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2U Announces 12-Year Contract Extension with USC Rossier School of Education

New Agreement Extends Contract to 2030

LANDOVER, Md., April 13, 2016 /PRNewswire/ -- 2U, Inc. (NASDAQ: TWOU) -- 2U announced today that it has extended its contract with the University of Southern California (USC) Rossier School of Education by an additional 12 years. This contract now extends to 2030 for the program encompassing the Master of Arts in teaching, Master of Arts in Teaching-TESOL and Doctor of Education in Organizational Change and Leadership.

The new agreement now also includes an option for a Master of Education in School Counseling program, pending university and accreditor approval. Target launch date for this program is still to be determined.

USC Rossier is one of the world's premier centers for graduate study in urban education. For more than a century, the school has been preparing educational leaders to effect positive change and create learning environments in which all students can succeed. The school works with more than 5,500 placement partners in all 50 states and 59 countries around the world, and is continually adding more to ensure every student is placed in a school in their community that is dedicated to excellence in teacher preparation.

Rossier was 2U's first university partner and has been a leading pioneer in online learning, setting new standards for delivering academically rigorous graduate programs online to students from around the world.

"As 2U's first partner, USC Rossier helped to build this company," said Chip Paucek, 2U CEO and co-founder. "We're pleased to extend this relationship, which will allow us to continue supporting their mission to improve learning in urban education locally, nationally and globally by using technology to scale and increase access to their programs."

"At USC, we are pleased to be a leader in providing high-quality online degrees that serve our students and the schools and communities in which they work. I can truly say that our partnership with 2U has changed the way we think about innovation in teaching," said Karen Symms Gallagher, dean of the USC Rossier School of Education. "We look forward to this extended relationship with 2U that will allow USC Rossier to continue having a national and global impact on teaching and learning."

The new agreement significantly reduces exclusivity, allowing 2U to power additional programs in education with universities outside of the California area. Under the new agreement, 2U will provide USC with fixed and contingent cash payments over a 24- to 36-month period as well as a reduction in 2U's revenue share percentage to be phased in over time. 2U estimates that in aggregate, this consideration will represent a low single-digit effective reduction to 2U's current revenue share percentage. 2U believes this allows for additional expansion in this vertical while enabling the company to achieve its expected long-term margins for USC Rossier's programs, the education degree vertical, and the company.

About the USC Rossier School of Education

The mission of the USC Rossier School of Education is to improve learning in urban education locally, nationally and globally. USC Rossier leads the way in innovative, collaborative solutions to improve education outcomes. Their work is field-based, in the classroom, and online, and reflects a diversity of perspectives and experiences. USC Rossier prides itself on innovation in all its programs, preparing teachers, administrators, and educational leaders who are change agents. The school supports the most forward-thinking scholars and researchers, whose work is having direct impact on student success in K-12 schools and higher education. USC Rossier is a leader in using cutting-edge technology to scale up its quality programs for maximum impact.

About 2U, Inc. (NASDAQ: TWOU)

2U partners with leading colleges and universities to deliver the world's best online degree programs so students everywhere can reach their full potential. 2U's Platform, a fusion of cloud-based software-as-a-service technology and technology-enabled services, provides schools with the comprehensive operating infrastructure they need to attract, enroll, educate, support and graduate students globally. Blending live face-to-face classes, dynamic course content and real-world learning experiences, 2U's No Back Row® approach ensures that every qualified student can experience the highest quality

university education for the most successful outcome.

Cautionary Language Concerning Forward-Looking Statements

This press release contains forward-looking statements regarding our future business expectations, which are subject to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. All statements other than statements of historical facts contained in this press release, including statements regarding future results of the operations and financial position of 2U, Inc., including financial targets, business strategy, and plans and objectives for future operations, are forward-looking statements. 2U has based these forward-looking statements largely on its estimates of its financial results and its current expectations and projections about future events and financial trends that it believes may affect its financial condition, results of operations, business strategy, short term and long-term business operations and objectives, and financial needs as of the date of this press release. We undertake no obligation to update these statements as a result of new information or future events. These forward-looking statements are subject to a number of risks, uncertainties and assumptions that could cause actual results to differ materially from the results predicted, including, our failure to attract new colleges and universities as clients; our failure to acquire qualified students for our clients' programs; failure of clients' students to remain enrolled in their programs; loss, or material underperformance, of any one client; our ability to compete against current and future competitors; disruption to, or failure of, our Platform; and data privacy or security breaches. These and other potential risks and uncertainties that could cause actual results to differ from the results predicted are more fully detailed under the heading "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2015, and other reports filed with the Securities and Exchange Commission. Moreover, 2U operates in a very competitive and rapidly changing environment. New risks emerge from time to time. It is not possible for 2U management to predict all risks, nor can 2U assess the impact of all factors on its business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements 2U may make. In light of these risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this press release may not occur and actual results could differ materially and adversely from those anticipated.

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