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SUCCESS THROUGH LEARNING
www.ChinaEdu.net

ChinaEdu Corporation

November 2011

Company Snapshot

Company Overview

- Ticker: CEDU
- Listing: NASDAQ (December 11, 2007)
- Market cap: $109.40M (as of Sept 13, 2011)
- Founded: 1999
- The largest online degree service provider in China
- The largest K-12 online tutoring program in China

Vision & Mission

Vision: *To be China's favorite educator that brings learning opportunities to life*

Mission: *Changing the fundamentals of learning in China, facilitating interactive learning where students are engaged and able to experience the joys of learning.*

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Business Segments Overview

In 5 years, ChinaEdu plans to grow consumer-driven K-12 business up to 50% of total revenue

Online Degree Program
80% of Revenue

Including Learning Center Business
- 311,000 Students
- 103 Learning Centers


Private Schools

Online Tutoring

International Curriculum

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Opportunities in Online Degree Education

The severe capacity gap for post secondary degrees is met with online education

University Enrollment Rate
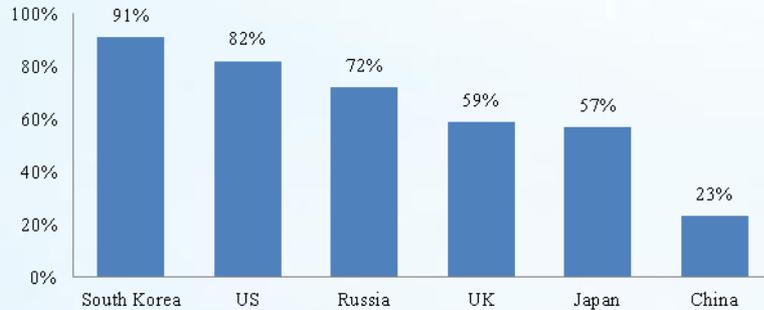
Source: US NCES, PRC MOE, UNESCO Statistical yearbook

Average Annual Salary Differentials
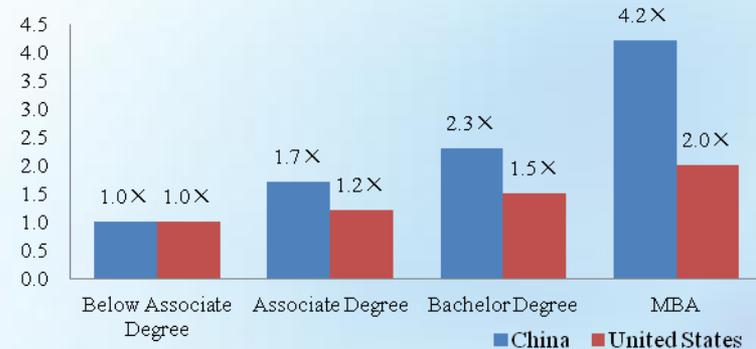
ChinaHR.Com, US Census Bureau

Higher wages paid for higher education drives demand for online degree programs

Dominant Position in Online Degree Programs

Top tier university partners

*Exclusive 20-50 Year Contracts with Top Universities*

18

Recruiting Services

100% Market Share

10

Comprehensive Services / JV

20+

Tech & Product Services

68
Univ.
w/ Online
Degree
License

Renmin University Of China

Dongbei University of Finance and Economics

University Of Chongqing

East China University of Science and Technology

Beijing Language and Culture University

Jiangnan University

China Agricultural University

Nanjing University

Lanzhou University

Huazhong Normal University

High Barrier To Entry

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Expansion in Learning Center Network

Provides recruiting and online program services for 18 top tier universities

| Penetrate | Expand | Develop | Team Building |

Number of Learning Centers

Year	2008	2009	2010	2011E
Proprietary	12	22	53	57
Contracted	14	25	38	46

■ Contracted ■ Proprietary
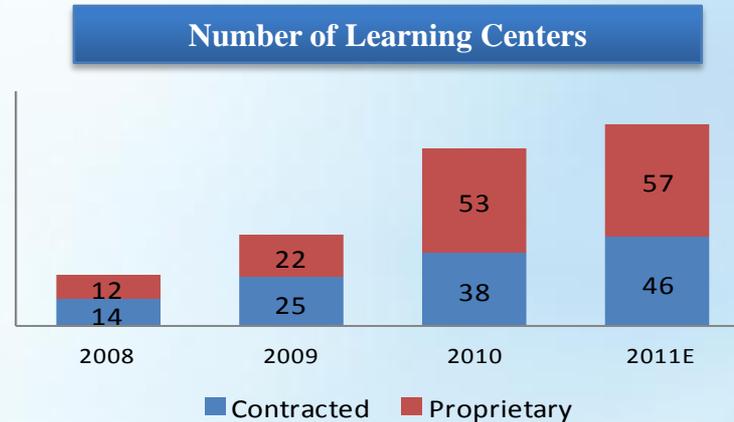
One of three operators approved by the Ministry of Education to run Learning Centers in China

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Opportunities in K-12 After-school & Tutoring Market

Competition and purchasing power increase drives demand for K-12 Market

- ✓ Intense competition
- ✓ One child policy – Chinese family structure
- ✓ Disposable Income Growth

China's Disposable Income

Chart: Per Capita Disposable Income (bars) and Y/Y Growth (line)

- 2006: $1,450, 12%
- 2007: $1,800, 17%
- 2008: $2,400, 14%
- 2011E: $2,900, 10%

Legend: ■ Per Capita Disposable Income — Y/Y Growth
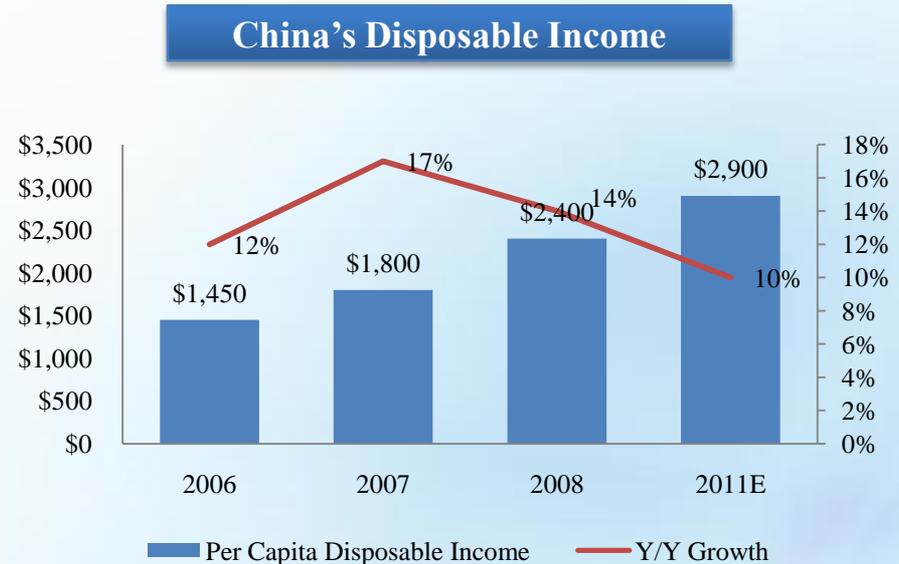
K-12 after-school market is still in its infancy, quality of teaching will be the driver

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101 Online School

China's first and largest K-12 online tutoring program

- Wide national footprint:
    - 500 branches and agencies
    - 30 provinces
    - 300 partner schools
    - Over 50,000 paying students in 2011
    - Over 7,500 classes content for all subjects

Over One Million Students Served!

Progress in online tutoring services for K-12 students

Operating Matrix

Number of Registerd Users	758,047
Number of Certified Teachers	100,447
Paid Users	710,23
The highest Single-day PV/UV	584,684/ 220,409

Page View

PV number

18,381,860   27,548,631

2010 01～04   2011 01～04

New Teachers

教师注册量

4177

1487

2009.4.1-2010.4.1   2010.4.1-2011.4.1

跨平台服务应用

Mobile   Telephone   Online video tutoring

wap.prcedu.com   400-0123-000   www.chinaedu.com
Mobile App
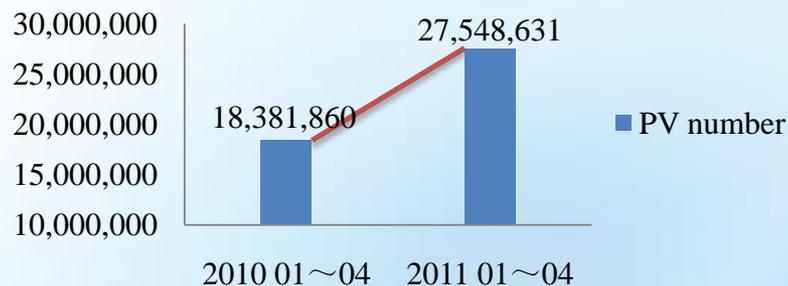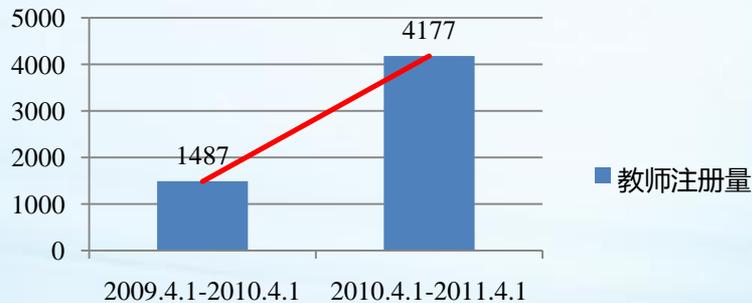
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101 Online School - Progress in Interactive Q&A Services

101 Online School - New Interactive Product Development

答疑网 Online Q&A
85%的问题10分钟内回答
Interactive

知识点点通
Knowledge Points
Personalized

知识周周练
Weekly Practice
Interactive

中高考真题库 **Assessment** **Open - UGC**

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Opportunities in Going-Abroad Study in China

Rapid growth in study abroad drives demand in high-level services

Growth in No. of going abroad students

Student No. in ten thousand	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Self Fund	2.1	3.2	7.6	11.	11	10.	10.	12.	12.	16.	21
Total No.	2.4	3.9	8.4	12.	11.	11.	11.	13.	14.	18	22.
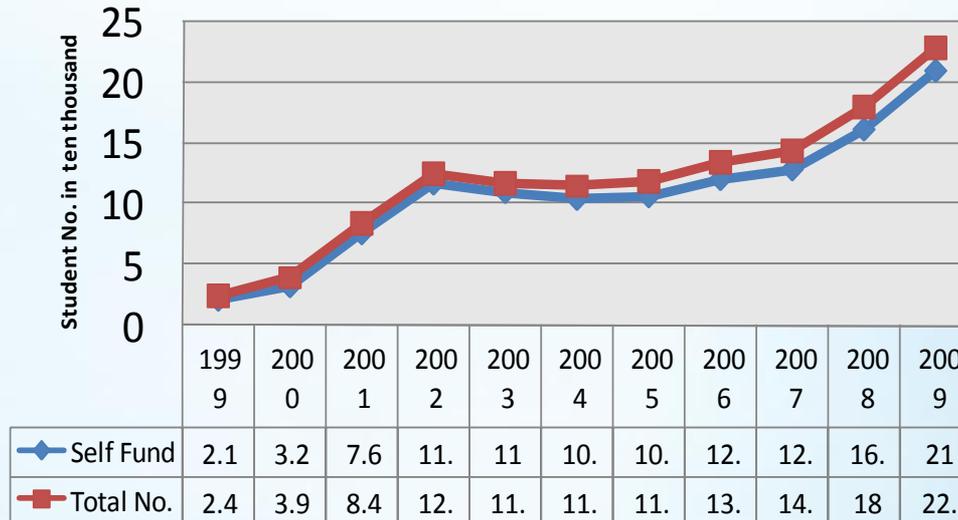
Source: China Ministry of Education

International Pre-College Programs

Current Status

Current China K-12 Education:
- ✓ Cram School for Standardized Tests
- ✓ Chinese National College Entrance Examination Preparation Course

Chinese Students' Weaknesses:
- ✓ Lack of SAT and AP exam prep courses
- ✓ Lack of understanding about U.S. educational culture
- ✓ Lack after-school activities
- ✓ Lack of knowledge of how to "market" each student in his or her U.S. university application

Our Program

Academic Skills
SSAT
SAT
ACT
AP

Language Ability
Reading and Writing
Grammar
Oral Skills
TOEFL iBT

Social Responsibility
Internship
Volunteer Activities
Community Service

After School Activities
Sports
Music
Model UN
Competition

Our Elite Students
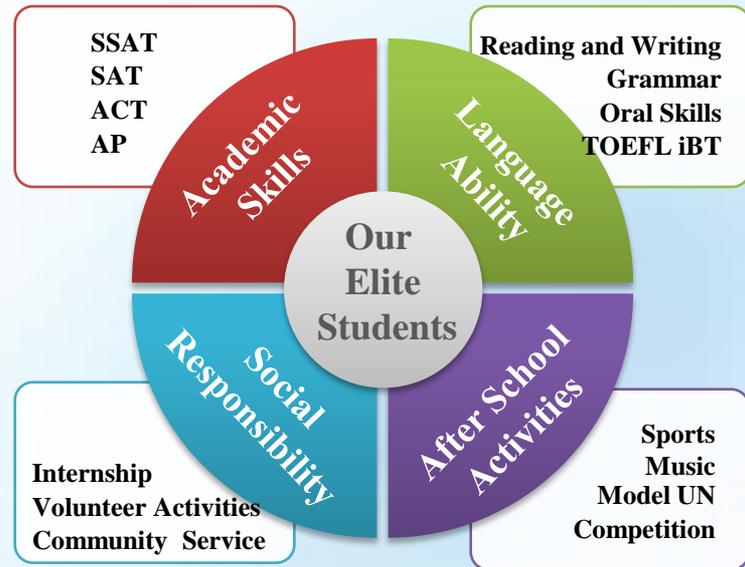
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After-school Elite Programs

To address the "latch key children" phenomenon in China

Homework assistance for students

1

2   A rich English- speaking environment

Courses in English literature   **6**

We Offer

3   Courses in science, mathematics and arts

Instruction on western culture   **5**

4

Classes in physical education
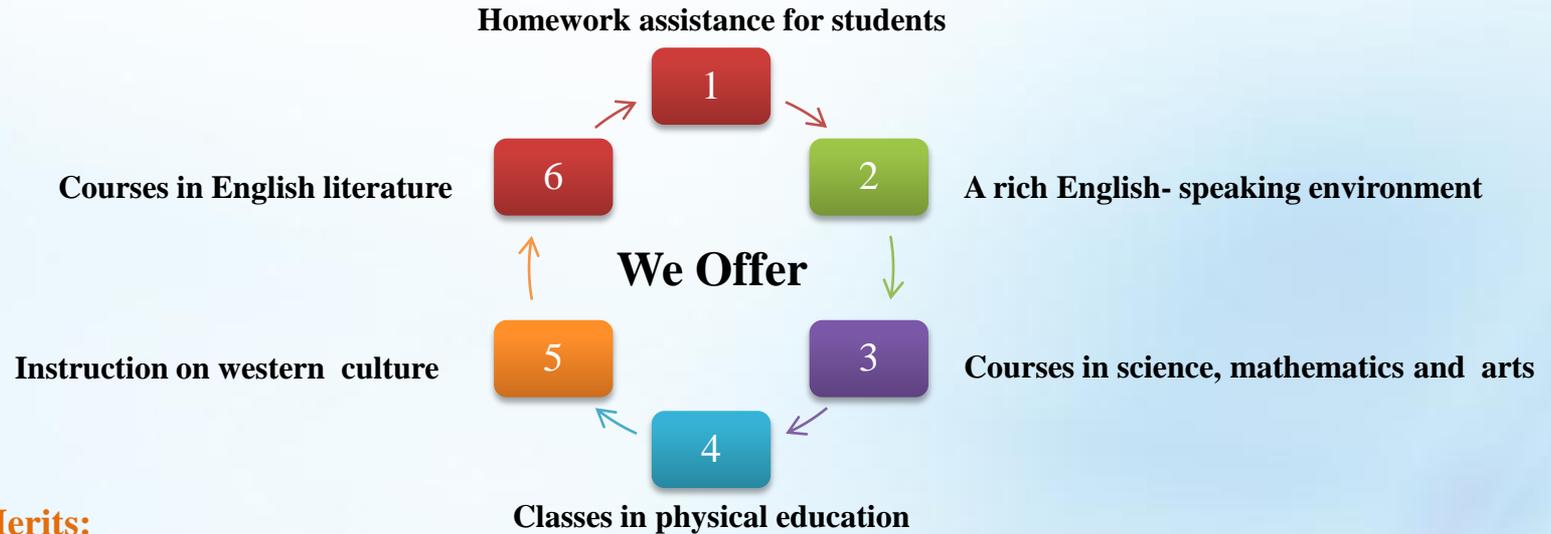
Our Merits:
1. A safe and happy environment
2. Professional instructors
3. The first center in China

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ChinaEdu's Roadmap for Long-Term Growth

Online Degree Services

- ✓ Add new partners and seek approval from MOE
- ✓ Organic growth from existing partnerships

Offline recruiting & service support

Learning Centers & Schools

- ✓ Continued geographic expansion for learning center network
- ✓ Roll out personalized K-12 tutoring programs in major cities
- ✓ International Elite Programs for going-abroad study

Offline sales & services support

Online Learning

- ✓ Interactive & individualized content for mobile and web applications

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Future Business Initiatives

An integrated learning platform: Further enhance leading position in online education

| Online Degree Program | 101 Online School | Teacher Training | Int'l Elite Program |

→

Learning Center
- Degree
- Test prep
- Training
- SNS
- Internet-Mobile

✓ Transform from vertical offerings to interactive platform

✓ Provide personalized tutoring services both online and offline

✓ Provide International & Elite Programs

✓ Integrate online content for mobile, tablet and web applications

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Taking Education from 1.0 to 2.0
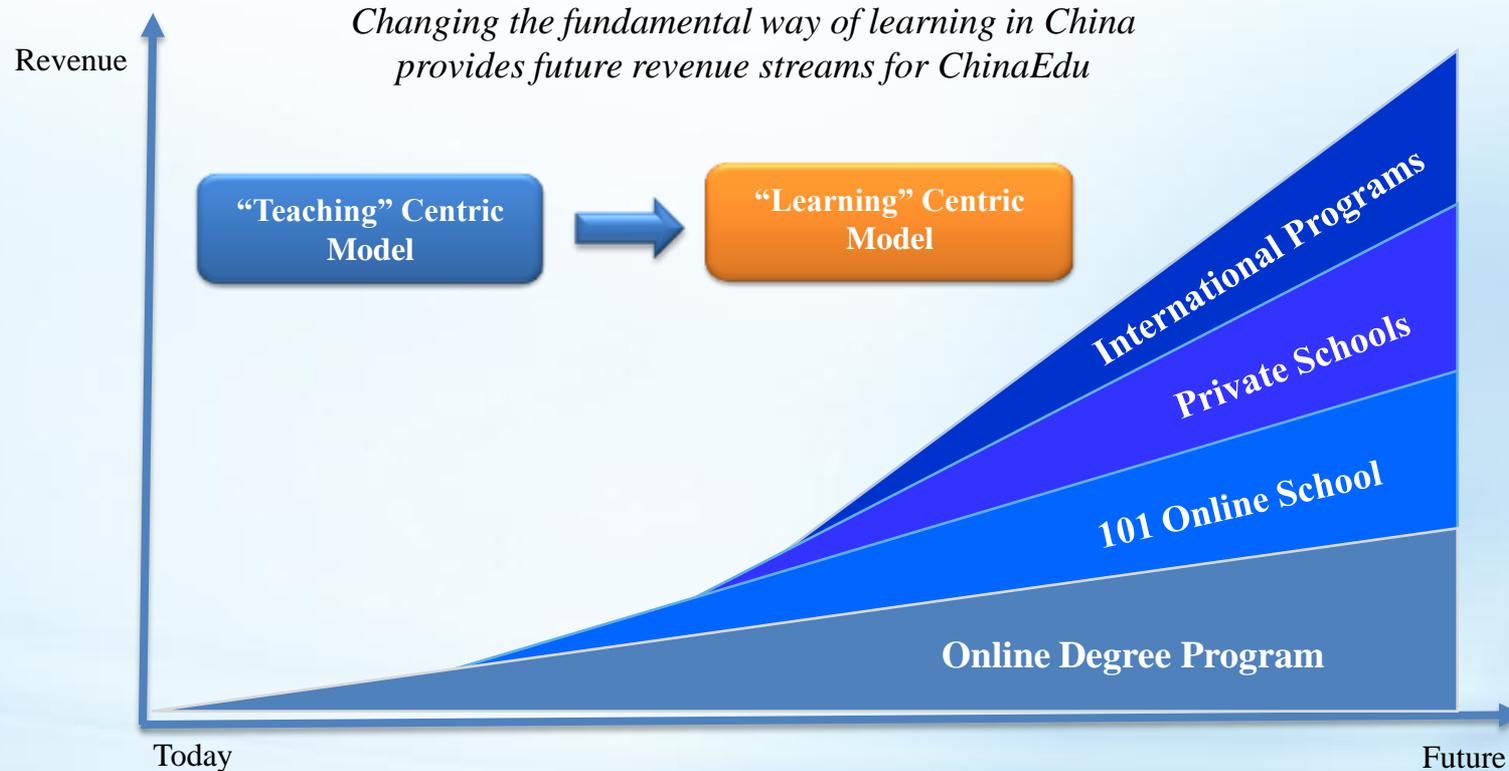
Key Financial Data

Revenue & Cost of Sales

($ million)

Data (Total Net Rev / Online Degree / Total Cost of Sales):
- 2006: 27, 20, 10
- 2007: 36, 28, 13
- 2008: 46, 37, 17
- 2009: 54, 43, 21
- 2010: 59, 47, 22

Legend: Total Net Rev, Online Degree, Total Cost of Sales

Net Income & Adjusted Net Income

($ million)

Data (net income / adjusted net income):
- 2006: 3.3, 4.7
- 2007: 0.3, 4.7
- 2008: -6.3, 6.2
- 2009: 5.3, 7.1
- 2010: 6, 7.5

Legend: net income, adjusted net income
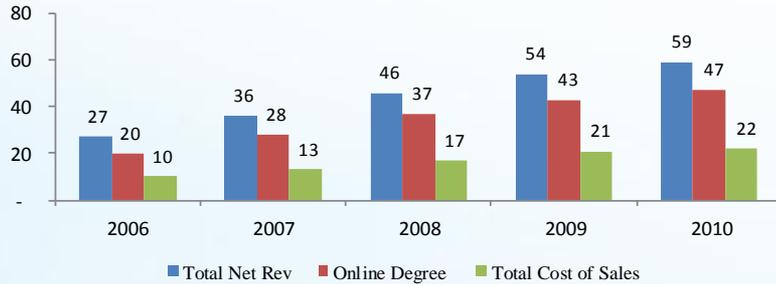
Gross Profit & Gross Margin

($ million)

Gross profit:
- 2006: 17
- 2007: 23
- 2008: 29
- 2009: 33
- 2010: 36

Legend: gross profit, gross margin
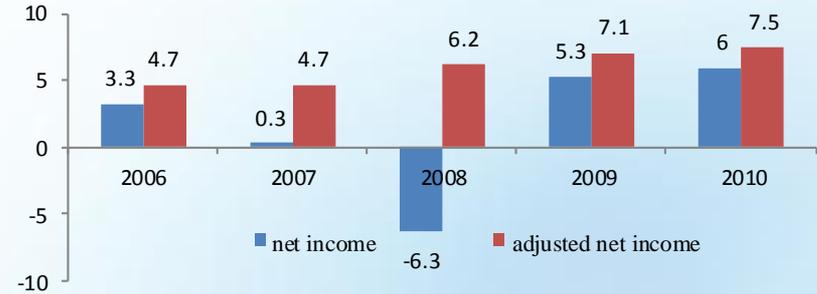
Operating expenses & Income from operations

($ million)

Data (Operating Expense / Income from Operation):
- 2006: 9.7, 7.3
- 2007: 17.6, 5.5
- 2008: 31.2, -1.9
- 2009: 20.7, 12.0
- 2010: 24.1, 12.4

Legend: Operating Expense, Income from Operation

18
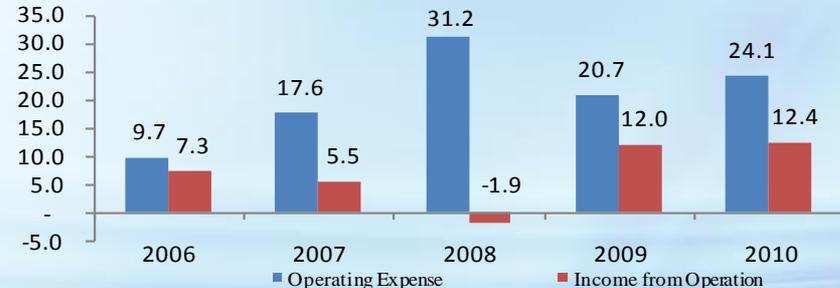
# Key Operational Data

Online Degree Program
Revenue Contributing Students

Number of University Partners

Number of Learning Centers

■ Contracted   ■ Proprietary

Headcount

■ Total Number   ■ Teachers   ■ R&D
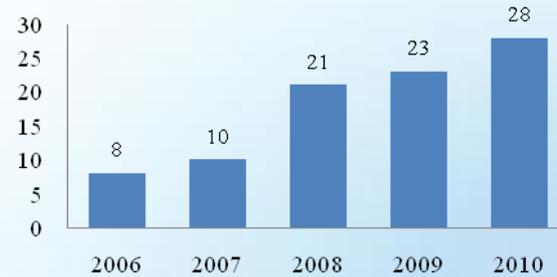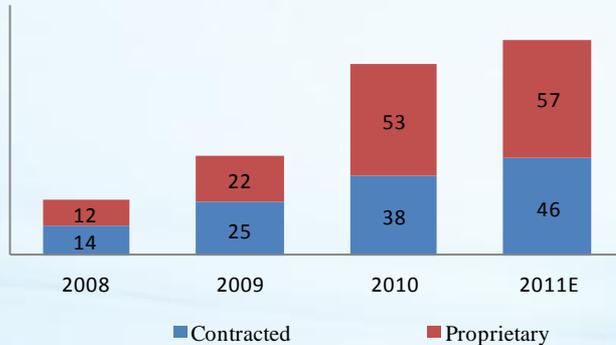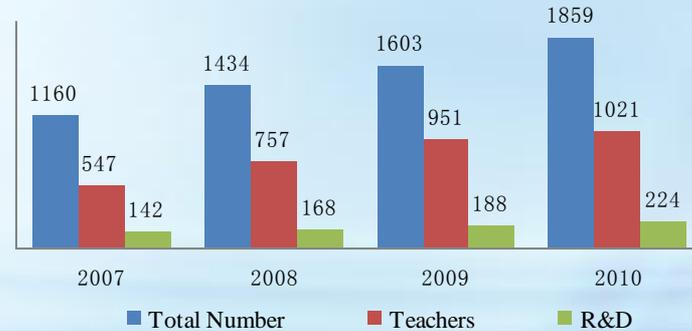
Asset Value

ChinaEdu is undervalued by a wide margin

($ in millions)	Value
Cash	$52
Private Schools Buildings & Land (at cost)	$18
Headquarter & JV Real Estate (CEDU portion only) (at cost)	$17
Cash and Selected Assets	$87
Market Cap (9/30/2011)	$109.4

Note : Real estate and land value acquired before 2007 were appreciated 1 to 3 times.

EPS and Valuation Metrics

CEDU's stock price has remained flat while our earnings continues to grow

(US$)	2008	2009	2010	Sep 30, 2011
EPS diluted	$0.20[1]	$0.29	$0.34[2]	
Growth%		45%	17%	
Cash	$3.05	$2.89	$3.27	
Stock price [3]	$8.55	$5.10	$7.57	$6.35
P/E ex. Cash	27.5x	7.6x	12.64x	9.6x

Note:

(1)   Added back goodwill and intangibles impairment charge.

(2)   2010 diluted EPS in US$ is translated using RMB6.6to $1.

(3)   Stock price is stock price at the beginning of each year

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Trading Comparable – CEDU is Undervalued

■ Given the company's leading position in online degree (high barrier to entry) and K-12 tutoring market, as well as strong footsteps in learning center network and int'l programs, the company's value is not capitalized

	CEDU	Mean	Median
Enterprise Value/Revenue 2010	1.5 x	3.1 x	3.4 x
Enterprise Value/EBITDA 2010	5.2 x	13.7 x	14.4 x

Note:
(1)From BMO Capital Market Oct. 26 2010 estimation.
(2)Trading comparable companies include New Oriental, Anhanguera , TAL educaiton, Estacio, Embow, SEB Sistema, Raffles Education, Kroton, ChinaCast, China Distance Education, ATA, CIBT, Noah Education, Global Educaiton & Tech

Management Team

Experienced management team with Sino-U.S. backgrounds

Management	Position	Background	Years at Co.
Julia Huang	Chairman, CEO	✓ Manager, Ernst & Young Management Consulting (NY) ✓ MBA, Columbia Business School	12
Shawn Ding	Director, President & COO	✓ CTO, Infostream Software ✓ Director of Internet Development, Automatic Data Processing, Inc. ✓ BS, Beijing University ✓ MA, New Jersey Institute of Technology	10
Zonglian Gu	Director, Dean of Renmin Univ. Online	✓ Professor of Renmin University ✓ BA, Renmin University	11
Wen Liu	VP of Technology	✓ Deputy GM, Beijing MoVision Technologies ✓ PhD, BS, Beijing University	6

Please visit our investors relations website at http://ir.chinaedu.net for additional information

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Chairman & CEO

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Appendix

Online Degree Service Value Chain

Working Adults → **Learning Center** → **Online College (JV)** ← **Universities**

Learning Centers	ChinaEdu	Universities
• Entrance and course exams • Recruiting and registration • Payment processing • Student services • Tutoring	• Enrollment • Technology platform • Student services • Courseware and content development • Academic services	• Sponsorship • Grants degrees

Online Degree Programs - Recruiting

Learning Center Network

- 18 Recruiting and Technology contracts
  - ✓ Including 6 Univ. collaborative alliance partners

Online Degree Programs – University Partners

- Beijing Language and Culture University
- China Agricultural University
- Remin University of China

Huazhong Normal University

Lanzhou University

Chongqing University

Dongbei University Finance and Economics

Nanjing University

Jiangnan University

East China Univ. of Science and Technology

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