

China Education and Training Industry Report, 2010-2011

Mar/2011



5.1.1 Market

China education and training market kept a high growth rate in 2009. The total market value of China education and training market was about RMB** billion in 2009, and will increase to RMB** billion at a CAGR at **% in 2012. Specifically, the CAGR of non-government funded education will reach 16%, much higher than that of state-run education at 9%.

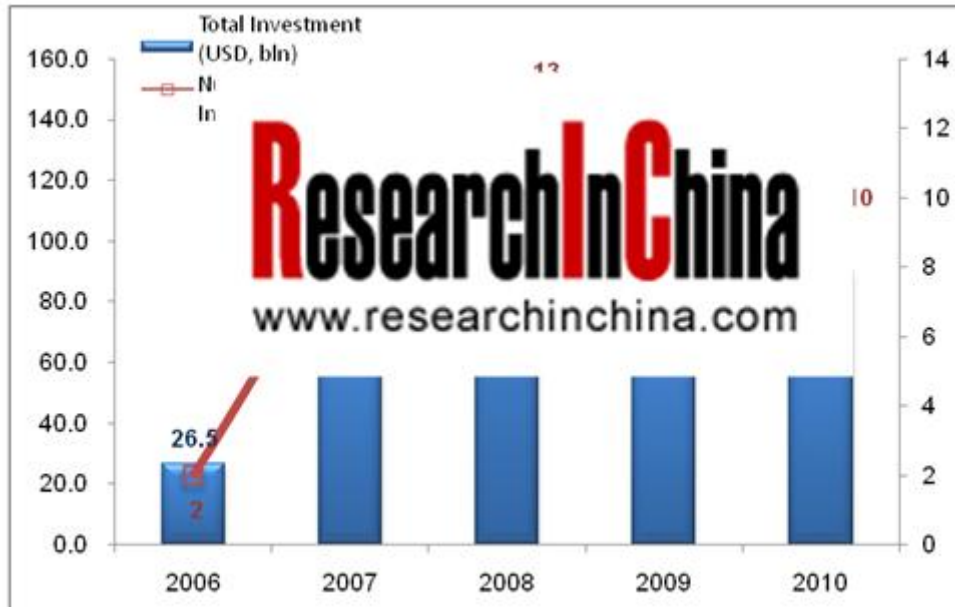
Market Scale and Growth of National Education & Training Industry, 2009-2012E



Source: Deloitte, ResearchInChina

5.1.2 Investment and Financing

Development Trend of VC/PE Investment in Education & Training Industry, 2006-2010



Source: ChinaVenture, ResearchInChina

In 2010, the total investment of China education and training market showed a slightly decline YoY, while the total private equity investment represented an obvious rise YoY. 8 investment cases of this industry were revealed in 2010, which accumulated USD **million totally and USD 3.43 million on average single investment. Meanwhile, there were 2 private equity investment cases with a total value of USD 62.74 million and USD 31.37 million on average single investment.

Investment Cases of Education & Training Industry, 2004-2011

Year of Investment	Training Institution	Location of Headquarters	Investor	Investment (US\$M)
2004	New Oriental	Beijing	Tiger Management	22.50
2005	ChinaEdu Corporation	Beijing	Level Global, UOB Venture Management	6.30
2006	Global Education & Technology Group	Beijing	SAIF Partners	25.00
2006	Ambow Education	Beijing	JAFCO	10.00
2007	BabyCare	Beijing	CID Venture Management	4.00
2007	FasTrackKids	Shanghai	CID Venture Management	7.50
2007	Beststudy	Guangzhou	Daxin Investment	8.00
2007	Xueda Education Group	Beijing	CDH Investment	10.00
2008	Wanxue	Beijing	Sequoia Capital, Legend Capital	10.00
2008	Oriental Cambridge Education Group	Beijing	Qiming Venture Partners, Ignition	16.00
2008	GAMFE	Beijing	KPCB	10.00
2008	Ambow Education	Beijing	Actis Capital LLP, Avenue Capital Group	100.00
2009	FasTrackKids	Shanghai	iD TechVentures, DT Capital Partners, CID Venture Management	8.00
2009	Haitian Education	Beijing	iD TechVentures	5.00
2009	TAL Education Group	Beijing	Tiger Global management, KTB	40.00
2011	Wanxue	Beijing	DCM, Sequoia Capital, Legend Capital	20.00
2011	G	Changsha	Seavi Advent Private Equity	10.08

Source: ResearchInChina

5.2.1 Status Quo

Market Scale and Growth of National IT Training Industry, 2006-2011



Source: IDC, ResearchInChina

The market size of IT training in China was estimated to reach RMB ** billion in 2010, up 20.2% YoY. It is expected to hit RMB ** billion in 2011 with a YoY growth rate of nearly 23%. Furthermore, it is predicted that the growth rate of China IT training market size will keep at 20%-25% in the next three years.

5.3.1 Status Quo

Influenced by the financial crisis of 2009, more and more people spent more time on pursuing advanced studies, which lead to the increased market of vocational training, especially English training. On one hand, the economic downturn has stimulated people's eager of self-improvement. On the other hand, the fever of study abroad caused by strong RMB exchange rate and lowered overseas study expenses also accelerated the development of English training market.

Test-oriented English Training Market Scale in China, 2006-2012E



Source: CCID, ResearchInChina

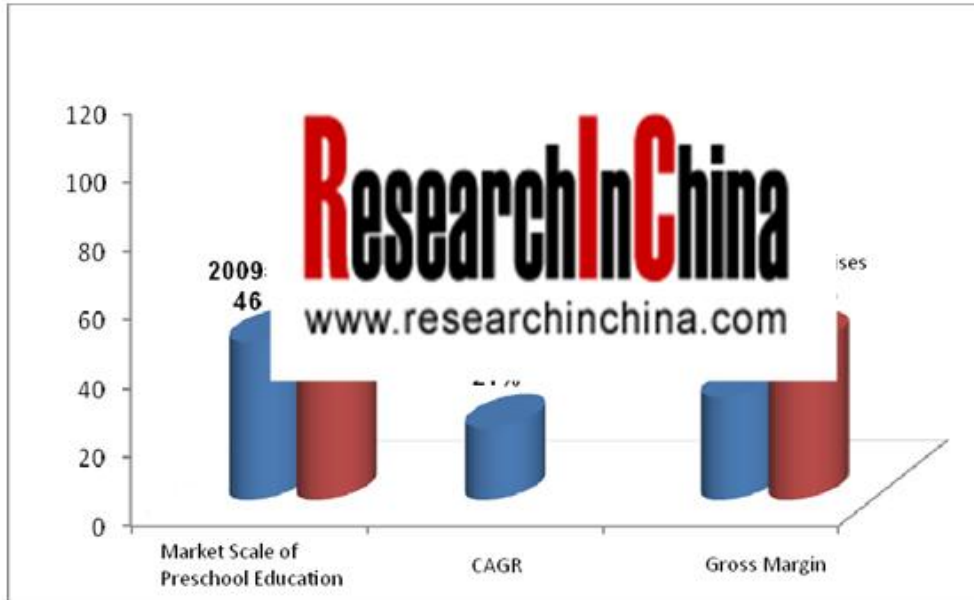
Comparison among New Oriental, Global Education & Technology, TAL Education Group and Xueda Education Group by Outlet Quantity, 2008-2009



Source: New Oriental, Global Education & Technology, TAL Education Group, Xueda Education Group, ResearchInChina

5.4.1 Status Quo

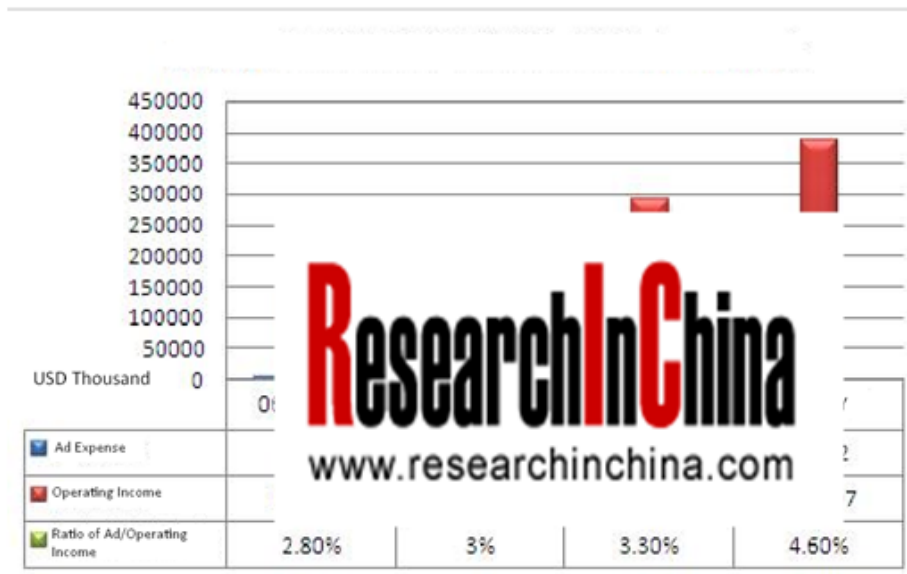
Market Scale and Growth of Preschool Education, 2009-2013 (bn)



Source: Deloitte, www.ceif.cn, ResearchInChina

6.1.2 Financial Operation

Advertisement Expense of New Oriental, FY2006-FY2010

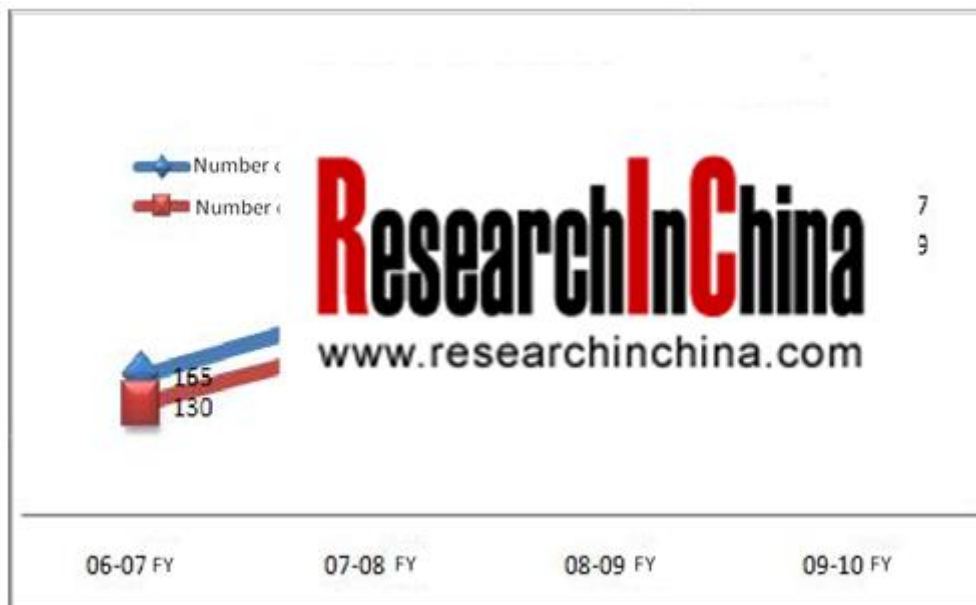


Source: New Oriental, ResearchInChina

6.1.3 Network Expansion and Enrollment Development

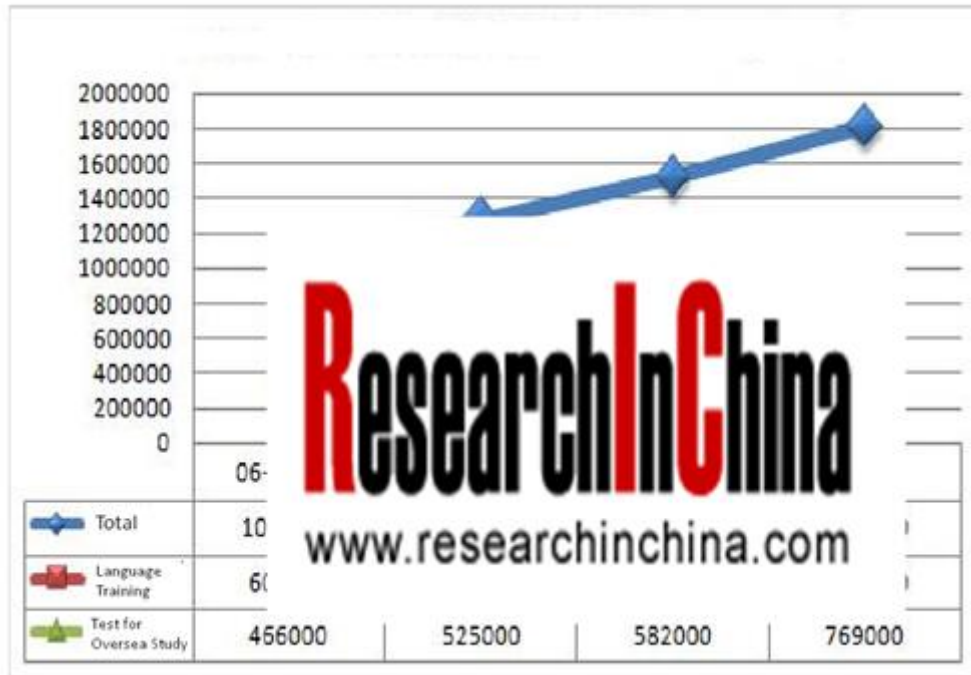
According to the fiscal year statistics of network expansion in 2006-2010, the total network of New Oriental increased 202 after its listing, up 122%.

Teaching Network Expansion of New Oriental, FY2006-FY2010



Source: New Oriental, ResearchInChina

Enrollment of New Oriental, FY2006-FY2010

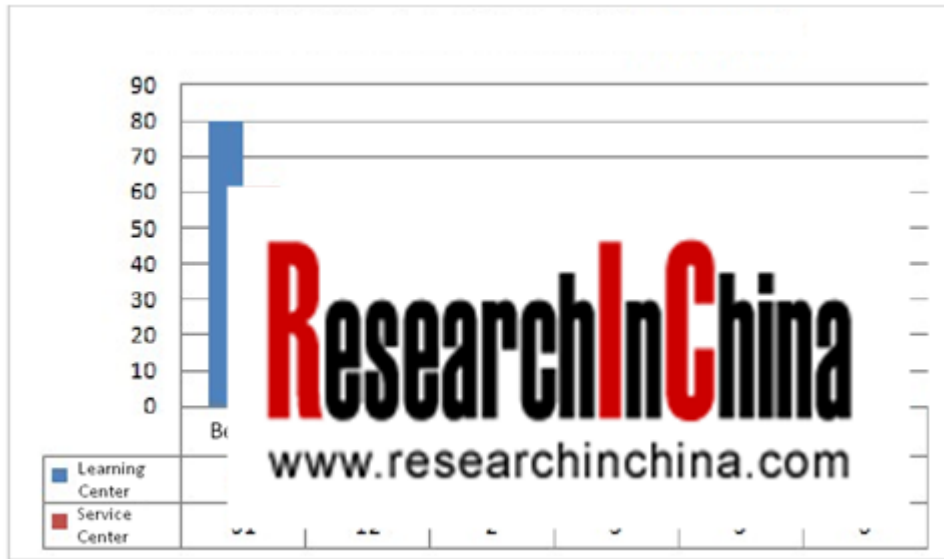


Source: New Oriental, ResearchInChina

6.2.3 Network Expansion and Faculty & Enrollment Development

Currently, TAL Education Group owns 109 learning centers and 87 service centers in Beijing, Shanghai, Shenzhen, Guangzhou, Tianjin, and Wuhan. Learning center is responsible for management of teaching facilities, while service center provides services including course consultation, course selection, student registration and other services. There are 80 learning centers in Beijing, which is the largest amount of learning centers of TAL Education Group, followed by Shanghai with 14 learning centers.

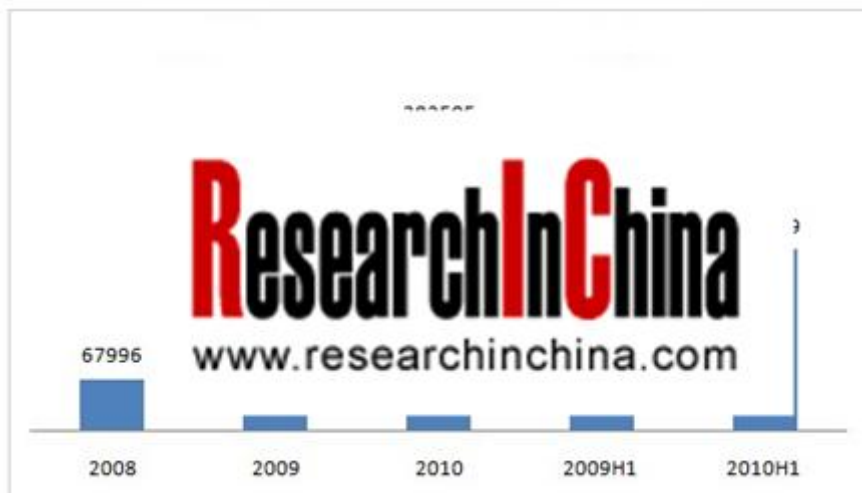
National Distribution of TAL Education Group's Learning and Service Centers, 2010



Source: TAL Education Group, ResearchInChina

The total enrollment of TAL Education Group reached 67,996 in 2008 FY (till Feb. 29). However, this amount went up to ** in 2010 FY, with an AAGR of **%.

Enrollment of TAL Education Group, 2008-2010



Source: TAL Education Group, ResearchInChina

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