New Oriental Education & Technology Group Inc.  
(New York Stock Exchange: EDU)  
The Leading Provider of Private Educational Services in China

Investor Presentation  
November 2013
This presentation contains forward-looking statements. These statements are made under the “safe harbor” provisions of the U.S. 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. New Oriental may also make written or oral forward-looking statements in its periodic reports to the U.S. Securities and Exchange Commission, in its annual report to shareholders, 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 New Oriental’s beliefs and expectations, are forward-looking statements. Forward-looking statements involve inherent risks and uncertainties. Further information regarding these risks and uncertainties is included in our registration statement on Form F-1 and other documents filed with the Securities and Exchange Commission. New Oriental does not undertake any obligation to update any forward-looking statement, except as required under applicable law.
Our Platform

- Established in 1993 in Beijing by Michael Minhong Yu
- IPO on September 7, 2006 on NYSE (EDU)
- China’s leading private education service provider with the best brand(1) with approximately 2,560,800 total student enrollments and US$1,013 million revenues in last 12 months
  - Dominant leader in Overseas Test Prep and Consulting business market in enrollments with approximately 331,700 and revenues with US$383 million in last 12 months
  - Market leader in K-12 after school tutoring market in enrollments with approximately 1,497,000 and revenues with US$441 million in last 12 months
  - Market leader in English language training market in enrollments with approximately 566,900 and revenues with US$112 million in last 12 months(2)
- Fast growing business of VIP and online
  - VIP (one-teacher-to-maximum-five-students) program in enrollments with approximately 125,400 and cash revenues with US$299 million in last 12 months
  - Market leader in online K - College with over 8.6 million cumulative registered users and 159,100 paid users in last 12 months

Our Business / Our Brand

Geographic Footprint / Scale

- Nationwide network – 713 learning centers including 57 schools in 50 cities across China; 32 bookstores and over 5,000 third-party bookstores; extensive online platform
- “One-Stop” shop for K – College
- Most extensive program and service offerings for students age 5-25
- Over 16,200 highly qualified teachers located across China

(1) Based on number of program offerings, total student enrollments and geographic presence
(2) Excluding K-12 afterschool English language enrollments
The Trusted, Lifelong “One-Stop” Education Ecosystem for Chinese Families

Profitable Business Model:
- Recurring revenues: multi-year, multi-decade, multi-generational
- Strong customer brand loyalty, lower student acquisition costs
- Enormous cross-selling and up-selling opportunities

- POP Kids English
- MaxEn English
- POP Chinese
- POP Math
- POP Music
- POP Art
- Yangzhou Bilingual Private Boarding School

Inspiring Chinese students of all ages to improve their lives and expand their horizons through a lifelong commitment to education and learning…

Extensive Nationwide Network
- Best Teachers
- Best Proprietary Content
- Proprietary Computerized Assessment Testing
- Best Customer Service and Study Consulting

Overseas Tests:
- GRE, GMAT, TOEFL, IELTS, BEC, TOEIC

Domestic Tests:
- Kaoyan (post-graduate entrance exam), CET-4, CET-6, PETS

Adult English:
- New Concept English, Listening and Oral English

Other Language:
- Japanese, Spanish, French, German, Italian

Vocational Training:
- Corporate Training, Marketing, Accounting, HR, IT, PRC Bar etc.
Best Brand in Chinese Private Education
Highest Brand Awareness and Preference

Brand Preference in K-12 After School Tutoring Market (Single Choice)

- New Oriental: 59%
- 1Smart(Jingrui): 9%
- TAL(Xueersi): 6%
- Juren: 6%
- Longwen: 4%
- Ambow: 4%
- Bonde: 3%
- Xueda: 3%
- Jinghan(by Ambow): 2%
- Others: 4%

Source: Deutsche Bank, Decision Fuel, Horizon Research (2013)

Brand Preference by Tier City in K-12 After School Tutoring Market

- Beijing: New Oriental 66%
- Shanghai: New Oriental 54%
- Chengdu: New Oriental 51%
- Guangzhou: New Oriental 63%
- Others: 64%

Source: Deutsche Bank, Decision Fuel (2013)
Which of the training schools (for overseas test prep & study) are you aware of? (Multiple Answers)

- New Oriental: 70%
- Wall Street English: 55%
- Only Education (Angli): 48%
- EF (English First): 43%
- EIC (Qide): 42%
- Global IELTS: 41%
- New Channel (Xin Hang Dao): 28%
- Not aware of any: 4%

Source: Deutsche Bank, Decision Fuel (2013)
Best Brand in Chinese Private Education

Highest Brand Awareness and Preference (Continued)

1st “Influential Brand” awarded to Education Company in China by the Government

2009 Top 10 Most Influential Chinese Education Company by Some Top Media in China

2009 Outstanding Contribution of China Education by Some Top Internet Media in China

2008 Top 10 Education Brand During China 30 Years of Reform and Opening-up by Chinese Education Media
New Oriental students achieved the No.1 Gaokao Test Score in 6 provinces in 2011, 2012 and 2013.

<table>
<thead>
<tr>
<th>Gaokao High Score</th>
<th>Province</th>
<th>City</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>Tianjin, Shaanxi, Guangxi, Guangdong</td>
<td>Shenzhen, Harbin</td>
</tr>
<tr>
<td></td>
<td>Shaanxi, Gansu</td>
<td></td>
</tr>
<tr>
<td>2012</td>
<td>Gansu, Shaanxi, Guangdong, Heilongjiang</td>
<td>Jilin, Harbin, Luoyang</td>
</tr>
<tr>
<td></td>
<td>Shaanxi</td>
<td>Wuhan</td>
</tr>
<tr>
<td>2013</td>
<td>Shaanxi</td>
<td>Hunan (2)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Shenzhen, Luoyang, Tangshan (2), Zhenjiang</td>
</tr>
</tbody>
</table>
Large and Rapidly Growing Market Opportunity

Overseas Test Prep and English Language Training Market in China

No. of Chinese Students Studying Abroad

2006 – 2012 CAGR: 20%
(in thousand)

2006 2007 2008 2009 2010 2011 2012

134 144 200 229 285 340 400

English Language Training Market in China

2009 – 2014E CAGR: 25%
(US$ in billions)


4.5 5.6 7.0 8.7 10.9 13.6

Source: China Education Year Book, Deutsche Bank Research
Large and Rapidly Growing Market Opportunity
After School Tutoring Market in China

Total Spending on After School Tutoring

2009 – 2014E CAGR: 13%
(US$ in billions)

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<tbody>
<tr>
<td></td>
<td>19.4</td>
<td>21.5</td>
<td>23.9</td>
<td>26.3</td>
<td>29.2</td>
<td>32.5</td>
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</tbody>
</table>

No. of Students Enrolled in After School Tutoring

2009 – 2014E CAGR: 3%
(in millions)

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<tr>
<td></td>
<td>115.5</td>
<td>117.9</td>
<td>121.5</td>
<td>124.4</td>
<td>127.9</td>
<td>131.8</td>
</tr>
</tbody>
</table>

Source: IDC Report
As of August 31, 2013, we had 57 schools and 713 learning centers (including the 57 schools) in 50 cities.

* Bookstore Available

(#) Number of Learning Centers
New Oriental’s primary geographic expansion include about 140 Chinese cities with total population of >200 million people.
Sustainable Competitive Advantage

- Best Brand
- Best Content and Teachers
- Nationwide Economies of Scale Advantages
- One-Stop Education Ecosystem with Best Customer Service
Experienced Management Team with a Proven Successful Track Record

Our Senior Management

Minhong (Michael) Yu
Founder, Chairman & CEO
- 29 years of experience in school management and English language training

Louis T. Hsieh
President
CFO
Board Director
- UBS (MD & Asia TMT Head), Investment Banking: Credit Suisse, JP Morgan
- Stanford (BS), Harvard (MBA), Berkeley (JD), California Bar

Chenggang Zhou
Executive Vice President
Board Director
- 14 years with New Oriental
- Former BBC correspondent for Asia Pacific and program host

Xiangdong Chen
Executive President, Domestic Business
- 15 years with New Oriental
- Expert on TOEFL, GRE and LSAT training

Well-respected in China’s private education sector

Passion towards New Oriental and education

Sharp business acumen and financial prowess

Deep knowledge of China’s private education sector
Experienced Management Team with a Passion for Education

World-Class Board

Our Board of Directors

Minhong (Michael) Yu
Board Chairman
Founder, Chairman & CEO

Louis T. Hsieh
Board Director
President
CFO

Chenggang Zhou
Board Director
Executive Vice President

John Zhuang Yang
Board Director
International Dean,
Beijing BiMBA
Adjunct Professor of
Management, CCER at
Peking University
Chairman,
Nominations Committee

Robin Yanhong Li
Board Director
Co-founder, Chairman & CEO
Baidu.com
Chairman,
Compensation Committee

Denny Lee
Board Director
Former CFO, Netease.com
Chairman,
Audit Committee

Experienced Management Team with a Passion for Education
Successful Track Record
Rapid Top and Bottom Line Growth

### Student Base (‘000)

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<tr>
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</thead>
<tbody>
<tr>
<td>872</td>
<td>1,068</td>
<td>1,272</td>
<td>1,519</td>
<td>1,808</td>
<td>2,090</td>
<td>2,402</td>
<td>2,540</td>
<td>899</td>
<td>919</td>
</tr>
</tbody>
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06 - 13 CAGR = 16.5%

FY13Q1 - FY14Q1 YoY growth = 2.3%

### Net Revenues (1)(2)

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</thead>
<tbody>
<tr>
<td>91.6</td>
<td>129.1</td>
<td>197.3</td>
<td>284.9</td>
<td>375.4</td>
<td>539.9</td>
<td>753.2</td>
<td>959.9</td>
<td>335.8</td>
<td>388.7</td>
</tr>
</tbody>
</table>

06 - 13 CAGR = 39.9%

FY13Q1 - FY14Q1 YoY growth = 15.7%

### GAAP EBITDA (1)(2)(4)

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</thead>
<tbody>
<tr>
<td>6.1</td>
<td>28.6</td>
<td>49.0</td>
<td>61.0</td>
<td>77.8</td>
<td>101.8</td>
<td>132.7</td>
<td>136.3</td>
<td>95.9</td>
<td>126.5</td>
</tr>
</tbody>
</table>

07 - 13 CAGR = 55.9%

FY13Q1 - FY14Q1 YoY growth = 31.9%

### GAAP Net Income (1)(2)

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</thead>
<tbody>
<tr>
<td>12.8</td>
<td>33.2</td>
<td>57.8</td>
<td>77.8</td>
<td>94.0</td>
<td>118.4</td>
<td>156.8</td>
<td>163.5</td>
<td>102.6</td>
<td>131.9</td>
</tr>
</tbody>
</table>


(2) All growth rates figures calculated based on USD value


(4) GAAP EBITDA =Operating Income + D&A

(5) Non-GAAP EBITDA =Operating Income + D&A + SBC + Disposal loss

<table>
<thead>
<tr>
<th>Operating income</th>
<th>D&amp;A</th>
<th>SBC</th>
<th>Disposal loss</th>
<th>Non-GAAP EBITDA</th>
</tr>
</thead>
<tbody>
<tr>
<td>8.1</td>
<td>5.1</td>
<td>8.0</td>
<td>-</td>
<td>21.2</td>
</tr>
<tr>
<td>26.4</td>
<td>6.9</td>
<td>4.6</td>
<td>-</td>
<td>37.9</td>
</tr>
<tr>
<td>46.1</td>
<td>7.9</td>
<td>8.7</td>
<td>-</td>
<td>62.8</td>
</tr>
<tr>
<td>60.3</td>
<td>10.3</td>
<td>8.7</td>
<td>-</td>
<td>87.3</td>
</tr>
<tr>
<td>76.1</td>
<td>12.2</td>
<td>10.3</td>
<td>-</td>
<td>104.5</td>
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<tr>
<td>94.2</td>
<td>17.2</td>
<td>16.8</td>
<td>-</td>
<td>128.0</td>
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<tr>
<td>120.2</td>
<td>23.5</td>
<td>16.2</td>
<td>-</td>
<td>170.6</td>
</tr>
<tr>
<td>122.6</td>
<td>26.3</td>
<td>24.1</td>
<td>-</td>
<td>188.6</td>
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<tr>
<td>101.6</td>
<td>38.8</td>
<td>27.2</td>
<td>-</td>
<td>116.6</td>
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<tr>
<td>135.5</td>
<td>8.3</td>
<td>6.7</td>
<td>-</td>
<td>151.9</td>
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% of net revenue

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<tbody>
<tr>
<td>14.4%</td>
<td>25.8%</td>
<td>27.4%</td>
<td>24.8%</td>
<td>23.5%</td>
<td>20.6%</td>
<td>19.4%</td>
<td>16.8%</td>
<td>32.7%</td>
<td>37.7%</td>
</tr>
</tbody>
</table>

(US$ in millions)
Successful Track Record
Capital Efficient and Scalable Business Model

**Nationwide Network**

<table>
<thead>
<tr>
<th>School</th>
<th>Learning Centre</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2007</td>
<td>130</td>
</tr>
<tr>
<td>FY2008</td>
<td>207</td>
</tr>
<tr>
<td>FY2009</td>
<td>270</td>
</tr>
<tr>
<td>FY2010</td>
<td>367</td>
</tr>
<tr>
<td>FY2011</td>
<td>487</td>
</tr>
<tr>
<td>FY2012</td>
<td>664</td>
</tr>
<tr>
<td>FY2013</td>
<td>726</td>
</tr>
<tr>
<td>FY2014Q1</td>
<td>713</td>
</tr>
</tbody>
</table>

**Free Cash Flow (1)(2)(3)**

<table>
<thead>
<tr>
<th>(US$ mm)</th>
<th>FY2007</th>
<th>FY2008</th>
<th>FY2009</th>
<th>FY2010</th>
<th>FY2011</th>
<th>FY2012</th>
<th>FY2013</th>
<th>FY13Q1</th>
<th>FY14Q1</th>
</tr>
</thead>
<tbody>
<tr>
<td>30.0</td>
<td>51.4</td>
<td>71.3</td>
<td>84.3</td>
<td>77.9</td>
<td>98.9</td>
<td>127.4</td>
<td>95.3</td>
<td>143.3</td>
<td></td>
</tr>
</tbody>
</table>

**Capital Expenditures (1)(4)(5)**

<table>
<thead>
<tr>
<th>(US$ mm)</th>
<th>FY2007</th>
<th>FY2008</th>
<th>FY2009</th>
<th>FY2010</th>
<th>FY2011</th>
<th>FY2012</th>
<th>FY2013</th>
<th>FY13Q1</th>
<th>FY14Q1</th>
</tr>
</thead>
<tbody>
<tr>
<td>207.4</td>
<td>261.4</td>
<td>314.6</td>
<td>419.0</td>
<td>511.9</td>
<td>706.6</td>
<td>893.1</td>
<td>972.2</td>
<td>1118.4</td>
<td></td>
</tr>
</tbody>
</table>

**Cash and Cash Equivalents + Term Deposits (1)**

- Increase of cash balance by FY07 was due to the net proceeds from our initial public offering in September of 2006.
- Approximately US$63 million cash was used for share buy back program in CY08.
- Approximately US$30 million cash was used for share buy back program in FY10.
- Approximately US$46.9 million cash was used for special cash dividend in FY13Q2.
- Approximately US$50 million cash was used for share buy back program in FY13Q4 and FY14Q1 (US$28.5 million and US$21.5 million).
- This figure does not include the 1 school and 20 learning centers we acquired from Newave Education in September 2010, because we submitted an arbitration petition alleging breach of contract by the seller of Newave Education, to the China International Economic and Trade Arbitration Commission seeking full refund of the acquisition consideration we had paid. The case was closed in December 2011, and we got the full refund by end of FY2012.
Successful Track Record

Profitable Business Model

Cost of Revenues Breakdown


(2) All growth rates figures calculated based on USD value

Gross Margin

Gross Margin (%) 60.4% 62.3% 61.9% 62.1% 60.4% 61.1% 60.0% 64.8% 65.9%
Successful Track Record
Profitable Business Model

S&M + G&A Expenses – SBC \(^{(1)(2)}\)

<table>
<thead>
<tr>
<th>Year</th>
<th>S&amp;M Expenses (S&amp;M)</th>
<th>G&amp;A Expenses (G&amp;A)</th>
<th>Total S&amp;M + G&amp;A Expenses as % of Net Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2007</td>
<td>16.3</td>
<td>35.3</td>
<td>51.6%</td>
</tr>
<tr>
<td>FY2008</td>
<td>25.4</td>
<td>51.5</td>
<td>76.9%</td>
</tr>
<tr>
<td>FY2009</td>
<td>38.3</td>
<td>77.9</td>
<td>116.2%</td>
</tr>
<tr>
<td>FY2010</td>
<td>57.8</td>
<td>99.2</td>
<td>157.0%</td>
</tr>
<tr>
<td>FY2011</td>
<td>82.0</td>
<td>148.4</td>
<td>230.4%</td>
</tr>
<tr>
<td>FY2012</td>
<td>113.6</td>
<td>226.4</td>
<td>339.0%</td>
</tr>
<tr>
<td>FY2013</td>
<td>142.1</td>
<td>311.0</td>
<td>453.1%</td>
</tr>
<tr>
<td>FY13Q1</td>
<td>109.3</td>
<td>76.6</td>
<td>185.9%</td>
</tr>
<tr>
<td>FY14Q1</td>
<td>115.2</td>
<td>77.9</td>
<td>193.1%</td>
</tr>
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</table>


\(^{(2)}\) All growth rates figures calculated based on USD value

\(^{(3)}\) Increase in selling and marking expenses in 07 was due to a refinement of the accounting process which New Oriental implemented in 2006 to allocate some of the personnel and other expenses which were included in the general and administrative expenses to selling and marketing expenses.

Total S&M + G&A Expenses as % of Net Revenue:

- FY2007: 36.6%
- FY2008: 34.9%
- FY2009: 35.0%
- FY2010: 37.7%
- FY2011: 40.1%
- FY2012: 42.0%
- FY2013: 44.4%
- FY2014: 32.6%
- FY2015: 29.6%


(2)  All growth rates figures calculated based on USD value

(3)  Increase in selling and marking expenses in 07 was due to a refinement of the accounting process which New Oriental implemented in 2006 to allocate some of the personnel and other expenses which were included in the general and administrative expenses to selling and marketing expenses.
Successful Track Record

Margin Expansion from Q3 of FY2013 due to “Harvest the Market” Strategy

GAAP & Non-GAAP EBIT Margin by Quarter

GAAP EBIT Margin

Non-GAAP EBIT Margin


(2) All growth rates figures calculated based on USD value

(3) Non-GAAP EBIT = Operating Income + SBC + Disposal loss
Successful Track Record
Quarterly Performance—Net Revenues

Net Revenues (1)(2)


(2) All growth rates figures calculated based on USD value
Successful Track Record
Quarterly Performance—Net Income

GAAP Net Income (1)(2)

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<tbody>
<tr>
<td>Q1</td>
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<td>Q4</td>
<td>Q1</td>
<td>Q2</td>
<td>Q3</td>
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<tr>
<td>33.7</td>
<td>1.9</td>
<td>11.6</td>
<td>1.8</td>
<td>5.8</td>
<td>1.8</td>
<td>3.3</td>
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<td>23.3</td>
<td>14.3</td>
<td>3.3</td>
<td>22.4</td>
<td>16.3</td>
<td>90.7</td>
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<td>FY13Q1</td>
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<td>FY14Q1</td>
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YoY growth 63.0% 83.8% 38.1% NA 33.2% 57.5% -10.3% 49.8% 27.1% -63.9% 33.0% 118.7% 9.3% 65.9% 68.1% 147.8% 45.5% 80.5% -3.7% 13.6% 5.7% -575.8% 25.0% 73.4% 31.9%

SBC 1.7 2.0 2.3 2.7 3.9 4.3 4.1 4.5 3.7 4.4 4.9 3.3 4.9 3.3 3.4 3.4 6.8 4.2 5.6 7.5 6.7 6.8 6.7 7.0 5.4
Disposal loss - - - - - - - - - - - - - - - - - - - -
Non-GAAP Net income(3) 45.4 4.0 13.9 4.5 48.8 7.4 14.5 7.1 60.8 5.5 18.7 9.0 67.3 5.2 26.6 19.2 97.5 7.5 28.0 23.7 102.6 (9.0) 34.7 35.2 131.9

(2) All growth rates figures calculated based on USD value
(3) Non-GAAP Net Income=Net Income + SBC + Disposal loss – Income from Discontinued Operations