

# ITT Educational Services Inc.

ITT Educational Services Inc., 13000 N. Meridian St., Carmel, 46032, [www.ittesi.com](http://www.ittesi.com), provides technology-oriented, post-secondary education, including associate's, bachelor's and master's degrees as well as non-degree programs. For the year ended Dec. 31, 2012, the company reported net income of \$140.5 million, or \$5.85 per diluted share, on \$1.3 billion in revenue. That compares with net income of \$307.8 million, or \$11.13 per diluted share, on \$1.5 billion in revenue a year earlier. The company's shares trade on the New York Stock Exchange under the ticker symbol ESI. Information for Proxy Corner was taken from Yahoo! Finance and from the company's proxy statement filed with the Securities and Exchange Commission on March 13, 2013.

## VALUE

	3/25/13	3/26/12
Shares of common stock outstanding	23.4 million	24.7 million
Market value of one common share	\$13.42	\$67.86
Market value of common stock	\$313.5 million	\$1.67 billion

## NOTEWORTHY CONTROL

### Select Equity Group Inc.

Number of common shares: 3,809,953  
Percentage of common shares: 16.3

### Lazard Freres & Co. LLC

Number of common shares: 3,805,300  
Percentage of common shares: 16.3

### Blum Capital Partners LP

Number of common shares: 3,338,337  
Percentage of common shares: 14.3

### Warburg Pincus Asset Management Inc.

Number of common shares: 2,933,150  
Percentage of common shares: 12.6

### Clifton Park Capital Management LLC

Number of common shares: 2,300,170  
Percentage of common shares: 9.9

### Wellington Management Co. LLP

Number of common shares: 1,903,005  
Percentage of common shares: 8.2

### Providence Equity Partners VI LP

Number of common shares: 1,483,610  
Percentage of common shares: 6.4

### BlackRock Inc.

Number of common shares: 1,417,093  
Percentage of common shares: 6.1

### Kevin M. Modany

Number of common shares: 556,840  
Percentage of common shares: 2.3

## EXECUTIVE COMPENSATION

	Total '12 compensation	Salary Bonus	Stock and option grants (1)	All other pay (2)	% change (3)
<b>Kevin M. Modany</b> chairman, CEO	\$8,763,384	\$788,250 \$985,313	\$6,922,439	\$537,786	36.7%
<b>Daniel M. Fitzpatrick</b> chief financial officer	\$1,898,591	\$334,905 \$272,448	\$1,275,516	\$15,722	24.3%
<b>Clark D. Elwood</b> chief administrative and legal officer	\$1,890,596	\$329,861 \$268,344	\$1,220,048	\$72,343	18.4%
<b>Eugene W. Feichtner</b> president of ITT Technical Institute Division	\$1,767,294	\$305,147 \$229,144	\$1,160,503	\$72,500	21.6%
<b>June M. McCormack</b> president of online division	\$1,547,570	\$272,363 \$204,525	\$1,058,360	\$12,322	18.4%

(1) Grant date fair value of stock and options awards, as calculated in company's proxy statement in its grant of plan-based awards table.

(2) Includes non-equity incentive plan compensation, above-market or preferential earnings on deferred compensation and all other annual compensation.

(3) Percentage increase or decrease in executive's total compensation vs. previous year.

## DIRECTORS

### Samuel L. Odle, 63

Occupation: health care and life sciences consultant  
Number of common shares: 6,358  
Previous year: 5,358

### Joanna T. Lau, 54

Occupation: CEO of Lau Acquisition Corp.  
Number of common shares: 31,092  
Previous year: 35,510

### John A. Yena, 72

Occupation: chairman of Johnson & Wales University  
Number of common shares: 8,331  
Previous year: 7,331

### John F. Cozzi, 51

Occupation: managing director of AEA Investors LP  
Number of common shares: 39,860  
Previous year: 42,528

### John E. Dean, 62

Occupation: partner in the Law Offices of John E. Dean, principal in Washington Partners LLC  
Number of common shares: 53,934  
Previous year: 60,602

### James D. Fowler Jr., 68

Occupation: retired senior vice president of ITT Industries  
Number of common shares: 9,229  
Previous year: 12,229

### Vin Weber, 60

Occupation: partner of consulting firm Clark & Weinstock Inc.  
Number of common shares: 33,266  
Previous year: 35,934

### Kevin M. Modany, 46

Occupation: chairman, president, CEO of the company  
Number of common shares: 556,840  
Previous year: 557,334

### Thomas I. Morgan

Occupation: CEO and chairman of Baker & Taylor Inc.  
Number of common shares: 0  
Previous year: 0

All officers and directors as a group (15 people) control 1,164,560 shares, or 4.8 percent, of the company's common stock. In the previous year, officers and directors (15 people) controlled 1,249,905 shares, or 4.6 percent, of the company's common stock.