



Speakers

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

FY 2017 THIRD QUARTER EARNINGS CALL
Tuesday, February 21, 2017, at 8 a.m. ET



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 third quarter ended December 31, 2016. 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.
- This presentation may contain forward-looking statements, and management may make additional forward-looking statements in response to your questions. Such written and oral disclosures are made pursuant to the Safe Harbor provision of the Private Securities Litigation Reform Act of 1995.
- 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 fiscal third quarter ended December 31, 2016, financial results, are converted from RMB using an exchange rate of 6.9430 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	\$3.71 (as of 2/17/2017)
Market Cap	\$85 million (as of 2/17/2017)
ADSs Outstanding	22.9 million
Book Value Per ADS	\$2.78

All information as of 12/31/2016 unless otherwise noted.



Operating and Financial Highlights

Shelly Jiang, Interim Chief Financial Officer

KEY OPERATING HIGHLIGHTS

Delivered 7.0 million billable tests in Third Quarter 2017, compared to 5.1 million in prior-year period

On November 5, 2016, the Company has successfully delivered the first National Tour Guide Qualification Exam, across 32 provinces, municipalities and autonomous regions in China

On October 15 and October 16, 2016, the Company has successfully delivered the CPA Exam to about 2.2 million tests

Revenue from Fund Practitioners Certification Exam double growth compared with prior-year period

Simultaneous, Large-scale Test Delivery

Nationwide network of 3,105 test centers (as of 12/31/2016), covers every province in mainland China



KEY FINANCIAL HIGHLIGHTS

Net revenues increased 23.5% to RMB273.5 million compared to RMB221.4 million in third quarter 2016.

Gross margin 50.8% compared to 49.5% in third quarter 2016

Net income attributable to ATA Inc. increased 52.8% to RMB75.4million

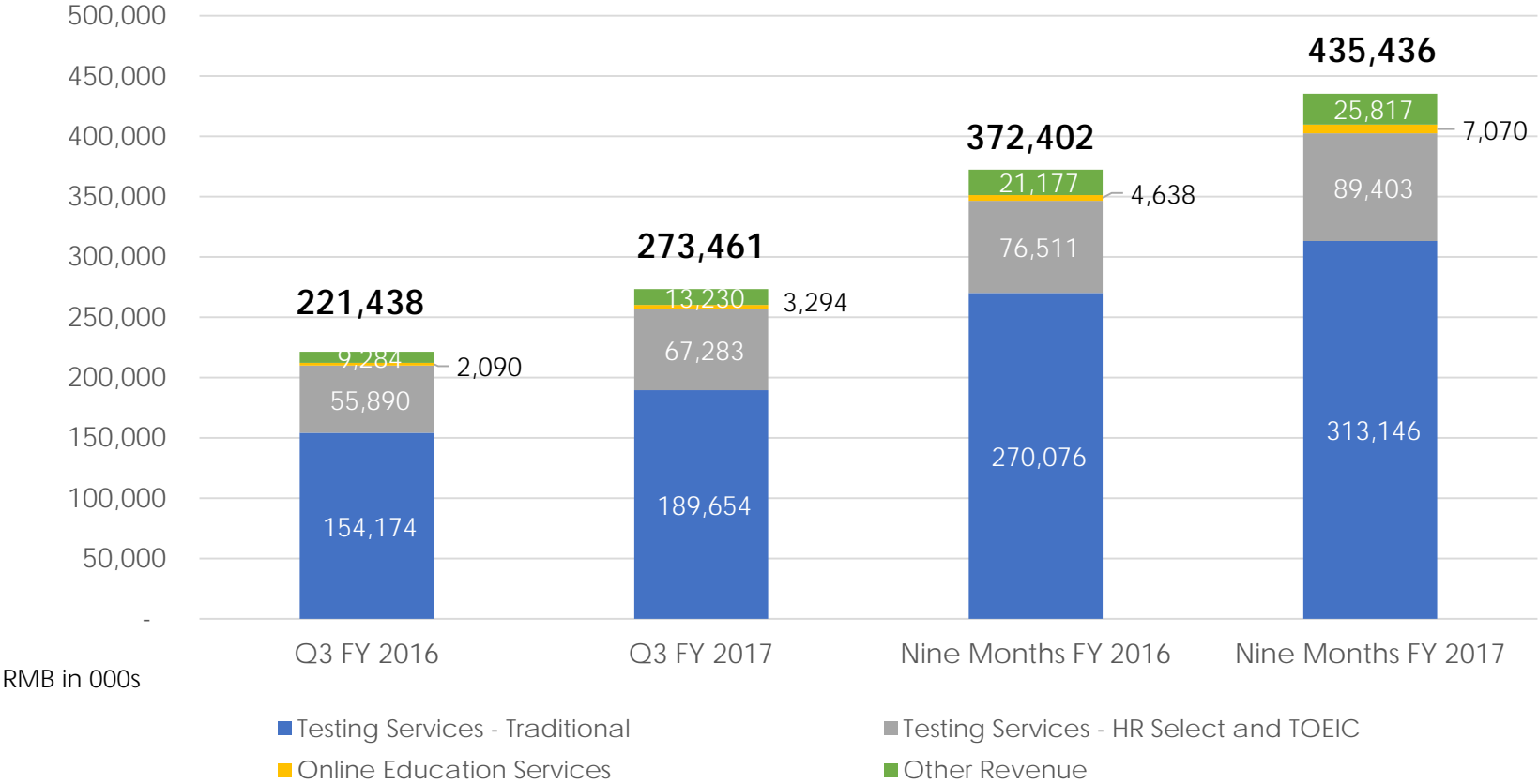
Reiterates net revenue and non-GAAP net income attributable to ATA Inc. guidance for FY 2017*

*As reported in the Company's fiscal 2017 second quarter financial results press release on 11/9/2016



REVENUE BREAKDOWN

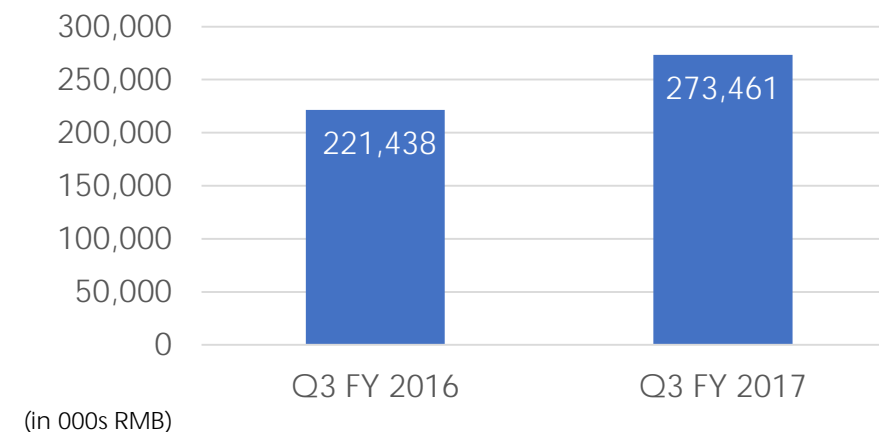
- **Testing Services** is ATA's core business offering large-scale, computer-based testing across China, ~94.0% of revenues in Q3 FY 2017.
- **Online Education Services** for continued professional development



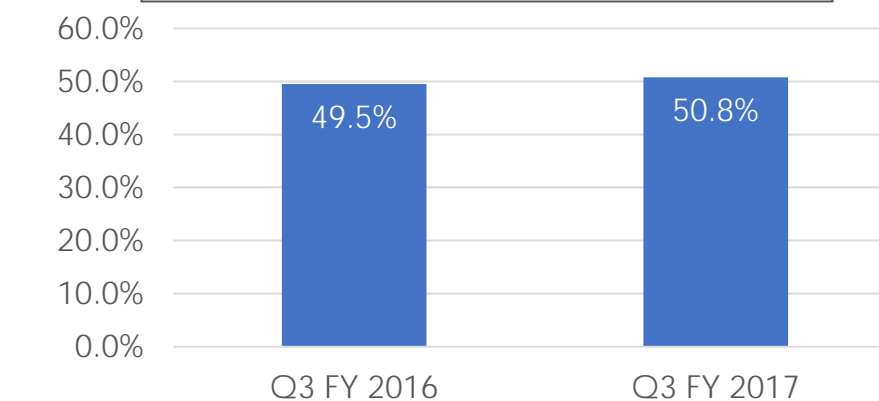
SUMMARY FINANCIAL RESULTS –THIRD QUARTER

In 000s except margin and per share data	Q3 FY 2016	Q3 FY 2017	Q3 FY 2016	Q3 FY 2017
	RMB		USD	
Net Revenues	221,438	273,461	\$34,184	\$39,386
Cost of Revenue	111,724	134,537	\$17,247	\$19,377
Gross Profit	109,713	138,923	\$16,937	\$20,009
Gross Margin	49.5%	50.8%	49.5%	50.8%
Operating Expenses	39,783	45,119	\$6,141	\$6,498
Income from Operations	69,931	93,805	\$10,795	\$13,511
Net Income attributable to ATA Inc.	49,353	75,412	\$7,619	\$10,862
Diluted Earnings Per ADS attributable to ATA Inc.	2.16	3.30	\$0.34	\$0.48

Third Quarter Net Revenues



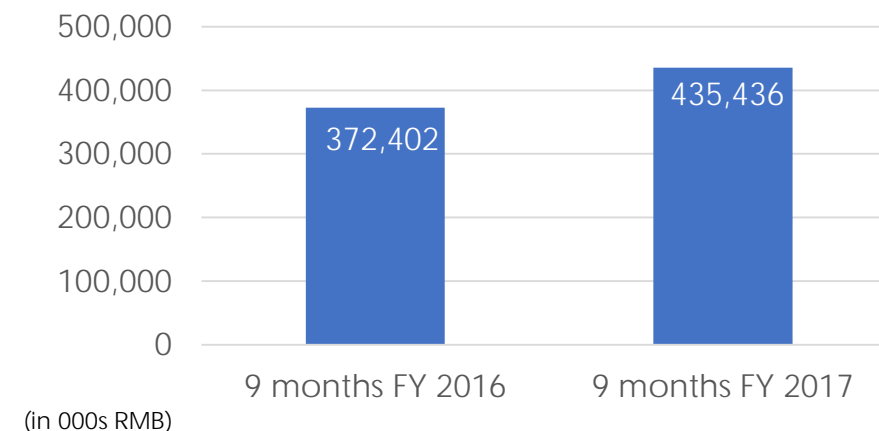
Third Quarter Gross Margin



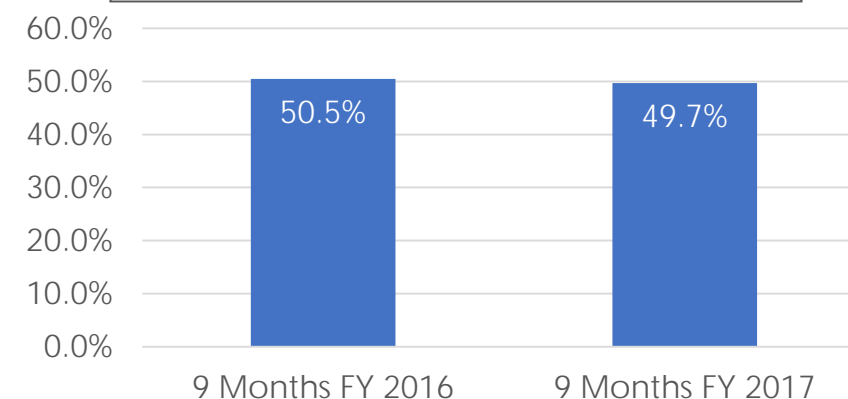
SUMMARY FINANCIAL RESULTS – NINE MONTHS

In 000s except margin and per share data	9 months	9 months	9 months	9 months
	FY 2016	FY 2017	FY 2016	FY 2017
	RMB		USD	
Net Revenues	372,402	435,436	\$57,489	\$62,716
Cost of Revenue	184,167	218,885	\$28,431	\$31,526
Gross Profit	188,235	216,551	\$29,058	\$31,190
Gross Margin	50.5%	49.7%	50.5%	49.7%
Operating Expenses	121,712	120,842	\$18,789	\$17,405
Income from Operations	66,523	95,709	\$10,269	\$13,785
Net Income attributable to ATA Inc.	41,422	43,978	\$6,395	\$6,334
Diluted Earnings Per ADS attributable to ATA Inc.	1.80	1.92	\$0.28	\$0.28

Nine Months Net Revenues



Nine Months Gross Margin



FINANCIAL ANALYSIS – NON-GAAP

RMB in 000s except EPS	FY 2015					FY 2016					FY 2017			9 Months FY 2017
	Q1	Q2	Q3	Q4	FY 2015	Q1	Q2	Q3	Q4	FY 2016	Q1	Q2	Q3	
Net Revenues	84,317	102,478	123,048	40,315	350,158	97,529	53,436	221,438	44,737	417,140	96,844	65,132	273,461	435,436
Net Income (Loss) attributable to ATA Inc.														
GAAP	4,606	8,831	24,618	(14,998)	23,056	6,138	(14,069)	49,353	(15,371)	26,051	4,143	(35,578)	75,412	43,978
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	1,009	1,032	3,080
Foreign Currency Exchange (Gain) Loss	972	(349)	405	39	1,067	59	1,431	12	4	1,506	31	15	30	76
Non-GAAP	8,736	11,021	21,765	(10,289)	31,234	10,011	(10,697)	51,366	(13,959)	36,722	5,214	(34,554)	76,474	47,134
Diluted Earnings (Losses) Per ADS attributable to ATA Inc.														
GAAP	\$0.09	\$0.06	\$0.18	(\$0.10)	\$0.16	\$0.04	(\$0.10)	\$0.34	(\$0.10)	\$0.18	\$0.02	(\$0.24)	\$0.48	\$0.28
Non-GAAP	\$0.18	\$0.08	\$0.16	(\$0.08)	\$0.22	\$0.08	(\$0.08)	\$0.34	(\$0.10)	\$0.24	\$0.04	(\$0.22)	\$0.48	\$0.30

BALANCE SHEET

Balance Sheet Highlights

	3/31/2016	12/31/2016	3/31/2016	12/31/2016
In 000s	RMB		USD	
Cash and Cash Equivalents	247,668	247,709	\$38,410	\$35,678
Total Current Assets	320,152	337,220	\$49,651	\$48,570
Total Assets	470,461	574,507	\$72,962	\$82,746
Total Current Liabilities	74,352	130,563	\$11,531	\$18,805
Total Liabilities	76,231	131,944	\$11,822	\$19,004
Shareholders' Equity	394,231	442,563	\$61,140	\$63,742
Total Liabilities & Shareholders' Equity	470,461	574,507	\$72,962	\$82,746

\$35.7 million in cash and cash equivalents at 12/31/2016

PROJECTIONS – FOURTH QUARTER 2017 and FY 2017

RMB millions	Guidance for Q4 FY 2017 (ending 03/31/2017)		Q4 FY 2016 Actual
	Low	High	
Net Revenue	26.0	31.0	44.7

RMB millions	Guidance for FY 2017		FY 2016 Actual
	Low	High	
Net Revenue	455.0	475.0	417.1
Non-GAAP Net Income attributable to ATA Inc.*	0.0	10.0	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, as well as a investment in K-12 education assessment project and an unanticipated impairment loss from Master Mind.



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
- 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 x 5500
jiangyan@atai.net.cn

**Investor Relations Counsel:
The Equity Group**

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

Katherine Yao, Senior Associate
+86 10 6587 6435
kyao@equityny.com

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

