

FY 2013 First Quarter Conference Call

August 7, 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 ended June 30, 2012, financial results, are converted from RMB using an exchange rate of 6.3530 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.



- 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 2,500 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	\$4.33 (as of 8/2/2012)	Market Cap	\$100 million (as of 8/2/2012)
ADSs Outstanding	23.0 million	Book Value Per ADS	\$2.57
Industry/Business	Computer-based testing across multiple industries in China	Test Centers	2,567
Headquarters	Beijing, China	Employees	540

All information as of 6/30/2012 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 Operating Accomplishments



Delivered 2.1 million billable tests during First Quarter 2013

Recently chosen by Chinese Institute of Certified Public Accountants to be its service provider for the upcoming computer-based National Unified CPA Exam in 2012

Hosted Investor Day at ATA's Beijing HQ, which included a test site visit

Successfully administered recruitment and internal assessment exams for various branches of large banks in China:

- China Construction Bank
- Industrial and Commercial Bank of China
- Agricultural Bank of China

Simultaneous, Large-scale Test Delivery

- Nationwide network of 2,567 test centers (as of 6/30/2012) 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



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 and gross profit for First Quarter 2013

Exceeded consensus estimates for Q1 FY 2013 in top and bottom lines

Reiterates net revenue and net income guidance for FY 2013*



*As reported in the Company's fiscal 2012 fourth quarter financial results press release on 5/23/2012



FY 2013 Q1 Actual vs. Market Consensus



USD millions except per share data	FY 2013 Q1 Actual	Market Consensus*	
Net Revenues	\$13.9	\$13.6	
Gross Profit	\$7.4	\$7.2	
Non-GAAP Net Income	\$1.5	\$1.1	
Non-GAAP Diluted Earnings per ADS	\$0.06	\$0.04	

* As of the most recent May 2012 analyst reports

**Company has exceeded or met consensus quarterly estimates
for each of the past 9 quarters**

ATA's Covering Analysts

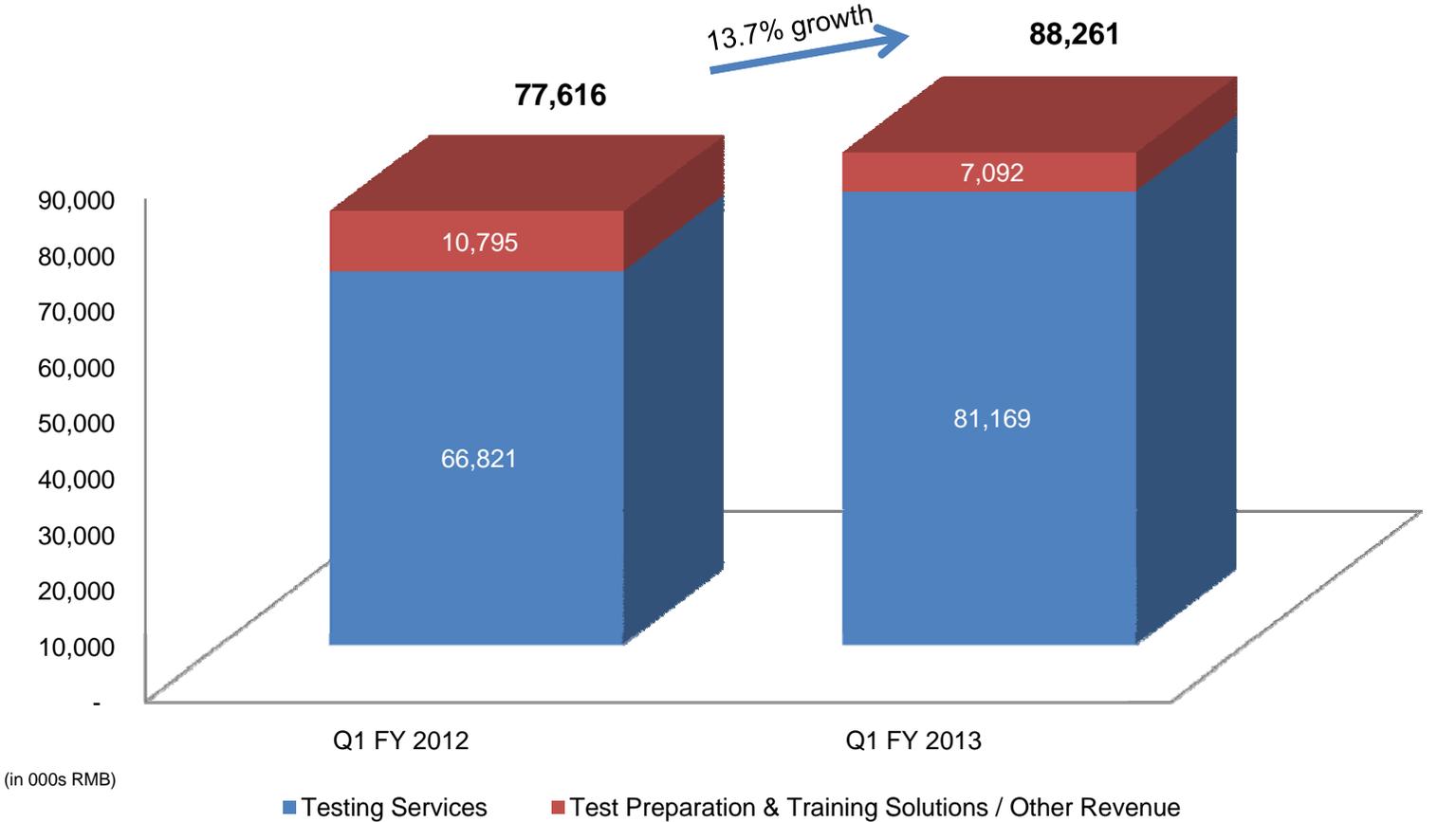
- Ella Ji, Oppenheimer & Co.
- Mark A. Marostica, Piper Jaffray



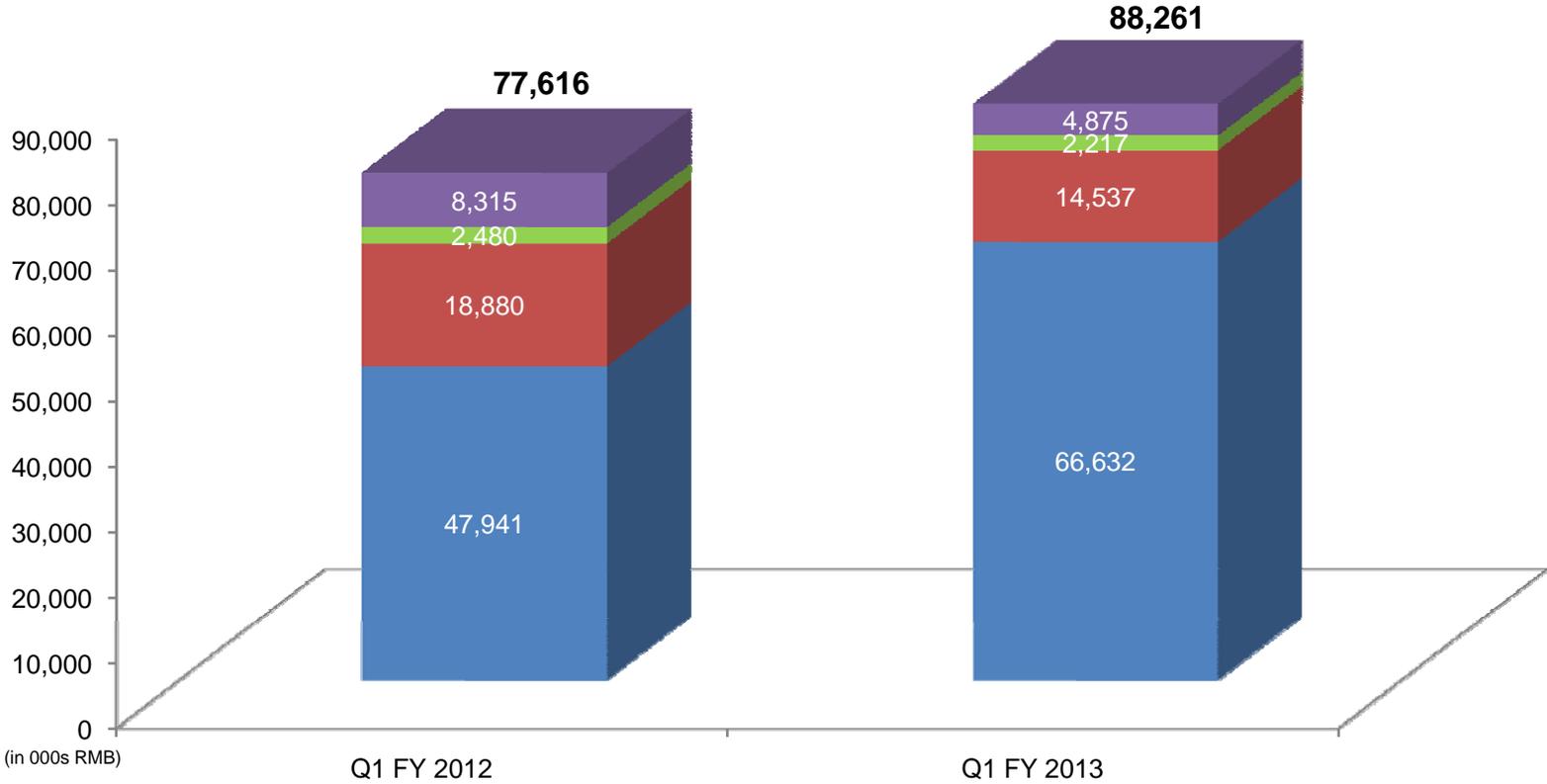
Revenue Breakdown



- **Testing Services** is ATA's core business—about 92% of revenues in Q1 FY 2013.
- **Test Preparation & Training Solutions / Other Revenue** – for continued professional development, as well as for English language education



Revenue Breakdown – Details



- Testing Services - Traditional
- Testing Services - HR Select and TOEIC
- Test Preparation and Training Solutions
- Other Revenue



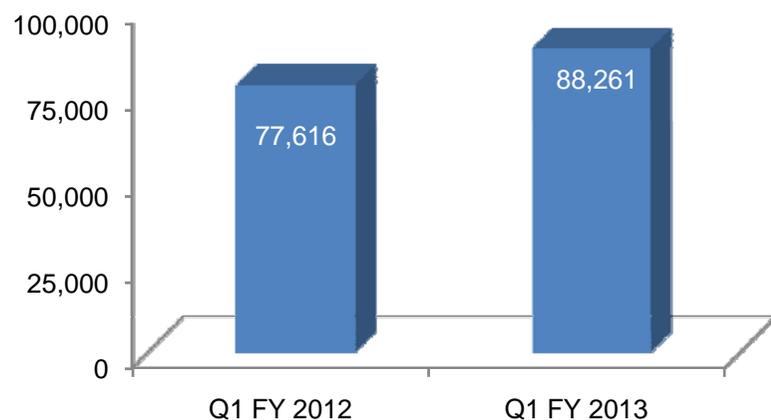
Summary Financial Results – First Quarter



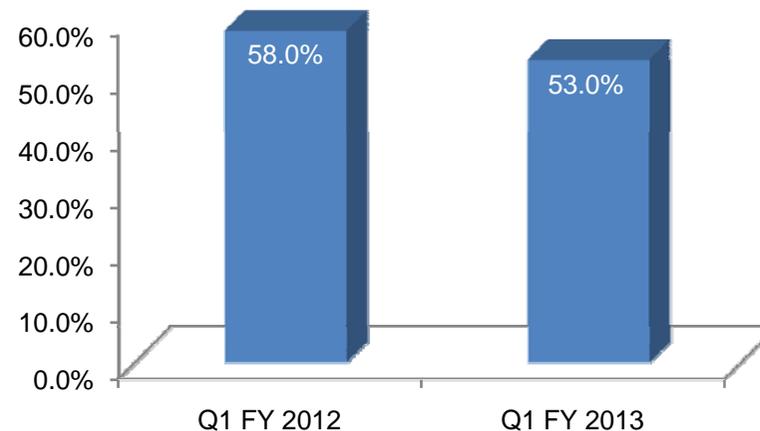
In 000s except margin and per share data	Q1 FY 2012	Q1 FY 2012	Q1 FY 2013	Q1 FY 2013
	RMB	USD	RMB	USD
Net Revenues	77,616	\$12,008	88,261	\$13,893
Cost of Revenue	32,627	\$5,048	41,518	\$6,535
Gross Profit	44,988	\$6,960	46,743	\$7,358
Gross Margin	58.0%	58.0%	53.0%	53.0%
Operating Expenses	30,831	\$4,770	40,925	\$6,442
Income from Operations	14,157	\$2,190	5,819	\$916
Net Income	13,045	\$2,018	5,264	\$829
Diluted Earnings Per ADS	0.50	\$0.08	0.22	\$0.04

First Quarter Net Revenues

(in 000s RMB)



First Quarter Gross Margin



Adjusted Net Revenues – Core Business



RMB in 000s	FY 2013 Q1	FY 2012 Q1
Net Revenues	88,261	77,616
less: Test-based educational services	(2,525)	(5,023)
Adjusted Net Revenues	85,736	72,593

- 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					FY 2013
	Q1	Q2	Q3	Q4	FY 2011	Q1	Q2	Q3	Q4	FY 2012	Q1
Net Revenues	85,033	33,255	135,879	49,737	303,904	77,616	70,394	143,604	60,471	352,085	88,261
Net Income (Loss)											
GAAP	8,950	(14,799)	31,193	(5,590)	19,754	13,045	1,443	38,058	3,295	55,841	5,264
Adjustment											
Share-based Compensation Expense	1,480	1,282	1,044	846	4,652	1,957	4,076	3,635	2,596	12,264	3,936
Foreign Currency Exchange (Gain) Loss	13	(1)	(63)	(1,087)	(1,138)	(1,837)	(967)	(877)	48	(3,633)	469
Non-GAAP	10,443	(13,518)	32,174	(5,831)	23,268	13,165	4,552	40,816	5,939	64,472	9,669
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	\$0.04
Non-GAAP	\$0.06	(\$0.10)	\$0.22	(\$0.04)	\$0.16	\$0.08	\$0.02	\$0.28	\$0.04	\$0.44	\$0.06



Strong Balance Sheet With No Debt



Balance Sheet Highlights				
	3/31/2012	3/31/2012	6/30/2012	6/30/2012
In 000s	RMB	USD	RMB	USD
Cash	257,168	\$40,836	267,437	\$42,096
Total Current Assets	355,069	\$56,383	350,450	\$55,163
Total Assets	460,720	\$73,159	456,399	\$71,840
Total Current Liabilities	91,066	\$14,461	78,206	\$12,310
Total Liabilities	94,305	\$14,975	81,205	\$12,782
Shareholders' Equity	366,415	\$58,184	375,194	\$59,058
Total Liabilities & Shareholders' Equity	460,720	\$73,159	456,399	\$71,840



Quarterly Projections – FY 2013 Second Quarter



(in millions RMB)	Guidance for Q2 FY 2013 (ending 9/30/2012)	
	Low	High
Net Revenue	50.0	60.0



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 traditional Testing Services
- Scalable cost structure continues to support long-term 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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