

CAPELLA EDUCATION CO

FORM 8-K (Current report filing)

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Address	225 SOUTH 6TH STREET 9TH FLOOR MINNEAPOLIS, MN 55402
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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) March 3, 2008

Capella Education Company

(Exact name of Registrant as specified in its charter)

Minnesota
(State or other jurisdiction
of incorporation)

001-33140
(Commission File Number)

41-1717955
(IRS Employer
Identification No.)

225 South 6th Street, 9th Floor
Minneapolis, Minnesota
(Address of principal executive offices)

55402
(Zip Code)

Registrant's telephone number, including area code (888) 227-3552

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 8.01. Other Events.

On March 3, 2008, we announced that our board of directors has authorized a repurchase of shares of our common stock with a value up to \$50 million. Additional information about the repurchase authorization is set forth in the press release attached to this report as Exhibit 99.1, which is incorporated by reference into this report.

Item 9.01. Financial Statements and Exhibits.

99.1 Press Release dated March 3, 2008.

SIGNATURES

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

Date: March 5, 2008

CAPELLA EDUCATION COMPANY

By /s/ Gregory W. Thom
Gregory W. Thom
Vice President, General Counsel and Secretary



FOR IMMEDIATE RELEASE

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**CAPELLA EDUCATION COMPANY ANNOUNCES
AUTHORIZATION OF THE REPURCHASE OF UP TO \$50 MILLION
OF THE COMPANY'S COMMON SHARES**

MINNEAPOLIS, March 3, 2008 - **Capella Education Company** (NASDAQ: CPLA), a provider of exclusively online post-secondary education through its wholly owned subsidiary **Capella University** (www.capella.edu), today announced that its Board of Directors has authorized the repurchase of up to \$50 million of the company's outstanding common shares.

"The share repurchase authorization reflects the strength of Capella's business model and our ongoing commitment to using our capital in a disciplined manner to maximize value for our shareholders," said Lois Martin, Capella's chief financial officer. "As of Dec. 31, 2007, we had \$143.7 million in cash and marketable securities and no debt, and expect to continue to generate significant cash flow from operations. The authorization allows us to use a portion of this capital to repurchase shares while maintaining the flexibility to invest in the continued profitable growth of the business."

(more)

Capella Education Company Announces \$50Million Share Repurchase Authorization

The share repurchases will be made from time to time, using cash on hand and cash generated from future operations, in the open market at prevailing market prices or in privately negotiated transactions. The company may also repurchase shares pursuant to a 10b5-1 plan, which allows the company to purchase shares during corporate black-out periods. The timing and extent of any repurchases will depend upon market conditions, the trading price of the company's shares and other factors, and subject to the restrictions relating to volume, price and timing under applicable law. The repurchase program may be modified, suspended or terminated at any time by the company without notice.

Forward-Looking Statements

This news release contains forward-looking statements regarding the company's intention to repurchase shares of its common stock and the manner of funding such purchases. These statements involve risks and uncertainties that could cause actual events to differ materially from current expectations, including risks associated with the company's ability to complete the share repurchase program. The company does not undertake to update its forward-looking statements.

About Capella Education Company

Founded in 1991, Capella Education Company (NASDAQ: CPLA) is a national leader in online education and parent company of Capella University, a regionally accredited*, online university. Capella University offers graduate degree programs in business, information technology, education, human services, psychology, public health, and public safety, and bachelor's degree programs in business, information technology, and public safety. These academic programs are designed to meet the needs of working adults, combining high quality, competency-based curricula with the convenience and flexibility of an online learning format. Currently, Capella University offers 19 graduate and undergraduate degree programs with 104 specializations and more than 950 courses. More than 22,000 learners were enrolled as of Dec. 31, 2007. For more information about Capella Education Company, please visit <http://www.capellaeducation.com>. For more information about Capella University, please visit <http://www.capella.edu> or call 1.888.CAPELLA (227.3552).

* Capella University is accredited by The Higher Learning Commission and is a member of the North Central Association of Colleges and Schools (NCA), <http://www.ncahlc.org>. Capella University, 225 South Sixth Street, Ninth Floor, Minneapolis, MN 55402, 1-888-CAPELLA (227-3552), www.capella.edu.

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