



SUCCESS THROUGH LEARNING 弘扬教育 成就人生

Strong 2009 Spring Enrollment Results

2009 Second Quarter Results Presentation
August 20, 2009

Forward-Looking Statement

This press release 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.

Financial and Business Highlights for Second Quarter 2009

Second Quarter Financial Highlights

Both revenue and EPS exceed management guidance and analyst consensus.

- Total net revenue in 2Q09 grew by 11% to ¥88.3mm compared to 2Q08
- Net revenue for the online degree programs in 2Q09 grew by 9.7% to ¥71.4mm compared to 2Q08 resulting from strong 2009 Spring semester enrollment
 - 2009 spring enrollment revenue students reached approximately 147,000 students compared to 2008 spring semester of approximately 125,000 students
- Adjusted EBITDA in 2Q09 was ¥29.5mm compared to ¥31.8mm in 2Q08 due to the expansion of the learning center network and other investments
- Net income attributable to CEDU decreased to ¥8.9mm in 2Q09 compared to ¥9.2mm in 2Q08; and adjusted net income decreased to ¥12.1mm compared to ¥13mm in 2Q08
- Due to a share count reduction, earnings per share and per ADS increased significantly compared to 2Q08

2009Q2	EPS	E/ADS	Adj EPS*	Adj E/ADS*
Basic	\$0.027	\$0.081	\$0.037	\$0.111
Diluted	\$0.025	\$0.075	\$0.034	\$0.102

2008Q2	EPS	E/ADS	Adj EPS*	Adj E/ADS*
Basic	\$0.023	\$0.069	\$0.032	\$0.097
Diluted	\$0.022	\$0.066	\$0.031	\$0.092

* Non-GAAP

Second Quarter Business Highlights

Online degree programs continued to grow organically with expansion of the learning center network and new university partnerships

■ Online degree programs

- In the second quarter of 2009, we have continued to expand our learning centers operation. By the end of the quarter, we have 35 contracted learning centers and 21 proprietary learning centers, for a total of 56 learning centers
- Also in the second quarter of 2009, we continued to invest in courseware development for selected collaborative alliances, which we believe will raise our university partners' profile and contribute to future enrollment growth
- We recently signed a new long term technology and support agreement with Jiangsu University
 - Jiangsu University is also pending MOE approval for online degree programs
- Furthermore, we are pleased to announce that we signed another collaborative alliance agreement with Fujian Radio and TV University

Second Quarter Business Highlights (Cont'd)

Progress continues to be made at all business lines

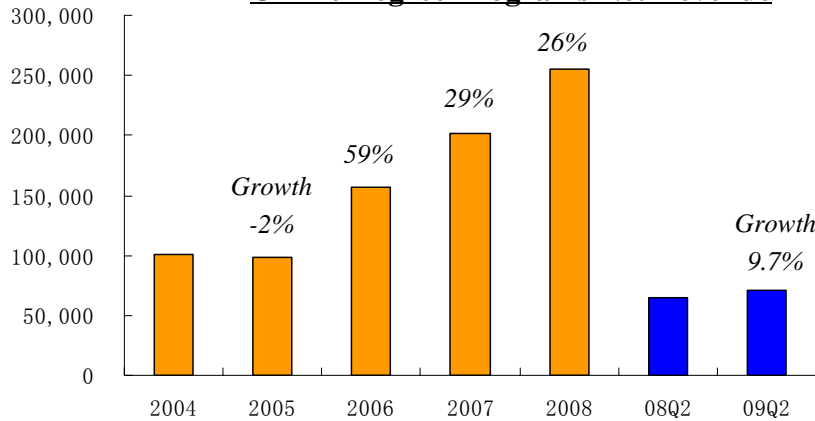
- 101 Online Tutoring
 - We continued to make good progress at our 101 online tutoring programs. Net revenue grew by 15% in 2Q09 compared to 2Q08
- Private Schools
 - Anqing School's phase II construction is nearing completion
- International Curriculum
 - Business development efforts continues for the SCC language program

Financial Review of Second Quarter 2009

Revenue by Business Line

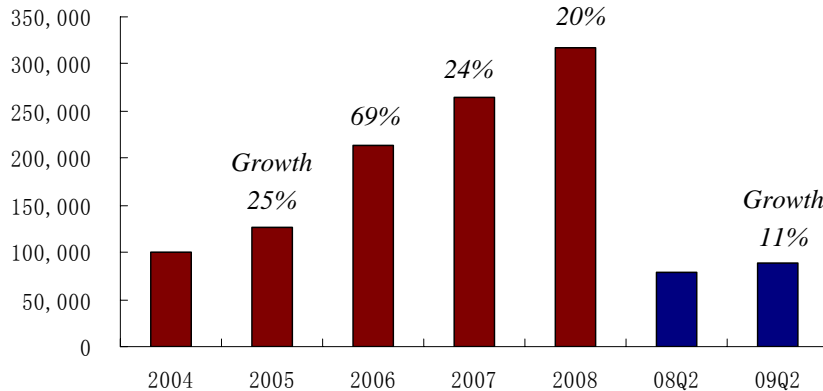
Total net revenue for 2nd quarter recorded a solid 11% revenue growth Y/Y; online degree programs recorded a 9.7% revenue growth Y/Y

(RMB in '000) **Online Degree Programs Net Revenue**



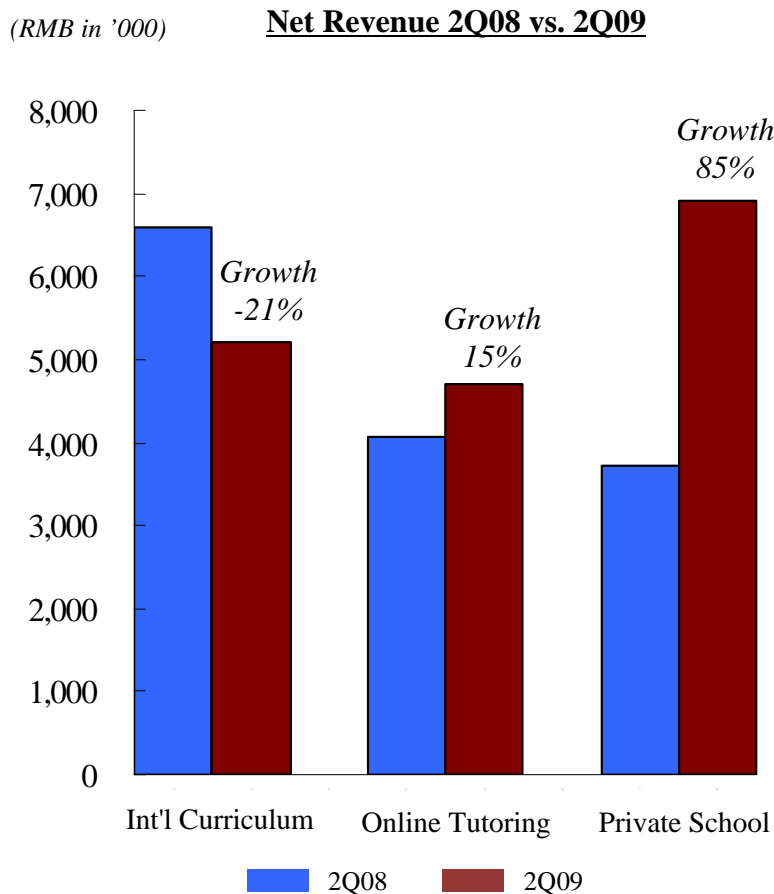
- Online degree programs net revenue grew by 9.7% in 2Q09 vs. 2Q08 primarily driven by strong 2009 spring semester enrollment
- Total net revenue grew by 11% in 2Q09 vs. 2Q08 with growth in all business segments except for the international curriculum programs

(RMB in '000) **Total Net Revenue**



Revenue by Business Line (Cont'd)

Both 101 online tutoring and private schools have registered healthy growth in 2Q09 compared to 2Q08

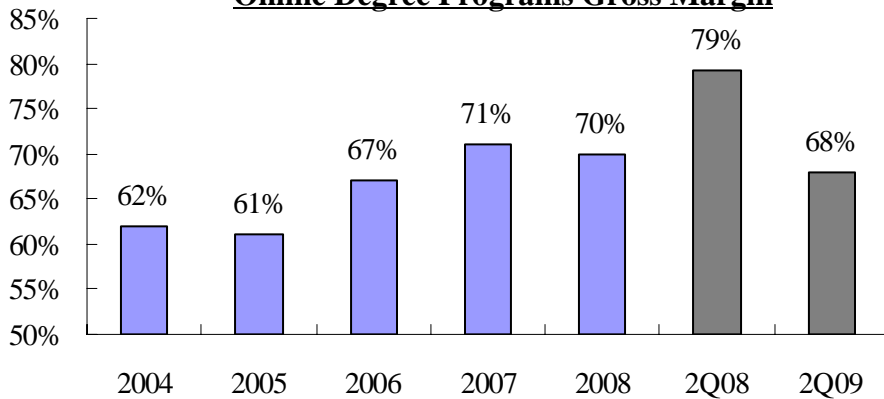


- 101 online tutoring program's net revenue increased by 15% compared to 2Q08; the segment has continued to perform from the last quarter
- Private schools, particularly Anqing School has continued to benefit from the new campus expansion and enrollment growth in the fall of 2008
- International curriculum segment as expected declined compared to the 2nd quarter of 2008
 - Business development effort continues with the SCC program

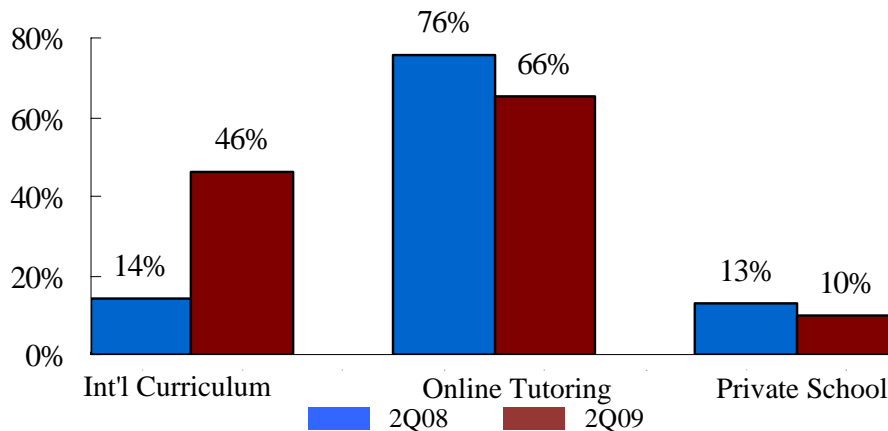
Gross Margin

Gross margin in 2Q09 declined compared to 2Q08 primarily impacted by investments in LCs, courseware development and other non-degree programs

Online Degree Programs Gross Margin



2Q09 vs. 2Q08 Gross Margins by Business Lines

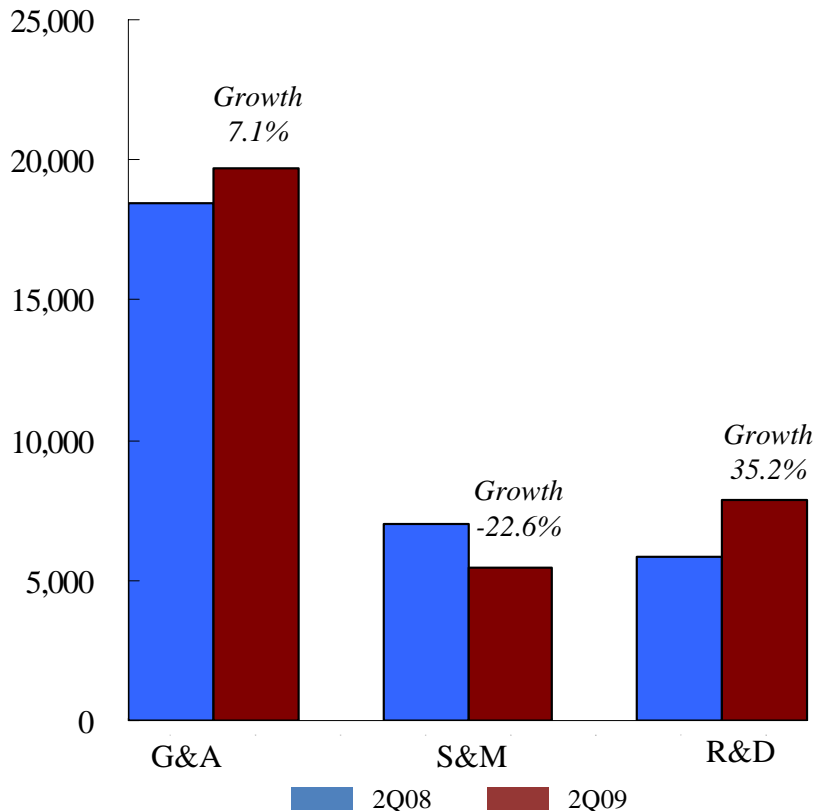


- Online degree programs gross margin in 2Q09 decreased compared to 2Q08 due to continued expansion of the learning centers network and courseware development
- 101 online tutoring program gross margin declined compared to 2Q08 primarily due to increased development costs in YoYo Bear products
- Private schools gross margin declined compared to 2Q08 primarily due to increased staff
- International curriculum program gross margin increased compared to 2Q08 primarily due to tight cost controls

Operating Expenses

Total operating expenses increased in 2Q09 compared to 2Q08 primarily due to increases in R&D

(RMB in '000) **Operating Expenses 2Q08 vs. 2Q09**



- General and administrative expenses increased moderately in 2Q09 compared to 2Q08 primarily due to an increase in performance based compensations, including incremental costs incurred from option repricing
- Sales and marketing expenses declined due to reduced general advertising and promotional expenses, particularly for our learning centers operation
- Research and development expenses increased significantly due to increased technology upgrade for university partners and development of our online learning community

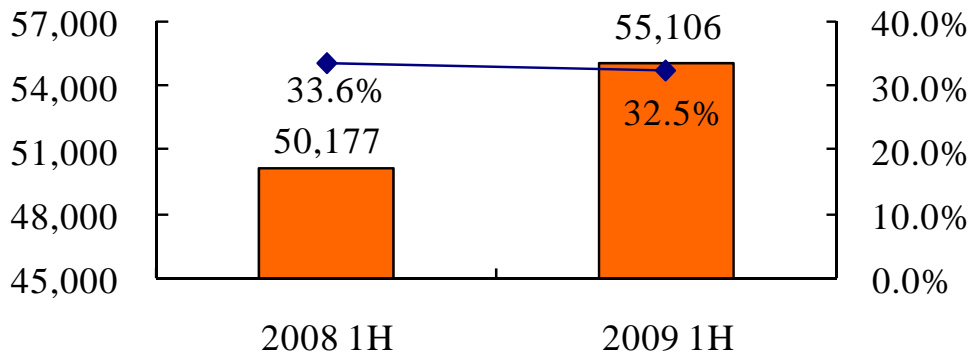
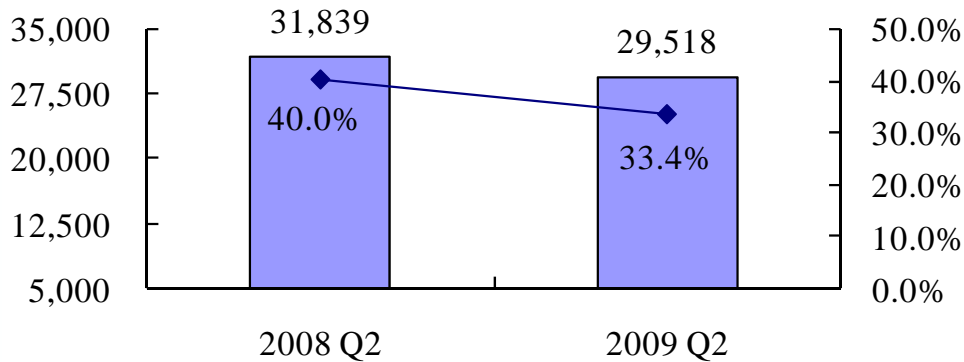
Adjusted EBITDA

Adj. EBITDA and margin in 2Q09 declined compared to 2Q08; however adj. EBITDA margin remained stable in 1H09 vs. 1H08

EBITDA and EBITDA Margin

(RMB in '000)

(margin in %)

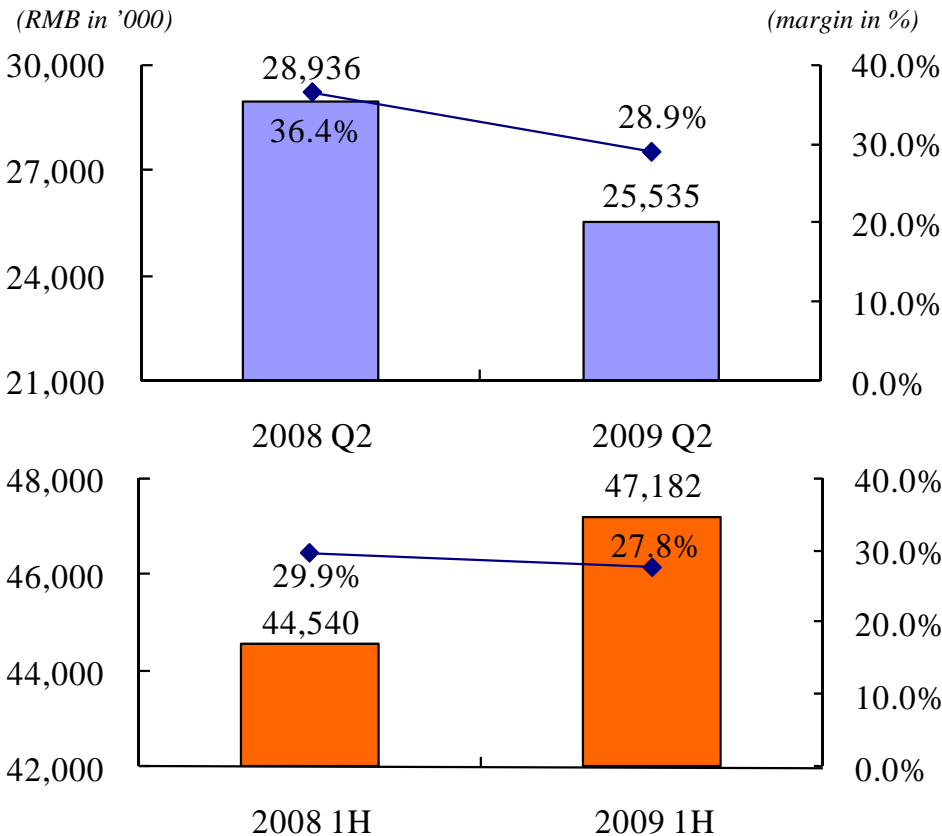


- Adjusted EBITDA declined primarily due to increase in cost of revenue compared to 2Q08, particularly cost of revenue related to expansion of the learning center network, courseware development, investments in YoYo Bear and increased staff cost at Anqing School
- Adjusted EBITDA margin was 33.4% in 2Q09 compared to 40.0% in 2Q08
- Adjusted EBITDA for 1H09 grew by 10% to ¥55mm compared to 1H08 and adjusted EBITDA margin remained relatively stable at approx. 33%

Adjusted Operating Income

Adj. Op. Inc. and margin in 2Q09 declined compared to 2Q08; however adj. op. inc. margin remained stable in 1H09 vs. 1H08

Adj. Op. Income and Adj. Op. Income Margin



- Similarly, although adjusted operating income and margin declined in 2Q09 vs. 2Q08, on a half-year basis which is a more normalized comparison of our operating results, adjusted operating income grew by 6% in 1H09 vs. 1H08 and adjusted op. income margin remained relatively stable at 28% vs. 30% last year

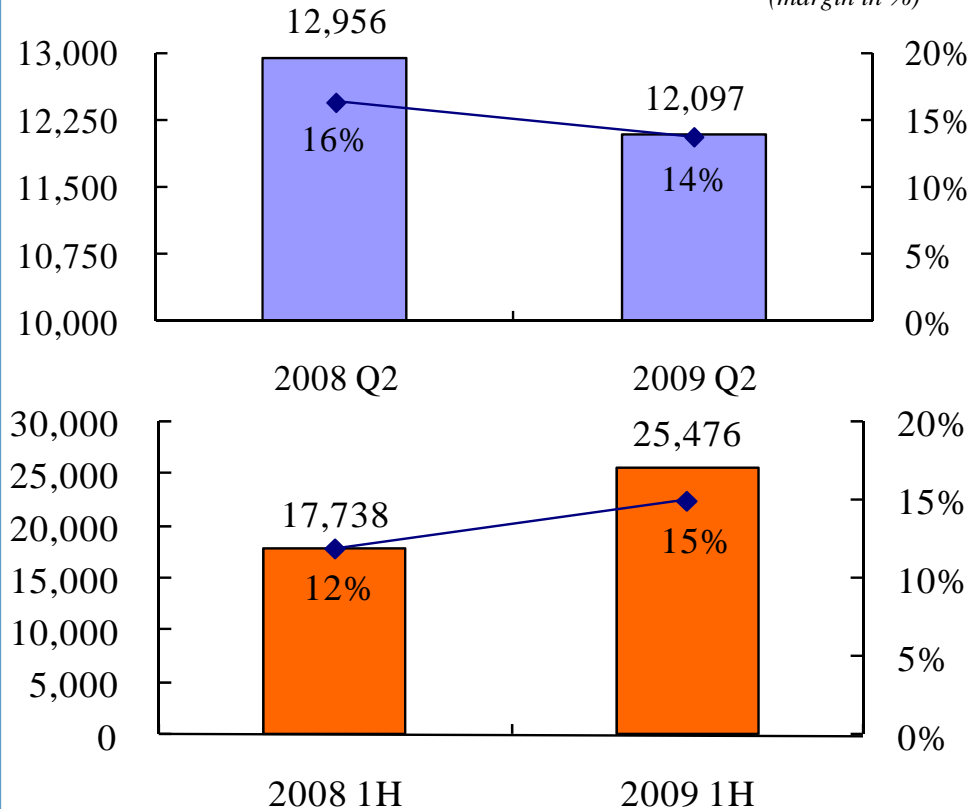
Adjusted Net Income

GAAP and adjusted net income decreased in 2Q09 vs. 2Q08; however, on a half-year basis, both net income and net margin increased compared to 2008

Adj. NI and Adj. Net Margin

(RMB in '000)

(margin in %)



- On an adjusted basis, adjusted NI and margin declined in 2Q09 vs. 2Q08; however, on a half-year basis, both adjusted NI and margin increased
- Net margin in 2Q09 decreased moderately to 10% compared to 11.6% in 2Q08 primarily due to an increase in cost of revenue and operating expenses
- Effective tax rate in 2Q09 was approximately 26.3% , as compared to approximately 34.9% in 2Q08

Solid Balance Sheet

(in thousands, unaudited)	December	March	June	June
	31,2008	31,2009	30,2009	30,2009
	RMB	RMB	RMB	US\$
Cash and cash equivalents	353,933	243,710	231,132	33,840
Accounts receivable, net	14,854	4,414	24,965	3,655
Amounts due from related parties	150,472	114,688	225,734	33,049
Term deposits	63,500	94,499	79,491	11,638
others	24,237	23,872	18,654	2,731
Total current assets	606,996	481,183	579,976	84,913
Property and equipment, net	161,925	165,802	130,769	19,146
Intangible assets, net	70,377	69,192	67,884	9,939
Goodwill	38,155	38,155	38,155	5,586
others	41,227	41,715	101,178	14,814
Total assets	918,680	796,047	917,962	134,398
Deferred revenues	96,068	29,641	95,376	13,964
Accrued expenses and other current liabilities	51,629	49,595	52,243	7,649
Amounts due to related parties	25,769	30,072	53,872	7,887
Income taxes payable	27,917	18,688	23,458	3,434
others	20,538	14,380	18,712	2,739
Total current liabilities	221,921	142,376	243,661	35,673
Deferred revenues	6,073	6,885	6,156	901
Deferred tax liabilities	11,069	11,170	10,640	1,558
Unrecognized tax benefit	5,473	5,821	7,454	1,091
Total liabilities	244,536	166,252	267,911	39,223
Total shareholders' equity:	589,829	541,036	552,582	80,905
Noncontrolling interest	84,315	88,759	97,469	14,270
Total equity	674,144	629,795	650,051	95,175
Total liabilities and equity	918,680	796,047	917,962	134,398

- Cash and cash equivalents plus term deposits decreased by \$4mm to \$45.5mm by the end of 2Q09 compared to 1Q09
- As expected for the new enrollment period (2009 spring semester), AR, amounts due from related parties and deferred revenue increased significantly compared to the end of first quarter

Revenue Guidance for 3rd Quarter 2009

Revenue Guidance for 3rd Quarter 2009

- 2009 third quarter revenue guidance is between ¥84 million and ¥88 million, which represents a 2% to 7% growth from total net revenue in the third quarter of 2008.

Non-GAAP Financial Measures

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, 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 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.