Insider Trading Policy and Guidelines
With Respect To Certain Transactions in Company Securities

This policy provides guidelines to employees, officers, and directors of Apollo Group, Inc. and its subsidiaries (collectively, the Company) with respect to transactions in the Company’s securities.

Applicability of Policy
This Policy applies to all transactions in the Company’s securities, including common stock, options for common stock, and any other securities the Company may issue from time to time, such as preferred stock, warrants, and convertible debentures, as well as to derivative securities relating to the Company’s stock, whether or not issued by the Company, such as exchange traded options. It applies to all officers of the Company, all members of the Company’s Board of Directors, and all employees of, and consultants and contractors to, the Company and its subsidiaries who receive or have access to Material Nonpublic Information (as defined below) regarding the Company. This group of people, members of their immediate families, and members of their households are sometimes referred to in this Policy as Insiders. This Policy applies to any person who receives Material Nonpublic Information from any Insider.

Any person who possesses Material Nonpublic Information regarding the Company is an Insider for so long as the information is not publicly known. Any employee can be an Insider from time to time and would, at those times, be subject to this Policy.

Statement of General Policy
It is the policy of the Company to oppose the unauthorized disclosure of any nonpublic information acquired in the workplace and the misuse of Material Nonpublic Information in securities trading.

Statement of Specific Policies

TRADING ON MATERIAL NONPUBLIC INFORMATION

No director, officer or employee of, or consultant or contractor to, the Company, and no member of the immediate family or household of any such person, shall engage in any transaction involving a purchase or sale of the Company’s securities, including any offer to purchase or offer to sell, during any period commencing with the date that he or she possesses Material Nonpublic Information concerning the Company, and ending at the close of business on the second Trading Day following the date of public disclosure of that information, or at such time as such nonpublic information is no longer material. As used herein, the term Trading Day shall mean a day on which national stock exchanges and the National Association of Securities Dealers, Inc. Automated Quotation System (NASDAQ) are open for trading.
TIPPING

No Insider shall disclose (tip) Material Nonpublic Information to any other person (including family members) where such information may be used by such person to his or her profit by trading in the securities of companies to which such information relates, nor shall such Insider or related person make recommendations or express opinions on the basis of Material Nonpublic Information as to trading in the Company's securities.

CONFIDENTIALITY OF NONPUBLIC INFORMATION

Nonpublic information relating to the Company is the property of the Company and the unauthorized disclosure of such information is strictly forbidden.

Potential Criminal and Civil Liability and/or Disciplinary Action

LIABILITY FOR INSIDER TRADING

Insiders may be subject to penalties of up to $1,000,000 and up to 10 years in jail for engaging in transactions in the Company's securities at a time when they have knowledge of nonpublic information regarding the Company.

LIABILITY FOR TIPPING

Insiders also may be liable for improper transactions by any person (commonly referred to as a tippee) to whom they have disclosed nonpublic information regarding the Company or to whom they have made recommendations or expressed opinions on the basis of such information as to trading in the Company's securities. The Securities and Exchange Commission (the SEC) has imposed large penalties even when the disclosing person did not profit from the trading. The SEC, the stock exchanges, and the National Association of Securities Dealers, Inc., use sophisticated electronic surveillance techniques to uncover insider trading.

POSSIBLE DISCIPLINARY ACTIONS

Employees of the Company who violate this Policy shall also be subject to disciplinary action by the Company, which may include ineligibility for future participation in the Company's equity incentive plans or termination of employment.

Guidelines

RECOMMENDED TRADING WINDOW FOR OFFICERS, DIRECTORS, AND EMPLOYEES

The period beginning one month before the end of each quarter and ending two Trading Days following the date of public disclosure of the financial results for that quarter is a particularly sensitive period of time for transactions in the Company's stock from the perspective of compliance with applicable securities laws. This sensitivity is due to the fact that officers, directors, and certain other employees will, during that period, often possess Material Nonpublic Information about the expected financial results for the quarter.

Accordingly, to ensure compliance with this Policy and applicable federal and state securities laws, the Company strongly recommends that all directors, officers, and employees having access to the Company's internal financial
statements or other Material Nonpublic Information shall refrain from conducting transactions involving the purchase or sale of the Company’s securities other than during the following trading windows:

- With respect to the public announcement of financial results for the quarters ended November 30, February 28 (or 29) and May 31, transactions in the Company’s securities may commence on the third Trading Day following the date of public disclosure of the financial results for a particular fiscal quarter (e.g., if the quarterly results are publicly announced on a Monday, then the trading window opens on Thursday morning) and may continue until the end of the second month of the next fiscal quarter (i.e., until the end of January, April and July, respectively).

- With respect to the announcement of financial results for the quarter ended August 31 and the year then ended, the transactions in the Company’s securities may commence on the third Trading Day following the date of public disclosure of the financial results and may continue for thirty days, even if such thirty-day period extends beyond the end of the second month of the next fiscal quarter (i.e., October 31).

Notwithstanding the foregoing windows, the safest period for trading the Company’s securities, assuming the absence of Material Nonpublic Information, is probably only the first 10 days of each trading window.

From time to time, the Company may also recommend that directors, officers, selected employees, and others suspend trading because of developments known to the Company and not yet disclosed to the public. In such event, such persons are advised not to engage in any transaction involving the purchase or sale of the Company’s securities during such period and should not disclose to others the fact of such suspension of trading.

The purpose behind the suggested self imposed trading window period is to help establish a diligent effort to avoid any improper transaction.

It should be noted, however, that even during the trading window, any person possessing Material Nonpublic Information concerning the Company should not engage in any transactions in the Company’s securities until such information has been known publicly for at least 2 Trading Days, whether or not the Company has recommended a suspension of trading to that person. Trading in the Company’s securities during the trading window should not be considered a safe harbor, and all directors, officers, and other personnel should use good judgement at all times.

**PRE–NOTIFICATION OF TRADES**

The Company has determined that all officers and directors of the Company should refrain from trading in the Company’s securities, even during the trading window, without first complying with the Company’s pre-notification process. Each officer and director should contact the Company’s Chief Financial Officer prior to commencing any trade in the Company’s securities. The Company may find it necessary, from time to time, to require
compliance with the pre-notification process from certain employees, consultants, and contractors other than and in addition to officers and directors.

Any employee with any questions regarding trading in the Company’s securities is encouraged to contact the Company’s Chief Financial Officer.

**INDIVIDUAL RESPONSIBILITY**

Every officer, director, or employee has the individual responsibility to comply with this Policy against insider trading. The guidelines set forth in this Policy are guidelines only, and appropriate judgment should be exercised in connection with any trade in the Company’s securities.

An Insider may, from time to time, have to forego a proposed transaction in the Company’s securities even if he or she planned to make the transaction before learning of the Material Nonpublic Information and even though the Insider believes he or she may suffer an economic loss or forego anticipated profit by waiting.

**Applicability of Policy to Inside Information Regarding Other Companies**

This Policy and the guidelines described herein also apply to Material Nonpublic Information relating to other companies, including that Company’s customers, vendors, or suppliers (business partners), when that information is obtained in the course of employment with, or other services performed on behalf of, the Company. Civil and criminal penalties and termination of employment may result from trading on inside information regarding the Company’s business partners. All employees should treat Material Nonpublic Information about the Company’s business partners with the same care required with respect to information related directly to the Company.

**Definition of Material Nonpublic Information**

It is not possible to define all categories of material information. However, information should be regarded as material if there is a reasonable likelihood that it would be considered important to an investor in making an investment decision regarding the purchase or sale of the Company’s securities.

While it may be difficult under this standard to determine whether particular information is material, there are various categories of information that are particularly sensitive and, as a general rule, should always be considered material. Examples of such information may include:

1. Financial results
2. Projections of future earnings or losses
3. Results of product or service development
4. News of a pending or proposed merger or joint venture
5. News of the disposition of a subsidiary
6. Impending bankruptcy or financial liquidity problems
7. Gains or loss of a substantial customer or supplier
8. Changes in dividend policy
9. New product or service announcements of a significant nature
10. Significant product or service defects or modifications
11. Significant pricing changes
12. Stock splits
13. New equity or debt offerings
14. Acquisitions
15. Significant litigation exposure due to actual or threatened litigation
16. Major changes in senior management

Either positive or negative information may be material.

Nonpublic information is information that has not been previously disclosed to the general public and is not otherwise available to the general public.

**Certain Exceptions**

For purposes of this Policy, the Company considers that the exercise of stock options for cash under the Company’s stock option plan or the purchase of shares under the Company’s employee stock purchase plan (but not the sale of any such shares) is exempt from this Policy since the other party to the transaction is the Company itself, and the price does not vary with the market but is fixed by the terms of the option agreement or plan.

**Additional Information—Directors and Officers**

Directors and officers of Apollo Group, Inc., also must comply with the reporting obligations and limitations on short-swing transactions set forth in Section 16 of the Securities Exchange Act of 1934, as amended. The practical effect of these provisions is that officers and directors who purchase and sell the Company’s securities within a 6-month period must disgorge all profits to the Company whether or not they had any knowledge of any Material Nonpublic Information. Under these provisions, and so long as certain other criteria are met, neither the receipt of an option under the Company’s option plans, nor the exercise of that option, nor the receipt of stock under the Company’s employee stock purchase plan is deemed a purchase under Section 16; however, the sale of any such shares is a sale under Section 16. Moreover, no officer or director may ever make a short sale of the Company’s stock. The Company has provided or will provide, separate memoranda and other appropriate materials to its officers and directors regarding compliance with Section 16 and its related rules.

**Inquiries**

Please direct your questions as to any of the matters discussed in this Policy to the Company’s Chief Financial Officer.
January 20, 1999

Dear Director, Officer, or Employee:

Enclosed is a copy of the Company’s Insider Trading Policy. As described in the Insider Trading Policy, violations of the insider trading laws can result in significant civil and criminal liability. Accordingly, please take the time right now to read the materials provided, and then sign and return the attached copy of the letter to Human Resources.

Very truly yours,

Kenda B. Gonzales
Chief Financial Officer

CERTIFICATION

The undersigned hereby certifies that he or she has read, understands, and agrees to comply with the Company’s Insider Trading Policy, a copy of which was distributed with this letter.

Date:_________________________  Signed:_________________________

Name:_________________________  (Please Print)