



Speakers

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

FY 2016 THIRD QUARTER EARNINGS CALL
February 19, 2016



SAFE HARBOR

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Note: All U.S. dollar amounts in this presentation, relating to the Company's fiscal third quarter and nine months ended December 31, 2015, financial results, are converted from RMB using an exchange rate of 6.4778 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	\$5.03 (as of 2/17/2016)
Market Cap	\$115 million (as of 2/17/2016)
ADSs Outstanding	22.9 million
Book Value Per ADS	\$2.80

All information as of 12/31/2015 unless otherwise noted.



Operating and Financial Highlights

Shelly Jiang, Interim Chief Financial Officer

KEY OPERATING HIGHLIGHTS

Delivered 5.1 million billable tests in Third Quarter 2016, compared to 2.6 million in prior-year period due to change in timing of the CPA exam

Successfully delivered computer-based CPA exam for fourth consecutive year, with a record 1.9 million exams taken across China, Hong Kong and Macau

Recently engaged as service provider for first computer-based National Tax Adviser Occupational Qualification Exam (first exam in February 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 3,250 test centers (as of 12/31/2015) covers every province in mainland China



KEY FINANCIAL HIGHLIGHTS

Net revenues of RMB221.4 million, beating Third Quarter 2016 net revenue guidance range of RMB195.0 million to RMB205.0 million

Net revenues for Third Quarter 2016 increased 18.7% to RMB146.1 million excluding CPA exam

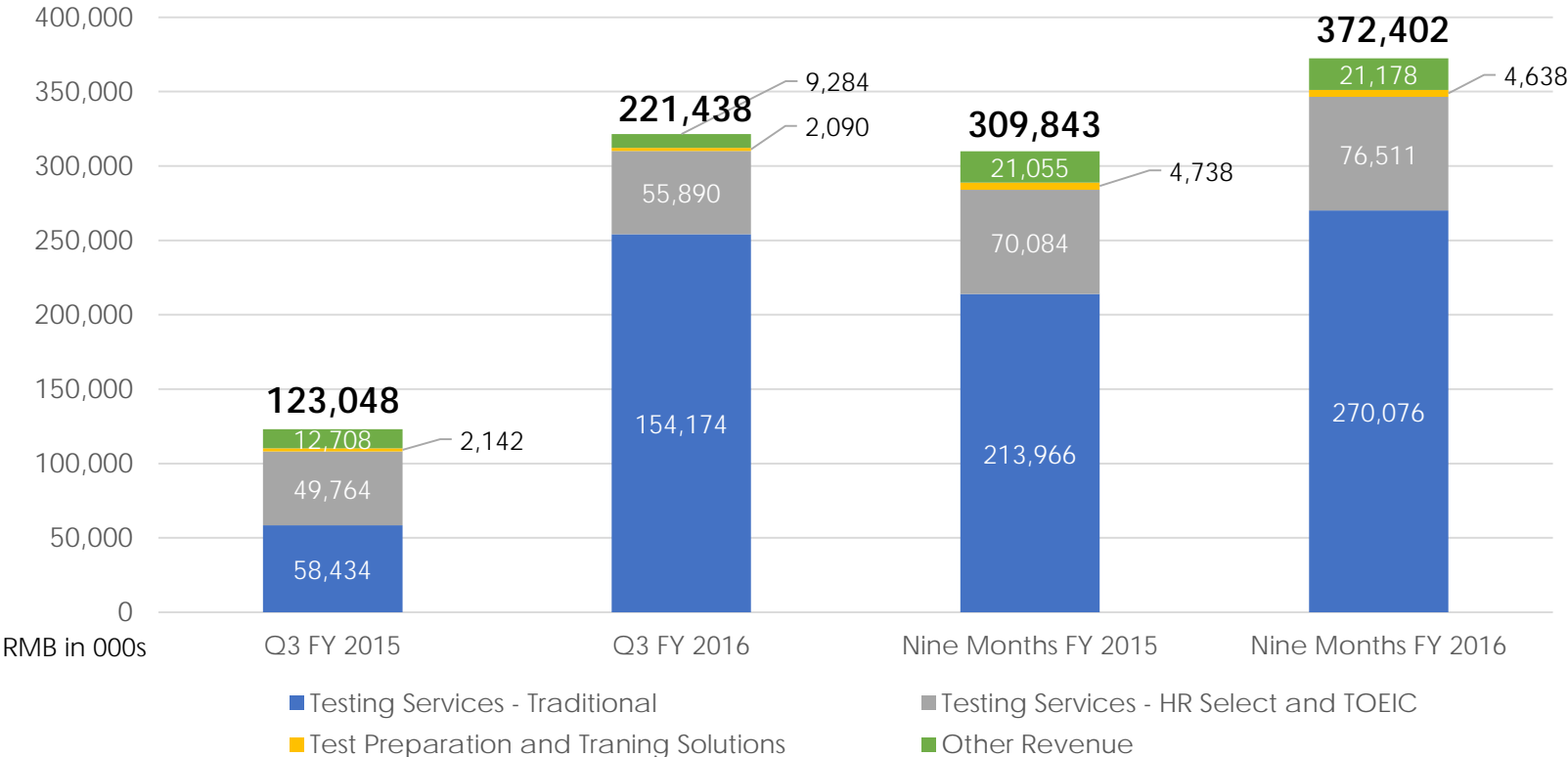
Gross margin was 49.5% in Third Quarter 2016, compared to 52.1% in Third Quarter 2015

Raises net revenue guidance, narrows non-GAAP net income guidance for FY 2016



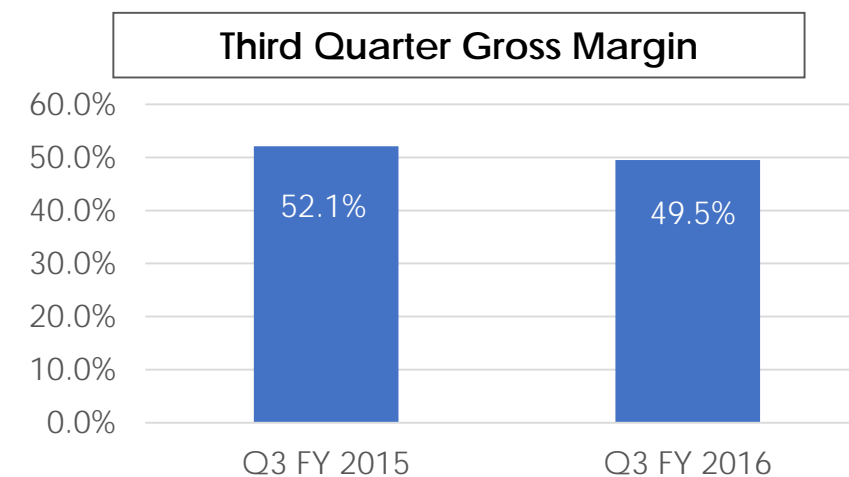
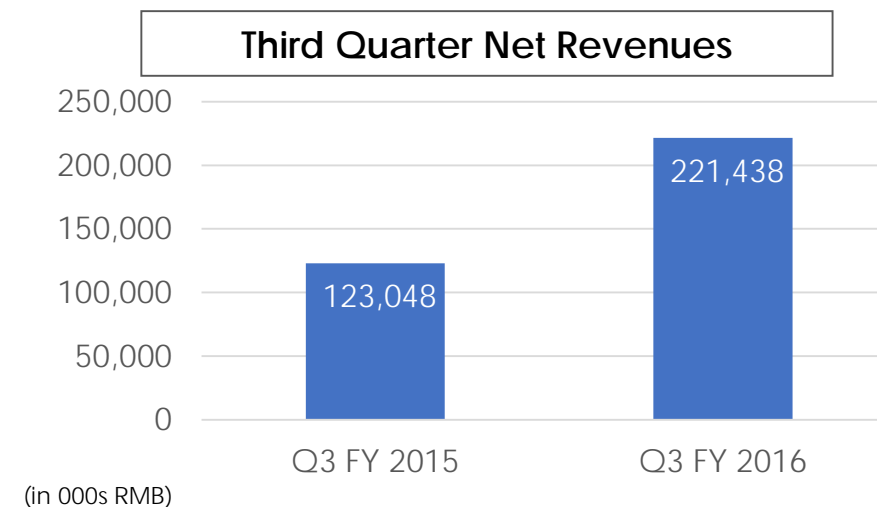
REVENUE BREAKDOWN

- **Testing Services** is ATA’s core business offering large-scale, computer-based testing across China, ~94.9% of revenues in Q3 FY 2016.
- **Test Preparation & Training Solutions** for continued professional development



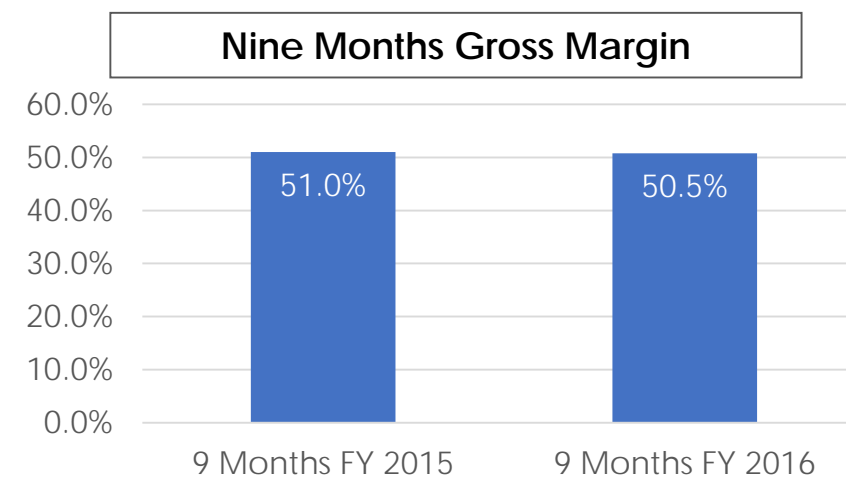
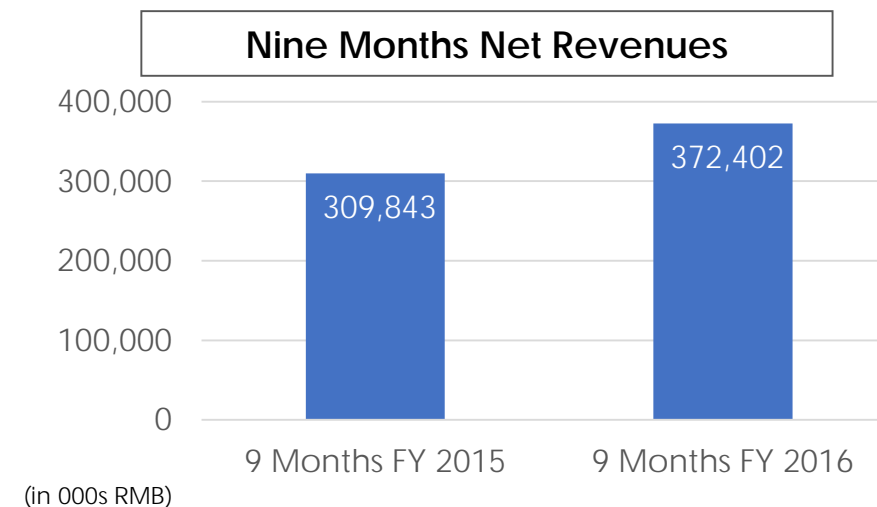
SUMMARY FINANCIAL RESULTS – THIRD QUARTER

In 000s except margin and per share data	Q3 FY 2015	Q3 FY 2016	Q3 FY 2015	Q3 FY 2016
	RMB		USD	
Net Revenues	123,048	221,438	\$19,832	\$34,184
Cost of Revenue	58,968	111,724	\$9,504	\$17,247
Gross Profit	64,080	109,713	\$10,328	\$16,937
Gross Margin	52.1%	49.5%	52.1%	49.5%
Operating Expenses	33,710	39,783	\$5,433	\$6,141
Income from Operations	30,370	69,931	\$4,895	\$10,795
Net Income	24,618	49,353	\$3,968	\$7,619
Diluted Earnings Per ADS	1.06	2.16	\$0.18	\$0.34



SUMMARY FINANCIAL RESULTS – NINE MONTHS

In 000s except margin and per share data	9 Months FY 2015	9 Months FY 2016	9 Months FY 2015	9 Months FY 2016
	RMB		USD	
Net Revenues	309,843	372,402	\$49,938	\$57,489
Cost of Revenue	151,759	184,167	\$24,459	\$28,431
Gross Profit	158,085	188,235	\$25,479	\$29,058
Gross Margin	51.0%	50.5%	51.0%	50.5%
Operating Expenses	110,547	121,712	\$17,817	\$18,789
Income from Operations	47,538	66,523	\$7,662	\$10,269
Net Income	38,054	41,422	\$6,133	\$6,395
Diluted Earnings Per ADS	1.64	1.80	\$0.26	\$0.28



FINANCIAL ANALYSIS – NON-GAAP

RMB in 000s except EPS	FY 2014					FY 2015					FY 2016			9 Months FY 2016
	Q1	Q2	Q3	Q4	FY 2014	Q1	Q2	Q3	Q4	FY 2015	Q1	Q2	Q3	
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	372,402
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	41,422
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	7,756
Foreign Currency Exchange (Gain) Loss	(125)	(92)	(68)	334	49	972	(349)	405	39	1,067	59	1,431	12	1,502
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	50,680
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	\$0.28
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	\$0.34

STRONG BALANCE SHEET

Balance Sheet Highlights

	3/31/2015	12/31/2015	3/31/2015	12/31/2015
In 000s	RMB		USD	
Cash and cash equivalent	240,295	283,663	\$38,764	\$43,790
Total Current Assets	312,951	370,245	\$50,484	\$57,156
Total Assets	455,244	523,413	\$73,438	\$80,801
Total Current Liabilities	76,158	106,206	\$12,286	\$16,395
Total Liabilities	77,922	107,681	\$12,570	\$16,623
Shareholders' Equity	377,322	415,732	\$60,868	\$64,178
Total Liabilities & Shareholders' Equity	455,244	523,413	\$73,438	\$80,801

\$43.8 million in cash and cash equivalent and no long-term debt at 12/31/2015

PROJECTIONS – FOURTH QUARTER 2016 and FY 2016

RMB millions	Guidance for Q4 FY 2016 (ending 3/31/2016)		Q4 FY 2015 Actual
	Low	High	
Net Revenue	43.0	48.0	40.3

RMB millions	Guidance for FY 2016		FY 2015 Actual
	Low	High	
Net Revenue	410.0	420.0	350.2
Non-GAAP Net Income*	29.0	34.0	31.2

*Guidance range takes into account the operating results of ATA's joint venture and associated companies (Zhi Shang, Master Mind, Satech, Brillent) in their initial stages, as well as unbudgeted expenses related to the listing of ATA Online's shares on the New Third Board



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



At ATA Inc.

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