and cash payments as compared to fiscal year 2009.

DeVry University assists its undergraduate students in locating part-time employment to supplement their incomes and help finance their education. Data from the National Center for Education Statistics indicates that almost half of all full-time college students between the ages of 18 and 24 are employed, but we believe the employment rate among DeVry University full-time undergraduate students is higher.

All financial aid and assistance programs are subject to political and governmental budgetary considerations. In the United States, the Higher Education Act (HEA) guides the federal government s support of postsecondary education. The HEA was last reauthorized by the United States Congress in July 2008, and was signed into law by the President in August 2008.

Information about Particular Government Financial Aid Programs

DeVry University, Ross University, Chamberlain College of Nursing, Carrington College and Carrington College California students participate in many U.S. and Canadian financial aid programs. Each of these programs is briefly described below.

United States federal financial aid programs

Students in the United States rely on three types of U.S. Department of Education student financial aid programs under Title IV of the Higher Education Act.

1. *Grants.* DeVry University and Chamberlain College of Nursing undergraduate, Carrington College and Carrington College California students may participate in the Federal Pell Grant and Federal Supplemental Education Opportunity Grant programs.

Federal Pell grants. These funds do not have to be repaid and are, available to eligible undergraduate students who demonstrate financial need and who have not already received a baccalaureate degree. For the 2011-2012 school year, eligible students can receive Federal Pell grants ranging from $555 to $5,550.

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Federal Supplemental Educational Opportunity Grant (FSEOG). This is a supplement to the Federal Pell grant, and is only available to the neediest undergraduate students. Federal rules restrict the amount of FSEOG funds that may go to a single institution. The maximum individual FSEOG award is established by the institution but cannot exceed $4,000 per academic year. Educational institutions are required to supplement that amount with a 25% matching contribution. Institutional matching contributions may be satisfied, in whole or in part, by state grants, scholarship funds (discussed below) or by externally provided scholarship grants.

2. *Loans.* DeVry University, Ross University, Chamberlain College of Nursing, Carrington College and Carrington College California students may participate in the Stafford and PLUS programs within the William D. Ford Federal Direct Student Loan Program. DeVry University undergraduate students may also participate in the Federal Perkins Student Loan Program.

Subsidized Stafford loan: awarded on the basis of student financial need, it is a low-interest loan (a portion of the interest is subsidized by the Federal government) with interest charges and principal repayment deferred until six months after a student no longer attends school on at least a half-time basis. Loan limits per academic year range from $3,500 for students in their first academic year to $5,500 for students in their third or higher undergraduate academic year and increasing to $8,500 per academic year for graduate students.

Unsubsidized Stafford loan: awarded to students who do not meet the needs test or as an additional supplement to the subsidized Stafford loan. These loans incur interest from the time funds are disbursed, but actual principal and interest payments may be deferred until six months after a student no longer attends school on at least a half-time basis. Unsubsidized loan limits per academic year range from $6,000 for students in their first and second academic year to $7,000 in later years and increasing to $12,000 per academic year for graduate and professional program students. Additionally, a student without financial need may borrow an additional amount of unsubsidized loans up to the limit of the subsidized Stafford loan at their respective academic grade level. The total Stafford Loan limit for graduate students is $20,500 per academic year, with a $138,500 Stafford Loan aggregate borrowing limit that includes Stafford Loan amounts borrowed as an undergraduate. Of the $20,500 in academic year borrowings, no more than $8,500 may be in subsidized loans.

PLUS and Grad PLUS loans: enables a graduate student or parents of a dependent undergraduate student to borrow additional funds to meet the cost of the student s education. These loans are not based on financial need, nor are they subsidized. Interest begins to accrue, and repayment obligations which begin immediately after the loan is fully disbursed may be deferred until a student no longer attends school on at least a half-time basis. Graduate students and parents may borrow funds up to the cost of attendance which includes allowances for tuition, fees and living expenses. Both PLUS and Grad PLUS are subject to credit approval, which generally requires the borrower to be free of any current adverse credit conditions. A co-borrower may be used to meet the credit requirements.

Federal Perkins loan: is a low-interest loan available only to those students who demonstrate exceptional financial need. The maximum Federal Perkins Loan amount is established by the institution, but cannot exceed $5,500 per award year. Ongoing funding for this program is provided from collections on loans issued in previous years. When students repay principal and interest on these loans, that money goes to the pool of funds available for future loans to students at the same institution.

3. *Federal Work-study.* This program offers work opportunities, both on or off campus, on a part-time basis to undergraduate students who demonstrate financial need. Federal Work-study wages are paid partly from federal funds and partly from qualified employer funds.

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A U.S. Department of Education regulation known as the 90/10 Rule affects only proprietary postsecondary institutions, such as DeVry University, Ross University School of Medicine, Ross University School of Veterinary Medicine, Chamberlain College of Nursing, Carrington College and Carrington College California. Under this regulation, an institution that derives more than 90% of its revenues from federal financial assistance programs for two successive years may lose its eligibility to participate in the Title IV programs. The following table details the percentage of revenue from Title IV student financial assistance programs for each of DeVry s Title IV eligible institutions for fiscal years 2010 and 2009, respectively. Final data for fiscal year 2011 are not yet available.

	Fiscal Year	
	2010	**2009**
DeVry University:		
Undergraduate	77%	77%
Graduate	76%	70%
Ross University School of Medicine	81%	78%
Ross University School of Veterinary Medicine	89%	86%
Chamberlain College of Nursing	70%	69%
Carrington College	82%	85%
Carrington College California	86%	83%

State financial aid programs

Certain states, including Arizona, California, Colorado, Florida, Georgia, Illinois, Kentucky, Minnesota, New Jersey, New York, Ohio, Pennsylvania, Rhode Island and Vermont offer state grant and loan assistance to eligible undergraduate students.

Private Loan Programs

Some DeVry University, Chamberlain College of Nursing, Ross University, Carrington College and Carrington College California students rely on private (nonfederal) loan programs for financial assistance. These programs are used to finance the gap between a student s educational and living costs and their financial aid awards. The amount of the typical loan varies significantly according to the student s enrollment and financial aid awards. DeVry estimates that approximately one-half of the borrowings under private loan programs are used by students to pay for non-educational expenses, such as room and board.

Most private loans are approved using the student s or co-borrower s credit history. The cost of these loans varies, but in almost all cases will be more costly than the federal programs. The application process is separate from the traditional financial aid process. Student finance personnel at DeVry s degree granting institutions coordinate these processes to ensure that all students receive assistance from the federal and state programs first.

DeVry does not maintain a recommended lender list, but does list all of the lenders that made private loans to DeVry students in the previous year, in addition to providing students with a link to an independent website that lists private loan providers. DeVry is a voluntary signatory to the Student Loan Codes of Conduct developed by the Arizona, New Jersey and New York attorneys general.

Tax-favored programs

The United States has a number of tax-favored programs aimed at promoting savings for future college expenses. These include state-sponsored 529 college savings plans, state-sponsored prepaid tuition plans, education savings accounts (formerly known as education IRAs), custodial accounts for minors, Hope and Lifetime Learning credits, and tax deductions for interest on student loans.

Canadian government financial aid programs

Canadian citizens or permanent residents of Canada (other than students from Quebec) are eligible for loans under the Canada Student Loan Plan, which is financed by the Canadian government but administered at the provincial level. Canadian undergraduate students attending the DeVry University Calgary campus may also be eligible for provincial student loans. Eligibility and amount of funding vary by province. Students attending DeVry University on-line or in the United States or Ross University may be eligible for the Canada Student Loan program. The loans are interest-free while the student is in school, and repayment begins six months after the student leaves school. Qualified

students also may benefit from Canada Study Grants (designed for students whose financial needs and special circumstances cannot otherwise be met), tax-free withdrawals from retirement savings plans, tax-free education savings plans, loan repayment extensions, and interest relief on loans.

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DeVry-Provided Financial Assistance

DeVry s institutional loan programs are available to DeVry students and are designed to assist students who are unable to completely cover educational costs by other means. These loans may be used only for tuition, books, and fees, and are available only after all other student financial assistance has been applied toward those purposes. Repayment plans for institutional loan program balances are developed to address the financial circumstances of the particular student. Interest charges accrue each month on the unpaid balance. After a student leaves school, the student typically will have a monthly installment repayment plan with all balances due within 12 to 60 months.

DeVry University undergraduate students also are eligible for numerous DeVry-sponsored scholarships. Scholarship programs generally are designed to attract recent high school graduates and students enrolled at community colleges, with awards that range from $1,000 per term up to the amount of full tuition. DeVry University has also provided funds in the form of institutional grants to help those students most in need of financial assistance.

DeVry University and Chamberlain College of Nursing students who receive employer tuition assistance may choose from several deferred tuition payment plans. Students eligible for tuition reimbursement plans may have their tuition billed directly to their employers or payment deferred until after the end of the session. Educational expenses paid by an employer on behalf of an employee generally are excludable from the employee s income if provided under a qualified educational assistance plan. At present, the maximum annual exclusion is $5,250.

Professional Education

Students taking the Becker Professional Education review courses are not eligible for federal or state financial aid, but many receive partial or full tuition reimbursement from their employers. Private loans are also available to students to help meet the program costs. In addition, the Becker CPA Review course can be financed through Becker with a zero percent, 18 month term program.

Compliance with Legislative and Regulatory Requirements

Extensive and complex regulations in the United States and Canada govern all the government grant, loan, and work study programs in which DeVry University, Ross University, Chamberlain College of Nursing, Carrington College and Carrington College California and their respective students participate. DeVry must comply with many rules and standards, including maximum student loan default rates, maximum debt-to-earnings ratios of its graduates, limits on the proportion of its revenue that can be derived from federal student aid programs, prohibitions on certain types of incentive payments to student recruiters and financial aid officers, standards of financial responsibility, and administrative capability requirements. Like any other educational institution, DeVry s administration of these programs is periodically reviewed by various regulatory agencies and is subject to audit or investigation by other governmental authorities. Any violation could be the basis for penalties or other disciplinary action, including initiation of a suspension, limitation or termination proceeding. Previous Department of Education and state regulatory agency program reviews have not resulted in significant findings or adjustments against DeVry. If a proceeding were initiated and caused the Department of Education to substantially curtail DeVry s participation in government grant or loan programs, DeVry s enrollments, revenues and accounts receivable could all be adversely affected.

In the fall of 2009, the U.S. Department of Education (ED) initiated the process of negotiated rulemaking with respect to Program Integrity Issues to consider changes to certain provisions of the regulations governing the Title IV Programs. The resulting program integrity rules promulgated in October 2010 and June 2011 address fourteen topics. The most significant to DeVry s U.S. degree granting institutions are the following:

Gainful Employment

Misrepresentation

Incentive Compensation

The ED published final program integrity regulations on October 29, 2010, with most of the final rules effective July 1, 2011. On June 13, 2011, the ED published final regulations on metrics for gainful employment programs effective July 1, 2012. While DeVry expects to be in compliance with these new reporting and disclosure requirements, non-compliance with these requirements, individually or in combination, may negatively impact the

Title IV eligibility of DeVry s academic programs and its student enrollments.

Gainful Employment. To be eligible for Title IV funding, academic programs offered by private sector institutions of higher education must prepare students for gainful employment in a recognized occupation. Effective July 1, 2011, all private sector higher education institutions must provide prospective students with the types of employment associated with the program, total cost of the program, on-time completion rate, job placement rate, if applicable, and the median loan debt of program completers. Beginning

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October 1, 2011, institutions must annually submit information to the ED about students who complete a program leading to gainful employment in a recognized occupation, including the amount of debt incurred under private loans or institutional finance plans, matriculation information, and end of year enrollment information. Additionally, beginning July 1, 2011 the final regulations require institutions to notify the ED at least 90 days before the commencement of new educational programs leading to gainful employment in recognized occupations. This notification must include information on the demand for the program, any performed wage analysis, any external program review and approval, and a demonstration of accreditation.

An academic program is considered to lead to gainful employment if it meets at least one of the following three metrics:

at least 35% of former students are repaying their loans;

the estimated annual loan payment of a typical graduate does not exceed 30% of his or her discretionary income; or

the estimated annual loan payment of a typical graduate does not exceed 12% of his or her total earnings.

An academic program that passes any one standard is considered to be preparing students for gainful employment. If an academic program fails all three metrics, the institution will have the opportunity to improve the performance of that program. After one failure, the institution must disclose the amount by which the program missed minimal acceptable performance and the program s plan for improvement. After two failures within three years, the institution must inform students in the failing program that their debts may be unaffordable, that the program may lose eligibility, and what transfer options exist. After three failures within four years, the academic program loses eligibility to participate in Title IV programs for at least three years, although the program could be continued without federal student aid. If a particular program ceased to be eligible for Title IV funding, in most cases it would not be practical for DeVry to continue offering that program. These gainful employment standards are effective beginning July 1, 2012.

Based upon its initial internal analysis, DeVry has yet to identify any programs that fail to meet the new Gainful Employment metrics. Although the final rules regarding gainful employment metrics provide opportunities to address program deficiencies before the loss of Title IV eligibility, the continuing eligibility of DeVry s educational programs for Title IV funding will be affected by factors beyond management s control, such as changes in the actual or deemed income level of DeVry s graduates, changes in student borrowing levels, increases in interest rates, changes in the federal poverty income level used in calculating discretionary income, changes in the percentage of DeVry s former students who are current in repayment of their student loans, and other factors. In addition, even though deficiencies in the metrics may be correctible on a timely basis, the disclosure requirements to students following a failure to meet the standards may adversely impact student enrollments in that program and may adversely impact the reputation of DeVry s educational institutions.

Misrepresentation. The new rules significantly broaden an educational institution s liability for substantial misrepresentation that would, among other things, subject DeVry to sanctions for statements containing inadvertent errors made to non-students, including any member of the public, impose vicarious liability on institutions for the conduct of others, and expose institutions to liability when no actual harm occurs.

Incentive Compensation. An educational institution participating in Title IV programs may not pay any commission, bonus or other incentive payments to any person involved in student recruitment or admissions or awarding of Title IV program funds, if such payments are based directly or indirectly in any part on success in enrolling students or obtaining student financial aid. The law and regulations governing this requirement do not establish clear criteria for compliance in all circumstances, but there were twelve safe harbors that defined specific types of compensation that were deemed to constitute permissible incentive compensation. The new rules eliminate the 12 safe harbors. These changes increase the uncertainty about what constitutes incentive compensation and which employees are covered by the regulation. This makes the development of effective and compliant performance metrics more difficult to establish. As such, these changes limit DeVry s ability to compensate our employees based on their performance of their job responsibilities, which could make it more difficult to attract and retain highly-qualified

employees.

A separate financial responsibility test for continued participation by an institution s students in federal financial assistance programs, which pre-dates the program integrity regulations, is based upon a composite score of three ratios: an equity ratio that measures the institution s capital resources; a primary reserve ratio that measures an institution s ability to fund its operations from current resources; and a net income ratio that measures an institution s ability to operate profitably. A minimum score of 1.5 is necessary to meet the Department of Education s financial standards.

For the past several years, DeVry s composite score has exceeded the required minimum of 1.5. Management believes it will continue to demonstrate the required level of financial stability. If DeVry were unable to meet requisite financial responsibility standards or otherwise demonstrate, within the regulations, its ability to continue to provide educational services, then DeVry could be required to post a letter of credit to enable its students to continue to participate in federal financial assistance programs.

Institutions that participate in U.S. federal financial aid programs must disclose information upon request about undergraduate student completion rates to current and prospective students. The federal Student-Right-To-Know Act defines the cohort of students on which the institution must report as first-time, full-time, degree-seeking students who enter the fall term. Completion rates

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calculated in accordance with the statute for each of DeVry University s U.S. undergraduate campuses generally fall within the range of completion rates at selected four-year urban public colleges in the areas in which its campuses are located. However, its overall completion rate actually is higher than reported in these statistics. Many DeVry University students have previously attended other colleges (and completion rates for undergraduate students entering with previous college experience generally are higher than for first-time students), but these students are not included in the completion rate statistics that are defined by the Student-Right-To-Know Act. In an effort to improve our completion rates as defined by the statute, DeVry University has added student support services. For the 2004 freshman students (the latest period for which final completion statistics are available), the graduation rate for DeVry University U.S. undergraduates was 29.1% as compared to the 2003 rate of 29.9%.

Specialized staff at DeVry s home office review, interpret, and establish procedures for compliance with regulations governing financial assistance programs and processing financial aid applications. Because financial assistance programs are required to be administered in accordance with the standard of care and diligence of a fiduciary, any regulatory violation can be the basis for disciplinary action, including the initiation of a suspension, limitation, or termination proceeding.

In the United States, DeVry University, Chamberlain College of Nursing, Ross University School of Medicine, Ross University School of Veterinary Medicine, Carrington College and Carrington College California have completed and submitted all required audits of compliance with federal financial assistance programs for fiscal year 2010. DeVry s independent public accountants are currently conducting the required audits of the one-year period ended June 30, 2011. Based upon the most recently filed financial aid audit reports, DeVry was not required to post any letters of credit relating to its participation in federal financial aid assistance programs.

As a part of its effort to monitor the administration of student financial assistance programs, the U.S. Department of Education and state grant agencies may conduct site visits and program reviews at any educational institution at any time. Reviews at several DeVry University campuses have not resulted in any adverse material findings or adjustments.

In addition to the requirements that educational institutions must meet, student recipients of financial aid must maintain satisfactory academic progress toward completion of their program of study and an appropriate grade point average.

STUDENT LOAN DEFAULTS

The U.S. Department of Education has instituted strict regulations that penalize institutions whose students have high default rates on federal student loans. Depending on the type of loan, a loan is considered in default after the borrower becomes at least 270 or 360 days past due. For a variety of reasons, higher default rates are often found in proprietary institutions and community colleges all of which tend to have a higher percentage of low income students enrolled than do four-year publicly supported and independent colleges and universities.

Educational institutions are penalized to varying degrees under the William D. Ford Federal Direct Student Loan Program, depending on the default rate for the cohort defined in the statute. An institution with a cohort default rate that exceeds 20% for the year is required to develop a plan to reduce defaults, but the institution s operations and its students ability to utilize student loans are not restricted. An institution with a cohort default rate of 25% or more for three consecutive years is ineligible to participate in these loan programs and cannot offer student loans administered by the U.S. Department of Education for the fiscal year in which the ineligibility determination is made and for the next two fiscal years. Students attending an institution whose cohort default rate has exceeded 25% for three consecutive years also are ineligible for Pell grants. Any institution with a cohort default rate of 40% or more in any year is subject to immediate limitation, suspension, or termination proceedings from all federal aid programs. DeVry carefully monitors students loan default rate and has never had a cohort default rate of 25% or more for three consecutive years, or of 40% or more in any one year, at any if its institutions.

Beginning with the cohort default rate calculations for federal fiscal year 2009, the cohort default rate will be calculated by determining that rate at which borrowers who become subject to their repayment obligation in the relevant fiscal year, default by the end of the third federal fiscal year. The previous method of calculating cohort default rates will remain in effect and will be used to determine institutional eligibility until three consecutive years of official cohort default rates calculated under the new formula are available which will likely be in September 2012. In

addition, the cohort default rate threshold of 25% will be increased to 30% for purposes of certain sanctions and requirements related to cohort default rates.

According to the U.S. Department of Education, the cohort default rate for all colleges and universities eligible for federal financial aid increased from 6.7% in fiscal year 2007 to 7.0% for fiscal year 2008 (the latest period for which data are available).

Default rates for DeVry University, Ross University School of Medicine, Ross University School of Veterinary Medicine, Chamberlain College of Nursing, Carrington College and Carrington College California students follow. The latest period for which final data are available is 2008.

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	Cohort Default Rate			
	2008	2007	2006	2005
DeVry University: Undergraduate Programs	10.2%	9.0%	7.3%	6.6%
DeVry University: Federal Perkins Loan Program	8.8%	6.6%	6.8%	6.9%
DeVry University: Graduate Programs	2.6%	2.7%	1.4%	1.7%
Ross University School of Medicine	0.2%	0.2%	0.1%	0.0%
Ross University School of Veterinary Medicine	0.0%	0.0%	0.1%	0.1%
Chamberlain College of Nursing	1.7%	2.9%	1.8%	0.5%
Carrington College	7.0%	7.2%	7.5%	4.8%
Carrington College California	13.6%	10.2%	9.6%	10.3%

The respective cohort default rates for DeVry University Undergraduate Programs and Carrington College California were in excess of 10.0% for the most recent year (2008). In accordance with U.S. Department of Education regulations, disbursement of Title IV Stafford loans for new students is delayed for a thirty day period for any institution with a cohort default rate in excess of 10.0%. Management believes that the delay in the related cash receipts for these two DeVry institutions will not materially affect its operations or cash flow.

Under the Federal Perkins loan program, the institution is responsible for collecting outstanding loans. Any institution with a Perkins loan cohort default rate exceeding 15% must establish a default reduction plan. DeVry has worked to reduce the default rate by implementing financial literacy and student counseling programs and retaining outside loan service agencies to contact former students and inform them of their repayment options.

CAREER SERVICES

DeVry University

DeVry University believes that the employment of its graduates is essential to the achievement of its mission and the ability to attract and retain students. Career services professionals located at DeVry University undergraduate campuses work with students to choose careers, craft resumes, and prepare for job interviews. The staff also maintains contact with local and national employers to proactively identify job opportunities and arrange interviews. In many cases, company hiring representatives conduct interviews at DeVry University campuses.

DeVry University attempts to gather accurate data to determine how many of its undergraduates, both at the associate and bachelor s degree levels, are employed in positions related to their program of study within six months following graduation. To a large extent, the reliability of such data depends on the quality of information that graduates self-report.

One measure of success is the employment outcomes of DeVry University graduates. Eighty-nine percent of DeVry University s June 2009, October 2009 and February 2010 graduates in the active job market were employed in fields of their study within six months of graduation at an average salary of $43,035. These statistics include graduates of associate and bachelor s degree programs and those who were already employed.

DeVry University believes that no single employer has hired more than 5% of our graduates in recent years. Major employers of DeVry undergraduates include Accenture, Boeing, Ericcson, GE Healthcare, IBM, Intel, J.P. Morgan Chase, Lockheed Martin, L-3 Communications, Northrop Grumman, State Farm, Verizon Wireless, and UPS.

Management considers its career services commitment an important element of its service to students. Over the past several years, DeVry University developed and implemented a national job database, which allows students to log into one site to view, apply for, and learn more about job leads appropriate to their experience and education level. For the upcoming year, this database will be further expanded for employer use. In addition, management developed a preferred employer program. This program provides an avenue for businesses to easily partner with DeVry in areas such as career services, curriculum development, and continued employee education.

Chamberlain College of Nursing

Chamberlain College of Nursing initiated a career services program in fiscal year 2009 at its Columbus campus, which now extends to four campuses. The career services professionals work with students to craft resumes, prepare for job interviews, and target employment opportunities. The staff also maintains contact with local and national employers to proactively identify job opportunities

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and arrange interviews. In addition, the career services personnel gather data regarding employment and compensation as well as alumni perception of educational preparation for the workplace.

Carrington

Carrington provides career service support to students through dedicated employees at each campus location. The range of services provided includes: assistance in preparing resumes, coaching to define a job search strategy, coaching to improve interviewing skills, employer outreach initiatives to identify job opportunities, access to posted online job opportunities and guidance to help graduates obtain employment in their field of study.

SEASONALITY

DeVry s quarterly revenue and net income fluctuate primarily as a result of the pattern of student enrollments. Generally, the schools highest enrollment and revenues typically occur in the fall, which corresponds to the second and third quarters of DeVry s fiscal year. Enrollment is slightly lower in the spring, and the lowest enrollment generally occurs during the summer months. DeVry s operating costs do not fluctuate as significantly on a quarterly basis.

Results of operations reflect both this seasonal enrollment pattern and the pattern of student recruiting activity costs that precede the start of every term. Revenues, operating income, and net income by quarter for each of the past two fiscal years are included in Note 16 to the Consolidated Financial Statements, Quarterly Financial Data.

EMPLOYEES

As of June 30, 2011, DeVry had the following number of employees:

	Faculty and Staff		Part-time	
	Full-time	Part-time	Student Employees	Total
DeVry University	6,292	82	783	7,157
Ross University	961	22	144	1,127
Chamberlain College of Nursing	417	7	125	549
Carrington	1,078	243	63	1,384
Becker Professional Education	249	17		266
Advanced Academics	201	11		212
DeVry Brasil	552	727	109	1,388
Home Office Staff	512	4		516
Total	10,262	1,113	1,224	12,599

DeVry also utilizes independent contractors who teach as adjunct faculty and instructors. These independent contractors are not included in the above table. DeVry believes that its relationship with its employees is satisfactory. Approximately 240 administrative and support employees of Ross University s medical school campus in Dominica and approximately 1,350 employees at DeVry Brasil are covered by respective collective bargaining agreements with local unions.

DeVry University

Each DeVry University campus and center is managed by a campus president or center director and has a staff of academic deans, faculty and academic support staff, admissions group, career service and student service personnel, and other professionals. Group vice presidents of operations oversee the campuses and centers in geographically defined areas.

Each DeVry University campus president hires academic deans and faculty members in accordance with internal criteria, accrediting standards, and applicable state law. More than 85% of our full-time undergraduate faculty members hold advanced academic degrees, and most faculty members teaching in technical areas have related industry experience. DeVry University offers sabbatical and other leave programs to allow faculty to engage in developmental projects or consulting opportunities so they can maintain and enhance their currency and teaching skills. In addition to its regular faculty, DeVry University engages adjunct and visiting faculty especially in the

evening and online programs who teach on a part-time basis while continuing to work in their technical field or specialty.

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Graduate program faculty members are primarily practicing business professionals who are engaged to teach on a course-by-course basis. Over the past several years, graduate school courses have been taught selectively by full-time faculty to respond to student demand in areas of rapidly growing enrollment and to meet licensing approval requirements in certain states.

Faculty members are evaluated periodically based on student comments and observations by an academic dean. DeVry University does not offer tenure.

Medical and Healthcare

Ross University

The Ross University School of Medicine and the School of Veterinary Medicine are managed by deans with appropriate department chairs and course directors to oversee the educational operations. In addition, each campus has student services staff to assist with financial aid, housing, and other student-related matters. The campuses are supported by DeVry Medical International, Inc. (formerly Ross Health Sciences, Inc.), a central administrative staff, located in North Brunswick, New Jersey, and Miami, Florida.

Each medical school faculty member has a Ph.D. or an M.D. degree or both. The full-time faculty is supplemented by visiting or part-time instructors who are engaged to lecture on very specialized or emerging subjects. Each veterinary faculty member has either a Ph.D. or D.V.M. degree or both. Ross University faculty members are not tenured.

Chamberlain College of Nursing

Chamberlain College of Nursing campuses are managed by campus deans who are doctorally prepared nurse administrators. The campus deans report to a vice president of campus operations and are supported by a vice president of academic affairs who is responsible for standardized delivery of curricula on each campus. Student services staff is available to assist campus and online students with admissions, financial aid, housing, and other aspects of student life. The campuses and online program offerings are supported by a central administrative/management staff located in Lombard, Illinois.

In general, Chamberlain College of Nursing faculty members have a Master of Science in Nursing, and several have a Ph.D. Those faculty without a master s degree are enrolled in a graduate program in nursing. General education courses are taught by DeVry University faculty. Chamberlain faculty members are not tenured.

Carrington

Carrington College and Carrington College California campuses are managed by campus executive directors. These campus executive directors are supported by campus-based, director level support staff in the functional areas of admissions, career services, student finance, student records, and academics. Further support and oversight in the areas of academics, student finance, admissions, human resources, and information technology are provided by divisional staff located in Phoenix, Arizona (Carrington College) and Sacramento, California (Carrington College California).

The parent organization has its main office in Mission Viejo, California. Support functions in accounting/finance, marketing, information technology, and human resources are maintained at this office.

All Carrington College and Carrington College California faculty members must meet the minimum academic credentialing requirements as set forth by their respective institutional and programmatic accreditation bodies, as applicable.

American University of the Caribbean

The American University of the Caribbean medical school is managed by a dean with appropriate department chairs and course directors to oversee the educational programs and clinical rotations. In addition, the school has student services staff to assist with student financial aid, housing, and other student-related matters. The St. Maarten campus is supported by administrative staff located in Coral Gables, Florida.

In general, each medical school faculty member has a Ph.D., M.D. or a D.O. degree. The full-time faculty is supplemented by visiting instructors.

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International, K-12 and Professional Education

DeVry Brasil

DeVry Brasil s management team along with support service functions including academics, compliance, marketing, finance, information technology and human resources are based in Fortaleza, Brazil. Each campus is led by a president and the smaller center locations are led by a director. Most of Fanor s faculty are part-time and more than 30% hold Master s and/or Doctoral degrees.

Advanced Academics

The majority of Advanced Academics employees work at its home office located in Oklahoma City, Oklahoma. The staff includes state certified high school teachers, high school counselors, student service, curriculum development, information technology, student recruiting, finance and administrative personnel. In addition, Advanced Academics maintains several smaller offices throughout the United States for faculty and student service employees.

Becker Professional Education

Becker Professional Education is managed by a staff based primarily in DeVry s Downers Grove home office that supports its operations. Certain regional operations, as well as some other functions such as curriculum development, are managed and located throughout the United States and Hong Kong. Becker s faculty consists primarily of practicing professionals and university professors who teach the review courses on a part-time, course-by-course basis.

Home Office Staff

DeVry s home office staff are located at offices in Downers Grove and Oak Brook, Illinois. The home office staff supports the employees for all of DeVry s educational programs and locations by providing a broad range of services. Among the centrally-provided support services are curriculum development, academic management, licensing and accreditation, marketing and recruiting management, information technology, financial aid processing, regulatory compliance, internal audit, legal, tax, payroll, and finance and accounting.

TRADEMARKS AND SERVICE MARKS

DeVry owns and uses numerous trademarks and service marks, such as DeVry, DeVry University, DeVry Shield Design, Keller Graduate School of Management, Advanced Academics, Becker Professional Education, Becker C Review, ATC International, Ross University, Chamberlain, U.S. Education Corporation, Carrington Co Carrington College California, EDUCARE® American University of the Caribbean, and others. All trademarks, service marks, and copyrights associated with its businesses are owned in the name of DeVry Inc. or a subsidiary of DeVry Inc. DeVry vigorously defends against infringements of its trademarks, service marks, and copyrights.

ADDITIONAL INFORMATION

DeVry s Web site is at http://www.devryinc.com.

Through its Web site, DeVry offers (free of charge) the Annual Report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and all amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a) or 78o(d)) (the Exchange Act) as soon as reasonably practicable after it electronically files such material with, or furnishes such material to, the SEC. The Web site also includes copies of the following:

DeVry Governance Principles
Policy for Shareholder Communication with Directors
Policy for Communicating Allegations Related to Accounting Complaints
Director Nominating Process
DeVry Code of Conduct and Ethics
Academic Committee Charter
Audit Committee Charter
Compensation Committee Charter
Finance Committee Charter
External Relations Committee Charter
Nominating and Governance Committee Charter

Information contained on the Web site is not incorporated by reference into this report.

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Copies of the DeVry s filings with the SEC and the above-listed policies and charters also may be obtained by written request to Investor Relations at DeVry s executive offices. In addition, DeVry s filings with the SEC can be read or copied at the SEC s Public Reference Room at 100 F Street, NE, Washington, D.C. 20549. Information on the operation of the Public Reference Room can be obtained by calling the SEC at 1-800-SEC-0330. The SEC maintains a Web site that contains reports, proxy and information statements, and other information regarding issuers, including DeVry, that file electronically with the SEC; the Web site address is at http://www.sec.gov.

ITEM 1A RISK FACTORS

DeVry s business operations are subject to numerous risks and uncertainties. Investors should carefully consider the risk factors described below and all other information contained in the Annual Report on Form 10-K before making an investment decision with respect to DeVry s common stock. If any of the following risks are realized, DeVry s business, results of operations, financial condition and cash flows could be materially and adversely affected, and as a result, the trading price of DeVry s common stock could be materially and adversely impacted. Because of their very nature, management cannot predict all the possible risks and uncertainties that may arise. Risks and uncertainties that may affect DeVry s business include, but are not limited to:

Risks Related to DeVry s Highly Regulated Industry

DeVry is subject to risks relating to regulatory matters. If DeVry fails to comply with the extensive regulatory requirements for its business, DeVry could face fines and penalties, including loss of access to federal and state student financial aid for our students.

As a provider of higher education, DeVry is subject to extensive regulation on both the federal and state levels. In particular, the Higher Education Act, as amended and reauthorized, (the Higher Education Act) subjects DeVry s U.S. degree granting institutions (DeVry University, Chamberlain College of Nursing, Carrington College and Carrington College California) and all other higher education institutions, including DeVry s Ross university School of Medicine, Ross University School of Veterinary Medicine and American University of the Caribbean, that participate in the various federal student financial aid programs under Title IV of the Higher Education Act (Title IV) to significant regulatory scrutiny.

To participate in Title IV, an institution must receive and maintain authorization by the appropriate state education agencies, be accredited by an accrediting commission recognized by the U.S. Department of Education (ED), and be certified by the ED as an eligible institution. Most ED requirements are applied on an institutional basis, although some apply program-by program.

These regulatory requirements cover virtually all phases of DeVry s U.S. operations, including educational program offerings, facilities, instructional and administrative staff, administrative procedures, marketing and recruiting, financial operations, payment of refunds to students who withdraw, acquisitions or openings of new schools or programs, addition of new educational programs and changes in DeVry s corporate structure and ownership.

If DeVry is found to be in noncompliance with any of these regulations, standards or policies, any one of the relevant regulatory agencies could take action including:

- Imposing monetary fines or penalties;
- Requiring a posting of a letter of credit or bond
- Limiting or terminating DeVry s operations or ability to grant degrees;
- Restricting or revoking accreditation, licensure or other approval to operate;
- Limiting, suspending, or terminating eligibility to participate in Title IV programs or state financial aid programs; and
- Subjecting DeVry to other civil or criminal penalties.

Any of the penalties, injunctions, restrictions or other forms of censure listed above could have a material adverse effect on DeVry s business, results of operations, financial condition and cash flows. If DeVry were to lose its Title IV

eligibility, DeVry would experience a dramatic and adverse decline in revenue and would be unable to continue business as it is currently conducted.

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In the fall of 2009, the ED initiated the process of negotiated rulemaking with respect to Program Integrity Issues to consider changes to certain provisions of the regulations governing the Title IV Programs. The resulting program integrity rules promulgated in October 2010 and June 2011 address fourteen topics. The most significant to DeVry s U.S. degree granting institutions are the following:

Gainful Employment

Misrepresentation

Incentive Compensation

The ED published final program integrity regulations on October 29, 2010, with most of the final rules effective July 1, 2011. On June 13, 2011, the ED published final regulations on metrics for gainful employment programs effective July 1, 2012. While DeVry expects to be in compliance with these new reporting and disclosure requirements, non-compliance with these changes, individually or in combination, may negatively impact DeVry s student enrollment, persistence and retention in ways that management cannot now fully predict and could adversely affect DeVry s business, financial condition, results of operations and cash flows.

Gainful Employment. To be eligible for Title IV funding, academic programs offered by private sector institutions of higher education must prepare students for gainful employment in a recognized occupation. Effective July 1, 2011, all private sector higher education institutions must provide prospective students with the types of employment associated with the program, total cost of the program, on-time completion rate, job placement rate, if applicable, and the median loan debt of program completers. Beginning October 1, 2011, institutions must annually submit information to the ED about students who complete a program leading to gainful employment in a recognized occupation, including the amount of debt incurred under private loans or institutional finance plans, matriculation information, and end of year enrollment information. Additionally, beginning July 1, 2011 the final regulations require institutions to notify the ED at least 90 days before the commencement of new educational programs leading to gainful employment in recognized occupations. This notification must include information on the demand for the program, any performed wage analysis, any external program review and approval, and a demonstration of accreditation.

An academic program is considered to lead to gainful employment if it meets at least one of the following three metrics:

at least 35% of former students are repaying their loans;

the estimated annual loan payment of a typical graduate does not exceed 30 percent of his or her discretionary income;

or the estimated annual loan payment of a typical graduate does not exceed 12% of his or her total earnings.

An academic program that passes any one standard is considered to be preparing students for gainful employment. If an academic program fails all three metrics, the institution will have the opportunity to improve the performance of that program. After one failure, the institution must disclose the amount by which the program missed minimal acceptable performance and the program s plan for improvement. After two failures within three years, the institution must inform students in the failing program that their debts may be unaffordable, that the program may lose eligibility, and what transfer options exist. After three failures within four years, the academic program loses eligibility to participate in Title IV programs for at least three years, although the program could be continued without federal student aid. If a particular program ceased to be eligible for Title IV funding, in most cases it would not be practical for DeVry to continue offering that program. The gainful employment standards are effective beginning July 1, 2012. Although the final rules regarding gainful employment metrics provide opportunities to address program deficiencies before the loss of Title IV eligibility, the continuing eligibility of DeVry s educational programs for Title IV funding is at risk due to factors beyond management s control, such as changes in the actual or deemed income level of DeVry s graduates, changes in student borrowing levels, increases in interest rates, changes in the federal poverty income level

relevant for calculating discretionary income, changes in the percentage of DeVry s former students who are current in repayment of their student loans, and other factors. In addition, even though deficiencies in the metrics may be correctible on a timely basis, the disclosure requirements to students following a failure to meet the standards may adversely impact student enrollments in that program and may adversely impact the reputation of DeVry s educational institutions.

Misrepresentation. The new rules significantly broaden an educational institution s liability for substantial misrepresentation that would, among other things, subject DeVry to sanctions for statements containing inadvertent errors made to non-students, including any member of the public, impose vicarious liability on institutions for the conduct of others, and expose institutions to liability when no actual harm occurs. This could increase DeVry s cost of doing business, perhaps materially, which could have a material adverse affect on DeVry s financial condition, results of operations, cash flows and stock price.

Incentive Compensation. An educational institution participating in Title IV programs may not pay any commission, bonus or other incentive payments to any person involved in student recruitment or admissions or awarding of Title IV program funds,

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if such payments are based directly or indirectly in any part on success in enrolling students or obtaining student financial aid. The law and regulations governing this requirement do not establish clear criteria for compliance in all circumstances, but there were twelve safe harbors that defined specific types of compensation that were deemed to constitute permissible incentive compensation. The new rules eliminate the 12 safe harbors. These changes increase the uncertainty about what constitutes incentive compensation and which employees are covered by the regulation. This makes the development of effective and compliant performance metrics more difficult to establish. As such, these changes limit our ability to compensate our employees based on their performance of their job responsibilities, which could make it more difficult to attract and retain highly-qualified employees. The changes could also impair our ability to sustain and grow our business, which could have a material adverse effect on our results of operations and future growth.

Other Regulatory Risks. In addition to the risks associated with the Title IV Program Integrity Rules discussed above, the following are some of the more significant regulatory requirements and risks related to governmental and accrediting body oversight of DeVry s business:

DeVry s degree granting institutions may lose their eligibility to participate in Title IV programs if their student loan default rates are greater than standards set by the ED. An educational institution may lose its eligibility to participate in some or all Title IV programs, if, for three consecutive federal fiscal years, 25% or more of its students who were required to begin repaying their student loans in the relevant federal fiscal year default on their payment by the end of the next federal fiscal year. In addition, an institution may lose its eligibility to participate in some or all Title IV programs if its default rate for a federal fiscal year was greater than 40%. Beginning with the cohort default rate calculations for federal fiscal year 2009, the cohort default rate will be calculated by determining that rate at which borrowers who become subject to their repayment obligation in the relevant fiscal year, default by the end of the third federal fiscal year. The prior method of calculating cohort default rates will remain in effect and will be used to determine institutional eligibility until three consecutive years of official cohort default rates calculated under the new formula are available. In addition, the cohort default rate threshold of 25% will be increased to 30% for purposes of certain sanctions and requirements related to cohort default rates. If any of DeVry s U.S. degree granting institutions lose eligibility to participate in Title IV programs because of high student loan default rates, it would have a material adverse effect on DeVry s business;

DeVry s degree granting institutions may lose eligibility to participate in Title IV programs if, on a cash basis, the percentage of the institution s revenue derived from Title IV programs for two consecutive fiscal years is greater than 90%;

DeVry may be required to accept limitations to continue its degree granting institutions participation in Title IV programs if DeVry fails to satisfy the ED administrative capability standards;

DeVry is subject to sanctions if payments of impermissible commissions, bonuses or other incentive payments are made to the individuals involved in certain recruiting, admissions, or financial aid activities; and

DeVry may be required to post a letter of credit or accept other limitations to continue its U.S. degree granting institution s participation in Title IV programs if DeVry does not meet the ED s financial responsibility standards or if DeVry s institutions do not correctly calculate and timely return Title IV program funds for students who withdraw before completing their program of study.

DeVry could lose or suffer limitations in accreditations and licensing approvals that could affect its ability to recruit students, operate schools in some locations, and grant degrees.

Unforeseen changes to laws or regulations governing DeVry s operations may adversely affect current operations or future growth opportunities.

DeVry is subject to risks relating to financial aid and student finance. A substantial decrease in student financing options, or a significant increase in financing costs for DeVry students, could have a material adverse effect on DeVry s student enrollment and financial results.

DeVry s students are highly dependent on government-funded financial aid programs. If there are changes to financial aid program regulations that restrict student eligibility or reduce funding levels, DeVry s enrollment and/or collection of student billings may suffer, causing revenues to decline. Conversely, increases in state funding levels to taxpayer-supported educational institutions could generate further price competition that adversely affects DeVry s ability to recruit and retain students.

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Action by the U.S. Congress to revise the laws governing the federal student financial aid programs or reduce funding for those programs could reduce DeVry s student enrollments and/or increase its costs of operation. Political and budgetary concerns significantly affect Title IV Programs. The U.S. Congress enacted the Higher Education Act to be reauthorized on a periodic basis, which most recently occurred in August 2008. The 2008 reauthorization of the Higher Education Act made significant changes to the requirements governing the Title IV Programs, including changes that, among other things:

Regulated non-federal, private education loans;

Regulated the relationship between institutions and lenders that make education loans;

Revised the calculation of the student default rate attributed to an institution and the threshold rate at which sanctions will be imposed against an institution (as discussed above);

Adjusted the types of revenue that an institution is deemed to have derived from Title IV Programs and the sanctions imposed on an institution that derives too much revenue from Title IV Programs;

Increased the types and amount of information that an institution must disclose to current and prospective students and the public; and

Increased the types of policies and practices that an institution must adopt and follow.

The U.S. Congress can change the laws affecting Title IV Programs in the annual federal appropriations bills and other laws it enacts between the Higher Education Act reauthorizations. At this time, DeVry cannot predict all of the changes that the U.S. Congress will ultimately make. Since a significant percentage of DeVry s revenue is indirectly derived from Title IV Programs, any action by the U.S. Congress that significantly reduces Title IV Program funding or the ability of DeVry s degree granting institutions or students to participate in Title IV Programs could have a material adverse effect on DeVry s financial condition, results of operations and cash flows.

Changes in tax laws or reduced corporate earnings both could affect corporate educational benefit plans. If employers reduce tuition reimbursement amounts, working students may be less likely to enroll in a DeVry program, causing enrollment and revenues to decline.

Risks Related to DeVry s Business

DeVry is subject to risks relating to enrollment of students. If DeVry is not able to continue to successfully recruit and retain its students, it will not be able to sustain its recent revenue growth rate.

DeVry s undergraduate and graduate educational programs are concentrated in selected areas of technology, healthcare and business. If applicant career interests shift away from these fields, and we do not anticipate or adequately respond to that trend, future enrollment and revenue may decline.

If employment opportunities for DeVry graduates in fields related to their educational programs decline, future enrollment and revenue may decline as potential applicants choose to enroll at other educational institutions offering different courses of study.

DeVry may experience increased competition from other educational institutions in recruiting new students and retaining students already enrolled, causing enrollment and revenues to decline.

DeVry is subject to risks relating to operating matters, which could have a material adverse effect on DeVry s financial results.

If other educational institutions reduce their price of tuition, a DeVry education could become less attractive to prospective students. In addition, DeVry may be unable, for competitive reasons, to maintain and increase tuition rates in the future, adversely affecting future revenues and earnings.

DeVry may be unable to attract, retain and develop key employees with appropriate educational qualifications and experience. In addition, DeVry may be unable to effectively plan and prepare for changes in key employees. Such matters may cause DeVry to incur higher wage expense and/or provide less student support and customer service which could adversely affect enrollment, revenues and expense.

The performance and reliability of DeVry s computer networks and system applications, especially its online educational platforms and student operational and financial aid packaging applications, are critical to DeVry s reputation and ability to attract and retain students. System errors and/or failures could adversely impact DeVry s delivery of educational content to its online students. In addition, system errors could result in delays and/or errors in processing student financial aid and related disbursements. There is no assurance that DeVry would be able to enhance/expand its computer networks and system applications to meet increased demand and future information requirements.

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Security breaches of DeVry s information systems can create system disruptions, shutdowns or unauthorized disclosure of confidential information. If DeVry is unable to prevent such security breaches, its operations could be disrupted, or DeVry may suffer reputational damage and/or financial loss because of lost or misappropriated information.

DeVry may experience business interruptions resulting from natural disasters, inclement weather, transit disruptions, or other events in one or more of the geographic areas in which it operates, particularly in the West Coast and Gulf States of the U.S. and in the Caribbean. These events could cause DeVry to close schools temporarily or permanently and could affect student recruiting opportunities in those locations, causing enrollment and revenues to decline.

DeVry s ability to open new campuses, offer new programs, and add capacity is dependent on regulatory approvals and requires financial and human resources.

As part of its growth strategy, DeVry intends to open new campuses, offer new educational programs and add capacity to existing locations. Such actions require DeVry to obtain appropriate federal, state and accrediting agency approvals. In addition, adding new locations, programs and capacity may require significant financial investments and human resource needs. The failure to obtain appropriate approvals and not properly allocate financial and human capital would adversely impact DeVry s future growth.

DeVry may not be able to successfully identify, pursue or integrate acquisitions.

As part of its growth strategy, DeVry is actively considering acquisition opportunities in the U.S. and worldwide. DeVry has acquired and expects to acquire additional educational institutions that complement our strategic direction, some of which could be material. Any acquisition involves significant risks and uncertainties, including:

Inability to successfully integrate the acquired operations into our institutions and maintain uniform standards, controls, policies and procedures; and

Issues not discovered in our due diligence process, including commitments and/or contingencies.

Proposed changes in U.S. tax laws regarding earnings from international operations could adversely affect our financial results.

The U.S. Treasury Department announced that it may seek legislative changes to federal tax laws governing the taxation of foreign earnings of U.S. based companies. DeVry s effective income tax rate reflects benefits derived from operations outside the United States. Earnings of DeVry s international operations are not subject to foreign or U.S. federal income taxes as described in Note 9, Income Taxes, to the Consolidated Financial Statements. If such federal tax laws were changed and some of DeVry s international earnings were subject to federal income tax, or if certain of DeVry s U.S. expenses were not deductible for U.S. income tax purposes, DeVry s effective income tax rate would increase and its earnings and cash flows would be adversely impacted.

DeVry may experience movements in foreign currency exchange rates which could adversely affect our operating results.

As DeVry expands internationally, DeVry will conduct more transactions in currencies other than the U.S. Dollar. Additionally, the volume of transactions in the various foreign currencies will continue to increase, thus increasing DeVry s exposure to foreign currency exchange rate fluctuations. Fluctuations in foreign currency exchange rates could have a material adverse effect on our business, financial condition, results of operations and cash flows.

Expansion into new international markets will subject DeVry to risks inherent in international operations.

As part of its growth strategy, DeVry has acquired and intends to acquire or establish additional educational operations outside of the United States. To the extent that DeVry expands internationally, DeVry will face risks that are inherent in international operations including:

Compliance with foreign regulatory environments;

Currency exchange rate fluctuations

Monetary policy risks, such as inflation, hyperinflation and deflation;

Price controls or restrictions on exchange of foreign currencies;

Political and economic instability in the countries in which DeVry operates;

Potential unionization of employees under local labor laws;

Multiple and possibly overlapping and conflicting tax laws;

Inability to repatriate cash balances; and

Compliance with United States regulations such as the Foreign Corrupt Practices Act.

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DeVry s goodwill and intangible assets could potentially be impaired if our business results and financial condition were materially and adversely impacted by the risks and uncertainties

At June 30, 2011, intangible assets from business combinations totaled $195.5 million, and goodwill totaled $523.6 million. Together, these assets equaled approximately 39% of total assets as of such date. If DeVry s business results and financial condition were materially and adversely impacted, then such goodwill and intangible assets could be impaired, requiring possible write-off of up to $195.5 million of intangible assets and up to $523.6 million of goodwill.

ITEM 1B UNRESOLVED STAFF COMMENTS

There are no unresolved SEC staff comments.

ITEM 2 PROPERTIES

DEVRY UNIVERSITY

DeVry University is headquartered within DeVry s home office in Downers Grove, Illinois. DeVry University campuses are large and modern buildings located in suburban communities or urban neighborhoods. They are easily accessible to major thoroughfares, have available parking areas, and many are served by public transportation. Each campus includes teaching facilities, admissions and administrative offices. Teaching facilities include classrooms, laboratories, libraries, bookstores and student lounges. Laboratories include computers and various telecommunications, electronic and biomedical equipment necessary to provide an appropriate environment for students development of the required technical skills for their programs of study. Computer laboratories include both stand-alone and networked PC-compatible workstations that support all curricular areas with numerous software packages offering a variety of business, engineering and scientific applications. Connections to the Internet are included through the computer laboratories as a part of the program curriculum.

DeVry University centers are established in convenient metropolitan locations in modern buildings. These teaching centers, which mostly range in size from approximately 3,000 to 25,000 square feet, include classrooms, computer labs with Internet access, reference materials, admissions and administrative offices. Teaching centers have an information center designed to enhance students success and support coursework requiring data and information beyond that provided in course texts and packets. The information centers include personal computers; all software required in courses; wireless internet access; alternate texts; popular business periodicals; videos of selected courses; and access to numerous electronic data-bases.

As of June 30, 2011, there were 99 DeVry University locations, including both campuses and centers, in operation. These locations comprised approximately 3,018,000 in total square feet, of which, approximately 2,192,000 square feet were under lease and approximately 826,000 square feet were owned. No campus that is owned by DeVry is subject to a mortgage or other indebtedness. DeVry plans to open three to five new DeVry University locations in fiscal 2012.

MEDICAL AND HEALTHCARE

Ross University

The medical school s Foundations of Medicine facilities of approximately 215,000 total square feet are located on an approximately 33 acre campus in the Caribbean country of Dominica, of which approximately 22 acres are occupied under lease and 11 acres are owned. In addition to classrooms and auditoriums, educational facilities include a gross anatomy lab, a multi-purpose learning lab, library and learning resource centers, offices, cafeteria and recreational space. Classrooms and laboratories are furnished with state of the art audio-visual equipment.

During fiscal year 2009, Ross University opened a 31,700 square foot leased location in Freeport, Grand Bahama. Currently, Ross is offering only its Medical Education Review program at the Freeport location.

The veterinary school s pre-clinical instructional facilities of approximately 188,000 total square feet are located on a 50 acre site in St. Kitts. Ross University owns 26 acres and leases 24 acres of pasture land from the government. Educational facilities include an anatomy/clinical building, pathology building, classroom buildings, administration building, bookstore, cafeteria and a library/learning resource center. The library/learning resource center is believed to be the largest electronic learning lab in veterinary medical education. Animal care facilities include kennels, an aviary and livestock barns. The construction of a new large animal teaching facility is nearing completion, and will add approximately 18,000 square feet of additional classroom space to the campus.

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DeVry Medical International, Inc., Ross University s administrative services provider is co-located with a DeVry University facility in North Brunswick, New Jersey. In addition, Ross has a clinical and administrative center in Miramar, Florida, which is co-located with Chamberlain College of Nursing and DeVry University campuses.

Chamberlain College of Nursing

To support its growing operations, in August 2011, Chamberlain relocated its home office to a 37,000 square foot leased facility in Lombard, Illinois, a Chicago suburb. Chamberlain currently operates nine campuses which are all co-located with DeVry University campuses. In March 2011, Chamberlain began offering its nursing programs at its new campus, a leased facility, located in Houston, Texas. In July 2011, Chamberlain began offering its programs at its new campus, a leased facility, in Miramar, Florida. In addition, Chamberlain expects to open one to two new campuses in fiscal year 2012.

Carrington

As of June 30, 2011, there were ten Carrington College campuses and nine Carrington College California campuses in operation. These locations comprised approximately 734,000 in total square feet, all of which were under lease. In addition, the parent organization of the Carrington Colleges leases office space in Mission Viejo, CA; Phoenix, AZ; and Sacramento, CA, for its administrative offices. The Carrington Colleges expect to open one new campus in fiscal year 2012.

American University of the Caribbean

American University of the Caribbean s seven acre campus is located in the country of St. Maarten. The campus is owned and includes approximately 133,000 square feet of academic and student residence facilities.

INTERNATIONAL, K-12 AND PROFESSIONAL EDUCATION

DeVry Brasil

DeVry Brasil currently operates five campuses in the cities of Fortaleza and Salvador, Brazil. DeVry Brasil s administrative functions are co-located with a campus in Fortaleza, which is an owned facility.

Advanced Academics

Advanced Academics is headquartered in approximately 34,000 square feet of leased office space in Oklahoma City, Oklahoma. In addition, Advanced Academics leases 4 smaller offices of approximately 2,000 to 3,000 square feet each in Minneapolis, MN; Reno, NV; Yakima, WA and Tracy, CA, for its teaching faculty and student service staff.

Becker Professional Education

Becker Professional Education is headquartered within DeVry s home office in Downers Grove, Illinois. In addition to this main administrative center, Becker leases approximately 8,300 square feet of space in Southern California for staff devoted to curriculum and other development efforts. Becker also leases space in Melville, New York and Hong Kong for sales and administrative staff.

CPA review classes are conducted in leased facilities, fewer than ten of which are leased on a full-time basis. The remaining classes are conducted in facilities which are leased on an as-needed basis, allowing classes to be added, expanded, relocated or closed as current enrollments require. Becker classes are also offered at several DeVry University locations.

HOME OFFICE

DeVry s home office staff are located in two leased facilities in nearby Chicago suburbs, Oak Brook and Downers Grove, Illinois. DeVry leases approximately 238,000 square feet of total office space for these two locations.

In addition, DeVry owns two buildings comprising a total of 218,000 square feet in the Chicago suburbs of Naperville and Wood Dale, Illinois. These facilities house DeVry s online operations and student finance administrative staff.

DeVry s leased facilities are occupied under leases whose remaining terms range from one to 15 years. A majority of these leases contain provisions giving DeVry the right to renew its lease for additional periods at various rental rates, though generally at rates higher than are currently being paid.

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ITEM 3 LEGAL PROCEEDINGS

DeVry is subject to occasional lawsuits, administrative proceedings, regulatory reviews and investigations associated with financial assistance programs and other claims arising in the normal conduct of its business. The following is a description of pending litigation that may be considered other than ordinary and routine litigation that is incidental to the business.

The Boca Raton Firefighters and Police Pension Fund filed a complaint (the Shareholder Case) in the United States District Court for the Northern District of Illinois on November 1, 2010 (Case No. 1:10-cv-07031). The complaint was filed on behalf of a putative class of persons who purchased DeVry common stock between October 25, 2007, and August 13, 2010. Plaintiffs filed an amended complaint (the Amended Complaint) on March 7, 2011 alleging the same categories of claims in the initial complaint. The plaintiffs claim DeVry, Daniel Hamburger and Richard M. Gunst violated Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 and Rule 10b-5 promulgated thereunder by failing to disclose abusive and fraudulent recruiting and financial aid lending practices, thereby increasing DeVry s student enrollment and revenues and artificially inflating DeVry s stock price during the class period. DeVry and its executives believe the allegations contained in the Amended Complaint are without merit and they are defending them vigorously. On May 6, 2011, DeVry filed a Motion to Dismiss the Amended Complaint, which is pending before the Court.

Three derivative cases similar to the Shareholder Case also have been filed (Derivative Actions). Two of the Derivative Actions were filed in the Circuit Court of Cook County, Illinois, Chancery Division: DeVry shareholder Timothy Hald filed a derivative complaint on behalf of DeVry on January 3, 2011 (*Hald v. Hamburger et al.*, Case No. 11 CH 0087) and Matthew Green (also a DeVry shareholder) filed a derivative complaint on behalf of DeVry on January 7, 2011 (*Green v. Hamburger et al.*, Case No. 11 CH 0770). The *Hald* and *Green* cases (the Consolidated Cases) were consolidated by court order dated February 9, 2011. Maria Dotro, another DeVry shareholder, filed a third derivative complaint on DeVry s behalf in the Delaware Court of Chancery on March 11, 2011 (*Dotro v. Hamburger et al.*, Case No. 6263). Both the Consolidated cases and the *Dotro* case have been stayed by agreement of the parties pending resolution of DeVry s forthcoming Motion to Dismiss the Shareholder Case (Motion to Dismiss).

The Derivative Actions allege that Daniel Hamburger, Richard M. Gunst, David J. Pauldine, Sharon T. Parrott, Ronald L. Taylor, Lisa W. Pickrum, Darren R. Huston, David S. Brown, William T. Keevan, Fernando Ruiz, Harold D. Shapiro, Lyle Logan, Connie R. Curran, and Julia McGee breached their fiduciary duties to DeVry by failing to disclose the same allegedly abusive and fraudulent recruiting and financial aid lending practices alleged in the Shareholder Case. The Derivative Actions also allege that DeVry s officers and directors unjustly enriched themselves and wasted DeVry s assets by (i) causing DeVry to incur substantial costs in defending the Shareholder Case; (ii) causing DeVry to pay compensation and benefits to individuals who breached their fiduciary duties; (iii) causing potential losses from certain of DeVry s programs no longer being eligible for federal financial aid; and (iv) damaging DeVry s corporate image and goodwill. DeVry and its executives and directors believe the allegations contained in the Derivative Actions are without merit and intend to defend them vigorously.

Although DeVry believes that the Shareholder Case and the Derivative Actions are without merit, the ultimate outcome of pending litigation is difficult to predict. At this time, DeVry does not expect that the outcome of any such matter will have a material effect on its cash flows, results of operations or financial position.

ITEM 4 (REMOVED AND RESERVED)

SUPPLEMENTARY ITEM-EXECUTIVE OFFICERS OF THE REGISTRANT

The name, age and current position of each executive officer of DeVry are:

Name, Age and Office		Business Experience
Daniel M. Hamburger President and Chief Executive Officer, DeVry Inc.	47	Mr. Hamburger joined DeVry in November 2002 as Executive Vice President with responsibility for DeVry s online programs and Becker Professional Review division. In July 2004, Mr. Hamburger was appointed President and Chief Operating

Officer of DeVry. Mr. Hamburger was appointed Chief Executive Officer in November 2006.

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Name, Age and Office		Business Experience
David J. Pauldine Executive Vice President, DeVry Inc. and President, DeVry University, Inc.	54	Mr. Pauldine joined DeVry in October 2005. In July 2006, he became President of DeVry University, Inc. Prior to joining DeVry, Mr. Pauldine was Executive Vice President at EDMC and President of The Art Institutes, a private-sector educational management company, from July 2001 to October 2005.
William Hughson President, Medical and Healthcare Group	47	Mr. Hughson joined DeVry in September 2009 as President of the Medical and Healthcare group. Prior to joining DeVry, Mr. Hughson was promoted to Vice President of DaVita Inc. after holding several leadership positions from 2000 to 2009. DaVita Inc. is a leading provider of dialysis services in the United States.
Steven Riehs President, International, K-12 and Professional Education	51	Mr. Riehs joined DeVry in 2004 as Vice President and General Manager of all online operations, including enrollment growth, program development and student services. In October 2010, Mr. Riehs was promoted to President, International, K-12 and Professional Education, a new organizational structure within DeVry that includes DeVry Brasil, Advanced Academics and Becker Professional Education.
Thomas C. Shepherd Executive Vice President, DeVry Inc. and President, DeVry Medical International	61	Dr. Shepherd joined DeVry in October 2004 as President of Ross University. In May 2011, Dr. Shepherd announced that he intends to retire. Dr. Shepherd will continue in his role as long as necessary to ensure a smooth transition of duties while DeVry conducts a search for his successor.
John P. Roselli President, Becker Professional Education	47	Mr. Roselli joined DeVry in May 2003 as its Director of Business Development and General Manager of Corporate Continuing Education. In 2006, Mr. Roselli was appointed Vice President, Business Development and Planning. Effective October 1, 2010, Mr. Roselli was promoted to President of Becker Professional Education.
Susan Groenwald President, Chamberlain College of Nursing	62	Ms. Groenwald joined DeVry in January 2006 as President of Chamberlain College of Nursing. Prior to joining DeVry, Groenwald

		served as the director of operations for Focused Health Solutions, Inc., a disease management services for large self-insured employers.
Christopher J. Caywood President, Online Services	50	Mr. Caywood joined DeVry in January 2011 as President of DeVry s Online Services. Prior to joining DeVry, Mr. Caywood served with Kaplan University Group from 2006 through 2010 where his last position was President of Kaplan Legal Education. Mr. Caywood s tenure at Kaplan included senior roles in overseeing online, law, legal studies, public policy, criminal justice, nursing, teacher education and higher education.
Robert Paul President, Carrington Colleges Group, Inc.	43	Mr. Paul joined DeVry in July 2007 as Vice President of Metro Operations at DeVry University. On July 1, 2011, Mr. Paul was promoted to President, Carrington Colleges Group, Inc. Prior to joining DeVry, Mr. Paul served in a variety of leadership roles at the University of Phoenix from 1993 through 2007.

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Name, Age and Office		Business Experience
Richard M. Gunst Senior Vice President, Chief Financial Officer and Treasurer, DeVry Inc.	55	Mr. Gunst joined DeVry in July 2006 as Senior Vice President, Chief Financial Officer and Treasurer. Prior to joining DeVry, Mr. Gunst served as Senior Vice President and Chief Financial Officer of Sagus International, a manufacturer of school furniture, from 2005 to 2006. In June 2011, Mr. Gunst announced that he intends to retire. Mr. Gunst will continue in his role as long as necessary to ensure a smooth transition of duties while DeVry conducts a search for his successor.
Sharon Thomas Parrott Senior Vice President, External Relations and Chief Compliance Officer, DeVry Inc.	61	Ms. Thomas Parrott joined DeVry in 1982 after several years as an officer in the U.S. Department of Education s Office of Student Financial Assistance. She served DeVry in several student finance positions and later assumed responsibility for corporate communications and government and public relations. In her current position, she is responsible for implementing and maintaining DeVry s government compliance program and for managing relations with key external audiences, including government officials, education policymakers and legislators. In addition she manages DeVry s public affairs and civic engagement efforts.
Gregory S. Davis Senior Vice President, General Counsel and Secretary, DeVry Inc.	49	Mr. Davis joined DeVry in July 2007 as Vice President, General Counsel and Secretary. Prior to joining DeVry, Mr. Davis was Vice President, General Counsel and Secretary of LaPetite Academy, Inc., from 2003 to 2007, which operated nearly 650 schools offering education and care to children ages 6 months to 12 years.
Donna N. Jennings Senior Vice President, Human Resources, DeVry Inc.	49	Ms. Jennings joined DeVry in October 2006 as Vice President of Human Resources. Prior to joining DeVry, Ms. Jennings was Vice President, Human Resources and Communications, of Velsicol Chemical Corporation, a global chemical products manufacturer, from 1994 to 2006.
Eric P. Dirst Senior Vice President, Chief	44	Mr. Dirst joined DeVry in May 2008 as Vice President and Chief Information Officer. Prior

Information Officer, DeVry Inc.		to joining the Company, Mr. Dirst was the Chief Information Officer at SIRVA, a relocation and moving service provider, from 2000 to 2008.
Patrick J. Unzicker Vice President & Controller, DeVry Inc.	40	Mr. Unzicker joined DeVry in March 2006 as its Controller. Prior to joining DeVry, Mr. Unzicker was Vice President Controller at Whitehall Jewellers, Inc., a mall-based retail jeweler, from July 2003 to March 2006.
Adriano Allegrini Vice President, Strategy and Business Development, DeVry Inc.	41	Mr. Allegrini joined DeVry in October 2010 as its Vice President, Strategy and Business Development. Prior to joining DeVry, Mr. Allegrini was Director of Consulting at Roll International Corporation, a consumer products company, from 2008 to 2010. From 2005 to 2007, Mr. Allegrini was Vice President of global consumer pharmaceuticals at Bausch & Lomb.

PART II

ITEM 5 MARKET FOR REGISTRANT S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market Information

DeVry s common stock is listed on the New York Stock Exchange and the Chicago Stock Exchange under the symbol DV. The stock transfer agent and registrar is Computershare Investor Services, L.L.C.

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The following table sets forth the high and low sales price and dividends paid per share of common stock by quarter for the past two years.

	Dividends Paid	Fiscal 2011 High	Fiscal 2011 Low	Dividends Paid	Fiscal 2010 High	Fiscal 2010 Low
First Quarter	$ 0.10	$ 59.53	$ 36.34	$ 0.08	$ 56.90	$ 44.07
Second Quarter		51.20	40.58		59.87	51.45
Third Quarter	0.12	56.25	40.25	0.10	68.42	54.52
Fourth Quarter		62.31	47.77		74.36	52.22

Approximate Number of Security Holders

There were 457 holders of record of DeVry s common stock as of August 1, 2011. The number of holders of record does not include beneficial owners of its securities whose shares are held by various brokerage firms, other financial institutions, DeVry s 401(k) and profit sharing plan and its employee stock purchase plan. DeVry believes that there are more than 10,000 beneficial holders of its common stock including employees who own stock through the exercise of stock options, who own stock through participation in the employee stock purchase plan or who own stock through their investment election in DeVry s 401(k) and profit sharing plan.

Dividends

DeVry is dependent on the earnings of its subsidiaries for funds to pay cash dividends. Cash flow from DeVry s subsidiaries may be restricted by law and is subject to some restrictions by covenants in the subsidiaries debt agreements, including maintaining consolidated net worth, fixed charge coverage and leverage at or above specified levels. DeVry generated sufficient cash flow in fiscal 2011 to fund its current operations, reinvest in capital equipment as appropriate, reduce outstanding debt and remain in full compliance with the covenants in its debt agreements. In May 2011, the Board of Directors declared a dividend of $0.12 per share of common stock, paid in July 2011. DeVry s Board of Directors stated its intent to declare dividends on a semi-annual basis, resulting in an annual dividend rate of $0.24 per share. There is no guarantee that dividends will be declared in the future, and payment of dividends will be at the discretion of the Board of Directors and will be dependent on projections of future earnings, cash flow, financial requirements of DeVry and other factors as the board of directors deems relevant. See Note 6 to the Consolidated Financial Statements for historical dividend declaration information.

Issuer Purchases of Equity Securities

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as part of Publically Announced Plans or Programs (1)	Approximate Dollar Value of Share that May yet be Purchased Under the Plans or Programs (1)
April 2011	180,000	$ 52.48	180,000	$ 10,440,211
May 2011	168,000	$ 53.01	168,000	$ 1,534,059
June 2011	170,317	$ 57.78	170,317	$ 91,693,262
Total	518,317	$ 54.39	518,317	$ 91,693,262

(1) On November 11, 2010, the Board of Directors authorized a share repurchase program to buy back up to $50 million of DeVry common stock through December 31, 2012. This program was completed in June 2011. On May 20, 2011, DeVry s Board of Directors authorized a sixth share repurchase program, which will allow DeVry to buy back up to $100 million of its common stock through June 30, 2013. The total remaining authorization under the repurchase program was $91,693,262 as of June 30, 2011.

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Other Purchases of Equity Securities

Period	Total Number of Shares Purchased (2)	Average Price Paid per Share	Total Number of Shares Purchased as part of Publically Announced Plans or Programs	Approximate Dollar Value of Share that May yet be Purchased Under the Plans or Programs
April 2011	224	$ 53.18	NA	NA
May 2011	68	$ 52.85	NA	NA
June 2011		$	NA	NA
Total	292	$ 53.10	NA	NA

(2) Represents shares delivered back to the issuer under a swap agreement resulting from employees exercise of incentive stock options and for payment of withholding taxes from employees for vesting restricted shares both pursuant to the terms of DeVry s stock incentive plans.

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Performance Graph

The following graph and chart compare the total cumulative return (assuming dividend reinvestment) on DeVry s Common Stock during the period from June 30, 2006, through June 30, 2011, with the cumulative return on the NYSE Stock Market Index (U.S. Companies), and an industry group index.

COMPARISON OF CUMULATIVE TOTAL RETURN SINCE JUNE 30, 2006
AMONG DEVRY INC., NYSE MARKET INDEX, AND INDUSTRY GROUP INDEX

	June 30					
	2006	2007	2008	2009	2010	2011
DeVry Inc.	100.0	155.4	245.4	229.7	241.9	273.8
NYSE Market Index U.S. Companies	100.0	119.8	105.1	74.1	83.2	94.5
Industry Group Index (1)	100.0	124.6	97.1	136.2	104.3	89.3

Data for this graph were provided by Zacks Investment Research.

Assumes $100 was invested on June 30, 2006 in DeVry Inc. Common Stock, the NYSE Stock Market Index (U.S. Companies), and the Industry Group (1), and that all dividends were reinvested.

(1) The Industry Group consists of the following companies selected on the basis of similarity in nature of their business: Apollo Group, Inc., Capella Education Co., Career Education Corp., Corinthian Colleges, Inc., ITT Educational Services, Inc., Lincoln Educational Services, Strayer Education, Inc., and Universal Technical Institute. DeVry believes that, including itself, these companies represent the majority of the market value of publicly traded companies whose primary business is education.

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ITEM 6 SELECTED FINANCIAL DATA

Selected financial data for DeVry for the last five years are included in the exhibit, Five-Year Summary Operating, Financial and Other Data , on page 108 of this report.

ITEM 7 MANAGEMENT S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of DeVry s results of operations and financial condition should be read in conjunction with the consolidated financial statements and the notes thereto appearing elsewhere in this report.

OVERVIEW

For fiscal year 2011, DeVry s financial performance was driven by continued solid execution of its growth and diversification strategy and focus on academic quality. Operational and financial highlights for the year include:

Total revenues rose 14.0%, and net income increased 18.0% over the year-ago period, while at the same time DeVry continued to make investments in the quality of its academic programs and student services.

Ross University School of Veterinary Medicine received an additional accreditation by the American Veterinary Medical Association during the third quarter. This prestigious accreditation is the gold standard in veterinary medicine and reflects the investments that DeVry has made in academic quality and student services.

Chamberlain College of Nursing began offering nursing programs at its new campuses in Arlington, Virginia and Chicago in July 2010, and Houston, Texas in March 2011. In addition, in July 2011, Chamberlain began teaching courses in Miramar, Florida. All Chamberlain locations are co-located with DeVry University campuses.

The American Institute of Certified Public Accountants released its 2009 Elijah Watt Sells award winners, which honors the candidates with the highest scores on the CPA exam. Of the candidates with the 15 highest scores, 14 prepared for the exam using Becker s industry-leading CPA review materials.

On April 30, 2011, Becker Professional Education completed the acquisition of ATC International, a leading provider of professional accounting and finance training from centers in Central and Eastern Europe, as well as Central Asia. ATC International provides training for professional designations such as ACCA (Association of Chartered Certified Accountants), CIMA (Chartered Institute of Management Accountants) and the Diploma in International Financial Reporting.

DeVry completed its third, fourth and fifth share repurchase programs during fiscal year 2011. In June 2011, DeVry began repurchasing shares of its common stock under its sixth share repurchase program, which was approved by its Board of Directors in May 2011. During fiscal year 2011, DeVry repurchased approximately 2,766,000 shares of its common stock at an average cost of $48.06 per share.

DeVry s financial position remained strong generating $408.0 million of operating cash flow during fiscal year 2011, driven primarily by strong operating results and working capital improvements. As of June 30, 2011, cash and marketable securities balances totaled $449.7 million with no debt outstanding.

USE OF NON-GAAP FINANCIAL INFORMATION AND SUPPLEMENTAL RECONCILIATION SCHEDULE

DeVry executed certain real estate transactions in fiscal year 2009, which resulted in significant lease termination charges and/or losses on the sales of facilities. Also, DeVry recorded a litigation settlement reserve in fiscal year 2009. The following table illustrates the effects of the real estate transactions and litigation settlement reserve on DeVry s earnings. Management believes that the non-GAAP disclosure of net income and earnings per share, excluding these items, provides investors with useful supplemental information regarding the underlying business trends and performance of DeVry s ongoing operations and is useful for period-over-period comparisons of such operations given

the discrete nature of the real estate transactions and litigation settlement reserve. DeVry uses these supplemental financial measures internally in its budgeting process. However, the non-GAAP financial measures should be viewed in addition to, and not as a substitute for, DeVry s reported results prepared in accordance with GAAP. The following table reconciles these items to the relevant GAAP information (in thousands, except per share data):

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	Fiscal Year		
	2011	2010	2009
Net Income	$ 330,403	$ 279,909	$ 165,613
Earnings per Share (diluted)	$ 4.68	$ 3.87	$ 2.28
Loss on Real Estate Transactions (net of tax)	$	$	$ 2,543
Effect on Earnings per Share (diluted)	$	$	$ 0.03
Litigation Settlement Reserve (net of tax)	$	$	$ 3,131
Effect on Earnings per Share (diluted)	$	$	$ 0.05
Net Income Excluding the Loss on Real Estate Transactions and Litigation Settlement Reserve (net of tax)	$ 330,403	$ 279,909	$ 171,287
Earnings per Share Excluding the Loss on Real Estate Transactions and Litigation Settlement Reserve (diluted)	$ 4.68	$ 3.87	$ 2.36

RESULTS OF OPERATIONS

The following table presents information with respect to the relative size to revenue of each item in the Consolidated Statements of Income for the current and prior two fiscal years. Percentages may not add because of rounding.

	Fiscal Year		
	2011	2010	2009
Revenues	100.0%	100.0%	100.0%
Cost of Educational Services	42.4%	43.1%	45.8%
Loss on Real Estate Transactions	0.0%	0.0%	0.3%
Litigation Settlement Reserve	0.0%	0.0%	0.3%
Student Services and Administrative Expense	34.9%	35.4%	37.5%
Total Operating Costs and Expense	77.3%	78.5%	83.9%
Operating Income	22.6%	21.5%	16.1%
Interest Income	0.1%	0.1%	0.4%
Interest Expense	(0.1%)	(0.1%)	(0.2%)
Net Investment Gain	0.0%	0.1%	0.0%
Net Interest and Other Income (Expense)	0.0%	0.1%	0.2%
Income Before Minority Interest and Income Taxes	22.7%	21.5%	16.2%
Income Tax Provision	7.5%	6.9%	4.9%
Net Income	15.2%	14.6%	11.3%

During the fourth quarter of fiscal year 2011, DeVry recently renamed and repositioned some of its segments to reflect the current alignment of its operations. All periods in Management s Discussion and Analysis of Financial Condition and Results of Operations have been revised to reflect the segment realignment. The three reporting segments are now as follows:

Business, Technology and Management (undergraduate and graduate at DeVry University, including Keller Graduate School of Management)

Medical and Healthcare (Chamberlain College of Nursing, Ross University, Carrington Colleges Group, Inc. and American University of the Caribbean, which was acquired by DeVry on August 3, 2011)

International, K-12 and Professional Education (DeVry Brasil, Advanced Academics and Becker Professional Education)

FISCAL YEAR ENDED JUNE 30, 2011 VS. FISCAL YEAR ENDED JUNE 30, 2010

REVENUES

Total consolidated revenues for fiscal year 2011 of $2,182.4 million increased $267.2 million, or 14.0%, as compared to last year. Revenues increased within all three of DeVry s business segments as a result of growth in student enrollments, improved student retention and tuition price increases. DeVry s revenue growth rate decelerated from 18.7% during the first half of fiscal year 2011 to 9.7% during the second half of the fiscal year mainly as a result of declining new student enrollments at DeVry University and Carrington.

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Business, Technology and Management

During fiscal year 2011, Business, Technology and Management segment revenues increased by 15.6% to $1,460.1 million as compared to fiscal year 2010 driven primarily growth in total student enrollments, tuition price increases, and improved student retention. The Business, Technology and Management segment is composed solely of DeVry University. Key trends in enrollment and tuition pricing are set forth below.

Total undergraduate enrollment by term:

Increased by 22.0% from summer 2009 (55,979 students) to summer 2010 (68,290 students);

Increased by 14.9% from fall 2009 (64,003 students) to fall 2010 (73,543 students);

Increased by 5.9% from spring 2010 (66,909 students) to spring 2011 (70,863 students);

Decreased by 5.8% from Summer 2010 (68,290 students) to summer 2011 (64,317 students).

New undergraduate enrollment by term:

Increased by 9.9% from summer 2009 (19,057 students) to summer 2010 (20,935 students);

Decreased by 4.7% from fall 2009 (18,878 students) to fall 2010 (17,983 students);

Decreased by 15.4% from spring 2010 (17,715 students) to spring 2011 (14,981 students);

Decreased by 25.6% from summer 2010 (20,935 students) to summer 2011 (15,566 students).

Graduate coursetaker enrollment, including the Keller Graduate School of Management:

The term coursetaker refers to the number of courses taken by a student. Thus, one student taking two courses is counted as two coursetakers.

Increased by 17.6% from the July 2009 session (17,991 coursetakers) to the July 2010 session (21,165 coursetakers);

Increased by 14.1% from the September 2009 session (20,496 coursetakers) to the September 2010 session (23,389 coursetakers);

Increased by 11.9% from the November 2009 session (20,734 coursetakers) to the November 2010 session (23,199 coursetakers);

Increased by 9.3% from the January 2010 session (22,679 coursetakers) to the January 2011 session (24,784 coursetakers);

Increased by 9.2% from the March 2010 session (22,343 coursetakers) to the March 2011 session (24,406 coursetakers);

Increased by 7.7% from the May 2010 session (22,103 coursetakers) to the May 2011 session (23,802 coursetakers); and

Increased by 1.9% from the July 2010 session (21,165 coursetakers) to the July 2011 session (21,576 coursetakers).

Tuition rates:

Effective July 2010, DeVry University s U.S. undergraduate tuition ranged from $580 to $600 per credit hour for students enrolling in 1 to 11 credit hours. Tuition ranged from $350 to $360 per credit hour for each credit hour in excess of 11 credit hours. These tuition rates varied by location and/or program and represent a weighted average increase of approximately 3.5% as compared to the year-ago period. These amounts do not

include the cost of books, supplies, transportation, and living expenses.

Effective July 2010, Keller Graduate School of Management program tuition per classroom course ranged from $2,100 to $2,225, depending on location. This represented an expected weighted average increase of 2.1% as compared to the year-ago period. The price for a graduate course taken online was $2,225, compared to $2,200 previously.

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Management believes the decreases in enrollments were driven mainly by the negative impact on student decision making of the prolonged economic downturn and economic conditions generally, resulting in a reduction of interest from potential students. In addition, management believes a near-term distraction of DeVry University employees associated with the implementation of new regulations also contributed to the decreases in DeVry University undergraduate enrollments. To address these issues, DeVry University is adding new programs and locations, and making investments to enhance the strength of its brand, improve customer service and increase awareness among potential students through new and innovative advertising campaigns.

Medical and Healthcare

Medical and Healthcare segment revenues increased 10.1% to $558.3 million in fiscal year 2011 as compared to the prior year. Higher total student enrollments at Chamberlain College of Nursing (Chamberlain) and Ross University were the key drivers of the segment revenue growth, which more than offset a decline in total student enrollments at Carrington Colleges Group, Inc. (Carrington). Key trends for Ross University, Chamberlain and Carrington are set forth below.

Ross University total enrollment by term:

Increased by 2.1% from May 2009 (4,448 students) to May 2010 (4,542 students);

Decreased by 0.7% from September 2009 (4,601 students) to September 2010 (4,567 students);

Increased by 3.0% from January 2010 (4,669 students) to January 2011 (4,810 students); and

Increased by 6.2% from May 2010 (4,542 students) to May 2011 (4,825 students).

Ross University new student enrollment by term:

Decreased by 39.5% from May 2009 (562 students) to May 2010 (340 students);

Decreased by 26.4% from September 2009 (666 students) to September 2010 (490 students);

Decreased by 8.2% from January 2010 (699 students) to January 2011 (642 students);

Increased by 37.9% from May 2010 (340 students) to May 2011 (469 students).

Chamberlain College of Nursing total enrollment by term:

Increased by 65.2% from July 2009 (4,302 students) to July 2010 (7,108 students);

Increased by 57.8% from November 2009 (5,617 students) to November 2010 (8,862 students);

Increased by 47.9% from March 2010 (6,691 students) to March 2011 (9,897 students); and

Increased by 40.0% from July 2010 (7,108 students) to July 2011 (9,954 students).

Chamberlain College of Nursing new student enrollment by term:

Increased by 55.1% from July 2009 (1,558 students) to July 2010 (2,416 students);

Increased by 42.0% from November 2009 (2,100 students) to November 2010 (2,981 students);

Increased by 31.5% from March 2010 (2,168 students) to March 2011 (2,852 students); and

Increased by 16.1% from July 2010 (2,416 students) to July 2011 (2,805 students).

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Carrington total enrollment by term:

Increased by 5.5% from July 2009 (10,644 students) to July 2010 (11,234 students);
Decreased by 6.4% from November 2009 (11,695 students) to November 2010 (10,942 students);

Decreased by 15.0% from March 2010 (12,009 students) to March 2011 (10,206 students); and

Decreased by 25.6% from July 2010 (11,234 students) to July 2011 (8,363 students).

Carrington new student enrollment by term:

Decreased by 2.7% from July 2009 (4,411 students) to July 2010 (4,291 students);

Decreased by 19.2% from November 2009 (5,688 students) to November 2010 (4,595 students);

Decreased by 22.7% from March 2010 (4,218 students) to March 2011 (3,261 students); and

Decreased by 33. 6% from July 2010 (4,291 students) to July 2011 (2,850 students).

Tuition rates:

Effective September 2010, tuition and fees for the beginning basic sciences portion of the programs at the Ross University medical and veterinary schools were $15,600 and $15,000, respectively, per semester. This tuition rate represented an increase from September 2009 tuition rates of approximately 6.4% for the medical school and 4.3% for the veterinary school. These amounts do not include the cost of books, supplies, transportation and living expenses.

Effective September 2010, tuition and fees for the clinical portion of the programs at the Ross university medical and veterinary schools were $17,125 per semester for the medical school, and $18,850 per semester for the veterinary school. This represented an increase from September 2009 tuition rates of approximately 6.4% for the medical school and 4.4% for the veterinary school. These amounts do not include the cost of books, supplies, transportation, and living expenses.

Effective July 2010, tuition for the 2010-2011 academic year was $620 per credit hour for students enrolled in Chamberlain s BSN (onsite), ADN and LPN-to-RN programs. Students enrolled on a full-time basis (between 12 and 17 credit hours) were charged a flat tuition amount of $7,440 per semester. This represented an increase from 2009-2010 academic year tuition rates of approximately 4.2%. These amounts do not include the cost of books, supplies, transportation and living expenses.

Effective July 2010, tuition for students enrolled in Chamberlain s RN-to-BSN online degree program was $575 per credit hour. This tuition rate was unchanged from the 2009-2010 academic year. Tuition for the 2010-2011 academic year was $650 per credit hour for students enrolled in the online MSN program. These amounts do not include the cost of books, supplies, transportation, and living expenses.

Effective July 2010, on a per credit hour basis, tuition for Carrington College and Carrington College California programs ranged from $254 per credit hour to $1,651 per credit hour for non-general education courses, with the wide range due to the nature of the programs. General Education courses were charged at $325 per credit hour at Carrington College, and $364 per credit hour at Carrington College California. Student tuition is reduced accordingly for any incoming academic credits that are applicable. Students are charged a non-refundable registration fee ranging from $95 to $100, and they are also charged separately for books and special (program specific) supplies and/or testing. A student services fee ranging from $75 to $150 is charged at Carrington College as well, depending on the program.

An element of the growth strategy at Ross University School of Medicine was the planned development of a clinical education center located in Freeport, Grand Bahama. The Freeport site was expected to mitigate capacity

constraints at the main campus in Dominica. However, the projected volume of Ross students studying in Freeport has not been realized due to factors including an unforeseen delay in the Medical Board of California licensing review process and delays in confirming the financial aid implications for students studying in Freeport. In November 2010, Ross University School of Medicine secured licensing approval for its Freeport clinical location from the Medical Board of California. It had been Ross understanding that medical students would not be eligible to receive Title IV financial aid for their semesters in Freeport, but would be eligible to receive financial aid once they moved elsewhere to complete the remaining portions of their programs. However, this understanding was contradicted in a letter to the Ross University School of Medicine from the U.S. Department of Education (ED) indicating that Ross medical students attending any portion of their Foundation of Medicine program outside of the Ross Dominica campus would be excluded from participating in the Title IV financial aid program for the remainder of their programs. Currently, Ross University School of Medicine is delivering only its pre-medical review program courses at its Freeport location, while it continues to evaluate how best to utilize the location as part of its overall expansion strategy.

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These near-term challenges resulted in lower new student enrollments in the May 2010, September 2010, and January 2011 semesters. New student enrollments for the May 2011 semester increased 37.9% as compared to the prior year period, overlapping a 39.5% decrease in the new student growth rate in prior year.

Ross continues to invest in its Dominica facilities, programs and student services to meet the strong demand for its medical program.

The increase in student enrollments at Chamberlain was attributable to its growing RN-to-BSN online completion program, the addition of three new locations (Arlington, Virginia and Chicago in July 2010 and Houston, Texas in March 2011), along with organic growth at existing locations. In July 2011, Chamberlain began offering its nursing programs at its new campus in Miramar, Florida. All of these campuses are co-located with DeVry University.

Management believes the decline in student enrollments at Carrington is the result of the impact of the prolonged economic downturn, which has resulted in reductions in the volume of inquiries from potential students. To address these issues, Carrington has implemented improvements to its marketing and recruiting processes. Carrington is also making additional investments in enhancing its students academic experience.

International, K-12 and Professional Education

International, K-12 and Professional Education segment revenues rose 13.3% to $163.9 million in fiscal year 2011 as compared to the prior year. DeVry Brasil was the primary driver of revenue growth in this segment due to new student enrollment growth of 41.0% and total student enrollment growth of 16.1% in the most recent term. Becker Professional Education revenues grew during fiscal year 2011 as demand for Becker s CPA review courses improved. In addition, Becker s acquisition of ATC International on April 30, 2011, also contributed to revenue growth. Revenue increased modestly at Advanced Academics during fiscal year 2011.

COSTS AND EXPENSES

Cost of Educational Services

The largest component of Cost of Educational Services is the cost of employees who support educational operations. This expense category also includes the costs of facilities, adjunct faculty, supplies, bookstore and other educational materials, student education-related support activities, and the provision for uncollectible student accounts.

DeVry s Cost of Educational Services increased 12.0% to $925.5 million during fiscal year 2011 as compared to the prior year. Cost increases were incurred in support of expanding DeVry University online and onsite total student enrollments and operating a higher number of DeVry University locations as compared to the prior year. Also, cost increases were incurred for the operation of the new Chamberlain campuses in Chicago, Arlington, Virginia, and Houston, Texas, and to support growing online student enrollments. Cost increases were incurred at Carrington associated with operating a higher number of locations as compared to the prior year and increased hiring of career services employees. Expense attributed to stock-based awards included in Cost of Educational Services increased during fiscal year 2011 as a result of an increase in the number stock awards granted during the current year compared to the prior period.

As a percentage of revenue, Cost of Educational Services decreased to 42.4% in fiscal year 2011 from 43.1% during the prior year period. The decrease was the result of increased operating leverage with existing facilities and staff and revenue gains, which more than offset incremental investments to maintain the high quality of DeVry s educational offerings and to support future student enrollment growth.

Student Services and Administrative Expense

This expense category includes student admissions, marketing and advertising costs, general and administrative costs, expenses associated with curriculum development, and the amortization expense of finite-lived intangible assets related to acquisitions of businesses.

Student Services and Administrative Expense grew 12.5% to $762.7 million during fiscal year 2011 as compared to the year-ago period. The increase in expenses represented additional investments in advertising and recruiting to drive and support future growth in new student enrollments. In addition, cost increases were incurred in information technology and student services. Expense attributed to stock-based awards included in Student Services and Administrative Expense increased during fiscal year 2011 as a result of an increase in the number of stock awards granted during the current year compared to the prior year period.

Amortization of finite-lived intangible assets in connection with acquisitions of businesses decreased during fiscal year 2011 as compared to the year-ago period, as the respective student relationships and trade names from the Carrington acquisition were fully

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amortized as of December 31, 2009. Amortization expense is included entirely in the Student Services and Administrative Expense category.

As a percentage of revenue, Student Services and Administrative Expense decreased to 34.9% in fiscal year 2011 from 35.4% during the prior year. This decrease was the combined result of increased operating leverage from advertising and student recruiting costs and revenue gains, which more than offset incremental investments in student services and home office support personnel.

OPERATING INCOME

Total consolidated operating income for fiscal year 2011 of $494.2 million increased $83.3 million, or 20.3%, as compared to the prior year. Operating income increased at DeVry s respective Business, Technology and International, K-12 and Professional Education segments. These increases were partially offset by a decline in operating income at DeVry s Medical and Healthcare segment.

Business, Technology and Management

Business, Technology and Management segment operating income increased 23.5% to $359.4 million during fiscal year 2011, as compared to the prior year. These increases in operating income were the result of higher revenue and an increase in operating leverage, while at the same time, DeVry University continued to make investments in academic quality and student service to drive future enrollment growth.

Medical and Healthcare

Medical and Healthcare segment operating income decreased 3.7% to $107.0 million during fiscal year 2011 as compared to the prior year. The decrease in operating income was the result of a decline in operating income at both Ross University and Carrington, which was partially offset by an increase in operating income at Chamberlain. Ross University operating income declined slightly due to lower new student enrollments, as discussed above, and investments to increase capacity. Carrington operating income decreased as a result of lower student enrollments as compared to the year ago period.

International, K-12 and Professional Education

International, K-12 and Professional Education segment operating income grew 64.4% to $32.7 million during fiscal year 2011 as compared to the prior year. The increase in operating income was the result of improved revenue growth at DeVry Brasil, Becker Professional Education and Advanced Academics, which more than offset increased investments at DeVry Brasil to increase capacity and support future enrollment growth.

NET INTEREST AND OTHER INCOME (EXPENSE)

Interest income decreased 26.0% to $1.5 million during fiscal year 2011 as compared to the prior year. Despite an increase in invested cash balances as compared to the prior year period, interest income decreased because of lower interest rates earned on invested balances during fiscal year 2011. The increase in invested cash balances was attributable to improved operating cash flow over the past twelve months partially offset by cash used in connection with increased share repurchases and capital expenditures.

Interest expense decreased 19.1% to $1.3 million during fiscal year 2011 as compared to the prior year. The decrease in interest expense during fiscal year 2011 was attributable to no outstanding borrowings under DeVry s revolving line of credit during fiscal year 2011. This decrease was partially offset by increased commitment fees and amortization of deferred financing fees related to DeVry s new $400 million revolving line of credit which was entered into during May 2011.

DeVry recorded net investment gains of $1.2 million during fiscal year 2010. These gains were the result of changes in the valuation of DeVry s auction rate security portfolio and related put option. As of early July 2010, DeVry had fully liquidated its auction rate security portfolio at par value. There were no investment gains in fiscal year 2011.

INCOME TAXES

Taxes on income were 33.1% of pretax income for fiscal year 2011, compared to 32.1% for the prior year. The higher effective tax rate in fiscal year 2011 was attributable to a greater proportion of pre-tax income being generated by DeVry s U.S. operations versus its international operations in the current year as compared to the prior year. DeVry s effective income tax rate reflects benefits derived from significant operations outside the United States. Earnings of these international operations are not subject to U.S. federal or state income taxes, so long as such

earnings are not repatriated, as discussed below. Three of our subsidiaries, Ross University School of Medicine (the Medical School) incorporated under the laws of the Commonwealth of Dominica, Ross University School

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of Veterinary Medicine (the Veterinary School) incorporated under the laws of the Federation of St. Christopher, Nevis, St. Kitts in the West indies, and DeVry Brasil incorporated under the laws of Brazil, all benefit from local tax incentives. The Medical and Veterinary Schools have agreements with the respective governments that exempt them from local income taxation through the years 2043 and 2023, respectively, while DeVry Brasil s effective tax rate reflects benefits derived from their participation in PROUNI, a Brazilian program for providing scholarships to a portion of its undergraduate students.

DeVry intends to indefinitely reinvest international earnings and cash flow to improve and expand facilities and operations at the Medical and Veterinary schools, and pursue other business opportunities outside the United States. Accordingly, DeVry has not recorded a current provision for the payment of U.S. income taxes on these earnings.

FISCAL YEAR ENDED JUNE 30, 2010 VS. FISCAL YEAR ENDED JUNE 30, 2009

REVENUES

Total consolidated revenues for fiscal 2010 of $1,915.2 million increased $453.7 million, or 31.0%, as compared to fiscal year 2009. Revenues increased within all three of DeVry s business segments as a result of continued enrollment growth and improved student retention. In addition, Carrington, which was acquired on September 18, 2008, and DeVry Brasil, which was acquired on April 1, 2009, contributed $101.6 million to the revenue growth in fiscal year 2010.

Business, Technology and Management

During fiscal year 2010, Business, Technology and Management segment revenues increased by 27.7% to $1,263.6 million as compared to fiscal year 2009 driven primarily by strong enrollment growth and improved retention. The Business, Technology and Management segment is comprised solely of DeVry University. Key trends in enrollment and tuition pricing are set forth below.

Total undergraduate enrollment by term:

Increased by 21.9% from summer 2008 (45,907 students) to summer 2009 (55,979 students);

Increased by 22.7% from fall 2008 (52,146 students) to fall 2009 (64,003 students);

Increased by 25.6% from spring 2009 (53,259 students) to spring 2010 (66,909 students); and

Increased by 22.0% from summer 2009 (55,979 students) to summer 2010 (68,290 students).

New undergraduate enrollment by term:

Increased by 14.8% from summer 2008 (16,595 students) to summer 2009 (19,057 students);

Increased by 19.4% from fall 2008 (15,811 students) to fall 2009 (18,878 students);

Increased by 24.0% from spring 2009 (14,288 students) to spring 2010 (17,715 students); and

Increased by 9.9% from summer 2009 (19,057 students) to summer 2010 (20,935 students).

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Graduate coursetaker enrollment, including the Keller Graduate School of Management:

The term coursetaker refers to the number of courses taken by a student. Thus, one student taking two courses is counted as two coursetakers.

Increased by 12.3% from the July 2008 session (16,017 coursetakers) to the July 2009 session (17,991 coursetakers);

Increased by 15.2% from the September 2008 session (17,799 coursetakers) to the September 2009 session (20,496 coursetakers);

Increased by 16.5% from the November 2008 session (17,803 coursetakers) to the November 2009 session (20,734 coursetakers);

Increased by 16.5% from the January 2009 session (19,475 coursetakers) to the January 2010 session (22,679 coursetakers);

Increased by 15.4% from the March 2009 session (19,357 coursetakers) to the March 2010 session (22,343 coursetakers);

Increased by 17.4% from the May 2009 session (18,822 coursetakers) to the May 2010 session (22,103 coursetakers); and

Increased by 17.6% from the July 2009 session (17,991 coursetakers) to the July 2010 session (21,165 coursetakers).

Tuition rates:

DeVry University s U.S. undergraduate program tuition increased by approximately 5.5% in July 2009 as compared to the prior year.

Graduate school program tuition increased by approximately 4.6% in July 2009 as compared to the prior year.

Management believes the increased undergraduate student enrollments were most significantly impacted by DeVry s strong track record of high-quality education and academic outcomes, continued strong demand for DeVry University s online programs and improved retention of existing students. Management believes efforts to enhance the Keller Graduate School of Management brand awareness through improved messaging produced positive graduate enrollment results. In addition, management believes the economic downturn experienced in fiscal 2010 had a small, but positive, impact on enrollments, as individuals have returned to post-secondary education for job re-tooling.

Medical and Healthcare

Medical and Healthcare segment revenues increased 39.8% to $507.0 million in fiscal year 2010 as compared to fiscal year 2009. Higher student enrollments at both Ross University and Chamberlain College of Nursing (Chamberlain) were key drivers of the segment revenue growth. In addition, Carrington, which was acquired on September 18, 2008, contributed $71.3 million to the revenue growth in fiscal year 2010. Key trends for Ross University, Chamberlain and Carrington are set forth below.

Ross University total enrollment by term:

Increased by 9.4% from May 2008 (4,064 students) to May 2009 (4,448 students);

Increased by 9.1% from September 2008 (4,219 students) to September 2009 (4,601 students);

Increased by 8.0% from January 2009 (4,323 students) to January 2010 (4,669 students); and

Increased by 2.1% from May 2009 (4,448 students) to May 2010 (4,542 students).

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Ross University new student enrollment by term:

Increased by 16.8% from May 2008 (481 students) to May 2009 (562 students);

Increased by 9.5% from September 2008 (608 students) to September 2009 (666 students);

Increased by 14.4% from January 2009 (611 students) to January 2010 (699 students); and

Decreased by 39.5% from May 2009 (562 students) to May 2010 (340 students).

Chamberlain College of Nursing total enrollment by term:

Increased by 77.8% from summer 2008 (2,419 students) to summer 2009 (4,302 students);

Increased by 67.2% from fall 2008 (3,360 students) to fall 2009 (5,617 students);

Increased by 72.2% from spring 2009 (3,885 students) to spring 2010 (6,691 students); and

Increased by 65.2% from July 2009 (4,302 students) to July 2010 (7,108 students).

Chamberlain College of Nursing new student enrollment by term:

Increased by 51.9% from summer 2008 (1,026 students) to summer 2009 (1,558 students);

Increased by 55.3% from fall 2008 (1,352 students) to fall 2009 (2,100 students);

Increased by 75.4% from spring 2009 (1,236 students) to spring 2010 (2,168 students); and

Increased by 55.1% from summer 2009 (1,558 students) to summer 2010 (2,416 students).

Carrington total enrollment by term:

Increased by 17.9% from July 2008 (9,028 students) to July 2009 (10,644 students);

Increased by 14.8% from November 2008 (10,186 students) to November 2009 (11,695 students);

Increased by 9.9% from March 2009 (10,928 students) to March 2010 (12,009 students); and

Increased by 5.5% from July 2009 (10,644 students) to July 2010 (11,234 students).

Carrington new student enrollment by term:

Increased by 15.4% from July 2008 (3,821 students) to July 2009 (4,411 students);

Increased by 21.5% from November 2008 (4,681 students) to November 2009 (5,688 students);

Decreased by 2.4% from March 2009 (4,323 students) to March 2010 (4,218 students); and

Decreased by 2.7% from July 2009 (4,411 students) to July 2010 (4,291 students).

Tuition rates:

Tuition and fees for the Ross University beginning basic sciences portion of the medical and veterinary programs increased by approximately 7.4% and 5.3%, respectively, in September 2009 as compared to the prior year.

Tuition and fees for the Ross University final clinical portion of the medical and veterinary medical school programs increased approximately 7.3% and 5.2%, respectively, in September 2009 as compared to the prior year.

Tuition for Chamberlain s BSN (onsite), ADN and LPN-to-RN programs increased approximately 8% effective July 2009.

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Tuition for Chamberlain s RN-to-BSN online degree program increased approximately 5% effective July 2009.

Tuition for students of Carrington College and Carrington College California was raised approximately 3.5% as compared to the prior year.

Continued demand for medical doctors and veterinarians positively influenced career decisions of new students towards these respective fields of study. Management believes that the historical enrollment increases at Ross University resulted from the solid reputation of its academic programs and student outcomes, enhancements made to its marketing and recruiting functions, as well as steps taken to meet increasing student demand such as adding faculty and classrooms.

The Ross University School of Medicine experienced lower new student enrollment in the May 2010 semester due to capacity constraints at its Dominica location.

The increase in student enrollments at Chamberlain was largely attributable to its growing RN-to-BSN online completion program. In addition, new campus openings also contributed new student enrollment growth. In July 2009, Chamberlain began offering nursing programs at its campus in Jacksonville, Florida. In July 2010, Chamberlain began offering its nursing programs at two new locations in Arlington, Virginia and Chicago. All of these campuses are co-located with DeVry University.

Management believes the increased total student enrollments at Carrington were most significantly impacted by the continued demand for healthcare personnel. In addition, management believes that the economic downturn had a positive impact on enrollments, as individuals returned to post-secondary education for job retooling.

International, K-12 and Professional Education

International, K-12 and Professional Education segment revenues rose 32.3% to $144.6 million in fiscal year 2010 as compared to fiscal year 2009. DeVry Brasil, which was acquired on April 1, 2009, contributed $30.3 million to the revenue growth. In addition, segment revenues increased driven by enrollment growth at Advanced Academics. However, the revenue growth rate at Advanced Academics slowed during the second half of fiscal year 2010 as a result of state budget constraints and lower summer school enrollments. Becker Professional Education revenues were down during the first half, but increased during the second half of fiscal year 2010 as demand for Becker s CPA review course improved. The revenue growth rate for the Professional Education segment slowed during fiscal year 2010 as compared to prior years due to the economic downturn, particularly among the accounting and financial firms that Becker serves.

COSTS AND EXPENSES

Cost of Educational Services

The largest component of Cost of Educational Services is the cost of employees who support educational operations. This expense category also includes the costs of facilities, adjunct faculty, supplies, bookstore and other educational materials, student education-related support activities, and the provision for uncollectible student accounts.

DeVry s Cost of Educational Services increased 23.4% to $826.1 million during fiscal year 2010 as compared to fiscal year 2009. Carrington, which was acquired by DeVry on September 18, 2008, and DeVry Brasil, which was acquired on April 1, 2009, accounted for nearly one-third of the increase in Cost of Educational Services during fiscal year 2010. Cost increases were also incurred in support of expanding DeVry University online and onsite enrollments and operating a higher number of locations as compared to the prior year. In addition, higher costs were incurred to support increasing student enrollments and the higher cost of medical clinical rotations for Ross University. Also, cost increases were incurred for the operation of the Chamberlain campus in Jacksonville, Florida, which began offering programs in July 2009 and start-up costs for the July 2010 opening of campuses in Arlington, Virginia and Chicago. Expense attributed to stock-based awards included in Cost of Educational Services increased during fiscal year 2010 as a result of an increase in the value of the awards granted during the year.

As a percentage of revenue, Cost of Educational Services decreased to 43.1% in fiscal year 2010 from 45.8% during the prior year period. The decrease was the combined result of increased operating leverage with existing facilities and staff and revenue gains, which more than offset incremental investments to maintain the high quality of DeVry s educational offerings and to drive future revenue growth.

Student Services and Administrative Expense

This expense category includes student admissions, advertising costs, general and administrative costs, expenses associated with curriculum development, and the amortization expense of finite-lived intangible assets related to acquisitions of businesses.

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Student Services and Administrative Expense grew 23.7% to $678.2 million during fiscal year 2010 as compared to fiscal year 2009. The fiscal year 2009 acquisitions of Carrington and DeVry Brasil accounted for approximately one-fifth of the increase in Student Services and Administrative Expense for fiscal year 2010. The balance of the increase in expenses primarily represented additional investments in advertising and recruiting to drive and support future growth in new student enrollments. In addition, cost increases were incurred in information technology and student services. Expense attributed to stock-based awards included in Student Services and Administrative Expense increased during fiscal year 2010 as a result of an increase in value of the awards granted during the year.

Amortization of finite-lived intangible assets in connection with acquisitions of businesses increased during fiscal year 2010 as compared to the year-ago period, as a result of increased amortization of finite-lived intangible assets resulting from the acquisitions of Carrington and DeVry Brasil. Amortization expense is included entirely in the Student Services and Administrative Expense category.

As a percentage of revenue, Student Services and Administrative Expense decreased to 35.4% in fiscal year 2010 from 37.5% during the prior year period. The decrease was the combined result of increased operating leverage from advertising and student recruiting costs, which more than offset incremental investments in student services and support personnel.

OPERATING INCOME

Total consolidated operating income for fiscal year 2010 of $410.9 million increased $176.1 million, or 75.0%, as compared to the prior year. Operating income increased at DeVry s respective Business, Technology and Management and Medical and Healthcare segments. These increases were partially offset by a decline in operating profit at DeVry s International, K-12 and Professional Education segment.

Business, Technology and Management

Business, Technology and Management segment operating income increased 129.3% to $291.1 million during fiscal year 2010, as compared to fiscal year 2009. The increase in operating income was the result of higher revenue and a significant increase in operating leverage, while at the same time, continuing to make investments in academic quality and student service, including additional full time faculty, new programs and additional career services professionals to drive future enrollment growth. Also, fiscal year 2009 results included a $4.9 litigation settlement reserve and a $4.0 million pre-tax charge related to the buy-out of a portion of a lease of the DeVry University campus in Long Island City, New York. Excluding the impact of the litigation settlement reserve and real estate transaction in fiscal year 2009 of $8.9 million, Business, Technology and Management segment fiscal year 2010 operating income increased 114.4% as compared to the year-ago period.

Medical and Healthcare

Medical and Healthcare segment operating income increased 21.2% to $111.1 million during fiscal year 2010 as compared to fiscal year 2009. Increases in student enrollments and tuition produced higher revenues and operating income for fiscal year 2010 as compared to the prior year even as faculty, staff and facilities were being added in connection with respective expansion programs at both Ross University and Chamberlain. Carrington, which was acquired on September 18, 2008, also accounted for $9.7 million, or 50%, of the operating profit growth for this segment.

International, K-12 and Professional Education

International, K-12 and Professional Education segment operating income declined 33.0% to $19.9 million during fiscal year 2010 as compared to the prior year. The decrease in operating income mainly was the result lower revenues experienced at Advanced Academics during the second half of the fiscal year and increased investments at DeVry Brasil, Advanced Academics and Becker Professional Education to drive future enrollment growth.

NET INTEREST AND OTHER INCOME (EXPENSE)

Interest income decreased 60.4%, to $2.1 million during fiscal year 2010 as compared to the prior year. Despite an increase in invested balances as compared to the prior year period, interest income decreased because of lower interest rates earned on invested balances during fiscal year 2010. The increase in invested cash balances, marketable securities and investments was attributable to improved operating cash flow over the past twelve months partially offset by cash used in connection with the acquisition of DeVry Brasil (Fanor), increased share repurchases and debt repayment.

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Interest expense decreased by $1.2 million, or 42.9%, to $1.6 million during fiscal year 2010 as compared to the prior year. The decrease in interest expense was attributable to lower average borrowings outstanding and lower average interest rates during fiscal year 2010 as compared to the prior year.

DeVry recorded net investment gains of $1.2 million during fiscal year 2010. These gains were the result of changes in the valuation of DeVry s auction rate security portfolio and related put option. During July 2010, DeVry had fully liquidated its auction rate security portfolio at par value.

INCOME TAXES

Taxes on income were 32.1% of pretax income for fiscal year 2010, compared to 30.2% for the prior year. The higher effective tax rate in fiscal year 2010 was attributable to a greater proportion of pre-tax income being generated by DeVry s U.S. operations versus its international operations in fiscal year 2010 as compared to the prior year. DeVry s effective income tax rate reflects benefits derived from significant operations outside the United States. Earnings of these international operations are not subject to U.S. federal or state income taxes, so long as such earnings are not repatriated, as discussed below. Three of our subsidiaries, Ross University School of Medicine (the Medical School) incorporated under the laws of the Commonwealth of Dominica, Ross University School of Veterinary Medicine (the Veterinary School) incorporated under the laws of the Federation of St. Christopher, Nevis, St. Kitts in the West indies, and DeVry Brasil incorporated under the laws of Brazil, all benefit from local tax incentives. The Medical and Veterinary Schools have agreements with the respective governments that exempt them from local income taxation through the years 2043 and 2023, respectively, while DeVry Brasil s effective tax rate reflects benefits derived from their participation in PROUNI, a Brazilian program for providing scholarships to a portion of its undergraduate students.

DeVry intends to indefinitely reinvest international earnings and cash flow to improve and expand facilities and operations at the medical and veterinary schools, and pursue other business opportunities outside the United States. Accordingly, DeVry has not recorded a current provision for the payment of U.S. income taxes on these earnings.

CRITICAL ACCOUNTING POLICIES

Note 2, Summary of Significant Accounting Policies, in the Notes to Consolidated Financial Statements for the fiscal year ended June 30, 2011, describes the method of application of significant accounting policies and should be read in conjunction with the discussion below.

Revenue Recognition

DeVry University tuition, Ross University tuition for the basic science semesters, Carrington College, Carrington College California, Chamberlain College of Nursing and DeVry Brasil tuition all are billed at the start of each academic term. Such revenue is recognized ratably on a straight-line basis over the academic term. Revenue from Ross University clinical terms is recognized based upon the student s weekly schedule of actual attendance. Refunds of tuition are reported as a reduction of revenues. Revenues from sales of textbooks, electronic course materials and other educational supplies, and commissions received on sales by bookstores (which are operated by an outside party), are recognized upfront when the product or service is delivered. Tuition revenue from Advanced Academics Inc. is recognized ratably on a straight-line basis over the course term or the license period depending on the type of contract.

Tuition revenue from Becker Professional Education, including ATC International, is recognized ratably on a straight-line basis over the course term. Becker Professional Education self-study CD ROM, textbook and other educational product revenues are recognized when the product or service is delivered. Revenue from training services, which are generally short-term in duration, is recognized when the training service is provided.

Expense Recognition

Advertising costs are charged to expense in the period in which materials are purchased or services are rendered. Similarly, start-up expenses related to new operating locations and new curriculum development costs are charged directly to expense as incurred.

Allowance for Uncollectible Accounts

The allowance for uncollectible accounts is determined by analyzing the current aging of accounts receivable and historical loss rates on collections of accounts receivable. In addition, management considers projections of future receivable levels and collection loss rates. We perform this analysis periodically throughout the year. Provisions required to maintain the allowance at appropriate levels are charged to expense in each period as required.

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Internally Developed Software

Selected costs associated with developing DeVry s information technology systems have been capitalized in accordance with the rules on accounting for costs of computer software developed for internal use. Capitalized software development costs for projects not yet complete are included as construction in progress in the Land, Buildings and Equipment section of the Consolidated Balance Sheets. Upon completion of the projects the costs are transferred to equipment and amortized using the straight-line method over the estimated useful lives of the software.

Stock-Based Compensation

Stock-based compensation is recorded as compensation expense over the vesting period. If factors change and different assumptions are utilized in future periods, the stock-based compensation expense that DeVry records may differ significantly from what was recorded in the prior period.

Impairment of Goodwill and Other Intangible Assets

In accordance with U.S. generally accepted accounting principles, goodwill and indefinite-lived intangibles arising from a business combination are not amortized and charged to expense over time. Instead, these assets must be reviewed annually for impairment or more frequently if circumstances arise indicating potential impairment. This impairment review was most recently completed during the fourth quarter of fiscal year 2011 at which time there was no impairment loss associated with recorded goodwill or indefinite-lived intangible assets, as estimated fair values exceeded the carrying amounts.

DeVry did not perform interim impairment reviews during fiscal year 2011. The estimated fair values of the reporting units and indefinite-lived intangible assets exceeded their carrying values by at least 40% as of the end of fiscal year 2010 except those indefinite-lived intangible assets acquired with the acquisitions of Carrington and DeVry Brasil where fair values exceeded carrying values by at least 14%. The smaller premium for the newly acquired assets would be expected considering all have been acquired within twenty months of the fourth quarter fiscal year 2010 valuation date and there has been less time for these assets to have appreciated in value from their fair market value purchase price. Management did not believe business conditions had deteriorated in any of its reporting units to the extent that the fair values of the reporting units or intangible assets would have differed materially from their fiscal year 2010 fair values. In this regard, revenues grew for all reporting units in fiscal year 2011 except at Carrington and operating results and cash flows improved over the prior year for all but the Carrington and Ross University reporting units. Also, although revenues increased and operating results improved at the Advanced Academics (AAI) reporting unit, this unit continued to experience operating losses.

Though the Ross University reporting unit, which carries a goodwill balance of $237.2 million, has experienced a slowdown in growth and declining operating profits, this slowdown is considered to be temporary and is the result of capacity constraints as opposed to lower interest in the university s medical and veterinary programs. Revenue grew by 5% from the prior year and, though operating profits declined by approximately 5% from the prior year, this reporting unit remains highly profitable with operating margins exceeding 32%. The impairment review completed in the fourth quarter of fiscal year 2011 indicated a fair value exceeding carrying value by approximately 50% for the Ross University reporting unit.

At Carrington, which carries a goodwill balance of $185.7 million, revenue declined slightly from the prior year. The revenue decline at Carrington was the result of lower fall and spring term student enrollments. Management believes these declines were due to economic uncertainties and the prolonged economic downturn, which has resulted in reductions in the volume of inquiries from potential students. To address this issue, Carrington has shifted its focus from building brand awareness associated with its recent name change to communications designed to produce a direct consumer response. Carrington is also making additional investments in its website interface and admissions processes to better serve prospective students. The revenue decline has also resulted in lower operating income; however, this reporting unit remains profitable. The fair value of the Carrington reporting unit significantly exceeded its carrying value as of the fiscal year 2010 impairment analysis. Management believes the negative trends at Carrington will be temporary and believes its planned business and operational strategies will reverse this negative trend in the foreseeable future. However, if operating improvements are not realized, all or some of the goodwill could be impaired in the future. The impairment review completed in the fourth quarter of fiscal year 2011 indicated a fair value exceeding carrying value for the Carrington reporting unit.

At AAI, which carries a goodwill balance of $17.1 million, revenues increased by 8% from the prior year. This resulted in an operating loss which was approximately 40% less than the prior year. This was partially the result of improved gross margins along with a decline in advertising spending. Management believes the improvements in margins to be the result of its previous investment to initiate programs designed to enhance future growth. The fair value of the AAI reporting unit exceeded its carrying value as of the

fiscal year 2011 impairment analysis. Management believes the negative operating results at AAI will be temporary and believes its planned business and operational strategies will continue to lead to further improvements in the foreseeable future. However, if operating improvements are not realized, all or some of the goodwill could be impaired in the future.

Management does consider certain triggering events when evaluating whether interim impairment analysis is warranted. Among these would be a significant long-term decrease in the market capitalization of DeVry based on events specific to DeVry s operations. As of June 30, 2011, DeVry s market capitalization exceeded its book value by approximately 200%. This premium was consistent with that as of June 30, 2010. Other triggering events that could be cause for an interim impairment review would be changes in the accreditation, regulatory or legal environment; unexpected competition; and changes in the market acceptance of our educational programs and the graduates of those programs.

Determining the fair value of a reporting unit or an intangible asset involves the use of significant estimates and assumptions. Management bases its fair value estimates on assumptions it believes to be reasonable at the time, but such assumptions are subject to inherent uncertainty. Actual results may differ from those estimates.

For goodwill, DeVry estimates the fair value of its reporting units using a discounted cash flow model utilizing inputs which include projected operating results and cash flows from management s long term plan. If the carrying amount of the reporting unit containing the goodwill exceeds the fair value of that reporting unit, an impairment loss is recognized to the extent the implied fair value of the reporting unit goodwill is less than the carrying amount of the goodwill.

DeVry had seven reporting units which contained goodwill as of the fourth quarter fiscal year 2011 analysis. These reporting units constitute components for which discrete financial information is available and regularly reviewed by management. Determining the fair value of a reporting unit involves the use of significant estimates and assumptions. The estimate of fair value of each reporting unit is based on management s projection of revenues, gross margin, operating costs and cash flows considering planned business and operational strategies over a long-term planning horizon of 5 years along with a terminal value calculated based on discounted cash flows. These measures of business performance are similar to those management uses to evaluate the results of operations on a regular basis. The growth rates used to project cash flows, operating results and terminal values of reporting units are commensurate with historical results and analysis of the economic environment in which the reporting units operate. The valuations employ present value techniques to estimate fair value and consider market factors. Management believes the assumptions used for the impairment testing are consistent with those utilized by a market participant in performing similar valuations of its reporting units. Discount rates of 10% to 16% were utilized for the reporting units. The discount rate utilized by each unit takes into account management s assumptions on growth rates and risk, both organization specific and macro-economic, inherent in that reporting unit. Management bases its fair value estimates on assumptions it believes to be reasonable at the time, but such assumptions are subject to inherent uncertainty. Actual results may differ from those estimates.

All of the reporting units estimated fair values exceeded their carrying values as of the fourth quarter impairment analysis by at least 15%. The results of this analysis indicate no impairment of goodwill existed as of June 30, 2011. An increase of 100 basis points in the discount rate used in this analysis would result in no less than a 4% premium of fair value over carrying value. Management considers the use of this level of sensitivity in the discount rate reasonable considering the strength of DeVry s sustained operations. If the impairment analysis resulted in any reporting unit s fair value being less than the carrying value, an additional step would be required to determine the implied fair value of goodwill associated with that reporting unit. The implied fair value of goodwill is determined by first allocating the fair value of the reporting unit to all its assets and liabilities and then computing the excess of the reporting unit s fair value over the amounts assigned to the assets and liabilities. If the carrying value of goodwill exceeds the implied fair value of goodwill, such excess represents the amount of goodwill impairment, and, accordingly such impairment is recognized.

For indefinite-lived intangible assets, DeVry determines their fair value based on the nature of the asset using various valuation techniques including a royalty rate model for Trade Names, Trademarks and Intellectual Property, a discounted income stream model for Title IV Eligibility and a discounted cash flow model for Accreditation. The

estimated fair values of these indefinite-lived intangible assets are based on management s projection of revenues, gross margin, operating costs and cash flows considering planned business and operational strategies over a long-term planning horizon of 5 years. The assumed royalty rates and the growth rates used to project cash flows and operating results are commensurate with historical results and analysis of the economic environment in which the reporting units that record indefinite-lived intangible assets operate. The valuations employ present value techniques to measure fair value and consider market factors. Management believes the assumptions used for the impairment testing are consistent with those that would be utilized by a market participant in performing similar valuations of its indefinite-lived intangible assets. The discount rates of 10% to 16% that were utilized in the valuations take into account management s assumptions on growth rates and risk, both company specific and macro-economic, inherent in each reporting unit that records indefinite-lived intangible assets. These intangible assets are closely tied to the overall risk of the reporting units in which they are recorded so management would expect the discount rates to also match those used for valuing these reporting units. Management bases its fair value estimates on assumptions it believes to be reasonable at the time, but such assumptions are subject to inherent uncertainty.

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All of the fair value estimates of indefinite-lived intangible assets exceed the carrying values of those assets as of the 2011 fourth quarter impairment analysis by at least 100% except those acquired with the acquisitions of ATC and Carrington where fair values approximated carrying values. Since no fair values were estimated to be below carrying value, no impairment of intangible assets was recorded as of June 30, 2011. If the carrying amount of an indefinite-lived intangible asset exceeds the fair value, an impairment loss is recognized in an amount equal to that excess.

At June 30, 2011, intangible assets from business combinations totaled $195.5 million, and goodwill totaled $523.6 million. Together these assets equal approximately 39% of total assets, and any impairment could significantly affect future results of operations.

Impairment of Long-Lived Assets

DeVry evaluates the carrying amount of its major long-lived assets whenever changes in circumstances or events indicate that the value of such assets may not be fully recoverable. No such circumstances existed in fiscal year 2011.

Income Taxes

DeVry accounts for income taxes using the asset and liability method. Under this method, deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. DeVry also recognizes future tax benefits associated with tax loss and credit carryforwards as deferred tax assets. DeVry s deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. DeVry measures deferred tax assets and liabilities using enacted tax rates in effect for the year in which DeVry expects to recover or settle the temporary differences. The effect of a change in tax rates on deferred taxes is recognized in the period that the change is enacted. DeVry reduces its net tax assets for the estimated additional tax and interest that may result from tax authorities disputing uncertain tax positions DeVry has taken.

Estimates and Assumptions

DeVry s financial statements include estimates and assumptions about the reported amounts of assets, liabilities, revenues, and expenses whose exact amounts will not be known until future periods. Management has discussed with the Audit Committee of the Board of Directors the critical accounting policies discussed above and the significant estimates included in the financial statements in this report. Although management believes its assumptions and estimates are reasonable, actual amounts may differ from the estimates included in the financial statements thereby materially affecting results in the future.

DeVry s financial statements reflect the following significant estimates and assumptions:

the method of revenue recognition across academic periods;

the estimates and judgments used to record the provision for uncollectible accounts receivable. DeVry believes that it has appropriately considered known or expected outcomes of its students ability to pay their outstanding amounts due to DeVry. DeVry s greatest accounts receivable risk is with its DeVry University undergraduate students. If an additional allowance of 1% of DeVry University undergraduate gross receivables was necessary, an additional provision of approximately $0.7 million would be required;

the useful lives of equipment and facilities whose value is a significant portion of DeVry s total assets;

the value and useful lives of acquired finite-lived intangible assets;

the value of goodwill and other indefinite-lived intangible assets;

the pattern of the amortization of finite-lived intangible assets over their economic life;

the value of deferred tax assets and evaluation of uncertainties under authoritative guidance;

certain marketable securities are valued using observable and unobservable inputs, such as internally-developed pricing models;

costs associated with any settlement of claims and lawsuits in which DeVry is a defendant;

health care reimbursement claims for medical services rendered but for which claims have not yet been processed or paid; and

the value of stock-based compensation awards and related compensation expense.

The methodology management used to derive each of the above estimates for fiscal 2011 is consistent with the manner in which such estimates were made in prior years, although management regularly analyzes the parameters used in setting the value of these estimates and may change those parameters as conditions warrant. Actual results could differ from those estimates.

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CONTINGENCIES

DeVry is subject to occasional lawsuits, administrative proceedings, regulatory reviews and investigations associated with financial assistance programs and other claims arising in the normal conduct of its business. The following is a description of pending litigation that may be considered other than ordinary and routine litigation that is incidental to the business.

The Boca Raton Firefighters and Police Pension Fund filed a complaint (the Shareholder Case) in the United States District Court for the Northern District of Illinois on November 1, 2010 (Case No. 1:10-cv-07031). The complaint was filed on behalf of a putative class of persons who purchased DeVry common stock between October 25, 2007, and August 13, 2010. Plaintiffs filed an amended complaint (the Amended Complaint) on March 7, 2011 alleging the same categories of claims in the initial complaint. The plaintiffs claim DeVry, Daniel Hamburger and Richard M. Gunst violated Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 and Rule 10b-5 promulgated thereunder by failing to disclose abusive and fraudulent recruiting and financial aid lending practices, thereby increasing DeVry s student enrollment and revenues and artificially inflating DeVry s stock price during the class period. DeVry and its executives believe the allegations contained in the Amended Complaint are without merit and they are defending them vigorously. On May 6, 2011, DeVry filed a Motion to Dismiss the Amended Complaint, which is pending before the Court.

Three derivative cases similar to the Shareholder Case also have been filed (Derivative Actions). Two of the Derivative Actions were filed in the Circuit Court of Cook County, Illinois, Chancery Division: DeVry shareholder Timothy Hald filed a derivative complaint on behalf of DeVry on January 3, 2011 (*Hald v. Hamburger et al.*, Case No. 11 CH 0087) and Matthew Green (also a DeVry shareholder) filed a derivative complaint on behalf of DeVry on January 7, 2011 (*Green v. Hamburger et al.*, Case No. 11 CH 0770). The *Hald* and *Green* cases (the Consolidated Cases) were consolidated by court order dated February 9, 2011. Maria Dotro, another DeVry shareholder, filed a third derivative complaint on DeVry s behalf in the Delaware Court of Chancery on March 11, 2011 (*Dotro v. Hamburger et al.*, Case No. 6263). Both the Consolidated cases and the *Dotro* case have been stayed by agreement of the parties pending resolution of DeVry s forthcoming Motion to Dismiss the Shareholder Case (Motion to Dismiss).

The Derivative Actions allege that Daniel Hamburger, Richard M. Gunst, David J. Pauldine, Sharon T. Parrott, Ronald L. Taylor, Lisa W. Pickrum, Darren R. Huston, David S. Brown, William T. Keevan, Fernando Ruiz, Harold D. Shapiro, Lyle Logan, Connie R. Curran, and Julia McGee breached their fiduciary duties to DeVry by failing to disclose the same allegedly abusive and fraudulent recruiting and financial aid lending practices alleged in the Shareholder Case. The Derivative Actions also allege that DeVry s officers and directors unjustly enriched themselves and wasted DeVry s assets by (i) causing DeVry to incur substantial costs in defending the Shareholder Case; (ii) causing DeVry to pay compensation and benefits to individuals who breached their fiduciary duties; (iii) causing potential losses from certain of DeVry s programs no longer being eligible for federal financial aid; and (iv) damaging DeVry s corporate image and goodwill. DeVry and its executives and directors believe the allegations contained in the Derivative Actions are without merit and intend to defend them vigorously.

Although DeVry believes that the Shareholder Case and the Derivative Actions are without merit, the ultimate outcome of pending litigation is difficult to predict. At this time, DeVry does not expect that the outcome of any such matter will have a material effect on its cash flows, results of operations or financial position.

LIQUIDITY AND CAPITAL RESOURCES

Student Payments

DeVry s primary source of liquidity is the cash received from payments for student tuition, books, other educational materials and fees. These payments include funds originating as financial aid from various federal, state and provincial loan and grant programs; student and family educational loans (private loans); employer educational reimbursements; and student and family financial resources. Private loans as a percentage of DeVry s total revenue are relatively small.

In connection with the turmoil in the credit markets and economic downturn over the past three years, some lenders changed or exited certain private loan programs. Also, certain lenders have tightened underwriting criteria for private loans. To date, these actions have not had a material impact on DeVry s students ability to access funds for their educational needs and thus its enrollments. DeVry monitors the student lending situation very closely and continues to

pursue all available financing options for its students, including DeVry s institutional loan programs.

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The following table summarizes DeVry s cash receipts from tuition and related fee payments by fund source as a percentage of total revenue for the fiscal years 2010 and 2009, respectively. Final data for fiscal year 2011 are not yet available.

	Fiscal Year	
Funding Source:	**2010**	**2009**
Federal Assistance (Title IV) Program Funding:		
Grants and Loans	71%	73%
Federal Work Study	0%	1%
Total Title IV Program Funding	71%	74%
State Grants	2%	2%
Private Loans	1%	3%
Student accounts, cash payments, private scholarships, employer and military provided tuition assistance and other	26%	21%
Total	100%	100%

During fiscal year 2010, the source of the funding from student accounts, cash payments, private scholarships, employer and military provided tuition assistance increased to 26% of DeVry s total tuition revenues as compared to 21% in the prior year. The primary reason for this increase was the full year impact of the financial results of DeVry Brasil in fiscal year 2010 as compared to the three month impact in fiscal year 2009. DeVry Brasil students do not participate in the Title IV program funding, resulting in a proportional increase in funding from student accounts and cash payments as compared to fiscal year 2009.

The pattern of cash receipts during the year is somewhat seasonal. DeVry s accounts receivable peak immediately after bills are issued each semester. Historically, accounts receivable reach their lowest level at the end of each semester/session, dropping to their lowest point during the year at the end of June.

At June 30, 2011, total accounts receivable, net of related reserves, was $114.7 million, compared to $119.2 million at June 30, 2010. The decrease in net accounts receivable was attributable to improved collections management and improved financial aid packaging, partially offset by the impact on receivables from revenue growth across all three business segments as compared to the year-ago period.

Financial Aid

Like other higher education institutions, DeVry is highly dependent upon the timely receipt of federal financial aid funds. All financial aid and assistance programs are subject to political and governmental budgetary considerations. In the United States, the Higher Education Act (HEA) guides the federal government s support of postsecondary education. If there are changes to financial aid programs that restrict student eligibility or reduce funding levels, DeVry s financial condition and cash flows could be materially and adversely affected. Please see Item 1A Risk Factors in DeVry s Annual Report on Form 10-K, for a discussion of student financial aid related risks.

In addition, government-funded financial assistance programs are governed by extensive and complex regulations in both the United States and Canada. Like any other educational institution, DeVry s administration of these programs is periodically reviewed by various regulatory agencies and is subject to audit or investigation by other governmental authorities. Any violation could be the basis for penalties or other disciplinary action, including initiation of a suspension, limitation or termination proceeding. Previous Department of Education and state regulatory agency program reviews have not resulted in material findings or adjustments against DeVry.

A U.S. Department of Education regulation known as the 90/10 Rule affects only proprietary postsecondary institutions, such as DeVry University, Ross University School of Medicine, Ross University School of Veterinary Medicine, American University of the Caribbean, Chamberlain, Carrington College and Carrington College California. Under this regulation, an institution that derives more than 90% of its revenues from Title IV student financial assistance programs in any year may not participate in these programs for the following year.

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The following table details the percentage of revenue from federal financial assistance programs for each of DeVry s Title IV eligible institutions for fiscal years 2010 and 2009, respectively. Final data for fiscal year 2011 is not yet available.

	Fiscal Year	
	2010	2009
DeVry University:		
Undergraduate	77%	77%
Graduate	76%	70%
Ross University School of Medicine	81%	78%
Ross University School of Veterinarian Medicine	89%	86%
Chamberlain College of Nursing	70%	69%
Carrington College	82%	85%
Carrington College California	86%	83%

Under the terms of DeVry s participation in financial aid programs, certain cash received from state governments and the U.S. Department of Education is maintained in restricted bank accounts. DeVry receives these funds either after the financial aid authorization and disbursement process for the benefit of the student is completed, or just prior to that authorization. Once the authorization and disbursement process for a particular student is completed, the funds may be transferred to unrestricted accounts and become available for DeVry to use in current operations. This process generally occurs during the academic term for which such funds have been authorized. At June 30, 2011, cash in the amount of $2.3 million was held in restricted bank accounts, compared to $2.1 million at June 30, 2010.

As described in more detail in Item 1. Description of Business, institutions must meet a financial responsibility test if their students participate in federal financial assistance programs. The Department of Education relies on a test that considers equity, primary reserve, and net income ratios, with a minimum required score of 1.5. Management has calculated DeVry s composite score at June 30, 2011, and determined that it exceeds 1.5. Management believes DeVry will continue to demonstrate the required level of financial stability.

Cash from Operations

Cash generated from operations in fiscal year 2011 was $408.0 million, compared to $391.5 million in the prior year period. Cash flow from operations increased $50.8 million due to higher net income. Also, cash flow from operations increased $20.2 million as a result of a decrease in accounts receivable, net of related reserves, as a result of continued improvements in collections management and successful student outcomes. An increase in net deferred income tax liabilities resulted in a $35.4 million greater source of cash. An increase in non-cash expenses for depreciation, amortization and stock-based compensation resulted in a $6.5 million greater source of cash. These increases in operating cash flow were partially offset by a decrease in deferred tuition revenue and advanced tuition payments of $16.2 million. In addition, cash flow from operations decreased by a $77.8 million from a lower source of cash compared to the prior year for changes in levels of prepaid expenses, accounts payable and accrued expenses. Variations in the levels of accrued and prepaid expenses and accounts payable from period to period are caused, in part, by the timing of the period-end relative to DeVry s payroll and bill payment cycles.

Investing Activities

Capital expenditures in fiscal year 2011 were $135.7 million compared to $131.0 million in the year-ago period. DeVry continues to invest capital to support Project DELTA (implementation of a new student information system for DeVry University and Chamberlain); facility expansion at the Ross University medical and veterinary schools; spending for the new Chamberlain Houston and Miramar, Florida Chicago campuses; new location openings and capacity expansion at Carrington; and facility improvements at DeVry University.

On April 30, 2011, through a subsidiary, DeVry acquired ATC International for $3.0 million.

For fiscal year 2012, management expects capital expenditures to increase in comparison to fiscal year 2011 to support future growth including continued implementation of a new student information system at DeVry University and Chamberlain College of Nursing; continued capacity expansion at Ross University; facility improvements and new locations for DeVry University, Chamberlain College of Nursing, Carrington and DeVry Brasil. In addition, on

August 3, 2011, DeVry acquired the business operations of the American University of the Caribbean for $235 million. Capital expenditures will increase as a result of investments

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that will be made at American University of the Caribbean. Management anticipates full year fiscal 2012 capital spending in the $170 to $180 million range.

Cash from Financing Activities

During fiscal year 2011, DeVry repurchased a total of approximately 2,766,000 shares of its stock, on the open market, for approximately $132.9 million. DeVry completed its third, fourth and fifth share repurchases programs during fiscal year 2011. In June 2011, DeVry commenced its sixth program, and as of June 30, 2011, the total remaining authorization under this repurchase program was $91.7 million. The timing and amount of future repurchases under this program will be determined by DeVry management based on its evaluation of market conditions and other factors. These repurchases may be made through the open market, including block purchases, or in privately negotiated transactions, or otherwise. The repurchase of shares will be funded through available cash balances and/or borrowings under its revolving credit agreement and may be suspended or discontinued at any time.

Cash dividends paid during fiscal year 2011 were $15.5 million. DeVry s Board of Directors declared a dividend on May 20, 2011 of $0.12 per share to common stockholders of record as of June 20, 2011. The total dividend of $8.3 million was paid on July 12, 2011.

DeVry s consolidated cash balances of $447.1 million at June 30, 2011, included approximately $273.4 million of cash attributable to DeVry s international operations. It is DeVry s intention to indefinitely reinvest this cash and subsequent earnings and cash flow to improve and expand facilities and operations of its international schools and pursue future business opportunities outside the United States. Therefore, cash held by international operations will not be available for domestic general corporate purposes. Management does not believe that this policy will adversely affect DeVry s overall liquidity.

Historically, DeVry has produced positive domestic cash flows from operating activities sufficient to fund the delivery of its domestic educational programs and services as well as to fund capital investment and other activities including share repurchases and dividend payments. In addition, DeVry maintains a $400 million revolving line of credit which can be expanded to $550 million at the option of DeVry. For fiscal year 2011, cash flows from domestic operating activities were approximately $315.8 million which, in addition to funding other investment and financing activities, was sufficient to fund $107.6 million of domestic capital investment, pay dividends of $15.5 million and fund $132.9 million of common stock repurchases.

DeVry believes that it has sufficient liquidity despite the disruption in the credit markets over the past two years. Management believes that current balances of unrestricted cash, cash generated from operations and revolving loan facility will be sufficient to fund both DeVry s current domestic and international operations and growth plans, and current share repurchase program, for the foreseeable future unless future significant investment opportunities, similar to the acquisition of Carrington, should arise.

Revolving Credit Agreement

On May 10, 2011, DeVry entered into a new revolving credit facility which replaces the credit facility that was set to expire in January 2012. This new facility, which expires on May 10, 2016, provides aggregate commitments including borrowings and letters of credit of up to $400 million and, at the request of DeVry, can be increased to $550 million. Borrowings under this agreement will bear interest at the prime rate or at a LIBOR rate, at the option of DeVry, plus a pre-established margin. Outstanding letters of credit under the revolving credit agreement are charged a fee for the undrawn face amount of the letter of credit, payable quarterly. The agreement also requires payment of a commitment fee for the undrawn portion of the credit facility. The interest rate margin, letter of credit fees and commitment fees are adjustable quarterly, based upon DeVry s achievement of certain financial ratios.

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The following table summarizes the terms of the revolving credit agreement and its status as of June 30, 2011:

	Revolving Credit Agreement DeVry Inc.
Borrowing limit	$400 million, with options to increase to $550 million
Interest Rate	At DeVry s discretion, either the prime rate plus 0.75% -1.50%, or a LIBOR rate plus 1.75%-2.50%, depending upon the achievement of certain financial ratios.
Maturity	May 10, 2016
Outstanding borrowings at June 30, 2011	$ 0
Interest Rate at June 30, 2011	N/A
Outstanding Letters of credit at June 30, 2011	$3.0 Million

No amount has ever been drawn under the letter of credit issued on behalf of DeVry.

DeVry is not required to repay any borrowings under the revolving credit agreement until its maturity dates, but we can make prepayments without penalty at any time.

The revolving credit agreement contains certain covenants that, among other things, require maintenance of certain financial ratios, as defined in the agreements. These financial ratios include a consolidated fixed charge coverage ratio, a consolidated leverage ratio and a composite Equity, Primary Reserve and Net Income Department of Education financial responsibility ratio (DOE Ratio). Failure to maintain any of these ratios or to comply with other covenants contained in the agreement will constitute an event of default and could result in termination of the agreements and require payment of all outstanding borrowings. DeVry was in compliance with all debt covenants as of June 30, 2011.

Other Contractual Arrangements

DeVry s long-term contractual obligations consist of its $400 million revolving line of credit (discussed above), operating leases on facilities and equipment, and agreements for various services.

DeVry is not a party to any off-balance sheet financing or contingent payment arrangements, nor are there any unconsolidated subsidiaries. DeVry has not extended any loans to any officer, director or other affiliated person. DeVry has not entered into any synthetic leases, and there are no residual purchase or value commitments related to any facility lease. DeVry did not enter into any significant derivatives, swaps, futures contracts, calls, hedges or non-exchange traded contracts during fiscal year 2011. DeVry had no open derivative positions at June 30, 2011.

As of the end of the fiscal year, DeVry had posted more than $16 million of surety bonds to various governmental jurisdictions on behalf of DeVry University, Chamberlain College of Nursing, Carrington College, Carrington College California and Becker Professional Education in the United States, and approximately CDN $0.3 million in Canada. The surety bonds are related primarily to student recruiting and educational operations. If DeVry were to fail to meet its obligations in these jurisdictions, it could be responsible for payment up to the amount of the related bond. To date, no surety bond has ever been paid because DeVry failed to meet its obligations.

A summary of DeVry s contractual obligations at June 30, 2011, is presented below:

		Due In				
	Total	Less Than 1 Year	1-3 Years	4-5 Years	After 5 Years	All Other
			(Dollars in thousands)			
Operating Leases	$ 634,400	$ 79,100	$ 218,800	$ 121,900	$ 214,600	$
Employment Agreements	3,177	397	734	606	1,440	

Uncertain Tax Positions	11,900	3,200				8,700
Total Cash Obligation	$ 649,477	$ 82,697	$ 219,534	$ 122,506	$ 216,040	$ 8,700

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RECENT ACCOUNTING PRONOUNCEMENTS

In June 2011, the FASB issued authoritative guidance updating the disclosure requirements for Comprehensive Income. This update requires total comprehensive income, the components of net income and the components of other comprehensive income to be presented either in a single continuous statement or in two separate but consecutive statements. This guidance will be effective for our interim and annual reporting periods beginning January 1, 2012. Currently, we present total comprehensive income and the components of other comprehensive income in the Consolidated Statement of Shareholders Equity and in the footnotes to the consolidated financial statements. The application of this guidance will require presentation of comprehensive income on a different consolidated financial statement.

In May 2011, the FASB issued authoritative guidance clarifying the application of existing fair value measurements and disclosure requirements. This guidance will be effective for our interim and annual reporting periods beginning January 1, 2012. Management has not yet determined the effect that the application of this guidance will have on DeVry s consolidated financial statements.

In December 2010, the FASB issued authoritative guidance updating the disclosure requirements of supplemental pro forma information for business combinations. This guidance became effective for our interim and annual reporting periods beginning January 1, 2011. The application of this guidance did not have a material impact on DeVry s consolidated financial statements or financial statement disclosures.

In December 2010, the FASB issued authoritative guidance on applying the goodwill impairment test for reporting units with zero or negative carrying amounts. This guidance became effective for our interim and annual reporting periods beginning January 1, 2011. The adoption of this guidance did not have a material impact on DeVry s consolidated financial statements or financial statement disclosures.

In July 2010, the FASB issued authoritative guidance for improving disclosure on the credit quality of financing receivables and allowances for credit losses. This guidance requires reporting entities to provide information that will enable readers of financial statements to understand the nature of credit risk in a company s financing receivables, how that risk is analyzed in determining the related allowance for credit losses and changes to the allowance during the reporting period. The guidance was effective for DeVry s second quarter of fiscal year 2011, and is to be used for quarterly and annual filings. The application of this guidance is included in Note 5 to these consolidated financial statements included in Part I, Item 8 of this Report.

In October 2009, the Financial Accounting Standards Board (FASB) issued new guidance that modifies the fair value requirement of multiple element revenue arrangements. The new guidance allows the use of the best estimate of selling price in addition to vendor-specific objective evidence (VSOE) and third-party evidence (TPE) for determining the selling price of a deliverable. A vendor is now required to use its best estimate of the selling price when VSOE or TPE of the selling price cannot be determined. In addition, the residual method of allocating arrangement consideration is no longer permitted. The guidance requires expanded qualitative and quantitative disclosures and is effective for revenue arrangements entered into or materially modified in fiscal years beginning on or after June 15, 2010. The adoption of this guidance did not have a material impact on DeVry s consolidated financial statements or financial statement disclosures.

ITEM 7A QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

DeVry is not dependent upon the price levels, nor affected by fluctuations in pricing, of any particular commodity or group of commodities. However, more than 50% of DeVry s costs are in the form of employee wages and benefits. Changes in employment market conditions or escalations in employee benefit costs could cause DeVry to experience cost increases at levels beyond what it has historically experienced.

The financial position and results of operations of Ross University s Caribbean operations are measured using the U.S. dollar as the functional currency. Substantially all Ross University financial transactions are denominated in the U.S. dollar.

The financial position and results of operations of DeVry s Canadian educational programs are measured using the Canadian dollar as the functional currency. The Canadian operations have not entered into any material long-term contracts to purchase or sell goods and services, other than the lease agreement on a teaching facility. DeVry does not have any foreign exchange contracts or derivative financial instruments designed to mitigate changes in the value of

the Canadian dollar. Because Canada-based assets constitute less than 1.0% of DeVry s overall assets, and its Canadian liabilities constitute approximately 5.0% of overall liabilities, changes in the value of Canada s currency at rates experienced during the past several years are unlikely to have a material effect on DeVry s results of operations or financial position. Based upon the current value of the net assets in the Canadian operations, a change of $0.01 in the value of the Canadian dollar relative to the U.S. dollar would result in a translation adjustment of less than $100,000.

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The financial position and results of operations of DeVry s investment in DeVry Brasil are measured using the Brazilian Real as the functional currency. DeVry Brasil has not entered into any material long-term contracts to purchase or sell goods and services, other than the lease agreements on teaching facilities and contingencies relating to prior acquisitions. Currently, DeVry does not have any foreign exchange contracts or derivative financial instruments designed to mitigate changes in the value of the Brazilian Real. Because Brazilian-based assets constitute less than 5.0% of DeVry s overall assets, and its Brazilian liabilities constitute approximately 3.0% of overall liabilities, changes in the value of Brazil s currency at rates experienced during the past several years are unlikely to have a material effect on DeVry s results of operations or financial position. Based upon the current value of the net assets in Fanor s operations, a change of $0.01 in the value of the Brazilian Real relative to the U.S. dollar would result in a translation adjustment of less than $1.0 million.

The interest rate on DeVry s debt is based upon LIBOR interest rates for periods typically ranging from one to three months. Based upon borrowings of $50 million, a 100 basis point increase in short-term interest rates would result in approximately $0.5 million of additional annual interest expense. At June 30, 2011, DeVry had no outstanding borrowings. However, future investment opportunities and cash flow generated from operations may affect the level of outstanding borrowings and the effect of a change in interest rates.

DeVry s customers are principally individual students enrolled in its various educational programs. Accordingly, concentration of accounts receivable credit risk is small relative to total revenues or accounts receivable.

DeVry s cash is held in accounts at various large, financially secure depository institutions. Although the amount on deposit at a given institution typically will exceed amounts subject to guarantee, DeVry has not experienced any deposit losses to date, nor does management expect to incur such losses in the future.

ITEM 8 FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The following financial statements and supplemental schedules of DeVry and its subsidiaries are included below on pages 72 through 106 of this report:

	10K Report Page
Consolidated Balance Sheets at June 30, 2011 and 2010	72
Consolidated Statements of Income for the years ended June 30, 2011, 2010 and 2009	73
Consolidated Statements of Cash Flows for the years ended June 30, 2011, 2010 and 2009	74
Consolidated Statements of Shareholders Equity and Comprehensive Income for the years ended June 30, 2011, 2010 and 2009	75
Notes to Consolidated Financial Statements	76
Schedule II[1]. Valuation and Qualifying Accounts	105
Report of Independent Registered Public Accounting Firm	106

[1] Schedules other than the one listed above are omitted for the reason that they are not required or are not applicable, or the required information is shown on the financial statements or notes thereto.

ITEM 9 CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A CONTROLS AND PROCEDURES

Principal Executive, CEO, and Principal Financial Officer, CFO, Certificates

The required compliance certificates signed by DeVry s CEO and CFO are included as Exhibits 31 and 32 of this Annual Report on Form 10-K.

Disclosure Controls and Procedures

Disclosure controls and procedures are designed to help ensure that all the information required to be disclosed in DeVry s reports filed under the Exchange Act, is recorded, processed, summarized and reported within the time periods specified by the applicable rules and forms.

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DeVry s Chief Executive Officer and Chief Financial Officer have concluded, based on their evaluation as of the end of the period covered by this report, that DeVry s disclosure controls and procedures (as defined in Rule 13a-15(e) of the Exchange Act are effective to ensure that information required to be disclosed in the reports that DeVry files or submits under the Exchange Act is (i) recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission s rules and forms, and (ii) is accumulated and communicated to DeVry s management, including its Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Management s Annual Report on Internal Control Over Financial Reporting

The management of DeVry is responsible for establishing and maintaining adequate internal control over financial reporting, as defined by Rule 13a 15(f) of the Securities Exchange Act. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

As of June 30, 2011, DeVry s management has assessed the effectiveness of its internal control over financial reporting, using the criteria embodied by the Committee of Sponsoring Organizations of the Treadway Commission s 1992 report *Internal Control Integrated Framework.* Based upon this assessment, DeVry concluded that as of June 30, 2011, its internal control over financial reporting was effective based upon these criteria.

The effectiveness of DeVry s internal control over financial reporting as of June 30, 2011 has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report which appears herein.

Changes in Internal Control Over Financial Reporting

There were no changes in internal control over financial reporting that occurred during the fourth quarter of fiscal year 2011 that materially affected, or are reasonably likely to materially affect, DeVry s internal control over financial reporting.

ITEM 9B OTHER INFORMATION

None.

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DEVRY INC.
CONSOLIDATED BALANCE SHEETS

	June 30, 2011	2010
	(Dollars in thousands)	
ASSETS:		
Current Assets:		
Cash and Cash Equivalents	$ 447,145	$ 307,702
Marketable Securities and Investments	2,575	15,666
Restricted Cash	2,308	2,102
Accounts Receivable, Net	114,689	119,210
Deferred Income Taxes, Net	24,457	22,340
Prepaid Expenses and Other	33,476	32,627
Total Current Assets	624,650	499,647
Land, Building and Equipment:		
Land	54,404	53,914
Building	314,274	283,044
Equipment	402,179	346,979
Construction in Progress	63,310	38,188
	834,167	722,125
Accumulated Depreciation	(365,923)	(333,988)
Land, Building and Equipment, Net	468,244	388,137
Other Assets:		
Intangible Assets, Net	195,462	194,195
Goodwill	523,620	514,864
Perkins Program Fund, Net	13,450	13,450
Other Assets	25,077	17,533
Total Other Assets	757,609	740,042
TOTAL ASSETS	$ 1,850,503	$ 1,627,826
LIABILITIES:		
Current Liabilities:		
Accounts Payable	$ 63,611	$ 90,364
Accrued Salaries, Wages and Benefits	107,829	92,368
Accrued Expenses	47,097	53,565
Advance Tuition Payments	22,362	20,930
Deferred Tuition Revenue	75,532	86,627
Total Current Liabilities	316,431	343,854

Other Liabilities:		
Deferred Income Taxes, Net	69,029	41,486
Deferred Rent and Other	68,772	58,098
Total Other Liabilities	137,801	99,584
TOTAL LIABILITIES	454,232	443,438
COMMITMENTS AND CONTINGENCIES (NOTE 14)		
NON-CONTROLLING INTEREST	6,755	5,007
SHAREHOLDERS EQUITY		
Common Stock, $0.01 Par Value, 200,000,000 Shares Authorized: 68,635,000 and 71,030,000 Shares Issued and Outstanding at June 30, 2011 and 2010, Respectively	738	734
Additional Paid-in Capital	248,418	224,209
Retained Earnings	1,367,972	1,055,591
Accumulated Other Comprehensive Income	15,729	9,896
Treasury Stock, at Cost (5,148,000 and 2,394,000 Shares, Respectively)	(243,341)	(111,049)
TOTAL SHAREHOLDERS EQUITY	1,389,516	1,179,381
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	$ 1,850,503	$ 1,627,826

The accompanying notes are an integral part of these consolidated financial statements.

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DEVRY INC.
CONSOLIDATED STATEMENTS OF INCOME

	For the Year Ended June 30,		
	2011	**2010**	**2009**
	(Dollars in thousands except for per share amounts)		
REVENUES:			
Tuition	$ 2,045,590	$ 1,795,814	$ 1,354,925
Other Educational	136,781	119,367	106,528
Total Revenues	2,182,371	1,915,181	1,461,453
OPERATING COSTS AND EXPENSES:			
Cost of Educational Service	925,504	826,089	669,673
Loss on Real Estate Transactions			3,977
Litigation Settlement Reserve			4,900
Student Services and Administrative Expense	762,692	678,190	548,070
Total Operating Costs and Expense	1,688,196	1,504,279	1,226,620
Operating Income	494,175	410,902	234,833
INTEREST AND OTHER (EXPENSE) INCOME:			
Interest Income	1,539	2,080	5,251
Interest Expense	(1,282)	(1,585)	(2,775)
Net Investment Gain		1,225	43
Net Interest and Other Income (Expense)	257	1,720	2,519
Income Before Income Taxes	494,432	412,622	237,352
Income Tax Provision	163,602	132,639	71,700
NET INCOME	330,830	279,983	165,652
Net Income Attributable to Non-controlling Interest	(427)	(74)	(39)
NET INCOME ATTRIBUTABLE TO DEVRY INC.	$ 330,403	$ 279,909	$ 165,613
EARNINGS PER COMMON SHARE ATTRIBUTABLE TO DEVRY INC. SHAREHOLDERS			
Basic	$ 4.73	$ 3.92	$ 2.32
Diluted	$ 4.68	$ 3.87	$ 2.28
CASH DIVIDEND DECLARED PER COMMON SHARE	$ 0.24	$ 0.20	$ 0.16

The accompanying notes are an integral part of these consolidated financial statements.

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DEVRY INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the Year Ended June 30,		
	2011	2010	2009
	(Dollars in thousands)		
CASH FLOW FROM OPERATING ACTIVITIES:			
Net Income	$ 330,830	$ 279,983	$ 165,652
Adjustments to Reconcile Net Income to Net Cash Provided By Operating Activities:			
Stock Based Compensation Expense	14,251	10,148	7,550
Depreciation	58,033	51,225	39,825
Amortization	6,538	10,997	10,625
Provision for Refunds and Uncollectible Accounts	90,742	88,202	72,395
Deferred Income Taxes	23,966	(11,431)	344
Loss on Disposal of Land, Buildings and Equipment	469	666	2,394
Unrealized Net (Gain) Loss on Investments		(1,225)	1,224
Changes in Assets and Liabilities, Net of Effects from Acquisition of Business:			
Restricted Cash	(206)	3,247	(1,097)
Accounts Receivable	(84,940)	(102,588)	(89,249)
Prepaid Expenses and Other	375	7,536	7,292
Accounts Payable	(26,808)	18,776	(3,084)
Accrued Salaries, Wages, Benefits and Expenses	5,737	30,854	20,130
Advance Tuition Payments	1,291	(6,805)	5,889
Deferred Tuition Revenue	(12,288)	11,963	9,675
NET CASH PROVIDED BY OPERATING ACTIVITIES	407,990	391,548	249,565
CASH FLOWS FROM INVESTING ACTIVITIES:			
Capital Expenditures	(135,726)	(131,009)	(74,044)
Payment for Purchase of Business, Net of Cash Acquired	(3,027)		(315,318)
Marketable Securities Purchased	(101)	(79)	(63)
Marketable Securities Sales	13,495	46,000	
Other	(627)	(700)	
NET CASH USED IN INVESTING ACTIVITIES	(125,986)	(85,788)	(389,425)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from Exercise of Stock Options	9,098	13,041	12,157
Proceeds from Stock Issued Under Employee Stock Purchase Plan	1,460	997	2,066
Repurchase of Common Stock for Treasury	(132,940)	(41,683)	(33,684)
Cash Dividends Paid	(15,529)	(12,839)	(10,015)
Excess Tax Benefit from Stock-Based Payments	1,012	3,455	3,571
Payment of Debt Financing Fees	(3,290)		
Borrowing Under Revolving Credit Facility		70,000	290,000
Repayments Under Revolving Credit Facility		(150,000)	(210,000)
Repayments of Fanor Debt			(12,740)
Borrowing Under Collateralized Line of Credit		300	46,419

Repayments Under Collateralized Line of Credit		(45,111)	(1,608)
NET CASH (USED IN) PROVIDED BY FINANCING ACTIVITIES	(140,189)	(161,840)	86,166
Effects of Exchange Rate Differences	(2,372)	(1,420)	1,697
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	139,443	142,500	(51,997)
Cash and Cash Equivalents at Beginning of Year	307,702	165,202	217,199
Cash and Cash Equivalents at End of Year	$ 447,145	$ 307,702	$ 165,202
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:			
Cash Paid During the Year For:			
Interest	$ 454	$ 867	$ 2,167
Income Taxes, Net	152,553	130,502	60,609
Non-cash Investing and Financing Activity:			
Declaration of Cash Dividend to be Paid	8,289	7,117	5,705
Accretion of Non-controlling Interest Put Option	1,321	1,745	

The accompanying notes are an integral part of these consolidated financial statements.

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DEVRY INC.
CONSOLIDATED STATEMENTS OF SHAREHOLDERS EQUITY AND COMPREHENSIVE INCOME
For the Years Ended June 30, 2011, 2010, 2009

	Common Stock Amount $.01 Par Value	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Stock	Total
	(Dollars in thousands except per share amounts)					
Balance at June 30, 2008	$ 724	$ 168,405	$ 637,501	$ (2,963)	$ (37,241)	$ 766,426
Comprehensive Income:						
Net income in 2009			165,613			165,613
Foreign currency translation				8,972		8,972
Reclassification Adjustment, net of tax				6,378		6,378
Unrealized investment losses, net of tax				(5,230)		(5,230)
Comprehensive Income						175,733
Stock-based compensation		7,550				7,550
Cash dividends of $0.16 per common share			(11,437)			(11,437)
Proceeds from exercise of stock options	5	12,510			(358)	12,157
Tax benefit from exercise of stock options		8,131				8,131
Proceeds from stock issued under Employee Stock Purchase Plan		500			1,566	2,066
Repurchase of common shares for treasury					(33,684)	(33,684)
Balance at June 30, 2009	729	197,096	791,677	7,157	(69,717)	926,942
Comprehensive Income:						
Net income in 2010			279,909			279,909
Foreign currency translation				2,623		2,623
Unrealized investment gains, net of tax				116		116
Comprehensive Income						282,648
			(1,745)			(1,745)

Accretion of Noncontrolling Interest						
Stock-based compensation		10,148				10,148
Cash dividends of $0.20 per common share			(14,250)			(14,250)
Proceeds from exercise of stock options	5	13,489			(453)	13,041
Tax benefit from exercise of stock options		3,283				3,283
Proceeds from stock issued under Employee Stock Purchase Plan		193			804	997
Repurchase of common shares for treasury					(41,683)	(41,683)
Balance at June 30, 2010	734	224,209	1,055,591	9,896	(111,049)	1,179,381
Comprehensive Income:						
Net income in 2011			330,403			330,403
Foreign currency translation				5,646		5,646
Unrealized investment gains, net of tax				187		187
Comprehensive Income						336,236
Accretion of Noncontrolling Interest			(1,321)			(1,321)
Stock-based compensation		14,251				14,251
Cash dividends of $0.24 per common share			(16,701)			(16,701)
Proceeds from exercise of stock options	4	9,094			(748)	8,350
Tax benefit from exercise of stock options		800				800
Proceeds from stock issued under Employee Stock Purchase Plan		64			1,396	1,460
Repurchase of common shares for treasury					(132,940)	(132,940)
Balance at June 30, 2011	$ 738	$ 248,418	$ 1,367,972	$ 15,729	$ (243,341)	$ 1,389,516

The accompanying notes are an integral part of these consolidated financial statements.

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DEVRY INC.
Notes to Consolidated Financial Statements

NOTE 1: NATURE OF OPERATIONS

DeVry Inc. (DeVry) is a global provider of educational services and one of the largest publicly-held educational organizations in the world. DeVry s wholly owned subsidiaries consist of:

Advanced Academics Inc.	DeVry University
Becker Professional Education	Ross University
Chamberlain College of Nursing	Carrington Colleges Group, Inc.

In addition, DeVry owns a majority stake in DeVry Brasil (formerly known as Fanor); a Brazilian based postsecondary education organization. These institutions offer degree and non-degree programs in business, healthcare and technology and serve students in secondary through postsecondary education as well as accounting and finance professionals.

DeVry University is one of the largest regionally accredited higher education systems in North America, offering associate, bachelor s and master s degree programs in technology; healthcare technology; business and management. At June 30, 2011, DeVry University programs were offered at more than 99 locations in the United States and Canada and through DeVry University s online platform.

Ross University comprises the Ross University School of Medicine with a campus in the Caribbean country of Dominica and a location in Freeport, Bahamas and the Ross University School of Veterinary Medicine with a campus in the Caribbean country of St. Kitts. The schools are collectively referred to as Ross University . Ross University students complete their basic science curriculum in modern, fully equipped campuses in the Caribbean and complete their clinical education in U.S. teaching hospitals and veterinary schools under affiliation with Ross University.

Chamberlain College of Nursing (Chamberlain) through its 9 locations in the United States; offers associate, bachelor s and master s degree programs in nursing. In addition, Chamberlain offers a bachelor s degree completion program designed for registered nurses who have previously completed an associate degree or nursing diploma program. Non-clinical coursework is offered both on campus and online.

Carrington (also known as U.S. Education) is comprised of Carrington College (formerly known as Apollo College), with 10 campuses in six western states, and Carrington College of California (formerly known as Western Career College), with nine campuses in California. Carrington College offers degree and diploma programs in health care, dental, and veterinary career fields. Carrington College of California provides career training in the areas of health care, graphics design and criminal justice. Non-clinical coursework is offered both on campus and online at all Carrington Colleges.

Becker Professional Education (Becker) prepares candidates for the Certified Public Accountant (CPA), Chartered Financial Analyst (CFA), Association of Chartered Certified Accounts (ACCA) and Chartered Institute of Management Accountants (CIMA) professional certification examinations, and offers continuing professional education programs and seminars in accounting and finance. These classes are taught in nearly 300 locations, including sites in 40 foreign countries and some DeVry University teaching sites.

Advanced Academics Inc (AAI) supplements traditional high school classroom programs through online course instruction using highly qualified teachers and a proprietary technology platform specifically designed for secondary education. AAI also operates virtual high schools in six states.

DeVry Brasil is based in Fortaleza, Ceará, Brazil, and is the parent organization of Faculdades Nordeste, Faculdade Ruy Barbosa, and Faculdade FTE ÁREA1. These institutions operate five campus locations in the cities of Salvador and Fortaleza, and serve more than 13,000 students through undergraduate and graduate programs in business management, law and engineering.

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NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The consolidated financial statements include the accounts of DeVry and its wholly-owned and majority-owned domestic and foreign subsidiaries. All intercompany balances and transactions have been eliminated in consolidation. Where our ownership interest is less than 100 percent, the noncontrolling ownership interests are reported on our consolidated balance sheet. The noncontrolling ownership interest in our earnings is classified as Net Income Attributable to Noncontrolling Interest in our Consolidated Statements of Income. Unless indicated, or the context requires otherwise, references to years refer to DeVry s fiscal years.

Cash and Cash Equivalents

Cash and cash equivalents can include time deposits, high-grade commercial paper, money market funds and bankers acceptances with original maturities of three months or less. Short-term investment objectives are to minimize risk and maintain liquidity. These investments are stated at cost, which approximates market, because of their short duration or liquid nature. DeVry places its cash and temporary cash investments with high credit quality institutions. Cash and cash equivalent balances are generally in excess of the FDIC insurance limit. DeVry has not experienced any losses on its cash and cash equivalents.

Management periodically evaluates the creditworthiness of the security issuers and financial institutions with which it invests and maintains deposit accounts.

Financial Aid and Restricted Cash

Financial aid and assistance programs, in which most DeVry University, Ross University, Chamberlain, Carrington College and Carrington College California students participate, are subject to political and governmental budgetary considerations. There is no assurance that such funding will be maintained at current levels. Extensive and complex regulations in the United States and Canada govern all of the government financial assistance programs in which students participate. Administration of these programs is periodically reviewed by various regulatory agencies. Any regulatory violation could be the basis for disciplinary action, including the initiation of a suspension, limitation or termination proceeding.

A significant portion of revenue is received from students who participate in government financial aid and assistance programs. Restricted cash represents amounts received from the federal and state governments under various student aid grant and loan programs and, such restricted funds are held in separate bank accounts. Once the financial aid authorization and disbursement process for the student has been completed, the funds are transferred to unrestricted accounts, and these funds then become available for use in DeVry s current operations. This authorization and disbursement process that precedes the transfer of funds generally occurs within the period of the academic term for which such funds were authorized.

In fiscal year 2011, as part of continuing operations in Pennsylvania, DeVry was required to maintain a minimum protective endowment of at least $500,000. These funds are required as long as DeVry operates campuses in the state. DeVry accounts for these funds as restricted cash.

Marketable Securities and Investments

DeVry owns investments in marketable securities that have been designated as available for sale or trading securities in accordance with authoritative guidance. Available for sale securities are carried at fair value with the unrealized gains and losses reported in the Consolidated Balance Sheets as a component of Accumulated Other Comprehensive Income (Loss). Trading securities are carried at fair value with unrealized gains and losses reported in the Consolidated Statements of Income as a component of Interest and Other Income (Expense).

Marketable securities and investments consist of investments in mutual funds which are classified as available-for-sale securities. The following is a summary of our available-for-sale marketable securities at June 30, 2011 (dollars in thousands):

	Cost	Gross Unrealized (Loss)	Gross Unrealized Gain	Fair Value
Marketable Securities:				

Bond Mutual Fund	$ 903	$	$ 51	$ 954
Stock Mutual Funds	2,005	(384)		1,621
Total Marketable Securities	$ 2,908	$ (384)	$ 51	$ 2,575

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Investments are classified as short-term if they are readily convertible to cash or have other characteristics of short-term investments such as highly liquid markets or maturities within one year. All mutual fund investments are recorded at fair market value based upon quoted market prices. At June 30, 2011, all of the Bond and Stock mutual fund investments are held in a rabbi trust for the purpose of paying benefits under DeVry s non-qualified deferred compensation plan.

As of June 30, 2011, all unrealized losses in the above table have been in a continuous unrealized loss position for more than one year. When evaluating its investments for possible impairment, DeVry reviews factors such as length of time and extent to which fair value has been less than cost basis, the financial condition of the issuer, and DeVry s ability and intent to hold the investment for a period of time that may be sufficient for anticipated recovery in fair value. The decline in value of the above investments is considered temporary in nature and, accordingly, DeVry does not consider these investments to be other-than-temporarily impaired as of June 30, 2011.

As of June 30, 2010, DeVry held auction-rate debt securities in the aggregate principal amount of $13.5 million. These outstanding securities were purchased by DeVry s broker, UBS, in early July 2010.

Realized gains and losses are computed on the basis of specific identification and are included in Interest and Other income/(expense) in the Consolidated Statements of Income. DeVry has not recorded any realized gains or realized losses for fiscal 2011. See Note 4 for further disclosures on the Fair Value of Financial Instruments.

On March 10, 2009, DeVry signed an agreement to acquire a majority stake in DeVry Brasil (also known as Fanor), a leading provider of private postsecondary education in northeastern Brazil (see Note 7 Business Combinations). The purchase was closed on April 1, 2009. Under the terms of the agreement, the purchase price was paid in Brazilian Real. During March 2009, DeVry purchased a non-deliverable foreign exchange forward contract in the amount of the expected cash outlay to close the transaction, in order to protect against a strengthening in the value of the Brazilian Real. This contract was settled in March 2009 by purchasing another foreign exchange contract to offset the first position, once the necessary cash was delivered to Brazil. DeVry recognized a gain in the third quarter of fiscal 2009 on the settlement of approximately $1.3 million due to the strengthening of the Brazilian Real. This gain is included in Interest and Other (Expense) Income in the Consolidated Statements of Income.

Revenue Recognition

DeVry University tuition revenues are recognized ratably on a straight-line basis over the applicable academic term. Ross University basic science curriculum revenues are recognized ratably on a straight-line basis over the academic term. The clinical portion of the Ross University education program is conducted under the supervision of the U.S. teaching hospitals and veterinary schools. Ross University is responsible for the billing and collection of tuition from its students during the period of clinical education. Revenues are recognized on a weekly basis based on actual education program attendance during the period of the clinical program. Fees paid to the hospitals and veterinary schools for supervision of Ross University students are charged to expense on the same basis. Carrington, Chamberlain and DeVry Brasil tuition and fee revenues are recognized ratably on a straight-line basis over the applicable academic term. AAI tuition and fee revenues are recognized ratably on a straight-line basis over the applicable course term or the license period depending on the type of contract. The provision for refunds, which is reported as a reduction to Tuition Revenues in the Consolidated Statements of Income, and the provision for uncollectible accounts, which is included in the Cost of Educational Services in the Consolidated Statements of Income, also are recognized in the same ratable fashion as revenue to most appropriately match these costs with the tuition revenue in that term.

Estimates of DeVry s expected refunds are determined at the onset of each academic term, based upon actual experience in previous terms, and monitored and adjusted as necessary within the term. If a student leaves school prior to completing a term, federal, state and/or Canadian provincial regulations and accreditation criteria permit DeVry to retain only a set percentage of the total tuition received from such student, which varies with, but generally equals or exceeds, the percentage of the term completed by such student. Payment amounts received by DeVry in excess of such set percentages of tuition are refunded to the student or the appropriate funding source. All refunds are charged against revenue during the applicable academic term. The allowance for uncollectible accounts is determined by analyzing the current aging of accounts receivable and historical loss rates on collections of accounts receivable. In addition, management considers projections of future receivable levels and collection loss rates. We perform this analysis

periodically throughout the year. Provisions required to maintain the allowance at appropriate levels are charged to expense in each period as required. Related reserves with respect to uncollectible accounts and refunds totaled $64.3 million and $63.1 million at June 30, 2011 and June 30, 2010, respectively.

Sales of textbooks, electronic course materials, and other educational products, including training services and the Becker DVD product, are included in Other Educational Revenues in the Consolidated Statements of Income. Textbook, electronic course materials and other educational product revenues are recognized when the sale occurs. Revenues from training services, which are generally short-term in duration, are recognized when the training service is provided. In addition, fees from international licensees of the

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Becker programs are included in Other Educational Revenues and recognized in income when confirmation of course delivery is received.

DeVry defers DeVry University enrollment fee revenue. This deferred revenue is recognized in subsequent periods as student services are provided. Additionally, DeVry has elected to defer certain direct costs of activities associated with these fees, limited to the extent of the revenue deferral. These costs are subsequently amortized over the periods in which student services are provided. Similar enrollment fee revenue and cost deferrals are recorded at Ross University and Becker. Since changes to the deferrals involve the recording of equivalent amounts of revenues and costs, net income is not affected.

Land, Buildings and Equipment

Land, buildings and equipment, including both purchased and internal-use software development costs, are recorded at cost. Cost also includes additions and those improvements that enhance performance, increase the capacity or lengthen the useful lives of the assets. Repairs and maintenance costs are expensed as incurred. Upon sale or retirement of an asset, the accounts are relieved of the cost and the related accumulated depreciation, with any resulting profit or loss included in income in the period incurred. Assets under construction are reflected in Construction in Progress until they are placed into service for their intended use. Interest is capitalized as a component of cost on major projects during the construction period.

Leasehold improvements are amortized using the straight-line method over the term of the lease or the estimated useful life of the asset, whichever is shorter. Leased property meeting certain criteria is capitalized, and the present value of the related lease payments is recorded as a liability. Amortization of capitalized leased assets is computed on the straight-line method over the term of the lease or the life of the related asset, whichever is shorter.

Depreciation is computed using the straight-line method over estimated service lives. These lives range from five to 31 years for buildings and leasehold improvements, and from three to eight years for computers, furniture and equipment.

Internal-Use Software Development Costs

DeVry capitalizes certain internal-use software development costs that are amortized using the straight-line method over the estimated lives of the software, not to exceed five years. Capitalized costs include external direct costs of equipment, materials and services consumed in developing or obtaining internal-use software and payroll-related costs for employees directly associated with the internal-use software development project. Capitalization of such costs ceases at the point at which the project is substantially complete and ready for its intended purpose. Capitalized internal-use software development costs for projects not yet complete are included as construction in progress in the Land, Buildings and Equipment section of the Consolidated Balance Sheets. Costs capitalized during fiscal years 2011, 2010 and 2009 were approximately $25.3 million, $36.2 million and $11.1 million, respectively. In all three years these costs were primarily related to Project DELTA (a new student information system for DeVry University and Chamberlain College of Nursing). As of June 30, 2011 and 2010, the net balance of capitalized software development costs was $67.2 million and $45.6 million, respectively.

Business Combinations, Intangible Assets and Goodwill

Intangible assets relate mainly to acquired business operations (see Note 7-Business Combinations). These assets consist of the fair value of certain identifiable assets acquired. Goodwill represents the excess of the purchase price over the fair value of assets acquired less liabilities assumed.

In accordance with U.S. generally accepted accounting principles, goodwill and indefinite-lived intangibles arising from a business combination are not amortized and charged to expense over time. Instead, goodwill and indefinite-lived intangibles must be reviewed annually for impairment, or more frequently if circumstances arise indicating potential impairment. This impairment review was most recently completed as of May 31, 2011. For goodwill, if the carrying amount of the reporting unit containing the goodwill exceeds the fair value of that reporting unit, an impairment loss is recognized to the extent the implied fair value of the reporting unit goodwill is less than the carrying amount of the goodwill.

For indefinite-lived intangible assets, if the carrying amount exceeds the fair value, an impairment loss is recognized in an amount equal to that excess. See Note 8-Intangible Assets for results of DeVry s required impairment analysis of its intangible assets and goodwill.

Intangible assets with finite lives are amortized over their expected economic lives, generally two to 15 years. Amortization of all intangible assets and certain goodwill is being deducted for tax reporting purposes over statutory lives.

DeVry expenses all curriculum development, new school opening and student recruiting costs as incurred.

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Perkins Program Fund

DeVry University is required, under federal aid program regulations, to make contributions to the Perkins Student Loan Fund, most recently at a rate equal to 33% of new contributions by the federal government. No new federal contributions were received in fiscal years 2011 or 2010. DeVry carries its investment in such contributions at original values, net of allowances for expected losses on loan collections, of $2.6 million at June 30, 2011 and 2010. The allowance for future loan losses is based upon an analysis of actual loan losses experienced since the inception of the program. As previous borrowers repay their Perkins loans, their payments are used to fund new loans, thus creating a revolving loan fund. The federal contributions to this revolving loan program do not belong to DeVry and are not recorded on its financial statements. Under current law, upon termination of the program by the federal government or withdrawal from future program participation by DeVry University, subsequent student loan repayments would be divided between the federal government and DeVry University to satisfy their respective cumulative contributions to the fund.

Fair Value of Financial Instruments

The carrying amounts reported in the Consolidated Balance Sheets for cash and cash equivalents, restricted cash, marketable securities and investments (see Note 4 Fair Value of Financial Instruments), accounts receivable, accounts payable, accrued expenses, and advanced and deferred tuition payments approximate fair value because of the immediate or short-term maturity of these financial instruments. All of DeVry s current maturities and long-term debt (see Note 11- Debt) bear interest at a floating rate reset to current rates on a periodic basis not currently exceeding six months. Therefore, the carrying amount of DeVry s long-term debt, if any, approximates fair value.

Foreign Currency Translation

The financial position and results of operations of Ross University s Caribbean operations are measured using the U.S. dollar as the functional currency. As such, there is no translation gain or loss associated with these operations. DeVry Brasil, DeVry s Canadian operations and Becker s ATC and Hong Kong operations are measured using the local currency as the functional currency. Assets and liabilities of the these entities are translated to U.S. dollars using exchange rates in effect at the balance sheet dates. Income and expense items are translated at monthly average rates of exchange. The resultant translation adjustments are included in the component of Shareholders Equity designated as Accumulated Other Comprehensive Income (Loss). Transaction gains or losses during the years June 30, 2011, 2010 and 2009 were not material.

Income Taxes

DeVry accounts for income taxes using the asset and liability method. Under this method, deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. DeVry also recognizes future tax benefits associated with tax loss and credit carryforwards as deferred tax assets. DeVry s deferred tax assets are reduced by a valuation allowance, when in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. DeVry measures deferred tax assets and liabilities using enacted tax rates in effect for the year in which DeVry expects to recover or settle the temporary differences. The effect of a change in tax rates on deferred taxes is recognized in the period that the change is enacted. DeVry reduces its net tax assets for the estimated additional tax and interest that may result from tax authorities disputing uncertain tax positions DeVry has taken.

The Ross University operating subsidiaries in Dominica and St. Kitts have agreements with their respective governments that exempt them from local income taxation through the years 2043 and 2023, respectively. Also, DeVry intends to indefinitely reinvest existing cash balances, subsequent earnings and cash flow in Ross University or other business opportunities outside the United States. Accordingly, no provision for current income taxes is being recorded for income attributable to these taxing jurisdictions (See Note 10-Income Taxes).

Guarantees

Under its bylaws, DeVry has agreed to indemnify its officers and directors for certain events or occurrences while the officers or directors are performing at DeVry s request in such capacity. The indemnification agreement period is for an officer s or director s lifetime. The maximum potential amount of future payments DeVry could be required to make under these indemnification agreements is unlimited; however, DeVry has a director and officer liability

insurance policy that limits its exposure and enables it to recover a portion of any future amounts paid. Management believes the estimated fair value of these indemnification agreements is minimal. DeVry has no liabilities recorded for these agreements as of June 30, 2011 and 2010.

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Derivative Instruments and Hedging Activities

DeVry has used derivative financial instruments to manage its exposure to movements in interest rates. DeVry has not used any such financial instruments since the first quarter of fiscal 2006. The use of these financial instruments modifies the exposure of these risks with the intent to reduce the risk to DeVry. DeVry does not use financial instruments for trading purposes, nor does it use leveraged financial instruments. Credit risk related to derivative financial instruments is considered minimal and is managed by requiring periodic settlements and high credit standards for its counterparties.

All derivative contracts are reported at fair value, with changes in fair value reported in earnings or deferred, depending on the nature and effectiveness of the offset or hedging relationship. Any ineffectiveness in a hedging relationship is recognized immediately in earnings. There were no outstanding derivatives at June 30, 2011 or June 30, 2010.

Prepaid Clinical Fees

Clinical rotation costs for Ross University medical students are included in Cost of Educational Services. Over the past several years, Ross University has entered into long-term contracts with a hospital group to secure clinical rotations for its students at fixed rates in exchange for prepayment of the rotation fees. Under the contracts, the established rate-per-clinical rotation was being deducted from the prepaid balance and charged to expense as the medical students utilized the clinical clerkships. The hospital group closed two of its hospitals due to financial difficulties in February 2009. To date, the hospital group has provided Ross with a limited number of additional clinical clerkships at its remaining hospital, but not nearly enough to offset the void created by the closure of its other two hospitals. During April 2009, Ross filed a lawsuit against the hospital group to enforce the contract. The suit seeks specific performance of the hospital group s obligations to provide Ross with the prepaid clinical clerkships. As of June 30, 2011, the outstanding balance of prepaid clinical rotations with this hospital group was approximately $6.2 million. Though DeVry believes that Ross has a contractual right to utilize other clinical rotations within the hospital group s system, given the business uncertainty of this situation, a reserve of $1.6 million has been provided against the prepaid balance.

Non-Controlling Interest

DeVry maintains an 83.5 percent ownership interest in DeVry Brasil with the remaining 16.5 percent owned by the current DeVry Brasil management group. Beginning January 2013, DeVry has the right to exercise a call option and purchase any remaining DeVry Brasil stock from DeVry Brasil management. Likewise, DeVry Brasil management has the right to exercise a put option and sell its remaining ownership interest in DeVry Brasil to DeVry. These options may become exercisable prior to January 2013 if DeVry Brasil s management ownership interest falls below five percent. Since the put option is out of the control of DeVry, authoritative guidance requires the non-controlling interest, which includes the value of the put option, to be displayed outside of the equity section of the consolidated balance sheet.

The DeVry Brasil management put option, which is not currently redeemable but is probable of becoming redeemable, is being accreted to its expected redemption value according to a fair market value formula contained in the stock purchase agreement. The adjustment to increase or decrease the put option to its expected redemption value each reporting period is recorded to retained earnings in accordance with the authoritative guidance. The adjustment to increase or decrease the DeVry Brasil non-controlling interest each reporting period for its proportionate share of DeVry Brasil s profit/loss will continue to flow through the consolidated income statement based on DeVry s historical non-controlling interest accounting policy.

The following is a reconciliation of the non-controlling interest balance (in thousands):

	Year Ended June 30,	
	2011	**2010**
Balance at Beginning of Period	$ 5,007	$ 3,188
Net Income Attributable to Non-controlling Interest	427	74
Accretion of Non-controlling Interest Put Option	1,321	1,745

Balance at End of Period	$ 6,755	$ 5,007

Earnings per Common Share

Basic earnings per share is computed by dividing net income by the weighted average number of common shares outstanding during the period. Diluted earnings per share is computed by dividing net income by the weighted average number of shares assuming dilution. Dilutive shares are computed using the Treasury Stock Method and reflect the additional shares that would be outstanding if dilutive stock options were exercised during the period. Excluded from the June 30, 2011, 2010 and 2009 computations of diluted

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earnings per share were options to purchase 1,210,000, 759,000 and 426,000 shares of common stock, respectively. These outstanding options were excluded because the option exercise prices were greater than the average market price of the common shares or the assumed proceeds upon exercise under the Treasury Stock Method resulted in the repurchase of more shares than would be issued; thus, their effect would be anti-dilutive.

The following is a reconciliation of basic shares to diluted shares.

	Years Ended June 30,		
	2011	2010	2009
Weighted Average Shares Outstanding	69,608	71,140	71,515
Unvested participating Restricted Shares	295	192	
Basic Shares	69,903	71,332	71,515
Effect of Dilutive Stock Options	717	935	1,001
Diluted Shares	70,620	72,267	72,516

Treasury Stock

DeVry s Board of Directors has authorized stock repurchase programs on six occasions (see Note 6 Dividends and Stock Repurchase Program). The first five repurchase programs are all completed as of June 2011. The sixth repurchase program was approved by the DeVry Board of Directors on May 20, 2011, and it was commenced in late June 2011. Shares that are repurchased by DeVry are recorded as Treasury Stock at cost and result in a reduction of Shareholders Equity.

From time to time, shares of its common stock are delivered back to DeVry under a swap arrangement resulting from employees exercise of incentive stock options pursuant to the terms of the DeVry Stock Incentive Plans (see Note 3 Stock-Based Compensation). These shares are recorded as Treasury Stock at cost and result in a reduction of Shareholders Equity.

Treasury shares are reissued on a monthly basis at market value, to the DeVry Employee Stock Purchase Plan in exchange for employee payroll deductions. When treasury shares are reissued, DeVry uses an average cost method to reduce the Treasury Stock balance. Gains on the difference between the average cost and the reissuance price are credited to Additional Paid-in Capital. Losses on the difference are charged to Additional Paid-in Capital to the extent that previous net gains from reissuance are included therein; otherwise such losses are charged to Retained Earnings.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

Reclassifications

Certain previously reported amounts in fiscal 2010 have been reclassified to conform to current presentation format. These reclassifications had no effect on reported net income.

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Accumulated Other Comprehensive Income (Loss)

Accumulated Other Comprehensive Income (Loss) is composed of the change in cumulative translation adjustment and unrealized gains and losses on available-for-sale marketable securities, net of the effects of income taxes. The following are the amounts recorded in Accumulated Other Comprehensive Income (Loss) for the years ended June 30, 2011, 2010 and 2009 (dollars in thousands).

	Year Ended June 30,		
	2011	**2010**	**2009**
Balance at Beginning of Period	$ 9,896	$ 7,157	$ (2,963)
Net Unrealized Investment Gains (Losses)	187	116	(5,230)
Net Unrealized Investment Losses Recognized			6,378
Translation Adjustments:			
Attributable to DeVry Inc.	4,411	1,970	7,637
Attributable to Non-controlling Interest	1,235	653	1,335
Balance at End of Period	$ 15,729	$ 9,896	$ 7,157

The Accumulated Other Comprehensive Income balance at June 30, 2011, consists of $15.9 million ($12.8 million attributable to DeVry Inc. and $3.1 million attributable to non-controlling interests) of cumulative translation gains and $0.2 million of unrealized losses on available-for-sale marketable securities, net of tax of $0.1 million and all attributable to DeVry Inc. At June 30, 2010, this balance consisted of $10.3 million of cumulative translation gains ($8.3 million attributable to DeVry Inc. and $2.0 million attributable to non-controlling interests) and $0.4 million of unrealized losses on available-for-sale marketable securities, net of tax of $0.2 million and all attributable to DeVry Inc.

Advertising Expense

Advertising costs are recognized as expense in the period in which materials are purchased or services are performed. Advertising expense, which is included in student services and administrative expense in the Consolidated Statements of Income, was $252.7 million, $224.1 million, and $179.4 million for the fiscal years ended June 30, 2011, 2010 and 2009, respectively. The increase in advertising expense in fiscal year 2011 was the result of investments in marketing initiatives to increase enrollments.

Recent Accounting Pronouncements

In June 2011, the FASB issued authoritative guidance updating the disclosure requirements for Comprehensive Income. This update requires total comprehensive income, the components of net income and the components of other comprehensive income to be presented either in a single continuous statement or in two separate but consecutive statements. This guidance will be effective for our interim and annual reporting periods beginning January 1, 2012. Currently, we present total comprehensive income and the components of other comprehensive income in the Consolidated Statement of Shareholders Equity and in the footnotes to the consolidated financial statements. The application of this guidance will require presentation of comprehensive income on a different consolidated financial statement.

In May 2011, the FASB issued authoritative guidance clarifying the application of existing fair value measurements and disclosure requirements. This guidance will be effective for our interim and annual reporting periods beginning January 1, 2012. Management has not yet determined the effect that the application of this guidance will have on DeVry s consolidated financial statements.

In December 2010, the FASB issued authoritative guidance updating the disclosure requirements of supplemental pro forma information for business combinations. This guidance became effective for our interim and annual reporting periods beginning January 1, 2011. The application of this guidance did not have a material impact on DeVry s consolidated financial statements or financial statement disclosures.

In December 2010, the FASB issued authoritative guidance on applying the goodwill impairment test for reporting units with zero or negative carrying amounts. This guidance became effective for our interim and annual reporting

periods beginning January 1, 2011. The adoption of this guidance did not have a material impact on DeVry s consolidated financial statements or financial statement disclosures.

In July 2010, the FASB issued authoritative guidance for improving disclosure on the credit quality of financing receivables and allowances for credit losses. This guidance requires reporting entities to provide information that will enable readers of financial

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statements to understand the nature of credit risk in a company s financing receivables, how that risk is analyzed in determining the related allowance for credit losses and changes to the allowance during the reporting period. The guidance is effective for DeVry s second quarter of fiscal year 2011, and it is to be used for quarterly and annual filings. The application of this guidance is included in Note 5 to these consolidated financial statements.

In October 2009, the Financial Accounting Standards Board (FASB) issued new guidance that modifies the fair value requirement of multiple element revenue arrangements. The new guidance allows the use of the best estimate of selling price in addition to vendor-specific objective evidence (VSOE) and third-party evidence (TPE) for determining the selling price of a deliverable. A vendor is now required to use its best estimate of the selling price when VSOE or TPE of the selling price cannot be determined. In addition, the residual method of allocating arrangement consideration is no longer permitted. The guidance requires expanded qualitative and quantitative disclosures and is effective for revenue arrangements entered into or materially modified in fiscal years beginning on or after June 15, 2010. The adoption of this guidance did not have a material impact on DeVry s consolidated financial statements or financial statement disclosures.

NOTE 3: STOCK-BASED COMPENSATION

DeVry maintains four stock-based award plans: the 1994 Stock Incentive Plan, the 1999 Stock Incentive Plan, the 2003 Stock Incentive Plan and the 2005 Incentive Plan. Under these plans, directors, key executives and managerial employees are eligible to receive incentive stock or nonqualified options to purchase shares of DeVry s common stock. The 2005 Incentive Plan also permits the award of stock appreciation rights, restricted stock, performance stock and other stock and cash based compensation. Though options remain outstanding under the 1994 Stock Incentive Plan, no further stock based awards will be issued from this plan. The 1999 and 2003 Stock Incentive Plans and the 2005 Incentive Plan are administered by the Compensation Committee of the Board of Directors. Options are granted for terms of up to 10 years and can vest immediately or over periods of up to five years. The requisite service period is equal to the vesting period. The option price under the plans is the fair market value of the shares on the date of the grant.

DeVry accounts for options granted to retirement eligible employees that fully vest upon an employees retirement under the non-substantive vesting period approach to these options. Under this approach, the entire compensation cost is recognized at the grant date for options issued to retirement eligible employees.

At June 30, 2011, 4,356,269 authorized but unissued shares of common stock were reserved for issuance under DeVry s stock incentive plans.

Stock-based compensation cost is measured at grant date, based on the fair value of the award, and is recognized as expense over the employee requisite service period, reduced by an estimated forfeiture rate.

The following is a summary of options activity for the fiscal year ended June 30, 2011:

	Options Outstanding	Weighted Average Exercise Price	Average Weighted Remaining Contractual Life	Aggregate Intrinsic Value ($000)
Outstanding at July 1, 2010	2,634,541	$ 33.76		
Options Granted	508,150	$ 38.71		
Options Exercised	(310,740)	$ 29.37		
Options Canceled	(50,415)	$ 36.89		
Outstanding at June 30, 2011	2,781,536	$ 35.18	6.13	$ 66,623
Exercisable at June 30, 2011	1,525,037	$ 29.83	4.72	$ 44,689

The total intrinsic value of options exercised for the years ended June 30, 2011, 2010 and 2009 was $7.5 million, $16.8 million and $15.9 million, respectively.

The fair value of DeVry s stock-based awards was estimated using a binomial model. This model uses historical cancellation and exercise experience of DeVry to determine the option value. It also takes into account the illiquid nature of employee options during the vesting period.

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The weighted average estimated grant date fair values for options granted at market price under DeVry s stock option plans during fiscal years 2011, 2010 and 2009 were $16.53, $23.11 and $23.54, per share, respectively. The fair values of DeVry s stock option awards were estimated assuming the following weighted average assumptions:

	Fiscal Year		
	2011	2010	2009
Expected life (in years)	6.67	6.77	6.79
Expected volatility	41.88%	41.06%	41.57%
Risk-free interest rate	1.99%	3.02%	3.39%
Dividend yield	0.29%	0.31%	0.23%
Pre-vesting forfeiture rate	5.00%	5.00%	5.00%

The expected life of the options granted is based on the weighted average exercise life with age and salary adjustment factors from historical exercise behavior. DeVry s expected volatility is computed by combining and weighting the implied market volatility, the most recent volatility over the expected life of the option grant, and DeVry s long-term historical volatility. The pre-vesting forfeiture rate is based on DeVry s historical stock option forfeiture experience.

If factors change and different assumptions are employed in the valuation of stock-based awards in future periods, the stock-based compensation expense that DeVry records may differ significantly from what was recorded in previous periods.

During the fiscal year 2011, DeVry granted 290,350 shares of restricted stock to selected employees and non-employee directors. Of these, 69,970 are performance based shares which are earned by the recipients over a three year period based on achievement of specified DeVry return on invested capital targets. The remaining 220,380 shares and all other previously granted shares of restricted stock are subject to restrictions which lapse ratably over three and four-year periods on the grant anniversary date based on the recipient s continued service on the Board of Directors or employment with DeVry, or upon retirement. During the restriction period, the recipient of the non-performance based shares shall have a beneficial interest in the restricted stock and all associated rights and privileges of a stockholder, including the right to receive dividends. These rights do not pertain to the performance based shares. The following is a summary of restricted stock activity for the year ended June 30, 2011:

	Restricted Stock Outstanding	Weighted Average Grant Date Fair Value
Nonvested at July 1, 2010	214,098	$ 52.16
Shares Granted	290,350	$ 39.94
Shares Vested	(47,883)	$ 52.18
Shares Cancelled	(19,191)	$ 48.66
Nonvested at June 30, 2011	437,374	$ 44.20

The following table shows total stock-based compensation expense included in the Consolidated Statement of Earnings:

	For the Year Ended June 30,		
	2011	2010	2009
	(Dollars in thousands)		
Cost of Educational Services	$ 4,560	$ 3,247	$ 2,416

Student Services and Administrative Expense	9,691	6,901	5,134
Income Tax Benefit	(4,259)	(2,907)	(1,823)
Net Stock-Based Compensation Expense	$ 9,992	$ 7,241	$ 5,727

As of June 30, 2011, $23.1 million of total pre-tax unrecognized compensation costs related to non-vested awards is expected to be recognized over a weighted average period of 2.4 years. The total fair value of options vested during the years ended June 30, 2011, 2010 and 2009 was approximately $7.2 million, $6.6 million and $5.4 million, respectively.

There were no capitalized stock-based compensation costs at June 30, 2011 and 2010.

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DeVry has an established practice of issuing new shares of common stock to satisfy share option exercises. However, DeVry also may issue treasury shares to satisfy option exercises under certain of its plans.

NOTE 4: FAIR VALUE MEASUREMENTS

As permitted by the authoritative guidance, DeVry has elected not to measure any assets or liabilities at fair value other than those required to be measured at fair value such as financial assets and liabilities required to be measured at fair value on a recurring basis and assets measured at fair value on a non-recurring basis such as goodwill and intangible assets. Management has fully considered all authoritative guidance when determining the fair value of DeVry s financial assets as of June 30, 2011.

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants. The guidance specifies a fair value hierarchy based upon the observability of inputs used in valuation techniques. Observable inputs (highest level) reflect market data obtained from independent sources, while unobservable inputs (lowest level) reflect internally developed market assumptions. The guidance establishes fair value measurement classifications under the following hierarchy:

Level 1 Quoted prices for identical instruments in active markets.

Level 2 Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs or significant value-drivers are observable in active markets.

Level 3 Model-derived valuations in which one or more significant inputs or significant value-drivers are unobservable.

When available, DeVry uses quoted market prices to determine fair value, and such measurements are classified within Level 1. In some cases where market prices are not available, DeVry makes use of observable market based inputs to calculate fair value, in which case the measurements are classified within Level 2. If quoted or observable market prices are not available, fair value is based upon internally developed models that use, where possible, current market-based parameters such as interest rates and yield curves. These measurements are classified within Level 3.

Fair value measurements are classified according to the lowest level input or value-driver that is significant to the valuation. A measurement may therefore be classified within Level 3 even though there may be significant inputs that are readily observable.

The following tables present DeVry s assets at June 30, 2011, that are measured at fair value on a recurring basis and are categorized using the fair value hierarchy (dollars in thousands).

	Level 1	Level 2	Level 3
Cash and Cash Equivalents	$ 447,145	$	$
Available for Sale Investments:			
Marketable Securities, short-term	2,575		
Total Financial Assets at Fair Value	$ 449,720	$	$

Cash Equivalents and investments in short-term Marketable Securities are valued using a market approach based on the quoted market prices of identical instruments.

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Below is a roll-forward of assets measured at fair value using Level 3 inputs for the fiscal year ended June 30, 2011 (dollars in thousands). At no time during the most recent three quarters of fiscal 2011 were any assets measured using Level 3 inputs. All Level 3 investments were purchased by DeVry s broker, UBS, in early July 2010. These investments consisted of auction rate securities. These securities were valued using a discounted cash flow model using assumptions that, in management s judgment, reflected the assumptions a marketplace participant would have used.

	Investments For the Year Ended June 30, 2011
Balance at Beginning of Period	$ 13,495
Purchases, Sales and Maturities	(13,495)
Balance at June 30, 2011	$

NOTE 5: FINANCING RECEIVABLES

DeVry s institutional loan programs are available to students at its DeVry University, Chamberlain College of Nursing, Carrington College and Carrington College of California schools as well as selected students at Ross University School of Medicine. These loan programs are designed to assist students who are unable to completely cover educational costs by other means. These loans may be used for tuition, books, and fees, and are available only after all other student financial assistance has been applied toward those purposes. In addition, Ross University School of Medicine loans may be used for students living expenses. Repayment plans for institutional loan program balances are developed to address the financial circumstances of the particular student. Interest charges accrue each month on the unpaid balance. After a student leaves school, the student typically will have a monthly installment repayment plan with all balances due within 12 to 60 months. In addition, the Becker CPA Review Course can be financed through Becker with a zero percent, 18-month term loan.

Reserves for uncollectible loans are determined by analyzing the current aging of accounts receivable and historical loss rates of loans at each educational institution. In addition, management considers projections of future receivable levels and collection loss rates. Management performs this analysis periodically throughout the year. Since all of DeVry s financing receivables are generated through the extension of credit to students to fund educational costs, all such receivables are considered part of the same loan portfolio.

The following table details the institutional loan balances along with the related allowances for credit losses as of June 30, 2011 and 2010.

	As of June 30, 2011	2010
	(Dollars in thousands)	
Gross Institutional Student Loans	$ 50,025	$ 34,491
Allowance for Credit Losses	(20,284)	(16,652)
Net Institutional Student Loans	$ 29,741	$ 17,839

Of the net balances above, $18.4 million and $9.9 million were classified as Accounts Receivable, Net in the Consolidated Balance Sheets at June 30, 2011 and 2010, respectively, and $11.3 million and $7.9 million,

representing amounts due beyond one year, were classified in the Consolidated Balance Sheets as Other Assets at June 30, 2011 and 2010, respectively.

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The following tables detail the credit risk profiles of the institutional student loan balances based on payment activity and provide an aging analysis of past due institutional student loans as of June 30, 2011 and 2010. Loans are considered nonperforming if they are more than 120 days past due (dollars in thousands).

	As of June 30,	
	2011	2010
Institutional Student Loans:		
Performing	$ 37,168	$ 24,811
Nonperforming	12,857	9,680
Total Institutional Student Loans	$ 50,025	$ 34,491

	30-59 Days Past Due	60-89 Days Past Due	Greater Than 90 Days Past Due	Total Past Due	Current	Total Institutional Student Loans
Institutional Student Loans:						
June 30, 2011	$ 3,405	$ 1,705	$ 14,301	$ 19,411	$ 30,614	$ 50,025
June 30, 2010	$ 2,531	$ 1,754	$ 11,017	$ 15,302	$ 19,189	$ 34,491

NOTE 6: DIVIDENDS AND STOCK REPURCHASE PROGRAM

During fiscal years 2011 and 2010, DeVry s Board of Directors declared the following cash dividends:

Declaration Date	Record Date	Payment Date	Dividend Per Share	Total Dividend Amount (In Thousands)
November 11, 2009	December 11, 2009	January 7, 2010	$ 0.10	$ 7,133
May 18, 2010	June 15, 2010	July 8, 2010	$ 0.10	$ 7,117
November 11, 2010	December 10, 2010	January 7, 2011	$ 0.12	$ 8,412
May 20, 2011	June 20, 2011	July 12, 2011	$ 0.12	$ 8,289

The dividend paid on July 11, 2011 of $8.3 million was recorded as a reduction to retained earnings as of June 30, 2011. Future dividends will be at the discretion of the Board of Directors.

DeVry has repurchased shares under the following programs as of June 30, 2011:

Date Authorized	Shares Repurchased	Total Cost (millions)
November 15, 2006	908,399	$ 35.0
May 13, 2008	1,027,417	50.0
November 11, 2009	972,205	50.0
August 11, 2010	1,103,628	50.0
November 10, 2010	968,105	50.0
May 20, 2011	144,000	8.3
Totals	5,123,754	$ 243.3

On May 20, 2011, the DeVry Board of Directors authorized a sixth share repurchase program, which will allow DeVry to repurchase up to $100 million of its common stock through June 30, 2013. The timing and amount of any repurchase will be determined by management based on its evaluation of market conditions and other factors. These repurchases may be made through

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the open market, including block purchases, or in privately negotiated transactions, or otherwise. The buyback will be funded through available cash balances and/or borrowings, and may be suspended or discontinued at any time.

Shares of stock repurchased under the programs are held as treasury shares. These repurchased shares have reduced the weighted average number of shares of common stock outstanding for basic and diluted earnings per share calculations.

NOTE 7: BUSINESS COMBINATIONS

ATC International

On May 4, 2011, Becker Professional Education, a subsidiary of DeVry Inc., acquired the operations of Accountancy Tuition Centre International (ATC), a leading provider of professional accounting and finance training with centers in Central and Eastern Europe as well as Central Asia. ATC provides training for professional designations such as ACCA (Association of Chartered Certified Accountants), CIMA (Chartered Institute of Management Accountants) and the Diploma in International Financial Reporting. The acquisition expands Becker s global accounting training platform, allowing it to further leverage its relationships with global accounting firms. The results of ATC s operations have been included in the consolidated financial statements of DeVry since the date of acquisition.

The following table summarizes the estimated fair values of the assets acquired and liabilities assumed at the date of acquisition (dollars in thousands).

	At May 4, 2011
Current Assets	$ 2,534
Property and Equipment	23
Other Long-term Assets	61
Intangible Assets	4,639
Goodwill	5,010
Total Assets Acquired	12,267
Liabilities Assumed	7,513
Net Assets Acquired	$ 4,754

Goodwill was all assigned to the Becker Professional Review reporting unit which is classified within the International, K-12 and Professional Education segment. None of the goodwill acquired is expected to be deductible for income tax purposes. The acquired intangible assets have all been determined to be subject to amortization and their values and estimated useful lives are as follows (dollars in thousands):

	At May 4, 2011	
	Value Assigned	Estimated Useful Lives
Customer Relationships	$ 3,230	12 years
Curriculum and Course Materials	1,071	5 years
Trade Names and Trademarks	140	2 years
Non-Compete Agreements	116	2 years
Non-Compete Agreements	82	6 months

There is no pro forma presentation of operating results for this acquisition due to the insignificant effect on consolidated operations.

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Carrington

On September 18, 2008, DeVry Inc. acquired the operations of U.S. Education, the parent organization of Apollo College and Western Career College, for $290 million. On July 1, 2010, Apollo College changed its name to Carrington College and Western Career College changed its name to Carrington College of California. Collectively these institutions are now referred to as Carrington. Including working capital adjustments and direct costs of acquisition, total consideration paid was approximately $303 million in cash. The results of Carrington s operations have been included in the consolidated financial statements of DeVry since that date. The total consideration was comprised of approximately $137 million of internal cash resources, approximately $120 million of borrowings under DeVry s existing credit facility and approximately $46 million of borrowings against its outstanding auction rate securities. The operating results of Carrington have been included in the DeVry consolidated operating results since the date of acquisition.

Carrington prepares students for careers in healthcare through certificate, associate and bachelor s degree programs in such rapidly growing fields as nursing, ultrasound and radiography technology, surgical technology, veterinary technology, pharmacy technology, dental hygiene, and medical and dental assisting. The two colleges operate 19 campus locations in the western United States. The addition of Carrington has further diversified DeVry s curricula.

The following table summarizes the estimated fair values of the assets acquired and liabilities assumed at the date of acquisition (dollars in thousands).

	At September 18, 2008
Current Assets	$ 46,042
Property and Equipment	19,558
Other Long-term Assets	3,179
Intangible Assets	128,600
Goodwill	185,717
Total Assets Acquired	383,096
Liabilities Assumed	80,121
Net Assets Acquired	$ 302,975

Goodwill was all assigned to the Carrington reporting unit which is classified within the Medical and Healthcare segment. Approximately $57 million of the goodwill acquired is expected to be deductible for income tax purposes. Of the $128.6 million of acquired intangible assets, $112.3 million was assigned to the value of the Carrington Title IV Eligibility and Accreditations which have been determined to not be subject to amortization. The remaining acquired intangible assets have all been determined to be subject to amortization and their values and estimated useful lives are as follows (dollars in thousands):

	At September 18, 2008	
	Value Assigned	Estimated Useful Life
Trade Name WCC	$ 1,500	1 yr 3 months
Trade Name Apollo	1,600	1 yr 3 months
Student Relationships	8,500	1 yr 3 months
Curriculum	800	5 yrs
Outplacement Relationships	3,900	15 yrs

As of December 31, 2009, the Western Career College and Apollo College trade names and student relationships were fully amortized.

DeVry Brasil

On April 1, 2009, DeVry Inc. acquired 82.3 percent of the outstanding stock of Fanor Faculdades Nordeste S/A (Fanor), a leading provider of private postsecondary education in northeastern Brazil for $40.8 million in cash, including costs of acquisition. Funding was provided from DeVry s existing operating cash balances. During the second quarter of fiscal year 2010, the Fanor parent organization began using the name DeVry Brasil. The results of DeVry Brasil s operations have been included in the consolidated

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financial statements of DeVry since the date of acquisition. The current management of DeVry Brasil retained the remaining 17.7 percent ownership interest, as of June 30, 2009. In July 2009, DeVry increased its ownership percentage in DeVry Brasil to 83.5 percent through the infusion of an additional $2.5 million in capital. Beginning January 2013, DeVry has the right to exercise a call option and purchase any remaining DeVry Brasil stock from DeVry Brasil management. Likewise, DeVry Brasil management has the right to exercise a put option and sell its remaining ownership interest in DeVry Brasil to DeVry. These options may become exercisable prior to January 2013 if DeVry Brasil s management ownership interest falls below five percent. Since the put option is out of the control of DeVry, authoritative guidance requires the non-controlling interest, which includes the value of the put option, to be displayed outside of the equity section of the consolidated balance sheet.

The DeVry Brasil management put option, which is not currently redeemable but is probable of becoming redeemable, is being accreted to its expected redemption value according to a fair market value formula contained in the stock purchase agreement. The adjustment to increase or decrease the put option to its expected redemption value each reporting period is recorded to retained earnings in accordance with the authoritative guidance. This adjustment has resulted in a $3.1 million increase in the non-controlling interest balance and a corresponding decrease to retained earnings as of June 30, 2011. The adjustment to increase or decrease the DeVry Brasil non-controlling interest each reporting period for its proportionate share of DeVry Brasil s profit/loss will continue to flow through the consolidated income statement based on DeVry s historical non-controlling interest accounting policy.

Based in Fortaleza, Ceará, Brazil, DeVry Brasil is comprised of three colleges: Fanor, Ruy Barbosa, and ÁREA1. These institutions operate five campus locations in the cities of Salvador and Fortaleza, and serve more than 11,000 students through undergraduate and graduate programs focused in business management, law and engineering. This acquisition has further diversified DeVry s curricula and expanded its geographic presence.

The following table summarizes the estimated fair values of the assets acquired and liabilities assumed at the date of acquisition (dollars in thousands).

	At April 1, 2009
Current Assets	$ 16,208
Property and Equipment	14,415
Other Long-term Assets	167
Intangible Assets	18,941
Goodwill	18,839
Total Assets Acquired	68,570
Liabilities Assumed	24,662
Minority Interest	3,149
Net Assets Acquired	$ 40,759

Goodwill was all assigned to the DeVry Brasil reporting unit which is classified within the International, K-12 and Professional Education segment. Approximately $12.0 million of the goodwill acquired is expected to be deductible for income tax purposes. Of the $18.9 million of acquired intangible assets, approximately $10.0 million was assigned to the value of the DeVry Brasil Accreditations which has been determined to not be subject to amortization. The remaining acquired intangible assets have all been determined to be subject to amortization and their values and estimated useful lives are as follows (dollars in thousands):

	At April 1, 2009	
	Value Assigned	Estimated Useful Life
Trade Name Fanor	$ 359	5 years

Trade Name	Area 1	1,653	10 years
Trade Name	Ruy Barbosa	359	5 years
Student Relationships		6,362	5 years
Curriculum		252	5 years

There is no pro forma presentation of prior year operating results related to this acquisition due to the insignificant effect on consolidated operations.

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NOTE 8: INTANGIBLE ASSETS

Intangible assets relate mainly to acquired business operations. These assets consist of the acquisition fair value of certain identifiable intangible assets acquired and goodwill. Goodwill represents the excess of the purchase price over the fair value of assets acquired less liabilities assumed.

Intangible assets consist of the following (dollars in thousands):

	June 30, 2011		
	Gross Carrying Amount	Accumulated Amortization	Weighted Avg. Amortization Period
Amortizable Intangible Assets:			
Student Relationships	$ $65,585	$ (62,169)	(1)
Customer Relationships	3,121	(43)	12 years
Customer Contracts	7,000	(5,142)	6 years
License and Non-compete Agreements	2,875	(2,719)	1.5 years
Class Materials	2,900	(2,060)	14 years
Curriculum/Software	4,703	(2,479)	5 years
Outplacement Relationships	3,900	(724)	15 years
Trade Names	8,718	(6,139)	(2)
Other	639	(639)	6 years
Total	$ 99,441	$ (82,114)	
Indefinite-lived Intangible Assets:			
Trade Names	$ 20,372		
Trademark	1,645		
Ross Title IV Eligibility and Accreditations	14,100		
Intellectual Property	13,940		
Chamberlain Title IV Eligibility and Accreditations	1,200		
Carrington Title IV Eligibility and Accreditations	112,300		
DeVry Brasil Accreditations	14,578		
Total	$ 178,135		

(1) The total weighted average estimated amortization period for Student Relationships is 5 years for DeVry Brasil. All other student relationships are fully amortized as of June 30, 2011.

(2) The total weighted average estimated amortization period for Trade Names is 2 years and 8.5 years for ATC and DeVry Brasil (Fanor, Ruy Barbosa and AREA1), respectively. All other Trade Names are fully amortized as of June 30, 2011.

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	As of June 30, 2010	
	Gross Carrying Amount	Accumulated Amortization
Amortizable Intangible Assets:		
Student Relationships	$ 64,365	$ (59,393)
Customer Contracts	7,000	(3,836)
License and Non-compete Agreements	2,684	(2,684)
Class Materials	2,900	(1,900)
Curriculum/Software	3,620	(1,699)
Outplacement Relationships	3,900	(464)
Trade Names	8,128	(4,651)
Other	639	(639)
Total	$ 93,236	$ (75,266)
Indefinite-lived Intangible Assets:		
Trade Names	$ 20,372	
Trademark	1,645	
Ross Title IV Eligibility and Accreditations	14,100	
Intellectual Property	13,940	
Chamberlain Title IV Eligibility and Accreditations	1,200	
Carrington Title IV Eligibility and Accreditations	112,300	
DeVry Brasil Accreditations	12,668	
Total	$ 176,225	

Amortization expense for amortized intangible assets was $6.1 million, $10.8 million and $10.5 million for the years ended June 30, 2011, 2010 and 2009, respectively. Estimated amortization expense for amortized intangible assets for the next five fiscal years ending June 30, by reporting unit, is as follows (dollars in thousands):

Fiscal Year	Advanced Academics	Becker	DeVry Brasil	Carrington	Total
2012	$ 1,538	$ 855	$ 2,368	$ 420	$ 5,181
2013	618	782	1,794	420	3,614
2014	369	679	764	295	2,107
2015		679	242	260	1,181
2016		485	242	260	987

All amortizable intangible assets, except for the AAI Customer Contracts and DeVry Brasil Student Relationships, are being amortized on a straight-line basis.

The amount being amortized for the AAI Customer Contracts is based on the estimated renewal probability of the contracts, giving consideration to the revenue and discounted cash flow associated with both types of customer relationships. This results in the basis being amortized at an annual rate for each of the years of estimated economic life as follows:

Fiscal Year	Direct to Student	Direct to District
2008	12%	14%

2009	18%	24%
2010	19%	25%
2011	17%	21%
2012	14%	16%
2013	11%	
2014	9%	

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The amount being amortized for the DeVry Brasil Student Relationships is based on the estimated progression of the students through the respective programs, giving consideration to the revenue and cash flow associated with both existing students and new applicants. This results in the basis being amortized at an annual rate for each of the years of estimated economic life as follows:

Fiscal Year	
2009	8.3%
2010	30.3%
2011	24.7%
2012	19.8%
2013	13.6%
2014	3.3%

Indefinite-lived intangible assets related to Trademarks, Trade Names, Title IV Eligibility, Accreditations and Intellectual Property are not amortized, as there are no legal, regulatory, contractual, economic or other factors that limit the useful life of these intangible assets to the reporting entity. Beginning in fiscal year 2010, the Trade Name associated with the Stalla CFA Review was reclassified to a finite lived intangible asset and amortized on a straight line basis over two years. This asset is fully amortized as of June 30, 2011.

Authoritative guidance provides that goodwill and indefinite-lived intangibles arising from a business combination are not amortized and charged to expense over time. Instead, goodwill and indefinite-lived intangibles must be reviewed annually for impairment or more frequently if circumstances arise indicating potential impairment. This impairment review was most recently completed during the fourth quarter of fiscal year 2011 at which time there was no impairment loss associated with recorded goodwill or indefinite-lived intangible assets, as estimated fair values exceed the carrying amounts.

The table below summarizes the goodwill balances by reporting unit as of June 30, 2011 (dollars in thousands):

Reporting Unit	
DeVry University	$ 22,196
Becker Professional Review	29,599
Ross University	237,173
Chamberlain College of Nursing	4,716
Advanced Academics	17,074
Carrington	185,717
DeVry Brasil	27,145
Total	$ 523,620

The table below summarizes goodwill balances by reporting segment as of June 30, 2011 (dollars in thousands):

Reporting Segment:	
Business, Technology and Management	$ 22,196
Medical and Healthcare	427,606
International, K-12 and Professional Education	73,818
Total	$ 523,620

Total goodwill increased by $8.8 million from June 30, 2010. This increase is the result of the addition of $5.0 million of goodwill associated with the acquisition of ATC, the recognition of a preacquisition related liability of $0.7 million at DeVry Brasil and changes in the values of the Brazilian Real and the British Sterling Pound as compared to the U.S. dollar. Since DeVry Brasil and ATC goodwill is recorded in their respective local currencies,

fluctuations in their value in relation to the U.S. dollar will cause changes in the balance of this asset.

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The table below summarizes the changes in the carrying amount of goodwill, by segment, as of June 30, 2011 and 2010 (dollars in thousands):

	Business, Technology and Management	Medical and Healthcare	International, K-12 and Professional Education	Total
Balance at June 30, 2009	$ 22,196	$ 427,606	$ 62,766	$ 512,568
Foreign currency exchange rate changes and other			2,296	2,296
Balance at June 30, 2010	22,196	427,606	65,062	514,864
Acquisitions			5,010	5,010
Foreign currency exchange rate changes and other			3,746	3,746
Balance at June 30, 2011	$ 22,196	$ 427,606	$ 73,818	$ 523,620

The table below summarizes the indefinite-lived intangible assets balances by reporting unit as of June 30, 2011 (dollars in thousands):

Reporting Unit:	
DeVry University	$ 1,645
Becker Professional Review	27,912
Ross University	19,200
Chamberlain College of Nursing	1,200
Advanced Academics	1,300
Carrington	112,300
DeVry Brasil	14,578
Total	$ 178,135

Total indefinite-lived intangible assets increased by $1.9 million from June 30, 2010. This change is the result of the effects of foreign currency translation on the DeVry Brasil assets. Since DeVry Brasil intangible assets are recorded in the local Brazilian currency, fluctuations in the value of the Brazilian Real in relation to the U.S. dollar will cause changes in the balance of these assets.

NOTE 9: REAL ESTATE TRANSACTIONS

In January 2009, DeVry bought out the lease on approximately 40 percent of the space it occupied at its DeVry University campus in Long Island City, New York. In the third quarter of fiscal year 2009, DeVry recorded a pre-tax charge of approximately $4.0 million. The charge is composed of a $2.7 million cash outlay and a non-cash charge of $1.3 million related to the write-off of leasehold improvements, net of a deferred rent credit. This loss is separately classified in the Consolidated Statements of Income as a component of Total Operating Costs and Expenses and is related to the Business, Technology and Management reportable segment.

In the second quarter of fiscal 2009, DeVry moved its Decatur, Georgia campus to a new leased facility. The campus was previously located in an owned facility that is currently held as available for sale. DeVry estimates the fair value of this property less costs to sell to be in excess of its carrying value; therefore, no impairment loss was recognized.

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NOTE 10: INCOME TAXES

The components of income before income taxes are as follows (dollars in thousands).

	For the Year Ended June 30,		
	2011	**2010**	**2009**
U.S.	$ 427,726	$ 345,850	$ 179,517
Foreign	66,706	66,772	57,835
Total	$ 494,432	$ 412,622	$ 237,352

The income tax provisions (benefits) related to the above results are as follows (dollars in thousands):

	For the Year Ended June 30,		
Income Tax Provision:	**2011**	**2010**	**2009**
Current Tax Provision			
U.S. Federal	$ 114,295	$ 117,423	$ 58,638
State and Local	24,057	24,563	6,532
Foreign	285	14	(1,418)
Total Current	138,637	142,000	63,752
Deferred Tax Provision			
U.S. Federal	19,671	(8,253)	7,722
State and Local	5,130	(1,108)	226
Foreign	164		
Total Deferred	24,965	(9,361)	7,948
Income Tax Provision	$ 163,602	$ 132,639	$ 71,700

The income tax provisions differ from those that would be computed using the statutory U.S. federal rate as a result of the following items (dollars in thousands):

	2011		**2010**		**2009**	
Income Tax at Statutory Rate	$ 173,051	35.0%	$ 144,418	35.0%	$ 83,073	35.0%
Lower Rates on Foreign Operations	(22,413)	-4.5%	(22,524)	-5.5%	(19,186)	-8.1%
State Income Taxes	16,762	3.4%	13,129	3.1%	8,574	3.6%
Stock Options	481	0.1%	(164)	0.0%	372	0.2%
Tax Credits and Other	(4,279)	-0.9%	(2,220)	-0.5%	(1,133)	-0.5%
Income Tax Provision	$ 163,602	33.1%	$ 132,639	32.1%	$ 71,700	30.2%

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Deferred income tax assets (liabilities) result primarily from temporary differences in the recognition of various expenses for tax and financial statement purposes, and from the recognition of the tax benefits of net operating loss carryforwards. These assets and liabilities are composed of the following (dollars in thousands):

	For the Year Ended June 30,		
	2011	2010	2009
Loss Carryforwards, net	$ 10,477	$ 11,053	$ 9,373
Employee Benefits	4,278	4,330	5,585
Stock-Based Payments	9,262	7,250	6,239
Deferred Rent	17,668	13,909	7,132
Receivable Reserve	22,240	19,951	17,235
Depreciation		2,778	5,062
Other Reserves	4,122	2,792	538
Less: Valuation Allowance	(6,852)	(6,852)	(6,852)
Gross Deferred Tax Assets	61,195	55,211	44,312
Depreciation	(26,321)		
Amortization of Intangible Assets	(79,446)	(74,357)	(74,754)
Gross Deferred Tax Liability	(105,767)	(74,357)	(74,754)
Net Deferred Taxes	$ (44,572)	$ (19,146)	$ (30,442)

DeVry has net operating loss carryforwards in various tax jurisdictions expiring at various times through the years ending June 30, 2031.

DeVry s effective income tax rate reflects benefits derived from significant operations outside the United States. Earnings of these international operations are not subject to U.S. federal or state income taxes, so long as such earnings are not repatriated, as discussed below. Three of our subsidiaries, Ross University School of Medicine (the Medical School) incorporated under the laws of the Commonwealth of Dominica, Ross University School of Veterinary Medicine (the Veterinary School) incorporated under the laws of the Federation of St. Christopher, Nevis, St. Kitts in the West indies, and DeVry Brasil incorporated under the laws of Brazil, all benefit from local tax incentives. The Medical and Veterinary Schools have agreements with the respective governments that exempt them from local income taxation through the years 2043 and 2023, respectively, while DeVry Brasil s effective tax rate reflects benefits derived from their participation in PROUNI, a Brazilian program for providing scholarships to a portion of its undergraduate students.

Valuation allowances have been established for approximately $6.8 million for the years ended June 30, 2011 and 2010. The valuation allowances are composed of $6.5 million related to our Canadian subsidiary and $0.3 million for certain state net operating loss carryforwards that may expire before their benefits are utilized. The Canadian valuation allowances are composed of net operating losses of $2.5 million, depreciation of $3.5 million and $0.5 million of other deferred tax benefits.

DeVry historically has included U.S. net operating loss carryforwards of approximately $3.0 million, which are permanently precluded from use under Internal Revenue Code Section 382: *Limitation on Net Operating Loss Carryforwards and Certain Built-In Losses Following Ownership Change*, in its inventory of deferred tax assets, offset by a full valuation allowance. DeVry will no longer reflect deferred tax assets that become subject to these limitations, nor will corresponding valuation allowances for these items be required. Therefore, for the year ended June 30, 2011, deferred tax assets have been reduced by $3.0 million related to U.S. net operating loss carryforwards which are permanently precluded from use under Internal Revenue Code Section 382 with a corresponding reduction in the valuation allowance to reflect this change.

Based on DeVry s expectations for future taxable income, management believes that it is more likely than not that operating income in respective jurisdictions will be sufficient to recognize fully all deferred tax assets, except as explained above.

DeVry has not recorded a U.S. federal or state tax provision for the undistributed earnings of its international subsidiaries. It is DeVry s intention to indefinitely reinvest accumulated cash balances, future cash flows and post-acquisition undistributed earnings and profits to improve the facilities and operations of its international Schools and pursue future opportunities outside the United States. In accordance with this plan, cash held by the international subsidiaries will not be available for general company purposes and under current laws will not be subject to U.S. taxation. As of June 30, 2011 and 2010, cumulative undistributed earnings attributable to international operations were approximately $332.3 million and $266.8 million, respectively.

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The effective tax rate was 33.1% for fiscal year 2011, compared to 32.1% for the prior year. The higher effective income tax rate in fiscal year 2011 was primarily due to an increase in the proportion of income generated by U.S. operations versus the offshore operations of Ross University as compared to the prior year.

As of June 30, 2011 the total amount of gross unrecognized tax benefits for uncertain tax positions, including positions impacting only the timing of tax benefits, was $11.9 million. The amount of unrecognized tax benefits that, if recognized, would impact the effective tax rate was $11.9 million. As of June 30, 2010, our gross unrecognized tax benefits, including positions impacting only the timing of benefits, was $7.1 million. The total amount of unrecognized tax benefits that, if recognized, would impact the effective tax rate is $7.1 million. We expect that our unrecognized tax benefits will decrease by approximately $3.2 million during the next twelve months. DeVry classifies interest and penalties on tax uncertainties as a component of the provision for income taxes. The total amount of interest and penalties accrued as of June 30, 2011, 2010, and 2009 was $1.0 million, $.7 million, and $.5 million respectively. Interest and penalties recognized during the years ended June 30, 2011, 2010, and 2009 were $0.3 million, $.2 million and $.1 million respectively. The changes in our unrecognized tax benefits were (dollars in millions):

	For the Year Ended June 30,		
	2011	2010	2009
Beginning Balance, July 1	$ 7.1	$ 2.2	$ 2.6
Increases from Positions Taken During Prior Periods	1.9	2.2	
Decreases from Positions Taken During Prior Periods	(1.3)	(0.7)	(0.5)
Increases from Positions Taken During the Current Period	4.2	3.4	0.1
Ending Balance, June 30	$ 11.9	$ 7.1	$ 2.2

DeVry generally remains subject to examination for all tax years beginning on or after July 1, 2006.

NOTE 11: DEBT

DeVry had no outstanding borrowings at June 30, 2011 and June 30, 2010.

Revolving Credit Facility

All of DeVry s borrowings and letters of credit under its $400 million revolving credit facility are through DeVry Inc. The revolving credit facility became effective on May 10, 2011, and replaced an existing $175 million credit facility that was set to expire in January 2012. At the request of DeVry, the maximum borrowings and letters of credit can be increased to $550 million. There are no required payments under this revolving credit agreement and all borrowings and letters of credit mature in May 2016. As a result of the agreement extending beyond one year, any borrowings would be classified as long-term with the exception of amounts expected to be repaid in the 12 months subsequent to the balance sheet date. DeVry Inc. letters of credit outstanding under this agreement were $3.0 million as of June 30, 2011, and were $4.6 million as of June 30, 2010 under the previous agreement. As of June 30, 2011, if there were outstanding borrowings under this agreement they would bear interest, payable quarterly or upon expiration of the interest rate period, at the prime rate plus 0.75% or at a LIBOR rate plus 1.75%, at the option of DeVry. As of June 30, 2011, outstanding letters of credit under the revolving credit agreement are charged an annual fee equal to 1.75% of the undrawn face amount of the letter of credit, payable quarterly. The agreement also requires payment of a commitment fee equal to 0.2% of the undrawn portion of the credit facility as of June 30, 2011. The interest rate, letter of credit fees and commitment fees are adjustable quarterly, based upon DeVry s achievement of certain financial ratios. Interest rate margins can be raised as high as 1.5% on prime rate loans and 2.5% on LIBOR rate loans.

The revolving credit agreement contains certain covenants that, among other things, require maintenance of certain financial ratios, as defined in the agreement. These financial ratios include a consolidated fixed charge coverage ratio, a consolidated leverage ratio and a composite Equity, Primary Reserve and Net Income, Department of Education, financial responsibility ratio (DOE Ratio). Failure to maintain any of these ratios or to comply with other covenants contained in the agreement will constitute an event of default and could result in termination of the agreement and

require payment of all outstanding borrowings. DeVry was in compliance with all debt covenants as of June 30, 2011.

The stock of certain subsidiaries of DeVry is pledged as collateral for the borrowings under the revolving credit facility.

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Auction Rate Securities Collateralized Line of Credit

In connection with the completion of the acquisition of Carrington, on September 18, 2008, (see Note 7 Business Combinations) DeVry borrowed approximately $46 million against its portfolio of auction rate securities under a temporary, uncommitted, demand revolving line of credit facility between DeVry Inc. and UBS Bank USA (the Lender). This borrowing totaled approximately 80% of the fair market value on September 18, 2008, of DeVry s auction rate securities portfolio held through its broker, UBS, which is the maximum borrowing permitted under this credit facility. These borrowing were fully repaid as of June 30, 2010, and the lending agreement was terminated.

NOTE 12: EMPLOYEE BENEFIT PLANS

Success Sharing Retirement Plan

All employees, except those of DeVry Brasil and ATC, who meet certain eligibility requirements can participate in DeVry s 401(k) Success Sharing Retirement Plan. DeVry contributes to the plan an amount up to 4.0% of the total eligible compensation of employees who make contributions under the plan. Prior to fiscal 2009, this match was up to 2% of total eligible compensation. In addition, DeVry may also make discretionary contributions for the benefit of all eligible employees. Provisions for the matching and discretionary contributions under the plan were approximately $33.1 million, $27.6 million and $19.7 million in fiscal 2011, 2010 and 2009, respectively. Prior to January 1, 2010, employees of DeVry Medical International, Inc. and Ross University participated in two separate plans and received matching contributions of up to 5% of total eligible compensation. After this date, these employees became eligible to participate in the DeVry 401(k) Success Sharing Retirement Plan.

Employee Stock Purchase Plan

Under provisions of DeVry s Employee Stock Purchase Plan, any eligible employee may authorize DeVry to withhold up to $25,000 of annual earnings to purchase common stock of DeVry at 95% of the prevailing market price on the purchase date. The purchase date is defined as the last business day of each month. DeVry subsidizes the remaining 5% and pays all brokerage commissions and administrative fees associated with the plan. These expenses were insignificant for the years ended June 30, 2011, 2010 and 2009. Total shares issued to the Plan were 30,289 and 18,502 in fiscal 2011 and 2010, respectively. This Plan is intended to qualify as an employee stock purchase plan within the meaning of Section 423 of the Internal Revenue Code. At the current time, DeVry is re-issuing treasury shares to satisfy employee share purchases under this plan

NOTE 13: SHAREHOLDER RIGHTS PLAN

On November 24, 2004, DeVry adopted a shareholder rights plan. In connection with this plan, DeVry s Board of Directors declared a dividend of one Common Stock Purchase Right (Right or Rights) for each outstanding share of DeVry Inc. Common Stock. The dividend was distributed on December 6, 2004 to shareholders of record on that date. Each shareholder is automatically entitled to the Rights and no physical distribution of new certificates was made.

Each Right, as represented by DeVry s Common Stock certificates, currently entitles the holder to buy one one-thousandth of a share of DeVry s Common Stock at an exercise price of $75 subject to adjustment, e.g. for stock splits or stock dividends. However, following the acquisition of 15% or more of DeVry Inc. Common Stock by a person or group, the holders of the Rights (other than the acquiring person or group) will be entitled to purchase shares of DeVry Inc. Common Stock at half of the then current fair market value. Further, in the event of a subsequent merger or other acquisition of DeVry, the holder of the Rights (other than the acquiring person or group) will be entitled to buy shares of common stock of the acquiring entity at one-half of the market price of these shares.

The Rights are redeemable for $.001 per Right, subject to adjustment, before the acquisition by a person or group owning 15% or more of DeVry s Common Stock. The Rights will expire on December 6, 2014.

NOTE 14: COMMITMENTS AND CONTINGENCIES

DeVry and its subsidiaries, lease certain equipment and facilities under non-cancelable operating leases, some of which contain renewal options, escalation clauses and requirements to pay taxes, insurance and maintenance costs.

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Future minimum rental commitments for all non-cancelable operating leases having a remaining term in excess of one year at June 30, 2011, are as follows (dollars in thousands):

Year Ended June 30,	Amount
2012	$ 79,100
2013	77,100
2014	72,400
2015	69,300
2016	63,900
Thereafter	272,600

DeVry recognizes rent expense on a straight line basis over the term of the lease, although the lease may include escalation clauses that provide for lower rent payments at the start of the lease term and higher lease payments at the end of the lease term.

Rent expenses for the years ended June 30, 2011, 2010 and 2009 were $85.1 million, $82.4 million and $69.7 million, respectively.

DeVry is subject to occasional lawsuits, administrative proceedings, regulatory reviews and investigations associated with financial assistance programs and other claims arising in the normal conduct of its business. The following is a description of pending litigation that may be considered other than ordinary and routine litigation that is incidental to the business.

The Boca Raton Firefighters and Police Pension Fund filed a complaint (the Shareholder Case) in the United States District Court for the Northern District of Illinois on November 1, 2010 (Case No. 1:10-cv-07031). The complaint was filed on behalf of a putative class of persons who purchased DeVry common stock between October 25, 2007, and August 13, 2010. Plaintiffs filed an amended complaint (the Amended Complaint) on March 7, 2011 alleging the same categories of claims in the initial complaint. The plaintiffs claim DeVry, Daniel Hamburger and Richard M. Gunst violated Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 and Rule 10b-5 promulgated thereunder by failing to disclose abusive and fraudulent recruiting and financial aid lending practices, thereby increasing DeVry s student enrollment and revenues and artificially inflating DeVry s stock price during the class period. DeVry and its executives believe the allegations contained in the Amended Complaint are without merit and they are defending them vigorously. On May 6, 2011, DeVry filed a Motion to Dismiss the Amended Complaint, which is pending before the Court.

Three derivative cases similar to the Shareholder Case also have been filed (Derivative Actions). Two of the Derivative Actions were filed in the Circuit Court of Cook County, Illinois, Chancery Division: DeVry shareholder Timothy Hald filed a derivative complaint on behalf of DeVry on January 3, 2011 (*Hald v. Hamburger et al.*, Case No. 11 CH 0087) and Matthew Green (also a DeVry shareholder) filed a derivative complaint on behalf of DeVry on January 7, 2011 (*Green v. Hamburger et al.*, Case No. 11 CH 0770). The *Hald* and *Green* cases (the Consolidated Cases) were consolidated by court order dated February 9, 2011. Maria Dotro, another DeVry shareholder, filed a third derivative complaint on DeVry s behalf in the Delaware Court of Chancery on March 11, 2011 (*Dotro v. Hamburger et al.*, Case No. 6263). Both the Consolidated cases and the *Dotro* case have been stayed by agreement of the parties pending resolution of DeVry s forthcoming Motion to Dismiss the Shareholder Case (Motion to Dismiss).

The Derivative Actions allege that Daniel Hamburger, Richard M. Gunst, David J. Pauldine, Sharon T. Parrott, Ronald L. Taylor, Lisa W. Pickrum, Darren R. Huston, David S. Brown, William T. Keevan, Fernando Ruiz, Harold D. Shapiro, Lyle Logan, Connie R. Curran, and Julia McGee breached their fiduciary duties to DeVry by failing to disclose the same allegedly abusive and fraudulent recruiting and financial aid lending practices alleged in the Shareholder Case. The Derivative Actions also allege that DeVry s officers and directors unjustly enriched themselves and wasted DeVry s assets by (i) causing DeVry to incur substantial costs in defending the Shareholder Case; (ii) causing DeVry to pay compensation and benefits to individuals who breached their fiduciary duties; (iii) causing potential losses from certain of DeVry s programs no longer being eligible for federal financial aid; and (iv) damaging DeVry s corporate image and goodwill. DeVry and its executives and directors believe the allegations contained in the Derivative Actions are without merit and intend to defend them vigorously.

Although DeVry believes that the Shareholder Case and the Derivative Actions are without merit, the ultimate outcome of pending litigation is difficult to predict. At this time, DeVry does not expect that the outcome of any such matter will have a material effect on its cash flows, results of operations or financial position.

NOTE 15: SEGMENT INFORMATION

DeVry s principal business is providing secondary and post-secondary education. The services of our operations are described in more detail in Note 1- Nature of Operations. DeVry presents three reportable segments: Business, Technology and Management , which includes DeVry University undergraduate and graduate operations; Medical and Healthcare which includes the operations of Ross University medical and veterinary schools, Chamberlain College of Nursing and Carrington; International, K-12 and

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Professional Education , which includes the operations of DeVry Brasil, AAI and the professional exam review and training operations of Becker Professional Review.

These segments are consistent with the method by which the Chief Operating Decision Maker (DeVry s President and CEO) evaluates performance and allocates resources. Performance evaluations are based, in part, on each segment s operating income, which is defined as income before interest income and expense, amortization, non-controlling interest and income taxes. Intersegment sales are accounted for at amounts comparable to sales to nonaffiliated customers and are eliminated in consolidation. The accounting policies of the segments are the same as those described in Note 2 Summary of Significant Accounting Policies.

The segments described above have changed from those previously reported, effective with the beginning of the fourth quarter of fiscal year 2011. The two largest segments, Business, Technology and Management and Medical and Healthcare, remained unchanged and consist of our two U.S. postsecondary educational segments. The former Other Educational Services segment was combined with the former Professional Education segment to create the International, K-12 and Professional Education segment. The combining of the former Professional Education and Other Educational Services segments reflects the realignment of DeVry s management structure with DeVry Brasil, Advanced Academics and Becker Professional Education reporting to one executive. The new segment structure is consistent with how the Chief Operating Decision Maker evaluates performance and allocates resources to DeVry s operating segments. In addition, the new structure combines those educational institutions outside of our United States postsecondary educational segments into one segment.

The consistent measure of segment operating income excludes interest income and expense, amortization and certain corporate-related depreciation and expenses. As such, these items are reconciling items in arriving at income before income taxes. The consistent measure of segment assets excludes deferred income tax assets and certain depreciable corporate assets. Additions to long-lived assets have been measured in this same manner. Reconciling items are included as corporate assets.

Following is a tabulation of business segment information based on the current segmentation for each of the years ended June 30, 2011, 2010 and 2009. Corporate information is included where it is needed to reconcile segment data to the consolidated financial statements.

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	For the Year Ended June 30,		
Revenues:	2011	2010	2009
Business, Technology and Management	$ 1,460,146	$ 1,263,553	$ 989,472
Medical and Healthcare	558,335	507,037	362,715
International, K-12 and Professional Education	163,890	144,591	109,266
Total Consolidated Revenues	$ 2,182,371	$ 1,915,181	$ 1,461,453
Operating Income:			
Business, Technology and Management	$ 359,403	$ 291,060	$ 126,909
Medical and Healthcare	106,965	111,081	91,651
International, K-12 and Professional Education	32,684	19,882	29,669
Reconciling Items:			
Amortization Expense	(6,103)	(10,812)	(10,476)
Depreciation and Other	1,226	(309)	(2,920)
Total Consolidated Operating Income	$ 494,175	$ 410,902	$ 234,833
Interest and Other Income (Expense):			
Interest Income	$ 1,539	$ 2,080	$ 5,251
Interest Expense	(1,282)	(1,585)	(2,775)
Net Investment Gain		1,225	43
Net Interest and Other Income (Expense)	257	1,720	2,519
Total Consolidated Income Before Income Taxes	$ 494,432	$ 412,622	$ 237,352
Segment Assets:			
Business, Technology and Management	$ 446,810	$ 406,505	$ 434,443
Medical and Healthcare	1,036,834	939,854	792,075
International, K-12 and Professional Education	238,733	196,813	182,557
Corporate	128,126	84,654	25,224
Total Consolidated Assets	$ 1,850,503	$ 1,627,826	$ 1,434,299
Additions to Long-lived Assets:			
Business, Technology and Management	$ 55,726	$ 55,458	$ 45,683
Medical and Healthcare	40,590	26,453	358,096
International, K-12 and Professional Education	23,844	6,242	53,501
Corporate	25,865	42,856	
Total Consolidated Additions to Long-lived Assets	$ 146,025	$ 131,009	$ 457,280

Reconciliation to Consolidated Financial Statements:			
Capital Expenditures	$ 135,726	$ 131,009	$ 74,044
Increase in Capital Assets from Acquisitions	23		33,973
Increase in Intangible Assets and Goodwill	10,276		349,263
Total Increase in Consolidated Long-lived Assets	$ 146,025	$ 131,009	$ 457,280
Depreciation Expense:			
Business, Technology and Management	$ 26,572	$ 32,814	$ 27,644
Medical and Healthcare	17,025	14,591	10,376
International, K-12 and Professional Education	4,066	3,139	1,158
Corporate	10,370	681	647
Total Consolidated Depreciation	$ 58,033	$ 51,225	$ 39,825
Intangible Asset Amortization Expense:			
Medical and Healthcare	420	4,750	7,598
International, K-12 and Professional Education	5,683	6,062	2,878
Total Consolidated Amortization	$ 6,103	$ 10,812	$ 10,476

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In January 2009, DeVry bought out the lease on approximately 40% of the space it occupied at its DeVry University campus in Long Island City, New York. As a result, DeVry recorded a pre-tax charge of approximately $4.0 million. The charge is composed of a $2.7 million cash outlay and a non-cash charge of $1.3 million related to the write-off of leasehold improvements, net of a deferred rent credit. This loss is included in operating income of the current Business, Technology and Management reportable segment and the previous DeVry University reportable segment.

DeVry conducts its educational operations in the United States, Canada, the Caribbean countries of Dominica and St. Kitts/Nevis, Brazil, Europe, the Middle East and the Pacific Rim. Other international revenues, which are derived principally from Brazil and Canada, were less than 5% of total revenues for the years ended June 30, 2011, 2010 and 2009. Revenues and long-lived assets by geographic area are as follows:

	For the Year Ended June 30,		
	2011	**2010**	**2009**
Revenue from Unaffiliated Customers:			
Domestic Operations	$ 1,913,328	$ 1,669,517	$ 1,281,875
International Operations:			
Dominica and St. Kitts/Nevis	205,409	193,024	161,361
Other	63,634	52,640	18,217
Total International	269,043	245,664	179,578
Consolidated	$ 2,182,371	$ 1,915,181	$ 1,461,453
Long-lived Assets:			
Domestic Operations	$ 792,482	$ 730,710	$ 663,689
International Operations:			
Dominica and St. Kitts/Nevis	347,441	331,682	324,112
Other	85,930	65,787	61,051
Total International	433,371	397,469	385,163
Consolidated	$ 1,225,853	$ 1,128,179	$ 1,048,852

No one customer accounted for more than 10% of DeVry s consolidated revenues.

NOTE 16: QUARTERLY FINANCIAL DATA (UNAUDITED)

Summarized unaudited quarterly data for the years ended June 30, 2011 and 2010, are as follows:

	Quarter				
	First	**Second**	**Third**	**Fourth**	**Total Year**
2011	**(Dollars in thousands, except for per share amounts)**				
Revenues	$ 521,428	$ 551,463	$ 562,730	$ 546,750	$ 2,182,371
Operating Profit	111,815	135,553	137,227	109,580	494,175

Net Income Attributable to DeVry Inc.	$ 73,601	$ 88,706	$ 92,900	$ 75,196	$ 330,403
Earnings per Common Share Attributable to DeVry Inc. Shareholders					
Basic	$ 1.04	$ 1.26	$ 1.34	$ 1.09	$ 4.73
Diluted	$ 1.03	$ 1.25	$ 1.32	$ 1.08	$ 4.68
Cash Dividend Declared per Common Share	$	$ 0.12	$	$ 0.12	$ 0.24

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	Quarter				Total
	First	Second	Third	Fourth	Year
2010	(Dollars in thousands, except for per share amounts)				
Revenues	$ 431,110	$ 473,012	$ 504,385	$ 506,674	$ 1,915,181
Operating Profit	79,385	108,929	122,020	100,568	410,902
Net Income Attributable to DeVry Inc.	$ 54,727	$ 72,454	$ 81,152	$ 71,576	$ 279,909
Earnings per Common Share Attributable to DeVry Inc. Shareholders					
Basic	$ 0.77	$ 1.02	$ 1.14	$ 1.00	$ 3.92
Diluted	$ 0.76	$ 1.00	$ 1.12	$ 0.99	$ 3.87
Cash Dividend Declared per Common Share	$	$ 0.10	$	$ 0.10	$ 0.20

NOTE 17: SUBSEQUENT EVENT

On August 3, 2011, AUC School of Medicine B.V. (AUC BV) a wholly owned St. Maarten subsidiary of DeVry Inc. acquired the international business operations of privately held American University of the Caribbean (AUC). DeVry Medical International, Inc. (DMI), a wholly owned U.S. subsidiary of DeVry Inc. acquired the Florida business operations of Medical Education Administrative Services, Inc. (MEAS). Under the terms of the agreement, AUC BV and DMI paid a combined $235 million in cash in exchange for the business assets of AUC and MEAS. AUC s medical school campus is located in St. Maarten, and its administrative offices are located in Coral Gables, Florida. Currently, management is completing its evaluation of intangible assets and related purchase accounting. The school will become part of DeVry s Medical and Healthcare segment, joining Ross University School of Medicine, Ross University School of Veterinary Medicine, Chamberlain College of Nursing and Carrington Colleges Group.

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DEVRY INC.
SCHEDULE II
VALUATION AND QUALIFYING ACCOUNTS AND RESERVES
For the Years Ended June 30, 2011, 2010 and 2009

Description of Allowances and Reserves	Balance at Beginning of Period	Charged to Costs and Expenses	Charged to Other Accounts	Deductions (c)	Balance at End of Period
			(Dollars in thousands)		
FY2011					
Deducted from accounts receivable for refunds	$ 6,866	$ 43,875(d)	$(2,833)(g)	$42,433	$ 5,475
Deducted from accounts receivable for uncollectable accounts	56,257	44,182	764(a)	42,387	58,816
Deducted from notes receivable for uncollectable notes	7,730	3,154		589	10,295
Deducted from contributions to Perkins loan program for uncollectable loans	2,562				2,562
Deducted from deferred tax assets for valuation allowances	6,852				6,852
FY2010					
Deducted from accounts receivable for refunds	$ 4,423	$ 37,959(d)	$1,750(g)	$37,266	$ 6,866
Deducted from accounts receivable for uncollectable accounts	50,695	43,361	34(a)	37,833	56,257
Deducted from notes receivable for uncollectable notes	5,454	6,809		4,533	7,730
Deducted from contributions to Perkins loan program for uncollectable loans	2,562				2,562
Deducted from deferred tax assets for valuation allowances	6,852		2,300(e)	2,300(f)	6,852
FY2009					
Deducted from accounts receivable for refunds	$ 748	$ 30,481(d)	$4,410(b)	$31,216	$ 4,423
Deducted from accounts receivable for uncollectable accounts	35,132	41,560	6,324(b)	32,321	50,695
Deducted from notes receivable for uncollectable notes	5,370	285	(8)(a)	193	5,454
Deducted from contributions to Perkins loan program for uncollectable loans	2,562				2,562
Deducted from deferred tax assets for valuation allowances	13,600		(5,548)(e)	1,200(f)	6,852

(a) Effects of foreign currency translation charged to Accumulated Other Comprehensive Income.

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Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of DeVry Inc.:

In our opinion, the consolidated financial statements listed in the accompanying index present fairly, in all material respects, the financial position of DeVry Inc. and its subsidiaries at June 30, 2011 and 2010, and the results of their operations and their cash flows for each of the three years in the period ended June 30, 2011 in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statement schedule listed in the accompanying index presents fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of June 30, 2011, based on criteria established in *Internal Control Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company s management is responsible for these financial statements and financial statement schedule, for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in Management s Report on Internal Control over Financial Reporting appearing under Item 9A. Our responsibility is to express opinions on these financial statements, on the financial statement schedule, and on the Company s internal control over financial reporting based on our integrated audits. We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

A company s internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company s internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company s assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ PricewaterhouseCoopers LLP

Chicago, Illinois

August 26, 2011

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PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information called for by Item 10 relating to Directors and Nominees for election to the Board of Directors is incorporated by reference to DeVry s definitive Proxy Statement to be filed in connection with the solicitation of proxies for the Annual Meeting of Stockholders to be held November 3, 2011 (the Proxy Statement). The information called for by Item 10 with respect to Executive Officers is set forth at the end of Part I of this Annual Report on Form 10-K.

The information called for by Item 10 with respect to Regulation S-K, Item 405 disclosure of delinquent Form 3, 4 or 5 filers is incorporated by reference to the Proxy Statement.

In accordance with the information called for by Item 10 relating to Regulation S-K, Item 406 disclosures about the DeVry Code of Conduct and Ethics, DeVry has a Code of Conduct and Ethics which applies to its directors, officers (including the Chief Executive Officer, the Chief Financial Officer and the Controller), and all other employees. The full text of the Code is available on DeVry s website. DeVry intends to satisfy the requirements of the Securities and Exchange Commission regarding amendments to, or waivers from, the Code by posting such information on its website. To date, there have been no waivers from the Code.

The information called for by Item 10 relating to Regulation S-K, Item 407(c)(3) disclosure of procedures by which security holders may recommend nominees to DeVry s board of directors is incorporated by reference to the Proxy Statement. The information called for by Item 10 relating to Regulation S-K, Item 407(d)(4) and (d)(5) disclosure of the DeVry s audit committee financial experts and identification of the DeVry s audit committee is incorporated by reference to the Proxy Statement.

ITEM 11. EXECUTIVE COMPENSATION

The information called for by Item 11 is incorporated by reference to the Proxy Statement (as defined in Item 10).

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information called for by Item 12 is incorporated by reference to the Proxy Statement (as defined in Item 10).

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information called for by Item 13 is incorporated by reference to the Proxy Statement (as defined in Item 10).

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The information called for by Item 14 is incorporated by reference to the Proxy Statement (as defined in Item 10).

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PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) The following documents are filed as part of this report:

(1) *Financial Statements*

The required financial statements of DeVry and its subsidiaries are included in Part II, Item 8, on pages 72 through 106 of this Annual Report on Form 10-K.

(2) *Supplemental Financial Statement Schedules*

The required supplemental schedule of DeVry and its subsidiaries is included in Part II, Item 8 on page 105 of this Annual Report on Form 10-K.

(3) *Exhibits*

A complete listing of exhibits is included on pages 109 through 110 of this Annual Report on Form 10-K.

FIVE-YEAR SUMMARY OPERATING, FINANCIAL AND OTHER DATA

Year Ended June 30,	2011	2010	2009	2008	2007
	(Dollars in thousands except for per share amounts)				
OPERATING:					
Revenues	$ 2,182,371	$ 1,915,181	$ 1,461,453	$ 1,091,833	$ 933,473
Depreciation	58,033	51,225	39,825	34,808	35,979
Amortization of Intangible Assets and Other	6,538	10,997	10,625	5,066	8,028
Interest Income	1,539	2,080	5,251	10,463	7,437
Interest Expense	1,282	1,585	2,775	522	4,784
Net Income	330,403	279,909	165,613	125,532	76,188
Diluted Earnings per Common Share (EPS) - Net Income	4.68	3.87	2.28	1.73	1.07
Shares Used in Calculating Diluted EPS (in thousands)	70,620	72,267	72,516	72,406	71,400
Cash Dividend Declared Per Common Share	0.24	0.20	0.16	0.12	0.10
FINANCIAL POSITION:					
Cash and Cash Equivalents	447,145	307,702	165,202	217,199	129,155
Total Assets	1,850,503	1,627,826	1,434,299	1,018,356	844,113
Total Funded Debt			124,811		
Total Shareholders Equity (1)	1,389,516	1,179,381	926,942	766,426	652,403
OTHER SELECTED DATA:					
Cash Provided by Operating Activity	407,990	391,548	249,526	198,646	125,176
Capital Expenditures	135,726	131,009	74,044	62,806	38,558
Shares Outstanding at Year-end (in thousands)	68,635	71,030	71,233	71,377	71,131
Closing Price of Common Stock at Year-end	59.13	52.49	50.04	53.62	34.02
Price Earnings Ratio on Common Stock (2)	13	14	22	31	32

(1) As discussed in Note 10 to the Financial Statements, Total Shareholder s Equity was revised as a result of a $10.4 million adjustment made to correct errors identified in DeVry s deferred tax accounts. For purposes of this table, Total Stockholder s Equity for the respective fiscal years ended June 30, 2007 and 2008 have been revised.

(2) Computed on trailing four quarters of earnings per common share.

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INDEX TO EXHIBITS

Exhibit Number	Exhibit	Sequentially Numbered Page	Incorporated by Reference to:
2(a)	Asset Purchase Agreement regarding purchase of American University of the Caribbean, dated as of August 3, 2011		Exhibit 2.1 to the Registrant s Form 8-K filed August 5, 2011 (File No. 1-13988)
3(a)	Restated Certificate of Incorporation of the Registrant		Exhibit 4.1 to the Registrant s Form S-8, 333-130604 dated December 22, 2005
3(b)	Amended and Restated By-Laws of the Registrant		Exhibit 3.1 to the Registrant s Form 8-K dated February 11, 2009
4(a)	Credit Agreement dated May 10, 2011, among DeVry Inc. and Certain Subsidiaries of DeVry Inc. Indentified Therein, as the Borrowers, Bank of America, N.A., as Administrative Agent, Swing Line Lender and L/C Issuer, Merrill Lynch, Pierce, Fenner & Smith as the lead arranger, and The Other Lenders Party Thereto (the Credit Agreement)		Exhibits 4.1, 4.2, 4.3. 4.4, 4.5 and 4.6 to the Registrant s Form 8-K filed May 10, 2011 (File No. 1-13988)
10(a)	Registrant s 1994 Stock Incentive Plan		Exhibit 10.2 to the Registrant s Form S-3, File No. 333-22457 dated February 27, 1997
10(b)	Registrant s Amended and Restated 1999 Stock Incentive Plan		Exhibit 10(e) to the Registrant s Form 10-K for the year ended June 30, 2002 (File No. 1-13988)
10(c)	Registrant s 2003 Stock Incentive Plan		Exhibit A to the Registrant s definitive Proxy Statement for the Annual Meeting of Shareholders on November 18, 2003
10(d)	Registrant s Amended and Restated Incentive Plan of 2005		Exhibit 10.1 to the Registrant s Form 8-K dated November 10, 2010 (File No. 1-13988)
10(e)	Registrant s Nonqualified Deferred Compensation Plan		Exhibit 10(k) to the Company's Form 10-K for the year ended June 30, 1999 (File No. 1-13988)
10(f)	Form of Indemnification Agreement		Exhibit 10(f) to the Registrant s

	between the Registrant and its Directors	Form 10-K for the year ended June 30, 2010 (File No. 1-13988)
10(g)	Employment Agreement between the Registrant and Ronald L. Taylor	Exhibit 10(a) to the Registrant s Form 10-Q for the quarter ended December 31, 2002 (File No. 1-13988)
10(h)	Senior Advisor Agreement between the Registrant and Ronald L. Taylor	Exhibit 10(b) to the Registrant s Form 10-Q for the quarter ended December 31, 2002 (File No. 1-13988)
10(i)	Letter Agreement between the Registrant and Ronald L. Taylor, CEO, dated August 15, 2006	Exhibit 10.1 to the Registrant s Form 8-K dated August 16, 2006
10(j)	Employment Agreement between the Registrant and Daniel M. Hamburger	Exhibit 10.1 to the Registrant s Form 8-K dated November 21, 2006
10(k)	Executive Employment Agreement between the Registrant and Thomas C. Shepherd dated October 12, 2009	Exhibit 10.1 to the Registrant s Form 8-K dated October 16, 2009

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Exhibit Number	Exhibit	Sequentially Numbered Page	Incorporated by Reference to:
10(l)	Executive Employment Agreement between the Registrant and Richard M. Gunst dated October 12, 2009		Exhibit 10.2 to the Registrant's Form 8-K dated October 16, 2009
10(m)	Executive Employment Agreement between the Registrant and Daniel M. Hamburger dated October 12, 2009		Exhibit 10.3 to the Registrant's Form 8-K dated October 16, 2009
10(n)	Executive Employment Agreement between the Registrant and William Hughson dated September 9, 2009		Exhibit 10.1 to the Registrant's Form 8-K dated September 15, 2009
21	Subsidiaries of the Registrant	112	
23	Consent of PricewaterhouseCoopers LLP, independent registered public accounting firm	114	
31	Rule 13a-14(a)/15d-14(a) Certifications	115	
32	Section 1350 Certifications	117	
101.INS	XBRL Instance Document		
101.SCH	XBRL Taxonomy Extension Schema Document		
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document		
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document		
101.LAB	XBRL Taxonomy Extension Label Linkbase Document		
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document		

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

DeVry Inc.

Date: August 26, 2011

By /s/ Daniel M. Hamburger
Daniel M. Hamburger
Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Harold T. Shapiro Harold T. Shapiro	Board Chair and Director	August 26, 2011
/s/ Daniel M. Hamburger Daniel M. Hamburger	Chief Executive Officer and Director	August 26, 2011
/s/ Richard M. Gunst Richard M. Gunst	Senior Vice President, Chief Financial Officer, and Principal Accounting Officer	August 26, 2011
/s/ Ronald L. Taylor Ronald L. Taylor	Director	August 26, 2011
/s/ Darren R. Huston Darren R. Huston	Director	August 26, 2011
/s/ David S. Brown David S. Brown	Director	August 26, 2011
/s/ Connie R. Curran Connie R. Curran	Director	August 26, 2011
/s/ William T. Keevan William T. Keevan	Director	August 26, 2011

/s/ Lyle Logan	Director	August 26, 2011
Lyle Logan		
/s/ Julie A. McGee	Director	August 26, 2011
Julie A. McGee		
/s/ Lisa W. Pickrum	Director	August 26, 2011
Lisa W. Pickrum		
/s/ Fernando Ruiz	Director	August 26, 2011
Fernando Ruiz		
/s/ Gary Butler	Director	August 26, 2011
Gary Butler		