



SUCCESS THROUGH LEARNING 弘扬教育 成就人生

Strong Operating Results

2009 Third Quarter Results Presentation

November 24, 2009

Forward-Looking Statement

To supplement the unaudited condensed consolidated financial information presented in accordance with Accounting Principles Generally Accepted in the United States of America (“GAAP”), the Company uses non-GAAP measures of income from operations and net income attributable to ChinaEdu Corporation, which are adjusted from results based on GAAP to exclude certain non-cash items of share-based compensation, exchange loss, amortization of intangible assets and land use rights and goodwill and intangibles impairment charges, if applicable. The Company also uses adjusted EBITDA, which is also a non-GAAP measure and is adjusted from GAAP results of net income to exclude interest income, taxes, depreciation, amortization of intangible assets and land use rights, share-based compensation, exchange loss and goodwill and intangibles impairment charges, if applicable. These non-GAAP financial measures are provided to enhance the investors’ overall understanding of the Company’s current and past financial performance in on-going core operations as well as prospects for the future. These measures should be considered in addition to results prepared and presented in accordance with GAAP, but should not be considered a substitute for or superior to GAAP results. Management considers the non-GAAP information as important measures internally and therefore deems it important to provide all of this information to investors.

Convenience Translation

- The reporting currency of the Company is RMB, but for the convenience of the reader, the amounts are presented in U.S. dollars in this presentation
- All translations from RMB to USD were made at the rate of RMB6.8262 to \$1.00, the noon buying rate in effect on September 30, 2009 in the H.10 statistical release of the Federal Reserve Board
 - Historical financials presented in USD will differ from USD amounts presented for illustration purpose in past earnings releases due to different exchange rates used
- All percentages are calculated using the numbers presented in the financial statements contained in the earnings release presented in RMB
- We make no representation that the RMB or USD amounts referred could be converted into USD or RMB, at any particular rate or at all

Financial and Business Highlights for Third Quarter 2009

Third Quarter Financial Highlights

*Revenue exceeded both management guidance and analyst consensus;
operating results improvement compared to 3Q08*

- Total net revenue in 3Q09 grew by 9.4% to \$13.1mm compared to \$12.0mm in 3Q08
- Net revenue for the Online Degree Programs in 3Q09 grew by 9.4% to \$10.5mm vs. \$9.6mm in 3Q08
 - Driven by 2009 spring semester enrollment of 147,000 revenue students vs. 125,000 revenue students in 2008 spring semester
- Adjusted EBITDA increased by 9.1% to \$3.9mm in 3Q09 compared to \$3.6mm in 3Q08
 - Adjusted EBITDA margin was 29.9% in 3Q09 compared to 30.0% in 3Q08
- Operating income increased to \$2.9mm in 3Q09 compared to a loss of \$0.2mm in 3Q08
 - No goodwill or intangible assets impairment
- Net income increased to \$1.1mm in 3Q09 compared to a loss of \$2.2mm in 3Q08
- Adjusted net income increased by 30.6% to \$1.4mm in 3Q09 compared to \$1.1mm in 3Q08
 - Adjusted net margin was 11.0% in 3Q09 compared to 9.2% in 3Q08

	3Q08	3Q09
Earnings per Diluted ADS	-\$0.114	\$0.061
Adj. Earnings per Diluted ADS	\$0.056	\$0.082

Third Quarter Business Highlights

Progress continues to be made in all business lines

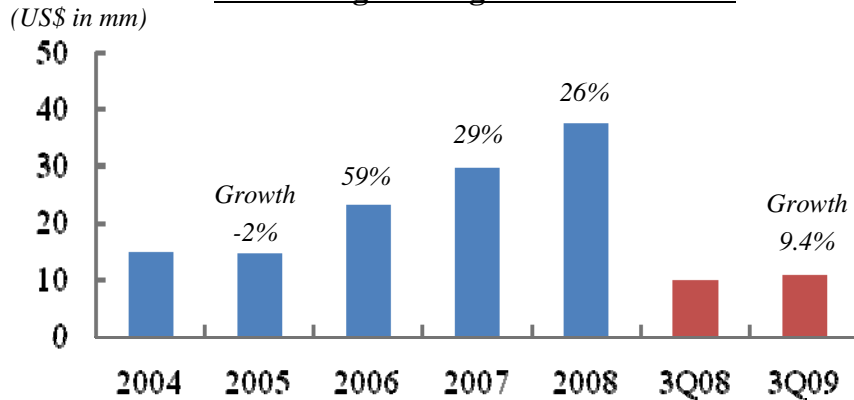
- Online Degree Programs
 - Continued expansion of the learning centers network, totaling 56 learning centers including 23 proprietary and 33 contracted learning centers
- 101 Online Tutoring
 - Continued improvement in sales with net revenue increasing by 60.1% to \$0.8 mm in 3Q09 compared to \$0.5mm in 3Q08
- Private Schools
 - Net revenue increased by 57.9% to \$1.1 mm in 3Q09 compared to \$0.7mm in 3Q08 primarily due to increased enrollment at the Anqing School's new campus
- International Curriculum
 - Net revenue declined by 41.5% in line with expectation and business development efforts for local school partners continues

Financial Review of Third Quarter 2009

Revenue by Business Line

Growth Y/Y in both total net revenue and Online Degree Programs

Online Degree Programs Net Revenue

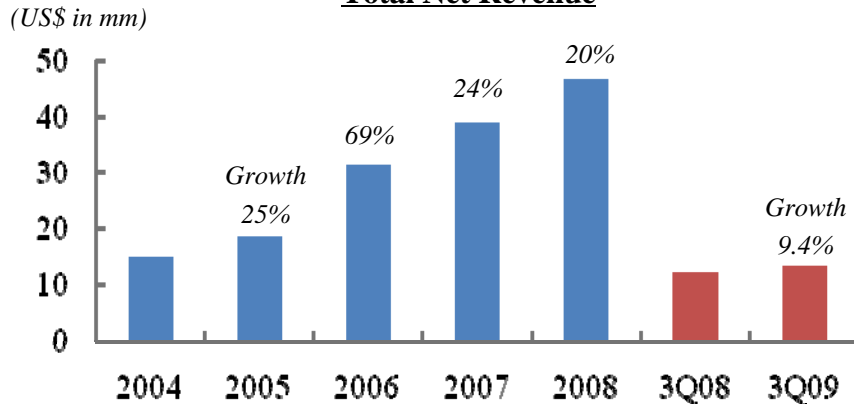


- Online Degree Programs net revenue grew by 9.4% in 3Q09 to \$10.5mm vs. 3Q08

- Strong 2009 spring semester enrollment with 147,000 revenue students vs. 125,000 in 3Q08

- Total net revenue grew by 9.4% in 3Q09 vs. 3Q08

Total Net Revenue

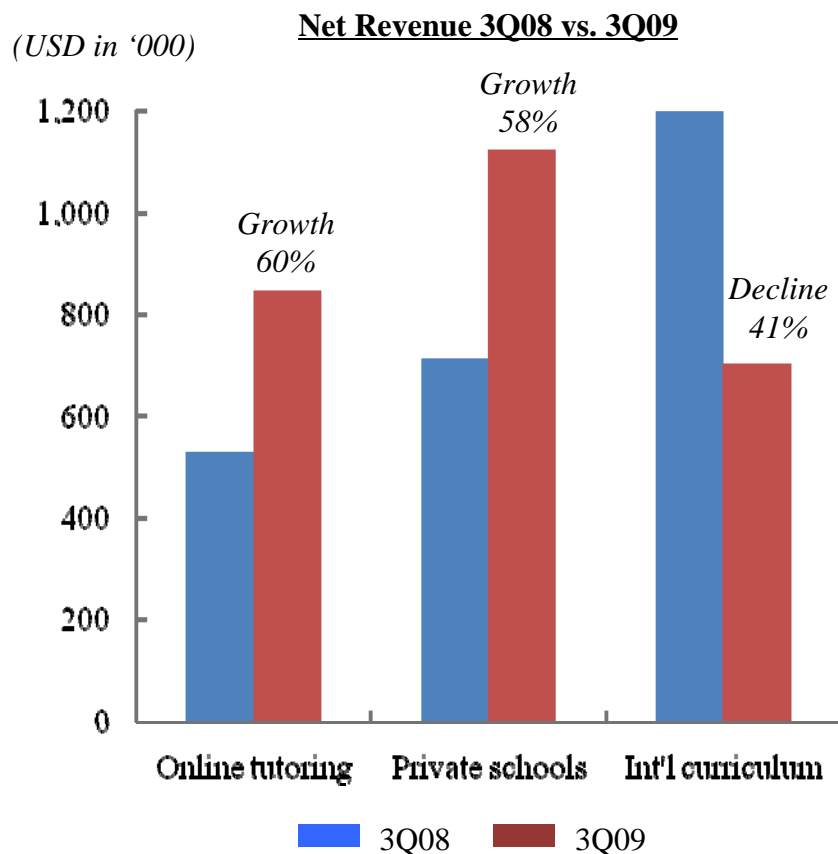


- Growth in Online Degree Programs, 101 Online Tutoring Programs and Private Schools businesses

- Slow down in International Curriculum Programs as expected

Revenue by Business Line (Cont'd)

101 Online Tutoring and Private Schools recorded strong revenue growth

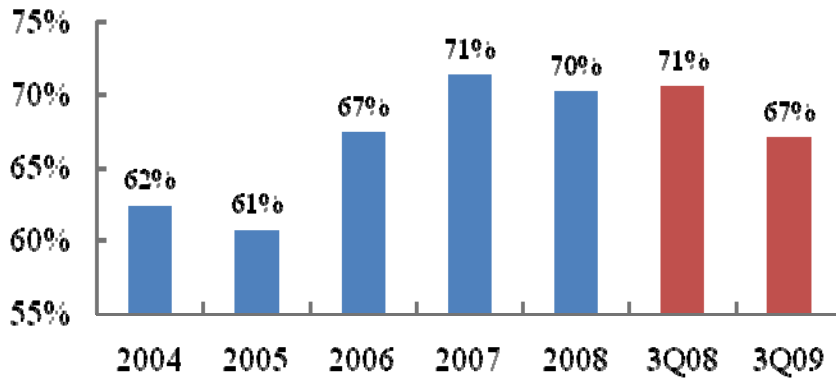


- 101 Online Tutoring continued to perform with solid growth
- Anqing School recorded strong enrollment growth due to new campus
- International Curriculum net revenue decline in line with expectations

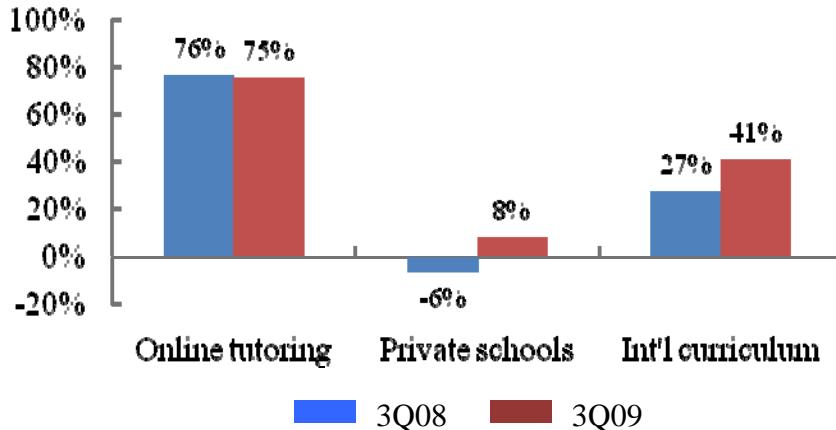
Gross Margin

Gross margin in 3Q09 declined Y/Y primarily due to expansion of LCs

Online Degree Programs Gross Margin



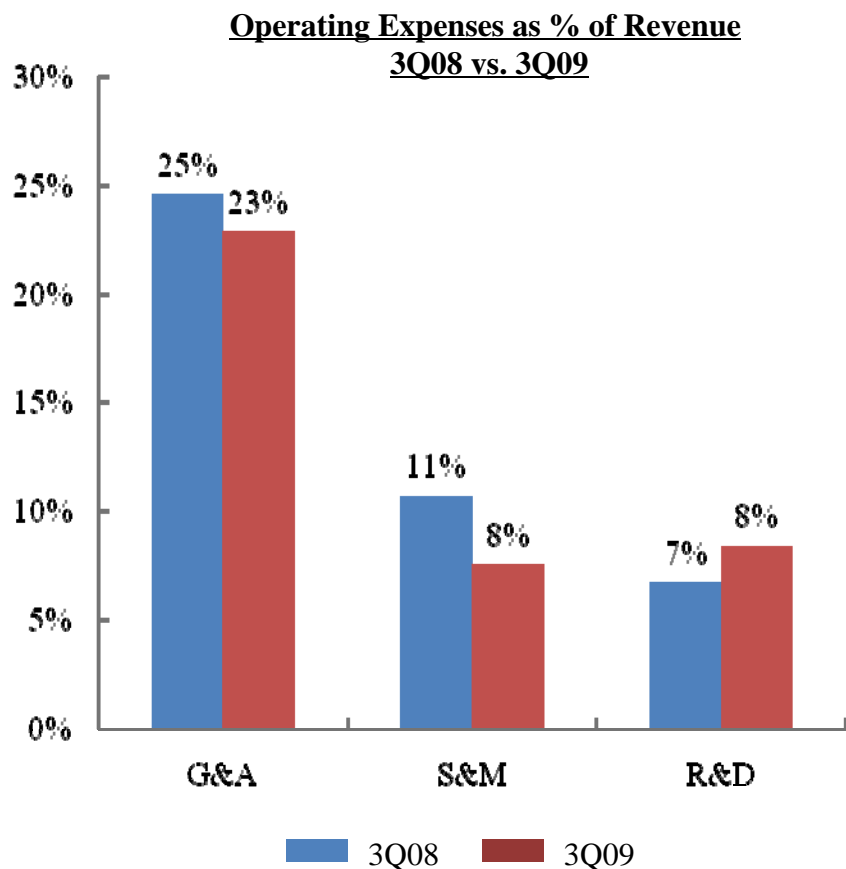
3Q09 vs. 3Q08 Gross Margins by Business Lines



- Online Degree Programs gross margin decreased due to continued expansion of the learning centers
- 101 Online Tutoring gross margin remained relatively flat
- Private Schools gross margin increased due to revenue growth from new campus
 - 3Q08 cost of revenue also included a one-time bonus payment to faculty
- International Curriculum Programs gross margin increased due to cost controls

Operating Expenses

Operating margin expanded to 22.2% in 3Q09 vs. a loss of 1.8% in 3Q08 primarily due to a lacking of goodwill and intangible assets impairment



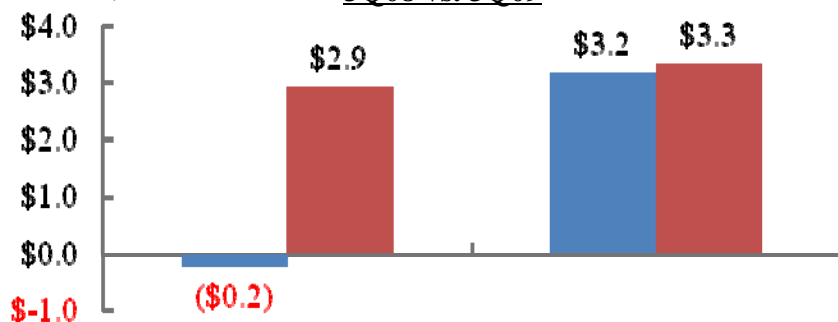
- G&A expenses of \$3.1mm remained nearly flat with a slight decrease in G&A as % of revenue
 - Expenses associated with being a listed company declined compared to 3Q08
- S&M expenses of \$1.0mm and as % of revenue declined primarily due to:
 - Reduced general advertising expenses; focus on local recruiting efforts
 - Conference related expenses happened in 3Q08 vs. 4Q of this year
 - Intangible assets impairment related to S&M items
- R&D expenses of \$1.1mm and as % of revenue increased due to investment in our online degree technology platform and products in 101 online tutoring programs

Adjusted Operating Income

*Adj. operating income in 3Q09 and first 9 months increased Y/Y;
Adj. operating margin in 3Q09 and first 9 months declined slightly*

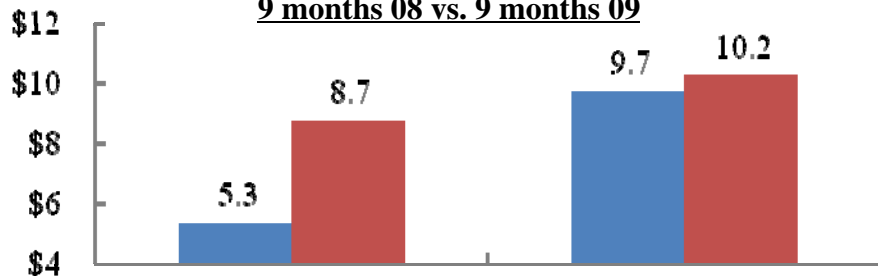
(USD in mm)

3Q08 vs. 3Q09



	Op. Income		Adj. Op. Income	
Margin	-1.8%	22.2%	26.3%	25.3%

9 months 08 vs. 9 months 09



	Op. Income		Adj. Op. Income	
Margin	15.7%	23.0%	28.6%	27.0%

■ 2008 ■ 2009

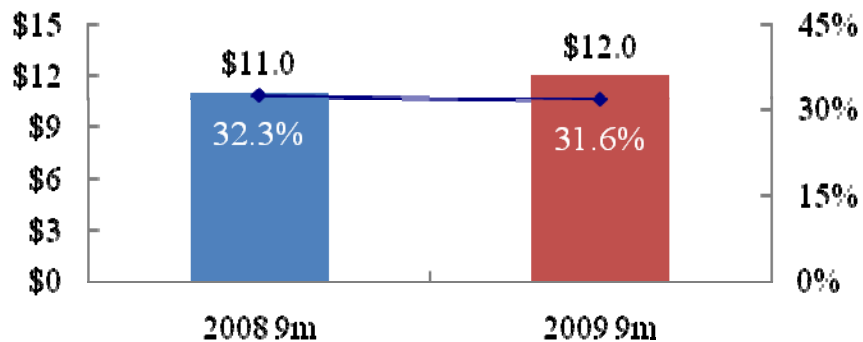
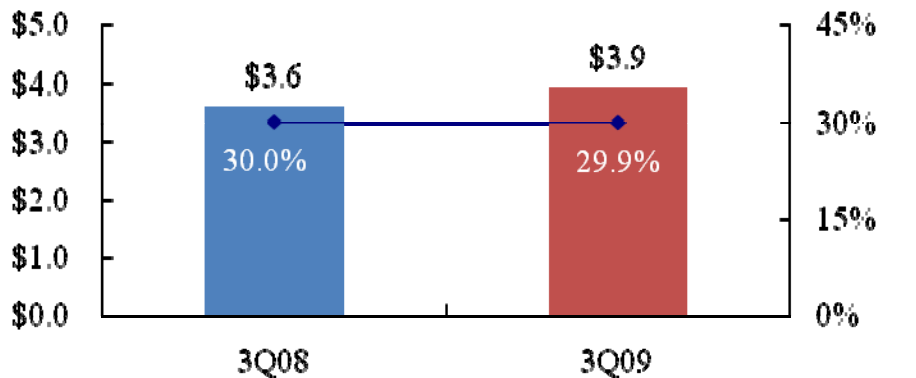
- GAAP operating income improved to \$2.9mm in 3Q09 compared to a loss in 3Q08 primarily due to a lacking of goodwill and intangible assets impairment
- Adjusted operating margin declined slightly to 25.3% in 3Q09 vs. 26.3% in 3Q08 primarily due to:
 - Lower gross margin due to expansion of learning centers
 - Reduced amortization in 3Q09 due to intangible assets impairment in 2008

Adjusted EBITDA

*Adj. EBITDA in 3Q09 and 9 months increased Y/Y;
Adj. EBITDA margin in 3Q09 and 9 months decreased slightly*

Adj EBITDA and Adj EBITDA Margin

(USD in mm)



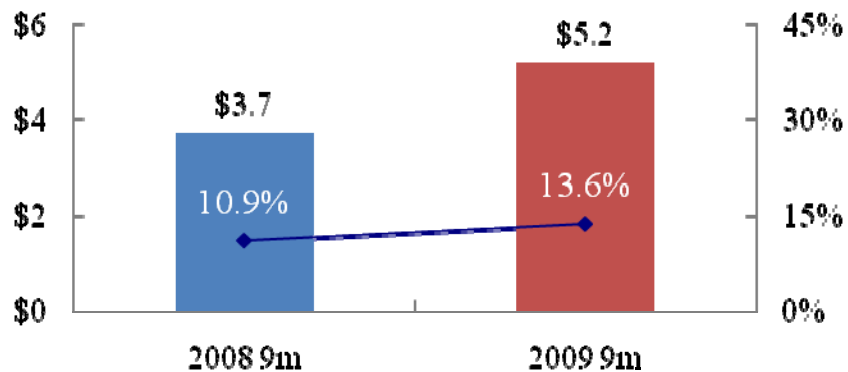
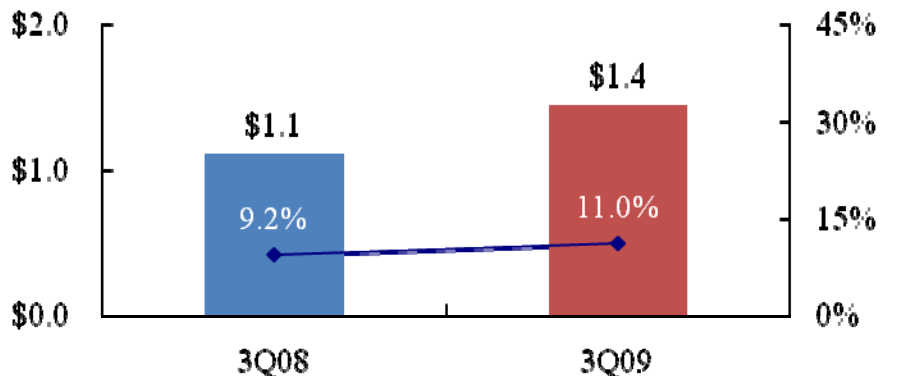
- Adj. EBITDA was \$3.9mm for 3Q09
 - Adj. EBITDA margin remained stable at 29.9% in 3Q09 vs. 30.0% in 3Q08
 - Depreciation expenses was \$0.6mm in 3Q09 vs. \$0.4mm in 3Q08
 - Amortization expenses was \$0.2mm in 3Q09 vs. \$0.3mm in 3Q08
 - SBC remained flat at \$0.2mm
- Adjusted EBITDA for 9 months in 2009 was \$12.0mm
 - Adjusted EBITDA margin declined slightly at 31.6% in 3Q09 vs. 32.3% in 3Q08

Adjusted Net Income

*Adj. net income increased in 3Q09 and first 9 months Y/Y;
Adj. net margin in 3Q09 and first 9 months increased Y/Y*

Adj NI and Adj Net Margin

(USD in mm)



- Adj. NI and adj. net margin increased in 3Q09 vs. 3Q08 primarily due to decreases in tax expenses
 - Partially offset by increases in net income attributable to noncontrolling interest
- Adj. NI and adj. net margin also increased for the 9 months Y/Y
- Effective tax rate in 3Q09 was approximately 23.3%

Solid Balance Sheet

(\$ in thousands, unaudited)	December 31,2008	June 30,2009	September 30,2009
Cash and cash equivalents	51,849	33,860	32,850
Term deposits	9,302	11,645	12,962
Accounts receivable, net	2,176	3,657	1,927
Amounts due from related parties	22,043	33,069	29,140
others	3,551	2,733	5,437
Total current assets	88,922	84,963	82,316
Property and equipment, net	23,721	27,839	28,928
Intangible assets, net	10,310	9,945	9,817
Goodwill	5,589	5,589	5,589
others	6,040	6,140	6,246
Total assets	134,581	134,476	132,896
Deferred revenues	14,073	13,972	4,790
Accrued expenses and other current liabilities	7,563	7,653	8,888
Amounts due to related parties	3,775	7,892	9,642
Income taxes payable	4,090	3,436	4,140
others	3,009	2,741	3,365
Total current liabilities	32,510	35,695	30,825
Deferred revenues	890	902	1,277
Deferred tax liabilities	1,622	1,559	1,543
Unrecognized tax benefit	802	1,092	1,105
others	-	-	-
Total liabilities	35,823	39,247	34,750
Total shareholders' equity:	86,407	80,950	82,570
Noncontrolling interest	12,352	14,279	15,576
Total equity	86,407	95,229	98,146
Total liabilities and equity	134,581	134,476	132,896

■ Cash and cash equivalents plus term deposits of \$45.8mm

■ Deferred revenue decreased significantly compared to previous quarter 2Q09 due to revenue recognition from 2009 spring semester

Revenue Guidance for Fourth Quarter 2009

Revenue Guidance for 4th Quarter 2009

- 2009 fourth quarter revenue guidance is between ¥88 million and ¥92 million, or \$12.9 million and \$13.5 million, which represents a 1.7% to 6.3% growth from total net revenue in the fourth quarter of 2008
 - However, excluding the value added tax (“VAT”) refund of ¥6 million or \$0.9 million in 4Q08, our guided net revenue for 4Q09 represents a solid growth of 9.3% to 14.2%

Non-GAAP Financial Measures

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