



# ChinaEdu Corporation

## March 2010

# Forward-Looking Statement

This presentation contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, including certain plans, expectations, goals, and projections, which are subject to numerous assumptions, risks, and uncertainties. Forward-looking statements involve known and unknown risks, uncertainties and contingencies, many of which are beyond our control which may cause actual results, levels of activity, performance or achievements to differ materially from any future results, levels of activity, performance or achievements expressed or implied by such forward-looking statements. The Company's actual results could differ materially from those contained in the forward-looking statements due to a number of factors, including those described under the heading "Risk Factors" in the Company's Annual Report on Form 20-F for the year ended December 31, 2008, and in documents subsequently filed by the Company from time to time with the Securities and Exchange Commission. Unless required by law, the Company undertakes no obligation to (and expressly disclaim any such obligation to) update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

# The Largest Post Secondary Online Degree Service Provider in China

*First mover with a solid track record*

- The leading and dominant service provider for online degree programs
  - 26 university partners
  - 287,000 revenue students in 2009
- One of three national learning center operators
  - 60 Learning centers nationwide as of Dec. 2009

# Unique Business Model & Strategically Positioned

*The only comprehensive online degree service operator partnership with top-tier Universities, which builds CEDU a unique competitive position and difficult for others to replicate*

Recruiting Services

15

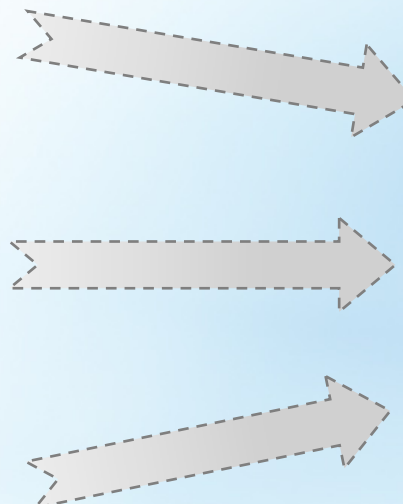
Comprehensive Services / JV

- Enrollment
- Technology platform
- Student services
- Courseware and content development
- Academic services
- HR/Finance

9

Tech & Product Services

20+



68

Univ.  
w/ Online  
Degree  
License

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# Online Degree Programs – JV Partners

## *Top Tier university partners*

- 9 Long-term exclusive partner
  - Generally 15 to 50 year exclusive agreements
  - CEDU provides full operational support



Renmin  
University Of China



University Of Chongqing



Beijing Language and  
Culture University



China  
Agricultural University



Lanzhou University



Dongbei University of  
Finance and Economics



East China University of  
Science and Technology



Jiangnan University



Nanjing University

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# Online Degree Programs

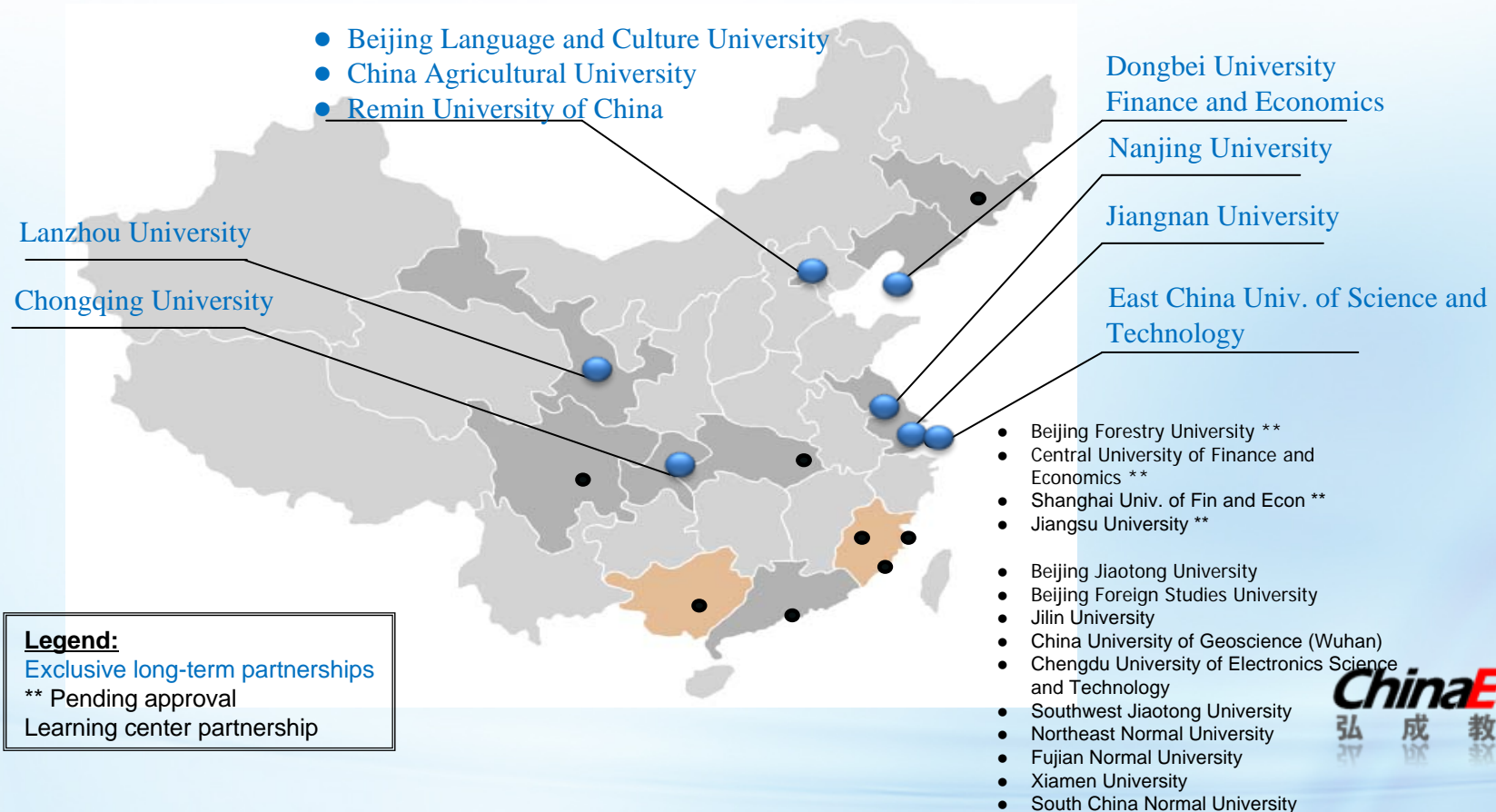
## *Learning center network partnerships*

- 15 Recruiting and Technology contracts
  - Recruiting and technology services
  - Including 5 Univ. are also collaborative alliance partners



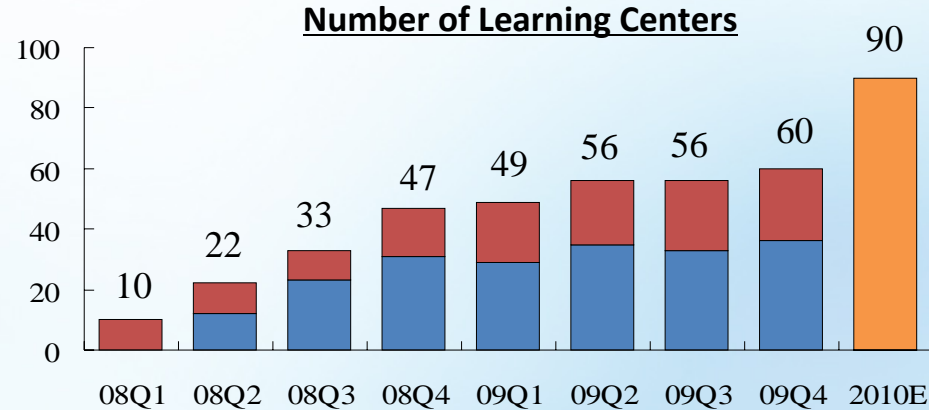


# Online Degree Programs: 25 Univ. Partnerships



# Learning Center Network

*Provides recruiting and student services for 15 top tier universities*



- One of three nationwide learning center network license

- 22 Proprietary
- 38 Affiliated
- 2 Provincial level Centers  
(JV w/ Guang Xi and Fujian Radio & Television Univ.)





# Online Degree Service Value Chain



Working Adults



## Learning Centers

- Entrance and course exams
- Recruiting and registration
- Payment processing
- Student services
- Tutoring

## ChinaEdu

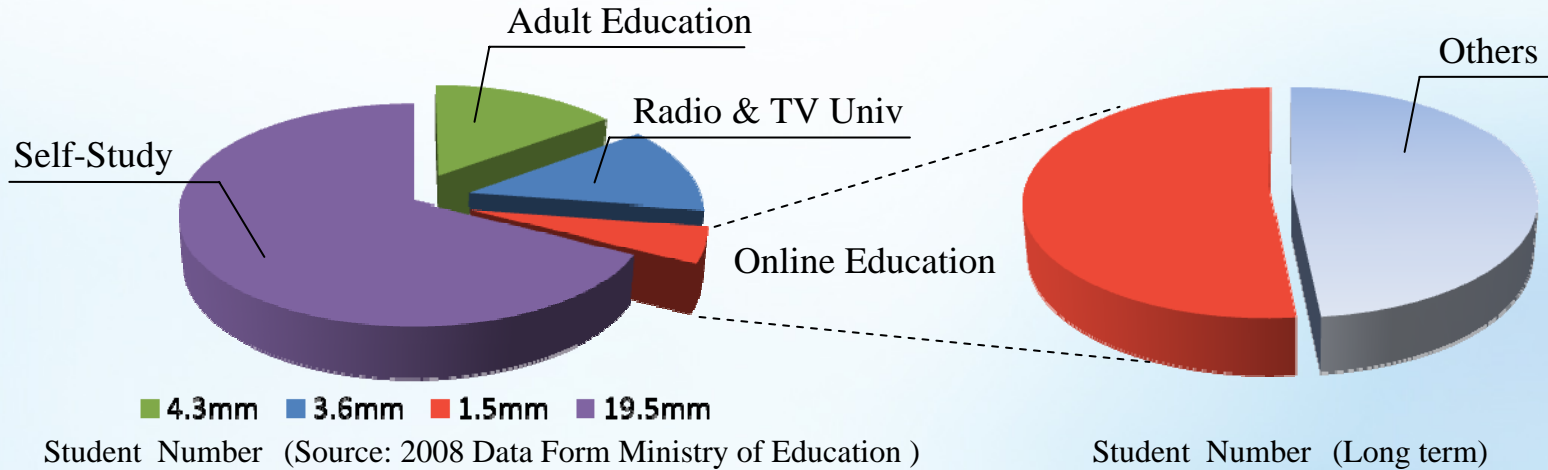
- Enrollment
- Technology platform
- Student services
- Courseware and content development
- Academic services

## Universities

- Sponsorship
- Grants degrees

# Opportunity to ChinaEdu

*Education reform provides immense potential for post secondary online education*



- New MOE's mid to long-term education plan indicated initiatives to reform self-study and adult continuing education exams
- Online education will be a key mechanism for adult education because of its flexibility and convenience

# Roadmap to Growth



- Organic growth from existing partnerships
- Adding new partners
- Expanding technology service and product offerings to reach out broader teacher and student groups
- Continued geographic expansion
- Initiatives of online interactive marketing efforts
- Market penetration and user experience improvement in 101 online school (K-12)
- Adult & K-12 interactive online learning community
- Adult online continued non-degree education

# Future Business Initiatives

*An integrated learning platform*



- From CEDU current vertical offerings to an interactive learning platform
- From only serving paying students to broader student and teacher groups
- Developing online community (SNS) to integrate student activities

# Business Segments Overview

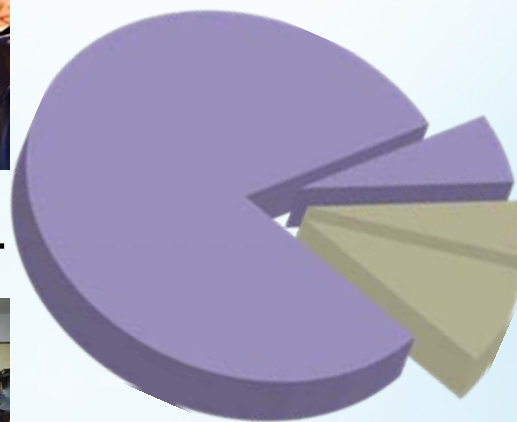
*Fiscal Year 2009: Net Revenue \$52mm*

**Online**

Online Degree 80%



Online Tutoring 6%



**Offline**



Private Schools 9%

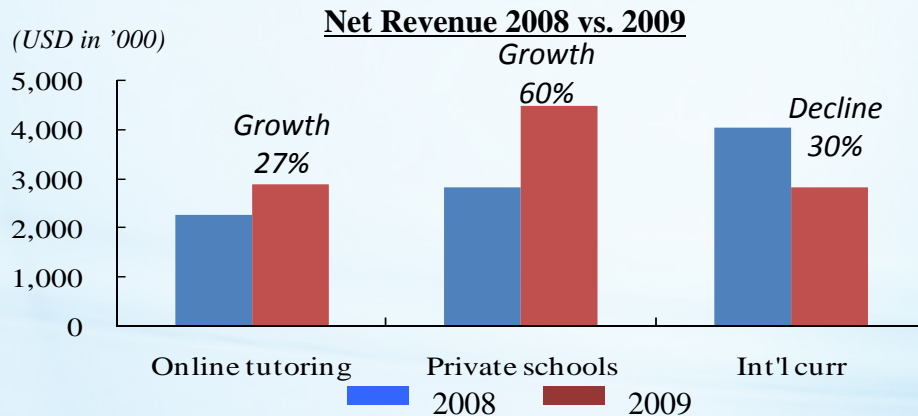
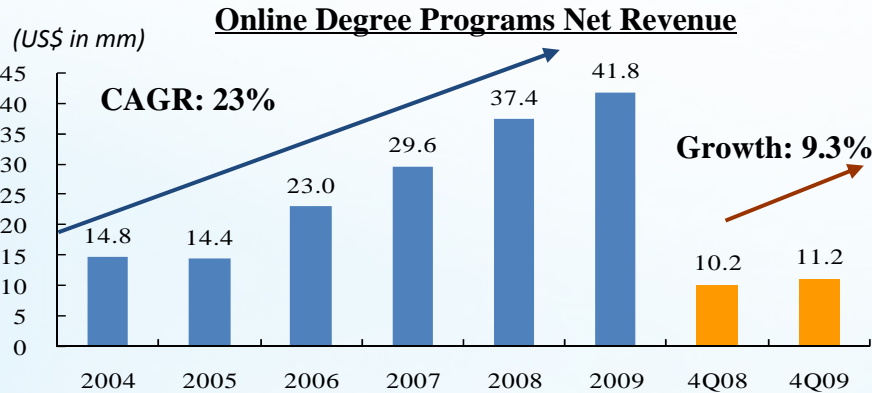


International  
Curriculum 5%

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# Revenue by Business Line

*Strong growth in our core business segments*



- Online Degree Programs net revenue grew by 11.7% in 2009 to \$41.8mm from \$37.4mm in 2008
- Learning Center Network net revenue growth over 50%
- Online Tutoring continues to experience strong growth
- Private Schools recorded strong enrollment growth upon completion of the new Anqing campus



# Financial Highlights

*Expanding operating margins, strong balance sheet*

<i>(\$ millions)</i>	<b>LTM 12/31/09</b>	<b>Margin</b>
Net Revenue	\$52.0	
Gross Profit	\$31.7	61%
Adj. EBITDA	\$16.0	31%
Adj. Op. Income	\$13.6	26%
Adj. Net Income	\$6.9	13%

- Cash and term deposits and AFS investment as of Dec. 31, 2009, approximately \$50.3mm, approximately \$3.08 per ADR
- Share price per ADR: \$7.21 (March 9, 2010)
- Number of ADRs outstanding: 16.3mm
- Market cap: \$117mm

# Uses of Cash

*Disciplined approach*

<u>Expansion</u>	<u>Share Buyback</u>
<ul style="list-style-type: none"><li>■ Selected acquisition of learning centers</li><li>■ Key small acquisitions complementary to online business</li></ul>	<ul style="list-style-type: none"><li>■ Opportunistic share buyback</li></ul>
<u>Acquisitions</u>	<u>Working Capital</u>
<ul style="list-style-type: none"><li>■ Potential major acquisition with a strong synergy to our core business</li></ul>	<ul style="list-style-type: none"><li>■ Expansion of Learning Center Network</li><li>■ R&amp;D development</li><li>■ Adult online non-degree education</li></ul>

# Asset Value

*ChinaEdu is undervalued by a wide margin*

<i>(\$ in millions)</i>	<b>Value</b>
Cash	\$50
Private Schools Buildings & Land	\$20
Headquarter & JV Real Estate (CEDU portion only)	\$12
<b>Cash and Selected Assets</b>	\$82
<b>Market Cap (03/09/2010)</b>	<b>\$117</b>

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

# EPS and Valuation Metrics

*ChinaEdu is undervalued at current multiples*

<b>EPS</b>	<b>2009</b>
Earnings per Diluted ADS	\$0.29
Adj. Earnings per Diluted ADS	\$0.39

<b><i>Valuation Multiples</i></b>	<b>2009</b>
P/E	24.8x
P/ Adj. Earnings	18.3x
TEV <sup>(1)</sup> / EBITDA <sup>(2)</sup>	9.1x
TEV <sup>(1)</sup> / Adj. EBITDA <sup>(2)</sup>	8.5x

*Note (1): Total enterprise value is market capitalization plus noncontrolling interest minus cash.*

*Note (2): EBITDA or adjusted EBITDA attributable to ChinaEdu, estimated at 60%*

# Management Team

*Highly experienced management team with Sino-U.S. backgrounds*

Management	Position	Background	Years at Co.
Julia Huang	Chairman, CEO	<ul style="list-style-type: none"> <li>✓ Senior Manager, Ernst &amp; Young (NY)</li> <li>✓ MBA, Columbia Business School</li> </ul>	11
Shawn Ding	Director, President & COO	<ul style="list-style-type: none"> <li>✓ CTO, Infostream Software</li> <li>✓ Director of Internet Development, Automatic Data Processing, Inc.</li> <li>✓ MA, New Jersey Institute of Technology</li> </ul>	9
Lily Liu	CFO	<ul style="list-style-type: none"> <li>✓ CFO, MainOne Inc.</li> <li>✓ VP, Lehman Brothers Investment Banking</li> <li>✓ MBA, MIT Sloan School of Management</li> </ul>	2
Zonglian Gu	Director, Dean of Renmin Univ. Online	<ul style="list-style-type: none"> <li>✓ Professor of Renmin University</li> <li>✓ BA, Renmin University</li> </ul>	11
Wen Liu	VP of Technology	<ul style="list-style-type: none"> <li>✓ Deputy GM, Beijing MoVision Technologies</li> <li>✓ PhD, BS, Beijing University</li> </ul>	6

# Case Study: Success Through Learning



Dong Jian

Age: 49

*Online college: East China University of Science & Technology*

*Degree: bachelor*

*Graduation: 2006*

*Previous education: associate degree*

*From a high school graduate to chief engineer and senior manager*



Tang Jingfang

Age: 31

*Online college: China Agricultural University*

*Degree: bachelor*

*Graduation: 2009*

*Previous education: associate degree*

*From a village girl coming to Beijing as a nanny to senior lab technician*



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# Thank You!

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

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