FORM S-1

General form of registration statement for all companies including face-amount certificate companies

Filing Date: **1996-08-26**
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FILER

LEARNING TREE INTERNATIONAL INC CIK:**1002037**| IRS No.: **953133814** | State of Incorp.:**DE** | Fiscal Year End: **0930** Type: **S-1** | Act: **33** | File No.: **333-10823** | Film No.: **96620661** SIC: **8200** Educational services	Mailing Address *6053 W CENTURY BLVD* *LOS ANGELES CA 90045*	Business Address *6053 WEST CENTURY BLVD* *LOS ANGELES CA 90045* *3104179700*

AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ON AUGUST 26, 1996

REGISTRATION NO. 333-

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM S-1
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

LEARNING TREE INTERNATIONAL, INC.
(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

DELAWARE	8299	95-3133814
(STATE OR OTHER JURISDICTION OF INCORPORATION OR ORGANIZATION)	(PRIMARY STANDARD INDUSTRIAL CLASSIFICATION CODE NUMBER)	(I.R.S. EMPLOYER IDENTIFICATION NUMBER)

6053 WEST CENTURY BOULEVARD
LOS ANGELES, CA 90045-0028
(310) 417-9700
(ADDRESS, INCLUDING ZIP CODE AND TELEPHONE NUMBER, INCLUDING AREA CODE, OF REGISTRANT'S PRINCIPAL EXECUTIVE OFFICES)

DAVID C. COLLINS
CHIEF EXECUTIVE OFFICER
LEARNING TREE INTERNATIONAL, INC.
6053 WEST CENTURY BOULEVARD
LOS ANGELES, CA 90045-0028
(310) 417-9700
(NAME, ADDRESS INCLUDING ZIP CODE, AND TELEPHONE NUMBER, INCLUDING AREA CODE, OF AGENT FOR SERVICE)

COPIES TO:

THEODORE E. GUTH, ESQ.	THOMAS A. BEVILACQUA, ESQ.
IRELL & MANELLA LLP	BROBECK, PHLEGER & HARRISON LLP
1800 AVENUE OF THE STARS, SUITE 900	TWO EMBARCADERO PLACE, 2200 GENG ROAD
LOS ANGELES, CALIFORNIA 90067	PALO ALTO, CALIFORNIA 94303
TEL: (310) 277-1010	TEL: (415) 424-0160
FAX: (310) 203-7199	FAX: (415) 496-2885

APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED SALE TO THE PUBLIC: As soon as practicable after the Registration Statement becomes effective.

If any of the securities being registered on this form are to be offered on a delayed or continuous basis pursuant to Rule 415 of the Securities Act of 1933, check the following box: [_]

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of earlier effective registration statement for the same offering: [_]

If this form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering: [_]

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box: [_]

CALCULATION OF REGISTRATION FEE

TITLE OF EACH CLASS OF SECURITIES TO BE REGISTERED	AMOUNT TO BE REGISTERED(1)	PROPOSED MAXIMUM OFFERING PRICE PER UNIT(2)	PROPOSED MAXIMUM AGGREGATE OFFERING PRICE(2)	AMOUNT OF REGISTRATION FEE
Common Stock, $.0001 par value..	2,300,000 shares	$28.25	$64,975,000	$22,405

(1) Includes up to 300,000 shares which the Underwriters have the option to purchase to cover over-allotments, if any.
(2) Estimated solely for the purpose of computing the registration fee pursuant to Rule 457(c).

The Registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the registration statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

INFORMATION CONTAINED HEREIN IS SUBJECT TO COMPLETION OR AMENDMENT. A REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION. THESE SECURITIES MAY NOT BE SOLD NOR MAY OFFERS TO BUY BE ACCEPTED PRIOR TO THE TIME THE REGISTRATION STATEMENT BECOMES EFFECTIVE. THIS PROSPECTUS SHALL NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY NOR SHALL THERE BE ANY SALE OF THESE SECURITIES IN ANY STATE IN WHICH SUCH OFFER, SOLICITATION OR SALE WOULD BE UNLAWFUL PRIOR TO REGISTRATION OR QUALIFICATION UNDER THE SECURITIES LAWS OF ANY SUCH STATE.

SUBJECT TO COMPLETION, DATED AUGUST 26, 1996

[LOGO OF LEARNING TREE(R) INTERNATIONAL]

2,000,000 SHARES

COMMON STOCK

Of the 2,000,000 shares of Common Stock offered hereby, 400,000 shares are being sold by Learning Tree International, Inc. ("Learning Tree" or the "Company") and 1,600,000 shares are being sold by certain stockholders of the Company (the "Selling Stockholders"). See "Principal and Selling Stockholders." The Company will not receive any of the proceeds from the sale of shares by the Selling Stockholders. On August 23, 1996, the last sale price of the Common Stock, as reported on the Nasdaq National Market, was $28.25 per share. See "Price Range of Common Stock." The Common Stock is traded on the Nasdaq National Market under the symbol "LTRE."

THE COMMON STOCK OFFERED HEREBY INVOLVES A HIGH DEGREE OF RISK.SEE "RISK FACTORS" ON PAGE 7.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

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<S>	<C> PRICE TO PUBLIC	<C> UNDERWRITING DISCOUNTS AND COMMISSIONS(1)	<C> PROCEEDS TO COMPANY(2)	<C> PROCEEDS TO SELLING STOCKHOLDERS(2)(3)
Per Share..............	$	$	$	$
Total(2)................	$	$	$	$

</TABLE>

(1) Does not include amounts payable to M. Kane & Company, Inc. for financial advisory services provided to the Company. See "Certain Transactions."
(2) Before deducting expenses payable by the Company and the Selling Stockholders estimated at $301,419 and $1,364,581, respectively.
(3) The Selling Stockholders have granted the Underwriters a 30-day option to purchase up to an additional 300,000 shares of Common Stock solely to cover over-allotments, if any. See "Underwriting." If such option is exercised in full, the total Price to Public, Underwriting Discounts and Commissions, and Proceeds to Selling Stockholders will be $, $, and $, respectively.

The Common Stock is offered by the Underwriters as stated herein, subject to receipt and acceptance by them and subject to their right to reject any order in whole or in part. It is expected that delivery of such shares will be made through the offices of Robertson, Stephens & Company LLC ("Robertson, Stephens & Company"), San Francisco, California, on or about , 1996.

ROBERTSON, STEPHENS & COMPANY
PIPER JAFFRAY INC.
SMITH BARNEY INC.
M. KANE & COMPANY, INC.

The date of this Prospectus is , 1996.

Inside Front Cover:

INFORMATION TECHNOLOGY EDUCATION AND TRAINING

Learning Tree International...providing training and education to IT professionals employed by business and government organizations worldwide.

Courses at Learning Tree Sites

[Photograph of Education Center located in Los Angeles, California.]

Courses are presented at Learning Tree Education Centers, as well as at hotels and conference facilities, worldwide.

[Photograph of instructor teaching a classroom of students]

Courses are taught by technical professionals and include extensive hands-on, interactive exercises using networked classroom computers.

Courses at Customer Sites

[Photograph of instructor working with two students at Education Center]

Learning Tree courses can be custom tailored to individual customer needs and presented at customer sites anywhere in the world.

[Photograph of workers loading a van with the Company's software, hardware and networking systems to be delivered to a customer site.]

Learning Tree provides software, hardware and networking systems for courses at customer sites.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE COMMON STOCK OF THE COMPANY AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

IN CONNECTION WITH THIS OFFERING, CERTAIN UNDERWRITERS AND SELLING GROUP MEMBERS (IF ANY) OR THEIR RESPECTIVE AFFILIATES MAY ENGAGE IN PASSIVE MARKET MAKING

TRANSACTIONS IN THE COMMON STOCK ON THE NASDAQ NATIONAL MARKET IN ACCORDANCE WITH RULE 10b-6A UNDER THE SECURITIES EXCHANGE ACT OF 1934. SEE "UNDERWRITING."

Inside Front Cover:

[Map identifying location, and photographs of such locations, of the Company's Education centers and Principal Offices]

[Photograph of Company's Marketing Materials.]

Learning Tree promotes its courses through direct mail marketing to its proprietary mail list of over 1,000,000 IT professionals and managers.

[Photograph of telemarketers.]

Customers call 1-800-THE TREE(R) to enroll. Learning Tree telemarketers respond to phone, E-mail, Web site and facsimile orders and inquiries.

[Photograph of Salesman.]

Learning Tree's field sales concentrates on larger customers to sell multi-course, customer-site training programs and to sign Training Advantage Agreements.

[Photograph of computer screen showing the company's world wide web site.]

Learning Tree's Internet Web site, www.learningtree.com, features course descriptions and schedules. Information contained in the company's Web site shall not be deemed to be part of this prospectus.

CUSTOMERS

The following organizations have each purchased $100,000 to $1,800,000 of Learning Tree training in 1995, ranging from less than 1% to a high of 2.3% of the Company's revenues. Generally each customer purchased this training throughout the year in individual purchase decisions ranging from $2,000 to $20,000 rather than through a single contract.

. Alcatel . Amadeus . Andersen Consulting . Asea Brown Bovari . AT&T . Automobiles Peugeot . Barclays Bank . Bell Atlantic . Boeing . British Gas . British Telecom . Bull . Control Data . Credit Lyonnais . CSC . Dassault . Digital . EDS . E.I. DuPont . Electricite de France . Ericsson . Federal Aviation Administration . Federal Reserve System . Ford Motor Company . France Telecom . GEC . General Electric . Hewlett-Packard . Hitachi . Hughes . IBM . Intel . Internal Revenue Service . JP Morgan . Kodak . Lockheed Martin . Matra Communications . Ministry of Defence (UK) . Mobil . Motorola . NASA . National Institutes of Health . National Westminster Bank . Network Systems Corp. . Nixdorf Computer . Nortel . NYNEX . Ontario Hydro . Pacific Telecom . Perot Systems . Prudential . Reuters . Revenue Canada . Royal Bank of Scotland . Royal Canadian Mounted Police . Shell Oil . Siemens . Sprint . Sybase . Thomson-CSF . Transport Canada . UNISYS . US Air Force . US Army . US Navy . US WEST . VISA International . The World Bank . Xerox

[LOGO OF LEARNING TREE INTERNATIONAL]

NO DEALER, SALES REPRESENTATIVE OR OTHER PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS IN CONNECTION WITH THIS OFFERING OTHER THAN THOSE CONTAINED IN THIS PROSPECTUS, AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN

AUTHORIZED BY THE COMPANY, ANY SELLING STOCKHOLDER OR ANY UNDERWRITER. THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER TO SELL, OR A SOLICITATION OF AN OFFER TO BUY, ANY SECURITIES OTHER THAN THE REGISTERED SECURITIES TO WHICH IT RELATES OR AN OFFER TO, OR A SOLICITATION OF, ANY PERSON IN ANY JURISDICTION WHERE SUCH AN OFFER OR SOLICITATION WOULD BE UNLAWFUL. NEITHER THE DELIVERY OF THIS PROSPECTUS NOR ANY SALE MADE HEREUNDER SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE COMPANY SINCE THE DATE HEREOF OR THAT THE INFORMATION CONTAINED HEREIN IS CORRECT AS OF ANY TIME SUBSEQUENT TO THE DATE HEREOF. THE DELIVERY OF THIS PROSPECTUS AT ANY TIME DOES NOT IMPLY THAT THE INFORMATION HEREIN IS CORRECT AS OF ANY TIME SUBSEQUENT TO ITS DATE.

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AVAILABLE INFORMATION

The Company is subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the "1934 Act"), and in accordance therewith, files reports, proxy and information statements and other information with the Securities and Exchange Commission (the "Commission"). Such reports, proxy and information statements and other information filed by the Company can be inspected and copied at the public reference facilities maintained by the Commission at Room 1024, Judiciary Plaza, 450 Fifth Street, N.W., Washington, D.C. 20549, and at the Commission's Regional Offices at Seven World Trade Center, Suite 1300, New York, New York 10048, and at 500 West Madison Street, Suite 1400, Chicago, Illinois 60661. Copies of such material can also be obtained at prescribed rates from the Public Reference Section of the Commission at Judiciary Plaza, 450 Fifth Street, N.W., Washington, D.C. 20549. The SEC also makes electronic filings publicly available on the Internet within 24 hours of acceptance. The SEC's Internet address is http://www.sec.gov. The SEC Web site also contains reports, proxy and information statements, and other information regarding registrants that file electronically with the SEC.

Learning Tree(R), the Learning Tree and Professional Certification logos, EDUCATION IS OUR BUSINESS(R), EDUCATION YOU CAN TRUST(R), WE BRING EDUCATION TO LIFE(R), PRODUCTIVITY THROUGH EDUCATION(R), LearnTrack(TM), Training Passport(R), Training Advantage(R), Alumni Gold(TM), 800-THE-TREE(R) and 800-LRN-TREE(R) are trademarks and service marks of the Company. This Prospectus also contains trademarks and tradenames of other companies.

PROSPECTUS SUMMARY

The following summary is qualified in its entirety by the more detailed information, including "Risk Factors" and Consolidated Financial Statements and notes thereto, appearing elsewhere in this Prospectus. This Prospectus contains forward-looking statements which involve risks and uncertainties. The Company's actual results may differ significantly from the results discussed in the forward-looking statements. Factors that might cause such a difference include, but are not limited to, those discussed in "Risk Factors."

THE COMPANY

Learning Tree International, Inc. ("Learning Tree" or the "Company"), is a leading worldwide provider of education and training to professionals responsible for programming, updating and maintaining the technology used to structure, process and communicate information ("information technology" or "IT") in business and government organizations. The Company develops, markets and delivers a broad, proprietary library of instructor-led course titles focused on client/server systems, Internet/intranet technologies, computer networks, operating systems, databases, programming languages, graphical user interfaces, object-oriented technology and IT management. The Company also tests and certifies IT professionals in 18 IT job functions, and its courses are recommended for college credit by the American Council on Education. In addition to its instructor-led courses, the Company has recently developed and is expanding a line of interactive computer-based training courses incorporating audio and graphical elements ("multimedia CBT") that are designed for both stand-alone CD-ROM and network-based delivery. The Company is paid directly by the employers of its course participants and does not receive funding from any government aid or loan programs. As a result, the Company does not depend on government appropriations for those programs and is not subject to certain governmental regulations.

The market for IT training is driven by technological change. As the rate of this change accelerates, organizations find themselves increasingly hampered in their ability to exploit the latest information technologies because their IT professionals lack up-to-date knowledge and skills. According to International Data Corporation ("IDC"), the worldwide market for the training of IT professionals was approximately $10 billion in 1995. While much of the training for IT professionals continues to be provided by internal training departments, many organizations are expanding their use of external training providers due to corporate downsizing and the lack of internal trainers experienced in the latest technologies. The choice of training delivery formats and providers generally is made by individual IT professionals or their managers. When choosing an IT training provider, IT professionals and their managers seek a provider who can provide a broad spectrum of course titles and multiple delivery formats which result in efficient high quality education.

The Company believes that its approach to IT education and training offers many advantages over other training providers due to the breadth and depth of its course library, the quality and size of its instructor force, its vendor independence and its ability to respond rapidly to customer demands for custom training solutions and timely course delivery. The Company believes its courses provide participants with skills and knowledge that they can immediately apply in their jobs. Its instructor-led courses include extensive hands-on, interactive exercises using networked classroom computers and its multimedia CBT courses provide similarly high levels of interactivity. Learning Tree's instructor-led course events typically deliver the equivalent of two semester hours of college credit in an intensive four-day format, thus minimizing the participants' time away from their jobs.

The Company devotes significant resources to expanding and updating its instructor-led course library, which grew from 56 titles in fiscal 1993 to 98 titles as of June 30, 1996. The Company conducts its courses at its eight Education Centers, in hotel and conference facilities, and at customer sites in the United States, United Kingdom, France, Canada, Sweden, Japan and other countries worldwide. The Company's

international operations contributed approximately 55% of its revenues in fiscal 1995. The Company's integrated marketing program targets individuals through direct mail marketing to its proprietary mail list of over 1,000,000 IT professionals and managers, and their employers through its direct sales force. In addition, the Company's telemarketing sales force responds to phone, e-mail, Web site and facsimile orders and inquiries. At June 30, 1996, the Company had 494 course instructors, all of whom are technical professionals with an average of 20 years of IT industry experience and possess skills and knowledge that are relevant to the subjects of the courses they teach.

The Company's strategy is to strengthen its position as a leading provider of IT training worldwide by continuing to expand its library of proprietary, instructor-led course titles; providing flexible training solutions; expanding its line of proprietary multimedia CBT course titles; leveraging its integrated marketing and sales program; building continuing relationships with its individual course participants and its corporate customers; and leveraging its international operations.

Learning Tree has developed a broad customer base focusing on Fortune 1000-level companies, their international equivalents and government organizations worldwide. Since inception, the Company has trained more than half a million participants, and in fiscal 1995, its 60,000 course participants were employed by more than 5,800 organizations around the world, such as AT&T, British Telecom, Ford Motor Company, General Electric, Hewlett-Packard, Intel, JP Morgan, Shell Oil and Xerox. Generally, each of the foregoing organizations purchased training from the Company throughout fiscal 1995 in individual purchase decisions ranging from $2,000 to $20,000 rather than through a single contract, and no organization accounted for more than 2.3% of the Company's revenues in fiscal 1995.

The Company began its business in 1974, incorporated in California in 1976 and reincorporated in Delaware in 1995. The Company's principal executive offices are located at 6053 West Century Boulevard, Los Angeles, California 90045-0028, its telephone number is (310) 417-9700 and its address on the World Wide Web is http://www.learningtree.com. Information contained in the Company's Web site shall not be deemed to be part of this Prospectus. The Company is involved in only one business segment. See Note 8 of Notes to Consolidated Financial Statements.

THE OFFERING

<TABLE>

<S>	<C>
Common Stock Offered by the Company......	400,000 shares
Common Stock Offered by the Selling Stockholders............................	1,600,000 shares(1)
Common Stock Outstanding after the Offering...............................	14,663,012 shares(2)
Use of Proceeds.........................	For working capital, other general corporate purposes and possible acquisitions. See "Use of Proceeds."
Nasdaq National Market symbol...........	LTRE

</TABLE>

SUMMARY CONSOLIDATED FINANCIAL DATA
(in thousands, except per share data)

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	YEAR ENDED SEPTEMBER 30,			NINE MONTHS ENDED JUNE 30,	
	1993	1994	1995	1995	1996
<S>	<C>	<C>	<C>	<C>	<C>
STATEMENT OF OPERATIONS DATA:					
Revenues.......................	$ 49,329	$ 58,466	$ 78,818	$ 58,091	$ 73,604
Gross profit...................	29,575	34,801	48,087	35,732	45,106
Income (loss) from operations..	(1,360)	(365)	8,074	6,329	9,424
Net income (loss)..............	(887)	(443)	6,480	5,451	7,468
Net income (loss) per common share and common equivalent share.........................	(0.08)	(0.04)	0.57	0.48	0.55
Weighted average number of common and common equivalent shares outstanding............	11,478	11,512	11,364	11,363	13,551

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	JUNE 30, 1996	
	ACTUAL	AS ADJUSTED (3)
<S>	<C>	<C>
BALANCE SHEET DATA:		
Cash and cash equivalents............................	$46,628	$56,892
Total current assets.................................	61,802	72,066
Total assets...	72,170	82,434
Total current liabilities............................	28,394	28,394
Long-term debt and capital leases, net of current portion	164	164

Total stockholders' equity	41,874	52,138

</TABLE>

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(1) The Company will not receive any proceeds from the sale of Common Stock offered by the Selling Stockholders.

(2) Excludes an aggregate of 1,500,000 shares of Common Stock reserved for issuance pursuant to the Company's 1995 Stock Option Plan. As of the date of this Prospectus, no options have been granted pursuant to that Plan. See "Management--Stock Option Plan."

(3) Adjusted to give effect to the sale of 400,000 shares of Common Stock offered by the Company hereby, at an assumed public offering price of $28.25, after deducting underwriting discounts and commissions and estimated offering expenses payable by the Company, and the application of the net proceeds therefrom. See "Use of Proceeds."

Unless otherwise indicated, the information in this Prospectus assumes no exercise of the Underwriters' over-allotment option. All share and per share data have been adjusted to reflect a 3.66 to 1 split of the Common Stock effected on October 6, 1995, and the conversion of the two classes of the Company's common stock into a single class on December 6, 1995. See "Description of Capital Stock--Common Stock" and "Underwriting."

RISK FACTORS

In addition to other information contained in this Prospectus, the following risk factors should be considered carefully in evaluating the Company and its business before purchasing the Common Stock offered hereby. This Prospectus contains forward-looking statements which involve risks and uncertainties. The Company's actual results may differ significantly from the results discussed in the forward-looking statements. Factors that might cause such a difference include, but are not limited to, those discussed below.

FLUCTUATIONS IN OPERATING RESULTS

The Company has in the past experienced fluctuations in its quarterly operating results and expects such fluctuations to continue in the future. The Company's course development and sales and marketing expenses are incurred based on its expectations regarding future market conditions and there can be no assurance that the attendant revenues will occur. Specifically, the Company intends to increase the amount of its expenditures for course development and sales and marketing in the future. The Company may be unable to adjust its expenditures in a timely manner to compensate for any unexpected revenue shortfall. Any significant revenue shortfall would therefore have a material adverse effect on the Company's results of operations. In addition, the Company's operating results may fluctuate based on other factors, including the frequency and availability of course events, the frequency and size of and response to, the Company's direct mail marketing campaigns, the timing of the introduction of new course titles and alternate delivery methods, the mix between customer-site course events and Learning Tree-site course events, competitive forces within the current and anticipated future markets served by the Company, the spending patterns of its customers, currency fluctuations, inclement weather and general economic conditions. Fluctuations in quarter-to-quarter results may also occur depending on differences in the timing of, and the time period between, the Company's expenditures on the development and marketing of its courses and the receipt of revenues. The Company's revenues and income have also varied significantly from quarter to quarter due to seasonal factors. The Company generally has greater revenue and operating income in the second half of its fiscal year (April through September). This seasonality is due in part to seasonal spending patterns of the Company's customers, and in part to quarterly differences in the frequency and size of the Company's direct mail marketing campaigns, as well as weather, holiday and vacation patterns. Fluctuations in operating results could result in volatility in the price of the Common Stock. Furthermore, under the Company's sales discount program known as the Passport Program, the Company recognizes revenue for the attendance of a Passport holder at one of its courses based upon the selling price of the Passport and the estimated average number of courses Passport holders will actually attend. Upon the expiration of a Passport, the Company records the differences, if any, between the revenues previously recognized and the Passport's selling price. Since determining the estimated average number of course events that will be attended by a Passport holder is based on historical trends that may not continue in the future, an increase in such average could result in potentially significant negative adjustments to revenue as the increase in the rate becomes known. Due to all of the foregoing factors, it is likely that in some future quarter the Company's operating results will be below the expectations of public market analysts and investors. In such event, the price of the Company's Common Stock may be materially adversely affected. See "Management's Discussion and Analysis of Financial Condition and Results of Operations--Quarterly Results of Operations" and Note 1 of Notes to Consolidated Financial Statements.

RISKS ASSOCIATED WITH CHANGING ECONOMIC CONDITIONS

The Company's revenues and profitability are subject to general economic conditions. A significant portion of the Company's revenues are derived from Fortune 1000-level companies and their international equivalents, which historically have adjusted their expenditures for external IT training during economic downturns. Should the economy weaken in any future period, these companies may not increase or may reduce their expenditures on external IT training, which would have an adverse impact on the Company. See "Management's Discussion and Analysis of Financial Condition and Results of Operations."

RISKS ASSOCIATED WITH CHANGES IN TECHNOLOGY

The Company's development of new course titles, or enhancements to existing course titles must anticipate and keep pace with the introduction in the marketplace of new hardware, software and networking

technology. The need to respond to technological changes may require the Company to make substantial, unanticipated expenditures in order to develop new course titles and acquire additional equipment in order to deliver such new course titles. There can be no assurance that the Company will be able to respond successfully to technological change. If, because of financial, technological or other constraints, the Company could not adequately anticipate or respond to changes in computer platforms, customer preferences and/or software technology, the Company's business and results of operations would be materially adversely affected. See "Business--Development of Instructor-led, Classroom Courses."

RISKS ASSOCIATED WITH GROWTH OF CBT COURSES

The market for IT education and training historically has consisted primarily of instructor-led training. Multimedia and computer-based IT training currently account for a small portion of the overall IT training market, but according to IDC, CBT is growing at a faster rate than instructor-led training. Although the Company has introduced a line of multimedia CBT products, substantially all of the Company's revenues in fiscal 1996 are expected to be derived from instructor-led training course events. Accordingly, the Company's future success will depend upon, among other factors, the extent to which the market continues to accept instructor-led training as a method of delivery for IT training, the Company's ability to develop and market instructor-led courses that compete effectively against CBT courses offered by others, and the Company's ability to develop its own curriculum of competitive multimedia CBT course titles. See "Business--Competition."

COMPETITION

The IT education and training market is highly fragmented, with low barriers to entry and no single competitor accounting for a dominant market share. The Company's competitors include computer systems vendors, other independent education and training companies, systems integrators and software vendors, as well as many of the Company's own customers that maintain internal training departments. Some of these competitors offer course titles and programs similar to those of the Company at lower prices. In addition, some competitors have greater financial and other resources than the Company. There can be no assurance that the Company will be successful against such competition. See "Business--Competition."

RISKS ASSOCIATED WITH INTERNATIONAL OPERATIONS

The Company maintains offices and education centers in five countries outside the United States and in fiscal 1995 presented course events at its education centers and third-party and customer sites in a total of 28 countries. In fiscal 1995, international revenues represented approximately 55% of the Company's revenues. Learning Tree intends, on an ongoing basis, to seek ways to expand its international operations and expects that revenues derived from international sources will continue to account for a significant portion of its revenues. Inherent risks represented by the Company's international operations include currency fluctuations, potential difficulties in translating course subject matter into foreign languages, varying political and economic conditions, unanticipated changes in regulation, trade barriers, staffing problems and adverse tax consequences. There can be no assurance that such factors will not have a material adverse effect on the Company in the future. See "Management's Discussion and Analysis of Financial Condition and Results of Operations."

DEPENDENCE ON KEY PERSONNEL

The Company's continuing and future success depends in large part on the continued services of Dr. Collins, its Chief Executive Officer, and Mr. Garen, its President, as well as certain of its other senior managers and other key personnel. The loss of the services of certain of the Company's senior managers or other key personnel could have a material adverse effect on the Company. The Company's continuing and future success will also depend on its ability to attract and retain highly-skilled personnel, including its instructors. There can be no assurance that the Company will be successful in these recruitment and training

efforts, and the failure to hire and train the intended complement of instructors may have a material adverse effect on the Company's operations. See "Management."

RISKS ASSOCIATED WITH CURRENCY FLUCTUATIONS

The Company's consolidated financial statements are prepared in U.S. dollars while the operations of its foreign subsidiaries are conducted in their respective local currencies. Consequently, fluctuations in exchange rates may have an adverse effect on the Company's consolidated operating results and could result in exchange losses. In fiscal 1995, the Company realized $30,000 in exchange gains as a result of currency fluctuations. During the nine months ended June 30, 1996, the Company reported $176,000 in exchange losses compared to $239,000 in exchange gains for the same period in fiscal 1995. The impact of future fluctuations in exchange rates cannot be predicted with any measure of accuracy. No assurance can be given that any future exchange rate fluctuations will not have a material adverse effect on the Company's operations. To date, the Company has not sought to hedge the risks associated with fluctuations in exchange rates and therefore continues to be subject to such risks. In the future, the Company may undertake such transactions. If any hedging techniques are implemented by the Company, there can be no assurance that such techniques would be successful in eliminating or reducing the effects of currency fluctuations. See "Management's Discussion and Analysis of Financial Condition and Results of Operations."

HISTORY OF LOSSES; WORKING CAPITAL DEFICIENCY

The Company has incurred losses during its history, and most recently the Company incurred operating losses in fiscal years 1993 and 1994 of $1,360,000 and $365,000, respectively, and net losses of $877,000 and $443,000, respectively, in those years. There can be no assurance that the Company will maintain its profitability in the future or that losses may not recur for any reason, including the reasons attributed to prior losses. The Company has, prior to its initial public offering in December 1995 (the "IPO"), generally operated with a working capital deficiency. However, it has maintained a positive working capital position since that time. As of June 30, 1996, the Company had a positive working capital balance of $33.4 million. See "Management's Discussion and Analysis of Financial Condition and Results of Operations."

RISKS ASSOCIATED WITH INTELLECTUAL PROPERTY

The Company regards its course development process and its courses as proprietary and relies primarily on a combination of statutory and common law copyright, trademark and trade secret laws, customer licensing agreements, employee and third-party nondisclosure agreements and other methods to protect its proprietary rights. Notwithstanding the foregoing, a third party or parties could copy or otherwise obtain and use the Company's course materials in an unauthorized manner or use these materials to develop course titles which are substantially similar to those of the Company. In addition, the Company operates in countries that do not provide protection of proprietary rights to the same extent as the United States. The Company's course materials generally do not include any mechanisms to prohibit or prevent unauthorized use. If substantial unauthorized use of the Company's products were to occur, the Company's business and results of operations could be materially adversely affected. There can be no assurance that the Company's means of protecting its proprietary rights will be adequate or that the Company's competitors will not independently develop similar courses and delivery methods. Additionally, there can be no assurance that third parties will not claim that the Company's current or future course development outputs infringe on the proprietary rights of others. The Company expects that it will be increasingly subject to such claims as the number of products and competitors increases in the future. Any such claim could result in a material adverse effect on the Company's business. See "Business--Intellectual Property and Licenses."

RISKS ASSOCIATED WITH STATE AUTHORIZATION AND ACCREDITATION

Certain states assert authority to regulate non-degree granting education providers if their educational programs are available to their residents. Generally, the Company is exempt from such regulation because the

Company contracts with the employer of the course participants and does not participate in any federal or state student aid/loan programs. However, state laws and regulations affect the Company's operations and may limit the ability of the Company to obtain authorization to operate in certain states. If, in the future, the Company were required to comply with, or found to be in violation of, a state's current or future licensing or regulatory requirements, it could be subject to civil or criminal sanctions, including monetary penalties, and could be barred from providing educational services in that state. See "Business--Regulatory Environment."

CONTROL BY MANAGEMENT

After completion of this Offering, senior management of the Company collectively will own approximately 59.3% of the outstanding shares of Common Stock (approximately 57.3% if the Underwriters' over-allotment option is exercised in full). After completion of this Offering, Dr. Collins and Mr. Garen will own approximately 27.4% and 26.2%, respectively, of the outstanding shares of Common Stock (approximately 26.3% and 25.2%, respectively, if the Underwriters' over-allotment option is exercised in full). Consequently, senior management, and Dr. Collins and Mr. Garen in particular, will continue to have a significant influence over the policies and affairs of the Company and will be in a position to determine the outcome of corporate actions requiring stockholder approval, including the election of directors, the adoption of amendments to the Company's corporate documents and the approval of mergers and sales of the Company's assets. See "Principal and Selling Stockholders."

RISKS ASSOCIATED WITH POSSIBLE ACQUISITIONS

It is contemplated that part of the proceeds of this Offering may be used for acquisitions. While the Company has no current agreements in place or negotiations underway with respect to any acquisition, the Company plans regularly to evaluate acquisition opportunities that fit within its business plan. Acquisitions involve numerous risks, including potential difficulties in the assimilation of acquired operations, diversion of management's attention away from normal operating activities, negative financial impacts based on the amortization of acquired intangible assets, the dilutive effects of the issuance of Common Stock in connection with an acquisition, and potential loss of key employees of the acquired operation. The Company has had no experience in executing and implementing acquisitions and no assurance can be given as to the success of the Company in executing and implementing acquisitions in the future. See "Use of Proceeds."

ANTI-TAKEOVER PROVISIONS

The Company's Restated Certificate of Incorporation and Bylaws include provisions, including provisions for the issuance of preferred stock by the Company's Board of Directors without stockholder action and the division of the Company's Board of Directors into three classes, that may have the effect of discouraging persons from pursuing a non-negotiated takeover of the Company and preventing certain changes of control. Certain of these provisions may also discourage a future acquisition of the Company not approved by the Company's Board of Directors in which stockholders might receive maximum value for their shares or which a substantial number and perhaps even a majority of the Company's non-management stockholders believe to be in the best interest of all stockholders. See "Description of Capital Stock--Preferred Stock," "--Certain Effects of Authorized but Unissued Stock" and "--Provisions of Certificate of Incorporation and Bylaws Affecting Change in Control."

VOLATILITY OF STOCK PRICE

The Company's IPO was completed in December 1995, and there can be no assurance that a viable public market for the Common Stock will be sustained. The market price of the Common Stock has fluctuated significantly since the IPO. The Company believes that factors such as announcements of developments related to the Company's business, announcements of new products or enhancements by the Company or its competitors, sales of the Common Stock into the public market, developments in the Company's relationships with its customers, shortfalls or changes in revenues, gross margins, earnings or losses or other financial results from public market analysts' expectations, fluctuations in results of operations and general conditions in the Company's market or the markets served by the Company's customers or the economy could cause the price

of the Common Stock to fluctuate, perhaps substantially. In addition, in recent years the stock market in general, and the market for shares of technology-related stocks in particular, have experienced extreme price fluctuations, which have often been unrelated to the operating performance of affected companies. There can be no assurance that the market price of the Common Stock will not continue to experience significant fluctuations in the future, including fluctuations that are unrelated to the Company's performance.

ABSENCE OF DIVIDENDS

The Company has not paid any cash dividends since its inception and does not anticipate paying cash dividends in the foreseeable future. See "Dividend Policy."

SHARES ELIGIBLE FOR FUTURE SALE

No prediction can be made as to the effect, if any, that future sales of shares of Common Stock, or the availability of shares of Common Stock for future sale, will have on the market price for the Common Stock prevailing from time to time. Sales of substantial amounts of Common Stock, or the perception that such sales could occur, could adversely affect prevailing market prices for shares of the Common Stock. Upon completion of the Offering, 14,663,012 shares of Common Stock will be outstanding. Approximately 5,450,000 shares will be freely tradeable without restriction or further registration under the Securities Act of 1933 (the "Securities Act") by persons other than "affiliates" of the Company. In addition, approximately 118,000 shares will be eligible for immediate sale in the public market without restriction pursuant to Rule 144(k) under the Securities Act. As of the closing of this Offering, approximately 9,095,000 shares of Common Stock will be "restricted securities" (as defined in Rule 144 under the Securities Act). Approximately 8,697,000 shares of Common Stock are subject to lock-up agreements under which the holders of such shares have agreed with the representatives of the Underwriters not to sell or otherwise dispose of any of such shares for a period of 90 days following the date of this Prospectus. Following the expiration of such lock-up agreements, approximately 8,078,000 shares will become available for immediate resale in the public market, all of which are subject to the volume and other restrictions of Rule 144 under the Securities Act. In addition, the Company intends to register 1,500,000 shares for issuance under its 1995 Stock Option Plan. See "Management--Stock Option Plan," "Shares Eligible for Future Sale" and "Underwriting."

USE OF PROCEEDS

The net proceeds to the Company from the sale of shares of Common Stock offered by it in the Offering are estimated to be approximately $10,264,000, assuming a public offering price of $28.25, after deducting the underwriting discounts and commissions and estimated offering expenses. The Company will not receive any proceeds from the sale of shares by the Selling Stockholders. The Company intends to use the net proceeds from the Offering to increase working capital and for other general corporate purposes. The Company also may use a portion of the net proceeds to acquire technologies and related assets or businesses complementary to the Company's operations, although the Company has no agreements currently in place or negotiations underway with respect to any acquisition.

Pending such uses, the net proceeds will be invested in short-term, investment-grade, interest-bearing securities.

DIVIDEND POLICY

To date, the Company has not paid any cash dividends on its Common Stock. Following the Offering, the Company anticipates that it will not pay dividends on the Common Stock for the foreseeable future and that it will retain any earnings for use in the operation of its business. The declaration and payment of dividends by the Company are subject to the discretion of its Board of Directors and to compliance with applicable law. Any determination as to the payment of dividends in the future will depend upon, among other things, general business conditions, the effect of such payment on the Company's financial condition and other factors the Company's Board of Directors may in the future consider to be relevant.

PRICE RANGE OF COMMON STOCK

The Company's Common Stock began trading publicly on the Nasdaq National Market under the symbol LTRE effective December 6, 1995. The following table sets forth, for the periods indicated, the range of high and low sales prices for the Common Stock on the Nasdaq National Market since December 6, 1995:

	HIGH	LOW
Fiscal 1996		
First Quarter (from December 6, 1995)	$17 1/4	$13 3/4
Second Quarter	20 1/4	13 1/4
Third Quarter	31 5/8	20
Fourth Quarter (through August 23, 1996)	30	20

As of June 30, 1996 there were approximately 300 holders of record of the Common Stock. On August 23, 1996, the last sale price reported on the Nasdaq National Market for the Company's Common Stock was $28.25 per share.

CAPITALIZATION

The following table sets forth the capitalization of the Company as of June 30, 1996 (i) on an actual basis and (ii) as adjusted to give effect to the sale by the Company of 400,000 shares of Common Stock offered by the Company hereby at an assumed public offering price of $28.25 per share, after deducting underwriting discounts and commissions and estimated offering expenses payable by the Company. This table should be read in conjunction with the Consolidated Financial Statements and Notes thereto appearing elsewhere in this Prospectus.

	JUNE 30, 1996	
	ACTUAL	AS ADJUSTED
Current portion of debt and capital leases	$ 132,000	$ 132,000
Long-term debt and capital leases, net of current portion	164,000	164,000
Stockholders' equity:		
Common Stock, $.0001 par value, 25,000,000 shares authorized, 14,263,012 shares issued and outstanding, 14,663,012 shares, as adjusted	1,000	1,000
Additional paid-in capital, and as adjusted	32,023,000	42,287,000
Notes receivable from stockholders	(156,000)	(156,000)
Deferred compensation--stockholders	(227,000)	(227,000)
Cumulative foreign currency translation	(734,000)	(734,000)
Retained earnings	10,967,000	10,967,000
Total stockholders' equity	41,874,000	52,138,000
Total capitalization	$42,170,000	$52,434,000

SELECTED CONSOLIDATED FINANCIAL DATA

The following selected consolidated financial data of the Company are qualified by reference to and should be read in conjunction with the consolidated financial statements and notes thereto and other financial data included elsewhere in this Prospectus. The statement of operations data set forth below for each of the three years in the period ended September 30, 1995 and the balance sheet data as of September 30, 1994 and 1995, are derived from the Company's consolidated financial statements for those years which have been audited by Arthur Andersen LLP, independent accountants, whose report thereon is included elsewhere in this Prospectus. The statement of operations data for each of the two years in the period ended September 30, 1992 and the balance sheet data at September 30, 1991, 1992 and 1993 are derived from audited financial statements of the Company not included in this Prospectus. The statement of operations data for the nine months ended June 30, 1995 and 1996 and the balance sheet data at June 30, 1996 have been prepared on a basis consistent with the audited consolidated financial statements and derived from the unaudited consolidated financial statements included elsewhere in this Prospectus. These historical results are not necessarily indicative of the results to be expected in the future. See "Management's Discussion and Analysis of Financial Condition and Results of Operations."

	YEAR ENDED SEPTEMBER 30,					NINE MONTHS ENDED JUNE 30,	
	1991	1992	1993	1994	1995	1995	1996
	(IN THOUSANDS, EXCEPT PER SHARE DATA)						
STATEMENT OF OPERATIONS DATA:							
Revenues	$53,020	$53,366	$49,329	$58,466	$78,818	$58,091	$73,604
Cost of revenues	18,908	19,604	19,754	23,665	30,731	22,359	28,498
Gross profit	34,112	33,762	29,575	34,801	48,087	35,732	45,106
Operating expenses:							
Course development	2,759	3,098	3,387	3,978	4,954	3,579	4,420
Sales and marketing	18,786	17,674	17,923	21,243	22,883	16,829	21,803
General and administrative	10,755	10,487	9,625	9,945	12,176	8,995	9,459
Total operating expenses	32,300	31,259	30,935	35,166	40,013	29,403	35,682
Income (loss) from operations	1,812	2,503	(1,360)	(365)	8,074	6,329	9,424
Other income (expense), net	(175)	(83)	406	12	272	390	1,168
Income (loss) before provision (credit) for income taxes	1,637	2,420	(954)	(353)	8,346	6,719	10,592
Provision (credit) for income taxes	318	446	(77)	90	1,866	1,268	3,124
Net income (loss)	$ 1,319	$ 1,974	$ (877)	$ (443)	$ 6,480	$ 5,451	$ 7,468
Net income (loss) per common share and common equivalent share	$ 0.11	$ 0.17	$ (0.08)	$ (0.04)	$ 0.57	$ 0.48	$ 0.55
Weighted average number of common and common equivalent shares outstanding	11,515	11,520	11,478	11,512	11,364	11,363	13,551

	AT SEPTEMBER 30,					AT JUNE 30,
	1991	1992	1993	1994	1995	1996
	(IN THOUSANDS)					
BALANCE SHEET DATA:						
Cash and cash equivalents	$ 2,436	$ 2,571	$ 1,770	$ 2,774	$10,029	$46,628
Total current assets	8,413	9,509	9,210	10,772	21,336	61,802

Total assets	12,784	13,802	14,135	16,306	28,427	72,170
Total current liabilities	11,185	11,067	12,871	16,425	22,843	28,394
Long-term debt and capital leases, net of current portion	291	213	714	446	272	164
Total stockholders' equity (deficit)	(2,164)	(415)	(2,171)	(3,054)	3,305	41,874

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MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This Prospectus contains forward-looking statements which involve risks and uncertainties. The Company's actual results may differ significantly from the results discussed in the forward-looking statements. Factors that might cause such a difference include, but are not limited to, those discussed in "Risk Factors."

OVERVIEW

Learning Tree International, Inc. (the "Company"), is a leading worldwide provider of education and training for information technology ("IT") professionals in business and government organizations. The Company's customers are the companies and government agencies which pay for their employees to attend the Company's course events. In fiscal 1995, the Company had 101 customers that purchased more than $100,000 of training from Learning Tree. In fiscal 1995, none of the Company's customers accounted for more than 2.3% of its revenues. The Company develops, markets and delivers a broad, proprietary library of instructor-led course titles which are focused on client/server systems, Internet/intranet technologies, computer networks, operating systems, databases, programming languages, graphical user interfaces, object-oriented technology and IT management. The Company tests and certifies IT professionals in 18 IT job functions. The Company's courses are recommended for college credit by the American Council on Education.

In addition to its instructor-led courses, the Company has recently developed and is expanding a line of interactive computer-based training courses incorporating audio and graphical elements ("multimedia CBT") that are designed for both stand-alone CD-ROM and network-based delivery.

The Company has historically focused on instructor-led IT training in multi-vendor, multi-platform computer systems ("open systems") emphasizing computer technologies such as internetworking, operating systems and advanced programming languages. Until the early 1990's, these technologies were used almost exclusively by IT professionals involved in research, development and engineering. Beginning in the early 1990's and accelerating through the present, management information systems ("MIS") departments began shifting from legacy mainframe systems to new client/server technologies, thus expanding the market for training of MIS personnel in areas covered by the Company's courses. These technologies have contributed significantly to the increased use of computer systems by businesses and government organizations.

Beginning in fiscal 1993, in order to increase its market share, the Company introduced a new marketing initiative by creating multiple enrollment programs, such as its Training Passport, College Credit and Professional Certification Programs, which give participants an incentive to enroll in a series of Learning Tree course events. See "Business--Marketing and Sales." Additionally, in 1993, the Company noted an increase in the response rate from its direct mail marketing. Accordingly, the Company increased both its sales and marketing expenditures and its course development expenditures. Through its increased investment in course development, the Company expanded its curriculum of course titles in client/server technology, networks and databases covering additional topics relevant to the emerging training market for MIS professionals. In management's view, these new course titles provided an expanded role for the Company in the MIS training market by attracting MIS participants both to its new and existing course titles. As an initial result of these expenditures, the Company incurred operating and net losses in fiscal 1993 and the first two quarters of fiscal 1994. The Company returned to profitability in the third quarter of fiscal 1994 and has remained profitable in each succeeding quarter. In addition, the Company increased its revenues from $49.3 million in fiscal 1993 to $58.5 million in fiscal 1994 and $78.8 million in fiscal 1995.

The Company's revenues have grown to record levels in the nine month period ended June 30, 1996, increasing by 27% over the same period in fiscal 1995.

Further, the Company's backlog as of June 30, 1996 has grown by 30% when compared to the backlog as of June 30, 1995. In response to the continued strength in enrollments, the Company has further accelerated its development of new course titles, expanded its future

direct mailing plans to capture additional market share and has taken steps to expand the number of classrooms in its education centers. However, there can be no assurance that the Company will be able to achieve an increase in market share after making such expenditures or will maintain its growth in revenues, profitability or market share in the future. See "Risk Factors--History of Losses."

The Company's instructor-led course events are taught in classrooms and include extensive, hands-on exercises under the guidance of expert instructors. The Company has structured its business so that the majority of its instructor-led course costs depend upon the number of course events it conducts. The Company schedules its four-day course events throughout the year as appropriate to meet demand. Since the Company's instructors typically work full-time in the IT industry and teach an average of eight to nine Learning Tree course events each year as needed, the Company's instructor-related costs are largely variable. In addition, although the expenses associated with its own Education Centers are fixed, the Company can impact its overall facility expenses by varying its use of rented hotel and conference facilities. Because the cost for each course event does not increase significantly as additional participants are included, the Company utilizes a variety of techniques to achieve a high average number of participants per course event up to limits designed to preserve the quality of each course event. These techniques include adding additional events for a popular course title, combining two or more undersubscribed events into one course event and adding an assistant instructor to increase the maximum number of students in a course event.

One of the Company's multiple enrollment programs is the Training Passport program. Purchasers of Passports pay a set price for the right to attend up to eight courses (ten in the United Kingdom and France) within a twelve month period. The amount of revenue recognized for each attendance in the Company's courses by Passport holders is based upon the selling price of the Passport and the estimated average number of courses Passport holders will actually attend. Upon expiration of a Passport, the Company records the differences, if any, between the revenues previously recognized and the Passport selling price. The Company reviews the estimated average number of course events Passport holders will attend on a monthly basis. The estimated attendance rate is based upon the historical experience of the average actual number of course events Passport holders have been attending. If the Passport attendance rate changes, based upon this historical data, the Company adjusts the revenue recognition rate for all active Passports and for all Passports sold thereafter. Although the Company has seen no material changes in the historical attendance rates as the number of course titles has increased from fiscal 1993 to present, it monitors such potential effects. In general, determining the estimated average number of course events that will be attended by a Passport holder is based on historical trends that may not continue in the future. These estimates could differ in the near term from amounts used in arriving at the reported revenue. See "Risk Factors--Fluctuations in Operating Results" and Note 1 of Notes to Consolidated Financial Statements.

BACKLOG

At June 30, 1996, the Company had a backlog of orders for courses in the amount of $20.6 million, which represented a 30% increase over the backlog of $15.8 million at June 30, 1995. Only a portion of the Company's backlog is funded. There can be no assurance that the growth in the backlog experienced in fiscal 1996 over fiscal 1995 will continue or that orders comprising the backlog will be realized as revenue.

RESULTS OF OPERATIONS

The following table sets forth, for the periods indicated, certain items from the Company's consolidated statements of operations as a percentage of revenues:

<TABLE>
<CAPTION>

	YEAR ENDED SEPTEMBER 30,	NINE MONTHS ENDED JUNE 30,

	1993	1994	1995	1995	1996
Revenues	100%	100%	100%	100%	100%
Cost of revenues	40	41	39	39	39
Gross profit	60	59	61	61	61
Operating expenses:					
Course development	7	7	6	6	6
Sales and marketing	36	36	29	29	29
General and administrative	20	17	16	15	13
Total operating expenses	63	60	51	50	48
Income (loss) from operations	(3)	(1)	10	11	13
Other income (expense), net	1	0	0	0	1
Income (loss) before provision (credit) for income taxes	(2)	(1)	10	11	14
Provision (credit) for income taxes	0	0	2	2	4
Net income (loss)	(2)%	(1)%	8%	9%	10%

</TABLE>

NINE MONTHS ENDED JUNE 30, 1996 COMPARED WITH NINE MONTHS ENDED JUNE 30, 1995

For the nine months ended June 30, 1996, revenues increased by $15.5 million or 27% to $73.6 million from $58.1 million for the nine months ended June 30, 1995. The growth of revenues is due, in part, to an increase in the number of course participants to 51,272 compared to 44,934 in the corresponding nine month period of the prior year. The additional course participants are primarily attributable to increased direct mail marketing and an increase in the number of course titles to 98 in the third quarter of fiscal 1996, compared to 82 in the same period a year earlier. In addition, the growth in course participants is attributable to the expansion of the number of Learning Tree-site course events which the Company held at sites other than its education centers in order to broaden its customer base. Revenues for the nine month period ended June 30, 1996, also reflect higher average revenues per course participant. The increase in the average revenues per course participant is attributable to the increase in the proportion of higher-paying single course event participants over those attending under the discounted Passport Program as well as increased prices for customer-site course events.

The Company's cost of revenues primarily includes the costs associated with the course instructor, course materials and equipment, freight, classroom facilities and refreshments. For the nine months ended June 30, 1996, the cost of revenues increased $6.1 million or 27% to $28.5 million from $22.4 million for the corresponding period in the prior year. The increase in the cost of revenues for the nine month period ended June 30, 1996 as compared to the same period in the prior year, is primarily the result of an increased number of course events. The number of course events increased 19% in the nine month period ended June 30, 1996 to 3,279 from 2,745 course events in the nine month period ended June 30, 1995. Costs per course event increased approximately 6%, compared to the corresponding period in the prior year. The change in the average cost per course event primarily reflects the higher costs of conducting more course events at sites other than education centers due to education center capacity constraints, an increase in the number of courses held in cities where the Company has not established an education center and an increase in the number of Learning Tree-site courses compared to those held at customer sites. To accommodate the growth in course enrollments, the Company is seeking additional education center facilities in certain locations. In

July 1996, the Company acquired new facilities in Reston, Virginia for the sales, operations and administrative staff of its United States subsidiary. The Company intends to convert the space presently occupied by these employees in its education center in Reston, Virginia, to classroom facilities and thereby increase the number of its classrooms from 13 to approximately 19.

Course development expense includes the costs of developing new course titles and updating the Company's existing course library. The principal costs are for internal product development staff and independent consultants who serve as subject matter experts. For the nine months ended June 30, 1996, course development expenses increased $841,000 or 24% to $4.4 million from

$3.6 million for the corresponding period in the prior year. This increase reflects the costs associated with the Company's strategy of expanding its course library to meet its customers' growing technology training needs, updating and maintaining a growing course title library and developing a multimedia CBT product line. In light of the strength in course enrollments, the Company plans to capitalize on the opportunity to grow market share by accelerating the growth of its course library, including additional titles in the areas of the Internet, intranets, Java, Windows NT, programming languages and databases. As a result, the amount of course development expenses are expected to continue to increase through the remainder of fiscal 1996. Based upon the number of course titles presently available and those nearing completion of the development process, approximately 110 course titles are expected to be offered during the fourth quarter of fiscal 1996.

To obtain greater control over the multimedia CBT development process, course quality and costs of development, the Company has expanded its in-house multimedia CBT development team and discontinued the use of outside CBT course developers. Since introducing its first multimedia CBT course title in February 1996, the Company has released ten multimedia CBT course titles as of August 7, 1996. The Company began the initial marketing of its multimedia CBT product line in January 1996, and intends to expand these sales and marketing activities commensurate with the growth of titles in its multimedia CBT library. While the Company continues to anticipate that its revenues in fiscal 1996 will be derived almost exclusively from instructor-led training, to date the Company has received orders from approximately 200 corporate and government customers for its multimedia CBT courses. The actual number of titles which the Company will produce and their delivery dates are subject to a number of factors such as the hiring and training of additional staff, continued refinements in the development and production process and the availability of subject matter experts who are also responsible for developing and teaching the Company's instructor-led courses. See "Risk Factors--Risks Associated With Growth of CBT Courses."

Sales and marketing expense consists of salaries, commissions and travel-related costs for sales and marketing personnel, the costs of designing, producing and distributing direct mail marketing and media advertisements, and the costs of information systems to support these activities. Sales and marketing expenses increased $5.0 million or 30% to $21.8 million for the nine months ended June 30, 1996 from $16.8 million for the nine months ended June 30, 1995. The increase in sales and marketing expenses is due to an increase in telemarketing and field sales staff and direct mail marketing intended to reach a broader range of potential customers, to expand business with current customers, to expand the Company's presence in certain U.S. cities and to communicate the availability of new course titles. Accordingly, for the first nine months of 1996, sales and marketing expenses increased as a percentage of revenues compared to the same period of 1995. The Company intends to continue expanding its direct mail and sales activities and anticipates that its sales and marketing expenditures will continue to exceed 1995 expenditures as a percentage of revenues.

For the nine months ended June 30, 1996, general and administrative expenses increased $464,000 or 5% to $9.5 million from $9.0 million for the corresponding period in the prior year. As a percentage of revenue, general and administrative expenses have declined to 13% from 15% in the prior year as a result of increased leveraging of the Company's infrastructure to support a higher sales volume.

Other income (expense) is primarily comprised of interest expense, interest income and foreign currency gains and losses. For the nine months ended June 30, 1996, other income increased $778,000 to $1.2 million from $390,000 for the corresponding nine month period in the prior year. This increase was primarily

attributable to additional interest income arising from higher cash balances which have been generated by operations and from the proceeds of the Company's initial public offering in December 1995. The increase in interest income was partially offset by foreign exchange losses of $176,000 in the nine month period ended June 30, 1996, compared to foreign exchange gains of $239,000 in the corresponding period of the prior year. These transaction gains and losses arose from receivables and payables denominated in currencies other than the functional currencies of the Company's foreign subsidiaries. Although the Company's consolidated financial statements are stated in U.S. dollars, several of the Company's subsidiaries have functional currencies other than the U.S. dollar. Gains and losses arising from the translation of the balance sheets of the Company's subsidiaries from the functional currencies to U.S. dollars are reported as an adjustment to stockholders' equity. However, fluctuations in exchange rates may have an effect on the Company's results of operations, particularly its revenues and operating margins, when translating the income statements to dollars. The impact of future exchange rates on the Company's results of operations cannot be accurately predicted. To date, the Company has not sought to hedge the risks associated with fluctuations in exchange rates and therefore continues to be subject to such risks. In the future, the Company may undertake such transactions. There can be no assurance that any hedging techniques implemented by the Company would be successful in eliminating or reducing the effects of currency fluctuations. See "Risk Factors--Risks Associated With Currency Fluctuations."

For the nine month period ended June 30, 1996, the provision for income taxes increased by $1.8 million to $3.1 million from $1.3 million for the nine months ended June 30, 1995. This increase reflects an increase in income before taxes as well as an increase in the effective tax rate in the current period due to a smaller benefit from the utilization of tax loss carryforwards in fiscal 1996 compared to 1995.

FISCAL 1995 COMPARED WITH FISCAL 1994

In fiscal 1995, revenues increased $20.3 million or 35% to $78.8 million from $58.5 million in fiscal 1994. The increase in revenues reflects an increase in both the number of course events and revenue per event. The number of course events increased 26% to 3,688 in fiscal 1995 compared to 2,928 in fiscal 1994 due to a corresponding increase in the number of participants. The increased number of course participants reflects expansion of the number of course titles and continued growth in sales of the Company's multi-course programs, with revenues from the Passport Program increasing to $13.2 million in fiscal 1995 from $8.8 million in fiscal 1994. Revenue per course event increased by approximately 8% in fiscal 1995 compared to fiscal 1994 due to (i) a faster rate of growth in the number of higher-paying single course event participants than in the number of participants attending under the discounted Passport Program, (ii) an increase in the average revenue per event for Passport holders and (iii) a shift in the mix of course events from customer-site course events toward Learning Tree-site course events, which generate higher average revenues per course event. The Company's revenues and revenue per course event discussed above reflect changes in the exchange rates used to translate into dollars the Company's revenues that are denominated in foreign currencies, which exchange rate changes added approximately $2.7 million in revenues in fiscal 1995 compared to fiscal 1994.

The Company's cost of revenues increased $7.0 million or 30% to $30.7 million for fiscal 1995 compared to $23.7 million for fiscal 1994. This change primarily was attributable to the increased number of course events in fiscal 1995 over fiscal 1994, since the average cost per course event was substantially unchanged between the two periods. Because revenues per course event grew while costs per course event remained substantially unchanged, the gross profit margin grew to 61.0% in fiscal 1995 compared to 59.5% in fiscal 1994.

Course development expense increased $1.0 million or 25% to $5.0 million for fiscal 1995 from $4.0 million for fiscal 1994. This increase reflects the 21% growth in course titles from 72 at September 30, 1994 to 87 at September 30, 1995 as well as the cost of updating the larger existing course title library and developing the multimedia CBT product line.

Sales and marketing expense increased $1.7 million or 8% to $22.9 million for fiscal 1995 from $21.2 million for fiscal 1994. While sales and marketing expense increased in absolute terms, it declined as a percentage of revenues to 29% in fiscal 1995 compared to 36% for fiscal 1994. The Company decided to increase its sales and marketing expenses in fiscal 1996 in order to reach a broader range of potential customers, to expand business with its current customers, and to communicate the availability of its new course titles and multimedia CBT product line.

General and administrative expense increased $2.3 million or 22% during fiscal 1995 to $12.2 million from $9.9 million in fiscal 1994. This increase in general and administrative expense is primarily the result of increases in personnel, rent expense and performance-based incentive compensation. However, these costs decreased as a percentage of revenues to 16% in fiscal 1995 from 17% in fiscal 1994.

Other income (expense), net primarily was comprised of interest expense, interest income and foreign currency gains and losses. Interest income increased $244,000 to $331,000 for fiscal 1995 from $87,000 in fiscal 1994, reflecting the Company's increased cash balances. In fiscal 1995, the Company recorded $30,000 in foreign exchange gains compared to $101,000 in fiscal 1994.

Learning Tree International, Inc. operates as a holding company with operating subsidiaries in several countries, and each subsidiary is taxed based on the laws of the jurisdiction in which it operates. Because taxes are incurred at the subsidiary level, and one subsidiary's tax losses cannot offset the taxable income of subsidiaries in other tax jurisdictions, the Company's consolidated effective tax rate may vary. In fiscal 1995, certain of the Company's subsidiaries utilized tax loss carryforwards to offset their taxable income for the year. Accordingly, the tax provision for fiscal 1995 reflects the benefit from the use of such loss carryforwards as well as the use of foreign tax credits. Additional tax loss carryforwards remain available only in certain foreign subsidiaries to offset future taxable income, and the Company's consolidated effective tax rate can be expected to increase in the future. See Note 3 to the Notes to Consolidated Financial Statements.

The Company's revenues in fiscal 1995 increased in each geographical segment compared to fiscal 1994, with the United States operations recording the greatest percentage increase because of stronger demand for the Company's client/server based courses. In addition, each of the geographical segments recorded increased operating income in fiscal 1995 as compared to fiscal 1994 primarily because of increased revenues in each segment. The Company's European segment recorded operating income of $4.1 million in fiscal 1995 compared to operating income of $95,000 in fiscal 1994 as a result of revenue increases primarily in the United Kingdom and France. Likewise income from the United States operations equalled $3.4 million in fiscal 1995 compared to operating income of $104,000 in fiscal 1994 because of a 42% increase in revenues. See Note 8 to Notes to Consolidated Financial Statements.

FISCAL 1994 COMPARED WITH FISCAL 1993

Revenues increased $9.2 million or 19% to $58.5 million in fiscal 1994 compared to $49.3 million in fiscal 1993. This increase reflects the net effects of changes in both the number of course events and the revenue per course event. The number of course events increased from 2,257 in fiscal 1993 to 2,928 in fiscal 1994. This increase was primarily attributable to (i) the increase in the number of course titles, (ii) the expansion of multi-enrollment programs introduced in the latter half of 1993, which included Passports, Professional Certification and College Credit, and (iii) an increase in the number of Training Advantage Agreements. Revenue per course event decreased approximately 8% from fiscal 1993 to fiscal 1994, primarily due to the introduction of the discount-priced, multi-course Passport program and of two- and three-day course events that were priced, on average, lower than the Company's four-day course events, partially offset by an increase in the number of participants per course event. The Company's revenues and revenue per course event discussed above reflect changes in the exchange rates used to translate into dollars the Company's revenues that are denominated in foreign currencies, with revenues decreasing by $1.1 million in fiscal 1994 compared to fiscal 1993 as a result of these exchange rate changes.

The cost of revenues increased $3.9 million or 20% to $23.7 million in fiscal 1994 from $19.8 million in fiscal 1993, but increased only slightly as a percentage of revenues to 40.5% in fiscal 1994 from 40.0% in fiscal 1993. The increase in the cost of revenues resulted from a 30% increase in the number of course events, offset in part by a decrease in the cost per course event.

Course development expense increased by $591,000 or 17% to $4.0 million in fiscal 1994 from $3.4 million in fiscal 1993. This increase reflects the costs associated with the Company's strategy of expanding its course library to meet its customer's needs. The number of course titles increased 29% from 56 in fiscal 1993 to 72 in fiscal 1994.

Sales and marketing expense increased $3.3 million or 19% to $21.2 million in fiscal 1994 from $17.9 million in fiscal 1993 reflecting increased marketing costs to support the Passport and Certification programs, the expanded course title offerings, the availability of college credit and new catalog formats. In addition, selling costs increased due to increased staff and higher selling commissions attributable to the increase in revenues.

General and administrative expense increased $320,000 or 3% to $9.9 million in fiscal 1994 from $9.6 million in fiscal 1993. As a percentage of revenue, these costs declined from 20% in fiscal 1993 to 17% in fiscal 1994 as a result of the nominal increase in costs compared to the growth in revenues.

Other income (expense), net was $12,000 of income in fiscal 1994, which represented a decline of $394,000 compared to fiscal 1993 when the Company had $406,000 of other income. This decrease was primarily the result of a decline in foreign exchange gains from $543,000 in fiscal 1993 to $101,000 in fiscal 1994.

The fiscal 1994 tax provision of $90,000 reflects the provision for taxes on profits in certain subsidiaries that could not be offset by losses in other subsidiaries in other tax jurisdictions. The $77,000 credit for taxes in fiscal 1993 reflects benefits realized for losses in certain subsidiaries that were carried back to prior years.

The Company's revenues in fiscal 1994 increased in each geographical segment compared to fiscal 1993, and sales in its United States operations increased the greatest reflecting regional economic conditions and additional attendees as a result of the multiple enrollment programs. In contrast, however, there was only a slight increase in the United States operating results from operating income of $94,000 in fiscal 1993 to $104,000 in fiscal 1994, mainly as a result of increased marketing and product development expenditures. However, the Company's European operations reported operating income of $95,000 in fiscal 1994 compared to an operating loss of $1.2 million in fiscal 1993 as a result of increased sales in the United Kingdom and Sweden.

QUARTERLY RESULTS OF OPERATIONS

The following tables set forth unaudited quarterly financial data for each of the eight consecutive fiscal quarters ended June 30, 1996, including such data expressed as a percentage of the Company's revenues. The Company believes that this information includes all adjustments (which consisted solely of normal recurring adjustments) necessary for a fair presentation of such quarterly information when read in conjunction with the consolidated financial statements included elsewhere herein. The operating results for any quarter are not necessarily indicative of the results for any future period.

<TABLE>
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	THREE MONTHS ENDED							
	SEPT. 30, 1994	DEC. 31, 1994	MARCH 31, 1995	JUNE 30, 1995	SEPT. 30, 1995	DEC. 31, 1995	MARCH 31, 1996	JUNE 30, 1996
	(DOLLARS IN THOUSANDS)							
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Revenues................	$15,888	$18,468	$17,774	$21,849	$20,727	$23,178	$22,712	$27,714
Cost of revenues........	6,014	7,132	6,980	8,247	8,372	9,232	8,969	10,297
Gross profit..........	9,874	11,336	10,794	13,602	12,355	13,946	13,743	17,417
Operating expenses								
Course development.....	1,047	1,089	1,139	1,351	1,375	1,224	1,432	1,746
Sales and marketing....	5,323	4,607	6,041	6,181	6,054	6,208	7,936	7,659
General and administrative........	2,950	3,042	2,946	3,007	3,181	3,343	2,810	3,306
Total operating expenses.............	9,320	8,738	10,126	10,539	10,610	10,793	12,178	12,711
Income from operations..	554	2,598	668	3,063	1,745	3,153	1,565	4,706
Other income (expense), net....................	334	(20)	313	97	(118)	157	470	541
Income before provision for income taxes.......	888	2,578	981	3,160	1,627	3,310	2,035	5,247
Provision for income taxes..................	34	522	143	603	598	943	634	1,547
Net income.............	$ 854	$ 2,056	$ 838	$ 2,557	$ 1,029	$ 2,367	$ 1,401	$ 3,700
AS A PERCENTAGE OF REVENUES:								
Revenues................	100%	100%	100%	100%	100%	100%	100%	100%
Cost of revenues........	38	39	39	38	40	40	40	37
Gross profit..........	62	61	61	62	60	60	60	63
Operating Expenses								
Course development.....	6	6	6	6	7	5	6	6
Sales and marketing....	34	25	34	28	29	27	35	28

General and administrative	19	16	17	14	15	14	12	12
Total operating expenses	59	47	57	48	51	46	53	46
Income from operations	3	14	4	14	9	14	7	17
Other income (expense), net	2	0	2	0	(1)	0	2	2
Income before provision for income taxes	5	14	6	14	8	14	9	19
Provision for income taxes	0	3	1	3	3	4	3	6
Net income	5%	11%	5%	11%	5%	10%	6%	13%

</TABLE>

The Company's expense levels are based in significant part on its expectations regarding future revenues and are fixed to some extent in the short term. Accordingly, the Company may be unable to adjust spending in a timely manner to compensate for any unexpected revenue shortfall. Any significant revenue shortfall therefore would have a material adverse effect on the Company's results of operations. The Company has in the past experienced fluctuations in its quarterly operating results and expects such fluctuations to continue in the future. The Company's operating results may fluctuate based on other factors, including the frequency and availability of course events, the frequency and size of, and response to, the Company's direct mail marketing campaigns, the timing of the introduction of new course titles and alternate delivery methods, the mix between customer-site course events and Learning Tree-site course events, competitive forces within the current and anticipated future markets served by the Company, the spending patterns of its customers, currency fluctuations, inclement weather and general economic conditions. Fluctuations in quarter-to-quarter

results may also occur depending on differences in the timing of, and the time period between, the Company's expenditures on the development and marketing of its courses and the receipt of revenues. See "Risk Factors--Fluctuations in Operating Results."

The Company's revenues and income have also varied significantly from quarter-to-quarter due to seasonal and other factors. The Company generally has greater revenue and operating income in the second half of its fiscal year (April through September) than in the first half of its fiscal year (October through March). This seasonality is due in part to seasonal spending patterns of the Company's customers arising from budgetary and other business factors as well as weather, holiday and vacation considerations. In addition, the seasonality of the Company's operating results reflects the quarterly differences in the frequency and size of the Company's direct mail marketing campaigns. There can be no assurance that these seasonal effects will remain the same in the future.

LIQUIDITY AND CAPITAL RESOURCES

Cash and cash equivalents increased to $46.6 million at June 30, 1996 from $10.0 million at September 30, 1995, primarily as a result of the $30.8 million of net proceeds received from the Company's initial public offering in December 1995 and cash provided by operations. For the nine months ended June 30, 1996, cash provided by operations was approximately $14.0 million compared to $8.1 million during the same period in the prior year. The increase in cash provided by operations reflects the increase in profitability and increases in deferred revenues arising from prepaid multi-enrollment programs. At June 30, 1996, the Company had working capital of $33.4 million and had unused available lines of credit of approximately $464,000.

During the nine months ended June 30, 1996, the Company invested $4.8 million in equipment and leasehold improvements compared to $2.6 million in the same period of the prior year. This increase is primarily related to additional course equipment to support the growth in the number of course events and to upgrade course equipment capabilities. The Company expects to continue to invest in additional equipment and facilities during the fourth quarter of fiscal 1996 and in fiscal 1997. In June 1996, the Company entered into an agreement to either purchase or lease certain office facilities for its United States subsidiary. As of June 30, 1996, the Company had no other material future purchase obligations, capital commitments or debt.

Accordingly, management believes that its cash and cash equivalents on-hand and the cash provided by operations will be sufficient to meet the Company's cash requirements at least until the end of fiscal 1997.

In the past, the Company has had working capital deficiencies. At September 30, 1995, the Company's working capital deficiency was $1.5 million compared to $5.7 million at September 30, 1994. The Company's historical working capital position had been negatively impacted by operating losses, investments in equipment and increases in deferred revenues arising from the multiple enrollment programs. In fiscal 1993, 1994 and 1995, the Company invested $2.7 million, $2.0 million and $3.6 million, respectively, in course equipment, leasehold improvements, information systems and other capital expenditures. In addition, during fiscal 1994 and 1995, the Company expended $677,000 and $666,000, respectively on financing activities. Such expenditures were primarily for repayments of debt and capital leases which were offset, in part, by sales of Common Stock and collections of stockholder notes. Positive influences upon the Company's working capital position were cash from operations and advance customer receipts arising from the multiple enrollment programs. Net cash provided by operations amounted to $1.2 million in fiscal 1993, $3.6 million in fiscal 1994, and $11.4 million in fiscal 1995. The increases in cash provided by operations were primarily due to improvements in profitability during the second half of fiscal 1994 and all of fiscal 1995 and to increased receipts arising from the prepaid multiple enrollment programs.

BUSINESS

This Prospectus contains forward-looking statements which involve risks and uncertainties. The Company's actual results may differ significantly from the results discussed in the forward-looking statements. Factors that might cause such a difference include, but are not limited to, those discussed in "Risk Factors."

OVERVIEW

Learning Tree International, Inc. ("Learning Tree" or the "Company"), is a leading worldwide provider of education and training to IT professionals in business and government organizations. The Company develops, markets and delivers a broad, proprietary library of instructor-led course titles focused on client/server systems, Internet/intranet technologies, computer networks, operating systems, databases, programming languages, graphical user interfaces, object-oriented technology and IT management. The Company also tests and certifies IT professionals in 18 IT job functions, and its courses are recommended for college credit by the American Council on Education. In addition to its instructor-led courses, the Company has recently developed and is expanding a line of multimedia CBT versions of its courses designed for both stand-alone CD-ROM and network-based delivery. The Company is paid directly by the employers of its course participants and does not receive funding from any government aid or loan programs. As a result, the Company does not depend on government appropriations for those programs and is not subject to certain governmental regulations.

THE INFORMATION TECHNOLOGY EDUCATION AND TRAINING MARKET

The market for IT training is driven by technological change. As the rate of this change accelerates, organizations find themselves increasingly hampered in their ability to exploit the latest information technologies because their IT professionals lack up-to-date knowledge and skills. Most organizations are addressing this challenge by retraining their existing IT professionals. An IDC study estimates that the 1995 worldwide market for IT education and training was $14.9 billion, of which approximately $10 billion represented the training of IT professionals. The market for training IT professionals is driven by several factors including: (i) the proliferation of computers and networks throughout all levels of organizations; (ii) the shift from legacy mainframe systems to new client/server technologies; (iii) the continuous introduction and evolution of new client/server hardware and software technologies; (iv) the proliferation of Internet and intranet applications; and (v) corporate downsizing, resulting in increased training requirements for employees who must perform new job functions or multiple job tasks that require knowledge of varied software applications and technologies. Furthermore, since many businesses use hardware and software products provided by a variety of vendors, their IT professionals require training on an increasing number of products and technologies which apply across vendors, platforms and operating systems.

While much of the training for IT professionals continues to be provided by internal training departments, many organizations are expanding their use of external training providers due to corporate downsizing, the lack of internal trainers experienced in the latest technologies and the cost of developing and maintaining internal training courses in rapidly evolving technologies. The choice of training delivery formats and providers generally is made by individual IT professionals or their immediate managers, even in large organizations. When choosing an IT training provider, IT professionals and their managers seek a provider who can respond to demanding requirements, including: (i) high quality training; (ii) course titles that cover a broad range of topics and skill levels; (iii) the ability to deliver an integrated training program through multiple delivery formats; (iv) the willingness and ability to tailor the training to the customer's particular needs; (v) timeliness of the delivery of course events; (vi) qualified, technically current instructors; (vii) the willingness to deliver training at convenient locations, including the customer's business site; (viii) course titles covering areas undergoing rapid technological change; (ix) an effective training methodology, which delivers the maximum amount of practical information in the minimum amount of time; (x) vendor-independent training; (xi) the ability to provide testing and certification of technical competency; and (xii) training that covers global implementation of networks and other IT applications.

IT training is primarily delivered by classroom instructors, video, CBT and printed means. According to IDC, instructor-led classroom training continues to dominate the worldwide IT training market, having grown by $4.6 billion from $6.7 billion in 1990 to $11.3 billion in 1995. The Company believes that instructor-led training will continue to dominate the market because course participants value the personalized interaction and problem-solving with their instructor and fellow participants concerning their specific projects and applications as well as the insulation from workplace interruptions. However, the use of desktop-based multimedia and CBT is gaining acceptance in the IT training market. IDC estimates that the United States market for IT education and training in multimedia and CBT formats has grown by $484 million from $230 million in 1990 to $714 million in 1995.

THE LEARNING TREE APPROACH

The Company develops, markets and delivers proprietary course titles covering a broad range of topics that it believes are designed to meet the continually evolving training needs of IT professionals worldwide. Its instructor-led course events take place at the Company's Education Centers, in hotel and conference facilities, and at customer sites. As of June 30, 1996, Learning Tree had 98 instructor-led course titles. These course titles are regularly presented worldwide and cover IT topics such as client/server systems, Internet/intranet technologies, computer networks, operating systems, databases, programming languages, graphical user interfaces, object-oriented technology, IT management and related topics. In February, 1996, the Company introduced a line of multimedia CBT course titles to complement its traditional instructor-led format of training. The Company had released ten CBT course titles as of August 7, 1996.

The Company's courses provide participants with skills and knowledge that they can immediately apply in their jobs. The course events include extensive hands-on, interactive exercises using networked classroom computers. Learning Tree course events typically deliver the equivalent of two semester hours of college credit in an intensive four-day format, thus minimizing participants' time away from the job. As of June 30, 1996, the Company had 494 course instructors who are IT professionals possessing expert knowledge and practical experience. These instructors work in a variety of industries applying the IT skills and knowledge that are the subjects of the courses they teach. On average, they teach approximately eight to nine Learning Tree course events each year on an "as needed" basis.

Learning Tree places particular emphasis on the quality of its course offerings. The Company employs a rigorous course development process designed to ensure that each course title represents multiple points of view concerning the application of the technology, provides information on different uses of the technology throughout the world, and provides training that is relevant to course participants working in diverse applications in a broad range of industries. Learning Tree also maintains a centralized and ongoing program of updating its proprietary course titles to maintain the courses' quality and relevance. The Company tailors its courses for customer-site presentation as appropriate, and the Company's instructors further adapt the course material to participants' needs based on feedback received in the classroom.

Learning Tree meets customer demands for scheduling flexibility by holding course events frequently at multiple locations around the world and by delivering customer-site course events as required on short notice. The Company believes that it has the resources to provide a rapid and flexible response to its customers' needs by utilizing its large team of instructors, its course development and customization processes, its team of customer support specialists, its logistics team and its hundreds of classroom computer workstations. In fiscal 1995, Learning Tree presented an average of over 300 course events per month worldwide.

The Company tests and certifies IT professionals in 18 IT job functions. Since this program's inception in 1993, over 36,000 participants have completed one or more certification examinations. In addition, the American Council on Education recommends Learning Tree course events for college credit to more than 1,500 North American universities and colleges. See "--Learning Tree's Products." In the United Kingdom, participation in some Learning Tree course events may be applied toward post-graduate level university credit.

In response to the decentralized nature of IT training decision making, the Company has developed a sophisticated direct mail marketing and telemarketing capability, which it supplements by direct sales to corporations and government organizations. The Company's direct mail marketing utilizes its proprietary list of over 1,000,000 IT professionals and managers as well as rented lists. This capability enables the Company to reach individual professionals and managers in larger organizations and provides a cost-effective channel to reach IT personnel in smaller organizations as well. The Company also uses its Internet Web site (http://www.learningtree.com) to market and communicate with prospective participants. Information contained in the Company's Web site shall not be deemed to be part of this Prospectus.

In addition to its instructor-led training business, the Company believes that opportunities exist in the rapidly growing market for multimedia CBT training. As a result, the Company has introduced and is expanding its line of multimedia CBT course titles. The Company's multimedia CBT courses can be delivered to the workstation either by CD-ROM or over a customer's local area or wide area networks. The content and instructional design of the Company's multimedia CBT course titles capitalize on its library of computer-based classroom course content.

LEARNING TREE'S STRATEGY

The Company's objective is to strengthen its position as one of the leading providers of IT training worldwide. To achieve this goal, the Company employs the following key strategies:

Continue Expanding its Library of Proprietary Instructor-led Course Titles. The Company intends to continue developing additional course titles and certification programs in order to increase sales to its existing customer base and to attract new customers. The Company expanded its course library from 56 titles in fiscal 1993 to 98 titles as of June 30, 1996. The Company expects to add approximately 12 additional course titles during the remainder of fiscal 1996. The new course titles introduced and to be introduced during fiscal 1996 will cover rapidly developing areas such as Internet/intranet technologies, Java, Windows NT, programming languages, and databases.

Provide Flexible Training Solutions. The Company intends to continue its strategy of providing training when, where and in the manner desired by the customer. Participants can attend any of Learning Tree's 98 courses, which on average are presented once every two weeks around the world. The Company also presents standard or customized courses on demand at its customers' facilities, and it has begun to offer its own line of multimedia CBT courses.

Expansion of Multimedia CBT Course Titles. Learning Tree is leveraging its highly interactive instructor-led educational model through the expansion of its line of multimedia CBT software. The Company believes that it can leverage its existing instructor-led course business by (i) developing its multimedia CBT courses based upon the content of its hands-on classroom courses, (ii) "piggybacking" the marketing and sales of its multimedia CBT products on its existing marketing and sales programs, and (iii) providing its customers with the flexibility to tailor a cost-effective combination of multimedia CBT and classroom training to meet their needs. The Company also intends to continue to explore the delivery of its multimedia CBT courses via on-line computer services and over the Internet.

Leverage its Integrated Marketing and Sales Programs. The Company uses an integrated strategy of marketing both to individual IT professionals through its extensive direct mail marketing and Internet capability and to their employers through its direct sales force. These efforts are supplemented by its telemarketing sales force. The Company intends to continue increasing the size of its direct mail marketing campaigns and its sales force to reach a greater proportion of IT professionals and managers in both large and small organizations. The Company also intends to leverage its marketing investment by advertising an increasing number of instructor-led and multimedia CBT course titles in each direct mail package at relatively small incremental cost per title.

Build Continuing Relationships. The Company seeks to build continuing relationships both with its individual course participants and its corporate customers. The Company expands demand for its course

events by motivating individual IT professionals to purchase a series of course events through its Training Passport, Professional Certification and College Credit Programs. In addition to increasing revenues directly, the long-term relationships built by these programs encourage participants to recommend the Company's course events to their colleagues. The Company also seeks to create ongoing relationships with its largest U.S. and international customers through its Training Advantage Program. These annually renewable agreements allow all the employees of Training Advantage customers to receive training and special services at negotiated prices.

Leverage International Operations. The Company intends to continue to expand its international business, which accounted for approximately 55% of its revenues in fiscal 1995. The Company's centrally-developed course titles currently are translated into French, Swedish and Japanese and sold through its operations in Great Britain, France, Canada, Sweden and Japan to customers in those and other countries. The Company intends to open Education Centers in additional territories as justified by increases in local demand.

LEARNING TREE'S PRODUCTS

Learning Tree courses are designed to be highly interactive. Most of its instructor-led, classroom courses involve "hands-on" training on networked Pentium-based or 486 workstations, which allow participants to practice and better assimilate the skills being taught. Participants spend a significant portion of each course working on computer-based exercises and participating in group workshops. Each participant typically receives extensive course materials that facilitate learning and serve as a post-course reference. The Company's new line of multimedia CBT products are also designed to teach students through interaction, and its multimedia CBT course titles incorporate interactive "learn-by-doing" activities based on the Company's existing classroom courses.

Instructor-led Courses. Learning Tree strives to build job-related curricula by developing a sequence of course titles that create a cohesive program which imparts the skills and knowledge required to perform particular job functions. Each job-related curriculum is comprised of course titles that proceed from introductory to advanced, and cover the breadth and depth of skills and knowledge required for a particular job. At June 30, 1996, Learning Tree's course library included 98 proprietary course titles comprising over 2,000 hours of classroom instruction. This course library is recommended for over 206 semester hours of undergraduate and graduate level college credit in information systems by the American Council on Education (the "ACE"). In the Company's experience, the final decision of each college or university to grant or deny credit for the Company's courses as recommended by the ACE is made on a case-by-case basis, taking into account a variety of factors such as the academic standing of the student making the request, the requirements of the particular degree program and limits on the number of credits that may be obtained outside of the college or university. Subject to these rules generally applicable to transfer credits, the Company believes that its course participants have generally been granted credit upon application. The following chart presents the Company's 98 proprietary course titles, and the 12 additional courses under development as of June 30, 1996:

<TABLE>
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CURRICULUM	COURSES
<S>	<C>
Client/Server	Introduction to Open Systems
	Introduction to Client/Server Computing
	Distributing Data in Client/Server Systems
	Client/Server Application Development--Hands-On
	Client/Server Systems: Analysis and Design
	Managing and Supporting Client/Server Systems--Hands-On*

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CURRICULUM	COURSES
<S>	<C>
Internet/Intranet Technologies	Internet and System Security Internet for Business Applications--Hands-On Developing a Web Site--Hands-On Java Programming--Hands-On
Windows	Windows Networking--Hands-On* Windows Configuration--Hands-On Windows 95 Support and Networking--Hands-On Windows NT Workstation and Server--Hands-On TCP/IP Internetworking on Windows NT--Hands-On Microsoft System Management Server--Hands-On Microsoft Exchange--Hands-On* UNIX and Windows NT Integration--Hands-On* Netware to Windows NT Migration--Hands-On Microsoft SQL Server Introduction--Hands-On Microsoft SQL Server System Administration--Hands-On
Local Area Networks	Local Area Networks PC Networking--Hands-On LAN Troubleshooting--Hands-On High-Performance Cabling Systems Fast LAN Technologies
NetWare	NetWare 3.x Administration--Hands-On NetWare 3.x Advanced Administration--Hands-On NetWare 3.x Installation and Configuration--Hands-On Updating from NetWare 3.x to NetWare 4.x--Hands-On NetWare 4.x Administration--Hands-On NetWare 4.x Advanced Administration--Hands-On NetWare 4.x Installation & Configuration--Hands-On NetWare 4.x Design and Implementation--Hands-On NetWare 4.x Service and Support--Hands-On Networking Technologies TCP/IP for NetWare--Hands-On
Wide Area Networks	Introduction to Datacomm and Networks Network Planning, Support and Management Computer Network Architectures and Protocols X.25--Hands-On Wide Area Networks Troubleshooting--Hands-On SNMP--Hands-On
Internetworking	Multivendor Networking Internetworking: Bridges and Routers Routers--Hands-On* Introduction to TCP/IP--Hands-On Internetworking with TCP/IP--Hands-On
Operating Systems	X Window System Programming--Hands-On TCP/IP Programming--Hands-On UNIX Programming--Hands-On UNIX--Hands-On UNIX Tools and Utilities--Hands-On

</TABLE>

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CURRICULUM	COURSES
<S>	<C>
Operating Systems (continued)	UNIX Workstation Administration--Hands-On* UNIX Server Administration--Hands-On* UNIX System and Network Administration--Hands-On OS/2 Warp--Hands-On

Telecommunications	Telecommunications and Wide Area Networking ISDN for Data Communications--Hands-On* Introduction to ISDN Wireless Networks High-Speed Wide Area Networks Implementing Fiber-Optic Communications
Database Systems	Relational Databases Sybase SQL Server--Hands-On Building a Data Warehouse--Hands-On* Oracle7--Hands-On Oracle7 for Database Administrators--Hands-On Oracle7 for Application Developers--Hands-On Tuning Oracle7 Applications--Hands-On Complex SQL Queries--Hands-On Oracle Forms--Hands-On Oracle Reports--Hands-On PowerBuilder 5 and Oracle7--Hands-On* Lotus Notes Application Development--Hands-On Lotus Notes System Administration--Hands-On*
PC Support	PC Configuration and Troubleshooting--Hands-On Advanced PC Configuration--Hands-On Macintosh Troubleshooting--Hands-On
Graphical User Interfaces and Programming	Windows Programming--Hands-On Visual C++--Hands-On Client/Server and System Programming for Windows--Hands-On Advanced Windows Programming With MFC--Hands-On Windows Open Services Architecture--Hands-On Visual Basic--Hands-On Microsoft Access--Hands-On Integrating MS Office Applications--Hands-On PowerBuilder--Hands-On Visual Basic 4 for Enterprise Applications--Hands-On C Programming--Hands-On C Advanced Programming--Hands-On C++ Object-Oriented Programming--Hands-On Advanced C++ Programming--Hands-On C++ for Non-C Programmers--Hands-On* Ada 95 Programming--Hands-On Distributed Programming Using DCE--Hands-On
Software Development Methods	Object-Oriented Analysis and Design Software Quality Assurance Identifying User Requirements Practical Software Testing Methods

</TABLE>

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CURRICULUM	COURSES
Software Development Methods (continued)	Specifying and Managing Software Requirements Software Systems Analysis and Design Software Project Planning and Management Software Configuration Management Systems Engineering
IT Soft Skills	Business Process Re-engineering Effective Skills for Technical Managers Project Management--Hands-On Influence Skills Negotiating Skills

</TABLE>

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* Course title under development as of June 30, 1996.

The Company presents its classroom courses at Learning Tree Education Centers in Boston, Los Angeles, Washington D.C., Toronto, Ottawa, London, Paris and Stockholm, as well as in rented hotel or conference centers in other cities worldwide. The Company's Education Centers include 55 classrooms that have been custom-designed to accommodate the technical demands of Learning Tree's computer-based courses, including electronic projection of computer screens, local area networks within the classroom, and multimedia presentation capability.

In addition to the foregoing course titles, the Company also develops courses for presentation at customer sites. These courses typically are customized to cover particular topics and applications requested by the customer. Learning Tree typically provides all of the software, hardware and networking systems required for use in customer-site courses.

Multimedia CBT Courses. In February 1996, Learning Tree introduced a line of multimedia CBT course titles based on the interactive content of its computer-based classroom courses. The Company believes that the adaptation of its classroom courses to the multimedia CBT format can be accelerated by the incorporation of the proven hands-on exercises from its classroom courses, its accumulated experience with course participants and by utilizing its large instructor team as subject matter experts to support the process. The Company designed its multimedia CBT courses to be interactive using a common interface across all course titles. In addition, the Company structures its multimedia CBT courses to complement its classroom-based offerings, thereby providing IT professionals with the flexibility to learn and reinforce a given set of skills and knowledge, from introductory to advanced levels, through a combination of multimedia CBT and hands-on classroom-based training. The Company's multimedia CBT courses are delivered to the workstation either by CD-ROM or over the customer's local area network.

The Company has also developed LearnTrack, a CBT management software package that provides training administrators with the capability to install and distribute Learning Tree and third-party CBT courses, enroll participants in the courses, monitor usage and print reports on course utilization, learner progress and course completion.

To obtain greater control over the multimedia CBT development process, course quality and costs of development, the Company has expanded its in-house multimedia CBT development team and discontinued the use of outside CBT course developers. Since introducing its first multimedia CBT course title in February 1996, the Company has released ten multimedia CBT course titles as of August 7, 1996. The Company began the initial marketing of its multimedia CBT product line in January 1996, and intends to expand these sales and marketing activities commensurate with the growth of titles in its multimedia CBT library. While the Company continues to anticipate that its revenues in fiscal 1996 will be derived almost exclusively from instructor-led training, to date the Company has received orders from approximately 200 corporate and government customers for its multimedia CBT courses. The actual number of titles which the Company will produce and their delivery dates are subject to a number of factors such as the hiring and training of additional

staff, continued refinements in the development and production process and the availability of subject matter experts who are also responsible for developing and teaching the Company's instructor-led courses. See "Risk Factors--Risks Associated With Growth of CBT Courses." Following is a summary of multimedia CBT course titles available as of August 7, 1996:

<TABLE>
<CAPTION>

CURRICULUM	COURSES
<S>	<C>
Client/Server	Client/Server Computing
Microsoft Windows and Windows NT	Installing and Using Windows 95 Introduction to Windows NT
Local Area Networks	Local Area Networks
Internetworking	Internetworking: Bridges and Routers Introduction to TCP/IP
UNIX	UNIX Basic Concepts and Usage
PC Support	Introduction to PC Configuration and Troubleshooting
Graphical User Interfaces	Windows Programming with Visual C++ and MFC

and Programming

Introduction to Visual Basic--Hands-On

</TABLE>

DEVELOPMENT OF INSTRUCTOR-LED, CLASSROOM COURSES

Learning Tree endeavors to identify and develop course titles that satisfy a large market demand. Learning Tree seeks to accomplish this by (i) building close working relationships with the development groups of leading IT vendors in order to obtain information on upcoming products, (ii) canvassing its expert instructors to identify general market trends and specific topics within existing course titles that can be expanded to serve as new courses, (iii) holding periodic discussions with its Training Advantage customers to determine their upcoming project plans and training requirements, and (iv) conducting market surveys of the Company's course participants. Moreover, the members of executive management of the Company have strong IT educational and professional backgrounds and stay closely involved with the course selection and development process. See "Management--Executive Officers and Directors."

Each Learning Tree course title is developed by a team comprised of a product manager who manages the project and instructional design process, a product marketing manager, and three subject matter experts who generally are selected from the Learning Tree author and instructor team. Learning Tree endeavors to select a group of experts from different countries and industries and with complementary applications backgrounds. The Company believes that its use of a team of experts provides multiple points of view concerning the application of the subject technology, information on different uses of that technology throughout the world, and training that is relevant to course participants working in diverse applications in a broad range of industries worldwide. The result is a set of proprietary course materials and several hundred pages of presentation graphics for each course. To ensure its courses meet the needs of the market place and provide a high quality of instruction, the Company requests that each course participant complete an evaluation of the course and the instructor. Learning Tree course titles are updated regularly to incorporate new technology and to improve their educational effectiveness. Learning Tree courses currently are translated into French, Japanese and Swedish and are taught by nationals in the local language in the Company's United States, Canadian, United Kingdom, French, Swedish and Japanese subsidiaries.

The Company has refined its development process and implemented support systems in order to reduce its typical course development time from seven months in fiscal 1993 to less than five months in fiscal 1995. As a result of these efforts, Learning Tree has substantially increased the number of its course titles from 56 in fiscal 1993 to 87 at September 30, 1995 and 98 at June 30, 1996.

LEARNING TREE INSTRUCTORS

The Company believes that its instructors are vital to its success. Learning Tree instructors work either full-time for companies or as independent consultants in a variety of industries applying the IT skills and knowledge that are the subjects of the courses they teach. On average, the Company's instructors have approximately 20 years of industry experience and teach an average of eight to nine Learning Tree courses each year as needed. At June 30, 1996, the Company had 494 instructors.

The Company's future success will also depend on its ability to attract and retain highly-skilled instructors. Each Learning Tree subsidiary has an Instructor Resources Department that follows a formal process to recruit, train, coach and manage its instructor team. The Company identifies new instructor candidates primarily through referrals from its existing instructors. Instructor candidates undergo a rigorous technical evaluation prior to participating in Learning Tree's proprietary instructor training program. The Company believes that its instructor force is relatively stable, and its recruitment and training program focuses primarily on expanding the Company's instructor staff to meet growing market demand. There can be no assurance that the Company will be successful in these recruitment and training efforts. See "Risk Factors--Dependence on Key Personnel."

CUSTOMERS

Learning Tree has developed a broad customer base focusing on Fortune 1000-level companies and their international equivalents and government organizations worldwide. In fiscal 1995, its over 60,000 course participants were employed by approximately 5,800 organizations. The Company benefits from a high level of recurring sales; of the Company's 100 largest fiscal 1993 worldwide customers, 98 were customers in fiscal 1995. In fiscal 1995, the Company derived approximately 55% of its revenues internationally and 45% in the United States.

The Company's customers generally operate in the computer, communications, electronics, systems integration, finance, aerospace, military, manufacturing, and energy sectors, and a number of the customers are government organizations. The Company's larger customers worldwide include the following organizations that have purchased between $100,000 and $1.8 million of Learning Tree training in fiscal 1995. The revenues from these individual customers range from less than 1% to a high of 2.3% of the Company's fiscal 1995 revenues. Generally each customer purchased this training throughout the year in individual purchase decisions ranging from $2,000 to $20,000 rather than through a single contract.

Alcatel	Ford Motor Company	NYNEX
Amadeus	France Telecom	Ontario Hydro
Andersen Consulting	GEC	Pacific Telecom
Asea Brown Bovari	General Electric	Perot Systems
AT&T	Hewlett-Packard	Prudential
Automobiles Peugeot	Hitachi	Reuters
Barclays Bank	Hughes	Revenue Canada
Bell Atlantic	IBM	Royal Bank of Scotland
Boeing	Intel	Royal Canadian Mounted Police
British Gas	Internal Revenue Service	Shell Oil
British Telecom	JP Morgan	Siemens
Bull	Kodak	Sprint
Control Data	Lockheed Martin	Sybase
Credit Lyonnais	Matra Communications	Thomson-CSF

CSC	Ministry Of Defence (UK)	Transport Canada
Dassault	Mobil	UNISYS
Digital	Motorola	US Air Force
EDS	NASA	US Army
E.I. DuPont	National Institutes of Health	US Navy
Electricite de France (EDF)	National Westminster Bank	US WEST
Ericsson	Network Systems Corp.	VISA International
Federal Aviation Administration	Nixdorf Computer	The World Bank
Federal Reserve System	Nortel	Xerox

MARKETING AND SALES

Direct Mail Marketing and Advertising. Learning Tree markets its courses primarily through direct mail marketing to its proprietary mail list of over 1,000,000 individuals (including course participants, their immediate supervisors, department managers, training managers, and other people who have inquired about the Company's courses) as well as to rented mailing lists of IT professionals. By advertising all of its courses in a single mailing package, the Company has been able to reduce its mailing cost per course title as it has increased the number of its course titles. The Company anticipates that including promotional materials for its multimedia CBT product line in its mailing package can be accomplished at a relatively low incremental cost. The Company also advertises in industry trade magazines and periodicals.

The Company believes that it achieves economies of scale by producing its marketing materials centrally. Its centralized marketing department develops the Company's catalogs, brochures and advertisements using

color desktop publishing and electronic pre-press technology to create the files used to produce direct full-color film for plate-making. This in-house capability enables the Company to make quick improvements to its marketing materials in order to feature the latest technological developments and address market opportunities in a timely manner.

The Company has built a strong brand image through the frequent and prominent use of its trademarks in its marketing materials and course materials. These trademarks include the Learning Tree and professional certification logos, its name, and its trademarks, including EDUCATION IS OUR BUSINESS(R), EDUCATION YOU CAN TRUST(R), WE BRING EDUCATION TO LIFE(R), PRODUCTIVITY THROUGH EDUCATION(R), Alumni Gold(TM), LearnTrack(TM), Training Passport(R), Training Advantage(R), 800-THE-TREE(R) and 800-LRN-TREE(R).

Internet Marketing. The Company maintains a web site (http://www.learningtree.com) for marketing its products and services over the Internet. Information contained in the Company's Web site shall not be deemed to be part of this Prospectus. The Company believes that the Internet will become an increasingly significant marketing channel to prospective IT course participants in the future.

Telemarketing Sales Force. At June 30, 1996, Learning Tree's telemarketing sales force consisted of over 70 people who were responsible for responding to phone, e-mail, Web site and facsimile orders and inquiries received by the Company and pursuing sales opportunities. These telemarketers sell both to individual prospective course participants, and to line managers and training directors in assigned accounts. The Company has developed a proprietary automated system which is integrated with its customer and course operations databases and provide its telemarketers with on-line information that facilitates rapid response to inbound callers, provides targeted lists for outbound calling, records the results of calls and automates the sales follow-up process. The Company believes its telemarketing sales force has been instrumental to the Company's success in selling its multiple-enrollment Training Passport programs.

Field Sales Force. The Learning Tree field sales force, which consisted of over 40 sales people at June 30, 1996, generates a significant portion of the Company's revenues. The field sales force concentrates its attention on the Company's larger customers to sell multiple course customer-site training programs, and to sign Training Advantage Agreements covering all formats of Learning Tree training. The Company's Training Advantage Agreements provide its nationwide and international customers with negotiated pricing and special services.

The field sales force is assisted by the Company's Customer Support Group which provides the administration and logistics support necessary to ensure the successful presentation at the customer's site of Learning Tree's hands-on, computer-based classroom courses. For large contracts requiring customization, the customer support staff serve as team leaders to coordinate rapid and effective cooperation between the instructor(s) which modify and teach the courses, the internal development team who implements the changes, the Company's technical support group which modifies the course hardware and software as needed, and the logistics staff which assembles and ships course equipment and materials for each course event.

Multiple Enrollment Programs. In March 1993, the Company introduced its Training Passport program to encourage course participants to enroll in multiple courses, and thereby increase the average attendance in its Learning Tree-site courses. As the program is presently constituted, the holder of a Learning Tree Training Passport may attend up to 8 courses (10 in the United Kingdom and France) during a 12-month period. The list price for the Training Passport is approximately three times the list price for an individual four-day course.

The Company has also developed the Learning Tree Professional Certification Programs for certifying IT professionals in 18 job functions in the areas of the Company's focus. Professional certification is important to many participants in Learning Tree courses as it provides documentation of their qualifications. Each professional certification program requires completion of a series of five Learning Tree courses and an examination associated with each course. Since this program's inception in fiscal 1993, over 36,000 participants have completed one or more certification examinations.

COMPETITION

The IT education and training market is highly fragmented, with low barriers to entry and no single competitor accounting for a dominant market share. According to a 1994 IDC study, internal company training departments were the largest providers of training and education for IT professionals, delivering 35% of such services, with independent education and training companies delivering 30%, technology manufacturers delivering 18%, systems integrators delivering 10%, and other sources delivering the remaining 7%. Some of these competitors offer course titles and programs similar to those of the Company at lower prices. In addition, some competitors have greater financial and other resources than the Company.

Internal Training Departments. Internal IT training departments generally provide companies with the most control over the method and content of training, enabling them to tailor the training to their specific needs. However, the Company believes that industry trends toward downsizing and outsourcing continue to reduce the size of IT training departments and increase the percentage of IT training delivered by external providers. Because internal trainers find it increasingly difficult to keep pace with new technologies, lack the hands-on experience needed to teach the latest technological developments, and lack the capacity to meet demand, organizations increasingly supplement their internal training resources with externally supplied training in order to meet their requirements.

Other Independent Education and Training Providers. The Company believes that the majority of independent training providers are smaller organizations, which often provide training as one of several services or product lines. Many are "Authorized Training Centers" which present courses utilizing materials prepared by computer hardware and software vendors such as Novell and Microsoft. The Company differentiates itself from these providers based on its size; scope and quality of its proprietary course offerings; worldwide delivery capability; number, quality and experience of its instructors; and vendor independence.

Computer Hardware and Software Vendors. Many hardware and software vendors supply training bundled in the prices of their product. In addition, their knowledge of upcoming developments in their products is likely to be better than that of other training providers. Learning Tree differentiates itself from computer systems manufacturers and software vendors by maintaining a vendor-independent posture, and providing cross-platform training solutions.

CBT Providers. In February 1996, the Company introduced a line of multimedia CBT products but anticipates that substantially all of the Company's revenue in fiscal 1996 will be derived from its instructor-led, hands-on training courses. In the CBT market, many of the Company's current and potential competitors have substantially greater financial, technical, sales, marketing and other resources, as well as greater name recognition in the CBT area than the Company. In addition, the CBT area is characterized by significant price competition. As a greater number of CBT providers enter the field, the Company anticipates that it will face price pressure from competitors. The Company differentiates itself from other CBT providers based on its field sales, telemarketing and direct mail sales and marketing channels, its reputation for providing quality training, the content of its multimedia CBT courses, the frequent feedback the Company receives about its course content and teaching methods from its established customer base, and its ability to provide users with the flexibility to acquire a given set of skills and knowledge through either multimedia CBT or classroom-based training or an integrated combination of the two. However, there can be no assurance that the Company's products will be more favorably viewed by the marketplace than other interactive training software or that competitive pressures will not require the Company to reduce its prices significantly. See "Risk Factors--Risks Associated With Growth of CBT Courses."

INTELLECTUAL PROPERTY AND LICENSES

The Company regards its course development process and its course titles as proprietary and relies primarily on a combination of statutory and common law copyright, trademark and trade secret laws, customer licensing agreements, employee and third-party nondisclosure agreements and other methods to protect its

proprietary rights. Notwithstanding the foregoing, a third party or parties could copy or otherwise obtain and use the Company's course materials in an unauthorized manner or use these materials to develop course titles which are substantially similar to those of the Company. In addition, the Company operates in countries that do not provide protection of proprietary rights to the same extent as the United States. The Company's course materials generally do not include any mechanisms to prohibit or prevent unauthorized use. If substantial unauthorized use of the Company's products were to occur, the Company's business and results of operations could be materially adversely affected. There can be no assurance that the Company's means of protecting its proprietary rights will be adequate or that the Company's competitors will not independently develop similar course titles or delivery methods. Additionally, there can be no assurance that third parties will not claim that the Company's current or future courses infringe on the proprietary rights of others. The Company expects that it will be increasingly subject to such claims as the number of products and competitors increases in the future. Any such claim could result in a material adverse effect on the Company's business. See "Risk Factors--Risks Associated With Intellectual Property."

REGULATORY ENVIRONMENT

Many federal, state and international governmental authorities assert authority to regulate providers of educational programs. Generally, the Company is exempt from such regulation because the Company contracts with the employer of the course participants and does not participate in any federal or state student aid/loan programs. If, in the future, the Company were required to comply with, or found to be in violation of, a state's current or future licensing or regulatory requirements, it could be subject to civil or criminal sanctions, including monetary penalties, and could be barred from providing educational services in that state. See "Risk Factors--Risks Associated With State Authorization and Accreditation."

LITIGATION

The Company is not involved in any pending or threatened legal proceedings that the Company believes could reasonably be expected to have a material adverse effect on the Company's financial condition or results of operations.

EMPLOYEES

As of June 30, 1996, the Company had a total of 359 full-time employees, of which 153 were employed outside the United States, as well as 494 instructors to teach its courses. The Company considers its relations with its employees to be good.

FACILITIES

As of June 30, 1996, all Learning Tree facilities were leased by the Company. The leases expire at various times over the next ten years. Although the Company believes that its facilities, as well as its rented hotel and conference facilities, are adequate to meet its current needs, the Company has recently purchased a 37,000 square foot facility for its U.S. subsidiary and has entered into a letter of intent to lease an additional 11,000 square feet for its Los Angeles headquarters. The Company intends to lease additional facilities for a number of its subsidiaries in the foreseeable future. The Company's headquarters is located at 6053 West Century Boulevard, Los Angeles, California 90045. The table below sets forth certain information regarding Learning Tree facilities--classroom sites and offices--as of June 30, 1996:

LOCATION (METROPOLITAN AREA)	NO. OF CLASSROOMS	AREA IN SQUARE FEET
Los Angeles, CA...	3	34,145
Boston, MA........	2	5,555
Washington, DC (3 sites)..........	13	43,869
Santa Clara, CA...	N/A	150

LOCATION (METROPOLITAN AREA)	NO. OF CLASSROOMS	AREA IN SQUARE FEET
Paris, France.....	12	36,814
London, England (2 sites)..........	13	33,577
Toronto, Canada...	4	10,830
Ottawa, Canada....	4	13,895
Stockholm, Sweden..........	4	9,149
Tokyo, Japan......	N/A	646

MANAGEMENT

EXECUTIVE OFFICERS AND DIRECTORS

The following table provides information regarding the executive officers and directors of the Company as of June 30, 1996. Biographical information for each of the persons set forth in the table is presented below.

NAME	AGE	TITLE
David C. Collins(1)......	55	Chairman of the Board of Directors and Chief Executive Officer
Eric R. Garen............	49	President and Director
Max S. Shevitz...........	41	Executive Vice President and Director
Gary R. Wright...........	39	Vice President, Finance, Chief Financial Officer and Secretary
Mary C. Adams............	40	Vice President, Administration, Investor Relations and Assistant Secretary
W. Mathew Juechter(1)......	63	Director
Michael W. Kane(1).......	45	Director
Alan B. Salisbury........	59	Director and President and General Manager, Learning Tree International USA, Inc.

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(1)Member of the Audit Committee and the Compensation Committee.

Dr. Collins, a co-founder of the Company, has been Chairman of the Board and Chief Executive Officer since the Company's business began in 1974 (under the name Integrated Computer Systems Publishing Co., Inc.). Dr. Collins has a Bachelor of Science degree (with distinction) in Electrical Engineering from Stanford University, and Masters and Ph.D. degrees in Electrical Engineering from the University of Southern California.

Mr. Garen, a co-founder of the Company, has served first as Executive Vice President and then as President of the Company since the Company's business began in 1974. Mr. Garen holds a Bachelors degree in Electrical Engineering from the California Institute of Technology and a Masters degree in Computer Science from the University of Southern California, both with honors.

Mr. Shevitz has been Executive Vice President of the Company since July 1994, and was General Manager of Learning Tree International U.S.A, Inc., a subsidiary of the Company, from September 1988 to December 1993. From January to July 1994, Mr. Shevitz was Executive Vice President at Sigma International, Inc., a customer service training company. From 1986 to 1988, Mr. Shevitz was the founder and President of MD Technology, Inc., a medical diagnostic equipment company.

Mr. Wright has been Vice President, Finance and Chief Financial Officer of the Company since January 1995, and from January 1990 to that time he was Corporate Controller of the Company. From April 1983 to January 1990, Mr. Wright was employed by The Flying Tiger Line Inc. and its parent company, Tiger International, Inc., a publicly-held transportation company, where he held a variety of financial executive positions, including Assistant Controller and Director of Financial Reporting. Prior to April 1983, Mr. Wright worked at the public accounting firm of Arthur Andersen LLP. Mr. Wright is a certified public accountant.

Ms. Adams has served as Vice President, Administration since September 1995. She began her association with the Company in September 1975 and has held a variety of positions in the Company. Ms. Adams is also the President of Advanced Technology Marketing, Inc., a wholly-owned subsidiary of the Company, and manages the Company's Investor Relations Department.

Mr. Juechter has been a director of the Company since June 1987. Since 1991, he has been the Chief Executive Officer of ARC International Ltd., a management consulting and training company. From 1986 to 1991, Mr. Juechter was Managing Director of IRA, Inc. in St. Paul, Minnesota, a management consulting company. Mr. Juechter was President and Chief Executive Officer of Wilson Learning Corp., a multi-national training organization, from 1977 to 1986. From 1989 to 1995, Mr. Juechter served as President of the Board of Governors of the American Society for Training and Development (ASTD).

Dr. Kane has served as a director of the Company since February 1995. Since 1991, he has been President and Chief Executive Officer of M. Kane & Company, Inc., an investment banking firm focusing primarily on technology companies. From 1987 to 1988, he was an investment banker with L.F. Rothschild & Co., Inc. and from 1988 to 1991 was an investment banker with Oppenheimer & Co., Inc. From 1984 to 1987, he practiced primarily corporate and securities law with the law firm of Irell & Manella (corporate counsel to the Company), and prior to that he was a Project Leader in the Systems Sciences Department of The Rand Corporation and was an independent consultant to the satellite telecommunications industry. Dr. Kane has a Bachelor of Arts degree in Political Science from the University of Wisconsin--Madison and a Master's degree in International Relations, a Ph.D. degree in Political Science and a J.D. degree from the University of California, Los Angeles.

Dr. Salisbury has been President and General Manager of Learning Tree International (USA), the Company's operating subsidiary in the United States, since April 1993. From 1991 until he joined the Company in 1993, Dr. Salisbury was Chief Operating Officer of Microelectronics and Computer Technology Corporation (MCC), an organization involved in the research and development of IT products located in Austin, Texas; and from 1987 to 1991, he was President of the Contel Technology Center, the research and development group of an independent telephone company located in Chantilly, Virginia. Dr. Salisbury is a director of Sybase, Inc., a database software developer and Telepad Corporation, a computer manufacturer. The author of numerous books and articles related to information technology and training, Dr. Salisbury served in the United States Army from 1958 to 1987, when he retired as Commanding General of the U.S. Army Information Systems Engineering Command. He holds a Bachelor of Science degree (with distinction) from the U.S. Military Academy, and Masters and Ph.D. degrees in Electrical Engineering and Computer Science from Stanford University.

David C. Collins and Mary C. Adams are married. There are no other family relationships among any of the directors or executive officers of the Company.

BOARD OF DIRECTORS

The Company's Board of Directors has six members and is divided into three classes. The term of office of one class of directors expires each year in rotation so that one class is elected at each annual meeting of stockholders for a full three-year term. However, the initial term of the first two classes will expire at the annual meeting of stockholders to be held in 1997; and the initial term of the third class will expire at the annual meeting of stockholders to be held in 1998. Alan B. Salisbury and W. Mathew Juechter are members of the first class; Max Shevitz and Michael W. Kane are members of the second class; and David C. Collins and Eric R. Garen are members of the third class. At each annual meeting of the stockholders, directors will be elected for a three-year term to succeed the directors whose terms are then to expire. The Company's officers serve at the discretion of the Board of Directors.

Directors' Compensation. No director who is an employee of the Company is compensated for service as a member of the Board of Directors or for service on any committee of the Board of Directors. Compensation for non-employee directors (other than committee chairpersons) consists of a monthly retainer of $1,000. Compensation for non-employee chairpersons of committees consists of an annual retainer of $3,000. Compensation for all non-employee directors also consists of a $500 fee for each Board meeting and a $250 fee for each Committee meeting attended. Directors are reimbursed for travel and out-of-pocket expenses incurred on behalf of the Company.

Committees of the Board of Directors. The Board of Directors of the Company has established an Audit Committee and a Compensation Committee.

Audit Committee. The Audit Committee will support the independence of the Company's external and internal auditors and the objectivity of the Company's financial statements. The Audit Committee will (a) review the Company's principal policies for accounting, internal control and financial reporting, (b) recommend to the Company's Board of Directors the engagement or discharge of the external auditors, (c) review with the external auditors the plan, scope and timing of their audit and (d) review the auditors' fees and, after completion of the audit, review with management the external auditors' report. The Audit Committee will also review, before publication, the annual financial statements of the Company, the independence of the external auditors, the adequacy of the Company's internal accounting control system, and the Company's policies on business integrity and ethics and conflicts of interest. The Audit Committee will also perform a number of other review functions related to auditing the financial statements and internal controls. The current members of the Audit Committee are Michael W. Kane, W. Mathew Juechter and David C. Collins.

Compensation Committee. The Compensation Committee will (a) review and make recommendations to the Company's Board of Directors with respect to the direct and indirect compensation and employee benefits of the Chairman, President and other elected officers of the Company, (b) review, administer and make recommendations to the Company's Board of Directors with respect to any incentive plans and bonus plans that include elected officers and (c) review the Company's policies relating to the compensation of senior management and other employees. In addition, the Committee will review management's long-range planning for executive development and succession, establish and periodically review policies on perquisites and perform certain other review functions relating to management compensation and employee relations policies. The members of the Compensation Committee are Michael W. Kane, W. Mathew Juechter and David C. Collins.

Compensation Committee Interlocks and Insider Participation. During the fiscal year ending September 30, 1995, the Company did not have a compensation committee. All matters concerning executive compensation were addressed by Dr. Collins and Mr. Garen.

EXECUTIVE COMPENSATION

The following table sets forth certain information with respect to compensation for the Company's Chief Executive Officer and the three most highly compensated executive officers of the Company with annual compensation in excess of $100,000 during the fiscal year ended September 30, 1995:

SUMMARY COMPENSATION TABLE FOR THE YEAR ENDED SEPTEMBER 30, 1995

NAME AND PRINCIPAL POSITION	ANNUAL COMPENSATION(1) SALARY	BONUS	ALL OTHER COMPENSATION(2)
David C. Collins Chairman of the Board of Directors and Chief Executive Officer	$ 300,000	$ 215,115	$4,560
Eric R. Garen President and Director	300,000	215,115	4,560
Max S. Shevitz Executive Vice President and Director	100,000	323,222	4,518
Gary R. Wright Vice President--Finance and Chief Financial Officer and Secretary	140,000	42,138	2,165
Alan B. Salisbury President and General Manager, Learning Tree International USA, Inc. and Director	174,695	180,717	4,749

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(1) Certain of the Company's executive officers receive personal benefits in addition to salary and cash bonuses, including car allowances. The aggregate amount of such personal benefits, however, does not exceed the lesser of $50,000 or 10% of the total of the annual salary and bonus reported for the named executive officers.

(2) These amounts represent contributions made by the Company to a defined contribution plan.

STOCK OPTION PLAN

In September 1995, the Company adopted the 1995 Stock Option Plan (the "Stock Option Plan"), which provides for the issuance of incentive stock options within the meaning of Section 422 of the Code and non-qualified stock options to purchase an aggregate of up to 1,500,000 shares of the Common Stock of the Company. The Stock Option Plan permits the grant of options to officers, employees, directors and consultants of the Company.

The Stock Option Plan is administered by a committee of the Board of Directors (the "Committee") composed of Mr. Garen and Dr. Collins, who are not eligible to participate in the Plan. Each option will be evidenced by written agreement in a form approved by the Committee. No options granted under the Stock Option Plan will be transferable by the optionee other than by will or by the laws of descent and distribution, and each option will be exercisable, during the lifetime of the optionee, only by the optionee.

Under the Stock Option Plan, the exercise price of an incentive stock option must be at least equal to 100% of the fair market value of the Common Stock on the date of grant (110% of the fair market value in the case of options granted to employees who hold more than ten percent of the voting power of

Company's capital stock on the date of grant). The exercise price of a non-qualified stock option must be not less than the par value of a share of the Common Stock on the date of grant. The term of an incentive or non-qualified stock option is not to exceed ten years (five years in the case of an incentive stock option granted to a ten percent holder). The Committee has the discretion to determine the vesting schedule and the period required for full exercisability of stock options; however, in no event can the Committee shorten such period to less than six months. Upon exercise of any option granted under the Stock Option Plan, the exercise price may be paid in cash, and/or such other form of payment as may be permitted under the applicable option agreement, including, without limitation, previously owned shares of Common Stock.

The Company intends to grant options to purchase an aggregate of between 300,000 and 500,000 shares of its Common Stock to its management, employees and course instructors in the near future. It is anticipated that the exercise price of such options will be at least 100% of the fair market value of the underlying shares on the grant date and the options will vest ratably over a four-year period.

OTHER EMPLOYEE BENEFIT PLANS

401(k) Plan (U.S. Employees). The Company has adopted the Learning Tree International, Inc. Profit-Sharing and Deferred Savings Plan (the "401(k) Plan"), which is intended to qualify under Section 401(k) of the Internal Revenue Code of 1986, as amended (the "Code"). All employees of the Company and its U.S. subsidiary who have attained 18 years of age and have met the plan's service requirements are eligible to participate in the 401(k) Plan. Each eligible employee may contribute to the 401(k) Plan, through payroll deductions, up to 15% of his or her salary, subject to statutory limitations. For each $1.00 invested by an employee, the Company contributes $0.25 up to one and one-half percent of such employee's salary. In addition, the Company makes qualified nonelective contributions to the 401(k) Plan on an annual basis that are equivalent to one and one half percent of the annual compensation of the participant. The 401(k) Plan permits, but does not require, additional contributions to the 401(k) Plan by the Company. Under Section 401(k) of the Code, contributions by employees or by the Company to the 401(k) Plan, and income earned on plan contributions, are not taxable to employees until withdrawn from the 401(k) Plan, and contributions by the Company will be deductible by the Company when made. In August 1996, the 401(k) Plan was amended. Pursuant to such amendment and effective October 1, 1996, the Company will contribute $0.75 for each $1.00 invested by participating employees. Such contributions by the Company cannot exceed four and one-half percent of such employees' salaries. Furthermore, qualified non-elective contributions will be eliminated as of that date.

Benefit Plans--United Kingdom Employees. The Company's United Kingdom subsidiary maintains an employee contribution plan for the benefit of its employees who have attained 25 years of age and have met certain service requirements. Contributions to the plan range from 5.0% to 7.5% of each eligible employee's base salary, depending on length of service. Each eligible employee may make additional contributions up to an aggregate of 15% of the employee's gross taxable earnings. The plan's funds are maintained and administered by an independent insurance carrier.

EMPLOYMENT AGREEMENTS

Pursuant to an employment agreement dated as of October 1, 1995 (the "Collins Agreement"), David C. Collins is employed as Chairman of the Board and Chief Executive Officer of the Company. The Collins Agreement provides that Dr. Collins will receive an annual base salary of $300,000 and additional incentive compensation if certain performance targets are met. In fiscal 1995, Dr. Collins earned $215,115 in incentive compensation. In addition, Dr. Collins is entitled to reimbursement of reasonable travel and business entertainment expenses authorized by the Company, as well as certain fringe benefits. In the event of the termination of Dr. Collins' employment with the Company, Dr. Collins has agreed, for a period of one year after the termination, not to offer any service or product in competition with the Company, whether directly or indirectly, in any area served by the Company at the date of termination. The Collins Agreement has a term of three years and is renewable, at Dr. Collins' option, for additional three year periods.

Pursuant to an employment agreement dated as of October 1, 1995 (the "Garen Agreement"), Eric R. Garen is employed as President of the Company. The Garen Agreement provides that Mr. Garen will receive an annual base salary of $300,000 and additional incentive compensation if certain performance targets are met. In fiscal 1995, Mr. Garen earned $215,115 in incentive compensation. In addition, Mr. Garen is entitled to reimbursement of reasonable travel and business entertainment expenses authorized by the Company, as well as certain fringe benefits. In the event of the termination of Mr. Garen's employment with the Company, Mr. Garen has agreed, for a period of one year after the termination, not to offer any service or product in competition with the Company, whether directly or indirectly, in any area served by the Company at the date of termination. The Garen Agreement has a term of three years and is renewable, at Mr. Garen's option, for additional three year periods.

Pursuant to an employment agreement dated as of July 18, 1994, as amended (the "Shevitz Agreement"), Max S. Shevitz is employed as Executive Vice President of the Company. The Shevitz Agreement provides that Mr. Shevitz will receive an annual base salary of $100,000, as well as incentive compensation to be determined by the Board of Directors. In fiscal 1995, Mr. Shevitz earned $323,222 in incentive compensation. In addition, Mr. Shevitz has agreed, for a period of two years following the termination of the Shevitz Agreement, not to (i) solicit any of the Company's customers with whom he did business or was acquainted during the term of the Shevitz Agreement and (ii) disclose any information pertaining to the Company's customers or the contents of any mailing list prepared or used by the Company during or prior to the term of the Shevitz Agreement. The Shevitz Agreement is terminable by either party at any time upon two weeks' prior written notice.

Pursuant to an employment agreement dated as of January 8, 1990, as amended (the "Wright Agreement"), Gary R. Wright is employed as Vice President-Finance and Chief Financial Officer of the Company. The Wright Agreement provides that, as of January 1995, Mr. Wright will receive an annual base salary of $140,000, as well as incentive compensation to be determined by the Board of Directors. In fiscal 1995, Mr. Wright earned $42,138 in incentive compensation. In addition, Mr. Wright has agreed, for a period of two years following the termination of the Wright Agreement, not to (i) solicit any of the Company's customers with whom he did business or was acquainted during the term of the Wright Agreement and (ii) disclose any information pertaining to the Company's customers or the contents of any mailing list prepared or used by the Company during or prior to the term of the Wright Agreement. The Wright Agreement is terminable by either party at any time.

Pursuant to an employment agreement dated as of April 19, 1993 (the "Salisbury Agreement"), Alan B. Salisbury is employed as President and General Manager of Learning Tree International USA, Inc. (the "U.S. Subsidiary"). The Salisbury Agreement provides that Dr. Salisbury will receive an annual base salary of $174,695, as well as incentive compensation to be determined by the Board of Directors. In fiscal 1995, Dr. Salisbury earned $180,717 in incentive compensation. On termination of employment with the U.S. Subsidiary, Dr. Salisbury will receive one month's salary per year of employment, with a minimum of at least three months salary, and the pro rata portion of the incentive compensation described above. In addition, Dr. Salisbury has agreed, for a period of two years following the termination of the Salisbury Agreement, not to (i) solicit any of the U.S. Subsidiary's customers with whom he did business or was acquainted during the term of the Salisbury Agreement and (ii) disclose any information pertaining to the U.S. Subsidiary's customers or the contents of any mailing list prepared or used by the U.S. Subsidiary during or prior to the term of the Salisbury Agreement. The Salisbury Agreement is terminable by either party at any time.

STOCKHOLDERS AGREEMENT

Dr. Collins and Mr. Garen have entered into a Stockholders Agreement dated as of October 1, 1995 (the "Stockholders Agreement"). The Stockholders Agreement provides that (i) the non-transferring stockholder shall have a right of first refusal with respect to any transfer that is not made to certain affiliates or pursuant to either an underwritten public offering or Rule 144 of the Securities Act (a "Restricted Transfer"); and (ii) in addition to the foregoing restriction, no Restricted Transfer to any person or group involving more than five percent of the then outstanding Common Stock may be effected without the prior consent of the non-transferring stockholder.

CERTAIN TRANSACTIONS

On January 6, 1995, the Company and M. Kane & Company, Inc. ("MKC") entered into an agreement pursuant to which MKC agreed to provide financial advice and assistance, including valuation-related analyses of the Company and advice to the Company about strategic financial alternatives and to assist the Company in structuring and conducting the Company's initial public offering. In consideration for such services, MKC received a retainer of $10,000 per month from January 1995 through June 1995, and was paid $15,000 per month from July 1995 until December 1995. MKC also received $776,250 or 1.875% of the gross proceeds of the Company's initial public offering, less the monthly retainer payments received by it. In addition, the Company reimbursed MKC for its reasonable out-of-pocket fees and expenses. This agreement terminated upon the settlement date of the Company's initial public offering. Michael W. Kane, President of MKC, also is a Director of the Company. The Company believes that the foregoing transactions were on terms no less favorable to the Company than could be obtained from unaffiliated parties.

On July 12, 1996, the Company and MKC entered into an agreement pursuant to which MKC agreed to provide financial advisory services and assist the Company in structuring and conducting this Offering. In consideration of such services, MKC will be compensated by a retainer of $15,000 per month from July 1996 until the month in which the closing or abandonment of this Offering occurs. MKC will also receive 1.875% of the gross proceeds of this Offering, less the monthly retainers received by it. In addition, the Company must reimburse MKC for its reasonable out-of-pocket fees and expenses. This agreement may be terminated by either party at any time upon thirty days' notice, and the agreement will automatically terminate upon the earliest to occur of the consummation or abandonment of this Offering or twelve months after the date of the agreement.

During the Company's last three fiscal years, the Company has, from time to time, issued shares of its Common Stock to its employees, including certain of its executive officers and directors (see table below). Prior to the Company's initial public offering, the price per share purchased by these executive officers and directors was based on a formula valuation. The Company has not sold any shares of its Common Stock to its executive officers and directors since its initial public offering. The shares issued in fiscal 1995 and certain of the shares issued in fiscal 1994 are subject to repurchase options, in the event of termination of employment, at the sole discretion of the Company. Such repurchase options expire over a four-year period at a rate of 25% per year.

	FISCAL YEAR		
	1993	1994	1995
Max S. Shevitz	87,840(1)	175,680	--
Gary R. Wright	--	--	146,400
Michael W. Kane	--	--	36,600
Alan B. Salisbury	175,680	--	--
Mary C. Adams	--	43,920	18,300

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(1) Repurchased in fiscal 1994 by the Company pursuant to a repurchase agreement.

In partial payment for the purchased shares described above, certain officers and directors have executed promissory notes in favor of the Company with interest at an annual rate of 7%. The maximum outstanding amounts of such promissory notes during fiscal 1993, 1994 and 1995 and the amounts outstanding at June 30, 1996, were as follows:

	FISCAL YEAR			AT JUNE 30,
	1993	1994	1995	1996
Max S. Shevitz	$ 53,345	$ 52,068	$153,115	$ --
Gary R. Wright	13,034	9,481	129,421	107,171
Alan B. Salisbury	106,690	104,874	95,563	--
Michael W. Kane	--	--	31,899	--
Mary C. Adams	--	26,672	35,728	29,840

In March 1996, the Company repurchased 26,393 shares of Common Stock from its employees and directors in exchange for the cancellation of notes receivable from such stockholders in the amount of $446,000. In addition, during March 1996, notes receivable from stockholders in the amount of $19,000 were offset against the equivalent amount of notes payable to such stockholders. The number of shares repurchased in this transaction from directors and officers of the Company and the note amounts offset were as follows:

	SHARES REPURCHASED	AGGREGATE CONSIDERATION	NOTE PAYABLE OFFSET	NOTE RECEIVABLE OFFSET
Max S. Shevitz..................	8,480	$143,312	$1,640	$144,952
Alan B. Salisbury...............	4,603	77,791	--	77,791
Michael W. Kane.................	1,764	29,812	--	29,812

PRINCIPAL AND SELLING STOCKHOLDERS

The following table sets forth the beneficial ownership of the Common Stock of the Company as of June 30, 1996 and as adjusted to reflect the sale of the shares of Common Stock offered hereby (assuming no exercise of the Underwriters' over-allotment option) by (i) each person or entity known by the Company to own beneficially more than 5% of the outstanding Common Stock, (ii) each of the Company's directors, (iii) each of the persons named in the Summary Compensation Table, (iv) all directors and executive officers as a group and (v) each Selling Stockholder. Except as otherwise noted, the persons or entities named have sole voting and investment power with respect to all shares shown as beneficially owned by them.

	SHARES BENEFICIALLY OWNED PRIOR TO OFFERING(1)		SHARES TO BE SOLD	SHARES BENEFICIALLY OWNED AFTER OFFERING(1)	
NAME AND ADDRESS OF BENEFICIAL OWNER	NUMBER(2)	PERCENT	NUMBER	NUMBER	PERCENT
David C. Collins(3)(4)..	4,812,600	33.7%	800,000	4,012,600	27.4%
Eric R. Garen(3)........	4,642,600	32.5	800,000	3,842,600	26.2
Max S. Shevitz(2).......	167,200	1.2	0	167,200	1.1
Gary R. Wright(2).......	183,000	1.3	0	183,000	1.2
Alan B. Salisbury.......	171,077	1.2	0	171,077	1.2
W. Mathew Juechter......	87,840	*	0	87,840	*
Michael W. Kane(2)......	34,836	*	0	34,836	*
All directors and executive officers as a group (8 persons)......	10,296,793	72.2%	1,600,000	8,696,793	59.3%

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* Less than 1%.

(1) For purposes of this table, a person or group of persons is deemed to have "beneficial ownership" of any shares that such person or group has the right to acquire within 60 days after the date as of which information in this table is provided; and for purposes of computing the percentage of outstanding shares held by each person or group on that date, such shares are deemed to be outstanding, but are not deemed to be outstanding for the purpose of computing the percentage ownership of any other person.

(2) With respect to the following individuals, a certain number of shares are subject to repurchase agreements allowing the Company to repurchase the shares at specified prices and conditions, including termination of employment of the stockholder: Mr. Wright (109,800 shares), Mr. Kane (27,450 shares), Mr. Shevitz (87,840 shares).

(3) Dr. Collins is the Chairman of the Board of Directors and Chief Executive Officer of the Company and Mr. Garen is the President and a director of the Company. The address of these individuals is Learning Tree International, Inc., 6053 West Century Boulevard, Los Angeles, California 90045-0028.

(4) David C. Collins and Mary C. Adams, the Company's Vice President, Administration, are married but disclaim beneficial ownership of each other's shares.

DESCRIPTION OF CAPITAL STOCK

The Company's authorized capital stock consists of 25,000,000 shares of Common Stock, $.0001 par value, and 10,000,000 shares of preferred stock, $.0001 par value (the "Preferred Stock"). Prior to the Offering, 14,263,012 shares of Common Stock were outstanding. No shares of Preferred Stock have been issued.

COMMON STOCK

All outstanding shares of the Common Stock are, and all shares of Common Stock to be outstanding upon completion of the Offering will be, validly issued, fully paid and nonassessable. Each outstanding share of Common Stock will be entitled to such dividends as may be declared from time to time by the Company's Board of Directors consistent with the provisions of the Company's Certificate of Incorporation, Bylaws and applicable law. See "Dividend Policy." Each outstanding share is entitled to one vote on all matters submitted to a vote of stockholders. There are no cumulative voting rights, and therefore, the holders of a majority of the shares voting for the election of the classified Board of Directors can elect all of the Directors in any class up for election, if they so choose. In the event of liquidation, dissolution or winding up of the Company, holders of Common Stock are entitled to receive on a pro rata basis any assets remaining after provision for payment of creditors and after payment of any liquidation preferences to holders of Preferred Stock. Holders of Common Stock have no conversion rights or preemptive rights to purchase or subscribe for additional Common Stock or any other securities of the Company.

PREFERRED STOCK

The authorized Preferred Stock of the Company is available for issuance from time to time at the discretion of the Board of Directors of the Company without stockholder approval. The Board of Directors has the authority to prescribe, for each series of Preferred Stock it establishes, the number of shares in that series, the consideration (not less than its par value) for such shares in that series and the designations, powers, preferences and the relative, participating, optional or other special rights, and such qualifications, limitations or restrictions of the shares in that series. Depending upon the rights of such Preferred Stock, the issuance of Preferred Stock could have an adverse effect on holders of Common Stock by delaying or preventing a change in control of the Company, making removal of the present management of the Company more difficult or resulting in restrictions upon the payment of dividends and other distributions to the holders of Common Stock. The Company currently has no intention to issue any shares of any class or series of its Preferred Stock.

CERTAIN EFFECTS OF AUTHORIZED BUT UNISSUED STOCK

After the Offering, there will be 10,336,988 shares of Common Stock and 10,000,000 shares of Preferred Stock available for future issuance. Delaware law does not require stockholder approval for any issuance of authorized shares. These additional shares may be used for a variety of corporate purposes, including future public offerings to raise additional capital or to facilitate corporate acquisitions. The Company currently does not have any plans to issue additional shares of Common Stock or Preferred Stock.

One of the effects of the existence of unissued and unreserved Common Stock and Preferred Stock may be to enable the Board of Directors to issue shares to persons friendly to current management, which issuance could render more difficult or discourage an attempt to obtain control of the Company by means of a merger, tender offer, proxy contest or otherwise, and thereby protect the continuity of the Company's management and possibly deprive the stockholders of opportunities to sell their shares of Common Stock at prices higher than prevailing market prices. Such additional shares also could be used to dilute the stock ownership of persons seeking to obtain control of the Company pursuant to the operation of a stockholders' rights plan or otherwise.

PROVISIONS OF CERTIFICATE OF INCORPORATION AND BYLAWS AFFECTING CHANGE IN CONTROL

The Certificate of Incorporation and Bylaws provide that the Board of

Directors will be divided into three classes of directors, each class to be as nearly equal in number as possible. The term of office of one class of directors expires each year in rotation so that one class is elected at each annual meeting of stockholders for a full three-year term. Under Delaware law, members of a classified Board of Directors can be removed by stockholders only for "cause" unless a corporation's certificate of incorporation otherwise provides (which the Company's Certificate of Incorporation does not). The Certificate of Incorporation provides that the Board of Directors shall consist of six members. The number of directors may be changed from time to time by resolution of the Board of Directors. The affirmative vote of the holders of a majority of the outstanding shares of capital stock of the Company entitled to vote is required to amend, alter, change or repeal the classified board of directors provisions of the Certificate of Incorporation or to remove a director with cause prior to the expiration of his term. Under the classified board of directors provisions described above, it would take at least two elections of directors for any individual or group to gain control of the Board of Directors. Accordingly, these provisions may discourage a third party from making a tender offer or otherwise attempting to gain control of the Company, and may maintain the incumbency of the Board of Directors.

DELAWARE GENERAL CORPORATION LAW

Pursuant to Section 203 of the Delaware General Corporation Law ("Section 203"), with certain exceptions, a Delaware corporation may not engage in any of a broad range of business combinations, such as mergers, consolidations and sales of assets, with an "interested stockholder" for a period of three years from the date that such person became an interested stockholder unless (a) the transaction that results in the person's becoming an interested stockholder, or the business combination, is approved by the board of directors of the corporation before the person becomes an interested stockholder, or (b) upon consummation of the transaction which results in the stockholder becoming an interested stockholder the interested stockholder owns at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced, excluding shares owned by persons who are directors and officers, and shares owned by certain employee stock plans or (c) on or after the date the person becomes an interested stockholder, the business combination is approved by the corporation's board of directors and authorized at annual and special meetings of stockholders and not by written consent, by holders of at least two-thirds of the corporation's outstanding voting stock, excluding shares owned by the interested stockholder. Under Section 203, an "interested stockholder" is any person, other than the corporation and any direct or indirect majority-owned subsidiaries, that is (a) the owner of 15% or more of the outstanding voting stock of the corporation or (b) an affiliate or associate of the corporation and the owner of 15% or more of the outstanding voting stock of the corporation at any time within the three-year period immediately prior to the date on which it is sought to be determined whether such person is an interested stockholder or (c) an affiliate or associate of such person.

Under certain circumstances, Section 203 makes it more difficult for a person who would be an "interested stockholder" to effect various business combinations with a corporation for a three-year period, although the stockholders may elect to exclude a corporation from the restrictions imposed thereunder. The Company's Certificate of Incorporation does not exclude the Company from the restrictions imposed under Section 203. The provisions of Section 203 may encourage companies interested in acquiring the Company to negotiate in advance with the Company's Board of Directors, because the stockholder approval requirement would be avoided if a majority of the directors then in office approve either the business combination or the transaction which results in the stockholder becoming an interested stockholder. Such provisions also may have the effect of preventing changes in the management of the Company. It is possible that such provisions could make it more difficult to accomplish transactions which stockholders may otherwise deem to be in their best interests.

LIMITATION OF LIABILITY AND INDEMNIFICATION

The Company's Amended and Restated Certificate and Bylaws contain certain provisions permitted under the Delaware General Corporation Law (the "DGCL") relating to the liability of directors. The

provisions eliminate a director's liability for monetary damages for a breach of fiduciary duty, except in certain circumstances involving wrongful acts, such as the breach of a director's duty of loyalty or acts or omissions that involve intentional misconduct or knowing violation of law. The Company's Amended and Restated Certificate and Bylaws also contain provisions requiring the Company to indemnify its directors and officers to the fullest extent permitted by the DGCL. The Company believes that these provisions will assist the Company in attracting and retaining qualified individuals to serve as directors.

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar for the Company's Common Stock is American Securities Transfer & Trust, Incorporated.

SHARES ELIGIBLE FOR FUTURE SALE

The Common Stock has only been publicly traded since the Company's initial public offering on December 6, 1995, and there is no assurance that a significant public market for the Common Stock will be sustained after this Offering. Future sales of substantial amounts of shares of Common Stock in the public market could adversely affect prevailing market prices and could impair the Company's future ability to raise capital through the sale of its equity securities.

Upon completion of this Offering, the Company will have 14,663,012 shares of Common Stock outstanding approximately 5,450,000 of which will be freely transferable without restriction or registration under the Securities Act, except for any shares purchased by an existing "affiliate" of the Company, as that term is defined in Rule 144 under the Securities Act (an "Affiliate"), which shares will be subject to the resale limitation of Rule 144. There will be an additional 9,095,000 shares of Common Stock outstanding which will be "restricted securities" as defined in Rule 144 (the "Restricted Shares") of which 8,078,000 shares will be subject to certain volume and other resale restrictions. In addition, approximately 118,000 shares will be eligible for immediate sale in the public market without restriction pursuant to Rule 144(k) under the Securities Act.

Approximately 8,697,000 issued and outstanding shares of Common Stock retained by certain existing shareholders and directors (the "Lock-up Restricted Shares") and described above are subject to lock-up agreements between the holders thereof and Robertson, Stephens & Company LLC, Piper Jaffray Inc., Smith Barney Inc., and M. Kane & Company, Inc., the representatives of the several Underwriters in this Offering ("Representatives"), pursuant to which the holders of Lock-up Restricted Shares have agreed not to offer, sell, contract to sell or grant any option to purchase or otherwise dispose of Common Stock of the Company until 90 days after the date of this Prospectus. The Lock-up Restricted Shares may only be sold prior to the expiration of the lock-up period upon the prior written consent of the Representatives. Assuming no Lock-up Restricted Shares are released from the lock-up agreements before the lock-up period expires, upon such expiration none of the Lock-up Restricted Shares will be eligible for sale pursuant to Rule 144(k) and approximately 8,078,000 Lock-up Restricted Shares will be eligible for sale subject to the volume and other requirements of Rule 144. The remaining Restricted Shares will become eligible for sale pursuant to Rule 144 upon the expiration of their two-year holding periods. Robertson, Stephens & Company LLC, in its sole discretion, may release any or all of the Lock-up Restricted Shares, prior to the expiration of these lock-up agreements, with or without public announcement of such release.

In general, under Rule 144 as currently in effect, beginning 90 days after the Effective Date, a person (or persons whose shares are aggregated under that Rule) who owns shares that were purchased from the Company (or any Affiliate) at least two years previously, including persons who may be deemed Affiliates of the Company, is entitled to sell within any three-month period a number of shares that does not exceed the greater of 1% of the then outstanding shares of the Company's Common Stock (approximately 146,630 shares immediately after this offering) or the average weekly trading volume of the Company's Common Stock in the over-the-counter market during the four calendar weeks preceding the date on which notice of the sale is filed with the Securities and Exchange Commission. Sales under Rule 144 also are subject to certain manner-of-sale provisions, notice requirements and the availability of current public information about the Company. Any person (or persons whose shares are aggregated) who is not deemed to have been an Affiliate of the Company at any time during the 90 days preceding a sale, and who owns shares within the definition of "restricted securities" under Rule 144 that were purchased from the Company (or any Affiliate) at least three years previously, would be entitled to sell those shares under Rule 144(k) without regard to the volume limitations, manner of sale provisions, public requirements or notice requirements.

Subject to certain limited exceptions, the Company has agreed that until 90 days after the date of this Prospectus, the Company shall not offer, sell, contract to sell or otherwise dispose of any shares of Common Stock or any securities convertible into or exercisable or exchangeable for Common Stock or any rights to acquire Common Stock without the prior written consent of the Representatives.

The Company intends to file a registration statement under the Securities Act covering 1,500,000 shares of Common Stock issued or reserved for issuance under the Company's 1995 Stock Option Plan. All the shares registered under the registration statement will, subject to Rule 144 volume limitations applicable to Affiliates and the lapsing of the repurchasing options granted the Company, if any, under the terms of the options, be available for resale in the open market upon the exercise of vested options. At June 30, 1996, no options to purchase shares were issued or outstanding under the 1995 Stock Option Plan. However, the Company intends to grant options to purchase an aggregate of between 300,000 and 500,000 shares of Common Stock to its employees in the near future. See "Management--Stock Option Plan".

UNDERWRITING

The Underwriters named below, acting through their representatives, Robertson, Stephens & Company LLC, Piper Jaffray Inc., Smith Barney Inc. and M. Kane & Company, Inc. (the "Representatives"), have severally agreed, subject to the terms and conditions of the Underwriting Agreement, to purchase from the Company and the Selling Stockholders the number of shares of Common Stock set forth opposite their respective names below. The Underwriters are committed to purchase and pay for all such shares if any are purchased.

<TABLE>
<CAPTION>

UNDERWRITER	NUMBER OF SHARES
<S>	<C>
Robertson, Stephens & Company LLC	
Piper Jaffray Inc.	
Smith Barney Inc.	
M. Kane & Company, Inc.	
Total	2,000,000

</TABLE>

The Company and the Selling Stockholders have been advised by the Representatives that the Underwriters propose to offer the shares of Common Stock to the public at the price set forth on the cover page of this Prospectus and to certain dealers at such price less a concession of not more than $ per share, of which $ may be reallowed to other dealers. After the offering, the public offering price, concession and reallowance to dealers may be reduced by the Representatives. No such reduction shall change the amount of proceeds to be received by the Company or the Selling Stockholders as set forth on the cover page of this Prospectus.

The Selling Stockholders have granted to the Underwriters an option, exercisable during the 30-day period after the date of this Prospectus, to purchase up to 300,000 additional shares of Common Stock at the same price per share as the Company and the Selling Stockholders receive for the 2,000,000 shares that the Underwriters have agreed to purchase. To the extent that the Underwriters exercise such option, each of the Underwriters will have a firm commitment to purchase approximately the same percentage of such additional shares as the number of shares of Common Stock to be purchased by it shown in the above table represents as a percentage of the 2,000,000 shares offered hereby. If purchased, such additional shares will be sold by the Underwriters on the same terms as those on which the 2,000,000 shares are being sold.

The Underwriting Agreement contains covenants of indemnity among the Underwriters, the Selling Stockholders and the Company against certain civil liabilities, including liabilities under the Securities Act.

The directors and certain of the officers of the Company have agreed with the Representatives for a period of 90 days after the date of this Prospectus (the "Lock-Up Period"), subject to certain limited exceptions, not to offer to sell, contract to sell or otherwise sell, dispose of, loan, pledge or grant any rights with respect to any shares of Common Stock, any options or warrants to purchase shares of Common Stock or any securities convertible or exchangeable for shares of Common Stock now owned or hereafter acquired directly by such holders or with respect to which they have the power of disposition without the prior written consent of Robertson, Stephens & Company LLC, which may, in its sole discretion and at any time or from time to time, without notice, release all or any portion of the shares subject to the lock-up agreements. In addition, the Company has agreed that during the Lock-Up Period, it will not, without the prior written consent of Robertson, Stephens & Company LLC, subject to certain limited exceptions, issue, sell, or otherwise dispose of any shares of Common Stock, any options or warrants to purchase any shares of Common Stock or any securities convertible into, exercisable for or exchangeable for shares of Common Stock other than the Company's issuance of options under existing employee stock option plans.

The offering price for the Common Stock will be determined by negotiations among the Company and the Representatives of the Underwriters, based largely upon the market price for the Common Stock as reported on the Nasdaq National Market.

The rules of the Commission generally prohibit the Underwriters and other members of the selling group from making a market in the Company's Common Stock during the period immediately preceding the commencement of sales in the offering. The Commission has, however, adopted an exemption from these rules that permits passive market making under certain conditions. These rules permit an Underwriter or other member of the selling group to continue to make a market in the Company's Common Stock subject to the conditions, among others, that its bid not exceed the highest bid by a market maker not connected with the offering and that its net purchases on any one trading day not exceed prescribed limits. Pursuant to these exemptions, certain Underwriters and other members of the selling group intend to engage in passive market making in the Company's Common Stock during such period.

The Underwriters do not intend to confirm sales to accounts over which they exercise discretionary authority.

Michael W. Kane, a principal of M. Kane & Company, Inc., one of the Representatives, is a director of the Company and owns 34,836 shares of the Company's Common Stock. In addition, M. Kane & Company, Inc. has provided certain financial advisory services on behalf of the Company, for which it received monetary compensation. See "Certain Transactions." M. Kane & Company, Inc. was first registered as a broker-dealer in July 1994. Its President, Michael W. Kane, previously has worked as an investment banker with responsibility for underwritten public offerings. See "Management--Executive Officers and Directors."

LEGAL MATTERS

The validity of the shares of Common Stock offered hereby is being passed upon for the Company and the Selling Stockholders by Irell & Manella LLP, Los Angeles, California. Certain legal matters with respect to this Offering are being passed upon for the Underwriters by Brobeck, Phleger & Harrison LLP, Palo Alto, California.

EXPERTS

The consolidated financial statements of the Company as of September 30, 1994 and 1995, and for each of the three years in the period ended September 30, 1995 included in this Prospectus in the Registration Statement have been audited by Arthur Andersen LLP, independent public accountants, as indicated in their report with respect thereto, and are included herein in reliance upon the authority of said firm as experts in accounting and auditing in giving said report.

ADDITIONAL INFORMATION

The Company has filed with the Securities and Exchange Commission (the "Commission"), Washington, D.C. 20549, a Registration Statement (which term shall include all amendments, exhibits and schedules thereto) on Form S-1 under the Securities Act of 1933, as amended, with respect to the shares of Common Stock offered hereby. This Prospectus, which constitutes a part of the

Registration Statement, does not contain all of the information set forth in the Registration Statement, certain parts of which are omitted in accordance with the rules and regulations of the Commission, to which Registration Statement reference is hereby made. Statements made in this Prospectus as to the contents of any contract, agreement or other document referred to are not necessarily complete. With respect to each such contract, agreement or other document filed as an exhibit to the Registration Statement, reference is made to the exhibit for a complete description of the matter involved, and each such statement shall be deemed qualified in its entirety by such reference. The Registration Statement and exhibits thereto may be inspected and copied at prescribed rates at the public reference facilities maintained by the Commission at Room 1024, Judiciary Plaza, 450 Fifth Street, N.W., Washington, D.C. 20549 and at the regional offices of the Commission located at Seven World Trade Center, 13th Floor, New York, New York 10048 and 500 West Madison Street, Suite 1400, Chicago, Illinois 60661. The SEC also makes electronic filings publicly available on the Internet within 24 hours of acceptance. The SEC's Internet address is http://www.sec.gov. The SEC Web site also contains reports, proxy and information statements, and other information regarding registrants that file electronically with the SEC. This Prospectus contains forward-looking statements which involve risks and uncertainties. The Company's actual results may differ significantly from the results discussed in the forward-looking statements. Factors that might cause such a difference include, but are not limited to, those discussed in "Risk Factors."

LEARNING TREE INTERNATIONAL, INC. AND SUBSIDIARIES

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

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REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Stockholders of Learning Tree International, Inc.:

We have audited the accompanying consolidated balance sheets of Learning Tree International, Inc. (a Delaware corporation) and subsidiaries as of September 30, 1994 and 1995, and the related consolidated statements of operations, stockholders' equity (deficit) and cash flows for each of the three years in the period ended September 30, 1995. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Learning Tree International, Inc. and subsidiaries as of September 30, 1994 and 1995, and the consolidated results of their operations and their cash flows for each of the three years in the period ended September 30, 1995, in conformity with generally accepted accounting principles.

Arthur Andersen LLP

Los Angeles, California
October 31, 1995

LEARNING TREE INTERNATIONAL, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

<TABLE>
<CAPTION>

	SEPTEMBER 30, 1994	SEPTEMBER 30, 1995	JUNE 30, 1996
			(UNAUDITED)
<S>	<C>	<C>	<C>
ASSETS			
Current assets:			
Cash and cash equivalents...........	$ 2,774,000	$ 10,029,000	$46,628,000
Short-term interest-bearing investments held to maturity............	--	--	2,434,000
Trade accounts receivable, less allowances of $197,000, $259,000 and $306,000, respectively.............	6,284,000	8,623,000	10,102,000
Prepaid marketing expenses..........	357,000	707,000	616,000
Prepaid expenses and other..........	1,357,000	1,977,000	2,022,000
Total current assets..............	10,772,000	21,336,000	61,802,000
Equipment and leasehold improvements:			
Education and office equipment.......	12,168,000	15,352,000	19,558,000
Transportation equipment............	80,000	80,000	79,000
Leasehold improvements..............	1,365,000	1,448,000	1,673,000
	13,613,000	16,880,000	21,310,000
Less: accumulated depreciation and amortization.......................	(9,306,000)	(11,124,000)	13,101,000
	4,307,000	5,756,000	8,209,000
Deferred income taxes.................	341,000	478,000	476,000
Other assets..........................	886,000	857,000	1,683,000
Total assets......................	$16,306,000	$ 28,427,000	$72,170,000
LIABILITIES			
Current liabilities:			
Current portion of debt and capital leases............................	$ 561,000	$ 191,000	$ 132,000
Trade accounts payable..............	5,637,000	6,852,000	8,404,000
Deferred revenue....................	7,035,000	10,346,000	13,698,000
Accrued payroll, benefits and related taxes.............................	1,431,000	2,606,000	2,067,000
Other accrued liabilities...........	1,731,000	1,775,000	2,584,000
Income taxes payable................	30,000	1,073,000	1,509,000
Total current liabilities.........	16,425,000	22,843,000	28,394,000
Long-term debt and capital leases, net of current portion...................	446,000	272,000	164,000
Deferred facilities rent..............	2,489,000	2,007,000	1,738,000
Total liabilities.................	19,360,000	25,122,000	30,296,000
Commitments			
STOCKHOLDERS' EQUITY (DEFICIT)			
Class A Common Stock, $.0001 par value, 23,000,000 shares authorized, 9,955,000, 9,955,000 and 0 shares issued and outstanding, respectively.......................	1,000	1,000	--

Class B Common Stock, nonvoting, $.0001 par value, 2,000,000 shares authorized, 835,000, 1,417,000 and 0 shares issued and outstanding, respectively	--	--	--
Common Stock, $.0001 par value, 25,000,000 shares authorized, 0, 0 and 14,263,000 shares issued and outstanding, respectively	--	--	1,000
Additional paid-in capital	322,000	1,216,000	32,023,000
Notes receivable from stockholders	(155,000)	(679,000)	(156,000)
Deferred compensation--stockholders	--	(287,000)	(227,000)
Cumulative foreign currency translation	(849,000)	(882,000)	(734,000)
Retained earnings (accumulated deficit)	(2,373,000)	3,936,000	10,967,000
Total stockholders' equity (deficit)	(3,054,000)	3,305,000	41,874,000
Total liabilities and stockholders' equity (deficit)	$16,306,000	$ 28,427,000	$72,170,000

</TABLE>

The accompanying notes are an integral part of these consolidated financial statements.

LEARNING TREE INTERNATIONAL, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS

<TABLE>
<CAPTION>

	FISCAL YEAR ENDED SEPTEMBER 30,			NINE MONTHS ENDED JUNE 30,	
	1993	1994	1995	1995	1996
				(UNAUDITED)	
<S>	<C>	<C>	<C>	<C>	<C>
Revenues	$49,329,000	$58,466,000	$78,818,000	$58,091,000	$73,604,000
Costs of revenues	19,754,000	23,665,000	30,731,000	22,359,000	28,498,000
Gross profit	29,575,000	34,801,000	48,087,000	35,732,000	45,106,000
Operating expenses:					
Course development	3,387,000	3,978,000	4,954,000	3,579,000	4,420,000
Sales and marketing	17,923,000	21,243,000	22,883,000	16,829,000	21,803,000
General and administrative	9,625,000	9,945,000	12,176,000	8,995,000	9,459,000
	30,935,000	35,166,000	40,013,000	29,403,000	35,682,000
Income (loss) from operations	(1,360,000)	(365,000)	8,074,000	6,329,000	9,424,000
Other income (expense):					
Interest expense	(105,000)	(112,000)	(84,000)	(58,000)	(37,000)
Interest income	70,000	87,000	331,000	147,000	1,385,000
Foreign exchange	543,000	101,000	30,000	239,000	(176,000)
Other	(102,000)	(64,000)	(5,000)	62,000	(4,000)
	406,000	12,000	272,000	390,000	1,168,000
Income (loss) before provision (credit) for income taxes	(954,000)	(353,000)	8,346,000	6,719,000	10,592,000
Provision (credit) for income taxes	(77,000)	90,000	1,866,000	1,268,000	3,124,000
Net income (loss)	$ (877,000)	$ (443,000)	$ 6,480,000	$ 5,451,000	$ 7,468,000
Net income (loss) per common share and common equivalent share	$ (0.08)	$ (0.04)	$ 0.57	$ 0.48	$ 0.55

Weighted average number of common and common equivalent shares outstanding...........	11,478,000	11,512,000	11,364,000	11,363,000	13,551,000

</TABLE>

The accompanying notes are an integral part of these consolidated financial statements.

LEARNING TREE INTERNATIONAL, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (DEFICIT)

<TABLE>
<CAPTION>

	COMMON STOCK	CLASS A COMMON STOCK	CLASS B COMMON STOCK*	ADDITIONAL PAID-IN CAPITAL	NOTES RECEIVABLE FROM STOCKHOLDERS	DEFERRED COMPENSATION	CURRENCY TRANSLATION ADJUSTMENT	RETAINED EARNINGS (ACCUMULATED DEFICIT)	TOTAL STOCKHOLDERS' EQUITY (DEFICIT)
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
FISCAL YEAR 1993:									
Balance, September 30, 1992...	$ --	$1,000	$ --	$ 259,000	$ (98,000)	$ --	$ 143,000	$ (720,000)	$ (415,000)
Sales of Common Stock................	--	--	--	197,000	(182,000)	--	--	--	15,000
Repurchase of Common Stock................	--	--	--	(13,000)	--	--	--	(74,000)	(87,000)
Net loss..............	--	--	--	--	--	--	--	(877,000)	(877,000)
Foreign currency adjustments..........	--	--	--	--	--	--	(853,000)	--	(853,000)
Collections on notes receivable from stockholders.........	--	--	--	--	46,000	--	--	--	46,000
Balance, September 30, 1993...	--	1,000	--	443,000	(234,000)	--	(710,000)	(1,671,000)	(2,171,000)
FISCAL YEAR 1994:									
Sales of Common Stock................	--	--	--	52,000	(48,000)	--	--	--	4,000
Repurchase of Common Stock................	--	--	--	(173,000)	93,000	--	--	(259,000)	(339,000)
Net loss..............	--	--	--	--	--	--	--	(443,000)	(443,000)
Foreign currency adjustments..........	--	--	--	--	--	--	(139,000)	--	(139,000)
Collections on notes receivable from stockholders.........	--	--	--	--	34,000	--	--	--	34,000
Balance, September 30, 1994...	--	1,000	--	322,000	(155,000)	--	(849,000)	(2,373,000)	(3,054,000)
FISCAL YEAR 1995:									
Sales of Common Stock................	--	--	--	942,000	(579,000)	(321,000)	--	--	42,000
Repurchase of Common Stock................	--	--	--	(48,000)	23,000	--	--	(171,000)	(196,000)
Net income............	--	--	--	--	--	--	--	6,480,000	6,480,000
Amortization of deferred compensation.........	--	--	--	--	--	34,000	--	--	34,000
Foreign currency adjustments..........	--	--	--	--	--	--	(33,000)	--	(33,000)
Collections on notes receivable from stockholders.........	--	--	--	--	32,000	--	--	--	32,000
Balance, September 30, 1995...	$ --	$1,000	$ --	$1,216,000	$(679,000)	$(287,000)	$(882,000)	$ 3,936,000	$ 3,305,000

</TABLE>

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* Par value amounts round to less than one thousand dollars.

The accompanying notes are an integral part of these consolidated financial statements.

LEARNING TREE INTERNATIONAL, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (DEFICIT)

<TABLE>
<CAPTION>

	COMMON STOCK	CLASS A COMMON STOCK	CLASS B COMMON STOCK*	ADDITIONAL PAID-IN CAPITAL	NOTES RECEIVABLE FROM STOCKHOLDERS	DEFERRED COMPENSATION	CURRENCY TRANSLATION ADJUSTMENT	RETAINED EARNINGS (ACCUMULATED DEFICIT)	TOTAL STOCKHOLDERS' EQUITY (DEFICIT)
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Balance, September 30, 1995..............	$ --	$ 1,000	$ --	$ 1,216,000	$(679,000)	$(287,000)	$(882,000)	$ 3,936,000	$ 3,305,000
NINE MONTHS ENDED JUNE 30, 1996 (unaudited)									
Conversion of Class A and B Common Stock.............	1,000	(1,000)	--	--	--	--	--	--	--
Sales of Common Stock.............	--	--	--	30,847,000	--	--	--	--	30,847,000
Repurchase of Common Stock......	--	--	--	(40,000)	446,000	--	--	(437,000)	(31,000)
Net income.........	--	--	--	--	--	--	--	7,468,000	7,468,000
Amortization of deferred compensation......	--	--	--	--	--	60,000	--	--	60,000
Foreign currency adjustments.......	--	--	--	--	--	--	148,000	--	148,000
Collections on notes receivable from stockholders......	--	--	--	--	77,000	--	--	--	77,000
Balance, June 30, 1996..............	$1,000	$ --	$ --	$32,023,000	$(156,000)	$(227,000)	$(734,000)	$10,967,000	$41,874,000

</TABLE>

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* Par value amounts round to less than one thousand dollars

The accompanying notes are an integral part of these consolidated financial statements.

LEARNING TREE INTERNATIONAL, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

<TABLE>
<CAPTION>

	FISCAL YEAR ENDED SEPTEMBER 30,			NINE MONTHS ENDED JUNE 30,	
	1993	1994	1995	1995	1996
				(UNAUDITED)	
<S>	<C>	<C>	<C>	<C>	<C>
Cash flows--operating activities:					
Net income (loss).....	$ (877,000)	$ (443,000)	$ 6,480,000	$5,451,000	$ 7,468,000
Adjustments to reconcile net income (loss) to net cash provided by operating activities:					

Depreciation and amortization	1,610,000	1,669,000	2,146,000	1,479,000	2,283,000
Deferred facilities rent charges	(257,000)	(243,000)	(481,000)	(415,000)	(262,000)
Amortization of deferred compensation	--	--	34,000	--	60,000
Unrealized foreign exchange gains	(695,000)	(132,000)	(77,000)	(327,000)	150,000
Change in net assets and liabilities:					
Trade accounts receivable	(524,000)	(537,000)	(2,195,000)	(899,000)	(1,576,000)
Prepaid marketing expenses	(258,000)	174,000	(335,000)	(114,000)	87,000
Prepaid expenses and other	(127,000)	(335,000)	(692,000)	(550,000)	(11,000)
Income taxes	(708,000)	130,000	960,000	459,000	381,000
Trade accounts payable	603,000	712,000	1,155,000	660,000	1,601,000
Deferred revenue	1,970,000	2,500,000	3,378,000	1,311,000	3,441,000
Accrued payroll, benefits and related taxes	154,000	71,000	1,025,000	404,000	(521,000)
Other accrued liabilities	314,000	15,000	(21,000)	655,000	852,000
Net cash provided by operating activities	1,205,000	3,581,000	11,377,000	8,114,000	13,953,000
Cash flows--investing activities:					
Purchases of equipment and leasehold improvements	(2,697,000)	(2,023,000)	(3,629,000)	(2,611,000)	(4,777,000)
Retirements of equipment	78,000	86,000	81,000	102,000	5,000
Purchases of short-term interest-bearing investments held to maturity	--	--	--	--	(2,433,000)
Other, net	136,000	(45,000)	62,000	6,000	(847,000)
Net cash used in investing activities	(2,483,000)	(1,982,000)	(3,486,000)	(2,503,000)	(8,052,000)
Cash flows--financing activities:					
Principal payments of debt and capital leases	(672,000)	(697,000)	(799,000)	(687,000)	(148,000)
Proceeds from additional debt	1,367,000	321,000	255,000	157,000	--
Sales of Common Stock	15,000	4,000	42,000	2,000	30,847,000
Repurchase of Common Stock	(87,000)	(339,000)	(196,000)	(195,000)	(31,000)
Collections of stockholder notes	46,000	34,000	32,000	21,000	58,000
Net cash provided by (used in) financing activities	669,000	(677,000)	(666,000)	(702,000)	30,726,000
Effects of exchange rates on cash	(192,000)	82,000	30,000	24,000	(28,000)
Net increase (decrease) in cash and cash equivalents	(801,000)	1,004,000	7,255,000	4,933,000	36,599,000
Cash and cash equivalents at the beginning of the period	2,571,000	1,770,000	2,774,000	2,774,000	10,029,000
Cash and cash equivalents at the end					

of the period..........	$ 1,770,000	$ 2,774,000	$10,029,000	$7,707,000	$46,628,000
Supplemental disclosures:					
Income taxes paid.....	$ 653,000	$ --	$ 1,036,000	$1,077,000	$ 2,897,000
Interest paid.........	$ 110,000	$ 112,000	$ 119,000	$ 68,000	$ 36,000

</TABLE>

The accompanying notes are an integral part of these consolidated financial statements.

LEARNING TREE INTERNATIONAL, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED SEPTEMBER 30, 1993, 1994 AND 1995 AND NINE MONTHS ENDED JUNE 30, 1996

(INFORMATION FOR THE NINE MONTHS ENDED JUNE 30, 1996 IS UNAUDITED.)

1. NATURE OF THE BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

a. Nature of the Business:

Learning Tree International, Inc. and subsidiaries (the "Company") develop, publish and deliver advanced technology training courses covering a broad range of topics which are designed to meet the training needs of Information Technology ("IT") professionals worldwide. These courses are delivered primarily at the Company's leased Education Centers located in the United States, England, Canada, France and Sweden. Such course events are also conducted in hotel and conference facilities, and at customer sites throughout the world. The Company provides courses that are regularly presented worldwide and cover such IT topics as client/server systems, computer networks, operating systems, database systems, programming languages, graphical user interfaces, object-oriented technology, IT management and related topics.

b. Reincorporation:

In September 1995, the Company reincorporated in Delaware. Since reincorporating, the Company's authorized capital stock has consisted of 25,000,000 shares of Common Stock, $.0001 par value and 10,000,000 shares of preferred stock, $.0001 par value ("Preferred Stock"). No shares of Preferred Stock have been issued nor have the terms, conditions or preferences for such Preferred Stock been established.

c. Stock Split:

On October 5, 1995, the Company effected a 3.66 for 1 split of the Company's Class A and Class B Common Stock. All share and per share amounts in the accompanying financial statements and footnotes have been retroactively restated to reflect the stock split.

d. Basis of Presentation:

The accompanying unaudited consolidated financial statements have been prepared by the Company pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations, although the Company believes that the disclosures made are adequate to make the information presented not misleading. These unaudited consolidated financial statements reflect all adjustments and disclosures which are, in the opinion of management, necessary for a fair presentation. All such adjustments are of a normal recurring nature. These unaudited consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto appearing herein. The results for the interim nine month periods presented are not necessarily indicative of the results to be expected for a full year.

e. Principles of Consolidation:

The accompanying consolidated financial statements include the accounts of Learning Tree International, Inc. and its subsidiaries. All significant intercompany accounts and transactions have been eliminated. Minority interests in certain subsidiaries are not significant. Following is a summary of the subsidiaries of the Company:

Learning Tree International USA, Inc. (U.S.)
Learning Tree International, K.K. (Japan)
Learning Tree International Ltd. (United Kingdom)
Learning Tree International S.A. (France)

Learning Tree International AB (Sweden)
Learning Tree Publishing AB (Sweden)
Learning Tree International Inc. (Canada)
Advanced Technology Marketing, Inc. (U.S.)
Systems for Business and Industry, Inc. (U.S.)
Technology for Business and Industry, Inc. (U.S.)

f. Revenue Recognition:

The Company's revenues are received from corporate and governmental agencies for the training of their employees. Course events range from two to five days with an average of approximately four days. For individual course enrollments, the Company recognizes revenues and the related direct costs of course events upon commencement of each course event which approximates the amount recognized on a straight-line basis over the duration of the course.

The Company offers a sales discount program referred to as the Passport Program. The Passport Program allows an individual passport holder to attend up to a maximum of eight courses (ten in United Kingdom and France) held by the Company over a one year period for a fixed price. Under the Passport Program, the amount of revenue recognized for each attendance in one of the Company's courses is based upon the selling price of the Passport and the estimated average number of courses passport holders will actually attend. Upon expiration of a Passport, the Company records the differences, if any, between the revenues previously recognized and the Passport selling price. The Company reviews the estimated average number of course events Passport holders will attend on a monthly basis. The estimated attendance rate is based upon the historical experience of the average actual number of course events Passport holders have been attending. In calculating historical rates, the Company has used data for all expired Passports since the inception of the Passport Program in March 1993. The average of the actual attendance rate for all expired Passports has closely approximated the estimated rate utilized by the Company. If the Passport attendance rate changes, based upon this historical data, the Company adjusts the revenue recognition rate for all active Passports and for all Passports sold thereafter. Although the Company has seen no material changes in the historical rates as its number of course titles has increased from fiscal 1993 to 1995, it monitors such potential effects. In general, determining the estimated average number of course events that will be attended by a Passport holder is based on historical trends that may not continue in the future. These estimates could differ in the near term from amounts used in arriving at the reported revenue. The Company believes it is appropriate to recognize revenues on this basis in order to more closely match revenue and related costs, as the substantial majority of its Passport holders do not attend the maximum number of course events permitted under their Passports. The Company believes that the use of historical data is reasonable and appropriate because of the relative stability of the average actual number of course events attended by the several thousand Passport holders since the inception of the program in fiscal 1993.

g. Deferred Revenues:

Deferred revenues primarily relate to unearned revenues associated with the Passport Program and refundable advance payments received from customers for course events to be held in the future.

h. Prepaid Marketing Expenses:

Prepaid marketing expenses primarily include the outside costs associated with the design, printing, postage and handling of direct mail advertising materials to be mailed in the future. These costs are expensed in the month in which the advertising materials are mailed since the benefit period for such costs is short and the amount of such future benefit is not practically measurable. Marketing expenses for the years ended September 30, 1993, 1994 and 1995 were $11,522,000, $13,935,000 and $14,850,000, respectively.

i. Course Development Costs:

Instructor-led IT training course development costs are charged to operations in the period incurred. Computer based IT training (CBT) development costs are accounted for in accordance with Statement of Financial Accounting Standards No. 86 (SFAS No. 86) "Accounting for the Costs of Computer Software to be Sold, Leased or Otherwise Marketed". SFAS No. 86 requires capitalization of certain software development costs upon the establishment of technological feasibility. Based on the Company's computer based training product development process, technological feasibility is established upon the completion of a working model or a detail course design. For the fiscal year ended September 30, 1995, $234,000 of computer based training product development costs were charged to course development expense in the accompanying consolidated statements of operations. No amounts were incurred prior to fiscal 1995 and no significant amounts had been capitalized as of September 30, 1995. Capitalized computer based training product development costs are amortized on a product-by-product basis at the greater of the amount computed using (a) the ratio of current revenues for a product to the total of current and anticipated future revenues or (b) the straight-line method over the estimated economic life of the product which is 24 months.

j. Foreign Currency:

The Company translates the financial statements of its foreign subsidiaries from the local (functional) currencies to United States dollars in accordance with SFAS No. 52. The rates of exchange at each fiscal year end are used for translating the balance sheets and the average monthly rates of exchange for each year are used for the statements of operations. Gains or losses arising from the translation of the foreign subsidiaries' financial statements are included in the accompanying consolidated balance sheets as a separate component of stockholders' equity (deficit). Gains or losses resulting from foreign currency transactions are included in the consolidated statements of operations.

To date, the Company has not sought to hedge the risk associated with fluctuations in currency exchange rates, and therefore continues to be subject to such risk. In the fiscal year ended September 30, 1993, the Company recorded foreign exchange gains of $543,000. This was primarily the result of the weakening of the Swedish Krona and the strengthening of the Japanese Yen relative to the U.S. dollar. In the year ended September 30, 1994, the Company recorded foreign exchange gains of $101,000 primarily as a result of strengthening of the French Francs and the Japanese Yen. Exchange gains in fiscal 1995 were not significant.

k. Equipment and Leasehold Improvements:

Equipment and leasehold improvements are recorded at cost and depreciated or amortized using the straight-line method over the following useful lives:

Education and office equipment	3 to 5 years
Transportation equipment	4 years
Leasehold improvements	10 years or the life of the lease, if shorter

Costs of normal maintenance and repairs and minor replacements are charged to expense as incurred. The costs of assets sold or retired are eliminated from the accounts along with the related accumulated depreciation or amortization and any resulting gain or loss is included in income. Capitalized equipment leases are recorded at the lower of the present value of the minimum lease payments or the fair market value of the equipment at the beginning of the lease term.

l. Facilities Leases:

The Company leases its facilities under various operating lease agreements. Certain provisions of these leases provide for cash incentives, graduated rent payments and other inducements. The Company recognizes

rent expense on a straight-line basis which more closely reflects the benefits received. The value of any lease incentives or inducements, along with the excess of rent expense recognized over rentals paid is recorded as deferred facilities rent charges in the accompanying consolidated financial statements.

m. Computation of Net Income (Loss) per Common Share and Common Equivalent Share:

Net income (loss) per common share and common equivalent share is computed using the weighted average number of shares of Common Stock outstanding during the period after giving retroactive effect to the 3.66 to 1 stock split that occurred in October 1995. The weighted average number of common and common equivalent shares outstanding was computed pursuant to the rules of the Securities and Exchange Commission. Such rules which require that common stock and common stock equivalents issued by the Company during the twelve months preceding the Company's initial public offering at prices below the initial public offering price (436,000 shares) be included in the calculation of the shares outstanding for all periods presented, using the treasury stock method.

2. PREPAID EXPENSES AND OTHER

Prepaid expenses and other current assets at September 30, 1994 and 1995 and June 30, 1996 consist of the following:

<TABLE>
<CAPTION>

	SEPTEMBER 30, 1994	SEPTEMBER 30, 1995	JUNE 30, 1996
<S>	<C>	<C>	<C>
Prepaid rent	$ 475,000	$ 494,000	$ 487,000
Prepaid stock offering expenses	--	369,000	--
GST and VAT on advance billings	108,000	322,000	308,000
Other prepaid expenses	448,000	302,000	370,000
Miscellaneous receivables	44,000	162,000	524,000
Supplier deposits	57,000	54,000	20,000
Other	225,000	274,000	313,000
	$1,357,000	$1,977,000	$2,022,000

</TABLE>

3. INCOME TAXES:

The Company files a consolidated U.S. Federal income tax return which includes substantially all of its domestic operations. The Company files separate tax returns for each of its foreign subsidiaries in the countries in which they reside.

Income (loss) before provision (credit) for income taxes consists of the following:

<TABLE>
<CAPTION>

	SEPTEMBER 30, 1993	SEPTEMBER 30, 1994	SEPTEMBER 30, 1995
<S>	<C>	<C>	<C>
Domestic	$ 786,000	$ 164,000	$3,645,000
Foreign	(1,740,000)	(517,000)	4,701,000
Total	$ (954,000)	$(353,000)	$8,346,000

</TABLE>

For the years ended September 30, 1993, 1994 and 1995, the provision (credit) for income taxes was comprised of the following:

<TABLE>
<CAPTION>

	SEPTEMBER 30,		
	1993	1994	1995
<S>	<C>	<C>	<C>
Current tax provision:			
U.S. Federal	$ 59,000	$ 15,000	$ 732,000
State	37,000	3,000	208,000
Foreign	(57,000)	259,000	1,063,000
	39,000	277,000	2,003,000
Deferred tax provision:			
U.S. Federal	(51,000)	(192,000)	(181,000)
State	(35,000)	15,000	20,000
Foreign	(30,000)	(10,000)	24,000
	(116,000)	(187,000)	(137,000)
Total provision (credit) for income taxes	$(77,000)	$ 90,000	$1,866,000

</TABLE>

The following is a reconciliation of the provision (credit) for income taxes and the credit for income taxes computed by applying the Federal statutory rate to the income (loss) before taxes:

<TABLE>
<CAPTION>

	SEPTEMBER 30,		
	1993	1994	1995
<S>	<C>	<C>	<C>
Income taxes at the statutory rate	$(324,000)	$(120,000)	$2,837,000
Permanent differences	274,000	(142,000)	(88,000)
Change in valuation allowance	(714,000)	236,000	(923,000)
Effect of current and foreign losses	525,000	103,000	(23,000)
Use of foreign tax credits	--	--	(133,000)
Alternative minimum taxes	34,000	--	--
State income taxes	66,000	3,000	208,000
Other, net	62,000	10,000	(12,000)
Total provision (credit) for income taxes	$ (77,000)	$ 90,000	$1,866,000

</TABLE>

The Company adopted Statement of Financial Accounting Standards No. 109 "Accounting for Income Taxes" retroactive to October 1, 1990. Under this method, deferred income tax assets and liabilities arise from carryforwards and from temporary differences between the tax basis of assets and liabilities and the book basis of such assets and liabilities as reported in the financial statements. Valuation allowances were provided with respect to certain deferred tax assets as of September 30, 1994 and 1995, to reduce the deferred tax asset to a level which, more likely than not, will be realized. The net deferred tax asset reflects management's estimates of the amount which will be realized from the future profitability which can be predicted with reasonable certainty. Following is a summary of the tax effect of carryforwards and temporary differences which give rise to deferred tax assets and liabilities:

<TABLE>
<CAPTION>

	SEPTEMBER 30, 1994	SEPTEMBER 30, 1995
Domestic operations:		
Deferred tax assets:		
Deferred facilities rent charges	$ 629,000	$ 524,000
AMT credit carryforwards	131,000	--
Foreign tax credit carryforwards	204,000	434,000
Tax loss carryforwards	180,000	--
Other	82,000	94,000
Deferred tax liabilities:		
Depreciation and amortization	(89,000)	(158,000)
Other	(16,000)	(16,000)
Net domestic deferred tax assets	1,121,000	878,000
Foreign operations:		
Deferred tax assets:		
Tax loss carryforwards	1,048,000	528,000
Depreciation and other	102,000	78,000
Net foreign deferred tax assets	1,150,000	606,000
Valuation allowances	(1,930,000)	(1,006,000)
Net deferred tax assets	$ 341,000	$ 478,000

At September 30, 1995, the Company had approximately $434,000 of foreign tax credit carryforwards available to offset taxes in future years. In addition, the Company's Swedish, French and Canadian subsidiaries had tax loss carryforwards of approximately $662,000 (4,600,000 Swedish Krona), $325,000 (1,600,000 French Francs) and $568,000 ($761,000 Canadian Dollars), respectively. The tax credit carryforwards along with the estimated tax benefit attributable to the loss carryforwards expire as follows:

2000	$545,000
2001	193,000
Thereafter	225,000
	$963,000

4. DEBT AND CAPITAL LEASES:

Following is a summary of obligations under debt and capital leases as of September 30, 1994 and 1995, respectively:

	SEPTEMBER 30, 1994	SEPTEMBER 30, 1995
Borrowings under line of credit with a foreign bank payable in Swedish Krona	$ 29,000	$ --
Note payable in British Pounds to a foreign bank, due in varying monthly installments, with interest at 3 percent over the bank's prime rate (prime 6 percent in 1994)	312,000	--
Note payable in Canadian Dollars to a foreign bank, due in varying monthly installments, with interest at 1.25 percent over the bank's prime rate	8,000	--
Notes payable secured by equipment, due in monthly installments of $15,100 plus interest at the bank's		

prime plus 1.25 percent (prime 7.75 percent in 1994)...	196,000	--
Notes payable to former employees with various maturities through 2001 bearing interest at 5 to 8 percent (See note 6)...................................	293,000	310,000
Capital lease obligations, due through 1998............	169,000	153,000
	1,007,000	463,000
Less--current portion.................................	(561,000)	(191,000)
	$ 446,000	$ 272,000

</TABLE>

Certain of the Company's foreign subsidiaries have established lines of credit with local banks. The aggregate amount available under these facilities as of September 30, 1995, was $275,000. At September 30, 1995, there were no borrowings against these lines. Interest on borrowings under these facilities is payable monthly at the bank's prime rate, (7.9 percent) plus 3 percent in France and at 14 percent in Sweden.

The annual aggregate scheduled maturities of debt obligations for the five fiscal years subsequent to September 30, 1995 are presented below:

<TABLE>

<S>	<C>
1996............................	$125,000
1997............................	69,000
1998............................	48,000
1999............................	29,000
2000............................	24,000
Thereafter......................	15,000
	$310,000

</TABLE>

The Company leases certain equipment costing approximately $339,000 under capital lease agreements. The following summarizes the future minimum lease payments under capitalized leases together with the present value of the future minimum lease payments:

<TABLE>

<S>	<C>
1996............................	$ 72,000
1997............................	72,000
1998............................	18,000
	162,000
Less--amount representing interest...........................	(9,000)
	$153,000

</TABLE>

5. COMMITMENTS:

The Company leases its facilities and certain equipment under various operating lease agreements. The minimum future rental payments for all operating leases are as follows:

<TABLE>

<S>	<C>
1996.........................	$ 3,865,000
1997.........................	3,582,000
1998.........................	3,456,000
1999.........................	3,359,000
2000.........................	3,288,000
Thereafter..................	5,614,000
	$23,164,000

</TABLE>

For the years ended September 30, 1993, 1994 and 1995, rent expense was $4,196,000, $4,547,000 and $3,486,000, respectively. The agreements generally require the payment of property taxes, insurance and maintenance in addition to the minimum base rent.

6. COMMON STOCK:

Prior to December 6, 1995, the Company's Common Stock was divided into two classes: Class A Voting Common Stock (Class A Stock) and Class B Non-Voting Common Stock (Class B Stock). During fiscal years 1993, 1994 and 1995, the Company issued approximately 300,000 shares, 81,000 shares and 736,000 shares of Class B Stock, respectively, to certain employees. The purchase price of these shares was determined based on the formula as defined in the stock purchase agreements. Proceeds from the sale of these shares of Class B Stock included cash and full recourse notes which bear interest at between five and eight percent and are due in monthly principal and interest installments for periods ranging from 48 to 96 months.

Approximately 611,000 shares of the Class B Stock are subject to repurchase options. The repurchase option terms stipulate that the Company, at its sole option, may repurchase these shares from the stockholder in the event the stockholder leaves the employment of the Company for any reason. The Company can repurchase the shares at an amount equal to the initial issue price plus seven percent per annum. These repurchase options expire over a four-year period at a rate of 25 percent per year.

The Company has recorded deferred compensation of $321,000, which represents the excess of the appraised value of $1.40 per share in January 1995 and $1.90 per share in June 1995 (as determined by an independent appraisal) over the initial issue price of $.94 per share of the 436,000 shares of Class B Stock sold to certain employees during fiscal 1995. In management's view, the initial public offering price per share was significantly higher than the appraised value of the stock in January 1995 and June 1995 due to: (i) the Company's increased earnings subsequent to the valuation dates, (ii) the higher multiples of comparable companies in the market as compared with the multiples prevailing at the valuation dates, (iii) the perceived value of the Company's recent efforts in the CBT market, and (iv) a market discount included in the appraised value to reflect the lack of marketability, transferability and voting rights of the Class B Stock. The deferred compensation is reflected as a reduction of stockholders' equity in the accompanying financial statements and is being amortized as additional compensation expense over the four-year term of the repurchase options. During the fiscal year ended September 30, 1995, the Company has recorded $34,000 of additional compensation expense relating the amortization of the deferred compensation.

During the fiscal years ended September 30, 1993, 1994 and 1995, the Company repurchased 135,000 shares, 498,000 shares and 153,000 shares of Class B Stock, respectively, under the terms of the repurchase agreements. The aggregate repurchase prices of these shares were $87,000, $432,000 and $218,000 in fiscal 1993, 1994 and 1995, respectively. The settlement of these stock repurchases was completed through the cancellation of notes receivable from the selling stockholders, cash payments and the issuance of notes payable by the Company of $87,000, $321,000 and $195,000 during fiscal 1993, 1994 and 1995, respectively. (See note 4.)

Stock Options

During the fiscal years ended September 30, 1989 and September 30, 1994, the Company entered into agreements with certain employees to sell an aggregate of 300,000 shares of Class B common stock at the contractual formula value (estimated fair market value) ranging from $0.28 to $0.94 per share. During fiscal 1995, all of these options were exercised and the shares were issued.

7. EMPLOYEE BENEFIT PLAN:

The Company has adopted a defined contribution plan for the benefit of its domestic employees who have met the eligibility requirements. The Learning Tree International, Inc. Profit-Sharing and Deferred Savings Plan (the Plan) is a profit-sharing plan qualifying under Section 401(k) of the Internal

Revenue Code.

Qualified employees may elect to contribute up to 15 percent of their compensation to the Plan on a pre-tax basis, subject to statutory limitations. The Company makes matching contributions at a rate of 25 percent of elective contributions up to one and one-half percent of the compensation of such contributors. Additionally, the Company makes qualified nonelective contributions to the Plan on an annual basis. The qualified nonelective contributions are equivalent to one and one-half percent of the annual compensation of the qualified participants. The Company contributed $141,000, $149,000 and $129,000 to the Plan for the fiscal years ended September 30, 1993, 1994 and 1995, respectively.

The Company has adopted similar plans for the benefit of its employees in certain of its foreign subsidiaries. Contributions to these plans are subject to various age, length of service and compensation level criteria as well as certain limitations. For the fiscal years ended September 30, 1993, 1994 and 1995, the cost to the Company of these plans was approximately $71,000, $81,000 and $110,000, respectively.

8. BUSINESS SEGMENT DATA:

The Company's sole business segment is the design and delivery of IT education courses. There were no sales to any individual customers that accounted for 10% or more of revenue in fiscal 1993, 1994 or 1995.

Information about the Company's operations in different geographic locations for the years ended September 30, 1993, 1994 and 1995 is as follows:

<TABLE>
<CAPTION>

	FISCAL YEARS ENDED SEPTEMBER 30,		
	1993	1994	1995
<S>	<C>	<C>	<C>
Revenues:			
United States..........................	$19,828,000	$24,977,000	$35,390,000
Canada................................	5,205,000	5,309,000	6,102,000
Europe................................	23,317,000	26,876,000	35,637,000
Asia..................................	979,000	1,304,000	1,689,000
Consolidated revenues................	$49,329,000	$58,466,000	$78,818,000
Income (loss) from operations:			
United States..........................	$ 94,000	$ 104,000	$ 3,375,000
Canada................................	(469,000)	(853,000)	342,000
Europe................................	(1,181,000)	95,000	4,056,000
Asia..................................	196,000	289,000	301,000
Consolidated income (loss) from operations.........................	$(1,360,000)	$ (365,000)	$ 8,074,000
Identifiable assets:			
United States..........................	$ 6,763,000	$ 7,795,000	$14,657,000
Canada................................	1,356,000	1,153,000	1,189,000
Europe................................	5,899,000	7,190,000	12,428,000
Asia..................................	117,000	168,000	153,000
Consolidated assets..................	$14,135,000	$16,306,000	$28,427,000

</TABLE>

9. VALUATION AND QUALIFYING ACCOUNTS

For the years ended September 30, 1993, 1994 and 1995, activity with respect to the Company's allowance for doubtful accounts receivable is summarized as follows:

<TABLE>
<CAPTION>

SEPTEMBER 30,

	1993	1994	1995
<S>	<C>	<C>	<C>
Beginning balance................................	$ 148,000	$139,000	$197,000
Charged to expense...............................	101,000	58,000	107,000
Amounts written off..............................	(110,000)	--	(45,000)
Ending balance...................................	$ 139,000	$197,000	$259,000

</TABLE>

10. CASH FLOW INFORMATION

The Company considers highly liquid investments with original maturities of 90 days or less to be cash equivalents.

The Company purchased Class B Stock from employees for cancellation of notes receivable of $0, $93,000 and $23,000 for the years ended September 30, 1993, 1994 and 1995, respectively. The Company sold Class B Stock to employees and received promissory notes of $182,000, $48,000 and $579,000 as partial consideration therefor during the fiscal years ended September 30, 1993, 1994 and 1995, respectively.

11. RELATED PARTY TRANSACTIONS

On January 6, 1995, the Company and M. Kane & Company, Inc. ("MKC") entered into an agreement pursuant to which MKC agreed to provide financial advice and assistance. In consideration for such services, MKC received 1.875% of the gross proceeds of the initial public offering. This agreement terminated upon the settlement date of the initial public offering. The president of MKC is a Director of the Company.

12. SUBSEQUENT EVENTS:

Public Offering--

On December 6, 1995, 3,000,000 shares of the Company's Common Stock were sold in an initial public offering, of which 2,500,000 shares were sold by the Company and 500,000 shares were sold by certain stockholders of the Company. The Company did not receive any proceeds from the sale of shares by its stockholders. However, the Company received net proceeds of approximately $26.0 million from its sale of shares in the initial public offering. Such proceeds are being used for working capital and general purposes, including: (i) increasing the marketing and advertising of the Company's computer-based classroom training courses, (ii) developing additional classroom courses, (iii) developing proprietary software for the Company's multimedia computer-based training courses, and (iv) for general corporate purposes. The Company also may use a portion of the net proceeds to acquire technologies and related assets or businesses complementary to its operations, although the Company has no agreements currently in place of negotiations under way with respect to any acquisition.

Effective as of the closing of the initial public offering on December 6, 1995, each outstanding share of Class B Stock was converted into one fully paid and non-assessable share of Class A Stock and, thereafter, the Common Stock ceased being divided into series and instead has consisted of a single class. There were 835,000 and 1,417,000 shares of Class B Stock outstanding at September 30, 1994 and 1995, respectively.

On January 5, 1996, an additional 450,000 shares of Common Stock were sold by the Company pursuant to a purchase option granted to the underwriters at the time of the initial public offering solely to cover over allotments. The Company received net proceeds of approximately $4.8 million after deducting underwriter commissions and other stock issuance costs.

Stock Option Plan--

In October 1995, the Company and its stockholders adopted the 1995 Stock Option Plan (the "Stock Option Plan"), which provides for the issuance of incentive stock options within the meaning of Section 422 of the Code and non-qualified stock options to purchase an aggregate of up to 1,500,000 shares of the Common Stock of the Company. The Stock Option Plan permits the grant of options to officers, employees, directors and consultants of the Company. The exercise price of incentive stock options granted will be greater than or equal to the fair market value of the Common Stock at the date of grant and the maximum term of the options may not exceed ten years. The vesting schedule and the period required for full exercisability of the stock options are at the discretion of the Board of Directors but in no event can it be less than six months. As of June 30, 1996, no options have been granted under the Stock Option Plan.

Employment Agreements--

The Company has entered into employment agreements with the Chief Executive Officer and President of the Company for a minimum period of three years which may be extended for additional periods of three years at the option of the officer involved.

Cash Flow Information--

In March 1996, the Company repurchased 26,393 shares of Common Stock from employees for the cancellation of notes receivable from such stockholders in the amount of $446,000. In addition, during March 1996, notes receivable from stockholders in the amount of $19,000 were offset against the equivalent amount of notes payable to such stockholders.

During the nine months ended June 30, 1995, the Company repurchased 153,000 shares of Common Stock from employees for the cancellation of notes receivable from such stockholders in the amount of $23,000 and the issuance of notes payable by the Company of $195,000. During this same period, the Company sold Common Stock to employees and received promissory notes of $22,000 as partial consideration therefor.

Related Party Transactions--

On July 12, 1996, the Company and MKC entered into an agreement pursuant to which MKC agreed to provide financial advice and assistance. As consideration for such services, MKC is to receive a retainer of $15,000 per month until the termination of the agreement. MKC is also entitled to 1.875% of the gross proceeds of the proposed offering less any monthly retainer payments paid. This agreement may be terminated by either party at any time upon thirty days' notice, and it will terminate automatically upon the earlier of the completion or abandonment of the proposed offering or twelve months.

INSIDE BACK COVER:

[Graphic superimposing categories of the Companies Course Offerings over a picture of a classroom.]

COURSES

At June 30, 1996, Learning Tree's course library included 98 proprietary course titles comprising over 2,000 hours of classroom instruction, with an additional 12 course titles under development.

6 Client/Server Titles:
- Analysis and Design
- Application Development
- Data Management

4 Internet/Intranet Titles:
- HTML Web Development
- Java Programming
- Network Security

11 Windows Titles:
- Windows 95 . Windows NT
- System Management Server . SQL Server
- Exchange

33 Network Titles:
- LANs . WANs . Internetworking
- High-Speed Networks
- Multivendor Networking . Security
- TCP/IP . X.25 . ISDN . Telecom

. Wireless Networks . NetWare

9 Operating System Titles:
. Unix . OS/2 . Tools and Utilities
. System and Network Administration

13 Database Titles:
. Relational DBMS . Oracle
. Sybase . Lotus Notes

3 PC Support Titles:
. PC Troubleshooting
. Macintosh Support

17 Programming and GUI Titles:
. C . C++ . Visual C++ . Visual Basic
. Windows Programming . PowerBuilder

9 Software Development Titles:
. Object-Oriented Analysis and Design
. Software Engineering

5 IT Soft Skills Titles:
. Business Process Re-engineering
. Communication Skills . Team Building
. Project Management

===================

18 Professional Certification Programs
Each Professional Certification Program requires completion of a series of five Learning Tree courses and an examination associated with each course.

[LOGO OF LEARNING TREE INTERNATIONAL]

NO DEALER, SALES REPRESENTATIVE OR OTHER PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS IN CONNECTION WITH THIS OFFERING OTHER THAN THOSE CONTAINED IN THIS PROSPECTUS, AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE COMPANY, ANY SELLING STOCKHOLDER OR ANY UNDERWRITER. THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER TO SELL, OR A SOLICITATION OF AN OFFER TO BUY, ANY SECURITIES OTHER THAN THE REGISTERED SECURITIES TO WHICH IT RELATES OR AN OFFER TO, OR A SOLICITATION OF, ANY PERSON IN ANY JURISDICTION WHERE SUCH AN OFFER OR SOLICITATION WOULD BE UNLAWFUL. NEITHER THE DELIVERY OF THIS PROSPECTUS NOR ANY SALE MADE HEREUNDER SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE COMPANY SINCE THE DATE HEREOF OR THAT THE INFORMATION CONTAINED HEREIN IS CORRECT AS OF ANY TIME SUBSEQUENT TO THE DATE HEREOF. THE DELIVERY OF THIS PROSPECTUS AT ANY TIME DOES NOT IMPLY THAT THE INFORMATION HEREIN IS CORRECT AS OF ANY TIME SUBSEQUENT TO ITS DATE.

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<CAPTION>

</TABLE>

2,000,000 SHARES

[LOGO]

COMMON STOCK

PROSPECTUS

ROBERTSON, STEPHENS & COMPANY

PIPER JAFFRAY INC.

SMITH BARNEY INC.

M. KANE & COMPANY, INC.

, 1996

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 13. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION

The following table sets forth the costs and expenses, other than underwriting discounts and commissions incurred or to be incurred in connection with the sale of the Common Stock being registered (all amounts are estimated except the SEC registration fee, the NASD filing fee and the Nasdaq listing fee). Of such costs and expenses, it is estimated that the Registrant will pay $301,419 and the Selling Stockholders will pay $1,364,581.

<TABLE>

<S>	<C>
SEC registration fee	$ 22,405
NASD filing fee	6,998
Nasdaq listing fee	10,000
Blue sky fees and expenses	10,000
Printing expenses	70,000
Legal fees and expenses	150,000
Accounting fees and expenses	25,000
Transfer agent and registrar fees	4,000
Miscellaneous	$1,367,597
Total	$1,666,000

</TABLE>

ITEM 14. INDEMNIFICATION OF DIRECTORS AND OFFICERS

Article Eight of the Company's Amended and Restated Certificate of Incorporation and Article VIII of the Company's Bylaws (filed as Exhibits 3.1 and 3.2 hereto, respectively) provide for indemnification of officers and directors and are incorporated herein by this reference.

Reference is made to Section 8 of the Underwriting Agreement (filed as Exhibit 1.1 hereto) for certain provisions as to the indemnification of the

Underwriters by the Company and the Selling Stockholders and as to indemnification by the Underwriters of the Company, officers and directors of the Company and the Selling Stockholders against certain liabilities, including liabilities under the Securities Act of 1933, as amended.

Section 145 of the General Corporation Law of the State of Delaware provides, in part, that a corporation shall have the power to indemnify any person who was or is a party or is threatened to be made a party to any suit or proceedings because such person is or was a director, officer, employee or agent of the corporation or was serving at the request of the corporation, as a director, officer, employee or agent of another corporation, against all costs actually and reasonably incurred by him in connection with such suit or proceedings if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation. Similar indemnity is permitted to be provided to such persons in connection with an action or suit by or in the right of the corporation, provided such person acted in good faith and in a manner he believed to be in or not opposed to the best interests of the corporation, and provided further (unless a court of competent jurisdiction otherwise determines) that such person shall not have been adjudged liable to the corporation.

ITEM 15. RECENT SALES OF UNREGISTERED SECURITIES.

The Registrant made the following sales of securities in the past three years that were not registered under the Securities Act of 1933 (all share numbers adjusted for the 3.66-for-one split in October 1995 and the conversion of the two classes of the Company's common stock into a single class on December 6, 1995):

<TABLE>
<CAPTION>

DATE OF PURCHASE GREEMENT(S)A	PURCHASER	NUMBER OF SHARES OF COMMON STOCK	AGGREGATE CONSIDERATION
<S>	<C>	<C>	<C>
03/14/94	Mary C. Adams	43,920	$28,680
03/14/94	Richard S. Adamson	36,600	23,900
07/18/94	Max S. Shevitz	175,680(1)	164,640
11/10/94	Mary C. Adams	18,300(1)	17,500
01/17/95	Gary R. Wright	146,400(1)	137,200
02/15/95	Michael W. Kane	36,600(1)	34,300
05/22/95	David Blasi	36,600(1)	34,300
05/30/95	John Durbin	21,960(1)	20,580
05/30/95	David Pardo	43,920(1)	41,160
06/10/95	Richard S. Adamson	51,240(1)	48,020
07/07/95	Robert Beaumont	18,300(1)	17,150
07/07/95	Kevin M. Kell	18,300(1)	17,150
07/07/95	Linda Trude	36,600(1)	34,300
08/14/95	Cassandra M. Mason	7,320(1)	6,860

</TABLE>

----

(1) These shares were sold subject to repurchase agreements, allowing the Company to repurchase the shares at specified prices and conditions upon termination of employment of the stockholder.

Sales of the Registrant's capital stock described above were exempt from registration under the Securities Act of 1933 as amended, as transactions by an issuer not involving a public offering under Section 4(2) thereof.

ITEM 16. EXHIBITS AND FINANCIAL SCHEDULES.

(a) Exhibits

ITEM 17. UNDERTAKINGS.

(a) The undersigned Registrant hereby undertakes to provide to the Underwriters or their Representative at the closings specified in the Underwriting Agreement certificates in such denominations and registered in such amounts as required by the Underwriters to permit prompt delivery to each purchaser.

(b) Insofar as indemnification for liabilities arising under the Securities Act of 1933, as amended (the "Act"), may be permitted to directors, officers and controlling persons of the Registrant pursuant to the items listed in Item 14 hereof, or otherwise, the Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

(c) The Registrant hereby undertakes that:

(1) For purposes of determining any liability under the Act, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a

form of prospectus filed by the Registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(2) For purposes of determining any liability under the Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

SIGNATURES

PURSUANT TO THE REQUIREMENTS OF THE SECURITIES ACT OF 1933, AS AMENDED, THE REGISTRANT, LEARNING TREE INTERNATIONAL, INC., A CORPORATION ORGANIZED AND EXISTING UNDER THE LAWS OF THE STATE OF DELAWARE, HAS DULY CAUSED THIS REGISTRATION STATEMENT TO BE SIGNED ON ITS BEHALF BY THE UNDERSIGNED, THEREUNTO DULY AUTHORIZED, IN THE CITY OF LOS ANGELES, STATE OF CALIFORNIA, ON THE 26TH DAY OF AUGUST, 1996.

Learning Tree International, Inc.

By: /s/ David C. Collins, Ph.D.
____
Name: David C. Collins, Ph.D.
Title: Chairman of the Board of Directors and Chief Executive Officer

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, each person whose signature appears below constitutes and appoints Dr. David C. Collins, Eric R. Garen and Mary C. Adams, jointly and severally, as attorneys-in-fact, each with power of substitution, for such person in any and all capacities, to sign any amendments to this Registration Statement or a related Registration Statement filed pursuant to Rule 462, and to file the same, with exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, hereby ratifying and confirming all that each of said attorneys-in-fact, or his or her substitute or substitutes, may do or cause to be done by virtue hereof.

PURSUANT TO THE REQUIREMENTS OF THE SECURITIES ACT OF 1933, AS AMENDED, THIS REGISTRATION STATEMENT HAS BEEN SIGNED BY THE FOLLOWING PERSONS IN THE CAPACITIES AND ON THE DATES INDICATED.

SIGNATURE	TITLE	DATE
/s/ David C. Collins, Ph.D. ------------------------------------- DAVID C. COLLINS, PH.D.	Chairman of the Board and Chief Executive Officer (principal executive officer)	August 26, 1996

/s/ Eric R. Garen ERIC R. GAREN	President and Director	August 26, 1996
/s/ Max S. Shevitz MAX S. SHEVITZ	Executive Vice Presidentand Director	August 26, 1996
/s/ Gary R. Wright GARY R. WRIGHT	Vice President, Finance, Chief Financial Officer and Secretary (principal financial officer and principal accounting officer)	August 26, 1996
W. MATHEW JUECHTER	Director	August , 1996
/s/ Alan B. Salisbury, Ph.D. ALAN B. SALISBURY, PH.D.	Director	August 26, 1996
/s/ Michael W. Kane, Ph.D. MICHAEL W. KANE, PH.D.	Director	August 26, 1996

EXHIBIT INDEX

<TABLE>
<CAPTION>

EXHIBIT NO.	DESCRIPTION	SEQUENTIALLY NUMBERED PAGE
<C>	<S>	<C>
1.1	Form of Underwriting Agreement between the Registrant, the Selling Stockholders and Robertson, Stephens & Company LLC, Piper Jaffray Inc., Smith Barney Inc., and M. Kane & Company, Inc., as representatives of the several underwriters named therein	
3.1	Amended and Restated Certificate of Incorporation of the Registrant*	
3.2	By-Laws of the Registrant*	
4.1	Specimen of Common Stock Certificate**	
5.1	Opinion and consent of Irell & Manella LLP	
10.1	Employment Agreement dated as of October 1, 1995 between Learning Tree International, Inc. and Dr. David C. Collins**	
10.2	Employment Agreement dated as of October 1, 1995 between Learning Tree International, Inc. and Eric R. Garen**	
10.3	Employment Agreement dated as of April 19, 1993 between Learning Tree International (USA), Inc. and Alan B. Salisbury*	
10.4	Employment Agreement dated as of February 1978, as amended, between Learning Tree International, Inc. and Mary C. Adams**	
10.5	Employment Agreement dated as of July 18, 1994, as amended, between Learning Tree International, Inc. and Max S. Shevitz*	
10.6	Employment Agreement dated as of January 8, 1990, as amended, between Learning Tree International, Inc. and Gary R. Wright**	
10.7	Form of Training Advantage Agreement*	
10.8	1995 Stock Option Plan dated as of September 29, 1995**	
10.9	Agreement dated July 12, 1996 between Learning Tree International, Inc. and M. Kane & Company, Inc.	
21.1	Subsidiaries of the Registrant***	
23.1	Written consent of Arthur Andersen LLP	
23.2	Written consent of Irell & Manella LLP (included in their opinion filed as Exhibit 5.1 hereto)	
24.1	Power of attorney appointing Dr. David C. Collins, Eric R. Garen and Mary C. Adams to sign and file amendments hereto (included on the signature page hereto)	

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* Incorporated by reference to the Company's Registration Statement on Form S-1, No. 33-97842, filed on October 6, 1995 (the "Registration Statement").

** Incorporated by reference to Amendment No. 1 to the Registration Statement filed on November 13, 1995.

*** Incorporated by reference to Amendment No. 2 to the Registration Statement filed on December 1, 1995.

EXHIBIT 1.1

2,000,000 SHARES/1/

LEARNING TREE INTERNATIONAL, INC.

COMMON STOCK

UNDERWRITING AGREEMENT

_____________, 1996

ROBERTSON, STEPHENS & COMPANY LLC
PIPER JAFFRAY INC.
SMITH BARNEY INC.
M. KANE & COMPANY, INC.
As Representatives of the several Underwriters
c/o Robertson, Stephens & Company LLC
555 California Street, Suite 2600
San Francisco, California 94104

Ladies and Gentlemen:

Learning Tree International, Inc., a Delaware corporation (the "Company"), and certain stockholders of the Company named in Schedule B hereto (hereafter called the "Selling Stockholders") address you as the Representatives of each of the persons, firms and corporations listed in Schedule A hereto (herein collectively called the "Underwriters") and hereby confirm their respective agreements with the several Underwriters as follows:

1. Description of Shares. The Company proposes to issue and sell 2,000,000 shares of its authorized and unissued Common Stock, par value $.0001, to the several Underwriters. The Selling Stockholders, acting severally and not jointly, propose to sell an aggregate of 1,600,000 shares of the Company's authorized and outstanding Common Stock, par value $.0001, to the several Underwriters. The 400,000 shares of Common Stock, par value $.0001, of the Company to be sold by the Company are hereinafter called the "Company Shares" and the 1,600,000 shares of Common Stock, par value $.0001, to be sold by the Selling Stockholders are hereinafter called the "Selling Stockholder Shares." The Company Shares and the Selling Stockholder Shares are hereinafter collectively referred to as the "Firm Shares." The Selling Stockholders also propose to grant to the Underwriters an option to purchase up to 300,000 additional shares of the Company's Common Stock, par value $.0001 (the "Option Shares"), as provided in Section 7 hereof. As used in this Agreement, the term "Shares" shall include the Firm Shares and the

Option Shares. All shares of Common Stock, par value $.0001, of the Company to be outstanding after giving effect to the sales contemplated hereby, including the Shares, are hereinafter referred to as "Common Stock."

/1/ Plus an option to purchase up to 300,000 additional shares from the Selling Stockholders to cover over-allotments, if any.

2. Representations, Warranties and Agreements of the Company and the Selling Stockholders.

I. The Company and the Selling Stockholders represent and warrant to and agree with each Underwriter that:

(a) A registration statement on Form S-1 (File No. 333-___________) with respect to the Shares, including a prospectus subject to completion, has been prepared by the Company in conformity with the requirements of the Securities Act of 1933, as amended (the "Act"), and the applicable rules and regulations (the "Rules and Regulations") of the Securities and Exchange Commission (the "Commission") under the Act and has been filed with the Commission; such amendments to such registration statement, such amended prospectuses subject to completion and such abbreviated registration statements pursuant to Rule 462(b) of the Rules and Regulations as may have been required prior to the date hereof have been similarly prepared and filed with the Commission; and the Company will file such additional amendments to such registration statement, such amended prospectuses subject to completion and such abbreviated registration statements as may hereafter be required. Copies of such registration statement and amendments, of each related prospectus subject to completion (the "Preliminary Prospectuses") and of any abbreviated registration statement pursuant to Rule 462(b) of the Rules and Regulations have been delivered to you.

If the registration statement relating to the Shares has been declared effective under the Act by the Commission, the Company will prepare and promptly file with the Commission the information omitted from the registration statement pursuant to Rule 430A(a) or, if Robertson, Stephens & Company LLC, on behalf of the several Underwriters, shall agree to the utilization of Rule 434 of the Rules and Regulations, the information required to be included in any term sheet filed pursuant to Rule 434(b) or (c), as applicable, of the Rules and Regulations pursuant to subparagraph (1), (4) or (7) of Rule 424(b) of the Rules and Regulations or as part of a post-effective amendment to the registration statement (including a final form of prospectus). If the registration statement relating to the Shares has not been declared effective under the Act by the Commission, the Company will prepare and promptly file an amendment to the registration statement, including a final form of prospectus, or, if Robertson, Stephens & Company LLC, on behalf of the several Underwriters, shall agree to the utilization of Rule 434 of the Rules and Regulations, the information required to be included in any term sheet filed pursuant to Rule 434(b) or (c), as applicable, of the Rules and Regulations. The term "Registration

Statement" as used in this Agreement shall mean such registration statement, including financial statements, schedules and exhibits, in the form in which it became or becomes, as the case may be, effective (including, if the Company omitted information from the registration statement pursuant to Rule 430A(a) or files a term sheet pursuant to Rule 434 of the Rules and Regulations, the information deemed to be a part of the registration statement at the time it became effective pursuant to Rule 430A(b) or Rule 434(d) of the Rules and Regulations) and, in the event of any amendment thereto or the filing of any abbreviated registration statement pursuant to Rule 462(b) of the Rules and Regulations relating thereto after the effective date of such registration statement, shall also mean (from and after the effectiveness of such amendment or the filing of such abbreviated registration statement) such registration statement as so amended, together with any such abbreviated registration statement. The term "Prospectus" as used in this Agreement shall mean the prospectus relating to the Shares as included in such Registration Statement at the time it becomes effective (including, if the Company omitted information from the Registration Statement pursuant to Rule 430A(a) of the Rules and Regulations, the information deemed to be a part of the Registration Statement at the time it became effective pursuant to Rule 430A(b) of the Rules and Regulations); _provided, however_, that if in reliance on Rule 434 of the Rules and Regulations and with the consent of Robertson, Stephens & Company LLC, on behalf of the several Underwriters, the Company shall have provided to the Underwriters a term sheet pursuant to Rule 434(b) or (c), as applicable, prior to the time that a confirmation is sent or given for purposes of Section 2(10)(a) of the Act, the term "Prospectus" shall mean the "prospectus subject to completion" (as defined in Rule 434(g) of the Rules and Regulations) last provided to the Underwriters by the Company and circulated by the Underwriters to all prospective purchasers of the Shares (including the information deemed to be a part of the Registration Statement at the time it became effective pursuant to Rule 434(d) of the Rules and Regulations). Notwithstanding the foregoing, if any revised prospectus shall be provided to the Underwriters by the Company for use in

connection with the offering of the Shares that differs from the prospectus referred to in the immediately preceding sentence (whether or not such revised prospectus is required to be filed with the Commission pursuant to Rule 424(b) of the Rules and Regulations), the term "Prospectus" shall refer to such revised prospectus from and after the time it is first provided to the Underwriters for such use. If in reliance on Rule 434 of the Rules and Regulations and with the consent of Robertson, Stephens & Company LLC, on behalf of the several Underwriters, the Company shall have provided to the Underwriters a term sheet pursuant to Rule 434(b) or (c), as applicable, prior to the time that a confirmation is sent or given for purposes of Section 2(10)(a) of the Act, the Prospectus and the term sheet, together, will not be materially different from the prospectus in the Registration Statement.

(b) The Commission has not issued any order preventing or suspending the use of any Preliminary Prospectus or instituted proceedings for that purpose, and each such Preliminary Prospectus has conformed in all material respects to the requirements of the Act and the Rules and Regulations and, as of its date, has not included any untrue statement of a material fact or omitted to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; and at the time the Registration Statement became or becomes, as the case may be, effective and at all times subsequent thereto up to and on the Closing Date (hereinafter defined) and on any later date on which Option Shares are to be purchased, (i) the Registration Statement and the Prospectus, and any amendments or supplements thereto, contained and will contain all material information required to be included therein by the Act and the Rules and Regulations and will in all material respects conform to the requirements of the Act and the Rules and Regulations, (ii) the Registration Statement, and any amendments or supplements thereto, did not and will not include any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading, and (iii) the Prospectus, and any amendments or supplements thereto, did not and will not include any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; *provided*, *however*, that none of the representations and warranties contained in this subparagraph (b) shall apply to information contained in or omitted from the Registration Statement or Prospectus, or any amendment or supplement thereto, in reliance upon, and in conformity with, written information relating to any Underwriter furnished to the Company by such Underwriter specifically for use in the preparation thereof.

(c) Each of the Company and its subsidiaries has been duly incorporated and is validly existing as a corporation in good standing under the laws of the jurisdiction of its incorporation with full power and authority (corporate and other) to own, lease and operate its properties and conduct its business as described in the Prospectus; the Company owns all of the outstanding capital stock of its subsidiaries (other than qualifying shares held for the benefit of the Company) free and clear of any pledge, lien, security interest, encumbrance, claim or equitable interest; each of the Company and its subsidiaries is duly qualified to do business as a foreign corporation and is in good standing in each jurisdiction in which the ownership or leasing of its properties or the conduct of its business requires such qualification, except where the failure to be so qualified or be in good standing would not have a material adverse effect on the condition (financial or otherwise), earnings, operations, business or business prospects of the Company and its subsidiaries considered as one enterprise; no proceeding has been instituted in any such jurisdiction, revoking, limiting or curtailing, or seeking to revoke, limit or curtail, such power and authority or qualification; each of the Company and its subsidiaries is in possession of and operating in compliance with all authorizations, licenses, certificates, consents, orders and permits from state, federal and other regulatory authorities which are material to the conduct of its business, all of which are valid and in full force and effect; neither the Company nor any of its subsidiaries is in violation of its respective charter or bylaws or in default in the performance or observance of any material obligation, agreement, covenant or condition contained in any material bond, debenture, note or other evidence of indebtedness, or in any material lease, contract, indenture, mortgage, deed of trust, loan agreement, joint venture or other agreement or instrument to which the Company or any of its subsidiaries is a party or by which it or any of its subsidiaries or their respective

properties may be bound; and neither the Company nor any of its subsidiaries is in material violation of any law, order, rule, regulation, writ, injunction, judgment or decree of any court, government or governmental agency or body, domestic or foreign, having jurisdiction over the Company or any of its subsidiaries or over their respective properties of which it has knowledge. The Company does not own or control, directly or indirectly, any corporation, association or other entity other than Advanced Technology Marketing, Inc., Systems for Business and Industry, Inc., Technology for Business and Industry, Inc., Learning Tree International USA, Inc., Learning Tree International, K.K., Learning Tree International Ltd., Learning Tree International S.A., Learning Tree International AB, Learning Tree Publishing AB, and Learning Tree International, Inc. Technology for Business and Industry, Inc. is a United States Virgin Islands corporation and does not constitute a "significant subsidiary" as defined in Rule 1-02(w) of Regulation S-X.

(d) The Company has full legal right, power and authority to enter into this Agreement and perform the transactions contemplated hereby. This Agreement has been duly authorized, executed and delivered by the Company and is a valid and binding agreement on the part of the Company, enforceable in accordance with its terms, except as rights to indemnification hereunder may be limited by applicable law and except as the enforcement hereof may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws relating to or affecting creditors' rights generally or by general equitable principles; the performance of this Agreement and the consummation of the transactions herein contemplated will not result in a material breach or material violation of any of the terms and provisions of, or constitute a default under, (i) any material bond, debenture, note or other evidence of indebtedness, or under any material lease, contract, indenture, mortgage, deed of trust, loan agreement, joint venture or other agreement or instrument to which the Company or any of its subsidiaries is a party or by which it or any of its subsidiaries or their respective properties may be bound, (ii) the charter or bylaws of the Company or any of its subsidiaries, or (iii) any law, order, rule, regulation, writ, injunction, judgment or decree of any court, government or governmental agency or body, domestic or foreign, having jurisdiction over the Company or any of its subsidiaries or over their respective properties. No consent, approval, authorization or order of or qualification with any court, government or governmental agency or body, domestic or foreign, having jurisdiction over the Company or any of its subsidiaries or over their respective properties is required for the execution and delivery of this Agreement and the consummation by the Company or any of its subsidiaries of the transactions herein contemplated, except such as may be required under the Act, the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or under state or other securities or Blue Sky laws, all of which requirements have been satisfied in all material respects.

(e) There is not any pending or, to the best of the Company's and the Selling Stockholders' knowledge, threatened action, suit, claim or proceeding against the Company, any of its subsidiaries or any of their respective properties, assets or rights before any court, government or governmental agency or body, domestic or foreign, having jurisdiction over the Company or any of its subsidiaries or over their respective officers or properties or otherwise which (i) might result in any material adverse change in the condition (financial or otherwise), earnings, operations, business or business prospects of the Company and its subsidiaries considered as one enterprise or might materially and adversely affect their properties, assets or rights, (ii) might prevent consummation of the transactions contemplated hereby or (iii) is required to be disclosed in the Registration Statement or Prospectus and is not so disclosed; and there are no agreements, contracts, leases or documents of the Company or any of its subsidiaries of a character required to be described or referred to in the Registration Statement or Prospectus or to be filed as an exhibit to the Registration Statement which have not been accurately described in all material respects in the Registration Statement or Prospectus or filed as exhibits to the Registration Statement.

(f) All outstanding shares of capital stock of the Company (including the Selling Stockholder Shares) have been duly authorized and validly issued and are fully paid and nonassessable, have been issued in compliance with all federal securities laws and in material compliance with all state securities laws, were not issued in violation of or subject to any preemptive rights or other rights to

subscribe for or purchase securities, and the authorized and outstanding capital stock of the Company is as set forth in the Prospectus under the caption "Capitalization" and conforms in all material respects to the statements relating thereto contained in the Registration Statement and the Prospectus (and such statements correctly state the substance of the instruments defining the capitalization of the Company); the Firm Shares and the Option Shares have been duly authorized for issuance and sale to the Underwriters pursuant to this Agreement and, when issued and delivered by the Company against payment therefor in accordance with the terms of this Agreement, will be duly and validly issued and fully paid and nonassessable, and will be sold free and clear of any pledge, lien, security interest, encumbrance, claim or equitable interest; and no preemptive right, co-sale right, registration right, right of first refusal or other similar right of stockholders exists with respect to any of the Firm Shares or Option Shares or the issuance and sale thereof other than those that have been expressly waived prior to the date hereof and those that will automatically expire upon the consummation of the transactions contemplated on the Closing Date. No further approval or authorization of any stockholder, the Board of Directors of the Company or others is required for the issuance and sale or transfer of the Shares except as may be required under the Act, or under state or other securities or Blue Sky laws. All issued and outstanding shares of capital stock of each subsidiary of the Company have been duly authorized and validly issued and are fully paid and nonassessable, and were not issued in violation of or subject to any preemptive right, or other rights to subscribe for or purchase shares and are owned by the Company free and clear of any pledge, lien, security interest, encumbrance, claim or equitable interest. Except as disclosed in or contemplated by the Prospectus and the financial statements of the Company, and the related notes thereto, included in the Prospectus, neither the Company nor any subsidiary has outstanding any options to purchase, or any preemptive rights or other rights to subscribe for or to purchase, any securities or obligations convertible into, or any contracts or commitments to issue or sell, shares of its capital stock or any such options, rights, convertible securities or obligations. The description of the Company's stock option, stock bonus and other stock plans or arrangements, and the options or other rights granted and exercised thereunder, set forth in the Prospectus accurately and fairly presents the information required to be shown with respect to such plans, arrangements, options and rights.

(g) Arthur Andersen LLP, which has examined the consolidated financial statements of the Company, together with the related schedules and notes, as of September 30, 1994 and 1995, for each of the years in the three (3) years ended September 30, 1995 and for the nine (9) month periods ended June 30, 1995 and 1996 filed with the Commission as a part of the Registration Statement, which are included in the Prospectus, are independent accountants within the meaning of the Act and the Rules and Regulations; the audited consolidated financial statements of the Company, together with the related schedules and notes, and the unaudited consolidated financial information, forming part of the Registration Statement and Prospectus, fairly present the financial position and the results of operations of the Company and its subsidiaries at the respective dates and for the respective periods to which they apply; and all audited consolidated financial statements of the Company, together with the related schedules and notes, and the unaudited consolidated financial information, filed with the Commission as part of the Registration Statement, have been prepared in accordance with generally accepted accounting principles consistently applied throughout the periods involved except as may be otherwise stated therein. The selected and summary financial and statistical data included in the Registration Statement present fairly the information shown therein and have been compiled on a basis consistent with the audited financial statements presented therein. No other financial statements or schedules are required to be included in the Registration Statement.

(h) Subsequent to the respective dates as of which information is given in the Registration Statement and Prospectus, there has not been (i) any material adverse change in the condition (financial or otherwise), earnings, operations, business or business prospects of the Company and its subsidiaries considered as one enterprise, (ii) any transaction entered into by the Company or its subsidiaries that is material to the Company and its subsidiaries considered as one enterprise, except transactions entered into in the ordinary course of business, (iii) any obligation, direct or contingent, that is material to the Company and its subsidiaries considered as one enterprise, incurred by the Company or its subsidiaries, except obligations incurred in the ordinary course of business, (iv) any change in the capital stock or outstanding indebtedness of the Company or any of its subsidiaries that is material to the Company and its subsidiaries considered as one enterprise, (v) any dividend or distribution of any kind declared, paid or made on the capital stock of the Company or any of its subsidiaries, or (vi) any loss or damage (whether or not insured) to the property of the Company or any of its subsidiaries which has been sustained or will have been sustained which has a material adverse effect on the condition (financial or otherwise), earnings, operations, business or business prospects of the Company and its subsidiaries considered as one enterprise.

(i) Except as set forth in the Registration Statement and Prospectus, (i) each of the Company and its subsidiaries has good and marketable title to all properties and assets described in the Registration Statement and Prospectus as owned by it, free and clear of any pledge, lien, security interest, encumbrance, claim or equitable interest, other than such as would not have a material adverse effect on the condition (financial or otherwise), earnings, operations, business or business prospects of the Company and its subsidiaries considered as one enterprise, (ii) the agreements to which the Company or any of its subsidiaries is a party described in the Registration Statement and Prospectus are valid agreements, enforceable by the Company and its subsidiaries (as applicable), except as the enforcement thereof may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws relating to or affecting creditors' rights generally or by general equitable principles and, to the best of the Company's knowledge, the other contracting party or parties thereto are not in material breach or material default under any of such agreements, and (iii) each of the Company and its subsidiaries has valid and enforceable leases for all properties described in the Registration Statement and Prospectus as leased by it, except as the enforcement thereof may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws relating to or affecting creditors' rights generally or by general equitable principles. Except as set forth in the Registration Statement and Prospectus, the Company owns or leases all such properties as are necessary to its operations as now conducted or as proposed to be conducted.

(j) The Company and its subsidiaries have timely filed all necessary federal, state and foreign income and franchise tax returns and have paid all taxes shown thereon as due, and there is no tax deficiency that has been or, to the best of the Company's knowledge, might be asserted against the Company or any of its subsidiaries that might reasonably be expected to have a material adverse effect on the condition (financial or otherwise), earnings, operations, business or business prospects of the Company and its subsidiaries considered as one enterprise; and all tax liabilities are adequately provided for on the books of the Company and its subsidiaries.

(k) The Company and its subsidiaries maintain insurance with insurers of recognized financial responsibility of the types and in the amounts generally deemed adequate for their respective businesses and consistent with insurance coverage maintained by similar companies in similar businesses, including, but not limited to, insurance covering real and personal property owned or leased by the Company or its subsidiaries against theft, damage, destruction, acts of vandalism and all other risks customarily insured against, all of which insurance is in full force and effect; neither the Company nor any such subsidiary has been refused any insurance coverage sought or applied for; and neither the Company nor any such subsidiary has any reason to believe that it will not be able to renew its existing insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue its business at a cost that would not materially and adversely affect the condition (financial or otherwise), earnings, operations, business or business prospects of the Company and its subsidiaries considered as one enterprise.

(l) To the best of Company's and the Selling Stockholders' knowledge, no labor disturbance by the employees of the Company or any of its subsidiaries exists or is imminent; and the Company is not aware of any existing or imminent labor disturbance by the employees of any of its principal suppliers, value-added resellers, subcontractors, authorized dealers or distributors that might reasonably be

expected to result in a material adverse change in the condition (financial or otherwise), earnings, operations, business or business prospects of the Company and its subsidiaries considered as one enterprise. No collective bargaining agreement exists with any of the Company's employees and, to the best of the Company's and the Selling Stockholders' knowledge, no such agreement is imminent.

(m) Each of the Company and its subsidiaries owns or possesses adequate rights to use all patents, patent rights, inventions, trade secrets, know-how, trademarks, service marks, trade names and copyrights which are necessary to conduct its businesses as described in the Registration Statement and Prospectus; the expiration of any patents, patent rights, trade secrets, trademarks, service marks, trade names or copyrights would not have a material adverse effect on the condition (financial or otherwise), earnings, operations, business or business prospects of the Company and its subsidiaries considered as one enterprise; the Company has not received any notice of, and has no knowledge of, any infringement of or conflict with asserted rights of the Company by others with respect to any patent, patent rights, inventions, trade secrets, know-how, trademarks, service marks, trade names or copyrights other than those which would not reasonably be expected to have a material adverse effect on the condition (financial or otherwise), earnings, operations, business or business prospects of the Company and its subsidiaries considered as one enterprise; and the Company and the Selling Stockholders have not received any notice of, and has no knowledge of, any infringement of or conflict with asserted rights of others with respect to any patent, patent rights, inventions, trade secrets, know-how, trademarks, service marks, trade names or copyrights which, singly or in the aggregate, if the subject of an unfavorable decision, ruling or finding, would reasonably be expected to have a material adverse effect on the condition (financial or otherwise), earnings, operations, business or business prospects of the Company and its subsidiaries considered as one enterprise.

(n) The Common Stock is registered pursuant to Section 12(g) of the Exchange Act and is listed on the Nasdaq National Market, and the Company has taken no action designed to, or likely to have the effect of, terminating the registration of the Common Stock under the Exchange Act or delisting the Common Stock from the Nasdaq National Market, nor has the Company received any notification that the Commission or the National Association of Securities Dealers, Inc. ("NASD") is contemplating terminating such registration or listing.

(o) The Company has been advised concerning the Investment Company Act of 1940, as amended (the "1940 Act"), and the rules and regulations thereunder, and has in the past conducted, and intends in the future to conduct, its affairs in such a manner as to ensure that it will not become an "investment company" or a company "controlled" by an "investment company" within the meaning of the 1940 Act and such rules and regulations.

(p) The Company has not distributed and will not distribute prior to the later of (i) the Closing Date, or any date on which Option Shares are to be purchased, as the case may be, and (ii) completion of the distribution of the Shares, any offering material in connection with the offering and sale of the Shares other than any Preliminary Prospectuses, the Prospectus, the Registration Statement and other materials, if any, permitted by the Act.

(q) Neither the Company nor any of its subsidiaries has at any time during the last five (5) years (i) made any unlawful contribution to any candidate for foreign office or failed to disclose fully any contribution in violation of law, or (ii) made any payment to any federal or state governmental officer or official, or other person charged with similar public or quasi-public duties, other than payments required or permitted by the laws of the United States or any jurisdiction thereof.

(r) The Company has not taken and will not take, directly or indirectly, any action designed to or that might reasonably be expected to cause or result in stabilization or manipulation of the price of the Common Stock to facilitate the sale or resale of the Shares.

(s) Each officer and director of the Company and each Selling Stockholder has agreed in writing that such person will not, for a period of 90 days from the date that the Registration Statement is declared effective by the Commission (the "Lock-up Period") offer to sell, contract to sell, or otherwise sell, dispose of, loan, pledge or grant any rights with respect to (collectively, a "Disposition") any shares of Common Stock, any options or warrants to purchase any shares of Common Stock or any securities convertible into or exchangeable for shares of Common Stock (collectively, "Securities") now owned or hereafter acquired directly by such person or with respect to which such person has or hereafter acquires the power of disposition, otherwise than (i) as a bona fide gift or gifts, provided the donee or donees thereof agree in writing to be bound by this restriction, (ii) as a distribution to limited partners or stockholders of such person, provided that the distributees thereof agree in writing to be bound by the terms of this restriction, or (iii) with the prior written consent of Robertson, Stephens & Company LLC. The foregoing restriction is expressly agreed to preclude the holder of the Securities from engaging in any hedging or other transaction which is designed to or reasonably expected to lead to or result in a Disposition of Securities during the Lock-up Period, even if such Securities would be disposed of by someone other than such holder. Such prohibited hedging or other transactions would include, without limitation, any short sale (whether or not against the box) or any purchase, sale or grant of any right (including, without limitation, any put or call option) with respect to any Securities or with respect to any security (other than a broad-based market basket or index) that includes, relates to or derives any significant part of its value from Securities. Furthermore, such person will also agree and consent to the entry of stop transfer instructions with the Company's transfer agent against the transfer of the Securities held by such person except in compliance with this restriction. The Company has provided to counsel for the Underwriters a complete and accurate list of all securityholders of the Company and the number and type of securities held by each securityholder. The Company has provided to counsel for the Underwriters true, accurate and complete copies of all of the agreements pursuant to which its officers, directors and stockholders have agreed to such or similar restrictions (the "Lock-up Agreements") presently in effect or effected hereby. The Company hereby represents and warrants that it will not release any of its officers, directors or other stockholders from any Lock-up Agreements currently existing or hereafter effected without the prior written consent of Robertson, Stephens & Company LLC.

(t) Except as set forth in the Registration Statement and Prospectus, (i) the Company is in material compliance with all rules, laws and regulations relating to the use, treatment, storage and disposal of toxic substances and protection of health or the environment ("Environmental Laws") which are applicable to its business, (ii) the Company has received no notice from any governmental authority or third party of an asserted claim under Environmental Laws, which claim is required to be disclosed in the Registration Statement and the Prospectus, (iii) the Company will not reasonably be expected to be required to make future material capital expenditures to comply with Environmental Laws and (iv) no property which is owned, leased or occupied by the Company has been designated as a Superfund site pursuant to the Comprehensive Response, Compensation, and Liability Act of 1980, as amended (42 U.S.C. (S) 9601, et seq.), or otherwise designated as a contaminated site under applicable state or local law.

(u) The Company and each of its subsidiaries maintain a system of internal accounting controls sufficient to provide reasonable assurances that (i) transactions are executed in accordance with management's general or specific authorizations, (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles and to maintain accountability for assets, (iii) access to assets is permitted only in accordance with management's general or specific authorization, and (iv) the recorded accountability for assets is compared with existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

(v) There are no outstanding loans, advances (except normal advances for business expenses in the ordinary course of business) or guarantees of indebtedness by the Company to or for the benefit of any of the officers or directors of the Company or any of the members of the families of any of

them, except as disclosed in the Registration Statement and the Prospectus and except for loans to purchase shares of the Company's capital stock previously disclosed to Underwriters' counsel.

(w) The Company has complied with all provisions of Section 517.075, Florida Statutes relating to doing business with the Government of Cuba or with any person or affiliate located in Cuba.

II. Each Selling Stockholder, severally and not jointly, also represents and warrants to and agrees with each Underwriter and the Company that:

(a) Such Selling Stockholder now has and on the Closing Date and on any later date on which Option Shares are purchased will have valid marketable title to the Shares to be sold by such Selling Stockholder, free and clear of any pledge, lien, security interest, encumbrance, claim or equitable interest other than pursuant to this Agreement; and upon delivery of such Shares hereunder and payment of the purchase price as herein contemplated, each of the Underwriters will obtain valid marketable title to the Shares purchased by it from such Selling Stockholder, free and clear of any pledge, lien, security interest pertaining to such Selling Stockholder or such Selling Stockholder's property, encumbrance, claim or equitable interest, including any liability for estate or inheritance taxes, or any liability to or claims of any creditor, devisee, legatee or beneficiary of such Selling Stockholder.

(b) Such Selling Stockholder has duly authorized (if applicable), executed and delivered, in the form heretofore furnished to the Representatives, an irrevocable Power of Attorney (the "Power of Attorney") appointing [David C. Collins and Eric Garen] as attorneys-in-fact (collectively, the "Attorneys" and individually, an "Attorney") and a Letter of Transmittal and Custody Agreement (the "Custody Agreement") with American Securities Transfer, Incorporated, as custodian (the "Custodian"); each of the Power of Attorney and the Custody Agreement constitutes a valid and binding agreement on the part of such Selling Stockholder, enforceable in accordance with its terms, except as the enforcement thereof may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws relating to or affecting creditors' rights generally or by general equitable principles; and each of such Selling Stockholder's Attorneys, acting alone, is authorized to execute and deliver this Agreement and the certificate referred to in Section 6(g) hereof on behalf of such Selling Stockholder, to determine the purchase price to be paid by the several Underwriters to such Selling Stockholder as provided in Section 3 hereof, to authorize the delivery of the Selling Stockholder Shares and the Option Shares to be sold by such Selling Stockholders under this Agreement and to duly endorse (in blank or otherwise) the certificate or certificates representing such Shares or a stock power or powers with respect thereto, to accept payment therefor, and otherwise to act on behalf of such Selling Stockholder in connection with this Agreement.

(c) All consents, approvals, authorizations and orders required for the execution and delivery by such Selling Stockholder of the Power of Attorney and the Custody Agreement, the execution and delivery by or on behalf of such Selling Stockholder of this Agreement and the sale and delivery of the Selling Stockholder Shares and the Option Shares to be sold by such Selling Stockholders under this Agreement (other than, at the time of the execution hereof (if the Registration Statement has not yet been declared effective by the Commission), the issuance of the order of the Commission declaring the Registration Statement effective and such consents, approvals, authorizations or orders as may be necessary under state or other securities or Blue Sky laws) have been obtained and are in full force and effect; such Selling Stockholder, if other than a natural person, has been duly organized and is validly existing in good standing under the laws of the jurisdiction of its organization as the type of entity that it purports to be; and such Selling Stockholder has full legal right, power and authority to enter into and perform its obligations under this Agreement and such Power of Attorney and Custody Agreement, and to sell, assign, transfer and deliver the Shares to be sold by such Selling Stockholder under this Agreement.

(d) Such Selling Stockholder will not, during the Lock-up Period, effect the Disposition of any Securities now owned or hereafter acquired directly by such Selling Stockholder or with respect to which such Selling Stockholder has or hereafter acquires the power of disposition, otherwise than (i) as a bona fide gift or gifts, provided the donee or donees thereof agree in writing to be bound by this restriction, (ii) as a distribution to limited partners or stockholders of such Selling Stockholder, provided that the distributees thereof agree in writing to be bound by the terms of this restriction, or (iii) with the prior written consent of Robertson, Stephens & Company LLC. The foregoing restriction is expressly agreed to preclude the holder of the Securities from engaging in any hedging or other transaction which is designed to or reasonably expected to lead to or result in a Disposition of Securities during the Lock-up Period, even if such Securities would be disposed of by someone other than the Selling Stockholder. Such prohibited hedging or other transactions would including, without limitation, any short sale (whether or not against the box) or any purchase, sale or grant of any right (including, without limitation, any put or call option) with respect to any Securities or with respect to any security (other than a broad-based market basket or index) that includes, relates to or derives any significant part of its value from Securities. Such Selling Stockholder also agrees and consents to the entry of stop transfer instructions with the Company's transfer agent against the transfer of the securities held by such Selling Stockholder except in compliance with this restriction.

(e) Certificates in negotiable form for all Shares to be sold by such Selling Stockholder under this Agreement, together with a stock power or powers duly endorsed in blank by such Selling Stockholder, have been placed in custody with the Custodian for the purpose of effecting delivery hereunder.

(f) This Agreement has been duly executed and delivered by or on behalf of such Selling Stockholder and is a valid and binding agreement of such Selling Stockholder, enforceable in accordance with its terms, except as rights to indemnification hereunder may be limited by applicable law and except as the enforcement hereof may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws relating to or affecting creditors' rights generally or by general equitable principles; and the performance of this Agreement and the consummation of the transactions herein contemplated will not result in a material breach or violation of any of the terms and provisions of or constitute a default under any material bond, debenture, note or other evidence of indebtedness, or under any material lease, contract, indenture, mortgage, deed of trust, loan agreement, joint venture or other agreement or instrument to which such Selling Stockholder is a party or by which such Selling Stockholder, or any Selling Stockholder Shares or any Option Shares to be sold by such Selling Stockholder hereunder, may be bound or, to the best of such Selling Stockholders' knowledge, result in any material violation of any law, order, rule, regulation, writ, injunction, judgment or decree of any court, government or governmental agency or body, domestic or foreign, having jurisdiction over such Selling Stockholder or over the properties of such Selling Stockholder.

(g) Such Selling Stockholder has not taken and will not take, directly or indirectly, any action designed to or that might reasonably be expected to cause or result in stabilization or manipulation of the price of the Common Stock to facilitate the sale or resale of the Shares.

(h) Such Selling Stockholder has not distributed and will not distribute any prospectus or other offering material in connection with the offering and sale of the Shares.

(i) All information furnished by or on behalf of such Selling Stockholder relating to such Selling Stockholder and the Selling Stockholder Shares that is contained in the representations and warranties of such Selling Stockholder in such Selling Stockholder's Power of Attorney or set forth in the Registration Statement and the Prospectus is, and at the time the Registration Statement became or becomes, as the case may be, effective and at all times subsequent thereto up to and on the Closing Date, and on any later date on which Option Shares are to be purchased, was or will be, true, correct and complete, and does not, and at the time the Registration Statement became or becomes, as the case may be, effective and at all times subsequent thereto up to and on the Closing Date (hereinafter defined), and on any later date on which Option Shares are to be purchased will not, contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make such information not misleading.

(j) Such Selling Stockholder will review the Prospectus and will comply with all agreements and satisfy all conditions on his part to be complied with or satisfied pursuant to this Agreement on or prior to the Closing Date or, on any later date on which Option Shares may be purchased, as the case may be, and will advise one of its Attorneys and Robertson, Stephens & Company LLC prior to the Closing Date or such later date on which Option Shares are to be purchased, as the case may be, if any statement to be made on behalf of such Selling Stockholder in the certificate contemplated by Section 6(g) would be inaccurate if made as of the Closing Date or such later date on which Option Shares are to be purchased, as the case may be.

(k) Such Selling Stockholder does not have, or has waived prior to the date hereof, any preemptive right, co-sale right or right of first refusal or other similar right to purchase any of the Shares that are to be sold by the Company or any of the other Selling Stockholders to the Underwriters pursuant to this Agreement; such Selling Stockholder does not have, or has waived prior to the date hereof, any registration right or other similar right to participate in the offering made by the Prospectus, other than such rights of participation as have been satisfied by the participation of such Selling Stockholder in the transactions to which this Agreement relates in accordance with the terms of this Agreement; and such Selling Stockholder does not own any warrants, options or similar rights to acquire, and does not have any right or arrangement to acquire, any capital stock, rights, warrants, options or other securities from the Company, other than those described in the Registration Statement and the Prospectus.

3. Purchase, Sale and Delivery of Shares. On the basis of the
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representations, warranties and agreements herein contained, but subject to the terms and conditions herein set forth, the Company and the Selling Stockholders agree, severally and not jointly, to sell to the Underwriters, and each Underwriter agrees, severally and not jointly, to purchase from the Company and the Selling Stockholders, respectively, at a purchase price of $________ per share, the respective number of Company Shares and Selling Stockholder Shares set forth opposite the names of the Company and the Selling Stockholders in Schedule B hereto. The obligation of each Underwriter to the Company and to each Selling Stockholder shall be to purchase from the Company or such Selling Stockholder that number of Company Shares or Selling Stockholder Shares, as the case may be, which (as nearly as practicable, as determined by you) is in the same proportion to the number of Company Shares or Selling Stockholder Shares, as the case may be, set forth opposite the name of the Company or such Selling Stockholder in Schedule B hereto as the number of Firm Shares which is set forth opposite the name of such Underwriter in Schedule A hereto (subject to adjustment as provided in Section 10) is to the total number of Firm Shares to

be purchased by all the Underwriters under this Agreement.

The certificates in negotiable form for the Selling Stockholder Shares have been placed in custody (for delivery under this Agreement) under the Custody Agreement. Each Selling Stockholder agrees that the certificates for the Selling Stockholder Shares of such Selling Stockholder so held in custody are subject to the interests of the Underwriters hereunder, that the arrangements made by such Selling Stockholder for such custody, including the Power of Attorney is to that extent irrevocable and that the obligations of such Selling Stockholder hereunder shall not be terminated by the act of such Selling Stockholder or by operation of law, whether by the death or incapacity of such Selling Stockholder or the occurrence of any other event, except as specifically provided herein or in the Custody Agreement. If any Selling Stockholder should die or be incapacitated, or if any other such event should occur, before the delivery of the certificates for the Selling Stockholder Shares hereunder, the Selling Stockholder Shares to be sold by such Selling Stockholder shall, except as specifically provided herein or in the Custody Agreement, be delivered by the Custodian in accordance with the terms and conditions of this Agreement as if such death,

incapacity or other event had not occurred, regardless of whether the Custodian shall have received notice of such death or other event.

Delivery of definitive certificates for the Firm Shares to be purchased by the Underwriters pursuant to this Section 3 shall be made against payment of the purchase price therefor by the several Underwriters by wire transfer of same-day funds, payable to the order of the Company with regard to the Shares being purchased from the Company, and to the order of the Custodian for the respective accounts of the Selling Stockholders with regard to the Shares being purchased from such Selling Stockholders, at the offices of Irell & Manella LLP, 1800 Avenue of the Stars, Suite 900, Los Angeles, California 90067 (or at such other place as may be agreed upon among the Representatives and the Company and the Selling Stockholders), at 7:00 A.M., San Francisco time (a) on the third (3rd) full business day following the first day that Shares are traded, (b) if this Agreement is executed and delivered after 1:30 P.M., San Francisco time, the fourth (4th) full business day following the day that this Agreement is executed and delivered or (c) at such other time and date not later than seven (7) full business days following the first (1st) day that Shares are traded as the Representatives and the Company and the Selling Stockholders may determine (or at such time and date to which payment and delivery shall have been postponed pursuant to Section 10 hereof), such time and date of payment and delivery being herein called the "Closing Date"; provided, however, that if the Company has not made available to the Representatives copies of the Prospectus within the time provided in Section 4(d) hereof, the Representatives may, in their sole discretion, postpone the Closing Date until no later than two (2) full business days following delivery of copies of the Prospectus to the Representatives. The certificates for the Firm Shares to be so delivered will be made available to you at such office or such other location including, without limitation, in New York City, as you may reasonably request for checking at least one (1) full business day prior to the Closing Date and will be in such names and denominations as you may request, such request to be made at least two (2) full business days prior to the Closing Date. If the Representatives so elect, delivery of the Firm Shares may be made by credit through full fast transfer to the accounts at The Depository Trust Company designated by the Representatives.

It is understood that you, individually, and not as the Representatives of the several Underwriters, may (but shall not be obligated to) make payment of the purchase price on behalf of any Underwriter or Underwriters whose check or checks shall not have been received by you prior to the Closing Date for the Firm Shares to be purchased by such Underwriter or Underwriters. Any such payment by you shall not relieve any such Underwriter or Underwriters of any of its or their obligations hereunder.

After the Registration Statement becomes effective, the several Underwriters intend to make a public offering (as such term is described in Section 11 hereof) of the Firm Shares at a public offering price of $________ per share.

The information set forth in the last paragraph on the front cover page (insofar as such information relates to the Underwriters), at the bottom of page [3], concerning stabilization and over-allotment by the Underwriters, and under the caption "Underwriting" in any Preliminary Prospectus and in the final form of Prospectus filed pursuant to Rule 424(b) constitutes the only information furnished by the Underwriters to the Company for inclusion in any Preliminary Prospectus, the Prospectus or the Registration Statement, and you, on behalf of the respective Underwriters, represent and warrant to the Company and the Selling Stockholders that the statements made therein do not include any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

4. Further Agreements of the Company. The Company agrees with the several Underwriters that:

(a) The Company will use its best efforts to cause the Registration Statement and any amendment thereof, if not effective at the time and date that this Agreement is executed and delivered by the parties hereto, to become effective as promptly as possible; the Company will use its best efforts to cause any abbreviated registration statement pursuant to Rule 462(b) of the Rules and Regulations as may be required subsequent to the date the Registration Statement is declared effective to become effective as promptly as possible; the Company will notify you, promptly after it shall receive notice thereof, of the time when the Registration Statement, any subsequent amendment to the Registration Statement or any abbreviated registration statement has become effective or any supplement to the Prospectus has been filed; if the Company omitted information from the Registration Statement at the time it was originally declared effective in reliance upon Rule 430A(a) of the Rules and Regulations, the Company will provide evidence satisfactory to you that the Prospectus contains such information and has been filed, within the time period prescribed, with the Commission pursuant to subparagraph (1) or (4) of Rule 424(b) of the Rules and Regulations or as part of a post-effective amendment to such Registration Statement as originally declared effective which is declared effective by the Commission; if the Company files a term sheet pursuant to Rule 434 of the Rules and Regulations, the Company will provide evidence satisfactory to you that the Prospectus and term sheet meeting the requirements of Rule 434(b) or (c), as applicable, of the Rules and Regulations, have been filed, within the time period prescribed, with the Commission pursuant to subparagraph (7) of Rule 424(b) of the Rules and Regulations; if for any reason the filing of the final form of Prospectus is required under Rule 424(b)(3) of the Rules and Regulations, it will provide evidence satisfactory to you that the Prospectus contains such information and has been filed with the Commission within the time period prescribed; it will notify you promptly of any request by the Commission for the amending or supplementing of the Registration Statement or the Prospectus or for additional information; promptly upon your request, it will prepare and file with the Commission any amendments or supplements to the Registration Statement or Prospectus which, in the opinion of counsel for the several Underwriters ("Underwriters' Counsel"), may be necessary or advisable in connection with the distribution of the Shares by the Underwriters; it will promptly prepare and file with the Commission, and promptly notify you of the filing of, any amendments or supplements to the Registration Statement or Prospectus which may be necessary to correct any statements or omissions, if, at any time when a prospectus relating to the Shares is required to be delivered under the Act, any event shall have occurred as a result of which the Prospectus or any other prospectus relating to the Shares as then in effect would include any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; in case any Underwriter is required to deliver a prospectus nine (9) months or more after the effective date of the Registration Statement in connection with the sale of the Shares, it will prepare promptly upon request, but at the expense of such Underwriter, such amendment or amendments to the Registration Statement and such prospectus or prospectuses as may be necessary to permit compliance with the requirements of Section 10(a)(3) of the Act; and it will file no amendment or supplement to the Registration Statement or Prospectus which shall not previously have been submitted to you a reasonable time prior to the proposed filing thereof or to which you shall reasonably object in writing, subject, however, to compliance with the Act and the Rules and Regulations and the provisions of this Agreement.

(b) The Company will advise you, promptly after it shall receive notice or obtain knowledge, of the issuance of any stop order by the Commission suspending the effectiveness of the Registration Statement or of the initiation or threat of any proceeding for that purpose; and it will promptly use its best efforts to prevent the issuance of any stop order or to obtain its withdrawal at the earliest possible moment if such stop order should be issued.

(c) The Company will use its best efforts to qualify the Shares for offering and sale under the securities laws of such jurisdictions as you may designate and to continue such qualifications in effect for so long as may be required for purposes of the distribution of the Shares, except that the Company shall not be required in connection therewith or as a condition thereof to qualify as a foreign corporation or to execute a general consent to service of process in any jurisdiction in which it is not

otherwise required to be so qualified or to so execute a general consent to service of process. In each jurisdiction in which the Shares shall have been qualified as above provided, the Company will make and file such statements and reports in each year as are or may be reasonably required by the laws of such jurisdiction.

(d) The Company will furnish to you, as soon as available, and, in the case of the Prospectus and any term sheet or abbreviated term sheet under Rule 434, in no event later than the first (1st) full business day following the first day that Shares are traded, copies of the Registration Statement (three of which will be signed and which will include all exhibits), each Preliminary Prospectus, the Prospectus and any amendments or supplements to such documents, including any prospectus prepared to permit compliance with Section 10(a)(3) of the Act (three of which will include all exhibits), all in such quantities as you may from time to time reasonably request. Notwithstanding the foregoing, if Robertson, Stephens & Company LLC, on behalf of the several Underwriters, shall agree to the utilization of Rule 434 of the Rules and Regulations, the Company shall provide to you copies of a Preliminary Prospectus updated in all respects through the date specified by you in such quantities as you may from time to time reasonably request.

(e) The Company will make generally available to its securityholders as soon as practicable, but in any event not later than the forty-fifth (45th) day following the end of the fiscal quarter first occurring after the first anniversary of the effective date of the Registration Statement, an earnings statement (which will be in reasonable detail but need not be audited) complying with the provisions of Section 11(a) of the Act and covering a twelve (12) month period beginning after the effective date of the Registration Statement.

(f) During a period of five (5) years after the date hereof, the Company will furnish to its stockholders as soon as practicable after the end of each respective period, annual reports (including financial statements audited by independent certified public accountants) and unaudited quarterly reports of operations for each of the first three quarters of the fiscal year, and will furnish to you and the other several Underwriters hereunder, upon request (i) concurrently with furnishing such reports to its stockholders, statements of operations of the Company for each of the first three (3) quarters in the form furnished to the Company's stockholders, (ii) concurrently with furnishing to its stockholders, a balance sheet of the Company as of the end of such fiscal year, together with statements of operations, of stockholders' equity, and of cash flows of the Company for such fiscal year, accompanied by a copy of the certificate or report thereon of independent certified public accountants, (iii) concurrently with furnishing to its stockholders, copies of all reports (financial or other) mailed to stockholders, (iv) concurrently with furnishing to or filing with the relevant agency, copies of all reports and financial statements furnished to or filed with the Commission, any securities exchange or the National Association of Securities Dealers, Inc. ("NASD"), (v) every material press release and every material news item or article in respect of the Company or its affairs which was generally released to stockholders or prepared by the Company or any of its subsidiaries, and (vi) any additional information of a public nature concerning the Company or its subsidiaries, or its business which you may reasonably request. During such five (5) year period, if the Company shall have active subsidiaries, the foregoing financial statements shall be on a consolidated basis to the extent that the accounts of the Company and its subsidiaries are consolidated, and shall be accompanied by similar financial statements for any significant subsidiary which is not so consolidated.

(g) The Company will apply the net proceeds from the sale of the Shares being sold by it in the manner set forth under the caption "Use of Proceeds" in the Prospectus.

(h) The Company will maintain a transfer agent and, if necessary under the jurisdiction of incorporation of the Company, a registrar (which may be the same entity as the transfer agent) for its Common Stock.

(i) If the transactions contemplated hereby are not consummated by reason of any failure, refusal or inability on the part of the Company or any Selling Stockholder to perform any agreement on their respective parts to be performed hereunder or to fulfill any condition of the Underwriters' obligations hereunder, or if the Company shall terminate this Agreement pursuant to Section 11(a) hereof, or if the Underwriters shall terminate this Agreement pursuant to Section 11(b)(i), the Company and the Selling Stockholders will reimburse the several Underwriters for all out-of-pocket expenses (including reasonable fees and disbursements of Underwriters' Counsel) incurred by the Underwriters in investigating or preparing to market or marketing the Shares.

(j) If at any time during the ninety (90) day period after the Registration Statement becomes effective, any rumor, publication or event relating to or affecting the Company shall occur as a result of which in your opinion the market price of the Common Stock has been or is likely to be materially affected (regardless of whether such rumor, publication or event necessitates a supplement to or amendment of the Prospectus), the Company will, after written notice from you advising the Company to the effect set forth above, forthwith prepare, consult with you concerning the substance of and disseminate a press release or other public statement, reasonably satisfactory to you, responding to or commenting on such rumor, publication or event.

(k) During the Lock-up Period, the Company will not, without the prior written consent of Robertson Stephens & Company LLC, effect the Disposition of, directly or indirectly, any Securities other than the sale of the Firm Shares and the Option Shares hereunder. The foregoing sentence shall not apply to (A) the shares of Common Stock to be sold to the Underwriters pursuant to this Agreement and (B) options to purchase Common Stock granted or Common Stock issued under the Company's presently authorized stock option plans described in the Prospectus (the "Option Plan").

(l) During the Lock-up Period, the Selling Stockholders will not effect the Disposition of any Securities now owned or hereafter acquired directly by such Selling Stockholder or with respect to which such Selling Stockholder has or hereafter acquires the power of disposition, otherwise than (i) as a bona fide gift or gifts, provided the donee or donees thereof agree in writing to be bound by this restriction, (ii) as a distribution to limited partners or stockholders of such Selling Stockholder, provided that the distributees thereof agree in writing to be bound by the terms of this restriction, or (iii) with the prior written consent of Robertson, Stephens & Company LLC. The foregoing restriction is expressly agreed to preclude the holder of the Securities from engaging in any hedging or other transaction which is designed to or reasonably expected to lead to or result in a Disposition of Securities during the Lock-up Period, even if such Securities would be disposed of by someone other than the Selling Stockholder. Such prohibited hedging or other transactions would include, without limitation, any short sale (whether or not against the box) or any purchase, sale or grant of any right (including, without limitation, any put or call option) with respect to any Securities or with respect to any security (other than a broad-based market basket or index) that includes, relates to or derives any significant part of its value from Securities.

5. Expenses.

(a) The Company and the Selling Stockholders agree with each Underwriter that:

(i) The Company and the Selling Stockholders will pay and bear all costs and expenses in connection with the preparation, printing and filing of the Registration Statement (including financial statements, schedules and exhibits), Preliminary Prospectuses and the Prospectus and any amendments or supplements thereto; the printing of this Agreement, the Agreement Among Underwriters, the Selected Dealer Agreement, the Preliminary Blue Sky Survey and any Supplemental Blue Sky Survey, the Underwriters' Questionnaire and Power of Attorney, and any instruments

related to any of the foregoing; the issuance and delivery of the Shares hereunder to the several Underwriters, including transfer taxes, if any, the cost of all certificates representing the Shares and transfer agents' and registrars' fees; the fees and disbursements of counsel for the Company; all fees and other charges of the Company's independent certified public accountants; the cost of furnishing to the several Underwriters copies of the Registration Statement (including appropriate exhibits), Preliminary Prospectus and the Prospectus, and any amendments or supplements to any of the foregoing; NASD filing fees and the cost of qualifying the Shares under the laws of such jurisdictions as you may designate (including filing fees and reasonable fees and disbursements of Underwriters' Counsel in connection with such NASD filings and Blue Sky qualifications); and all other expenses directly incurred by the Company and the Selling Stockholders in connection with the performance of their obligations hereunder. Any additional expenses incurred as a result of the sale of the Shares by the Selling Stockholders will be borne collectively by the Company and the Selling Stockholders. The provisions of this Section 5(a)(i) are intended to relieve the Underwriters from the payment of the expenses and costs which the Selling Stockholders and the Company hereby agree to pay, but shall not affect any agreement which the Selling Stockholders and the Company may make, or may have made, for the sharing of any of such expenses and costs. Such agreements shall not impair the obligations of the Company and the Selling Stockholders hereunder to the several Underwriters.

(ii) In addition to its other obligations under Section 8(a) hereof, the Company and the Selling Stockholders agree that, as an interim measure during the pendency of any claim, action, investigation, inquiry or other proceeding described in Section 8(a) hereof, they will reimburse the Underwriters on a monthly basis for all reasonable legal or other expenses incurred in connection with investigating or defending any such claim, action, investigation, inquiry or other proceeding, notwithstanding the absence of a judicial determination as to the propriety and enforceability of the Company's and/or the Selling Stockholders' obligation to reimburse the Underwriters for such expenses and the possibility that such payments might later be held to have been improper by a court of competent jurisdiction. To the extent that any such interim reimbursement payment is so held to have been improper, the Underwriters shall promptly return such payment to the Company and the Selling Stockholders together with interest, compounded daily, determined on the basis of the prime rate (or other commercial lending rate for borrowers of the highest credit standing) listed from time to time in The Wall Street Journal which represents the base rate on corporate loans posted by Bank of America NT & SA (the "Prime Rate"). Any such interim reimbursement payments which are not made to the Underwriters within thirty (30) days of a request for reimbursement shall bear interest at the Prime Rate from the date of such request.

(b) In addition to their other obligations under Section 8(b) hereof, the Underwriters severally and not jointly agree that, as an interim measure during the pendency of any claim, action, investigation, inquiry or other proceeding described in Section 8(b) hereof, they will reimburse the Company and each Selling Stockholder on a monthly basis for all reasonable legal or other expenses incurred in connection with investigating or defending any such claim, action, investigation, inquiry or other proceeding, notwithstanding the absence of a judicial determination as to the propriety and enforceability of the Underwriters' obligation to reimburse the Company and each such Selling Stockholder for such expenses and the possibility that such payments might later be held to have been improper by a court of competent jurisdiction. To the extent that any such interim reimbursement payment is so held to have been improper, the Company and each such Selling Stockholder shall promptly return such payment to the Underwriters together with interest, compounded daily, determined on the basis of the Prime Rate. Any such interim reimbursement payments which are not made to the Company and each such Selling Stockholder within thirty (30) days of a request for reimbursement shall bear interest at the Prime Rate from the date of such request.

(c) It is agreed that any controversy arising out of the operation of the interim reimbursement arrangements set forth in Sections 5(a)(ii) and 5(b) hereof, including the amounts of any requested reimbursement payments, the method of determining such amounts and the basis on which such amounts shall be apportioned among the reimbursing parties, shall be settled by arbitration conducted under

the provisions of the Constitution and Rules of the Board of Governors of the New York Stock Exchange, Inc. or pursuant to the Code of Arbitration Procedure of the NASD. Any such arbitration must be commenced by service of a written demand for arbitration or a written notice of intention to arbitrate, therein electing the arbitration tribunal. In the event the party demanding arbitration does not make such designation of an arbitration tribunal in such demand or notice, then the party responding to said demand or notice is authorized to do so. Any such arbitration will be limited to the operation of the interim reimbursement provisions contained in Sections 5(a)(ii) and 5(b) hereof and will not resolve the ultimate propriety or enforceability of the obligation to indemnify for expenses which is created by the provisions of Sections 8(a) or 8(b) hereof or the obligation to contribute to expenses which is created by the provisions of Section 8(d) hereof.

6. Conditions of Underwriters' Obligations. The obligations of the several Underwriters to purchase and pay for the Shares as provided herein shall be subject to the accuracy, as of the date hereof and the Closing Date and any later date on which Option Shares are to be purchased, as the case may be, of the representations and warranties of the Company and the Selling Stockholders herein, to the performance by the Company and the Selling Stockholders of their respective obligations hereunder and to the following additional conditions:

(a) The Registration Statement shall have become effective not later than 2:00 P.M., San Francisco time, on the date following the date of this Agreement, or such later date as shall be consented to in writing by you; and no stop order suspending the effectiveness thereof shall have been issued and no proceedings for that purpose shall have been initiated or, to the knowledge of the Company, any Selling Stockholder or any Underwriter, threatened by the Commission, and any request of the Commission for additional information (to be included in the Registration Statement or the Prospectus or otherwise) shall have been complied with to the satisfaction of Underwriters' Counsel.

(b) All corporate proceedings and other legal matters in connection with this Agreement, the form of Registration Statement and the Prospectus, and the registration, authorization, issue, sale and delivery of the Shares, shall have been reasonably satisfactory to Underwriters' Counsel, and such counsel shall have been furnished with such papers and information as they may reasonably have requested to enable them to pass upon the matters referred to in this Section.

(c) Subsequent to the execution and delivery of this Agreement and prior to the Closing Date there shall not have been any change in the condition (financial or otherwise), earnings, operations, business or business prospects of the Company and its subsidiaries considered as one enterprise from that set forth in the Registration Statement or Prospectus, which, in your sole judgment, is material and adverse and that makes it, in your sole judgment, impracticable or inadvisable to proceed with the public offering of the Shares as contemplated by the Prospectus; and

(d) You shall have received on the Closing Date and on any later date on which Option Shares are purchased, as the case may be, the following opinion of counsel for the Company and the Selling Stockholders, dated the Closing Date or such later date on which Option Shares are purchased addressed to the Underwriters and with reproduced copies or signed counterparts thereof for each of the Underwriters, to the effect that:

(i) The Company and each of its subsidiaries incorporated in the United States are validly existing as corporations in good standing under the laws of its respective jurisdiction of its incorporation;

(ii) The Company and each of its subsidiaries incorporated in the United States have the corporate power and authority to own, lease and operate its respective properties and to conduct its respective business as described in the Prospectus;

(iii) The Company and each of its subsidiaries incorporated in the United States are duly qualified to do business as foreign corporations and are in good standing in each jurisdiction in which it owns or leases property or has employees, except where the failure to be so qualified or be in good standing would not have a material adverse effect on the condition (financial or otherwise), earnings, operations or business of the Company and its subsidiaries considered as one enterprise. To such counsel's knowledge, the Company does not own or control, directly or indirectly, any United States corporation, United States association or other United States entity other than Advanced Technology Marketing, Inc., Systems for Business, Inc. and Learning Tree International USA, Inc.;

(iv) The authorized, issued and outstanding capital stock of the Company is as set forth in the Prospectus under the caption "Capitalization" as of the dates stated therein, the issued and outstanding shares of capital stock of the Company (including the Selling Stockholder Shares) have been duly and validly issued and to such counsel's knowledge are fully paid and nonassessable, and, to such counsel's knowledge, will not have been issued in violation of or subject to any preemptive right, co-sale right, registration right, right of first refusal or other similar right;

(v) All issued and outstanding shares of capital stock of each United States subsidiary of the Company have been duly authorized and validly issued and to such counsel's knowledge are fully paid and nonassessable, and, to such counsel's knowledge, have not been issued in violation of or subject to any preemptive right, co-sale right, registration right, right of first refusal or other similar right and are registered in the name of the Company and, to such counsel's knowledge, free and clear of any pledge, lien, security interest, encumbrance, filed causes of action or equitable interest;

(vi) The Firm Shares or the Option Shares, as the case may be, to be issued by the Company pursuant to the terms of this Agreement have been duly authorized and, upon issuance and delivery against payment therefor in accordance with the terms hereof, will be duly and validly issued and fully paid and nonassessable, and to such counsel's knowledge, will not have been issued in violation of or subject to any preemptive right, co-sale right, registration right, right of first refusal or other similar right of stockholders;

(vii) The Company has the corporate power and authority to enter into this Agreement and to issue, sell and deliver to the Underwriters the Shares to be issued and sold by it hereunder;

(viii) This Agreement has been duly authorized by all necessary corporate action on the part of the Company and has been duly executed and delivered by the Company and, assuming due authorization, execution and delivery by you, is a valid and binding agreement of the Company, enforceable in accordance with its terms, except insofar as indemnification provisions may be limited by applicable law and except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or affecting creditors' rights generally or by general equitable principles;

(ix) The Registration Statement has become effective under the Act and, to such counsel's knowledge, no stop order suspending the effectiveness of the Registration Statement has been issued and no proceedings for that purpose have been instituted or are pending or threatened under the Act;

(x) The Registration Statement and the Prospectus, and each amendment or supplement thereto (other than the financial statements (including supporting schedules) and financial data derived therefrom as to which such counsel need express no opinion), as of the effective date of the Registration Statement, complied as to form in all material respects with the requirements of the Act and the applicable Rules and Regulations;

(xi) The information in the Prospectus under the caption "Risk Factors --

Shares Eligible for Future Sale," "Certain Transactions," "Description of Capital Stock" and "Shares Eligible for Future Sale," to the extent that it constitutes legal conclusions based on the facts known by such counsel, has been reviewed by such counsel and is a materially accurate summary of such matters and conclusions; and the forms of certificates evidencing the Common Stock and filed as exhibits to the Registration Statement comply with Delaware law;

(xii) The description in the Registration Statement and the Prospectus of the charter and bylaws of the Company and of statutes of Delaware and the United States are accurate and present the information required to be presented by the Act and the applicable Rules and Regulations;

(xiii) To such counsel's knowledge, there are no agreements, contracts, leases or documents to which the Company is a party of a character required to be described or referred to in the Registration Statement or Prospectus or to be filed as an exhibit to the Registration Statement which are not described or referred to therein or filed as required;

(xiv) The performance of this Agreement and the consummation of the transactions herein contemplated (other than performance of the Company's indemnification obligations hereunder, concerning which no opinion need be expressed) will not (a) result in any violation of the Company's charter or bylaws or (b) to such counsel's knowledge, result in a material breach or violation of any of the terms and provisions of, or constitute a material default under, any material bond, debenture, note or other evidence of indebtedness, or under any material lease, contract, indenture, mortgage, deed of trust, loan agreement, joint venture or other agreement or instrument known to such counsel to which the Company is a party or by which its properties are bound, or any applicable statute, rule or regulation known to such counsel or, to such counsel's knowledge, any order, writ or decree of any court, government or governmental agency or body having jurisdiction over the Company or any of its subsidiaries, or over any of their properties or operations;

(xv) To such counsel's knowledge, no consent, approval, authorization or order of or qualification with any court, government or governmental agency or body having jurisdiction over the Company or any of its subsidiaries incorporated in the United States, or over any of their properties or operations is necessary in connection with the consummation by the Company of the issuance and sale of the Shares, except such as have been obtained under the Act or such as may be required under state or other

securities or Blue Sky laws in connection with the purchase and the distribution of the Shares by the Underwriters;

(xvi) To such counsel's knowledge, there are no legal or governmental proceedings pending or threatened against the Company or any of its subsidiaries incorporated in the United States of a character required to be disclosed in the Registration Statement or the Prospectus by the Act or the Rules and Regulations, other than those described therein;

(xvii) To such counsel's knowledge, neither the Company nor any of its subsidiaries incorporated in the United States is presently (a) in material violation of its respective charter or bylaws, or (b) in material breach of any applicable statute, rule or regulation known to such counsel or any order, writ or decree of any court or governmental agency or body having jurisdiction over the Company or any of its subsidiaries, or over any of their properties or operations; and

(xviii) To such counsel's knowledge, no holders of Common Stock or other securities of the Company have registration rights with respect to securities of the Company;

(xix) To such counsel's knowledge, each of the Selling Stockholders is of adult age and is competent to enter into and to perform his obligations under this Agreement and to sell, transfer, assign and deliver the Shares to be sold by such Selling Stockholder hereunder;

(xx) To such counsel's knowledge, this Agreement has been duly executed and delivered by or on behalf of each Selling Stockholder; and

(xxi) Assuming that (I) the Underwriters have no notice, actual or constructive, of any adverse claims with respect to the Shares being sold hereunder by such Selling Stockholder, (II) the certificates representing such Shares are delivered to the Underwriters duly endorsed or accompanied by a duly executed assignment separate from certificate in the State of California, and (III) the transfer of such Shares to the Underwriters is duly registered on the books of the Company, upon the delivery of and payment for the Shares as contemplated in this Agreement, each of the Underwriters will receive valid marketable title to the Shares purchased by it from such Selling Stockholder, free and clear of all "adverse claims" as that term is defined in Section 8302 of the California Uniform Commercial Code.

In addition, such counsel shall state that such counsel has participated in conferences with officials and other representatives of the Company, the Representatives, Underwriters' Counsel and the independent certified public accountants of the Company, at which conferences the contents of the Registration Statement and Prospectus and related matters were discussed, and although they have not verified the accuracy or completeness of the statements contained in the Registration Statement or the Prospectus, nothing has come to the attention of such counsel which leads them to believe that, at the time the Registration Statement became effective and at all times subsequent thereto up to and on the Closing Date and on any later date on which Option Shares are to be purchased, the Registration Statement and any amendment or supplement thereto (other than the financial statements including supporting schedules and other financial and statistical information derived therefrom, as to which such counsel need express no comment) contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein not misleading, or at the Closing Date or any later date on which the

Option Shares are to be purchased, as the case may be, the Registration Statement, the Prospectus and any amendment or supplement thereto (except as aforesaid) contained any untrue statement of a material fact or omitted to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

Counsel rendering the foregoing opinion may rely as to questions of fact upon representations or certificates of officers of the Company, the Selling Stockholders, and of government officials, in which case their opinion is to state that they are so relying and that they have no knowledge of any material misstatement or inaccuracy in any such opinion, representation or certificate. Copies of any opinion, representation or certificate so relied upon shall be delivered to you, as Representatives of the Underwriters, and to Underwriters' Counsel.

(e) You shall have received on the Closing Date and on any later date on which Option Shares are purchased, as the case may be, the following opinions of counsel for the Company's foreign subsidiaries, dated the Closing Date or such later date on which Option Shares are purchased addressed to the Underwriters and with reproduced copies or signed counterparts thereof for each of the Underwriters, to the effect that:

(i) Each of the Company's foreign subsidiaries is duly incorporated and are validly existing as corporations in good standing under the laws of its respective jurisdiction of its incorporation;

(ii) Each of the Company's foreign subsidiaries has the corporate power and authority to own, lease and operate its respective properties and to conduct its respective business as described in the Prospectus;

(iii) Each of the Company's foreign subsidiaries is duly qualified to do business as foreign corporations and are in good standing in each jurisdiction, except where the failure to be so qualified or be in good standing would not have a material adverse effect on the condition (financial or otherwise), earnings, operations or business of the Company and its subsidiaries considered as one enterprise. To such counsel's knowledge, the Company does not own or control, directly or indirectly, any foreign corporation, foreign association or other foreign entity other than Learning Tree International K.K., Learning Tree International Ltd., Learning Tree International S.A., Learning Tree International AB, Learning Tree Publishing AB, and Learning Tree International Inc.; and

(iv) All issued and outstanding shares of capital stock of each foreign subsidiary of the Company have been duly authorized and validly issued and to such counsel's knowledge are fully paid and nonassessable, and, to such counsel's knowledge, have not been issued in violation of or subject to any preemptive right, co-sale right, registration right, right of first refusal or other similar right and are registered in the name of the Company and, to such counsel's knowledge, free and clear of any pledge, lien, security interest, encumbrance, claim or equitable interest.

(f) You shall have received on the Closing Date and on any later date on which Option Shares are to be purchased, as the case may be, an opinion of Brobeck, Phleger & Harrison, in form and substance satisfactory to you, with respect to the sufficiency of all such corporate proceedings and other legal matters relating to this Agreement and the transactions contemplated hereby as you may reasonably require, and the Company shall have furnished to such counsel such documents as they may have requested for the purpose of enabling them to pass upon such matters.

(g) You shall have received on the Closing Date and on any later date on which Option Shares are to be purchased, as the case may be, a letter from Arthur Andersen LLP addressed to the Company and the Underwriters, dated the Closing Date or such later date on which Option Shares are to be purchased, as the case may be, confirming that they are independent certified public accountants with respect to the Company within the meaning of the Act and the applicable published Rules and Regulations and based upon the procedures described in such letter delivered to you concurrently with the execution of this Agreement (herein called the "Original Letter"), but carried out to a date not more than five (5) business days prior to the Closing Date or such later date on which Option Shares are to be purchased, as the case may be, (i) confirming, to the extent true, that the statements and conclusions set forth in the Original Letter are accurate as of the Closing Date or such later date on which Option Shares are to be purchased, as the case may be, and (ii) setting forth any revisions and additions to the statements and conclusions set forth in the Original Letter which are necessary to reflect any changes in the facts described in the Original Letter since the date of such letter, or to reflect the availability of more recent financial statements, data or information. The letter shall not disclose any change in the condition (financial or otherwise), earnings, operations, business or business prospects of the Company and its subsidiaries considered as one enterprise from that set forth in the Registration Statement or Prospectus, which, in your sole judgment, is material and adverse and that makes it, in your sole judgment, impracticable or inadvisable to proceed with the public offering of the Shares as contemplated by the Prospectus. The Original Letter from Arthur Andersen LLP shall be addressed to or for the use of the Underwriters in form and substance satisfactory to the Underwriters and shall (i) represent, to the extent true, that they are independent certified public accountants with respect to the Company within the meaning of the Act and the applicable published Rules and Regulations, (ii) set forth their opinion with respect to their examination of the consolidated balance sheet of the Company as of September 30, 1995 and related consolidated statements of operations, stockholders' equity, and cash flows for the twelve (12) months ended September 30, 1995, and (iii) address other matters agreed upon by Arthur

Andersen LLP and you. In addition, you shall have received from Arthur Andersen LLP a letter addressed to the Company and made available to you for the use of the Underwriters stating that their review of the Company's system of internal accounting controls, to the extent they deemed necessary in establishing the scope of their examination of the Company's consolidated financial statements as of September 30, 1995, did not disclose any weaknesses in internal controls that they considered to be material weaknesses.

(h) You shall have received on the Closing Date and on any later date on which Option Shares are to be purchased, as the case may be, a certificate of the Company, dated the Closing Date or such later date on which Option Shares are to be purchased, as the case may be, signed by the Chief Executive Officer and Chief Financial Officer of the Company, to the effect that, and you shall be satisfied that:

(i) The representations and warranties of the Company in this Agreement are true and correct in all material respects, as if made on and as of the Closing Date or any later date on which Option Shares are to be purchased, as the case may be, and the Company has complied in all material respects with all the agreements and satisfied all the conditions on its part to be performed or satisfied at or prior to the Closing Date or any later date on which Option Shares are to be purchased, as the case may be;

(ii) No stop order suspending the effectiveness of the Registration Statement has been issued and no proceedings for that purpose have been instituted or are pending or threatened under the Act;

(iii) When the Registration Statement became effective and at all times subsequent thereto up to the delivery of such certificate, the Registration Statement and the Prospectus, and any amendments or supplements thereto, contained all material information required to be included therein by the Act and the Rules and Regulations, and in

all material respects conformed to the requirements of the Act and the Rules and Regulations; the Registration Statement, and any amendment or supplement thereto, did not and does not include any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading; the Prospectus, and any amendment or supplement thereto, did not and does not include any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; and, since the effective date of the Registration Statement, there has occurred no event required to be set forth in an amended or supplemented Prospectus which has not been so set forth; and

(iv) Subsequent to the respective dates as of which information is given in the Registration Statement and Prospectus, there has not been (a) any material adverse change in the condition (financial or otherwise), earnings, operations, business or business prospects of the Company and its subsidiaries considered as one enterprise, (b) any transaction that is material to the Company and its subsidiaries considered as one enterprise, except transactions entered into in the ordinary course of business, (c) any obligation, direct or contingent, that is material to the Company and its subsidiaries considered as one enterprise, incurred by the Company or its subsidiaries, except obligations incurred in the ordinary course of business, (d) any change in the capital stock or outstanding indebtedness of the Company or any of its subsidiaries that is material to the Company and its subsidiaries considered as one enterprise, (e) any dividend or distribution of any kind declared, paid or made on the capital stock of the Company or any of its subsidiaries, or (f) any loss or damage (whether or not insured) to the property of the Company or any of its subsidiaries which has been sustained or will have been sustained which has a material adverse effect on the condition (financial or otherwise), earnings, operations, business or business prospects of the Company and its subsidiaries considered as one enterprise.

(i) You shall be satisfied that, and you shall have received a certificate, dated the Closing Date, or any later date on which Option Shares are to be purchased, as the case may be, from the Attorneys for each Selling Stockholder to the effect that, as of the Closing Date, or any later date on which Option Shares are to be purchased, as the case may be, they have not been informed that:

(i) The representations and warranties made by such Selling Stockholder herein are not true or correct in any material respect on the Closing Date or on any later date on which Option Shares are to be purchased, as the case may be; or

(ii) Such Selling Stockholder has not complied with any obligation or satisfied any condition which is required to be performed or satisfied on the part of such Selling Stockholder at or prior to the Closing Date or any later date on which Option Shares are to be purchased, as the case may be.

(j) The Company shall have obtained and delivered to you an agreement from each officer and director of the Company and each Selling Stockholder in writing prior to the date hereof that such person will not, during the Lock-up Period, effect the Disposition of any Securities now owned or hereafter acquired directly by such person or with respect to which such person has or hereafter acquires the power of disposition, otherwise than (i) as a bona fide gift or gifts, provided the donee or donees thereof agree in writing to be bound by this restriction, (ii) as a distribution to limited partners or stockholders of such person, provided that the distributees thereof agree in writing to be bound by the terms of this restriction, or (iii) with the prior written consent of Robertson, Stephens & Company LLC. The foregoing

restriction is expressly agreed to preclude the holder of the Securities from engaging in any hedging or other transaction which is designed to or reasonably expected to lead to or result in a Disposition of Securities during the Lock-up Period, even if such Securities would be disposed of by someone other than the such holder. Such prohibited hedging or other transactions would including, without limitation, any short sale (whether or not against the box) or any purchase, sale or grant of any right (including, without limitation, any put or call option) with respect to any Securities or with respect to any security (other than a broad-based market basket or index) that includes, relates to or derives any significant part of its value from Securities. Furthermore, such person will have also agreed and consented to the entry of stop transfer instructions with the Company's transfer agent against the transfer of the Securities held by such person except in compliance with this restriction.

(k) The Company and the Selling Stockholders shall have furnished to you such further certificates and documents as you shall reasonably request (including certificates of officers of the Company, as to the accuracy of the representations and warranties of the Company and the Selling Stockholders herein, as to the performance by the Company and the Selling Stockholders of their respective obligations hereunder and as to the other conditions concurrent and precedent to the obligations of the Underwriters hereunder).

All such opinions, certificates, letters and documents will be in compliance with the provisions hereof only if they are reasonably satisfactory to Underwriters' Counsel. The Company and the Selling Stockholders will furnish you with such number of conformed copies of such opinions, certificates, letters and documents as you shall reasonably request.

7. Option Shares.

(a) On the basis of the representations, warranties and agreements herein contained, but subject to the terms and conditions herein set forth, the Selling Stockholders hereby grant to the several Underwriters, for the purpose of covering over-allotments in connection with the distribution and sale of the Firm Shares only, a nontransferable option to purchase up to an aggregate of 300,000 Option Shares at the purchase price per share for the Firm Shares set forth in Section 3 hereof. Such option may be exercised by the Representatives on behalf of the several Underwriters on one (1) or more occasions in whole or in part during the period of thirty (30) days after the date on which the Firm Shares are offered to the public, by giving written notice to the Attorney-in-Fact for the Selling Stockholders. The number of Option Shares to be purchased by each Underwriter upon the exercise of such option shall be the same proportion of the total number of Option Shares to be purchased by the several Underwriters pursuant to the exercise of such option as the number of Firm Shares purchased by such Underwriter (set forth in Schedule A hereto) bears to the total number of Firm Shares purchased by the several Underwriters (set forth in Schedule A hereto), adjusted by the Representatives in such manner as to avoid fractional shares.

Delivery of definitive certificates for the Option Shares to be purchased by the several Underwriters pursuant to the exercise of the option granted by this Section 7 shall be made against payment of the purchase price therefor by the several Underwriters by wire transfer of same-day funds, payable to the order of [each of the Selling Stockholders]. Such delivery and payment shall take place at the offices of Irell and Manella LLP, 1800 Avenue of the Stars, Suite 900, Los Angeles, California 90067, or at such other place as may be agreed upon among the Representatives and the Company (i) on the Closing Date, if written notice of the exercise of such option is received by the Company at least two (2) full business days prior to the Closing Date, or (ii) on a date which shall not be later than the third (3rd) full business day following the date the Company receives written notice of the exercise of such option, if such notice is received by the Company less than two (2) full business days prior to the Closing Date.

The certificates for the Option Shares to be so delivered will be made available to you at such office or such other location including, without limitation, in New York City, as you may reasonably request for checking at least one (1) full business day prior to the date of payment and delivery and will be in such names and denominations as you may request, such request to be made at least two (2) full business days prior to such date of payment and delivery. If the Representatives so elect, delivery of the Option Shares may be made by credit through full fast transfer to the accounts at The Depository Trust Company designated by the Representatives.

It is understood that you, individually, and not as the Representatives of the several Underwriters, may (but shall not be obligated to) make payment of the purchase price on behalf of any Underwriter or Underwriters whose check or checks shall not have been received by you prior to the date of payment and delivery for the Option Shares to be purchased by such Underwriter or Underwriters. Any such payment by you shall not relieve any such Underwriter or Underwriters of any of its or their obligations hereunder.

(b) Upon exercise of any option provided for in Section 7(a) hereof, the obligations of the several Underwriters to purchase such Option Shares will be subject (as of the date hereof and as of the date of payment and delivery for such Option Shares) to the accuracy of and compliance with the representations, warranties and agreements of the Company and the Selling Stockholders herein, to the accuracy of the statements of the Company, the Selling Stockholders and officers of the Company made pursuant to the provisions hereof, to the performance by the Company and the Selling Stockholders of their respective obligations hereunder, and to the condition that all proceedings taken at or prior to the payment date in connection with the sale and transfer of such Option Shares shall be satisfactory in form and substance to you and to Underwriters' Counsel, and you shall have been furnished with all such documents, certificates and opinions as you may request in order to evidence the accuracy and completeness of any of the representations, warranties or statements, the performance of any of the covenants or agreements of the Company and the Selling Stockholders or the compliance with any of the conditions herein contained.

8. Indemnification and Contribution.

(a) The Company and each of the Selling Stockholders, severally and not jointly, agrees to indemnify and hold harmless each Underwriter against any losses, claims, damages or liabilities, joint or several, to which such Underwriter may become subject under the Act, the Exchange Act or otherwise, specifically including, but not limited to, losses, claims, damages or liabilities, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon (i) any breach of any representation, warranty, agreement or covenant of the Company or such Selling Stockholder herein contained, (ii) any untrue statement or alleged untrue statement of any material fact contained in the Registration Statement or any amendment or supplement thereto, or the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, or (iii) any untrue statement or alleged untrue statement of any material fact contained in any Preliminary Prospectus or the Prospectus or any amendment or supplement thereto, or the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and agrees to reimburse each Underwriter for any legal or other expenses reasonably incurred by it in connection with investigating or defending any such loss, claim, damage, liability or action; provided, however, that neither the Company nor such Selling Stockholder shall be liable in any such case to the extent that any such loss, claim, damage, liability or action arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission made in the Registration Statement, such Preliminary Prospectus or the Prospectus, or any such amendment or supplement thereto, in reliance upon, and in conformity with, written information relating to any Underwriter furnished to the Company by such Underwriter, directly or through you, specifically for use in the preparation thereof and, provided further, that the indemnity

agreement provided in this Section 8(a) with respect to any Preliminary Prospectus shall not inure to the benefit of any Underwriter from whom the person asserting any losses, claims, damages, liabilities or actions based upon any untrue statement or alleged untrue statement of material fact or omission or alleged omission to state therein a material fact purchased Shares, if a copy of the Prospectus in which such untrue statement or alleged untrue statement or omission or alleged omission was corrected had not been sent or given to such person within the time required by the Act and the Rules and Regulations, unless such failure is the result of noncompliance by the Company with Section 4(d) hereof.

The indemnity agreement in this Section 8(a) shall extend upon the same terms and conditions to, and shall inure to the benefit of, each person, if any, who controls any Underwriter within the meaning of the Act or the Exchange Act. This indemnity agreement shall be in addition to any liabilities which the Company or such Selling Stockholder may otherwise have.

(b) Each Underwriter, severally and not jointly, agrees to indemnify and hold harmless the Company and each Selling Stockholder against any losses, claims, damages or liabilities, joint or several, to which the Company or such Selling Stockholder may become subject under the Act or otherwise, specifically including, but not limited to, losses, claims, damages or liabilities, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon (i) any breach of any representation, warranty, agreement or covenant of such Underwriter herein contained, (ii) any untrue statement or alleged untrue statement of any material fact contained in the Registration Statement or any amendment or supplement thereto, or the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, or (iii) any untrue statement or alleged untrue statement of any material fact contained in any Preliminary Prospectus or the Prospectus or any amendment or supplement thereto, or the omission or alleged omission to state therein a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, in the case of subparagraphs (ii) and (iii) of this Section 8(b) to the extent, but only to the extent, that such untrue statement or alleged untrue statement or omission or alleged omission was made in reliance upon and in conformity with written information furnished to the Company by such Underwriter, directly or through you, specifically for use in the preparation thereof, and agrees to reimburse the Company and each such Selling Stockholder for any legal or other expenses reasonably incurred by the Company or each such Selling Stockholder in connection with investigating or defending any such loss, claim, damage, liability or action.

The indemnity agreement in this Section 8(b) shall extend upon the same terms and conditions to, and shall inure to the benefit of, each officer of the Company who signed the Registration Statement and each director of the Company, each Selling Stockholder and each person, if any, who controls the Company or any Selling Stockholder within the meaning of the Act or the Exchange Act. This indemnity agreement shall be in addition to any liabilities which each Underwriter may otherwise have.

(c) Promptly after receipt by an indemnified party under this Section 8 of notice of the commencement of any action, such indemnified party shall, if a claim in respect thereof is to be made against any indemnifying party under this Section 8, notify the indemnifying party in writing of the commencement thereof but the omission so to notify the indemnifying party will not relieve it from any liability which it may have to any indemnified party otherwise than under this Section 8. In case any such action is brought against any indemnified party, and it notified the indemnifying party of the commencement thereof, the indemnifying party will be entitled to participate therein and, to the extent that it shall elect by written notice delivered to the indemnified party promptly after receiving the aforesaid notice from such indemnified party, to assume the defense thereof, with counsel reasonably satisfactory to such indemnified party; *provided, however*, that if the defendants in any such action include both the indemnified party and the indemnifying party and the indemnified party shall have reasonably concluded that there may be legal defenses available to it and/or other indemnified parties which are different from or additional to those

available to the indemnifying party, the indemnified party or parties shall have the right to select separate counsel to assume such legal defenses and to otherwise participate in the defense of such action on behalf of such indemnified party or parties. Upon receipt of notice from the indemnifying party to such indemnified party of the indemnifying party's election so to assume the defense of such action and approval by the indemnified party of counsel, the indemnifying party will not be liable to such indemnified party under this Section 8 for any legal or other expenses subsequently incurred by such indemnified party in connection with the defense thereof unless (i) the indemnified party shall have employed separate counsel in accordance with the proviso to the preceding sentence (it being understood, however, that the indemnifying party shall not be liable for the expenses of more than one separate counsel (together with appropriate local counsel) approved by the indemnifying party representing all the indemnified parties under Section 8(a) or 8(b) hereof who are parties to such action), (ii) the indemnifying party shall not have employed counsel satisfactory to the indemnified party to represent the indemnified party within a reasonable time after notice of commencement of the action or (iii) the indemnifying party has authorized the employment of counsel for the indemnified party at the expense of the indemnifying party. In no event shall any indemnifying party be liable in respect of any amounts paid in settlement of any action unless the indemnifying party shall have approved the terms of such settlement; *provided* that such consent shall not be unreasonably withheld. No indemnifying party shall, without the prior written consent of the indemnified party, effect any settlement of any pending or threatened proceeding in respect of which any indemnified party is or could have been a party and indemnification could have been sought hereunder by such indemnified party, unless such settlement includes an unconditional release of such indemnified party from all liability on claims that are the subject matter of such proceeding.

(d) In order to provide for just and equitable contribution in any action in which a claim for indemnification is made pursuant to this Section 8 but it is judicially determined (by the entry of a final judgment or decree by a court of competent jurisdiction and the expiration of time to appeal or the denial of the last right of appeal) that such indemnification may not be enforced in such case notwithstanding the fact that this Section 8 provides for indemnification in such case, all the parties hereto shall contribute to the aggregate losses, claims, damages or liabilities to which they may be subject (after contribution from others) as appropriate to reflect (i) the relative benefits received by the indemnifying party or parties on the one hand and by the indemnified party or parties on the other from the offering of the Shares and (ii) the relative fault of the indemnifying party or parties on the one hand and of the indemnified party or parties on the other in connection with the statements or omissions which resulted in such losses, claims, damages or liabilities. Benefits received from the offering of the Shares shall be deemed to be allocated in such a manner that, except as set forth in Section 8(e) hereof, the Underwriters severally and not jointly are responsible pro rata for the portion represented by the percentage that the underwriting discount bears to the public offering price, and the Company and the Selling Stockholders are responsible for the remaining portion, provided, however, that (i) no Underwriter shall be required to contribute any amount in excess of the underwriting discount applicable to the Shares purchased by such Underwriter in excess of the amount of damages which such Underwriter has otherwise required to pay and (ii) no person guilty of a fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) shall be entitled to contribution from any person who is not guilty of such fraudulent misrepresentation. Relative fault shall be determined by reference to, among other things, whether any alleged untrue statement or omission relates to information provided by the Company, each of the Selling Stockholders or the Underwriters, the parties' relative intent, knowledge, access to information and any other equitable considerations appropriate under the circumstances. The contribution agreement in this Section 8(d) shall extend upon the same terms and conditions to, and shall inure to the benefit of, each person, if any, who controls the Underwriters or the Company or any Selling Stockholder within the meaning of the Act or the Exchange Act and each officer of the Company who signed the Registration Statement and each director of the Company.

(e) The liability of each Selling Stockholder under the representations, warranties and agreements contained herein and under the indemnity agreements contained in the provisions

of this Section 8 shall be limited to an amount equal to the public offering price of the Selling Stockholder Shares sold by such Selling Stockholder to the Underwriters minus the amount of the underwriting discount paid thereon to the Underwriters by such Selling Stockholder. The Company and such Selling Stockholders may agree, as among themselves and without limiting the rights of the Underwriters under this Agreement, as to the respective amounts of such liability for which they each shall be responsible.

(f) The parties to this Agreement hereby acknowledge that they are sophisticated business persons who were represented by counsel during the negotiations regarding the provisions hereof including, without limitation, the provisions of this Section 8, and are fully informed regarding said provisions. They further acknowledge that the provisions of this Section 8 fairly allocate the risks in light of the ability of the parties to investigate the Company and its business in order to assure that adequate disclosure is made in the Registration Statement and Prospectus as required by the Act and the Exchange Act.

9. Representations, Warranties, Covenants and Agreements to Survive Delivery. All representations, warranties, covenants and agreements of the Company, the Selling Stockholders and the Underwriters herein or in certificates delivered pursuant hereto, and the indemnity and contribution agreements contained in Section 8 hereof shall remain operative and in full force and effect regardless of any investigation made by or on behalf of any Underwriter or any controlling person within the meaning of the Act or the Exchange Act, or by or on behalf of the Company or any Selling Stockholder, or any of the Company's officers, directors or controlling persons within the meaning of the Act or the Exchange Act, and shall survive the delivery of the Shares to the several Underwriters hereunder or termination of this Agreement.

10. Substitution of Underwriters. If any Underwriter or Underwriters shall fail to take up and pay for the number of Firm Shares agreed by such Underwriter or Underwriters to be purchased hereunder upon tender of such Firm Shares in accordance with the terms hereof, and if the aggregate number of Firm Shares which such defaulting Underwriter or Underwriters so agreed but failed to purchase does not exceed 10% of the Firm Shares, the remaining Underwriters shall be obligated, severally in proportion to their respective commitments hereunder, to take up and pay for the Firm Shares of such defaulting Underwriter or Underwriters.

If any Underwriter or Underwriters so defaults and the aggregate number of Firm Shares which such defaulting Underwriter or Underwriters agreed but failed to take up and pay for exceeds 10% of the Firm Shares, the remaining Underwriters shall have the right, but shall not be obligated, to take up and pay for (in such proportions as may be agreed upon among them) the Firm Shares which the defaulting Underwriter or Underwriters so agreed but failed to purchase. If such remaining Underwriters do not, at the Closing Date, take up and pay for the Firm Shares which the defaulting Underwriter or Underwriters so agreed but failed to purchase, the Closing Date shall be postponed for twenty-four (24) hours to allow the several Underwriters the privilege of substituting within twenty-four (24) hours (including non-business hours) another underwriter or underwriters (which may include any nondefaulting Underwriter) satisfactory to the Company. If no such underwriter or underwriters shall have been substituted as aforesaid by such postponed Closing Date, the Closing Date may, at the option of the Company, be postponed for a further twenty-four (24) hours, if necessary, to allow the Company the privilege of finding another underwriter or underwriters, satisfactory to you, to purchase the Firm Shares which the defaulting Underwriter or Underwriters so agreed but failed to purchase. If it shall be arranged for the remaining Underwriters or substituted underwriter or underwriters to take up the Firm

Shares of the defaulting Underwriter or Underwriters as provided in this Section 10, (i) the Company shall have the right to postpone the time of delivery for a period of not more than seven (7) full business days, in order to effect whatever changes may thereby be made necessary in the Registration Statement or the Prospectus, or in any other documents or arrangements, and the Company agrees promptly to file any amendments to the Registration Statement or supplements to the Prospectus which

may thereby be made necessary, and (ii) the respective number of Firm Shares to be purchased by the remaining Underwriters and substituted underwriter or underwriters shall be taken as the basis of their underwriting obligation. If the remaining Underwriters shall not take up and pay for all such Firm Shares so agreed to be purchased by the defaulting Underwriter or Underwriters or substitute another underwriter or underwriters as aforesaid and the Company shall not find or shall not elect to seek another underwriter or underwriters for such Firm Shares as aforesaid, then this Agreement shall terminate.

In the event of any termination of this Agreement pursuant to the preceding paragraph of this Section 10, neither the Company nor any Selling Stockholder shall be liable to any Underwriter (except as provided in Sections 5 and 8 hereof) nor shall any Underwriter (other than an Underwriter who shall have failed, otherwise than for some reason permitted under this Agreement, to purchase the number of Firm Shares agreed by such Underwriter to be purchased hereunder, which Underwriter shall remain liable to the Company, the Selling Stockholders and the other Underwriters for damages, if any, resulting from such default) be liable to the Company or any Selling Stockholder (except to the extent provided in Sections 5 and 8 hereof).

The term "Underwriter" in this Agreement shall include any person substituted for an Underwriter under this Section 10.

11. Effective Date of this Agreement and Termination.

(a) This Agreement shall become effective at the earlier of (i) 6:30 A.M., San Francisco time, on the first full business day following the effective date of the Registration Statement, or (ii) the time of the public offering of any of the Shares by the Underwriters after the Registration Statement becomes effective. The time of the public offering shall mean the time of the release by you, for publication, of the first newspaper advertisement relating to the Shares, or the time at which the Shares are first generally offered by the Underwriters to the public by letter, telephone, telegram or telecopy, whichever shall first occur. By giving notice as set forth in Section 12 before the time this Agreement becomes effective, you, as Representatives of the several Underwriters, or the Company, may prevent this Agreement from becoming effective without liability of any party to any other party, except as provided in Sections 4(j), 5 and 8 hereof.

(b) You, as Representatives of the several Underwriters, shall have the right to terminate this Agreement by giving notice as hereinafter specified at any time at or prior to the Closing Date or on or prior to any later date on which Option Shares are to be purchased, as the case may be, (i) if the Company or any Selling Stockholder shall have failed, refused or been unable to perform any agreement on its part to be performed, or because any other condition of the Underwriters' obligations hereunder required to be fulfilled is not fulfilled, including, without limitation, any change in the condition (financial or otherwise), earnings, operations, business or business prospects of the Company and its subsidiaries considered as one enterprise from that set forth in the Registration Statement or Prospectus, which, in your sole judgment, is material and adverse, or (ii) if additional material governmental restrictions, not in force and effect on the date hereof, shall have been imposed upon trading in securities generally or minimum or maximum prices shall have been generally established on the New York Stock Exchange or on the American Stock Exchange or in the over the counter market by the NASD, or trading in securities generally shall have been suspended on either such exchange or in the over the counter market by the NASD, or if a banking moratorium shall have been declared by federal, New York or California authorities, or (iii) if the Company shall have sustained a loss by strike, fire, flood, earthquake, accident or other calamity of such character as to interfere materially with the conduct of the business and operations of the Company regardless of whether or not such loss shall have been insured, or (iv) if there shall have been a material adverse change in the general political or economic conditions or financial markets as in your reasonable judgment makes it inadvisable or impracticable to proceed with the offering, sale and delivery of the Shares, or (v) if there shall have been an outbreak or escalation of hostilities or of any other insurrection or armed conflict or the declaration by the

United States of a national emergency which, in the reasonable opinion of the Representatives, makes it impracticable or inadvisable to proceed with the public offering of the Shares as contemplated by the Prospectus. In the event of termination pursuant to subparagraph (i) above, the Company shall remain obligated to pay costs and expenses pursuant to Sections 4(j), 5 and 8 hereof. Any termination pursuant to any of subparagraphs (ii) through (v) above shall be without liability of any party to any other party except as provided in Sections 5 and 8 hereof.

If you elect to prevent this Agreement from becoming effective or to terminate this Agreement as provided in this Section 11, you shall promptly notify the Company by telephone, telecopy or telegram, in each case confirmed by letter. If the Company shall elect to prevent this Agreement from becoming effective, the Company shall promptly notify you by telephone, telecopy or telegram, in each case, confirmed by letter.

12. Notices. All notices or communications hereunder, except as herein

otherwise specifically provided, shall be in writing and if sent to you shall be mailed, delivered, telegraphed (and confirmed by letter) or telecopied (and confirmed by letter) to you c/o Robertson, Stephens & Company LLC, 555 California Street, Suite 2600, San Francisco, California 94104, telecopier number (415) 781-0278, Attention: General Counsel; if sent to the Company, such notice shall be mailed, delivered, telegraphed (and confirmed by letter) or telecopied (and confirmed by letter) to 6053 West Century Boulevard, Los Angeles, California 90045-0028, telecopier number (310) 645-4762, Attention: David C. Collins, Chief Executive Officer; if sent to one or more of the Selling Stockholders, such notice shall be sent mailed, delivered, telegraphed (and confirmed by letter) or telecopied (and confirmed by letter) to ____________, as Attorney-in-Fact for the Selling Stockholders, at 6053 West Century Boulevard, Los Angeles, California 90045-0028, telecopier number (310) 337-0434.

13. Parties. This Agreement shall inure to the benefit of and be binding upon the several Underwriters and the Company and the Selling Stockholders and their respective executors, administrators, successors and assigns. Nothing expressed or mentioned in this Agreement is intended or shall be construed to give any person or corporation, other than the parties hereto and their respective executors, administrators, successors and assigns, and the controlling persons within the meaning of the Act or the Exchange Act, officers and directors referred to in Section 8 hereof, any legal or equitable right, remedy or claim in respect of this Agreement or any provisions herein contained, this Agreement and all conditions and provisions hereof being intended to be and being for the sole and exclusive benefit of the parties hereto and their respective executors, administrators, successors and assigns and said controlling persons and said officers and directors, and for the benefit of no other person or corporation. No purchaser of any of the Shares from any Underwriter shall be construed a successor or assign by reason merely of such purchase.

In all dealings with the Company and the Selling Stockholders under this Agreement, you shall act on behalf of each of the several Underwriters, and the Company and the Selling Stockholders shall be entitled to act and rely upon any statement, request, notice or agreement made or given by you jointly or by Robertson, Stephens & Company LLC on behalf of you.

14. Applicable Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of California.

15. Counterparts. This Agreement may be signed in several counterparts, each of which will constitute an original.

If the foregoing correctly sets forth the understanding among the Company, the Selling Stockholders and the several Underwriters, please so indicate in the space provided below for that purpose, whereupon this letter shall constitute a binding agreement among the Company, the Selling Stockholders and the several Underwriters.

Very truly yours,

LEARNING TREE INTERNATIONAL, INC.

By

David C. Collins
Chief Executive Officer

SELLING STOCKHOLDERS

By

Attorney-in-Fact for the Selling
Stockholders named in Schedule B hereto

Accepted as of the date first above written:

ROBERTSON, STEPHENS & COMPANY LLC
PIPER JAFFRAY INC.
SMITH BARNEY INC.
M. KANE & COMPANY, INC.

On their behalf and on behalf of each of the
several Underwriters named in Schedule A hereto.

ROBERTSON, STEPHENS & COMPANY LLC

By ROBERTSON, STEPHENS & COMPANY, INC.

By

Authorized Signatory

SCHEDULE A

<TABLE>
<CAPTION>

Number of

Underwriters	Firm Shares To Be Purchased
Robertson, Stephens & Company LLC...	
Piper Jaffray Inc.	
M. Kane & Company, Inc.	
Smith Barney Inc.	
Total..........................	2,000,000

</TABLE>

SCHEDULE B

Company	Number of Firm Shares To Be Sold
Learning Tree International, Inc...	400,000
Total..........................	400,000

Name of Selling Stockholder	Number of Firm Shares To Be Sold
David C. Collins....................	800,000
Eric R. Garen.......................	800,000
Total..........................	1,600,000

<CAPTION>

Name of Selling Stockholder	Number of Firm Shares To Be Sold
<S>	<C>
David C. Collins....................	150,000
Eric R. Garen.......................	150,000
Total..........................	300,000

</TABLE>

EXHIBIT 5.1

IRELL & MANELLA LLP
1800 Avenue of the Stars, Suite 900
Los Angeles, California 90067
(310) 277-1010

August 26, 1996

Learning Tree International, Inc.
6053 West Century Boulevard
Los Angeles, California 90045-0028

Gentlemen and Ladies:

We have acted as counsel to Learning Tree International, Inc., a Delaware corporation (the "Company"), in connection with its Registration Statement on Form S-1 (the "Registration Statement") filed with the Securities and Exchange Commission with respect to the registration of an aggregate of 2,300,000 shares (the "Shares") of the Company's common stock, $0.0001 par value ("Common Stock"), consisting of 400,000 shares of Common Stock to be offered and sold by the Company, and 1,600,000 shares of Common Stock to be offered and sold by David C. Collins and Eric R. Garen, current stockholders of the Company (the "Selling Stockholders"), plus an additional 300,000 shares of Common Stock subject to an underwriters' over-allotment option, all of which would be offered and sold by the Selling Stockholders. As your counsel in connection with this transaction, we have examined the proceedings proposed to be taken in connection with said sale and issuance of the Shares and such other matters and documents as we have deemed necessary or relevant as a basis for this opinion.

Based upon these examinations, it is our opinion that upon completion of the proceedings being taken or which we, as your counsel, contemplate will be taken prior to the issuance of the Shares, the Shares, when issued and sold in the manner referred to in the Registration Statement, will be legally and validly issued, fully paid and non-assessable.

We consent to the use of this opinion as an exhibit to the Registration Statement and further consent to the use of our name, whenever appearing in the Registration Statement, including the prospectus constituting a part thereof and any amendments thereto. This opinion is furnished to you in connection with the registration of the

Shares, is solely for your benefit and may not be relied upon by, nor copies delivered to, any other person or entity without our prior written consent.

Respectfully submitted,

/s/ IRELL & MANELLA LLP

IRELL & MANELLA LLP

EXHIBIT 10.9

M. KANE & COMPANY, INC.
INVESTMENT BANKERS
10877 Wilshire Boulevard, Suite 603
Los Angeles, CA 90024-9998
(310) 208-1166

Member: NASD/SIPC

July 12, 1996

Learning Tree International, Inc.
6053 West Century Boulevard
Los Angeles, CA 90067

Attn:Dr. David C. Collins
Chairman and Chief Executive Officer

CONFIDENTIAL

This letter agreement ("Agreement") confirms the engagement of M. Kane & Company, Inc., ("MKC") by Learning Tree International, Inc. and its affiliates in existence now or hereinafter formed (the "Company") to render certain financial advisory services to the Company.

1.0SERVICES. MKC agrees to perform the following services (the "Services"):

1.0.1 review the recent historical financial information and business operations, prospects and forecasts of future financial results of the Company which are made available to MKC by the Company and such other matters as MKC deems relevant to enable it to render financial advice and assistance to the Company;

1.0.2 derive the current (baseline) enterprise value of the Company on an aggregate and market value basis and perform a time-phased valuation analysis;

1.0.3 assist the Company to structure the financial aspects of its proposed public offering ("Secondary"), including, without limitation the approximate aggregate size of the Secondary and the preferred valuation presentation strategy;

1.0.4 assist the Company to prepare an introductory presentation to prospective co-managing (lead) underwriters in the form of a written summary and, as necessary to a Road Show, an electronic presentation;

1.0.5 assist the Company to evaluate and select one or more co-managing underwriters of the Secondary (including the lead manager);

1.0.6 assist the Company, with counsel, to negotiate the terms and conditions relating to the Secondary;

1.0.7 assist the Company to prepare the "Business Section" of the S-1 Registration Statement;

1.0.8 assist the Company to prepare for underwriter financial due diligence, and;

1.0.9 serve as a co-manager of the Secondary (non-lead), subject to MKC's satisfaction, in its sole discretion, with its due diligence examination of the Company and financial market conditions.

1.1 INTEGRITY OF INFORMATION. The Company recognizes and confirms that in providing the Services, MKC will be using and relying upon data, material and other information furnished by the Company and their respective employees and representatives ("Information"). The Company hereby agrees and

represents that all Information furnished to MKC by the Company in connection with this Agreement shall be accurate and complete in all material respects at the time furnished and that if such Information, in whole or in part, becomes materially inaccurate, misleading or incomplete during the term of MKC's engagement hereunder, the Company will so advise MKC in writing and correct any such inaccuracy or omission. Accordingly, MKC assumes no responsibility for the accuracy and completeness of such Information. MKC will not be required to make an independent verification of any Information or independent evaluation of the Company's assets and liabilities. All Information concerning the Company so furnished that is not publicly available will be treated in strict confidence and will not be revealed by MKC unless legally compelled. The Company agrees that it and its counsel are responsible for ensuring that the Secondary, including any legal agreements, applications or other materials used in the Secondary (the "Offering Documents"), will comply in all respects with applicable law.

2.0 COMPENSATION: The Company agrees to pay MKC via wire transfer or check the following fees (the "Compensation") for the Services as follows, time being of the essence and all such payments to be fully earned when paid:

2.1 a non-refundable cash Advisory Retainer (the "Advisory Retainer"), payable at the rate of $15,000 per month commencing upon the execution of this Agreement and every month thereafter until the consummation or abandonment of the Secondary ("Retainer Payments"). All Retainer Payments paid pursuant to the foregoing shall be credited against (that is, deducted from), the "Success Fee(s)" (as hereinafter defined) which may become due and payable hereunder after payment of the "Milestone Success Fee" (as hereinafter defined).

2.2 the Company shall compensate MKC with a cash Success Fee ("Success Fee") in the amount of one and seven-eighths percent (1.875%) of the "Gross Proceeds" of the Secondary (the term "Gross Proceeds" being defined for the purposes herein as aggregate offering size, including amounts sold by selling shareholders and any amounts attributable to the exercise of the over-allotment option by the underwriters). Upon the date of execution by the Company of a letter of intent with a lead-managing underwriter to engage in a Secondary at any time, the Company will remit to MKC twenty-five percent (25.0%) of the estimated cash component of the Success Fee, computed as 25.0% of 1.875% of the gross proceeds (or, if expressed as a range, the average gross proceeds) identified in the letter of intent (the "Milestone Success Fee"). The Advisory Retainer shall not be credited against the Milestone Success Fee. The balance of the Success Fee shall be paid on the settlement date(s) of the Secondary and the exercise of the over-allotment option (if any), respectively, and shall be net of all credits for any previously remitted Retainer payments and the Milestone Success Fee. It is not necessary for MKC to actually serve as the Company's co-manager of the Secondary to be entitled to receive any of the Success Fees pursuant to this paragraph;

3.0 EXPENSES. In addition to the Compensation provided for hereunder, and irrespective of whether a Secondary is consummated, the Company agrees to reimburse MKC for all of its reasonable out-of-pocket fees and expenses arising out of MKC's engagement hereunder, not to exceed $10,000 prior to the Secondary Road Show (and an additional $15,000 during the Secondary Road Show), without the Company's permission, which shall not be unreasonably withheld. Reasonable out-of-pocket fees and expenses include, but are not limited to, such costs as travel, accommodations, telephone, telex, courier service, copying, direct computer and data base expenses, secretarial overtime, fees and disbursements of legal counsel and accountants and transaction closing announcements ("Expenses"). The Company will advance MKC $5,000 for Expenses by wire transfer or check upon the execution of this Agreement ("the Deposit"). All Expenses will be accounted for monthly. Expenses initially will be offset against the Deposit. All additional Expenses, to the extent permitted hereunder, will be billed monthly and are payable when invoiced. All Expenses not previously reimbursed shall be due and payable on the expiration or termination of this Agreement. This Paragraph 3 shall survive the termination or expiration of this Agreement.

4.0 INDEMNIFICATION. Execution of this Agreement shall obligate the Company to the indemnification terms set forth in Appendix A attached hereto and incorporated herein by reference as if fully set forth below. This Paragraph 4 shall survive the termination or expiration of this Agreement.

5.0 TERM. The term ("Term") of this engagement shall extend from the date hereof to the earlier of the consummation or abandonment of the Secondary, or twelve (12) months, whichever comes first. Any party may terminate this Agreement at will at any time, in which case the effective date of termination will be the thirtieth (30th) calendar day after delivery of written notice to the other party by the party electing early termination. All written notices to be delivered under this Agreement by any party hereto shall be deemed to be effective on the earlier of: 1) the date of receipt of hard copy sent via registered mail, return receipt requested ("Registered Mail"), or; 2) the date of facsimile transmission confirmed by the receiving party and followed-up by Registered Mail within five (5) business days. Upon termination or expiration the Company shall pay to MKC all Compensation earned and, to the extent not covered by the Deposit and permitted hereunder, all Expenses incurred to the date thereof. MKC shall promptly return any portion of the Deposit not chargeable against Expenses incurred pursuant hereto prior either to the date of: 1) receipt of notice of termination; or 2) expiration of the Agreement. MKC shall be entitled to (a) Success Fee(s), as set forth in Paragraph 2, if a Secondary is consummated within eighteen (18) months of the termination or expiration of this Agreement. The Company's obligation hereunder shall survive the termination or expiration of this Agreement.

6.0 DISCLOSURE. The Services or financial advice to be provided by MKC under this Agreement shall not be disclosed publicly nor made available to third parties without MKC's prior written approval, except as required by law.

7.0 LIMITATION. The Company recognizes that MKC has been retained only by the Company, and that the Company's engagement of MKC is not deemed to be on behalf of and is not intended to confer rights upon any individual shareholder, owner, creditor or partner of the Company (differentially to any other within the same class) or any other person not a party hereto as against MKC or any of MKC's affiliates or the respective directors, officers, agents, employees or representatives of either MKC or any of MKC's affiliates. Unless otherwise expressly agreed, no one other than the Company is authorized to rely upon the engagement of MKC hereunder or any statements, advice, opinions or conduct by MKC.

8.0 PUBLICITY. The Company and MKC mutually agree that any references to MKC or the Company, or any affiliate of MKC or the Company, in any release or communication, is subject to MKC's and the Company's prior written approval, which consent will not be unreasonably withheld. If either MKC resigns or is terminated prior to the dissemination of any Offering Document or any other release or communication, reference made therein to MKC shall be at MKC's express written option. If a Secondary is consummated, MKC may place an appropriate announcement in the Wall Street Journal and such other newspapers and periodicals as the Company and MKC shall mutually determine, stating the essential facts of the Secondary and the capacity within which MKC acted in connection with the Secondary.

9.0 EXCLUSIVITY. The Company agrees to retain MKC on an exclusive basis to perform the Services until the earlier of the expiration or termination of this Agreement, with the exception that this Agreement contemplates that the Company will be engaging co-managers for its prospective Secondary. MKC may or may not, at the Company's option, serve as the Company's co-manager for the Secondary. If the Company or any of its management or directors receives an inquiry from any third party concerning a possible transaction other than that contemplated here, they will promptly inform MKC of the third party's prospective interest in order that MKC can assess that party's interest and determine whether that party should be considered for a transaction.

10.0 GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY THE LAWS OF THE STATE OF DELAWARE AND MAY NOT BE AMENDED OR MODIFIED EXCEPT IN A WRITING SIGNED BY ALL PARTIES.

11.0 SUCCESSORS. This Agreement and all rights and obligations thereunder shall be binding upon and inure to the benefit of each party's successors, but may not be assigned without the prior written consent of the other party.

12.0 THIRD PARTY SERVICES. MKC will not be liable for, or have its compensation reduced by, any obligation the Company or anyone else may incur to a third party for that third party's services in connection with any transaction contemplated hereby.

Please confirm that the foregoing is in accordance with your understanding by signing this letter. We appreciate the opportunity and look forward to working with you on this assignment.

<TABLE>

<S>	<C>
	Agreed to and Accepted this 22 day of July, 1996.
Very truly yours,	
M. KANE & COMPANY, INC.	LEARNING TREE INTERNATIONAL, INC.

/s/ Michael W. Kane	/s/ David C. Collins
By: ______________________________________	By: ______________________________________
Dr. Michael W. Kane	Dr. David C. Collins
President	Chairman and Chief Executive Officer

</TABLE>

APPENDIX A

The Company agrees to indemnify MKC, including M. Kane & Company, Inc., its employees, directors, officers, agents, affiliates, and each person, if any, who controls it within the meaning of either Section 20 of the Securities Exchange Act of 1934 or Section 15 of the Securities Act of 1933 (each such person, including M. Kane & Company, Inc. is referred to as an "Indemnified Party") from and against any losses, claims, damages and liabilities, joint or several (including, all legal or other expenses reasonably incurred by an Indemnified Party in connection with the investigation, preparation or providing evidence for, or defense of, any threatened or pending claim, action or proceeding, whether or not resulting in any liability) ("Damages"), as and when incurred, to which such Indemnified Party, in connection with its services or arising out of its engagement hereunder, may become subject under any applicable Federal or state law or otherwise, including but not limited to, liability (i) caused by or arising out of an untrue statement or an alleged untrue statement of a material fact or the omission or the alleged omission to state a material fact necessary in order to make the statement not misleading in light of the circumstances under which it was made, (ii) caused by or arising out of any act or failure to act, or (iii) arising out of MKC's engagement or the rendering by any Indemnified Party of its services under this Agreement; provided, however, that the Company will not be liable to the Indemnified Party hereunder to the extent that any Damages are found in a final non-appealable judgment by a court of competent jurisdiction to have resulted solely from the gross negligence, bad faith or willful misconduct of the Indemnified Party seeking indemnification hereunder. The Company also agrees that the Indemnified Parties shall not have any liability (whether direct or indirect, in contract or tort or otherwise) to the Company for or in connection with the retention of MKC, except to the extent such liability is found in a final non-appealable judgment by a court of competent jurisdiction to have resulted solely from gross negligence, bad faith or willful misconduct.

If for any reason other than a final non-appealable judgment finding any Indemnified Party liable for Damages for its gross negligence, bad faith or willful misconduct the foregoing indemnity is unavailable to an Indemnified Party or insufficient to hold an Indemnified Party harmless, then the Company shall contribute to the amount paid or payable by an Indemnified Party as a result of such Damages in such proportion as is appropriate to reflect not only the relative benefits received by the Company and its shareholders on the one hand and MKC on the other, but also the relative fault of the Company and the Indemnified Party as well as any relevant equitable considerations, subject to the limitation that in no event shall the total contribution of all Indemnified Parties to all such Damages exceed the amount of Compensation actually received and retained by MKC hereunder after deduction of all applicable taxes to which the Indemnified Parties are subject. Promptly after receipt by the Indemnified Party of notice of any claim or of the commencement of any action in respect of which indemnity may be sought, the Indemnified Party will notify the Company in writing of the receipt or commencement thereof and the Company shall have the right to assume the defense of such claim or action (including the employment of counsel reasonably satisfactory to the Indemnified Party and the payment of fees and expenses of such counsel), provided that the Indemnified Party shall have the right to control its defense if, in the opinion of its counsel, the Indemnified Party's defense is unique or separate to it as the case may be, as opposed to a defense pertaining to the Company. In any event, the Indemnified Party shall have the right to retain counsel reasonably satisfactory to the Company, at the Company's expense, to represent it in any claim or action in respect of which indemnity may be sought and agrees to cooperate with the Company and the Company's counsel in the defense of such claim or action, it being understood, however, that the Company shall not, in connection with any such claim or action or separate but substantially similar or related claims or actions in the same jurisdiction arising out of the same general allegations or circumstances, be liable for the reasonable fees and expenses of more than one separate firm of attorneys, for all the Indemnified Parties unless the defense of one Indemnified Party is unique or separate from that of another Indemnified Party subject to the same claim or action. In the event that the Company does not promptly assume the defense of a claim or action, the Indemnified Party shall have the right to employ counsel reasonably satisfactory to the Company, at the Company's expense, to defend such claim or action. The omission by an Indemnified Party to promptly notify the Company of the receipt or commencement of any claim or action in respect of which indemnity may be sought will relieve the Company from any liability the Company may have to such Indemnified Party only to the extent that such a delay in notification materially prejudices the Company's defense of such claim or action. The Company shall not be liable for any settlement of any such claim or action effected without its written consent, which shall not be unreasonably withheld or delayed. Any obligation pursuant to this Appendix A shall survive the termination or expiration of this Agreement.

EXHIBIT 23.1

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the use of our report dated October 31, 1995 included in or made a part of this registration statement filed on August 26, 1996, and the reference to our firm elsewhere in this registration statement.

/s/ ARTHUR ANDERSEN LLP

ARTHUR ANDERSEN LLP

Los Angeles, California
August 23, 1996