



ChinaCast Education Corporation Announces Agreement to Acquire Second Accredited Private University in China

Acquisition is Expected to Contribute Approximately \$22 Million in Revenue and \$6.6 Million to \$8.1 Million in Pro Forma Net Income in the 2009 Academic Year

BEIJING, April 13, 2009 (GLOBE NEWSWIRE) -- ChinaCast Education Corporation ("The Company" or "ChinaCast") (Nasdaq:CAST), a leading for-profit, post-secondary education and e-learning services provider in China, today announced that it has signed a Memorandum of Understanding ("MOU") to acquire a 100% interest in the holding company of a private, accredited university located in Southwestern China. The acquisition is expected to close within 90 days, subject to U.S. GAAP audited financials and other customary closing conditions and is expected to contribute to the Company's financial results starting in the third quarter of 2009. The name of the university will be kept confidential for competitive reasons until the effective closing date.

This school was founded in 2001 and established by private investors as an independent, accredited college affiliated with a state-owned university. The staff includes 410 full-time and part-time teachers and offers fully accredited bachelor degree and diploma courses in tourism, hospitality, language studies, computer engineering, economics, law, music, art and physical education. The school, which began enrolling students in September 2004, has a campus area encompassing over 58 acres and 1.5 million square feet of building floor space.

For the current 2008 academic year which started on September 1, 2008, the college had 7,800 students enrolled on-campus with an average annual tuition of approximately US\$1,900 and expects this number to increase to 9,200 students with an average annual tuition of approximately \$2,000 in the 2009 academic year which starts on September 1, 2009. The expansion has already received preliminary approval by the Ministry of Education and further expansion is also planned for the 2010 academic year.

School revenues are expected to be \$22.0 million for the 2009 academic year, representing an increase of 29% compared to revenue of \$17.0 million projected for the 2008 academic year. Given the similar nature of this business to the Company's existing university where tuition is paid in advance and there is negligible student attrition, there is a high degree of visibility for the 2009 academic year financial results. The university has net assets currently valued at \$20.6m after subtracting \$15.5m of long-term debt related to the campus build-out.

ChinaCast has agreed to purchase a 100% interest in the holding company of the university in cash for \$43.6 million which was calculated at a multiple of 6.6 times the projected adjusted pro forma net income of \$6.6 million for the 2009 academic year. An additional earn-out based on the same multiple of adjusted pro forma income will be paid in cash or stock at the end of the 2009 academic year if pro forma net income exceeds \$8.1 million.

"This acquisition further expands our curriculum offerings and geographic footprint and reflects our continued commitment to provide high-quality, accredited post-secondary degree programs to students throughout China," said Ron Chan, ChinaCast Education Corporation Chairman and CEO. "After we close this acquisition, we will be providing accredited, post-secondary degree programs to over 18,000 on-campus students and 131,000 e-learning university students throughout the country. Higher education enrollments in China have grown at an 18% CAGR over the past decade and we look forward to further expanding our educational services to capitalize on this tremendous long-term, secular growth opportunity."

About ChinaCast Education Corporation

Established in 1999, ChinaCast Education Corporation is a leading for-profit, post-secondary education and e-learning services provider in China. The Company provides its post-secondary degree programs through its 80% ownership in the holding company of the Foreign Trade and Business College (FTBC) of Chongqing Normal University. FTBC offers career-oriented bachelor's degree and diploma programs in business, economics, trade, tourism management, advertising, language, IT and music. These degree and diploma programs are fully accredited by the PRC Ministry of Education. The Company provides its e-learning services to post-secondary institutions, K-12 schools, government agencies and corporate enterprises via its nationwide satellite broadband network. These services include interactive distance learning applications, multimedia education content delivery, English language training and vocational training courses. The company is listed on the NASDAQ with the ticker symbol CAST.

Safe Harbor Statement

This press release may contain statements that are forward-looking, as that term is defined by the Private Securities Litigation Reform Act of 1995. These forward-looking statements express our current expectations or forecasts of possible future results or events, including projections of future performance, statements of management's plans and objectives, future contracts, and forecasts of trends and other matters. These projections, expectations and trends are dependent on certain risks and uncertainties including such factors, among others, as growth in demand for education services, smooth and timely implementation of new training centers and other risk factors listed in the company's Annual Report on Form 10K for the fiscal year ended December 31, 2008. Forward-looking statements speak only as of the date of this filing, and we undertake no obligation to update or revise such statements to reflect new circumstances or unanticipated events as they occur. You can identify these statements by the fact that they do not relate strictly to historic or current facts and often use words such as "anticipate," "estimate," "expect," "believe," "will likely result," "outlook," "project" and other words and expressions of similar meaning. No assurance can be given that the results in any forward-looking statements will be achieved and actual results could be affected by one or more factors, which could cause them to differ materially. For these statements, we claim the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act.

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