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DeVry Inc. F3Q09 (Qtr End 03/31/09) Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator instructions) And your first question will come from the line of Andrew Steinerman with JP Morgan. You may proceed.

Andrew Steinerman – JP Morgan

Hi gentlemen. When you look at the balance of investments that you are doing and obviously very astute ones, do you think the pace of investments will be sustained here for the next couple of quarters, stepped up, and if you could talk sort of by school when speaking about kind of the pace of investments over the next couple of quarters?

Rick Gunst

Well I think as we said in previous calls we were picking up the pace quite a bit over the past 12 months, 15 months. And we'd soon intend to continue to make the appropriate investments across our portfolio, but the rate of growth given what we have done in the past I think will subside. We saw it this quarter, we will see it next quarter, we have gone through our detailed planning for the next year, and we see opportunities in all our businesses. You know DeVry University, we're continuing to look at the real estate front to make sure that we have the right footprint, so adding locations where there is opportunities and making the adjustments in other places.

Chamberlain is continuing to be a growth vehicle. We talked about Jacksonville, so at least some investment and that's part of it is flowing through the P&L this quarter and next on the start up cost of that location. U.S. Education, Daniel mentioned the online expansion, and we will also be looking at on-site expansion within U.S. Ed. We're expanding our footprint with Ross with what we've done in the Bahamas and we will continue to grow that operations. And so that gives you sort of a good sense of things.

Daniel Hamburger

Yes. And I would just add and Andrew thanks for that question. It is a spot on question, something we think about everyday and I think that the way you put it at the beginning of your question was right on the mark, it is a balance. And so we're balancing all these wonderful investment opportunities that we see with also performing as we go here in the near term.

Andrew Steinerman – JP Morgan

Right. And if you could just?

Daniel Hamburger

– some of the opportunities to you know that you're starting to see that margin expansion which is just as we said – I think Rick outlined that in his prepared comments, just as – really just as we have been talking about, very much on track, spot on, really with what we've said we would do, we have delivered during this quarter.

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