
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(D) OF THE
SECURITIES EXCHANGE ACT OF 1934
DATE OF REPORT (DATE OF EARLIEST EVENT REPORTED): November 4, 2015

Lincoln Educational Services Corporation

(Exact Name of Registrant as Specified in Charter)

New Jersey
(State or other jurisdiction of incorporation)

000-51371
(Commission File Number)

57-1150621
(I.R.S. Employer Identification No.)

200 Executive Drive, Suite 340
West Orange, New Jersey 07052
(Address of principal executive offices)

07052
(Zip Code)

Registrant's telephone number, including area code: (973) 736-9340

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
-
-

Item 2.02 Results of Operations and Financial Conditions

On November 4, 2015, Lincoln Educational Services Corporation (the “Company”) issued a press release announcing, among other things, its results of operations for the third quarter ended September 30, 2015, a copy of which is attached as Exhibit 99.1, and the information contained therein is incorporated herein by reference.

The information contained under this Item 2.02 in this Current Report on Form 8-K, including the exhibit attached hereto, is being furnished and shall not be deemed to be “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that Section. Furthermore, the information contained under this Item 2.02 in this Current Report on Form 8-K shall not be deemed to be incorporated by reference into any registration statement or other document filed pursuant to the Securities Act of 1933, as amended.

Item 2.05 Costs Associated with Exit or Disposal Activities.

On November 3, 2015, the Company’s Board of Directors (the “Board”) approved a plan (the “Plan”) to divest the Company’s Healthcare and Other Professions business segment (“Healthcare Segment”). The Company’s decision to pursue the divestiture of the Healthcare Segment was the result of an ongoing portfolio review undertaken to evaluate the strategic direction of the Company. The Company has not yet secured a buyer for the sale of the Healthcare Segment, but has engaged Scura Paley & Company and has allocated internal resources to identify potential buyers and evaluate proposals for these campuses. The Company anticipates completing the sale within the next twelve months.

Under accounting rules, net assets held for sale are required to be recorded on the Company’s balance sheet at the lower of their carrying amount or estimated fair value, less estimated costs to sell. Accordingly, the Company may recognize a charge during the quarter ending December 31, 2015 related to recording the estimated fair value of the assets included in discontinued operations, but such a charge cannot reasonably be estimated at this time. The Company is also unable in good faith to make an estimate at this time of the other costs it expects to incur in connection with this action. As a result, the total costs and charges estimated to be incurred in connection with the Plan, including future cash expenditures, cannot reasonably be estimated at this time.

The Company will file an amendment to this Current Report on Form 8-K under this Item 2.05 within four business days after it makes a determination of an estimate or range of estimates of costs expected to be incurred in connection with the exit and disposal activities associated with the Plan. Additionally, the estimated selling costs and fair value of the Healthcare Segment will be re-evaluated as of the end of each fiscal quarter until the Healthcare Segment is sold. Any changes in fair values or estimated selling costs may result in additional charges or costs that may be material to the Company’s consolidated results of operations.

The Company issued a press release on November 3, 2015 regarding its intention to divest the Healthcare Segment, a copy of which is attached as Exhibit 99.2, and the information contained therein is incorporated herein by reference.

Item 2.06 Material Impairments

The disclosures contained in Item 2.05 of this Current Report on Form 8-K, including the anticipated recognition of a charge related to recording the estimated fair value of the Healthcare Segment in discontinued operations, are incorporated by reference in this Item 2.06. The Company is unable in good faith to determine the amount or range of amounts of any impairment charge which may be incurred in connection with the Plan, including any portion that will result in future cash expenditures. The Company will file an amendment to this Current Report on Form 8-K under this Item 2.06 within four business days after it makes a determination of an estimate or range of estimates for any such impairment charge.

Item 9.01 **Financial Statements and Exhibits.**

(d) Exhibits

[99.1](#) Press release of Lincoln Educational Services Corporation dated November 4, 2015 announcing the Company's third quarter results.

[99.2](#) Press release, dated November 3, 2015 issued by Lincoln Educational Services Corporation

Forward-Looking Statements

This Current Report on Form 8-K, including the information in the attached press releases, contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical fact, made in this Current Report on Form 8-K, including statements made in the attached press releases, are forward looking and subject to change. Examples of forward-looking statements include statements related to our future economic performance (including anticipated revenues and earnings) and our business plans and objectives (including our intended product releases and planned ship dates), which may include certain assumptions that underlie the forward-looking statements. These forward-looking statements are subject to business and economic risk and reflect management's current expectations, and involve subjects that are inherently uncertain and difficult to predict. Our actual results could differ materially from expected results expressed in forward-looking statements. We will not necessarily update information if any forward-looking statement later turns out to be inaccurate. Risks and uncertainties that may affect our future results include, but are not limited to, those discussed in our Annual Report on Form 10-K for the fiscal year ended December 31, 2014 filed with the Securities and Exchange Commission and in other documents we have filed with the SEC.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

LINCOLN EDUCATIONAL SERVICES CORPORATION

Date: November 4, 2015

By: /s/ Brian K. Meyers

Name: Brian K. Meyers

Title: Executive Vice President, Chief Financial
Office and Treasurer

Lincoln Educational Services Corporation Generates \$4.6 Million in Operating Income During Third Quarter 2015

- *Total Revenue of \$79 million*
- *Net Income of \$0.11 per share*
- *\$14.1 Million in Cash Generated from Operations*
- *Transportation & Skilled Trades Segment Operating Income Grows 71% vs. Q3'14*
- *Launches Plan to Focus Operations on Transportation & Skilled Trades Segment; Divest Healthcare & Other Professions Segment*

WEST ORANGE, N.J., November 4, 2015 -- Lincoln Educational Services Corporation (Nasdaq:LINC) today reported financial results for the third quarter ended September 30, 2015.

“During the third quarter, our team continued to improve Lincoln’s operating performance through the persistent implementation of our plan to return the Company to sustainable profitability while continuing to meet the needs of our students,” said Scott Shaw, President and Chief Executive Officer. “As a result of our efforts, both of the Company’s operating segments showed improved performance and Lincoln generated operating income company-wide for the first time in three quarters. The Transportation and Skilled Trades segment operating returns during the quarter were particularly strong and illustrate one of the key factors behind our determination that Lincoln’s best strategy to sustain profitability and maximize shareholder returns is by focusing exclusively on this segment. During the quarter we grew operating income from the Transportation and Skilled Trades segment by 71% and expanded the number of campuses that will be offering the Audi Advanced Certification Program. We will focus on continuing to build the Transportation and Skilled Trades momentum during the fourth quarter as well as implement the plan to divest our Healthcare and Other Professions segment.”

THIRD QUARTER RESULTS (CONTINUING OPERATIONS):

Revenue was \$79.0 million for the third quarter compared with \$84.0 million in 2014 quarter. This was a result of a 9.5% decline in average student population, which decreased to 12,815 from 14,153. The revenue decline from lower student population was partially offset by a 3.8% increase in average revenue per student primarily related to improved student retention and a shift in program mix.

Operating income for the quarter was \$4.6 million compared to an operating loss of \$39.5 million for the third quarter of 2014. Impairment of goodwill and long-lived assets was \$0.2 million and \$39.3 million for the quarter ended September 30, 2015 and 2014, respectively. The improvement excluding the impairment of goodwill and long lived-assets was driven by a \$3.4 million reduction in educational services and facilities expense, and a \$6.8 million decrease in selling, general and administrative expenses offset by a decrease in revenue.

The Company's educational services and facilities expenses decreased during the third quarter primarily due to a decrease of \$2.0 million, or 7.9%, in instructional and books and tools expenses. Instructional savings were a result of a reduced instructor headcount and other related costs resulting from lower average student population. Similarly, the decrease in books and tools expense is also attributable to the decrease in average student population. In addition, facilities expenses decreased by \$1.4 million, or 8.3%, primarily due to lower depreciation expense. Educational services and facilities expenses, as a percentage of revenue, decreased to 49.4% from 50.5%.

Selling, general and administrative expenses decreased by \$6.8 million, or 16.2%, to \$34.9 million compared with \$41.7 million in the 2014 third quarter. Sales and marketing expenses decreased by \$0.9 million, or 6.1%, related to the transition to a centralized call center as well as reduced travel costs and salary expense partially offset by increased marketing expense of \$0.6 million. Administrative expense was lower by \$5.3 million, or 22.8%, as a result of management restructuring resulting in lower salaries and benefit expenses. As a percentage of revenues, selling, general and administrative expense decreased to 44.8% in the third quarter of 2015 from 49.7% in the prior year.

The third quarter's net income from continuing operations improved to \$2.6 million, or \$0.11 per share, compared to a net loss of \$35.4 million, or \$1.55 per share, for the third quarter of 2014.

The Company had \$32.4 million of cash and cash equivalents at September 30, 2015 as compared to \$12.3 million of cash and cash equivalents as of December 31, 2014.

As of September 30, 2015, total assets classified as assets held for sale were \$44.8 million compared to \$52.4 at June 30, 2015. The decrease in assets held for sale mainly relates to a property that was previously expected to be sold within one year and is no longer available for sale.

Segment Financial Performance

Transportation and Skilled Trades segment revenue for the 2015 third quarter decreased to \$49.7 million compared to \$51.3 million for the 2014 third quarter, primarily driven by a decline in average student population. The revenue decline from lower population was partially offset by a 5.3% increase in average revenue per student due to improved student retention and a shift in program mix. Operating income improved to \$10.6 million from \$6.2 million driven by expense reductions in educational services and facilities as well as in selling, general and administrative expenses.

Healthcare and Other Professions segment revenue decreased by \$2.8 million, or 8.7%, to \$29.1 million in the three months ending September 30, 2015 from \$31.9 million in the comparable period primarily attributable to a decrease in average student population. Operating loss improved by \$37.7 million, or 97.7%, to \$0.9 million from \$38.6 million as a result of impairment of goodwill and long-lived assets of \$37.6 million in 2014 and expense reductions that went into effect in late in 2014.

Included in the Healthcare and Other Professions segment is the Hartford, Connecticut campus which offers culinary programs. In the 2015 third quarter, the Hartford campus had a net loss of \$1.4 million.

On November 3, 2015, Lincoln announced the Board of Directors had approved a plan for the Company to divest its Healthcare and Other Professions business segment. Due to this decision, beginning in the fourth quarter of 2015, this segment is anticipated to be classified as discontinued operations. Net assets held for sale are required to be recorded on the Company's balance sheet at the lower of their carrying amount or estimated fair value, less estimated costs to sell. Accordingly, the Company may recognize an impairment charge during the fourth quarter related to discontinued operations, but such a charge cannot be reasonably estimated at this time. In addition, as of September 30, 2015 the Company has two campuses held for sale. With the approval of the plan to divest the Healthcare and Other Professions business segment one of the campuses will no longer be included as held for sale.

The Transitional segment consists of the Fern Park, Florida campus where the Company ceased new student enrollment resulting in an operating loss for the third quarter of 2015 which was essentially flat at \$0.5 million compared to \$0.6 million for the third quarter of 2014.

NINE MONTH FINANCIAL RESULTS (CONTINUING OPERATIONS)

Revenue was \$228.2 million for the nine months ended September 30, 2015 versus \$239.6 million in the comparable period in 2014. Excluding the Las Vegas, Nevada and Hamden, Connecticut campuses which during the second half of 2014 merged into their neighboring campuses (the "merged campuses"), 2015 revenue decreased by \$9.5 million, or 4.0%, and average student population declined 5.7%. Operating loss for the nine months was \$7.0 million, an 87.8% improvement from the comparable period in 2014. Educational services and facilities expense decreased by \$10.3 million, or 8.3%, to \$114.6 million for the nine months ending September 30, 2015 from \$124.9 million in the prior comparable period. Selling, general and administrative expense decreased by \$12.7 million, or 9.6%, to \$120.2 million for the nine months ending September 30, 2015 from \$132.9 million in the prior comparable period of 2014.

Transportation and Skilled Trades revenue was \$137.0 million in the first nine months of 2015, versus \$139.1 million in the comparable period. Healthcare and Other Professions revenue was \$89.9 million in the first nine months of 2015 compared to \$98.0 million in the first nine months of 2014. Revenue for the merged campuses were zero and \$1.9 million for the nine months ended September 30, 2015 and 2014, respectively. Excluding the merged campuses, revenue was \$89.9 million from \$96.1 million. Transitional revenue was \$1.3 million down from \$2.5 million in the prior year period.

The nine month period's net loss from continuing operations improved by 79.0% to \$11.9 million, or \$0.51 per share, compared \$56.6 million, or \$2.48 per share in 2014.

2015 FULL YEAR GUIDANCE UPDATE:

Lincoln reaffirms guidance for the full year 2015 for the total Company as follows:

Revenue is expected to be approximately \$300 million, student starts are expected to decline approximately 10%, and net loss per share is expected to range between -\$0.45 and -\$0.50.

Due to the Board of Director's decision to divest Lincoln's Healthcare and Other Professions business segment beginning in the fourth quarter of 2015, this segment is anticipated to be classified as discontinued operations, Lincoln is providing 2015 additional guidance as follows:

Reflecting the anticipated classification of the Healthcare and Other Professions segment as discontinued operations, the additional guidance is based on continuing operations from the Transportation and Skilled Trades segment and Corporate while excluding the Transitional segment and the previously merged Las Vegas, Nevada and Hamden, Connecticut campuses. Revenue is expected to be approximately \$180 million, student starts to decline approximately 8% and net income to be slightly positive.

CONFERENCE CALL INFO

Lincoln will host a conference call today at 10:00 a.m. Eastern Daylight Time. The conference call can be accessed by going to the IR portion of our website at www.lincolnedu.com. Participants can also listen to the conference call by dialing 866-318-8615 (domestic) or 617-399-5134 (international) and citing code 67728323. Please log in or dial in at least 10 minutes prior to the start time to ensure a connection. An archived version of the webcast will be accessible for 90 days at <http://www.lincolnedu.com>. A replay of the call will also be available for seven days by calling 888-286-8010 (domestic) or 617-801-6888 (international) and providing access code 15560741.

About Lincoln Educational Services Corporation

Lincoln Educational Services Corporation is a provider of diversified career-oriented post-secondary education. Lincoln offers recent high school graduates and working adults degree and diploma programs. The Company operates under three reportable segments: Transportation and Skilled Trades, Healthcare and Other Professions, and Transitional. Lincoln has provided the workforce with skilled technicians since its inception in 1946. Lincoln currently operates 31 campuses in 15 states under five brands: Lincoln College of Technology, Lincoln Technical Institute, Euphoria Institute of Beauty Arts and Sciences, Lincoln Culinary Institute and Lincoln College of New England. As of September 30, 2015, approximately 13,840 students were enrolled at Lincoln's campuses.

SAFE HARBOR

Statements in this press release regarding Lincoln's business that are not historical facts may be "forward-looking statements" that involve risks and uncertainties. Forward-looking statements should not be read as a guarantee of future performance or results, and will not necessarily be accurate indications of the times at, or by, which such performance or results will be achieved. Forward-looking statements are based on information available at the time those statements are made and/or management's good faith belief as of that time with respect to future events, and are subject to risks and uncertainties that could cause actual performance or results to differ materially from those expressed in or suggested by the forward-looking statements. Important factors that could cause such differences include, but are not limited to: our failure to comply with the extensive regulatory framework applicable to our industry or our failure to obtain timely regulatory approvals in connection with a change of control of our company or acquisitions; our success in updating and expanding the content of existing programs and developing new programs in a cost-effective manner or on a timely basis; risks associated with changes in applicable federal laws and regulations, including final rules that took effect during 2011 and other pending rulemaking by the U.S. Department of Education; uncertainties regarding our ability to comply with federal laws and regulations regarding the 90/10 rule and cohort default rates; risks associated with the opening of new campuses; risks associated with integration of acquired schools; industry competition; our ability to execute our growth strategies; conditions and trends in our industry; general economic conditions; and other factors discussed in our annual report on Form 10-K for the year ended December 31, 2014. For a discussion of such risks and uncertainties, which could cause actual results to differ from those contained in the forward-looking statements, see "Risk Factors" in Lincoln's annual report on Form 10-K for the year ended December 31, 2014. All forward-looking statements are qualified in their entirety by this cautionary statement, and Lincoln undertakes no obligation to revise or update this news release to reflect events or circumstances after the date hereof.

(Tables to Follow)

LINCOLN EDUCATIONAL SERVICES CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share amounts)
(Unaudited)

	Three Months Ended September 30, 2015 (Unaudited)		Nine Months Ended September 30, 2015 (Unaudited)	
	2015	2014	2015	2014
REVENUE	\$ 79,046	\$ 83,982	\$ 228,159	\$ 239,573
COSTS AND EXPENSES:				
Educational services and facilities	39,026	42,440	114,572	124,879
Selling, general and administrative	34,944	41,712	120,200	132,901
Loss (gain) on sale of assets	228	-	188	(61)
Impairment of goodwill and long-lived assets	216	39,315	216	39,315
Total costs & expenses	<u>74,414</u>	<u>123,467</u>	<u>235,176</u>	<u>297,034</u>
OPERATING INCOME (LOSS)	4,632	(39,485)	(7,017)	(57,461)
OTHER:				
Interest income	19	53	40	125
Interest expense	(2,216)	(1,637)	(5,570)	(4,131)
Other income	196	149	790	149
INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	2,631	(40,920)	(11,757)	(61,318)
PROVISION (BENEFIT) FOR INCOME TAXES	50	(5,556)	150	(4,719)
INCOME (LOSS) FROM CONTINUING OPERATIONS	<u>2,581</u>	<u>(35,364)</u>	<u>(11,907)</u>	<u>(56,599)</u>
LOSS FROM DISCONTINUED OPERATIONS, NET OF INCOME TAXES	-	(2,717)	-	(4,172)
NET INCOME (LOSS)	<u>\$ 2,581</u>	<u>\$ (38,081)</u>	<u>\$ (11,907)</u>	<u>\$ (60,771)</u>
Basic				
Earnings (loss) per share from continuing operations	\$ 0.11	\$ (1.55)	\$ (0.51)	\$ (2.48)
Loss per share from discontinued operations	-	(0.12)	-	(0.18)
Net earnings (loss) per share	<u>\$ 0.11</u>	<u>\$ (1.67)</u>	<u>\$ (0.51)</u>	<u>\$ (2.66)</u>
Diluted				
Earnings (loss) per share from continuing operations	\$ 0.11	\$ (1.55)	\$ (0.51)	\$ (2.48)
Loss per share from discontinued operations	-	(0.12)	-	(0.18)
Net earnings (loss) per share	<u>\$ 0.11</u>	<u>\$ (1.67)</u>	<u>\$ (0.51)</u>	<u>\$ (2.66)</u>
Weighted average number of common shares outstanding:				
Basic	23,230	22,843	23,140	22,789
Diluted	23,270	22,843	23,140	22,789
Other data:				
Adjusted EBITDA (1)	\$ 8,527	\$ 4,670	\$ 4,716	\$ (3,363)
Depreciation and amortization from continuing operations	\$ 3,483	\$ 4,691	\$ 10,727	\$ 14,634
Number of campuses from continuing operations	31	31	31	31
Average enrollment from continuing operations	12,815	14,153	12,969	13,893
Stock-based compensation	\$ 106	\$ 782	\$ 886	\$ 2,486
Net cash provided by operating activities	\$ 14,138	\$ 16,220	\$ 2,492	\$ 1,321
Net cash provided by (used in) investing activities	\$ 59	\$ (2,185)	\$ (1,159)	\$ (4,729)
Net cash provided by (used in) financing activities	\$ 13,375	\$ (8,092)	\$ 18,790	\$ 3,224

Selected Consolidated Balance Sheet Data:
(In thousands)

September 30, 2015

Cash and cash equivalents	\$	32,422
Current assets		106,629
Working capital		42,501
Total assets		221,908
Current liabilities		64,128
Long-term debt and capital lease obligations, including current portion		79,481
Total stockholders' equity		72,578

(1) Reconciliation of Non-GAAP Financial Measures

The Company believes it is useful to present non-GAAP financial measures that exclude certain significant items as a means to understand the performance of its business. EBITDA and Adjusted EBITDA are measurements not recognized in financial statements presented in accordance with accounting principles generally accepted in the United States of America ("GAAP"). We define EBITDA as income from continuing operations before interest expense (net of interest income), provision for income taxes and depreciation and amortization. Adjusted EBITDA includes non-cash charges related to impairment of goodwill and long-lived assets. EBITDA and Adjusted EBITDA are presented because we believe it is a useful indicator of our performance and our ability to make strategic acquisitions and meet capital expenditure and debt service requirements. It is not, however, intended to represent cash flows from operations as defined by GAAP and should not be used as an alternative to net income (loss) as an indicator of operating performance or to cash flow as a measure of liquidity. EBITDA and Adjusted EBITDA are not necessarily comparable to similarly titled measures used by other companies.

Following is a reconciliation of net loss from continuing operations to EBITDA and Adjusted EBITDA:

	Three Months Ended September 30, (Unaudited)		Nine Months Ended September 30, (Unaudited)	
	2015	2014	2015	2014
Net income (loss) from continuing operations	\$ 2,581	\$ (35,364)	\$ (11,907)	\$ (56,599)
Interest expense, net	2,197	1,584	5,530	4,006
Provision (benefit) for income taxes	50	(5,556)	150	(4,719)
Depreciation and amortization	3,483	4,691	10,727	14,634
EBITDA	8,311	(34,645)	4,500	(42,678)
Impairment of goodwill and long-lived assets	216	39,315	216	39,315
Adjusted EBITDA	\$ 8,527	\$ 4,670	\$ 4,716	\$ (3,363)

**Three Months Ended September 30,
(Unaudited)**

	Auto		Allied Health		Transitional		Corporate	
	2015	2014	2015	2014	2015	2014	2015	2014
Net income (loss) from continuing operations	\$ 10,217	\$ 5,872	\$ (1,219)	\$ (38,925)	\$ (559)	\$ (653)	\$ (5,858)	\$ (1,658)
Interest expense, net	364	321	557	508	99	100	1,177	655
Provision (benefit) for income taxes	-	-	-	-	-	-	50	(5,556)
Depreciation and amortization	2,180	2,943	1,057	1,400	68	122	613	226
EBITDA	12,761	9,136	395	(37,017)	(392)	(431)	(4,018)	(6,333)
Impairment of goodwill and long-lived assets	216	1,680	-	37,635	-	-	-	-
Adjusted EBITDA	\$ 12,977	\$ 10,816	\$ 395	\$ 618	\$ (392)	\$ (431)	\$ (4,018)	\$ (6,333)

**Nine Months Ended September 30,
(Unaudited)**

	Auto		Allied Health		Transitional		Corporate	
	2015	2014	2015	2014	2015	2014	2015	2014
Net income (loss) from continuing operations	\$ 17,169	\$ 8,511	\$ (4,496)	\$ (42,956)	\$ (1,995)	\$ (1,853)	\$ (22,585)	\$ (20,301)
Interest expense, net	1,265	906	1,743	1,567	298	290	2,224	1,243
Provision (benefit) for income taxes	-	-	-	-	-	-	150	(4,719)
Depreciation and amortization	6,714	9,210	3,225	4,324	208	380	1,016	720
EBITDA	25,148	18,627	472	(37,065)	(1,489)	(1,183)	(19,195)	(23,057)
Impairment of goodwill and long-lived assets	216	1,680	-	37,635	-	-	-	-
Adjusted EBITDA	\$ 25,364	\$ 20,307	\$ 472	\$ 570	\$ (1,489)	\$ (1,183)	\$ (19,195)	\$ (23,057)

REPORTABLE SEGMENT RESULTS:

	Three Months Ended September 30,		
	2015	2014	% Change
Revenue:			
Transportation and Skilled Trades	\$ 49,696	\$ 51,272	-3.1%
Healthcare and Other Professions	29,086	31,874	-8.7%
Transitional	264	836	-68.4%
Total	<u>\$ 79,046</u>	<u>\$ 83,982</u>	<u>-5.9%</u>
Operating Income (Loss):			
Transportation and Skilled Trades	\$ 10,592	\$ 6,193	71.0%
Healthcare and Other Professions	(894)	(38,566)	97.7%
Transitional	(460)	(553)	16.8%
Corporate	(4,606)	(6,559)	29.8%
Total	<u>\$ 4,632</u>	<u>\$ (39,485)</u>	<u>111.7%</u>
Starts:			
Transportation and Skilled Trades	3,158	3,428	-7.9%
Healthcare and Other Professions	2,403	2,618	-8.2%
Transitional	-	50	-100.0%
Total	<u>5,561</u>	<u>6,096</u>	<u>-8.8%</u>
Average Population:			
Transportation and Skilled Trades	7,446	8,108	-8.2%
Healthcare and Other Professions	5,307	5,846	-9.2%
Transitional	62	199	-68.8%
Total	<u>12,815</u>	<u>14,153</u>	<u>-9.5%</u>
End of Period Population:			
Transportation and Skilled Trades	7,852	8,312	-5.5%
Healthcare and Other Professions	5,932	6,671	-11.1%
Transitional	56	206	-72.8%
Total	<u>13,840</u>	<u>15,189</u>	<u>-8.9%</u>

Nine Months Ended September 30,

	2015	2014	% Change
Revenue:			
Transportation and Skilled Trades	\$ 136,987	\$ 139,076	-1.5%
Healthcare and Other Professions	89,911	97,971	-8.2%
Transitional	1,261	2,526	-50.1%
Total	<u>\$ 228,159</u>	<u>\$ 239,573</u>	<u>-4.8%</u>
Operating Income (Loss):			
Transportation and Skilled Trades	\$ 18,334	\$ 9,417	94.7%
Healthcare and Other Professions	(3,443)	(41,538)	91.7%
Transitional	(1,697)	(1,563)	-8.6%
Corporate	(20,211)	(23,777)	15.0%
Total	<u>\$ (7,017)</u>	<u>\$ (57,461)</u>	<u>87.8%</u>
Starts:			
Transportation and Skilled Trades	6,875	7,355	-6.5%
Healthcare and Other Professions	5,289	5,959	-11.2%
Transitional	31	172	-82.0%
Total	<u>12,195</u>	<u>13,486</u>	<u>-9.6%</u>
Average Population:			
Transportation and Skilled Trades	7,216	7,529	-4.2%
Healthcare and Other Professions	5,649	6,163	-8.3%
Transitional	104	201	-48.3%
Total	<u>12,969</u>	<u>13,893</u>	<u>-6.7%</u>
End of Period Population:			
Transportation and Skilled Trades	7,852	8,312	-5.5%
Healthcare and Other Professions	5,932	6,671	-11.1%
Transitional	56	206	-72.8%
Total	<u>13,840</u>	<u>15,189</u>	<u>-8.9%</u>

CONTACT: Lincoln Educational Services Corporation
 Brian Meyers, CFO
 973-736-9340

EVC Group, Inc.
 Doug Sherk, dsherk@evcgroup.com; 415-652-9100
 Chris Dailey, cdailey@evcgroup.com; 646-445-4801
 Lincoln Educational Services Corporation

**LINCOLN EDUCATIONAL SERVICES CORPORATION LAUNCHES PLAN TO
STREAMLINE BUSINESS AND FOCUS OPERATIONS ON TRANSPORTATION &
SKILLED TRADES SEGMENT**

*Lincoln to Divest Health & Other Professions Segment;
Financial Advisor Engaged to Conduct Segment Sale*

WEST ORANGE, N.J., November 3, 2015 -- Lincoln Educational Services Corporation (Nasdaq: LINC) today announced that the Board of Directors has approved a plan to divest its Healthcare and Other Professions business segment. Implementation of the plan will streamline Lincoln's operations to focus solely on the Transportation and Skilled Trades segment which is attracting a growing number of corporate partners including Audi, BMW, Fiat/Chrysler, AutoNation and Hendrick Automotive. Due to the Board's decision to divest the Healthcare and Other Professions business segment, this segment is expected to be classified as discontinued operations beginning in the fourth quarter of 2015.

The Board has engaged the investment bank Scura Paley & Company to advise and assist in the sale of the Healthcare and Other Professions business segment. A sale of the segment is expected to be closed during 2016.

"After thorough examination, our team and the Board of Directors determined that the optimal strategy for Lincoln to return to growth and maximize shareholder value would be to streamline our focus to our Transportation and Skilled Trades segment," said Scott Shaw, Lincoln's President and CEO. "This segment has been the cornerstone of Lincoln's success since 1946. Our Transportation and Skilled Trades segment over these past 70 years was built on the work and commitment of exceptional students, faculty and administrators. It is the strength of our curriculum and facilities that continues to attract corporate partners who understand the benefit of Lincoln's training."

"It was a difficult decision to divest our Healthcare and Other Professions segment, especially with the inspiring dedication and hard work our faculty and staff bring to these schools each and every day," added Mr. Shaw. "Our commitment to our students will not change during this transition and we are confident that these schools will provide a positive contribution to a company that is focused on this segment and who will provide the investment necessary to get them back to growth."

Lincoln will discuss in more detail the divestiture plan during its third quarter results conference call that will be conducted tomorrow, November 4 at 10 a.m. ET.

About Lincoln Educational Services Corporation

Lincoln Educational Services Corporation is a provider of diversified career-oriented post-secondary education. Lincoln offers recent high school graduates and working adults degree and diploma programs. The Company operates under three reportable segments: Transportation and Skilled Trades, Healthcare and Other Professions, and Transitional. Lincoln has provided the workforce with skilled technicians since its inception in 1946. Lincoln currently operates 31 campuses in 15 states under five brands: Lincoln College of Technology, Lincoln Technical Institute, Euphoria Institute of Beauty Arts and Sciences, Lincoln Culinary Institute and Lincoln College of New England. As of June 30, 2015, approximately 12,450 students were enrolled at Lincoln's campuses.

SAFE HARBOR

Statements in this press release regarding Lincoln's business that are not historical facts may be "forward-looking statements" that involve risks and uncertainties. Forward-looking statements should not be read as a guarantee of future performance or results, and will not necessarily be accurate indications of the times at, or by, which such performance or results will be achieved. Forward-looking statements are based on information available at the time those statements are made and/or management's good faith belief as of that time with respect to future events, and are subject to risks and uncertainties that could cause actual performance or results to differ materially from those expressed in or suggested by the forward-looking statements. Important factors that could cause such differences include, but are not limited to: our failure to comply with the extensive regulatory framework applicable to our industry or our failure to obtain timely regulatory approvals in connection with a change of control of our company or acquisitions; our success in updating and expanding the content of existing programs and developing new programs in a cost-effective manner or on a timely basis; risks associated with changes in applicable federal laws and regulations, including final rules that took effect during 2011 and other pending rulemaking by the U.S. Department of Education; uncertainties regarding our ability to comply with federal laws and regulations regarding the 90/10 rule and cohort default rates; risks associated with the opening of new campuses; risks associated with integration of acquired schools; industry competition; our ability to execute our growth strategies; conditions and trends in our industry; general economic conditions; and other factors discussed in our annual report on Form 10-K for the year ended December 31, 2014. For a discussion of such risks and uncertainties, which could cause actual results to differ from those contained in the forward-looking statements, see "Risk Factors" in Lincoln's annual report on Form 10-K for the year ended December 31, 2014. All forward-looking statements are qualified in their entirety by this cautionary statement, and Lincoln undertakes no obligation to revise or update this news release to reflect events or circumstances after the date hereof.

CONTACT: Lincoln Educational Services Corporation
Brian Meyers, CFO
973-736-9340

EVC Group, Inc.
Doug Sherk, dsherk@evcgroup.com; 646-445-4800
Chris Dailey, cdailey@evcgroup.com; 646-445-4800
