

New Oriental Education & Technology Group Inc. Summary of Company Statements (July 19, 2012)

Company Position

New Oriental stated that it believes the Muddy Waters report contains numerous factual errors, misleading speculations, and malicious interpretations of events. The Company reaffirmed its commitment to full and accurate disclosure to investors and to rebutting false claims.

Schools and Learning Centers

- As of May 31, 2012, New Oriental had 664 company-owned and operated schools and learning centers.
- All 664 schools and learning centers were, and are, wholly owned and operated by New Oriental.

Brand Cooperation Pilot Program

- Beginning in fiscal year 2010, New Oriental operated a small, immaterial pilot program allowing third parties in certain small cities to offer the 'Pop Kids' English program and 'New Oriental Star' kindergarten program under a brand cooperation model.
- The cooperation facilities never exceeded 21 facilities in total.
- These cooperation facilities were never included in New Oriental's counts of its own schools and learning centers.
- Student enrollments from cooperation facilities were never included as New Oriental's own student enrollments.

Accounting Treatment

- New Oriental properly recorded license and training fees received from cooperation facilities as revenue in accordance with U.S. GAAP.
- For the fiscal year ended May 31, 2010, New Oriental recognized approximately US\$35,000 in such revenues (0.009% of total revenues).
- For the fiscal year ended May 31, 2011, New Oriental recognized approximately US\$249,000 in such revenues (0.045% of total revenues).

Board and Governance

The Board of Directors was informed of the allegations and stated it would consider and determine the necessary and appropriate course of action. New Oriental indicated it would release additional information in due course.

Company Overview

New Oriental is the largest provider of private educational services in China based on program offerings, total student enrollments, and geographic presence. Its services include language training, test preparation, primary and secondary education, educational content and technology, and online education. New Oriental's ADSs trade on the New York Stock Exchange under the symbol EDU.