

## APOLLO GROUP INC. SLASHES 700 EMPLOYEES



The country's largest for-profit school company Apollo Group Inc. axed around 700 full-time employees, mostly from student admissions, due to the decrease in student enrollment in the recent quarter. Apollo cited that they anticipate new students enrolling at University of Phoenix to drop around 40% in November, affecting its profit projection for the 2011 fiscal year. Reports said that Apollo Group held a meeting with affected workers to announce their removal and explain the company's decision. Reports revealed that laid off employees would receive severance packages.

Alex Clark, Apollo Group Inc. spokesman said that this is a period of transition for the company and they will be very diligent about managing their costs through the transition. Clark added that Apollo had 21,777 employees and 35,194 full- and part-time faculties as of Aug. 31. The company expects to book charges of \$5 million for the quarter ending Nov. 30 connected to the layoffs, but expects to start saving about \$8 million per quarter starting in its fiscal second quarter. Clark added that as of now, he could not speculate if there will be more layoffs to follow.

Apollo Group Inc. is the parent company of the University of Phoenix. Other subsidiaries include Apollo Global, College for Financial Planning, Institute for Professional Development and Meritus University. The company is an S&P 500 company, traded on NASDAQ.

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