

FY 2012 Fourth Quarter and Year-end Conference Call

May 24, 2012

Speakers

Mr. Kevin Ma, Chairman and CEO

Mr. Walter Wang, President

Mr. Benson Tsang, CFO

Turning manpower into talents
we qualify people

ATA
考试服务专家

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Note: All U.S. dollar amounts in this presentation, relating to the Company's most recent quarter and year ended March 31, 2012, financial results, are converted from RMB using an exchange rate of 6.2975 RMB:1 USD. All historical conversions are accurate as of the time reported, unless otherwise noted. The Company reports its financial results under U.S. GAAP in RMB, and all percentages calculated in the presentation are based on RMB unless otherwise noted.



ATA – A Tested and True Leader



- Track record of administering millions of tests a year without a single incidence of security breach
- Proprietary testing technology being used in 161 countries
- Nationwide network of over 2,400 test centers
- China's leading computer-based test services provider



ATA At-A-Glance

Ticker	NASDAQ: ATAI	Fiscal Year End	March 31
IPO	January 2008 (Underwriters: Merrill Lynch, Piper Jaffray)	Auditor	KPMG (since IPO)
Recent Stock Price	\$6.81 (as of 5/22/2012)	Market Cap	\$157 million (as of 5/22/2012)
ADSs Outstanding	23.0 million	Book Value Per ADS	\$2.53
Industry/Business	Computer-based testing across multiple industries in China	Test Centers	2,462
Headquarters	Beijing, China	Employees	541

All information as of 3/31/2012 unless otherwise noted.

Operating Highlights – Walter Wang

Walter Wang, Co-founder, President and Board Director

- More than 10 years in the testing industry
- Previously served with the China Ministry of Railway
- Expert on IT consulting



Key FY 2012 Operating Accomplishments



Delivered 1.3 million billable tests during Fourth Quarter 2012, 8.0 million billable tests in FY 2012

Continued growth in HR Select and TOEIC

Successfully delivered new exams, such as those for China Customs and Security Guards

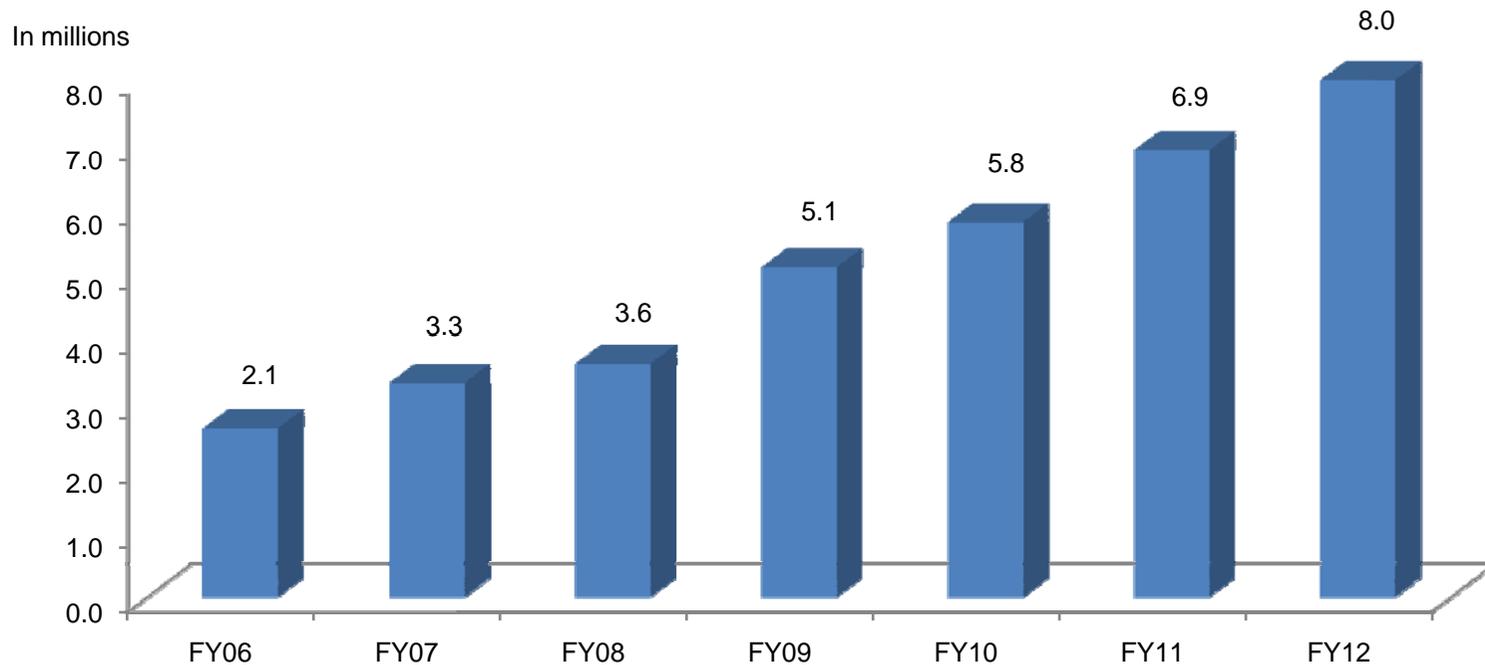
Simultaneous, Large-scale Test Delivery

- Nationwide network of 2,462 test centers (as of 3/31/2012) covers every province in mainland China
- No competitor with comparable network size in China
- Each test center requires an average 3 to 6 months to develop



- China has one of the world's largest testing markets in terms of test takers
 - Students / employed individuals seeking to enhance job position
 - Unemployed seeking job opportunities
- Demand being driven by increasing need for certification among workforce

of Billable Tests Delivered by ATA



Financials – Benson Tsang

Benson Tsang, Chief Financial Officer and Chief Accounting Officer

- More than 21 years in finance, capital markets, and accounting
- Previously CFO of WuXi Pharmatech



Key Financial Highlights



YoY growth in revenues, gross profit, and net income for both Fourth Quarter 2012 and FY 2012

Met/exceeded consensus estimates for Q4 and FY 2012 in top and bottom lines

Exceeds net revenue guidance and meets net income guidance for FY 2012*



*As reported in the Company's fiscal 2012 third quarter financial results press release on 2/21/2012



FY 2012 Q4 Actual vs. Market Consensus



USD millions except per share data	FY 2012 Q4 Actual	Market Consensus*	
Net Revenues	\$9.6	\$9.2	✓
Gross Profit	\$5.2	\$4.9	✓
Net Income	\$0.5	\$0.5	✓
Diluted Earnings per ADS	\$0.02	\$0.02	✓

* As of the most recent February 2012 analyst reports

Company has exceeded or met with consensus quarterly estimates for each of the past 8 quarters

ATA's Covering Analysts

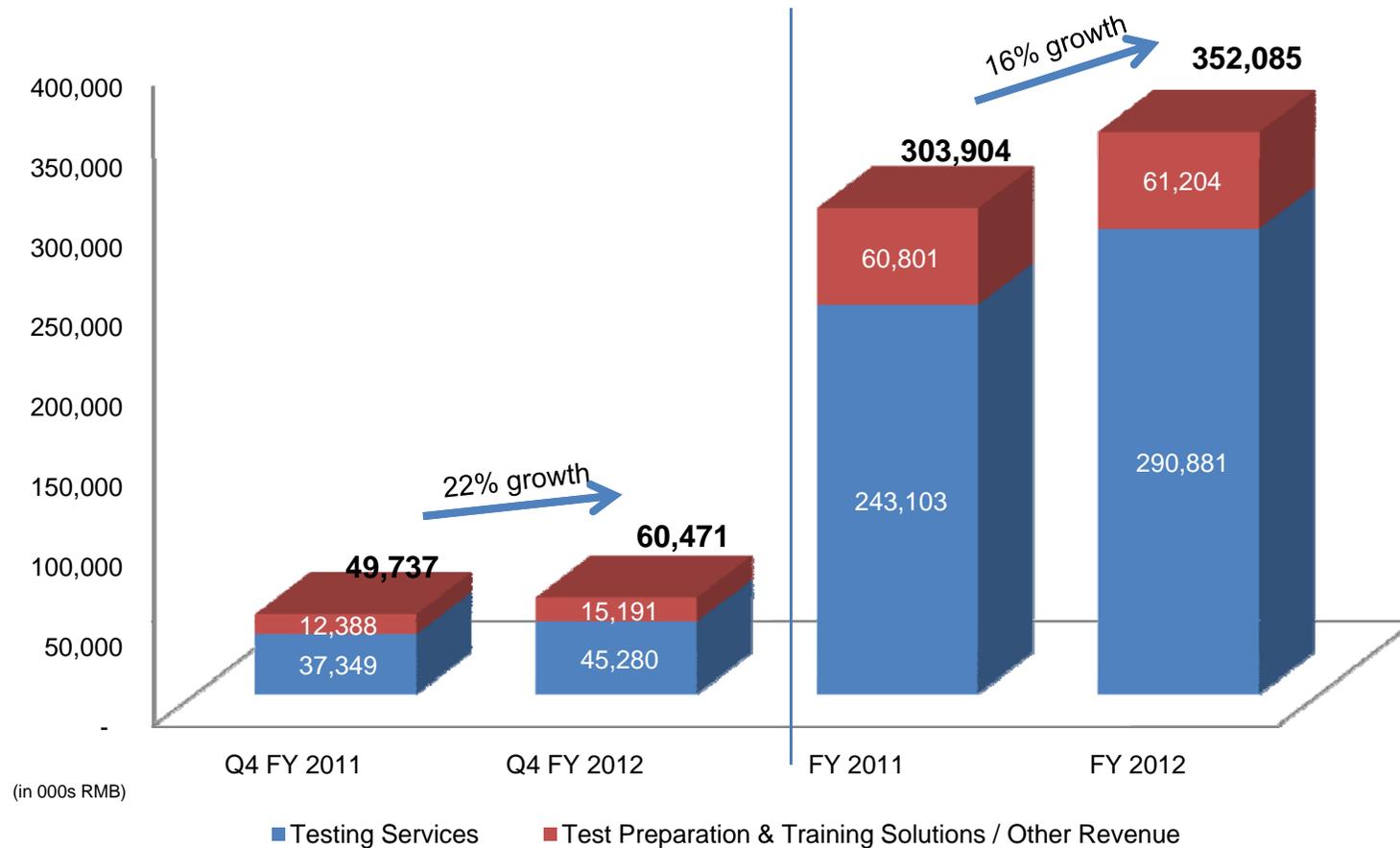
- Ella Ji, Oppenheimer & Co.
- Mark A. Marostica, Piper Jaffray



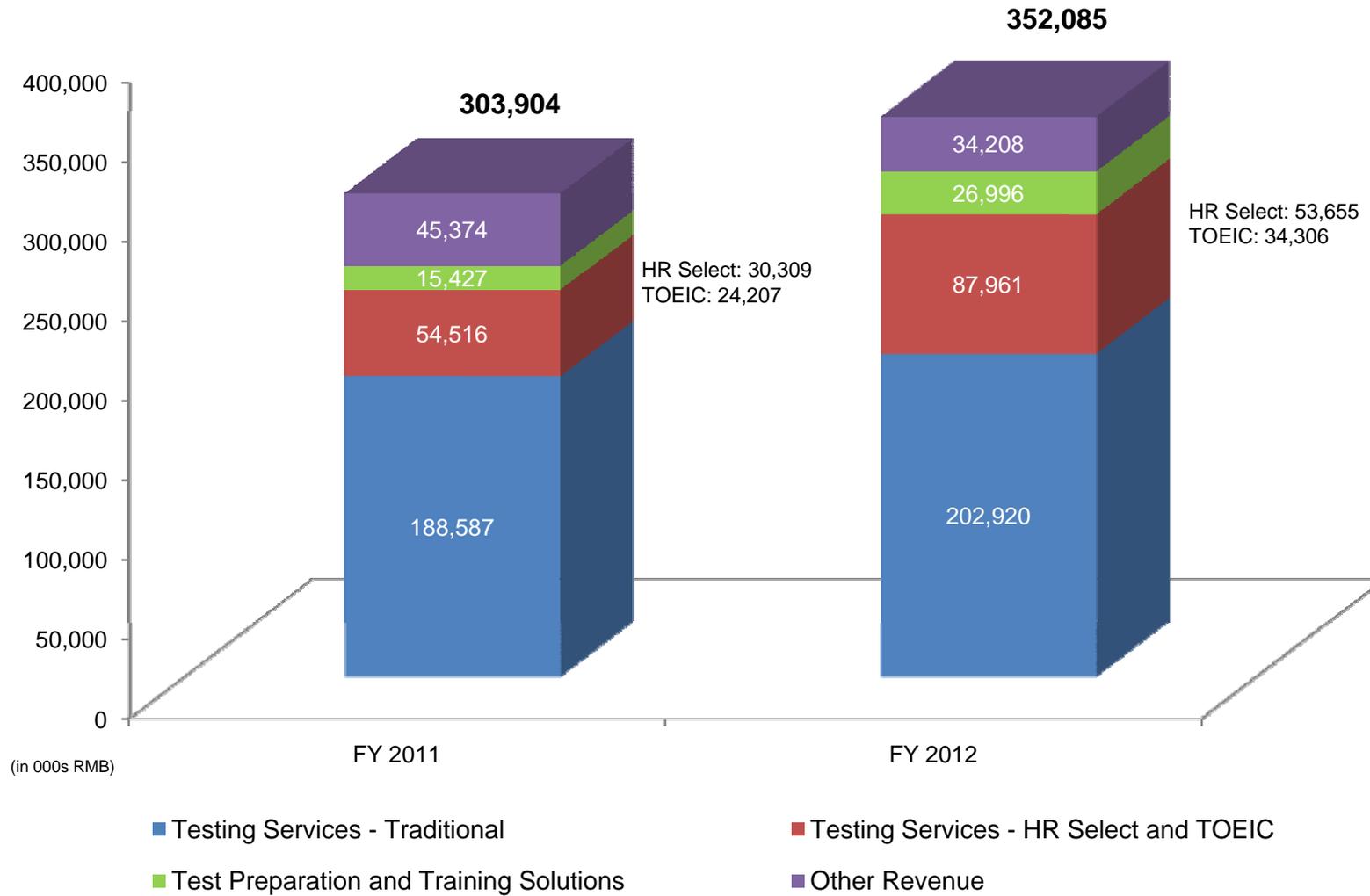
Revenue Breakdown



- **Testing Services** is ATA's core business—about 75% of revenues in Q4 FY 2012.
- **Test Preparation & Training Solutions / Other Revenue** – for continued professional development, as well as for English language education



Revenue Breakdown – Details

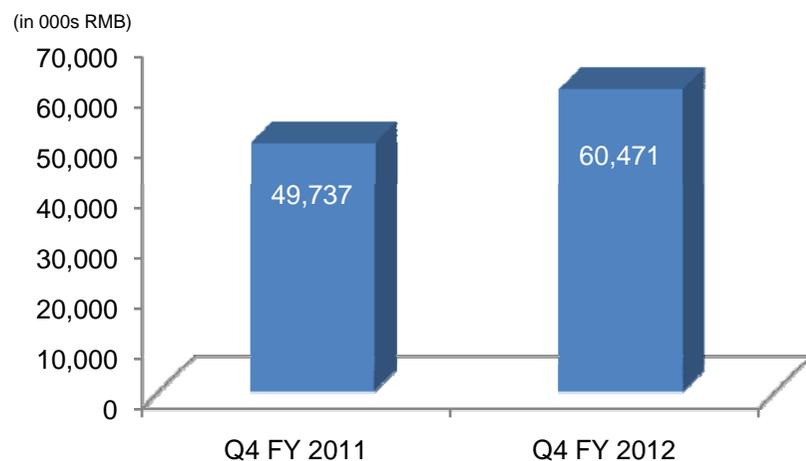


Summary Financial Results – Fourth Quarter

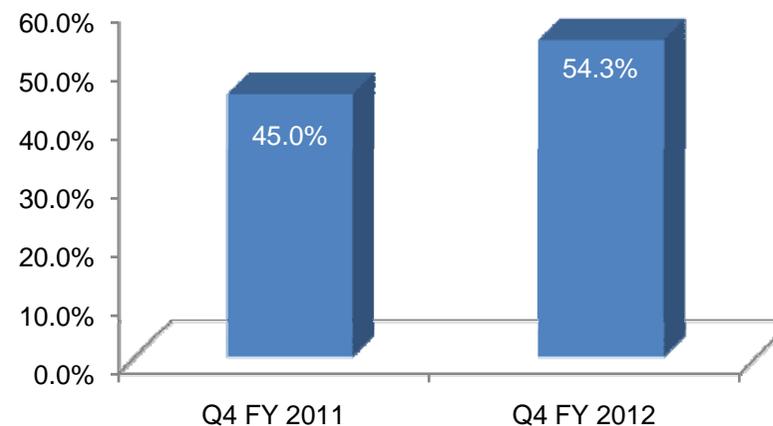


In 000s except margin and per share data	Q4 FY 2011	Q4 FY 2011	Q4 FY 2012	Q4 FY 2012
	RMB	USD	RMB	USD
Net Revenues	49,737	\$7,595	60,471	\$9,602
Cost of Revenue	27,359	\$4,178	27,658	\$4,392
Gross Profit	22,378	\$3,417	32,813	\$5,210
Gross Margin	45.0%	45.0%	54.3%	54.3%
Operating Expenses	30,452	\$4,650	28,678	\$4,554
Income (loss) from Operations	(8,074)	(\$1,233)	4,135	\$656
Net Income (loss)	(5,591)	(\$854)	3,295	\$523
Diluted Earnings (loss) Per ADS	(0.26)	(\$0.04)	0.14	\$0.02

Fourth Quarter Net Revenues



Fourth Quarter Gross Margin

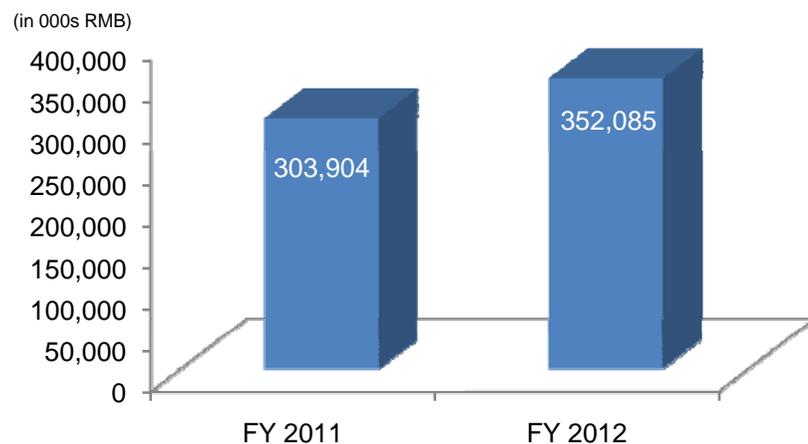


Summary Financial Results – FY 2012

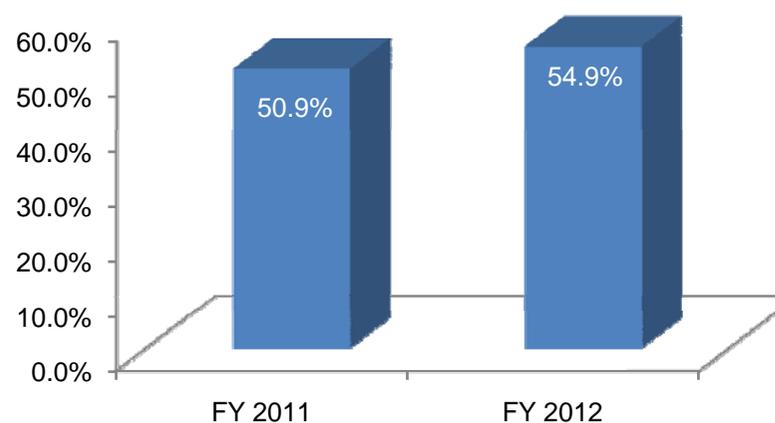


In 000s except margin and per share data	FY 2011	FY 2011	FY 2012	FY 2012
	RMB	USD	RMB	USD
Net Revenues	303,904	\$46,410	352,085	\$55,909
Cost of Revenue	149,216	\$22,787	158,818	\$25,219
Gross Profit	154,688	\$23,623	193,267	\$30,690
Gross Margin	50.9%	50.9%	54.9%	54.9%
Operating Expenses	133,796	\$20,432	128,781	\$20,450
Income from Operations	20,892	\$3,191	64,486	\$10,240
Net Income	19,754	\$3,017	55,841	\$8,867
Diluted Earnings Per ADS	0.88	\$0.14	2.38	\$0.38

Fiscal Year Net Revenues



Fiscal Year Gross Margin



Adjusted Net Revenues – Core Business



RMB in 000s	FY 2012	FY 2011
Net Revenues	352,085	303,904
less: Test-based educational services	(12,614)	(25,727)
<hr/>		
Adjusted Net Revenues	339,471	278,177

- Strategic decision to gradually exit test-based educational services consisting of university courses offered in conjunction with Microsoft
- Above figures are prepared on a pro forma basis by excluding revenues from test-based educational services.



Financial Analysis – Non-GAAP



RMB in 000s except EPS	FY 2011					FY 2012				
	Q1	Q2	Q3	Q4	FY 2011	Q1	Q2	Q3	Q4	FY 2012
Net Revenues	85,033	33,255	135,879	49,737	303,904	77,616	70,394	143,604	60,471	352,085
Net Income (Loss)										
GAAP	8,950	(14,799)	31,193	(5,590)	19,754	13,045	1,443	38,058	3,295	55,841
Adjustment										
Share-based Compensation Expense	1,480	1,282	1,044	846	4,652	1,957	4,076	3,635	2,596	12,264
Foreign Currency Exchange (Gain) Loss	13	(1)	(63)	(1,087)	(1,138)	(1,837)	(967)	(877)	48	(3,633)
Non-GAAP	10,443	(13,518)	32,174	(5,831)	23,268	13,165	4,552	40,816	5,939	64,472
Diluted Earnings Per ADS										
GAAP	\$0.06	(\$0.10)	\$0.22	(\$0.04)	\$0.14	\$0.08	\$0.00	\$0.26	\$0.02	\$0.38
Non-GAAP	\$0.06	(\$0.10)	\$0.22	(\$0.04)	\$0.16	\$0.08	\$0.02	\$0.28	\$0.04	\$0.44



Strong Balance Sheet With No Debt



Balance Sheet Highlights				
	3/31/2011	3/31/2011	3/31/2012	3/31/2012
In 000s	RMB	USD	RMB	USD
Cash	268,058	\$40,936	257,168	\$40,836
Total Current Assets	325,491	\$49,706	355,069	\$56,383
Total Assets	435,447	\$66,498	460,720	\$73,159
Total Current Liabilities	67,448	\$10,300	91,066	\$14,461
Total Liabilities	71,384	\$10,901	94,305	\$14,975
Shareholders' Equity	364,063	\$55,597	366,415	\$58,184
Total Liabilities & Shareholders' Equity	435,447	\$66,498	460,720	\$73,159



Quarterly Projections – FY 2013 First Quarter



(in millions RMB)	Guidance for Q1 FY 2013 (ending 6/30/2012)	
	Low	High
Net Revenue	80.0	90.0



Outlook for FY 2013 – Kevin Ma

Kevin Ma, Co-founder, Chief Executive Officer and Chairman of the Board

- More than 10 years in IT and IT-related education sectors
- Pioneer in commercializing China's testing industry
- Professional entrepreneur since 1996



Growth Outlook



- Increased demand for exams under the traditional Testing Services
- Scalable cost structure continues to push margin expansion
- Industry driven by growing need for certification in China

(in millions RMB)	Guidance		FY 2012
	Low	High	
Net Revenue	420.0	440.0	352.1
Non-GAAP Net Income	70.0	80.0	64.5



ATA will strive to continue to:

- Attract new test takers to existing tests while simultaneously developing new titles
- Market HR Select to potential new clients and expand relationships with current clients
- Push TOEIC as English exam of choice in commercial world with larger sales team
- Explore opportunities to transition paper-based exams to ATA's computer-based platform
- Concentrate on generating free cash flow and strengthening financial position



At ATA Inc.

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