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## First Quarter Fiscal 2010 Results Presentation



March 2, 2010



This announcement contains forward-looking statements. These statements are made under the “safe harbor” provisions of the U.S. Private Securities Litigation Reform Act of 1995. These forward-looking statements can be identified by terminology such as “will,” “may,” “should,” “potential,” “continue,” “expect,” “anticipate,” “future,” “intend,” “plan,” “believe,” “is/are likely to,” “estimate” and similar statements. Among other things, the outlook for the second quarter of the fiscal year 2010 and quotations from management in this announcement, as well as the Company’s strategic and operational plans, and the new investment, contain forward-looking statements. The Company may also make written or oral forward-looking statements in its periodic reports to the SEC in its annual report to shareholders, in press releases and other written materials and in oral statements made by its officers, directors or employees to third parties. Statements that are not historical facts, including statements about the Company’s beliefs and expectations, are forward-looking statements. Forward-looking statements involve inherent risks and uncertainties. A number of factors could cause actual results to differ materially from those contained in any forward-looking statement, including but not limited to the following: our goals and growth strategies; our future prospects and market acceptance of our online courses and other products and services; our future business development and results of operations; projected revenues, profits, earnings and other estimated financial information; projected enrollment numbers; our plans to expand and enhance our online courses and other products and services; competition in the online education and test preparation markets; and Chinese laws, regulations and policies, including those applicable to the Internet and Internet content providers, the education and telecommunications industries, mergers and acquisitions, taxation and foreign exchange.

Further information regarding these and other risks is included in our annual report on Form 20-F and other documents filed with the SEC. The Company does not undertake any obligation to update any forward-looking statement, except as required under applicable law. All information provided in this presentation is as of December 31, 2009.

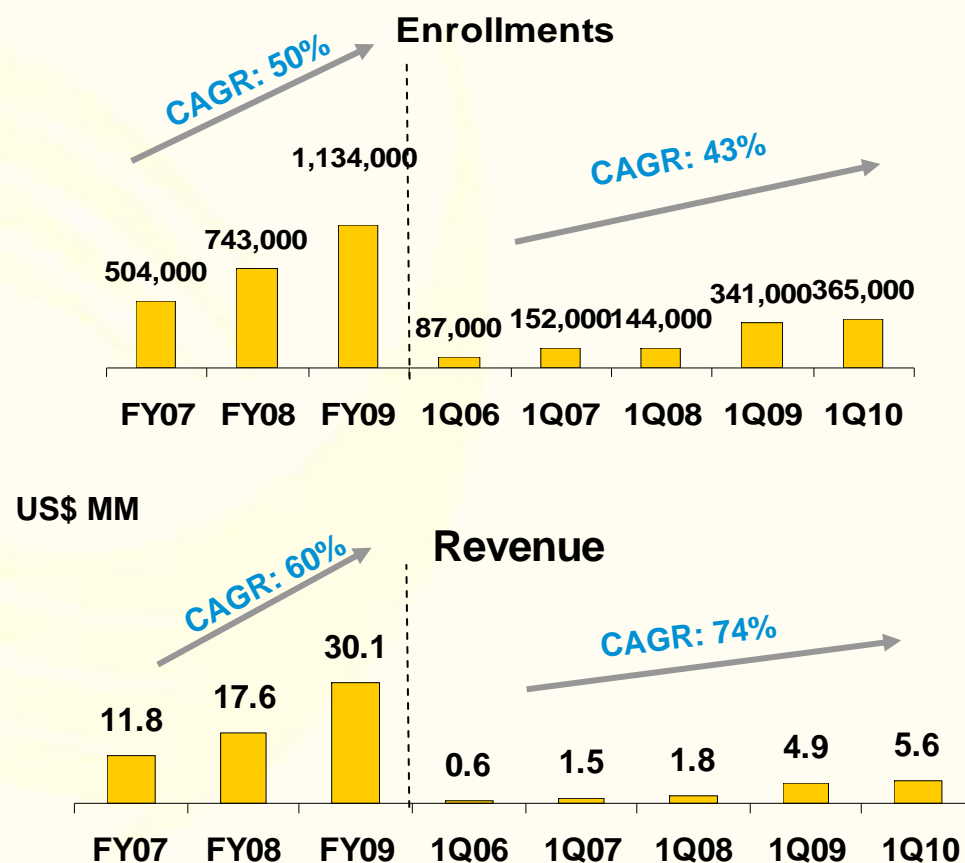


- ❖ **Results Overview**
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## Steady Performance Underpinned by Business Expansion

- ❖ First Quarter Fiscal 2010
  - Revenue : Increased 13% Y-o-Y to US\$5.6 million, meeting guidance
  - Enrollments : Increased 7% Y-o-Y to ~365,000
  
- ❖ Results impacted by delayed recognition of APQE Elite class revenues to 1QFY09 and 2008/2009 half-price promotion
  - Excluding the impact of delayed elite class revenue, revenue would have grown 39%
  
- ❖ Healthy growth from accounting continuous education and healthcare courses, and newly acquired Gaokao retake business Xinlixiang



# Operational Updates

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## Strong Enrollment Growth in Continuous Education Segment; Higher ASP in All Accounting Test Prep Courses

### ❖ Enrollment

- Continuous Education: increased 82% Y-o-Y to ~182,000
- APQE and CPA enrollments temporarily impacted by 2008/2009 half-price promotion

### ❖ Average Student Payment (ASP)

- Significant increase in all courses, except continuous education courses
  - Half-price promotion in 2008/2009
  - Actual price increases for APQE courses
- Cash enrollment ASP for APQE and CPA rose 55% Y-o-Y
- Other accounting courses excluding continuous education courses rose 66% Y-o-Y

### ❖ Cash Revenue

- Cash revenue for all accounting courses excluding continuous education courses rose 21% Y-o-Y

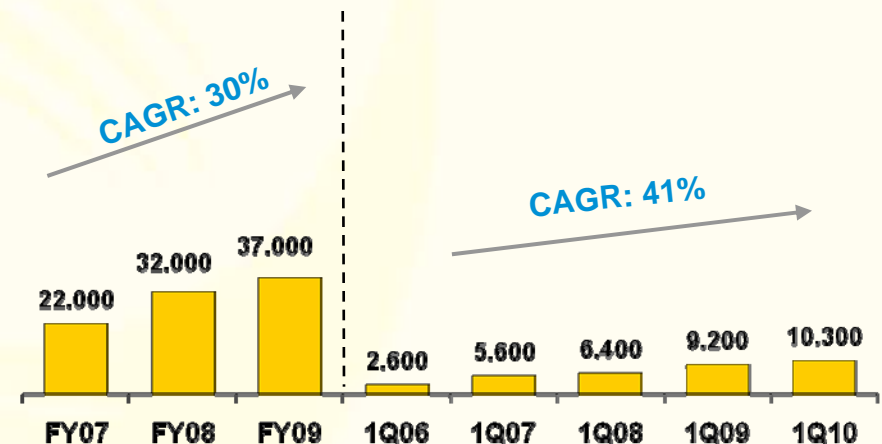
### ❖ US CPA Courses with Becker

- Preparations on track for official launch in China in 2010
- Positive initial market feedback

## Program Expansion to More Provinces and Self-Taught Higher Education Schools

- ❖ 1Q FY10 enrollments increased 10% Y-o-Y to about 10,300
- ❖ Self-taught programs in Jiangsu and Yunnan provinces
  - Commenced enrollment on a test-trial basis
  - Good revenue potential upon roll-out
- ❖ Ongoing efforts to further expand the program in more provinces

### Self-Taught Course Enrollments



## Strong Enrollment Growth in Healthcare and Construction and Engineering Courses

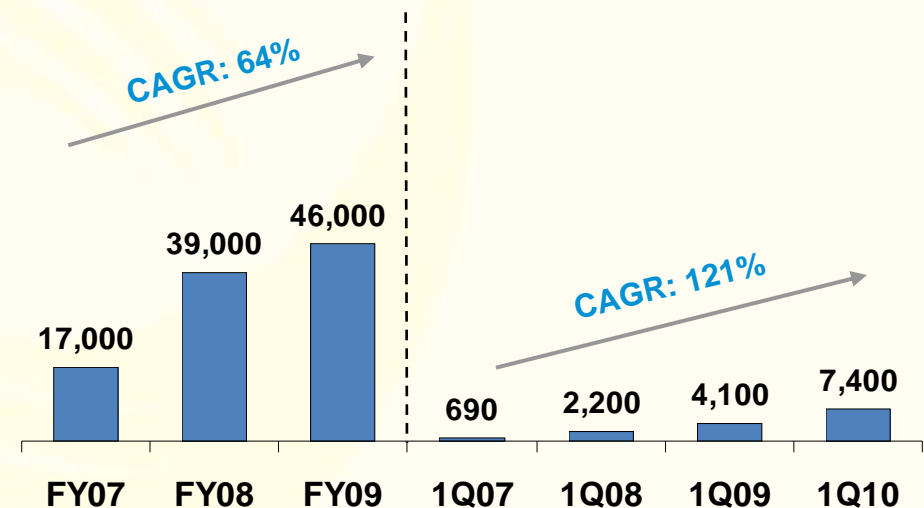
### ❖ Healthcare Courses

- Enrollment increased 73% Y-o-Y to ~7,400
- Performance driven by continued expansion in course offerings and better brand recognition

### ❖ Construction and Engineering

- Enrollments increased 161% Y-o-Y to ~9,600
- Strong growth fuelled by continuous education program

### Healthcare Course Enrollments







## ❖ Yucai

- Implemented strategic review to ensure smooth integration and long-term growth potential
  - Overhaul of Yucai management team
  - Curtailing expansion, costs and expenses
- No revenue recorded for 1QFY10; do not expect revenue contribution in 1HFY10

## ❖ Zhejiang Xinlixiang (New Dream)

- Good progress after acquisition
- Enrolled >1,000 Gaokao retake students, almost double previous school year enrollment
- Profitable in the quarter

# Financial Highlights

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# Selected Income Statement Items (Unaudited) – 1Q FY2010

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<i>(US\$ in Millions, except per ADS data)</i>	1Q FY10 GAAP	1Q FY09 GAAP	YoY Change% GAAP	1Q FY10 Non-GAAP
<b>Net revenues:</b>				
Online education services	3.9	4.4	(10.2)	3.9
Books and reference materials	0.4	0.3	53.8	0.4
Others including in-person training	1.2	0.3	309.2	1.2
<b>Total net revenues</b>	<b>5.6</b>	<b>4.9</b>	<b>13.0</b>	<b>5.6</b>
<b>Cost of sales</b>	<b>(3.7)</b>	<b>(2.5)</b>	<b>47.9</b>	<b>(3.2)</b>
<b>Gross profit</b>	<b>1.9</b>	<b>2.4</b>	<b>(23.1)</b>	<b>2.4</b>
<b>Gross margin</b>	<b>33.5%</b>	<b>49.2%</b>	<b>-</b>	<b>42.1%</b>
<b>Operating expenses:</b>				
Selling expenses	(2.0)	(1.3)	53.9	(1.9)
General and administrative expenses	(2.1)	(2.1)	1.7	(1.6)
<b>Total operating expenses</b>	<b>(4.1)</b>	<b>(3.4)</b>	<b>21.9</b>	<b>(3.5)</b>
<b>Income tax benefit (expense)</b>	<b>0.8</b>	<b>0.2</b>	<b>216.0</b>	<b>0.8</b>
<b>Net income (loss)</b>	<b>(1.3)</b>	<b>(0.5)</b>	<b>-</b>	<b>(0.2)</b>
<b>Basic net income (loss) per ADS</b>	<b>(0.038)</b>	<b>(0.013)</b>		<b>(0.005)</b>
<b>Diluted net income (loss) per ADS</b>	<b>(0.038)</b>	<b>(0.013)</b>		<b>(0.005)</b>

# Solid and Healthy Balance Sheet

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## Balance Sheet Summary

(US\$ in Millions)

Assets	Sep 30, 2009	Dec 31, 2009	Change
Cash and Cash Equivalents, Term Deposits and Restricted Cash	57.4	57.3	(0.1)
Receivables	5.2	7.9	2.7
Inventories	0.3	0.4	0.1
Net PP&E	7.9	8.6	0.7
Other Assets	22.2	20.8	-1.4
<b>Total</b>	<b>93.0</b>	<b>95.0</b>	

Liabilities and Shareholders' Equity	Sep 30, 2009	Dec 31, 2009	Change
Accrued Expenses and other liabilities	4.5	5.4	0.9
Deferred Revenues	7.9	10.0	2.1
Refundable Fees	1.8	1.9	0.1
Total Shareholder's Equity	76.9	76.5	(0.4)
<b>Total</b>	<b>93.0</b>	<b>95.0</b>	

# Strategy and Outlook

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## ❖ Continued Execution on Growth Initiatives

- Building on traditional offerings: accounting, healthcare, construction and engineering, continuous education
- Further developing new segments: self-taught higher education program, Gaokao retake, primary and secondary school supplementary education

## ❖ Outlook

- Steady near-term growth
- Accelerated longer-term growth



**2Q FY10 revenue expected in the range of US\$8 million to US\$9 million, compared with US\$6.8 million in 2Q FY09**

# Thank You

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