



Speakers

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

FY 2017 FIRST QUARTER EARNINGS CALL

August 12, 2016



SAFE HARBOR

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Note: All U.S. dollar amounts in this presentation, relating to the Company's fiscal first quarter ended June 30, 2016, financial results, are converted from RMB using an exchange rate of 6.6459 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	\$3.80 (as of 8/10/2016)
Market Cap	\$87 million (as of 8/10/2016)
ADSs Outstanding	22.9 million
Book Value Per ADS	\$2.62

All information as of 6/30/2016 unless otherwise noted.



Operating and Financial Highlights

Shelly Jiang, Interim Chief Financial Officer

KEY OPERATING HIGHLIGHTS

Delivered 2.6 million billable tests in First Quarter 2017, compared to 2.5 million in prior-year period

Recently selected as service provider for National Tour Guide Qualification Exam, exams for four well-known Chinese universities

Successfully converted and delivered new computer-based Qualification Exam for Housing and Urban-Rural Construction Field Professionals

Continued working closely with Asset Management Association of China to ensure smooth delivery of Fund Practitioners Certification Exam

Simultaneous, Large-scale Test Delivery

Nationwide network of 3,080 test centers (as of 6/30/2016) covers every province in mainland China



KEY FINANCIAL HIGHLIGHTS

Net revenues of RMB96.8 million, exceeding top end of First Quarter 2017 net revenue guidance range of RMB87.0 million to RMB92.0 million

Gross margin impacted by change in revenue mix and increased expenses related to additional staffing

Bottom line impacted by losses incurred by Company's joint venture and investee companies

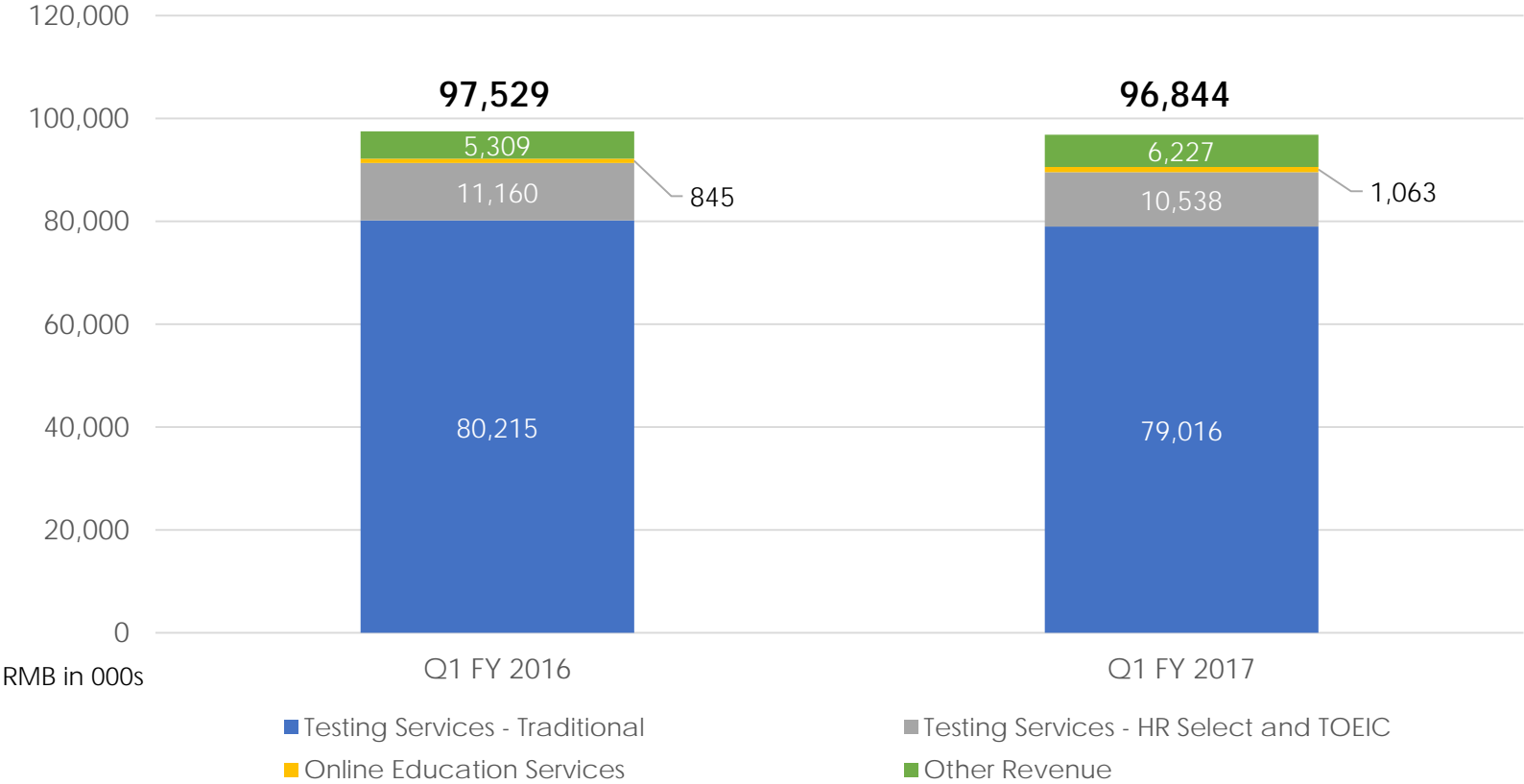
Reiterates net revenue and non-GAAP net income guidance for FY 2017*

*As reported in the Company's fiscal 2016 fourth quarter and year-end financial results press release on 5/31/2016



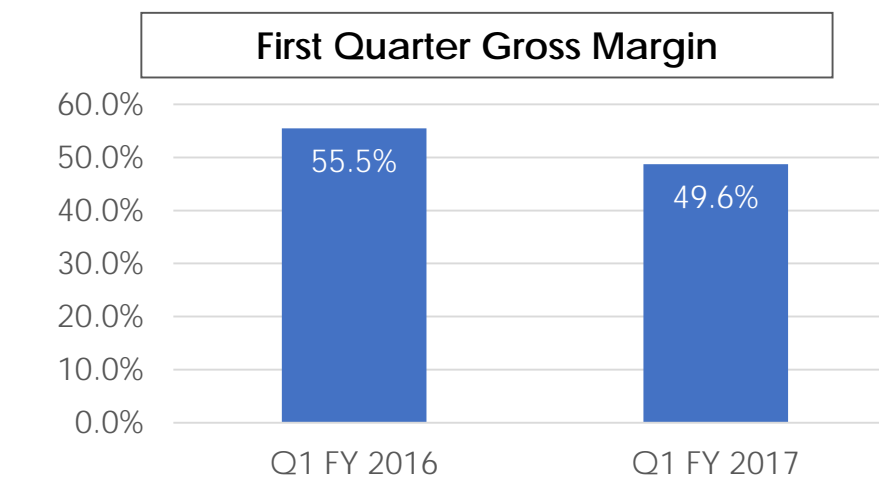
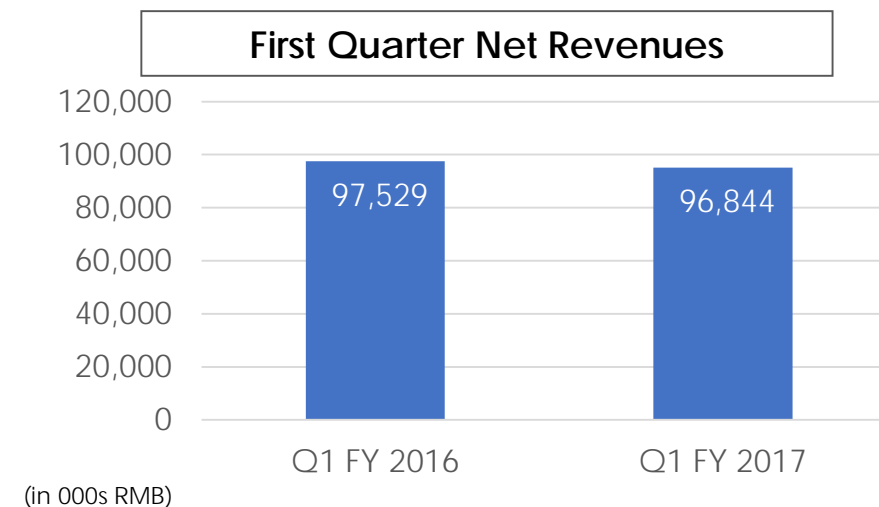
REVENUE BREAKDOWN

- **Testing Services** is ATA's core business offering large-scale, computer-based testing across China, ~92.5% of revenues in Q1 FY 2017.
- **Online Education Services** for continued professional development



SUMMARY FINANCIAL RESULTS – FIRST QUARTER

In 000s except margin and per share data	Q1 FY 2016	Q1 FY 2017	Q1 FY 2016	Q1 FY 2017
	RMB		USD	
Net Revenues	97,529	96,844	\$15,730	\$14,572
Cost of Revenue	43,397	48,767	\$6,999	\$7,338
Gross Profit	54,132	48,077	\$8,731	\$7,234
Gross Margin	55.5%	49.6%	55.5%	49.6%
Operating Expenses	45,335	36,855	\$7,312	\$5,546
Income from Operations	8,797	11,221	\$1,419	\$1,688
Net Income	6,138	4,143	\$990	\$623
Diluted Earnings Per ADS	0.26	0.18	\$0.04	\$0.02



FINANCIAL ANALYSIS – NON-GAAP

RMB in 000s except EPS	FY 2015					FY 2016					FY 2017
	Q1	Q2	Q3	Q4	FY 2015	Q1	Q2	Q3	Q4	FY 2016	Q1
Net Revenues	84,317	102,478	123,048	40,315	350,158	97,529	53,436	221,438	44,737	417,140	96,844
Net Income (Loss)											
GAAP	4,606	8,831	24,618	(14,998)	23,056	6,138	(14,069)	49,353	(15,371)	26,051	4,143
Adjustment											
Share-based Compensation Expense	3,158	2,539	(3,258)	4,671	7,111	3,814	1,942	2,001	1,408	9,165	1,039
Foreign Currency Exchange (Gain) Loss	972	(349)	405	39	1,067	59	1,431	12	4	1,506	31
Non-GAAP	8,736	11,021	21,765	(10,289)	31,234	10,011	(10,697)	51,366	(13,959)	36,722	5,214
Diluted Earnings (Losses) Per ADS											
GAAP	\$0.09	\$0.06	\$0.18	(\$0.10)	\$0.16	\$0.04	(\$0.10)	\$0.34	(\$0.10)	\$0.18	\$0.02
Non-GAAP	\$0.18	\$0.08	\$0.16	(\$0.08)	\$0.22	\$0.08	(\$0.08)	\$0.34	(\$0.10)	\$0.24	\$0.04

STRONG BALANCE SHEET

Balance Sheet Highlights

	3/31/2016	6/30/2016	3/31/2016	6/30/2016
In 000s	RMB		USD	
Cash and Cash Equivalents	247,668	119,475	\$38,410	\$17,977
Total Current Assets	320,152	214,585	\$49,651	\$32,288
Total Assets	470,461	470,703	\$72,962	\$70,826
Total Current Liabilities	74,352	69,307	\$11,531	\$10,428
Total Liabilities	76,231	71,249	\$11,822	\$10,721
Shareholders' Equity	394,231	399,454	\$61,140	\$60,105
Total Liabilities & Shareholders' Equity	470,461	470,703	\$72,962	\$70,826

\$18.0 million in cash and cash equivalents and no long-term debt at 6/30/2016

PROJECTIONS – SECOND QUARTER 2017 and FY 2017

RMB millions	Guidance for Q2 FY 2017 (ending 9/30/2016)		Q2 FY 2016 Actual
	Low	High	
Net Revenue	58.0	68.0	53.4

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.

Shelly Jiang, Interim CFO
+86 (10) 6518 1122 x5500
jiangyan@atai.net.cn

**Investor Relations Counsel:
The Equity Group**

Carolyn Y. Sohn
(415)568-2255
csohn@equityny.com

Adam Prior
(212) 836-9606
aprior@equityny.com

