



Charter Schools USA, Inc.

Investor Presentation

Putting
Students
First

www.charterschoolsusa.com





Agenda

- Introductions and Management Team
- Overview of Charter Schools USA, Inc. (CSUSA), Red Apple Development, LLC (Red Apple) and Connex12, LLC
- Brief Overview of the Evolution of the Charter Industry
- Educational Excellence
- Charter Schools USA Financial Strength
- Historical Performance
- Charter Schools USA Growth
- Q&A



Introductions and Management Team

**Jon Hage, President & CEO of
Charter Schools USA, Red Apple and
Connex12**

Charter Schools USA Management Team:

- Debbie Von Behren, Executive Vice President and COO
- Richard Garcia, Chief Financial Officer
- Sherry Hage, Vice President of Education
- Richard Page, Vice President of School Development
- Lorrie Davidson, Vice President of Finance
- Scott Woodrey, VP of Development (Red Apple)



Overview of Charter Schools USA, Red Apple and Connex12



Charter Schools USA: Overview

- Privately-held and founded by Jon Hage in 1997.
- Opened first charter school in Florida in 1998.
- Florida's largest private operator of public schools.
- Expanded into Georgia in 2010, Louisiana in 2011 and Indiana and Illinois in 2012 with plans to expand into Michigan and North Carolina in 2013.
- Currently operating 48 schools with almost 38,000 students.



Charter Schools USA: Mission

CSUSA creates and operates high quality schools with an

- unwavering dedication to student achievement
- unyielding commitment to ethical and sound business practices

Providing a superior choice for all stakeholders that fosters educational excellence in America.



Charter Schools USA: Vision and Motto

We will be the premier education company in the world. Our dominant brand and ability to drive student success will create unprecedented demand.

- Communities will petition us to develop a school in their area
- All of our schools will be fully enrolled with waiting lists

Our superior capabilities will allow us to be a catalyst to spawn new synergistic business units and companies which will continue to fuel our growth and geographic reach. We will make a positive difference to millions of students worldwide.

We believe in “**Putting Students First™**”.



Red Apple Development LLC: Overview

- Sister company of CSUSA.
- Founded in 2007.
- Mission is to identify and acquire land or existing schools, develop the land or expand upon the schools, and to create a pipeline of schools exclusively for CSUSA to operate.
- Currently owns thirteen facilities financed through four bond issues:
 - Renaissance Charter School, Inc., Series 2010
 - Renaissance Charter School, Inc., Series 2011
 - Bay Area Charter Foundation, Inc., Series 2011
 - Lee County Community Charter Schools, LLC, Series 2012



Connex12: Overview

- Sister company of CSUSA.
- Founded in 2012.
- Leverage technology in the classroom to transform teaching.
- Connex12 will significantly evolve the software that CSUSA developed over the past ten years and has been utilizing throughout its network of schools.



Brief Overview of the Evolution of the Charter Industry



Charter Industry Evolution

- First charter school law passed in Minnesota in 1991.
- In 2011, President Obama singled out investments in education and innovation as the way to move our nation forward.
- GOP Nominee Mitt Romney is a strong supporter of education reform and has a track record of supporting charter schools.
- Charter schools have attracted strong support from political leaders of both parties.

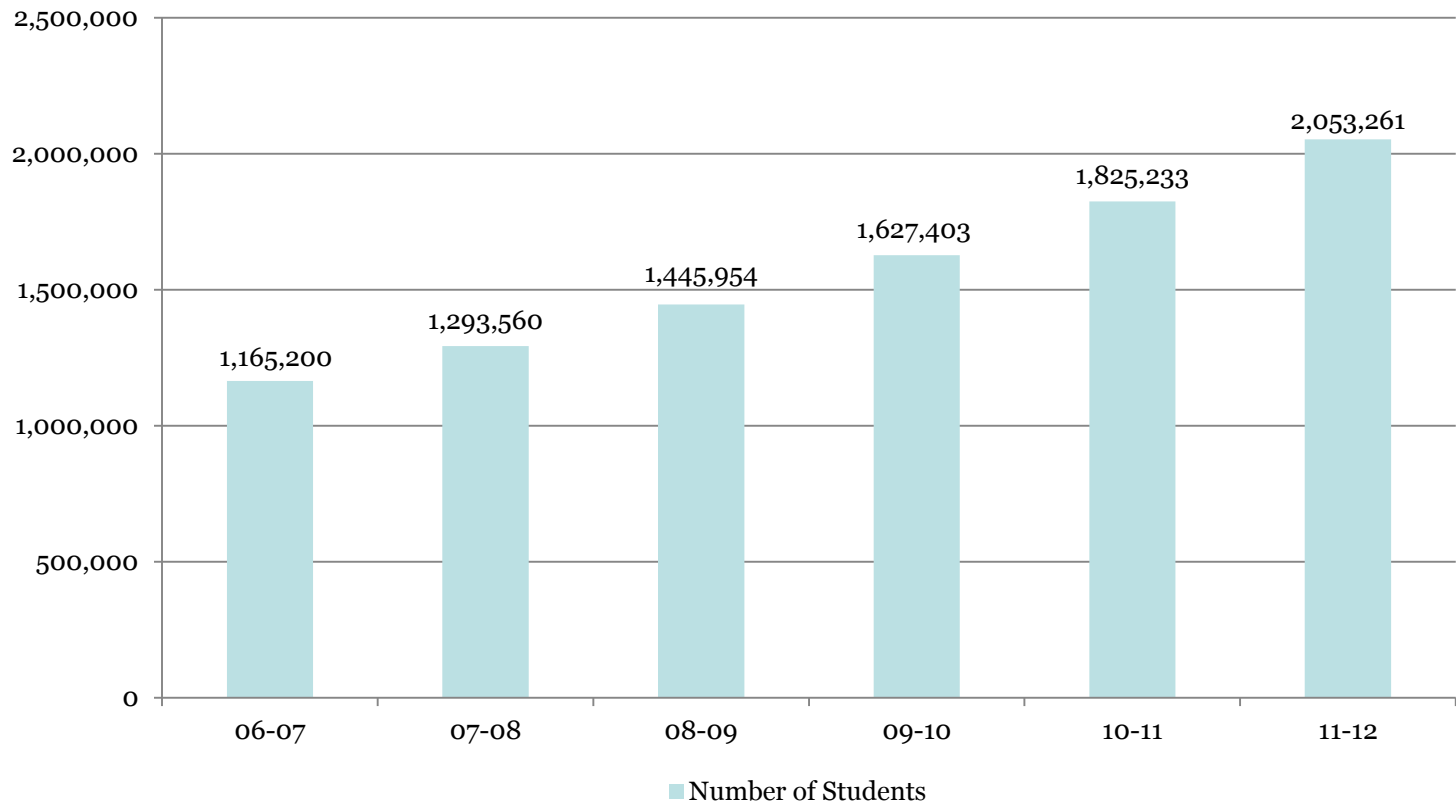


Charter Industry Evolution

- Released in 2010, the movie “Waiting for Superman” explores the current state of public education in the U.S. and draws favorable attention to the role of charter schools.
- Today 45 states and the District of Colombia have passed charter school legislation.
- For the 2011-2012 school year, there was an estimated national enrollment of close to 2.1 million charter school students in 40 states (including the District of Columbia) across over 5,600 schools.
- In Florida, charter schools have grown to enroll nearly 180,000 students in 518 schools.



National Charter School Growth





Educational Excellence



Awards and Recognitions

- First education management organization to receive corporate wide accreditation from the Southern Association of Colleges and Schools (SACS).
- Renaissance Charter School – 2008 National Blue Ribbon Award (1st charter school in FL); highest performing elementary school in Miami-Dade (2008-09)
- University of Cambridge International Centres in 14 of our network of schools.
- 13 schools are designated as high performing charter schools by the Florida Department of Education.



SACS Benefits

- Supports and enhances a **common language of school improvement** across content areas and grade levels, as well as across individual schools, feeder schools, and school system lines of responsibility.
- Ensures **continuity and collaboration in planning for improvement** anchored in a common vision for education among all of the district's schools and ensures that each school's improvement goals complement those of the school district.
- Provides the school district and community with **external review and recognition for improvement efforts** as well as recommendations from an external team of professionals that are designed to further the district's improvement efforts.
- Provides the school system and community with validation and recognition for improvement efforts as well as recommendations, from an external team of professionals that are designed to further the system's improvement efforts.
- Supports a **system-wide** approach to **achieving results**.
- Ensures **alignment and coordination** among all of the schools in the district.
- **Provides an internationally recognized mark of quality** for the school district and its schools, students, teachers, and the community.
- Immediate access to **Capital Outlay Funds** instead of the 3-year wait time.



Florida School Grades

County	School	2009 Grade	2010 Grade	2011 Grade	2012 Grade
Broward	Coral Springs Charter School	A	A	A	Pending
Broward	Hollywood Academy of Arts & Science (Elementary)	A	A	A	A
Broward	Hollywood Academy of Arts & Science (Middle)	A	A	A	A
Broward	North Broward Academy of Excellence (Elementary)	B	A	A	A
Broward	North Broward Academy of Excellence (Middle)	A	A	A	A
Broward	Renaissance Charter School at Coral Springs				A
Broward	Renaissance Charter School at Plantation				B
Duval	Duval Charter School at Arlington			C	C
Duval	Duval Charter School at Baymeadows				A
Duval	Duval Charter High School at Baymeadows				A
Hillsborough	Winthrop Charter School				C
Hillsborough	Woodmont Charter School				D
Lee	Bonita Springs Charter School	A	A	A	A
Lee	Cape Coral Charter School	C	A	B	B
Lee	Gateway Charter High School	B	B	A	Pending
Lee	Gateway Charter School	A	A	A	A
Lee	Gateway Intermediate Charter School	A	A	A	A
Lee	Six Mile Charter Academy	A	B	B	A
Miami-Dade	Aventura Charter Elementary School	A	A	A	A
Miami-Dade	Downtown Miami Charter School	C	D	B	A
Miami-Dade	Keys Gate Charter School	A	A	B	B
Miami-Dade	Keys Gate Charter High School				A
Miami-Dade	Renaissance Elementary Charter School	A	A	A	A
Miami-Dade	Renaissance Middle Charter School	A	A	A	A
Osceola	Four Corners Charter School	A	A	A	A
Osceola	P.M. Wells Charter Academy	B	B	B	B
Osceola	Canoe Creek Charter Academy	B	A	A	B
St. Lucie	Renaissance Charter School at St. Lucie		C	A	B



Charter Schools USA: Financial Strength



Financial Strength

- Combined the schools we manage have a positive fund balance amounting to \$36.7 million as of June 30, 2012.
- Combined the schools we manage have a cash balance of \$26.7 million as of June 30, 2012.
- Combined EBITDA for CSUSA, Red Apple Development and Connex12 improved by 28% in the year ended June 30, 2012 when compared to the comparable period in the prior year (32% improvement forecasted for the year to end June 30, 2013).
- CSUSA has a healthy balance sheet and no debt.



Operational Highlights

	Actuals				Unaudited	Forecast
	FY 2008	FY 2009	FY 2010	FY2011	FY2012	FY2013
Total School Revenue (\$ million)	\$100.10	\$99.80	\$112.60	\$127.40	\$168.90	\$285.80
Student Enrollment	13,325	13,511	15,680	17,856	24,365	37,683
% over PY	6%	1%	16%	14%	31%	57%
Student Capacity	15,230	16,379	17,854	20,460	29,045	46,365
% utilized	87%	82%	88%	87%	80%	79%
Number of schools managed	18	18	20	23	31	48
Number of FT Employees:						
Instructional	710	776	969	1,018	1,411	2,263
Non-instructional	266	242	268	380	570	762
Corporate Combined EBITDA Year-over-Year Percentage Improvement	Base Year	67%	36%	40%	28%	32%
Combined School EBIDA (\$ million)	\$19.77	\$15.88	\$24.27	\$26.40	\$29.26	\$45.85
Combined School EBIDA (Bond Schools Only) (\$ million)	\$7.80	\$5.88	\$13.26	\$14.69	\$17.52	\$26.09

EBIDA is defined as earnings before interest, depreciation, amortization and any lease/ rental facilities expense incurred prior to the issuance of bonds.
EBITDA is defined as earnings before interest, taxes, depreciation, amortization.

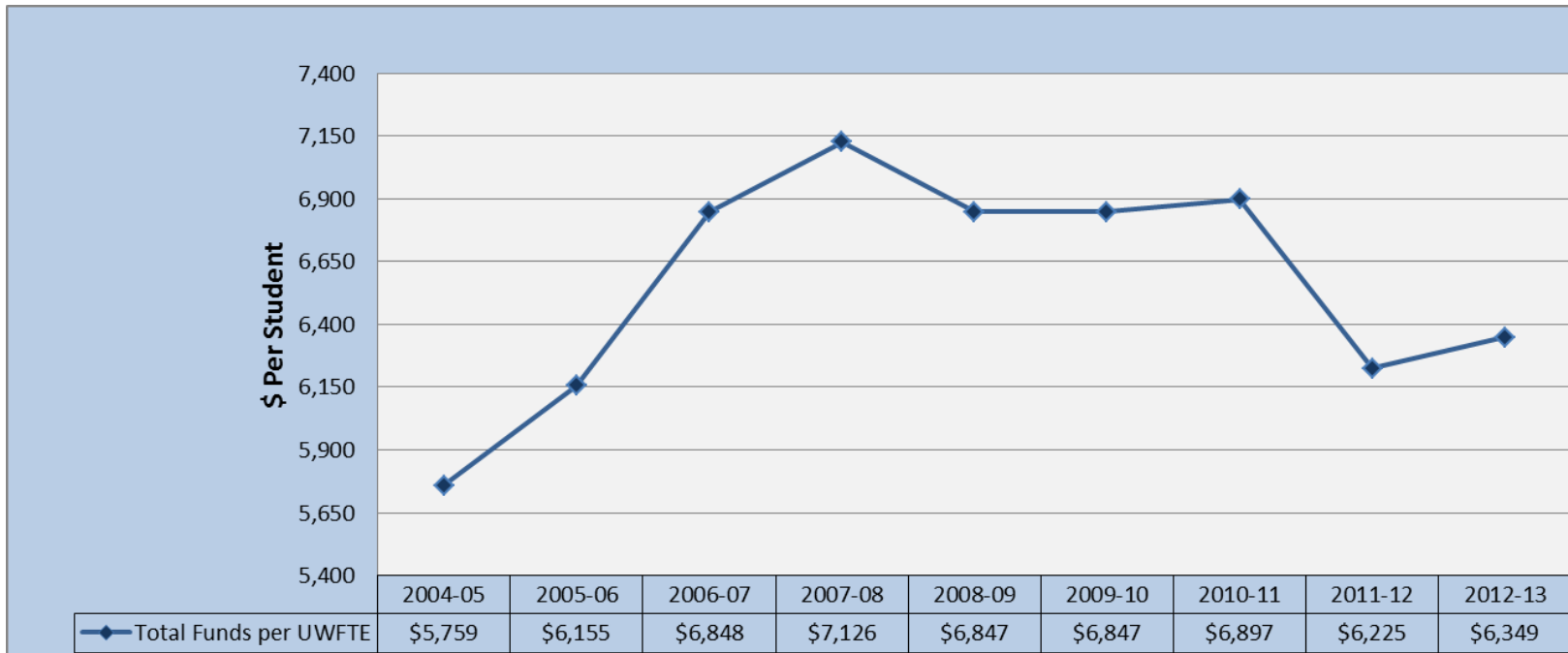
Enrollment figures include ACES, limited management agreement school. EBIDA figures do not include ACES.



Historical Performance



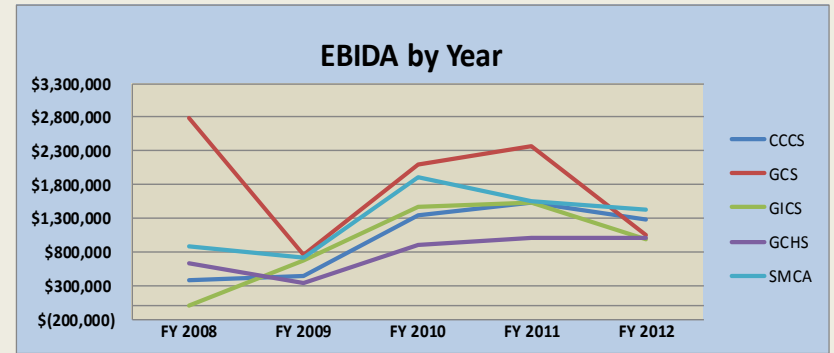
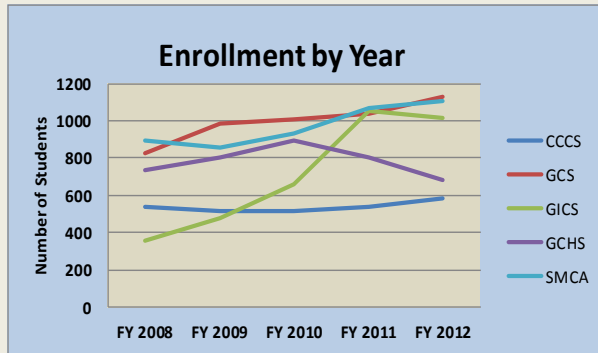
Historical Florida FEFP* Funding



* Florida Education Finance Program



Lee County Community Charter Schools, LLC



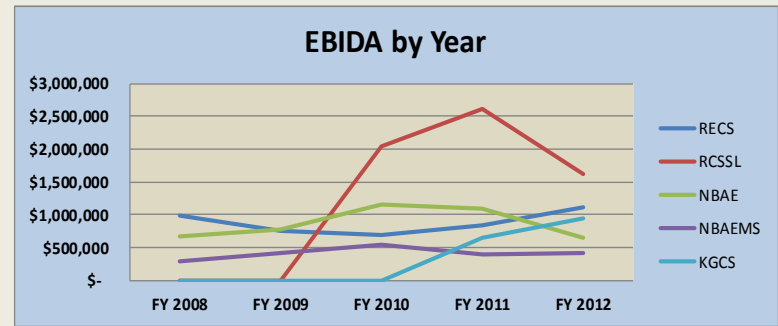
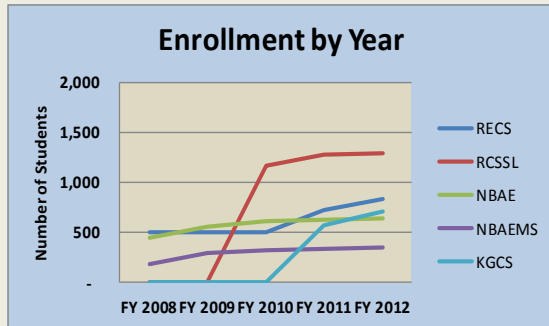
School	Enrollment					EBIDA				
	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Cape Coral Charter School (CCCS)	536	514	516	536	584	\$ 378,095	\$ 444,315	\$ 1,336,012	\$ 1,522,622	\$ 1,270,900
Gateway Charter School (GCS)	828	988	1,010	1,037	1,130	\$ 2,787,387	\$ 757,848	\$ 2,095,685	\$ 2,377,227	\$ 1,061,287
Gateway Intermediate Charter School (GICS)	357	475	659	1,056	1,017	\$ -	\$ 670,878	\$ 1,476,685	\$ 1,533,563	\$ 978,972
Gateway Charter High School (GCHS)	734	801	896	806	681	\$ 630,979	\$ 347,905	\$ 914,045	\$ 1,013,395	\$ 999,235
Six Mile Charter Academy (SMCA)	896	856	933	1,067	1,104	\$ 877,128	\$ 714,964	\$ 1,913,461	\$ 1,557,562	\$ 1,426,045
Total	3,351	3,634	4,014	4,502	4,516	\$ 4,673,589	\$ 2,935,910	\$ 7,735,888	\$ 8,004,369	\$ 5,736,439

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Debt Service Coverage Ratio	1.75	1.68	1.48	1.52	1.24

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Renaissance Charter School Foundation, Inc. Series 2010



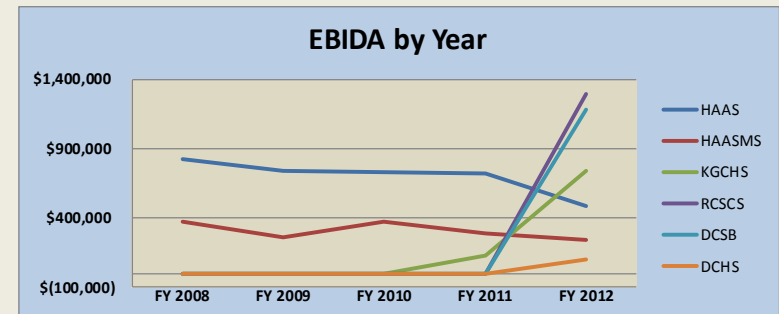
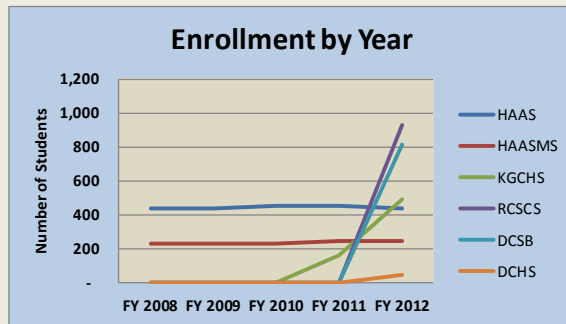
School	Enrollment					EBIDA				
	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Renaissance Elementary Charter School (RECS)	502	502	502	728	832	\$ 977,370	\$ 761,388	\$ 682,420	\$ 831,652	\$ 1,100,544
Renaissance Charter School at St. Lucie (RCSSL)	-	-	1,159	1,281	1,290	\$ -	\$ -	\$ 2,043,345	\$ 2,603,975	\$ 1,612,716
North Broward Academy of Excellence (NBAE)	440	557	616	625	633	\$ 674,549	\$ 768,689	\$ 1,153,890	\$ 1,080,276	\$ 649,474
North Broward Academy of Excellence Middle (NBAEMS)	186	288	318	328	345	\$ 276,488	\$ 420,932	\$ 541,236	\$ 388,977	\$ 410,987
Duval Charter School at Arlington (DCSA)	-	-	-	567	713	\$ -	\$ -	\$ -	\$ 650,043	\$ 943,270
Total	1,128	1,347	2,595	3,529	3,813	\$ 1,928,407	\$ 1,951,009	\$ 4,420,891	\$ 5,554,923	\$ 4,716,991

	FY 2011	FY 2012
Debt Service Coverage Ratio	1.66	1.60

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Renaissance Charter School Foundation, Inc. Series 2011



School	Enrollment					EBIDA				
	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Hollywood Academy of Arts & Sciences (HAAS)	435	433	451	453	439	\$ 827,578	\$ 738,550	\$ 729,956	\$ 715,861	\$ 484,968
Hollywood Academy of Arts & Sciences (HAASMS)	231	228	229	243	246	\$ 375,852	\$ 260,472	\$ 372,061	\$ 286,383	\$ 244,781
Keys Gate Charter High School (KGCHS)	-	-	-	160	493	\$ -	\$ -	\$ -	\$ 132,977	\$ 740,831
Renaissance Coral Springs Charter School (RCSCS)	-	-	-	-	931	\$ -	\$ -	\$ -	\$ -	\$ 1,292,489
Duval Charter School at Baymeadows (DCSB)	-	-	-	-	813	\$ -	\$ -	\$ -	\$ -	\$ 1,179,732
Duval Charter High School (DCHS)	-	-	-	-	45	\$ -	\$ -	\$ -	\$ -	\$ 98,184
Total	666	661	680	856	2,967	\$ 1,203,430	\$ 999,022	\$ 1,102,017	\$ 1,135,221	\$ 4,040,985

	FY 2012
Debt Service Coverage Ratio	Not Applicable

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**Bay Area Charter Foundation, LLC and
Lake Charles Charter Academy Charter Foundation, Inc.**

Bay Area Charter Foundation, LLC

School	FY 2012	FY 2012
Winthrop Charter School	830	1,214,069
Woodmont Charter School	537	318,564
Total	1,367	1,532,633
	FY 2012	
Debt Service Coverage Ratio	Not Applicable	

Lake Charles Charter Academy Foundation, Inc.

	Enrollment	EBIDA
School	FY 2012	FY 2012
Lake Charles Charter Academy	637	1,497,383
	FY 2012	
Debt Service Coverage Ratio	Not Applicable	

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Charter Schools USA Growth



Disciplined Philosophies for Growth

- Each opportunity is carefully evaluated.
- We ensure that opportunities pursued have community support and demographic demand.
- Facility locations are carefully selected to ensure demand and affordability while adhering to our standards of educational excellence and safety.
- We employ proven marketing strategies to promote brand recognition and create demand.



2012-2013 New School Overview

School Name	Grade Level	District	Ownership	Current Enrollment	Projected			
					2013-14	2014-15	2015-16	2016-17
Renaissance Charter School at Cooper City	K-6	Broward	Leased facility	924	1,057	1,200	1,200	1,200
Renaissance Charter School at University	K-6	Broward	Leased facility	923	1,174	1,412	1,478	1,500
Renaissance Charter School at West Palm Beach	K-6	Palm Beach	Lease with a PSA option	656	827	950	973	973
Henderson Hammock Charter School	K-6	Hillborough	Lease with a PSA option	666	903	1,099	1,145	1,145
Manatee Charter School	K-6	Manatee	RED Owned, financed with Series 2012 Lee County Community Charter Schools, LLC bond	497	903	1,099	1,145	1,145
Renaissance Charter School at Chickasaw Trail	K-6	Orange	RED Owned through interim financing	616	903	1,099	1,145	1,145
Renaissance Charter School at Poinciana	K-6	Osceola	RED Owned through interim financing	610	857	1,053	1,099	1,145
Governors Charter Academy	K-6	Leon	Lease with a PSA option	574	903	1,099	1,145	1,145
Southwest Louisiana Charter Academy	K-6	Calcasieu	Leased facility	566	714	837	860	860
CICS Larry Hawkins	7th - 12th	Chicago Public Schools	Managed school; rent paid by school to owner pursuant to agreement.	384	473	473	473	473
CICS Lloyd Bond	K-6	Chicago Public Schools	Managed school; rent paid by school to owner pursuant to agreement.	336	341	341	341	341
CICS Longwood	3rd - 12th	Chicago Public Schools	Managed school; rent paid by school to owner pursuant to agreement.	1,392	1,471	1,471	1,471	1,471
CICS Loomis Primary Campus	K-2	Chicago Public Schools	Managed school; rent paid by school to owner pursuant to agreement.	586	590	590	590	590
Emmerich Manual High School	9th - 12th	Indianapolis Public Schools	Take-over of a public school, no facilities charge	485	700	900	1,100	1,500
Emma Donna Middle School	7th -8th	Indianapolis Public Schools	Take-over of a public school, no facilities charge	386	650	750	850	900
T.C. Howe Community High School	7th - 8th	Indianapolis Public Schools	Take-over of a public school, no facilities charge	747	750	1,050	1,350	1,500
iVirtual League Academy	6th - 11th	Osceola	Facility is N/A	17	475	800	1,125	1,300



Growth Outlook

- Three year strategic growth plan goal of 100,000 total students.
- Year over year growth of approximately 40%.
- Service lines include charter school management and turnaround school management.
- Commercialization of software platform to non-CSUSA managed schools.