



Speakers

Mr. Kevin Ma, Chairman

Mr. Benson Tsang, CFO

ATA

FY 2014 Second Quarter and Six Months Conference Call

November 8, 2013

SAFE HARBOR

- This presentation was developed by ATA and is intended to be used solely in connection with ATA's earnings call for its fiscal second quarter and six months ended September 30, 2013. This presentation is not to be construed as an offer to sell or the solicitation of an offer to buy the Company's securities. This presentation is based upon information available to the public, as well as other information from sources which management believes to be reliable, but is not guaranteed by the Company as being accurate nor does it purport to be complete. The forward-looking statements contained in this presentation are made only of this date, and ATA is under no obligation to revise or update these forward-looking statements.
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- All statements other than statements of historical fact in this presentation are forward-looking statements, including but not limited to, the Company's ability to raise additional capital to finance the Company's activities; the effectiveness, profitability, and the marketability of its services; the Company's ability to protect its proprietary information; general economic and business conditions; the volatility of the Company's operating results and financial condition; the Company's ability to attract or retain qualified senior management personnel and research and development staff; and other risks detailed in the Company's filings with the Securities and Exchange Commission. Although we believe our expectations expressed in such forward-looking statements are reasonable, we cannot assure you that they will be realized. Investors are cautioned that such forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from the anticipated results, and therefore we refer you to a more detailed discussion of the risks and uncertainties in the Company's filings with the Securities & Exchange Commission.

Note: All U.S. dollar amounts in this presentation, relating to the Company's most recent quarter and six months ended September 30, 2013, financial results, are converted from RMB using an exchange rate of 6.1179 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

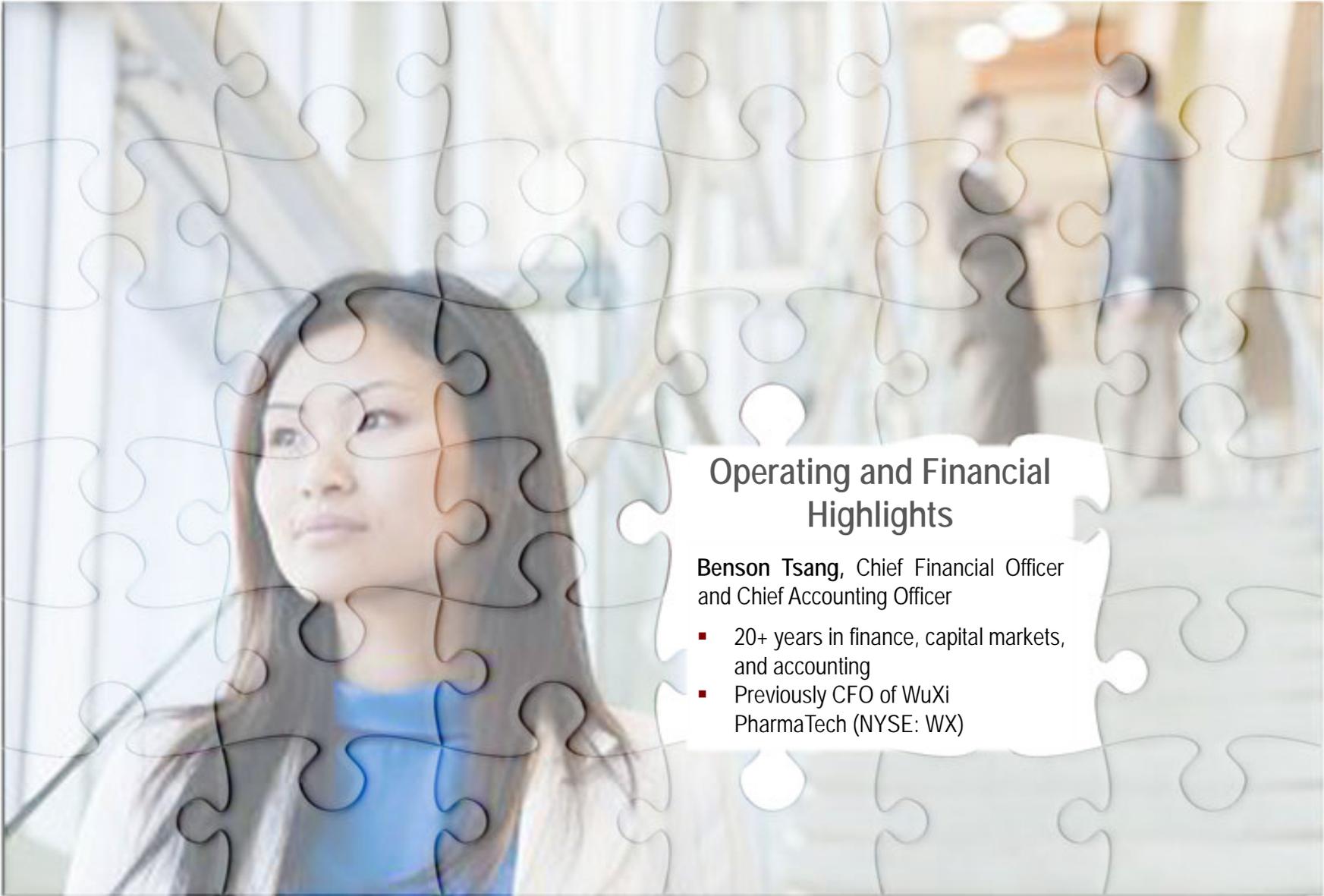
- ATA Inc. is China's market leader of computer-based testing and related services.
- Track record of administering millions of tests a year without a single incidence of security breach
- Proprietary testing technology being used in 161 countries
- Nationwide network of over 2,900 test centers



ATA At-A-Glance

Ticker	NASDAQ: ATAI
IPO	January 2008 (Underwriters: Merrill Lynch, Piper Jaffray)
Auditor	KPMG (since IPO)
Fiscal Year End	March 31
Recent Stock Price	\$4.13 (as of 11/6/2013)
Market Cap	\$93 million (as of 11/6/2013)
ADSs Outstanding	22.6 million
Book Value Per ADS	\$2.77

All information as of 9/30/2013 unless otherwise noted.



Operating and Financial Highlights

Benson Tsang, Chief Financial Officer and Chief Accounting Officer

- 20+ years in finance, capital markets, and accounting
- Previously CFO of WuXi PharmaTech (NYSE: WX)

KEY OPERATING HIGHLIGHTS

Delivered 1.7 million billable tests in Second Quarter 2014, up 21%

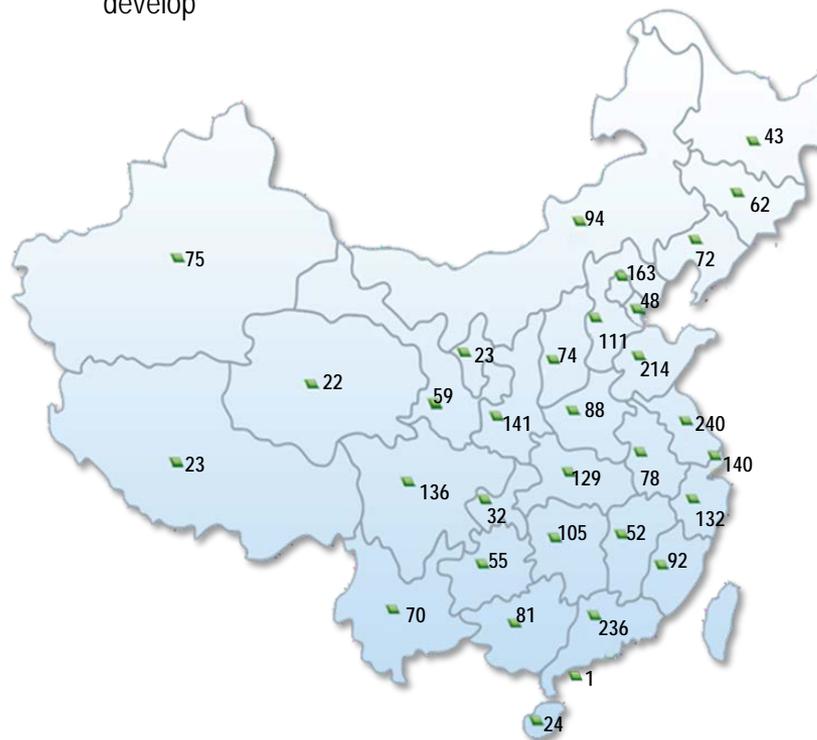
Exam volume growth for China Futures Association exam and security guard exam

Using MTS, successfully administered Cambridge English Junior Exam in Hong Kong, also conducted trials in Beijing, Shanghai, Mexico, and Spain

Announced acquisition of private education technology company Xing Wei, appointment of Mr. Cheng-Yaw Sun as ATA's new CEO

Simultaneous, Large-scale Test Delivery

- Nationwide network of 2,916 test centers (as of 9/30/2013) 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



KEY FINANCIAL HIGHLIGHTS

Improved gross margin due to decreased CPA exam-related expenses and increased contributions from higher-margin private sector business

Revenues from HR Select and TOEIC grew 11% year over year to RMB14.5 million

Exceeded consensus estimates for Second Quarter 2014 on both top and bottom lines

Reiterates net revenue and net income guidance for FY 2014*

*As reported in the Company's fiscal 2013 fourth quarter financial results press release on 5/29/2013



FY 2014 Q2 ACTUAL VS. MARKET CONSENSUS

USD millions
except per share data

	FY 2014 Q2 Actual (unaudited)	Market Consensus*
Net Revenues	\$7.4	\$6.8
Gross Margin	48.7%	42.0%
GAAP Net Income (Loss)	(\$0.7)	(\$2.8)
Non-GAAP Net Income (Loss)	(\$0.5)	(\$2.5)

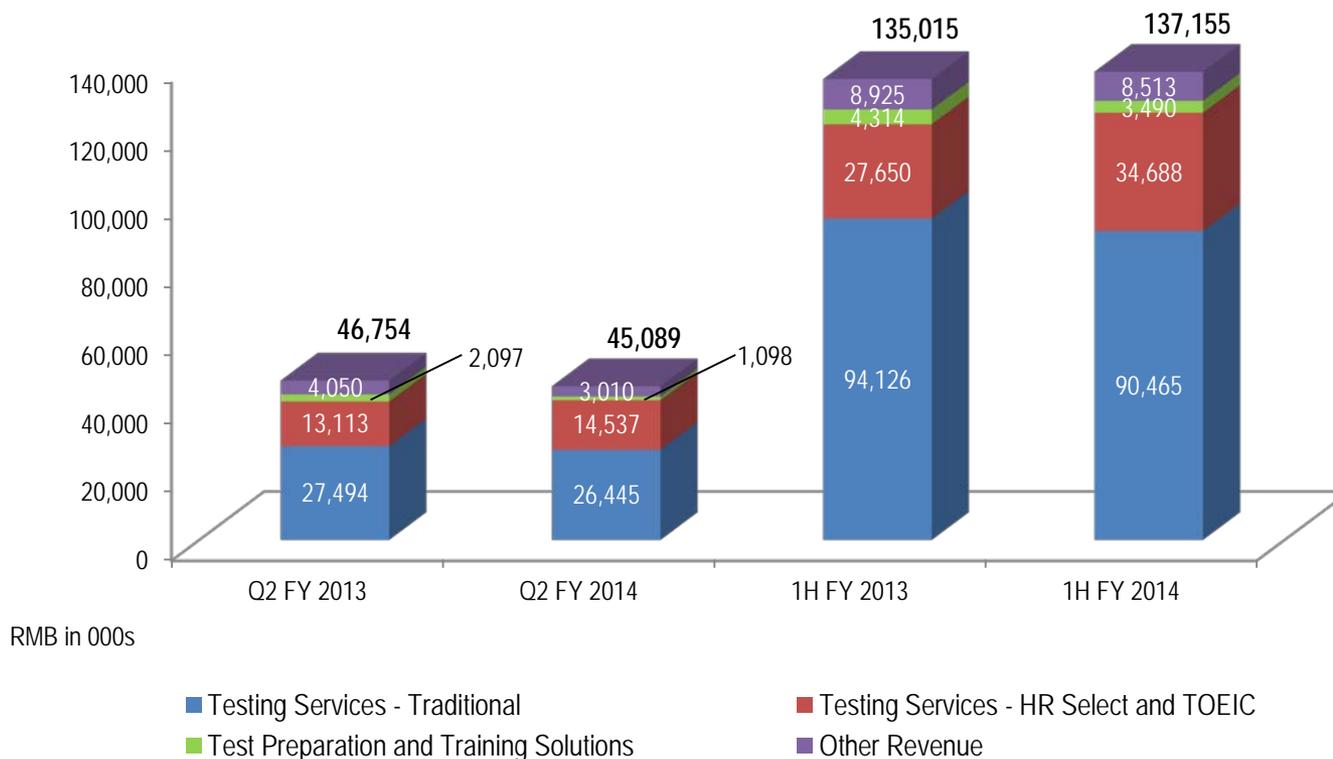
* As of the August 2013 analyst reports

ATA's Covering Analysts

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

REVENUE BREAKDOWN

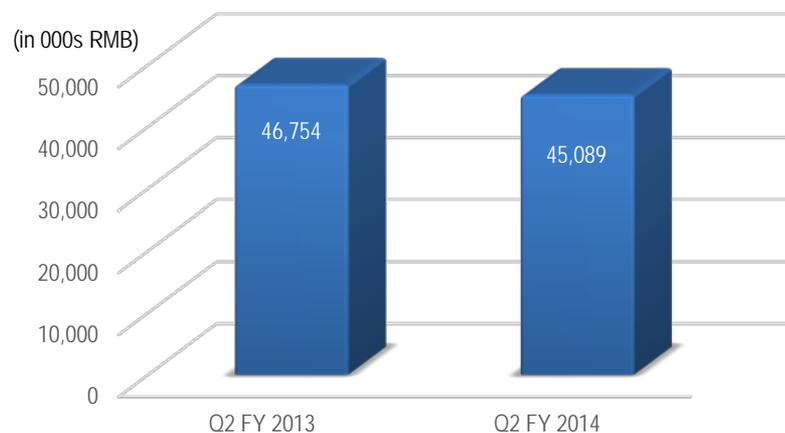
- **Testing Services** is ATA's core business, offering simultaneous computer-based testing across all of China—about 90.9% of revenues in Q2 FY 2014.
 - Private sector business (HR Select and TOEIC) included under this category
- **Test Preparation & Training Solutions** for continued professional development, as well as for English language education



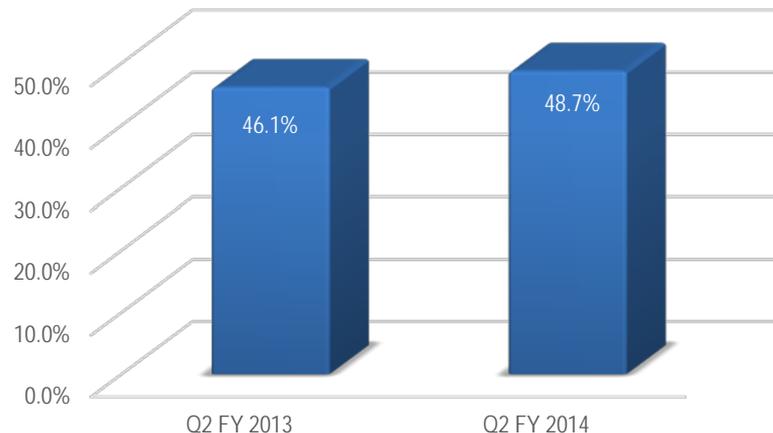
SUMMARY FINANCIAL RESULTS – SECOND QUARTER

In 000s except margin and per share data	Q2 FY 2013	Q2 FY 2014	Q2 FY 2013	Q2 FY 2014
	RMB		USD	
Net Revenues	46,754	45,089	\$7,439	\$7,370
Cost of Revenue	25,183	23,113	\$4,007	\$3,778
Gross Profit	21,571	21,976	\$3,432	\$3,592
Gross Margin	46.1%	48.7%	46.1%	48.7%
Operating Expenses	32,593	26,646	\$5,186	\$4,355
Loss from Operations	(11,021)	(4,670)	(\$1,754)	(\$763)
Net Loss	(9,087)	(4,320)	(\$1,446)	(\$706)
Diluted Losses Per ADS	(0.42)	(0.19)	(\$0.06)	(\$0.03)

Second Quarter Net Revenues



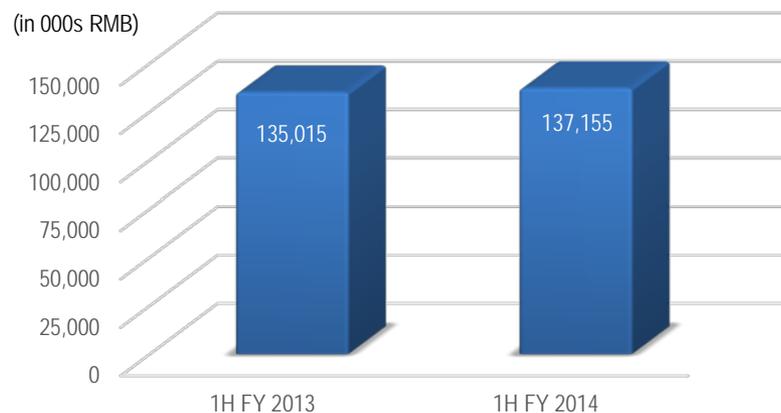
Second Quarter Gross Margin



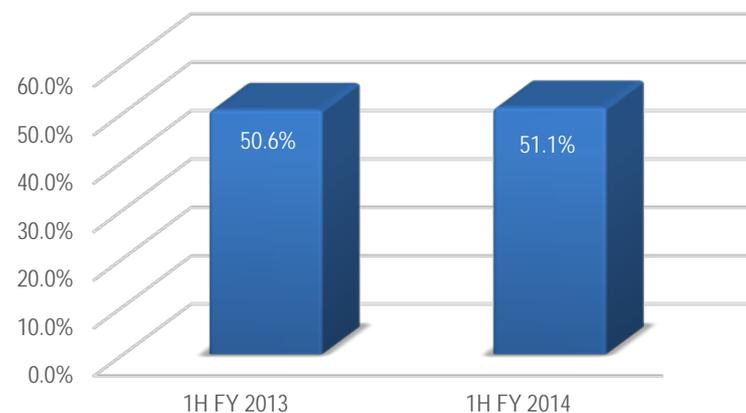
SUMMARY FINANCIAL RESULTS – FIRST HALF

In 000s except margin and per share data	1H FY 2013	1H FY 2014	1H FY 2013	1H FY 2014
	RMB		USD	
Net Revenues	135,015	137,155	\$21,483	\$22,419
Cost of Revenue	66,701	67,111	\$10,613	\$10,967
Gross Profit	68,315	70,044	\$10,870	\$11,449
Gross Margin	50.6%	51.1%	50.6%	51.1%
Operating Expenses	73,517	65,585	\$11,698	\$10,720
Income (Loss) from Operations	(5,203)	4,459	(\$828)	\$729
Net Income (Loss)	(3,823)	5,089	(\$608)	\$832
Diluted Earnings (Losses) Per ADS	(0.20)	0.22	(\$0.04)	\$0.04

First Half Net Revenues



First Half Gross Margin



FINANCIAL ANALYSIS – NON-GAAP

RMB in 000s except EPS	FY 2012					FY 2013					FY 2014		
	Q1	Q2	Q3	Q4	FY 2012	Q1	Q2	Q3	Q4	FY 2013	Q1	Q2	FY 2014 YTD
Net Revenues	77,616	70,394	143,604	60,471	352,085	88,261	46,754	179,432	52,228	366,675	92,066	45,089	137,155
Net Income (Loss)													
GAAP	13,045	1,443	38,058	3,295	55,841	5,264	(9,087)	33,153	(6,122)	23,208	9,409	(4,320)	5,089
Adjustment													
Share-based Compensation Expense	1,957	4,076	3,635	2,596	12,264	3,936	2,818	2,794	3,325	12,874	1,791	1,671	3,462
Foreign Currency Exchange (Gain) Loss	(1,837)	(967)	(877)	48	(3,633)	469	(351)	(157)	(37)	(77)	(125)	(92)	(217)
Non-GAAP	13,165	4,552	40,816	5,939	64,472	9,669	(6,620)	35,790	(2,834)	36,005	11,075	(2,741)	8,334
Diluted Earnings (Losses) Per ADS													
GAAP	\$0.08	\$0.00	\$0.26	\$0.02	\$0.38	\$0.04	(\$0.06)	\$0.24	(\$0.04)	\$0.16	\$0.06	(\$0.03)	\$0.04
Non-GAAP	\$0.08	\$0.02	\$0.28	\$0.04	\$0.44	\$0.06	(\$0.04)	\$0.26	(\$0.02)	\$0.26	\$0.08	(\$0.02)	\$0.06

STRONG BALANCE SHEET

Balance Sheet Highlights

	3/31/2013	9/30/2013	3/31/2013	9/30/2013
In 000s	RMB		USD	
Cash	290,030	284,640	\$46,698	\$46,526
Total Current Assets	354,770	654,686	\$57,121	\$57,975
Total Assets	457,818	454,377	\$73,713	\$74,270
Total Current Liabilities	79,568	69,376	\$12,811	\$11,340
Total Liabilities	82,271	71,697	\$13,246	\$11,719
Shareholders' Equity	375,548	382,680	\$60,467	\$62,551
Total Liabilities & Shareholders' Equity	457,818	454,377	\$73,713	\$74,270

\$46.5 million in cash and no long-term debt at 9/30/2013

QUARTERLY PROJECTIONS – THIRD QUARTER

RMB millions	Guidance for Q3 FY 2014 (ending 12/31/2013)		Q3 FY 2013 Actual
	Low	High	
Net Revenue	180.0	200.0	179.4

A photograph of three business professionals (two men and one woman) in a meeting, looking at a laptop screen. The image is overlaid with a pattern of interlocking puzzle pieces. A large white puzzle piece in the foreground contains text.

Outlook for FY 2014

Kevin Ma, Co-founder and Chairman of the Board

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

GROWTH OUTLOOK

- Increased demand for computer-based exams under traditional Testing Services
- Scalable cost structure continues to support long-term margin expansion
- Industry driven by growing need for certification in China

RMB millions	Guidance for FY 2014		FY 2013 Actual
	Low	High	
Net Revenue	403	423	366.7
Non-GAAP Net Income	37	47	36.0

GROWTH STRATEGY – FY 2014

ATA will work to:

- Smoothly integrate Xing Wei's service offerings and personnel to help grow the business, especially for the private sector
- Pursue opportunities to transition paper-based exams to ATA's technology-driven platform
- Attract new private sector clients with HR Select and TOEIC services while working to expand upon relationships with current clients, diversify revenue mix
- Develop a new mobile testing system (MTS) that will enable the Company to build global client relationships
- Attract new test takers to existing tests while simultaneously developing new titles
- Concentrate on generating free cash flow and strengthening financial position



At ATA Inc.

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China's leading provider of advanced testing technologies and related services