

## **Ambow Education to Announce First Quarter 2012 Unaudited Financial Results on July 5, 2012 and Adjustments to Previous Quarterly 2011 Unaudited Financial Results**

BEIJING, June 29, 2012 /PRNewswire-Asia/ -- Ambow Education Holding Ltd. ("Ambow" or the "Company") (NYSE: AMBO), a leading national provider of educational and career enhancement services in China, today announced that the Company will report its unaudited financial results for the first quarter 2012 before US market opens on Thursday, July 5, 2012.

Following the earnings announcement, Ambow's management will host an earnings conference call at 8:00 a.m. U.S. Eastern Time on Thursday, July 5, 2012 (8:00 p.m. Beijing/Hong Kong Time on July 5, 2012) to discuss its first quarter 2012 financial results and highlights of operations and answer questions.

The dial-in number and passcode for the conference call are as follows:

U.S. Toll Free: +1-866-549-1292

China Toll Free: +400-681-6949

International: +852-3005-2050

The passcode for the call is "657079#"

Additionally, a live and archived webcast of this call will be available on the Investor Relations section of Ambow's website at:

<http://investors.ir.ambow.com/us/AMBO/irwebsite/>

### **Adjustments to Previous Quarterly 2011 Unaudited Financial Results**

In connection with its 2011 Annual Report, the Company announced certain adjustments to its previous quarterly 2011 unaudited financial results presented in the Company's previous press release and filed as an exhibit to the Company's Form 6-K filed with the SEC on May 18, August 25 and November 15 in 2011 and March 5 in 2012 (the "Press Releases").

Please refer to the tables set forth at the end of this release which set out the primary differences between the unaudited annual financial results included in the Press Releases and the quarterly annual financial results reflected in the Company's audited financial statements included in the 2011 Annual Report.

### **About Ambow Education Holding Ltd.**

Ambow Education Holding Ltd. (NYSE: AMBO) is a leading national provider of educational and career enhancement services in China, offering high-quality individualized services and products. Ambow has two business divisions: "Better Schools," which includes tutoring centers and K-12 schools; and "Better Jobs," which includes career enhancement centers and colleges. With its extensive network of regional service hubs complemented by a dynamic proprietary learning platform and distributors, Ambow provides its services and products to students in 30 out of the 31 provinces and autonomous regions within China.

### **Forward-looking Statements**

This press release includes statements that may constitute forward-looking statements made pursuant to the safe harbor provision of the Private Securities Litigation Reform Act of 1995. These forward-looking statements can be identified by terminology such as "will," "expects," "anticipates," "future," "intends," "plans," "believes," "estimates" and similar statements. Ambow may also make written or oral forward-looking statements in its reports to the SEC, including on Forms 20-F and Form 6-K, in press releases and other written materials and in oral statements made by its officers, directors or employees to third parties. Statements that are not historical facts, including statements about Ambow's beliefs and expectations, are forward-looking statements. Forward-looking statements involve inherent risks and uncertainties that could cause actual results to differ materially from the forward-looking statements. A number of important factors could cause actual results to differ materially from those contained in any forward-looking statement. Potential risks and uncertainties include, but are not limited to, risks related to Ambow's ability to complete its annual audits in a timely manner, risks related to Ambow's ability to file its annual reports on Form 20-F within the time periods prescribed by the rules of the SEC (or any extension period thereof) and risks related to Ambow's identification of adjustments in its audited financial statements subsequent to announcing preliminary financial results, as well as risks outlined in Ambow's filings with the SEC, including its annual reports on Form 20-F. Ambow does not undertake any obligation to update any forward-looking statement, except as required under applicable law.

### **About Non-GAAP Financial Measures**

To supplement Ambow's consolidated financial results presented in accordance with GAAP, Ambow uses the following measures defined as non-GAAP financial measures by the SEC: (i) Non-GAAP operating income from continuing operations, (ii) Net income from continuing operations excluding disposal loss from continuing operations, (iii) Non-GAAP net income from continuing operations excluding disposal loss from continuing operations, (iv) Non-GAAP net income from continuing operations, (v) EBITDA from continuing operations excluding disposal loss from continuing operations, (vi) Adjusted EBITDA from continuing operations excluding disposal loss from continuing operations, (vii) Non-GAAP net income from continuing operations per ADS basic and diluted. The presentation of these non-GAAP financial measures is not intended to be considered in isolation or as a substitute for the financial information prepared and presented in accordance with GAAP. For more information on these non-GAAP financial measures, please see the tables captioned "Reconciliations of non-GAAP measures to the most comparable GAAP measures" set forth at the end of this release.

Ambow believes that these non-GAAP financial measures provide meaningful supplemental information regarding its performance and liquidity that may not be indicative of its operating performance from a cash perspective. Ambow believes that both management and investors benefit from referring to these non-GAAP financial measures in assessing its performance and when planning and forecasting future periods. These non-GAAP financial measures also facilitate management's internal comparisons to Ambow's historical performance and liquidity. Ambow computes its non-GAAP financial measures using the same consistent method from quarter to quarter. These non-GAAP measures do not have any standardized meaning prescribed by GAAP and are therefore unlikely to be comparable to similar measures presented by other issuers. These measures should be considered as supplemental in nature and not as a substitute for the related financial information prepared in accordance with GAAP. Ambow believes that these non-GAAP financial measures are useful to investors in allowing for greater transparency with respect to supplemental information used by management in its financial and operational decision making. Management compensates for these limitations by providing specific information regarding the GAAP amounts excluded from each non-GAAP measure. The accompanying tables have more details on the reconciliations with GAAP financial measures that are most directly comparable to non-GAAP financial measures.

**For investor and media inquiries please contact:**

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**AMBOW EDUCATION HOLDING LTD**  
**UNAUDITED INTERIM CONDENSED CONSOLIDATED BALANCE SHEETS**  
**(ALL AMOUNTS IN THOUSANDS, EXCEPT FOR SHARE AND PER SHARE DATA)**

	Mar/31/11 (Unaudited)	Jun-30-11 (Unaudited)	Sep-30-11 (Unaudited)	Dec-31-11 (Audited)	
	RMB	RMB	RMB	RMB	
<b>ASSETS</b>					
Current assets:					
Cash and cash equivalents	790,907	524,751	576,214	470,682	3
Restricted cash	50	50	1,550	2,200	
Term deposits	29,700	28,700	20,760	46,205	
Accounts receivable, net	55,326	92,126	205,068	108,247	1,4
Amounts due from related parties	164,974	195,820	205,394	66,521	
Deferred tax assets, current	10,540	12,421	14,667	17,126	3
Prepaid and other current assets	444,734	524,493	573,952	574,123	3
Assets classified as held for sale	-	-	-	384,401	2
<b>TOTAL CURRENT ASSETS</b>	<b>1,496,231</b>	<b>1,378,361</b>	<b>1,597,605</b>	<b>1,669,505</b>	
Property and equipment, net	676,259	770,372	817,563	789,016	3,6
Intangible assets and land use rights, net	878,808	887,466	884,039	755,784	3
Goodwill	1,236,528	1,261,686	1,319,452	1,159,386	3
Deferred tax assets, non-current	5,646	5,507	6,857	4,800	
Amounts due from related parties	22,593	22,541	22,502	22,463	
Other non-current assets	151,425	187,185	171,314	319,673	6
<b>TOTAL NON-CURRENT ASSETS</b>	<b>2,971,259</b>	<b>3,134,757</b>	<b>3,221,727</b>	<b>3,051,122</b>	
<b>TOTAL ASSETS</b>	<b>4,467,490</b>	<b>4,513,118</b>	<b>4,819,332</b>	<b>4,720,627</b>	
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
Current liabilities:					
Short-term borrowings	138,070	123,070	118,070	118,070	
Current portion of Long-term borrowings	61,000	51,000	19,500	16,000	
Deferred revenue	477,692	320,940	632,041	456,189	3
Accounts payable	33,100	59,188	49,201	51,896	3
Accrued expenses and other current liabilities	407,190	433,554	423,273	482,476	3,6
Income tax payable	95,882	111,766	123,211	132,406	3,5
Amount due to related parties	15,720	37,225	40,788	47,531	
Liabilities classified as held for sale	-	-	-	145,169	2
<b>TOTAL CURRENT LIABILITIES</b>	<b>1,228,654</b>	<b>1,136,743</b>	<b>1,406,084</b>	<b>1,449,737</b>	
Deferred tax liabilities, non-current	172,280	175,951	178,138	154,368	3
Long-term borrowings	54,000	64,000	52,500	46,500	
Non-current portion of consideration payable for acquisitions and other liabilities	270,888	288,412	302,958	303,559	3
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>497,168</b>	<b>528,363</b>	<b>533,596</b>	<b>504,427</b>	
<b>TOTAL LIABILITIES</b>	<b>1,725,822</b>	<b>1,665,106</b>	<b>1,939,680</b>	<b>1,954,164</b>	
<b>SHAREHOLDERS' EQUITY</b>	<b>2,686,913</b>	<b>2,789,992</b>	<b>2,817,536</b>	<b>2,711,582</b>	
<b>TOTAL AMBOW EDUCATION HOLDING LTD'S EQUITY</b>	<b>2,686,913</b>	<b>2,789,992</b>	<b>2,817,536</b>	<b>2,711,582</b>	
Non-controlling interest	54,755	58,020	62,115	54,881	
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>2,741,668</b>	<b>2,848,012</b>	<b>2,879,651</b>	<b>2,766,463</b>	
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>4,467,490</b>	<b>4,513,118</b>	<b>4,819,331</b>	<b>4,720,627</b>	

Note 1. Adjustment related distributor sales adjustment

Note 2. Assets held for sale and liabilities held for sale adjustments related to Beijing Century College reclassified as held for sale

Note 3. Adjustment due to Beijing 21st Century International School reclassified as held for use, whose Balance Sheet was included at the year end

Note 4. Adjustment related to bad debt provision

Note 5. Income tax payable adjustment due to decreased taxable income and Beijing 21st Century International School reclassified as held for use

Note 6. Leasehold improvement adjustment relating to new training centers; depreciation and accrued expenses and other current liabilities were adjusted accordingly

**AMBOW EDUCATION HOLDING LTD**  
**UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
**(ALL AMOUNTS IN THOUSANDS, EXCEPT FOR SHARE AND PER SHARE DATA)**

	For the three months ended						
	Mar/31/11 (Unaudited)	Jun-30-11 (Unaudited)	Sep-30-11 (Unaudited)	Dec-31-11 (Unaudited)	Dec-31-11 (Audited FY)		
	RMB	RMB	RMB	RMB	RMB		
<b>Better Schools</b>							
Tutoring	159,232	210,903	210,096	197,738	777,969	1	
K-12 Schools	54,129	78,477	50,233	87,220	270,059		
<b>Better Job</b>							
Career Enhancement	75,690	131,379	140,023	158,110	505,202	1	
Colleges	17,952	30,356	31,156	36,518	115,982		
<b>NET REVENUES</b>	<b>307,003</b>	<b>451,115</b>	<b>431,508</b>	<b>479,586</b>	<b>1,669,212</b>		
Cost of revenues	146,155	178,480	181,061	209,636	715,332	1,2,3,4	1,2,3,4

<b>GROSS PROFIT</b>	<b>160,848</b>	<b>272,635</b>	<b>250,447</b>	<b>269,950</b>	<b>953,880</b>	
<b>Operating expenses:</b>						
Selling and marketing	58,780	82,540	99,359	112,746	353,425	
General and administrative	72,636	67,002	75,409	114,866	329,913	3,5
Research and development	7,789	8,047	14,016	9,689	39,541	4
Impairment loss	-	-	-	25,336	25,336	
<b>TOTAL OPERATING EXPENSES</b>	<b>139,205</b>	<b>157,589</b>	<b>188,784</b>	<b>262,637</b>	<b>748,215</b>	
<b>OPERATING INCOME</b>	<b>21,643</b>	<b>115,046</b>	<b>61,663</b>	<b>7,313</b>	<b>205,665</b>	
<b>OTHER INCOME (EXPENSE)</b>						
Interest expense, net	(5,733)	(6,221)	(6,844)	(5,805)	(24,603)	
Foreign exchange losses, net	(1,742)	(1,720)	(1,787)	(94)	(5,343)	
Other income, net	(1,119)	501	563	2,367	2,312	
<b>INCOME BEFORE TAX AND NON-CONTROLLING INTEREST</b>	<b>13,049</b>	<b>107,606</b>	<b>53,595</b>	<b>3,781</b>	<b>178,031</b>	
Income tax expense	2,059	16,691	9,641	13,840	42,231	6
<b>INCOME/(LOSS) FROM CONTINUING OPERATIONS</b>	<b>10,990</b>	<b>90,915</b>	<b>43,954</b>	<b>(10,059)</b>	<b>135,800</b>	
Income/(loss) from discontinued operations, net of income taxes	(2,727)	16,142	(9,923)	(123,073)	(119,581)	
<b>NET INCOME/(LOSS)</b>	<b>8,263</b>	<b>107,057</b>	<b>34,031</b>	<b>(133,132)</b>	<b>16,219</b>	
Add: Net gain/(loss) attributable to non-controlling interests	(1,492)	1,465	2,295	(7,234)	(4,966)	
<b>NET INCOME / (LOSS) ATTRIBUTABLE TO AMBOW EDUCATION HOLDING LTD</b>	<b>9,755</b>	<b>105,592</b>	<b>31,736</b>	<b>(125,898)</b>	<b>21,185</b>	
Preferred shares redemption value accretion						
Allocation of net income to participating preferred shareholders						
<b>NET INCOME/(LOSS) ATTRIBUTABLE TO ORDINARY SHAREHOLDERS</b>	<b>9,755</b>	<b>105,592</b>	<b>31,736</b>	<b>(125,898)</b>	<b>21,185</b>	
<b>Net income/(loss) from continuing operations per ADS attributable to ordinary shareholders</b>						
Basic	0.18	1.25	0.58	(0.05)	1.96	
Diluted	0.17	1.20	0.56	(0.05)	1.88	
<b>Net income/(loss) from discontinued operations per ADS attributable to ordinary shareholders</b>						
Basic	(0.04)	0.23	(0.14)	(1.72)	(1.67)	
Diluted	(0.04)	0.22	(0.13)	(1.64)	(1.59)	
<b>Weighted average number of ADS (note 8)</b>						
Basic	71,283,488	71,328,089	71,560,179	71,700,732	71,469,519	
Diluted	75,425,764	75,141,920	75,068,903	75,080,574	75,216,406	
<b>Supplementary Information:</b>						
<b>Share-based compensation expense included in:</b>						
Selling and marketing	1,788	1,826	1,827	1,845	7,286	
General and administrative	4,667	5,799	7,640	7,114	25,220	
Research and development	221	204	207	210	842	
	<b>6,676</b>	<b>7,829</b>	<b>9,674</b>	<b>9,169</b>	<b>33,348</b>	

Note 1. Revenue and cost of revenues adjustments related to distributor sales.

Note 2. Leasehold improvement depreciation and other expense related to new training centers

Note 3. Reclassified student population amortization from G&A to cost of revenues

Note 4. Reclassified cost of revenues to R&D expense

Note 5. Adjustment related to bad debt provision

Note 6. Income tax impact due to lower taxable income

Note 7. Income/(loss) from discontinued operations in Q1, Q2, and Q3 by using the same methodology as that used for full year.

Note 8. Each ADS represents two common shares.

**AMBOW EDUCATION HOLDING LTD**  
**UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
**(ALL AMOUNTS IN THOUSANDS, EXCEPT FOR SHARE AND PER SHARE DATA)**

	For the three months ended				
	Mar/31/11 (Unaudited)	Jun-30-11 (Unaudited)	Sep-30-11 (Unaudited)	Dec-31-11 (Unaudited)	Dec-31-11 (Audited FY)
	RMB	RMB	RMB	RMB	RMB
Operating income from continuing operations	21,643	115,046	61,663	7,313	205,665
Share-based compensation expenses	6,676	7,829	9,674	9,169	33,348
Impairment loss	-	-	-	25,336	25,336
Non-GAAP operating income from continuing operations	28,319	122,875	71,337	41,818	264,349
Net income from continuing operations	12,482	89,450	41,659	(2,825)	140,766
Impairment loss	-	-	-	25,336	25,336
Net income from continuing operations excluding impairment loss from continuing operations attributable to Ambow	12,482	89,450	41,659	22,511	166,102
Share-based compensation expenses	6,676	7,829	9,674	9,169	33,348
<b>Non-GAAP net income from continuing operations</b>	<b>19,158</b>	<b>97,279</b>	<b>51,333</b>	<b>31,680</b>	<b>199,450</b>
Net income from continuing operations margin	4%	20%	10%	-1%	8.4%
Non-GAAP net income from continuing operations margin	6%	22%	12%	7%	11.9%
Net income from continuing operations per ADS attributable to Ordinary Shareholders - Basic (note 4)	0.18	1.25	0.57	(0.04)	1.96
Net income from continuing operations per ADS attributable to Ordinary Shareholders - Diluted	0.17	1.19	0.56	(0.04)	1.88
Net income from continuing operations per adjusted ADS attributable to Ambow - Basic	0.18	1.25	0.57	(0.04)	1.96
Net income from continuing operations per adjusted ADS attributable to Ambow - Diluted (note3)	0.17	1.19	0.56	(0.04)	1.88

Non-GAAP net income from continuing operations per adjusted ADS attributable to Ambow - Basic	0.27	1.36	0.72	0.44	2.79
<b>Non-GAAP net income from continuing operations per adjusted ADS attributable to Ambow - Diluted</b>	<b>0.25</b>	<b>1.29</b>	<b>0.68</b>	<b>0.42</b>	<b>2.65</b>
Adjusted weighted average number of ADS used in calculating net income and non GAAP from continuing operations net income attributable to Ambow per ADS - basic	71,283,488	71,328,089	71,560,179	71,700,732	71,469,519
Adjusted weighted average number of ADS used in calculating net income and non GAAP net income from continuing operations attributable to Ambow per ADS - diluted	75,425,764	75,141,920	75,068,903	75,080,574	75,216,406
EBITDA from continuing operations excluding impairment loss from continuing operations (note1)	47,612	139,481	84,618	76,131	347,842
Share-based compensation expenses	6,676	7,829	9,674	9,169	33,348
Adjusted EBITDA from continuing operation excluding impairment loss from continuing operations (note2)	54,288	147,310	94,292	85,300	381,190
EBITDA margin from continuing operations excluding impairment loss from continuing operations	15.5%	30.9%	19.6%	15.9%	20.8%
Adjusted EBITDA margin from continuing operations excluding impairment loss from continuing operations	17.7%	32.7%	21.9%	17.8%	22.8%

Note1: EBITDA from continuing operations, a non-GAAP measure, being net income from continuing operations attributable to Ambow excluding interest expense, income tax expenses, depreciation and amortization. The depreciation and amortization from continuing operations for the twelve months of 2011(6-k) and 2011 (adjusted) were RMB 106,940 and RMB 114,906, respectively.

Note2: Adjusted EBITDA from continuing operations being EBITDA from continuing operations excluding share based compensation.

Note3: Net income from continuing operations per adjusted ADS attributable to Ambow - diluted is computed by dividing net income from continuing operations attributable to Ambow by weighted average number of common shares outstanding for the period plus (1) shares issuable upon the exercise of outstanding share options and (2) the number of common shares resulting from the assumed conversion of all the outstanding redeemable convertible preferred share and exercise of warrants upon closing of the initial public offering as if the conversion or exercise had occurred at the beginning of the period.

Note4: Net income from continuing operations used to calculate EPADS is equal to net income (loss) attributable to AMBOW EDUCATION HOLDING LTD minus income (loss) from discontinued operations, net of income taxes.

SOURCE Ambow Education Holding Ltd.

<https://www.ambow.com/2012-06-29-Ambow-Education-to-Announce-First-Quarter-2012-Unaudited-Financial-Results-on-July-5-2012-and-Adjustments-to-Previous-Quarterly-2011-Unaudited-Financial-Results>