



Speakers

Mr. Kevin Ma, Chairman and CEO
Ms. Shelly Jiang, Interim CFO

FY 2016 SECOND QUARTER EARNINGS CALL
November 12, 2015



SAFE HARBOR

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Note: All U.S. dollar amounts in this presentation, relating to the Company's fiscal second quarter and six months ended September 30, 2015, financial results, are converted from RMB using an exchange rate of 6.3556 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.

OVERVIEW

ATA is China's market leader in advanced testing technologies and related services.

Delivers large-scale, computer-based exams via proprietary platform for professional licensure/certification and skills assessment in China

Provides technologies for classroom/tutorial services to improve overall learning assessment

ATA estimates China's testing market consists of approx. 200 million to 220 million people.

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	\$4.11 (as of 11/10/2015)
Market Cap	\$94 million (as of 11/10/2015)
ADSs Outstanding	22.9 million
Book Value Per ADS	\$2.58

All information as of 9/30/2015 unless otherwise noted.



Operating and Financial Highlights

Shelly Jiang, Interim Chief Financial Officer

KEY OPERATING HIGHLIGHTS

Delivered 1.7 million billable tests in Second Quarter 2016, compared to 3.0 million in prior-year period due to change in timing of the CPA exam

Delivered Fund Practitioners Certification Exam for the first time, which Company announced in August

Strategic investment in Silicon Valley-based Brillent, Inc., an SaaS provider of an advanced candidate-screening tool for the HR/recruitment industry

Wholly owned subsidiary ATA Online submitted its New Third Board listing application in September 2015

Simultaneous, Large-scale Test Delivery

Nationwide network of 3,170 test centers (as of 9/30/2015) covers every province in mainland China



KEY FINANCIAL HIGHLIGHTS

Net revenues of RMB53.4 million, meeting Second Quarter 2016 net revenue guidance range of RMB 46.0 million to RMB56.0 million

Net revenues for Second Quarter 2016 impacted by change in timing of CPA exam, increased 39.5% to RMB52.3 million excluding CPA exam

Gross margin remained steady at 45.6% in Second Quarter 2016, compared to 45.4% in Second Quarter 2015

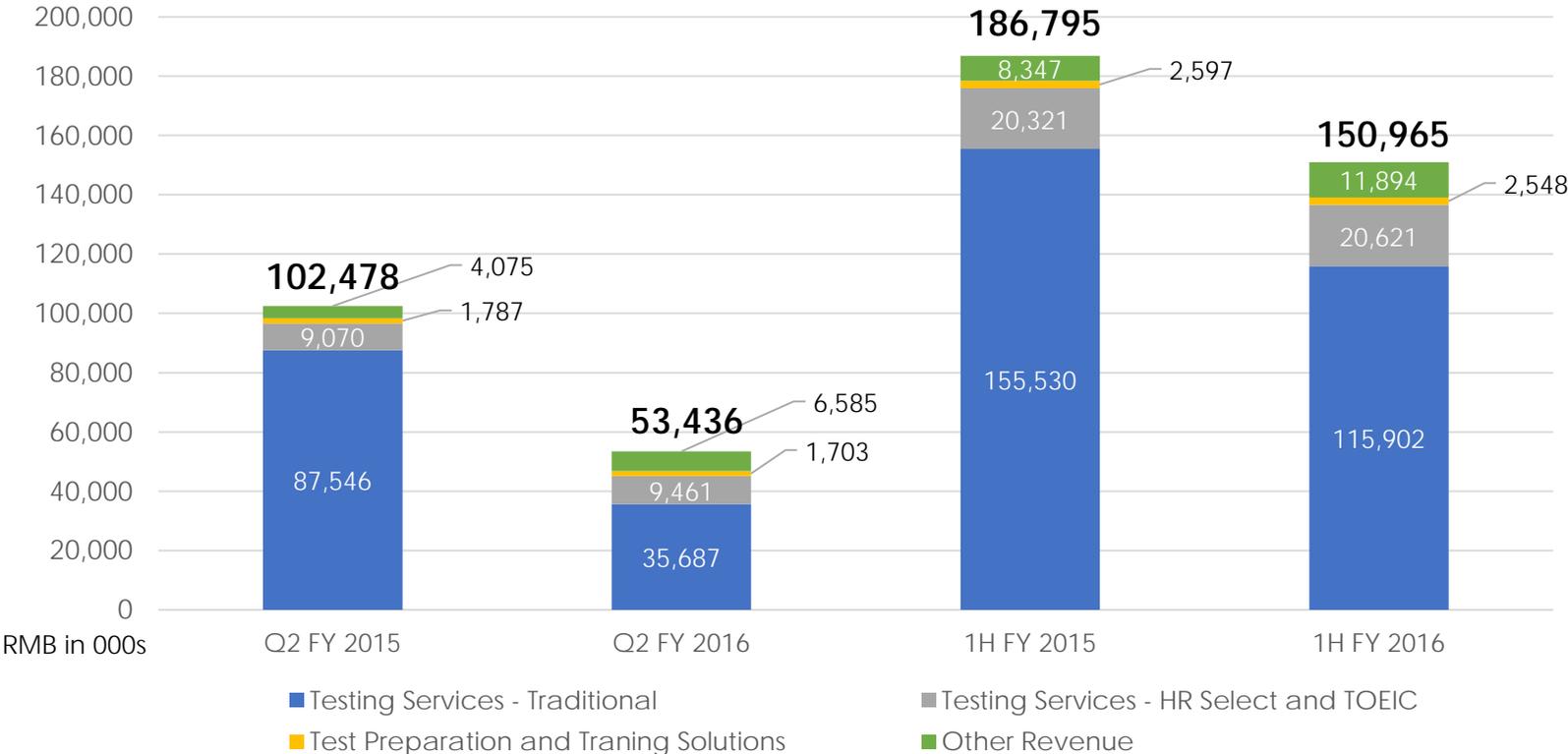
Reiterates net revenue and non-GAAP net income guidance for FY 2016*

*As reported in the Company's fiscal 2015 fourth quarter and year-end financial results press release on 5/28/2015



REVENUE BREAKDOWN

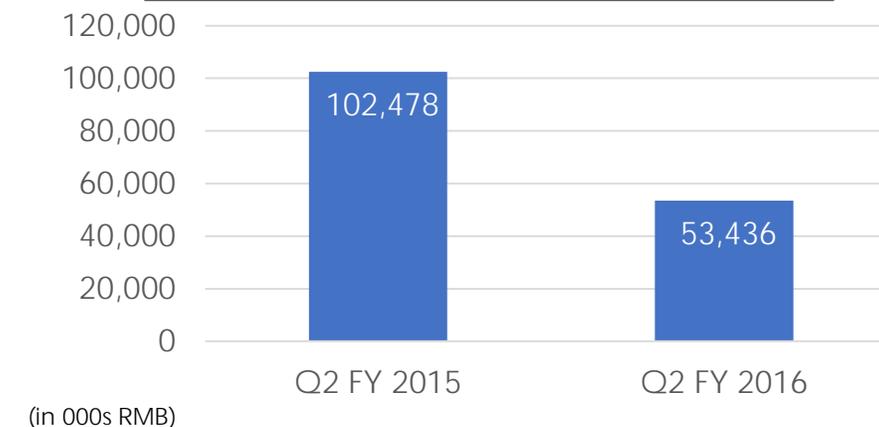
- **Testing Services** is ATA's core business offering large-scale, computer-based testing across China, ~84.5% of revenues in Q2 FY 2016.
- **Test Preparation & Training Solutions** for continued professional development



SUMMARY FINANCIAL RESULTS – SECOND QUARTER

In 000s except margin and per share data	Q2 FY 2015	Q2 FY 2016	Q2 FY 2015	Q2 FY 2016
	RMB		USD	
Net Revenues	102,478	53,436	\$16,696	\$8,408
Cost of Revenue	55,980	29,046	\$9,121	\$4,570
Gross Profit	46,498	24,390	\$7,575	\$3,838
Gross Margin	45.4%	45.6%	45.4%	45.6%
Operating Expenses	37,190	36,594	\$6,059	\$5,758
Income (Loss) from Operations	9,308	(12,204)	\$1,516	(\$1,920)
Net Income (Loss)	8,831	(14,069)	\$1,439	(\$2,214)
Diluted Earnings (Losses) Per ADS	0.38	(0.62)	\$0.06	(\$0.10)

Second Quarter Net Revenues

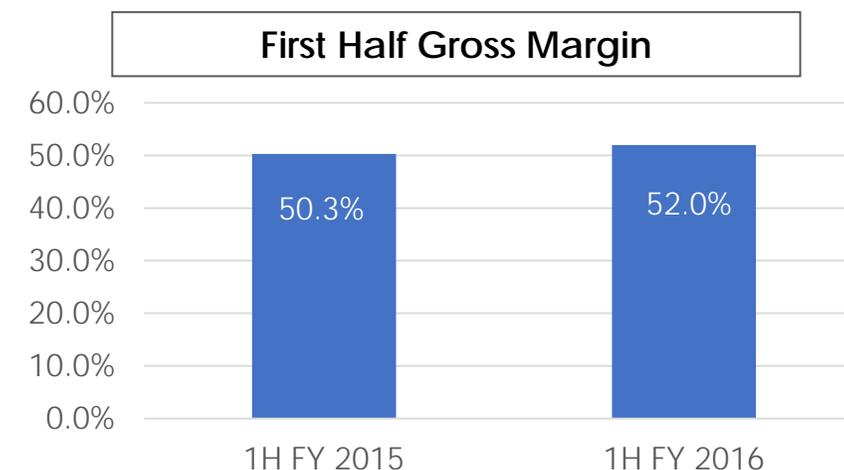
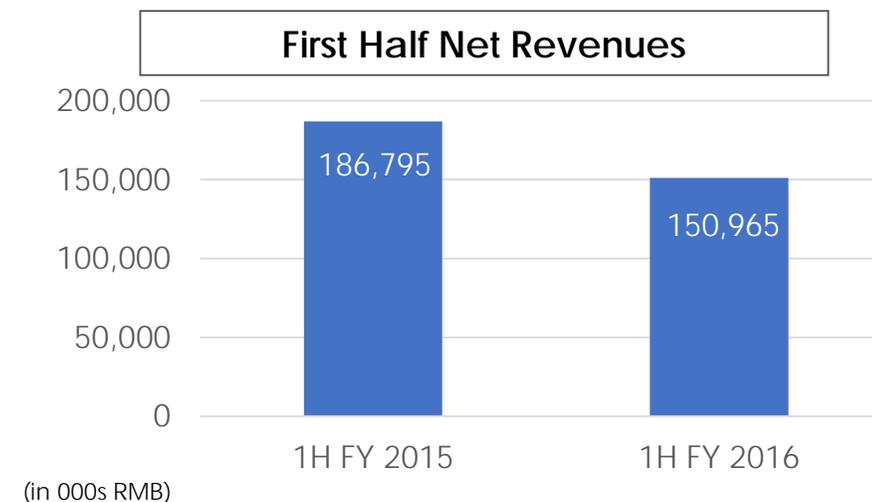


Second Quarter Gross Margin



SUMMARY FINANCIAL RESULTS – FIRST HALF

In 000s except margin and per share data	1H FY 2015	1H FY 2016	1H FY 2015	1H FY 2016
	RMB		USD	
Net Revenues	186,795	150,965	\$30,432	\$23,753
Cost of Revenue	92,790	72,443	\$15,117	\$11,398
Gross Profit	94,005	78,522	\$15,315	\$12,355
Gross Margin	50.3%	52.0%	50.3%	52.0%
Operating Expenses	76,836	81,929	\$12,518	\$12,891
Income (Loss) from Operations	17,169	(3,407)	\$2,797	(\$536)
Net Income (Loss)	13,436	(7,931)	\$2,189	(\$1,248)
Diluted Earnings (Losses) Per ADS	0.56	(0.34)	\$0.10	(\$0.06)



FINANCIAL ANALYSIS – NON-GAAP

RMB in 000s except EPS	FY 2014					FY 2015					FY 2016		1H FY 2016
	Q1	Q2	Q3	Q4	FY 2014	Q1	Q2	Q3	Q4	FY 2015	Q1	Q2	
Net Revenues	92,066	45,089	188,853	58,660	384,668	84,317	102,478	123,048	40,315	350,158	97,529	53,436	150,965
Net Income (Loss)													
GAAP	9,409	(4,320)	35,578	(13,390)	27,276	4,606	8,831	24,618	(14,998)	23,056	6,138	(14,069)	(7,931)
Adjustment													
Share-based Compensation Expense	1,791	1,671	3,574	3,498	10,535	3,158	2,539	(3,258)	4,671	7,111	3,814	1,942	5,756
Foreign Currency Exchange (Gain) Loss	(125)	(92)	(68)	334	49	972	(349)	405	39	1,067	59	1,431	1,490
Non-GAAP	11,075	(2,741)	39,084	(9,558)	37,861	8,736	11,021	21,765	(10,289)	31,234	10,011	(10,697)	(685)
Diluted Earnings (Losses) Per ADS													
GAAP	\$0.06	(\$0.03)	\$0.25	(\$0.10)	\$0.20	\$0.09	\$0.06	\$0.18	(\$0.10)	\$0.16	\$0.04	(\$0.10)	(\$0.06)
Non-GAAP	\$0.08	(\$0.02)	\$0.28	(\$0.06)	\$0.26	\$0.18	\$0.08	\$0.16	(\$0.08)	\$0.22	\$0.08	(\$0.08)	(\$0.00)

STRONG BALANCE SHEET

Balance Sheet Highlights

	3/31/2015	9/30/2015	3/31/2015	9/30/2015
In 000s	RMB		USD	
Cash and cash equivalent	240,295	215,328	\$38,764	\$33,880
Total Current Assets	312,951	311,597	\$50,484	\$49,027
Total Assets	455,244	470,181	\$73,438	\$73,979
Total Current Liabilities	76,158	92,687	\$12,286	\$14,584
Total Liabilities	77,922	94,334	\$12,570	\$14,843
Shareholders' Equity	377,322	375,847	\$60,868	\$59,136
Total Liabilities & Shareholders' Equity	455,244	470,181	\$73,438	\$73,979

\$33.9 million in cash and cash equivalent and no long-term debt at 9/30/2015

PROJECTIONS – THIRD QUARTER 2016 and FY 2016

RMB millions	Guidance for Q3 FY 2016 (ending 12/31/2015)		Q3 FY 2015 Actual
	Low	High	
Net Revenue	195.0	205.0	123.0

RMB millions	Guidance for FY 2016		FY 2015 Actual
	Low	High	
Net Revenue	360.0	380.0	350.2
Non-GAAP Net Income*	28.0	38.0	31.2

*Guidance range takes into account the operating results of ATA's joint venture and associated companies (Zhi Shang, Master Mind, Satech) in their initial stages



Outlook for FY 2016

Kevin Ma, Chairman and CEO

GROWTH STRATEGY

- Strengthen ATA's leadership position in China's testing and assessment market
 - Expand into and build presence in various education markets
 - Explore ways to accelerate growth of core testing business – New Third Board Listing
- Establish new business partnerships focusing on the consumer market
- Expand existing client relationships



At ATA Inc.

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