



Speakers

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

FY 2016 FOURTH QUARTER AND YEAR-END
EARNINGS CALL
June 1, 2016



SAFE HARBOR

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Note: All U.S. dollar amounts in this presentation, relating to the Company's fiscal fourth quarter and year ended March 31, 2016, financial results, are converted from RMB using an exchange rate of 6.4480 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.

Since 1999, has provided large-scale, computer-based exam services for professional licensure/certification and skills assessment in China

Provides technologies for learning/recruitment service providers to improve overall learning assessment

ATA estimates approx. 200 million exams are delivered annually in China's testing market.

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	\$4.99 (as of 5/27/2016)
Market Cap	\$114 million (as of 5/27/2016)
ADSs Outstanding	22.9 million
Book Value Per ADS	\$2.67

All information as of 3/31/2016 unless otherwise noted.



Operating and Financial Highlights

Shelly Jiang, Interim Chief Financial Officer

KEY OPERATING HIGHLIGHTS

Delivered record 10.3 million billable tests in FY 2016, up 17.0% from 8.8 million in FY 2015

Delivered record 1.9 million exams across China, Hong Kong and Macau SARs for fourth consecutive computer-based CPA exam in October 2015

Signed several new government and private sector clients throughout FY 2016

Gained approval and officially listed shares of wholly owned subsidiary ATA Online on China's New Third Board in December 2015

Simultaneous, Large-scale Test Delivery

Nationwide network of 3,035 test centers (as of 3/31/2016) covers every province in mainland China



KEY FINANCIAL HIGHLIGHTS

Record net revenues of RMB417.1 million in FY 2016:

- Met previously raised FY net revenue guidance range
- 19.1% YoY increase as a result of increased revenue contributions from testing services business

Gross margin for FY 2016 remained stable at 50.1%, compared to 50.7% in FY 2015

Net revenues of RMB44.7 million met guidance range for Fourth Quarter 2016

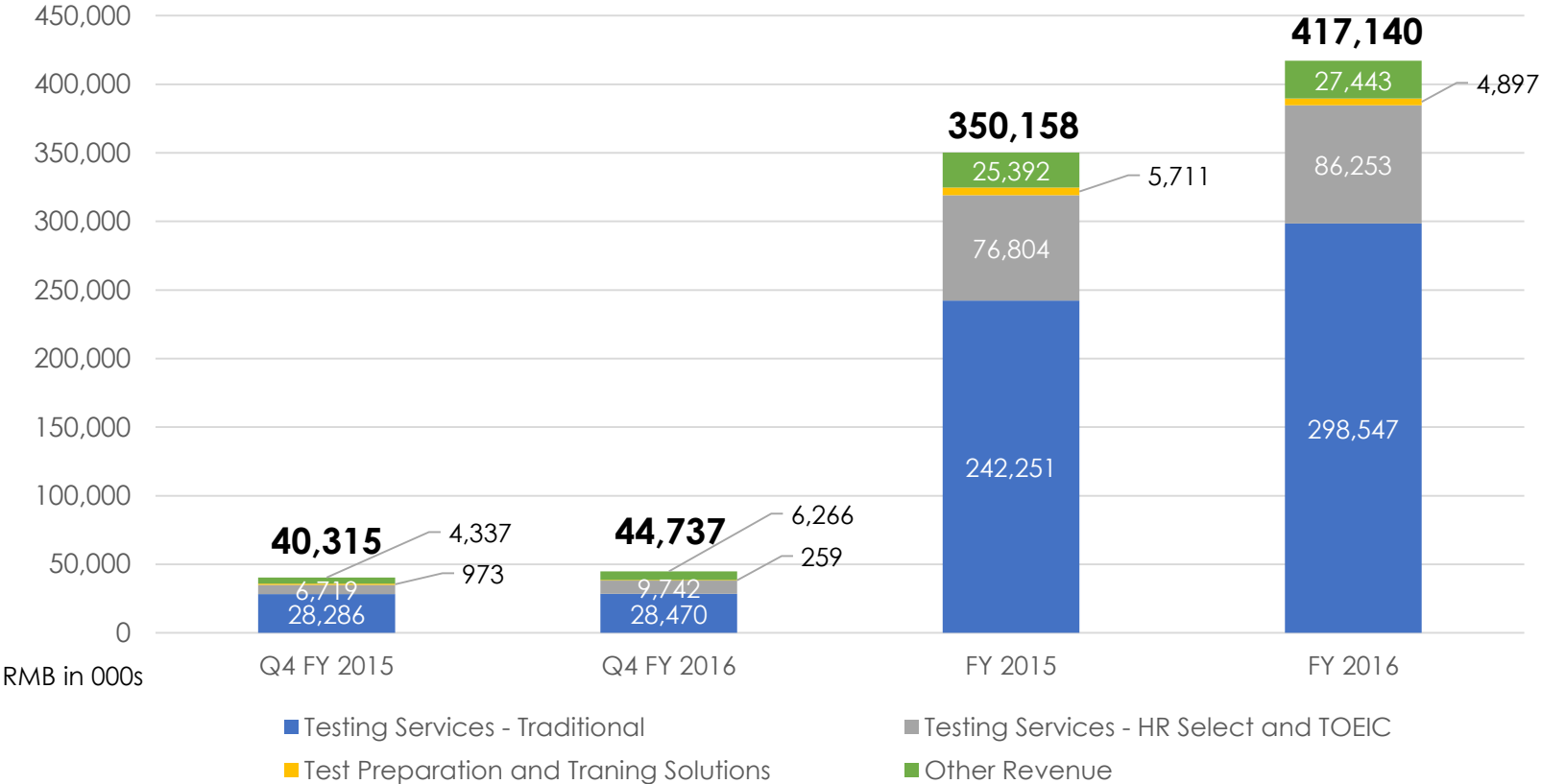
Met previously raised net revenue guidance for FY 2016, beat non-GAAP net income guidance for FY 2016 *

*As reported in the Company's fiscal 2016 third quarter financial results press release on 2/18/2016



REVENUE BREAKDOWN

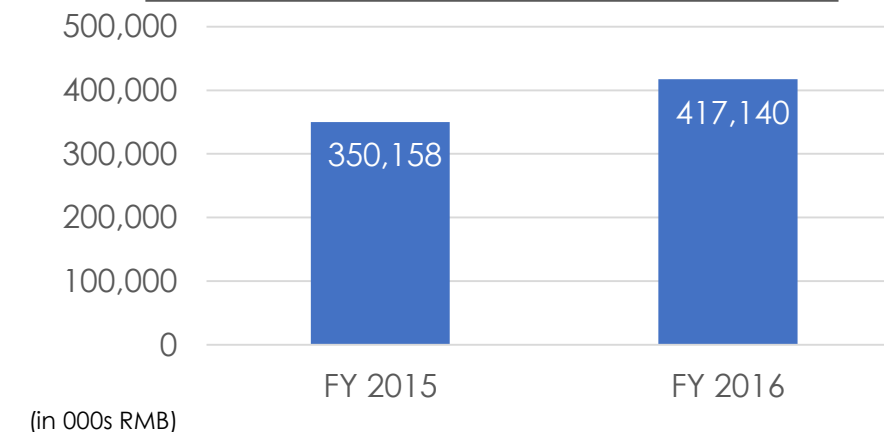
- **Testing Services** is ATA's core business offering large-scale, computer-based testing across China, ~85.4% of revenues in Q4 FY 2016.
- **Test Preparation & Training Solutions** for continued professional development



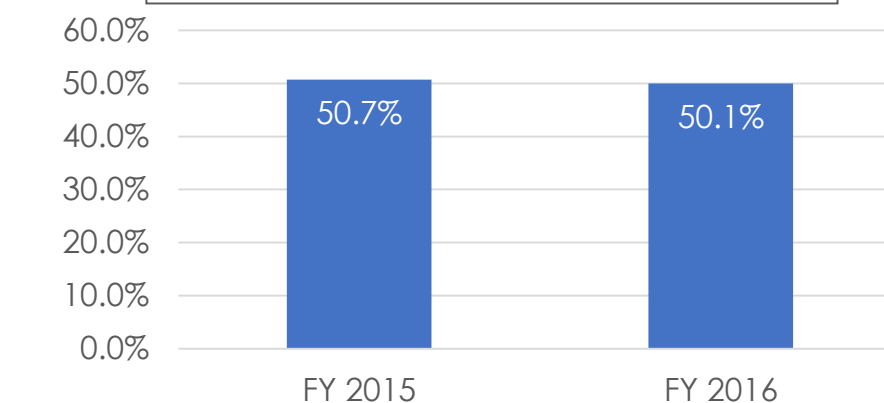
SUMMARY FINANCIAL RESULTS – FISCAL YEAR

In 000s except margin and per share data	FY 2015	FY 2016	FY 2015	FY 2016
	RMB		USD	
Net Revenues	350,158	417,140	\$56,486	\$64,693
Cost of Revenue	172,539	208,017	\$27,833	\$32,261
Gross Profit	177,619	209,123	\$28,653	\$32,432
Gross Margin	50.7%	50.1%	50.7%	50.1%
Operating Expenses	147,938	157,388	\$23,865	\$24,409
Income from Operations	31,758	51,735	\$5,123	\$8,023
Net Income	23,056	26,051	\$3,719	\$4,040
Diluted Earnings Per ADS	0.98	1.14	\$0.16	\$0.18

Fiscal Year Net Revenues

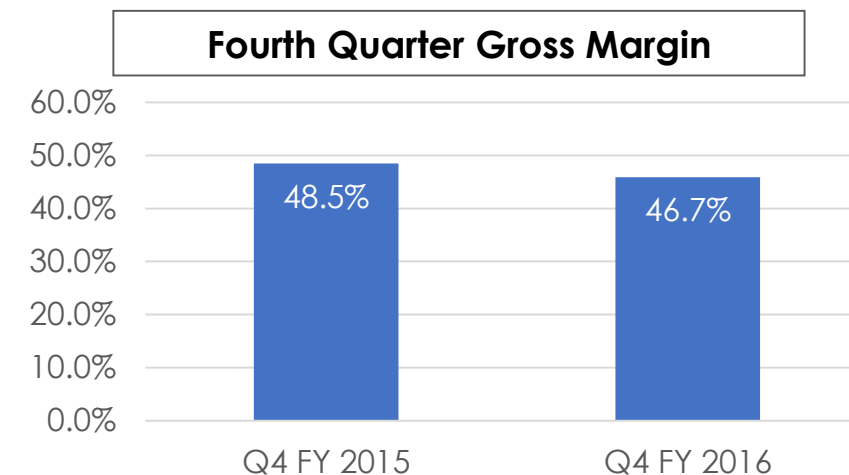
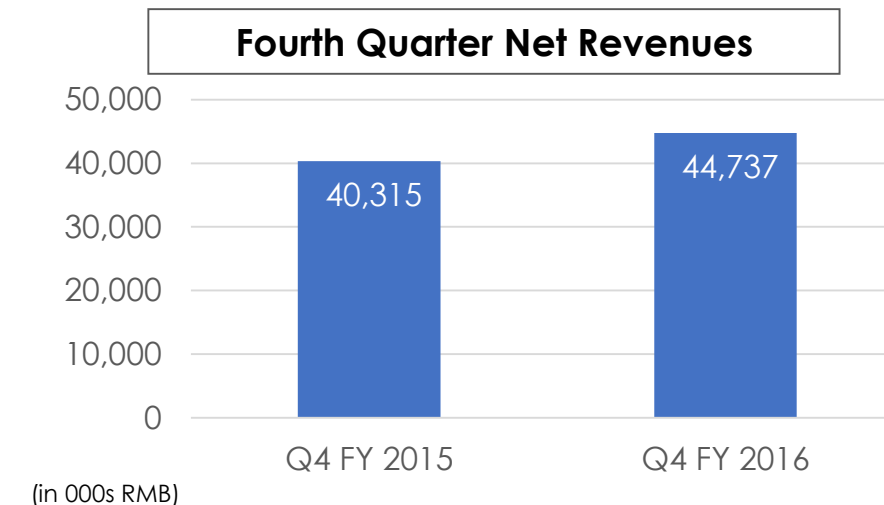


Fiscal Year Gross Margin



SUMMARY FINANCIAL RESULTS – FOURTH QUARTER

In 000s except margin and per share data	Q4 FY 2015	Q4 FY 2016	Q4 FY 2015	Q4 FY 2016
	RMB		USD	
Net Revenues	40,315	44,737	\$6,503	\$6,938
Cost of Revenue	20,781	23,850	\$3,352	\$3,699
Gross Profit	19,534	20,887	\$3,151	\$3,239
Gross Margin	48.5%	46.7%	48.5%	46.7%
Operating Expenses	37,391	35,676	\$6,032	\$5,533
Loss from Operations	(15,780)	(14,789)	(\$2,546)	(\$2,294)
Net Loss	(14,998)	(15,371)	(\$2,420)	(\$2,384)
Diluted Losses Per ADS	(0.66)	(0.68)	(\$0.10)	(\$0.10)



FINANCIAL ANALYSIS – NON-GAAP

RMB in 000s except EPS	FY 2014					FY 2015					FY 2016				
	Q1	Q2	Q3	Q4	FY 2014	Q1	Q2	Q3	Q4	FY 2015	Q1	Q2	Q3	Q4	FY 2016
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	221,438	44,737	417,140
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)	49,353	(15,371)	26,051
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	2,001	1,408	9,165
Foreign Currency Exchange (Gain) Loss	(125)	(92)	(68)	334	49	972	(349)	405	39	1,067	59	1,431	12	4	1,506
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)	51,366	(13,959)	36,722
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)	\$0.34	(\$0.10)	\$0.18
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)	\$0.34	(\$0.10)	\$0.24

STRONG BALANCE SHEET

Balance Sheet Highlights

	3/31/2015	3/31/2016	3/31/2015	3/31/2016
In 000s	RMB		USD	
Cash and cash equivalent	240,295	247,668	\$38,764	\$38,410
Total Current Assets	312,951	320,152	\$50,484	\$49,651
Total Assets	455,244	470,461	\$73,438	\$72,962
Total Current Liabilities	76,158	74,352	\$12,286	\$11,531
Total Liabilities	77,922	76,231	\$12,570	\$11,822
Shareholders' Equity	377,322	394,231	\$60,868	\$61,140
Total Liabilities & Shareholders' Equity	455,244	470,461	\$73,438	\$72,962

\$38.4 million in cash and cash equivalent and no long-term debt at 3/31/2016

PROJECTIONS – FIRST QUARTER 2017 and FY 2017

RMB millions	Guidance for Q1 FY 2017 (ending 6/30/2016)		Q1 FY 2016 Actual
	Low	High	
Net Revenue	87.0	92.0	97.5

RMB millions	Guidance for FY 2017		FY 2016 Actual
	Low	High	
Net Revenue	420.0	440.0	417.1
Non-GAAP Net Income*	27.0	37.0	36.7

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



Outlook for FY 2017

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
- Leverage test data, provide increased value to clients
- Establish new business partnerships
- Expand existing client relationships



At ATA Inc.

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